



FCM

A fresh approach to business travel.

What does it look like?

fcmtravel.com



Business travel has experienced unprecedented disruption over the last year.

As a result, companies' and travellers' needs have changed like never before. For FCM, our single-minded purpose is to ensure our customers can adapt, operate, and thrive in this ever-changing world.

This purpose is reflected in FCM's new brand identity. A nod to a dynamic, demanding era of travel which requires the best in the business – a responsive and connected partner ready to take control and tackle disruption.

Out of crisis comes opportunity, and the challenges of 2020 pushed FCM to new heights with steady growth, new clients and new teammates. We recognised that the key to success for ourselves and our customers was an agile approach that allows us to deliver the right solutions to our clients at the right time. After all: a state of change requires a flexible approach to both business and travel.

Been there. Done that. The lessons from 2020.

Remember all those predictions you read in January 2020 about the trends to watch in your industry? Chances are those predictions were meaningless by March, when the pandemic rolled in and changed everybody's lives.

COVID-19 changed travel irrevocably in 2020. To gauge the extent of its impact on business travel, FCM conducted a thorough State of the Market research project in September 2020.

A total of 1,600 business travel managers, bookers and travellers working with FCM and Corporate Traveller in EMEA, Asia, the Americas, India, Australia and New Zealand took part in the survey in order to give

both TMC divisions greater insight into their clients' prevailing sentiments on business travel conditions as countries emerge from the COVID-19 crisis.

Now that 2020 is officially behind us, FCM decided to look back and see whether the predictions in our State of the Market study held up. How have things changed?

Lessons from 2020

A stronger focus on duty of care

Duty of care, including risk management, traveller health and safety and traveller tracking, emerged in the State of the Market as the top priority with time and investment predicted to be significant across all aspects of the business travel framework. Fast forward to 2021, and we have already seen significant investment into the duty of care space.

At FCM, we saw a sharp spike in requests for access to our risk management tool at the start of the pandemic. Clients were looking to have immediate access to updated crisis information through our tools, which can drastically cut down your response time in getting travellers to safety. FCM was able to work with clients to build a custom COVID-19 dashboard in the platform that enabled customers to quickly assess their risk and respond to it, offering clients a further level of security during a period of insecurity.

Tightened approval processes

During COVID-19, interim travel policies were introduced providing more restrictive guidelines for travellers, including significantly tightened approval processes. New and additional layers of approval were introduced to ensure that travel is essential and permissible.

With the need for tighter approval processes in mind, the FCM platform was revamped to ensure the process

is smooth and frictionless. All traveller requests can be found in one place with approvals going directly to the traveller on mobile.

A gradual return to travel

In September 2020, the vast majority of business travellers expected to see a gradual increase in business travel, with consensus peaking in business travel returning domestically in Q4 2020 (40% of respondents) and internationally in the first half of 2021 (32% of respondents).

In most regions around the world, this was indeed the case. Domestic corporate travel gradually resumed, with most corporates today confident enough to hop onto a plane to reconnect with important clients.

As many countries around the world are still experiencing a second (and even third) wave of the pandemic, international travel is still mostly on hold. However, with the rollout of the vaccine, we can expect that we will see some green shoots in international travel within the next six months.

Unfortunately, corporate travel volumes are nowhere near pre-COVID levels, but this was predicted in the State of the Market report. In September 2020, only half of respondents believed that their business travel volumes would return to pre-coronavirus levels.

