

# REBUILDING BUSINESS TRAVEL

Insights from global TMC leaders on  
the business travel industry outlook  
and recovery strategies for 2022

amadeus



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## Introduction

I have always been inspired by the resilience and innovative spirit of Travel Management Companies (TMCs). Every time they face adversity, TMCs prove their ability to adapt and reinvent themselves.

Since the beginning of 2020, these strengths have been tested like never before. We didn't need a survey to tell us these are the most challenging conditions TMCs have ever faced. Instead, we wanted to focus on the road ahead, and understand how TMCs can succeed in this transformed landscape for business travel.

One year after the release of our *Reboot, Recharge, Rethink Business Travel* research paper, we, at Amadeus, decided to check the pulse of the TMC market a second time. We did this through quantitative survey questions and detailed interviews with senior TMC executives around the globe.\*

We found the results extremely encouraging. There is no sugar-coating the challenges that lie ahead. But business travel is already returning, albeit differently than it was before.

A new trading environment also opens new opportunities – and the responses we received show TMCs have already identified those opportunities and are well advanced with developing strategies to make the most of them. TMCs are reinventing themselves once more.

This e-book is based on findings from the aforementioned surveys and interviews. In the first part, we discover the opportunities in today's business travel landscape seen from the travel management company's perspective, as well as the challenges they face. Then, we look at recovery and growth strategies with a focus on providing practical solutions that will drive success in this new world of business travel. The global results are followed by a regional breakdown of TMC feedback.

We hope you will be as inspired by the insights gained as we are.

### **Paul de Villiers**

*Senior Vice President, Global Business Travel Accounts, Amadeus*

\*Research was based on insights from more than 250 TMC executives, gathered through a quantitative survey and 1:1 deep-dive interviews (Quarter 3, 2021).

# Executive summary

Despite certain challenges and uncertainties, the glass remains half-full for travel management companies, and reveal a path to a brighter future. TMCs have identified several **opportunities** that could improve their revenues:

- Business is **better in real life**.
- An increased role as **information providers** in duty of care v 2.0.
- A **shift from unmanaged to managed travel** by corporate customers.
- An increased demand for **managing travel disruption**.
- Renewed focus by corporate clients on **controlling travel costs**.
- Managing clients' **sustainable travel** strategies.

**Challenges** to their ability to seize those opportunities include:

- Gaining access to **reliable, updated information** from governments and airlines.
- **Dependencies on external factors** may determine the return of business travel.
- Uncertainty over whether to **recruit more employees or remain with lower staff numbers**.
- Need for employees with experience and **new skills**.
- Concerns about **technology costs**.
- Ensuring access to **full content** to offer their customers.

**Solutions** to ensure TMC recovery and growth are:

- Offering more services and content**, including:
  - Being a single source of information and supporting **traveler duty of care**.
  - Selling more **products beyond flights**, such as accommodation, rail, car rental, meetings and more.
  - **Sustainable travel** tracking and management tools.
  - **"Bleisure"** trips and workcations.
- Introducing **smarter technology**, including:
  - Technology to **improve customer service**.
  - Technology to **automate manual tasks and boost productivity**.
  - **Better enterprise tools**, such as a customer relationship management platform.
  - Working with airlines to create new products through **NDC (IATA's New Distribution Capability)**.
  - Potentially **outsourcing the IT function**.
- Developing **corporate strategic options**, including:
  - Introducing **new pricing models**, such as subscription fees.
  - Chasing **new customer segments**, such as small and medium enterprises.
  - **Acquiring competitors** (or being acquired).
- Re-thinking people strategy**, including:
  - **Automating more manual tasks**.
  - Hiring **new competencies**.



## SECTION 1

# Opportunities in today's business travel landscape

Although the travel industry continues to navigate COVID-19 and is still facing ongoing challenges around travel restrictions and some level of uncertainty, our survey and interviews reveal a path to a brighter future.

We asked all our TMC interviewees to tell us which three words describe for them the future of business travel. As this word cloud of their responses reveals, TMCs are challenged but also excited by what they believe will come next and how they can come out stronger.

