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BUSINESS TRAVEL NEWS

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MAVENS

ZS Associates meetings manager Suzanne Boyan and the other Meetings Mavens assess the delta variant's potential effect on live meetings.

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MANAGEMENT

Global Business Travel Association members elect PayPal travel manager Denise Truso president of the association's board of directors.

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VOICES

Fox World Travel VP of supplier solutions Mike Heck analyzes the current airline, hotel and rental car company negotiating landscape.

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TOP STORY



BY CHRIS DAVIS

HOPE REIGNS, BUT INDUSTRY FRETS OVER SPREAD

A Concerning Variant

Travel supplier executives in recent weeks colored their second-quarter earnings commentary with optimism, enthused by a springtime surge in U.S. domestic travel demand that outstripped many analysts' expectations and raised hopes that a full business travel comeback could be in the offing. But a new coronavirus variant has emerged to threaten that comeback, spreading at a worrying rate, triggering a new round of masking recommendations and illustrating that consigning the Covid-19 pandemic to the industry's history books won't be a smooth or quick process.

The delta variant of Covid-19 in July and August blasted its way through the United States unvaccinated population, highlighting the segment of Americans who thus far have declined to take a coronavirus vaccine and spurring a U.S. Centers for Disease Control and Prevention recommendation that even fully vaccinated people

CONTINUED ON PAGE 13

Buyers Managing Traveler Views of New Hotel Terrain

BY DONNA M. AIROLDI

In early July, Hilton Worldwide did away with automatic daily housekeeping at its non-luxury brands in the United States, and instead now offers housekeeping services upon request, with rooms to receive a full cleaning on the fifth day of a stay. Guests at Waldorf Astoria, Conrad and LXR properties, as well as at all Asia-Pacific properties, still receive automatic daily housekeeping, unless requested otherwise, according to the company.

Reduced housekeeping is one of many changes that business travelers will find at hotels as they begin to hit the road again. Kiosk-based or mobile check-in, mobile room keys, contactless checkout, fewer available staff, reduced or fully closed food-and-beverage venues, robot-delivered room service, and closed or limited availability for the fitness center and pool are just a few of the other shifts that have

hit the lodging landscape. And that assumes their favorite hotel has reopened.

The changes are broad enough to surprise experienced business travelers accustomed to pre-pandemic service levels.

"One of the biggest perceptions from a traveler viewpoint is housekeeping," said Anthem director of travel and events Cindy Heston. "They're not accustomed to not having the room changed every day, and the perception is negative. It's a disservice."

Availability poses another challenge. "If you're in a city center, it's easy to get a room," said Areka Consulting managing partner for the Americas Louise Miller. "If you're on a frequently traveled highway, it's hard to get a room."

For those in city centers, "food

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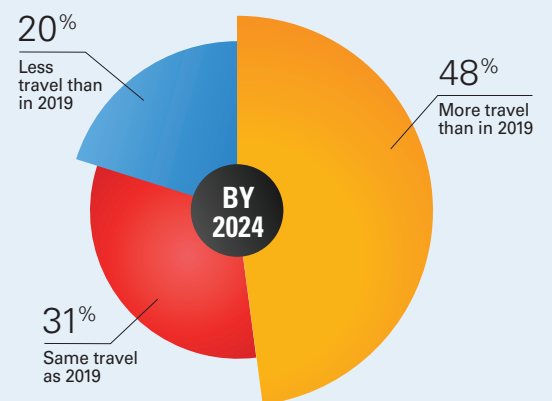
Healix International chief medical officer Dr. Adrian Hyzler issues his prognosis of pandemic-era business travel.

"We're trying to encourage [organizations] to look at their travelers from a medical point of view and risk-rate how likely they are to get severe disease if they were to contract Covid-19."

6 | Data Hub

C-Suite Bullish on Recovery by 2024

Source: AirPlus June survey of 743 corporate board members and executives from Germany, the U.S., China, Italy and France



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SEPTEMBER 23, 2021

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The Business Travel Show America returns this fall as a one-day virtual event on September 23, 2021.

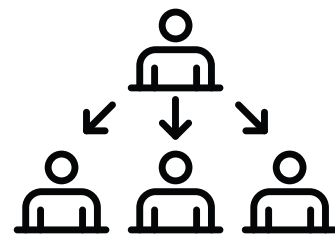
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Travel Procurement

The Beat



With United In, Amadeus Sets '21 NDC Availability

BY JAY BOEHMER

Every airline with which Amadeus has reached an NDC-based distribution agreement will be available to agency subscribers worldwide by the end of the year, according to the company. Among those carriers is United Airlines, which recently inked a renewed global distribution system agreement, while also “formalizing our partnership in NDC,” Amadeus head of Americas travel content sourcing Robert Buckman said.

United’s NDC-piped content, which includes continuous pricing and dynamic bundles, should be available to subscribers as soon as this quarter, Amadeus said.

For Amadeus, “this year really is about the launch of NDC and the scaling of NDC worldwide,” Buckman said. “We anticipate having full global rollout of NDC across all of our global geographies by the end of this year. And so, United will benefit from that as well.”

Amadeus also has reached NDC distribution agreements with Air France-KLM, American Airlines, Qantas, Singapore Airlines and International Airlines Group, which includes British Airways and Iberia.

“The intent is to have all of our carriers launched in all of our geographies by the end of this year,” said Buckman. “Give or take a month here or there, I think we will satisfy our ambitions.”

Whenever a new NDC deal with a GDS arises, travel management companies look for caveats, like NDC surcharges on GDS-processed transactions, as included in Amadeus’ deals with Air France-KLM and British Airways. United’s NDC access via Amadeus does not include a surcharge.

Asked if there are additional steps a TMC would need to take to access United’s NDC pipes through Amadeus, Buckman said, “The simple answer on that is no. United content, including NDC, will be a core component of our overall travel platform offering. Amadeus is doing all the heavy lifting on the back end within our travel platform to integrate, aggregate and provide cross-channel access to United content, be it EDIFACT or NDC, in all of our touchpoints.” Amadeus’ touchpoints include its agent desktop, its application programming interface and the Cytric self-booking tool.

Buckman said much of the “heavy lifting” around plugging NDC into its systems and getting it ready for



“Amadeus is doing all the heavy lifting on the back end within our travel platform to integrate, aggregate and provide cross-channel access to United content.”

— AMADEUS’
ROBERT BUCKMAN

The Beat

subscribers has centered on post-booking management and servicing.

“Many in the industry have achieved a level of readiness around the order processing—the shopping and the pricing flow—but the core complexity is around how you service,” said Buckman. “Amadeus has taken great lengths to ensure that as we go to market, what makes us such a compelling offer to our customers is that we have completed the entire end-to-end flow.”

That includes synchronizing with airline-hosted NDC orders. To support this, Amadeus has a “container” for travel orders created through NDC-based flows, called Travel Order PNR.

TMCs for years have flagged post-ticket servicing as a shortcoming of NDC, with challenges in being made aware of itinerary changes, capturing data on transactions or being able to process changes, exchanges, cancellations or refunds for NDC bookings.

“In the NDC construct, the airline is the owner of the order, so we will interface with that order to make sure we maintain synchronicity between the main order and the record that the agency will use to service their customers,” said Buckman.

He also emphasized that Amadeus has endeavored to fold NDC-piped content alongside content from other sources, including ATPCO filed fares, in a way that maintains established agency workflows.

“Amadeus’ approach has been to fully integrate in the inline booking flow, so the shopping and booking looks the same whether you are sourcing EDIFACT content, NDC content [or] other XML-proprietary APIs. Our aim is to make that as seamless and as transparent as possible for our customers,” he said. “Yes, we will flag the content, so you will know whether an itinerary that you’re looking at is either an EDIFACT-based itinerary or an NDC offer or another sourced offer, but the ability for you to work in a very consistent and efficient manner in the system is really in our design.”

Amadeus last month announced its “multi-year agreement” with United includes access to its NDC-piped content, such as ancillaries, dynamic bundles and continuous pricing, which former United director of distribution Tye Radcliffe discussed in an interview this year. Accelya, which acquired Farelogix last year, last month announced Radcliffe joined the company as vice president of product strategy.

United did not make an executive available for an interview. “We look forward to continuing our collaboration with Amadeus to create a unique shopping experience with new, differentiated content bundles delivered through the Amadeus Travel Platform,” according to a statement from United vice president of sales strategy and effectiveness Glenn Hollister. ■

Survey: Air Travelers Support Masks, For Now

BY MICHAEL B. BAKER

Air travelers around the world overwhelmingly are supportive of onboard mask requirements, but most also find adhering to various Covid-19 rules and restrictions is confusing, according to an International Air Transport Association sur-

vey of 4,700 travelers.

In the survey, conducted May 14-22 across 11 countries, 83 percent of passengers surveyed said they supported wearing masks onboard, and 86 percent said they supported strict en-

forcement of those rules. A similar percentage said they felt safe onboard aircraft and that airlines and airline employees had done a good job in implementing safety measures.

A majority indicated, however, that the requirements should end when conditions allow.

“Air travelers recognize and value the safety measures put in place to minimize the risk of Covid-19 transmission during air travel,” IATA director general Willie Walsh said in a statement. “And, they support the continuation of these measures as long as necessary, but they also don’t want the measures to become permanent.” ■



Assessing Corp. Travel in a New Chapter of Covid-19

Healix International chief medical officer Dr. Adrian Hyzler earlier this month spoke to BTN editorial director Elizabeth West. Highlights of the conversation are below.

IT'S BEEN EIGHT MONTHS SINCE WE LAST TALKED, WHEN THE CLINICAL TRIAL RESULTS FOR THE PFIZER AND MODERNA VACCINES HAD JUST BEEN PUBLICIZED. WHAT IS YOUR PERSPECTIVE OF THE VACCINE ROLLOUT?

