BTN
BUSINESS TRAVEL NEWS
EUROPE

#004 | SEPTEMBER/OCTOBER 2020

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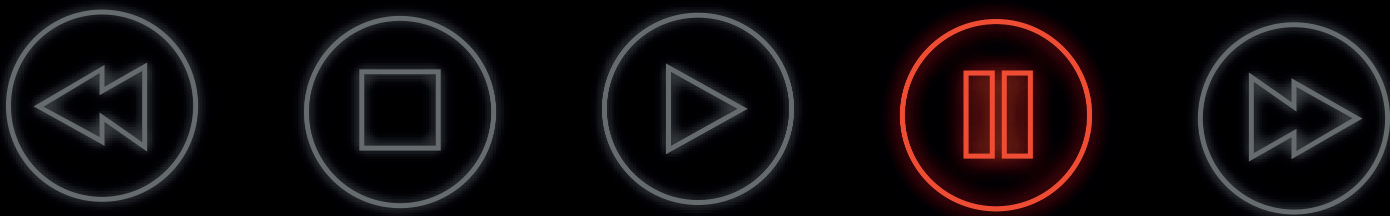

WAITING GAME

The new policies and procedures in place ahead of business travel's return

POWER TO THE POLICY

Assessing the changing face of corporate travel policies

CLEAN CONSCIENCE

The actions suppliers are taking to help generate traveller confidence

DYNAMIC SOURCING

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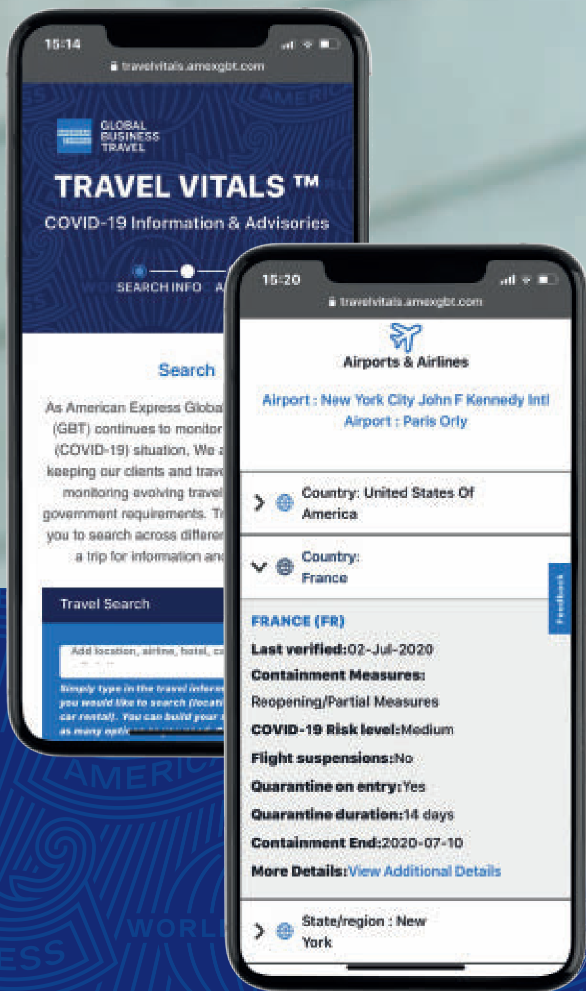

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Great expectations

There has been much talk of an autumn revival for business travel, but coronavirus hot-spots and stop-go quarantine rules could push that down the road

BY *ANDY HOSKINS*
EDITOR-IN-CHIEF, BTN EUROPE

Will this autumn deliver the business travel revival that many in the industry are predicting and, indeed, hoping for? Surveys suggest activity should pick up, although a more significant recovery will probably not be witnessed until 2021.

While essential travel has continued throughout the coronavirus pandemic, it's been six months since business trips were otherwise grounded. Suppliers are in desperate need of a return to some semblance of normality and they are taking all the steps they can to ensure guests travel or stay in a clean and safe environment (find out more on pages 38-41).

Meanwhile, corporates are implementing new – or temporary – travel policies and procedures that will enable employees to resume business travel when possible (p18-21). But with no mass movements back to offices and the ongoing farce of stop-go quarantine measures, increasingly more travel industry jobs are at risk.

Tellingly, 'Corporate travel feeling the pain of redundancies' was the most-read article on businesstravelnewseurope.com in August. It was an assessment of the stark reality the industry faces and highlighted the essential lobbying efforts of industry heavyweights like the Business Travel Association and American Express Global Business Travel. Unless changes are made to complex and frequently changing quarantine restrictions or, better still, airport testing for Covid-19 is introduced at airports across Europe, travel – so important to GDP and employment – will regrettably remain at a relative standstill.

> “
> **There is light at the end of tunnel for a number of sectors well-positioned to take advantage of new traveller preferences**

For all the doom and gloom, there is light at the end of the tunnel for a number of sectors well-positioned to take advantage of new traveller preferences. Rail travel (p25-28), already benefitting from its superior sustainability credentials over air travel, could see more passengers jumping onboard for European trips rather than choosing to navigate the air travel experience. And serviced apartments (p35-37) and long-stay hotels, with their low-touch models and fully equipped rooms, could also win new business.

One thing we can say with certainty is that there is an overwhelming appetite for business travel news, analysis and opinions in these challenging times, for traffic to the *BTN Europe* website has more than doubled this summer. We're also pleased to have expanded our output with the launch of a fortnightly podcast featuring a panel of experts discussing the latest industry business travel developments. It's available to download on our own website and on Spotify and Apple Podcasts.

And it doesn't stop there. The BTN Group also has a series of European events lined up for this autumn-winter, beginning with the fourth annual Global Travel Risk Summit Europe, a virtual event taking place on 1st October. See you online.

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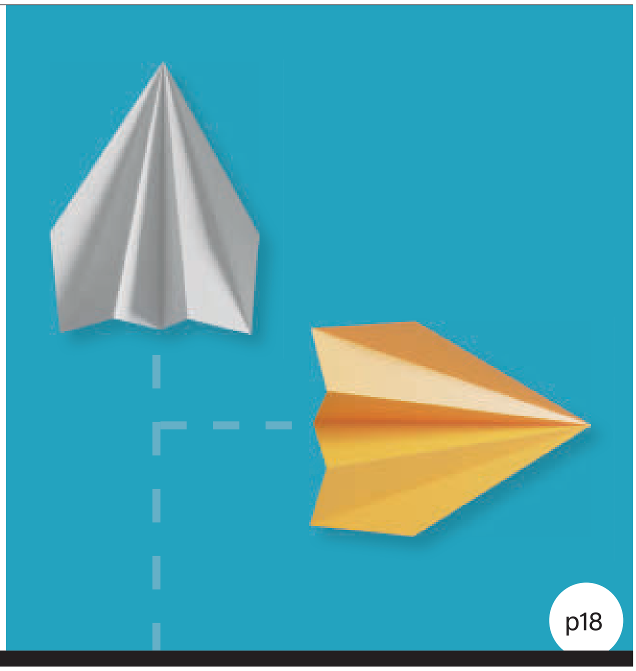

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Editorial Director Elizabeth West
Editor-In-Chief Andy Hoskins
Digital Editor Molly Dyson
Contributors Donna Airoldi, Jennifer Baker, Michael Baker, Amon Cohen, Rob Gill, Dawit Habtemariam and Adam Perrotta

Art Director James Jarnot
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

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Birmingham Airport

4 SIGHT

Essential business travel continues while the industry prepares for a wider return, but have you witnessed – or do you anticipate – a change in the duration or total cost of trips?

TMC
Maggie Monteith
UK Client Services Director,
Traveleads

For some clients, such as our energy, offshore and engineering travel partners, it's been business as usual although trips have become more complex due to reduced airline schedules coupled with travel restrictions and safety requirements.

In the short term we expect to continue seeing shorter, domestic trips with less spend as people only travel as necessary. However, in the mid- to long-term as people ease back into normality, we anticipate customers looking to consolidate their time away into one trip which would be longer.

We've already seen a small return to domestic travel and expect to see this grow before international business travel picks up. Once we see confidence build, we hope to see longer trips across the world re-enter our travel partners' itineraries.

BUYER
Sean O'Gara
Service Engineering Manager,
Stolle Europe

Our engineers work on projects around the globe and continued to travel throughout the pandemic as we are an essential service sector, but probably only at 20 per cent of usual levels.

As soon as countries reopened borders we increased travel, but have relied on support from our TMC Corporate Traveller because trips take longer to arrange, or have to be changed at short notice if quarantine is suddenly imposed.

Trip lengths aren't likely to change. It ranges from three days in Europe to several weeks for a project in Brazil or Australia, but the latter could increase if engineers have to quarantine.

Costs have increased and that's likely to continue due to flight availability on certain routes. For example, pre-Covid, there were direct Manchester-Verona EasyJet flights, but now we have to fly with KLM via Amsterdam.

BUYER
Samantha Dalton
Service Planner,
CarnaudMetalbox Engineering

We stopped travelling for only a short period of time when most borders were closed. Due to the nature of our business, once essential travel was given the go-ahead, our service team of 20 engineers was frequently travelling across the world.

We install and commission machinery for our customers as well as providing additional services for maintenance, audits and training – all in the interest of safety and efficiency, so it's important we're able to visit customer bases, wherever in the world they may be.

We don't see our trip lengths or requirements changing in the near future; it really has been business as usual for us. However the support from our TMC, Traveleads, is more important than ever. It's very reassuring to be partnered with experts in the current climate.

TMC
James McIlvenna
Head of Account Management,
Corporate Traveller UK

There's currently no typical trip length among our SME customers; it depends on their industry sector and reason for travel.

Clients in energy, marine and construction continued travelling and trip length remained the same. In August, other clients resumed travel in the UK and Europe. Trip length for some was two to three days – compared to seven days in August 2019 – but for others it was the reverse.

As for cost, there are definitely opportunities for trip savings versus 2019 prices due to flexibility around amending air and hotel bookings, plus low demand currently. In some cases, we can book a fully flexible ticket for the price of a previously restricted fare. In August, average airfares for those customers travelling was 20 per cent lower YOY. Clients are also planning trips further in advance.

BY *MICHAEL BAKER*

TRANSPORT NEWS

A significant business travel rebound is needed to break the air capacity ceiling as industry recovery stalls

After steady growth throughout the summer, global airline capacity growth has stalled over the past few weeks. Without a substantial rebound in business travel, there likely isn't much more growth on the horizon.

As of 24th August, OAG reported that global airline capacity, measured by available seats, was just above the 50 per cent mark of capacity levels in late January, prior to the Covid-19 pandemic – and that's more or less where it has hovered for several weeks now.

Europe's recovery has been stronger than most regions. Western European airlines' capacity have recovered to about 65 per cent of their pre-pandemic levels while airlines in Eastern and Central Europe are nearing the 90 per cent mark. By comparison, North American airlines are still at only 45 per cent of their January levels, and Central and Latin American are at even lower capacity levels.

With the summer holidays behind us, airlines will become even more dependent on business travel in the months ahead. So far, recovery there has been slight. At the same time, airlines are having to quickly adapt to ever-changing restrictions as they pop up around the world. After the UK government abruptly introduced quarantine requirements to travellers arriving from Spain and France, seats between the UK and both countries dropped from about 411,000 per week to only about 54,000 per week, OAG reported.

Some airlines have already trimmed back expectations for the autumn. Ryanair, for example, is cutting capacity by 20 per cent in September and October, citing weakening booking trends. Finnair is also cutting back its rebuilt capacity this autumn.

All of that together shows the airline industry will have little fuel to push it much past that 50 per cent capacity recovery mark for the foreseeable future.

Lufthansa Group drops change fees

Lufthansa, Swiss, Austrian Airlines and Brussels Airlines are removing rebooking fees for all fare types until the end of December 2020 to offer customers more flexibility during the Covid-19 pandemic

The Lufthansa Group airlines began offering a one-off free-of-charge rebooking service in the spring, but the company is now making it possible to rebook all fare types on short, medium and long-haul routes several times with no fee. This includes the lowest 'light' fare without checked baggage, and customers can choose to rebook on a different date or to change their destination. However, the group says customers may incur additional costs if, for example, the original booking class is no longer available when rebooking to a different date or destination.

Government aid not enough for Norwegian

Low-cost carrier Norwegian has said a government loan guarantee for up to NOK 3billion (€285 million) it received in March will not be enough to sustain it through the ongoing coronavirus crisis after it reported a net loss of NOK 5.3 billion (€504 million) for the first half of 2020. Norwegian has furloughed or laid off around 8,000 employees since March, but it now says continuing travel restrictions across Europe will severely impact passenger demand.

Gatwick Airport plans 600 job cuts

London's Gatwick Airport is planning a "significant" company-wide restructuring programme that could see around 600 job roles being cut – nearly a quarter of its current workforce. In August, passenger numbers were down more than 80 per cent on the same month in 2019 and flights are currently only operating from its North Terminal at around 20 per cent of normal capacity at Gatwick.

Business mileage continues to grow

UK business mileage continues to grow but the pace slowed in July, according to customer data analysis by business fuel and credit card provider Allstar Business Solutions. An extra 1.56 billion miles were travelled in July – a 14.4 per cent month-on-month increase, but less than the 30.2 per cent rise recorded in June. The arts, recreation and entertainment sector posted the largest rise (19 per cent), followed by wholesale and retail (8 per cent).

Allstar tracks business vehicle mileage and credit card data from more than 50,000 companies as an economic indicator of sector recovery. The figures are also extrapolated to the full business population based on Allstar's estimated UK commercial fuel market share.

> "This government is determined to accelerate improvements as we invest billions to level up the region's infrastructure"

£589m for northern rail improvements

The UK Department for Transport has pledged £589 million to 'kickstart' work on rail improvements in the North, most of which will be spent on electrifying the line between Leeds, Huddersfield and Manchester.

The work will also see tracks on the heavily congested line double from two to four in places, allowing faster trains to overtake slower ones and help improve journey times.

