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TRAVEL

Business travel in 2022 and beyond

*Key trends for corporate
travel and meetings
managers.*



DON'T *do business* WITHOUT ITSM

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Welcome

Face the future with confidence



Drew Crawley

Chief Commercial Officer,
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We don't always recognize the importance of what we have until it's gone. In a world where moments really matter, one of lockdown's legacies is that the value of meeting face-to-face has never been so profoundly understood.

In late summer of 2021, the green shoots of an international travel recovery began to emerge. The accommodations and ground transportation categories, driven by small and medium-sized enterprises eager to travel and trade, led the recovery. Later, when governments finally eased restrictions, the pent-up demand for air travel among many of our customers started to release.

Let us be clear: businesses and people want to travel. Of that there is no doubt. However, we will be encumbered by uncertainty for some time to come. Market dynamics that impact the supply and demand curve will make pricing an onerous task. Governments are still prone to implementing new rules, restrictions and protocols at a moment's notice. And as I write, we're still waiting for the Omicron variant to dissipate.

In spite of the challenges, I remain fervently optimistic about our sector's future because B2B travel partners are designed to manage disruption and simplify complexity. Our collective goal across

the industry is to keep travelers moving seamlessly, helping them create new moments that matter. It's what makes our sector fundamental to economic and social progress around the world.

Moreover, travel and meetings managers will be increasingly visible in 2022. As this paper shows, their responsibilities will be more integrated with other departments as mobility becomes central to the culture of organizations that need to bring distributed teams together. They're also helping set the agenda for sustainability and diversity, equity and inclusion (DE&I) and will be instrumental in helping organizations understand and adapt to cultural evolution.

Over the last two years, we've experienced a world without travel. We've endured the toll it has taken on economic growth and the incalculable cost to social progress and human happiness. We cannot afford to go back – and we don't have to. In 2022 and beyond, the business travel sector should face the future with confidence, armed with the knowledge, tools and determination to keep powering progress around the world.

Trend #1

A seat at the table: new ways of working and living are transforming the travel manager's role

David Reimer

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The restriction of people's movement was a stark reminder to business leaders: smart travel drives successful companies. As we emerge from the most profound global health crisis in more than a century, there is a unique opportunity to redefine the role of the travel manager.

Travel disruption over the last two years has reinforced the widely held belief that face-to-face meetings are essential for companies that value meaningful collaboration. Without travel and meetings, it's difficult to properly innovate. It's hard for colleagues to build relationships and trust. And it's virtually impossible to instill values and build a winning culture. All of these traits are core to successful businesses, economies and societies.

While most of the world was locked down, we must never forget that around the world many thousands of essential workers continued to travel. Business leaders understood the stakes were high, which meant communications, the provision of real-time data, duty-of-care policies and disruption management were of paramount importance.

"The new and evolving ways of working and living mean travel, mobility and interaction become more of a key factor in the employer value proposition."

So, what does this mean for the travel function – and the travel manager – in the future? Will the C-suite door remain open?

The world has changed, and people want to do things differently. Employees, clients and partners want to be confident they're working for and with responsible, sustainable and inclusive organizations.

Traditional patterns of work and travel are shifting, along with the relationship between companies and their employees. Remote and hybrid working has forced bosses to rethink how colleagues meet and interact. New, creative ways to develop team cohesion, engagement, productivity and trust are therefore being sought. Our own research for the [2022 Global Meetings & Events Forecast](#) found that the internal meetings category is expected to show the most growth in 2022.



Blurring lines between professional and personal lives means travel and mobility become more central to traditional HR issues: employee experience, wellbeing, company culture and retention. Increasingly, travel managers will need to work with leaders and colleagues across multiple functions to tackle new challenges.

A sharper focus on burnout, employee attrition and retention are driving interest in more robust employee wellbeing strategies. The new and evolving ways of working and living mean travel, mobility and interaction become central to the employee value proposition.

This evolution could see the travel manager role being both elevated and integrated into a more core function, driving wider employee mobility and interaction policies, budgets and programs that support overall company culture and strategies. In short, a shift from transactional to transformational.

Given the pivotal nature of the role, a case can now be made for the travel manager to have a seat at the C-suite table. The program owner should at least be included in the initial policymaking conversations, rather than handed decisions at later stages. They should be more active, less passive.