There was general consensus among the TMCs executives that the future of business travel might involve reduced volumes compared to pre-pandemic (63%). Yet, it is worth noting that 37% did in fact NOT choose lower volumes as a dominant trend. 13% even forecast the market to expand. They instead consider the increased presence of digital nomads, no longer tied to a single workplace, means business travel will eventually exceed pre-COVID-19 levels.

Yet, while we may see a shift in volume, there are other trends emerging that could offset this, and instead strengthen the TMC value proposition, potentially allowing them to capture a bigger share of the overall remaining business market. This is dominated by a predicted shift from unmanaged to managed travel, highlighted by 49% of the interviewees.

Other trends for the future business travel agreed on by the TMCs were an increased demand for travel services beyond flights (25%) and a development of "bleisure travel" and workcations (25%).

Acting on these trends, the TMCs see a different landscape emerging. They are embracing the change and have identified several new or developing OPPORTUNITIES to improve their revenues and support their corporate clients and their transformed needs and requirements. These include stronger and smarter digitalization and application of new strategies.



## How do you see the future of the business travel industry?



49%

predict a shift from unmanaged to managed business travel



25%

predict an increased demand for non-air



25%

predict a development of Bleisure

## Business is better in real life

Even if the whole world got used to videoconferencing and digital meetings throughout COVID-19, the value of spending face to face time with clients, prospects or partners has only been reinforced by the pandemic. The TMCs believe the impact of videoconferencing on business travel depends on the reason for the trip, and there was strong consensus among our TMC interviewees that physical customer interactions will be prioritized, with only 22% considering these type of meetings will be mainly replaced by videoconferencing, compared to internal meetings at 77% and trainings/onboarding with 73%. The figures are even lower for consulting missions (20%), conferences and fairs and exhibitions (17%). The large majority of the TMC executives are agreeing there is no adequate substitute for face-to-face meetings.



### Customer interactions will be prioritized

- Customer meetings: 22%
- Consulting missions: 20%
- Conferences, Fairs and Exhibitions: 17%

For which type of event will videoconferencing mainly replace face-to-face interactions?



### Internal meetings can also be done by videoconference

- Internal meetings: 77%
- Trainings/ Onboarding: 73%



## Duty of care 2.0 – new roles and demands

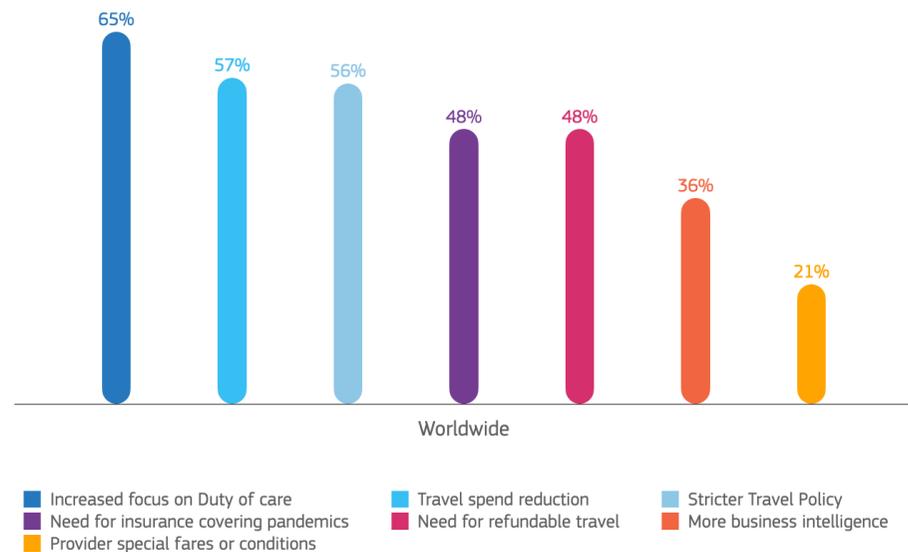
Keeping clients' employees safe and well during business trips has long been an important part of the service TMCs provide. But the level of support for which businesses rely on their TMCs has rocketed during the pandemic – even for what used to be the most routine journeys. A key role for TMCs is making it safe and easy for travelers to return to travel.

Duty of care is now identified as the number one business travel requirement for clients.

In interviewing, TMCs said this trend is partly driven by clients' internal reorganizations. Since the pandemic started, human resources departments have played a much greater role in reviewing travel policies and processes.