Heathrow Express lifts ticket restrictions

Heathrow Express is making its move to digital-only ticket sales permanent and lifting restrictions on peak and off-peak fares from September.

The operator had introduced digital-only sales in response to the coronavirus pandemic but is now making it a permanent fixture, while customers purchasing single tickets can now travel at any time with the abandonment of peak and off-peak rules.

Wizz Air to establish two new UK bases

Low-cost carrier Wizz Air will establish bases at Gatwick and Doncaster Sheffield airports in October, joining its existing base at Luton Airport.

The airline, which has flown from Gatwick since 2016, will add services to Athens, Naples, Malta and Lanzarote. At Doncaster Sheffield, it will add flights to Lublin (Poland), Kosice (Slovakia), Suceava (Romania), as well as Alicante, Malaga, Faro and Larnaca.

Car hire firms report big revenue falls

Hertz's global revenue fell 67 per cent year over year to US$832 million in the second quarter, but reported "sequential monthly improvement" from April to June. It is currently restructuring under Chapter 11 bankruptcy protection.

Meanwhile, Avis Budget Group's second-quarter revenue was only a third of what it was a year ago, at US$760 million, but it expects revenue for the rest of the year to at least cover costs as business recovers.

IATA expects 705m fewer journeys

The European aviation market stands to lose around 705 million passenger journeys in 2020 as a result of the Covid-19 pandemic, according to the latest analysis by the International Air Transport Association (IATA).

In its August forecast, IATA said: "The near-term outlook for recovery in Europe remains highly uncertain with respect to the second wave of the pandemic and the broader global economic impact it could have."

The association estimates the European market will lose 60 per cent of its usual passenger numbers, with flights still more than 50 per cent below the level seen in 2019. In the UK alone, IATA predicts a decrease of 165 million passengers – worse than the 154 million drop estimated in June – at a potential cost of 780,000 jobs and US$59.3 billion to the country's GDP. Spain stands to lose 132.7 million passengers, with Germany close behind at 117.6 million.

Virgin Atlantic closes in on rescue deal

Virgin Atlantic reached a "a significant milestone in safeguarding its future" in August when it secured the overwhelming support of all four creditor classes, including 99 per cent support from trade creditors, who voted in favour of a £1.2 billion rescue plan. The next step is an English High Court hearing on 2nd September to sanction the plan and a US Chapter 15 procedural hearing on 3rd September.

The airline recently announced it will launch services to Pakistan in December, with flights from London Heathrow to Lahore and from both Heathrow and Manchester to Islamabad. Virgin says it hopes to capitalise on demand for business travel and the VFR (visiting friends and relatives) market.

The airline also aims to increase competition in the US-Pakistan market using the strength of its transatlantic services with connections through Heathrow.

EUROSTAR NON-STOP FROM AMSTERDAM

Eurostar's long-awaited direct service from Amsterdam and Rotterdam to London will commence on 26 October after receiving the go-ahead from European governments. Existing non-stop services from London arrive in Rotterdam in three hours and 30 minutes and in Amsterdam in three hours and 52 minutes, while the return service from Amsterdam will now take four hours and nine minutes.

Easyjet closes three UK bases

Easyjet has closed its bases at Stansted, Southend and Newcastle airports after reaching an agreement with the Unite union on voluntary redundancy terms for cabin crew. The airline has ceased all services to and from Southend and has cancelled some at Stansted and Newcastle, but Easyjet said the airports will remain part of its route network. Services from Newcastle to Bristol, Belfast and Nice, as well as from Stansted to Edinburgh, Glasgow, Belfast and Amsterdam will continue.

"As a number of EU countries have raised travel restrictions, forward bookings – especially for business travel – into September and October have been negatively affected"

Ryanair spokesperson

Ryanair cuts capacity as bookings slow

Low-cost carrier Ryanair has cut capacity for September and October by 20 per cent because of weaker-than-expected forward bookings.

The airline said bookings have weakened in recent weeks due to growing uncertainty over rising Covid-19 case rates in some European countries and continued travel restrictions.

Most of the cuts will be made in the form of frequency reductions as opposed to route closures and will be "heavily focused" on countries such as Spain, France and Sweden, where an increase in infections has caused increased travel restrictions.

They will also affect Ireland, which is still imposing a 14-day quarantine for people travelling from most EU countries, including Germany and the UK.

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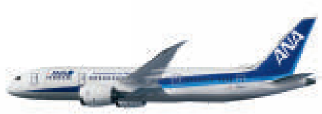


ANA Inspiration of JAPAN

5 STAR AIRLINE SKYTRAX

Scan the code to watch a video message from our CEO Yuji Hirako

BY *MOLLY DYSON*

INDUSTRY NEWS

A tough period lies ahead as job losses begin to accelerate

MANY of us have watched our LinkedIn feeds and been devastated by the number of industry colleagues announcing the termination of their jobs over the last few weeks.

It's an incredibly difficult time for business travel and sadly it looks set to continue to be a bumpy road for some time.

With Europe dealing with spikes in coronavirus cases, travel restrictions are coming back into play in some countries, most notably in the UK. The knock-on effect means TMCs and suppliers face an extended period of uncertainty.

It's clear the travel and events industries will need governments to provide targeted support through the winter season, whether that be a bespoke extension to furlough schemes or mitigation measures in the form of rates relief.

Without help, the BTA estimates around 10,000 jobs are at risk, with many thousands more in the wider travel and events sectors in jeopardy. Now is the time for governments to step up for the sake of their citizens' livelihoods.

ISOS introduces Covid-19 impact map

Risk management firm International SOS has launched a new interactive map representing the impact of Covid-19 on health, security and logistics for domestic operations.

The country-level information is updated daily and takes into account analysis of factors such as the Covid-19 case activity and 14-day average; underlying health and security threat environment; domestic travel restrictions and international outbound travel restrictions; and mitigation measures in place and their efficacy.

Each country is ranked on a scale depending on these factors, with one being very low impact and five meaning business operations are severely restricted or temporarily not possible.

Business Travel by STA ceases trading

STA Travel succumbed to the impact of coronavirus in August with its full-service travel management company, Business Travel by STA, which specialised in the academic sector, also ceasing trading.

Around 500 UK jobs across the organisation were affected. Announcing STA Travel's collapse, an ABTA spokesperson said the news would "send a shockwave through the industry, bringing to life the very real pressures that travel is under at the moment".

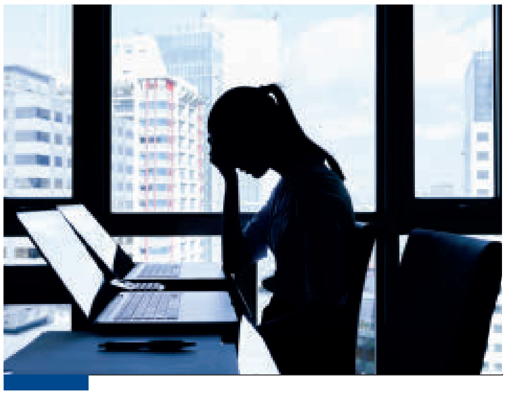
FCM wins new business amid group loss

The Flight Centre Travel Group, including FCM and Corporate Traveller, secured a record amount of new corporate business in its financial year ending June 2020 but posted significant overall losses.

While the wider group witnessed a dramatic downturn – AU$510m underlying loss before tax – the corporate division proved relatively resilient thanks to an abundance of clients in the mining, energy and construction sectors which contined to book essential travel throughout the crisis. FCM won new business with projected annual spend of US$1.3billion – in normal circumstances – with Corporate Traveller adding US$400million.

Focus launches duty of care tool

Focus Travel Partnership has launched a new duty of care solution that allows TMCs and corporates to see where their travellers have been, where they currently are, and where they're due to travel. Customers can use multiple methods of searching, including by traveller, location, supplier, flight number, hotel, or FCO and Safeture/Covid-19 overlay, and contact travellers by SMS or email through the tool.



BTA CARES INITIATIVE LENDS SUPPORT

The UK's Business Travel Association has launched BTA Cares to support members of the business travel community affected by furloughs or redundancies during the Covid-19 pandemic.

The programme offers a schedule of webinars, master classes, social events and coaching sessions, along with mental health sessions, informal discussion groups and new opportunities.

CTM posts 'better than expected' results

Corporate Travel Management reported a net loss of AU$8.2 million for the 12 months to 30 June – compared to a profit of $86.2 million a year ago – but said its corporate activity was "better than expected" given the downturn in travel caused by Covid-19. The company's earnings were down 57 per cent to $65 million, while revenue dropped 29 per cent to $316.4 million.CTM said its client activity reached its lowest point in April but has since started to recover.

> "We are committed to not just getting through this crisis, but to taking advantage of the post-Covid market"
>
> Chris Galanty, global CEO of Flight Centre's corporate travel business

BTN Europe debuts new podcast series

BTN Europe has launched Week in Review, a new podcast series that looks at the latest issues facing the managed travel industry. Each episode features a panel of experts representing travel buyers and managers, consultants and TMCs discussing recent developments in the world of business travel.

The first three episodes are now available to listen to on businesstravelnewseurope.com and can also be found on Spotify and Apple Podcasts.

Featured participants include Daniel Tallos, EMEA travel manager at Nike; Suzanne Horner, chief executive at Gray Dawes Travel; and Paul Tilstone, Managing Partner at consultancy Festive Road.

BY *DONNA M. AIROLDI*

ACCOMMODATION NEWS

Second quarter figures reveal full impact of pandemic on hotels

THE second-quarter hotel earnings season was as rough as expected – four of the largest global hotel companies reported year-over-year revenue per available room declines of 81 per cent to 89 percent – "the worst quarter we have ever seen, by far, forever, and things will get better from here" as Marriott CEO Arne Sorenson put it.

Of the earnings calls *BTN* listened to, all reported month-over-month KPI improvements from the lows of April. More governments are reducing travel restrictions. Closed hotels continue to reopen.

Still, with school holidays over, leisure travel will level off. Further, most companies are still only booking essential travel.

And though Europe's hotel performance improved in July over June's, according to analytics company STR, the absolute numbers are still low, with occupancy only at 26.5 per cent.

If hotels can maintain their monthly performance levels into the autumn, it might be enough to prove Sorenson right.

Mixed views on business recovery

Hilton CEO Christopher Nassetta says business travel levels could return to pre-Covid levels in the next two or three years, but Accor chairman and CEO Sebastien Bazin believes levels in the medium to longer term will be down 10 to 15 per cent.

"I think we'll find in three years it will be more like it was in '18 and '19 than it is now," said Nassetta on a second-quarter earnings call. "One way or another, we will have similar levels of demand both for business transient and group. People will have to meet and will have to build relationships."

The Hilton group's "bread and butter" business of large meetings is poised to pick up in the second quarter of 2020, with positive forward bookings.

Accor considering a move for IHG

The Accor hotel company is believed to have formed an internal group to assess the possibility of a merger with InterContinental Hotels & Resorts, according to a report in French newspaper *Le Figaro*.

Neither Accor nor IHG has commented on the report but if such a merger took place, the combined hotel group would become the largest in the world by number of hotel rooms. Marriott bought Starwood in 2016 to become the largest group currently.

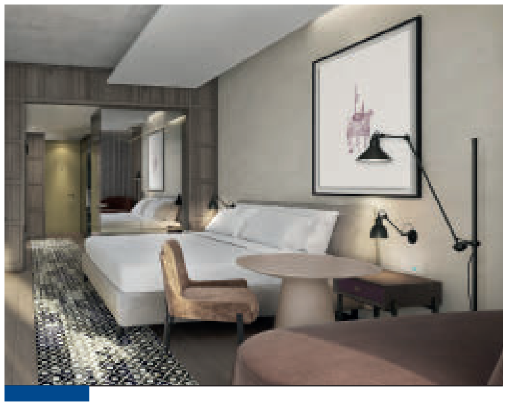
In the meantime, IHG is poised to lose 103 hotels which will be transferred to Sonesta International Hotels. The move follows the decision by Service Properties Trust (SPT) to terminate its management agreement at the end of November after IHG failed to pay SPT rent and returns for July. The majority of the properties in question are extended stay hotels.

Marriott recovery gets underway

Marriott International's second quarter earnings were down significantly, as expected, due to the effects of the Covid-19 pandemic. Yet, the company has also reported steady signs of improvement, with demand returning, hotels reopening and Greater China leading the recovery.

Amsterdam debut for Radisson aparthotel

The Radisson Hotel & Suites Amsterdam South will open for business early next year, marking the brand's debut in Western Europe. The 227-suite aparthotel – comprising studios, one and two-bedroom apartments – will be operated by Cycas Hospitality which has signed a lease agreement with ECHO Partners. Cycas also partnered with IHG to develop the first Holiday Inn Express & Suites concept in Europe this year.



LATE LONDONER'S POSTPONED OPENING

The opening of the highly anticipated London hotel on the capital city's Leicester Square has been postponed to early 2021 due to the ongoing impact of the coronavirus pandemic.

The 16-storey, 350-room hotel had originally been scheduled to open in June. Part of Edwardian Hotels London, bookings are available through its website from 8th February 2021.

Locke adds third London property

Aparthotel group Locke will open its third London property in September, the 143-studio Bermonds Locke in the city's South East district of Bermondsey. It will feature a restaurant, co-working areas, bar and workout studio and rates will start from £99 per night.

A fourth Locke aparthotel in the capital is due to open in Dalston before the year's end, with further openings planned in Dublin, Berlin, Lisbon, Munich and Copenhagen.

> "I don't think it's a material shift that business travel will be down 10 per cent, 20 per cent, 30 per cent going forward"
>
> IHG CEO Keith Barr

Business boost for 'Clean and Safe' hotels

Since corporate lodging platform HRS launched its Clean and Safe Protocol programme in partnership with Société Générale de Surveillance in June, more than 40,000 hotels globally have earned a 'Clean and Safe' label, according to HRS.

The company also said that as business travel bookings have begun to return, hotels with a Clean and Safe label are 35 per cent more likely than those without the label to secure those bookings, according to analysis of its booking data that began in early July. This result is in line with findings from an HRS survey in May that showed 86 per cent of respondents said they would prefer hotels that had implemented specific Covid-19 hygiene measures, the company noted.