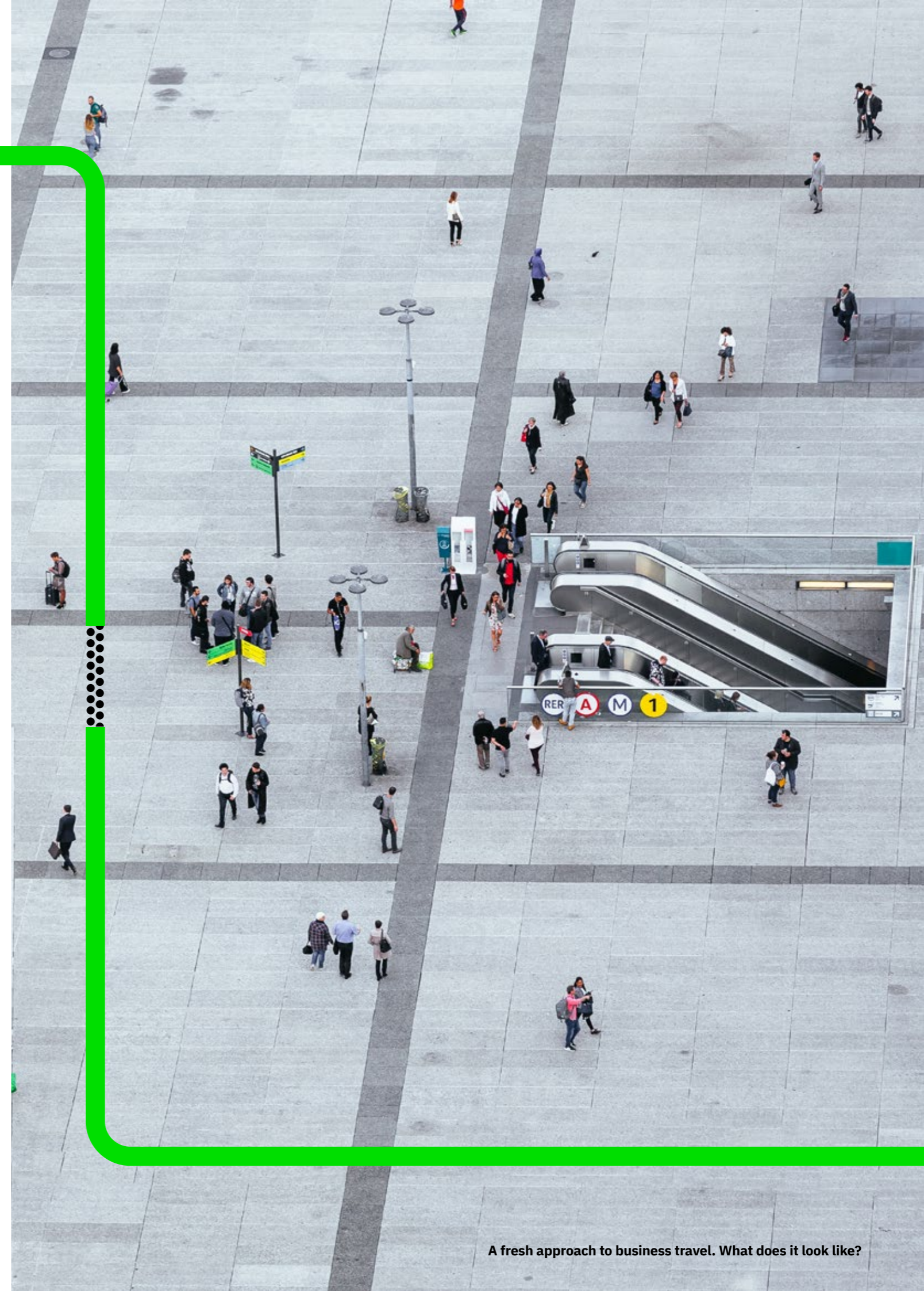
Recovery per market

Our forecast in 2020 was that business travel recovery would be led by Asia and EMEA. The highest level of uncertainty around when domestic and international business travel will resume significantly was in the Americas with 28% of respondents saying that they did not know when travel would return.

At time of writing in Q1 2020, we see the same cautious approach from the US markets, while markets such as New Zealand and South Africa are further down the road in terms of their return to travel.

Which industries were first to return?

Corporates in the mining and construction sectors indicate the fastest return to travel: 64% of respondents in mining sector expected to travel domestically within one to three months and 69% of respondents in construction sector expect to travel domestically and internationally within the same timeframe. Construction, training & education and financial services were also among the sectors earmarked to recover faster. In 2021, these sectors remain the industries that show the strongest recovery.



Taking stock: where are we now?

Corporate travel in 2021 remains under pressure and still faces a number of obstacles, including government restrictions, lack of content availability, a tightening of approval processes, stringent health requirements and a hesitancy to travel.

The US market especially remains constrained with customers trading between 1% and 10% of pre-COVID volumes, and many companies not contemplating a set date for a return to higher travel volumes. However, while overall travel volume is down, the average length per booking has increased for all categories in the US. Also, in Switzerland, the recovery rate remains low at between 2% and 3%.

South America and the Nordics saw a slightly faster recovery to between 15% and 20% of pre-COVID volumes, while France and South Africa are currently reaching between 20% and 25% of pre-COVID volumes.

