

BTN

BUSINESS TRAVEL NEWS



TRANSPORTATION

Delta's enhanced cleaning policies and capped load factors will continue indefinitely, says chief customer experience officer Bill Lentsch.

PAGE 11



TECHNOLOGY

Several risk specialists and TMCs are rolling out Covid-19 virus trackers designed to give travel managers insight into outbreak-related risk.

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VOICES

With cash flow now critical to business survival, hotel bill-back policies have become anachronistic, argues Conferma's David Wood.

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TOP STORY

WHAT TRAVEL BUYERS THINK OF THEIR CAR RENTAL COMPANIES

On a scale of 1 (poor) to 5 (excellent)



BY MICHAEL B. BAKER

BTN'S 6TH ANNUAL CAR RENTAL SURVEY & REPORT

National Tops the Chart

For the sixth year in a row, Enterprise Holdings' National brand dominated BTN's annual ranking of car rental suppliers. Travel buyers gave the company top marks in 10 of BTN's 11 criteria categories, and National in six categories achieved ratings over 4.5 on an ascending five-point scale. According to respondents, service and product from car rental suppliers overall was looking bright in the 12 months leading up to the Covid-19 crisis, which forced down demand for all travel, including car rental, chauffeured ground transportation and ride-hailing. About 36 percent of buyers surveyed said car rental customer service had improved over the previous 12 months, while 59 percent said it had stayed the same and only 5 percent said service had eroded in that time. Chauffeured transportation also received good overall marks, with cleanliness and maintenance topping the list.

FULL STORY ON PAGE 6

OUTBREAK TO BREAKTHROUGHS

Covid-19 Pauses Travel But Accelerates Innovation

BY ADAM PERROTTA

With corporate travel remaining at a standstill due to the Covid-19 pandemic and no clear end in sight, the industry's short- to mid-term prognosis is murky at best. But there also is a strong undercurrent of hope for the post-Covid future. By putting an extended halt to travel operations, the outbreak has sparked the potential to reimagine the future of the industry, affording buyers and providers alike an unexpected opportunity to address pre-existing issues, while laying bare like never before the vital organizational role served by travel departments. Taken together, those dynamics could create an ideal environment for innovation, spurring development of new products and revamped processes that will help corporate travel emerge from the downturn healthier than before.

The sudden onset of the Covid-19 virus in Europe and the U.S. in March threw the corporate travel industry into chaos, with corporate travel managers and their TMC partners scrambling to bring travelers in from the road, modify bookings and adjust travel policy on the fly. But when the dust settled with essentially all travel grounded for the foreseeable future, corporate travel departments and TMCs had a core operation—planning and supporting travel—removed from their plate, freeing up resources and mental bandwidth for buyers and suppliers to take a breath, step back and look at the bigger picture.

"The daily firefighting and dealing with the problems of day-to-day travel management has pretty much disappeared," for most corporate

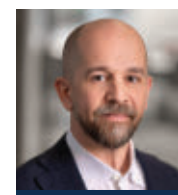
In fact, that work has already begun.

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Most Business Travelers Plan To Return

Business travelers' expectations for post-vs. pre-pandemic travel

	U.S.	Global
Will travel less	24%	27%
Will travel more	14%	13%
Will travel the same amount	63%	60%

Source: An Oliver Wyman April 24-May 10 survey of 290 U.S. and 2,396 global travelers who took at least one roundtrip business flight in 2019

THANKS FOR TRAVELING WITH US

Your business travelers are our top priority, and we're committed to helping them return to travel with confidence. Whether it's today or in the coming weeks, whenever you're ready, Enterprise and National are here to serve your company's transportation needs with a focus on safety and reliability.

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EU, IATA Outline Path For Safe Air Travel Resumption

BY MOLLY DYSON

The European Union Aviation Safety Agency and the European Centre for Disease Prevention and Control last month issued a joint document defining recommended Covid-19 health and safety measures for the resumption of air travel.

The guidelines feature overarching principles such as observing physical distancing where possible, wearing facemasks and encouraging passengers to practice “scrupulous” handwashing and hygiene. The agencies said airlines must reassure their customers that the filtered air on board aircraft is “safer and cleaner than many of us breathe on the ground.”

It also recommends the use of thermal screening at departure airports but says scientific evidence shows the use of entry screening at arrival airports is ineffective. Nonetheless, the agencies said such screening measures could act as a way to boost passenger confidence.

EASA’s move came a few days after the International Air Transport Association again came out against the use of quarantine measures for international travelers, saying the aviation industry will need to adopt a “layering of temporary biosecurity measures” to provide consumer confidence as travel restarts.

IATA published its proposed roadmap for restarting aviation services in the safest way possible, which includes a number of measures it believes should be taken before, during and after flights, both at the airport and on board aircraft.

According to EASA, its protocols rely heavily on air passengers taking personal responsibility by not traveling if they have any of the common Covid-19 symptoms—fever, cough, sudden loss of smell, or shortness of breath—or if they know they have come into contact with someone confirmed to have the disease. It said passengers should be asked to declare their Covid-19-related status before receiving their boarding pass and will be required to provide contact information to allow for “track and trace” procedures if another person on their flight later tests positive for coronavirus.

For airlines and airports, the agencies say “significant changes” will be required. “Aeroplane operators and airport operators should cooperate to ensure physical distancing is respected wherever feasible, especially during check-in, security check, pre-boarding and boarding.” The guideline states that other mitigation measures such as hand hygiene and “respiratory etiquette” should be used where physical distancing of at least 1.5 meters is not possible, and that those dropping off passengers “will need to say goodbye” and not enter the terminal building.

On the aircraft, EASA said the guidelines offer flexibility but are clear that physical distancing should be maintained where allowed “by passenger load, cabin configuration and mass and balance requirements.”

European commissioner for air transport Adina Valean said: “The safety of passengers and crews has always been paramount in aviation. Passengers have

to have confidence that taking to the skies again in a confined space with other people poses the minimum possible risk to their health.

“The protocol released today will reassure passengers that it is safe for them to fly and so help the industry recover from the effects of this pandemic.”

Thomas Reynaert, managing director of Airlines for Europe, said: “Travelers need reassurance that they can plan their trips with confidence. For this, we need member states to implement coordinated and consistent processes and measures across European airports. Equally important, we urge national authorities to adhere to the European Commission’s guidelines calling for ‘individually targeted measures’ as opposed to blanket measures such as quarantines.”

IATA welcomed the announcement, saying the guidelines are aligned with recommendations provided by airlines and airports.

Rafael Schwartzman, IATA regional vice president for Europe, commented: “EASA and ECDC has delivered a sensible framework for restarting aviation while protecting public health. The guidance is clear that while airlines should seek to maintain physical distancing where practicable, flexibility on seating arrangements is permitted. And quarantine requirements are not necessary.”

IATA long has criticized the idea of leaving middle seats empty during flights, saying the model is not economically viable for airlines and would drive ticket prices up. It has also hit back at individual governments’ decisions to impose 14-day quarantine periods for international travelers, which it says could further delay the industry’s recovery.

Schwartzman continued: “But it is absolutely essential that all European states apply these guidelines in a harmonized and mutually recognized way. Local deviations and exceptions will damage public confidence and make it harder to operate effectively. This would be harmful to public health and the economic recovery. IATA will support states to implement these guidelines in the fastest and most efficient way.”

IATA’s proposal suggests passenger data, including health information, should be collected by governments before a flight in the same way they gather details for e-visa or electronic travel authorization programs.

On arrival at the airport, IATA said terminal access should be restricted to airport and airline workers as well as passengers, with exemptions made only for those accompanying travelers with disabilities. It also recommends temperature screening by trained government staff at entry points, physical distancing throughout the entire airport journey including queue management, the use of face coverings for passengers and masks for staff, self-service options for check-in and bag-drop to limit person-to-person contact, congestion-reducing boarding priorities and hand luggage limitations, and cleaning and sanitization of high-touch areas.

IATA director general and CEO Alexandre de Juniac said: “There is no single measure that will reduce risk and enable a safe restart of flying. But a layering of measures that are globally implemented and mutually recognized by governments can achieve the needed outcome. This is the greatest crisis that aviation has ever faced. A layered approach has worked with safety and with security. It’s the way forward for biosecurity as well.” ■

“While airlines should seek to maintain physical distancing where practicable, flexibility on seating arrangements is permitted. And quarantine requirements are not necessary.”

—IATA’S RAFAEL SCHWARTZMAN



New Name, New Structure: O'Hara Talks TMC Reorg

The former Travel Leaders Group in the past month made several moves to reorganize its structure, including unveiling its new name, Internova. The travel agency group also merged its Travel Leaders Corporate and Altour agencies under the latter's name and said it would do likewise for Tzell and Protravel. Internova CEO J.D. O'Hara late last month spoke with BTN managing editor Chris Davis about what the new structure means for the corporate market. An edited transcript follows.

WHY ARE YOU TAKING THESE STEPS NOW?

I view it as a reorganization, and I think a lot of people would ask what took so long. There's been some feedback that there's confusion in the marketplace in terms of Travel Leaders Group. At the time [of Travel Leaders' 2008 establishment], naming the parent company Travel Leaders Group to support the Travel Leaders Network, which wasn't a well-known brand, made sense. As we morphed into the business that we are today, it made sense to relook at things and lessen the confusion. Before you ask the question, this was not driven by the Covid-19 pandemic. Rather, these plans and discussion started earlier in the year and perhaps even late into last year. And I've kind of had in my mind that I'd like to head in this direction, but I think [Covid-19] gave us a little bit more of a push to execute on it.

What we'd like to do is make sure that we've got the best processes, tools and support for each of these business divisions. To pick an example, Altour and Travel Leaders Corporate came together, and Altour had many, many processes, tools, et cetera, that were superior to Travel Leaders Corporate and vice versa. And so we're putting the best of both worlds together.

WHAT ARE THE SPECIFICS IN HOW THAT TRANS-LATES IN TECH, INTEGRATION AND POLICIES?

I think it's early in the process to answer that, but I can tell you, for instance, they're both on two different telephone platforms. Putting them on one platform creates a tremendous amount of service increase to corporate clients. One of the providers that one of the businesses was on, the [service-level agreements] were not up to speed. I would suspect that the teams under [Altour CEO] Alexandre [Chemla] will come together and say, "Hey, for this process, what do you guys do? And let's have a discussion about what the best of both worlds is." I would suspect booking tools, mid-office [and others] would be the answer, but it's too early to specifically say.

WHAT ARE YOUR OPERATING ASSUMPTIONS NOW REGARDING HOW COVID-19 IS GOING TO PLAY OUT IN THE INDUSTRY? IS IT THE SAME AS IT WAS BACK IN MARCH?



Internova CEO J.D. O'Hara talks:

- Merging Travel Leaders Corporate and Altour
- Covid-19's effect on M&A and projections
- Corporate client acquisition in a pandemic

"We're seeing bits and pieces of positive momentum, and we'll take whatever it is."

You hear different views, from things are going to be OK tomorrow, to the opposite of that. I have a view that we're clearly in tough times, and we'll recover from that. It's a function of when and how fast. We're seeing bits and pieces of positive momentum, and we'll take whatever it is. The volumes aren't there to get too excited about yet, but I'm certainly glad that we're trending in the right place.

GIVEN TRAVEL LEADERS' HISTORY OF ACQUISITION, WHAT'S THE EFFECT OF COVID-19 IN TERMS OF POTENTIAL M&A?