I was doing cartwheels about how amazing the data was that came out from Pfizer. That is still the case. Pfizer and Moderna remain those stellar examples of incredible vaccines that have maintained that initial joy. Since then, other vaccines have come out. The Sputnik from Gamaleya Institute in Moscow, the Chinese vaccines, AstraZeneca, Johnson & Johnson. From a worldwide perspective, we've seen [some] countries surge ahead, like the U.S., the U.K., Israel and some smaller countries that have done very well in vaccine rollout.

Europe started slowly, they had problems with acquisition of vaccines and with arguing amongst themselves. But now ... they have just overtaken the U.S. in the [percent of adults vaccinated]. But in Southeast Asia, for example, they've got huge issues with vaccine rollouts. In Japan, in South Korea, [they are having issues now] because it was never a big priority. The same in Australia and New Zealand—they didn't prioritize vaccines because they had low numbers. They thought they could wait to see how the vaccine rollout went, how problems went with vaccines. But I don't think they realized that vaccines were going to be so scarce and that production wouldn't ramp up as hoped. Latin America is slowly getting their vaccine drive going with vaccines from China and Russia helping out there. In Africa, the availability of vaccines is incredibly low.

WE ARE SEEING SIGNS THAT THE DELTA VARIANT IS SETTING BACK SOME COMPANIES' RETURN-TO-OFFICE AND RETURN-TO-BUSINESS TRAVEL PLANS.

Return-to-office efforts ramped up a lot this year with the vaccination drives. In April and May there were plenty of plans to reopen offices in June and July. A lot of it was controlled by governments which for a long time gave directives to work from home if you can. Those restrictions have been released recently, and there is the desire to get people back in the office. There's now information, though, about Google, about Apple ... to say a planned back-to-the-office in September has now been pushed back to October. I think that's a holding position and we'll see more of it.

WHAT ABOUT BUSINESS TRAVEL?

There is definitely a desire from many governments to get business travel going. The variants have just got in the way of that. Each time it looked like things are going to open up, another variant, whether it was alpha or the beta from South Africa or the gamma



Healix International's Dr. Adrian Hyzler talks:

- The implications of the Covid-19 delta variant
- The future of vaccine passports
- Procedures for restarting business travel

"There's not going to be a universal immunity pass in the States. It's just not going to happen. There are too many factions that will absolutely never accept it."

from South America. Now delta has reared its ugly head. People don't want others bringing delta into the country.

THERE'S AN ARGUMENT THAT DELTA IS ALREADY AROUND. IT'S NOT A CASE OF BRINGING IT TO A CERTAIN COUNTRY, PARTICULARLY IF YOU CAN SCREEN PASSENGER HEALTH.

Once delta is not trying to be suppressed in countries but trying to be managed, then I think we can move on to business travel equivalence [across borders]. Travel across Europe has become quite common, and the same will happen between the States and Europe, as well, once it's accepted that delta is widespread. But then there's lambda, which has taken over Peru and spread into Chile. We still don't really know epidemiological consequences of that as regards to case numbers and hospitalizations—and there will be other variants.

WE'VE SEEN DIGITAL HEALTH PASSPORTS LAUNCH IN EUROPE. DO YOU THINK SIMILAR TOOLS WILL HELP GET THINGS GOING OUTSIDE OF EUROPE?

It was very important in the EU that they didn't call this a vaccine passport. It was a digital immunity pass. It doesn't just encompass vaccination. It encompasses a negative PCR test, or someone who has been recently infected and recovered from Covid-19 and has immunity through natural infection. It didn't mean you had to be vaccinated, but there were other alternatives to exempt you. There's not going to be a universal immunity pass in the States. It's just not going to happen. There are too many factions that will absolutely never accept it. In that case, you're having to rely on a piece of paper, and there are going to be plenty of different pieces of paper from all sorts of different organizations that are going to have to interpret it around the world. I think that is going to be a bit of a stumbling block.

HAVE YOU SEEN BUSINESS TRAVEL FOR HEALIX INTERNATIONAL CLIENTS BEGINNING TO RAMP UP?

A lot of the companies we look after—quite large multinational clients—are trying to get traveling. It's to a small extent for important meetings that need to be face-to-face. We're trying to encourage [organizations] to look at their travelers carefully from a medical point of view and risk-rate how likely they are to get severe disease if they were to contract Covid-19. That's what companies we're dealing with are [using to] decide who travels and who doesn't, because it's very hard to look after people abroad if they get Covid and they get admitted to the hospital and they're in intensive care. We're trying to avoid people getting to that situation.

THAT IS A DIFFERENT ANSWER THAN I EXPECTED. WHAT ABOUT PRIVACY ISSUES—DO TRAVELERS WANT TO SHARE THAT LEVEL OF HEALTH INFORMATION WITH THEIR ORGANIZATIONS?

Probably en masse, they don't. Not wishing to plug what Healix is doing, other organizations are doing the same thing, but we are looking after that privacy. [Travelers] are declaring health conditions on an online form that gets processed by Healix. The output has no medical information. It [would] be much more difficult if that were being shared with the parent organization, but it's not. ■



CORPORATE TRAVELERS CAN MODIFY THEIR BOOKINGS AT NO EXTRA COST.

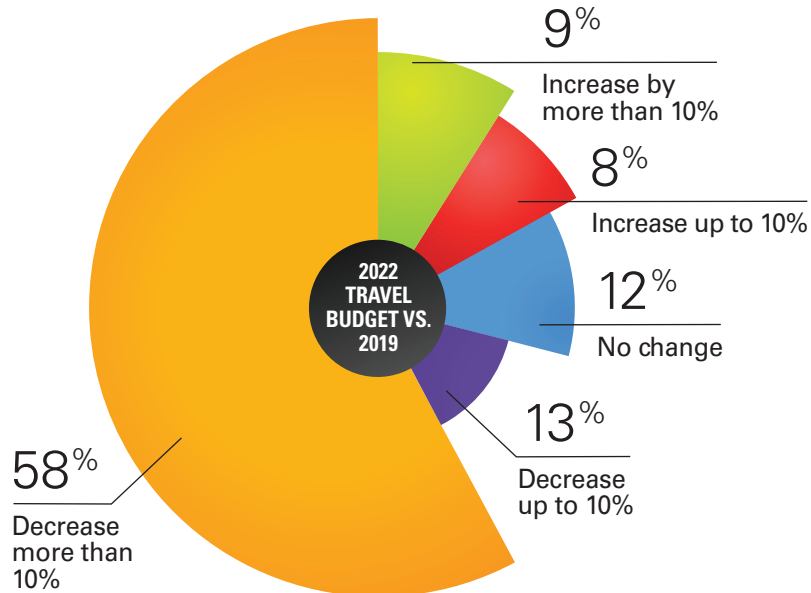
Turkish Airlines Corporate Club members can cancel or change their tickets without penalty. Therefore, any work-related compulsory travel changes will not financially affect our members.



Business Travel Recovery Pace Slows

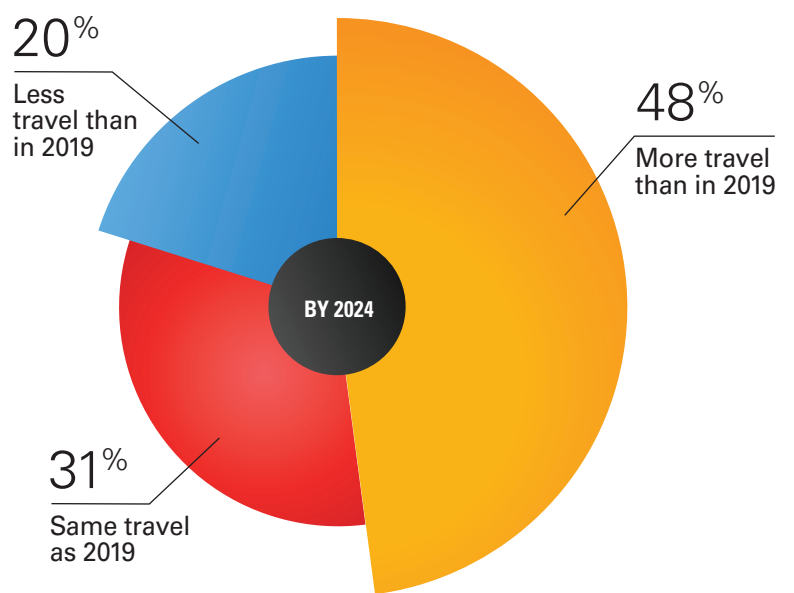
For the first time since Covid-19 vaccines became widely available in the United States and Europe, some signs have emerged that point to a slowdown in the rapid pace of corporate travel recovery, amid variant-fueled case-count increases. The share of workers willing to travel appears to have topped out at about three-quarters, while the pace of corporate travel air sales also appears to have plateaued. Meanwhile, most buyers don't seem eager to pay more to use travel suppliers with good sustainability records.

NO FULL BUDGET RECOVERY IN '22 FOR MOST



Source: Morgan Stanley June-July survey of 138 travel managers

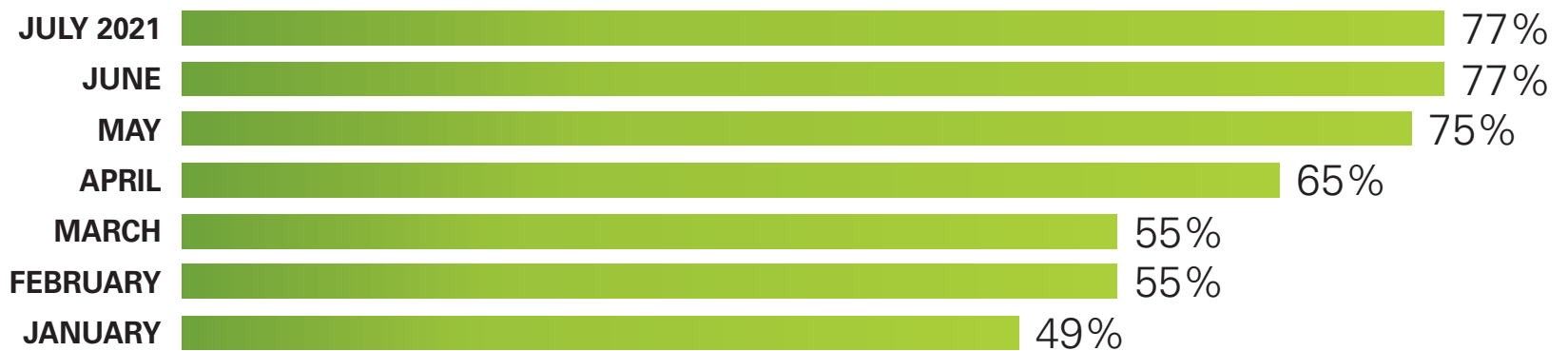
C-SUITE BULLISH ON RECOVERY BY 2024



Source: AirPlus June survey of 743 corporate board members and executives from Germany, the U.S., China, Italy and France

BUYERS: BUSINESS TRAVEL WILLINGNESS PLATEAUS

Respondents who indicate their travelers are "very" or "somewhat" willing to travel for business



Source: Global Business Travel Association monthly surveys of member travel managers and procurement professionals

14%

COMPANIES WILLING TO PAY MORE FOR A GREENER TRAVEL SUPPLIER.