BY *ADAM PERROTTA*

TECH & PAYMENTS NEWS

Innovation continues – but when will travel spending return?

THE ongoing Covid-19 pandemic has given rise to a new imperative for hygienic purchasing methods, and contactless electronic payments are the most obvious solution to fulfilling that need.

Issuer support for mobile wallets continues to expand, as evidenced by Bank of America's integration of its corporate cards into Apple Pay and Google Pay. Meanwhile, virtual cards continue to gain traction as well, with expense and payment provider Emburse rolling out a new corporate payment product that emphasises the added bonus of pre-approval capabilities along with V-cards' convenience and hygienic advantages.

Of course, just when corporate travel might return on any significant scale remains anyone's guess. American Express is surely hoping for at least a partial recovery in the current quarter, after the corporate card giant saw T&E-related spending fall off a cliff in Q2 – the first quarter to feel the full brunt of the pandemic's devastating effect.

Dramatic drop on Amex card spend

The Covid-19 pandemic battered American Express's corporate card division during the second quarter, with plummeting T&E-related spending dragging the segment to a $60 million net quarterly loss, the company reported.

American Express Global Commercial Services reported $82.4 billion in card-billed business for the second quarter, a 36 per cent year-over-year decline. Average quarterly card member spending dropped an identical 36 per cent from the prior year to $5,645.

In April, it had projected T&E-related spending would plummet by 95 per cent in the second quarter – that prediction turned out to be overly dire, but only slightly, with the figure down 87 per cent.

BofA corporate cards go mobile

Bank of America-issued corporate payment cards can now be used with Apple Pay and Google Pay throughout the EMEA and APAC regions, making the bank the first issuer to offer mobile wallet compatibility for corporate cards in all major global regions, according to BofA.

The bank made its corporate cards available through mobile wallets in the US and Canada in 2018. The mobile wallet capability is currently available to users in 29 countries in EMEA and APAC, with additional countries expected to be added, BofA said.

The Covid-19 pandemic has hastened the availability and adoption of mobile and contactless payments.

Emburse adds payments to Chrome River

Emburse continues to bulk up its corporate payment offerings, launching a new pre-approved payment card service integrated within the conglomerate's Chrome River expense platform. Dubbed Emburse Pay, the system is built around cards that can be pre-approved for specific expenses requested through Chrome River – see pages 43-46 for more details.

OVERSIGHT SEALS TCV INVESTMENT

Corporate spending management and auditing specialist Oversight has been acquired by private equity investor TCV, which purchased a majority interest from Luminate Capital Partners, the companies have announced. Under TCV's ownership, Oversight plans to expand product innovation and its enterprise spend risk and auditing platform which it recently revamped.

Concur and HRS extend partnership

Hotel solutions provider HRS has signed a five-year extension to its partnership with travel and expense management technology company SAP Concur, bringing hotel content and payment solutions to clients.

According to HRS, the partnership provides corporate clients with payment and invoice reconciliation tools and broad but targeted content options through its 'Lodging-as-a-Service' platform, which is available to SAP Concur clients via desktop or mobile devices.

> "The integration of policy-backed cards with Chrome River enforces policy before spend occurs"
>
> Ted Power, chief product officer, Emburse

Air China joins UATP network

Air China will issue UATP payment cards and accept all UATP accounts as a form of payment now that the Chinese national flag carrier has joined the airline-owned UATP network.

Adding Air China – a member of the Star Alliance and the largest brand airline in that country – "will support the rapid transformation of corporate travel account management in the world's largest travel market," says Ralph Kaiser, president and CEO of UATP.

UATP is a global payment network accepted by thousands of air, rail and hotel providers. It also issues charge cards and facilitates alternative forms of payment such as China's Alipay, WeChat Pay and China UnionPay.

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MANAGE RISK AND INCREASE SAFETY

Now more than ever, managing risk is the single most important component of a corporate travel program especially as business travellers start making a return to the road.

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LOUD & CLEAR

Dr Laurent Taymans, regional medical director at International SOS, explains how corporates must strike a balance between identifying vulnerability and respecting privacy when it comes to clearing employees for travel

Vulnerability versus privacy

"Organisations must take steps to protect employees and ensure they are not exposed to an unacceptable level of personal risk when they embark on business trips. For example, an individual with a weakened immune system should probably be avoiding all travel at the moment.

Protecting employees based on their personal risk can be a complex and sensitive process to manage as essential data might not always be freely available. Many parts of the world have strict data privacy and confidentiality laws regarding personal medical information. Organisations need to navigate this complexity making sure they only obtain access to such information with the consent of their employees and that they meet their obligations when using, storing or disclosing such information under applicable regulations.

Thankfully, there is a possible consideration to these confidentiality rules, as organisations could consider voluntary disclosure by employees to enable them to make sound decisions regarding business travel.

One consideration to keep in mind is that there may be hesitations by employees in disclosing any medical conditions they or their household may have in fear of the consequences resulting from their declarations. Employers need to have an internal mechanism in place that provides assurances that there will not be job-related consequences as a result of employees' declarations."

A bumpy ride

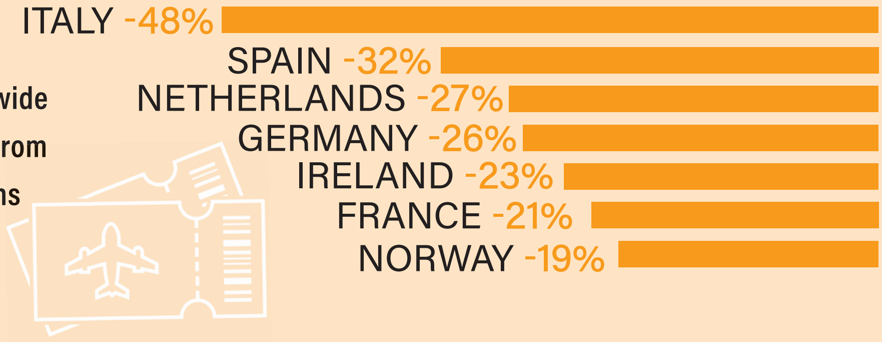
While travel in Europe has continued to recover since border restrictions began lifting in June, many analysts believe the pace is starting to slow as local Covid-19 outbreaks appear and changing quarantine rules take their toll

Falling fares

Data from the Skytra Ticketing Database, which covers 83% of worldwide purchased flight tickets, shows fares from the UK to several European destinations took a steep nosedive this August compared to August 2019

(Source: Skytra Ticketing Database, August 2020)

Country price drop per kilometre



Slow but steady

Global air capacity is now at around 50% of pre-coronavirus levels, but analysts at OAG believe that could be the extent of the recovery seen in 2020, with some regions cutting seats in recent weeks

Region	Capacity 20 January	Capacity 17 August	Per cent change
Eastern/Central Europe	3,701,241	3,265,781	-11.8%
Northeast Asia	25,178,594	19,963,390	-20.7%
Western Europe	18,606,424	12,122,539	-34.8%
North America	22,644,121	12,427,568	-45.1%
Central America	2,444,383	967,775	-60.4%
South Asia	5,160,958	1,932,643	-62.6%
Middle East	4,930,030	1,837,660	-62.7%
Southeast Asia	10,866,623	3,802,750	-65%
Southwest Pacific	2,835,574	693,931	-75.5%
Lower South America	4,033,676	867,966	-78.5%

(Source: OAG)

Nothing definite

Among 129 European travel professionals, many report their companies are considering resuming business travel to certain markets

All international - 51%
Europe - 53%
Middle East - 48%
Asia Pacific - 46%
Canada - 46%
China - 45%
United States - 45%
Latin America - 41%

(Source: GBTA coronavirus survey 5-8 August; includes travel buyers/managers and suppliers)

Signs of normality?

In July, in-person business card transactions exceeded e-commerce spend in the UK for the first time since lockdown began in March, showing people are getting out for business again

March

IN-PERSON
33%

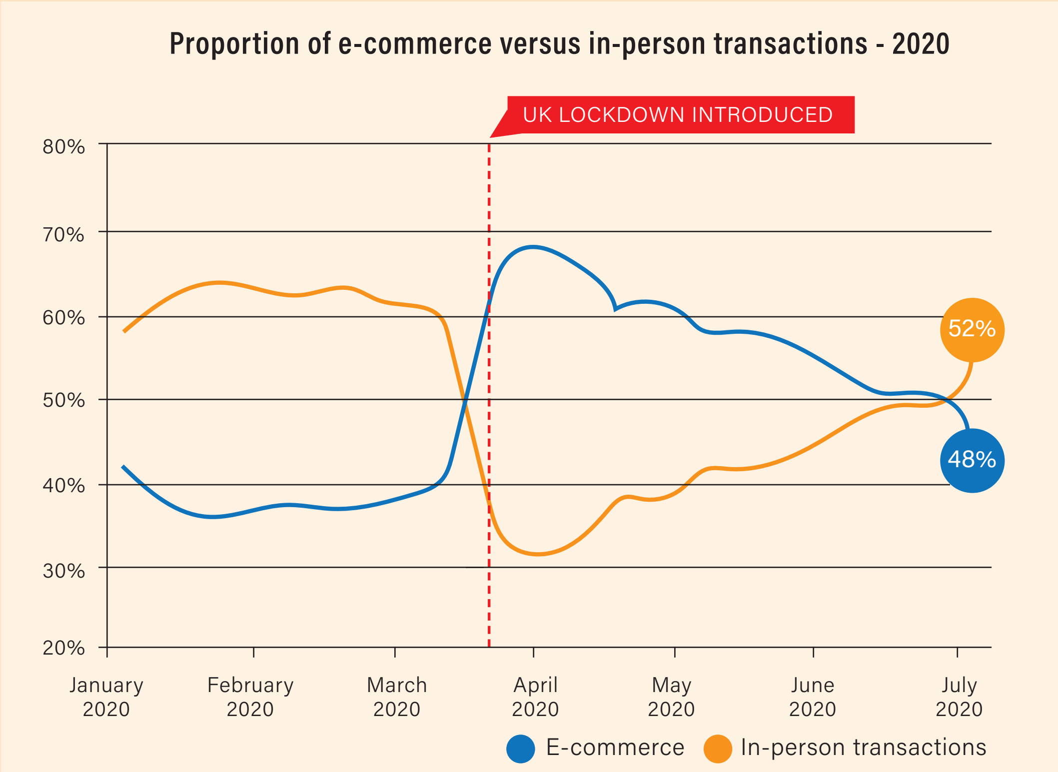
E-COMMERCE
67%

July

IN-PERSON
52%

E-COMMERCE
48%

(Source: Allstar Business Solutions, issuer of fuel cards and business credit cards)



Spending up

Increase in spend – July 2020 vs June 2020

104% **Restaurants**

42% **Hotels**

14% **Mobility/travel**

(Source: Allstar Business Solutions Business Barometer Monthly Snapshot)

Still grounded

Of 129 European travel professionals, the majority report most or all international business travel remains suspended

52% **are not making domestic trips**

92% **are not travelling internationally**

(Source: GBTA coronavirus survey 5-8 August; includes travel buyers/managers and suppliers)

The European aviation market could lose **705million** passenger journeys in 2020 as a result of Covid-19

(Source: IATA)

UK business vehicle mileage grew **14.4%** month on month in July

(Source: Allstar Business Solutions Business Barometer Monthly Snapshot)

51% of European travel professionals plan to resume domestic travel within the next three months

(Source: GBTA coronavirus survey 5-8 August; includes travel buyers/managers and suppliers)

European airports saw a **64.2%** drop in passenger numbers in the first half of 2020

(Source: Airports Council International (ACI) Europe Q2 2020 traffic report)

POWER TO THE POLICY

'Pop up' travel policies have been essential for corporates navigating the Covid-19 crisis, writes **Rob Gill**, who identifies the key changes and asks if some of these 'temporary' trends will outlast the pandemic

The return of business travel within Europe and beyond is undoubtedly going to be a tentative process with the Covid-19 pandemic crisis far from over, amid emerging virus hotspots and fears of a 'second wave' of infections during the winter.

This is putting new – and frankly unprecedented – pressure on an organisation's corporate travel policy. But with the pandemic being such an unpredictable crisis, how can corporates effectively manage their policies and ensure duty-of-care to travellers when they get back on the road?

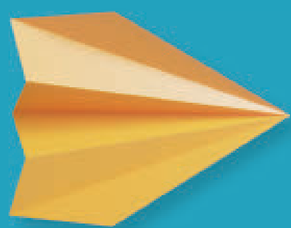
There has been much talk about introducing 'pop up policies' which are essentially temporary rules to deal with travel during the immediate Covid period. But how do these policies work in practice and will some of the changes introduced now become permanent in the post-Covid world?

GETTING BACK ON THE ROAD

In a way, decisions were much simpler in the pandemic's early days in spring with many organisations introducing travel bans, especially for international trips – many of these bans are set to stay in place until later this year or even the start of 2021.

But business travel is slowly starting to get going again and this puts renewed pressure on travel policies to cope with the range of issues the pandemic is creating. So how are buyers changing their policies to deal with this challenge?

A study by the Global Business Travel Association (GBTA) found that 59 per cent of European travel buyers had changed their policies due to the pandemic, with 61 per cent of this group saying they had changed their policies either 'a lot' or 'somewhat'. The most common change for European-based organisations has been



introducing new pre-trip approval rules (60 per cent of buyers), followed by more frequent or detailed pre-trip communication and briefings (42 per cent) and requiring travellers to use corporate or TMC booking channels (26 per cent).

Other common tweaks to policy have included new rules about ground transport, including permitting more use of rental cars, as well as collecting more detailed health information from travellers.

As for organisations yet to make any changes or introduce pop up policies, research from the ITM (Institute of Travel Management) found that they did not feel the need to do so yet, due to blanket travel bans or because "no change reinforces prior policy which reassures travellers".