New Zealand has seen the strongest recovery with domestic travel reaching 80% of pre-COVID volumes.

Many companies globally are adopting a 'wait-and-see' approach, wanting to gauge how other organisations are planning to return to travel. "Companies don't seem to want to be the first to start traveling again or the last. But uncertainty of the market is holding them back," says Billy McDonough, FCM President for the Americas.

Domestic travel continues to dominate the business travel space globally, while we can expect that the various quarantine and entry restrictions will continue to depress transborder international travel for internal meetings and industry conferences throughout the year and into 2022.

The lack of travel confidence can manifest itself in many forms, according to Nick Queale, General Manager, Corporate Brands New Zealand. "The uncertainty of movement stems from snap government decisions and existing border closures along with short notice on regulation change. Our customers have experienced mid-flight changes

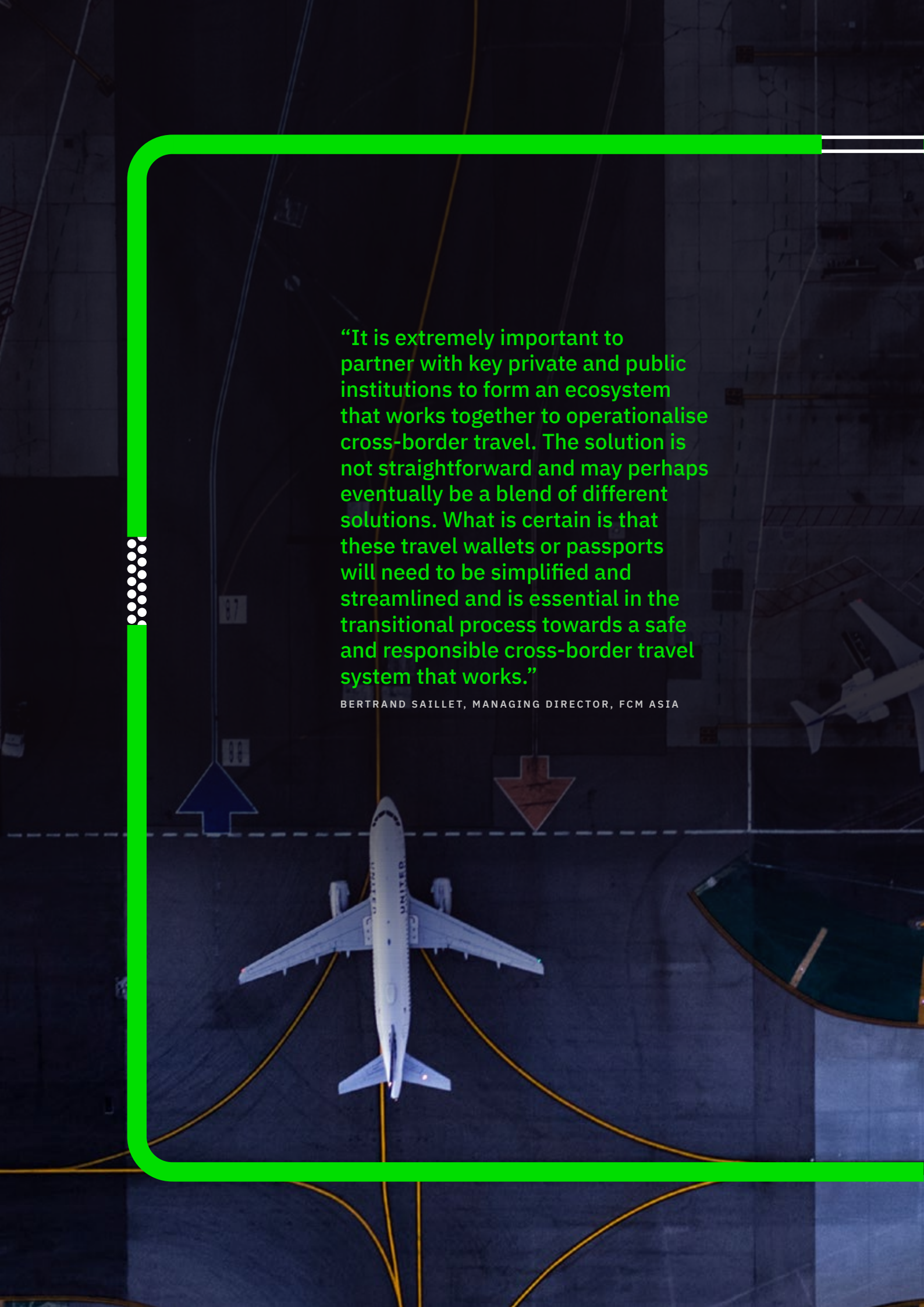
whereby when they departed everything was in place, however when they landed things had changed, entry was denied, and they had to book a flight out of the destination they had just arrived in."

