

BTN

BUSINESS TRAVEL NEWS



MEETINGS

American Express M&E's Linda McNairy joins a Meetings Mavens panel to analyze the recovery through booking trends and survey data.

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MANAGING RISK

Cardinal Health's Jill Huffman assesses the increased risk to business travel in 2021 due to the many tentacles of the Covid-19 pandemic.

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VOICES

Business travel has peaked, says tClara's Scott Gillespie, and it's time to wrestle with the implications for the industry's future.

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TOP STORY

BY CHRIS DAVIS & MICHAEL B. BAKER

AS CASES FALL, CARRIERS FEAR NEW U.S. DIRECTIVE

Testing the Limits

As the staggering U.S. Covid-19 case counts of January declined sharply in February and vaccine distribution, however scattershot, sped up, it's not unreasonable for the business travel industry to at least consider the possibility that the darkest days of the pandemic just may be in the past. But even as certain states ease some social-distancing restrictions and other safety measures, the thus-far unrealized prospect (at press time, anyway) of additional U.S. federal directives on permissible air travel has frustrated suppliers and industry organizations.

Specifically, carriers and associations have objected to the possibility that the new administration of President Joe Biden could require passengers to test negative for Covid-19 before flying domestically. The concern seems to

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Travel Health Passports Trigger Data-Privacy Alarms

BY AMON COHEN

Companies should avoid requiring or even asking employees to adopt digital travel health passports until they have conducted extensive data-privacy impact assessments, according to the global head of privacy for travel management company CWT.

Health data is treated under the European Union's General Data Protection Regulation as "sensitive data," which may be processed only if a clear legal basis has been established to do so. Such a legal basis has yet to be clarified for travel health passports, said Christel Cao-Delebarre, who added that GDPR is emerging as a global standard for data-privacy practice. Companies also will need to carry out due diligence on the security of the different passport products under development and establish whether they, as employers, would face liability in the event of any breaches.

One travel manager who already

has investigated health passports told BTN his company is very wary of introducing them. "Our head of privacy reconfirmed that we must find a way this is never mandated as the company might be liable for data breaches," said the travel manager, requesting anonymity. "If employees adopt a passport voluntarily, because it makes their life easier, that's OK."

A survey of business travelers published earlier this month by BCD Travel found their No. 1 criterion for acceptance of health passports was satisfactory data protection.

Health passports carry a digital record of whether holders have been tested or vaccinated for Covid-19. Almost every country worldwide currently requires evidence of a negative Covid test before gaining admission, and discussion has started about whether a vaccination

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Sonesta has grown rapidly in the past year and is targeting corporates, said VP of global sales Blair McSheffrey.

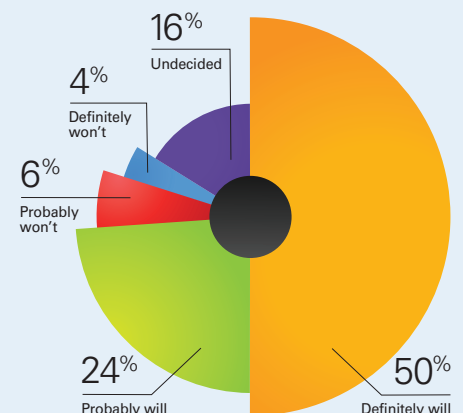
"There were a few [corporate travel buyers] that said to roll over the rates [into 2021]. But there were many that negotiated as they would normally negotiate it."

6 | Data Hub

Most Business Travelers Seemingly Ready for Vaccination

Will you take the Covid-19 vaccine?

Source: BCD Travel Nov. 30-Dec. 4 global survey of 702 business travelers



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Filling High-Touch Gap, Amex GBT Won't Turn 'Ovation Into GBT'

BY JAY BOEHMER

American Express Global Business Travel's acquisition of Ovation Travel Group, announced last month, fills a high-touch gap for the mega travel management company, which committed to maintaining the service offering and brand that New York-based Ovation has built over 37 years.

Ovation is known for catering to high-touch segments of law, finance and entertainment, as well as high-net-worth individuals accustomed to white gloves. "Prima donnas," as Ovation Travel Group chairman and CEO Paul Metselaar has called them.

The acquisition includes Lawyers Travel, which Metselaar founded in 1984 as the platform upon which the agency grew.

GBT said it would maintain the Ovation brand, unlike the HRG brand, which transitioned under the Amex GBT umbrella after GBT's last blockbuster agency acquisition in 2018.

"We are thoroughly committed to not turning Ovation into GBT," GBT chief commercial officer Drew Crawley said in an interview, joined by Metselaar. "That is not the point."

Crawley added: "We knew this high-touch segment was one that we didn't have all the ingredients." Ovation had the "secret sauce," he said, and GBT doesn't want to fuss up the recipe.

Crawley started at GBT in April 2020. Prior, he worked for British Airways and Iberia parent International Airlines Group, most recently handling the Avios loyalty segment.

Calling IAG "a platform for airline consolidation," he said that "BA didn't turn into Iberia."

Still, they found synergies on back-end elements and shared resources to add value to respective customers. "This acquisition happened to be appropriately managed that way," Crawley said of Ovation.

He added: "If we are acquiring to add scale, and we are acquiring businesses similar to ourselves, I would expect it to come under the Amex GBT banner." Ovation is different from that kind of play.

Since founding Lawyers Travel in 1984, Metselaar said the company "over 37 years has always guarded our independence fiercely."

At the turn of 2020, business was looking up. Sales were hitting records. Ovation was hiring and plotting its next growth phase, Metselaar said. Then, Covid hit.

"As the captain of the ship, we took on this torpedo, so my role has been to figure out the right safe harbor and navigate us to those shores," he said.

As with other travel companies, Ovation last year cut costs, said farewell to a sizable number of employees and tapped government support.

"We were among the first TMCs to furlough—and it was heartbreaking—hundreds of our people who



"As the captain of the ship, we took on this torpedo, so my role has been to figure out the right safe harbor and navigate us to those shores."

—OVATION'S PAUL METSELAAR

had been with us, some for decades," he said.

Prior to the pandemic, Ovation counted 750 employees, according to Travel Weekly's 2020 Power List. Based on 2019 sales volume, Ovation was 15th on the ranked list with \$1.6 billion. Amex GBT ranked third, handling \$34.1 billion in 2019 sales.

The employee numbers are greatly reduced. So too are the sales, naturally.

Asked about employee levels as Ovation joins GBT, Metselaar said: "We end up with what we call our business continuity group, our BCG, and those 250 some-odd Ovation folks: We're keeping those people, and we have made a commitment to them, and so when travel comes back we hope to be able to tap into the people we have furloughed."

Ovation last year agreed to a \$20 million loan from the U.S. Treasury Department, making it the first travel agency to borrow under an aviation industry lending program established by the Coronavirus Aid, Relief, and Economic Security Act. Ovation also was among a large number of corporate travel companies that tapped the U.S. Small Business Administration's Payroll Protection Program.

"Even though we had received some financing from the government, we knew that we had a couple of boxes to check if we were going to continue to survive and thrive in our industry, which was going through rapid change even prior to this horrific catastrophe that hit us all," Metselaar said.

With a well-respected reputation and a command of midmarket and high-yield segments, Ovation had "no shortage of potential partners," as it explored acquisition opportunities, said Metselaar.

The terms of deal were not disclosed, but Metselaar said he was attracted to GBT's tech capabilities, global reach and rigorous compliance standards, which he viewed as a growing area of need for clients.

In fact, Metselaar viewed "compliance as a competitive advantage" in the marketplace.

"We never had the kind of really buttoned-up, global platform [that was] wholly owned," said Metselaar. "That's been one of the challenges as we tried to grow the business over the past decade or so."

Crawley said GBT operates to elevated data privacy and security compliance standards that fit the standards of a bank holding company.

Regarding alignment and integration of the companies, Crawley said compliance standards were the first order of business. "All the compliance I's needed to be dotted and T's crossed day one of integration," he said. "A big amount of the heavy lifting has been done."

Next up will be exploring how Ovation will tap GBT's tech stack and adopt its suite of products and capabilities, from behind-the-scenes to client-facing, traveler-facing and agent-facing. GBT said it wants to use these to add to Ovation's value proposition, not subtract.

There are immediate cross-selling opportunities. In 2017, Ovation Corporate Travel launched Ovation Reserve, a program and service offering to handle VIP travelers for accounts served by other TMCs.

"The Ovation high-touch service, we think is appropriate for a number of our existing clients" to extend to their C-suite or VIPs, said Crawley.

Meanwhile, Metselaar said the messaging to clients is "business as usual." He vowed continuity in account management and offline support, and added that he, personally, is "not going anywhere." ■

The Beat



As Properties Multiply, Sonesta Aims to Grow Corporate Travel

Sonesta International Hotels Corp. has had a transformative year, but not necessarily in the same way as other hotel companies have during the Covid-19 pandemic. The company grew from 58 properties at the start of 2020 to nearly 300 today, with conversions from InterContinental Hotels Group and Marriott International when each defaulted on hotels owned by Service Properties Trust, which in turn owns about a 34 percent stake in Sonesta. Sonesta also is in the process of acquiring Red Lion Hotels' parent company. BTN's Donna M. Airoidi in January spoke with Sonesta VP of global and hotel sales Blair McSheffrey, who has been with Sonesta for three years, about the company's changes. An edited transcript follows.

WHAT WAS YOUR MIX OF LEISURE AND CORPORATE BUSINESS AND MEETINGS FOR THE 58 PROPERTIES AT THE START OF 2020?

The rough breakdown was meetings were about one-third of business, then another third was corporate, then the balance leisure depending on the property. I think we will continue to see leisure grow immediately out of the gate. That will be the first segment to ramp [up]. Everyone says that, and we believe that as well. One approach is to mature our offering and our delivery with business travel. We plan on increasing our business travel, and that also is a function of distribution. If you have an airline that flies only three routes, it's hard to really effectively service the business travelers. And it's the same with hotels. You have to have distribution, and now we have pretty significant distribution.

WITH THE RED LION HOTELS PURCHASE COMBINED WITH THE CONVERSIONS FROM IHG AND MARRIOTT, SONESTA WILL HAVE ABOUT 1,200 HOTELS WITH MORE THAN 100,000 ROOMS ACROSS 13 BRANDS. HOW DO YOU SEE THAT CHANGING SONESTA'S POSITION IN THE MARKET?

We are in the midst of converting the Marriott hotels. We haven't converted them all. All of the IHG hotels have been converted. We will be at 284 hotels pre-Red Lion, by early March. Those are all in the management and owned environment, and that is [our] core business. The addition of Red Lion is a foray into a different environment for us, which is franchising. Because of the nature of that business, they'll operate somewhat autonomously, but under the Sonesta umbrella.

WHAT ARE YOUR PLANS FOR CAPTURING A LARGER SHARE OF THE CORPORATE TRAVEL MARKET?

We launched two new brands that are really



Sonesta's Blair McSheffrey discusses:

- **Sonesta's plans for its new properties**
- **Personalization as a lure for business travelers**
- **The state of corporate travel RFPs**

"A lot of hotel companies kind of opted out of the RFP season this year, and we didn't. We doubled down and really engaged with our business travel buyers because we wanted to make sure that, No. 1, we were well-represented and to stress the importance of business travel to us."

focused on different ends of the business segment, but that are really our core business. Sonesta Simply Suites is our core extended-stay product. That is an all-suite product focused exclusively on that long-term business. And then Sonesta Select is a core business hotel. It's going to be a great business product. Business travelers' needs are pretty straightforward: "I want to check-in quickly, I want a comfortable bed." We will check all those boxes. But how do we add a little more heart and soul to it? We are bringing that to life a little bit differently and focusing on a lot of personalization in the product as compared to what [those properties] were before, which were Courtyards, and trying to develop a business product that adds a little more of a personal touch. [They are in] business locations, and Courtyard did well with that, but I think we can add a little more juice to it and make it a more interesting and engaging stay. Less vanilla.

HOW WILL YOU REACH MORE INTO THE BUSINESS TRAVEL AUDIENCE?

Business travel is very important to us, and one of the investments we made was to make sure our business travel teams across our properties were intact. We had them work with clients. As you know, a lot of hotel companies kind of opted out of the [request-for-proposals] season this year, and we didn't. We doubled down and really engaged with our business travel buyers because we wanted to make sure that, No. 1, we were well-represented and to stress the importance of business travel to us. I wouldn't say we weren't 100 percent staffed, but we paid attention to it. I think this will do us well, because as we come out of this, I think we are well-positioned, and a lot of other companies will be like, "OK, now we are interested in your business travel." And that might be a little bit too late by the time it ramps up.

WHAT WAS THE RECENT RFP SEASON LIKE FOR SONESTA? DID YOU RECEIVE MORE BECAUSE OF YOUR ADDITIONAL HOTELS?

