



PREPARING FOR TAKE-OFF

GETTING BACK TO BUSINESS

THE FUTURE OF TMCs

Coronavirus crisis sparks rethink of pricing and service models

SMALL WORLD

SMEs' size and agility stands them in good stead as business travel resumes

WHEELS IN MOTION

Ground transport providers poised to underpin recovery of domestic travel

Confidence is vital to get the world moving again

Travel Vitals™ brings
together the latest
information your travellers
need for every step of the
journey – **all in one place.**

**DON'T BOOK A
TRIP WITHOUT IT**



Find out more at travelvitals.amexgbt.com
#WithTravel

AMERICAN
EXPRESS

GLOBAL
BUSINESS
TRAVEL

DON'T *do business* **WITHOUT IT™**

American Express Global Business Travel (GBT) is a joint venture that is not wholly owned by American Express Company or any of its subsidiaries (American Express).
"American Express Global Business Travel," "American Express," and the American Express logo are trademarks of American Express and are used under limited license.

Slowly does it

Business travel volumes might not return to pre-Covid levels for years, if at all, but the green shoots of recovery are at least beginning to show



BY ANDY HOSKINS
EDITOR-IN-CHIEF, BTN EUROPE

Optimism around the return of business travel isn't exactly rife, but it is at least moving in the right direction. There is a sense here in Europe that the managed travel industry has passed its nadir and is now on the slow path to recovery – providing Covid-19 flare-ups remain relatively scarce and well contained.

Business travel volumes have bottomed out and are beginning to creep up again, although just how quickly and how far remains to be seen. The energy, offshore and mining sectors have held up better than most throughout the pandemic, but now bookings in the construction sector are coming back and financial services organisations are on the move too, according to both the Focus Travel Partnership and FCM, with the latter also highlighting training and education as ramping up business travel activity.

Meanwhile, some airlines will be nearing 40 or even 50 per cent capacity by the end of their summer schedules – although no one's claiming aircraft will all be full.

While a number of surveys and polls point to growing appetite for business travel, many corporates continue to grapple with the policy changes and procedures that will instill the confidence needed to have

employees dusting down their suitcases.

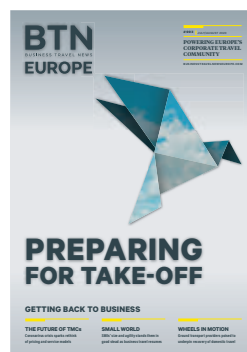
Standing in their way is a mire of information regarding border reopenings, travel advice and quarantine measures. Buyers and their organisations must also be satisfied with new supplier hygiene and cleaning protocols before giving

“

TMCs are doing their best to aggregate information into all-encompassing hubs

the green light for business travel.

TMCs are stepping up and doing their best to aggregate this information into all-encompassing hubs also featuring details on Covid-19 infection rates and flare-ups. It is just one manifestation of the way in which TMCs will deliver increasingly more non-transactional support in the future. Their changing models and the effect this has on how they bill customers is explored on



pages 16-19. Elsewhere in this issue, we ask four industry sages how they expect business travel to develop over the remainder of 2020 (p6) and we examine the travel

management needs of the vast and diverse SME sector (p22-26). In addition, we take a look at private aviation's new selling points (p28-30), get to grips with airline refunds and vouchers (p32-35), and consider ground transport's role in underpinning the return of domestic business travel (p36-41).

It was with great sadness that we learned David Radcliffe, the former CEO of HRG and non-executive director at American Express Global Business Travel, passed away in early July at the age of 67. Radcliffe had a prestigious career in travel and was inducted in to the BTN Group's Hall of Fame in 2017 and the British Travel & Hospitality Hall of Fame in 2014. He worked at Hogg Robinson from 1978 and was CEO of the group when it was acquired by Amex GBT in 2018. Radcliffe was known and admired by many within the BTN Group and he will be greatly missed by his very many industry colleagues and friends.

As ever, we welcome your feedback. Please email ahoskins@thebtngroup.com

CONTENTS

Want the news delivered to your inbox?
Sign-up to regular *BTN Europe* e-newsletters
businessstravelnewseurope.com/newsletter



p16

Regulars

IN FOCUS

4SIGHT	6
Loud & Clear	12

INFORM

Transport news	8
Accommodation news	10
Technology news	11

INTEL

Databank	14
----------------	----

OPINION

According to Amon	21
by Amon Cohen	
Brussels Bulletin	45
by Jennifer Baker	

Features

16-19 TMC models: The numbers don't add up

TMCs provided critical support to clients throughout the coronavirus crisis at the same time as revenues plummeted. Molly Dyson examines why new business models and pricing structures could be on the cards

22-26 The SME sector: Small world

SMEs are no less confident about a return to business travel than larger organisations, writes Amon Cohen, who discovers the travel management needs of this diverse sector

28-30 Private aviation: Every cloud...

The private jet industry is confident of winning new business as corporates seek alternative ways of getting back on the road. Andy Hoskins reports

32-35 Airline refunds: Return to sender

Securing airline refunds or vouchers and managing them moving forwards has proved a challenge for corporates and TMCs alike. Andy Hoskins charts how it all unfolded

36-41 Ground transport: Wheels in motion

Car hire, chauffeur drive and ride-sharing operators have all been hit hard by the coronavirus pandemic, but each has an important role to play as the recovery gets underway, writes Dawit Habtemariam

42-44 NDC: Back in the frame

The coronavirus crisis has slowed rather than halted the progress of NDC, but its importance may only grow in the post-pandemic world, says Rob Gill



p28

Editorial Director Elizabeth West
Editor-In-Chief Andy Hoskins
Digital Editor Molly Dyson
Contributors Donna Airoldi,
Jennifer Baker, Michael Baker,
Amon Cohen, Rob Gill, Dawit
Habtemariam and Adam Perrotta

Art Director James Jarrot
Designers Claire Gates, Steve Ward

Publisher Chris Mihalop
Group Publisher Louis Magliaro
Managing Director UK David Chapple

Head of Events Emma Gordon
Marketing Director Rochelle Jayawardena
Advertising Production Amanda Ludman

Website businessstravelnewseurope.com
Front cover image: Getty

BTN Europe is published by
Northstar Travel Group, Spaces,
The Epworth, 25 City Road,
Shoreditch, London EC1Y 1AA



NORTHSTAR
TRAVEL GROUP

Copyright © 2020 Northstar Travel
Group and/or its subsidiaries
and licensors. Corporate offices:
100 Lighting Way Secaucus, NJ, US.
All rights reserved.

The magazine is entirely independent
of all commercial interests within the
travel industry. Unsolicited manuscripts
will not be accepted for publication. The
opinions expressed by contributors are
not necessarily those of the publishers
who cannot accept responsibility
for any errors or omissions.



~~\$85 million of travel savings in 2019~~ One year of funding for 1,800 university researchers*

At times of crisis, it's good to have
a travel management company
that cares.



On a mission to reduce travel cost and
complexity for humanitarian, academic
and faith-based organisations.

www.keytravel.com

*Figure calculated using information from topuniversities.com; website accessed December 2019

4 SIGHT

TRAVEL CONSORTIUM

Sonia Michaels Head of business travel services, Advantage Travel Partnership



Among our members there is mixed opinion around when and where volumes will return to the various markets and this will be beset with challenges.

The sectors that members have seen come back already – or have continued servicing for essential travel – are oil and gas and key workers. The pharma sector is likely to come back sooner too.

Some are predicting that we will see a slow return from

September; others are less optimistic, forecasting January 2021 as their marker for an expected return, albeit on a much smaller scale for the year.

But overall, there is a sense of optimism for the future of business travel among members, who are now planning for recovery and adapting their own business models. There is a sense this crisis has truly allowed the value of the TMC to be realised.

ANALYTICS SPECIALIST

Keesup Choe
Chief executive, PredictX



The business travel market will continue to be volatile and unpredictable, at least until offices reopen, and we can see whether teleconferencing is ultimately preferred. However, it is inconceivable to close large deals or manage teams without face-to-face interaction.

I had a call recently with a very smart global travel manager for a Fortune 100 company. He believes that within three years – or maybe

sooner – corporate travel volumes will return or even exceed pre-Covid times, and I agree with him. This sector has proven its resilience to bounce back much quicker than experts predict.

In the future, though, rather than looking at the cost of travel, the focus will instead shift to effectiveness as organisations weigh up the value of a trip against the now much more significant risks.

As borders begin to reopen and airlines take to the skies again, which business sectors will drive corporate travel's restart and what will the pace of recovery look like in 2020 and beyond?

CONSULTANT

Raj Sachdave
Managing partner, Black Box Partnerships



We're seeing personal travel confidence tested from July to September, but we anticipate a welcome spike in domestic activity from Q3 onwards.

A large number of our clients are reviewing their real estate strategy, with desk-based staff working virtually. What this presents is a shift from 'commuter' personas to 'business traveller' personas, which the industry will welcome. We also anticipate more

budgetary allocation to travel over rent and rates.

With a government focus on Build Back Better (BBB) in the UK, infrastructure, professional services and government departments represent a great opportunity to get business travel moving, quickly. The SME sector also has a crucial role to play in building transaction volumes that underpin healthy occupancy levels and rebuilding confidence.

BUYER ASSOCIATION

Christoph Carnier
President, VDR



Companies are already in the starting blocks again. We expect the number of business trips from Germany to other European countries to rise again at the end of the third quarter of 2020.

More than 50 per cent of our member companies surveyed are planning to resume business trips to Europe in the short term. Subsequently, more intercontinental travel will also increase, provided that entry

regulations and the security situation allow it.

Uncertainty is still noticeable, but at the same time the results of our regular member surveys are encouraging: internal travel restrictions are gradually being lifted, initial trips are being planned and providers are getting ready for a new start with hygiene and service concepts. It is clear that there will be no simple "back to normal" after the pandemic.



Express Train

from London Paddington to Heathrow Central

Heathrow Express is the fastest and most convenient way to travel between London Paddington and Heathrow Central.* Our service offers a non-stop journey, comfortable seats, plenty of luggage space and complimentary Wi-Fi.

To book contact your usual travel provider.

*Heathrow Central for Terminal 2.

Services continue to Terminal 5.

For terms and conditions visit heathrowexpress.com



**Heathrow
Express**
Get there sooner



BY MICHAEL BAKER

TRANSPORT NEWS

The policy of blocking middle seats has already been dropped by some airlines as other safety measures take precedence

AIRLINES have reached nearly universal agreement on passenger mask requirements but spaced seating configurations are proving a bit more divisive. Blocking the middle seat became a fairly common practice in the early days of the Covid-19 pandemic, but many airlines are now moving away from the practice.

Lufthansa was one of the first, relaxing its rule preventing passengers from sitting in adjacent seats when it introduced its mask requirement in May. American Airlines and Canada's two largest airlines, Air Canada and WestJet, also relaxed their rules, announcing they would be selling flights to full capacity.

Delta Air Lines, meanwhile, has stuck to its stance of blocking middle seats and capping capacity at 60 per cent. And in a memo to employees, CEO Ed Bastian said he expected that policy would extend past its current expiration date of 30th September.

United Airlines' chief communication officer Josh Earnest, meanwhile, called blocking the middle seat "a PR strategy, not a safety strategy."

In some ways, he's right. Even with a middle seat blocked, economy class passengers still sit closer than six feet apart. But a PR strategy will be important as airlines rebuild demand. Most airlines not blocking seats have put mitigations in place, such as letting passengers rebook off crowded planes and spacing seating when flights are not at capacity.

Those carriers holding to the spaced seating policies, however, face a different dilemma: what's the exit strategy?

"If one day travel picks up and load factors are 85 or 90 per cent, and you don't want to leave the space onboard, what's the argument then?" cautioned IATA's director of passenger and facilitation Pierre Charbonneau in a recent interview with *BTN*. "Just be careful with the communication of the extra measures; that it's for restoring confidence."



BA expands its summer network

British Airways is reintroducing services to a raft of domestic, short-haul and long-haul routes in July, including flights to 20 European nations.

By the end of the month, BA will have expanded North American operations to include flights to Dallas, Miami, Seattle and Toronto, following the resumption of services to San Francisco in June. It continued to fly to Boston, Chicago, Los Angeles, New York and Washington throughout the pandemic.

Closer to home, it will resume flights from London to Belfast, Inverness, Jersey, Manchester, Newcastle and Newquay, as well as flights to Denmark, France, Germany, Ireland, Italy, Norway, Spain, Sweden and Switzerland among other European nations.

Easyjet to close bases in restructuring

Low-cost carrier Easyjet has started formal consultations with trade unions over its plans to reduce its staffing levels by up to 30 per cent, which includes the possibility of closing its bases at Stansted, Southend and Newcastle. The airline will continue to serve the three airports as part of its route network. According to the British Airline Pilots Association, the plan puts 727 pilot roles – one in three of Easyjet's UK pilots – at risk of redundancy.