As a policy, we don't comment on M&A. I think valuation's a struggle right now, not just for us, but for anybody. We're always looking at stuff, and for the right opportunities, we're always engaging. So that will certainly be a healthy part of our future, whether short-term or long-term.

HAVE YOU HAD TO PULL BACK INTERNAL INVESTMENT THAT YOU WERE OTHERWISE PLANNING?

Like any other business, cash is what we're focused on, and liquidity. Every single initiative, from a technology or otherwise growth investment, has been looked at and either been temporarily put on hold or has continued, depending on what we feel the importance of it is. Certainly a lot of projects have been put on hold, and we're taking all the typical steps that pretty much every other company is from a cost-avoidance perspective that we can.

HOW IS THE INTERNOVA FINANCIAL POSITION GOING FORWARD, ESPECIALLY IN TERMS OF LIQUIDITY?

I wouldn't comment in detail. We feel positive about how we're going to come out of this. So, I would say, on a relative basis, we feel really good.

DO YOU ANTICIPATE THE ROLE OF THE TRAVEL AGENCY CHANGING FOR CORPORATE CLIENTS WITH REGARDS TO CONFIGURATION, THE SERVICES THEY'LL LOOK FOR, OR PAYMENT STRUCTURES?

I've seen a couple of different views on this, and I'm not sure. I would tell you at least I haven't been involved in any discussions where we're planning on changing any structures from a corporate [client perspective]. And I think that these things evolve over time, and we view our clients like our partners, so we'll take that feedback, if that starts coming around. But I think the value of the travel advisor is going to be more necessary and important than ever. Call me optimistic if you'd like, but while it's horribly painful in the short term, I think this is going to end up being great for our distribution channel from a corporate, leisure and otherwise perspective.

WHAT ABOUT CORPORATE CLIENT ACQUISITION? IS THAT HAPPENING NOW?

Yes, believe it or not. We're busy, actually. We've brought on several clients and won new ones that will be implemented in the coming months. That element of the business is actually quite active. I would suspect that it's slowed, and the [requests for proposals] have slowed, but it's certainly active. One of the areas we did not slow on was sales and account management. ■



Pointing the Way Past Covid-19

As countries around the world start to ease Covid-19 stay-at-home restrictions, most business travelers are expressing a bit of optimism about their travel futures, with only about a quarter of U.S. respondents suggesting they'll travel less in a post-pandemic world than in the time before the coronavirus. Meanwhile, most travelers think their primary airlines handled the crisis well, but they split on whether they'll pay to maintain social distancing. As for getting through the crisis, almost all U.S. hotels sought government relief, and most succeeded in getting some.

MOST BUSINESS TRAVELERS PLAN RETURN

Business travelers' expectations for post- vs. pre-pandemic travel

	U.S.	Global
Will travel less	24%	27%
Will travel more	14%	13%
Will travel the same amount	63%	60%

Source: An Oliver Wyman April 24-May 10 survey of 290 U.S. and 2,396 global travelers who took at least one roundtrip business flight in 2019

MOST TRAVELERS SATISFIED WITH AIRLINES' COVID-19 REACTION

Travelers' impression of their primary airline's response

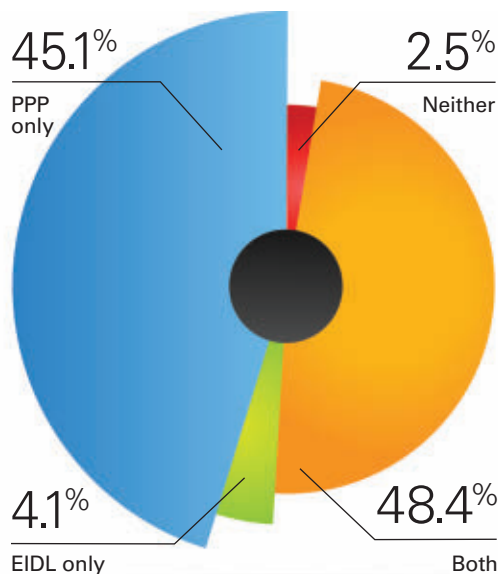
	U.S.	Global
Favorable	66%	61%
Unfavorable	9%	9%
Neutral	25%	30%

Source: An Oliver Wyman April 24-May 10 survey of 500 U.S. and 4,394 global travelers who took at least one roundtrip flight in 2019

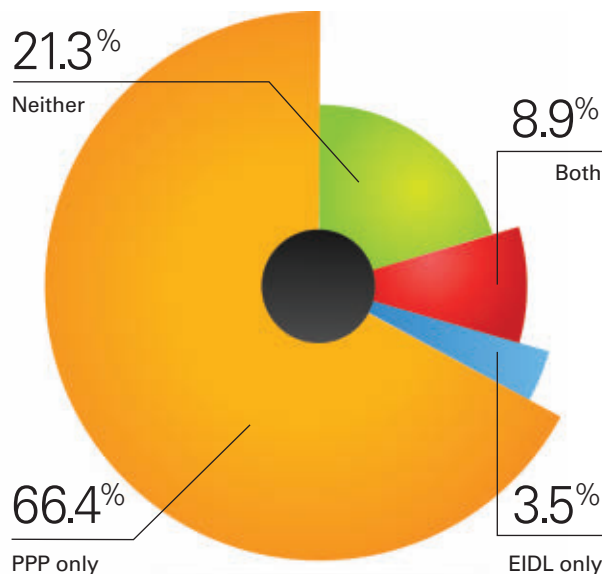
HOTELS RECEIVE SOME COVID-19 RELIEF

U.S. properties' experience with federal Paycheck Protection Program and Economic Injury Disaster Loan initiatives

APPLIED FOR



APPROVED FOR



PAYING FOR AIRLINE SOCIAL DISTANCING

*How likely are you to spend more money to increase the distance between you and other passengers?**

43%
ALL TRAVELERS

55%
TRAVELERS UNDER 40 YEARS OLD

* Including for higher classes of service and empty middle seats
Source: A PricewaterhouseCoopers April 22-28 survey of 1,005 U.S. travelers who had taken at least one flight or spent at least one night in a hotel during 2019

PWC U.S. LODGING FORECAST BY TIER *Projected year-over-year change*

Tier	2020			2021		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
Luxury	-58.0%	-6.1%	-60.5%	100.0%	-1.5%	97.0%
Upper upscale	-55.4%	-14.2%	-61.7%	91.1%	-0.3%	90.4%
Upscale	-49.0%	-13.6%	-55.9%	65.0%	7.0%	76.6%
Upper midscale	-43.9%	-12.8%	-51.1%	55.0%	8.1%	67.5%
Midscale	-24.4%	-10.9%	-32.6%	22.3%	7.8%	31.8%
Economy	-21.0%	-9.1%	-28.2%	21.9%	7.3%	30.8%
Independent hotels	-41.3%	-17.6%	-51.7%	47.6%	1.4%	49.6%

Source: PricewaterhouseCoopers



National Stays on Top with Buyers

BY MICHAEL B. BAKER

National Car Rental maintained its undefeated record in BTN's annual Car Rental Survey, earning the top score among travel buyers this year as it has in all six years of the survey's history, while its sister brand, Enterprise, reclaimed the second-place position it has held every year besides 2019.

Total average scores, based on buyers' ratings of their car rental suppliers across 11 criteria, were up for both National and Enterprise compared with the 2019 survey. National earned the highest score in all but one of the criteria measured by BTN, and Enterprise had the biggest year-over-year improvement, with its score up 0.17 points on the survey's five-point scale. Both Avis and sister brand Budget, which in 2019 reached the usage threshold to be included in the survey for the first time, also improved their scores year over year. Hertz was the only brand in the survey to have a year-over-year decline in its total score.

National has been in an "upward trajectory" since its 2007 acquisition, along with Alamo, by Enterprise Holdings, said Neil Abrams, founder and president of Abrams Consulting Group. The brand, which he said he always regarded as a "sleeping dog" in the pre-EHI years when it perennially lagged behind Avis and Hertz, has flourished under the capital and enormous fleet available since.

"The beauty of the consolidation is they're renting the same cars out to different customers at different rates and different levels of service," Abrams said.

While outscoring its competitors in nearly every criteria in the survey, National's strongest areas were in upgrades and VIP services, providing clean and well-serviced cars, complaint resolution, account reps, productivity of car rental and overall value, all categories in which it scored above the 4.5 mark.

"We take pride in our account management team, and we've been historically strong in that area," said Don Moore, SVP of business rental sales and international tour at Enterprise Holdings. "That's in talking to our customer base, in regards to how we keep in close contact to our partners and ask them constantly what the customers' needs are."

In terms of rental efficiency, National this year continued to improve its Emerald Aisle offering, including improved signage, and the company further is exploring technological tweaks to let travelers get to their car and off the lot even quicker, Moore said.

Avis, meanwhile, improved its total score 0.05 points year over year, but its scores improved more strongly in the categories related to customer service and data.

"We believe that this recognition is a result of our diligent work to be a business that puts its customers first," according to Avis Budget Group SVP of sales Beth Kinerk, who was not available for an interview for this story but provided an email statement to BTN. "Feedback from our customers directly drives our innovation and fuels enhancements to our processes across both the Avis and Budget brands."

As it did last year, Avis outscored all of its competitors for its mobile app. One key new feature added during the past year was a "split my bill" option, so travelers combining a business and leisure trip or adding ancillaries not covered by policy could use their corporate and personal cards to pay for the respective parts of their bills, according to Kinerk.

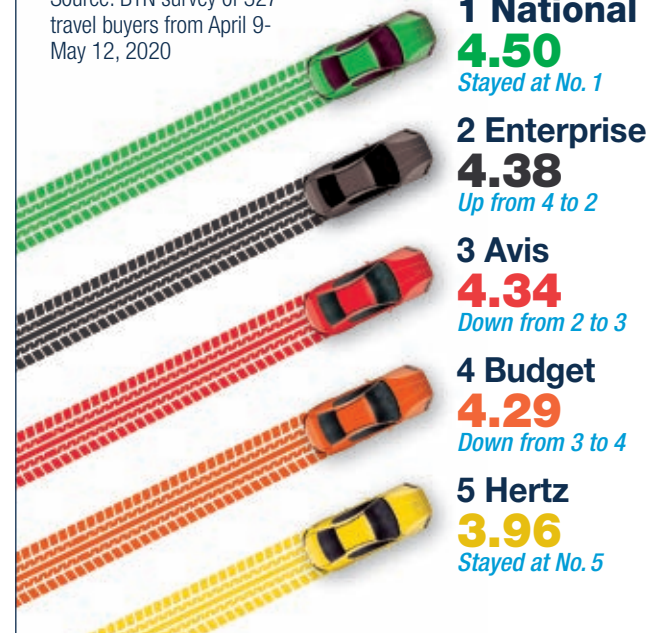
Budget's score improved 0.07 points year over year, and the brand tied National for the highest score in negotiating pricing and amenities.

Hertz, which did not respond to a request for an interview, fell 0.09 points in total score

WHAT TRAVEL BUYERS THINK OF THEIR CAR RENTAL COMPANIES

On a scale of 1 (poor) to 5 (excellent)

Source: BTN survey of 327 travel buyers from April 9-May 12, 2020



compared with last year. The brand's best scores were in providing clean, well-serviced cars and for its upgrades and service for VIPs.