Key dimensions of an expanded travel manager role

With the expanded travel manager role comes increased responsibilities for [employee welfare](#) – at a time when the pandemic has made us all more cognizant of mental, as well as physical, wellbeing.

After the financial crash in 2008, sustainability and so-called green travel vanished from the corporate agenda as companies scrambled to focus on cost. However, with the consequences of climate change now more visibly acute, organizations realize that taking responsibility for their carbon footprint is not only the right thing to do, it's essential to future-proof their brands. The 2021 Fortune/Deloitte CEO Survey found 90% of CEOs agreed that climate change needs to be addressed urgently, with 86% saying their organizations can play positive roles.¹ [The road towards more sustainable travel](#) may be long and paved with challenges, but the travel manager has an important role to play in helping navigate the journey.

Business owners, shareholders and management understand that an organization's corporate social responsibility performance is under unprecedented scrutiny. Supplier audits that assess a raft of CSR metrics, including sustainability and [diversity, equity and inclusion credentials](#), are increasingly common.

Get ready to rise to the opportunity

Managed travel is at a pivotal moment in its history: travel programs are evolving to enable more of the interactions that drive corporate culture, promote company values, and ultimately power the vitality and success of the enterprise. At the same time, the travel function now underpins a company's employee wellbeing, sustainability and diversity priorities.

This inflection point presents travel managers with a landmark opportunity to redefine their role and grow their influence. Increasingly, they can lead and drive the changes that prepare organizations to thrive in an unpredictable future. For those ready to seize the opportunity, the section below outlines some of the key actions to help them on their way.



KEY CONSIDERATIONS FOR TRAVEL AND MEETINGS MANAGERS:

Becoming a leader of change

- Be proactively part of those key conversations across HR, security, infosec, finance, DE&I and sustainability.
- Ask more questions: how can your program align with these stakeholders' goals and drive success?
- Be involved early on in policymaking and strategy conversations.
- Engage with leadership to raise awareness of the crucial role travel and mobility plays in supporting and achieving overall objectives.
- Sourcing: audit your supplier database and work your vendor relationships to support company priorities – source sustainable hotels and venues, electric vehicles and diversely owned businesses.
- Integrate your company values across the organization by applying them to cross-department projects, such as event planning. Align with M&E for a more strategic approach to sustainable sourcing and best practices.
- Ask what budget and resources are needed to support new working patterns and dispersed workforces. Major strategic changes need C-suite leadership and guidance.

Trend #2

Traveler confidence: the key to keep people moving

Raksa Ouk

Vice President, Digital Strategy



In an environment of prevailing uncertainty, nurturing traveler confidence must underpin the return to travel.

The volatile nature of travel thrust upon us by Covid-19 will endure for some time to come, even as the virus transitions from pandemic to endemic status. Few people enjoy uncertainty, least of all business travelers. That's why travel managers and B2B travel partners have never been so valued. Travelers are only happy and productive if they have a positive experience. For that to happen, they need to feel looked after throughout the lifecycle of their journey. They need to know that in a world where travel rules can change at a moment's notice, someone has their back. Technology and communication play pivotal roles in enabling this at scale.

Travel policies, which are under constant review, have adjusted to the demands of a dynamic landscape. Key changes include making pre-approval processes more robust to drive greater visibility and control.

Automated approval workflows can be configured in booking tools to trigger notifications to assigned approvers. Requests can be automatically approved, blocked or redirected to a travel counsellor, depending on a range of configurable criteria including geographical zone rules, travel dates, reason codes and job profiles.

"... remember that effective communications are two-way: travelers need to be empowered to ask questions, seek help and get advice - and give feedback on their experiences."

In a survey of 700 travel managers conducted around the world last year, all without exception expected corporate travel guidelines or policies to change in the next 12 months.² The top policies cited were real-time updates and alerts on potential travel risks (54%) and pre-trip vaccination requirements (51%).

Travel managers can give travelers assurance by using technology and tools to keep them informed at every stage – as they plan and book a trip, before they go, and while they're on the move – putting all the information they need at their fingertips. Feeling that they're supported when away from home can boost travelers' confidence and improve wellbeing. Keep in mind that confidence is about emotion as much as reason.

