

FCM TRAVEL
SOLUTIONS™

stageandscreen
TRAVEL SERVICES

**CORPORATE
TRAVELLER™**

FLIGHT CENTRE®
BUSINESS TRAVEL

STATE OF THE MARKET BUSINESS TRAVEL PERSPECTIVE

SEPTEMBER 2020

Global Report with NZ Insights

POWERED BY

4TH DIMENSION
BUSINESS TRAVEL CONSULTING

ABOUT THE REPORT

This report contains a summary of research and data prepared by our 4th Dimension Business Travel Consulting (4D) research team on behalf of the Flight Centre Travel Group's (FCTG) corporate brands: FCM, FCBT, Corporate Traveller and Stage & Screen.

This report is designed to reflect on corporations and their travellers over a five month period of April to August 2020 and then discuss the new travel pathway forward in the remainder of 2020 and into 2021.

IN THIS REPORT

- A combination of two market perspective surveys with 2320 respondents conducted globally with corporations. The Part-1-Survey was released globally in May 2020 and Part-2-Survey was released in June 2020. Both surveys targetted corporates who are either national or multinational based, regardless of size, travel spend, industry, geography or travel management company. The surveys were designed for Decision Makers, Travellers and Travel Bookers.
- Interviews were conducted with 250 FCTG customers across corporate brands globally. This represents over 60 countries where customer have business travel arrangements with FCTG corporate brands. All interviews were conducted during the month of August 2020 and captured sentiment of corporations in response to COVID-19 and discussed the future travel pathway focusing on policy, suppliers and program drivers.

TO CONSIDER

- The impacts of COVID-19 are not yet concluded.
- The speed of change has been, and continues to be, significant.
- The response to COVID-19 in the corporate travel world has been, in summary, a stop to all corporate travel with the exception of “business critical” travel.
- Our research is conducted over a series of three time intervals and representing respondent sentiment at that time.
- Information collated is the voice of many different corporate customers and therefore the ranging worldview of COVID-19 needs to be considered when reading this report.
- Data reported is a collection of FCTG corporate data globally.

We are looking to understand more deeply the impact that COVID-19 is having on corporate customers, and collecting opinions of where corporations see the future of business travel.

EXECUTIVE COMMENTS

Where to from here?

In an environment where business travel conditions have changed dramatically in the space of just a few short months, Flight Centre Travel Group have commenced a series of global surveys to better understand the prevailing sentiment and views of our customers.

Engaging with our customers on COVID-19 has revealed that while all businesses are being impacted by the same pandemic, the fallout across different industry groups and geographic locations is somewhat varied. However, almost all respondents to our survey agreed that the nature of business travel has changed irrevocably.

Even now, as pockets of the industry trend towards recovery, the business travel landscape continues to shift and evolve. In preparation for a return to some normality, businesses and suppliers are reframing their priorities, processes and procedures. It is clear that uncertainty will remain for some time, however companies that can adapt more quickly to the new business models required post-COVID-19 will be well-positioned to get back to business sooner.

“Never before have we seen such a wide reaching global impact on travel and business confidence – and one surrounded by a level of uncertainty that has created more questions, than answers.”

Chris Galanty
Corporate CEO
Flight Centre Travel Group



NEW ZEALAND – Corporate Traveller

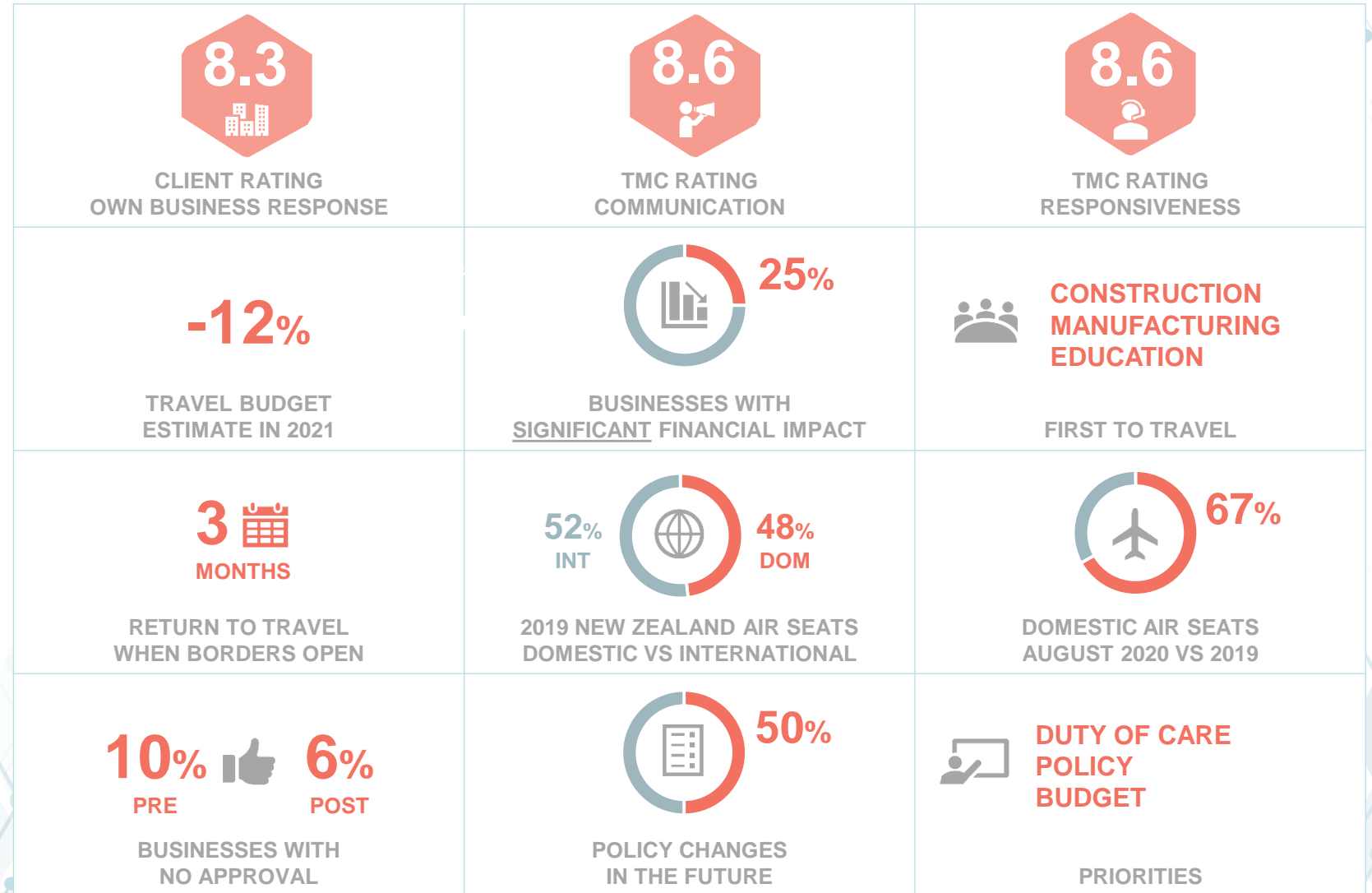
Respondents in China and New Zealand had already introduced Travel & Expense cost reductions – as their return to travel was earlier allowing domestic business travel.

New Zealand respondents interviewed advised that as a business they needed to improve:

- COMMUNICATION of HOW travel will resume
- DEFINITION around BUSINESS CRITICAL travel

Duty of Care is a significant driver of travel policy changes in the future.

MARKET VARIATIONS



NEW ZEALAND - FCM









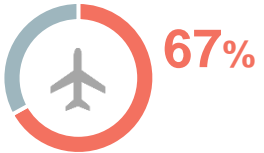



Respondents in China and New Zealand had already introduced Travel & Expense cost reductions – as their return to travel was earlier allowing domestic business travel.