Source: Emburse/Global Business Travel Association April survey of 220 travel managers

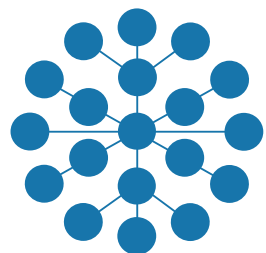
ARC: U.S. CORP. AIR SALES REBOUND STALLS

7-Day Period Ending	Agency type vs. same week in 2019		
	Corporate	Online	Leisure/Other
July 4	-58.2%	-11.7%	-38.7%
July 11	-51.5%	-1.6%	-30.3%
July 18	-59.3%	-8.8%	-35.4%
July 25	-58.9%	-14.0%	-39.2%
52-Week Average**	-80.1%	-39.9%	-61.5%

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

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VARIANT JEOPARDIZES RETURN OF IN-PERSON MEETINGS

BTN is following a single group of meeting practitioners throughout 2021 to assess corporate meetings' progress as companies return to face-to-face events. Participants in the second of the three-part series include Zurich-based **Nadja Haag**, global meetings and events manager for Takeda Pharmaceuticals; ZS Associates meetings and travel manager **Suzanne Boyan**; Anthem director of travel and events **Cindy Heston**; and industry consultant **Betsy Bondurant**. They spoke with BTN senior editor Donna M. Airoidi in late July about how the issues facing meeting and event departments had shifted since their April conversation. Responses have been edited for length and clarity.

HAVE YOU HELD ANY IN-PERSON OR HYBRID MEETINGS SINCE WE SPOKE IN LATE APRIL?

NADJA HAAG: The team did have the first meetings where we [had] a studio built and a very small amount of people coming together, especially the speakers. And in that environment, it was very happily secure in terms of testing every day and making sure that distance was kept and quite securely set up. [There were] only about 10 people, and a colleague of mine ran it.

CINDY HESTON: Everything has been virtual for the most part. There was a meeting we held that was live, but it was more in conjunction with an outdoor event. Also, we were very cognizant of ensuring that during the actual meeting time, which was the next day after the outdoor event, participants who did not want to be in-person had access to the virtual component of that session.

BETSY BONDURANT: A few clients have [held meetings], and the ones that have are global companies who are seeing more of an uptick in Asia-Pacific, and they are starting to plan some in Q3 and Q4 of this year. But with the delta variant of Covid-19 coming on board, I think people are starting to rethink that a little bit. We talked about this on

the last call, as it relates to reputational risk, concerns and certainly above that is the safety of the attendees.

SUZANNE BOYAN: We have not had hybrid or in-person meetings, but we have gone on site visits for our hybrid and in-person meetings that are taking place next month.

WHAT HAVE YOU LEARNED FROM THE EVENTS YOU'VE HELD OR ARE PLANNING SO FAR?

HESTON: [We determined] the standard registration questions for agreeing to follow governmental or local requirements. We also carved out an individual who would be responsible for enforcing all the conditions we built on the registration site. From our perspective, it was a really good experience to say that these are the new basic requirements for a live event. If we don't have event staff there, there must be someone there on the stakeholder side that will take the role of making sure all participants are following those guidelines. It gives us a good template for going forward.

BONDURANT: Many of my clients have that Covid compliance officer role now, so that makes perfect sense. I'm attending an in-person meeting next week, and two things I thought were

really interesting as part of that process: You have to be vaccinated in order to attend in-person, and they are having everyone upload their information onto [identification platform] Clear. And in order to ensure capacity limits and social distancing, they did online registration for individual sessions so they had a capacity limit of maybe 40 per room, and they're enforcing those limits.

SUZANNE, HOW HAVE THOSE SITE VISITS BEEN?

BOYAN: They've been ... OK. The site visits have not been up to the same caliber I would have anticipated pre-Covid. There are certain things I'm willing to overlook. Yes, the hotels are not fully staffed, so they are a little bit dirtier. There are longer lines, things like that. But from even just a sales staff point of view, I've really struggled to understand why they would be making some of the choices they are making for our program that will ultimately give them \$1 million to \$2 million. I guess I understand that the market is compressed, and they might not feel like they need to work very hard for the money. But in the same respect, I have some major concerns about how they are going to treat my employees when they are there. So that is what I've been struggling with a lot.



Betsy Bondurant



Suzanne Boyan



Nadja Haag



Cindy Heston

DID YOUR EXPERIENCE SURPRISE YOU?

BOYAN: Part of me was surprised because we were visiting resorts, which have bounced back a little quicker than business-market hotels, and they were very busy when we went. All were at 90 percent occupancy. So part of me was like, wow, surely you would make sure that you have all hands on deck to make sure the facilities were clean. But then I'm also very aware, because I'm feeling this on my team, there is a shortage of workers, and it's hard to get people to come back to work, especially if you jolted them in the past by laying them off or furloughing them. But it's just such a tough position to be in, and it does make you wonder, well, they're not picking up this fork in the middle of the hallway, are they cleaning my room? I am a little concerned about how my people will react to that.

THE DELTA VARIANT IS SPREADING. SOME DESTINATIONS ARE RETURNING TO INDOOR MASK REQUIREMENTS. ARE THOSE AFFECTING MEETINGS YOU ARE CURRENTLY PLANNING?

BOYAN: Yes and no. Yes, in the sense we are keeping a close eye on it, but no, we are still planning, and people are still very excited to get together for our first in-person meeting. And we have a very high vaccination rate of our people, so we are moving forward as planned—in person with a very small virtual audience.

HAAG: For us, it hasn't yet, but we are watching it very closely. We just had a meeting with security, and we are trying to stay on top of what is happening in different countries, especially for international meetings.

HESTON: Not necessarily, because a lot of our events that we are planning have a virtual [component] now as part of the meetings for the remainder of this year. We are ready to flip that switch and make it 100 percent virtual given what is going on right now. ... Duty of care and risk mitigation is No. 1.

BONDURANT: Are non-essential travel restrictions off, or are there still a lot of controls around that?

HESTON: Our non-essential controls are still in place. ... At first when opening our booking tool back up, in the first

week in June, everything was pretty green as far as trends and protocols and what we define as low risk, high risk and moderate risk, but we are seeing a lot of that turning to red. It's a very dynamic situation. All of our business travel is still business-critical.

WHAT ELSE IS NEW IN THE PAST THREE MONTHS?

BONDURANT: A couple of clients are almost considering skipping hybrid and not going down that path, because they don't feel they can satisfy both audiences in a synchronous manner. I'm hearing this a lot more. Trying to integrate that external audience in the in-person event is challenging and complex. From what I'm hearing, it's not really satisfactory to either audience. There is a lot more focus on why we don't just keep these two separate. We still want to be inclusive and have all the benefits of doing virtual meetings, but let's focus on the in-person and not so much on the Venn diagram of the hybrid in the middle.

BOYAN: Hybrid has kind of fallen off favor at ZS, one, because people are really excited to be together in person. And it's more expensive than an in-person event, because you are still paying for the in-person folks, then paying for a great virtual experience as

people would like to travel but can't, depending on where they are from.

HOW DO MEETINGS BUDGETS LOOK FOR 2022?

HAAG: Our fiscal year starts in April, so we are still in the middle of 2021, and probably will only start planning 2022 at the end of the year.

BOYAN: We don't have budgets per se at ZS. Each practice area is allotted a budget. If they want to spend that budget on an internal meeting to get together and ideate with team members, then they do. I would say 90 percent of them in 2019 chose to spend some of their budget on what we call internally a summit, and I would anticipate in 2022 we will have that many again.

ARE THOSE SMALLER MEETINGS? MIDSIZE?

BOYAN: Midsized meetings. Anything that comes to my team is generally for 25 people or more. That's when we get involved. In terms of our bigger meetings, like the ones I'm helping to source and plan, those budgets are back to normal. In fact, they've increased because the size of our business has increased.

BONDURANT: I think the last comment Suzanne made is really relevant. If a company has done well or stayed similar

"A few clients have [held meetings], and they are starting to plan some in Q3 and Q4 of this year. But with the delta variant of Covid-19 coming on board, I think people are starting to rethink that a little bit."

— BETSY BONDURANT

well and connecting those two. When people start to realize, oh, not having people attend in person is still going to be as much money if not more, and it's not going to be the same experience as networking, then why are we heading down this path?