To provide effective duty of care, employers need travelers to book through approved managed channels. It's no surprise, therefore, that 56% of TMCs forecast a stricter travel policy as another evolving need for corporations.

How will corporations' travel needs and expectations evolve?

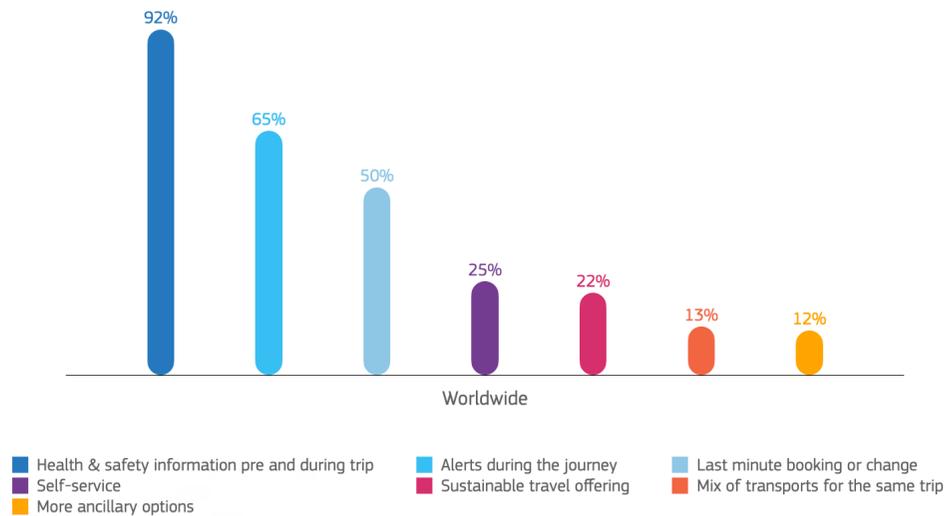


## TMCs as information sources

Before COVID-19, TMC duty of care services focused mainly on crisis management: tracking and supporting travelers if something went wrong during their trip.

Crisis management support remains essential, but it now looks like TMCs consider their role as information providers as the number one task they offer to business travelers:

What will be the priorities for business travelers?



By far the most important priority is providing health and safety information (92%); but the second-ranked choice, alerts during the journey (65%), is essentially about communicating information too.

With so many rules concerning vaccination, testing and quarantines, and country risk levels, this thirst for information is unsurprising. That means the complexity of constantly changing border controls has become simultaneously a threat to TMCs (because it deters people from traveling) and an opportunity (because employees are leaning on TMCs for guidance more than ever if they do take a trip).





## The shift to managed travel with increased demand for travel options beyond flights

A major new opening for TMCs is that 49% of them believe there will be a shift from unmanaged to managed business travel.

In practice, this should mean some companies appointing a TMC for the first time. Before the pandemic, many smaller companies had no structured arrangements for booking travel. Now planning even the simplest business trip involves additional logistical and risk management exercises, and employers realize they need professional support every time one of their people travels. One TMC has reported that 75 percent of its newly signed customers did not previously use a TMC.<sup>1</sup>

One particular managed travel opportunity for TMCs could be handling a broader range of bookings for corporate clients, including hotels, car rentals, rail, meetings and more. A familiar story in corporate travel is travelers booking their flight through their employer's appointed TMC but booking their accommodation and other elements of the trip via public websites.