BEST PRACTICE

So what's the best way to make sure your corporate travel policy is rigorous, effective and flexible in dealing with the practical realities and potential sudden changes to travel advice or quarantine requirements that are the 'new normal' of the Covid travel world?

Caroline Strachan, managing partner at consultancy Festive Road, says pop up policies should define what "permissible travel" is, as well as creating "clarity and reassurance for travellers during this pandemic phase".

"We encourage policy owners to think about the new information needed across the plan–book-prepare-travel-return continuum," she explains. "In the plan stage, what level of approval is now required and what locations are permitted? In the booking phase, how should a traveller book and are the choices of suppliers limited or different to before?"

A travel manager for a professional services company says they have yet to make "wholesale changes" to policy due to their current travel ban. "When travel does eventually return, we will most likely have additional approval controls to ensure that destinations are safe, but it will be a very slow and phased return rather than a full return," he says.

"We will also have additional training and communications for travellers to keep them safe. Lastly, we will likely have bookings made centrally rather than by the travellers themselves to make sure we are leveraging the best options available and using any credits or vouchers where possible – from airlines, for example."

Flexibility is crucial for Click Travel's CEO Jill Palmer, who adds: "Policy control needs to be flexible and agile – no policy is forever. It's also really important to have different policies for different types of employees.

"Essential workers may need to travel for work while other types of employees may have their travel reduced for a little longer," says Palmer.

Al Norman, director, global business consulting, at American Express Global Business Travel, says organisations should also consider allowing employees to decline to travel within the policy if they have "reasonable safety concerns".

> "
> We will have bookings made centrally – rather than by travellers – to make sure we are leveraging the best options and using any credits or vouchers we have

"These could include health conditions or a situation at home – for example, family members who are vulnerable or shielding," says Norman. "It's also important to define acceptable reasons to travel, so management can understand and communicate."

HIGHER APPROVAL

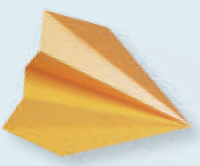
Higher levels of pre-trip approval – often from the very top of an organisation – is here to stay as the pandemic continues, and features prominently in a series of case studies of pop up policies collated by the ITM.

Generally, the level of management approval is at a higher level for international trips than domestic travel, with the latter widely predicted to pick up more quickly than international travel in the coming months.

As well as higher levels of approval, many policies are also only allowing client-facing or business-critical travel, with all internal meetings having to be conducted virtually through online video conferencing platforms.

A buyer for a financial data company says their travel policy is "constantly reviewed" even though business travel is unlikely to meaningfully resume until 2021.

"We have increased the level of approvals required for any travel to executive approval. Only business-critical [travel] is permitted and under very specific guidelines," she adds.



A UK-based buyer in the financial services sector says the company is operating a "restricted approval process" for travel during the pandemic. "Any travel request requires senior executive approval," she says.

"Business-critical and client-facing travel only will be considered. We will not permit travel to countries where there are quarantine measures in place," she adds.

Chris Bowen, managing director, EMEA, for travel management giant CWT says clients have "widely introduced or enforced" approvals processes for proposed trips, and many corporates switched off their online booking tools (OBTs) during the pandemic.

GOING OFFLINE

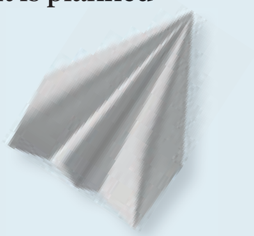
One of the pre-Covid priorities for buyers was to keep pushing more bookings online to drive down costs. But many organisations have now changed their policy to ban or limit the use of OBTs during the Covid crisis in order to implement strict approval processes and keep tighter control.

While doing everything offline is clearly manageable when there is only a trickle of bookings being made, what happens as travel picks up in the coming months?

James McIlvenna, head of account management at Corporate Traveller UK, says most of its SME clients are not currently using OBTs and are instead "relying on our consultants for expertise and offline support" to guide them through the fast-changing travel environment.

"The purpose of an OBT is to enable bookings to be made quickly at short notice," he says. "But due to Covid-19, business travel is no longer decided at the last minute; it is planned and pre-meditated. If a country suddenly closes its borders or has a second spike, clients need to discuss the implications with their travel consultant. That sort of information can't be built into an OBT."

> "
> The purpose of a booking tool is to enable bookings to be made quickly at short notice. But due to Covid-19, business travel is no longer decided at the last minute; it is planned and pre-meditated



A REGIONAL APPROACH
64 per cent of European companies have a uniform policy for travel within the continent. Nearly a third (31 per cent) have country-specific policies; the remainder (5 per cent) have an alternative approach or are unsure.

STRICTER BOOKING CONTROLS
As a result of the pandemic, 68 per cent of companies are less likely to allow travellers to book direct with suppliers, while 63 per cent are less likely to sanction bookings direct with OTAs.

RESTRICTED FARES REJECTED
More than a third (34 per cent) of companies are now less likely to allow staff to book restricted air fares or hotel rates. More than half (54 per cent) have not changed their stance, 15 per cent are more likely to allow booking of restricted fares, and 12 per cent are unsure.

(Source: GBTA poll conducted August 5-8. Figures represent European respondents only)

But will this signal a longer-term move away from booking tools or will it be a temporary shift back to offline service to deal with these unique circumstances?

Consultant Raj Sachdave, managing partner at Black Box Partnerships, is already detecting a shift back to OBTs in recent weeks as business travel slowly returns. "Initially we saw offline TMC teams filtering all transactions, adding value and insight that technology couldn't filter," he says. "OBTs are now back on – albeit with additional filters, biasing and authorisation layers. These all link back to TMCs' offline teams who continue to keep travellers informed and safe."

Sachdave also believes the wave of pop up policies is starting to "taper off" and are instead transforming into longer-term "new normal" policies.

"There's greater clarity on Covid-19 measures and patterns – local lockdowns, air bridges, safe lists – that's allowed businesses and TMCs to predict and plan with greater accuracy," he adds.

Festive Road's Caroline Strachan agrees that OBTs "don't necessarily need to be switched off" during the pandemic. "TMCs and OBTs have stepped up and created new approval processes, traveller reassurance data points and more," she says. "Online will absolutely be required as demand returns. It's hard to scale with human-only booking services."

PERMANENT CHANGE?

While we are living through extraordinary times, will travel policies simply snap back to their previous pre-Covid incarnations once the crisis is over? Pretty much nobody thinks so, with the virus likely leading to some permanent changes.

Corporate Traveller's James McIlvenna says the crisis has seen duty-of-care become "front and centre" of policies rather than just a "sub section".

"A lot of interim measures, particularly duty-of-care and guidelines around non-essential travel versus essential travel, are likely to remain in place and shape travel policy in the longer term," he adds.

Policy is also bound to be profoundly affected by the massive increase in the use of virtual meeting platforms, with rules around internal meetings being conducted online likely to endure beyond Covid.

"We will see less travel than before as we've seen this year how well we are able to work remotely without having to travel so frequently to meet face to face," says one buyer. "Travel overall will be more thought-out and considered if it's truly adding value and is necessary."

Another buyer thinks travel will be also be "much more restricted" as organisations seek cost savings, reduced carbon emissions and offer more flexible working – all considerations likely to form part of emerging post-Covid travel policies.

While many current restrictions contained within pop up policies will ease significantly when the pandemic eventually ends and travel resumes in a more significant way, travel policies seem very unlikely to simply revert to where they were at the start of 2020.

> "A lot of interim measures, particularly duty-of-care and guidelines around non-essential travel versus essential travel, are likely to remain in place in the longer term

POP UP POLICIES

The factors buyers should consider in interim or 'pop up' travel policies

- Travel policies needs to address the issue of employees who may not be confident or comfortable with travelling during the pandemic. While this will be primarily a HR issue, buyers can help to create a company-wide position within the policy for employees who do not want to travel.

- The policy should provide a step-by-step guide to journeys detailing how the organisation is supporting the traveller throughout the trip from booking/approval to the journey itself and the return home. This includes setting out the responsibilities of both the employer and the traveller. Some corporates have created helplines to reassure travellers.

- Health and hygiene protocols at airports, stations and hotels, as well as on-board transport providers, are changing constantly. A good TMC or accommodation specialist can help buyers keep track of these changes. Buyers may wish to choose one or two preferred properties in key destinations based on their high hygiene standards.

- Clarity is key in informing travellers how they should be booking trips, particularly if they are required to book through a travel management company or corporate online booking tool. Approval processes for different types of travel, meetings and destinations should also be communicated clearly with all employees.

- Policies need to reflect the fast-moving nature of the pandemic with destination travel advice and quarantine measures changing regularly and often at very short notice. What happens if a trip destination is suddenly placed on a quarantine list by the traveller's home country? What's the protocol when a traveller is already in a destination and the border suddenly closes or policies change?

- Travellers also need to be informed of any Covid measures they may face in a destination, including whether they have to take personal protective equipment or medication with them. These measures can also be enshrined in an interim policy.

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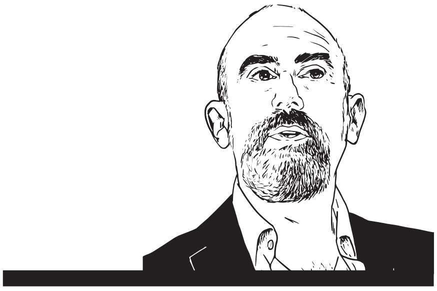
Don't dither with data

A new European ruling has pushed data security up the agenda, while social media presents corporates with an alternative challenge



BY *AMON COHEN*

As a travel manager, your workload can largely be divided into two categories: reducing cost and reducing risk. Right now, you're probably focusing on the latter, especially as spend is taking care of itself thanks to your people booking very few trips.

But while your immediate risk-related priority is ensuring travellers avoid catching coronavirus, an entirely different kind of threat also needs your attention and shouldn't be ignored. The issue in question is data security, which I see presenting big headaches for travel managers in two very different ways.

The first, more urgent worry is an important judgment issued by the European Court of Justice (ECJ) in July – and, by the way, if you're a UK-based travel manager, it affects you too because the UK will maintain alignment with EU data privacy laws after the Brexit withdrawal agreement expires on 31st December.

If you have any travellers based in Europe, including the UK, and any of their personal data currently is exported to the US, those transfers could now be illegal. Since many companies connected with corporate travel services do store data in the US, travel managers "should assume passenger name record data linked to any travel reservation will end up in the US," Hans-Ingo Biehl, executive director of German travel managers' association VDR, told me.

The ECJ's ruling invalidated Privacy Shield, a legal framework that companies apply in order to transfer data about EU citizens to the US in line with the EU's more rigorous standards. Travel management companies and hotel mega-chains were among users of Privacy Shield.

The same judgment also required "data controllers" (which could mean travel managers or the company they work for) to review an even more common data transfer mechanism used in the business travel sector, known as standard contractual clauses. This is language inserted into agreements with your service providers that commits them to treating your data compliantly. Controllers must now assess whether those commitments can genuinely be met in countries where the contractor stores your data. Given that the ECJ struck down Privacy Shield because it deemed US protections inadequate, any such assessment may likewise conclude the US is an unsafe location for storing data.

> "
> **A rising challenge is preventing your travellers getting themselves into trouble on social media**

Next steps? Time to talk to your company's data protection officer and your travel service providers to decide how to get round this mess. The US and EU say they are looking at ways to resurrect Privacy Shield, but since that won't resolve fundamental incompatibilities between them on data privacy standards, few experts hold out hope of a sustainable replacement.

The other rising data security challenge is preventing your travellers from getting themselves into trouble on social media. In 2019, for example, a British woman was arrested on landing in Dubai and threatened with prison. Her ex-husband's new wife, who lived in Dubai, had reported her to the authorities three years previously for writing "You left me for this horse" and other such insults on Facebook.

At GBTA Europe last November I heard an immigration expert talk about business visitors to the US having visas revoked after making comments on social media implying they were entering the country for other reasons. And watch out for online criticism of countries' leaders and human rights records. Visa applicants to some countries are required to list the social media in which they participate.

I had recently written an article about business travel and human rights, which included discussion of China's mistreatment of its Uighur minority. Would Beijing have this on record when I apply for a visa, I asked? Yes, was the reply. I haven't tried visiting China since.

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

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TRENDS ON THE TRACKS

Long-distance rail travel has been touted as a sector that stands to enjoy long-term gains in the post-pandemic business travel environment, reports **Andy Hoskins**

Much has been made of rail travel's ability to win marketshare off airlines as business travel recovers, but is it playing out as predicted?

With domestic business travel leading the comeback, it's to be expected that rail travel will rebound before air. And while there is undoubtedly data to support this, demand is perhaps creeping up slower than initially thought.

UK rail passengers are returning, albeit slowly, with data from the Department for Transport showing private car use is more or less back to pre-Covid levels while rail's return languishes some way behind at around 35 per cent of 'normal' levels (see graph p26).

Rail's fortunes vary across Europe. Arriva, which operates services in countries across the continent, says its passenger numbers are now at "near-normal levels" in Denmark but only at 50 per cent in the Netherlands.

"The industry needs to tackle head-on the risk that people will revert back to private car usage, with some perceiving this as a safer alternative," says Liz Benison, Arriva managing director, mainland Europe.

Compare rail with air travel, though, and it's a different story. Before the pandemic, TravelPerk processed approximately two flights bookings for every train journey in Germany (with a ratio of four to one Europe-wide) but that has "been turned on its head" with rail bookings in June four times the number of flights.

"The shift might level out again as air travel recovers, but it will be slow. Moreover, rail travel's benefits continue to gain strength," says TravelPerk CEO and co-founder Avi Meir.