HAAG: I'm trying to push forward with hybrid as well as in-person, but we are facing the same challenges. How can we set up a hybrid meeting that is really inclusive for the audience at home without having somebody feel left out? In some cases, it may actually be that some

in their business success today as they were in 2019, budgets seem to be pretty static. But certainly organizations that have not fared well during this time, we're seeing easily 10 percent to 20 percent cuts, if not more. So definitely it depends on the sector or how they fared economically. But I will say that I think the lesson learned from the 2008 downturn is that people are really putting at the top of the priority list meeting with clients again and making sure if they are going back to any type of meeting, it's definitely the client-facing, revenue-generating, pipeline-building meetings. ■



PayPal Buyer Truso Elected GBTA Board President

BY ELIZABETH WEST

PayPal travel manager Denise Truso last month was elected to a two-year term as president of the Global Business Travel Association's board of directors, the association announced. Truso was acting as board president since the former elected official Bhart Sarin abruptly left the office in April.

In her campaign statements, Truso concentrated on the health of the organization and vowed to bring financial and decision-making transparency to the forefront in regular open-to-members townhall meetings with the GBTA board of directors. She also promised to build upon the organization's recent push toward globalization and inclusiveness. UBS global head of travel Mark Cuschieri ran uncontested for the vice president role on the GBTA board, and was also elected to a two-year term.

GBTA voters, which now include both buyer and supplier members, turned to some existing board representatives—or interim representatives—when given the option. Current allied director at-large Will Pinnell, who is VP of digital and product strategy for BCD Travel, renewed his seat on the board for a final term. Pinnell played a leadership role in crafting the bylaw revisions to re-introduce term limits.

Voters also gave the go-ahead to American Airlines chief customer officer Alison Taylor, who was appointed to the board in December to fill the vacant vice president role on the organization's Allied Leadership Council, and who now will hold an allied director at-large role. New to the board in the third open allied director at-large seat this cycle is PredictX vice president of customer success Maria Chevalier.

BNY Mellon managing director and head of corporate services, travel and events Mick Lee landed the only direct-member board seat available in this election cycle. Voters chose Lee over the re-election candidate, Facebook's Erin Wilk. Lee will serve a two-year term.

GBTA's newly expanded board included direct member regional seats for Canada and Europe. The uncontested Canadian seat went to Rogers Communications category manager for travel and events Sharlene Ketwaroo-Nanoo. LEO Pharma manager of global travel and meetings Jens Liltorp prevailed in the race for the European seat. Ketwaroo-Nanoo will serve a two-year term; Liltorp will serve a three-year term.

Rosemary Maloney, global travel and expense lead for Sprinklr, was elected president of the Chapter Presidents' Council.

Some members were disappointed with the results—saying they lacked enough change at the top to drive a meaningful shift in the organization's direction. Speaking on condition of anonymity, a longtime member and former board director reached out to BTN.

"It is pleasing to see that there is more global representation on the board; however, with the events that happened last year, it is disappointing to see that there is not change at the helm," which the member called to task as complicit in GBTA's prior organizational failures. "I believed that change would drive GBTA to the next level; based on these results, I am not sure that is really possible."

GBTA CEO Suzanne Neufang, however, emphasized during the organization's business meeting that 29 percent of eligible members voted in the online elections, which is a banner turnout for GBTA. In a statement, she praised the revamp of GBTA bylaws that expanded voting rights to suppliers, rather than only buyers, and which renewed term limits for board members and expanded the organization's global representation.

"In this election, for the first time ever, both buyer and supplier members could vote for all seats. For the first time, we have global voting representation and officers placed on the new board," Neufang said. "These are amazing firsts that bode well for the future of our association, and the members and constituencies whom GBTA serves," she said. ■



Paypal's Denise Truso

"In this election, for the first time ever, both buyer and supplier members could vote for all seats. For the first time, we have global voting representation and officers placed on the new board."

—GBTA'S SUZANNE NEUFANG

Traxo, ZS to Launch Data Analytics Tool

BY ADAM PERROTTA

Booking capture specialist Traxo Inc. has joined with professional services provider ZS Associates, itself a Traxo client, to offer a new travel and expense analytics service to other corporate travel programs.

Dubbed ZS Connections, the platform is an expansion of the in-house solution ZS developed for its own travel department under the direction of Suzanne Boyan, ZS's travel operations manager. Boyan was named BTN's 2019 Travel Manager of the Year for designing and implementing the initiative, which is based upon allowing direct booking with suppliers while leveraging third-party specialists for support, all undergirded by data capture and aggregation from Traxo.

Boyan's bespoke program now is being made available to other corporate users, including ZS's own clients, as well as existing customers of Traxo, which will offer ZS Connections via its third-party marketplace.

The plan to expand ZS Connections to outside companies was in the works before the onset of Covid-19, according to ZS and Traxo. But while the pandemic delayed the rollout, the platform's data aggregation capabilities are even more vital to corporate travel departments as activity resumes, the companies said, citing a recent Global Business Travel Association survey in which two-thirds of travel managers reported an increase in job responsibilities and nearly half said more departments are involved in travel decision-making post-pandemic.

"To manage the increase in responsibilities and increased reporting points within their organizations, travel buyers need a solution that can not only track all of their travel, regardless of how or where it was booked, but also the related expense and meetings data, which often originate in disparate systems with no standardization," said Steve Marley, ZS meetings and events practice area lead, who helped lead development of the platform.

To enable that centralized data access, ZS Connections imports data from multiple sources, including Traxo's booking capture tool, third-party booking tools, expense management systems, corporate cards and travel management company and HR data, with client companies able to customize what feeds they want to include in the tool. Once aggregated, that data can be used to aid in cost analysis and rate negotiations with suppliers, identify leakage pre-trip to drive increased compliance and communicate overall performance to corporate leadership, the companies said. ■

Cvent Sets SPAC Move, Details Public Plan

BY CHRIS DAVIS

Meetings technology firm Cvent last month confirmed it would merge with a special purpose acquisition company with the intention of going public in the fourth quarter of 2021 and released an investor presentation that details the company's financial performance as well as a growth strategy centered on the potential of virtual and hybrid events.

Cvent confirmed that it would merge with SPAC Dragoneer Growth Opportunities Corp. II to create Cvent Holding Corp., as first reported by The Wall Street Journal. Current Cvent owner Vista Equity Partners, which in 2016 purchased Cvent for \$1.65 billion, would roll all its Cvent holdings into the new entity, as would Cvent management. Cvent Holding Corp. then would go public during the fourth quarter, the companies said, contingent on approval by Dragoneer's shareholders and other closing conditions. The boards of directors of both companies have approved the deal, the companies said.

The SPAC also enables investment of other companies at \$10 per share, a figure that values Cvent at \$5.3 billion. Among those investors are Fidelity Management & Research Co., Hedesophia, Oaktree Capital Management and virtual conferencing stalwart Zoom Video Communications.

"We believe that Cvent's event technology is complementary to what we offer as a video communications leader, and our organizations already have a long track record of working together as technology partners and as users of each other's solutions," Zoom CFO Kelly Steckelberg said in a statement. (Zoom CEO Eric Yuan has invested in Cvent competitor Bizly.)

The transaction would provide Cvent with \$801 million in cash, which the company said would enable it "to accelerate product innovation, increase research and development, reduce debt, and expand go-to market activities."

SPACs in recent years have become a popular way to take a company public, as they face fewer regulatory requirements than traditional initial public offerings. Apartment-style accommodation provider Sonder in May announced plans to go public with a SPAC.

Financial Information

Along with the announcement of the Dragoneer merger, Cvent, still privately held, released financial data covering the past few years as part of a presentation to investors. The company for 2019 reported \$572 million in adjusted revenue, up 19 percent year over year. In pandemic-ravaged 2020, the company's adjusted revenue fell about 13 percent year over year to \$499 million. Considering the drastic drop-off in live events after March 2020, that revenue figure is perhaps surprisingly sturdy, to which Cvent CFO Billy Newman in a webinar for investors attributed Cvent's preponderance of multi-year deals with clients that rely on "sum-certain" pricing, instead of commission-based pricing.

Subscription revenue makes up about 79 percent of Cvent's annual revenue, and 58 percent of its client contracts are multi-year deals, according to the company.

Cvent estimates total 2021 adjusted revenue will increase 1.7 percent to \$507 million, then increase far more substantially in the two subsequent years, to \$623 million in 2022 and \$763 million in 2023.

While a return to face-to-face meetings in the second half of 2021, with the lifting of some Covid-19 restrictions, and beyond helps to fuel those projections of revenue growth, the development of Cvent's virtual and hybrid solutions are a key pillar of its strategy to remain the largest provider of meetings technology services.



"Don't forget, the attendees want to engage with these organizations on their terms. So, every organization is going to need to provide all three event delivery modes to stay relevant."

—CVENT'S REGGIE AGGARWAL

Betting on Virtual

Cvent in August 2020 unveiled its virtual event solution, a few months after Covid-19 shut down most in-person events and in time to power its own annual Cvent Connect client conference.

"When Covid hit in March of 2020, companies were suddenly forced to move all their events virtually," Cvent founder and CEO Reggie Aggarwal said during the investor webinar. "Unfortunately, at the time, Cvent didn't have a virtual event solution, so we redeployed the majority of our 1,100-person tech staff and in just five months, we developed the next-generation virtual solution."

Cvent through the virtual platform had 40,000 attendees at the 2020 Cvent Connect, compared with 4,200 at the in-person 2019 event, and Aggarwal called it "an amazing success." Subsequently, the Virtual Attendee Hub became what Cvent called the fastest-growing business line in its history, with \$69 million in bookings between September 2020 and June 2021. When adding other Cvent virtual-meeting technology modules, including registration and exhibitor management, for example, the volume of virtual-related bookings in that timeframe totaled about \$266 million, according to Cvent.

This year's Connect conference is scheduled to take place in Las Vegas this month as a hybrid event.

Still, as of June 30, only 12 percent—about 1,300 organizations—of Cvent's installed-base customers have purchased the virtual module, leading to what Cvent calls significant opportunity given what it considers the solidification of virtual and hybrid events in the meetings management landscape.

"We literally have hundreds of customers that have already more than doubled their spend with us, and we're still in the early stages of adoption," Aggarwal said in the investor webinar of the virtual meetings technology. "Over the next 12 to 18 months, we expect thousands of customers will make this transition, and over the next three to five years, we believe it's going to be virtually all of our customers and prospects, because, don't forget, the attendees want to engage with these organizations on their terms. So, every organization is going to need to provide all three event delivery modes to stay relevant," he added, referring to virtual, hybrid and in-person meetings.