New Zealand respondents interviewed advised that as a business they needed to improve:

- COMMUNICATION of HOW travel will resume
- DEFINITION around BUSINESS CRITICAL travel









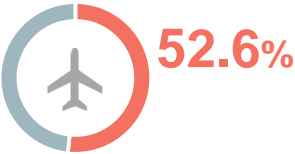



Travel Risk Management is a significant driver of travel policy changes in the future.

MARKET VARIATIONS

 <p>9.0</p> <p>CLIENT RATING OWN BUSINESS RESPONSE</p>	 <p>9.0</p> <p>TMC RATING COMMUNICATION</p>	 <p>8.9</p> <p>TMC RATING RESPONSIVENESS</p>
 <p>-16%</p> <p>TRAVEL BUDGET ESTIMATE IN 2021</p>	 <p>20%</p> <p>BUSINESSES WITH <u>SIGNIFICANT</u> FINANCIAL IMPACT</p>	 <p>HEALTH CONSTRUCTION FINANCIAL SERVICES</p> <p>FIRST TO TRAVEL</p>
<p>3 </p> <p>MONTHS</p> <p>RETURN TO TRAVEL WHEN BORDERS OPEN</p>	<p>52% INT  48% DOM</p> <p>2019 NEW ZEALAND AIR SEATS DOMESTIC VS INTERNATIONAL</p>	 <p>67%</p> <p>DOMESTIC AIR SEATS AUGUST 2020 VS 2019</p>
<p>10%  0%</p> <p>PRE POST</p> <p>BUSINESSES WITH NO APPROVAL</p>	 <p>30%</p> <p>POLICY CHANGES IN THE FUTURE</p>	 <p>RISK MANAGEMENT POLICY BUDGET</p> <p>PRIORITIES</p>

GLOBAL

MARKET VARIATIONS

 <p>8.6</p> <p>CLIENT RATING OWN BUSINESS RESPONSE</p>	 <p>8.8</p> <p>TMC RATING COMMUNICATION</p>	 <p>8.8</p> <p>TMC RATING RESPONSIVENESS</p>
 <p>-18%</p> <p>TRAVEL BUDGET ESTIMATE IN 2021</p>	 <p>18%</p> <p>BUSINESSES WITH <u>SIGNIFICANT</u> FINANCIAL IMPACT</p>	 <p>MINING WHOLESALE TRADE HEALTH SERVICES</p> <p>FIRST TO TRAVEL</p>
<p>3  MONTHS</p> <p>RETURN TO TRAVEL WHEN BORDERS OPEN</p>	<p>41%  59%</p> <p>INT DOM</p> <p>2019 ASIA AIR SEATS DOMESTIC VS INTERNATIONAL</p>	 <p>52.6%</p> <p>GLOBAL AIR SEATS AUGUST 2020 VS 2019</p>
<p>20%  12%</p> <p>PRE POST</p> <p>BUSINESSES WITH NO APPROVAL</p>	 <p>33%</p> <p>POLICY CHANGES IN THE FUTURE</p>	 <p>RISK MANAGEMENT BUDGET POLICY</p> <p>PRIORITIES</p>

TRAVEL PAUSED

TRAVEL PAUSED

“We adapted very quickly, we stopped travel by 10-February. Everything was planned in advance, however, nobody could foresee it would get worse. We did not have any stranded travellers, we located everyone ... last person to return home was on 16-March before the lock down began.”

01

CLIENT REACTIONS

Looking back at significant events which have impacted business travel, there are only two other parallels.

The events of 9-11 and SARS, both of which caused reduced travel demand due to health and safety concerns.

- 9-11 in 2001 resulted in an average -31% reduction in air traffic from September 2001 to January 2002.
- SARS in 2003 caused a -18% reduction in air traffic in April 2003.

By comparison, COVID-19 has resulted in a -71.2% reduction in air traffic demand May 2020, and currently has had an upward shift to -51.6% in August 2020.

The uncertainty of the virus and its impact on us as individuals, communities and businesses, became real very quickly as different scenarios unfolded globally from January 2020.

CONTEXT

We asked our corporate customers how their business responded to recent events, what their learnings were so far and what the future holds.

In a word or two...

Describe the last 5 months for you and your travellers?

CHALLENGING

Is how travel and procurement managers described the months since March 2020, following the global COVID-19 outbreak.

UNCERTAIN
DIFFICULT
QUIET
TRAVEL
NON-EXISTENT

Business response

Rate your company's approach to change in the last 5 months?

8.6 out of 10

Customers were **PROUD** of how their business quickly responded to the many sudden changes and their ongoing priority to maintain the health and safety of everyone.

COMMUNICATION

Was the #1 success criteria in business over recent months. Businesses communicated weekly, provided clear guidelines and set up Q&A forums to allow for quick decisions, employee direction and workforce engagement.

CLIENT RESPONSE

Due to COVID-19, many businesses formed multi-disciplined task forces, response groups or committees, to effectively address the rapidly changing needs of their business.

These groups were tasked with making swift decisions, communicating changes and engaging with employees to ease their uncertainty. As national borders closed rapidly and often unexpectedly, employee mobility and business travel were grinding to a halt from mid-March 2020.

From March 2020 the inability to travel, along with the physical shift to Working From Home (WFH), tested many corporations globally. The usual face-to-face meetings which required business travel, were rescheduled and switched to virtual alternatives.

Maintaining business momentum during April and May, meant updating meeting technology and fine-tuning WFH etiquette. For many employees business meetings suddenly became very personal experiences – Welcome to my Home!

Not knowing how long the situation would play out was the biggest challenge in everyone's planning.

RESPONDING DIFFERENTLY

Looking back over the past 5 months what could your business have done differently?

+50%

...NOT CHANGE A THING

Over 50% of respondents said they would not do anything differently for their travellers.

OPPORTUNITIES FOR IMPROVEMENT



COMMUNICATION TO KEY TRAVELLERS & BOOKERS

More specific Instructions for high frequency travellers who were keen to continue travel.



FASTER TO SHUT DOWN OBT & TRAVEL

Control all new bookings and rebooking of postponed travel to prevent continual rebooking and cancellations.



REPATRIATE WORKFORCE HOME FASTER

Avoid extending secondments overseas or taking alternate 'return to home' options – air charters or car rental.



INVOLVE TRAVEL PROCUREMENT & BOOKERS

Advance plans and instructions for travellers, to better manage changes, cancellations and to track travellers.

THE BUSINESS

Understanding the impact of COVID-19 on businesses has become key to mapping out the necessary return to travel frameworks across key industry groups and also the pathway of recovery for business travel in general.

Of businesses interviewed we asked what changes they had made since April 2020:

- 66%** had changes to their organisation's structure
- 33%** had headcount reduction and office downsizing

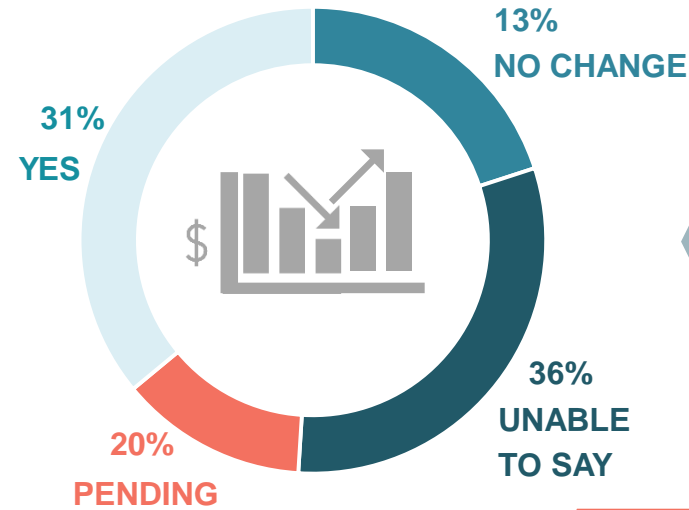
Large global enterprise businesses were more likely to have restructured and reduce employees.