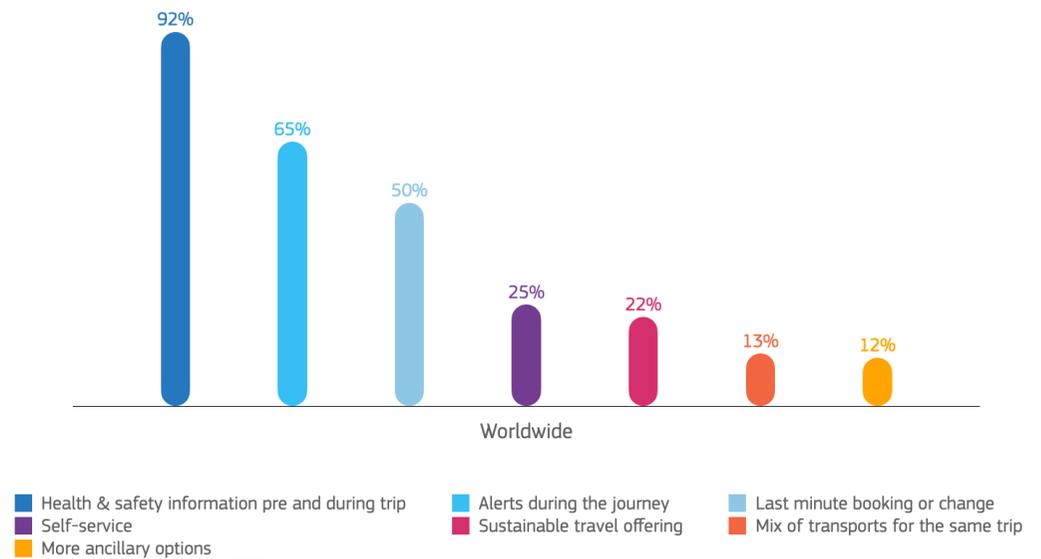
In the future, employers could be much stricter about requiring employees to book all their travel needs through their TMC. This may explain why 25% of TMCs anticipate increased demand for additional transactions on top of the air booking to encompass the whole travel journey.

<sup>1</sup> *Small World, Business Travel News Europe*



## Disruption management

What will be the priorities for business travelers?



The graphic above also shows that TMCs see dealing with last-minute bookings or changes as another important priority for business travelers (50%).

Last-minute changes before or during trips have become increasingly common since the pandemic began. Examples include:

- Canceling a trip before departure because of new quarantine or testing requirements.
- Returning from a trip early to avoid new quarantine or testing requirements in the traveler's home country.
- Airlines canceling or rescheduling flights at short notice.
- Travelers being denied boarding or border entry through having the wrong paperwork or a last-minute change in their health status.

This is another reason why TMCs have become essential service providers for many corporations. They are experts at managing all kinds of disruption and their advice is therefore more valued than ever.

A photograph of three business professionals walking outdoors in front of a modern building with large glass windows. On the left, a man in a dark suit and tie is talking on a mobile phone and wearing a light blue surgical mask. In the center, a woman in a black blazer and white shirt is also wearing a light blue surgical mask and carrying a black handbag. On the right, another man in a dark suit and tie is talking on a mobile phone and wearing a light blue surgical mask. A blue suitcase is visible on the ground near the woman. The scene is brightly lit, suggesting daytime.

## Changing travel patterns

Emerging business trip trends identified in interviews with TMCs present even more new opportunities:

- Although the number of trips have been fewer in recent months, they have also been longer and customers are doing a lot more in a single trip, allowing TMCs to support with a broader offering of services.
- Spend per trip is also rising because many companies are willing to spend more on keeping employees comfortable and safe. Examples including allowing travel in premium cabins and more expensive direct flights instead of indirect options.
- The small and medium enterprise market has proved more resilient than larger corporations in continuing to travel, suggesting this is a segment TMCs may choose to target more.

## Increased focus on cost control

Travel spend control has increased in priority among respondents



Traditionally, controlling travel costs is one of the most important reasons businesses appoint a TMC. Ways TMCs achieve this objective include selling discounted fares and rates, helping customers negotiate their own supplier deals, providing business intelligence and enforcing travel policy at the point of booking.

In 2020, during the height of the pandemic lockdowns, travel spend reduction took a back seat, with only 40% of TMCs saying it was an evolving need or expectation for corporate clients.<sup>2</sup> One year later, that figure has shot up to 57%, placing spend control as the second most important priority behind duty

of care. Additionally, 56% considered it likely that corporations will impose stricter travel policies, which would increase the need for TMC services.

Chief Financial Officers have seen travel shrink to become a minor expense during the pandemic. Now they will look to TMCs to dampen the shock as business trips resume. This will especially be the case if there is higher spend per trip because of upgrading and other measures to keep travelers safe. Clients will look to TMCs to find alternative levers, like smarter sourcing, to manage costs.

<sup>2</sup> *Reboot Recharge Rethink Business Travel, Amadeus, 2020*





## Sustainability management

22% of TMCs say a sustainable travel offering will be a priority for business travelers. Therefore, TMC clients may need help to manage their travel decarbonization strategies.