Cvent said it had about 23,000 customers as of May 31. ■



Porter Plans Broader Network with Embraer Purchase

BY MICHAEL B. BAKER

Canada's Porter Airlines plans to build a "continental route network" starting next year with a new aircraft order from Embraer that will at least double its fleet.

The order, valued at US\$5.82 billion under current list prices, includes the firm commitment for 30 Embraer E195-E2 aircraft and the option for up to 50 more. The aircraft, for which Porter is the North American launch customer, can seat up to 146 passengers and has a range that can reach coast-to-coast in Canada and the United States as well as to destinations in Mexico and the Caribbean.

Porter began operations in 2006 and has a fleet of about 29 De Havilland Dash 8-400 turboprops, with which it built a network out of Billy Bishop Toronto City Airport. With the new aircraft, expected to enter the carrier's service starting in the second half of 2022, Porter plans to introduce flights out of Toronto's main airport, Pearson International Airport, and operate flights out of Ottawa, Montreal and Halifax as well, adding "dozens of new North American cities" to its network, according to Porter Airlines president and CEO Michael Deluce.

"We believe that now is the right time to make this investment as the pandemic resets the aviation landscape," he said in a statement. "Adding a diverse selection of popular business and leisure destinations to our network means that we are better positioned to serve the needs of many more passengers."

Porter said it would announce specific routes later. The agreement also includes the rights to convert purchases into smaller Embraer E190-E2 aircraft, with which Porter could add nonstop service between markets with no current direct service or add fre-

Porter plans "dozens of new North American cities" to its network, according to president and CEO Michael Deluce.

quencies on high-demand routes.

The E2 aircraft will not operate out of Billy Bishop Airport, but Porter will continue to operate its turboprop fleet out of the airport as a core part of its business, according to the carrier.

"Our commitment to Billy Bishop Airport is not changing," Porter founder and executive chairman Robert Deluce, Michael's father, said in a statement. "Our corporate headquarters at Billy Bishop is being maintained, and we will continue serving the same network of regional markets from downtown Toronto. We are moving beyond this existing footprint to welcome more travelers across North America."

Porter's services have been suspended since the early days of the Covid-19 pandemic, but the carrier this month announced it will resume service on Sept. 8 to several Canadian destinations and then to Boston, Chicago, New York and Washington, D.C., on Sept. 17. Its parent company, Porter Aviation Holdings, in late June reached an agreement with the Canadian government for up to C\$270.5 million in loans to help re-establish operations, including \$20.5 million dedicated to refunding passengers with canceled flights during the pandemic. ■

State Department Warns on Passport Delivery

BY AMON COHEN



Routine applications for U.S. passports are taking up to 18 weeks from submission to delivery, the State Department last month warned in an update. The 18-week timeframe includes up to 12 weeks for processing and up to six weeks combined for mailing at the beginning and end of the process.

An expedited application service for an additional \$60 is available, but even this can take as long as 12 weeks. In addition, passports can be issued in person within 72 hours for life-or-death emergencies and "some agencies and centers are also offering extremely limited appointments for customers who have extremely urgent international travel in the next 72 hours for reasons other than a life-or-death emergency," according to the update.

Urgent travel processing appointments must be booked by phone as the online booking facility has been disabled temporarily to improve screening of applicants. The State Department said third parties using bots had swamped the online service, making it difficult to determine whether appoint-

ments were legitimate or fraudulent. No criteria about what constitutes a legitimate urgent travel application were shared.

Third parties will be unable to book an urgent travel appointment under the new process.

The State Department said it is working to reduce passport processing times "while protecting the health and safety of our staff and customers." It also blamed "mailing delays" as another reason for the lengthy waits. The department urged applicants to apply for new or renewed passports "at least six months" ahead of travel if possible.

The number of U.S. passports issued in the federal fiscal year that ended Sept. 30, 2020, plummeted to 11.7 million from 20.7 million the prior 12 months. Calendar year 2020 was the first year since records began in 1989 that the number of U.S. passport holders fell, down from 146.8 million to 143.1 million. In 1989 there were only 7.3 million passport holders. ■

Variant Threatens Recovery

should wear masks while indoors in local areas with high transmission rates. That guidance, issued July 27, reverses the CDC's announcement in May that fully vaccinated people no longer needed to mask while indoors.

While some companies and cities subsequently issued new masking directives and recommendations, no hotel company by press time had done so. CDC never dropped a requirement that all airline passengers to wear masks.

The variant also muddied some companies' return-to-office plans, like Google, which pushed back its welcome-back date for employees one month to October. Employees returning live and in person to offices is a milestone viewed by many suppliers as a key benchmark on the path to restarting business travel.

"We are reading a lot about some companies moving office openings back from September to October, so we want to be cautious about that," JetBlue CEO Robin Hayes said late last month in an earnings call. "We've been here before, and we still are concerned a spike in variant cases or other concerns could impact future demand. We've said for over a year now that this could remain a very non-linear path, so we certainly don't want to get ahead of ourselves in setting expectations."

There are some signs that whatever level of business travel recovery has taken place this year has slowed in recent weeks. Air ticket sales by U.S. corporate travel agencies for the week ending Aug. 1 were 55.8 percent lower than the commensurate week in 2019, according to ARC, better than the 58.9 percent the week prior but not as good as the 51.5 percent the week of July 11, right when the variant's spread accelerated. The leisure comeback, too, in recent weeks has stalled, according to ARC data.

Meanwhile, Sabre's second-quarter global distribution system net air bookings increased month over month—declining 65 percent, 62 percent and 49 percent in April, May and June, respectively, compared with the same period in 2019, according to the company. July net air bookings, however, were down 61 percent from July 2019.

Optimism Remains

On the other hand, some suppliers cited data that showed demand strengthening despite the variant's spread. Marriott International's special corporate bookings in June were up 23 percent from May, executives this month said during the company's second-quarter earnings call. Such bookings during the first three-and-a-half weeks of July then increased 27 percent from the commensurate June period, according to Marriott.

"We are optimistic that we have turned a corner," Marriott CEO Anthony Capuano said, adding that the increase in corporate bookings was widespread across industries.

United Airlines CEO Scott Kirby on July 21 said he did not expect the variant to derail the carrier's springtime recovery. United has not yet seen any impact on bookings, and while there could be a "temporary pullback" in reopening, it would be short-lived, he said.

"We think the most likely outcome is that the continued recovery in demand continues largely unabated," Kirby said. "The evidence is overwhelming that someone who's vaccinated is highly protected against severe disease, hospitalization and death."

Customer surveys at the end of June showed that 84 percent of United MileagePlus members were fully vaccinated, he added.

Sabre CEO Sean Menke this month during the company's quarterly results call noted the "fits and starts as it relates to recovery," which he said correlates to Covid-19 case counts and government travel restrictions.

"The promising news is that as case counts and travel restrictions subside, the underlying travel demand trends remain encouraging, and we believe the overall recovery arc remains positive," Menke said.

Menke sees "pent-up demand" for travel. As markets open, demand follows, he said.

"We are reading a lot about some companies moving office openings back from September to October, so we want to be cautious about that."

—JETBLUE'S ROBIN HAYES

"However," he said, "we are also seeing some travel restrictions put in place in Europe and [Asia-Pacific] in response to the delta and other Covid-19 variants. Because of these puts and takes, we think volatility in recovery trends across EMEA and APAC are likely over the next several months."

Menke said: "When we were early on in Covid, there were a lot of question marks relative to recovery. What we are definitely seeing is, as markets open, as people are comfortable meeting from a vaccination perspective, the demand is there. I'm not concerned about demand."

International Disarray

Suppliers also continued to push for international borders to reopen, and some progress has occurred on that front. Canada on Aug. 9 will open its border to U.S. travelers fully vaccinated against Covid-19, with a wider opening to the rest of the world to follow in September. And people who have been fully vaccinated in the European Union or United States now can avoid requirements to quarantine or self-isolate when arriving in England, though arrivals still need to do the usual pre-departure test before arrival and take a PCR test on the second day after arriving in England.

But U.S. officials cited the variant in declining to lift restrictions on international entry from Europe, the U.K. and other locales. "The more transmissible delta variant is spreading both here and around the world," White House press secretary Jen Psaki said last month. "Driven by the delta variant, cases are rising here at home, particularly among those who are unvaccinated, and appear likely to continue in the weeks ahead."

Nevertheless, suppliers said they remained optimistic about future international business travel demand, even if it materialized more slowly than domestic travel. American Airlines president Robert Isom last month during the company's earnings call said while domestic business travel should return to 2019 levels in 2022, international business travel would follow on a slower timeline.

"As we go out and talk to CEOs in insurance, in financials, in consulting and accounting firms, everything tells us business is going to come back to where we'd seen it before," he said. "Maybe it's in different ways, but we feel really confident, starting with domestic in 2022."

—Michael B. Baker and Jay Boehmer contributed to this report.



Sabre Snaps Back At AA's Storefront Suit

Sabre last month denied it breached its contract with American Airlines in its answer to the lawsuit the carrier filed in June in Tarrant County, Texas.

American's suit claimed Sabre's New Airline Storefront display and its value-based distribution arrangement with Delta Air Lines breached its contract with American and biased against the airline in displays by favoring Delta.

American had asked for a restraining order and injunction to block the global distribution system operator's rollout of its New Airline Storefront. Sabre is seeking a dismissal of American's suit with prejudice, "a final take-nothing judgment" in its favor, an award of attorney's fees and judgment affirming its New Airline Storefront does not violate their agreement or "disadvantage AA on the basis of AA's identity."

Sabre cast its New Airline Storefront as a new "innovation" that represents a "constructive step forward" in enabling travel agents and consumers to compare a "staggering array of options" put forth by airlines, based on "objective" criteria.