Whilst small-medium enterprise businesses were more likely to have only reduced employee numbers.

Employee headcount increases were reported in Science & Technology Services, Financial & Insurance Institutions and Information Media & Telecommunications.

FINANCIAL REFORECAST

As a direct result of COVID-19 have you made changes to your financial targets?



13% of businesses indicated their financial targets were **UNCHANGED** for the immediate future. These businesses were in **MANUFACTURING, SCIENCE & TECHNOLOGY INDUSTRIES.**

When asked how significant the financial impact of COVID-19 has been, **18%** of businesses have had **SIGNIFICANT FINANCIAL IMPACT.** These businesses were in **ACCOMMODATION & FOOD SERVICES, EDUCATION & TRAINING, TRANSPORT**

BUSINESS & TRAVEL COSTS

Travel and Expense is viewed as the number one cost item that businesses can quickly dial back when the economic climate starts to soften.

Such an approach can impact business performance in a positive way with immediate savings on the bottom line. However, when business travel is a core contributor to revenue growth and retention, reducing travel has a negative impact. Therefore, all businesses are careful to temper the duration for reduced, or stopped, business travel to prevent a fall in income.

In recent interviews customers were asked what areas of cost reduction were likely for the future. Not surprisingly, Travel & Expense was the common item to be reduced moving into 2021, followed by Office/Building Expenses and then Workforce Restructures.

There were no reported changes in business investment relating to Research & Development, Technology and Staff Salaries.

BUSINESS COST REDUCTIONS



TRAVEL & EXPENSE



OFFICE/BUILDING EXPENSES

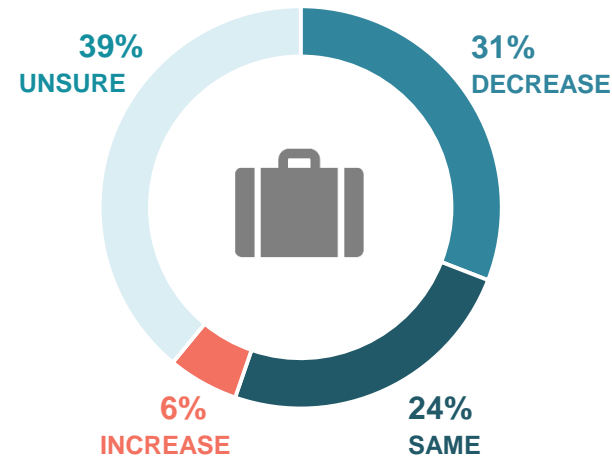


WORKFORCE RESTRUCTURE

GLOBAL SHIFT IN FUTURE TRAVEL BUDGETS

Businesses shared their forecast travel spend for 2021 compared to pre-COVID-19 volumes.

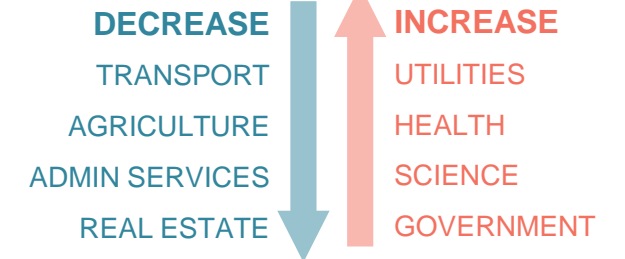
We have summarised the global averages in travel budget shifts, and overall the demand for travel in the future will be weaker.



-18%

TRAVEL & EXPENSE GLOBAL FORECAST

TOP INDUSTRY GROUPS & BUDGET SHIFT



AIRLINE IMPACTS

There is no other word to describe the impacts of the past five months on the airline industry, other than to say it has been decimated.

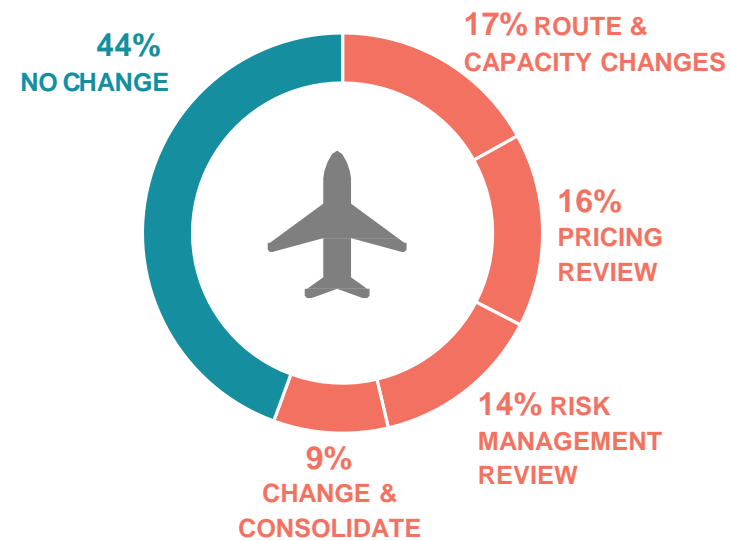
In April 2020 there were 16,000+ passenger jets grounded around the world, and thousands of staff have been furloughed or lost their jobs. By the end of July 2020 there were 23 airlines that had collapsed and there are likely to be more as we head to the end of the year with no clear recovery path for air travel.

Across each region we are observing varying levels of air capacity growth currently fuelled by growing domestic travel. Since June airlines have constantly adjusted their schedules in a bid to anticipate traveller demand and government changes to border closures. No different to airlines, businesses are also struggling to identify future travel patterns – many assume same destinations, albeit at less volume.

So as the recovery of airline travel changes weekly we asked clients what their focus and review of airlines will be as they move into 2021.

REVIEWING AIRLINES

56% of corporations will review their Airline Supply Strategy



COMMON CHANGES TO PASSENGER AIRLINE EXPERIENCE

Services are subject to change depending on airline and country.

- Mandated use of masks.
- Increased sanitisation.
- More space on flights - some airlines are able to block out the middle seat. However, with mandated use of masks and growing load factors vacant seats this may not be essential.
- Food service packaging to reduce contact.
- Temperature checks.
- Boarding via reduced group numbers or order of back of the plane through to front.
- Some airlines will issue a mask and wipes.
- More plexiglass where airline/airport staff such as check-in and boarding.
- Incentive to check-in online.
- Reduced carry-on baggage.
- Reduced use of entertainment sets.
- Increased documentation pre and post arrival.

HOTEL IMPACTS

In the past five months hotels have been dramatically hit with occupancy levels dropping by -70% or lower compared to 2019.