Abrams noted that Hertz has been through "organizational toil" during the past five years. In the past few years, it seemed to be righting its course under CEO Kathryn Marinello, having been on a path of topline growth and earning the top spot in the J.D. Power 2019 North America Rental Car Satisfaction survey. As demand plummeted under the weight of the Covid-19 crisis, however, Hertz in recent weeks filed for Chapter 11 bankruptcy, and Marinello left the company with EVP and North American chief retail operations officer Paul Stone stepping in as its new president and CEO.

While Hertz's circumstances are the direst of the major car rental companies, all will have to reduce fleet sizes, as the crisis should suppress demand for the rest

HOW CAR RENTAL COMPANIES RANKED IN ...

On a scale of 1 (poor) to 5 (excellent)

	Clean, well-serviced cars	Negotiating pricing/amenities	Productivity of rental	Mobile app	Upgrades/VIP services	Pricing transparency	Complaint resolution	Account reps	Communication	Data/reporting	Overall value	Total
National	4.65	4.45	4.56	4.38	4.67	4.39	4.52	4.52	4.39	4.40	4.55	4.50
Enterprise	4.52	4.43	4.46	4.21	4.15	4.37	4.45	4.49	4.32	4.36	4.44	4.38
Avis	4.31	4.40	4.26	4.43	4.35	4.20	4.36	4.46	4.26	4.33	4.35	4.34
Budget	4.25	4.45	4.18	4.04	4.09	4.23	4.37	4.50	4.31	4.40	4.35	4.29
Hertz	4.23	3.89	4.03	4.01	4.13	3.94	3.91	3.90	3.81	3.92	3.77	3.96

Source: BTN survey of 327 travel buyers from April 9-May 12, 2020

THE EASIEST WAY TO RENT A CAR

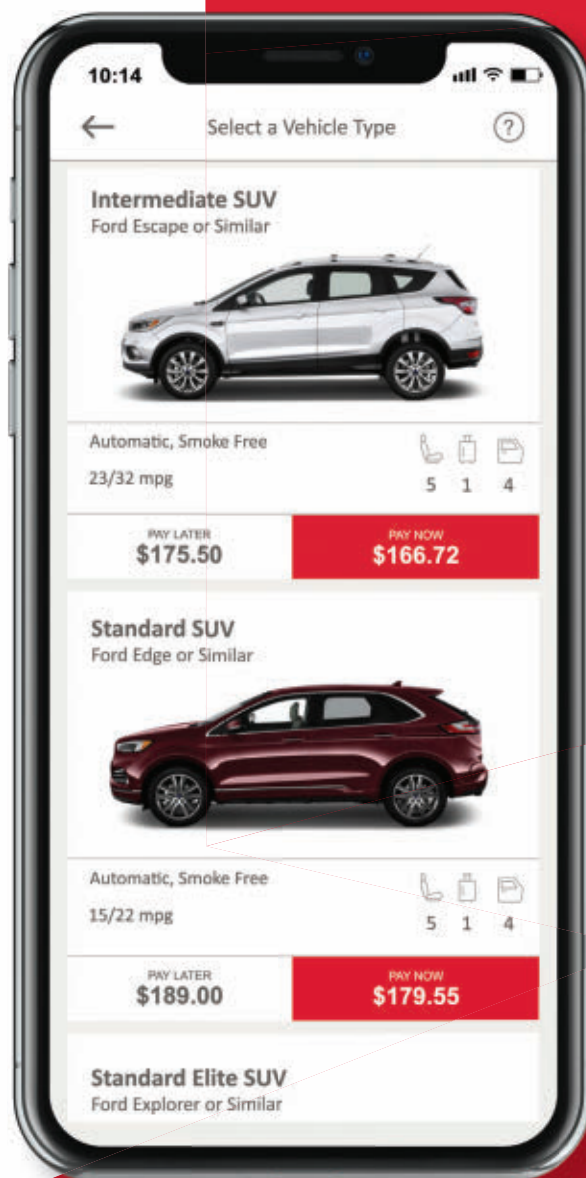
AVIS[®]

As an Avis Preferred member you can use the app to control your rental from beginning to end with features like:

- Exchange or upgrade your car
- Track the Avis Courtesy Bus
- Find gas and parking
- Split the cost on another credit card
- View/save your rental receipt

Join Avis Preferred at avis.com/preferred and then download the Avis App.

To see how it works, visit avis.com/app.



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BTN's 2020 Car Rental Survey & Report

of this year and beyond, Abrams said. Even prior to the crisis, suppliers sought to generate more revenue out of fewer cars, he said. "Demand dropped precipitously, and it's very hard to say where this is going to end up," he said. "When you look at the airlines, half of [car rental companies'] businesses are coming off the planes."

Moore said he is seeing some "positive signs" the demand is starting to pick up, albeit nowhere near the levels seen prior to the pandemic, and some stores that had temporarily closed are reopening.

On the business side, car rental could play a modified role, at least in the early days of rebuilding demand. In a recent series of calls hosted by BTN, some buyers said they would increase use of car rental in lieu of flights or ride-hailing apps, saying they preferred keeping employees in a vehicle with single occupancy for the moment.

"We've been told by many of our business partners that they will recommend driving versus flying out of the gate, so we're prepared for that piece," Moore said. "Customers might keep their car a little longer, so the length of rental will increase slightly."

Corporate buyers are playing a role as rental car companies shape their policies to deal with the pandemic. Avis Budget established a corporate advisory board to provide guidance on travel policy revisions and contingency planning, according to Kinerk. National is looking at revamping some corporate-specific options, such as its mileage calculator that helps buyers determine when to use car rental versus other forms of transportation, to reflect Covid-19 concerns, Moore said.

Buyer priorities also will shift. The "clean, well-serviced vehicle" metric is taking on a whole new meaning as all the companies are detailing information regarding sanitization of all touchpoints within vehicles. Their apps, which reduce the time and interaction associated with rentals, are taking on a new importance as well.

"National was already down that path, but you now need to be able to provide vehicles with the lowest-touch scenario," Moore said. "On the technology side, we've dropped everything to focus on the customer experience in renting a car, and we'll be trialing different products in June." ■

Chauffeured Suppliers Cleanliness' Shines

Buyers are most satisfied with their chauffeured transportation suppliers in terms of cleanliness, as that metric moves front and center for suppliers seeking to rebuild demand decimated by the Covid-19 pandemic.

Of the 10 metrics tracked for chauffeured transportation suppliers in BTN's annual Ground Transportation Survey, buyers gave the highest score for their suppliers providing clean, well-serviced cars, earning a score of 4.5 on a five-point scale, up 0.01 points year over year.

In all, buyers indicated that their suppliers are staying the course, with nearly 78 percent saying chauffeured transportation customer service had stayed the same over the past year. More than 17 percent said their service had improved, and only about 5 percent said service had gotten worse, a slightly smaller percentage than in last year's survey.

The metric where suppliers are performing best also is the one getting the lion's share of attention, with suppliers establishing protocols to minimize spread of the virus. EmpireCLS, for example, is requiring both passengers and chauffeurs to wear masks—with chauffeurs required to wear N95 masks or the equivalent—and new sanitization measures and air filtration systems for vehicles. RMA Worldwide Chauffeured Transportation CEO Robert Alexander said he's viewing it as creating "a bubble between people's homes and the destination they're going to."

Providing that "bubble" has let ground transportation firms become a resource for some travelers seeking to avoid short flights or train rides, said Blacklane cofounder and CEO Jens Wohltorf. In the past month and a half, Blacklane's average distance per ride nearly doubled, he said.

"We have the opportunity to provide the business travelers out there the only real alternative they have to travel clean, safe and healthy, at least for short to midsize distances," Wohltorf said. "Rather than having to queue up in airports or train stations, they want to have a private car, with a guarantee of hygiene and cleanliness in place."

Where ride-hailing apps fall along that spectrum remains to be seen. In a recent series of discussion groups with buyers conducted by BTN, some said they had temporarily banned travelers from using the services, and some entities, such as Major League Baseball, have considered bans on their use as they resume operations. The apps themselves are putting their own protocols in place—Uber and Lyft are requiring passengers and drivers to wear masks, for example—but Alexander said the traditional suppliers will tout the greater control they have over their network and drivers as an enticement to buyers.

Even so, the apps are fairly entrenched in ground transportation programs. Only 6 percent of buyers in the survey, which was fielded after the onset of the Covid-19 crisis, said they had a policy prohibiting travelers from using ride-hailing apps. About 41 percent said they are allowed but not addressed in policy. Nearly a quarter said they were enrolled in one of the companies' business programs, and another quarter said they encourage travelers to use them in certain instances.

Traditional chauffeured companies, meanwhile, likely will see consolidation accelerate coming out of the Covid-19 crisis, but Wohltorf said it could strengthen the industry in the longer term.

"There will be a lot of losers in the game, but the crisis has a huge opportunity for players doing the right things and focusing on the right product," he said. "They'll be ready when travel starts kicking back in, and the industry has a chance to be healthier than it has been in a couple of decades." ■

METHODOLOGY

BTN's Car Rental Survey

From April 9 through May 12, 2020, BTN surveyed travel manager and travel buyer members of the BTN Research Council and a randomly selected subset of qualified subscribers of BTN and Travel Procurement. Equation Research hosted the survey and tabulated the results, and totals were based on 327 respondents. Those respondents graded only those car rental companies with which they had negotiated contracts or booked meaningful amounts of business in the past year. Brands that did not reach a minimum usage threshold were disqualified from the survey. BTN averaged the category scores to create an overall score for each car rental company. Responses from participants who did not respond to questions for a particular category or brand were not included in that category or brand's average. Categories were consistent with those measured in the 2019 survey.

BTN's Chauffeured Ground Transportation Survey

From April 9 through May 12, 2020, BTN surveyed travel manager and travel buyer members of the BTN Research Council and a randomly selected subset of qualified subscribers of BTN and Travel Procurement. Equation Research hosted the survey and tabulated the results, and totals were based on 327 respondents. Buyers scored their preferred chauffeured providers on a five-point scale. Categories were consistent with those measured in the 2019 survey.

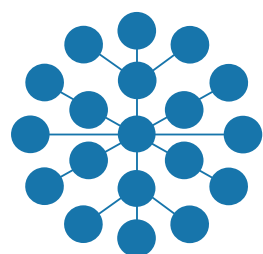
TRAVEL BUYER RATINGS OF CHAUFFEURED TRANSPORT

On a scale of 1 (poor) to 5 (excellent)

		2019 Rank
Clean, well-serviced car	4.50	1
Quality of drivers who are company employees	4.45	3
Driver screening and duty of care	4.38	2
Availability and ease of booking	4.18	4
Quality of drivers who are independent contractors	4.16	6
Complaint and problem resolution	4.11	7
Service consistency across affiliates	4.03	8
Pricing transparency	4.02	5
Negotiating pricing and amenities	3.93	9
Quality of data and reporting	3.78	10

Source: BTN April 9-May 12 survey of 327 travel buyers

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Travel Suppliers Launch Sanitization Efforts

BY MICHAEL B. BAKER AND DONNA M. AIROLDI

Airlines and hotel chains continue to detail new cleaning protocols and sanitization efforts meant to defend guests and passengers from the spread of Covid-19 and boost confidence in travel safety.

United Airlines is working with the Cleveland Clinic and Clorox to “re-define” its cleaning and disinfecting procedures, the carrier announced.