"It is apparent from the face of AA's petition that it filed this lawsuit as a knee-jerk reaction to press releases about innovation that AA could not control," according to Sabre's filing. "With a palpable fear of falling further behind, AA has resorted to litigation rather than innovation."

Sabre said its new storefront display delivers on "a priority for most airlines and travel agents due to the growing complexity of fares," by allowing agents "to clearly and efficiently comparison shop for their travelers across the different products based on objective criteria drawn from information provided by the airlines themselves."

Sabre's filing called it "unfortunate that the increased transparency makes AA defensive, but it has no contractual leg to stand on. Sabre will expose how AA's petition misleads the court with cherry-picked screenshots and false allegations, but even if AA's allegations were accepted true, they would have no relevance under the actual terms of the parties' agreement."

Factoring into American's complaint, Delta and Sabre in May announced a new multiyear "value-based" distribution agreement that envisioned greater compensation for agencies that drive higher-value sales

Sabre cast its New Airline Storefront as a new "innovation" that represents a "constructive step forward" in enabling travel agents and consumers to compare a "staggering array of options" put forth by airlines.

The Beat

through Sabre, while at the same time promoting how Delta wished to be displayed in third-party channels.

Sabre stated it has offered American "a similar value-based fee agreement" adding, "it is unclear why AA now complains that the deal that is also available to it somehow results in a biased system in favor of Delta."

Sabre intends to enter into "other value-based fee contracts with airlines besides the one it has with Delta, and also value-based contracts with travel agents," according to its filing.

"Under the terms of Sabre's contract with Delta, the fees Sabre receives are aligned with the value the booking brings to Delta," Sabre noted. "Sabre also will generally align the incentives it pays travel agents for Delta bookings to the value the bookings bring to Delta."

In its initial petition before the court, American noted that Sabre in July was set to make its New Airline Storefront its default display in its agent desktop, and as such the carrier would be irreparably harmed from the alleged bias.

While Sabre had positioned the New Airline Storefront as its default display for users of its Sabre Red 360 agent desktop, Sabre's counterclaim framed the New Airline Storefront as an "optional resource" for travel agencies "that can be accessed upon request by travel agents." Sabre noted this display is "used by less than 10 percent of Sabre Red 360 users."

"Rather than simply displaying the cheapest fare as is still done on the Sabre Red 360 default interface, a travel agent can initiate access to New Airline Storefront, which displays not only the cheapest fare, but multiple other fares across one airline," according to Sabre. "Notably, New Airline Storefront shows more of AA's flight options, not fewer."

Further, Sabre noted that the information sourced for its New Airline Storefront display comes from ATPCO, a nonprofit owned by airlines including American, and through which "a travel agent also has access to a full catalog of fares filed by AA."

Sabre's filing noted: "This is not the first time Sabre has offered a technology that uses objective criteria to compare tickets. Sabre Red 360 already did that. The difference between the original Sabre Red 360 search interface and the optional New Airline Storefront is that the latter searches and displays more information for comparison. In other words, where the original interface sorted ticket offers based only on lowest price, now the New Airline Storefront compares attributes besides price. It returns the search results in the same order, but adds more 'shelves' with additional information. Thus the same AA product (basic economy) is displayed as before, but more products are displayed beside it. This is more transparent. It is good for everyone." ■

Southwest Goes Live in Sabre

BY MICHAEL B. BAKER

Southwest Airlines content has gone live in the Sabre global distribution system, giving corporate travelers and travel management companies easier access to the carrier's content as it prepares for growing business travel demand

in the coming months.

The start last month came a few weeks shy of two years after Southwest first announced its new distribution strategy of providing content and full booking capabilities in Travelport

and Amadeus, each of which went live last year. Sabre was not part of that announcement and instead was a "cold start" at the beginning of this year, after Sabre and Southwest reached a deal just as their longstanding "basic booking request" model was set to expire, Southwest Business VP David Harvey said.

That model had been part of "a long-standing relationship since the mid-'90s, but you had to jump through extra hoops, and it was hard to service," he said. "Now, if they're wanting to do business with Southwest, the negative biases are gone, and it's easier to transact with Southwest." ■



J.D. Power Hotel Survey: Guests Want Breakfast

One major change at many hotel brands since the pandemic started has been the removal or downsizing of breakfast. This change has not gone over well with much of the traveling public, who reported their dissatisfaction with the reduced variety and quality of breakfast, if it was offered at all, in the 2021 J.D. Power North America Hotel Guest Satisfaction Index Study, released last month.

“It is clear that guests expect breakfast service to resume, especially in limited-service hotels that usually provide complimentary hot breakfast,” said J.D. Power hospitality practice lead Andrea Stokes in a statement. During the course of the study dates—May 2020 to June 2021—36 percent of hotels eliminated buffet-style serving, according to J.D. Power, and breakfast satisfaction dropped in all hotel segments, except for economy, where it wasn’t always on offer even pre-pandemic.

Other features that travelers surveyed by J.D. Power want include smart TVs, which increased by 9 percentage points from 2020; a balcony and views, up 6 percentage points; and healthy living and wellness amenities, up 5 percentage points.

“We’ve been measuring these amenities for several years now, and that is how we are able to see that jump,” Stokes told BTN. “I definitely agree it was most likely due to the pandemic. Smart TVs have really moved into the ‘need to have’ category, simply because we all subscribe to more and more entertainment services at home, and it’s clear that travelers want to access these services while away. With balconies, we were all cooped up during the pandemic, and when people started booking hotels again, they wanted a different view or to spend time outside, so that is a real revenue opportunity for hotels that do have balconies to upsell.”

“It is clear that guests expect breakfast service to resume, especially in limited-service hotels that usually provide complimentary hot breakfast.”

—J.D. POWER’S
ANDREA STOKES

Overall hotel guest satisfaction across the study was 830 on a 1,000-point scale, which was unchanged from last year and 10 points higher than in 2019. The strong performance was driven in large part by the overall hotel staff experience, which increased slightly in 2021, according to the company. Flexible cancellation policies also kept hotel guests satisfied, though those policies have since become more restricted. Last year, cleanliness topped the list of satisfaction drivers, and it remained a key factor, Stokes said.

Brand Rankings

The survey ranks hotel brands based on a 1,000-point scale in the six major segments: luxury, upper upscale, upscale, upper midscale, midscale and economy. Drury Hotels led the upper midscale segment for the 16th consecutive year. The mid-scale Tru by Hilton and the economy SureStay by Best Western both repeated their top ranking for a second year in a row. Both the latter brands were newcomers in the rankings last year.

Other top-ranked brands include The Ritz-Carlton for luxury, Hard Rock Hotels for upper upscale, and AC Hotels for upscale—all of which moved up from second in their respective segments in 2020. This year also marked the first time AC Hotels had won its category, Stokes said.

New to the survey this year was the inclusion of health and safety protocols as a reason for choosing a particular property. “Price always comes up at the top of the list, or location ... but it seems like there was some tradeoff of location for the health and safety protocols,” Stokes said. “Obviously it was top of mind for many people if they were traveling during the pandemic.”

Last year, business travelers comprised about 25 percent of survey respondents, but, not unsurprisingly, made up a far smaller share this year, Stokes said. The 2021 J.D. Power North America Hotel Guest Satisfaction Index Study was based on responses from 32,963 hotel guests for stays between May 2020 and June 2021. It posed about 150 questions and benchmarked the performance of 104 brands. ■

Marriott Launches Enhanced Human Trafficking Awareness Training

Marriott International launched an expanded version of its human trafficking awareness training on July 30, the United Nations’ World Day Against Trafficking in Persons, the company announced. Marriott’s goal is to have all on-property staff by 2025 trained to recognize and respond to possible indicators of human trafficking at hotels.

Marriott was among the first lodging companies to address the challenge of human trafficking in hotels when it launched its initial awareness training program in 2016 and made it mandatory for on-property staff in both managed and franchised hotels globally

in January 2017. To date, more than 850,000 Marriott employees have completed the training, according to the company.

As with its initial program, Marriott plans to work with ECPAT-USA, a nonprofit specializing in combatting human trafficking, and the American Hotel and Lodging Association Foundation to make the training available in early 2022 to the hospitality industry.

“Half a million hotel associates [from other companies] have already completed the existing e-learning program since we made it available in 2020, and the new information and innovative features of this updated train-

ing will facilitate an even greater impact,” said ECPAT-USA CEO Lori Cohen in a statement.

Contactless and mobile hotel experiences, accelerated by Covid-19, can make spotting potential indicators of trafficking more difficult, according to Marriott. The company worked with Polaris, which operates the National Human Trafficking Hotline in the United States, to develop storyboards and select scenarios based on calls to the hotline. In addition, the new training was developed in collaboration with survivor consultants and ECPAT-USA’s Survivors’ Council “to incorporate meaningful input from survivors throughout the training development.”

Many hospitality companies have pledged to fight human trafficking. In a 2019 BTN poll, 40 percent of travel manager respondents indicated they had received training in how to spot the signs of human trafficking. Further, in July 2019, ECPAT-USA launched a training module geared toward training travel and event professionals in how to spot and respond to potential trafficking situations. ■



CONTINUED FROM FRONT PAGE

New Hotel Measures Await

choices are really narrow,” Miller added. “You have to do a little more research. Before, if staying at a four-star hotel in a metro area, you had the opportunity to select food venues right on property. Those choices are very limited right now.”

Further, a lot of three-star properties “shut off food services a long time ago and didn’t turn them back on,” Miller added, noting the elimination of some happy hours, hors d’oeuvres and breakfast buffets, replaced by grab-and-go bags and market-places. “But I think that is OK. You buy what you want. We got used to that during Covid.”

Still, according to preliminary results from a survey of 5,000 global travelers conducted July 6-15 by BCD Travel, 51 percent of respondents said they have experienced limited services at hotels while traveling for business, according to BCD Travel SVP and Advito managing director April Bridgeman. “That is a pretty high percentage that are noticing and labeling that lack of service as an issue,” she said.