Their response was either:

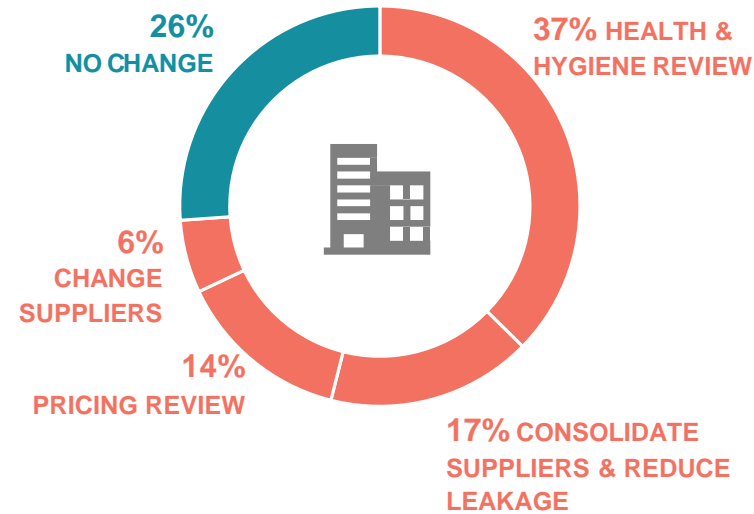
- Remain open at reduced occupancy
- Hibernate and close to the public, or
- Participate in government COVID-19 support services

A further change hotels responded to was addressing new health and hygiene protocols. From April 2020, all accommodation providers started to undertake an entire overhaul of in-room cleanliness, social distancing, staff training, contactless check-in, changes to meal offerings and guest services changes, to name but a few. Many hotels and chain groups are now providing regular communication and demonstrated evidence of their new standards in a bid to grow traveller confidence.

As many corporates look to renew their hotel supplier strategy for 2021, we asked what areas they were focused on for the year ahead.

REVIEWING HOTELS

74% of businesses will review their Hotel Supply Strategy



10 CHANGES IN HOTEL CONTRACTING IN 2021

- Employer duty of care focusing on hotels that are COVID-safe.
- Business travel patterns have changed.
- Business travellers and hotels have reduced budgets.
- Booking channel consolidation with TMC for enhanced traveller tracking.
- OBT preferencing approved only suppliers.
- Limited or discontinued guest experiences.
- Rates offered that may not be tenable.
- Extended hibernation periods and/or reduced hotel availability.
- Diversified guest occupancy causing a downward shift in pricing.
- Hotel compliance to customer T&C's relating to Health & Hygiene.

TMC RESPONSE

The pace at which Travel Management Companies (TMC's) needed to work, went into overdrive as a result of COVID-19.

Incredibly fast responses were required to manage border closures, support distressed travellers and to rebook travel where air schedules were cancelled and hotels closed. The art of travel consulting became highly complex as airlines re-set rules around changes, cancellations and refunds – and five months on the rules are still fluid and changing.

Key success factors of a TMC, managing high volumes of enquiries and changes, included a blend of travel technology and expert industry resourcing driving action and communicating back to travel procurement and travellers. Travel Consultants and TMC Account Managers became expert travel advisors to businesses over the past five months empowering travel procurement teams to make informed program shut downs and make step changes in traveller safety.

Businesses interviewed stated that the ability to choose from different information platforms and resources to obtain consistent and clear updates on COVID-19 impacts were critical for their business and travellers.

COMMUNICATION

How well did your TMC[^] provide necessary information to you and your travellers?

8.8
out of 10

Customers said that working closely with their TMC they were **INFORMED** and **EMPOWERED** as options for travel gradually dried up.

RESPONSIVENESS

How well did your TMC[^] respond to requests over the past 5 months?

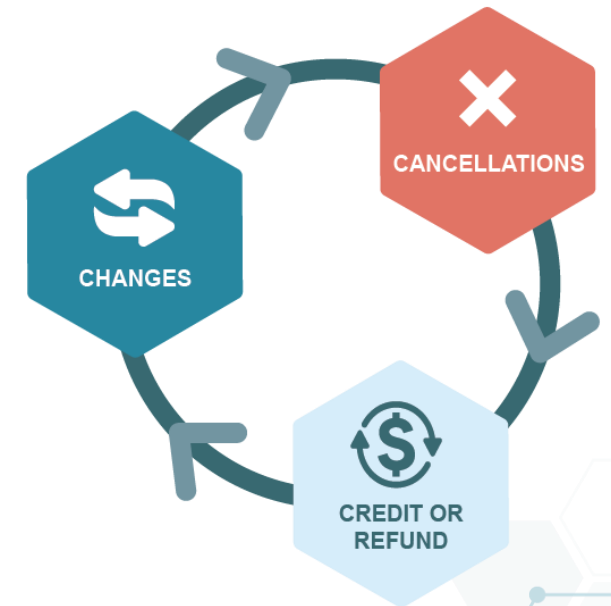
8.8
out of 10

Most TMC enquiries during this time related to booking changes, as new bookings reduced by -80%

COMBINED USE OF TMC TECHNOLOGY & PEOPLE



ENSURED CUSTOMERS WERE INFORMED & EMPOWERED



[^] TMC refers to FCM, Corporate Traveller, Stage & Screen, FCBT.

REBOUND

REBOUND

“... We responded quickly to slow down business travel overseas and domestically. Some key ideas have been discussed around better travel practices We have been travelling domestically for a few months now.”

02

THE REBOUND

50% are now travelling

Industries who continued to travel or recommenced travel the fastest were Mining & Wholesale.

When reviewing business travel programs in August 2020, 50% of customers had employees travelling or booking to travel in the immediate future.

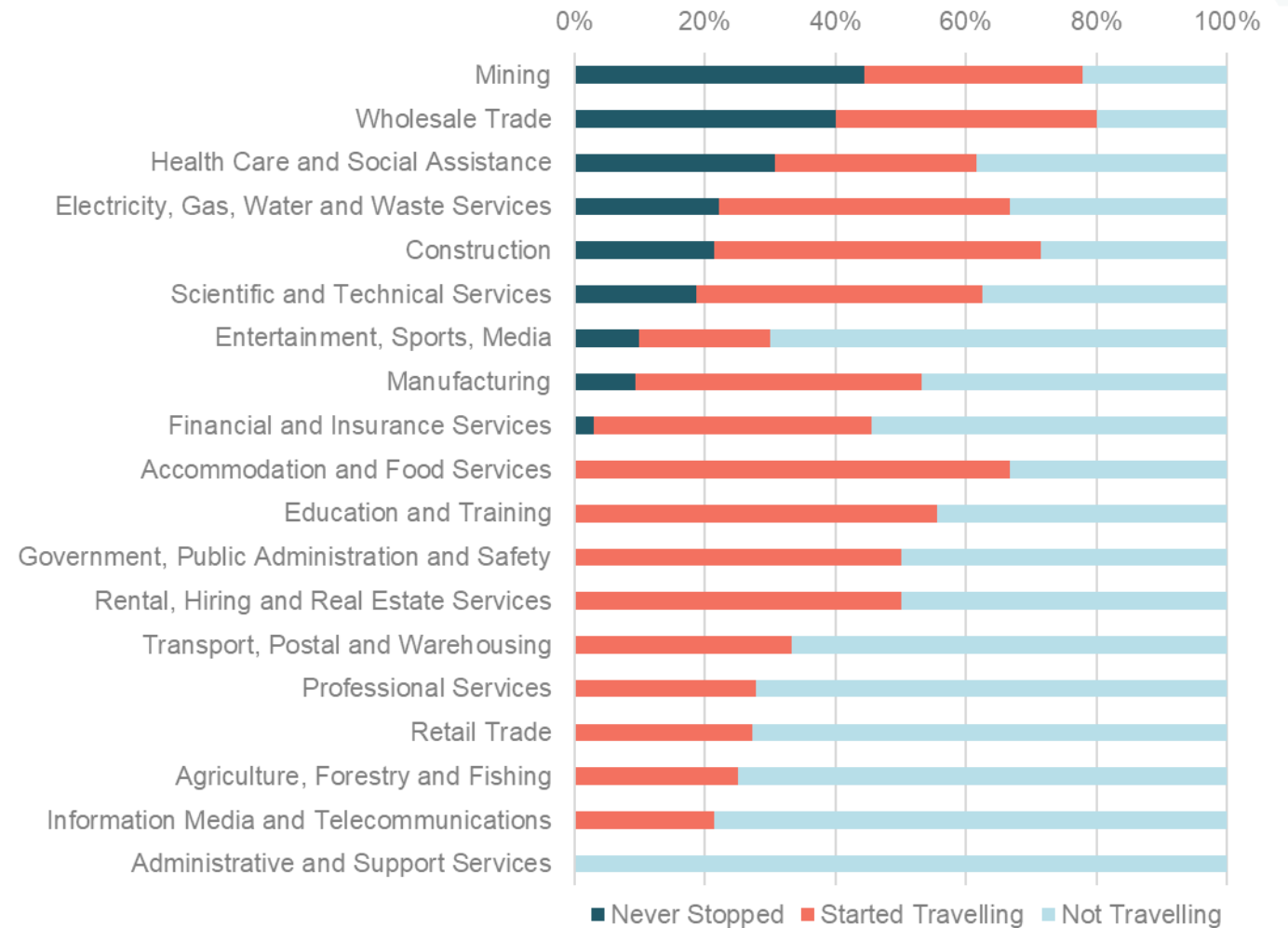
Resuming travel will be different for everyone. In the research conducted over the past months, over 90% of businesses plan to travel domestically and short-haul continental/international, within 3 months of borders opening.