Challenge yourself: are you using the best channels to engage people? Channels can include push-notifications to mobile apps, messages in the online booking tool, company social platforms, webchat, WhatsApp, SMS and email.



Messages should be timely and targeted. They can be triggered by changes to travel protocols and border requirements, and by a range of datapoints including airport, airline, flight number and destination. Empower travelers with easy access to vital information that's clear and simple to understand. This also taps into increased expectations for information: a US consumer poll during the pandemic found that almost 85% would make decisions about flights and accommodations based on safety communications.³

This also illustrates the importance of traveler confidence in your preferred suppliers. Airlines, hotels, venues and ground transport providers should provide easy access to their biosafety, hygiene and security standards and protocols. Badges and links to this information can be displayed in booking displays, along with other itinerary-specific Covid guidelines.

But while providing education, awareness and real-time updates to travelers is important, it's vital to remember that effective communications are two-way: travelers need to be empowered to ask questions, seek help and get advice – and give feedback on their experiences, which will

be listened to and acted upon. Travel managers should strive to learn from travelers, proactively creating feedback opportunities such as wellbeing questions in employee and post-trip traveler surveys. These insights can be harnessed by travel managers, HR, finance and other relevant partners across the business to improve the overall employee experience and ensure travel programs and policies align with people's expectations.

Establishing two-way communications can also underpin a holistic approach to employee wellbeing that serves a range of objectives including talent acquisition and retention, productivity, brand reputation, risk management and more.

The pandemic provoked a widespread examination of the cultural structures and systems that shape our way of life. Just as businesses have had to reassess their strategies, future-proof and mitigate risk, employees have recalibrated priorities and adjusted their lives. A renewed focus on personal growth, quality of life and interpersonal relationships has brought work and travel conditions, patterns and experiences into the spotlight.

Trend #3

Sustainability will continue to drive corporate agendas, raising demand for greener travel options

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Pressure on business leaders to start showing results on the path to net-zero emissions targets is mounting.

There is unprecedented public and private sector focus on net-zero emissions targets, with awareness heightened after the UN Conference of the Parties (COP26) last November in Glasgow. Pressure comes from all sides – investors, partners, employees, lawmakers, and of course, customers. Consumers are more interested in how their buying habits affect the environment. Research finds consumers increasingly want products they view as having good ESG (environmental, social and governance) standards across the entire value chain.⁴

In 2022, we can expect to see companies intensify efforts to demonstrate real progress on reducing carbon emissions, including Scope 3 (travel) emissions.

Meanwhile, travel will still be vital to organizations. If anything, the world is now more profoundly aware that travel is a key factor in successful outcomes for businesses, individuals and communities. We have seen – and continue to see – a resurgence of demand for business travel wherever restrictions are eased.

“Travel managers need to work closely with stakeholders, partners and service providers to identify the best levers available to help reduce travel-related emissions.”

The dichotomous demand for travel and carbon reduction presents a big challenge. But there are also significant opportunities as we explore how to drive the investment and innovation needed to achieve zero-emissions travel.

The travel program will be a key area of scrutiny. Travel managers need to work closely with stakeholders, partners and service providers to identify the best levers to help reduce travel-related emissions.

Carbon Offsets

The mechanism most immediately available is carbon offsetting, which can mitigate up to 100% of a business's greenhouse gas (GHG) emissions. GBT has used carbon credits to offset 100% of its employee business travel emissions since 2019, using leading non-profit organizations including Carbonfund.org Foundation, Carbon Footprint and Tasman Environmental Markets. GBT also offers customers preferred terms with these trusted partners. Beyond carbon, offsets create

additional social and environmental co-benefits, because nature-based solutions (such as forest, peatland and wetland projects) also protect biodiversity and local communities that depend on these ecosystems for their culture and livelihood. Promisingly, at COP26, more than 100 countries pledged to halt and reverse deforestation by 2030, a commitment covering 85% of the world's forests. The carbon offset market will play a pivotal role in driving climate finance towards these forestry projects in this critical decade.

Carbon Insets

While carbon offsets are a valuable way to compensate or neutralize carbon emissions, carbon insets are an emerging concept that enable corporations to reduce value-chain emissions. Carbon insetting is a direct way to reduce GHG emissions within the supply chain of the reporting company. This could be, for example, investing in cleaner energy sources such as sustainable aviation fuel (SAF).

