

## Dream Hotels CEO Jay Stein says the luxury hospitality company 'cannot survive' without business travelers

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Madeline Stone Feb. 8, 2021, 7:16 AM



Jay Stein is the CEO of Dream Hotel Group. Courtesy of Dream Hotels.

- **Hotel experts think business travel will take longer to recover than leisure travel post-pandemic.**
  - **But business travelers are a significant source of income for many large hotel companies.**
  - **Dream Hotel Group CEO Jay Stein said they are crucial to his company's survival.**
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Travel professionals will argue that their industry was likely the hardest hit by the COVID-19 pandemic, as global shutdowns thwarted large amounts of planned business trips and family vacations last year.

US hotel revenue in 2020 fell nearly 50% to \$84.6 billion, according to a [recent report](#) on the state of the industry by the American Hotel & Lodging Association. The same report said that as of December, the industry had an unemployment rate of 18.9%, compared to the [6.7% unemployment rate for the larger US economy](#).

As vaccine distribution grows, the global economy now inches closer to recovery. And business leaders are looking to the future.

Considering [what corporate travel will look like as the pandemic ends](#) is an important part of that, as business travelers regularly accounted for more than half of major hotel chains' business pre-pandemic.

The AHLA along with other industry groups and experts predict that business travel will be the segment of travel that will take the longest to recover, after leisure travel. For example, Bank of America analyst Shaun Kelley recently said that the firm isn't expecting business travel to fully return until 2025.

Meanwhile, Jay Stein, the CEO of Dream Hotel Group, told Insider that the company "cannot survive" without business travelers.

[Dream Hotel Group](#) includes upscale and luxury lifestyle brands like Dream Hotels, Time Hotels, Unscripted Hotels, and The Chatwal.

Stein said that most of the company's 16 hotels are located in "major markets" like New York, Los Angeles, and Miami.



**The Dream Downtown hotel in New York in 2012.** REUTERS/Andrew Burton

"Corporate travel both transient and group have historically been the leading drivers of demand in these markets, as well as leading drivers in rate growth," he said. "Business travelers are our primary business mid-week and make up the majority of our repeat guest business."

Stein said he expects demand for business travel to remain soft through the spring while vaccines continue to be distributed.

And, he said, demand currently varies widely by business sector; the entertainment industry is traveling to safely create content, for example, while many in tech and finance have adapted to a virtual work environment.

[More people working remotely](#), however, isn't necessarily a bad thing for hotels, he said.

"The virtual work environment has enticed some to take their virtual office to hotels," Stein said. "Travelers may also use their company's corporate negotiated rates for blended business-leisure, aka 'bleisure' travel, which is something some markets saw a lot of over the holiday season."

Stein is optimistic that even if virtual work becomes permanent, [there will be times when a business will want to have its employees travel](#), like having candidates fly in for interviews, onboarding new employees, and bringing employees together for semi-annual gatherings.

All of these gatherings spell opportunity for Dream Hotel Group, he said.

Plus, it's likely people are getting tired of [being on Zoom or other videoconferencing platforms](#) all of the time.

"The pent-up demand for people to travel for pleasure and for work is real, Zoom fatigue is real, and people want to get out there and see friends, family and coworkers now more than ever," Stein said.

But first, widespread vaccines and therapeutics will need to restore people's confidence that they can travel safely.

"We need employees, corporations and their legal teams to feel comfortable that the pandemic is behind us," Stein said. "A strong global economy will certainly help as well."

Stein isn't alone in emphasizing the desire for business travel to come back, as well as the need to do it safely. Insider spoke to [executives from eight other major hotel companies](#), and all said that corporate travelers were a top priority.

*LINK: <https://www.businessinsider.com/dream-hotels-ceo-says-company-needs-business-travelers-to-survive-2021-2>*