However, long-haul international travel is being reassessed, with no strong plans of when business will return.

The global average of number of business trips a traveller would generally take is anticipated to reduce 2021-2023.

Pre-COVID the average number of business trips per traveller was 6-8 per year, and this is forecast to fall to 3-4 trips annum for the medium term.

RESUMPTION OF TRAVEL



RESTARTING TRAVEL

As government restrictions lift to enable travel, businesses need to ensure the health and safety of their travellers comply with local laws and insurances.

Assessing the need and permitting travel will be driven by:

- Safety & Viability
- Traveller Confidence & Readiness
- Business Essential Criteria
- Budget with ROI

Several customers interviewed confirmed that traveller confidence has taken on a new meaning which they defined as being: **INFORMED, WILLING, ABLE** and **READY** for their entire business trip.

Those travelling first are focused on business growth, customer retention and the resumption of projects. The least likely to travel were administration and internal support staff where meetings will remain virtual for the longer term.



FIRST TO TRAVEL

- SALES
- CLIENT MANAGEMENT
- PROJECT WORKFORCE[^]



REDUCED/NO TRAVEL

- ADMINISTRATION
- SUPPORT STAFF

EARLY REBOUND

In China and New Zealand*, where domestic travel has resumed, respondents interviewed advised that as a business they needed to improve:

- **COMMUNICATION** of **HOW** travel will resume.
- **DEFINITION** around **BUSINESS CRITICAL** travel.



Specialist staff who previously flew internationally for projects, are now re-skilling onsite staff or implementing new technology to avoid the need for such travel.

The USA were the only market where Sales, Client Management and Project Workforces were less likely to be first to travel compared to all other markets interviewed.

[^] Project Workforce consists of Engineers, Maintenance, Project employees/contractors.

* The resumption of domestic travel in New Zealand has not been continuous.

RETURNING TO TRAVEL

Across the three intervals of research conducted, 26% of businesses are planning to return to the same pre-COVID-19 levels for domestic travel during 2021. The remaining 74% of businesses predict reduced domestic travel for the immediate year ahead.

When discussing the frequency of short and long haul international travel in the future 7% of respondents advised they are likely not to travel during 2021, and 30% of respondents were still unsure due to current government restrictions.

National businesses in USA, Australia, China and New Zealand were less likely to have long-haul international plans for 2021, indicating only domestic and short-haul international travel will be planned during 2021.

It should be noted that the domestic travel market for China and the USA make up approximately 77% of their airline demand so their reliance on international travel has a slightly lesser priority for the short term.

4 PHASES TO TRAVEL REBOUND

BUSINESSES WILL FOLLOW A PHASED PLAN IN RESUMING THEIR BUSINESS TRAVEL



TRIGGERS FOR BUSINESS TO TRAVEL

- Travelling when safe (vaccine or virus eradicated)
- Borders open
- Traveller confidence
- Appropriate tracking of travellers

FUTURE TRAVEL BUYING BEHAVIOUR

- Airline, hotel, car/ground COVID-safe protocols
- Shortened purchase window
- Flexible fares
- Avoidance of overnight requirements
- Virtual meetings as a back-up

AIRLINE RUNWAY

An indication of the very patchy return to travel can be observed in airline schedules and seat capacity reporting, comparing 2020 to 2019.

Domestic air travel has been on the gradual rebound since February and March 2020, when seats drop dramatically between -50% to -90%, compared to volumes in 2019. Since this time airline seats have risen and fallen week to week in what has been a very volatile process taken by airlines to decipher the demand, traveller confidence and future government restrictions.

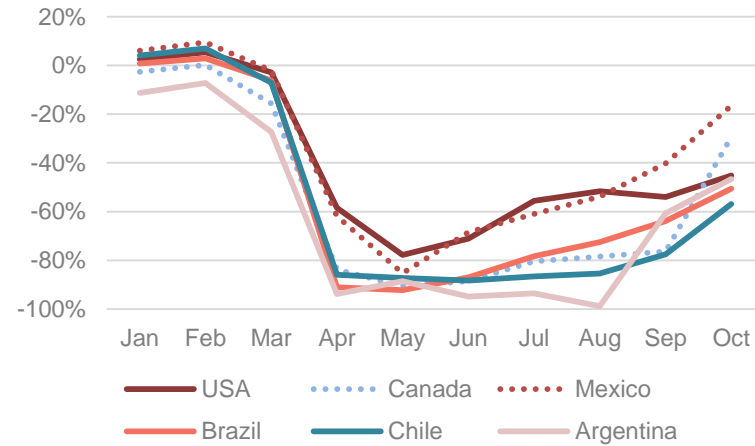
The first major domestic market to recover is China, where in February 2020 they reported their lowest month of -48% of seats compared to the same month in 2019. Since then, the China domestic airline market has taken six months to rebuild demand, showing positive signs of recovery with a +1% growth in seats offered in August, compared to the same month in 2019.

The pace of airline recovery will vary in each market due to many considerations, including, but not limited to:

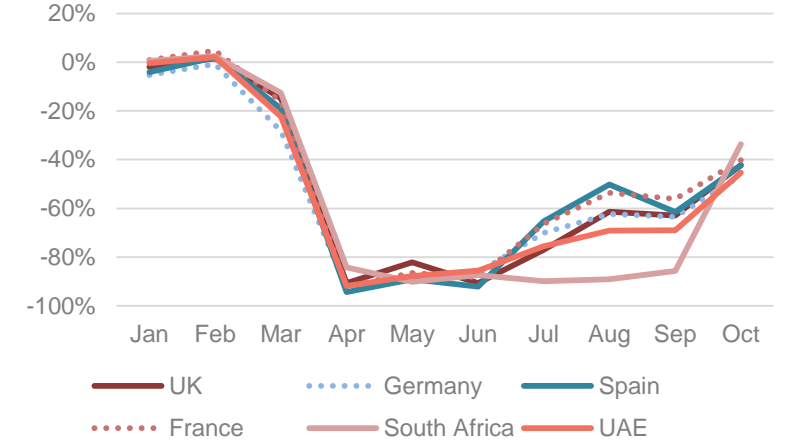
- Government regulations and health of a nation.
- Affordability of flights.
- Traveller confidence and safe to travel.
- Financially viable for airlines to operate.
- Discretionary spending and budget to spend on flights.