SAF can offer an 80% reduction in lifecycle carbon emissions compared to fossil-based jet fuel.⁵ SAF is the most viable option in the near and medium term to achieve net-zero aviation. Other technologies are important and promising – the UK government recently announced its backing for development of zero-emission hydrogen-powered aircraft. But this is a long way off from being a mass-travel solution that will make real impact. So ramping up SAF production and deployment to meet growing demand, while a huge feat, is something the sector can achieve by working together. GBT's collaboration with Shell Aviation will, for example, scale up supply and demand for SAF by aggregating corporate demand and unlocking investment and production.

The Power of Data

Data is key to identifying effective actions to meet targets. By working with partners to analyze their data, travel managers can measure the impact of levers such as using hotels that meet green certification standards, putting travelers onto lower emissions aircraft, switching from air to rail where feasible and using electric vehicles. These initiatives need travel managers to work with partners, suppliers and travelers to facilitate the necessary change management.

As we saw during the pandemic, our industry can be resilient, resourceful, and collaborative – now we need to take these strengths to tackle the biggest challenge facing our planet and our sector.



KEY CONSIDERATIONS FOR TRAVEL AND MEETINGS MANAGERS:

Building a sustainable travel program

- No company can do this alone: work with your travel and meetings service providers.
- Challenge the status quo, have conversations with your leaders and stakeholders on ways to embed sustainability into your travel program.
- Measure, measure, measure... because tracking and reporting is the first step to mitigating carbon.
- Your booking tools: can you influence choice, shifting travel decisions at point of sale?
- Procure sustainable products and services, using your purchasing power for good.
- Invest in carbon offsets to compensate and neutralize for carbon emissions immediately.
- Invest in carbon insets to help scale the availability of SAF now and for the future.

Trend #4

Travel and meetings can drive progress in diversity, equity and inclusion

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Vice President, Diversity and Inclusion



By driving diversity through the supply chain, corporate travel professionals can play a pivotal role in their organization's DE&I strategy through 2022 and beyond.

More and more companies are embracing diversity, equity, and inclusion (DE&I) and making it a key business priority.⁶ Today, stakeholders – including employees, customers, and investors – expect organizations to commit to DE&I goals and be able to demonstrate that commitment.

DE&I is about making people feel seen and heard, regardless of their race, sexual orientation, nationality or any other defining characteristics. This is key to empowering employees and fostering an innovative, inclusive culture. As a sector focused on people, it's not surprising that corporate travel managers and meetings arrangers are leading the way on DE&I by integrating diversity and inclusion goals and practices into their programs. These professionals are using policy to support all employees and to demonstrate that inclusiveness is integral to company culture. For example, ensuring policy will enable people with disabilities to travel comfortably.

"A supplier diversity – or inclusive procurement – policy is a tangible way to support companies in tune with your values."

Using procurement to drive social change

A growing number of travel managers and meetings arrangers are now looking beyond the perimeter of their own organization to examine how supplier relationships contribute to their DE&I objectives. They are reviewing supply chain arrangements and committing to focus more of their spend on small and diverse suppliers.

A supplier diversity – or inclusive procurement – policy is a tangible way to support companies in tune with your values. Every dollar spent with a minority-owned caterer, accommodation provider, conference venue or chauffeur service can help that business grow stronger. But supplier diversity is about more than where you spend money: GBT clients who introduce these policies work hard with prospective vendors to help them onboard and get up to speed with their business systems and reporting requirements. Often, clients will adapt their commercial terms to support these smaller companies' cashflow.

WHAT IS A DIVERSE SUPPLIER?



GBT defines a diverse supplier as a business that is certified to be at least 51% owned, operated, and controlled by a person of diverse background, including racial and ethnic minorities, women, veterans, LGBTQ+, people with disabilities, and other underrepresented minority populations.