Interviewees told us corporations are increasingly requesting sustainability services as a central part of their requests for proposal to TMCs. Among the support they seek is booking more sustainable options like rail, providing emissions data and finding more environmentally friendly hotels. Before COVID-19, sustainable travel was a “nice to have”, but it now seems to become more and more essential for corporations and travelers.

## Bleisure and workcations

Bleisure – combining business and leisure travel in a single trip – was an increasingly popular choice for business travelers before COVID-19, and a helpful additional income for TMCs.

Since the pandemic started, bleisure has understandably fallen out of favor. But 25% of TMCs see bleisure as a growing trend for the future. Interviewees gave two reasons why they expect an uptick:

- The trend for longer business journeys will make it easier to add extra leisure time to the weekend before or after the assignment, compared with when executives took one-day trips.
- With more executives allowed to work from anywhere instead of having to be in a specific location, they don't need to rush back to the office after a trip. They may even take “workcations”, where they travel to, and work from, a leisure destination for an extended period.

## SECTION 2

# Strategies to recover and grow

TMCs clearly see significant opportunities to rebuild their businesses in a new environment. Yet, the current situation presents some challenges for their ability to seize those opportunities. In this second part we will explore further some of the difficulties they face, and then look at the solutions. We will review what are the practical steps TMCs need to take to grow their business.

## What are the current challenges for TMCs?

### | Clouded outlook

Detailed interviewing with TMCs shows continued volatility in the global economy and travel marketplace is a challenge for the industry. And it is a challenge somewhat out of their own hands. For them, it is not just a question of how quickly customers want to start using their services again, but how quickly governments will allow their services to be used. Constant changes to cross-border controls and little international standardization have clouded the outlook, and the restricted visibility makes planning, budgeting and securing financial backing more difficult.

Additionally, there is the unknown factor of how much corporate clients will be willing or able to spend on business travel. Their financial situation might be strained following the pandemic, allowing for less travel budgets, and the nature of their business may determine how much will be replaced by videoconferencing. Many companies have also pledged to reduce their travel-related carbon footprints to meet net zero targets.



## Staffing dilemma

Perhaps the biggest question for TMC leaders looking at the path to recovery is what to do about human resources and staffing levels. Almost all have reduced their number of employees since early 2020. Do they remain at reduced levels or should they re-hire staff to take advantage of opportunities when volumes improve? What is the right number of people for their business? And who are the right people?

### Do we recruit more staff?

TMCs are evenly split over whether they intend to recruit more personnel:

What is your strategy regarding volume of staff?



The dilemma for TMCs is obvious: on the one hand, staff are a TMC's largest cost and it is difficult to invest in talent when finances have been hit hard and business travel volumes remain uncertain. On the other hand, TMCs will soon need more people to rebuild their business, otherwise they will be too short-staffed to take advantage of new business opportunities.

### How do we get the right people?

But it is not only a numbers game. It is also about getting the right profiles. Interviewees said many experienced staff furloughed or made redundant during the pandemic have found work in other sectors and may not return to corporate travel, making it difficult to get the know-how and expertise needed.

At the same time, TMCs also need new skills. "The business is changing, and we need staff who can do high-value sales with a new type of consulting," said one interviewee. The recruitment priority might be for experienced consultants and / or more tech savvy and analytical staff.

### Running a virtual team

Working from home has become very popular during the pandemic, saving the commute for employees and potentially cutting costs for employers too. Many TMC tasks can be accomplished through remote working. That's the way some employees worked pre-pandemic anyway.

However, senior TMC interviewees showed some anxieties about the shift to remote working. They fear it could damage the morale of staff, and keeping motivation high and the company culture alive could be a new challenge.



## Sourcing COVID-19 travel information

TMCs are making themselves indispensable to clients by providing up-to-date information about restrictions and requirements for the destinations they are visiting. However, ensuring the accuracy of the information they pass on is a major challenge for TMCs as they monitor constant, detailed changes in each country's rules.

TMCs have to check and compare several different sources, cannot afford to get their information wrong and need to provide constant updates even after a trip has been booked. They must have the right tech tools and latest accurate information outlets they can rely upon.