% OF MONTHLY SEATS OFFERED IN 2020 VS. 2019

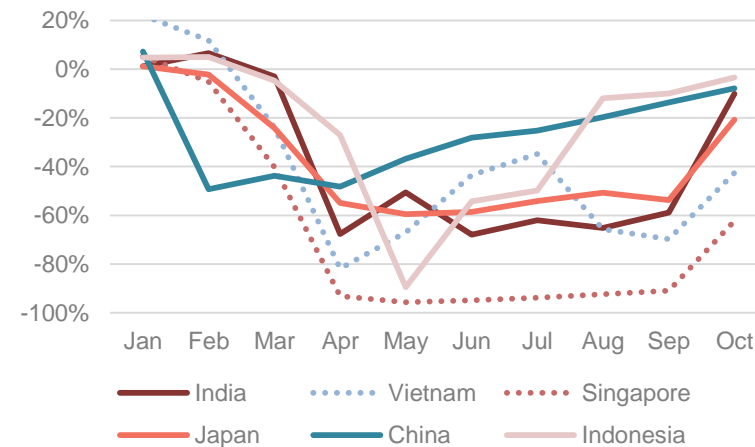
AMERICAS



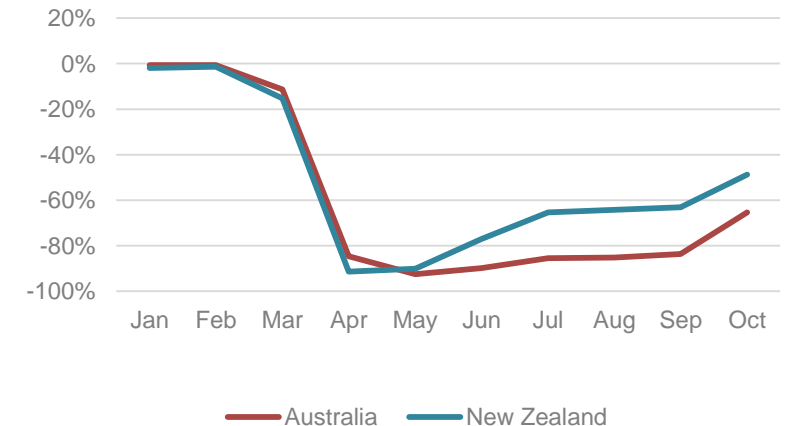
EMEA



ASIA



AU/NZ



It should be noted that seat volumes reported for October 2020 are likely to change several times during the month of September and October. The above graphs are based on both domestic and international seats.

Source : Cirium, September 2020.

HOTEL SHIFT IN SUPPLY & DEMAND

Whilst corporate hotel rate fluctuations are ongoing, understanding to what extent variations will occur is dependent on supply and demand per property and city.

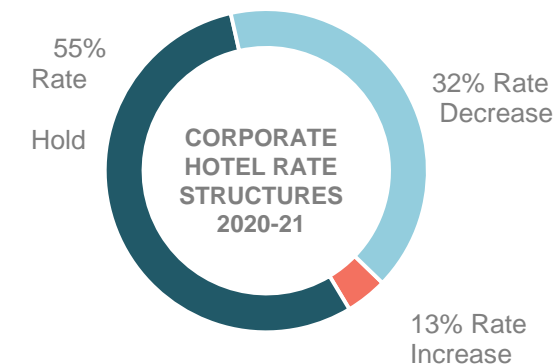
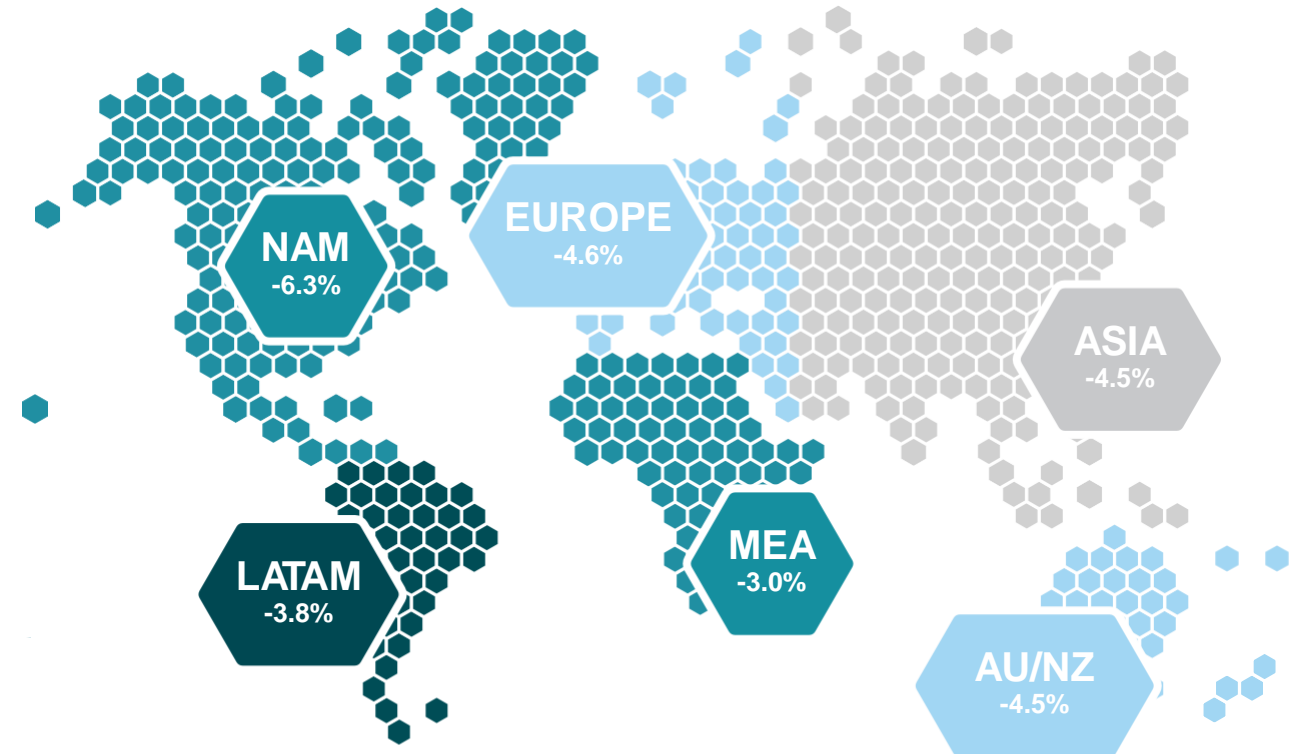
We are several months on from the trough of demand, and whilst we see significant losses and increased operating costs that need to be recovered the supply is outweighing the demand.

Looking toward 2021, we should reflect on the 2017-2019 period by city when forecasting rate levels and fluctuations +/- to come. Prolonged recovery in city locations will pose more volatility in rates offered into and beyond 2021.

A BUYERS MARKET

Mining, Construction, Food, Finance & Insurance and Wholesale are the top industries travelling today. For the first time in some 10 years, these industry groups are benefiting from significant partnership leverage with hotels for the year ahead. Based on market research conducted by 4D, global hotel rates in key cities are set to reduce by an average of -4.5% in 2021. Over 50% of hotels are offering a combination of fixed negotiated rates combined with a dynamic discount rate off Best Available Rate (BAR) enabling travellers to select the most favourable rate option.

2020-21 ANTICIPATED HOTEL RATE CHANGES



Information reported represents hotel responses to the 4D Sourcing Group 2021 Hotel RFP's as at August 2020.



FORWARD FOCUS

FORWARD FOCUS

"...Customer Facing travel is 60% of the reason we travel. We are looking forward to getting back on the road."