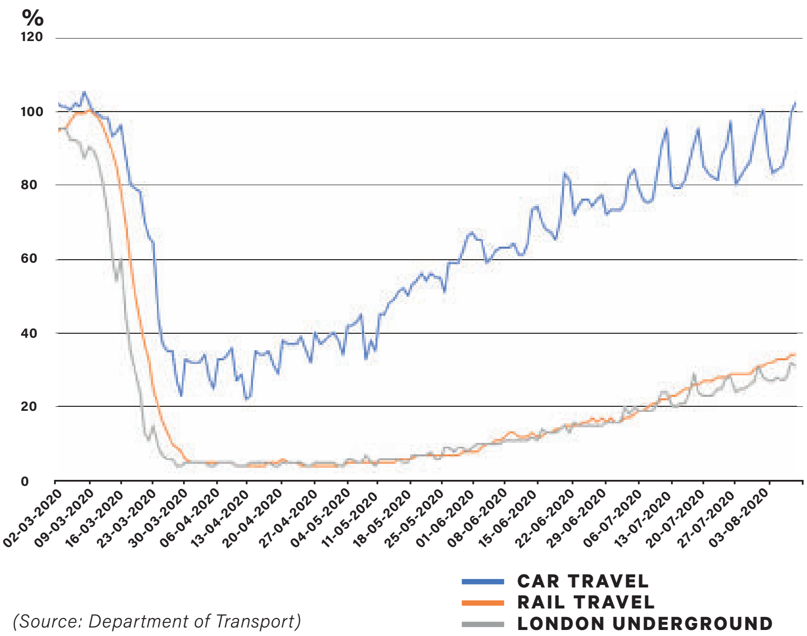
"Not only is rail the more sustainable option, but it is also more convenient in many cases, transporting passengers between city centres across Europe. New health and safety measures at airports could also strip away air travel's efficiency benefits."

He adds: "I suspect a result of the pandemic will be that many travellers realise that rail is a good alternative, especially for shorter routes."

Raj Sachdave, managing partner at Black Box Partnerships, believes not only that rail will benefit overall, but also that the pace of business travel in general will slow down.

"Long-distance rail travel in Europe is particularly going to be a winner," he says. "The airport experience right now and the inconsistency across airports plays into rail's hands. What gives a traveller confidence is consistency – never

TRAVEL IN THE PANDEMIC: USE OF TRANSPORT IN GREAT BRITAIN *(1 March - 9 August)*



(Source: Department of Transport)

more so than now. There are fewer touch points and far fewer people in one place with rail travel. You can relax, you can work.

"Business travel is not going to be as fast-paced for a while. People are going to be really looking after their travellers. The sustainability aspect is a big factor too."

THE GREEN CASE

Rail travel is regularly lauded as being more environmentally friendly than air travel, although the two are notoriously difficult to compare. The common yardstick in attempts to measure environmental impact is emissions per passenger per km travelled, but there are hundreds of variables to account for: passenger loads, engine types, fuel use, altitude flown…

Even so, the case for rail travel being the greener form of transport is almost undisputable and its adoption for corporate and leisure travel is growing. The concept of flygskam, or flightshaming, was already gaining traction pre-Covid, with rail travel winning marketshare off airlines across Northern Europe as the populace showed a desire to 'do the right thing' and favour rail over air.

Identifying an opportunity to make rail travel core to the post-pandemic return of both leisure and business travel, the UK's Rail Delivery Group – which represents train operators – launched a campaign in August to "make polluters pay their fare share". RDG wants transport levies to reflect how damaging a mode of transport is to the environment. Citing government data, it says a one-way flight between London and Edinburgh emits the same amount of carbon as three return rail journeys between the two cities.

> "Business travel is not going to be as fast-paced for a while. People are going to be really looking after their travellers

The group proposes that taxes are increased on air routes that are in direct competition with trains and reduce prices for long-distance rail fares. "This would incentivise people to make greener choices when travelling in Britain or to international destinations that are easily reachable by rail such as Paris or Amsterdam," says RDG.

Competition between rail and air was also thrust into the spotlight in France this summer when sustainability advocates were quick to highlight the government's bailout of Air France came with certain conditions around not competing with SNCF on domestic routes; others also noted the French government's interests in the train operator.

"The bailout definitely gives a stamp of endorsement to rail travel from the government. Sustainability is one aspect of this but SNCF is government-owned so they have an agenda there too," Sachdave points out.

When it comes to booking rail travel, OBTs are playing their part, displaying appropriate rail options alongside flight search results. American Express Global Business Travel recently launched a carbon filter in its Neo booking tool that ranks results by CO2 emissions. A search for travel between London and Brussels, for example, would show both air and rail options but Eurostar, with lower CO2 emissions, would be displayed at the top.

AIR-RAIL INTEGRATION

While rail and air are often set apart as rivals, there has been a recent spate of developments with regards their integration in bookings. However, "it is not a post-Covid trend" says Sachdave. "GWR was the first to do this in the UK quite a while ago."

In 2015, GWR got together with Heathrow Express and Singapore Airlines to facilitate bookings that joined up the three providers on journeys from 11 destinations in the UK's South West to cities across the carrier's network. The 'rail-fly' partnership also had the potential to deliver savings – up to 13 per cent on bookings between Bristol and Brisbane, for example.

Elsewhere, SNCF and Air France work together on an Air&Rail programme; in Germany, Lufthansa offers Deutsche Bahn rail services between Frankfurt and Cologne; and Heathrow Express has a successful partnership with Aer Lingus.

In addition, NS Dutch Railways, Thalys and KLM were due to start co-operating on the Brussels-Amsterdam

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Schiphol route at the end of March this year but this has now been delayed because of the coronavirus crisis.

In August, Swiss introduced an Airtrain offering between Geneva's Cornavin central station and Zurich Airport in collaboration with Swiss Federal Railways. Selected services are assigned Swiss flight numbers and travel on those services is included in the flight ticket. It already has similar arrangement for customers travelling to/from Zurich Airport from Basel and Lugano.

Also in August, Etihad Airways expanded its AccessRail partnership that enables passengers to book rail tickets alongside airfares using its EY code. It has added seven rail routes from Frankfurt Airport and launched in the UK with 16 westbound rail services from London with GWR. It will also add 28 destinations across Italy with Trenitalia subject to government approval.

"There should be more of this kind of integration but it comes down to inventory and pricing structures," says Sachdave. "There's a lot of inventory in the UK at the moment so it's a good opportunity to try and interline rail and air."

THE UK SCENE

The autumn will deliver some noticeable developments in the UK. Train operators are reinstating the vast majority of their pre-Covid timetables in September and the Williams Rail Review and its long-term strategy for the rail industry could finally be delivered.

The end of the six-month Emergency Measures Agreement will also come to an end, although it's unclear if this will be extended. EMA was implemented by the government in March to see operators through the pandemic when passenger numbers crashed.

"Volumes are down and the industry is predicting it will be three to five years to get back to 2019 volumes, if at all," says Sachdave. "Working from home is here to stay. The pandemic has merely accelerated it. I don't feel it will be until October or November that we see passenger numbers really returning and then can railways manage social distancing? Operators say capacity could go up to 60 to 65 per cent if it's reduced to one metre, but at two metres they're still stuck on 20 to 25 per cent."

There's also increasing clamour for a new industry body – a 'Strategic Rail Authority Version 2' as Sachdave calls it – comprised of regional rail authorities. The SRA operated from 2000 to 2006 with the remit of improving passenger experience and increasing revenues.

"In the UK, the make-up of stakeholders is far too complex. In other European markets it's a lot more clear-cut so they can make strong, decisive decisions without upsetting stakeholders. It's so complex in the UK and it challenges innovation. The industry needs clarity for who's accountable for what part of the journey and what the overall strategy is," says Sachdave.

Meanwhile, several major UK rail infrastructure developments continue to create headlines. HS2, the high-speed rail line that will initially run from London to Birmingham and then on to Manchester and Leeds, survived a government review ordered on the grounds of its financial and environmental impact. It won't be completed for another decade and estimated costs have spiralled from £30billion to nearly £90billion.

Crossrail is significantly closer to operations but will now not be fully open until the first half of 2022 – more than three years after its original opening date. The line, which will run east-west through central London, will also need an additional £450million before completion.

ROLLING ALONG: A CORPORATE'S TAKE ON RAIL TRAVEL

One large UK-based organisation that *BTN Europe* spoke with is a significant user of domestic rail travel but believes action could be taken to increase adoption and make it more appealing.

In normal circumstances it spends around £10,000 on approximately 130 rail transactions per month, with an average ticket value of £77. Key routes include Leeds, Manchester and Newcastle to/from London. Restricted first class fares are permitted.

"We have a long-standing corporate account with Trainline which is accessed via a punchout. We've been trying for some time to have it added to the OBT but without success," they say. "Rail adoption [as opposed to using car hire] has never been an issue for us and that's important because our organisation is very focused on sustainability. But I am certain that due to the punchout we have a high proportion of leakage with tickets booked using corporate cards as walk-ups or via alternative platforms."

Further quibbles include the prevalence of paper tickets "when almost everything now is electronic or contactless" and complex and expensive fares. "Travelling by rail domestically is often more expensive than flying or even travelling by Uber which is completely wrong."

They'd also like to see more interlining with airlines on routes where it's logical, more reliable services in the UK and an improved onboard experience conducive to working.

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DYNAMIC OPPORTUNITIES

With the hotel RFP season usually in full swing at this time of the year, how are travel managers proceeding in what is now widely considered a buyers' market? **Andy Hoskins** reports

At a time when the business travel industry is on its knees and many hospitality employees remain furloughed, it's easy to see why some have advocated the postponement of the 2020 hotel RFP season and the extension of existing corporate rates into 2021. An already laborious and much-maligned process that has had question marks hanging over it for several years will be significantly more difficult to negotiate when hotel groups and corporates alike are short-staffed – so the thinking goes.

However, those choosing to side-step the challenge and simply roll-over their existing static rates will inevitably be paying above market value in an environment where demand has plummeted, there is abundant capacity and regular rates have dropped considerably. Sticking with what one already has in place might not reflect well on travel managers and could simultaneously puzzle travellers seeing notably lower rates on non-preferred channels.

Spare a thought for hotel groups though – how far should buyers turn the the screw in such challenging circumstances? And then there's the added complication of how new rates are calculated when there's no meaningful data from 2020, and when nobody can predict when business travel will return and what sort of volumes can be expected. The traditional RFP process is looking increasingly dysfunctional, especially this year.

TAKING ACTION

Peter Grover, EMEA managing director at Tripbam, says many corporates have simply kicked the can down the road. "It's not much of an RFP season at the moment. So few companies are allowing or encouraging business travel right now. Many won't be for months, so it pushes the whole conversation back in the calendar."

Wyndham Hotels & Resorts' SVP of global sales, Carol Lynch, paints a similar picture, saying that July and August would normally be a busy time. "We've seen only a handful of RFPs though we expect to have more between August and September," she says. "Some travel managers are saying 'yes, we will launch an RFP in September'. Others are still deciding."

Accor's director of corporate sales and TMC partners, Jonathan Pettifer, says there was an early realisation that making pricing decisions and negotiating 2021 programmes was going to be a "serious challenge", and that buyers, suppliers and TMCs reached a broad consensus that RFPs would begin later than usual given the widespread use of job retention schemes.

Grover believes the resource problem lies more on the hotel side currently than with corporates. "That being said, it's still a problem for both sides because if you as a buyer send out an RFP, you expect someone on the other side to respond to it. A lot of the major hotel companies have reduced their levels of staff at corporate headquarters, so that impacts corporates' relationships with their dedicated account managers at the chains. At the independent property level, they're certainly feeling the pinch, too."

According to the ITM, most buyers have frozen new RFP activity across all categories bar security solutions providers. One travel manager who has conducted a hotel RFP, however, welcomed new properties into their programme to cover changing needs. Another buyer was offered 12-month rate extension but would have preferred shorter terms, while many have been presented both static and dynamic rates.

One travel manager said they liked dynamic rates but weren't confident they would always be the best, while another shuns them altogether, preferring a committed negotiated rate that allows them to budget more accurately. Clearly, there is no uniform approach.

ROLLING RATES OVER

One thing is abundantly clear, and that's that many hotel groups are only too happy to extend corporates rates into 2021. Why wouldn't they, when rates have more or less been increasing for ten years but are now falling?

Marriott's EMEA VP of sales and distribution, Osama Hirzalla, says it has offered clients the opportunity to do so and has received "fantastic feedback". Resources was one of a number of factors in following this path, he explains.

Grover believes, however, that there's not an "outright desire" for corporates to take up offers of rolling existing negotiated rates into next year. The reality is, if you just extend rates into 2021 you'll be overpaying. Currently, the average booked rate in the Tripbam system is 32 per cent lower than in 2019. "Willingly paying more than what you could get otherwise when no additional value is created runs counter to the principles of good procurement."

Bruno Khan, HRS director of sourcing consulting for EMEA, agrees, saying that extending rates is too simplistic, and he instead calls for much-needed dialogue between all parties.

"

A lot of the major hotel companies have reduced their levels of staff at headquarters and that impacts corporates

"We've come a long way from the situation in May where most people didn't know what to do and when rate extensions were considered the most logical approach. Thankfully, we've seen some business travel activity over the summer in the EU," says Khan.

He says both hotels and corporates are open to new ideas, with buyers giving opportunities to incumbent properties and new suppliers. "The situation is difficult enough for our industry - it's great to see a willingness to understand each other, help each other and limit risks."

Even so, some corporates remain keen on traditional negotiated rates, says Bruno's colleague Louis Fernandes, HRS managing director of Northern Europe.

CASE STUDY: TO RFP OR NOT TO RFP?

One travel manager in no rush to commence RFPs is Jan Jacobsen, global accommodation manager at AIG, who instead prefers a collaborative approach.

"Our current focus is to work together with our industry partners to get through these challenging times, which do not warrant an accommodation RFP at the moment, in my opinion," says Jacobsen.

AIG manages its supplier portfolio through one global account director per hotel chain so Jacobsen says the company has not been too badly affected by staff shortages at hotel groups. He nevertheless believes that "extending agreements will allow the market to settle and revert back".

Crucially, the company has protection against falling rates since it has "always had a hybrid version". Its key properties will continue with fixed rates together with a dynamic rate back-up in the event the Best Available Rate falls below contracted levels.