## Managing travel disruptions

TMCs are struggling to manage not only the changes made by governments but also disruptions caused by suppliers. Examples cited include cancellations at short notice, reduced flight inventory, increased denied boarding, and then the difficult process of handling refunds. All these issues potentially add complexity and cost for TMCs, especially if time spent on disruption management is not covered properly in fee arrangements with clients.



## Ability to offer full content

The absolute need for duty of care means corporate clients are more willing to oblige travelers to book all trips through their appointed TMC than pre-pandemic. But TMCs know this mandate can only hold firm if they give travelers all the options they require at the best possible price. For this reason, ensuring they can offer full content is essential.

TMC interviewees revealed two key areas related to full content access:

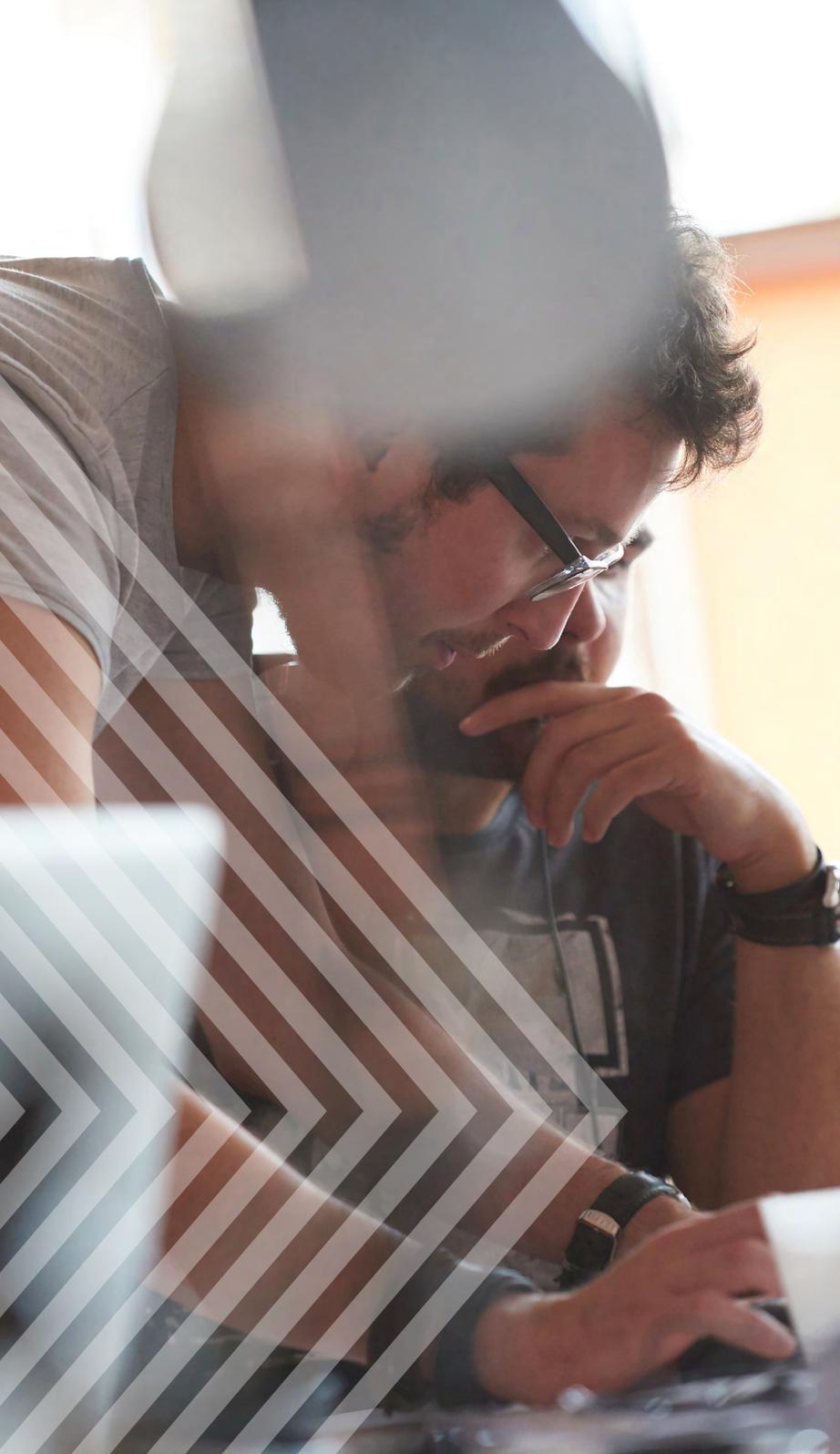
**NDC (New Distribution Capability)** – Some airlines now offer certain fares and content only through their NDC-enabled distribution channels. Not all TMCs or corporate booking tools have access to this yet. Sourcing NDC enabled fares through multiple connections can create additional, highly unwelcome costs and reduce efficiency, affecting the service.

