

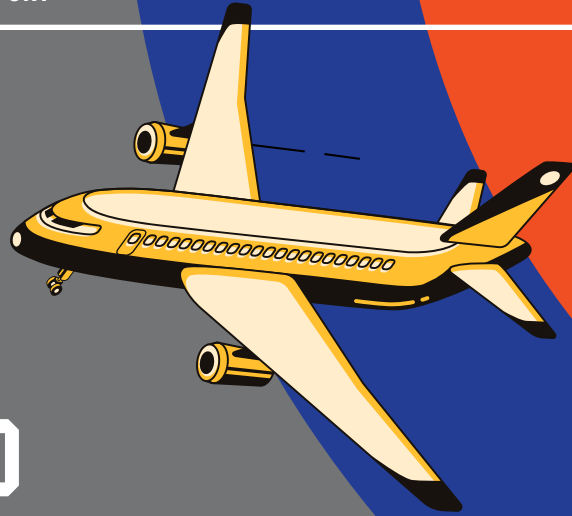
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WIRED BRAND LAB + DEEM 2021 TRAVEL TRENDS REPORT

CORPORATE TRAVEL THIS YEAR AND BEYOND



PRODUCED BY
WIRED BRAND LAB AND CONDÉ NAST TRAVELER FOR DEEM

Last year, COVID-19 brought business travel to a standstill. But now vaccines are being administered, and companies are cautiously considering when employees can take to the road again. Here are the key trends to watch.

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**Corporate travel will
return slowly, and in waves**

THE TREND IN 2021



Few industries were as hard hit by the coronavirus pandemic as the travel sector, with corporate bookings declining dramatically. In April 2020, during the early days of the COVID-19 spread, the Global Business Travel Association (GBTA) reported that 98 percent of its member countries canceled international business trips, and 92 percent halted all or most domestic ones.¹ According to research by BusinessWire, spending on corporate travel fell by 54 percent in 2021, and is expected to fall by an additional 4.5 percent in 2021.² And if the Great Recession is any indication, it will take some time to bounce back. After 2008, it took five years for international business travel from the United States (which fell 13 percent) to return to pre-recession levels, compared with just two years for leisure travel (which fell by 7 percent).³ The good news? Many businesses are anticipating that corporate travel will begin to return in the latter half of 2021 and pick up dramatically from there.

In August, the consulting firm McKinsey released a survey of global travel managers at major companies.⁴ The responses indicated that most managers believe corporate travel will return in waves, and that it will vary across sectors. Regional and domestic trips will return first. International travel, when it begins to rebound, will be led first by sales

teams, which could happen as early as this summer. Some of the first industries to return to travel in large numbers will be manufacturing, construction, and pharmaceuticals. After that, tech, energy, and finance will bounce back. Some of the last industries to return will be education and health care, largely because travel in those industries tends to coincide with conference attendance, which is likely to take more time to revive.

KEY TAKEAWAYS



- With many companies now adept at doing business virtually, in-person meetings that require travel will likely be reduced and may never return to pre-pandemic levels.
- However, corporate travel is expected to pick up in the second half of 2021 and beyond, reaching \$829.5 billion by 2027.⁵ That's still less than the 2018 total, which was estimated at just over \$1.4 trillion, according to the World Travel and Tourism Council.⁶
- Domestic travel will rebound before international travel. One reason for this may be the need for companies to integrate remote workforces and new hires through team-building off-sites.
- More than half the employees who responded to a survey by association management company Innovatis Group said they would be comfortable getting on a plane for work by the second quarter of 2021, and 81 percent said they would feel fine flying by October 2021.





2 Employees will rely on their companies' travel professionals more than ever

THE TREND IN 2021



For many business travelers, it's been a year or more since they hit the road or took to the skies. During that time, airports, airlines, hotels, and car rental services have upgraded their technology with enhanced safety measures. They've also added innovations to streamline travel—and make aspects of it contact-free—through smartphone technologies. In other words, even seasoned travelers may soon encounter unfamiliar requirements and protocols, such as digital health passports and certificates, when they return to the road—making them feel like they're learning to ride a bike again.


As a result, employees will probably rely more than ever on their companies' travel professionals for guidance. Business travelers will encounter new requirements when it comes to booking trips—because of companies' lingering concerns about COVID-19 and, in many cases, because of reduced budgets. In a recent GBTA survey in partnership with corporate travel software provider Deem, 86 percent of respondents said their companies had instituted stricter pre-trip approval in recent months. And nearly half said their companies now have more stringent requirements for booking through a travel management company (TMC), with 62 percent reporting that C-level executives need to sign off on employee trips.⁷



KEY TAKEAWAYS



- In a recent survey by GBTA, almost half of travel managers said their companies had stricter requirements when booking through a TMC, to make sure those bookings receive proper approval.
- Travelers will be encouraged to book flights and hotels via TMCs so that companies can quickly account for and contact their employees who are on the road in the event of a crisis.
- In a poll by travel forecaster Globetrender, just 18 percent of respondents said that, pre-pandemic, health and safety was their most important factor when booking a business trip. Now that number stands at 64 percent,⁸ which is one reason many employees feel more comfortable booking with a TMC offering real-time updates on health concerns at their destination.