As well as being the right thing to do, sourcing from diverse suppliers is good business. An inclusive procurement strategy means you have access to more choice and greater value for money; it "widens the pool of potential suppliers and promotes competition in the supply base"; and, by unlocking additional sourcing options, supplier diversity can make the supply chain "more resilient and agile".⁷ As part of a broader-based DE&I program, supplier diversity will help support talent recruitment and retention strategies that increasingly emphasize diversity and inclusion.⁸

Supplier diversity is central to travel and meetings

Supplier diversity has been an important current in the meetings and events sector for some time, but 2021 saw it go mainstream across transient travel. As demand for travel picked up last summer, customer requests for supplier data on diversity and sustainability soared. In response, we worked with software specialist Cvent to simplify the process for managing these requests to avoid overwhelming hotels and other meetings and events providers.

In 2022, supplier diversity will be a core theme for corporate travel. Expect to see the most activity on supplier diversification in the hotel, meetings and events, and ground categories. To create experiences that meet their clients' objectives, these sectors transact with a wide variety of suppliers and venues. In each case, travel managers and events arrangers will lead the charge – showing their colleagues in other parts of the business how it is done.



Trend #5

Air

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A robust risk management mindset to public health should allow recovery to take flight in 2022 – but pricing will remain unpredictable.

Before the arrival of the Omicron variant, 2021 looked like it would end on a relative high for global aviation. As borders reopened and travel restrictions eased, pent-up demand flowed into airports. Encouraged by the strong return of volume, airlines looked forward to a brighter 2022, as the recovery trends established in the last quarter accelerated.

While bookings remained resilient in some countries, the initial effects of Omicron have been to dampen recovery, particularly in Europe.⁹ That said, airlines should still have grounds for guarded optimism about the year ahead. For the most part, governments have begun to adopt more nuanced strategies for handling the pandemic. Through much of the second half of 2021 – and enabled by high levels of vaccinations in some countries – administrations moved from outright travel bans to treating Covid-19 as a manageable risk. In a sense, they shifted from a pandemic to an endemic mindset. In this scenario, public health remains the priority, but activities essential for social and economic prosperity can resume in a managed way.

“The shift from a pandemic to an epidemic mindset will allow responsible travel to continue growing, benefiting economies around the world.”

The shift from a pandemic to an endemic mindset will allow responsible travel to continue growing, benefiting economies around the world. The emergence of new variants is a threat with which we'll have to live for some time. However, if governments adopt a measured, risk-based approach the impact will be mitigated. With such a mindset, governments would continually review and tweak public health rules and travel restrictions to reflect the latest scientific knowledge. The UK's decision in January to scrap the requirement for fully vaccinated inbound travelers to take a pre-departure Covid test is a good example of this proportionate approach.

For travel managers, adopting the risk management outlook brings its own challenges, including the complexity of assessing risk and deciding on the appropriate policies, guidance and traveler education. It is important that travel managers continue to engage with critical stakeholders in their organizations including security, HR and legal to take a comprehensive approach to risk management.



Capacity is returning, but unevenly

After suffering an extraordinary collapse in demand during 2020, which saw capacity fall by almost 70%¹⁰, the world's airlines have been steadily reintroducing flights. By November 2021, the key North Atlantic air corridor – a vital artery for global business travel and commerce – saw bookings double, spurred by the easing of US entry requirements.¹¹ As a result, carriers could slowly ramp up capacity between American cities and European capitals.

Looking globally, however, progress on returning air capacity has been anything but uniform. In fact, GBT has rarely seen volatility at this scale, degree or duration when it comes to air demand and capacity.

Much of this volatility is explained by the difficulty carriers face in building demand forecasts. Business travelers book a lot closer to time of departure than their leisure counterparts while airlines don't have visibility of most corporate bookings beyond a three- to four-week window. Companies usually share information with carriers about their evolving policy and demand – but the problem is that few travel managers have a clear picture of their internal demand. With limited data available for planning, airlines have been making broad assumptions around demand, capacity and schedules, refining them as the demand curve builds. This process will likely result in flight cancellations – a move that airlines are reluctant to take because of its impact on customers, carriers' hard-won reputations, and overworked staff who have to re-accommodate passengers.

“Looking globally, progress on returning air capacity has been anything but uniform. In fact, GBT has rarely seen volatility at this scale, degree or duration when it comes to air demand and capacity.”

Reduced air capacity has multiple consequences for business travel. Travelers face inconvenience from a diminished choice of flight times and routes. Lighter schedules and networks can spell problems for operational reliability: airlines have less headroom to deal with disruption, and any issues have a bigger impact on the traveler experience and take longer to recover from. Fewer flights will also create knock-on effects at airports, with reduced amenities and fewer personnel on hand to process travelers at check-in, security and border control.