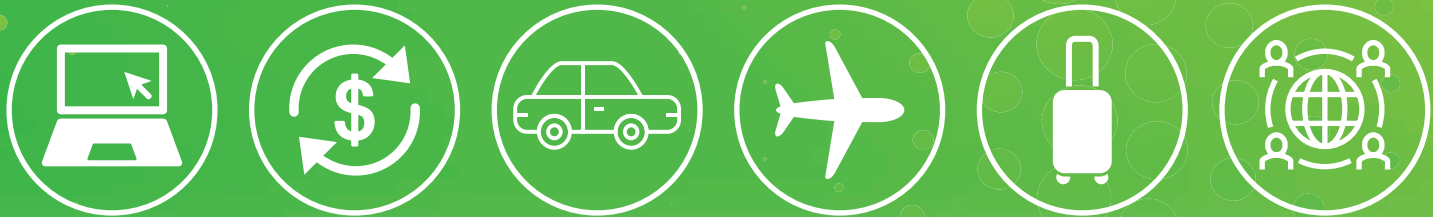
I would say that yes, we did get significantly more because of the new distribution. The other piece is that corporate travel buyers did want to discuss the rate and the opportunity. They were much more engaged. ... There were a few that said to roll over the rates. But there were many that negotiated as they would normally negotiate it. Many corporate travel departments are procurement-led. And in a procurement world, it's hard to justify not going through a regular procurement process. So we facilitated that procurement process thoughtfully.

HOW HAS THE ADDITION OF THE NEW PROPERTIES CHANGED THE MAKEUP OF YOUR SALES TEAM?

We've added more. We are adding significantly more business travel representation, because the makeup of these hotels is so business-traveler-intensive. Then groups and meetings are still lagging, but we'll continue to add, especially when dealing with more resort destinations, and focusing on additional segments we hadn't focused on before. The first answer is more business traveler representation, and a stronger focus on our No. 1. brand, which is extended stay. ■

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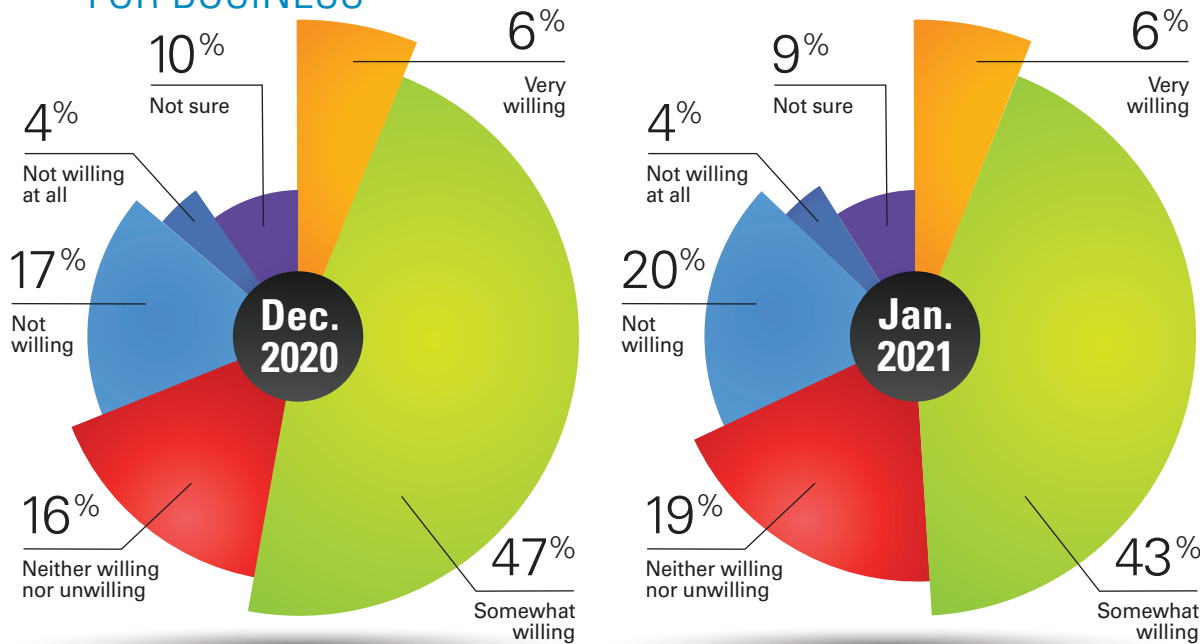
The Beat



For Now, Business Travel Rebound Expectations Still Modest

With millions of Covid-19 vaccine shots being administered daily and the warmth of spring just a few weeks away (at least in the northern hemisphere), expecting a few rays of travel demand to shine through the pandemic clouds doesn't seem too optimistic. But the data so far isn't there yet: recent surveys show, if anything, less confidence in a return to business travel, and only half of travelers are fully ready for a vaccine. And business travel demand projections and current air sales remain restrained.

BUYERS ON EMPLOYEES' WILLINGNESS TO TRAVEL FOR BUSINESS



Source: Global Business Travel Association Jan. 11-18 and Dec. 7-14 surveys of 380 and 353 travel managers and procurement professionals, respectively

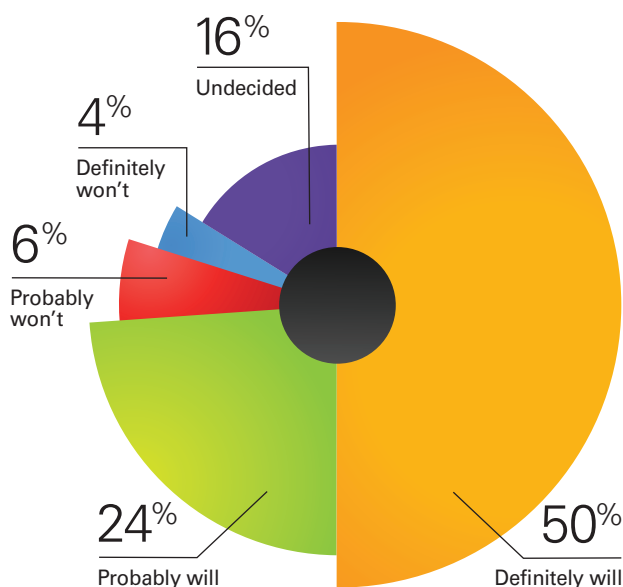
21%

PROJECTED YEAR-OVER-YEAR GROWTH IN 2021 GLOBAL BUSINESS TRAVEL VOLUME

Source: Global Business Travel Association/Rockport Analytics

MOST BUSINESS TRAVELERS SEEMINGLY READY FOR VACCINATION

Will you take the Covid-19 vaccine?



Source: BCD Travel Nov. 30-Dec. 4 global survey of 702 business travelers

PROJECTED 2021 U.S. HOTEL PERFORMANCE

	2020 Actual	YoY Change	2021 Forecast	YoY Change
Occupancy*	41.7%	-36.6%	48.6%	16.6%
ADR	\$103.25	-21.3%	\$107.68	4.3%
RevPAR*	\$43.03	-50.1%	\$52.32	21.6%

* Reflects total-room-inventory methodology, which assumes no temporary hotel closures. Source: STR

ARC: U.S. CORPORATE AGENCIES' AIR TICKET SALES REMAIN SLOW

7-Day Period Ending	Agency type, YOY change		
	Corporate	Online	Leisure/Other
Jan. 17	-88.0%	-59.2%	-72.2%
Jan. 24	-87.5%	-56.0%	-73.4%
Jan. 31	-85.8%	-53.5%	-70.6%
Feb. 7	-86.1%	-50.4%	-70.1%
52-week average*	-82.3%	-60.5%	-71.8%

* Rolling average of prior 52 weeks vs. full-year 2019 Source: ARC

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USING MEETINGS DATA TO ASSESS DEMAND RECOVERY

A common meetings industry perspective is that group business will be the last sector of the travel industry to recover, and it's still anyone's guess as to when that will happen. In late January, BTN meetings editor Donna M. Airoldi spoke with Cvent senior director of analytics **Jeffrey Emenecker**, American Express Meetings & Events VP Americas **Linda McNairy**, and i-Meet founder, chairman and CEO **John Pino** about their analysis of recent meetings trends data to try to project the trajectory of recovery. The following has been edited for length and clarity.

WHAT ARE SOME CURRENT FINDINGS YOU CAN SHARE FROM YOUR ANALYSIS OF CVENT ACTIVITY?

JEFFREY EMENECKER: The data I'm talking about represents our request-for-proposals volume. January is off to a good start, relatively speaking. The volume of RFPs sent the first few weeks of the year were the best weeks we've seen since Covid hit. Once the vaccine news hit in early December, we saw a marked shift from a lot of short-term meetings toward more meetings in the second half of this year and first half of 2022. That trend has continued. If you look at the number of RFPs in aggregate sent through our system, as of today, we're probably at about 44 percent of where we would normally expect to be in terms of demand for 2021. For 2022, it's at 58 percent. Still, both are way off where we would want them to be.

IS THAT FOR IN-PERSON, VIRTUAL AND HYBRID COMBINED?

EMENECKER: Only in-person or potentially hybrid. There are no virtual numbers in there. But if you look at another part of our business, which is event registration, regardless of the kind of event—virtual, hybrid, in-person—the number of people registering for events is up year-over-year for the fourth quarter and so far in January. Most of that is driven by virtual. But for hoteliers, the encouraging thing is that there is a bridge there where there are still a lot of people who are engaged, who want to meet.

WHAT ABOUT AVERAGE SIZE OR LENGTH OF STAY FOR THE IN-PERSON EVENTS?

EMENECKER: Size has been small, for obvious reasons. The kind of meetings being sourced now for dates in the second half of 2021 and into 2022, they look pretty normal to what we would see in the channel. Probably half of those meetings are between 10 to 50 people, maybe 25

percent bigger, 25 percent smaller, roughly. Anything sourced for the first half of this year is smaller; 90 percent are for fewer than 50 people. Length of stay is pretty normal in terms of what things look like for the second half of 2021 and 2022. That's really positive from that perspective.

JOHN PINO: [In our weekly surveys], we've seen the question 'When will your next meeting resume?' constantly shift out. For the first time, the fourth quarter surpassed the third quarter [of 2021]. I didn't expect that. I also agree that something changed at the beginning of the year. As we resumed our weekly surveys in January, we saw an uptick in confidence. For example, the [share] of undecided planners who didn't know what they were going to do had always hovered around 12 percent to 14 percent. That dipped to 2 percent last week. The amount of business on the books has gone up for any future date. And RFP flow seems to be mirroring that. Ninety percent of planners we've polled have RFPs working right now for some point in the future. People are starting to do things. We see small meetings at the top of the list, and that includes hybrids. But people have RFPs in progress, and over 80 percent have business on the books.

LINDA MCNAIRY: I agree with both and can expand with more around conversations with planners and meeting owners. It's about taking a thoughtful look at the objective of the meeting, and how we can execute it responsibly. Rather than seeing that business unit meeting of 200 to 300 people, we are working with our customers on how to divide that by region so we can safely get groups of less than 50 people responsibly into locations either for a true hybrid meeting, hooking everybody together for portions of the meeting, or for a series of meetings, going from region to region. We also are having a lot of conversations around the meeting audience, and the need to get with customers and

external stakeholders is higher than ever. That pent-up demand is very real. But you need to do it responsibly.

PINO: We also are starting to track when planners expect to return to pre-Covid levels. Most believe it's going to take until 2023 to get to 80 percent or more of their 2019 volume.

HOW ARE BUDGETS COMING IN FOR 2021 AND 2022?

MCNAIRY: The budget conversation is interesting. We saw the customer trying to wrestle with this notion of virtual or hybrid meetings being less expensive: "It's just an online call; it's got to be cheaper." But there have been lessons learned as people have explored true high-quality, fully produced virtual meetings. There is still a high price to that. Similarly, for returning to face-to-face meetings responsibly, you need greater space requirements to accommodate smaller numbers of people to allow for social distancing. [Venues] want a return to meetings, and they want the volume in-house, but they also need to be compensated for the extra work that happens on their side to make this happen. We are seeing a lot of different swings. There are no dramatic decreases in overall budgets. Some are edging toward smaller budgets. But what we are seeing is the reallocation of where the money is being spent, and possibly holding fewer face-to-face, but maybe a higher investment in technology to reach more people in the aggregate.

EMENECKER: What we see from the hotelier side is what kind of rates they are proposing to planners and how that is changing over time. You can see a lot of discounting going on for near-term dates, the first half of this year. But as you get into the second half, if you look at rates year over year, they are still down a little, 5 percent to 10 percent. When you get into 2022 and beyond, rates are above



Jeffrey Emenecker



Linda McNairy



John Pino

where they were in 2019. Hoteliers, at least at this point, are feeling fairly bullish around rates for next year. I expected the discounts to be more dramatic. We kind of know why, and the main reason is that rates are not the reason why people are not traveling. You can discount all you want, but if people don't feel safe, they will not go. But I'm a bit surprised there wasn't more of that early on to try to get people to go. I've also been on several calls where I heard anecdotally from planners and the hotelier side that there's some chances of compression in some markets in early 2022. You've got a lot of pent-up demand, and if things go as well as everyone hopes, you may all of a sudden have a lot of people wanting to meet in a narrower band of time than usual, and space might become tight. We're too early in the vaccine rollout to know how that will play out. But there are some rumblings around how something like that could happen.

PINO: From our conversations at the enterprise level, there is an acknowledgement at least in the short term that face-to-face will be more expensive than it was in the past for all the reasons already described. And we are hearing that it's worth it in the short term to be safe in terms of how you conduct your meetings, even though it's probably going to cost a little bit more based on where you were in the past. Most on the enterprise side are very careful about doing it right as opposed to finding the absolute cheapest possible price.

WHAT ABOUT TRENDS ON THE VENUE SIDE?

EMENECKER: Within "traditional" hotels, there was a shift right after Covid hit, with RFPs being sourced to lower-cost chain scales. Normally, upper upscale and luxury hotels would be the ones to receive the highest share on our network. That changed. Some of that is budgetary. A lot of it is the kinds of groups that were traveling were not [typical corporate groups]. In general, essential workers are a lot less likely to stay at the Fairmont. That trend is still true, and we are starting to see it turn a little bit, but it still hasn't flipped back to normal yet. I suspect that is a sign everybody is watching for.