Air Canada returns to Ireland

Air Canada has resumed passenger flights from Ireland with a three-times-weekly service between Dublin and its Toronto hub. Outbound services from Dublin operate on Mondays, Thursday and Saturdays. Its July schedule also sees the continuation of a daily service from London Heathrow to Toronto, four flights per week from Heathrow to Vancouver and three per week between Heathrow and Montreal.

Eurostar gets green light for non-stop Amsterdam-London

The signing of new treaties has paved the way for direct train services between Amsterdam and London later this year. An existing agreement between the UK, France and Belgium has been modified to include the Netherlands.

Eurostar launched non-stop London-Amsterdam train services in 2018 but the return service has until now required a change of trains and security and immigration clearance in Brussels.

"The treaty being signed is a great milestone for the direct return journey which allows us to progress plans to introduce it later this year," said a Eurostar spokesperson. "We will provide an update as soon as we are able to put tickets on sale and confirm a start date."

“

In the context of such a lasting decline in activity, the Air France Group must act with lucidity and responsibility”

Air France to cut more than 6,000 jobs

Air France expects to cut 6,560 jobs from its workforce by the end of 2022 as part of its recovery plans. The airline says revenue fell to 95 per cent for three months and at the height of the coronavirus crisis it was losing €15 million per day. Even on the basis of "ambitious recovery assumptions", the airline says it does not expect to see the same level of activity as in 2019 before 2024.

American Airlines joins BA at Heathrow T5

American Airlines has moved its operations at London Heathrow to Terminal 5 this week, the home of its Atlantic joint business partner British Airways. Admirals Club members travelling on American flights can access British Airways Club lounges. American says its summer 2021 long-haul schedule will be 25 per cent less than in 2019 as it prepares for a “prolonged downturn”.

Etihad Airways capacity nearing 45 per cent

Abu Dhabi-based Etihad Airways will serve 58 cities during July and August as it moves towards nearly 45 per cent of its pre-Covid capacity. Its summer schedule will feature services to 19 European destinations including London, Manchester, Amsterdam, Brussels, Dublin, Frankfurt, Geneva, Madrid, Munich, Paris, Rome and Zurich.

Austrian Airlines' autumn expansion

Austrian Airlines will double its current operations over the course of its remaining summer schedule, moving from 20 per cent of normal capacity to nearly 40 per cent by October. The Lufthansa Group airline will resume services between its Vienna hub and Shanghai, initially once a week, in August, and in September will add back flights to Chisinau, Dnipro, Iasi, Klagenfurt, Leipzig, Lviv, Lyon, Nuremberg, Odessa and Yerevan. It is also increasing capacity on most current routes from September.

Virgin's staggered network build-up

Virgin Atlantic has pushed back some of its planned service restoration but now plans to resume flights to 17 destinations between August and October.

The carrier will resume flights from Heathrow to Hong Kong, Los Angeles and New York in late July, followed by services to Shanghai, Orlando, Barbados, San Francisco, Tel Aviv, Miami, Lagos and Atlanta in August. In September, it plans to resume flights from Heathrow to Las Vegas, Seattle, Washington DC, Mumbai, New Delhi and Johannesburg. And in October, it intends to restart flights to Boston and Antigua, as well as services between Manchester and Barbados.

At the time of writing, the airline is thought to be close to sealing a deal with financiers that would secure its future with a £1 billion rescue package.



TripActions expands rail content

Travel management platform TripActions has partnered with Trainline for Business in a deal it says demonstrates its commitment to the European market. The partnership expands its rail travel content and will “enable enterprises and their travellers to get back to business across the UK and European Union”. It had previously provided rail content through Evolve and GDSs.

Trainline's global API provides access to 160 rail operators, while booking functionality includes all ticket types, mix-and-match fares, multi-traveller bookings, the use of discount cards, e-ticketing and automated trip updates.

Reporting for travel managers within the TripActions dashboard includes details on average ticket cost, traveller location and the carbon impact of booked rail travel. The company says it will continue to add rail inventory in Europe, Asia and North America.



EMIRATES A380s BACK IN THE SKY

Emirates resumed its signature A380 service to Heathrow and Paris on 15th July, marking the aircraft's first time in the sky since the coronavirus pandemic forced the airline to ground its

passenger fleet in March. It follows the reopening of Dubai to international visitors from 7th July. Passengers arriving in Dubai from certain destinations must carry a negative PCR certificate.

Lufthansa gets the nod for €9bn bailout

Lufthansa shareholders voted to accept the conditions of a €9 billion rescue deal at the end of June. The cash injection will allow it to continue restoring 90 per cent of its planned short-haul destinations and 70 per cent of long-haul destinations by September. The package comes with a set of conditions, including a 20 per cent stake in the company and two seats on its board for the German government. It must also relinquish up to 24 slots at Frankfurt and Munich airports.

Focus names most-booked destinations

The UK's Focus Travel Partnership reported 'strong' air bookings for the week of 29th June-3rd July, naming London-Aberdeen as the most booked route among its members. Flights to/ from Heathrow were booked most frequently, followed by Amsterdam, Aberdeen, Manila, Houston, Paris, Manchester and Istanbul.

Nearly a quarter (23 per cent) of Focus' TMC members booked air travel for clients in the marine, offshore and energy sector, which was followed closely by construction and engineering (21 per cent), finance and banking (15 per cent), and manufacturing and technology (13 per cent). More TMCs expect initial growth to come from European travel (54 per cent) than domestic UK (33 per cent).

“The crisis is far from over, but our survey shows that there is demand and that our partners are adaptable in the face of change”

Abby Penston, CEO, Focus Travel Partnership



BY DONNA M. AIROLDI

ACCOMMODATION NEWS

Occupancy bottomed out in April but the recovery will take time

HOTEL occupancy across Europe was just 13.3 per cent in May according to STR – that was at least an improvement from 11.1 per cent in April, when it is believed the industry freefall bottomed out.

Hotels are now reopening and people are tentatively getting back on the road, so that demand should continue to improve. In addition, every major hotel operator – plus third parties like HRS – have introduced new hygiene programmes which should instill confidence among employers and their business travellers.

Still, several hotel group CEOs said during a June webinar that full recovery won't be seen until group and international business is back, which likely won't happen until there is a widely available vaccine.

Until then, domestic markets – and those easily accessible by rail – will be the first to recover. This benefits Europe not just because of its geography, but also because it has “an 80 per cent domestic dependency,” said Accor chairman Sébastien Bazin during the webinar.

HRS applies new hygiene certification

Corporate lodging platform HRS has partnered with global inspection, verification, testing and certification company SGS to develop a certification programme for the hotel industry that identifies properties meeting stringent new hygiene standards.

The Clean & Safe Protocol sets out standards for hotel cleanliness during the coronavirus pandemic and beyond, based on recommendations from the World Health Organisation, WTTC and the Centers for Disease Control and Prevention. According to HRS, a survey of its corporate clients revealed 86 per cent will only consider using hotels that can demonstrate enhanced cleaning measures.

New Diversity & Inclusion board for HBAA

The Hotel Booking Agents Association (HBAA) has renamed and repurposed its Next Gen Board as the Diversity and Inclusion Board in order to reflect its commitment to increasing diversity and opposing discrimination and inequality. It will be supported by the HBAA's main board and charged with refreshing its Terms of Ethics to promote equal opportunities and inclusivity and ensure it is “robust, relevant and fit for purpose in the future”.

Premier Inn and Travelodge open up

Two of the UK's largest hotel chains, Premier Inn and Travelodge, began the phased reopening of their properties in early July, with each simultaneously introducing new cleaning standards. Premier Inn's CleanProtect hygiene programme has been developed in partnership with Diversey while Travelodge has launched a Protect+ scheme.

Premier Inn has recently completed two new hotels – in London and Milton Keynes – as part of expansion plans that include 17 new-build properties by February 2021. Its portfolio now numbers more than 800 hotels across the country.

Accor's UK&I hotels adopt new standards

Global hospitality company Accor says every one of its 270 properties in the UK and Ireland has signed up to its new ALLSAFE cleanliness and prevention programme which requires hotels to follow rigorous hygiene measures and employee protocols. To comply, hotels must conduct hospital-grade room disinfection, deep clean all upholstery and carpets, maintain social distancing practices in public areas and add partitioning at reception desks.



LOCKE TO GROW EUROPEAN PORTFOLIO

Edyn will open its first overseas Locke apart-hotels in the next two years, with properties in Berlin, Munich, Lisbon and Copenhagen in the pipeline. It will also open in Dublin and add three

further properties in London and one in Cambridge. The group has opened four UK properties over the last four years in London, Manchester and Edinburgh, all of which have recently reopened.

VAT cut for UK hospitality sector

The UK government has cut VAT on hotel accommodation, dining and other hospitality providers from 20 per cent to 5 per cent as part of a new package of measures designed to stimulate the sector. Business Travel Association chief executive Clive Wratten said the move “gives a limited kickstart to our industry”. Meanwhile, the WTTC welcomed the measure, saying it will provide “a much-needed boost to a sector which has been on the verge of collapse”.

IHG projects 75% RevPar decline in Q2

The InterContinental Hotels Group anticipates a 75 per cent year-over-year decline in second-quarter revenue per available room, resulting in a 52 per cent RevPAR decrease for the first half of 2020.

RevPAR plummeted 82 per cent year over year in April and 76 per cent in May, and is estimated to be down 70 per cent for June. The figures reflect the wider hotel industry's recent struggles but also show steady monthly improvements.

“The smaller but steady improvements in RevPAR through the second quarter are mostly attributed to the Americas franchised estate and the Greater China region,” the company said in an end of June statement. Around 30 per cent of its EMEA hotels remained closed at the time.

“

The serviced apartment industry is optimistic. We have an opportunity to open the market to those who aren't familiar with our product”

James Foice, ASAP chief executive



BY ADAM PERROTTA

TECH & PAYMENTS NEWS

Covid-19 strengthens the case for contactless payments

WITH HYGIENE and safety concerns top-of-mind as business travel resumes, contactless payments are gaining significant traction in a world in which anything that can be made touchless or contactless now will be.

Although the NFC technology that enables contactless payments has been around for more than a decade, adoption has varied widely by country and region. In Europe, they account for 48 per cent of all transactions but range from 93 per cent in the Czech Republic to 3 per cent in Portugal.

In some markets there is reluctance among merchants to invest in the necessary technology to enable contactless payments, while in others 'Chip & Pin' or swiping cards are deeply ingrained consumer habits.

The Covid-19 pandemic should compel merchants to step up adoption of contactless payment technology and, in the meantime, card providers are playing their part by raising the limits for contactless payment transactions.

Tech tackling post-Covid issues

Non-profit travel association Travelscrum, which was formed earlier this year to help the industry navigate the fallout from the Covid-19 outbreak, hosted a hackathon in June during which entrants developed solutions to address issues currently facing the sector.

The top prize was awarded to a team from custom corporate travel app developer Roadmap. Going by the name Roadhack, the team developed a two-pronged solution designed for use by corporate travel managers and travellers to ensure travel is being conducted safely and within company policy.

The tool features a platform that managers can use to configure elements of an organisation's travel policy, including approved destinations and ground transport and dining policies, as well as access to details of airline cleanliness procedures.

A companion app enables corporate travellers to access key information on Covid-related risks and security protocols for particular destinations, along with tips for wellbeing and lists of trusted suppliers.

"There's a need for a lot of information before a traveller books their trip," says Roadmap's Micha van Eijk. "It's difficult to find specific information tailored to the needs of the business travel industry. We are keen to determine what is viable for our business and adapt it to our own product."

Amex GBT adds spend platform for SMEs

American Express Global Business Travel (GBT) has launched Neol, a new service to help owner-managed businesses control cashflow through a single platform.

Neol integrates purchasing capabilities from Amazon Business, as well as GBT's online booking tool. It allows finance teams to manage all spend categories, such as office utilities and travel – in one place. It gives real-time visibility of money spent, money committed and future spend requests. Fiona Hastings, general manager of Neol, says "traditional expense management platforms are really not good enough for the SME market. I thought it was time to try to solve that problem."

Concur enhances card reporting

SAP Concur has launched a new integration with American Express to help small businesses automate the expense reporting processes. The integration enables transactions made via Amex's small-business-focused Business Cards to flow automatically into Concur Expense within 24 hours, eliminating the need for employees to manually enter expenses and track down receipts, says Concur.



SILVERDOOR INTEGRATES CONFERMA PAY

Global serviced apartments agency SilverDoor has integrated virtual payment platform Conferma Pay. Its clients can now charge all accommodation bookings to it using the Orbi online booking

tool in any area that accepts Conferma Pay. SilverDoor says the move reflects the growing popularity of virtual cards and the convenience, transparency and efficiencies that they deliver.