The partnerships are part of a new program, United CleanPlus, that the carrier has introduced. Clorox will provide products to aid with disinfecting high-touch areas as well as amenities for passengers, such as hand sanitizer wipes as they board the aircraft. The Cleveland Clinic, meanwhile, will help United keep its policies and procedures in line with the latest data on Covid-19, according to CEO Scott Kirby.

“Physicians and scientists at the Cleveland Clinic will advise us on new technologies and approaches, assist in training development and create a rigorous quality assurance program,” Kirby said in a video message.

United also is working with a full-time, on-site medical director to test technology, such as UV sanitation via drones and handheld wands, antimicrobial shield for surfaces and artificial intelligence that can help with temperature screenings and crowd management.

Air Canada, meanwhile, has introduced a range of safety and sanitation measures to minimize Covid-19 spread once air travel demand begins to recover. The program, dubbed CleanCare Plus, is a “layered approach” that covers the passenger experience from check-in to being on board the aircraft, including many protocols the carrier already had implemented, Air Canada VP of safety Sam Elfassy said.

“Absent a vaccination that is broadly based, once government restrictions are eased, the confidence will have to be there in order for us to return to fulfilling the needs of customers wanting to travel,” Elfassy said.

The program includes requiring passengers to wear facial coverings throughout their journey, including check-in and in flight. Check-in includes contactless temperature checks and a brief health questionnaire, and check-in kiosks and counters are sanitized regularly. Travelers also might be asked health-related questions while boarding.

On board, Air Canada is using hospital-grade disinfectants and electrostatic sprayers to disinfect touchpoints including seat belts, armrests, cabin windows and shades, light switches, tray tables, entertainment screens, ceilings, overhead bins and lavatories, Elfassy said. In-flight service will be limited to bottled water and pre-packaged meals.

Air Canada also is distributing new disposable care kits that include a complimentary mask, gloves, bottled water, hand sanitizer and disinfecting wipes for passengers. The carrier last month also began blocking seats in Economy cabins so that no customers are seated adjacent to one another, which it will continue doing until the end of June.

Elfassy said the program is designed to adapt over time as the situation develops and as regulations change. Temperature checks, for example, ultimately might become the responsibility of the government via airport screening. “We would love for temperature checks to be taken on by someone other than ourselves,” he said. “This is a public health emergency, so we have to do everything now.”

Hotels Push Cleanliness

InterContinental Hotels Group has expanded its cleanliness program and on June 1 launched an enhanced effort, the company announced.

In 2015, IHG had partnered with hygiene and cleaning technologies and services Ecolab and Diversey. The new program, dubbed IHG Clean Promise, continues those partnerships and adds insights from the Cleveland Clinic as well as additional Covid-19 cleaning protocols and best practices as advised by the World Health Organization, the

U.S. Centers for Disease Control and Prevention and local public health authorities around the world.

Similar to other recently announced hotel company cleaning protocols, IHG will practice social distancing, provide employee training and certification, provide hand sanitizer and wipes, increase contactless interactions, provide additional deep cleaning of high-touch surfaces and provide new standards for food and beverage service. In addition, IHG will make available guest amenity cleaning kits.

The company also has created a global cleanliness board, composed of IHG experts in operations, health, safety and guest experiences, along with external specialists including James Merlino, chief clinical transformation officer at the Cleveland Clinic. Further, on property, hotel teams will appoint “clean champions” to help hotels consistently deliver the elevated cleanliness standards.

Meanwhile, Accor also has launched an enhanced hotel cleanliness program, developed with and vetted by testing, inspections and certification firm Bureau Veritas. The program includes a “label” for hotels to display that shows Accor’s enhanced cleanliness standards and operational procedures have been met. Hotels will not be able to display the label until approved by an Accor operational expert or third-party auditor, such as Bureau Veritas.

The company’s program includes more frequent disinfection of high-touch areas, use of hospital-grade cleaning materials and employee training and education, which has been mandated prior to any Accor hotels reopening. Accor also has new “guest contact measures,” including providing guests with individual sanitizer, wipes and masks, guest temperature measurement practices, partitions at front desks, among others.

Accor also has partnered with insurance company AXA to provide guests with free access to medical teleconsultations beginning in July.

In addition, Accor launched a platform for its North and Central American region that includes the company’s cleanliness program plus additional expert advisors including Dr. Amesh Adalja, senior scholar at the Johns Hopkins University Center for Health Security and fellow with the Infectious Diseases Society of America, and Ruth Petran, senior corporate scientist, food safety and public health for cleaning and hygiene firm Ecolab. ■





Delta: ‘Indefinite’ Term for Cleaning, Distancing Policy

With some air travel demand expected to return this summer, airlines are establishing new protocols that they hope not only will minimize Covid-19 spread but also will assure travelers that it is safe to fly. To achieve the latter, airlines might at times have to go beyond the recommendations of the science and medical communities, Delta Air Lines chief customer experience officer Bill Lentsch told BTN’s Michael B. Baker. Lentsch detailed what the flying experience will be for customers returning to the skies.

WHAT ARE THE KEY MEASURES YOU’VE PUT IN PLACE TO PREVENT COVID-19 SPREAD ABOARD AIRCRAFT?

When you look at the spectrum of work that we have done at Delta, it ranges from airports to airplanes. It encompasses our employees and making sure that our employees who are at work are healthy. We’re working across many of our partners in the travel industry to drive the same level of cleanliness and protection for travelers.

As you walk into the lobby, customers will see plexi-glass shields. We have them installed at all of our locations across our system. We have social distancing marks on the floors of our lobbies. We’ve worked with the [U.S. Transportation Security Administration] in all of our airports to establish indicators to share with our travelers what is a safe distance to spread. We’re handing out masks to our customers if they don’t have them available. In the very near future, we’re going to be handing out masks and gel packs in advance to our customers so they have those available. If they don’t have a mask on in the gate area, they won’t be allowed to board our airplane.

We’re trialing a care kit that will provide customers a mask, two gel packs and a card that outlines for them all the various steps we have taken to drive cleanliness. As you walk down the jet bridge, you’ll see social distancing markers, but on the airplanes, we have done extensive work. We are electrostatically spraying every aircraft before departure, and we’ve been doing this now for a month. They are sprayed with a disinfectant known to kill all of these viruses. We are hand-wiping down all the common touch surfaces, like seatbelts, tray tables, the video screens, gasper vents. We have made an adjustment to the interval at which we replace all of our [high-efficiency particulate air] filters. The air filtration systems on the aircraft are incredibly effective, and they are able to filter out viruses of this size and even smaller.

During flight, depending on the aircraft type, it’s between two and five minutes that the cabin air is completely exchanged with outside air. In the meantime, it’s recirculated through a HEPA filter, which will filter out all of these viruses. So, the air quality onboard our aircraft is as clean as an intensive care unit in a hospital. We’re replacing those filters twice as frequently as the manufacturer recommends. All of these changes are not just something we’re doing



Delta’s Bill Lentsch talks:

- Addressing passengers’ Covid-19 fears
- Delta’s hard line on a 60 percent capacity cap
- Communicating the new flying experience to corporate clients

“We will not allow any of our aircraft, whether it’s a mainline aircraft or a regional partner, more than a 60 percent load factor.”

during the coronavirus period. These are indefinite changes that we are making. This is laying the foundation for the future of travel onboard Delta. It is now an expectation from our customers, and we are going to meet that expectation indefinitely.

WHAT ABOUT YOUR SEATING POLICY?

We are diligent around our load factor caps. We have made a decision that we will not sell middle seats. We will not allow any of our aircraft, whether it’s a mainline aircraft or a regional partner, more than a 60 percent load factor. If it becomes a problem because demand is picking up, we are going to add more flying or upgauge the aircraft in that market rather than crowd more people on an airplane. I’m in regular contact with our corporate partners, and we are hearing that, besides the guarantee on cleanliness, the space and distance onboard the aircraft is the second-most important thing to them as they consider business travel again. We are not going to violate that 60 percent cap. We have our revenue management team, operations center and airport team working hand-in-hand daily, monitoring flights and making sure we do not violate that cap. If we get ourselves for some unseen reason in a position where more than 60 percent of those seats are going to be filled, we will find a way to accommodate customers on another flight, and we will deny boarding.

HOW LONG WILL THAT CAP BE IN PLACE?

We don’t have a timeline for when we will adjust that cap, but if we do any adjustment in the future, it will be a slow walk. We have the aircraft availability to add additional flying rather than make people feel uncomfortable about their space on our aircraft.

HOW ARE YOU INFORMING YOUR CORPORATE CUSTOMERS OF THESE PROTOCOLS?

We have a multi-pronged approach. Our sales team is working with our corporate accounts to provide updates. We have an infographic we use as our talking document, and our sales team has been sharing detail behind all the bubbles in that infographic. We are holding virtual town-hall meetings that our sales team has been hosting with many of our corporate accounts, their travel managers and some of their executives. We’re there to answer questions through a livestream. We are creating videos that we are going to be sending out to all of our large corporate accounts, to share with them a video experience of what it’s like to walk through an airport today. We’re sending out memos from our CEO on a regular basis. They’re getting hit from a lot of directions, and they’re getting all the information about our actions.

IN THE U.S., WEARING A MASK HAS BECOME A POLITICIZED ISSUE. HAVE YOU HAD ANY PUSHBACK?

We have had very little resistance from customers. They know they aren’t going to get on our airplanes if they aren’t wearing a mask. We are not asking our flight attendants to actively enforce the policy, but they haven’t had to, because customers have been compliant. There has been one or two instances where a customer has not wanted to wear a mask, so we ask our flight attendants to engage their great customer service skills and either diffuse the situation or reseat someone onboard. ■



Hertz Files for Bankruptcy

Hertz Global Holdings filed for Chapter 11 bankruptcy protection May 22, though the car rental company said it would be able to continue operations as it begins restructuring.

The company had been negotiating with creditors to reduce payments required under its vehicle operating lease as its revenues plummeted due to the Covid-19 crisis. It was not able to negotiate long-term agreements with creditors, nor was it able to access assistance from the U.S. government, according to Hertz.

“With the severity of the Covid-19 impact on our business, and the uncertainty of when travel and the economy will rebound, we need to take further steps to weather a potentially prolonged recovery,” newly appointed president and CEO Paul Stone said in a statement. “Today’s action will protect the value of our business, allow us to continue our operations and serve our customers, and provide the time to put in place a new, stronger financial foundation to move successfully through this pandemic and to better position us for the future.”

Hertz now will file “First Day” motions to enable it to continue operations. All brands, including Hertz, Dollar and Thrifty, will continue operations, and current reservations, vouchers and loyalty program points will be honored, according to Hertz. The company currently has more than \$1 billion in cash available to support continuing operations, Hertz reported.

Hertz already has been reducing its fleet through vehicle sales and canceled orders, consolidating off-airport rental locations and has laid off or furloughed about half of its global workforce, about 20,000 employees.

The bankruptcy filing includes Hertz and its U.S. and Canadian subsidiaries. Its franchised locations and operations in Europe, Australia and New Zealand are not included in the Chapter 11 proceedings.

New Cars Canceled

Hertz has canceled most of its new-car purchases this year. Hertz has negotiated with automotive suppliers to cancel about 90 percent of its model year 2020 fleet orders, and the company has “no material incremental capital committed” to buy new vehicles for its U.S. fleet, she said. The company on March 30 began furloughing about 16,000 corporate and field employees in North America, and 12,000 of those became permanent. About 4,000 employees outside of North America currently are furloughed, she said.