03

TOP TRAVEL CONSIDERATIONS

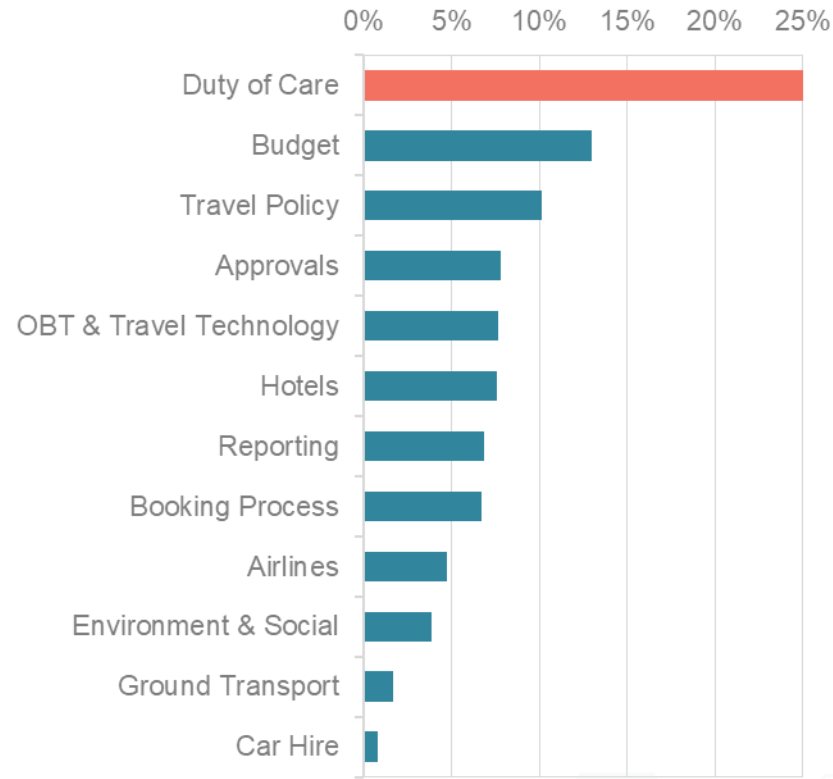
Since the emergence of COVID-19, the reshaping of business travel programs has been almost immediate. We asked customers what are the most important business drivers for their future travel program.

Duty of Care which includes risk management, traveller health and safety, and traveller tracking has emerged as the top priority in 2021 and well into the future. We anticipate the time and investment on duty of care will be significant across all aspects of the business travel framework including TMC, airlines, hotels, car hire and rail.

Centralised reporting and on-demand tracking of travellers are key deliverables for risk teams.

Travel budgets are ranked second in priority for the future which is a result of reduced business travel budgets and the anticipation of travel costs incrementally rising over the coming years, as suppliers such as airlines and hotels recover losses.

2020-21 PRIORITIES



LARGE ENTERPRISE

Duty of Care	23%
Budget	12%
OBT/Travel Technology	10%
Travel Policy	9%

SPORTS, ENTERTAINMENT & MEDIA

Duty of Care	30%
Budget	13%
Travel Policy	13%
Approvals	13%

SMALL - MEDIUM ENTERPRISE

Duty of Care	29%
Budget	15%
Travel Policy	11%
Approvals	9%

DUTY OF CARE

The past five months have put employee health, safety and risk management into sharp focus, heightening the need to review duty of care measures within travel programs.

Policy changes addressing COVID-19 precautions, were seen by respondents as an important way to restore confidence in the overall workplace. While business travellers are recognised as the ones with greatest exposure, their return to the office post-travel also requires delicate management to protect non-travelling employees.

Surveyed businesses repeatedly stressed the challenge they faced to remain informed, during the quickly changing circumstances that accompanied the beginning of the pandemic. While there is now more awareness around how to stay safe, access to intelligent travel risk management tools is seen as essential to keep both employers and travellers informed, prepared and able to react quickly.

A number of TMCs, including the FCTG's corporate brands, have developed dedicated COVID-19 dashboards and mapping tools to deliver accurate and reliable information including – the spread of the virus (including confirmed cases broken-down by country), timely airline departure and arrival reports, critical alerts and risk maps to assist travel managers in protecting, locating and communicating with travellers.

Travel consolidation was also recognised as a reliable way to maintain oversight of all bookings, to tighten the approval process, mandate safe suppliers and to facilitate fast traveller tracking. However, while business travel programs can mandate duty of care protocols, ultimately traveller health is heavily dependent on suppliers implementing strict health and safety measures.

Respondents flagged a new consideration gaining importance when choosing key suppliers and third party providers – being their ability to deliver strict infection control measures designed to combat the potential spread of COVID-19. TMCs and travel managers can see a future where suppliers will be rated on their ability to efficiently and effectively implement and manage new measures such as contactless check-in and check-out, physical distancing, deep cleaning between guest stays, digital key room access, pre-boarding health screening, new boarding protocols and contactless rental car pick-up.



POLICY IMPACTS

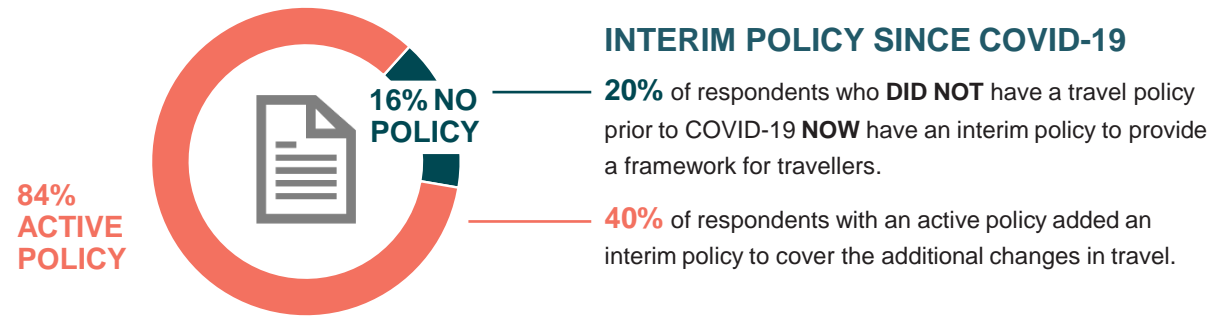
More than ever before, a travel policy ensures businesses have set guidelines around traveller safety, budgets, required documentation and purpose for travel, while empowering employees to use careful judgement when booking and incurring travels expenses.

84% of businesses interviewed have active travel policies, either at a national or global level. Smaller businesses were less likely to have formalised policies and rather review the need to travel inline with budgets.

During COVID-19 interim travel policies were introduced providing more restrictive guidelines for travellers. Interim policies include; varying definitions of indefinite travel bans, classifications for business critical travel (where safe), new approval procedures, general guidelines for changed supplier services and also procedures for business meetings.

50% of businesses interviewed in August 2020 have lifted bans on travel as border restrictions relaxed, and a growing need for business critical travel has occurred.

ACTIVE TRAVEL POLICY PRIOR TO COVID-19



FUTURE TRAVEL POLICY PRIORITIES

50% of customers are making further changes to their policy as travel resumes.

- HEALTH & HYGIENE**
 - Taking care of own personal health.
 - Declarations of being medically fit.
 - Guidelines on what to do if you feel unwell.
- PRE-TRIP APPROVAL**
 - New or additional layers of pre-booking approval, ensuring travel is essential and permissible.
- BUSINESS CLASS**
 - By exception, business class travel approval for employee levels, or critical requirements.
- BUSINESS ESSENTIAL**
 - Clearly defined reasons for business travel.
 - Moving to virtual meetings as first option.
- JOURNEY CHANGES**
 - Advice on changes and protocols at the airport, airline check-in, aircraft boarding, hotel check-in, hotel services, car hire and rail services.
- COVID CONDUCT**
 - National and global guidelines adopted such as social distancing, no handshaking, masks and limiting numbers in meeting rooms.
- PREFERRED & COVID SAFE SUPPLIERS**
 - Adherence to company preferred suppliers. Notice on the change in supplier services.

