



FCM

Back to business travel?

10 trends to watch as you get back on the road

There has never been a better time to start reconsidering what your travel programme looks like.

Uncertainty is a given in the new world. Firstly, post-Covid recovery, vaccination programmes and travel restrictions still look very different around the world. Some countries, like Denmark, have relaxed all domestic restrictions. Others, like Australia, still have strict lockdowns in place. Adding to this uncertainty; diminished airlift/routes, visa constraints (many countries are still not issuing new visas), and questions around duty of care and what constitutes essential travel, corporate travel remains complicated at best.

But, before you prepare for another year of no travel, know that the tide is starting to turn. According to Andrew Stark, Managing Director for Flight Centre Travel Group MEA, as of September 2021 over 100 countries are now open to fully-vaccinated South Africans and 20 airlines have resumed flights in and out of the country.

The recovery in numbers

To gauge traveller sentiment and changing priorities, FCM ran a customer survey. The results are an eye-opener.

Return to travel

- **81%** made bookings or travelled in the last 0 to 3 months

Confidence to travel

- **54%** of travellers feel very confident to travel (rating their confidence between 8 and 10) with **15%** of travellers rating their confidence at a whopping 10.
- **35%** of travellers feel somewhat confident to travel (rating their confidence between 5 and 7)
- **11%** of travellers don't feel confident (rating their confidence between 2 and 4)

Priorities in the travel programme:

FCM customers voted the following elements as 'very important':

- Risk, health, and safety: **90%**
- Value for money: **77%**
- Data and reporting: **45%**
- Online booking tool: **42%**
- Supplier partnerships: **40%**

Corporate travel is beginning to recover – and reshape itself – post Covid-19. Travellers are keen (and confident) to get back on the road. As they do, new trends are coming to the fore:

01 Time to reconnect

As companies around the globe grapple with return-to-workplace timelines and decisions, one thing is clear: hybrid working is the next big thing.

A new report from global research organisation, Ipsos shows that while employees don't want to say goodbye to the flexibility and convenience of working from home (WFH), extended time away from the office has actually increased feelings of isolation and is impacting on productivity, performance and career growth.

Similarly, Ipsos found that business growth is also impacted by WFH. Managers reported concerns, saying they found it more challenging

to manage their teams remotely, specifically finding it more difficult to monitor their teams' performance (**54%**), and reporting that their teams weren't fully engaged with each other (**52%**). It is also more difficult to provide effective training (**56%**), and it is more difficult to execute day-to-day team functions (**53%**). Managers also reported that team members tended to be less punctual (**55%**), and teams communicated less effectively when working remotely.

Although it's too early to say what this will mean for business travel – as well as the MICE sector – it's clear that teams need to reconnect.

Bonnie Smith, general manager of FCM, says:
“While many have enjoyed the freedoms of WFA, in terms of brainstorming and problem-solving; knowledge sharing; socialisation; camaraderie and company culture; you can't beat in-person interaction. Companies are beginning to look to team meetings, conferences and events to catch up, spark creativity, boost productivity and reconnect.”

02 Work from home → Work from anywhere

For those who have mastered WFH, work from anywhere becomes an intriguing prospect.

According to Raj Choudhury of the Harvard Business Review, personal technology and digital connection had advanced so much by 2020, that people were already questioning whether they needed to work from a bricks-and-mortar office. The Covid-19 pandemic proved exactly what was possible.

“We got our answer during the lockdowns. We learned that a great many of us don’t in fact need to be co-located with colleagues on-site to do our jobs. Individuals, teams, entire workforces, can perform well while being entirely distributed—and they have. So now we face new questions: Are all-remote or majority-remote organisations the future of knowledge work? Is work from anywhere here to stay?”

It might well be. Millennials now make up three-quarters of the global workforce. This is significant because according to management consulting company, Gallup, rigid workplaces aren’t the Millennial way.

In the main, Millennials love travel. An impressive **81%** of Millennial business travellers believe that travel has a positive impact on their job satisfaction. They’re happier in their work lives because of business travel, see it as a perk, and often choose positions or new roles based on how often they can get out of the office, explore new places, meet new people and broaden their horizons.

For companies looking to attract the right talent, the option to work from anywhere could well become a deal breaker.

But more than that, the work-from-anywhere trend will fuel bleisure and ‘flexcations’.

“We’re going to see a rise in both bleisure and ‘flexcations,’” says Smith.