Some amenities travelers noted as limited were services closed in the name of Covid, like fitness centers and pools or public spaces like the lobby, bar and coffee shop made unavailable for congregation. People used to meet up there for a cocktail or a quick morning meeting, but “all those things now have to happen elsewhere,” Bridgeman said. “It’s getting better because things are opening up, but in a lot of places, they still aren’t.”

She also echoed Miller’s comment about food-and-beverage services definitely being a challenge. In fact, the 2021 J.D. Power North America Hotel Guest Satisfaction Index Study, released last month, found that the biggest complaint travelers had was around breakfast—either the diminished options for it, or the lack of it at hotels where it used to be available.

Traveler sentiment company TrustYou has seen the same thing on a global level. “Definitely F&B is something that has been on a lower end, and it hasn’t quite recovered,” said TrustYou VP of marketing Valerie Castillo. “We see that mostly in the European region, where people are used to having the complimentary breakfast buffet.”

Bridgeman noted hotels need to be particularly “thoughtful about the long-term impact” with room service. “Once travelers realize how easy it is to get an on-demand food service delivered to a hotel, and it’s materially cheaper than most room service options, hoteliers will not get a percentage of those travelers to use those services when the services come back,” she said.

Mitigating Dissatisfaction

Some travel managers have increased their communications to travelers about current service levels before they get on the road to try to head off any negative sentiment.

“Before they go, we give them information, including everything around the [U.S. Centers for

Disease Control and Prevention] and Anthem policies and procedures, as well as what to expect and what will be different out there,” Heston said, adding that she is working with Anthem security and HR as well the company’s environmental, social and governance team to help with communications. “The awareness is key. Where they get upset and feel like the service is lower is when they walk in without the knowledge of why.”

For example, to mitigate any negative reaction to the changes regarding daily housekeeping at some properties, Heston’s ESG team helped to craft a message that some of the differences that travelers are experiencing are good from an environmental standpoint, “and here is why,” she said. “We’re looking at this as a way to change habits. When we message it from that perspective, we are getting a much different response from travelers.”

Another travel manager from a technology company gave a similar example, about putting a positive sustainability spin on the change in housekeeping. The travel manager also cited pre-trip traveler communications via the third-party tool Tripism as well as Covid-related information and hotel policies regarding cleaning protocols.

“It’s so they can be aware; we’re preparing them for being on the road,” the travel manager said. “We just changed our travel policy from executive level approval to putting in a pre-trip automated approval process, and travel has just started to pick up. We haven’t had any complaints.”

Many companies are in the early stages of pre-trip communications, especially as “a lot of them are still not in offices and not traveling,” Miller said. “Human resources departments are being very careful. Companies are not letting travel departments communicate widely about what it is like out there because they haven’t yet told people when it’s OK to be out there. Twenty percent are starting to talk about life on the road; 80 percent are not. But all are totally having online booking tool messaging, and travel management companies talk to those people out on the road. People are conservative regarding broad education or communication about travel. It’s more on-demand, trip-level communication and education. They don’t want to influence demand.”

Negotiation Changes?

Dwindling service levels also could affect future corporate hotel rate negotiations, as buyers may turn their attention to other aspects of the deal in lieu of those amenities.

“We aren’t doing that yet, but we are seriously looking at it in the future,” said the technology company travel manager. “Pre-Covid, if full-service, you could probably get breakfast included. Now everything has changed. Wi-Fi should be included wherever you go, that’s a no-brainer. But would it benefit us to not negotiate those nonstandard amenities? Not many people even take advantage of the amenities. Sometimes, they’re buried in the online booking tool and you might not know [what] is included.”

Bridgeman and Miller didn’t think the change in hotel services would impact corporate rate negotiations on amenities, not least because current

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—BCD TRAVEL’S
APRIL BRIDGEMAN

hotel amenities and services are changing, practically on a daily basis, as hotels begin to ramp up operations amid a challenging labor situation.

Still, amenity availability could become an issue, especially come fall, when many suppliers anticipate that people will begin to return to offices and business travel will more meaningfully recover. TrustYou's Castillo said she believes guests then likely will start commenting on the staff shortages. "Right now, service levels are at a steady pace, but I wouldn't be surprised after the summer months, if hotels aren't properly staffed, they will get dinged a bit," she said. "It takes a couple of months for the data to catch up with what is strongly trending."

Could Rates Creep?

Some buyers now are seeing rates beginning to increase. In BCD's preliminary survey results, 21 percent of travelers reported higher hotel prices, Bridgeman said. "Limited-service is the biggest issue," she added. "People are seeing prices crawl up in certain markets. We are seeing it in our own data. We shop across multiple booking channels to understand what is happening with prices. We definitely are seeing things creep up quite dramatically. It's leading with leisure, but it's starting to impact business travel."

Bridgeman added that if prices continue to go up without corresponding high demand for business-travel-oriented properties, "we will start to see that value equation really be challenged," she said. "We have several clients that expect to be treated like partners, [and] right now, a majority are willing to make changes to their program when they either perceive or actually are not being treated fairly by the supplier community."

Miller agreed, citing a recent Tripbarn report that projected some rates would reach 2019 levels by year-end. "It's very inconsistent, again between hotels on the roadway and those in city centers," she said. "But generally, we are seeing rates start to rise."

Some buyers are taking that in stride. "At the end of the day, people are expecting prices to be higher all around," said the technology company travel manager. "You're going to see rates increase because there is wage pressure and labor shortages, and goods and services shortages around the world in different categories. People will chalk it up to, if milk has gone up, hotel rates will go up. Breakfast and Wi-Fi will be buried in the rates, and they're a small piece of the hotel rate pie."

For now, some buyers and consultants said securing flights and car rentals that aren't canceled pre-trip has proven more of a challenge than rising hotel rates or reduced amenities, particularly given the choices in the category. But that could change as business travel continues its recovery.

"The biggest factor when it comes to business travelers, who haven't been back at hotels in quite some time, is that the reviews a business traveler left in 2019 won't be as relevant today," TrustYou's Castillo said. "A hotel should put emphasis on the recent reviews, so business travelers can look for hotels that are putting their best foot forward and [the traveler] can assess the hotel in a proper way, in terms of what amenities they have now versus what they had previously." ■



"Our remit is really to build the corporate sales function at Sonder. ... Right now, we are laser-focused on growing corporate travel."

—SONDER'S KRISTEN RICHTER

Sonder Targets Corp. Travel with GDS, TMC Deals

Apartment-style accommodation provider Sonder now offers its inventory on the three major global distribution systems via a third-party provider and has partnered with multiple travel management companies and consortia in order to expand its corporate travel business, the company announced.

Sonder's TMC partners include Egencia and TripActions and the company is in discussions to add more, said Sonder VP of sales Kristen Richter, who told BTN she was hired in September from Radisson Hotel Group Americas to build up Sonder's sales team and bring corporate travel sales experience.

Sonder has a 26-member sales team, Richter said, and "we definitely understand the complexities of the GDS channels. ... Right now we are in growth mode. Our remit is really to build the corporate sales function at Sonder. We are dividing and conquering between corporate transient, group and corporate housing. All these segments we are working and looking to grow have a corporate flavor to them, and right now we are laser-focused on growing corporate travel."

Richter added that there wasn't any "sudden realization" on Sonder's end to grow the corporate segment, which currently accounts for about 20 percent of its business, "but obviously corporate travel is a big opportunity."

"Especially coming out of Covid, our model and our product make sense for corporate travel," Richter said. "Our top priorities are cleanliness, location and affordability. Our product type has greater spaces to spread out and work remotely, fully equipped kitchens and a washer-dryer."

Like others in the short-term rental space, Sonder relies on technology to offer guests a contactless experience through its mobile app, which guests can use to book, request early check-in or late check-out, and reach the company's 24/7 concierge service, among other services.

The GDS connections officially went live in March, and Richter has been "thrilled" with the corporate business and bookings the company has received. "We are seeing momentum," she said, and the timing coincides with the upcoming annual requests-for-proposals season. "We are already networking with partners to get into [corporate] programs and to respond [to RFPs] as they come in."

While some short-term rental companies struggled during the pandemic and even left the market, such as Stay Alfred, Domio and Lyric, Sonder in May announced plans to go public via special purpose acquisition company Gores Metropoulos II with a valuation of \$2.2 billion. Its average occupancy rate is about 70 percent, which was attained and maintained during the pandemic, according to Richter. The company currently operates more than 350 properties in about 35 markets in the United States, Canada, Europe, Mexico City and Dubai, and has plans to open in 2021 in Charleston, S.C., Amsterdam, Glasgow and Paris, according to a July 2021 investor presentation. ■



New Airport Experiences Could Test Corp. Travelers

BY DAWIT HABTEMARIAM

It's been more than a year since many business travelers have passed through an airport, and enough has changed to surprise even the most experienced business traveler.

"Before Covid, as a business traveler, they knew what to expect and they were confident they can make it through [the airport] in a certain amount of time," said PPD global travel associate Jennifer Steinke. "I don't think that experience is the same anymore."

As borders open, air travel demand is accelerating. More than 2 million people streamed through U.S. airport security checkpoints on June 11, the first time that daily benchmark was reached since early March 2020, according to the U.S. Transportation Security Administration. "The airport is not dead anymore," Steinke said. "They are packed."

"If you are coming back for the first time now, I think many are going to be shocked. It's going to look like summer 2019," said Jeff Livney, chief experience officer of Servy, a technology provider for airport restaurants and concessionaires.

At some airports, travelers will find themselves spending more time in passenger processing. The average time spent to get to on a flight has increased substantially, especially for international travel, according to the International Air Travel Association. Time spent at the airport on the passenger journey, which includes check-in, security, border control, customs and baggage claim, has increased from 90 minutes on average pre-Covid to as much as three hours during peak times, according to a study IATA released in May. Most of that increase in time was due to lengthier check-in and border control processes, according to IATA.