Airlines can take some steps to boost capacity in the short term: on some high-demand routes, they could introduce larger aircraft, also known as up-gauging. However, in this volatile context it will not be so easy for carriers to balance supply with demand.

Against a background of profound uncertainty about demand and supply, air pricing remains extremely fluid. Just consider the experience of the last year: prices on many key business routes in the US recovered close to 2019 levels in June only to fall back significantly when concerns about the Delta variant overturned the supply-demand equation. It is difficult to forecast price for 2022 with any degree of accuracy or credibility.



KEY CONSIDERATIONS FOR TRAVEL AND MEETINGS MANAGERS: *Sourcing air in 2022*

Global aviation should be on the recovery track – but capacity, schedule and price will remain unpredictable well into 2022, which could have implications for individual travelers and for the travel program as a whole.

- Airlines need information about corporate clients' travel plans in order to gauge demand and plan their schedules. Travel managers should engage regularly with their top airline partners. Keeping relationships alive – even when volumes are low – means the carrier will be better prepared to welcome your travelers as they return.
- Travel managers could face cost pressures due to lack of availability. Monitor average ticket price (ATP) trends on your key routes especially where there has been a significant change in capacity or the competition situation has changed (by, for example, the withdrawal or arrival of a carrier).
- Reductions in capacity may mean more competition for the same flights. To help them get their preferred seat on their desired flight, travel managers should remind travelers about the company's advance purchase guidelines.
- Fewer flights and reduced route coverage will mean less choice. For some travelers this could be an unpleasant surprise, especially if they have not flown during the pandemic. Travel managers need to be ready to recalibrate expectations and help travelers understand how they can adjust to the new normal.
- Helping travelers adjust includes advising them on how to plan their trip, for example allowing additional time at the airport. Until carrier schedules recover, travelers will have less flexibility: if they miss their flight, they could well end up stranded.



Trend #6

Hotel

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The global hospitality recovery will build momentum in 2022. Good news for hoteliers – but a challenging sourcing environment for corporate travel buyers.

The hotel sector can look back on 2021 as a year of progress. Driven by leisure, average daily rates (ADR) have started to recover across the world, most significantly in the US, followed by EMEA. ADR improvement has been especially strong in the luxury/premium category as guests returned to hotels in major metropolitan hubs.¹²

Hotels have been effective at rebuilding guest confidence: GBT client surveys find that travelers trust hotel suppliers to prioritize their safety and wellbeing.¹³ Increasingly, clients are happy to book further ahead of arrival at the hotel.¹⁴ By the end of 2021, an average length of stay was on par with 2019 levels.¹⁵

“As confidence has increased, GBT data indicates that traveler behavior is reverting to pre-pandemic patterns.”

The hotel recovery momentum established in 2021 should continue in 2022. Hotel demand and ADR in the US are expected to see near full recovery.¹⁶ Forecasts for other geographies are also encouraging, with highlights including the UK, the Middle East and North Africa, and Asia Pacific.^{17 18 19} As GBT clients progressively reopen offices and loosen travel restrictions, corporate bookings should form a growing part of what has been a largely leisure-led recovery.²⁰

However, the relatively bright outlook predicted for global hospitality hinges on the action of governments. A key lesson of recent months is that when governments ease restrictions, travel is swift to return: as noted in the Air trends section, bookings across the North Atlantic rebounded by more than 100% in the weeks following the announcement that US borders would reopen.²¹

Rates trending upwards

While many hotel groups have been willing to extend 2021 rates for 2022 programs, travel managers should not expect to find many opportunities for rate reduction without substantiated spend. In fact, rates could be going up. As noted, ADR levels are recovering across the globe. Many top business destinations are also attractive to leisure travelers. In these key cities, returning business travelers will compete with tourists for the same rooms.

But the most significant upwards influence on hotel pricing could come from ongoing global labor shortages that afflict hospitality. Employees left the sector during the travel shut down and many don't want to return.²² Employers around the world are responding with substantial pay rises and more flexible working arrangements.^{23,24} Labor is the single biggest cost for hospitality providers; getting staff back into hotels will put increasing pressure on hotels' cost base. Where they can, hoteliers will pass on these costs to guests.