Riskline alerts plugged into mTrip apps

TMCs using white-label apps provided by mTrip can now integrate alerts from travel risk specialist Riskline into those apps, the companies announced. The alerts provide information on disasters, health issues, terrorism, crime and political and economic stability, along with a risk assessment level for a given area, with detail as granular as street-level. Riskline also offers pre-trip guidance on destinations, including information of "cultural, historical or religious" context.

Element ready to help buyers deliver OBTs

Travel technology reseller and professional services provider Element has launched a new service designed to help corporate travel managers outsource the delivery and support of their booking tool.

Accelerate for Businesses follows on from Accelerate for TMCs, a solution enabling travel management companies to outsource their booking tool delivery and support. The new service from Element extends this capability to corporates.

The service includes policy management and approval to travel workflows; hotel programme, car and airline supplier deal maintenance; corporate booking tool administration support; and a partnership with the TMC or tech supplier to deliver on user requirements.

“

Corporate travel departments should not have to stress about managing their technology”

Gavin Smith, Element

LOUD & CLEAR

Pierre Charbonneau,
IATA's director of passenger
and facilitation, shares his
thoughts on quarantine
restrictions and long-term
safety measures with *BTN*
Senior Editor Michael Baker

The quarantine quandary

“

Quarantine for us is pretty much the equivalent of not reopening your borders. If the world needs to get the economy back on track, a quarantine discourages anyone from travelling. You can't plan your trip with a quarantine to get around. We should really focus on, first of all, making sure that the layers of [airline and airport safety] measures we have are well-executed, so customers have their own responsibility to comply with them.

We don't want new layered measures to stay forever as part of the travel experience. Anyone who is travelling now will tell you it's the weirdest experience they've probably ever had in an airport. As borders reopen, we want to focus on when will be the right time to remove some of those measures that are no longer necessary.

The ones that will probably make a better travel industry should be accelerated: the contactless technology, the use of biometrics, the passenger data improvements. Those make a better industry and don't cause any issues from a customer standpoint.

”



Worried about the future of travel?

Scan to find the plan!



BCD•travel

The road to recovery

As countries around the world begin reopening their borders and lifting lockdown restrictions, *BTN Europe* breaks down travel managers' sentiment around getting employees back on the road

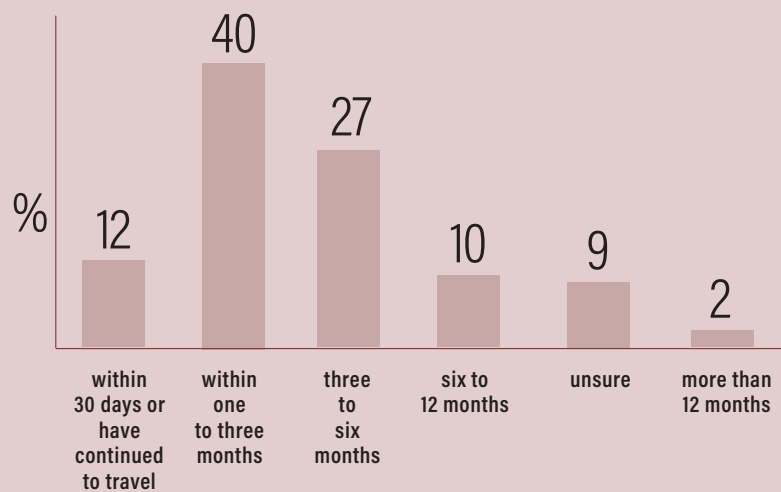


Timeline for take-off

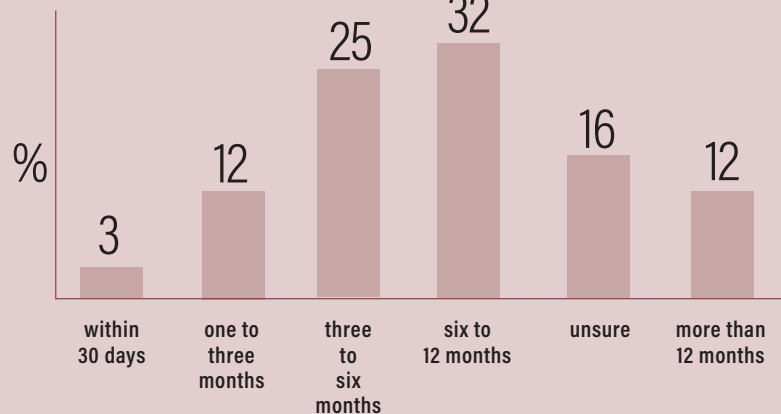
70% of corporates agree or strongly agree that business travel will increase gradually over a period of time, but they are divided over how long it will take

(Source: FCM Travel Solutions and Corporate Traveller State of the Market study of 1,600 travel managers, bookers and travellers)

Domestic travel



International travel



80%

of travel managers and travellers in the public sector believe there will be a small reduction in business travel due to the availability of videoconferencing tools
(Source: Diversity Travel Covid-19 travel survey of 155 travel managers, travellers and bookers)

95%

of travel and procurement managers are working on plans to safely restart business travel
(Source: Clarity survey of 100+ travel and procurement managers)

63%

of meeting planners believe future face-to-face events will have to include a virtual component
(Source: i-Meet survey of meeting planners, 15-21 June)

70%

of buyers believe the easing of border restrictions will be the primary trigger for resuming business travel
(Source: FCM Travel Solutions and Corporate Traveller State of the Market study of 1,600 travel managers, bookers and travellers)

67%

of European business travellers are definitely willing to travel again
(Source: TravepoolEurope survey of 233 respondents)

Regional differences

Opinions about booking travel vary by region, with Asia already leading the pack for domestic business trips

Asia

50% of organisations in Asia have already started booking domestic business travel

37% of organisations in Asia expect to resume international travel within three to six months

EMEA

37% of organisations in EMEA expect to travel domestically within one to three months

32% of organisations in EMEA expect international travel within three to six months

Americas

28% don't know when travel will return – the highest level of uncertainty globally

(Source: FCM Travel Solutions and Corporate Traveller State of the Market study of 1,600 travel managers, bookers and travellers)

Mode matters

The mode of transport is a factor in whether or not business travellers would be willing to travel

66%

are willing to fly

64%

are willing to use their own vehicle

60%

are willing to take a train

54%

are willing to use a rental car

52%

are willing to take a taxi

(Source: TravelpoolEurope survey of 233 respondents)

Meetings misery

Confidence among meeting planners in holding face-to-face events before the end of 2020 has been waning in recent weeks, with most believing they won't resume until 2021

When do you expect to resume operating face-to-face events?

	April survey	May survey	June survey
June-July	24%	4%	1%
Aug-Sep	29%	12%	8%
Oct-Dec	20%	38%	25%
2021	8%	38%	61%
Uncertain	15%	8%	5%

(Source: i-Meet 31 March-6 April, 12-16 May and 15-21 June surveys of meeting planners)



THE NUMBERS DON'T ADD UP

TMCs provided critical support to clients throughout the coronavirus crisis at the same time as their revenues plummeted. It's no wonder there has been widespread talk of new pricing structures, writes **Molly Dyson**

The business travel industry has weathered mass disruption in the past – 9/11, SARS, MERS, the Icelandic volcano ash cloud, the financial crisis of 2008 – but nothing could have prepared companies for the prolonged impact of the Covid-19 pandemic. Travel has essentially been halted for months and even though the world is now seeing the green shoots of recovery, volumes are predicted to take years to return to pre-virus levels.

Even though businesses stopped sending employees away on business, travel management companies had to deal with a whole new set of problems, from repatriating stranded travellers to processing airline

refunds on behalf of their clients. The situation exposed a problem with the current standard for TMC pricing, the transaction fee – if nobody was booking new trips but customers still needed support, how were TMCs supposed to keep the lights on?

“Over the years, what’s been forgotten or blurred is the charge for central overheads,” says Raj Sachdave, managing partner at Black Box Partnerships. “With the Covid pandemic, transaction volumes dropped to around 5 to 8 per cent of the usual for quite a long time, and it’s still nowhere near what is needed to sustain a TMC business. Even though some companies might not be using their office space right now, things like online

booking tools, mid-office technology and tracking services all have stayed available, so there is a question mark now over how you pay for the cost of that with no transactions coming in. It's not sustainable," he says.

Tom Rigby, global commercial director at Reed & Mackay, adds: "Pretty much every TMC has had to furlough a part of their workforce. That puts a lot of pressure on them and brings a lot of uncertainty. Coronavirus has also severely impacted companies' ability to generate a recurring income in a zero-volume environment. It's been a big challenge."

So how did the industry get to this point?



A HISTORY OF PRICING ISSUES

According to Travel and Transport CEO Kevin O'Malley, the issue of TMC pricing models is not a new one. He says the company introduced a management fee arrangement after commission caps came into effect in 1995, then a cost-plus model whereby clients paid a fee for the headcount to serve their programme plus a transaction fee. Eventually, he says, buyers started asking for a fully loaded model.



Andrew Menkes, founder and CEO of Partnership Travel Consulting LLC, comments: "Part of the challenge with the model is there's no standard definition of a transaction and no industry accepted definition of a contact."

"On a transaction fee model, no transaction equals no fee," says Focus Travel Partnership chief executive Abby Penston. "In the world of the pandemic, this model didn't stack up – it wasn't an accurate picture of TMCs' activity. There was a lot of work going on in terms of accessing refunds, rearranging travel and managing and implementing new travel policies. As a result, TMCs were taking on all the risk of the situation."

The pandemic has caused some TMCs to reconsider their pricing models, according to Clive Wratten, CEO of the Business Travel Association (BTA). "The business travel sector was already looking at its pricing models before the start of the coronavirus crisis, and that is likely to accelerate potential change," comments Wratten.

“

Coronavirus has severely impacted companies' ability to generate a recurring income in a zero-volume environment. It's been a big challenge



NEW WAYS OF THINKING

For American Express Global Business Travel (GBT), one possible option would be to introduce a subscription model, as hinted by CEO Paul Abbott at the ITM virtual conference in May. Abbott said he believed the transaction fee model "needs to be looked at", adding: "High demand and low revenue is not a great balance." He said the cost-plus model has worked very well during the downturn in travel but said it's a difficult one to sell to small or mid-sized clients, who could potentially benefit from a subscription-based fee.

GBT's chief commercial officer Drew Crawley elaborates on some of the TMC's ideas: "We know there are opportunities to enhance the way we support cost optimisation and duty of care in this new era. Access to accurate information in digital channels will be crucial, as well managing increased calls to our travel counsellors in moments of uncertainty."

"There will be new pricing models that support these needs, allowing us to collectively absorb the shock of sharp declines in bookings. While transaction fees will remain, there are opportunities to package and price services and solutions differently using subscription fees and Software as a Service (SaaS) models, especially where services and solutions are not transactional in nature."

According to Menkes, coming out of the crisis might be the perfect time for companies to re-evaluate their way of doing business. "If a TMC is going to seek to renegotiate or recalibrate or just simply redo their financial model with a client, now's the time to put all of the variables on the table, jointly define



them, agree on what is the TMC's to retain, and ensure the services listed match the client's expectations and the contract ties into those expectations."

Jill Palmer, chief executive of Click Travel, which offers a SaaS model in addition to management and transaction fees, agrees that there can never be a one-size-fits-all model. "We have about 100 customers across our three pricing plans. They tend to be our smaller customers, and we aim it at companies that spend less than about £500,000 on business travel. We've put in place a kind of fair use policy, where if a customer's transactions go above a certain level we suggest moving up to a different price plan," she explains.

"But we've found the transaction fee is a very 'sticky' model. When we speak to new prospects, we very rarely get asked for anything other than our transaction fees. For smaller companies, the subscription model can work quite well because the travel budget is usually centrally managed so it's easier for them to get their head round that model.

"When you get to larger organisations that spend multiple millions of pounds on travel, they often devolve the budget to individual departments, so introducing a centralised fee would mean they would have to change their way of operating. I can see why a TMC would want to introduce a subscription model, because of the pain we've all taken over doing lots of work for little return over the last few months, but I'm not sure the customer demand would be there."

Rigby says there are multiple factors to consider, particularly following the coronavirus pandemic. "In theory a subscription is great, but what we don't know right now is what travel volumes are going to look like coming out of Covid-19. Until we get a steer on that it's difficult to gauge. Typically, you use the previous

“

I can see why a TMC would want to introduce a subscription model – because of the pain we've all taken over doing lots of work for little return over the last few months

year as a starting point to work out a cost, but next year it's going to be totally different," he says.

"Another interesting point is that as we've started doing transactions again, the amount of time it takes for each transaction, because of all the obstacles and challenges coronavirus has put in the way, is huge."

FEES UNDER PRESSURE

Rigby continues: "There are additional complexities to travel right now and if it's taking you ten times longer to book a hotel than it did pre-Covid, you obviously have to cover your costs and fees are paramount to that. Transaction fees have been under pressure for a long time and have gone down as companies vie for business.