The cuts have lowered annual expenses by about \$2.5 billion, CFO Jamere Jackson said.

Through February, Hertz started the year with U.S. car rental revenue up 8 percent year over year, but as travel bans and shelter-in-place orders began to proliferate in March, U.S. car rental revenue for the full first quarter declined 9 percent year over year to \$1.38 billion. International car rental revenue were down 15 percent year over year to \$368 million in the quarter. Hertz’s first-quarter loss was \$357 million, compared with a \$148 million loss in the first quarter of 2019.

In April, revenue “went into a freefall,” said Kathryn Marinello, who then was president and CEO, on



New Hertz CEO Paul Stone

“There’s only so long that a company’s reserves will carry them, so we are focusing on safeguarding current liquidity and increasing cash through efficiencies and deferred investments.”

—FORMER HERTZ CEO
KATHRYN MARINELLO

May 15. This has forced the company to take “drastic measures,” she said.

“We have to be pragmatic about the timing of an economic rebound, including the possibility of a second wave of the virus in the fall,” according to Marinello. “No business is built for zero revenue. There’s only so long that a company’s reserves will carry them, so we are focusing on safeguarding current liquidity and increasing cash through efficiencies and deferred investments.”

At the same time, Hertz is preparing for the rebound. The company last month announced a new “Hertz Standard Gold Clean” sanitization process for all vehicles, which will include cleaning all contact surfaces with a disinfectant effective against the Covid-19 virus. Hertz also is offering a “Neighborhood Delivery” option in 3,000 U.S. neighborhoods, in which vehicles are delivered to customers rather than picked up at a rental location.

New CEO Named

Hertz’s board last month appointed Stone, formerly EVP and North American chief retail operations officer, as president and CEO, succeeding Marinello.

Hertz chairman Henry Keizer in a statement said the decision came after “an ongoing succession planning process.” Marinello, a former GE executive, has led Hertz since January 2017, and Keizer said she “oversaw a successful operational turnaround, transformed Hertz’s culture and built a best-in-class leadership team.” BTN named her as one of its 25 Most Influential of 2019 due to her efforts in the company’s turnaround prior to the Covid-19 crisis.

Before joining Hertz in 2018, Stone served as SVP and chief retail officer at outdoor retailer Cabela’s. He also has served as Western U.S. divisional SVP for Sam’s Club and Walmart.

Hertz said that as chief retail operations officer, Stone “simplified operations, re-energized and developed talent, and elevated service standards, resulting in Hertz winning the J.D. Power award for the first time in 16 years.”

Advantage Files Ch. 11

Advantage Rent a Car parent company Advantage Holdco, meanwhile, last month filed for Chapter 11 bankruptcy protection.

The company’s filing was a “bare bones” filing showing assets between \$100 million and \$500 million and liabilities between \$500 million and \$1 billion, according to a note by international law firm Dorsey & Whitney bankruptcy practice partner Joseph Acosta. The company is owned by Toronto-based Catalyst Capital Group, which acquired it out of an earlier bankruptcy in 2014.

“Predominant wisdom is that Advantage Holdco’s filing was caused in part by the drop in the value of its car rental fleet, which impacts accessibility to new loans,” according to Acosta. “The other piece of the puzzle is that the used car market is virtually frozen, leaving Advantage with little ability to quickly liquidate its fleet of vehicle to generate necessary capital.”

Hertz used to own the Advantage brand, having bought it following yet another Advantage bankruptcy in 2009, but it divested Advantage in 2012 as part of its acquisition of Dollar Thrifty. ■

Southwest Earns Top Scores in J.D. Power Airline Survey

Southwest Airlines earned the highest rating from passengers for both short- and long-haul service in the J.D. Power 2020 North America Airline Satisfaction Study.

The survey, based on responses from more than 10,000 business and leisure passengers fielded between April 2019 and March 2020, showed Southwest had the highest average satisfaction levels among North American airlines measured by eight criteria: aircraft, baggage handling, boarding, check-in, costs and fees, crew, in-flight services and reservations. Southwest scored 826 on a 1,000-point scale for long-haul flights and 839 points for short-haul flights.

JetBlue Airways, Delta Air Lines and Alaska Airlines were the only other carriers to score above the average overall score in both short- and long-haul flights. JetBlue ranked second in both categories. Delta ranked third in long-haul and fourth in short-haul, and Alaska ranked the inverse.

Among the U.S. Big Three carriers, American Airlines outscored United Airlines for both short- and long-haul service.

J.D. Power noted that overall customer satisfaction scores were the highest ever recorded by the survey, which it attributed to investment in new aircraft, improved in-flight services and better customer service. The Covid-19 crisis since has thrown a wrench into the airline industry's investment strategies, and a supplemental survey conducted in mid-April showed that the most critical things airlines could do to make travelers feel safe is to inform them of specific sanitization measures and to provide daily updates on the pandemic in the areas to which the passengers will be traveling, according to J.D. Power.

"Airline success in the post-Covid-19 era will hinge on a combination of building consumer confidence and operational flexibility with changing schedules and routes," J.D. Power travel intelligence lead Michael Taylor said in a statement. "Airlines have a tremendous reputation for safety. That will be even more critical as passengers look to airlines for detailed and specific information about what's being done to keep them safe."

In last year's survey, Alaska ranked top among "traditional" carriers, while Southwest and JetBlue tied for the top spot among low-cost carriers.

Southwest Eyes Share With New Q4 Routes

Meanwhile, Southwest is making a play to gain corporate travel marketshare with added service from Phoenix, Denver, Las Vegas and Nashville, when it expects business travel demand will begin to pick up again.

"Airline success in the post-Covid-19 era will hinge on a combination of building consumer confidence and operational flexibility with changing schedules and routes."

**—J.D. POWER'S
MICHAEL TAYLOR**

J.D. Power North American Carrier Satisfaction

Overall passenger satisfaction on a 1,000-point scale

LONG-HAUL FLIGHTS

Southwest	826
JetBlue	823
Delta	810
Alaska	797
Average	786
WestJet	779
American	770
United	759
Air Canada	757
Frontier	739
Spirit	719

SHORT-HAUL FLIGHTS

Southwest	839
JetBlue	833
Alaska	828
Delta	820
Average	798
WestJet	787
American	779
Air Canada	777
Spirit	773
United	760
Frontier	746

Source: A J.D. Power April 2019-March 2020 survey of more than 10,000 passengers

New service will include nonstop flights six days per week between Nashville and Orange County/Santa Ana, Calif., as well as between Ontario, Calif., and Houston Hobby in early November. On Dec. 17, Southwest will add daily service between Phoenix and Memphis and between Denver and each Wichita, Little Rock and Birmingham, Ala. On the same date, Southwest also will add three daily roundtrips between Atlanta and each Oklahoma City, Omaha and Louisville, the latter a nonstop service Southwest discontinued in 2014.

"We anticipate business travelers will hit the road with a heightened focus on costs, so we're pairing unmatched schedules with our value and hospitality to welcome them back, whenever they're ready to travel," Southwest EVP and chief commercial officer Andrew Watterson said in a statement. "Never before has Southwest been more primed to emerge as the preferred choice of corporate travel as the business climate across America begins its recovery."

The carrier expects its new availability in global distribution systems will aid its corporate business growth as well. Southwest began taking corporate travel bookings through Travelport's Apollo and Worldspan GDSs last month and expects its content will be live in Amadeus and Travelport's Galileo GDSs later this year. ■



Airports Consider Ways to Reduce Human Contact

BY DAWIT HABTEMARIAM



Airports are considering how to prepare for a post-Covid-19 air travel environment in order to protect and reassure a public wary of flying.

“I am concerned about what the airports will look like when we begin to slowly return,” Sean Parham, a Los Angeles-based global travel manager for Snapchat, which has banned all travel until further notice. “The question of distance and sanitization is a huge issue, not to mention the use of public restrooms and public transportation.”

Airport operators and vendors have seen revenue plummet due to the drop in foot traffic, according to Jeff Livney, chief experience officer for Grab, a technology provider for airport restaurants and concessionaires. Vendors have laid off and furloughed staff and requested relief on rent from their airports, he said.

Trade association Airport Council International World forecasts there will be a global drop of more than two billion air passengers in the second quarter of 2020 and more than 4.6 billion passengers for all of 2020.

In April, ACI World published a document called “Operational Practice Examples for Managing Covid-19” that details measures taken by its airport members to manage and recover from the impacts of the Covid-19 pandemic. Among examples are the introduction of temperature screening, requiring passenger health declaration forms and enhancing cleaning of staff and public areas, such as restaurants, escalators and lifts, luggage trolleys and others.

ACI World’s example measures, however, are guidance and not directives for airports. Airports ultimately must work with and meet the requirements of local authorities and agencies, according to ACI World deputy director general of programmes and services Antoine Rostworowski. “The advice and guidance we provide is designed to be a range of measures that can be adopted and adapted to suit local conditions,” he said.

Rostworowski would not specify airports using an example measure, instead saying, “these measures are being implemented at major international airports, gathered from across ACI’s membership.”

A Stitched Patchwork

Still, the likely result of airports’ mitigation measures will be a patchwork of measures, and travelers will need to adapt to different experiences depending on where they travel and where they connect.

In the U.S., government agencies, operators and vendors at the airport have been encouraging or mandating their employees and customers abide by U.S. Centers for Disease Control and Prevention protocols. For example, the Transportation Security Administration has implemented social distancing in its security lines. As of May 7, TSA has mandated all its employees to wear face masks at screening points. Some airports, like Los Angeles International Airport, have mandated travelers wear masks.

There will be long-term changes to traveler behavior. “Covid-19 has made it clear that the way people are going to move and how they are going to interact is going to be everlasting, from basics of how people are social distancing now to personal hygiene to awareness of their im-

pact on the people around them,” said Sammy Patel, VP of commercial at Vantage Airport Group, which manages, invests in and develops airports.

Airport stakeholders expect travelers to return with new expectations. “There seems to be an understanding that the shopping habits of customers in airports will change, particularly when it comes to social distancing in crowded dining rooms, food courts and retail shops,” said Chris Hartman, chief experience officer for AtYourGate, which provides gate delivery services at airports.

Livney has spoken with airport vendors, managers and agencies about reducing points of human contact in the traveler experience. Client interest has shifted away from touchscreen kiosks and face-to-face interactions to mobile solutions and virtual kiosks, he said.

Health measures and certification will likely become the new normal, according to Rostworowski. In a report entitled “The Rise of Sanitized Travel,” aviation marketing consultancy SimpliFlying predicted there will be more than 70 different areas in the passenger journey that will be changed due to the “new demands of the travelers.” Airport curbside drop-off and pickup times, for example, will increase and be restricted to only those traveling because of new screening requirements and procedures.

Turning to Tech

Rostworowski said airports will experiment with technologies that provide a touchless journey. “Some airports are using technologies such as biometrics, automated e-gates, robotics and [artificial intelligence], which offer an opportunity to deliver a ‘touchless’ journey, automate tasks, increase efficiency, while allowing for stronger security,” he said.

He pointed to Hong Kong International Airport, which implemented autonomous cleaning robots at key terminal operating areas to ensure thorough disinfection. On May 6, Heathrow Airport announced it is trialing UV sanitation, facial recognition thermal screening technology and contactless security equipment.

