

Corporate Travel: A long recovery ahead

The new normal for business travel will be a more mindful, thought-out way of travelling

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COVID-19 has had an unprecedented impact on corporate travel bringing it to a sudden and complete halt. Experts have been raising the alarm that this is almost the demise of the of corporate travel arguing that it will take a long time to recover till the vaccine is out. Organisations adopted a people-first approach during the lockdown and work from home became the norm. Business travellers have become used to meetings on the likes of Zoom and MS Teams. As a result, many of them no longer see the need for constant travel for businesses.

According to a recent survey by the Global Business Travel Association (GBTA), almost every member company (98 per cent) cancelled or suspended international business travel in the immediate aftermath of the pandemic. Study suggests that business travel amounted to 1.7 per cent of global GDP with a 3X faster growth rate than GDP before pandemic. This year, due to COVID-19, business travel, despite making relatively smaller percentage of global GDP, is expected to reduce global GDP by 17 per cent.

A report from WTTC says that business-travel spending exceeded US\$1.4

trillion—21.4 per cent of the global travel and hospitality sector in 2018. Corporate travel is significant for airlines and hotels not only in traffic but in profitability. For airlines, corporate travellers represent 12 per cent of passengers and generate billions in revenue.

With COVID-19, business travel will undeniably be different, but it will pick up slowly and gradually. The new normal for business travel will be a more mindful, thought-out way of travelling. In the long run, it will benefit both employees and employers, leading to a better life-balance for the former and a better return on investment for the later.

But is this the start of a new normal for business travel? T3 connected with Nadia Yahiaoui, Vice President, Corporations, Amadeus Asia Pacific; Todd Arthur, Vice President, Asia Pacific, Travel Solutions Agency Sales, Sabre; Sandeep Dwivedi, Chief Operating Officer, InterGlobe Technology Quotient; Rakshit Desai, Managing Director- India, Flight Centre Travel Group and Raj Rishi Singh, Chief Business Officer, Corporate Travel, MakemyTrip to know what might be in store.

The new normal

It is believed that business travel will return in phases, spurred by proximity, reason for travel and sector. According to a GBTA's survey, companies are twice as likely to have halted international travel as have halted domestic travel as of July 2020. So, what is going to be a new normal?

"There will be a heightened demand for IT solutions that help corporations manage corporate travel. Health and hygiene considerations and a seamless end-to-end experience will be the make-or-break factors for winning back corporate travellers in the era of COVID-19 and technology will underpin this strategy," Yahiaoui says adding that one of the biggest changes that we anticipate is that lead times for bookings are likely to be much shorter, and cancellations more common. "It is likely that companies will change their booking policies to reflect this, and in turn, internal teams within corporations that manage employee travel will need to be more agile in

how they work, and how they partner with TMCs. Across the entire travel industry, the idea of being able to predict booking volumes and revenue based on historical trends is now a thing of the past, so real-time data will be more important than ever for resource and revenue planning," Yahiaoui adds.

Arthur opines that business travel planning and booking could become more complex as travellers will be looking to combine multiple trips, while corporate policies will need to adapt to cater for added insurance coverage and such factors as quarantine costs and swab tests. "Traditionally, corporate travel policies focused to a large extent on cost. Now, traveller safety will be the utmost priority and companies want to make sure they fulfill their duty of care to employees by ensuring the airlines, accommodation providers and other travel services they use are meeting stringent hygiene and cleanliness protocols," Arthur adds.

Dwivedi says that some of the major advantages of corporate travel is the capacity to broaden understanding and knowledge with inflow of knowhow as a result of in-person consultations and observations. "With COVID-19 changing the face of industries' economical and operational capacities, corporate travel will likely to evolve as a result with obvious polarity. With the continuous influx of virtual meetings, we are witnessing, may leave many accustomed to the comfort, ultimately limiting travel opportunities; and further limiting knowledge transfer and inflow of knowhow as a result. As far as the new normal is concerned, it is difficult to paint a picture with constantly evolving business and global scenario. The 'new normal', irrespective may take eons to emerge and getting accustomed to subconsciously, while consciously, it appears we are already living it," Dwivedi adds.

Desai opines that government policies,

public health situation and all other factors determining demand are still in flux and it is difficult to assess the new normal with certainty right now. "But we have no doubt that travel in all forms will see a phased but definite recovery. Organisations will be reconfiguring their corporate travel policies to focus on duty of care and brace for more spends on ensuring well-being of their employees while travelling. Short and frequent business trips will make way for longer business trips and suites and apartment hotels will be preferred for their privacy and long-stay features," Desai adds.

Singh says that the impact varies across industries. "Pharma sector has been travelling more than IT and technology. FMCG are travelling within region. SMEs have started travelling far more frequently," Singh says and adds that we are seeing some recovery in last one-month week-on-week, overall recovery if to the tune of 15-20 per cent from pre COVID."



Road to recovery

COVID-19 is arguably one of the biggest challenges that industry will have to overcome. Hence, new products/innovations/modification has become central to every aspect of business strategy.

"We are evolving to grow with an innovative and adaptive mindset, holding dynamic needs of our community of travel agents as the epicenter of our developments during and beyond the pandemic. Our prime focus at this moment is to bring latest developments and updates in aviation sector to our travel agents and for the same we have been relentlessly exploring and deploying technology. From chatbot to plugin, including COVID-19 plugin released by Travelport lately; advanced fintech for optimised financial and accounting operations to enhanced processing capabilities with simplified transactions; exclusive researches to COVID-19 resource hubs; we have been constantly observing and innovating ways to ease the process of making and managing travel bookings during the pandemic," Dwivedi says.