TO APPROVE OR NOT

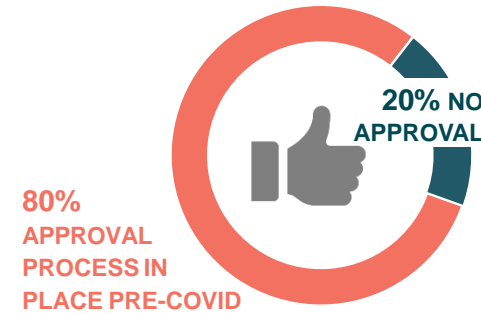
Travel approval can take on many forms and over the years it has moved in and out of travel policies, depending on booking logistics, financial position of a business or other internal business reasons.

Generally, travel approval exists to ensure:

- Adequate funds are available.
- Travel is necessary for work.
- Traveller has appropriately planned to be away from the office.
- Travel is in accordance with policy.

In the research conducted **80%** of businesses have an approval process in place, ranging from verbal, email or formal online requests (Online Booking Tool (OBT) or separate procurement platform). In recent years, due to the combination of OBT's and TMC reporting, travel approvals have generally been in place to manage exceptions where travellers book out of policy.

APPROVAL PROCESS PRIOR TO COVID-19



TRAVEL APPROVALS SINCE COVID-19

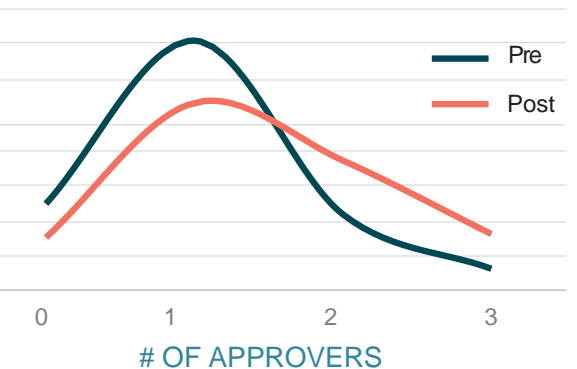
— **10%** of corporations with no travel approval, implemented a new approval process as a result of COVID-19.

TIGHTENING CONTROL ON TRAVEL SINCE COVID-19

Business Travel Approval Changes

- 37%** have increased travel approvers by +1.
- 57%** have not changed approvals.
- 6%** have removed travel approval signalling a total ban on travel indefinitely.

AVERAGE NUMBER OF TRAVEL APPROVALS



THE ROLE OF TECHNOLOGY

The business world moved at warp speed to address the emerging COVID-19 crisis.

Once the potential impact became apparent in early 2020, customers describe having to make quick decisions on the hop in very difficult and uncertain circumstances. Borders and air corridors were quickly closing, often with only one or two day's notice, with little time to track down travellers, communicate effectively or reassess business travel priorities and risks.

The response to stop travel, isolate at home and continue to be work ready, required entire workforces to be desktop mobile and agile. Technology allowed us all to move fast, introducing business innovation in a record four to five month timeframe. Many companies have been forced to adopt new tech-driven business and travel processes, which under normal (and less urgent) circumstances may have taken many years to achieve. Meetings and events have taken sizeable leaps into new virtual settings, enabling continued collaboration, debate and business revolution.

Businesses that had access to technological tools and the insight to act quickly, ultimately emerged stronger and quicker than their peers.

Businesses with an open mind for innovation and that had already made travel tech a business priority, found the shifting travel landscape easier to navigate knowing there were several tools and systems to support them. Using travel reporting, data and analytics to identify travellers' location, future travel plans, booking status and supplier user, allowed businesses to plan and adapt faster. Using travel data to determine supplier use and tracing has now become an important component for traveller care.

Integrating travel advice into travel technology over recent years has allowed businesses and their travellers to be more aware and responsive when the unplanned occurs.

An Online Booking Tool was regarded as the best way to view, manage and control new bookings and restrict user groups, completely stop travel or add new approvers.

EMBRACING COLLABORATION AND CHANGE

While internal change has been paramount in successful business travel program transformation, COVID-19 also demonstrated that collaboration – between countries, government bodies, companies, customers and suppliers – is vital in steering a path through the current uncertainty.

From a business travel point of view, this has meant adopting a travel program which embraces up-to-the-minute communication, transparency, traveller visibility and the ability to draw on TMC, industry and supplier connections to manage business travel priorities – and traveller concerns.

It is clear that businesses need a new framework in which to reassess their post-COVID-19 business travel priorities.

Online resources, such as FCTG's Return to Travel Framework, are important tools to support travel managers, stakeholders and taskforce committees to plan new ways forward.

For businesses dependent on a return to travel soon, adopting new ways to digitally engage with travellers confidence quickly and flexibly is key. Tech solutions designed to ensure businesses are fully informed and business travel ready, including offerings such as FCTG's SAM (Smart Assistant for Mobile) and OBT which both deliver on the pandemic-driven need for more information and control, will be considered vital.

Respondents agreed that getting back to the business of travel, will heavily depend on engaging with new tech-smart resources to manage important new travel policy considerations, including booking approvals and traveller duty of care expectations.

Since COVID-19 clear priorities have emerged for customers, including having all aspects of travel compliant, monitored and consolidated through one TMC. Businesses rely on the quick delivery of the latest travel facts based on insights and expert knowledge to navigate business travel recovery as borders re-open and ongoing support to address new travel budget realities in these economically challenging times.

FOR MORE TRAVEL RECOVERY TIPS AND SUPPORT VISIT [FCM TRAVEL SOLUTIONS](#) OR [CORPORATE TRAVELLER](#)



THE LAST WORD

COVID-19 has created a once in a lifetime shift where changes have impacted us in a personal, corporate, societal and economic way.

There have been many times over the past five months where we have re-written the rule books and have been forced to react to fast changing situations amidst uncertainty.

We are operating in unique times and businesses have no option but to lean into the change to remain on the front foot. While business travel is a critical component of success for many industry sectors, the road to its eventual return is set to be bumpy and unpredictable.

Without a crystal ball, no person, business or government can be certain of what the next 12 months hold. However businesses, travel procurement teams and travellers can all take advantage of the valuable lessons which have emerged from the past five months, and draw on them to work more closely with their TMC and business travel suppliers to transform their travel programs.

“...people who have travelled said it was all absolutely fine regarding a recent trip to Hamburg. There's more of a fear around the idea than the actual travel itself.”
Large enterprise customer UK

“ We have passed the most difficult period. We are now focused on recovering our business ASAP “
Multinational customer Asia

“ We have set up a Re-Entry Task Force which includes finance, HR and procurement. We have weekly meetings to assess whether travel can resume.”
Sports & entertainment Australia

4TH DIMENSION

BUSINESS TRAVEL CONSULTING

CONTACTS

4th Dimension Business Travel Consulting

Felicity Burke

General Manager

T +61407097599 / E felicity.burke@4dconsulting.com.au

4D RESEARCH

This report was prepared by the 4D Research Team, which forms part of the Flight Centre Travel Groups corporate consulting services. All materials presented in this report, unless specifically indicated otherwise, is under copyright and proprietary to the Flight Centre Travel Group. Information contained herein, including projections, has been obtained from materials and sources believed to be reliable at the date of publication.

Readers are responsible for independently assessing the relevance, accuracy, completeness and currency of the information of this publication. This report is presented for information purposes only.

All rights to the material are reserved and none of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party without prior express written permission of the Flight Centre Travel Group. Any unauthorized publication or redistribution of this reports is prohibited. Flight Centre Travel Group will not be liable for any loss, damage, cost or expense incurred or arising by reason of any person using or relying on information in this publication. To learn more about the Flight Centre Travel Group.

www.fcetgl.com