Traveller confidence – or the lack thereof – should also be seen in light of health concerns. In some cases, the traveller doesn't have the appetite to travel just yet and is concerned about his or her personal safety. At other times, the company's duty of care regulations restricts travel options. During the pandemic, many companies put stringent approval processes in place for their travellers. It'll be interesting to see if these layers of approvals remain in place long-term.

While some – if not all – of the barriers to travel are outside of FCM's control, the teams across the world have ensured they are well informed and have accurate information at their fingertips to be able to advise customers on all rules, restrictions and options when they are booking travel.

"Although some essential business travel is allowed, finding the seats for travellers continues to be a challenge globally, and certainly within the EMEA region. Following on from this, understanding inconsistent global regulations around testing still presents a barrier to travel for essential workers, which contributes to a very understandable sentiment around hesitancy to travel."

STEVE NORRIS, CORPORATE MANAGING DIRECTOR EMEA,
FLIGHT CENTRE TRAVEL GROUP.



“It is extremely important to partner with key private and public institutions to form an ecosystem that works together to operationalise cross-border travel. The solution is not straightforward and may perhaps eventually be a blend of different solutions. What is certain is that these travel wallets or passports will need to be simplified and streamlined and is essential in the transitional process towards a safe and responsible cross-border travel system that works.”

BERTRAND SAILLET, MANAGING DIRECTOR, FCM ASIA

What does the future hold?

A shot in the arm for business travel!

Although the recovery landscape remains in constant flux as the world is seeing rapidly different COVID-19 contexts, there are hopes that the vaccine could help everyone return to some semblance of “normality”.

Most regions around the world have seen the domestic market return with speed and resilience. New Zealand takes the lead in this recovery with the seat capacity at more than 80% of pre-COVID levels, but even other countries around the world are seeing domestic business travel recover.

This local recovery has led to a number of innovative solutions. The US, for example, has seen a big push for ‘clean suites’ from hotel chains as meeting alternatives. “People may be reticent to having travellers visit their offices (enter their bubble), we could see a move towards places that are centrally located and assured to be clean so that people can meet and feel relatively safe,” says McDonough.

Andrew Stark, MD Flight Centre Group Middle East and Africa, explains that business travellers definitely have an appetite for travel, and travel confidence has started increasing. However, for the remainder of 2021, Stark envisions a number of false starts throughout the

year as the COVID pandemic remains unpredictable. “Once the vaccine is more widely available, we expect to see a stabilisation of the numbers,” he says.

The biggest catalyst for growing travel volumes internationally will be to stabilise market confidence, which will be dependent on a combination of vaccines, health passports and an overall desire to ‘get back on the road’.

Steve Norris, Corporate Managing Director EMEA, Flight Centre Travel Group, believes that tangible green shoots for corporate travel will follow a return in overseas leisure travel, which will make broader corporate travel feel more palatable and safer. “In the UK, we’re projecting to reach our recovery targets by late September and into October, and we’ll continue to support our travellers in establishing their comfort levels for return to travel throughout,” he says.

The main challenge of the vaccine rollout is that programmes move at different

speeds worldwide (with 145 countries, at last count, yet to receive vaccines), and greater collaboration will be needed to make it truly successful. There are currently several different health passports, including Verifly (One World and American Airlines), CommonPass (United Airlines and Star Alliance), the IATA Travel Pass and several more. These ‘passports’ will need to be simplified and streamlined.

“I think it’s really important that the data drives trends and decisions around what a digital health passport that can realistically facilitate travel will look like. There must be collaboration across the industry and with governments to achieve success,” explains Norris.

The bottom line in 2021 will be that any moves around reopening travel, which includes potential digital health passports, has to be driven with traveller safety as the top priority, and the continuation of rigorous testing.

A new TMC in a new world. What does it look like?