For Amadeus also, the top priority is to develop minimal viable product propositions to make it easier and more cost effective for travel companies to trial new technologies that address the problems created by COVID-19. "We hope that this will help accelerate the adoption of the technologies

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Sandeep Dwivedi

that will be so vital to the industry's recovery. We have enhanced the Amadeus Mobile Messenger to provide real-time status alerts about specific regions and countries at risk and to locate all travelers globally at a glance by their region, country or city, to keep employees safe and their business continuity plans on track. We've also partnered with world-leading travel security and risk consultant, Riskline, to integrate specific COVID-19 related information within the tool," Yahiaoui informs.

Understanding how demanding and complicated corporate travel management can be, Sabre's corporate booking engine, GetThere is helping businesses to plan in uncertain times. "Hygiene and cleanliness have never been so important, and our airline and hospitality partners are able to communicate the health and safety measures they have in place through our GDS. Travel agents are then able to make a choice for their corporate clients based on these protocols.



Airlines and hotels are able to put their offers in front of a wide, high-value audience while growing geographic reach so agents can create unique trips based on the changing priorities of travellers and companies. Our clients are also using our solutions to help automate exchanges and refunds and to minimize disruption during these uncertain times, freeing up more time to improve customer service at a time when corporations may need extra support," Arthur says.

Flight Centre Travel Group India has partnered with leading insurance companies and Indian Council of Medical Research accredited COVID testing laboratories to make travelling safer for customers. "In the MICE segment, we have introduced virtual reality events which closely mimic the on-ground

meetings and events experience. In retail, we are building a network of work from home agents with Travel Tours Associates who will take our services direct to customers to supplement our retail presence and generate employment," Desai says.

According to Singh, there is a culture of trust in most of the Asian countries where personal meetings play a key role. "So, rebound will happen. Remote working especially in the IT sector will be the new normal and travel may go down dramatically in such segments. Now suppliers with good health and safety guideline will be the frontrunner. Cancellation policy should be traveller friendly and customised. A lot of travel will also move from unstructured to the structured segment," Singh adds.

Changing long-term plans

Speaking realistically, Dwivedi informs that that with the global economic, development and national plans in a mayhem as a result of this pandemic, our business like every other business has been impacted. "Our long-term focus has now more strenuously shifted to innovating our technology, making it more adaptive to unexpected shifts while bringing more advanced automations like robotic process automations, artificial intelligence and natural language processing to forefront. With these automations we are hoping to optimise and enhance our community's travel booking and management processes, making it more adaptive and agreeable with modern technologies," Dwivedi adds.

Similarly, Amadeus was also working on a lot of the technology to help make travel safe and frictionless in the COVID-19 era such as contactless technology in airports, airlines and hotels; real-time disruption management; and AI-powered booking and revenue management systems. "These will remain central to our long-term strategy. A unified, industry-wide approach will be critical to the travel sector's recovery, and that's where I think Amadeus can make



the biggest difference in the long-term. We already work across all aspects of the travel eco-system, and by connecting the different parts of the industry and 'traveler journey', we can help co-ordinate a cross-sector plan for recovery. To this end, we are committed to collaborating with the right stakeholders and organisations to rethink travel and prepare for a brighter future," Yahiaoui says.

Flight Centre Travel Group India understands that it will take at least 18-24

months for travel to fully recover to pre-COVID levels and our strategies will have to be both long and short term. "The pandemic has accelerated the implementation of some of our plans slated for the next few years – an expansive network of work from home agents and using technology to make customer experience better," says.

Singh, being optimistic, expects pre COVID level recovery by end of Q1 next year. "The one critical element is vaccine for the

market, when there is a news, things will rebound quickly," Singh adds.

Sabre has also been impacted in the same as other travel partners. "As soon as Covid-19 started to impact our business, we took immediate action to reduce expenses before making more significant cuts as the pandemic took hold, as well as a capital raise of more than \$1.1 billion. However, in the same way that our new and existing clients are continuing to invest in our technological solutions in order to recover and, ultimately, grow, we remain very focused on our own long-term strategic imperatives. We are actively positioning Sabre to take advantage of the opportunities on the other side of Covid-19 so we can support our clients to do the same," Arthur informs.

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Trends in bleisure

According to Dwivedi, bleisure shall eventually prove a good source of opportunities for travel booking and experience providers, especially when considering most people's zero to limited travel during pandemic.

As corporate travel emerges from hibernation, it could be that it takes a different shape. "While businesses need to ensure that the right protocols are in place so their team members are as safe as possible, business travellers may wish to include more leisure time during their trip so they can enjoy travelling without having to take two separate trips with their perceived risks and potential quarantine measures," Arthur adds.

Yahiaoui feels that the trend was picking up rapidly before the pandemic hit and we can expect a renewed interest in bleisure

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Todd Arthur

travel as corporate travel itself recovers. "However, while bleisure travelers might have been keen to explore novel experiences previously, the priority now will likely be around safer, "tried-and-tested" options and known brands. Employers might be able to encourage a return to corporate travel by facilitating bleisure arrangements; and likewise, there might be an opportunity



in the COVID-19 era for TMCS to support bleisure, as well as pure business trips, as an

additional revenue stream," Yahiaoui adds.