MCNAIRY: I agree, there is a shift toward the smaller properties and the midscale service. That has continued as we look at some of these smaller roadshows and things. But at the same time, I've had conversations in the past few weeks with customers who said right now it's a buyers' market: "If I can hold this meeting at a premium brand, why not, and I'll fight with my compliance team to justify the expenditure." Maybe a meeting that previ-

ously couldn't have been held at a property with resort in the name, right now [clients] are pushing the limits a little bit. Nontraditional venues were emerging prior to the onset of Covid, and I think the owners of those venues, the ones that we've worked with, are doing a really smart job of staying ahead of the protocols necessary to make it safe and make sure they can stay on the market. But we have seen some closures. With a shift in perhaps wanting to do more day meetings so folks can return home and not worry about the protocols for an overnight room, we are still booking a lot of those nontraditional venues.

PINO: Another thing is, the other parts of the supply chain have been decimated. I'm not just talking about the hotels or airlines, but some of the services that support [meetings and events]. In the ground transport sector, there is as much as 40 percent of the capacity, and the companies aren't returning. One thing planners really have to figure out is what they are going to do. It is not going to be as simple as it was before. Vetting suppliers, you almost have to start over from scratch. How they buy those other services in the new environment is going to be somewhat challenging from capacity and vetting and liability viewpoints. There is a lot of anxiety about how we are going to do it. It will be a fantastic learning experience for planners, but it will not be business as usual.

EMENECKER: I think it's also true there will be a big opportunity in this space for hotels and venues that say "We know how to do hybrid." There just hasn't been much of it done yet. And certainly not a lot of it has been done well. A lot of planners have never done this and will need help. If you are a hotel, and you are showing me you've pulled something like this off before, that will count for something when I'm trying to make my decision on where to go. There is a lot of opportunity because [hybrid] is very different than just an in-person event. ... I also think a lot of folks think hybrid-ready means we have really fast Wi-Fi, we have a lot of bandwidth, and we have two cameras in our ballroom. But as things get more sophisticated, planners will realize they will need a lot more than that.

MCNAIRY: You bring up a good point—it's not just the facility readiness and the equipment within, but it's also the soft skills and the training of the staff and ability of the staff to help the planner to achieve success. It's a lot more than the equipment.

HAVE YOU SEEN ANY PULLBACK FROM VIRTUAL COMPONENTS IN THE QUARTERS AHEAD?

EMENECKER: When an RFP goes out in our system today, we don't know if there's a

virtual component to it or not. We know there's an in-person component, but we don't know if there's a virtual component too, and if so to what extent. That is about to change. We are about to add some features on our system so that a planner can designate how many in-person attendees and how many virtual attendees they expect to have. But we have developed new technology called Virtual Attendee Hub, which is a virtual platform, launched in August. We haven't seen any let-up at all in terms of demand for that platform.

PINO: On holding future virtual or future hybrid meetings, [on our survey] the yes answer peaked at about 78 percent in the third quarter. Everybody thought meetings would absolutely go that way. Today that number stands at 59 percent, so it has gone down. The other interesting thing is that the undecided answer, which was pretty low for lots of weeks, is now over 30 percent. The only interpretation I can offer is people originally knew they had to do virtual, and it would last a while. I think as this thing goes longer, people are at least questioning whether that should be a long-term strategy.

MCNAIRY: A conversation we are having with our customers is, if you really want to manage your meetings program, you need to track all of your meetings. Don't allow meetings that are happening now in different formats to fall outside of your tracking. Who is going to it? What were you trying to accomplish? Keep it within that same mindset. Because if you fast-forward, you could [at one point] say, "How do we compare year-over-year information?" or "How do we draw long-term insights?" But if you have a gap around this meeting type or this timeframe, you're going to be at a loss.

WHAT FACTORS BESIDES VACCINE DISTRIBUTION WILL INFLUENCE THE RETURN OF IN-PERSON MEETINGS?

PINO: In the beginning when people get back, they're a little uncertain, so the contracting piece with hotels is looming big. The cancellation and attrition clauses are at the heart of that.

EMENECKER: Budgets. We've discussed it a bit, but in general, a lot of companies are not in the same financial position as they were 12 months ago. That still will have an impact even once you get past the safe point.

MCNAIRY: Another thing to monitor is paying attention to the different [international] governments. They are interpreting things in different ways. We don't have a universal approach to how we return. How quickly our leaders can come together for consistent and safe approaches is another influence, an impact on the situation. ■



Complex New Travel Risks Spur New Approaches for 2021

BY DAWIT HABTEMARIAM

“In the past, we had weather delays, natural disasters and terrorism,” said Cardinal Health global security travel manager Jill Huffman. “We still have all that, but now you have to layer the pandemic on top. It introduces a lot of details. We have to work with much more complexity.”

That complexity—and the risks that accompany it—will be the core story for travel management throughout 2021. And as more travelers, business and leisure, hit the road this year, risk for all will rise with it. Yes, risk of Covid-19 transmission. But other risks, as well, have emerged as a consequence of Covid-19 restrictions and lockdowns, and travel managers will have to reckon with them.

Consensus about rising travel risk has never been higher. About 79 percent of 1,425 risk professionals surveyed by International SOS in September and October said risk for business travelers will rise in 2021. Travel managers are aware of the increased risk, Huffman said, and many of their travelers are too.

More Travel, More Risk

The rise in traveler volume will precipitate the risk of Covid-19 transmission, especially considering the spectrum of virus variants emerging alongside different levels of vaccine distribution around the globe, said Crisis24 SVP of global intelligence and information Mike Susong. Additionally in question is vaccine effectiveness against new variants in real-world conditions, he said, and how that may play out as travel activity becomes more robust.

Sporadic border openings and a sprawling web of country-by-country entry restrictions will complicate international travel throughout 2021.

Huffman cited visa approvals for international travel, which now can take up to three months instead of two weeks, along with additional documentation and business justification just to take a flight. And that doesn’t include Covid-19 testing or quarantine requirements. The Cardinal travel team now works more with government relations than any other department, said Huffman.

One international Cardinal traveler in early February who took a flight with a connection stop, Huffman said, “will literally have to go through six [Covid] tests [to complete] the roundtrip.” The traveler had to take a test before he departed and in the connecting country, and another when he arrived at his destination airport, she said. He will have to repeat the process when he returns.

It’s Not Like It Used to Be

Once at their destination, business travelers may walk into a dramatically different experience even in familiar locations, said International SOS director of security solutions Jeremy Prout.

“The low-risk neighborhood I went into 2019 may not be a low-risk neighborhood in 2021,” he said. “Restaurant activity and people openly walking around at night brings about a level of safety. Now, all those people [aren’t] out, so the dynamics of the neighborhoods have changed.”

Prout pointed to increased street crime in historically touristy locations as one consequence of social restrictions precipitated by Covid-19. But he also pointed to an increased likelihood of civil unrest or violence. Lockdown protests in the Netherlands recently turned into a riot, for example. “Emotions are running high,” said Prout. Civil unrest “is something to keep an eye on.”

Border restrictions not only present increased logistics and upfront risk but also may present challenges should other crises occur, according to International SOS. In the event of an earthquake, terrorist activity or civil unrest, a traveler might need to be moved quickly to a third country



“Right before the trip, if there’s anything that was changed, we’ll pick up the phone and call them. That awareness helps them know they are being taken care of.”

—CARDINAL HEALTH’S
JILL HUFFMAN

prior to completing the journey home. Border restrictions could complicate that emergency response. “If you need an evacuation, it could be more difficult,” said Prout. “There will have to be a greater level of preplanning and monitoring than we previously had.”

Every Step of the Way

Cardinal Health moved its travel management beneath a security umbrella four years ago. It’s a unique structure that has created more robust protocols and a higher expectation of traveler compliance. In return, the program supports travelers through every step of the journey and, in the era of Covid-19, has safeguards adapted to each destination.

“If a traveler tests positive, we make sure they have somewhere to go,” Huffman said. “Even in Singapore, you have to have transportation ready at the airport to take them to quarantine. Because we have been dealing with Covid-19 for 10 months, we kind of know the foundations of what is needed and how to align them along the gaps as situations change.”

Cardinal also monitors traveler whereabouts. “We have a system that tells exactly us where people are at all times,” Huffman said. She works with Cardinal’s internal security operations center to alert and connect with travelers amid emergencies.

Even this may not be quite enough to get travelers confidently out on the road, though. With travel restrictions inconsistent and unclear, providing timely, accurate information is essential—and not just information that affects the traveler, according to Prout.

Travelers are going to ask questions that are specific to their personal situation. Questions like, “What will this mean for my family?” said Prout. “There are so many impacts that exist now that didn’t exist before. People need answers to these questions if you want to get them back on the road.”

Huffman has received questions from travelers. They are feeling the elevated risk levels that risk professionals are actively tracking. “I’ve already seen that uptick more than we ever have in the past,” she said.

To help, “Cardinal Health provides an internal microsite for travelers to give [travelers] all the information they need. Information on anything they need globally is updated,” Huffman said. “Right before the trip, if there’s anything that was changed, we’ll pick up the phone and call them. That awareness helps them know they are being taken care of.” ■

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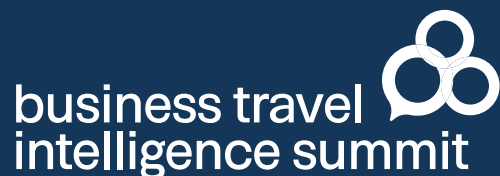
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The BTN Group looks forward to holding its 40+ events in-person and virtually this year. Be sure to visit www.BusinessTravelNews.com/Events for event updates and registration details.



British Airways Starts VeriFly Trial as American Airlines Expands Availability

BY MICHAEL B. BAKER

British Airways this month began using mobile health passport tool Verify on flights from London to the United States, and American Airlines is expanding its use of the app in the United States.

Travelers on British Airways flights from London can provide digital health documents, including negative Covid-19 test results, to the app and verify that they meet all entry requirements to the United States. Currently, the carrier is operating service to New York, Los Angeles, San Francisco, Boston, Chicago, Dallas, Miami, Houston, Seattle and Washington, D.C.

In the “near future,” British Airways also will enable travelers to use the app when flying from the United States to the United Kingdom, according to the carrier.

American already is using the app for inbound international travel to the United States as well as travel to Jamaica, Chile, Colombia, El Salvador, Honduras and Guatemala from Miami only. As of Wednesday, American is enabling travelers to those countries, as well as the United Kingdom and Canada, to use the app on flights from all of its domestic airports.

Alaska Airlines this month also began to enable travelers arriving to the United States on international flights to use the VeriFly app, the carrier announced. An Alaska spokesperson said the carrier is exploring using the app in other markets as well but could not yet release additional details.

British Airways is the first carrier to use the app for travel to the United Kingdom. In a media call this month, American Airlines director of customer experience innovation Preston Peterson said the carrier is having “ongoing conversations” with its other airline partners in expanding use of the app.

“We need to be working with as many options as possible. We’re also hopeful about integration between apps, to find a common standard and how to get apps talking to each other, because we need to find solutions to all the places we fly to.”

—BA’S RICHARD REEVES

British Airways also has been working with the International Air Transport Association on a digital passport system. In this month’s call, British Airways head of business resilience Richard Reeves said that work continues.

“We need to be working with as many options as possible,” he said. “We’re also hopeful about integration between apps, to find a common standard and how to get apps talking to each other, because we need to find solutions to all the places we fly to.”

Travel Pass Adds Carriers

Copa Airlines and Panama’s government next month will begin a trial with IATA’s Travel Pass mobile app. Sometime in March, travelers on select Copa flights from Panama City will be able to create a digital passport that matches their itineraries with the health requirements of their destination and validate that the passengers are in compliance with those requirements. IATA Travel Pass also will include a registry of Covid-19 testing centers—and eventually vaccination centers—and enable testing centers and labs to securely send test results and vaccination certificates to users.

Copa is the first carrier in the Americas to test the Travel Pass app, according to IATA. Gulf carriers Etihad and Emirates last month said they would begin to use the app in the coming months. ■

GBTA: Governments Should Reconsider Use of Quarantines for Covid-19

BY DAWIT HABTEMARIAM

The Global Business Travel Association called on governments to rethink the use of quarantines for international travel in a statement last month.

GBTA’s statement comes in the wake of announcements from Western governments to broaden or impose new quarantine requirements. President Joe Biden has indicated the U.S. would require quarantine upon arrival for all inbound international travelers. The U.K. government recently announced that it will require all arrivals from 30 countries to quarantine in a government-provided hotel.

GBTA questioned the effectiveness of quarantine as a measure to reduce the spread of Covid-19. “The move towards quarantines despite multiple studies that question their effectiveness is a real problem.

The science suggests that quarantines rank far down the list of effective Covid-19 mitigation measures,” said GBTA interim executive director Dave Hilfman in the statement.

Hilfman called on governments to embrace a more “balanced” and “science-based” approach to tackling the pandemic. “These measures, put in place to mitigate risk, protect travelers and prevent the spread of Covid-19 and its variants, should continue to be science-based and to strike the appropriate balance between public health and protecting the global economy,” he said.

