Business travel in the post Covid world

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Executive Summary

Impact on Business Travel & Recovery
- Global travel stopped as Covid-19 hit; 89% of business travelers stopped traveling when there were travel restrictions in their region
- 17% of business travelers have traveled since lockdown restrictions eased; this has mainly been short-haul or domestic in nature
- Industry recovery projections all agree that travel will come back, with multiple scenarios about the speed of recovery
- CWT’s recent client survey emphasized vaccine distribution and case count decreases as being critical for business travel recovery

B2B Post-Covid Travel Trends
- Three high-level trends have emerged during the pandemic:
  1. Traveler well-being, first and foremost
  2. Greater controls on a company’s travel policy
  3. Growing conscience towards a more sustainable approach
Impact on Business Travel & Recovery
Every business... in every industry has been affected
Global travel stopped as Covid-19 hit; 89% of business travelers stopped traveling when there were travel restrictions in their region

![Global RPKs flown, billions per quarter](chart)

Sources: IATA publication from April 2021, statistics from Business Traveller magazine Nov20-Jan21

Note: Revenue per Kilometer (RPKs) is calculated by multiplying the number of revenue passengers by the total distance traveled
17% of business travelers have travelled since lockdown restrictions eased; this has mainly been short-haul or domestic in nature.

Global Travel & Tourism visitor spend, 2019–20 YoY change

- 45%
- 69%

Domestic International

- The Travel & Tourism sector accounted for 5.5% of global GDP in 2020, down from 10.4% in 2019 (-5ppts)
- Analysts predict that large countries with substantial domestic travel will experience a faster pace of recovery, including the US, Brazil, Australia, Russia and China.
- Industries with a lot of site-specific activities such as manufacturing, real estate and construction are also likely to recover sooner, including countries such as China, Japan and Germany.
- According to the latest GBTA forecasts, international business travel is not expected to increase significantly until 2022.

Sources: World Travel & Tourism Council (WTTC) annual report on the economic and employment impact of Travel & Tourism for 185 countries/economies and 25 geographic or economic regions in the world, Moody’s, Global Business Travel Association (GBTA) BTI Outlook annual forecast
Industry recovery projections all agree that travel will come back, with multiple scenarios about the speed of recovery

BCG’s three scenarios for global RPK recovery

Source: BCG analysis prepared for Airline Reporting Corp presented January ’21

Revenue per Kilometer (RPKs) is calculated by multiplying the number of revenue passengers by the total distance traveled
Vaccine distribution & case decreases will drive the return to business travel

CWT Client Survey; Return to travel enablers, Mar21

**Weighted importance to increasing business travel (out of 5)**
- Vaccine distribution: 4.5
- Case counts in home country: 3.2
- Office reopening: 2.5
- Competitive pressures (competitors traveling): 1.4
- Other: 1.0

**Anticipated change to pre-trip approval process**
- No change to level of approval required: 26%
- Short term change (less than 12 months): 35%
- Medium term change (12-24 months): 33%
- Long term/permanent change (more than 24 months): 6%

**Expected restart of large meetings**
- Already restarted: 1%
- Second half of 2021: 17%
- First half of 2022: 51%
- Second half of 2022: 23%
- Beyond 2022 or possibly never: 9%

**Key Finding**
- Traveler health improvements like widespread vaccine distribution and case count reduction will drive the return to business travel

**Key Findings**
- Over half of respondents don’t expect a change to their approval process beyond 12 months
- 94% of respondents don’t expect any change to their process beyond two years

**Key Finding**
- 74% of respondents expect to restart large meetings in 2022, with 91% of large meetings expected to restart by the end of that year
B2B Post-Covid Travel Trends
B2B Post-Covid Travel Trends

- Traveler well-being, first and foremost
- Greater controls on a company’s travel policy
- Growing conscience towards a more sustainable approach
1. Traveler well-being, first and foremost

Companies now considering:

✓ How do I decide what travel is safe?
✓ How do I assess and enforce permissible travel?
✓ What travel upcoming, and are any at higher risk?
✓ How do I message travelers with the latest policy advice?
✓ Someone has just booked a high-risk trip, do I intervene?
1. Traveler well-being, first and foremost

Standardization and interoperability of digital passports are the key to get us back to travelling for business.

A range of DHP (Digital Health Pass) providers has emerged.

Real-time data and tracking will remain critical for company’s fulfilling their duty of care.
2. Greater controls on a company’s travel policy

Including
- pre-approval
- red/amber/green assessment of destinations
- turning off online channels (short term)
3. Growing conscience towards a more sustainable approach

61% of planners are creating a long-term **virtual** events strategy

92% of event professionals see **sustainability** as a big factor

97% of marketers say **hybrid** events will be common in the new normal
3. Growing conscience towards a more sustainable approach

Why 1+1=3 with hybrid

- Reach a wider audience
  Global, accessible, and inclusive

- Improve ROI and cost-effectiveness
  Bridge the gap between costs and results

- Minimize risks and disruptions
  Stronger on-site protocols, go virtual if needed

- Meet your sustainability objectives
  Minimize emissions and carbon footprint

- Holistic event design
  Repurpose content, creative design and communications
3. Growing conscience towards a more sustainable approach

**Plane versus train**

UBS Evidence Lab’s mapping of intra-EU air routes at risk from existing/future high speed travel

- Analysts forecast an acceleration in the shift from planes to high-speed rail (HSR) in both Europe and China.

- Surveys indicate that EU business travellers would tolerate up to four hours on a train (leisure travellers up to 5-6 hours) vs the previous general consensus of 2-3 hours.