International entry requirements, including providing proof of negative Covid-19 tests, are a key driver of inbound travel delays. On a trip to Japan, a group of Takeda Pharmaceutical Co. travelers spent six hours to clear customs after arriving in Tokyo, said global head of travel, meetings and events Michelle De Costa. Her travelers had to use a variety of apps and provide paperwork documenting their PCR tests.

"For international travel, it's really a hands-on event because even if you are able to get there, there are different apps you are required to download, and going through customs is a longer experience," De Costa said. "If you don't have Global Entry or [you're not] a premium passenger you really, in the major airports, need to give yourself a lot of time to clear security."

To speed up passenger processing, some airlines have introduced a self-testing option for travelers to lower the time they spent on the journey. On June 24, Delta, for example, introduced at-home Covid-19 testing for international travelers through its website.

Additionally, airport screening staff remain well below pre-crisis levels, especially in the United States. In June, the acting head of the TSA issued a memo warning of shortages at 131 of the U.S.'s largest airports, according to The Washington Post.



"If you don't have Global Entry or [you're not] a premium passenger you really, in the major airports, need to give yourself a lot of time to clear security."

—TAKEDA'S MICHELLE DE COSTA



The New Airport Experience

Once past screening, travelers will return to a cleaner airport. "In terms of cleanliness, I don't think we've ever had a time where the airports, the lounges and everything is really clean," said De Costa. "It's as clean as it can possibly be and safe for everyone." Masks remain federally mandated at U.S. airports.

"There's been a lot of elements added to terminal passenger's journey," said Stewart Steeves, CEO of LaGuardia Gateway Partners, manager and developer of LaGuardia Airport's Terminal B. "Everything from several hundred hand sanitizers and hand wipe sanitizers throughout the facility to glass guard to every gate counter, customer service counter, TSA inspection booth. Enhancing cleaning of the facility, enhanced airflow. Everything people expect has been added."

Other passenger experiences will vary. "As you move through the airport, you won't necessarily have the most consistent experience," said Steinke. Airport stakeholders—including screening authorities, vendors, lounge operators, terminal operators and concessionaires—are providing different levels of service.

Some airlines are reopening lounges. United, for example, has been reopening its airport hub lounges in monthly phases and hopes to have all domestic lounges open by the end of the year, according to United managing director of lounges and premium services Alexander Dorow. Social distancing measures remain and occupancy levels still are restricted, he said.

Lounge food and beverage services, often grab-and-go when lounges first reopened, have advanced. "More food and beverages are open, and the experience is by far better as they have become more comfortable opening up," Steinke said. De Costa noted the variety of available food options is limited compared with before the pandemic, and warm food is less available.

"You are going to still see some of the prepackaged items we've had before but you are going to have a more robust offering than what was previously available," said Dorow. He said United is following the guidelines of the U.S. Centers for Disease Control and Prevention.

Restaurants and concessionaires are relying on more self-service technologies due to labor shortage and longer lines caused by increased demand. "Where you can utilize less staff is by having the guest order themselves. We've seen that as a big push, which is sort of forced adoption," said Livney.

Unequal Footing

In some cases, travelers will visit newly renovated terminals providing touchless experiences. La Guardia's Terminal B, for example, continued its renovation through the pandemic. "Somebody can travel through the whole airport experience, through check-in to purchasing food and beverages, without touching anything, including using the bathrooms," Steeves said of Terminal B. Salt Lake City and Pittsburgh are two other airports where major expansion and innovation plans continued through the pandemic.

To keep basic operations running, other airports, however, have had to cancel or suspend their construction projects, due to massive revenue losses during the pandemic. Raleigh-Durham International Airport, for example, deferred \$96 million in construction projects.

Planning Ahead

To persevere through potential friction-heavy experi-

ences, business travelers need to plan ahead. “The most important element is for travelers to plan and prepare their travel, as travel still remains somewhat complex,” said Airports Council International VP of safety and operations Thomas Romig. He recommended business travelers scan airport webpages, which often include expected wait time and health protocols, to understand what to expect as they prepare for their trips.

Airlines may alert travelers to remind them to check what they need to do when they arrive at their destination. “Some airlines are really proactively letting people know, ‘Hey, there might be some Covid-related restrictions or things you have to do at the destination you’re going to,’” Steinke said.

Some corporates provide airport prep advice as part of their traveler education “We’re doing a return-to-travel webcast with the details you need,” said De Costa. “We are telling people to have a refillable water bottle with you, healthy snacks, things that sustain you should the journey take longer than you expect.”

Travel managers could get some help from technologies like Lumo, which predicts TSA wait times at major airports—offering travelers a measure of foresight—but not all programs will be able to make that technology investment. Plus, advance information doesn’t actually change the situation on the ground.

To reduce wait times, business travelers also could use fast-track services. “The things like TSA Pre-Check, Clear and lounge access are more important than ever,” Steinke said. “If you don’t have that as a business traveler, then you are stuck in [long lines].”



“The things like TSA PreCheck, Clear and lounge access are more important than ever. If you don’t have that as a business traveler, then you are stuck in [long lines].”

—PPD’S JENNIFER STEINKE

Is This Sustainable?

As vaccinations spread and optimism increases that the pandemic is on the wane, how long Covid-related safety measures and protocols will remain in place for now is an open question, at airports and elsewhere.

“I wonder how long [the protocols] are sustainable,” said Steinke. “It would seem like it was easier for them to implement the protocols because there wasn’t a lot of people.”

Some measures like social distancing are already being less followed and/or enforced, according to De Costa and Steinke. “I think the social distancing is beginning to taper off,” said De Costa.

What could follow is a greater divergence in the passenger experience between individual airports due to tight budget constraints. Passenger traffic and revenue is not expected to fully return to pre-pandemic levels until 2023, according to Airports Council International North America. Airports in the region are estimated to lose at least \$40 billion through March 2022.

Stakeholders of smaller airports might hold off service improvements in the near future due to the financial situation. On June 22, the Federal Aviation Administration announced it will provide \$8 billion in economic relief to domestic airports. The funding will help airports keep staff and reimburse operational expense, debt service payments, costs related to Covid-19 protocol implementation and rent relief to retail and concession vendors. Raleigh-Durham, Seattle-Tacoma International and Portland International are airports approved to receive funding. ■

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Assessing the Supplier Landscape Beyond Covid

BY MIKE HECK

Airlines, car companies and hotels are increasing their flexibility regarding customer contracts coming out of Covid. It remains to be seen when corporate spending will return to pre-Covid levels, but experts are predicting a small surge in business travel after Labor Day and a much larger surge in early 2022. Suppliers themselves are dealing with smaller sales teams and reduced levels of support from their corporate headquarters.

Airlines

There is significant volatility in the airline space. A look at United Airlines provides great insight into what the industry has dealt with due to Covid. Pre-Covid, United Airlines operated to 295 international markets with 417 daily frequencies. At the height of the pandemic in April 2020, United operated to just 10 markets with 11 daily frequencies, according to the carrier. Their schedule for August 2021 shows service to 199 markets and 261 frequencies. Back, but not all the way back.

Overall industry demand is also improving. Domestic demand is back to 83 percent of pre-Covid levels, and the demand for international travel is at 48 percent, according to the International Air Transport Association. On an international level, demand in Latin America leads the way at 90 percent, transatlantic demand is at 54 percent, and transpacific demand lags at just 17 percent.

One must also watch what seems to be daily changes in a traveler's ability to fly internationally. Canada just announced that fully vaccinated travelers from the U.S. can start arriving in mid-August, and fully vaccinated travelers from other countries will be welcomed by early September.

Airlines, in an attempt to protect market share, will continue to focus on their most frequent business travelers, those holding elite status. Delta Air Lines announced that all current elite levels will be rolled over and protected through January 2023. Watch for other airlines to follow suit.

Looking ahead, it will be extremely challenging for corporate customers to estimate how much spend they will return with. Because of this, airlines are focusing a great deal of effort on midmarket sales agreements. These agreements generally require a minimum of \$250,000



Mike Heck is VP of supplier solutions for Fox World Travel.

“It will be extremely challenging for corporate customers to estimate how much spend they will return with. Because of this, airlines are focusing a great deal of effort on midmarket sales agreements.”

in spend and do not require negotiations on discounts or goals. (Both are set based on current share gaps with the specific carrier.) Customer discounts are based on a customer's current share gap, possibly even using pre-Covid numbers for greater accuracy.

For corporate customers with larger amounts of spend, it is critical during this period to rely on your travel management company. Fox World Travel is seeing some very aggressive proposals as airlines rebuild their networks and fight for market share. Each major carrier will have a modified network moving forward, positioning aircraft in routes that can quickly respond to consumer demand. It is important to communicate with your supplier regularly, sharing as much information as possible as your own companies return to travel, as well as your specific market needs.

Car Rental Cos.

The car rental space has its own unique challenges. Not only are corporate customers not sure when more robust business travel will return, but the car industry is also dealing with a microchip shortage. New cars each have anywhere from five to eight or even more microchips controlling various systems. Without these chips, car production slows, impacting new car production as well as the rental market. A customer may see shortages with their preferred provider in random markets, and the potential for increased daily rental rates is legitimate. It is critical for corporate travelers to book a car rental as soon as they know of their travel plans. It's also suggested to not game the system and rent a car for more days than you need and return the car early.

Hotels

Hotels are also struggling. A significant number of employees were laid off or furloughed during Covid. Hotel chains are struggling to get these employees back, as many employees simply left the industry. This employee shortage has a direct impact on corporate customers. We are coming up on the calendar period when corporate customers start to engage with their hotel partners over 2022 pricing. Marriott recently announced a plan to roll over pricing for as many customers as possible. However, with hotels also fighting for corporate customer market share, strategize with your TMC over what the best strategy for your business might be.

The common theme as we climb out of Covid? Things will be very volatile for several months, if not longer. It also remains to be seen the impact on travel from the delta variant. Stay connected to your TMC and gather all the information you need to properly guide you in making decisions that impact your travelers. ■

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