"What I would hope is that TMCs can take a step back and think they don't want to continue on that path and devalue the service they offer. TMCs need to be completely transparent about what is going into today's service models."

The introduction of new fees and charges during the pandemic is one of the reasons Palmer believes the company is seeing an influx of RFPs. "We had a tender come in the other day and I know that their current TMC wrote to them during the pandemic to say they would now have to pay to even talk

to their account manager or ask for a specific report. There's an attempt to introduce new charges to claw back some of the revenue that has been lost as a result of the pandemic, and that is going down extremely badly."

Despite differences of opinion among TMCs, 60 per cent of ITM buyer members surveyed ahead of the virtual conference said they would be willing to review the pricing structure of their TMC deal as part of the Covid-19 recovery phase.

According to Menkes, buyers may not have much alternative. "There's going to be very little choice in the matter. But I do believe that once we start returning to normality, employee compliance is going to have to increase. The industry is still averaging about 50 per cent of hotel bookings not going through the TMC or the

OBT. If travel managers can mandate their hotel programmes, that can bring a huge amount of commission back to the TMC. I would expect to see that reflected in fees lowering again."

Focus's Penston summarises the situation: "Corporates appreciate the increased levels of service TMCs provided and we no longer have to justify the value of a TMC. They offer a wrap-around service that will provide a belt and braces approach to health and safety. They manage the complexities of travel, which have now increased substantially. Corporates know they need to provide a higher level of safety and assurances to their travelling teams and will be making more service demands. A subscription model can build those costs into budgets and TMCs can be assured of a more predictable revenue stream."



RFPs: IS NOW THE RIGHT TIME?

There has been much industry debate about whether now is the right time for corporates to be sending out RFPs to find a new TMC, particularly considering many TMCs still have employees on furlough while travel volumes remain low.

Andrew Menkes, founder and CEO of Partnership Travel Consulting LLC, says: "I've heard two arguments. One is this is the wrong time to be going out for tender because no one's travelling and it's not fair to the incumbent TMC.

"And there's the other school, which says that because travel has slowed dramatically there's time for the client to focus on the programme, to engage in an RFP. I would say don't go out for bids just to see what's out there, but if

it's been four or more years since you changed TMCs, it's best practice to go to RFP. If it's been less than four years, I'd say now is the time to meet with your TMC and say that if they want to change their pricing you also want to look at changing your agreement."

But for Jill Palmer, CEO of Click Travel, who says her company has been receiving a steady stream of tender documents throughout the pandemic, now may be the perfect opportunity for TMCs to win new business. "Companies that didn't use the services of a TMC before now want to do so because they see the benefit, and businesses that have used us for parts of their programme – say rail and air – now want to use us for other parts, like

hotels, because they now realise what we offer in terms of risk management, policy control and cancellations."

However, Palmer agrees some companies might want to hold off. "I can see where going out to RFP for a new TMC might not be top of the agenda for some companies, especially in some situations. For example, if you typically go out to tender every three years you might decide to skip your regular procurement cycle for now.

"But if you want to get more value or you don't feel like you're getting the service you want from your TMC, I can see companies still coming to the market for that."

Black Box Partnerships' managing partner Raj Sachdave has some words

of advice for corporates: "If buyers do decide to go to RFP for a new TMC, they need to look at not just the unit cost but also the health, wellbeing and performance aspect of the service.

"The intent to travel is going to change forever in my opinion, so transaction volumes are going to change. But when you do travel, there will be more scrutiny around why that person is travelling and whether it can be avoided. If not, companies will be more likely to ensure it protects the health and wellbeing of that traveller to make sure they're safe and also more comfortable. It's a shame that it has taken a global pandemic and an economic shutdown to bring that right to the fore."



GET THE
TICKET
THAT HELPS
SOCIAL
DISTANCING

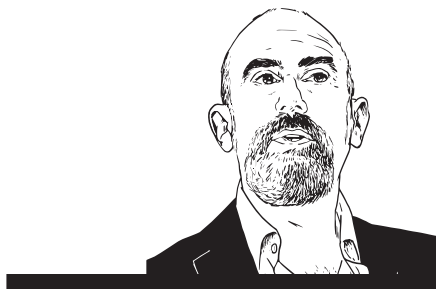
At **SWR** we are doing everything we can to keep you safe when travelling by train. Get our free Touch Smartcard and you can book a range of tickets online from home, before you travel, to minimise contact at every stage of your journey.

South Western
 **Railway**

Search '**SWR smartcard**'. Stay safe. Travel Smart.

Opportunity knocks

While some aspire to 'getting back to normal', the Covid-19 pandemic also presents the chance to move forward and re-invent



BY AMON COHEN



Ilove you just the way you were" is a slight re-wording of the Billy Joel classic I croon playfully to the present Mrs Cohen on occasion. Equally playfully, she slaps my bald head and suggests she may soon elect to become the former Mrs Cohen.

I've found myself also singing those words quite a lot recently when thinking about our corporate travel industry because, and I don't know about you, I'm missing you all, and the way we were, badly. Few people make themselves wealthy by entering the managed travel sector, but we do compensate for it with a strong sense of global togetherness. It's a community you can't replicate properly on Zoom.

Above all, I'd love things to be just the way they were in order to restore many wonderful travel professionals who have lost their livelihoods since March. It's been especially brutal in the USA, where global companies have repeatedly cut first because workers' rights are far fewer (something I fear the UK will replicate once free to diverge from EU law next year).

But if I try putting sentiment to one side, the interesting question arises of whether it's actually a good idea to return to just the way we were, or should we look forward and re-invent? As is often said, don't waste the opportunity created by a good crisis. Some companies have needed no second bidding, with certain airlines accused of exploiting the situation by clearing out far more employees than necessary.

For travel managers, a quiet time in terms of

trip activity offers a chance to perform surgery on practices long in need of improvement – creating a properly integrated digital booking, payment and expense process for example. Consultants claim clients have been signing on with them to do exactly that.

An economic downturn also gives travel managers the upper hand in their perpetual arm-wrestle for control with their own

“

A quiet time in terms of trip activity offers travel managers the chance to perform surgery on practices long in need of improvement

travellers. This time round the motivation is not only tighter purse-strings. The logistical complexities now posed by even the simplest business trip mean employees should book and behave exactly how they're told.

With traveller compliance taken care of, travel managers' operational focus is switching to the risk management aspects of their work. Contingency planning used to be something a travel manager reviewed once or twice a year. Now it needs updating almost daily for an environment where we are no longer confident business travellers will be allowed to enter their booked destination or, if they do, that they will

also be allowed home at the end of it.

Nor is it only travellers that travel managers need to risk-manage. Suppliers also require vigilance. With demand as low as it is at present, I don't know how long hotels or airlines can keep haemorrhaging cash while waiting for the market to improve.

All this will require a deeper level of supplier due diligence than usual by travel managers. Before signing any dotted lines, they need to understand who will still be around for them to rely on over the coming months and years.

And although I wrote earlier about our being one friendly community, beware the scourge of malicious rumours in desperate times. A worried travel manager contacted me because a service provider vying for his business had called to suggest a rival bidder was close to calling in administrators. Had I heard anything? I hadn't. I'm very much hoping I won't either, not about them nor anyone else over this next critical period – but I'm not confident the current corporate travel supplier base will get through intact. In this respect, at least, the words "Don't go changing ..." are definitely the ones I want to sing.

• *Amon Cohen is a specialist business travel writer, conference moderator and media trainer*

SMALL WORLD

SMEs are no less confident about a return to business travel than larger organisations, writes **Amon Cohen**, who discovers the travel management needs of this diverse sector



Everyone has a plan until they get punched in the mouth,” the renowned American philosopher (and occasional boxer) Mike Tyson once observed. For many small and medium enterprises (SMEs) that punch landed this year with the coronavirus outbreak, leaving them struggling to care for employees on the move.

Up to that point the plan many SMEs had for managing travel risk was not to have a plan. The travel management company/booking tool hybrid TravelPerk says 75 per cent of its customers, most of whom spend €250,000-€5 million annually, had no TMC before signing up to its platform.

With SMEs also tending to lack a formal security programme or risk department, according to Steve Hartwell, CEO of GlobalStar Travel Management, chaos ensued when Covid-19 hit.

“It was definitely a scramble,” says James McIlvenna, head of account management for Corporate Traveller, a TMC specialising in SME customers. “Larger companies generally have rigorous duty of care and crisis management

processes but it seemed as if 50 per cent of SMEs were working on the fly when coronavirus hit. Travel is normally handled by someone wearing multiple hats, so there was no one person to handle a situation like this.”

McIlvenna argues that the continuing duty of care requirements posed by Covid-19 now makes totally unmanaged travel untenable for smaller companies as well as large ones. “You won’t be able to jump on a flight to Asia,” he says. “There will have to be more meticulous planning. Policy will become tighter too. SMEs are sometimes not as strict as bigger companies. Gone will be the days of letting employees book travel through multiple sources and expensing it back.”

Smaller companies also have some advantages. Jo-Anne Lloyd, partner with the consultancy Nina & Pinta, believes SMEs could resume travel faster because they are “more agile,” she says. “They can make decisions quicker. If you’re engaging with a traveller community of 5,000-10,000, it’s much harder to take a temperature check.”



The medical diagnostics company Accelerate Diagnostics exemplifies Lloyd's observation. It has only 40 employees in EMEA, but 80 per cent of them travel at an annual cost of €1.2 million. "We are more flexible. It is easier to align with our employees," says Barcelona-based EMEA head of finance and operations Carlos Faro.

Normally, Accelerate trusts travellers to make their own decisions on whether a trip, and the cost of it, is justified. That spirit continues but now the office that travellers are based in, the office that they are visiting and the travellers themselves must mutually agree travel is appropriate and review the cost if above €500.

LEADING BY EXAMPLE

Lloyd believes the best programmes to be found anywhere in travel management are often in medium-sized companies which are small

enough to retain agility but large enough to employ a dedicated travel manager. For all too many SMEs, however, that is an elusive luxury.

Michael McSperrin, Krakow-based global head of facilities and support services for the recruitment company Alexander Mann Solutions, spends a quarter of his time managing a seven-figure travel spend. "To manage travel well when you have other priorities to balance them with can be a challenge," he says. "There are so many opportunities to manage travel better because you can always improve a programme."

Chris Pouney of GoldSpring Consulting argues that the case for active management of travel programmes has grown. "It used to be that unless you were spending £10 million annually, managing it didn't make sense. That threshold has moved down. It makes more sense now for reasons like greater price volatility."

The impact of taking a travel programme multinational for SMEs (% of respondents who agree)

Better duty of care

60%

Better policy compliance

54%

Lower travel costs

53%

Lower admin costs

33%

Happier travellers

32%

There haven't been any benefits

4%

Source: Survey of 152 SMEs for *Shrink the Planet: How to globalise your travel programme for small and medium enterprises*, GlobalStar Travel Management/Nina & Pinta

Good Travel Management

We **are** interested in making your travel budget work hard for you, **not** the size of your travel budget.



BUSINESS
TRAVEL



EXPENSE
MANAGEMENT



TRAVEL
ANALYTICS



TRAVELLER SAFETY
AND WELLBEING



Trusted by
hundreds of UK
businesses

99%

of our clients feel Good Travel Management offered full booking support

99.3%

of our clients would recommend our services to others

We're interested in your whole business not just your travel business.

Let's talk:

Call us on **0330 004 0520**
Email us on **sales@good-travel.co.uk**
www.good-travel.co.uk

goodtravel 
management

Another reason observed by both Pouney and TravelPerk chief commercial officer J-C Taunay-Bucalo is that SMEs are increasingly automating internal processes such as expense reporting. “They more and more want to consider their travel management platform as part of a stack in the same way as their HR and accounting platforms,” says Taunay-Bucalo.

GOING GLOBAL

Where SME travel is actively managed, the major trend is taking programmes global. “One of the most common misconceptions is that consolidating travel across borders is only for the big boys but we’ve seen increasing numbers of smaller companies do exactly that,” says Hartwell. “We carried out a survey with Nina & Pinta which showed that 96 per cent of SMEs believe they have benefitted.” The survey highlighted risk mitigation, compliance and savings, in that order, as key advantages.

International development consultancy IMC recently took its travel programme multinational.

“

To get any discounts of real value, you’re looking at a minimum of 200-400 room nights per year, depending on location. It very much helps having a TMC for cities where we have weak leverage

“Our objectives are to look at regions, traveller bookings, local requirements and cost analysis to maximise our overall travel programme,” says director of security and duty of care Shane Moore. “The mainstay of our organisation is our people, assets and brand, so security and duty of care are also major objectives.”

Moore says IMC’s key step towards programme globalisation was to appoint a multinational TMC, in this case Corporate Traveller.