The coronavirus left “business as usual” in the past. Office culture has been replaced by a workforce operating from home. Businesses with ambitious growth plans have adjusted their vision to focus on retention and recovery for the foreseeable future. And digitalisation has taken centre stage in a post-COVID world. Priorities have changed – and so has the pace.

So, what can and should you expect from your TMC in this new world?

Experts that bring the latest technology to life

Digitalisation and technology are key in a world dominated by COVID-19 insecurity. Companies and travellers need real-time, valuable information that helps ensure travellers are safe, healthy, happy – and up to speed. The new FCM Platform offers just that: market-leading tech that keeps travellers informed, provides options before travelling, and allows travel managers to check that their travellers are ok if (and when) the unexpected happens.

FCM’s mobile assistant SAM has also evolved. This handy travel champion now exists across all platforms and solves the problems you didn’t even know you had with smart alerts, reminders and proactive recommendations.

However, at FCM, we have learned that technology is only as good as the experts behind it. Our team of travel experts is dedicated, passionate and client-focussed – offering slick solutions when you need them most.

A TMC that knows the new rules of the game

Navigating the complexities of travel has never been easy, however, COVID has made the landscape more complex still. Whereas, historically the TMC would build travel programmes, deliver cost-saving initiatives and refine travel processes, in a post-COVID world companies need more comprehensive assistance. They need advice on the state of the globe, through a travel lens that is tailored to their unique situation.

Travel is more than just booking reservations. It’s about the industry knowledge – knowing where to go for important information. It’s the benefit of having access to WorldAware, IATA, ASTA, OSAC, and being able to harness

these tools and networks to support customers – resources we have access to as part of a global organisation. Additionally, strong relationships with the airlines and hotel chains allows us to work collaboratively with these industry partners to find solutions that can benefit our travellers with speed and efficiency. At FCM, we always find a way.

A flexible approach to your traveller’s needs

Traveller expectations look very different in this brand ‘new world’. Previously, benefits like travel perks were a major selling point for retaining employees in competitive markets, this might no longer be the case today.

The COVID-19 pandemic has brought the traveller’s needs to the top of the agenda. Your TMC needs to be flexible enough to reimagine what these new needs look like. At FCM, traveller health and wellbeing is front and centre, on equal footing to a serious commitment to sustainability, driven by expectations and targets.

“A large part of reimagining our post-COVID offering comes down to how we use data analytics to collaborate with our customers, supporting them in making decisions and building product offering,”

STEVE NORRIS, CORPORATE MANAGING DIRECTOR EMEA,
FLIGHT CENTRE TRAVEL GROUP.

Clear data that supports decision-making

Providing a consolidated service locally, regionally and globally coupled with enhanced data for traveller tracking and duty of care reasons will and should be high on the list of corporates.

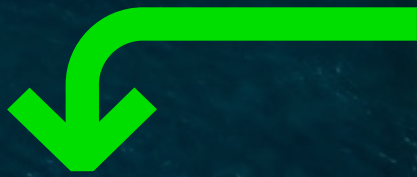
We have seen that quick response times and access to clean data – that we can mould into critical intelligence for our customers – are vital. Powered by FCM’s intelligent data platform, customers can ask the new FCM AI reporting tool any question about their travel programme, and get simple and helpful answers from our friendly digital travel expert Sam.

A solid duty of care approach

A TMC needs to do more than simply vet all travel service providers. Your team of travel experts needs to evaluate any potential risks incurred by business travellers, alert business travellers to these risks before and during the trip, and actively liaise with local consulates and embassies for a safe and streamlined journey.

“We must provide assurance and support to build customers’ confidence in returning to travel. Duty of care is a critical component of a company’s travel programme, and it’s never been more important. We must provide the framework that will enable our customers to ensure their travellers are safe, secure, and supported during every facet of their journey. Traveller health is a key area of this that must be addressed, this will provide confidence for each and every traveller and enable them to confidentially embark on their trips. Knowing we are there, at any point, to support travellers is one of our key offerings.”

NICK QUEALE, GENERAL MANAGER,
CORPORATE BRANDS, NEW ZEALAND



Discover the alternative

FCM is one of the largest travel management companies in the world, and the flagship global business travel division of Flight Centre Travel Group. Whether you have regular international travel needs, take single trips at the last-minute, or want to consolidate your business travel services and costs — FCM's global network has the experience, reach and negotiating strength you're looking for in a travel partner.

Discover the alternative at
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