“Business travellers are looking to tack on a few days of leisure and relaxation to their business trips – especially after being locked down for so long. Interestingly, employees are also exploring the idea of flexible trips, where they travel to a destination of their choice, often with their families in tow, and then extend their holidays by working ‘on location.’”

03 Smart, safe travel

Traveller safety is more important than ever before – and it will shape how companies plan, book and buy travel for years to come.

Companies want to be able to track their travellers while they’re on the road. They want to know exactly where their employees are if travel restrictions suddenly change; border closures are announced; or significant incidents, including terror attacks, adverse weather events and industrial action, look likely to impact a trip.

They’ll expect their TMC to flag any potential risks, alert travellers (and the team back home)

to any developments and actively liaise with local consulates and embassies should the need arise.

“In the short-term, the focus is on duty of care policies – including what is considered essential travel, traveller behaviour, and safe, vetted suppliers,” says Smith. “But you can be sure traveller tracking tools, interactive safety dashboards, instant travel alerts, and touchless technology will be the focus for forward-looking TMCs. The tech is just going to become faster, easier and indispensable.”

04 Eco travel: A commitment to change

Sustainability is no longer an option, but a responsibility.

Covid-19 has been described as the great reset. And with a travel-related emissions baseline of close to zero in 2021, companies around the globe will now need to reimagine their return to business travel, paying particular attention to how and why teams travel – and actively managing their carbon footprint.

For Smith this means building your company’s sustainability goals into your programme.

“A TMC will be able to give you advice and guidance around economy vs. business class fares; direct routes; greener fleets; the use of public transport; and greener hotel programmes,” says Smith. “But more than that, they also have the tools calculate your carbon footprint and create dashboards to measure and report on your sustainability efforts.”

Soon you’ll be able to add filters to your booking platform that allow you to book flights in a more sustainable way, or choose greener accommodation options. You will even be able to choose the most environmentally-friendly route, which will be calculated on the distance between two locations and how many layovers are required. For Smith, it’s an exciting prospect.

A new study by SAP Concur shows that:

58%

of executive stakeholders consider reports on sustainability and CO2 emissions extremely or very important;

80%

of business travellers would be more inclined to work for a company that builds sustainability into its corporate policy; and

53%

of travel decision makers rated improving visibility to make more sustainable choices as one of the critical factors when approving services for use of their corporate travellers.

As business travel recovers this will mean an increased focus on carbon hierarchy (avoid, reduce, replace, offset); carbon offsetting; new and clean aircraft technology, sustainable aviation fuels (SAFs); local food and catering services; the complete elimination of single-use plastic and responsible stays.

05 Alternative means of travel

In Europe and other parts of the world, this commitment to sustainability means that rather than jumping on a plane, travellers are increasingly turning to rail travel as a way to reduce CO2 emissions and congestion. It's often a quick, easy – and productive way to travel.

Of course, South Africa is still a long-haul flight to many of our business markets.

“Rail might not be an option from South Africa,” says Smith, “But travellers are making use of public transport, including rail and bus links, once they're on the ground in their destination. Your TMC will be able to give you advice and pre-book tickets. And where flights are unavoidable, we'll advise on the greenest route – as well recommending ways to offset your emissions.”

06 Let's make it count – expect fewer trips but longer stays

unlikely the industry will get back to 2019 business travel volumes. Companies are re-evaluating travel based on the impact on their bottom line as well as the environment. The result? Fewer trips but longer stays.

“Corporates are weighing the pros and cons of each trip carefully. They have started to realise the value of in-person meetings but are careful not to make people travel for things that could or should be handled virtually. The trips they are planning are well-considered and longer. Whereas before, we would see short one-day trips, now the average length of business trips is between 14 and 21 days,” explains Bonnie Smith, GM FCM. “Longer trips also means there is less an expectation to have a volume of back-to-back meetings. This means happier business travellers and more productive meetings.”

Scott Gillespie, the founder of travel-focused advisory service tClara, wrote about the anticipated reduction in discretionary business travel, saying there will be, “fewer but more important trips and travellers. Low-value trips will get denied by finance approvers and far fewer infrequent travellers have the need to travel. Those who do travel are deemed ‘important,’ just like their trips. The inevitable conclusion is that most corporate travel budgets will be permanently smaller. Business travel peaked in 2019.”