PURCHASING POWER

TMCs also play a vital role in harnessing the buying power smaller companies lack when

acting alone. McSperrin negotiates deals with a few hotels where Alexander Mann Solutions spends heavily, but “to get any discounts of real value, you’re looking at a minimum of 200-400 room nights per year, depending on location,” he says. “It very much helps having a TMC for cities where we have weak leverage, bringing us significant savings versus published rates.”

Direct relationships with suppliers can drive further savings. “You can access the SME programmes run by suppliers that offer discounts or loyalty points without being tied by contractual commitments. I always recommend that’s where SMEs start,” says Lloyd.



But there are more advantages to having a TMC than access to lower prices, according to Faro, a customer of TravelPerk. One is a simpler process for changing bookings, which can be tricky via consumer websites. Another is improved cashflow by paying centrally on account instead of reimbursing travellers immediately after they book flight or hotels themselves.

All these savings are extremely welcome at a time when Covid-19 is hitting businesses with unprecedented financial brutality. But beware that the additional personal attention travellers need to plan trips in a coronavirus-afflicted world can make TMC fees higher than normal.

“We had to bring back more staff from furlough than we anticipated because of a shift to offline bookings,” observes McIlvenna. “Offline fees are higher than online, so there is that to factor in, but our clients save 15 per cent on their overall travel spend by consolidating with us.”

On top of that, McIlvenna adds, are the soft savings that result from booking travel offline – busy executives will spend less time wrestling with the complexities of travel, with all the work instead done for them by the TMC’s consultants.

TravelPerk’s Taunay-Bucalo takes a slightly different, more contentious, position on this issue. “I agree with the underlying assumption that coronavirus will move more SMEs from unmanaged to managed,” he says. “The leap of faith I don’t agree with is that it will move to offline. You only move to offline if you aren’t providing the right level of information online.

“Having said that, the human aspect is a really important part of it. People are contacting us online to make the booking and then offline to see if it is okay. They need comfort even though in reality the information was available to them. But once they have done two or three trips they get the hang of it and go back to doing it by themselves.”

SMEs, however, are unlikely to go back to doing it all by themselves. At least some degree of active travel management used to be a nicety for this sector. Today, it has become a necessity.



Five steps to help SMEs globalise their travel programmes

Step 1 Evaluate: Should I take my travel programme multinational?

- Map out the benefits
- Make sure you’re ready, willing and able
- Figure out how global you go
- Consult locally

Step 2 Prepare: Lay the groundwork internally

- Put the right team together
- Find a leader
- Find an executive sponsor
- Work with procurement
- Source your information
- Create a travel policy

Step 3 Team up: Find the right service partner

- Find the right TMC
- Decide between global, regional or local
- Find the right booking tool
- Find the right payment process

Step 4 Source: Negotiate your supplier agreements

- Leverage your consolidated spend
- But be aware your TMC’s prices may still be better

Step 5 Launch your multinational programme

- Make sure you have sufficient internal resources
- Secure cross-departmental co-operation
- Phase your roll-out
- Communicate constantly

Source: GlobalStar/Nina & Pinta

SUBSCRIBE TODAY - IT'S FREE!



BUSINESS TRAVEL NEWS EUROPE

is the leading source of information, news, features, data, and research for a qualified corporate travel managers and travel management professionals. BTN Europe is published six-times annually and has a UK and EMEA circulation of 17,000 individuals like you, who set travel and meetings policy and purchase or manage business travel and meetings globally on behalf of their organisations.

BusinessTravelNewsEurope.com is your go-to information hub and resource centre for the latest industry trends and updates, and the twice-weekly BTN Europe eNewsletter delivers this content right to your inbox.

businesstravelnewseurope.com/subscribe

PRESENTED BY

BTNGROUP

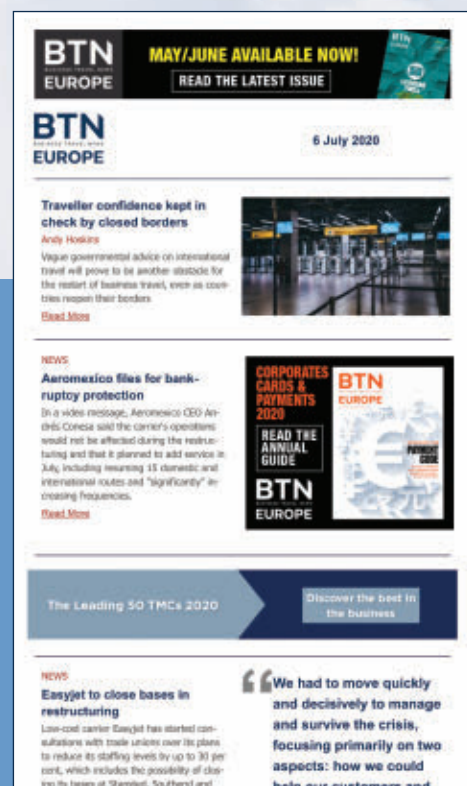
PUBLISHERS OF

BTN
BUSINESS TRAVEL NEWS

TravelProcurement

The Beat

BTN
BUSINESS TRAVEL NEWS
EUROPE



EVERY CLOUD...



The private jet industry is confident of winning new business as corporates seek alternative ways of getting back on the road, writes **Andy Hoskins**

The private aviation industry has often been hard to sell to corporates unfamiliar with the sector, but right now it has two particularly strong selling points. Not only can private jets connect destinations where scheduled airlines have not yet returned, but with hygiene in mind, they also present a 'safer' environment in which to travel.

In fact, one private jet operator claims the risk of exposure to coronavirus and other contagion is 30 times less for passengers travelling by private jet rather than on commercial flights. According to Austria-based GlobeAir, the average passenger

journey with a scheduled airline will generate 700 touchpoints, as opposed to only 20 when travelling by private jet because of the absence of crowds and the use of private terminals.

While the veracity of the figures has been queried by some, there is clearly substance in the theory. "The real benefits of private jets post-Covid are that this is bespoke private travel mostly operated through FBOs (Fixed Base Operators) or private airport terminals," says Richard Smith, director of charter at ACC Aviation Group. "There are no queues, no crowds and no other passengers. It gives you a lot more control over your environment."

Paul Baker, sales director at Global Travel Management, also highlights the reduced exposure to contagion, but additionally points to the head start the sector has over commercial airlines that are slowly rebuilding their networks.

The TMC has a private jets offering which "has held up better during the pandemic, relatively speaking," says Baker. "As soon as you could fly to Germany, for example, we saw far more demand for private jets than for scheduled airlines. A lot of people who use jets don't want to wait around for the government [to endorse travel]. They need to get out and do things now – they need to travel."

PANDEMIC PERFORMANCE

For many operators and brokers, bespoke business travel bookings are just one facet of their business – corporate shuttles, groups, sports teams, music and entertainment, critical cargo, medical evacuation and high-end luxury travel are all important revenue streams.

A number had enjoyed particular growth in the corporate sector in 2019, which continued into early 2020 (see panel p30). Even in the early days of the crisis, many pivoted from their usual business to operate rescue and repatriation flights and transport critical medical supplies and equipment.

Private jet charter company Victor says three-quarters of flight requests in those early weeks were “last minute” as people tried to get home and reduce exposure to the virus. “Our request types clearly changed dramatically to service critical missions only: repatriation, medical evacuation and transporting key workers,” says head of commercial jets, Tom Hill.

Its assignments included the repatriation of a British family from Morocco, the deployment of NHS staff, and flying construction workers to build new temporary hospitals. A lull followed, but private jets were grounded later and resumed sooner than commercial airlines, which suffered tremendously more than the private aviation sector.

As we emerge from the pandemic, Victor says 35 to 40 per cent of bookings have been from new customers and it is expecting more corporate growth due to a lack of scheduled services.

ACC had a similar experience. Its usual business “disappeared overnight” and was replaced with air evacuations and the movement of PPE equipment, explains Smith.

“We’ve actually been pretty busy during lockdown. When scheduled services stop there are still people and cargo that needs to keep moving. We operated a lot of repatriation flights for people in the oil and gas businesses in Africa, for example.”

Smith continues: “In the short term, health concerns and reduced commercial schedules will create demand for what we do. You can’t put a price on safety.”

“We’ve had a strong recent uptick in requests and bookings. Businesses are keen to get going again and they can’t necessarily wait for commercial airlines to start flying. Our niche is feeling pretty confident right now,” adds Smith.



PUTTING A PRICE ON IT

GlobeAir argues the case for private jets by citing the example of a journey between Paris and Geneva. Four business class tickets on a commercial airline would cost around €2,200, it says, while a private jet covering the same route would cost around €4,200 – €500 more per passenger. “The difference signifies an investment in safety and efficiency, with about one hour and 45 minutes saved,” it states.

“Empty leg” flights, where a jet is repositioning, can represent significant savings on bespoke private jet bookings but, as GTM’s Paul Baker points out, they defy one of the sector’s main USPs – total flexibility.

In June, Victor listed an empty leg flight from London Luton Airport to Dublin Airport as costing €2,788 for up to six passengers. It says the outbound leg booked bespoke would have cost around €8,000.

For regular travel patterns, a shuttle service can be effective. One ACC client has a long-term contract between its bases in Germany and France. It operates five days a week with morning and evening departures in both directions.

“This is hugely cost effective when you have those sort of volumes. You can have 30 to 35 passengers on each flight but even with only ten it still works,” says Richard Smith.

“

Businesses are keen to get going again and they can’t necessarily wait for commercial airlines to start flying. Our niche is feeling pretty confident

THE BIG BENEFITS

The cost of private jets has historically been a barrier to wider business adoption as it's difficult to quantify their principal benefits of flexibility (you can fly to a much wider choice of airports at a time that suits you), privacy, speed and productivity. And in spite of widespread perceptions, they can even be cost effective (see panel p29).

There are also many different use models offered by operators and brokers, including subscriptions, fractional jet ownership, jet cards (purchased in blocks of time), empty leg bookings and ad hoc bookings.

Typically, brokers work with a large network of preferred operators around the world, enabling them to serve all needs – from very light jets for just a few passengers through to long-haul aircraft – and fly in and out of a vast number of small regional airports.

Victor works with more than 200 operators and can arrange flights from more than 150 airports in the UK and nearly 300 in France – two of its biggest European markets. “Our clientbase is immensely diverse in terms of travel objectives and budgets,” says Hill.

For ACC, corporate business accounts for around 40 per cent of its charter division but “we’re anticipating it’ll be a more important part of the business for this year at least,” says Smith.

“

Private aviation has a unique and clear opportunity to convert the market and make jets rather more mainstream

“We try to offer a proposal within two hours of a request and we can get an aircraft airborne in as little as 90 minutes from the initial enquiry,” Smith explains.

He adds: “Jets can be effective if you’re doing something particularly complex – you can do several trips in a day – or you need to get right into a destination.”

As Lidor Revah points out, commercial flying will have a longer recovery period and the private aviation sector stands to gain. The CEO of Imperium Jets, which positions itself as a GDS for the sector, connecting operators and brokers, says: “Until there is a vaccine [for Covid-19], the commercial industry likely won’t return to pre-Corona revenues. However, private [aviation] has a unique and clear opportunity to convert the market... and to make private jets rather more mainstream.”

MIXED FORTUNES

Private jet operators and brokers report similar patterns over the course of 2020, with many having started the year on the back of promising growth in 2019.

VistaJet recorded 16 per cent year-over-year growth globally for January and February 2020, with Europe up 11 per cent in terms of flights hours. It also increased its members in the market by 23 per cent in 2019.

GlobeAir noted 27 per cent yoy growth in

bookings during the second half of February and early March, while in February Victor revealed 33 per cent yoy growth in commercial jet charters for 18 passengers or more, with corporate travel accounting for more than a third of that.

Once the pandemic struck, the sector operated at 15 per cent capacity in April and 45 per cent in May, according to sector analysts WingX, with enquiries reportedly nearing ‘normal’ levels in the summer.



A man in a dark suit and tie is seated in a private jet cabin, working on a laptop. He is looking down at the screen with a focused expression. The cabin features white leather seats with colorful patterned cushions. Large oval windows are visible in the background, letting in bright light. The overall atmosphere is professional and comfortable.

KEEPING BUSINESS MOVING

**AS WE BEGIN TO RECOVER FROM THIS
CRISIS, MOBILITY WILL BE ESSENTIAL
TO RESTORING ECONOMIC STABILITY.**

ACC Aviation Group continues to support organisations across the globe, whether repatriating personnel or arranging dedicated corporate shuttle flight programmes for essential workers.

Whatever your air travel needs, our aviation experts remain at your disposal 24/7, ready to provide bespoke aircraft charter solutions and impartial air logistics expertise to help keep your business moving, safely and securely.