GBTA recommends pre-departure testing as an alternative approach to quarantines that won’t impede the business travel industry’s recovery. “Pre-depar-

ture testing can help ensure the safety of travelers and residents, while allowing essential international travel to take place without compromising public health,” Hilfman said. “At a time when the business travel industry continues to fight for its existence, a comprehensive approach that does not embrace quarantines can help stop the pandemic and stop the further proliferation of job losses and financial ruin.”

The International Air Transportation Association last month also criticized quarantines. “We urge governments to work with industry to develop the standards for vaccination, testing and validation that will enable governments to have confidence that borders can reopen and international air travel can resume once the virus threat has been neutralized,” IATA director general and CEO Alexandre de Juniac said this month in a statement. ■

Test Prospect Worries Airlines

stem from remarks to reporters from Dr. Marty Cetron, director of U.S. Centers for Disease Control and Prevention's Division of Global Migration and Quarantine. According to Reuters, Cetron told reporters officials were "actively looking" at the possibility of a requirement for such testing, and officials were having "conversations that are ongoing and looking at what the types and locations of testing might be."

Carriers responded quickly. Two days after Cetron's Jan. 26 remarks, American Airlines chairman and CEO Doug Parker, JetBlue president and COO Joanna Geraghty and Southwest Airlines CEO Gary Kelly during their respective fourth-quarter earnings calls pushed back against the possibility of domestic testing requirements, calling them cumbersome, difficult to implement and unfairly specific to air travel.

"I would just make the argument: Why pick on air travel?" Kelly said. "If you want to test people, test them. But test them before they go to the grocery store. Test them before they go to a restaurant. Test them before they go to a sporting event."

"Air travel is just one mode of travel," Geraghty said. "You obviously have rail, road transportation. People need to travel, they'll figure out a way to get there. ... Frankly, putting this burden on air travel is, we think, far too cumbersome."

(Amtrak CEO Bill Flynn this month said he didn't know if requiring a negative Covid-19 test to use the rail service "would actually work and how it could actually be enforced," according to Reuters.)

Geraghty also said available slots for Covid-19 testing were scarce in some areas of the U.S., and adding mandatory tests for domestic passengers would further burden the testing process and hinder laboratories' ability to deliver results quickly. "Frankly, we're concerned that it would actually reduce the ability of some people who legitimately need to get tested for health reasons to get tested," she said.

Parker said American is prepared to comply with whatever regulations come along, but he said domestic testing would be "difficult" and unnecessary given studies that have indicated Covid-19 transmission on aircraft is limited.

"We'll obviously work with the administration and what they think makes sense and do our best to make sure that we're all doing everything we can to make sure that people are safe, and also that we get through this pandemic as quickly as possible, but we'll also let them know what kind of impact that would have on travel," Parker said. "I didn't say that we weren't supportive of doing something more, but if we do, we certainly would want to make sure it was something that wouldn't restrict demand."

The U.S. Travel Association is against such testing requirements for domestic flights, public affairs and policy EVP Tori Emerson Barnes late last month said, as they would be difficult to enforce, likely would be inconsistent across different states, and could increase the cost of travel.

International Changes

The Biden administration last month issued a new order that all arriving international air passengers show proof of a negative test taken within three days of their flight, and that airlines must deny boarding to anyone who does not.

Parker late last month said the requirement has caused a hit on international demand, particularly for short-haul travel, to such destinations as Mexico and the Caribbean. In general, however, he expressed support for the new measures.

"We support international testing, because that's about getting

"Why pick on air travel? If you want to test people, test them, but test them before they go to the grocery store. Test them before they go to a restaurant. Test them before they go to a sporting event."

—SOUTHWEST'S GARY KELLY

more people to be comfortable flying across borders," Parker said. "We are hopeful that doing so allows [Biden's] administration to get more comfortable with airlines and be open to allowing more people to travel to the United States at some point."

The Canadian government late last month instituted a new set of orders on international travel as well, more restrictive than their neighbors to the south. Canada now requires mandatory Covid-19 PCR testing at the airport for passengers arriving in Canada on international flights. Travelers then will have to stay at an approved hotel while awaiting test results—which, with food and additional infection control method costs taken into consideration, will run a traveler about C\$2,000—and then, upon getting a negative result, quarantine at home under "significantly increased surveillance and enforcement," Prime Minister Justin Trudeau told the Associated Press. Travelers still are required to take Covid-19 tests prior to boarding inbound international flights to Canada.

As such, Air Canada and WestJet each have temporarily suspended flights to Mexico and the Caribbean at least through the end of April.

In the United Kingdom, all travelers arriving from the 30 countries on the government's "red list" of countries with known variants of Covid-19, including South Africa, Brazil and Portugal, will be required to quarantine in a government-provided hotel for 10 days, under new regulations.

Business Travel Association CEO Clive Wratten said of the new U.K. regulations, "The introduction of quarantine hotels is another death knell for the travel industry as a whole but especially for business travel.

"Public safety must come first, but we question the timing of this announcement and the lack of investment in a long-term strategy to get the U.K. traveling again, such as pre-departure testing.

"Further, placing the burden of proof for the validity of travel onto international carriers is an untenable situation for companies and staff that are already at breaking point."

BTN Europe's Mark Frary contributed to this report.

Passports Spur Privacy Concern

certificate should be made a prerequisite for border entry or boarding aircraft. At least 10 passport schemes actively are being promoted, and in some cases are already being trialed.

“Every new proposal to help people get out of their homes we’ll welcome and we’ll look at in compliance with privacy, but it needs to be done in compliance with fundamental privacy rights to ensure trust,” Cao-Delebarre said. “There’s more work to do right now before the passports can be issued.

“In terms of corporate communication, employers can actively promote their position towards vaccination campaigns, and engage staff in a constructive discussion. However, asking or insisting that employees sign up to health passports would carry legal risk.”

For travel managers and the companies they work for, said Cao-Delebarre, “Don’t rush into it before making sure you have carried out an in-depth privacy impact assessment. What are the consequences if you have mandated health passes as an organization? What are you really saying to your employees? It has bigger implications in terms of potential discrimination or categorizing your employees. I would really encourage them not to rush into this until there is much more certainty from governments and policymakers, and make sure that privacy and local employment law matters are checked and rechecked.”

Cao-Delebarre added that travel managers should collaborate with their in-house legal and privacy teams. She also urged travel managers to take the matter to board level to resolve the balance of legal and privacy risks with the business continuity risk presented by not resuming travel.

Enrollment and the Law

Several obstacles block the path to finding a legal basis for either mandatory or compulsory enrollment of travelers. The first, said Cao-Delebarre, is that “as a general rule, the legal basis for employees to be required to be vaccinated and obtain a health passport lies in substantiating an employer’s obligation to invoke or comply with a specific law, regulation, governmental approach or decree, applicable in the field of employment. Currently, in most countries, governments have not made it a legal obligation to be vaccinated against Covid-19.”

A related topic is whether employers can ask employees to disclose they have obtained a health passport and whether employers could, as a result, process this information. The answer varies, said Cao-Delebarre. Under Europe’s GDPR, consent must be given freely, but it generally is considered impossible for employees to give free consent to employers owing to fear of the potential consequences of refusal. In the Asia-Pacific region, however, it generally is allowed for employers to ask for this data.

“All in all, it is unlikely there will be scope for a global policy, which can make it challenging for global employers,” Cao-Delebarre said. “Privacy risk assessments will be on a case-by-case basis, taking into account, in addition to local law, the sector in which employers have their activity and the specific employment duties and role of a particular employee.”

If companies succeed in identifying an appropriate legal basis, significant due diligence still would be required to avoid liability if employees’ sensitive data were breached or mistreated in other ways, such as through unauthorized sharing. The impact assessment would consider which parties, including the employer, airlines, governments, booking platforms and the digital passport provider, would bear responsibility as controllers or processors of the data.

The assessment also would have to vet the competence of the digital passport provider to protect sensitive data adequately, a task not helped by the number of competitors on the market, each offering a different approach. Schemes including the International Air Transport Asso-

ciation’s Travel Pass, or ICC AOK-pass—whose backers include the International Chamber of Commerce and assistance and risk management company International SOS—claim they avoid many privacy pitfalls by not maintaining a central database to store traveler data.

AOKpass, for example, places each record on its own blockchain. “It’s scientifically impossible to go backwards from the hash to the information,” said co-founder Dr. Chester Drum. “That process allows us to manage signatures instead of the information itself and that provides the authentication backbone.

“In theory, you could have a server that takes all this information from around the world and have one hard drive, and everybody recognizes that server as the authenticated data, but that would be very dangerous. One of the biggest dangers to compromising privacy is when you take a lot of sensitive information and put it in one place,” said Drum.

For hackers, Drum argued, the considerable effort required to breach a system is only worthwhile if a large cache of information can be stolen, but not if the breach only results in accessing the data of a single person. “That’s why decentralization by itself is one of the most powerful security measures you can take,” he said.

Drum acknowledged there remains an initial challenge of finding a legal basis for employers to move employees onto travel health passports. But, he said, “the flip side of the coin is that companies have an obligation to protect employees,” including the use of medical testing to further their safety. “There’s a tradeoff.”

The travel manager who had been advised to avoid mandatory health passport enrollment for his company’s travelers noted that, to the best of his knowledge, there has been little or no consultation by passport developers with the corporate travel management sector.

Cao-Delebarre said better cooperation is essential. “Sharing and tracking health data really requires an in-depth privacy assessment, and for the travel ecosystem it would be a good idea to come together and decide who is doing what,” she said. “It’s not an overnight thing. It has to be well thought through to make sure the liabilities that could take place following a hacking or other security event are very well identified and distributed, and at the end of the day that the traveler is protected.” ■

“Employers can actively promote their position towards vaccination campaigns, and engage staff in a constructive discussion. However, asking or insisting that employees sign up to health passports would carry legal risk.”

—CWT’S CHRISTEL CAO-DELEBARRE



BCD Travel Adds Life Sciences Center of Excellence

BY ADAM PERROTTA

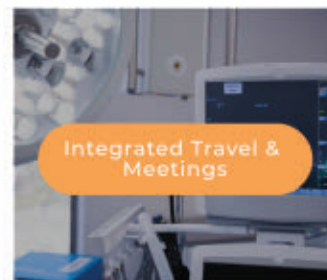
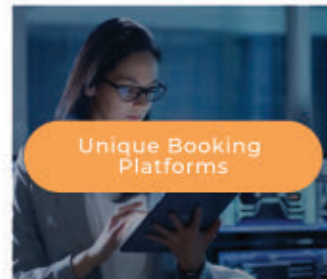
BCD Travel has launched service and consulting designed specifically for the travel management giant's life sciences clients. The new Life Sciences Center of Excellence was built on BCD Meetings & Events' existing program of the same name and, like its M&E counterpart, is targeted at fulfilling the "unique and complex program needs" of pharmaceutical companies and other life sciences providers, BCD Travel said.

Those complexities—which include regulatory and compliance requirements and patient-centricity—have been exacerbated by the ongoing Covid-19 pandemic, BCD noted. Unlike the majority of corporate travel, life sciences providers not only have continued to travel amid the pandemic, but also have needed to extend support service to frontline workers, the TMC noted.

To help clients meet those challenges, the Life Sciences Center of Excellence will provide strategic consultation and best practices services. Areas of focus include balancing traveler experience with compliance and regulatory requirements, identifying value drivers unique to life sciences companies and providing holistic solutions across travel, M&E and patient engagement.

And with the increased prominence of clinical trials amid the pandemic driving many of BCD's life sciences clients to seek support in serving the travel needs of trial patients, the TMC said it will "soon announce" enhanced service capabilities designed to meet that demand.

BCD Travel serves more than 100 corporate life sciences clients across more than 40 therapeutic areas, according to the company. ■



Direct Travel Taps Sherpa to Guide Travelers Amid Covid

BY ADAM PERROTTA

Direct Travel Inc. will offer Covid-19-related travel requirement information to travelers via mobile and web channels under a partnership with Toronto-based travel documentation startup Sherpa.

Colorado-based Direct Travel said it is the first travel management company to build a mobile Covid messaging service around Sherpa's technology, which the company says pulls data from more than 2,000 sources to present destination restrictions and entry requirements on a country, state and Canadian provincial level via Direct Travel's Direct2U mobile travel management app.

Sherpa's intelligence also will be available via dedicated web portal, with both services rolling out Jan. 25.

DIRECT, SHORT'S DEAL

Last month, BTN portfolio mate The Beat reported Direct Travel had acquired the corporate travel portfolio of Short's Travel Management, as revealed in a Short's memo to its clients. That deal came almost exactly a year after Direct Travel bought travel management provider Professional Travel.

Short's will continue to operate as a travel management services provider focused on the athletics market.

"Due to the impacts of the pandemic to the travel industry, we have been navigating all solutions to keep us sustainable while best supporting our clients," Short's CEO David LeCompte told clients in a memo. "With the outlook on corporate travel having many unknowns, Short's Travel Management has chosen Direct Travel to acquire our corporate portfolio based on their position in the marketplace aligning with our values in delivering personalized service and tailored solutions. STM will continue to serve and support our athletic client base."

LeCompte said Short's and Direct Travel, the latter an active acquirer of agency businesses in recent years, operated under "similar cultures and business practices" and will work together "to ensure a positive impact for our corporate clients with a smooth transition to continue to serve STM clients in a manner they have become accustomed to."

Terms of the deal were undisclosed. ■

AmTrav Updates Flight Shopping Platform

BY ADAM PERROTTA

AmTrav has revamped its a2b online flight booking tool, adding new features and capabilities designed to close content gaps and improve the shopping experience, according to the travel management provider.