New airport terminals will be designed to accommodate the public’s new mindset, Patel said. Check-in desk types and their placements, for example, will be thought of differently, he said, pointing to the changes U.S. airports made to their designs to incorporate screening technologies and processes after 9/11. ■

The likely result of airports’ mitigation measures will be a patchwork of measures, and travelers will need to adapt.



Booking Tools Tap ATPCO's Airline Hygiene, Cleanliness Data Feed

A few corporate booking systems, including Corporate Travel Management's Lightning, Serko's Zeno and TripActions, are presenting at their points of sale ATPCO Routehappy's data feed on airline-specific cleanliness and health and safety protocols.

Airlines increasingly are promoting cleanliness and personal safety initiatives to instill confidence in prospective travelers. In turn, corporate booking channels are surfacing this information, recently compiled by ATPCO Routehappy amid the Covid-19 pandemic, as new dimensions through which travelers can explore flight options.

ATPCO Routehappy in April launched 10 new health and hygiene-related attributes via its "universal product attributes" standard for airlines to promote and sales channels to display. These span inflight and on-the-ground elements, allowing participating carriers to message initiatives around cabin cleaning, food-service hygiene, air circulation and health-screening protocols, among others. The UPA mechanism also lets carriers articulate new booking policies, such as change-fee waivers, which have grown amid the pandemic.

Even before ATPCO acquired it in 2018, Routehappy for years had catalogued airline product attributes on elements beyond price and schedule, including flight-specific details on amenities like Wi-Fi or extra legroom. Its rich content suite includes "universal product attributes," which airlines can use to articulate products and services with images and text.

By mid-May, the new "Reassurance UPAs" had data on around 100 airlines, including American Airlines, Delta Air Lines and United Airlines, and represent about 70 percent of global flight schedules, according to ATPCO Routehappy. ATPCO Routehappy UPAs traditionally had been made available for airlines and sales channels via a paid subscription, but the company is waiving costs for Reassurance UPAs, it noted.

An early subscriber of Routehappy amenity and product data in corporate travel, Serko long has made room for Routehappy descriptive content and icons in its booking display.

It now displays Reassurance UPAs via its Zeno system "to help travelers make the best choice for them and to feel safe and protected when they fly," according to the company.

As long as airlines are participating in the Reassurance UPA offering, the content appears in the Zeno interface. "To the degree that they're there, we display them," said Serko senior vice president of North America Tony D'Astolfo. "We've thought through where this information



"We've thought through where this information is likely to show up and be most impactful. In this case, it's at the point of purchase."

—SERKO'S TONY D'ASTOLFO

is likely to show up and be most impactful. In this case, it's at the point of purchase. If you click in and say, 'I'm interested in this American flight,' the Routehappy carousel shows up and you get more information."

TripActions also turned on the Reassurance UPAs. "It's a company decision as well as a traveler decision on whether you feel comfortable traveling again," said TripActions VP of product Anique Drumright. "We're pulling into our airline booking tool the ability to see recent updates from airlines: What's their most updated change-fee policy? What are their new cleaning policies?"

A TripActions screenshot showed an Alaska Airlines card in a flight shopping display that addressed "Passenger and Crew Wellbeing" policies and procedures. The card also alerted the booker to the carrier's policy requiring passengers wear masks onboard and in the gate area.

TripActions is pushing additional trip-relevant health recommendations at checkout and via itinerary communications, like reminders to bring a face covering or mind social-distance guidelines.

Another travel management company with a homegrown booking system, CTM last month began showcasing ATPCO Routehappy's Reassurance UPAs in its Lightning booking system, enabling "CTM's customers globally to view Covid-19-related airline service features alongside flight search results at the time of booking," according to the Australia-based TMC.

Corporate travel tech startup Psngr1 also has accessed the new airline health and safety-related data, according to ATPCO. Sabre, too, confirmed it is displaying the new Reassurance UPAs in its agent-facing desktop, Sabre Red 360.

Keeping Travelers Informed

Airline health, safety and cleanliness protocols are emerging as relevant factors for travelers. A BCD Travel survey of 1,260 business travelers worldwide conducted online May 4-11 asked travelers to rate on an ascending five-point scale the importance of actions airports and airlines can take to build trust in flying. The top three rated were: "frequent enhanced airport and cabin disinfection" (rated at a 4.6 on the five-point scale), followed by "new boarding procedures to accommodate social distancing" (4.1) and "empty seat beside you on an airplane" (4.0).

"So much for the travel experience we were all talking about not so long ago," Nestle global travel category head Marc Zuber said in May during a BCD webcast, noting that travelers are showing more interest in personal wellbeing and safety controls than before. "Service is not that important anymore," he said. "It's really everything about keeping them healthy and safe."

Zuber said the "rebuilding of trust" in travelers will be a challenge for suppliers as travel opens up.

"My big question now is whether all these measures will actually help take away the fear atmosphere that exists through all of that," he said. "How do we get travelers back into the airport, onto the planes?" ■

The Beat



PricewaterhouseCoopers' 2020 U.S. Hotel Forecast Revised Sharply Down

Noting that “never in the 29-year history of this publication has the industry been in a comparable situation,” PricewaterhouseCoopers in its latest Hospitality Directions U.S. report, released May 27, sharply downgraded its 2020 outlook for the U.S. lodging industry due to the Covid-19 crisis.

The revised forecast shows an anticipated 2020 occupancy level of 38.7 percent, down 41.4 percent year over year. PwC projects average daily rate to be down 19.9 percent to \$105.02, and revenue per available room to decline 53.1 percent to \$40.66. This compares with the company’s January forecast of stable year-over-year occupancy of 66.1 percent and RevPAR growth of 0.7 percent.

While March’s declines were “unprecedented,” according to PwC, those in April and May were even deeper. Second-quarter RevPAR is expected to drop close to 80 percent year over year, and “in 2020 [it] could fall to a level not seen since 1994.”

PwC projects luxury and upper upscale

PwC's 2020-2021 U.S. Hotel Forecast

2019

Occupancy	66.1%
ADR	\$131.11
RevPAR	\$86.66

2020*

Occupancy	38.7%
ADR	\$105.02
RevPAR	\$40.66

2021*

Occupancy	58.1%
ADR	\$116.18
RevPAR	\$67.44

*Projected
Source: PricewaterhouseCoopers

RevPAR in 2020 each to decline by more than 60 percent year over year, with upscale and upper midscale declines in the 51 percent to 56 percent range. Midscale and economy are projected to have the lowest declines, at 32.6 percent and 28.2 percent, respectively.

In 2021, PwC expects demand growth to build as the economy continues to open back up. Year-over-year occupancy is anticipated to increase by 50 percent to 58.1 percent. ADR is expected to increase 10.6 percent to \$116.18, and RevPAR is projected to increase 65.9 percent \$67.44.

In addition to PwC projections, the outlook takes into account key indicator statistics from STR and an HIS-Markit expectation of an 8.5 percent year-over-year decline in gross domestic product in 2020. HIS-Markit also believes unemployment will peak at 19.6 percent in the third quarter and that it will take four years to again drop to below 4 percent.

Further, “companies may not only continue to restrict corporate travel and events, but also phase the reopening of offices, thereby further delaying corporate-transient lodging demand in metropolitan areas,” according to PwC. Also, new hygiene protocols could require “inorganic price adjustments” across rooms, food and beverage, and other departments.

Challenges to PwC’s outlook “continue to include political uncertainty leading up to the presidential election, both domestically and abroad; the speed at which the economy recovers; and whether there is a resurgence of the virus later this year or in 2021.”

With Hotel Industry on ‘Brink of Collapse,’ American Hotel & Lodging Association Appeals to Congress for Relief



The American Hotel & Lodging Association, claiming the hotel industry is on the “brink of collapse,” last month called on the U.S. Congress to prioritize relief for hotel workers and small businesses in the next Covid-19 economic relief package.

“The hospitality industry is in a fight for survival,” said AHLA president and CEO Chip Rogers. “We are grateful to the leadership of both parties during one of the most difficult health and economic challenges we have faced. We are urging Congress to do even more to help the hotel industry so that our small hotel operators can keep the lights on and retain and rehire employees.”

AHLA sent a letter to Senate Majority Leader Mitch McConnell (R-Ky.), Minority Leader Chuck Schumer (D-N.Y.), Speaker of the House Nancy Pelosi (D-Calif.) and House Minority Leader Kevin McCarthy (R-Calif.) calling for action on several areas as part of a “roadmap to recovery,” including:

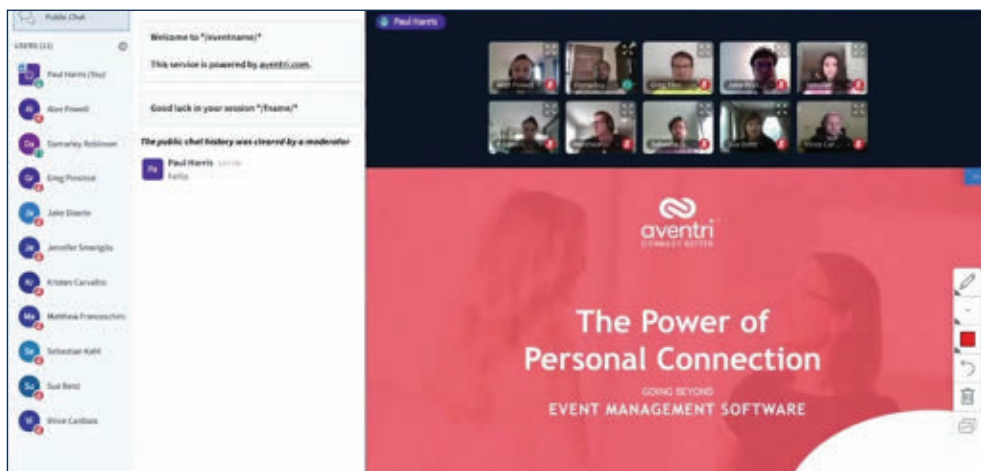
- Extending the Paycheck Protection Program, offering employees direct tuition assistance or tax credits, and expanding the Employee Retention Credit.
- Offering employees and hotel guests tax credits for cleaning equipment and personal protective equipment.
- Offering any hotel that reopens and follows proper public health guidance to protect employees and guests a limited safe harbor from exposure liability related to Covid-19.
- Providing relief for hotel commercial mortgages and increasing the size and flexibility of the PPP loans.
- Incentivizing Americans to travel again when safe with a new, temporary travel tax credit, by setting federal per diem rates for fiscal year 2021-22 using 2019 data, and by restoring the entertainment business expense deduction.

This year is projected to be the worst on record for hotel occupancy, according to AHLA, and some experts estimate hotels won’t return to their 2019 occupancy and revenue levels before at least 2022. So far, the economic impact of the coronavirus pandemic on the travel industry is estimated to be nine times greater than that of the Sept. 11 terrorist attacks, according to Oxford Economics, adding that the industry is expected to lose nearly 50 percent of its total revenue in 2020, for a possible total in excess of \$120 billion. In a recent survey of AHLA members, 84 percent of respondents said they have had to lay off or furlough workers.



Aventri Integrates Virtual Meetings into Platform

BY ELIZABETH WEST



Meetings technology provider Aventri launched a new virtual meetings offering June 1. Unlike its previous third-party partnerships, this virtual option is completely integrated into Aventri's existing platform and receives all content, speaker information, marketing and registration details and data as it is entered. The platform offers a toggle button to ask whether the program owner wishes to create a virtual component as part of the overall meeting. At that point all relevant data is piped into the virtual meeting templates and becomes available as an integrated part of the total program offering.