ACC
AVIATION GROUP

ACCAVIATION.COM

T: +44 (0)1737 232 230

E: charters@ACCaviation.com





RETURN TO SENDER

Corporates, TMCs and airlines wrangled over the retention and recovery of valuable funds as Covid-19 brought air travel to a halt, but the story doesn't end there. **Andy Hoskins** reports

Airlines' ongoing financial struggles have been well documented, but their efforts to retain cash came to the fore when customers expecting refunds from cancelled flights were instead steered towards accepting credit or 'vouchers' for future travel.

Leisure and corporate customers alike, together with TMCs and other intermediaries, were suddenly embroiled in a struggle that would have to be settled by legislators, with the US Department Of Transportation (DOT) stepping in first.

At the start of April the DOT said airlines operating in the US must issue refunds where requested, including for non-refundable tickets. It was a ruling difficult for

US airlines to ignore since they were simultaneously receiving financial aid from the US government.

Then, in mid-May, the European Union said it would write to member nations that were breaching EU law by not ensuring airlines and intermediaries provide refunds. The UK's Civil Aviation Authority duly fired a warning shot to airlines operating in the UK, saying refunds should be made a clear option "without unnecessary barriers" but also supported the offering of vouchers or rebooking alternatives "where it makes sense" for customers.

It followed up at the start of July, having reviewed the policies of 18 airlines – UK-based carriers and overseas

airlines with significant UK operations – confirming they were all now paying refunds and grouping them into three categories: acceptable performance; those requiring more transparency; and those requiring processing time improvements. It would not reveal which airlines fell into which category, but a more detailed report is expected at the end of July.

Meanwhile, IATA had fought its corner from the start, arguing for leniency while laying bare the sorry state of its industry. Airlines faced \$35 billion in potential refund claims by the end of the second quarter at a time when incoming revenue had almost dried up.

“In normal circumstances, repayment would not be an issue. But these are not normal circumstances. If airlines refund the \$35 billion immediately, that will be the end of many airlines,” said IATA director general Alexandre De Juniac.

It called for governments to delay the requirement for immediate refunds and implored customers to accept vouchers instead. “We believe the best answer for both airlines and travel agents is for regulators to ease requirements for cash refunds and allow airlines to issue vouchers instead,” said De Juniac in a message to the trade in April.

In a separate note about vouchers and delaying refunds, De Juniac said: “I know that this is far from ideal, but the alternative is even worse. Without this flexibility, airlines will collapse, and jobs will disappear. Accepting a voucher or delayed refund today will mean that the airlines will be around for when we have our freedom to travel restored.”

SO ARE AIRLINES PLAYING BALL?

Paul Baker, sales director at Global Travel Management and a member of the Business Travel Association’s air strategy group, says that after some “initial concern that airlines wouldn’t pay refunds”, they had largely been compliant.

The situation was made more complicated, however, when airlines switched the usual refunds process from the GDS to IATA’s BSP Link (see panel p35).

“Most airlines bar one or two exceptions have been very good and have refunded us the monies – although in some cases with delays of up to three months – and we have refunded them to our clients,” says Baker.

“Given airlines are burning through cash, they’ve done well to return it to customers. Ordinarily it’s us paying money to IATA BSP and the airlines, but because nobody’s really been issuing tickets, for the first time ever the airlines have actually been owing travel agents money.”

Few airlines revealed their exact positions, though some revealed progress. “This pandemic is a black swan event no-one expected, impacting travellers and hitting the airline and travel industry hard,” said Adnan Kazim, Emirates’ chief commercial officer. “We ringfenced cash to honour refunds and invested resources to expedite processing.”

Emirates processed nearly 650,000 refund requests in May and June, returning more than £400million to customers. It

“

Most airlines bar one or two exceptions have been very good and have refunded us. Given airlines are burning through cash, they’ve done well to return it to customers



also reduced its refund processing time from 90 days to 60. “We still have over half a million refund requests to manage, and expect to clear these within the next two months.”

Virgin Atlantic, meanwhile, said it was paying back £20million in refunds per week in June and is taking up to 120 days to process refunds.

And in July, Austrian Airlines said “several thousand tickets worth millions” are being reimbursed each week and pledged to clear the backlog over the following eight weeks. It said only 40 per cent of refund requests had been processed to date, although ‘about two-thirds’ of agencies had been reimbursed.

Julie Ornsby, operations director at Good Travel Management, says her TMC was “well on top of refunds until the airlines shut off the GDS channel. A lot of clients cancelled travel plans very early and we got a lot done before airlines shifted refunds through BSP Link.”

“Some of the more obscure airlines have been more difficult to work with but generally the big ones have been ok,” she says. In normal circumstances refunds are processed in under 30 days, but the TMC is currently waiting six weeks before chasing up unpaid refunds.

Some airlines, notably low-cost carriers who do not use IATA’s BSP payments platform, were more difficult to get refunds from. “They need a lot more work,” says Ornsby. “They take a lot longer and there’s a lot of waiting on hold.”

There were also complications around when to cancel bookings. Many corporates advised travellers not to cancel their bookings and instead wait for the airline to cancel the flight to ensure a full refund.



"We had to advise all bookers and travellers to leave cancellation to our TMC to manage on their behalf as we needed airlines to cancel the flight," says the travel manager at a large UK-based entertainment business.

One low-cost airline was only offering refunds if they cancelled the flight, they explained, otherwise only vouchers were available to them.

"The biggest problem was that quite a few airlines stopped refunds in the GDS we use, which are normally instant, so that slowed the process down considerably. Some are now taking months to come through."

AND WHAT ABOUT THOSE VOUCHERS?

And what of IATA's pleas to accept vouchers? Corporates undoubtedly understood the severity of airlines' plights and some did leave their money with the airlines, but many needed their money back as much as the airlines needed to hold on to it.

"Most corporates are looking for refunds to help their own business cashflow but others are happy with the vouchers as when business travel gets going again they might not have the budget for travel," says BTA chief executive Clive Wratten.

Jan Latenstein, vice president sales and client management multinational EMEA at CWT, believes clients "understand and empathise with the significant losses currently faced by the airline industry and the need for airlines to preserve cash. They are accepting of the fact that vouchers/unused ticket credits are being issued to them rather than cash refunds."

A number of corporates *BTN Europe* spoke with said the speed with which the pandemic spread left them little time to formulate a plan with regards the acceptance of vouchers.

"There was no coordinated effort in deciding whether we would take refunds or whether we would take virtual vouchers," says Alice Linley-Munro, Travel Manager at Oil Spill Response.

For its cancelled UK bookings, it ultimately took around a quarter as vouchers and the rest as refunds. "We're aware of how much the companies involved in the travel lifecycle are

“

A consolidated 'pot' of credit with each airline would have been the perfect solution and we could just cross off that credit as we burn through it

struggling for cashflow so we haven't pushed our TMC to refund the airline refunds back to us yet. We'll use it as credit against future travel," adds Linley-Munro.

"I get a sense that bigger corporates are pushing for refunds from airlines, maybe because the sums they're dealing with are pretty significant," she adds.

Lisa Barnett, commercial contract specialist at Bruker, said their decision hinged on the individual traveller. "If they travel a lot then we take the credit," she says. "If they don't, we'll seek a refund."

A buyer in the financial services sector says their organisation largely pursued refunds but was reasonably happy to accept vouchers. It would have been more inclined to "leave our money in the airline" had credit not been attached to the passenger name on the booking.

"A consolidated 'pot' of credit with each airline would have been the perfect solution and we could just cross off that credit as we burn through it," they explain. "Unfortunately there's not much movement from airlines on that."

WHAT'S SO BAD ABOUT VOUCHERS ANYWAY?

And therein lies one of the fundamental problems with the airline-issued vouchers. "Electronic credit is held to you as an individual," says Wratten. "The BTA has been lobbying for airlines to allow name changes and putting vouchers in a corporate's name rather than the individual's. That is the industry preference. Some airlines are being more flexible in this respect but the ones actually doing this are few and far between," he explains.

As Baker points out, organisations could be left with vouchers on their hands which are essentially worthless, having been issued in the names of employees made redundant or temporary contractors. “The vast majority of times a flag carrier wouldn’t approve a name change on a ticketed booking so the trade has really pushed for this. Some airlines have authorised and enabled that but most haven’t,” he says.

While voucher validity varies – typically from one to two years – there is an additional risk that some airlines will go out of business in that time and leave corporates with worthless vouchers on their hands.

On the other hand, some airlines are offering incentives for taking their vouchers. KLM moved to “enhance the attractiveness” of its vouchers by adding a bonus of 15 per cent to the total value of the initial ticket.

Similarly, Finnair and Qatar Airways both offer a ten per cent bonus, while Etihad Airways is issuing bonus air miles for those opting to accept credit.

Aeroflot vouchers, which it was processing 8,000 of per day in June, are valid for three years and holders will be given a 15 per cent discount on the cost of the same fare/ticket type when they rebook, or 25 per cent for Flex fare ticket holders. Such bonuses could sway consumers and those corporates who expect to resurrect postponed travel plans, while others might consider leveraging their consolidated credit with an airline.

It has been suggested by some industry experts that customers with significant business with a particular carrier – and good relations in place – might negotiate, say, using five per cent of the value of their accrued vouchers to extend the validity of the remainder, or to use vouchers to upgrade other bookings. How much success corporates might have in this respect remains to be seen.

AND NOW I NEED TO MANAGE THESE?

In the meantime, many corporates and TMCs are still getting to grips with managing their newly issued airline credit. With the situation unprecedented, it’s no surprise there are a variety of approaches, and there’s even a renaissance for the old-fashioned spreadsheet.

Of the corporates *BTN Europe* spoke to, the majority are satisfied with the efforts of their TMC, firstly in identifying which bookings were eligible for refunds or vouchers, and then secondly in managing the use of vouchers since.

“Our TMC handled all the refunds for us,” says Barnett. “I can’t sing their praises enough. All the vouchers are visible on our transaction reports.”

Linley-Munro is sharing the responsibility with travellers. “We’re keeping tabs on the vouchers ourselves so we know exactly who cancelled what, how much they’re due, and when the vouchers are due to expire,” she explains. “We’re also going to pass some of the onus back to the travellers themselves by sending them an email with all of the details so they know they have the credit to use.”

“

We’re keeping tabs on the vouchers ourselves so we know exactly who cancelled what, how much they’re due, and when the vouchers are due to expire

Like many corporates, the aforementioned buyer in the entertainment business was pleased their TMC took the lead on identifying bookings eligible for refunds or bookings and rose to the task. “We’ll probably allocate vouchers to the same individual for future use or to the production label the booking relates to,” they add.

In February, CWT instated a “dedicated refund reporting taskforce” to put in place a “simple, regularly updated report to help our customers easily view the status of their unused ticket and refunds globally”. It says it has a range of proprietary technology in place to identify, process and store unused tickets and credit, and gives clients full, real-time visibility of what they have available to use.

Another global TMC has incorporated a pop-up in its booking tool in one market to notify the user there is available credit to use, yet in another market it is taking a more manual approach. Certainly it seems those with lesser voucher volumes to keep track of are preferring the latter approach.

“We only have a couple of hundred vouchers across all our clients so it’s not too difficult to manage,” says Ornsby. “But if you’re trying to keep on top of thousands then it’s a very different challenge.”

She continues: “When a client comes to us to book travel we’ll notify them if they have a voucher to use. We monitor online bookings too although there’s very few people booking online at the moment. Invoicing does get complicated, but that’s another conversation altogether!”

A CHANGE IN DIRECTION

Airline refunds are usually managed by TMCs directly with the GDS. It’s a more or less ‘self service’ model – and that’s why airlines quickly switched it off and channelled everything through IATA’s BSP Link instead.

The sudden volume of refunds – and the need for airlines to try and hold on to what funds they could – forced the sudden change in direction.

Paul Baker, sales director at Global Travel Management explains: “Normally we can go into our GDS and, for tickets that haven’t been used or are cancelled and have value left in them, we can go in and there’s an automated system to claim the refund which we can action and process ourselves.

“The airline would be aware of it and party

to it. They wouldn’t stop it but they wouldn’t action it – we would do it. What that means is that we knew it would be done and we can raise a credit note to our customer and it would happen more or less instantly.

“But when the pandemic hit, the airlines en masse shut that system down and made us go through BSP Link. That means we’re going into a portal and saying ‘we’ve got this ticket with such and such an airline, so please authorise the refund’. Then it sits with them until someone in their refunds department – who are obviously swamped at the moment – says ‘ok, yes we’ve done that’, hence refunds are taking a lot longer now. The money then comes back via our fortnightly BSP account.”



WHEELS IN MOTION

Car hire, chauffeur drive and ride-sharing operators have all been hit hard by the coronavirus pandemic, but each has an important role to play as the recovery gets underway, writes **Dawit Habtemariam**

Like all sectors in the business travel industry, ground transport was devastated by the Covid-19 crisis that brought the world to a standstill.