Where RFPs have been issued by Jacobsen, they now contain 59 additional questions concerning hotels' new safety and hygiene standards. It is a reflection of the 'new normal' for business travel and a sharpened focus at AIG on rebuilding traveller confidence "by ensuring our partners have robust, traceable and reportable actions implemented, with duty of care being the number one priority," Jacobsen explains.

"Where they can project their anticipated volume, corporates are driving for fixed rates with flexible terms and updated amenities that address clean and safe updates," he says. "However, given the lack of projectable volume and volatile pricing scenarios, more companies are factoring in dynamic models as they recalibrate to negotiating in a buyer's market."

Nina Marcello, global hotel practice line lead at American Express Global Business Travel, agrees, pointing out that corporates have very little recent, good quality data to leverage spend and negotiate deeper discounts right now. She suggests corporates consider adding extra content to global programmes to capture the lowest available rates but monitor their volumes for recovery and be ready to approach partners when the time comes.

Further changes in buying habits include questioning the necessity of paying for Last Room Availability when occupancy rates are so low, and less interest in negotiating extras that are currently unavailable or undesirable – inclusive breakfasts or gym access, for example.

> "More companies are factoring in dynamic models as they recalibrate to negotiating in a buyer's market

A HYBRID APPROACH

In current conditions, hotels' best available rates are low, volatile and likely to frequently undercut current negotiated rates. As such, many corporates are adopting a blend of static corporate rates and dynamic rates, hastening a trend that was already gaining ground.

Accor is among the groups facilitating such a mix and in a June poll the group saw more than half of buyers say they intend to increase use of dynamic pricing. "It's an effective and low-risk option for corporates and helps sales teams deliver meaningful pricing options to buyers without undergoing time-heavy RFPs," says Pettifer.

A similar poll by the GBTA in August found 24 per cent of European companies are now more likely to include dynamic rates in hotel programmes. On the other hand, 14 per cent said they are now less likely to in a post-pandemic environment.

Tripbam's Grover agrees there is an appetite among buyers to switch to dynamic, long-term agreements that remove things like blackout dates and seasonality. "Some are retaining their previously negotiated static rates to effectively act as a cap," he adds.

Wyndham's Lynch says her hotel group has been very open with clients on what will be best for their particular programmes and she expects to see fewer markets with specific negotiated rates and more corporates embracing dynamic pricing.

Marriott expects a similar shift, accelerated by the advancement of systems and booking technology, says Hirzalla. There's little doubt that hotel revenue management technology is evolving and increasingly effective, and dynamic pricing will be a beneficiary. Nevertheless, American Express Global Business Travel (GBT) advises clients to focus on the key properties that meet your requirements and travellers' needs, then leave the rest to the TMC.

"We can help determine which is the best of the various rates offered for these properties, whether that's corporate negotiated, best available, the TMC's own negotiated rates, other third-party rates or dynamic discounted rates," says GBT's Marcello. "Following the strategy rollout, the key is setting up the content correctly in your online booking platform and using policy to drive travellers to book via the TMC channel."

NEW CRITERIA

Not surprisingly, corporates that are issuing RFPs have added swathes of questions around hotels' new hygiene and safety protocols, with Accor's Pettifer going as far as to suggest some RFPs are no longer price-driven but instead primarily concerned with duty of care.

It is not uncommon for post-pandemic hotel RFPs to include more than 50 additional questions relating to hotel hygiene protocols (see case study p31), ranging from contactless check-in, virtual payments and frequency of cleaning, to availability of single-serve breakfasts and the types of cleaning chemicals used.

"They [corporates] are placing a greater focus on employee health and safety when travelling than ever before," says Pettifer. Accor is among the vast majority of major hotel groups having rolled out new cleaning and operating standards (see feature p38-41).

Booking platform HRS, meanwhile, says more than 40,000 hotels have gone through its own Clean & Safe Protocol programme since June, with its initial booking analysis showing these are 35 per cent more likely to be booked than other hotels.

"Differing requirements in different nations has drastically impacted the content of RFPs," says HRS' Khan. "As a result of the pandemic and the change to a buyer's market, some things are less relevant, such as LRA or breakfast. Other items – such as methods of payment and flexible cancellation policies – are more important."

Companies are also combining their meetings and groups volume with transient projections in an effort to secure the best possible rates, Khan reports.

THE FUTURE OF RFPs

The industry has persisted with the traditional RFP process for years in spite of participants on both sides bemoaning its time-sapping complexities, but could this be the beginning of the end for it?

Wyndham's Lynch believes so. "I really think this [the pandemic] could be the catalyst for change in the way RFP seasons have been executed in the past," she says.

"And I think, more than ever, our industry is probably ready for it because we know the resources it takes to just facilitate the whole RFP process from a client standpoint, the buyer standpoint and the hoteliers' standpoint. It could change the way that corporate travel buyers buy in the future," says Lynch.

> "
> The pandemic could be the catalyst for change in the way RFP seasons have been executed in the past

Accor's Pettifer agrees, noting that stakeholders are endeavouring to truncate the process by switching to dynamic pricing models and only focussing on the key volume locations. "It's potentially a seminal moment for the RFP," he says, adding that emerging technology will play a "huge part" in automating and serving up optimal pricing. He adds: "It's important to remember, though, that while all parties in the industry are reacting to unique market conditions, the underlying philosophy of matching value and price for both buyer and supplier remains unchanged."

CONSIDER THIS: HOTEL SOURCING TIPS

- Consider extending 2020 negotiated rates but not necessarily for 12 months
- Use 2019 spend as a baseline for negotiations if you do issue RFPs
- Appreciate that some hotel RFP teams won't be fully functional right now
- Try blending in dynamic rates and treating corporates rates as a cap
- Revisit city caps – BARs have typically dropped 10 to 20 per cent
- Negotiate with key properties and 'plug the gaps' elsewhere
- Talk to hotel partners about tweaking current arrangements
- Treat this is an opportunity to strengthen existing partnerships…

…but also to strike deals with new hotels desperate for business

- Don't beat up hotels. Play nice now and reap the rewards later
- While volumes are low, experiment with alternative content and channels
- Get onboard with rate auditing and rebooking partners

(Source: Amex GBT, HRS, ITM)

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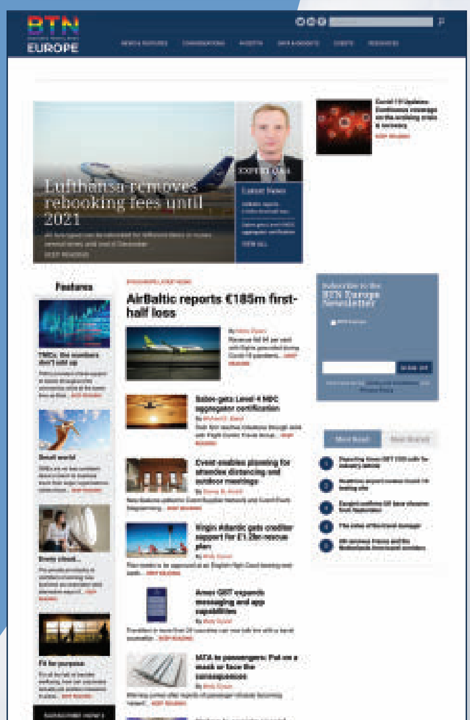

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STAYING POWER

The long-stay sector has fared better than hotels in recent months, giving the sector cause for optimism as corporate travel gets going. **Andy Hoskins** reports

The serviced apartment sector had a rare foray into the UK's national newspapers back in March when Premier League footballer Wilfried Zaha offered his business portfolio of 50 apartments to NHS staff battling the coronavirus outbreak in London.

Over the course of the pandemic, key workers helped fill the apartments of many long-stay properties and gave the sector cause for optimism – at least compared to the decimated hotel industry.

Data and analytics company STR reported that serviced apartment occupancy through April and May traded above hotels at 25 per cent in the UK, while the Association of Serviced Apartment Providers (ASAP) said some of its members reported occupancy as high as 45 per cent. STR's latest data, for June (see panel p37), shows UK-wide apartment occupancy climbed to 33 per cent.

With a wide range of property styles, Cycas Hospitality witnessed the contrast in fortunes.

> “Apartments have not been immune to the crisis but they have shown a degree of relative outperformance

“We've certainly seen our extended-stay hotels fare better during the pandemic than other segments,” says CEO Matt Luscombe. “We were able to keep our hotels open and operating at or above break-even levels during the worst period of the crisis when most other hotels had to close.”

At the height of the pandemic in Europe, property specialist Savills said it was aware of operators performing well above STR's figure and attributed this to the sector's guest profile and the typical configuration of properties.

“Serviced apartments have not been immune to the Covid-19 crisis but have shown a degree of relative outperformance,” Savills noted. “As seen historically, this could become more pronounced once recovery starts to emerge.”

It points in particular to the appeal of the product in a post-Covid world with an emphasis on duty of care: serviced apartments have fewer public spaces than hotels; guests have minimal or no contact with staff; and apartments present a more comfortable environment in which to spend longer periods of time.

Some operators, like Ascott, are even diversifying into ‘space as a service’ and temporarily offering apartments as office suites, among other uses.

There is also the cost-effectiveness aspect for longer stays, a facet that will not be lost on corporates faced with tight travel budgets.

Synergy Global Housing claims more than a third of travel buyers plan to increase their use of serviced accommodation as an alternative to hotels as a result of Covid-19. It launched SynergyCares, "a wide-ranging global safety and health initiative", in the same vein that hotel groups have unveiled new hygiene protocols.

ASAP has also been highlighting its accreditation standard and the addition of a ninth element to its Stay with Confidence pledge. "We took a lot of advice from the World Health Organisation, government and specialist health and safety advisors. We're also trying to align with other bodies and establish a common standard," says ASAP chief executive James Foice.

ASAP also offers the International Serviced Accommodation Accreditation Process (ISAAP) which guarantees guests a range of services and assurances – operators must pay for assessment. ISAAP additionally works with the Corporate Housing Providers Association (CHPA) and the Global Alliance of Serviced Accommodation (GASA). Frasers Hospitality became ASAP's first member to achieve the ISAAP standard across its full EMEA portfolio in June.

Foice says "there is certainly optimism" around the sector as we emerge from the pandemic. "As an industry we're well positioned. We think the sector has a head start over hotels. It's an opportunity to open the market to new customers who aren't familiar with our product."

Travel manager Jan Jacobsen of AIG agrees but adds a note of caution. "The sector absolutely stands to benefit. It has served key workers well, and some quarantine restrictions pushed people towards apartments too because they'd rather isolate there than in a hotel. But it doesn't mean it [the sector] is necessarily going to win new business travellers right away."

He continues: "For the sector to continue its growth path, it needs to take a step up now. It needs a set of truly global, sector-wide industry standards that helps build traveller confidence. I'd like to see every operator abiding by these standards, no matter their size."

Jacobsen says AIG will only work with operators who are ASAP accredited in the UK or conform to a comparable accreditation scheme in overseas locations. Serviced apartments comprise around 10 per cent of the organisation's total accommodation programme, but he'd like to see that move towards 20 per cent.

He believes global hotel groups, however, are also in a strong position, having established new cleanliness protocols that are standardised globally – something that is not so easy in the more fragmented long-stay sector.

Jo Layton, Director at CAP Worldwide Serviced Apartments, meanwhile, says it's important to take a closer look at the mix of business being handled during the pandemic.

"The extended stay industry has been incredible at stepping up during this crisis, but it is important to remember that we have been servicing high numbers of 'crisis' travellers.

"This is a moment in time, and the majority of these projects will finish. When this happens, demand will change again and we will be servicing a more balanced mix of business, including corporate and leisure travel," Layton explains.


Bermonds Locke, London

EUROPE'S TOP 10 APARTMENT OPERATORS

		Rooms	Properties
1	Citadines	4,402	37
2	StayCity	2,763	22
3	Living Hotel	2,313	13
4	Adina Apartment Hotel	1,585	11
5	Residence Inn	1,477	12
6	Aparthotel Adagio	1,338	12
7	Vision Apartments	1,291	20
8	Staybridge Suites	969	7
9	Appart'City	883	7
10	Marlin Apartments	819	7

(Source: data and analytics specialist STR)

While the relative isolation that apartments offer is touted by some as a duty of care win, Layton says providing a balance is key. "Isolation is great sometimes but it's not ideal for everyone. Some people want or need the support services that come with hotels or to simply have other people around," she says. "Corporates need to offer a balanced accommodation programme that reflects the wide variety of travellers' needs."

While Layton agrees the sector could attract new business post-covid, she too calls for an agreed global operating standard for the sector.

"What this [crisis] has done is to put assessment and accreditation firmly back on the table. We should continue to aim at creating a minimum set of standards, internationally, set by a body that measures the success of the accreditors, and

THE UK SERVICED APARTMENT SCENE

OCCUPANCY (JUNE 2020)

	2020	2019	Change
UK	32.9%	86.2%	-61.8%
Regional	39.8%	82%	-51.5%
London	26.5%	91%	-70.9%
Manchester	31.2%	72.7%	-57.1%
Edinburgh	27.4%	89.9%	-69.5%

AVERAGE DAILY RATE (JUNE 2020)

2020	2019	Change
£89.04	£143.89	-38.1%
£63.70	£99.83	-36.2%
£124.76	£190.43	-34.5%
£61.90	£105.27	-41.2%
£88.45	£144.74	-38.9%

(Source: data and analytics specialist STR)

that acts agnostically – the accreditors need to be checked too." Layton says this should "ideally not be a commercial environment or a sponsored environment, as this can lead to a bias one way or the other".

In July, the Serviced Apartment Forum For Assessment And Accreditation (SAFFAA), of which Layton is an active member, announced the creation of a "global register of assessors and accreditors that can be accessed by all operators" and has also reached agreement on creating a global standard for a 'lite' assessment programme and minimum standards to help set a 'benchmark of entry' for operators.

The importance of trust and confidence is also raised by Chris Crowley, partner at consultancy Nina & Pinta. "I think the sector's optimism is well placed. ASAP and Synergy and others have acted quickly and professionally to provide companies and travellers with that assurance of reliable standards that they can use to keep building traveller confidence," he says. "Accommodation is a personal trust issue for many travellers – where you sleep, where you eat, where you meet, where you work when you are not in the office. In a serviced apartment you can control this environment."