"We think this will be unique for several reasons," said Aventri chief technology officer Shane Edmonds. "If you look at the existing partners, they are the incumbent mature technologies. They've grown their clients' bases and are serving a market segment that is more highly produced—they serve flagship events [that skew more toward] the exhibition and tradeshow segment. On the other end of the spectrum, you have Zoom and Webex, but they are not purpose-built for events. There's a whole chunk in the middle that no one is catering to right now. We think that is the biggest piece of the market."

Welcome screen for Aventri's new virtual meetings platform

"We also found that having a virtual solution would continue to be a huge piece of the market when meetings and events came back."

—AVENTRI'S SHANE EDMONDS

Advance Signals

Aventri has been working on the technology since February. As a supplier to the GSMA Mobile World Congress—one of the first major tradeshows to cancel on account of Covid-19—Aventri had an early encounter with the virus and the devastation it could visit upon the meetings industry as a whole.

"We knew we would have to address the market," said Edmonds. "We had time to do some research and we found that the middle part of the market was underserved. In a survey of 158 clients, Edmonds was surprised to find that 28 percent had a virtual event strategy even prior to the pandemic. "I actually thought that was a pretty high number," he said. But when Aventri dug deeper, the majority of the strategy was Zoom and Webex. "So we knew there was an opportunity," he said.

"We also found that having a virtual solution would continue to be a huge piece of the market when meetings and events came back," he said, adding that 91 percent of survey participants said virtual would be critical post-pandemic. "They are looking at managing risk, but also looking at extending audience and offering more virtual sponsorship opportunities," Edmonds said.

The Upside of Virtual

Virtual events already are happening. Aventri has been in beta with a handful of clients on its virtual solution and, according to Edmonds, the feedback has been positive, particularly about the easy lift for producing a virtual component. In addition, for people who attend virtually every action is trackable: every conversation, every download, every booth visited, every scheduled meeting or session and all poll responses and dwell times.

"Because the platform is integrated, you can slice and intertwine that data with the in-person data. You no longer have to look at it side by side," said Edmonds. "It's so much more accessible than operating in an offline world."

At the end of the day, if hybrid meetings are the future, the process needs to be easy. With many meetings teams smaller due to financial difficulties, implementing bulky solutions—not to mention sourcing and vetting additional suppliers—may not be possible. Aventri may be the first out of the gate with an integrated hybrid solution, but the industry can look for others to follow. ■

Meetingselect Unveils New Distance Seating Functionality

The Netherlands-based venue sourcing and strategic meetings management platform Meetingselect has released a "distancing seating" solution in response to new Covid-19 safety regulations and practices, the company announced. Meetingselect collaborated with major ho-

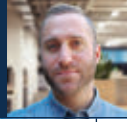
tel chains to develop the new algorithm, which calculates venues' seating-per-meeting requirements based on countries' distancing policies, it said.

In the United States, the tool also can apply state- or city-level policies, when known, but otherwise uses six feet between

attendees as its distancing measurement. Venues also can adjust when changes need to be implemented, the company said.

Depending on a planner's preferred meeting set-up—including U-shape, boardroom, theater or classroom—and social distancing requirements, the tool automatically will suggest venues and meeting rooms that comply. The software also can indicate the maximum capacity of a planner's desired meeting room. The feature is available immediately.

Meetingselect features a database of more than 245,000 conference hotels and over 500,000 meeting spaces in more than 100 countries. ■



Virus-Tracking Services Could Help Fuel Corporate Travel's Comeback

While most corporate travel remains on pause due to the global Covid-19 pandemic, suppliers have busied themselves developing the services necessary for client companies to safely and confidently send their employees back onto the road as travel re-emerges. Among the tools that could be among the most vital during the early stages of travel's recovery are virus trackers designed to give travel managers insight into Covid hotspots and the outbreak-related risk in specific markets. As organizations begin considering an eventual return to travel, several risk specialists and TMCs alike recently have rolled out such trackers, touting the tools as sources of essential information for the post-Covid travel landscape.

As the coronavirus' potential to massively disrupt corporate travel became apparent earlier this year, travel safety and critical event specialists were early onto the scene in offering Covid-monitoring capabilities, doing so by adding virus data to their existing platforms.

Among the first to develop Covid-centric tracking was Sweden-headquartered Safeture, which developed a Covid exposure tracker in late February as the virus took hold in Europe after the initial stages of outbreak in Asia. The company was able to leverage its existing global data platform—which is used by more than 2,500 client companies—to get Covid tracking up and running in short order, according to CEO Magnus Hultman.

"The reason we were able to develop [the tracker] in such a short time was because of what we have in our platform. We have location data for very large amounts of employees in 190 countries as well as travel data—both planned trips and past trips," Hultman said. "We combined these data sets with the real-time alert data in our platform where we segmented all reported Covid-19 cases on a granular regional level, and the combination of this enabled us to quickly develop the exposure tracker."

Safeture's tracker combines Covid infection data for 5,000 global subregions with individual employee travel patterns, including current and future locations, using real-time GPS tracking and travel booking data. Employee tracking is of course of limited utility with travel at a standstill, but it will be an imperative capability once travel resumes, Hultman said.

Meanwhile, U.S.-based duty of care and risk management provider Stabilitas also used insights from its "critical event intelligence" platform to get an early look at the potential impact of the virus and ramp up tracking.

"In January and February, we saw the begin-



nings of the epidemic in Wuhan and worked with some of our customers that had manufacturing facilities in China to help them do some capacity planning," said Stabilitas vice president of growth Jason Scott. "And then from there we saw there was a natural progression from Wuhan out into the rest of the world."

While data sources such as the U.S. Centers for Disease Control and Prevention, World Health Organization and Johns Hopkins University made key early efforts to track the virus, there was no central clearinghouse for data that was available readily for easy reference, Scott noted.

To build one, Stabilitas incorporated Covid-19 data from those and other sources and more into the epidemic data filter of its existing platform, enabling users to view virus hotspots, alerts and other information. To maximize the utility of reporting, data is as granular as possible, with information available at the city or county level, rather than the state, Scott said.

With the virus-tracking capability up and running, Stabilitas now is working to build out new functions designed to meet the projected demands of travel managers in the post-Covid travel environment.

"We're anticipating that, as people start traveling again, there will be new and different questions that an organization asks" when managing employee travel, noted Scott. Those new priorities include tracking prior to travel for potential exposures and contact tracing to gauge the further spread of positive cases. To help clients fulfill those needs, Stabilitas is adding functionality that confirms the recent travel of individual travelers using passenger name record data, while maintaining employees' right to privacy by eschewing more invasive tracking methods, such as GPS.

"We're developing a comprehensive system where somebody can just pull out their phone and it'll show where they've been in the past 30 days using PNR information," Scott said. "But we're not going to the point where we're Big Brother about it."

TMCs Target Tracking

While safety specialists with existing risk reporting platforms quickly could add Covid tracking in the early days of the pandemic, travel management companies recently have begun rolling out their own trackers, built from the ground up to offer clients what could become a core post-Covid TMC service.

In mid-May, World Travel Inc. rolled out WorldWatch, which features an interactive risk assessment map with real-time travel advisories and risk ratings incorporating Covid-19 information, drawing from data sources including the U.S. State Department. Risk information is linked to traveler itineraries to enable tailored alerts and updates, while an integration with booking capture specialist Traxo ensures out-of-channel bookings are funneled into the system.

Travel management provider TripActions also has added Covid-tracking capabilities, rolling out an integrated reporting and monitoring tool

within its travel booking and management platform. The service includes outbreak mapping and infection metrics for specific markets, as well as government restrictions in place for particular jurisdictions. The tool also enables travel managers to set and adapt travel policies based on those data points—for instance, by restricting travel to areas with higher infection rates only to important trips.

“It’s about giving companies the levers they need [to account] for geography, as well as who is traveling, in order to support the business while also keeping your broader company safe,” said TripActions vice president of product Anique Drumright, who led development of the tool.

The service also includes features designed to empower the individual traveler, such as including details on supplier cleanliness and safety procedures within the booking flow, as well local government policies that could affect their trip experience.

“Traveling today is different than what traveling was in January... so the goal in all of this is to give everyone access to all of this new relevant information,” said Drumright. “We’re trying to make sure that our [client] companies and their travelers are getting back to business safely while also being cost-effective.”

TripActions also has made some functions of the tracker service available for use free of charge by any company or traveler, who can input origins and destinations to assess Covid-

“We’re developing a comprehensive system where somebody can just pull out their phone and it’ll show where they’ve been in the past 30 days using PNR information. But we’re not going to the point where we’re Big Brother about it.”

—STABILITAS’ JASON SCOTT

related risk for a proposed trip. Offering the tool for public use is a bid to help foster the bounce-back of the travel ecosystem from the virus, according to Drumright.

In the longer term, the importance of Covid-specific tracking hopefully will decline in importance as the pandemic abates and a vaccine eventually is delivered. But the sudden onset of the virus—and the chaos it sowed—has made clear the importance of having systems in place to monitor potential future large-scale events so corporate travel programs can be better prepared next time around.

“This foundation is applicable—obviously, with some changes—for political unrest, natural disasters, future global health crises and other things that could potentially disrupt travel,” Drumright noted.

And post-Covid, the ability to track and forecast outbreaks and other disruptions with the potential to disrupt an entire company or industry could earn travel departments a more central role within many organizations, Stabilitas’ Scott predicted.

“Travel managers can leverage this information to build toolsets that aren’t only relevant for travel management but are relevant for things like physical security and supply chain,” Scott noted. “That will allow travel to stake a claim for a seat at the table for risk management at a corporate level and take more of a leadership role coming out of this.” ■

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CONTINUED FROM FRONT PAGE

Travel Innovation Persists, Even Amid Covid-19

travel departments, said Keesup Choe, CEO of data analytics specialist PredictX. “When you get rid of that, you have the head-space to think strategically.”

“I think this is a great time for companies to look at their travel policy going forward ... and review processes that are in place to ensure they’re still valid and are covering what we need to cover,” said Barbara Arena, principal category manager for global travel sourcing at Oracle Corp.

Meanwhile, as corporations attempt to navigate the operational effects of Covid, travel departments have been thrust to the organizational forefront, drawing increased attention from executive leadership.

“We’re seeing a raised level of visibility for the travel program within the organization,” said Mark McSpadden, vice president of global product strategy and experience for American Express Global Business Travel. “For our large customers, every incident response council and task force that has come together includes travel [department leaders] as an essential piece of that team.”

“The spotlight on travel probably has never been as high as it is today” within organizations, agreed Choe. “Stakeholders are asking travel managers all sorts of questions they may never have asked before ... and if you can answer them confidently, that builds your credibility.”

And travel suppliers are coordinating with clients to help enable travel departments to answer those questions and leverage the newfound attention from corporate brass to drive program enhancements.

“We’re using this opportunity to work more closely with our customers to complete customized feature requests, ranging from policy updates to team management,” noted Duke Chung, CEO of booking and expense provider TravelBank. “Broadly, we’re continuing to look at what else is needed to support the travel industry, the travel experience and our customers overall.”

TravelBank also has seen an uptick in interest from new prospects, Chung added. “Many of those who are reaching out right now are doing so because they’re taking this downtime to evaluate and, in some cases, re-evaluate their current travel program,” he said.