Suppliers in the sector saw revenues plummet to nearly zero in April and May, leaving many to rely on government loans and furlough schemes to keep them ticking over. In the months ahead, the ground transport sector's recovery will likely be slow but, crucially, it will underpin domestic travel – the market that is spearheading the return of corporate travel. In the meantime, providers are establishing new safety and hygiene protocols to generate traveller confidence.

CHAUFFEUR SLUMP

The wheels well and truly came off for many chauffeur drive companies, with the numbers telling the story for themselves.

David Seelinger, chief executive at Empire CLS, revealed in April that business was down roughly 95 per cent year over year – and the company, which operates across the world, wasn't alone in its struggle.

Blacklane's revenue fell by 98 per cent and 95 per cent year over year in April and May, respectively, according to Blacklane CRO Sascha Meskendahl. The company avoided laying off any of its employees thanks in part to the subsidy

programmes of various countries, such as Germany's Kurzarbeit scheme, in which the government subsidises two-thirds of workers' wages to help discourage redundancies.

Likewise, Groundscope saw an over 90 per cent year over year drop in revenue in April and May. The company has avoided layoffs due to the UK's Job Retention Scheme, under which the government pays 80 per cent of each company's furloughed employee until October.

Scottish chauffeur provider Little's saw an almost 100 per cent year over year drop in revenue in April and May in its home country, according to CEO Heather Matthews. It too

has been able to avoid layoffs thanks to the UK's Job Retention Scheme.

None of the chauffeur services providers that *BTN Europe* spoke with expect to see pre-Covid level bookings in 2020. "The reduction in demand cannot be ignored, with recovery anticipated to be very slow and gradual throughout the remainder of the year," says TBR Global CEO Craig Chambers. "Current predictions show the business meeting just 50 per cent of its 2020 budgeted levels by the end of the first quarter of 2021."

In the meantime, chauffeur providers are driving travellers longer distances than before the crisis. Blacklane has seen the average distance its corporate clients travel more than double, according to Meskendahl. And some of Little's clients are using its services to travel to and from their destination instead of to an airport to catch a flight, according to Matthews.

Chauffeur drive providers see this time of uncertainty as an opportunity to introduce corporates to the advantages of their services. As travel bans lift, it's possible travellers will prefer private ground transport services that reduce human contact, according to Groundscope CEO John McCallion. "People will be more concerned about traveling en masse," he says. Catching a train or a bus will be seen as potential risks to being exposed to Covid while private ground transport, like chauffeur services, will be seen as safer, he adds.

In addition, as airports and airlines introduce health and safety measures into their passenger screening processes, the amount of time spent on air travel will increase in the short-term, making ground transport a more attractive option, Meskendahl says. This shift is an opportunity for corporates and their travellers to become accustomed to the advantages of private car services, he explains.

CLEANING UP

As ground transport suppliers recover from the plummet in demand, they'll have to prioritise resources to ensure new sanitation protocols are established and enforced. Groundscope requires its drivers to conduct self-health checks and not to work if they have a high temperature, not to shake customers' hands, have sanitisers available for passengers and have their cars sanitised before every trip.

Blacklane and TBR have also mandated new hygiene protocols to its chauffeurs. Drivers must abide by social distancing requirements, wear masks and gloves, disinfect their vehicles after every ride and make hand sanitiser available to passengers. In addition, TBR has mandated all multi-purpose vehicles in London be fitted with fully sealed partitions, according to Chambers. Little's requires drivers to wear masks



and not shake their clients' hands. It has also invested in ozone machines that can clean their cars without the use of chemicals or surface products.

Providers are also using this time to enhance their technological capabilities. Before the pandemic, Groundscope was building a proprietary booking platform, according to McCallion. Since the pandemic hit, it raised its investment in the platform to over £1.6 million. "We decided to increase our expenditure, weirdly, because of the crisis," says McCallion. "We feel when we come out of it, we need to have state-of-the-art technology and also have the most efficient transaction processing and the most efficient booking methodology because it's the right thing to do for business efficiency."

TBR has automated more administrative tasks to enhance its operational efficiency and reduce administrative burdens. In addition, it has been making progress on improving connectivity within travel management company tech platforms by making enhancements to its direct API integration software. It has also started starting development on an event quoting product, which will upgrade TBR's quoting method for bookers and suppliers in its network.

HIRE PRESSURE

Car hire companies are in a similar situation, with demand bottoming out in April at approximately 80 per cent down year over year.

Avis Budget Group laid off or furloughed nearly 70 per cent of its global workforce and the devastation was

“

We decided to increase our expenditure because of the crisis. When we come out of it we need to have state-of-the-art technology



GroundScope

GroundScope are ready to look after you whenever you need to book a safe, reliable, cost effective global ground transfer

- Trusted
- Safe
- Reliable
- Cost effective



To find out more about our service and how GroundScope can support your global ground transportation operation please contact us to set up a meeting

✉ sales@groundscope.co.uk

www.groundscope.co.uk



enough to send Hertz into bankruptcy proceedings. The company laid off 12,000 employees and cancelled most of its new car purchases.

At the peak of the crisis, French car hire company Europcar Mobility Group furloughed 65 per cent of its UK employees, who have been subsidised by the UK's Job Retention Scheme. German operator Sixt saw "its business fall off a cliff overnight," shut down branches that had no demand and took advantage of government retention programmes in the UK and Germany, according to Stuart Donnelly, Sixt senior director of group international sales for Europe and North America.

These companies know business can't return until travellers feel safe getting into a vehicle, and for car hire that has to cover the entire experience, not simply the sanitisation of the car.

Avis has introduced the Avis Safety Pledge in which the company asserted its "relentless commitment" to the safety of its customers and employees.

Meanwhile, Hertz has launched a Gold Standard Clean, a 15-point car cleaning process based on the World Health Organization's guidelines that the company follows before each rental. Hertz has also retrained staff and mandated the use of personal protection equipment and social distancing procedures.

Sixt has implemented Sixt Premium Cleaning Standard, a protocol under which every vehicle is inspected and undergoes a multi-step deep-cleaning process, inside and out, before a customer picks it up. The company has also implemented hygiene protocols at its branches based on the WHO's recommendations.

"We want to show in a very detailed way how prepared we are for our travellers," says Avis Budget Group CEO

Joe Ferraro. That includes preparing employees. "All of our employees have personal protection equipment, counter shields, social distancing," he says. "Our people are well protected, and we have masks for customers if they want them. We take care of employees to make sure customers feel safe."

The new measures are going to be in place for some time, it would seem. Avis expects its Safety Pledge protocols to remain in place for the foreseeable future and continue to be guided by the latest guidelines from WHO and local governments.

Hertz's Gold Standard Clean is now standard practice and will be permanent, a Hertz spokesperson says. "Other measures, including social distancing, enhanced PPE and screens at counters, will be in place for the foreseeable future and only reviewed once we can be sure of the safety of our colleagues and customers, in line with government guidelines in each country," they add.

Enterprise Holdings emphasised on its website a similar commitment to employee health and safety as well as enhanced employee training and sanitisation protocols for both its facilities and its vehicles.

Some suppliers in the sector – Hertz and Sixt among them – have also accelerated their vehicle delivery strategies to help avoid exposure at rental locations.

“

Social distancing, enhanced PPE and screens at counters will be in place for the foreseeable future

RIDE SHARERS

Both Uber and Lyft, which are struggling to achieve profitability as public companies and now face a roughly 80 per cent decline in 'ridership', have invested in enhanced health and safety protocols too.

They've included technology options for monitoring behavioural adherence to policies like mask

requirements and self-disclosures of symptoms, but much is left to individual judgment. Cleaning between passenger pick-ups appears to be recommended but not mandatory.

Many European corporates ban or don't promote ridesharing in their travel programmes, and amid the pandemic, corporate buyer opinion appears to remain unchanged.

Alexander Mann Solutions' global head of facilities and support services Michael McSperrin didn't include rideshare services in his travel programme before the pandemic due to security reasons and said he will continue to exclude the option.

"We know the likes of Uber and all those guys look to put in certain measures and procedures to make sure that anyone taking a rideshare is safe, but we certainly wouldn't encourage anyone to use the options where Uber and others have the option to share a car with you and another customer," he says.

On top of that, travellers themselves have revealed preferences for services where human contact is more limited. Indeed, Vanderlande Industries B.V. global travel manager Esther Franken says her travellers have requested approvals for preferred taxis and not rideshare services.

She hasn't pursued any agreements with other big European rideshare providers, like GETT, because of their network limits. "Their global network is not there yet, but it's something interesting to watch. I'll keep following them."

“

Car hire might make up for some of the shorter routes that aren't on air networks right away

CHANGING HABITS

According to Sixt's Donnelly, there will be a long-term behavioural shift in corporate travel. "People will not hop on a plane immediately and just fly [to their destination] for one meeting," he believes. Neither does Donnelly think corporate travellers will spend as much time and money on their trips as they have before.

But if car rental companies can keep their footing long enough, they may benefit from the shift away from air travel, according to corporate travel buyers and industry consultants. "There are a lot of people that feel like we're going to get quite a bit of pushback from travellers not wanting to get on a plane," one buyer told *BTN Europe*.

Drew Crawley, American Express Global Business Travel's chief commercial officer, agrees, pointing to the isolation it presents travellers: "We'll see more car hire than we've seen in the past as it's a safe way of travelling to destinations."

He adds: "It might also make up for some of the shorter routes that aren't on air networks right away. Car hire will make up the difference and join those dots."

Hertz expects to win some business from carrier and rail companies in the short-term. "Feedback from customers is that they feel private cars currently give them the confidence and safety assurances that they can't find elsewhere," says Hertz International president Angela Brav. "Public transport has understandably been heavily affected by national lockdowns over the past few months and, with restrictions beginning to ease



across Europe, we are seeing an uplift in bookings.”

The biggest competition for car hire companies could be personal cars. “Most people want to use their own cars right now,” one buyer told *BTN Europe*. “We had a procedure on whether it’s cheaper to use your own car or a car rental, and that’s been suspended.”

Indeed, as the UK has allowed hotels to reopen, Travel and Transport has seen a rise in hotel bookings, but not a corresponding one in car rental or train bookings, suggesting travellers are using their own cars, according to Mervyn Williamson, managing director at Travel and Transport.

A US buyer told *BTN Europe* they were looking at how to make mileage reimbursement more flexible. According to their current policy, travellers are personally reimbursed up to 200 miles one way. For trips farther than that, the traveller is required to rent a car. If the trip would take more than a certain number of driving hours, the traveller is required to take a flight.

“That 200 miles is not going to be in effect any longer,” the buyer says. “Travellers may prefer to take their personal car out for a lot longer instead of renting a car or boarding a flight. We’re giving travellers the flexibility to do that now.”

NEW NECESSITIES

If car rental companies are to provide a safe haven for corporate travellers, buyers will be looking for a touchless experience. That means a good mobile app that allows drivers to access cars at any location without having to engage in a rental counter exchange.

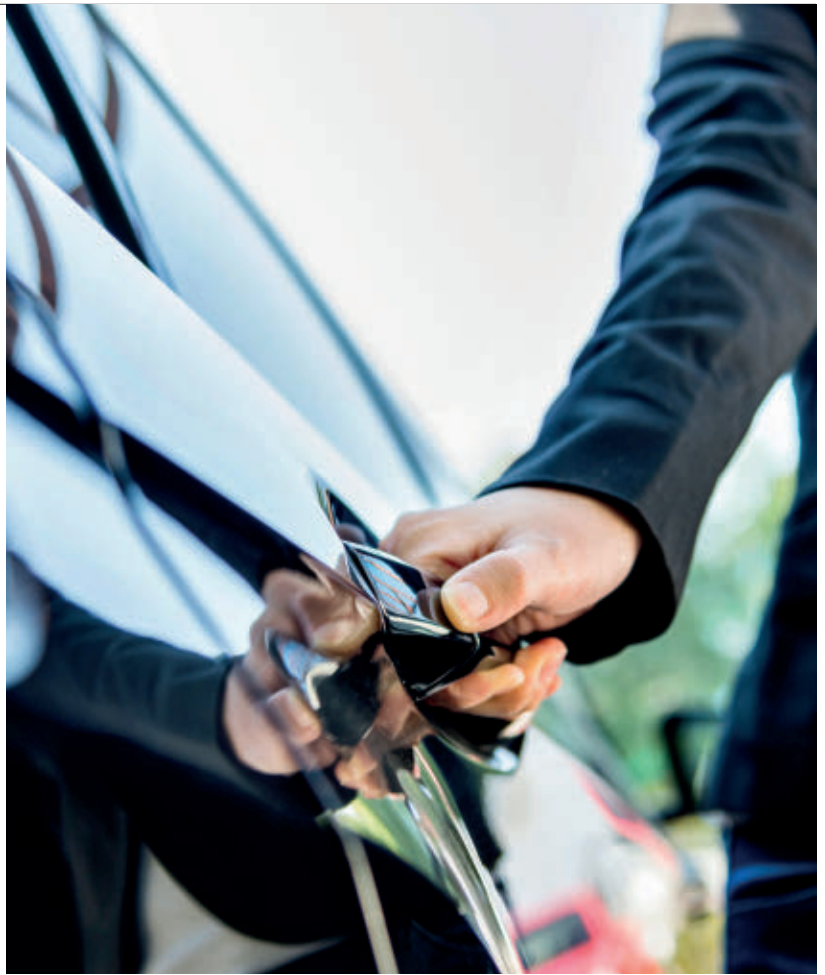
Ferraro says the Avis app has that enabled, but not at every location. It had the best mobile app out of all the major car rental companies, according to travel buyers in BTN’s 2020 Car Rental Survey.