For apartment operators and agents, translating current optimism into business growth and diversity will depend on clear communication, building traveller confidence and, in the long-run, establishing globally recognised standards to unlock the potential of the sector.

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CLEAN CONSCIENCE

Suppliers are rolling-out new safety and hygiene programmes to win traveller confidence, but how can buyers negotiate the jargon and identify best practice, asks **Molly Dyson**

While business travel is still fairly limited despite moves to re-open borders across the world, suppliers – hotels, airlines and ground transport providers – are touting their new safety and hygiene protocols in order to win back consumer confidence.

But with so much communication around new procedures from suppliers, not to mention measures being enforced by local governments, travel managers say they – and their travellers – are getting overwhelmed and confused. Here, we take a look at just some of the actions suppliers are taking, as well as how they impact travel managers and how TMCs are helping to cut through the confusion.

HOTELS & APARTMENTS

Larger chain brands undoubtedly had an easier task of promoting new protocols than their independent competitors, having more resources at the beginning of the pandemic to develop such programmes. Most have branded their procedures: Marriott International has Commitment to Cleanliness, Hilton has CleanStay and Accor worked with Bureau Veritas to create the ALLSAFE certification label. Hyatt, Radisson Hotel Group and IHG were also quick to release details of their new cleanliness procedures. In the UK, Premier Inn announced CleanProtect, while Travelodge developed its Protect+ programme.

Recognising the struggle for independent hotels to implement their own communication and standards, hotel solutions provider HRS worked with SGS to develop the Clean & Safe Protocol, which can be used by any property regardless of whether it is partnered with HRS. The programme includes two options for displaying compliance – the Self-Inspected certification and an Expert-Inspected option.

The main pillars of these programmes include enhanced cleaning and disinfection of high-touch areas in both public spaces and guest rooms, physical distancing in public areas, protective shields at check-in desks, hand sanitiser stations throughout properties and new procedures around room service and housekeeping to limit contact between guests and staff.

STAYING SAFE: ACCOMMODATION BEST PRACTICE

While most hotel groups are following a standard set of industry-wide procedures to ensure cleanliness in the time of Covid, there are some that have taken extra steps to reassure travellers.

Hilton has introduced a CleanStay room seal, which is placed on the door of a guest room to show it has not been entered since undergoing cleaning.

Meanwhile, Marriott is using electrostatic sprayers with disinfectants recommended by the CDC to clean guest rooms, lobbies, gyms and other public areas. The technology enables a uniform coating of disinfectant on sprayed objects, including areas that could be missed with traditional cleaning methods. The company is also utilising ultraviolet light technology to sanitise rooms keys and devices used by employees.

Premier Inn has made the decision to replace shower curtains after every stay, while Travelodge has implemented post-clean room checks with 'digital tracking' in place to ensure every room is cleaned according to new protocols.

Several hotel chains have also implemented touchless check-in and check-out procedures. More recently, companies such as Marriott, Hyatt, IHG, Choice and Wyndham have introduced face mask requirements in public areas in certain markets.

For serviced apartments, which have come into the corporate travel spotlight during the pandemic thanks to their largely self-service, low-touch model, the Association of Serviced Apartment Providers (ASAP) added the Stay With Confidence element to its accreditation process, outlining new hygiene standards properties must meet.

AIRLINES & AIRPORTS

IATA, the European Union Aviation Safety Agency (EASA) and the International Civil Aviation Organisation (ICAO) have all published similar guidelines around the minimum steps airlines can take to protect their staff and customers. These include recommendations on cleaning of both aircraft cabins and airports, social distancing wherever possible – as well as the use of face masks where it's not possible to maintain distance – and reducing on-board services.

Measures have so far included disinfecting high-touch areas such as tray tables and arm rests between every flight alongside enhanced full-cabin disinfecting measures each night, as well as the requirement for passengers and crew to wear a face mask or covering throughout the flight. Many have adjusted boarding and disembarking processes to avoid passengers congregating at gates and in the aisles. Some carriers continue to keep middle seats empty for social distancing purposes.

It's a similar situation at airports – enhanced cleaning measures, signage promoting social distancing, efforts to reduce queues at check-in and security screening areas and limited amenities available past security. Some shops and eateries have remained closed, though this is largely down to the fact that airports are still seeing limited footfall.

> "Most major airlines are encouraging the use of their online and mobile app check-in facilities and touchless bag-drop systems

Most of the major airlines are encouraging the use of their online and mobile app check-in facilities and touchless bag-drop systems. It could be a key component of making people feel safe when travelling during the pandemic, with 48 per cent of business travellers in an SAP Concur survey saying they want to be able to check in via mobile moving forwards.

GROUND TRANSPORT

For car hire, chauffeur drive and train travel in Europe, there does not appear to be unified standards as there are for airlines and hotels, but suppliers are following similar principles.

FLYING SAFE: BEST PRACTICE IN AVIATION

Like other travel providers, there are a few airlines that are adopting the minimum standards recommended by global safety bodies and taking it a step further in an effort to gain consumer confidence.

Virgin Atlantic is one of a few carriers to introduce new passenger hygiene kits, which include disposable face masks, disinfectant wipes and hand sanitiser.

United Airlines recently brought its touchless bag drop technology to Heathrow airport, which allows passengers to scan their boarding pass – either on a mobile device or printed – at a kiosk and print bag tags without having to input further information on the screen.

Although temperature checks are seen by some health experts as ineffective at detecting potential Covid-19 infections, many airports, such as Heathrow, have installed thermal imaging technology to screen passengers as they enter and exit airside areas of the terminals. This is largely being used as a visual reassurance technique to calm passengers' fears as they travel through the airport.

Car rental companies including Sixt, Europcar, Enterprise, National, Alamo, Hertz and Avis, have implemented enhanced cleaning measures for vehicles and at branches. This includes the use of disinfectants between rentals to minimise the spread of illnesses and contactless pick-ups at some locations to avoid having to go into the branch to collect keys.

Chauffeur and private hire companies face an entirely different challenge – how to protect both drivers and passengers. Providers such as Uber and Addison Lee have started installing Perspex screens in vehicles to separate drivers from riders. This comes in addition to mask requirements in most major global markets, cleaning between rides and the provision of hand sanitiser and gloves for drivers.

Eurostar and other train operators are generally following the airline model, requiring face coverings for all passengers, implementing enhanced cleaning on board trains and deeper cleans overnight, and encouraging passengers to space themselves out wherever possible.

THE TRAVEL MANAGER'S PERSPECTIVE

For travel buyers, all of the communication around suppliers' cleaning protocols can be useful but overwhelming.

Katharina Navarro, global category manager – travel and meetings at Capgemini, says: "Being able to consolidate that information and translate it for the traveller so they know what to expect and the benefits is hugely complex. Which brands have already implemented their new procedures? Which ones are lagging behind? In which markets are they rolling out the protocols? It makes it difficult to understand what it actually means for the individual properties that people might go to.

"I want to be able to tell people 'this is what your flight will look like, these are the hotels that I suggest because I know what procedures they have in place, here are some ground transportation companies that are enhancing their cleaning measures'. And I'd like to see that information – such as whether an airline leaves the middle seat empty but at an extra cost – in my booking tool so people can make that decision on their own and know that I'm allowing them to pay that little bit more if they choose an airline that does that. There's lots of moving pieces with this and I'd like to see the information delivered in a more standardised format."

> "Consolidating all this information and translating it for the traveller so they know what to expect is hugely complex

Navarro says she's working with her TMC and supplier partners to integrate cleaning protocols into the booking process, but so far the information is limited to a small number of hotels and requires users to click on the screen and read additional text, "so it's not very user friendly yet".

The communication of new procedures goes deeper than simply getting the information to travellers. Navarro says her programme – particularly in the French domestic market – includes a "significant number" of independent hotels, which she believes could struggle with getting their message out.

"I haven't had a lot of communication from them," she explains. "I'm afraid if they don't step up their game they're going to lose out on corporate business, at least temporarily. As a buyer, having spent a lot of time building relationships with these properties, I want to keep them in my programme, but I also see a big risk in them not being able to catch up. And what I'm seeing now is that travellers are starting to lean away from independent properties and more towards the chains because in this situation they want to know what they're getting."

Navarro adds that cleaning procedures – particularly in relation to preventing the spread of Covid-19 – will be a part of the RFP process for her this year. "The partners I've already spoken to have reassured me that they will

DRIVING SAFE: BEST PRACTICE IN GROUND TRANSPORT

Chauffeur drive company Little's has invested in ozone sanitation technology, which eliminates bacteria and viruses without the use of harsh chemicals and surface products. The firm has also introduced new procedures for handling passengers' luggage to minimise contact.

Uber added a feature to its app that requires both drivers and riders to confirm they are wearing a mask and have washed or sanitised their hands before accepting or booking a ride. Either party has the power to cancel a trip if they don't feel safe. Uber also disables the account of any user – driver or rider – who tests positive for coronavirus for 14 days.

Avis is utilising its contactless pick-up system during the pandemic, allowing customers to collect cars from certain 'key in car' locations and eliminating the need for them to go inside the branch to fill out paperwork.

be able to collect all of this information and answer any questions I might have," she says.

Will prices go up to pay for these new cleaning procedures? Navarro thinks not in the short term. "It's a buyers' market right now. Suppliers are trying to recover pre-Covid capacity. However, I think there will be a lot of local factors that will influence rates, so I think the way forward in the recovery will be using dynamic rates with a kind of price cap (see p30-33). That's something I've never considered before. I've always relied on static rates because I found dynamic rates hard to track and I just didn't trust them. But this pandemic has changed a lot."

Looking to the future, Navarro agrees that the structure around new cleaning procedures is here to stay. "Suppliers are investing a lot in these new protocols, and I also think what we've learned from this pandemic is how fast these situations can evolve. There's a lot more awareness about how diseases spread and suppliers are more prepared so they can react faster next time something happens. You never know if it might happen while you're travelling, so to know that your hotel or your airline is prepared will provide a lot of peace of mind to travellers and corporates."

HOW TMCs ARE HELPING

TMCs face a bit of a challenge when it comes to aggregating all of the new supplier protocols. Many have updated their procedures several times over the course of the pandemic to respond to the changing epidemiological situation in different markets. This makes ensuring clients have the right information more difficult than simply providing them with a briefing.

Third-party players have tried to bridge the gap when it comes to airline information. ATPCO developed the new Reassurance Universal Product Attribute for Routehappy, which provides information on health-related measures carriers are taking. Meanwhile, Travelport rolled out a Covid-19 resource hub that collates information on suppliers' safety and cleaning measures.

Multiple TMCs are using a mixture of third-party integrations and their own information-gathering skills. Travel and Transport, Reed and Mackay, Click Travel, Clarity, CWT, BCD Travel, Egencia and Corporate Travel Management (CTM) are among the many names taking steps to keep their clients informed so they can reassure their travellers as they prepare to start travelling again.

Jill Palmer, CEO of Click Travel, which added a hotel search filter to its platform so users can see a property's cleaning protocols, says: "Customers want reassurance on Covid-19 security and we have been engaging with our suppliers about how they plan to tackle it. At the same time, we have been setting our product engineering team the challenge of helping. The key aspect of the new filter is that it is not static. We will be refining it constantly as more data is received and hotel standards evolve."

> "
> **Travellers are starting to lean away from independent properties and more towards the chains because they want to know what they're getting**

American Express Global Business Travel, meanwhile, has launched Travel Vitals, a free information hub that pulls together details from multiple sources to provide travel managers and travellers with procedures for airlines, airports, hotels, train operators, train stations and ground transport providers in addition to destination-specific information on current infection rates and public health measures.

According to Mark McSpadden, GBT's VP of global product and UX, destination information is integrated from Riskline, while the TMC has set up a dedicated team of people to source and update supplier-specific details on a daily basis. "Travellers want to know what their trip will look like. While the information being provided by suppliers was thorough, we realised it could be a little overwhelming for travel managers who were in their first stage of research, so we wanted to aggregate the most relevant pieces of data.

"We're hearing good feedback from clients, that the information being provided is extremely important not just for reassuring travellers but also for making sure the trip they're planning hasn't been made impossible by a change in country-level restrictions," McSpadden adds.

He believes the framework that TMCs are setting up for providing vital information to clients during the pandemic is something that will endure "long after we have a vaccine".

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UNDER CONTROL

As companies seek tighter T&E controls, expense management providers are stepping up with new ideas. **Adam Perrotta** reports

With corporate travel policy controls expected to be more important than ever in the post-Covid-19 landscape – for both employee safety and budgetary reasons – expense management could become a key channel through which companies can proactively enforce corporate travel policy and monitor traveller behaviour.

With that concept in mind, a number of expense management providers are emphasising how their platforms can give clients visibility into – and control over – traveller behaviour through the lens of spending.

That value proposition is particularly resonant for companies with unmanaged or lightly managed travel programmes, many of whom don't have a TMC or official online booking tool through which to enforce policy and track travellers. But expense providers are touting control and visibility to companies with fully managed travel programmes too, pitching expense as a uniquely effective lever for ensuring policy compliance, data visibility and traveller safety.