3 **Conferences will slowly return in 2021, with a hybrid model**



THE TREND IN 2021



Conferences and trade shows have always dominated corporate travel. And conferences will make a comeback in 2021, but only for a select few, at least in person. This year events will see a mix of in-person and virtual attendees, inaugurating a new format—the hybrid model.

In the wake of COVID-19, conference centers have installed broadcast studios, enabling virtual attendees to feel like they're there. Houston's George R. Brown Convention Center⁹ and New York City's Jacob K. Javits Convention Center¹⁰ have both updated meeting and event spaces with technology to beam talks and sessions around the globe. The Long Beach Convention and Entertainment Center in California converted its entire campus into a broadcast-ready venue.¹¹

This year, there will be fewer business travelers attending conferences than usual, and most in-person events won't kick off until the fourth quarter. Some locations

will be ready before others to host hybrid conferences, including (not surprisingly) expo powerhouse Las Vegas, which was devastated by the travel decline in 2020 but has made big strides in luring visitors back. In a survey released in January, in partnership with the Las Vegas Conventions and Visitors Authority, nearly 75 percent of business travelers said they think Las Vegas will be prepared to safely host conventions during the second half of this year.¹² And because many conference locations are waiting to see how other destinations fare, the floodgates could open after a major hub like Las Vegas starts hosting large numbers again.

For conference attendees, new technologies will be key to keeping everyone safe. Innovations include wearable Bluetooth devices that are designed for both networking and wayfinding at convention centers, and can also alert attendees if others come too close. The tech could help monitor foot traffic too, to determine when an area needs to be cleaned, and offer tracking data on possible virus outbreaks—assuming conference-goers agree to share it.

KEY TAKEAWAYS



- For better or worse, the hybrid conference model will likely become the new norm for the foreseeable future. As a result, conferences will remain much smaller than in years past. But they will become more adept at offering high-quality virtual options—making it easier for attendees to get the full experience from afar.
- In a survey conducted by Innovatis Group, 60 percent of business professionals said they'd be comfortable attending events in person by the fourth quarter of 2021.¹³
- Virtual-events company Pathable, in a new report, says that 38 percent of conference planners will choose among hybrid, virtual, and in-person models for their events by the end of March.¹⁴ In other words, clarity on 2021 is coming soon.



4

Online booking tools will receive upgrades, making them easier to use and more traveler friendly

THE TREND
IN 2021

This year there'll be fewer business travelers. But those who do travel will expect online booking tools similar in functionality and ease to the other apps in their lives. As companies rely more on third-party vendors for advice and guidelines—and increasingly demand options that are both flexible and refundable—booking services will adapt by offering new and expanded services.

According to a recent survey by the GBTA, only about half of travel managers (54 percent) are satisfied with their mobile booking solution when it comes to “consistency with other formats.” For years, mobile apps for corporate booking have often had different interfaces or functionalities compared with their desktop versions, resulting in clunky experiences for business travelers. But during the pause in travel during COVID-19, many of these tools have been upgraded.

Recently, Deem unveiled Etta, an app that uses a cloud-based platform to ensure business travel is easy to use for both managers and employees. Building on 20 years of experience, Etta (which stands for Easy to Travel Anywhere) allows business travelers to quickly search and compare air, hotel, rental car, and car service options, while also showing a company's preferred airline and car rental companies, as well as other providers (and taking into account its corporate travel policies before booking). Etta, in conjunction with Deem's pre-trip approval and notification workflow, enables managers to automate the process or look at all current bookings and receive notification if any fail to abide by company policy. Travelers, meanwhile, can customize their preferences—making the process simpler and faster. And the Etta app can automatically transfer purchases made on a personal credit card—for instance, to the company's expense platform, streamlining the reimbursement process. As corporate travel shrinks and companies look to outside solutions to facilitate their employee trips, third-party online booking tools are poised to transform the world of business travel—making trips easy to navigate with mobile apps that help provide a more informative and comprehensive experience.

KEY
TAKEAWAYS

- Before COVID-19, corporate travel managers relied on pre-trip approvals to calculate the most efficient (i.e., cheapest) means of travel for employees. But going forward, managers will need online tools to help them navigate an increasingly complex booking landscape.
- As perhaps their greatest priority, travel managers will need to ensure the health and safety of employees while offering options that promote diversity, equity, and inclusion. Solutions like Deem Travel SafetyCheck, for instance, enable business travelers to easily look up airline policies on cleaning protocols and whether they block off middle seats, as well as COVID-19 caseload maps and the status of neighborhoods around hotels. The SafetyCheck “Neighborhood Assessment” feature offers seven different topics with unique insights according to personal needs and concerns, from women traveling alone to members of the LGBTQ community to those concerned about nighttime safety.
- Going forward, online booking tools like Etta will assist business travelers in making better-informed decisions, simplifying the process and helping them feel more at ease on their trip.