Available immediately, much of the new functionality focuses on simplifying the process of comparing multiple flight options, such as a new layout that aligns different fare types in dedicated vertical columns, as well as side-by-side display of seat attributes, amenities, baggage allowances and change policies offered in various fare classes. Further details include onboard images and airline/aircraft reviews, along with Wi-Fi speed and video screen quality—with filters enabling travelers to see only flights with fast Wi-Fi or in-seat power, AmTrav said.

AmTrav said the data comes from a combination of sources, including ATPCO Routehappy, new distribution capability content from airlines, multiple global distribution systems and content collected

by AmTrav itself. Search results are overlaid with client companies' travel policy parameters, including any pre-trip approval requirements, and negotiated rates, the TMC added.

While the precipitous decline in travel activity after the onset of Covid-19 last year gave many suppliers downtime to work on retooling and modernizing their offerings, AmTrav CEO Jeff Klee said the a2b update was in the works before the pandemic hit.

"These enhancements were a big part of our pre-Covid roadmap. With the need for so much Covid-specific development work like waiver-handling, alerts and cleanliness attributes, our big challenge in 2020 was to find the right balance," Klee said. "We knew we had to build the features that travelers needed immediately to help them during the pandemic, but we also wanted to make sure we stayed focused on longer-term improvements that we had previously committed to tackle and which ultimately will be much more important." ■



Frosch Gets Capital Infusion from Equity Co. EagleTree

BY ELIZABETH WEST

Private equity firm EagleTree Capital has taken a minority stake in New York City- and Houston-based travel management company Frosch, the companies announced this month. EagleTree, a New York-based, middle-market private equity firm, manages approximately \$3 billion of capital. EagleTree owns Northstar Travel Media, parent company of The BTN Group and Business Travel News.

The terms of the transaction were not disclosed.

Frosch ranked No. 14 on Travel Weekly's 2020 Power List based on self-reported total revenue of \$2.4 billion in 2019, with two-thirds of that tagged as corporate travel.

Mergers and acquisitions have been a key growth strategy for Frosch since its founding in 1972 and has continued during the Covid-19 pandemic. The company last year acquired CorpTrav and Luxe Travel and took a majority stake in Plaza Travel. Frosch acquired TCG Consulting in 2019, bringing advisory insights to match its operations expertise.

Frosch president and CEO Bryan Leibman told BTN that acquisitions remained a focus for the agency and the EagleTree capital puts the company in prime position to act on the right opportunities.

"We believe in corporate travel," said Leibman, acknowledging the market had been decimated by the pandemic. Companies with good balance sheets, however, should be looking to take advantage, he added. "There will be more consolidation, and we want to partner with the best independent remaining companies. We have an outstanding team to integrate with them and bring them onto our platform."

Leibman highlighted Frosch's global platform and the company's comprehensive integrations when bringing on acquired properties. "We have infrastructure where we are ticketing in over 60 countries but all with a single team," he said. "We have full control over all the operations on single GDS contract," with key exceptions like China. Acquired properties like Luxe and CorpTrav become a part of that platform, boosting ca-

"There will be more consolidation, and we want to partner with the best independent remaining companies. We have an outstanding team to integrate with them and bring them onto our platform."

—FROSCH'S BRYAN LEIBMAN

pabilities and streamlining deliverables to their clients. "You are seeing Frosch interactions, Frosch invoices, everything consistent but meeting all local requirements for taxes, etc.," he said.

The EagleTree investment, said Leibman, will allow the company to strengthen that platform and enable more technology for the corporate segment. With the acquisition of Luxe Travel, for example, the company signaled a commitment to omnichannel solutions in the corporate space and Leibman confirmed that he "absolutely agrees" with omnichannel strategies and claimed Frosch is "content agnostic," currently bringing in more than 50 content streams.

Frosch was an early innovator around New Distribution Capability content, and Leibman said the company has been "very creative and competent" with direct bookings as well. He predicted the additional cash would enable the company to accelerate solutions as corporate travel recovers and new requirements emerge.

EagleTree, undoubtedly, will be looking for Frosch to deliver on that potential. "Frosch is one of the few truly global operators in the market, which we believe is a strong differentiator to capture the exciting growth ahead," EagleTree co-managing partner Anup Bagaria said in a press statement. Senior partner Michael Struble added, "Bryan's view of the future of travel aligns well with ours, and as a leading company in the sector, Frosch is an ideal partner for us." ■

TripActions Suggests Its \$155M In New Funding Signals Prospect of Industrywide Recovery

BY ADAM PERROTTA

TripActions has landed yet another major round of investment financing, securing \$155 million in Series E funding to bring the travel management and expense provider's overall valuation to \$5 billion, the company announced last month. Beyond serving as a milestone for his own company, TripActions CEO Ariel Cohen sees the latest investment as a positive sign for the prognosis of corporate travel as a whole as the industry awaits recovery from the devastating effects of the Covid-19 pandemic.

Cohen described the funding as "a testament to the promise of a return to normal now that a vaccine is being distributed, and the tremendous market opportunity ahead of us" when corporate travel returns.

It was that opportunity becoming more clearly visible in the near term that attracted the latest round of investment—which was unsolicited, according to Cohen.

"We were not looking for financing, but after vaccines were announced in November and some of the uncertainty about the future went away, the team saw a flurry of activity from investors," Cohen said, noting the company hadn't even tapped into the proceeds from its previous funding round of \$125 million it secured in June.

Cohen said the infusion of cash will be used to continue research and development activity, among other uses. TripActions spent much of last year building out its offerings to prepare for the post-pandemic corporate travel landscape, launching more than 40 new capabilities and enhancements, including adding a companion expense management system to its existing Liquid payment tool, as well as debuting a dedicated enterprise version of its platform to serve larger clients.

Along with R&D, Cohen said the funding will be used

to accelerate TripActions' go-to-market efforts and further expand the company's global footprint.

Meanwhile, TripActions finds itself with plenty of funds at a time many see as an opportunity for companies with money to acquire financially distressed providers and smaller startups at a bargain. For TripActions, that could be a path to gaining market share ahead of an eventual initial public offering—a route the company was pursuing before the sudden onset of Covid almost a year ago put the industry into hibernation mode.

Cohen wouldn't specifically address TripActions' acquisition strategy, but he said, "we are always looking at the market and growth opportunities."

Led by existing investor Andreessen Horowitz along with Addition and angel investor Elad Gil, the round also included participation from existing investors Zeev Ventures, Lightspeed Venture Partners and Greenoaks Capital. ■

Traxo Partners for Off-Channel Hotel Rate Assurance

BY ADAM PERROTTA

Off-channel booking capture provider Traxo and price assurance specialist Smart Hotel Rate have teamed up for a new service to automatically ensure corporate hotel rates are applied to reservations made directly with preferred hotels, the companies announced.

The service, which the companies describe as a “first-of-its-kind” solution, combines Traxo’s email reservation parsing capabilities—which power its off-channel booking-capture tool—with the price assurance platform of Smart Hotel Rate. Launched in 2019 by New York City-based business travel technology startup Ansero Inc., Smart Hotel Rate compares a travel buyer’s negotiated rates and amenities for a given supplier with actual bookings to determine if the offered rate was correct.

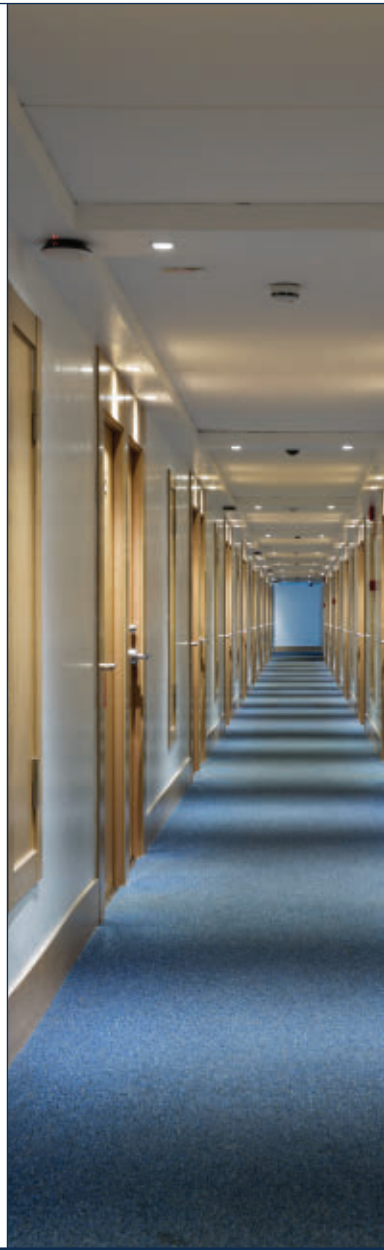
For in-channel bookings, Smart Hotel Rate gleans that booking data from global distribution systems, with permission from the corporate client. But that method doesn’t capture out-of-channel bookings, which is where Traxo comes in.

When a traveler booking directly with a hotel receives a confirmation email, Traxo parses it and sends the relevant data to Smart Hotel Rate, which validates the rate against the negotiated terms. If a discrepancy is found, Smart Hotel Rate alerts the hotel, which corrects the rate and sends a new confirmation email, beginning the cycle anew. (Traxo also forwards booking data to the corporate client’s duty-of-care provider.)

Ensuring negotiated hotel rates are loaded properly and offered during booking is a long-standing and time-consuming issue for corporate travel buyers, even within the context of in-channel bookings. While automated rate assurance solutions do exist, the majority operate through corporates’ preferred online booking tools, meaning direct bookings can slip through the cracks.

That disconnect leaves savings on the table for many companies; a study by DVI found that average hotel leakage rates in 2019 approached 50 percent of overall category spend. By automating that process and looking to ensure direct-booked rates are correct on the front end, the companies said the combination of their services addresses those problems. Additionally, the service could provide more accurate visibility into room nights booked with a supplier—data that buyers then can use in future negotiations, leading to further savings, they said.

The service is offered to mutual clients at no additional charge, and



no direct integration with hotels is required, the companies said.

As travel re-emerges from its Covid-19-induced freeze, it remains to be seen what effect the pandemic will have on off-channel booking behavior as a whole. Some companies plan to implement pre-trip approval mandates—or already have done so—and hygiene and safety concerns may drive travelers to be more careful about adhering to their companies’ preferred programs, at least at first.

On the other hand, the pandemic’s effect on many companies’ bottom line in many cases has led to more flexibility around direct booking, according to Traxo CEO Andres Fabris.

“With travel budgets being seriously cut back, companies are actually opening up more booking channels so employees can get the best rates with minimal transaction fees,” Fabris said. “So, we’re seeing a move toward hybrid programs that embrace both TMC and supplier-direct channels. We anticipate that hotel ... direct bookings will continue to hover around 50 percent for the foreseeable future.”

Smart Hotel Rate co-CEO John Packel added that, as travel resumes, it will be more vital than ever for travel managers to keep tabs on traveling employees, regardless of what booking channel they use.

“The pandemic has had massive impacts, but we expect the rationale for some travelers to book hotels directly will remain strong,” said Packel. “And further, increased duty-of-care requirements make it all the more imperative for companies to have visibility into 100 percent of bookings, and [the new service] helps ensure that duty-of-care coverage.” ■

American Express Corporate Cards Show Continued Spend Recovery in Q4

BY ADAM PERROTTA

Spending on American Express corporate cards continued to slowly recover during the fourth quarter of 2020, the commercial payments giant said last month. Amex’s Global Commercial Services division reported \$109.1 billion in Q4-billed business, up from \$98.5 billion in Q3 and continuing a bounce-back from the Covid-19-ravaged Q2, which saw \$82.8 billion in GCS billed business.

Overall, Amex corporate card spending remained hobbled by the ongoing pandemic in Q4, coming in 18 percent lower than the final quarter of 2019—but that

figure too was an improvement over Q3’s 23 percent year-over-year drop-off. Average cardholder spending also showed sustained recovery from Q2 lows, increasing to \$7,515 from \$6,776 in the prior quarter. Yearly comparisons also showed positive signs; average spend in Q4 2020 was down just 16 percent from a year earlier, compared to Q3’s 21 percent year-over-year decline.

T&E spending on all Amex cards—while still down significantly from pre-pandemic levels—also showed steady improvement. Global T&E spend was down 65

percent year-over-year during the most recent quarter, compared to 69 percent in Q3 2020 and 87 percent in Q2. Airline-related spending in Q4 continued to comprise 1 percent of total spending volume on Amex cards—holding steady the previous quarter’s uptick from Q2, during which airline spending bottomed out at statistically 0 percent of Amex’s overall volume.

Amex’s GCS division reported fourth-quarter net income of \$538 million, down only slightly from \$550 million a year ago. Q4’s lower cardholder spending was partially offset by a 13 percent year-over-year decline in expenses largely due to lower incentive and customer engagement costs amid the decreased spending activity, the company said. ■



United, American Shuffle Top Sales Executives

BY MICHAEL B. BAKER

United Airlines and American Airlines within the past month have made changes to the top of their corporate sales teams. United named Marriott International sales executive Doreen Burse to lead its global sales team, and American promoted Kyle Mabry to VP of global sales.

Burse, who has 33 years of experience in the hospitality industry, most recently as Marriott's VP of global sales for the United States and Canada, will join United as SVP of worldwide sales on March 1. In the role, she will lead United's sales strategy and report to EVP and chief commercial officer Andrew Nocella.