07 Crunching the numbers

Most US-based companies' travel budgets declined by **90%** or more beginning in early 2020, according to research conducted by Deloitte. Companies restricted travel to essential trips, and added layers of executive approval. Travel segment share shifted, as many opted to drive instead of fly and sometimes extended trips to minimise the number of flights taken.

The effect can be witnessed in concrete examples: Amazon announced that it was saving US\$1 billion in travel costs for 2020, and Google reported similar savings. As the return accelerates, many executives are expected to tap the brakes to shore up the bottom line.

According to Smith, very similar trends can be seen in South Africa where business travel is now back to about **50%** of pre-pandemic levels. However, air travel is still very much subdued and companies are looking for better ways to save.

One way companies are saving costs is by encouraging more bookings via corporate booking platforms. Most travel managers are not yet renegotiating prices with suppliers as travel volumes are still low, meaning they lack leverage. However, suppliers are likely to come to the party with offers as they are competing for a share in a challenging landscape. “This is where a reliable travel management company is worth its weight in gold,” says Smith.

There's a growing trend to turn to your TMC for advice on how to approach travel expenses, payments, and reconciliation processes more strategically so that they align with company-wide strategy and profitability goals.



08 Navigating a new hotel world

The hotel stay of the future is likely to look very different in many aspects and innovations, and changes have been introduced as a result of Covid-19. We are seeing more digitisation as well as virtual payment solutions. The need for and availability of hotel amenities is now also vastly different. Amenities like free breakfast now mean a 'grab and go' instead of a breakfast buffet.

FCM's State of the Market research indicated that **74%** of businesses are planning to review their hotel supply strategy. The priority for most travel managers in the hotel sourcing is to ensure that health and hygiene protocols are reviewed. Consolidating suppliers, reducing leakage and reviewing pricing also ranks high on the agenda.

Business travel is an investment in your organisation's relationships with the possibility of a very real return on investment. The right hotel partners are an integral part of this strategy. You will need to appoint the right hospitality partners who understand your organisation's values and needs.

Successful hotel sourcing programmes will maximise savings while taking into consideration traveller safety and satisfaction. We can expect an increased demand for data-driven insights that will help guide the way forward in terms of new opportunities throughout the year.

09 Technology changes gears

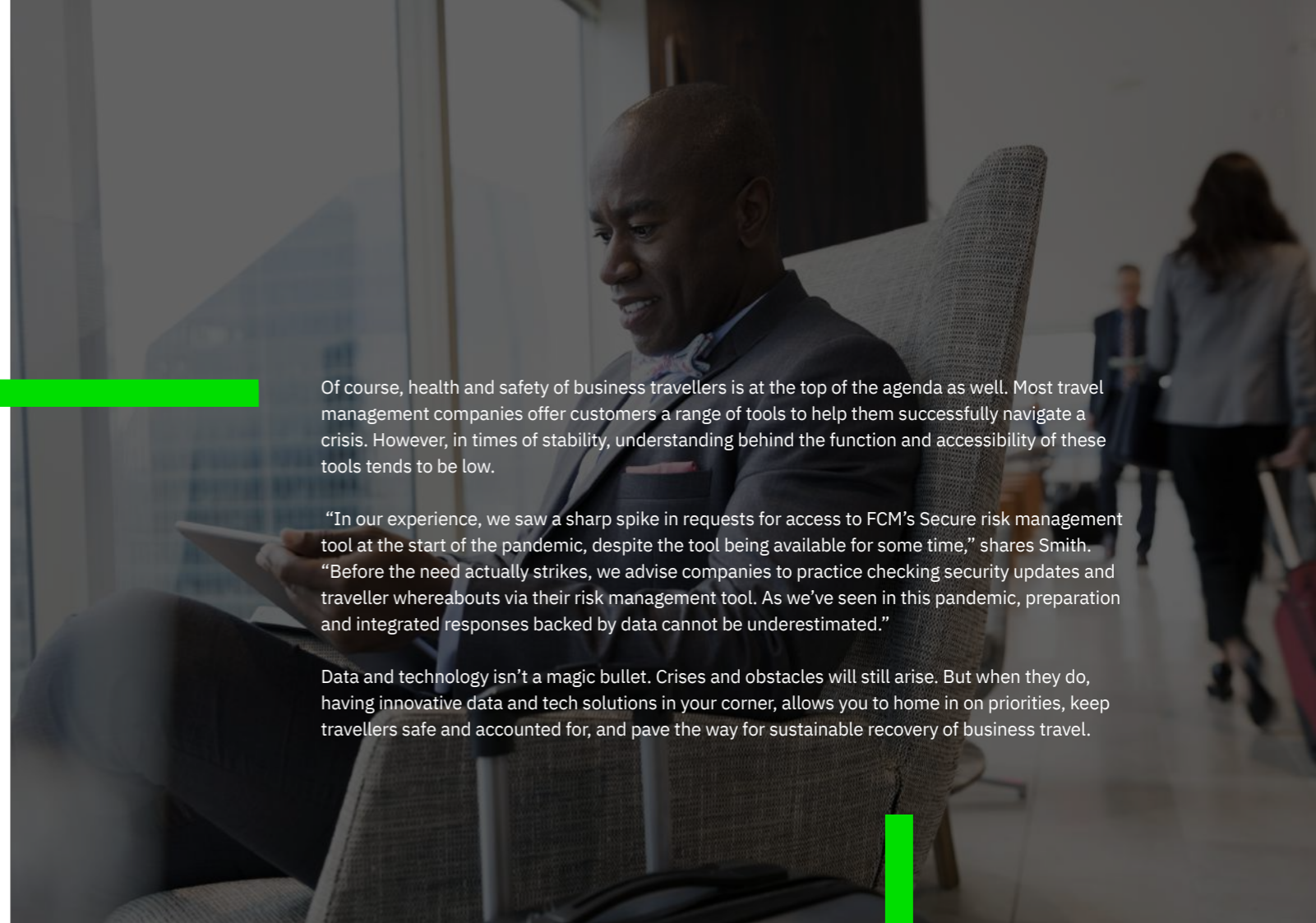
Remember the days that business travellers were questioning the safety of technology and the need and viability of AI? Those days are officially over.