Sourcing corporate hotel programs

Many companies have already finalized their 2022 strategies for hotel sourcing and management, but they will need to continue monitoring trends as travelers get back on the road. Travel managers must be ready to adapt their programs for changing conditions. With rates trending upwards, they may need to move quickly to avoid or contain rising costs. As business travel returns, there will be opportunities to update policies, strengthen cost containment initiatives and ensure a rich experience for travelers.

"Savvy travel managers will already be thinking about where they can take their program for 2023 and should be prepared for aggressive negotiations to ensure costs remain within budgets."

Hotel innovation

The nimble hospitality industry continually finds opportunities to innovate and deliver value to corporate customers. Hotels and providers such as GBT with its [Workspaces](#) offering have been launching co-working products that enable homeworkers and distributed teams to meet up and collaborate in a COVID-safe managed environment. With many companies making homeworking a permanent part of their work culture, this concept will become a very valuable resource for companies – and an important revenue stream for hotels.

TOUCHLESS TECH HERE TO STAY

The pandemic accelerated adoption of touchless hotel technology. This reassured guests by reducing human contact and, with hotels operating with reduced headcount, enabled automation of some tasks which allowed hotels to redeploy scarce staff.

The smartphone is central to this trend: Increasingly, it acts as a personal remote control that guests can use to manage almost every aspect of their hotel experience – from contactless check-in and guest room access via digital keys to turning down the air conditioning and ordering in the restaurant.

Expect hotels to continue to invest in touchless solutions through 2022 and beyond. Touchless got its big break as a solution that helped build guest confidence – it will endure in hotels because guests increasingly expect the ease and convenience of touchless experiences.



KEY CONSIDERATIONS FOR TRAVEL AND MEETINGS MANAGERS: *Sourcing accommodations in 2022*

- Multiple rate options will be a fact of life for 2022 – and beyond. In a fluid hotel environment, year-round sourcing will be key.
- Demand could look very different to what it was in 2019. Travel managers should engage with their internal stakeholders to understand the organization's travel needs in the year ahead.
- Relationships with top hotels may have lapsed during the long travel shutdown. Get back in touch and reopen the lines of communication. In a fluid environment, these partners will be vital key to delivering a successful hotel program.



Trend #7

Ground

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The global car shortage could cause sharp price rises and availability issues in the year ahead. Meanwhile, innovation will continue to transform the sector.

Scarcity will be a critical issue for car rentals in 2022. There simply aren't enough cars to meet corporate demand.²⁵ The root causes lie in the early days of the pandemic: when lockdowns collapsed demand for cars, many rental companies sold off their excess vehicles. When demand began to return, largely driven by leisure travel, rental companies shifted inventory from traditional business locations to vacation hot spots.

However, the biggest factor in the car shortage over the next year will come from the global semiconductor shortage and its impact on auto production. Analysts predict the computer chip crunch could last well into this year.²⁶

Demand set to push prices up

The ongoing mismatch between constrained supply and growing demand means that car rental prices are set to rise – the only question is by how much. Both Europe and North America will see rates continue to be higher than expected. Prices should stabilize later in the year as car production returns.

"The ongoing mismatch between constrained supply and growing demand means that car rental prices are set to rise – the only question is by how much."

CHAUFFEURED GROUND TRANSPORTATION

The global car shortage is affecting chauffeured cars – but this sector is also impacted by a shortage of drivers. Many experienced drivers retired during the pandemic and providers are struggling to replace them. As a result, chauffeured ground transportation is experiencing customer service issues and these are likely to continue well into next year. Booking with a preferred supplier via the B2B travel partner will help with securing service and managing any issues.



KEY CONSIDERATIONS FOR TRAVEL AND MEETINGS MANAGERS: Sourcing cars in 2022

Rental cars are an attractive option for many travelers. As well as offering flexibility, cars provide safety and peace of mind for those concerned about the risk of Covid infection. However, with rates on the rise and the global car industry struggling with supply issues, finding cars for the travel program is likely to be challenging. The best sourcing strategy is to work in partnership with the rental providers who are most important for keeping your people on the road.