"Doreen has been a change agent [in the hospitality industry], showing consistent achievement in leading teams through challenging environments," Nocella said in a statement. "Her results-driven focus, collaborative style and commitment to employee morale and development will help United navigate the evolving needs of corporate customers as they return to the skies in force as the pandemic recedes."

Upon taking the role, Burse will be the second current sales executive from a major hotel company leading the sales efforts at a major U.S. airline. Alison Taylor, recently promoted to American Airlines' chief customer officer, has led American's sales global sales team since 2016, when she left the global sales position at Starwood Hotels & Resorts prior to its acquisition by Marriott. When she joined American, Taylor also reported to Nocella, who was then the carrier's vice president of network planning, alliances and sales.

Burse succeeds United Airlines worldwide sales SVP Jake Cefolia, who was reported as a missing person in early August.

American Promotes Mabry

Mabry, who had been global head of leisure, groups and middle market sales, now oversees the full scope of American's sales teams, including corporate and travel agency sales as well as American Airlines Vacations. He reports to Taylor, who was promoted from SVP of global sales and distribution last summer.



United's Doreen Burse

Mabry has been with American Airlines for more than two decades, having worked in sales across multiple regions for the carrier over the years, he said. On the corporate sales side, he said the work now largely entails remaining in close contact with corporate clients to stay updated on their plans for return to travel.

"We don't know when demand, especially from a corporate travel standpoint, is going to return, but we do know we're going to be ready for that," Mabry said. "We're going to be in lockstep with our corporate travel managers and travel agency partners."

Additionally, managing director of strategic account sales Hank Benedetti has been promoted to global head of corporate sales. In that role, Benedetti will oversee American's team for small and midsize accounts in addition to his previous duties overseeing large corporate accounts and consulting relationships.

Benedetti will report to Mabry, as will Jim Carter, VP of American's Central and Eastern sales division, and Shane Hodges, head of sales for American's Western division and international routes. Carter also will be looking after American's alliance with JetBlue. Hodges in recent weeks moved from Tokyo to Los Angeles to work closely with American's corporate and agency partners on the West Coast, Taylor said.

Over the past several years, American has simplified its sales structure into fewer divisions to remove "duplications of efforts," she said. ■

Marriott CEO Sorenson to Reduce Schedule for Cancer Treatment

BY DONNA M. AIROLDI

Marriott International CEO Arne Sorenson temporarily will reduce his schedule as he undergoes "more demanding" treatment for pancreatic cancer, the company announced this month. Marriott first revealed that he had been diagnosed with the disease in May 2019.

Sorenson, 62, will remain president and CEO, but is expected to step back from full-time oversight of the company for several months, according to the company. During this time, two executives will share his responsibilities. Marriott's group

president of consumer operations, technology and emerging businesses Stephanie Linnartz will oversee the company's international lodging division as well as legal, human resources and communications and public affairs. Group president of global development, design and operations services Tony Capuano will oversee the company's U.S. and Canada lodging division and finance. Sorenson joined Marriott in 1996 and became CEO in 2012. Linnartz joined Marriott in 1997, Capuano in 1995. "Since my diagnosis, I've been working with a

great medical team at Johns Hopkins to treat this cancer," Sorenson said in a statement. "While I have worked throughout my treatment to date and plan to remain as engaged in the business as my health allows, the right thing to do for me, my family and the company is to focus on my health. I know Stephanie and Tony will work with Marriott's strong executive team to continue to move the company forward. I, along with my family and my medical team, remain optimistic about my prognosis and I plan to return full-time after the conclusion of my treatments."

Marriott will announce its fourth-quarter and full-year 2020 results Feb. 18. ■



AHLA Sees Slow Post-Q2 Return of Business Travel

Business and group travel are expected to begin a slow return in the second half of 2021, after the Covid-19 vaccines are more widely available, with full recovery not anticipated until 2024, according to the American Hotel & Lodging Association's State of the Hotel Industry 2021 report, released last month.

Business travelers, however, are driving the return of leisure travel—widely believed to be the first segment to recover—as they expressed greater comfort in traveling for any reason compared with adults overall, according to a Jan. 7-9 survey of 2,200 U.S. adults, included in the report.

Forty-two percent of frequent business traveler respondents indicated that they already are comfortable staying in a hotel, while 52 percent said their comfort is connected to vaccination, according to the poll. Sixty-two percent of frequent business travelers expect to travel more for leisure and 51 percent expect to travel more for business compared to last year.

Only 5 percent of all adult respondents said they had taken zero business trips pre-pandemic, but that number jumped to about a quarter in 2020, and it is anticipated to stay there for 2021.

Employer Input

Employers will play an important role in helping to revive business travel, according to the

Forty-two percent of frequent business traveler respondents indicated that they already are comfortable staying in a hotel, while 52 percent said their comfort is connected to vaccination.

report. In another poll for the report, conducted Jan. 7-12 of 400 U.S. adults who traveled five or more nights for business in 2019, 37 percent said their employer has completely halted all business travel. Another 34 percent said their employer has reduced business travel for all employees, while 16 percent said their employer has reduced business travel for some employees. Just 13 percent said business travel is continuing at the same rate as before the pandemic.

Among those respondents whose employer has halted or reduced business travel, 21 percent expect it to resume to pre-pandemic levels in the first half of 2021, 26 percent in the third quarter, 16 percent in the fourth quarter, and 29 percent sometime after 2021. Another 7 percent do not expect business travel ever to resume to pre-pandemic levels.

Group Recovery

STR's Hotel Business Travel Outlook, published in December 2020, forecasts group demand through April 2021 to decline 85 percent compared with 2019 levels, then begin to increase slightly to a 75 percent decline in May 2021. The second quarter of 2021 will see essential meetings and small to medium events begin to be held, but larger events won't start to recover until the third quarter, after vaccine distribution is more widespread, according to the report. By the fourth quarter of 2021, group demand is expected to be down 23 percent from fourth-quarter 2019 levels.

Among frequent business travelers who currently are employed, 29 percent expect to attend their first business conference in the first half of 2021, 36 percent in the second half of the year, and 20 percent more than a year from now. ◀



The Sheraton Phoenix Downtown's new lobby and the Coffee Bar Bar

Sheraton Unveils New Hotel Design

Sheraton Hotels & Resorts properties in Denver, Phoenix, Dubai, Tel Aviv, Guangzhou and Mianyang, China, are the first to complete the brand's new look and design, Sheraton parent Marriott International announced. The company initially unveiled plans for the design refresh in 2018.

A key component of the refresh is the redesigned lobby, for which the design team used the "public square" as inspiration. New elements include a community table with built-in lighting, outlets and wireless charging stations. The Coffee Bar Bar will serve as a coffee bar, a cocktail bar and a market, with locally sourced

food and beverage options.

Soundproof booths, available on a first-come-first-served basis, are placed throughout the lobby for guests who need privacy but don't necessarily want to return to their rooms. Studios are flexible meeting spaces also located in the lobby that are either built on raised platforms or are enclosed with glass. Whether studios are complimentary and available on a first-come-first-served basis or sold as meeting space will vary by hotel, according to a Marriott spokesperson. Some hotels will offer both, meaning if no one has booked the space, it will be available for impromptu use.

In most of the redesigned hotels, the Club Lounge has been or will be relocated to the lobby level and will be available 24/7 to Marriott Bonvoy elite members and Sheraton club-level guests. Sheraton has updated its food and beverage offerings for the lounge and enhanced its connectivity. The new guest rooms were designed to be brighter, with a "residential appeal, comprised of soft finishes and light wood tones accentuated with black metal accents." They will include a height-adjustable desk with integrated power and charging outlets. The bathrooms will have walk-in showers and amenities by Gilchrist & Soames.

Of Sheraton's current 446 properties, 42 so far have completed or are expected to complete renovations by 2022. About two-thirds are located in North America, including Sheratons in Atlanta, Chicago, Detroit, Nashville, Orlando, Philadelphia, San Diego, Montreal and Toronto. ◀



Concur Adds VAT Reclaim, Fraud Detection Services

SAP Concur last month unveiled two new Concur Expense add-on services designed to help corporate finance departments and budget managers navigate challenges arising from changing international tax regulations and employee spending patterns stemming from Covid-19.

The first new offering, Concur Tax Assurance by VATBox, uses artificial intelligence to help ensure companies are in compliance with value-added tax regulations and maximize recovery of such taxes. Offered in partnership with VAT compliance and reclamation specialist VATBox, the tool confirms data integrity for international spending to help solve a key challenge in VAT reclamation for many companies; a 2018 study by VATBox found that 42 percent of employee expense transactions didn't meet VAT reclaim requirements due to incorrect information and/or missing data. During the past year, the global Covid-19 pandemic has complicated the issue, with many jurisdictions enacting temporary or permanent changes to VAT regulations, making it harder to ensure compliance and maximize reclamation using manual processes, Concur noted.

The expense management giant's second new service, Concur Detect by Oversight, addresses expense fraud. Offered in conjunction with spend auditing specialist Oversight, Detect automatically analyzes all expenses before and after payment to spot suspicious or potentially fraudulent claims. According to a 2020 report by the Association of Certified Fraud Examiners, a lack of internal controls contributed to nearly



During the pandemic, many jurisdictions have enacted temporary or permanent changes to VAT regulations, making it harder to ensure compliance and maximize reclamation using manual processes.

one-third of all instances of corporate expense fraud attempts. And the drastic increase in work-from-home models amid the ongoing pandemic has led to an increased risk of expense fraud and policy violations, according to data.

Tript Gains Covid Info

Meanwhile, Concur has added a new Covid-19 guidance tool to its TripIt mobile travel management app, according to the company.

Powered by travel risk specialist Riskline, the feature includes destination-specific information including Covid infection rates, quarantine and testing requirements, mask and curfew orders and dining restrictions. TripIt users can access the data within their trip itinerary view on TripIt, and more than 200 countries and territories are covered. For some countries, including the U.S., Canada and Australia, state and territory-specific guidance also is included. The tool is being offered at no additional cost to all TripIt users, Concur said.

Q4 Revenue Drops

Concur's fourth-quarter revenue declined about 20 percent year over year to €341 million, though that drop is 15 percent in constant currency, SAP announced last month. Executives cited reduced travel transaction fees due to the Covid-19 pandemic for the drop.

"Concur was especially affected by the crisis, obviously," SAP CEO Christian Klein said during an earnings call. "The good news here is that this headwind turns into tailwind once travel comes back."

SAP counted Canadian Pacific Railway Co., Nikkei Inc. and Software AG as companies that became Concur clients during the quarter. Total SAP fourth-quarter revenue dropped 6 percent—2 percent in constant currency—to €7.54 billion. ■

Conferma Adds Automated Option to Virtual Payment Platform

Virtual payment specialist Conferma Pay is offering a new option for organizations making virtual card payments to hotels within its Connect platform, adding a direct payment channel to its previously existing secure email and API options.

Built in partnership with digital payment technology provider NTT Data, the new service enables virtual card numbers to be sent directly to a hotel's property management and payment acceptance systems. That model, known as straight through processing (STP), eliminates the need for hotel staff to manually enter virtual card numbers delivered via secure email, API or fax—thereby increasing efficiency and security and reducing the chance of error, Conferma said.

The new direct payment option is a bid to further streamline the use of virtual payments in the

hotel space; while secure email and API delivery obviated the need to fax virtual card information to a property, STP automates the entire payment delivery process, according to Conferma.

Conferma Pay Connect will continue to offer the secure email and API virtual payment delivery options, the company said. Along with those channels, Conferma continues to focus on the delivery and use of virtual cards through its mobile app, which can be accepted via contactless payment systems at hotel front desks, and subsequently used for additional expenses during the course of a trip.

NEW N. AMERICA HEAD NAMED

Meanwhile, Conferma Pay last month tapped former Sabre virtual payments chief Neil Fyfe

to lead the company's expansion efforts in North America.

A longtime proponent of virtual payment cards in the corporate travel space, Fyfe led Sabre's implementation of virtual payment acceptance for air, hotel and rail bookings in recent years, partnering with Conferma in some of those efforts.

In his new role as head of North America for Conferma, Fyfe will be responsible for meeting increased corporate demand for virtual payments in non-travel use cases—a push driven largely by the need for companies to control and track employee spending amid the surge in work from home during the ongoing Covid-19 pandemic.

Fyfe also is charged with building "closer relationships" with Conferma's issuing bank partners and helping such banks roll out virtual payment tools to their corporate card clients—particularly via the mobile wallet channel, an approach Conferma long has championed. With virtual payments expected to gain significant ground in the corporate space post-Covid, established bank issuers have ramped up their attention on the sector.

Prior to his tenure at Sabre, Fyfe held a number of senior roles with American Express and Travelport.

In his new role with Conferma, Fyfe will report directly to Conferma CEO Simon Barker. ■



Biden's DOT Seen as a More Active Regulator

BY JAY BOEHMER

In the closing days of the Trump administration, the U.S. Department of Transportation continued its de-regulatory drive with a couple of last-ditch proposals designed to further chip away at Obama-era consumer protection rules. Like other midnight regulatory actions lingering from the Trump era, they were promptly paused by the Biden administration.

While the major goals of the new administration in the realm of transportation center around infrastructure, the environment and safety, many observers also expect DOT to be more active on consumer protections, regulations and enforcement. DOT's regulatory remit covers airlines but also travel agencies.