BANKING ON AN UPSIDE

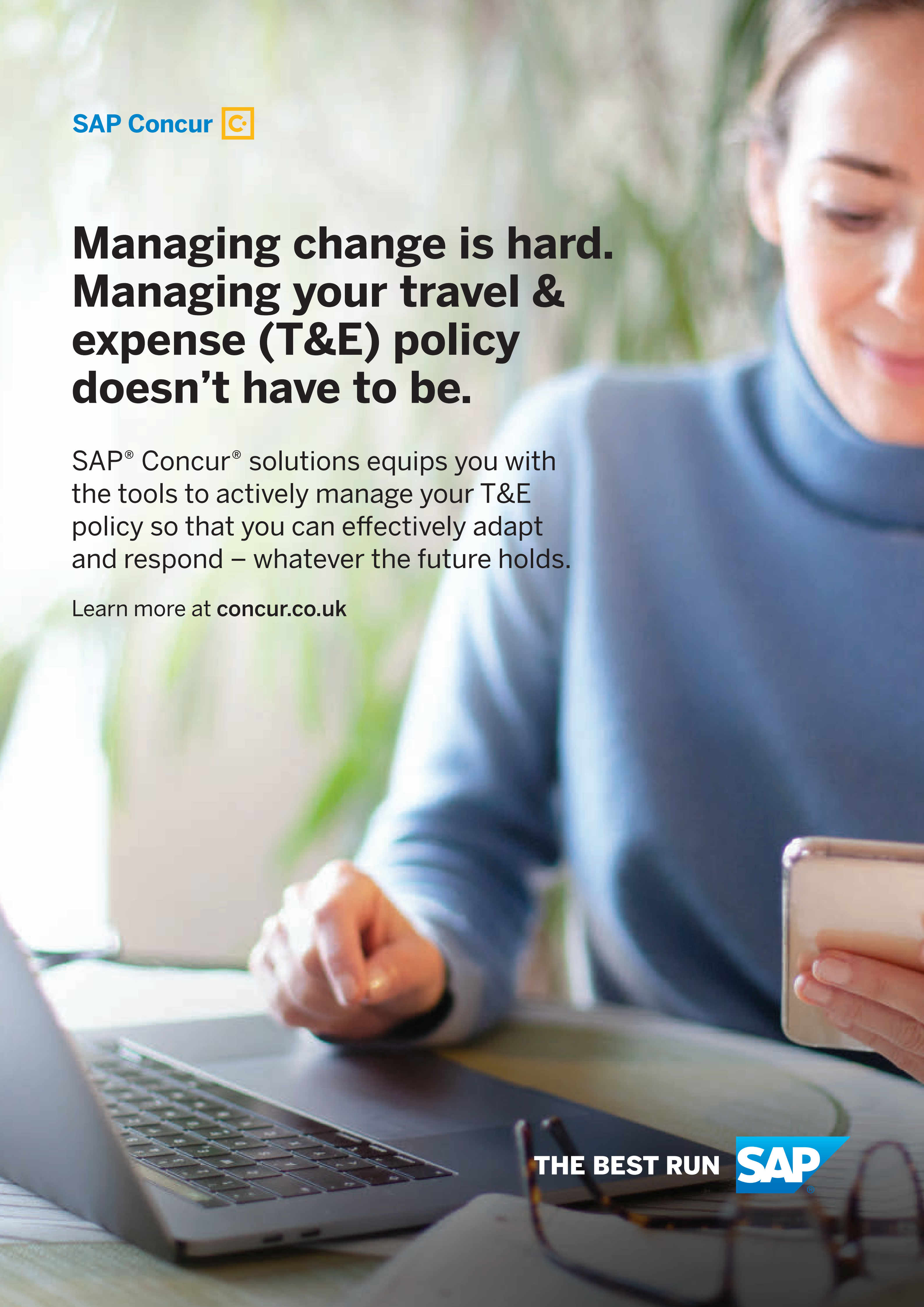
In late July, TravelBank, which operates across North America and EMEA, began offering its expense management platform to users of unmanaged and lightly managed corporate travel booking specialist Upside Business Travel – the first phase of a planned strategic partnership between the companies.

Under the agreement, travellers booking trips through Upside's booking tool are prompted to enrol in TravelBank's expense service, which the company touts as offering policy and approval controls along with enhanced "visibility into business spend".

The idea behind the alliance is to enable Upside's unmanaged and lightly managed travel buyer clients to craft what essentially acts as a unified travel and expense solution. That concept, which already had been gaining traction even before the onset of Covid-19, is particularly well-suited to serve the evolving needs of buyers in the wake of the pandemic, according to proponents of that approach, including TravelBank CEO Duke Chung.

"As the industry struggles from the impact of Covid-19, there's a lingering demand for an all-in-one expense and travel solution," says Chung.

The partnership with Upside will evolve over time to "address the new administrative challenges involved in managing corporate spend, such as reconciling unused airline ticket balances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and supporting contactless payments with virtual cards," Chung noted.

For TravelBank, Chung adds, the pact helps "broaden our client base" by providing access to a new potential audience for its expense management service; Upside's focus on serving companies with unmanaged or lightly managed programmes means many of its clients don't already have a dedicated expense management provider.

THE PAYMENT PIECE

Another expense provider doubling down on control and approval capabilities is building its strategy around a different combination of services: expense and payment.

Emburse – the parent company for expense platforms including Chrome River, Certify and Abacus – has stressed the integration of expense management and payment cards since rebranding early this year, adopting the Emburse moniker from that of a small business-focused payment card provider the company had acquired in 2019.

In early August, Emburse rolled out a new physical and virtual payment card that works within the Chrome River platform to enable pre-approval of expenses. Users submit requests for particular expenses within Chrome River; once the expense is approved, the employee is issued a virtual or physical card, which can be restricted to certain spending amounts, date ranges and merchant categories. That means booking attempts that are out of policy – whether a trip to a Covid-19 hotspot or simply one in violation of spending parameters – can be nipped in the bud before the purchase is completed.

"Until now, policy enforcement has taken place after the transaction is already complete, making it hard to unwind out-of-policy purchases" for Chrome River users, says Ted Power, chief product officer for Emburse. "The integration of policy-backed [cards] with Chrome River expense enforces policy before spend occurs."

When an approved card is used to make a purchase, spending details are verified against company policy, and the transaction is approved – or declined, if it's outside of corporate policy.

The user gets a real-time alert on their mobile phone, prompting them to capture and upload an image of the merchant's receipt. Once the transaction is completed, the receipt is automatically reconciled with the card data, and an expense line item is created.

"The real beauty of this is that spend can be approved in advance with company policy enforced at the point of purchase, so there's no requirement for any type of review after the fact," says Power.

There are advantages for the employee too, including no need to save receipts, manually fill in expense reports or reconcile expenses against card statements. Meanwhile, employees who don't have permanent corporate cards avoid having to front costs by using their personal cards and waiting for reimbursement.

"With finance leaders even more focused on cost control than before, effectively enforcing policies is critical, but that doesn't mean putting a huge administrative burden on spenders, approvers and finance teams," says Power.

> "Until now, policy enforcement has taken place after the transaction is already complete

THE BEST-IN-CLASS APPROACH

During a recent webinar from Concur and business strategy organisation Aberdeen, the companies shared the differences in how best-in-class companies – the top 20 per cent – approached travel and expenses.

What separates the top performers from the rest, they said, was their ability to look beyond simply cutting costs. In a June 2020 survey, 49 per cent of companies said they were focusing on reducing expense-processing costs, but only 31 per cent of the best-in-class respondents do so. The balance switched, however, when asked about eliminating manual and paper-based processes (31 per cent of best-in-class companies versus 21 per cent of all others) and tackling poor visibility into T&E spend and compliance (28 per cent versus 22 per cent). Lastly, 27 per cent of best in class companies are seeking ways to better control spend compared to 22 per cent of all other companies.

There was also a notable difference in attitudes towards aggregating T&E spend across the company (56 per cent of best-in-class companies versus 44 per cent) and the ability to audit compliance by individual categories (58 per cent versus 47 per cent).

And as business travel returns, 70 per cent of best-in-class respondents believe pre-trip authorisation is important compared to 51 per cent for all other companies.

Emburse plans to expand the pre-approved cards across the company's other expense brands and in the coming months will roll out additional payment-related products and services "which will further simplify, automate and control corporate spend," Power adds.

Meanwhile, Expensify recently took steps towards uniting all three elements – expense, payment and booking – under one a single roof. After adding a companion payment card to its expense management service in October 2019, Expensify completed the hat-trick in June 2020, rolling out a virtual assistant through which travellers can book flights, hotels and rental cars via chat or email.

Dubbed Concierge Travel, the service is available at no additional cost to holders of the Expensify Card. Rather than charging a per-booking or subscription fee for the booking service, Expensify earns a percentage of the interchange fee paid by the supplier accepting payment via the card.

Policy controls are central to Concierge Travel's value proposition, with travel managers able to set parameters and policy controls based on risk assessments and other factors, such as fare classes and star ratings for hotels.

The service also includes Covid-19 alerts and risk assessment services from travel security and medical specialist Global Rescue to help travel managers and other decision-makers set and update policy using the most up-to-date and relevant data, according to Expensify.

WHAT ABOUT TMCs?

But even as expense management providers bolster their control-related offerings and target the unmanaged and lightly managed travel programmes, TMCs – including one of the biggest names in the industry – are also setting their sights on serving T&E management and control needs for that sector.

In July, American Express Global Business Travel launched Neo1, a service targeted toward helping SMEs manage employee expenses, including travel bookings. GBT is positioning the expense tool, currently available in the UK, as a potential pipeline through which to gain new SME clients for its traditional travel management services. Companies that sign up for Neo1 get access to Amex GBT's online booking and travel support services.

"Travelling now requires more careful planning to stay safe and healthy, but also to manage the return on investment of a trip," says Fiona Hastings, Neo1 general manager for American Express GBT.

"Companies will need to proactively manage expenses and feel confident with their travel plans. TMCs are uniquely positioned to help with that," she adds.

Since launching, Neo1 has drawn significant interest from companies with unmanaged travel programmes seeking more control over their expense programmes – and, by extension, travel activity – amidst the pressures of the current environment, according the Hastings.

"[Neo 1] has proven to be a quick and easy way for them to go from unmanaged to managed travel, without needing a big investment of time and resources to get set up on the platform," Hastings says.

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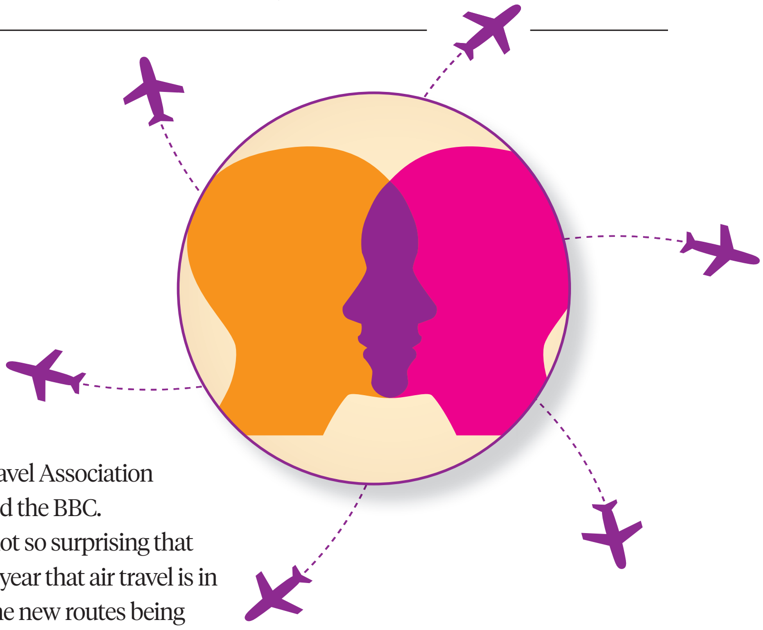
New routes bring new routines

Look closely at those airline schedules for not all may be as it seems



BY *JENNIFER BAKER*

The Covid-19 pandemic has upended the traditional – often misplaced – notion that business travel is some sort of perk. As I explained in my previous article, some Europeans are willing to get on a train for essential meetings, but airlines are still treated with caution.

At the end of July, the International Air Transport Association (IATA) updated its forecasts and predicted that global passenger traffic will not return to pre-Covid levels until 2024. That is only partly due to a natural reticence to engage in high volume travel in close proximity to a melting pot of society. The inevitable international recession will also take its toll on business travel budgets – forget about perks, travel will only be for the most pressing reasons.

Yet according to *Financial News*, prior to the pandemic, spending on business travel was more than €1.2 trillion a year, or 1.7% of global GDP. The technological solutions like Zoom and Teams were already there, so business leaders clearly felt that travel was essential to companies' bottom line.

"People getting together face-to-face is the only way, really, to achieve ultimate success in business. Many of my colleagues in the industry, be it on the corporate side, the travel side or supply side, they're very anxious to get back out on the road again and see their customers and colleagues," Dave Hilfman, the executive director of the Global Business Travel Association (GBTA) recently told the BBC.

So it is perhaps not so surprising that despite the horrific year that air travel is in for, that we see some new routes being launched. Budget airline EasyJet recently announced it was now licensed to fly a new route to Ukraine and could start as early as autumn this year. Elsewhere in Europe, LOT Polish Airlines launched flights to Wroclaw from Budapest, while Luxair also started a new route to Luxembourg from Budapest.

Balázs Bogáts, Head of Airline Development at Budapest Airport told the media that there is notable demand for links to the Hungarian capital. "There is significant Hungarian commuting traffic to Luxembourg, as well as strong business links and inbound tourism to Budapest," he said.

But look closely at the schedules of those new routes and a different story emerges. The Luxembourg–Budapest route will only operate twice a week, while the Wroclaw–Budapest flight will only be weekly. No opportunities for a day-long site visit or quick overnight to meet with colleagues.

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> In the build-up to the pandemic, the airline industry was facing crippling overcapacity issues

According to Linus Bauer, Visiting Lecturer in Air Transport Management, City, University of London, even "in the build-up to the coronavirus pandemic, the airline industry was facing crippling overcapacity issues. Huge levels of competition were resulting in a shrinking pool of profit – in many ways the industry was competing itself to death."

As much as the drain in demand, that may account for the reduction in flight frequency. Even a centre like Brussels, where the European Union Institutions could normally be relied upon to fuel demand for daily in and out travel, routes have been cut. Air Malta, once a provider of twice-daily flights from the island to the European capital has slashed its schedule to just three a week.

So amid the chaos of the pandemic fallout, the inevitable damage to the airline industry, and perhaps over-optimistic hopes of recovery, look closely at the schedules and work out what they really mean for your business travel.

• Jennifer Baker is a Brussels-based journalist reporting on European affairs, including politics, technology and transport

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