“By the time you land, the [vehicle] space number appears on the app. If you get to the car and you don’t like it, you choose another one,” Ferraro says. “Then you drive to the gate, flash your driver’s license and you are on your way. Most of our commercial travellers have used it. We think the touchless product is an avenue that will help our customers feel safe and in control.”

It remains to be seen which companies may come out on top, but buyers should be asking questions about how touchless the process can be. For corporates that can handle the leap, self-driving technologies also fit the touchless description in a way that could bring traveller productivity back to the car rental conversation – even for longer road trips. The industry clearly isn’t ready now, but Covid-19 fears could drive renewed fervour for self-driving vehicles.

BEYOND BUSINESS TRAVEL

Some travel managers may be asked to expand the purview of their current ground transport contracts as companies consider return-to-office strategies.



“I’m starting to hear corporations discuss how they are going to be bringing employees back using ground transport, like a private bus for their people,” says ground transport consultant David Kilduff.

Some corporates in urban areas are allowing employees to use ride-hailing services for the same reason but with safety guidance, particularly if it’s a choice between ride-hailing or public transport.

Car hire relationships could also help companies lower other costs, as the recession-induced pandemic continues to eat away corporate finances.

“We were doing a lot of leasing in Europe. Now it’s coming up that we’ve been spending a lot of money there and we’ve been laying off a lot of people in Europe. We’re now re-evaluating if it’s better for us to do monthly rentals as opposed to signing that leasing contract with Volkswagen and BMW,” a travel manager told *BTN Europe*.

Indeed, Sixt has seen ongoing demand growth from customers looking for creative solutions like long-term rentals and vehicle subscription models to support unique needs, and Europcar Mobility Group has seen an increase in long-term rentals from corporates that want a flexible alternative to leasing.

As travel managers are called upon to think out of the box, asking current ground transport, car hire and ride-hailing partners for flexible, profitable configurations could produce unexpectedly successful results during challenging times for all.

“
Travellers may now prefer to take their personal car out for a lot longer instead of renting a car or boarding a flight



BACK IN THE FRAME

The coronavirus crisis has slowed rather than halted the progress of NDC, but its importance may only grow in the post-pandemic world, writes **Rob Gill**

With both the airline industry and wider business travel sector facing its most existential crisis as everybody battles to cope with the impact of the global coronavirus pandemic, talking about distribution inevitably has taken a back seat.

Asking the International Air Transport Association (IATA) to comment on the subjects of New Distribution Capability (NDC) and the One Order initiative in the midst of the crisis felt very much like to trying to get an update on how painting the bathroom was going while the house was burning down.

“The Covid-19 pandemic and resulting virtual shutdown of air travel around the globe overnight shifted priorities for IATA and our member airlines,” says Yanik Hoyles, director of IATA’s industry distribution programmes who leads the NDC and One Order projects.

“For IATA, the 100 per cent focus is on supporting our industry through its gravest crisis. At the moment and until conditions improve dramatically, the focus is on the current emergency and supporting our members.”

This was still very much the prevailing mood several months into the pandemic as airlines

battled for survival. But while the pace of development of NDC has slowed significantly, both IATA and major airlines have reaffirmed their commitment to the project and the benefits it can bring.

PROGRESS REPORT

Although NDC has been around as a programme for nearly a decade, it’s perhaps instructive in the current climate to look at the reasons for its existence. NDC is designed to transform the way flights are sold through travel management companies and other agency channels, as well as reducing airlines’ payments to GDSs.

“It brings airline content that was only available on their website – such as seats, bags etc – to the travel agent channel, making it much easier to access,” explains Hoyles. “Retailing initiatives like NDC deliver value by enabling access to richer content, better decision-making and more responsive policies.

“It will also help increase traveller satisfaction by making airline offers more easily accessible and provide access to more relevant offers through segmentation or personalisation.”

Originally, 2020 was meant to represent a major milestone for the rollout of NDC-enabled airline bookings through the NDC Leaderboard – a group of 22 airlines, including British Airways, Lufthansa, Air France and KLM, all committed to the target of making 20 per cent of ‘indirect’ bookings through NDC-based platforms by the end of this year.

While this initiative is understandably now on the back burner, several airlines made significant progress in reaching the 20 per cent goal pre-coronavirus, including British Airways whose indirect sales through NDC channels were already “way above” 20 per cent in the UK market before Covid-19 struck.

Two leading US backers of NDC, American Airlines and United Airlines, have reaffirmed that their long-term strategic strategy of modernising third-party distribution remains intact, with work to make it happen continuing despite the staffing issues created by Covid-19.

United Airlines distribution director Tye Radcliffe says NDC is “still a priority for us”, and the carrier continues to “test and deploy capabilities as fast as we can”. Although he admits progress has “slowed down a little bit”.



“Once we have that testing and work complete, we plan on making significant progress implementing NDC with the GDSs, aggregators and agency partners throughout the rest of 2020,” he adds.

Similarly, American’s director of distribution strategy Neil Geurin stresses the airline remains “all-in” on NDC, having recently completed its seat pricing and availability integration with Amadeus through an NDC-enabled connection. Deployments with Sabre and Travelport are also “still coming along”.

Travelport CEO Greg Webb confirms that “the priority hasn’t changed on the airline side” to develop NDC but there have understandably been “bigger fish to fry” in recent months.

“The intent is still there,” he adds. “It’s just that a lot of these guys, including us, are just trying to make sure that we can come up for a breath.”

Travelport’s recent developments include turning on Singapore Airlines’ NDC content with agencies in its home market.

Airlines have “responded to the disruption in different ways,” says John Bukowski, vice president, content strategy, global supplier relations, at American Express Global Business Travel.

“Some are moving forward with NDC development programmes, while others are scaling back or delaying investment,” he explains. “But the consensus is that content display capabilities still need to be enhanced, predominantly in online booking tools, across all connection types.”

INDUSTRY COLLABORATION

One thing everybody agrees on when it comes to NDC is the importance of industry partners working together – from the airline to the booking tool providers to the TMC and, of course, the travel buyer.

“
Content display
capabilities still need
to be enhanced



In March, IATA held a business travel summit in Miami led by buyers from the North American Travel Manager Advisory Group (TMAG), where delegates heard about five live NDC projects that are bringing together airlines, TMCs, online booking tool providers and buyers.

UK-based consultancy Festive Road has been working with IATA on NDC engagement between airlines and corporate buyers for more than five years, including helping to set up the TMAG panel of buyers across both North America and Europe.

“NDC has got to a critical point,” says Festive Road’s managing partner Paul Tilstone. “The five case studies of live integrations weren’t all perfect or seamless but they demonstrated that the pipes work.

“While it can bring some of the content that wasn’t previously available through the indirect channel, now buyers want to see the promised value start to emerge through those pipes.

“The Miami event showed that success in getting new content through comes when the airline, aggregator, intermediary and buyer all sit together without any agendas and work hard to drive the content through.”

Tilstone says the case study with the most impact at the summit was the collaboration between US-based pharmaceutical company Parexel International, American Airlines, travel management company FCM and technology provider Amadeus.

LONG-TERM IMPACT

So while there’s no doubt the Covid-19 crisis has slowed the progress of NDC and One Order, will it just be a case of a delay for this new era of B2B distribution? Or will it help to nurture a new spirit of cooperation and purpose to the benefit of the industry, travel managers and travellers themselves?

Mark Ridley, Amadeus’ head of airline distribution solutions and NDC (X) programme, says: “We’ve always known the success of NDC will be measured by the level of sustainable adoption across the entire travel distribution value chain. NDC can only be successful if it can deliver performance at scale for the full length of the customer experience.

“What Covid-19 has reinforced is the continual need to collaborate across the industry to develop automated, scalable end-to-end solutions that are thoroughly integrated to ensure travellers can be served efficiently from the time of booking to the time they get to their destination and home again.”

Cooperation is crucial to making NDC a success, agrees American Express GBT’s John Bukowski. He adds: “Defining specific goals – such as corporate bundles, ancillaries and branded fare content – and working



with partners to achieve them, is the best way forward. Given the current disruption, delivering content in ways that limit reporting, servicing or duty-of-care, seems counterproductive.”

Moshe Rafiah, CEO of Travelfusion, a leading non-GDS aggregator of NDC content, remains bullish about the airline industry’s longer-term commitment to NDC despite the slowdown in activity this year.

“I predict that NDC and direct [distribution] will play a much, much larger role, both in terms of investment and urgency by the airlines to switch to the NDC channel,” he says.

While nobody knows yet what sort of state the aviation and business travel sectors will be in financially and operationally in the post-coronavirus world, it’s a safe bet there will be more consolidation as well as a laser-like focus on reducing costs.

This is likely to mean surviving airlines will be even more motivated to use NDC as a way of reducing GDS costs. But being more optimistic, perhaps it may also engender more cooperation between all the players within the corporate travel industry.

Working more closely together to successfully tackle issues around distribution will probably be even more important in the next few months and years – now restrictions on flights have started to ease and business travel resumes – and could be one of the few good things to emerge from these dark days.

• This feature includes excerpts from two articles that first appeared in sister publication *The Beat*, written by editor-in-chief Jay Bohmer.

“

Airlines could be more motivated to use NDC to reduce GDS costs

Recovery is on track

Europe's secret weapon in its economic recovery could be its comprehensive cross-border rail network



BY JENNIFER BAKER



Travel across the globe will only slowly return to pre-Covid levels, and doing so safely is paramount. No CEO will want to send staff abroad if they fear health will be put at risk. This is where mainland Europe, with its extensive rail network is likely to bounce back faster than other regions.

According to analysis by UBS Research, Europe's high-speed rail market is expected to grow 10 per cent every year this decade.

There are several reasons rail could be appealing to business travellers in particular. Rail networks generally connect into the centre of cities reducing the number of different transport modes – and potential contact with the virus. Social distancing can be easier on trains than planes and there is more reliable wifi and working options. Lastly, but not least, rail's environmental footprint is considerably less than air.

The European Commission has strongly committed to making travel more sustainable and even a pandemic is unlikely to disrupt that aim. However this means targeted investment is needed.

'How to Spend it: A Proposal for a European Covid-19 Recovery Programme' by The Vienna Institute for International Economic Studies says "an emissions-reducing shift towards cross-border high-speed railway lines, via reduced road and air traffic has yet to be seriously embarked upon."

The main problem is that high-speed rail remains mainly a national project. This means that booking cross-border rail travel within the EU can be fraught with difficulty as EU politics and transport blogger Jon Worth explains: "Anyone wanting to book a flight has a dozen or more flight comparison websites available to them, yet no equivalent – a Skyscanner for rail if you like – currently exists. Trainline.eu is the closest there is to such a service, but even then, it is a long way from covering all of Europe's trains, both in terms of finding out what trains run and being able to book them online.

"Often, booking a cross-border train is a nightmare when different providers offer different prices and terms for the same train!"

Adding to the complexity, around 30 per cent of rail travel in Europe is booked through indirect channels. Open data for timetables and tickets would go a long way to resolving passengers' headaches.

"There are many useful ways European Union money could be spent to rejuvenate

the continent's railways as part of a post-Covid decarbonisation plan," says Worth. "But building new high-speed lines is only one small part of what is needed: more cross-border trains (including night trains), targeted infrastructure investments, and improvements for passengers on timetables, ticketing and multi-modal journeys are the fast way forward. The solution: use EU money to procure a larger fleet of high-speed trains that can run EU-wide, and allow operators across the EU to lease this fleet."

Passenger rights for journeys that take in multiple rail providers are also needed to ensure travellers can confidently book trains across the continent. According to EU Travel Tech, Trainline worked closely with the rail industries in several European countries to quickly relax refund rules on non-refundable tickets allowing for quick and easy refunds online. "The goodwill that has come from this quick action will be crucial in giving customers confidence to travel by train again," says the organisation.

The basics for thriving European rail transport are there. All that's needed now is some joined-up thinking.

“

Booking cross-border rail travel within the European Union can be fraught with difficulty