"We saw very little regulatory activity under the Trump administration," Travel Technology Association president Steve Shur said during a November webcast that included other industry trade bodies. Travel Tech represents global distribution systems, online travel agencies, travel management companies and metasearch operators. "Early on, [Trump] said for every new regulation, two would need to be removed from the books. We heard from DOT that six had to be taken off the books for every new regulation. We didn't see a lot of activity. We can expect under a Biden administration, there might be some more regulatory actions and some new rulemakings."

Aviation industry lawyers at KMA Zuckert in an analysis last month similarly anticipate a more active regulator in DOT. "Entities doing business in the regulated aviation sector should plan for more aggressive enforcement of existing regulations as well as moves towards further regulation of the sector, as well as pro-labor and consumer policies" under Biden, whose pick for Transportation Secretary, Pete Buttigieg, was confirmed by the Senate this month.

Among Trump's earliest executive orders, the "two-for-one" rule referenced by Shur set the tone for DOT, which in recent years moved to undo a number of Obama-era consumer protection rules.

In his first month as president, President Trump in 2017 told airlines his administration would roll back "burdensome regulations." Later that year, DOT opened public comments to suggest rules ripe for repeal. Airlines seized on the opportunity and flagged a number of Obama-era rules that were featured in the Enhancing Passenger Protections rulemaking series.

DOT in late 2017 officially withdrew a proposed rulemaking that would have required airlines and ticket agents to disclose at all points of sale itinerary-specific details on applicable fees for up to two checked bags and carry-on luggage.

In the final week of the Trump administration, DOT proposed a final rule to chip away at the tarmac delay rule and issued a proposed rule to undo full-fare advertising requirements.

Upon taking office last month, Biden promptly issued an executive order to halt and review pending regulations across federal agencies, pausing the

Trump-era midnight proposals. Biden also scrapped Trump's two-for-one rule directed at federal agencies.

Still, airlines late last year got a significant regulatory wish fulfilled when DOT finalized a rulemaking on how it defines "unfair or deceptive practices." DOT's remit on regulating such practices underpinned many consumer protection rules enacted during the Obama administration.

The rule brought DOT's guidance in line with the Federal Trade Commission's, but left consumer advocates concerned about diminished regulatory oversight and bigger hurdles for DOT to forge new consumer protections in the commercial aviation sector.

This rule, already finalized and effective, was not swept away by Biden's rulemaking freeze.

The "unfair and deceptive practices" rule was viewed "as a step to curtail future discretionary rulemaking by an administration with a different consumer protection agenda than the Trump administration," according to analysis from KMA Zuckert. "Of course, this final rule does not apply to mandatory consumer protection regulations that Congress may direct DOT to adopt."

A transportation practice lawyer with law firm Holland & Knight last month wrote that DOT is unlikely to reverse the final rule on unfair and deceptive practices, but "it is believed that the agency will place greater emphasis on airline consumer protection, with controversies concerning the obligation of air carriers to make refunds for canceled flights a likely focus."

DOT last month also withdrew a long-idle initiative to review airline distribution practices to examine "whether airline restrictions on the distribution or display of airline flight information harm consumers."

The inquiry wasn't officially tied to a rulemaking, but airlines for years opposed the RFI, concerned it could open the door to new regulations on third-party distribution. It's unclear if DOT will revisit the exercise.

A Return To Enforcement

Industry participants also are eyeing how DOT will act as an enforcer of existing regulations. The most recent Democratic administration generally proved more active in this area than its Republican counterparts.

"DOT will likely re-prioritize its regulatory and enforcement efforts in the aviation consumer protection sector, as was the case in the Obama administration," according to KMA Zuckert.

In an October 2020 report on aviation consumer protection enforcement, the U.S. Government Accountability Office noted that DOT enforcement includes soft options like the issuance of guidance and warning letters to harder lines, such as "consent orders" in which DOT can levy fines for what GAO called "systematic or egregious violations."

GAO found that "annual consent orders increased from 20 in 2008," the last full year of the George W. Bush administration, "to 62 in 2012," the last year of Obama's first term. GAO found DOT consent orders diminished during the Trump administration.

DOT during Bush's term averaged 25 consent orders annually, according to KMA Zuckert's analysis. Under Obama, it averaged 39. Under Trump, it averaged just a dozen per year, and in 2020 issued only six.

"It is reasonable to assume that a Biden administration will focus DOT staff on more aggressive enforcement, consistent with enforcement during the Obama administration," wrote KMA Zuckert. ■

"We saw very little regulatory activity under the Trump administration. ... We can expect under a Biden administration, there might be some more regulatory actions and some new rulemakings."

—TTA'S STEVE SHUR

The Beat



NDC Leaderboard's Legacy Assessed As Eyes Turn To Creating Value

2020 was supposed to be the year of critical mass for IATA's New Distribution Capability, and the Leaderboard initiative was its marker. Did airlines achieve their year-end 2020 Leaderboard targets? Does it matter?

The answer to both: kind of.

IATA established the Leaderboard program a few years ago. The premise: If a significant number of airlines that command a sizable volume of traffic could handle 20 percent of indirect bookings on NDC-based APIs, then they would have worked out the "plumbing" and broken through the technical and commercial hurdles to ease mass adoption.

IATA in 2018 formalized the program and named 20 initial participants, each eyeing 20 percent NDC volume loads at year-end 2020. These included U.S.-based American Airlines, JetBlue Airways and United Airlines as well as the largest European airlines—from Air France-KLM and Lufthansa Group to International Airlines Group carriers British Airways and Iberia. The number of airline participants climbed to 23 before the target date.

During a media briefing last month, IATA declared that, yes, the Leaderboard—collectively, at least—reached 20 percent by mid-year 2020 and exceeded it by year-end. That threshold, though, was on a chaotically low base of volume and with caveats. Last year, industry booking and traffic volumes were in the dumps and the trickles of volume favored short-haul leisure traffic, the type often served by the online travel agencies and metasearch operators that had an edge in NDC adoption.

IATA also confirmed to The Beat that, no, not every airline on the Leaderboard hit the individual 20 percent target. It wouldn't disclose the status on individual carriers. A scan of the NDC registry shows eight Leaderboard carriers, including Air France, JetBlue and Cathay Pacific, have yet to certify at IATA's highest "NDC@Scale" level, among commitments for Leaderboard participants.

But, again, does it matter?

"In 2020, the volumes were so low and it was so chaotic, that it's a bit irrelevant," an airline industry source said of Leaderboard targets, met or unmet. He asked not to be quoted by name but has been close to NDC development for years.

"IATA has this tendency to set three-to-five-year targets, assuming nothing changes in the world," he said, noting that, even if each airline didn't meet its goal, commercial and technical barriers for NDC undoubtedly have been bro-

ken since the Leaderboard's initiation.

"What matters is where we go next," he said.

Others are eyeing what comes next, as well. Even as the volume of NDC transactions signal some dismantling of technical and commercial barriers, it's time to explore the next frontier of value creation, according to many.

American Airlines managing director of digital customer experience and distribution Neil Geurin confirmed American hit its 20 percent goal last year.

"I'm a big proponent that volume NDC goals are important to understand the growth of adoption, but it's not the whole story," he noted last month in an email to The Beat.

"Some of these bookings are technically NDC bookings, but a customer might not see any new bells or whistles, or even know that something has changed," he added. "Where NDC becomes really important to us is when it does enable new capabilities for customers and our partners."

American is working to extend a richer NDC value proposition in 2021. "NDC components like packaging products and services together, and carbon offsets will be in heavy tests in the coming months so that they can be available as business travel starts ramping back up later this year," said Geurin.

Amen to that, according to agency folks, who echoed a common theme in conversations: Pushing the same content through a new pipe isn't compelling. Plumbing and scale are essential to start, but extracting mutual value is the real goal.

IATA concurred with this thinking.

"The whole Leaderboard transaction volumes, it's great, but what everyone expects from this is the value that's going to come," IATA director of distribution programs Yanik Hoyles said during last month's media briefing.

Travel management companies are awaiting NDC to reveal its true value, so they can move away from implementation quagmires and commercial cudgels.

"NDC means 'new distribution capability,'" American Express Global Business Travel chief revenue officer Michael Qualantone said during a December interview. "To a large degree, we continue to look for: What are the new distribution capabilities? What are the new offers? What are the new bundles? Where are the new opportunities?"

He continued: "What we keep hearing from airlines is, 'They're coming, they're coming.' To this day, and maybe Covid doesn't help, we haven't seen anything really that new."

Qualantone said he gave a thumbs-up to the largest U.S. carriers "around retailing, Next Generation Storefront, opportunities to better position and sell their content, upsell and ancillary opportunities."

Yet, he added: "Outside of the U.S., sometimes what we see around NDC is, it's being used more for commercial reasons: Who gets my content? Where do they get my content, and what are the economics? Do you have to

"NDC is still being used much more as a distribution stick than anything else. I'm optimistic that down the road there will be some actual useful NDC implementations. But so far those are few and far between."

—AMTRAV'S JEFF KLEE

pay me in order to see my content? That's concerning to us because that's not what NDC was. NDC wasn't about new distribution economics. It was new distribution capabilities."

GBT prefers the global distribution systems as its pathway to NDC content, and made a notable breakthrough with Lufthansa Group and its GDS partners late last year, suggesting anything is possible.

AmTrav has been developing NDC direct-connects with airlines for a while, and CEO Jeff Klee last month said some integration partners have kept pace with that work in a strange year.

Yet, like Qualantone, Klee said, "NDC is still being used much more as a distribution stick than anything else. That's by far the biggest impact of NDC right now. I'm optimistic that down the road there will be some actual useful NDC implementations. But so far those are few and far between."

Klee said he's eager to extract NDC's value. "NDC is not in itself a goal if it doesn't deliver any value to the end user," he said. "If you're switching to NDC and you're getting the same stuff you always got, that's not helpful to anyone. What matters is: What new capabilities are we delivering?"

NDC in 2020

Pre-Covid, Hoyles said NDC adoption had seen "pretty good momentum."

After Covid struck, priorities for airlines and IATA shifted to airline cost management, cash protection and demand stimulation. IATA's distribution team pivoted to address these timely issues as well, Hoyles said.

As airlines, agencies and tech companies rejiggered priorities, NDC development and deployments went from boil to simmer after the pandemic buffeted the industry.

Delta Air Lines never was party to the Leaderboard, and never as gung-ho about NDC as some of its peers. Last year, the carrier paused NDC development, "doubling down on working with the existing ecosystem," said managing director of distribution strategy Jeff Lobl in September during a Sabre-hosted online interview.

In other cases, airlines last year accelerated NDC work. One Leaderboard carrier, BA, kept on keeping on. In December, it announced it "surpassed the NDC Leaderboard target of 20 percent NDC bookings by 2020 with almost one in two bookings in the U.K. made through NDC technology."

Singapore Airlines, another Leaderboard participant, advanced its strategy with a new commercial model last year.

At The Beat Live virtual event in December, Jim Davidson, now Accelya chief product officer after the company's acquisition last year of NDC pioneer Farelogix, said he braced for a standstill on NDC activity when Covid hit.

While resource constraints and all-too-common furloughs meant some work "stretched out a little bit," he was pleasantly surprised to see NDC projects with some airline clients continue or even accelerate.



"We're working on identifying value creation. What we won't do is, we're not going to set targets on value creation, because it's not our role, because it will be dictating a commercial strategy."

—IATA'S YANIK HOYLES

In fact, he sees a growing emphasis on NDC for the corporate segment and value creation. "On the leisure side, I think we figured it out, and it actually works, and it's just going through a scaling process as the business comes back," he said. "But on the corporate side, there's a lot of interest in delivering packages and bundles to corporations."

AmTrav's Klee was pleasantly surprised about last year's pace, too.

"There was more progress made last year than I would have expected once Covid happened," said Klee. "I don't care really about the Leaderboard and I don't know what the real percentage [of NDC transactions] is, and I don't think it matters. It seems like most airlines—at least the ones we're reasonably far along with NDC—they're still going full-force forward."

Meanwhile, IATA has acknowledged that volume-based Leaderboard goals had been "inherently dependent" on major GDS adoption. Hoyles sees GDSs making progress technically, in some cases "talking about being months away from full production mode."

While IATA has stressed that NDC is business-model-agnostic, Hoyles sees commercial barriers being broken.

He highlighted two notable commercial agreements between airlines and GDSs: Air France-KLM's deal with Amadeus, and Lufthansa's deal with Sabre. IATA long had viewed the role of the Leaderboard carriers as serving as "blockers," leading the pack to break down commercial and technical hurdles, smoothing adoption for "followers."

Hoyles said: "Particularly, we think these two commercial deals at the end of last year will have a pretty big impact on the speed of evolution, or potentially acceleration, over the next few months."

Hoyles also said NDC certification activity, another indicator of engagement, "continues to grow." IATA reported that 185 sellers, aggregators and airlines in 2020 certified at some level for NDC, up 22 from 2019.

As the desire for value creation from NDC becomes more evident, IATA is looking at this, too. In the coming months, IATA will "review our certification so we can bring in the value creation here." How this is defined or measured is not yet clear.

"We're working on identifying value creation," according to Hoyles, and he said IATA will "see if we can work with the travel agency community to help them also measure value creation. What we won't do is, we're not going to set targets on value creation, because it's not our role, because it will be dictating a commercial strategy."

While NDC value becomes higher priority, IATA also is looking at a new set of volume goals and, perhaps, another Leaderboard.