“We’ve spent hours on calls with dozens of our customers hearing about current pain points with their travel program and discussing ways that we could help with creative solutions, noted Devon Tenova, CEO of corporate guest and candidate travel specialist Pana. “We’ve discussed everything from improving traveler experiences to decreasing booking tool leakage to increasing program savings.”

Meanwhile, TripActions CEO Ariel Cohen said the travel management provider has emphasized collaboration via its customer advisory board since the onset of Covid, noting that board meetings—held virtually—have been “the most well-attended they’ve ever

been” during the pandemic. “That’s because business travel managers want to know how they will manage travel on the day after [Covid].”

Suppliers are dealing with their own Covid-related struggles, and many—including Pana, TravelBank and TripActions—have had to reduce workforce as revenue streams derived from client travel have gone dry. But those cuts generally have affected travel support and marketing functions, while research and development departments have remained largely intact and active.

“Our product team has actually been busier than ever before,” Cohen said. “We are investing a lot of effort right now on innovating for the world post-Covid, and in a way, you can [experiment] easier now, when you don’t have [travel] usage, because you can take more risks without needing to be worried about breaking something.”

Indeed, for corporate travel management stakeholders across the industry, the opportunity cost of exploring and implementing new approaches currently is as low as it likely ever will be.

“If you want to invest thought and planning into [innovation], you’re not going to get this time again,” said PredictX’s Choe. “At some point, we’re going to get back to people traveling and suddenly you won’t have time to think strategically and build new foundations, so we’re encouraging everyone to take advantage of this.”

New Priorities, New Possibilities

TravelBank’s Chung compared Covid-19’s potential to serve as creative disruption to another shockwave sent through the economy just over a decade ago.

“If the startups that were born during the 2008 financial crisis are any indication, great innovation comes from the hardest times,” said Chung.

In the case of the Covid-19 pandemic, the most immediate innovation began as the virus was largely contained to Asia. With corporate travel still taking place elsewhere, several virus-tracking services emerged to help travel managers monitor the spread of the outbreak and assess risk for particular destinations.

The earliest such services were offered by travel safety and critical event specialists, such as Stabilitas and Safeture, both of which added Covid-tracking to their existing risk monitoring platforms, gathering and centralizing data from sources including the U.S. Centers for Disease Control and Prevention, World Health Organization and Johns Hopkins University.

With trackers expected to continue to play a vital role as travel resumes, TMCs recently have begun rolling out tracking tools of their own. In mid-May, World Travel Inc. launched WorldWatch, which features an interactive risk assessment map with real-time travel advisories and risk ratings incorporating Covid-19 information.

TripActions also has added Covid-tracking capabilities, rolling out an integrated reporting and monitoring tool within its travel booking and management platform. The company also added a service—powered by Cirium—to automatically track and apply airfare waivers stemming from the flood of unused tickets in the wake of pandemic.

“We’re trying to make sure that our [client] companies and their travelers are getting back to business safely while also being cost-effective,” said TripActions vice president of product Anique Drumright,

“If the startups that were born during the 2008 financial crisis are any indication, great innovation comes from the hardest times.”

—TRAVELBANK’S DUKE CHUNG

who led development of the tool.

While the importance of Covid-specific tracking presumably will decline as the pandemic abates, the importance of having systems in place to monitor potential future large-scale events so corporate travel programs can be better prepared next time around has been made clear.

“This foundation is applicable—obviously, with some changes—for political unrest, natural disasters, future global health crises and other things that could potentially disrupt travel,” Drumright noted.

Duty of care in general is expected to become a major post-Covid emphasis, with the pressure ratcheted up on corporates—and, by extension their TMCs—to ensure employees remain safe and healthy when traveling.

“Clearly, duty of care is going to become more ingrained in travel,” said Will Tate, partner with Gold-Spring Consulting. “The [case for] duty of care and why [travelers] should be in the infrastructure we’ve built as travel buyers and suppliers is stronger today than it ever has been.”

While travel restrictions and pre-trip approval are expected to be the order of the day for many companies as travel resumes, the ultimate goal is to empower managers and employees to make informed, safe decisions about travel without bogging down the process. To accomplish that goal, communication will be essential, some buyers noted.

“We’re looking at the communication process and asking how we’re going to be communicating to our travelers in ways that fit in this new norm in travel,” said Oracle’s Arena—noting that her company is paying particular attention to delivering messaging within the corporate booking tool.

Along with delivering policy guidance and other critical alerts, booking tools also are a key vector of communication about end-supplier health and cleanliness standards and processes—which likely will become central criteria when shopping for a flight or hotel in the post-Covid landscape. TMC Corporate Travel Management has integrated airline health and safety data into its Lightning proprietary online booking tool, which now displays data such as airport and cabin cleaning, health screening, food and beverage hygiene and flexible booking conditions, powered by ATPCO’s Routehappy Rich Content. TripActions also has integrated such information into its booking flow as part of its recent update.

The premium placed on hygiene and sterilization procedures also has given rise to third-party services designed to ensure those processes are being followed, noted Matt Zito, managing partner for Travel Startups Incubator, which invests in early-stage ventures in the travel industry.

“Safety and cleanliness procedures are a huge responsibility suppliers will have going forward,” Zito said. “One of the companies we have an investment in is actually in the process of launching a data-driven auditing and reporting product that will let corporate travel managers verify hotels’ safety and cleanliness protocols, so they and their travelers can feel comfortable using those suppliers.”

The upped emphasis on duty of care also will make preventing travel program leakage—already a long-standing priority for travel managers—even more vital post-pandemic. While employees likely will be

“Those companies that can actually use that time—and a little bit of investment—will gain a huge advantage.”

—PREDICTX’S KEESUP CHOE

more cognizant of adhering to preferred booking methods during the early stages of travel’s return, old habits eventually could emerge. For some, that means it’s incumbent upon travel managers to redouble efforts to improve the booking experience and keep travelers in-channel.

“Much of the work that’s been done over the past several years was to make the travel process easy and frictionless,” noted Amex GBT’s McSpadden. “And those principles will very much apply in this shift to an optimization around health and safety.”

But because preventing all leakage is not generally feasible no matter how positive a booking experience a company can deliver, services designed to capture off-channel bookings, such as Concur TripLink, itinerary email parsing tool Traxo and browser extension Shep, could deliver enhanced value in funneling the maximum number of bookings into travel management systems for duty of care.

Having access to complete and accurate travel data also could be even more important as corporations focus on calculating the return on investment for travel. Travel managers in recent years have used ever more-powerful data technology to access insights into ROI for increasingly granular levels of travel.

Meanwhile, Covid-19-related health risks, mandatory quarantine periods and other travel restrictions, as well as supply contraction for air carriers and hotels, will put pressure on the cost side of the equation, forcing companies to think hard about the goal of travel and the trips that are considered necessary.

In addition, the economic impact of the pandemic on many companies’ financial situation has added even more urgency to assess travel spending.

TravelBank’s clients “have consistently expressed that reducing and controlling spend in this market downturn is a top priority,” Chung said.

While some costs will rise, the shutdown of travel has created room in other areas for significant saving for travel buyers—who currently have unprecedented leverage to restructure their arrangements with suppliers. TMCs are talking about subscription models as well as other configurations, and buyers say every option is on the table.

More inclusive pricing parameters with preferred airlines, which would take into account such ancillary costs as baggage fees, also could be within reach, noted PredictX’s Choe.

“If you negotiate an air contact, you really want to know in advance what the cost is going to be, not find out after the travel that these ancillary costs have doubled your actual ticket price or something like that,” Choe said. “The pendulum of negotiation [power] is bound to swing back toward the buyer, who I think will be negotiating for more transparent, more inclusive and better-value contracts from suppliers.”

Making major changes to a travel program is, of course, a tall task in any environment, let alone one in which companies continue to manage the fallout from Covid-19. But those who can keep an eye to the future and devote the time, effort—and money—to develop and implement program improvements now, stand to reap major benefits in the long term.

“You have the time now to rethink the future and form a new strategy,” said Choe. “Those companies that can actually use that time—and a little bit of investment—will gain a huge advantage.” ■

Is This Finally the End for Hotel Bill-Back?

BY DAVID WOOD



David Wood is director of hotel products for Conferma.

Bill-back is a convenient system for the corporate client and the traveler, but in payment innovation terms it's the equivalent of a traditional airline serving meals on a half-full 747, flying a short-haul route. It is extremely inefficient for the travel management company, with outrageously long settlement cycles and high overall cost for the industry. Nevertheless, somehow, bill-back is still going strong today.

Our industry has suffered from inertia, and we're often guilty of failing to challenge established processes. We have carried on doing things the way they've always been done because, with consistent growth, there just hasn't been an impetus for change. Bill-back is a prime example of this phenomenon. It works and has yielded incremental revenue for TMCs as a value-added service, so why rock the boat? But the global shock to our industry caused by the Covid-19 pandemic means people are now challenging these established norms.

In an era where cash flow is critical to business survival, it just isn't sensible to operate settlement schemes like bill-back that take 30 days or more to apportion payment. As a TMC, imagine having a conversation with your CFO where you try to defend the practice of using what little free cash flow you might have as a line of credit to corporate customers for bill-back.

Even if the CFO is on your side and your TMC has a stronger balance sheet than most, the risk

of providing credit in this environment might simply be too high. On the one hand, pressure from hotels to settle rapidly will only intensify and on the other it's unlikely you'll find willing providers of credit insurance. Savvy TMCs have always insured against the risk of bill-back default, should a corporate be unable to pay its debts. Securing such insurance at reasonable rates is likely to become increasingly difficult as the wider economic shock takes hold.

Another adversary to the bill-back operation will be the requirement for immediate payment settlement as hotels start to reopen. All accommodation providers' bottom lines are being hit hard by the pandemic and they are faced with the challenges of adapting to a post-lockdown reality. It will no longer be attractive to provision the large volumes of concessionary credit terms to the TMCs that made bill-back possible in the past.

So how are hotel payments likely to shift? Well, there's going to be significant demand for payment methods that have near real-time settlement such as bank-to-bank payments and virtual cards. Both have their place and it might be that where a large TMC has a trusted relationship with a hotel chain, which has already centralized payments, they can implement a bespoke bank-to-bank arrangement.

Virtual cards can be used by TMCs as well as by corporate customers who are making hotel bookings. They can prepay or choose settlement to be completed automatically at check out, ensuring optimum cashflow throughout the supply chain. In most cases, the TMC is going to want the added benefit of automated payment reconciliation of individual payment transactions, which reduces administration time and room for error, ultimately saving more money.

More broadly in today's environment there's a push for a touchless travel experience and hotels are no exception. Data from Nordic payment processor Nets showed that contactless payments in the region grew their share of card transactions by 12 percent, reaching 69 percent share, in the first four months of the year. That's more than twice the growth experienced in the same period of 2019. Advances in technology have enabled virtual commercial cards placed in mobile e-wallets. This means the business traveler can tap-to-pay anywhere contactless Apple Pay or Google Pay are accepted, and the funds are taken directly from the corporate's own bank account.

While most hotels still have work to do in order to accept these new touchless methods, mobile virtual payments can offer the same smooth experience as bill-back, just without the multiple invoices, painstaking reconciliation and expensive 30-day settlement happening behind the scenes. ■

In an era where cash flow is critical to business survival, it just isn't sensible to operate settlement schemes like bill-back that take 30 days or more to apportion payment

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