In terms of digital transformation, the pandemic served as an accelerator of change, innovation and adoption. Companies and business travellers are now embracing data and technology as the key to emerge from the crisis. "If you want to empower business travellers, bookers, and manager to make quick and informed decisions, you need to equip them with data and technology that is reliable, robust and relevant," says Smith.

Innovative technology combined with the expertise of a travel specialist can help travellers and companies make sense of the information overload we've all been subjected to and drill down to relevant facts only. One such example is the travel resource hub, which gives travellers all the information needed to make informed decisions about their upcoming trips and travel with peace of mind.

Apps have also evolved from nice-to-have to essential tech. FCM Mobile has proven a game-changer for road warriors the world over. With FCM Mobile, travellers can receive instant alerts and information on their departure gates, flight time changes or where to collect bags – plus suggestions on restaurants to visit or alerts about traffic delays in their destination. FCM Mobile also connects the user to a live text or phone chat with a travel consultant if needed.

Data and technology isn't a magic bullet. Crises and obstacles will still arise. But when they do, having innovative data and tech solutions in your corner, allows you to home in on priorities, keep travellers safe and accounted for, and pave the way for sustainable recovery of business travel.



Of course, health and safety of business travellers is at the top of the agenda as well. Most travel management companies offer customers a range of tools to help them successfully navigate a crisis. However, in times of stability, understanding behind the function and accessibility of these tools tends to be low.

"In our experience, we saw a sharp spike in requests for access to FCM's Secure risk management tool at the start of the pandemic, despite the tool being available for some time," shares Smith. "Before the need actually strikes, we advise companies to practice checking security updates and traveller whereabouts via their risk management tool. As we've seen in this pandemic, preparation and integrated responses backed by data cannot be underestimated."

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10 A shake-up in business destinations

Quarantines, red tape and prohibitive entry requirements are likely to determine popular business destinations in the next year.

Global reports indicate that new countries are taking bigger shares of the market in business travel spending. Finances online reported that India and Indonesia are becoming attractive business destinations, with these countries showing **11.3%** and **8.7%** in market growth, respectively. Surpassing South Korea in business travel spending in 2017, India was also expected to break into the top 5 business travel markets by 2022.

Before the pandemic hit, the World Economic Forum also highlighted Africa as a rapidly rising corporate destination, while McKinsey predicted \$5.6 trillion in African business opportunities by 2025. Even though the pandemic threw a spanner in the works, South Africans continue to turn their eyes to the continent for business opportunities.

Lastly, the UAE market has seen a steady improvement of business travel in the region and will likely be an important business destinations for South Africans in 2022. Especially the energy, oil, gas, marine and mining sectors have picked up and are steadily growing, according to Ciarán Kelly, GM FCM Middle East & Africa.



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