"The next question is, what will the target be? Will it be 40 percent? Will it be 50 percent? Will it be for 2024? I don't quite know, but this is what we're thinking about right now," Hoyles said. ■

The Beat



USTA: ‘Policies, Incentives’ Needed to Spur Meetings

The U.S. Travel Association has been working with the new Biden administration on policies that can be adopted to jump-start travel and boost America’s economy, said USTA president and CEO Roger Dow during his 2021 State of the Travel Industry address last month.

Part of those plans require “policies and incentives to safely bring back meetings and events,” Dow said. “When we discuss travel reopening, we must also keep a keen eye on business travel and meetings and events, along with leisure travel. We are all thankful for platforms like Zoom that have helped us stay in contact during the year, no matter what business you’re in, but we need to look forward to a time when we can really safely do business in person again. There is too much value in face-to-face meetings, business events and conventions, and the powerful boost they give to local and regional economies that is simply too great to ignore.”

Dow called for aggressive economic stimulus measures that include travel and meeting tax credits to offset the cost of participating in or hosting conventions, business meetings and events. In an accompanying policy platform document, the association also calls for a tax credit to help businesses cover costs related to new Covid-19 health and safety guidelines.

He said the administration should safely reopen international travel through “risk-based Covid-19 testing protocols” and removal of international travel bans. In addition, Dow said that the U.S. in 2019 welcomed 79 million international visitors, but in 2020 that number fell to 19 million, and those were almost all in the first quarter. USTA projects 33 million international visitors in 2021.

USTA remains against testing requirements for U.S. domestic flights, however, as they would be difficult to enforce, likely would be inconsistent across states and could increase the cost of travel, USTA public affairs and policy EVP Tori Emerson Barnes said during a conference call following Dow’s comments.

USTA’s proposals also call for a cost-sharing program to cover business interruption and event cancellation insurance losses related to a public health emergency,

“There is too much value in face-to-face meetings, business events and conventions, and the powerful boost they give to local and regional economies that is simply too great to ignore”

—USTA’S ROGER DOW

as well as encouraging enhanced visa processing, particularly for business and meeting-related travel.

In all, USTA’s policy platform proposals fall into five categories: economic recovery; investing in infrastructure and the future of mobility—which calls for \$325 billion over five years for federal-aid highway programs, \$125 billion over five years for investments in public transit, \$40 billion over five years for the Airport Improvement Program from both the Airport and Airways Trust Fund and the general fund, and \$60 billion in passenger rail funding; increasing global competitiveness; streamlining travel and security facilitation; and re-imagining air travel.

The latter calls for the Transportation Security Administration to invest in technology to implement Credential Authentication Technology with Camera at 90 percent of TSA lanes by 2022; to expand the biometric exit systems that currently operate at 20 airport and seven seaports to process 90 percent of exiting passengers by the end of 2021; to expand Simplified Arrival beyond its current 20 airports and four Preclearance locations to process 90 percent of arrivals by the end of 2021; and to develop “harmonies” between TSA, U.S. Customs and Border Protection and Trusted Traveler Programs’ use of biometrics to ensure a seamless, secure and voluntary (for U.S. citizens) experience.

Further, USTA has called on the Biden administration to establish a new assistant secretary for travel and tourism position within the Department of Commerce in order to help develop a coherent, government-wide strategy to boost travel exports.

Dow said that the U.S. travel industry suffered more than \$500 billion in pandemic-related losses since March. He also noted appreciation for the relief legislation passed in December, which extended the Paycheck Protection Program and expanded it to include destination marketing organizations and included emergency relief funding for airports and concessionaires to help maintain operation and prevent the spread of infection, but added more needed to be done.

“More will be needed to ensure travel businesses weather this storm and help fuel America’s economic recovery,” Dow said. “There are important components contained in President Biden’s American Rescue Plan to help us rebuild, such as providing grants for the hardest hit industries, including travel. Also included is additional funding for vaccine distribution which we know is vital to helping travel businesses more robustly reopen.” ■

Alliance Reservations Network Debuts Hotel Group Booking Platform

Travel technology and hotel distribution company Alliance Reservations Network has launched a direct booking solution, dubbed GPS Link, that connects its Group Productivity Solution booking platform directly to hotel central reservation systems for immediate group reservations and automated confirmations, the company announced.

Alliance also recently completed integration

of GPS Link with Wyndham Hotels & Resorts, allowing instant room bookings for group travel at about 6,500 hotels across North America.

The new solution is part of Alliance’s Group Productivity Solution, which is designed to manage the event housing lifecycle, including hotel sourcing, contracting and reservations, room block management, invoicing and reporting for groups of 10 or more, according to the

company. GPS Link is designed to eliminate the need of hotel staff to manually enter room and event space reservations into the property management system. In addition to instant booking, GPS Link automates room list management via real-time sharing of reservations and confirmation numbers between the hotel PMS and the GPS booking site, according to the company.

Alliance offers white-label booking sites as the front end of the process.

Vacation exchange network RCI acquired Alliance Reservations Network in August 2019. RCI is part of Wyndham Destinations, which spun off Wyndham Hotels & Resorts in June 2018. Wyndham Destinations recently purchased the media site and magazine Travel & Leisure and on Feb. 21 will change its name to Travel & Leisure Co. ■

Virtual Event Solutions Keep Racking Up Funding

Virtual experience company Touchcast has raised \$55 million in Series A funding, the company announced this month.

The money will be used to scale Touchcast's virtual events platform, which combines "AI and mixed reality to deliver a virtual platform that redefines how knowledge is created and shared across space and time," according to the company.

The funding was led by Accenture Ventures, Alexander Capital Ventures, Saatchi Invest, Ronald Lauder and others.

Touchcast cited a Grand View Research report that projected the virtual event global market would reach more than \$400 billion by 2027, with enterprise investment in infrastructure, services and technology driving this growth.

Funders are paying attention. In addition to Bizzabo raising \$138 million in December, Airmeet's \$12 million September funding round and Run the World's \$15 million round in May, a few more event platforms are gaining momentum.

The London-based Hopin virtual events solution, founded in 2019, has raised \$170 million to date, with \$125 million of that coming in a Series

Touchcast cited a Grand View Research report that projected the virtual event global market would reach more than \$400 billion by 2027.

B round in November led by IVP and Tiger Global. The company was valued at an eye-popping \$2.1 billion and has grown from eight employees to nearly 300 across 38 countries. The company acquired the event app Topi in December 2020 and live video streaming studio startup StreamYard for \$250 million in January.

Welcome—which pivoted soon after the pandemic hit from an app to connect restaurants and food wholesalers to a virtual events platform—raised \$12 million in Series A funding in November, led by Kleiner Perkins with participation from Y Combinator, Kapor Capital and Webb Investor Network. Co-founder and CEO Roberto Ortiz positions it as a high-end, white-labeled platform that emphasizes quality and design first, to easily produce an experience that feels "like an Apple product launch." Welcome surpassed seven figures in revenue three months after launch, according to a spokesperson, and clients have included Netflix, Oracle and Okta.

Berlin-based Wonder, founded last April as Yo-tribe, in early December announced it had raised \$11 million in seed funding from European VC EQT Ventures and BlueYard Capital to make video connections "more spontaneous and fluid." Clients have included NASA, Deloitte and SAP, according to Techcrunch.

Hubilo pivoted from an in-person events platform to a virtual events platform in March and in October raised \$4.5 million in a seed round, led by Lightspeed. Clients have included Roche, Fortune and the United Nations, according to Techcrunch. ■

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Business Travel Has Peaked. Here's Our Future.

BY SCOTT GILLESPIE

There is no joy in recognizing that business travel has peaked and that our industry will never return to its pre-Covid level. Like it or not, there are significant implications for our industry's future.

Why Business Travel Has Peaked

Yes, the Covid-19 pandemic will recede and business travelers will feel safe about traveling, as will their hosts. Getting a global green light on the health and safety front will unleash demand for business travel. Unfortunately, that demand will be sharply and permanently diminished for these four reasons:

First, the pandemic has forced most employees to work from home, and it will remain a popular choice for many workers and their companies in the post-Covid world. If you don't need to go to the office to work, why do you need to travel?

Second, the massive shift to working from home has forced the widespread adoption of virtual meetings. These have proven to be mostly adequate (not great!) substitutes for meeting in person. If you can meet virtually, why do you need to travel?

Third, the sustainability issue is rising on executive and government agendas. Business travelers and their employers will increasingly factor a trip's impact on our climate into their travel decisions. No small number of trips will be eliminated for this reason alone.

Note the synergy of these three forces. They reinforce each other and will endure for a long time. Business travel will clearly shrink. But the biggest force that will sharply reduce demand for business travel is the CFO's logic.

Imagine every pre-trip approval request being met with the CFO's default response of, "Why can't you do these meetings virtually? There's no travel cost, no travel time lost and no carbon emissions, right?"

Many (some may fear most) business trips will not clear this hurdle. Not after we've had a year of doing business via Teams and Zoom and seeing that this mode works well enough for many types of meetings.

The inevitable conclusion is that most corporate travel budgets will be permanently smaller. Business travel peaked in 2019. What lies ahead?

The Future of Managed Travel

Managed travel's future will be built on much smaller corporate travel budgets, so we must expect:

Fewer travel suppliers and fewer travel managers. An unavoidable consequence of a shrinking industry.

The travel category loses importance. Duty of care remains a high priority, but the category's smaller spend means less management attention. Procure-



Scott Gillespie is the founder of U.S.-based industry data consultancy tClara.

We are entering a new paradigm, one grounded by questioning the need for travel. It's now much less about getting people to meetings and much more about the value of the meeting itself.

ment execs combine travel with other indirect spend categories and accept the shallower T&E expertise.

Fewer but more important trips and travelers. Low-value trips get denied and far fewer infrequent travelers have the need to travel. Those who do travel are deemed "important," just like their trips. Expect more prima-donna travelers and more pushback on cost-oriented travel policies. Suppliers intensify their battles for the remaining frequent travelers.

Less focus on travel prices and cost savings. The more important the trip, the less worry about the price. Airlines recognize price inelasticity of remaining trips and raise prices for business travelers. Negotiated savings are seen as inconsequential in the face of "huge savings" delivered by not taking as many trips. Buyers shift their focus from price to evaluating supplier's product, service and relationship qualities.

More outsourcing to travel management companies and more direct bookings. Smaller travel budgets make the outsourcing value proposition more attractive to management. TMCs up their technology game to reduce their labor costs and improve their service. Direct bookings grow as suppliers beef up this omnichannel option with strong traveler recognition, duty of care and data-reporting features. ARC leads a breakthrough to allow TMC servicing of direct bookings.

New efforts to stimulate demand. Network airlines see a dire need to stimulate demand for business trips. Marketing campaigns, new studies and tools emerge to showcase the benefits of meeting in person.

More scrutiny on the merits of meeting in person. Trip approvers require better justification. More trip requests are framed with a risk-vs.-reward, in-person-vs.-virtual lens. Pre-trip ROI is tried and abandoned as not credible. Trip approvals are driven by the meeting's importance and potential for interpersonal dynamics.

More focus on meeting and traveler outcomes. Fewer and more important trips and travelers begs the analysis of what these meetings achieve and how travelers are affected. Innovation emerges to make meetings more effective; travel logistics become secondary. Post-meeting surveys about outcomes become crucial. Metrics on traveler health, safety, productivity and attrition gain traction with management. Efforts are made to predict a meeting's success—and the need for travel.

New need for optimizing travel and meetings. Senior management asks, "How do we know if we are traveling too much or too little?" and, "How can we get more from all of our meetings?" Career paths open for those who relish finding answers to these questions.

Unmanaged travel is the key to growth for some. Though the business travel industry shrinks, the unmanaged segment provides growth opportunities for TMCs and providers of data reporting, payment, expensing and duty-of-care solutions. Go-to-market efforts are consolidated across these providers, resulting in cost-effective inroads to this untapped market.

We are entering a new paradigm, one grounded by questioning the need for travel. It's now much less about getting people to meetings and much more about the value of the meeting itself. Our industry needs to embrace this pivot. ■

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Being Business Travel News rebranded to Business Travel News Europe (BTN Europe). The new look features a refreshed brand identity, a new logo, and a new website. BTN Europe will continue to be a for weekly magazine, and will complement other titles within the BTN Group, including Business Travel News, Travel Procurement and The Beat, as well as weekly regional UK, events. The Business Travel News, Travel Procurement Europe and The Beat Europe. BTN Europe will serve both the UK and European corporate travel market, and later this year launch a new series of award-winning professional events. A new website, businessandtravelnews.com, has also launched, incorporating BTN content across the regional and national, as well as content from Business Travel News International, which BTN acquired along with The Business Travel News. Following the acquisition, the new content will be available on both of these websites as well as being available on the BTN Group's editorial platform.

BTN Europe will continue to be a weekly magazine, and will complement other titles within the BTN Group.

BTN Europe's editorial director, Sarah "Business Travel News" is excited to welcome the most respected travel news outlet in the UK market and to have the opportunity to expand their reach. Emotionally, their future goal is to engage with our British, Irish, French, German, Italian and Spanish colleagues and beyond. But our main focus is to bring you the most relevant and essential and professional products in Europe and make sure to be your specific needs. If we do our job right, we can help you to make your job right - sharing market intelligence, industry engagement and leading-edge innovation in travel management.

"BTN's growth also leads us to see how we can improve our content, and I look forward to offering more research and editorial content to our long-standing audience."

Mark Brown, BTN Europe digital editor, added: "We really excited about what the future holds for us but we're part of the BTN Group. We have to make plans - we're in a tough market of the travel industry."

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