- UBS Evidence analysis suggests that incremental demand for HST (high-speed travel) could slow Air traffic growth 2018-28, leading airlines to save up to 3.4m tonnes of CO2.

- France set to ban short domestic flights in favor of train services, as part of a wider climate bill where the journey can be made by train in less than 2.5 hours.

- Austria’s flagship airline has replaced one of its flights with a more frequent train service in a bid to cut domestic flight emissions by 50% by 2050.

Sources: UBS Evidence Lab, Apr20 & CNN Travel edition 12 April 2021.
Survey = 1,000 respondents in Europe and China. CO2 savings based on cutting the in-fleet service by c96 units per year.
3. Growing conscience towards a more sustainable approach

**Responsible travel**

**Balance via the ECO approach**
- Employee wellbeing
- Climate impact
- Organizational performance

**Carbon emissions reporting**
- Available via AnalytIQs
- Air and rail reporting
- Compares current and prior period of CO₂ emissions

**Responsible Business Governance**
- Integrating Responsible Business into the way we do business every day
- The promotion and initiation of Responsible Business programs & projects
“You will never see eye-to-eye if you never meet face-to-face.”

– Warren Buffett, Chairman and CEO, Berkshire Hathaway
Questions?
Who are CWT?
So what’s different?

CWT is a Business-to-Business-for-Employees (B2B4E) travel management platform. Companies and governments rely on us to keep their people connected — anywhere, anytime, anyhow. Across six continents, we provide employees with innovative technology and an efficient, safe and secure travel experience.

B2B4E travel management platform
2020 CWT Highlights

- 148 years of history
- Operations in 145 countries
- 32,000 voluntary service hours
- 90 different nationalities
- 70% of employees are women
- 100% carbon neutral meetings
B2B4E in action

Traveler segmentation
From occasional to road warriors

Productivity
Disruptions I advance booking I flexibility

Work life balance
Day and time of departure / arrival I trip duration

Duty of care
CO₂ emission I safety risk

Experience and comfort
Cabin I hotel classification I direct trip I time zone
Virtual events will remain a key priority

1. Customers are creating long term virtual meetings strategies
2. Returning to M&E is a key priority, expect organizations to invest in hybrid in 2021
3. Most virtual organizers (62.6%) have yet to partner with a production services company
4. Less than a quarter of organizers have ever hosted a hybrid event – support and training will be needed

M&E market in 2019: $ 1 trillion
Virtual market in 2020: $ 94.04 billion
Revenue forecast in 2027: $404.45 billion
Growth Rate: CAGR of 23.2% 2020 to 2027*
- Leading region: NORAM
- Highest forecasted growth: APAC

“[Quote]"We need to nail that attendee value proposition, as well as engagement, because we’re still kind of suffering from Zoom fatigue. So there is a ways to go.”"
Customers and attendees expectations

1. Networking and engagement are the biggest challenges when hosting virtual events
2. Executive leadership are the ones leading today the strategy around M&E
3. Attendees will be expecting the option to join virtually, even when live is possible
4. Safety and security will be paramount for live, with need for strong health and safety components and flexible T&Cs

What M&E format will attendees prefer in 2021?

- In person with the option to attend virtually
- Virtual
- In person
- Other

Top two factors influencing:

- Whether to hold an in-person event: 68% (confidence in attendee health and safety components), 59% (flexible cancellation and attrition teams)
- Meeting location choice: 77% (capacity to accommodate social distancing), 52% (disinfection protocols)

What are the biggest challenges that you’ve noticed with hosting virtual events compared to hosting in-person events?

- Networking: 68.8% (it’s more difficult to provide attendees with networking opportunities)
- Engagement: 67.7% (it’s more difficult to keep attendees engaged during sessions events)
- Differentiation: 52.9% (it’s more difficult to create a unique and memorable experience for attendees)
- Logistics: 52.5% (producing a virtual event requires different skills and resources)
- Sponsors: 36.9% (it’s more difficult to provide valuable opportunities for sponsors)
- Impact: 35.7% (it’s more difficult to connect with customers and prospects)

Which stakeholder groups are leading the return of M&E?

- Executive Leadership: 34%
- Marketing: 11%
- Human Resources: 11%
- Sales: 11%
- Security: 10%
- Other: 9%
- Travel Management: 6%
- Legal: 4%
- Procurement: 3%
Return to Travel Dashboards
Your essential return to travel reporting

- Quick reporting
- Improved visibility
- Easy access
- Global availability
Traveler checklist
Preparing for the trip

Planning and packing
Travel logistics
Safety protocols
Informative links
CWT Travel Essentials via myCWT platform

- Quick and easy access
- Clear visibility
- Regular updates
- Global accessibility
Return to travel microsites
Interactive travel resources

Efficiency
Stewardship
Movement

Now what?
Business travel in a new world

Your organization has changed. Business travel has changed. But do we know two things for sure:

1. Companies and individuals will have a range on readiness to return. This makes it difficult to project when travel business will resume to a significant level.

2. Travel will be changed. Airports, airlines and hotels will be taking new precautions, and conferences will eventually return.

The pandemic has taken a lot from us, but it also has driven home the importance of all those things we previously took for granted. That includes the need to meet face-to-face.

“You will never see eye-to-eye if you never meet face-to-face.” – Warren Buffett, Chairman and CEO, Berkshire Hathaway

We say: Exciting things happen when people meet.

Businesses and people thrive with new relationships and ideas being forged, leading to innovation and growth. And CWT will continue to help you connect your employees with your customers to unlock new possibilities.