- Travel managers should talk to car rental partners about the needs of their travelers. They should expect their partners to be candid about their ability to supply the program.
- It makes sense to move away from a procurement-led mindset: concentrating on achieving the lowest price may mean you fail to secure the cars you need. Instead, focus on service and availability of supply.
- Note that rental providers are reassessing their relationships with corporate clients. If they believe your current arrangements are not commercially sustainable, they may want a conversation to work things out.
- Some rental providers hold back a proportion of inventory for leisure customers who are prepared to pay higher rates, especially during high seasons like the holidays and summer. Ask your provider if they can supply you with the cars you will need through the entire year.
- Remind travelers to secure their rental car at the same time they book their air or hotel. Many travelers are accustomed to booking less than 7 - 10 days in advance of pickup but they will get better availability and rates if they book as soon as they make their other arrangements.

Electric vehicles (EVs)

Sustainability concerns are accelerating the move to EVs and hybrid vehicles. This shift is set to intensify in 2022 as global rental companies ramp up their commitment to EVs. Hertz's agreement to buy 100,000 Tesla Model 3s – billed as the single largest-ever purchase of electric cars – is one of the most prominent examples and underlines how EVs are entering the mainstream.²⁷ This level of investment by a big mobility brand will also spur development of the EV charging infrastructure.

Growing corporate demand for EVs – and the fact that they are more expensive for rental providers to buy – will put EV rental rates at a premium versus regular cars. But EVs can also have a positive effect on ancillary costs. Some providers will pay for charging during the rental period: a driver averaging 200km per day could save around €20.00.

HELPING DRIVERS ADAPT TO EVS

Electric cars are generating triple digit sales worldwide – but most drivers have never been behind the wheel of an EV.²⁸ To encourage adoption and reassure first-timers, travel managers may need to offer additional support to travelers, particularly on EV charging. A key point to cover: charging providers are not always interoperable. Finding a charging point – and then discovering it is not compatible with your provider is a painful experience. Compatibility is improving – but is likely to remain challenging through 2022.

“One of the key innovation areas to watch in 2022 brings together multiple transport options on a single digital platform. Mobility-as-a-Service (MaaS) is not a new idea, but this flexible concept has acquired impetus from the shift to the home office and hybrid working.”

Mobility-as-a-Service

One of the key innovation areas to watch in 2022 brings together multiple transport options on a single digital platform. Mobility-as-a-Service (MaaS) is not a new idea, but this flexible concept has acquired impetus from the shift to the home office and hybrid working.

More GBT clients are expressing interest in MaaS solutions and there is a growing number of initiatives worldwide. However, the lack of globally consistent technology standards is preventing MaaS from fulfilling its potential. Governments could help. Finland, for example, has regulated to define standardized APIs for transport apps. Working out the commercial relationships that underpin MaaS solutions may be a tougher nut to crack. Suppliers may be apprehensive to put themselves on platforms where they are in direct competition with other providers – and other modes of transportation.

To drive acceptance and adoption, a MaaS platform needs to enable access to all the user's mobility options, whether for work or leisure, from a single platform. This has implications for payments and for areas such as employment policy. To introduce and manage the required processes and policies, travel managers will need to work in a coordinated way with colleagues across their organization.



Rail

The increased focus on business travel sustainability means a growing number of GBT clients asking how they can make more use of rail in their programs. Research carried out in France by GBT's Global Business Consulting arm has shown that switching from air to high-speed rail on key business routes could reduce carbon emissions by 90%.²⁹ Substituting the train for the plane can also improve traveler experience, offering greater comfort, improved productivity and the convenience of city center to city center travel.

While the benefits are compelling, 2022 is unlikely to see a mass corporate switchover to rail. For one, many of the business travelers who could use rail may already be doing so: when high-speed rail is

introduced it can reduce aviation transport on the same routes by as much as 80%.³⁰ Adding new high-speed capacity requires significant investment and may take years to complete.

Beyond questions about infrastructure, clients find it difficult to integrate rail into their travel programs, particularly when it comes to cross-border booking. For deep-rooted historical reasons, rail largely remains organized on a national basis. Rail technology platforms – supported by GBT – are progressively stitching together disparate rail distribution systems and customer experience strategies but this task is unlikely to be completed in the next twelve months.

To learn more about the trends reshaping business travel in 2022 and beyond

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