5

**Business travel will look
and feel different on the ground**

THE TREND IN 2021



In June, as the pandemic began to ease in China, China Eastern became the first airline in the country to offer a new option aimed at business travelers: flying at will in mornings and evenings. Part of a broader effort to attract travelers back to the skies, the China Eastern package reserves a limited number of seats on all flights for people who purchase the offer. Using the package, travelers get “first-come, first-serve” access to the seats, enabling them to potentially hop on planes at the last minute without prior bookings.¹⁵ As the pandemic subsides in the United States and employees take to the skies, corporations may embrace new options like these, influencing all aspects of travel from car trips to sustainability initiatives to hotels.

First, unconventional accommodations will become more, well, conventional. According to a report by STR—a research firm offering insights on the hospitality sector—and the short-term rental analysts AirDNA, home rentals have outperformed hotels in 27 global markets since the spread of COVID-19.¹⁶ As people look to reduce contact and increase space, this trend will likely continue in the business world, with companies offering employees options like Airbnb for Work, which rents homes and rooms in smaller boutique hotels.

Also, Millennials and Generation Z

workers will increasingly define the business travel industry. Young professionals born after the mid 1990s, Millennials were raised with smartphones and social media, and place a premium on being in the right place at the right time to capture a moment and share it online. To cater to this growing market, business travel platforms will increasingly use artificial intelligence (AI) and the internet of things (IoT) to improve customer satisfaction and customize services on the go. By differentiating between junior and senior executives and suggesting bookings based on preferences, these technologies will enable multiple employees on the same business trip to have personalized experiences while simplifying details like uploading expense reports and offering safety updates.¹⁷



KEY TAKEAWAYS



- The staycation will take on a whole new meaning. With the

ability to work remotely from anywhere, digital nomads want to mix work and fun after being pent up for a year, and hotels are taking note. In February, Hilton launched the Great Relocate, which enables workers to buy a package to stay at Hilton hotels while working and traveling abroad.¹⁸

- For 2021 and into the future, companies and their employees will lean into sustainability concerns. Due to the pause in travel last year, global carbon emissions are projected to be 8 percent lower in 2020 than they were in 2019. And with a new focus on reducing emissions by the White House and a rise in videoconferencing, travel managers will need to make a clear case for business travel going forward. Travelers will look to make their journeys as sustainable as possible, and will expect online tools that make tracking and offsetting emissions easy.¹⁹
- Before COVID-19, hotels mostly focused on offering a seamless experience. Now they're emphasizing enhanced hygiene and flexibility. Last year in China, the Huazhu Group required 1,200 hotels to provide contactless services from check-in to room service—meaning guests never have to interact with a single person.²⁰ In the U.S., this trend is rising. Hotel chains like Hilton and Marriott are offering contactless check-in and enabling guests to use their smartphones as keys.²¹



6 New tech will change business travel

THE TREND
IN 2021

Innovations like 5G, AI, and IoT are transforming how industries do business, and that includes corporate travel. As employees return to the road, travel managers and third-party online booking tools will become increasingly important to help companies stay up to date on the newest trends and navigate an increasingly fluid and connected world. Emerging from the pandemic, perhaps the longest-lasting trend is the simplest: Change in business travel is itself the new norm.

KEY
TAKEAWAYS

- According to the U.S. Department of Homeland Security, travelers can expect to encounter facial recognition technologies for travel by 2023. But while biometric technology may enhance security, it also raises privacy issues. Going forward, as IoT and biometrics become commonplace, ethics around cybersecurity will become a greater concern.²²
- In January, President Joseph Biden issued an executive order asking government agencies to produce digital versions of coronavirus vaccine certificates—essentially paving the way for a COVID-19 passport for international travel. Additionally, a number of companies and nonprofits—including IBM and the Commons Project Foundation—are developing digital health passes to enable people to present proof that they've tested negative or received the vaccine.²³ As the coronavirus continues to mutate around the world, digital certificates of health may soon become commonplace, especially as global standards emerge.
- Among corporate travelers, high-tech wristbands, like those used as room keys in places like Disney World, may become commonplace at conferences, letting attendees enter facilities, pay bills, and share contact information with a quick sync of their bands. The tech has already been used by some event organizers, like Northstar Meeting Group, to help attendees maintain social distance—reminding people with a little buzz if they wander too close to one another.²⁴
- Virtual expense cards, which allow travel managers to place money in a one-time account in an app on employee's smartphone, are becoming standard. The cards, like those provided by Conferma Pay, can be generated automatically when a travel manager books a business trip.²⁵ The employee then simply charges an expense by scanning their phone at a virtual-payment machine that accepts digital tenders, similar to how Apple Pay works.
- As larger amounts of data are fed into AI-powered machines, more and more programs will assist—and predict—business travelers' needs, making corporate travel easier. They'll also automatically rebook flights or hotels for employees if they encounter travel disruptions while on the road. And some platforms, like Deem's Etta, will offer business travelers everything they need on the road—from hotel recommendations based on past stays to real-time updates on health concerns to seamless expense reports.



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