**Rail and low-cost carrier tickets** – Train and budget airline fares can be complicated and expensive to access and integrate into TMC's other processes. TMCs want rail and low-cost carriers' bookings to be as simple and efficient as regular air and hotel reservations.

## Technology investment costs

TMCs recognize technology as the key to unlock many of their opportunities for business growth. But, like the need to recruit more staff, this is a difficult time to invest heavily in new technology or automation. Buyers said they may need help to ease the financial burden, including being allowed to pay in installments.



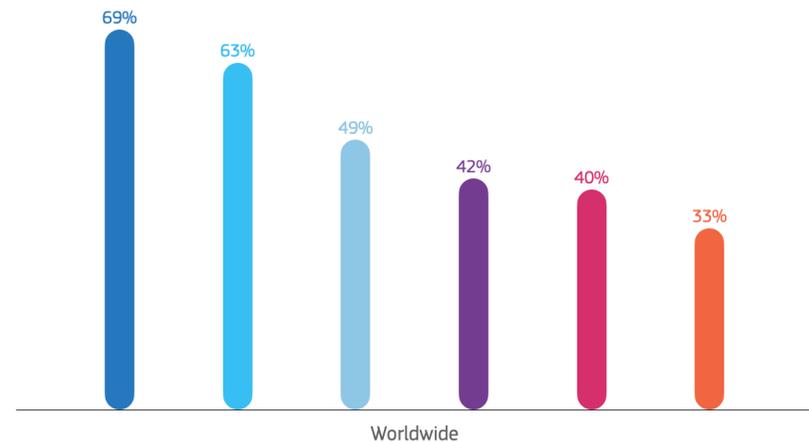


## What are the solutions to seize the opportunities?

TMCs are looking to a wide range of initiatives to overcome the challenges and plot their route to stability and success. New products and services, technology, a revised corporate strategy and rethinking personnel and recruitment will all play a part.

This survey question shows just how broad a range of options TMCs are pursuing:

What is going to be your strategy to accelerate recovery?



- Diversification to new revenue sources
- Technological enhancement
- Cost optimization (automation ...)
- Access to more or new types of content
- Services development
- Expansion / Acquisition / Consolidation

## Offer more services and content

Diversification to new revenue sources is the top option for TMCs (69%). The new sources could be attracting new types of customers or selling a deeper pool of content (which 42% of TMCs intend to do) and creating additional services (40%).

Examples of improved services and content TMCs told us they are aiming to introduce include:

### Enhanced duty of care

TMCs are looking for a single portal to handle all traveler risk issues, including comprehensive COVID-19 information that feeds into a trip approval tool for clients. The tool would include checks on border control restrictions and quarantines matched against the individual traveler's testing and vaccination status. The same portal would also include a traveler tracking facility.

### A safe travel environment

Survey interviewees highlighted the need to create more seamless pre-and on-trip processes and make journeys both easier and safer for their travelers. Several pointed to the Amadeus Travel Safety Conditions and Amadeus Safe Travel Ecosystem as initiatives which support

these objectives, highlighting the solutions that make traveler health information securely available at the points where it is needed.

The Safe Travel Ecosystem is Amadeus' global program to help the industry overcome some of the challenges caused by COVID-19, by delivering the technology and fostering the industry collaboration needed to accelerate recovery.

Amadeus Travel Safety Conditions provides TMCs with accurate information on COVID-19 risk levels, rules and safety measures to rebuild traveler confidence. The data is provided by Amadeus' long-term partner on risk intelligence, Riskline.



“What TMCs tell us in the survey is very much aligned with our conclusions at Amadeus: the new complexities of taking a business trip are challenging but they also represent great opportunities. TMCs have long steered travelers through complex itineraries and they are the ones who will be there as companies look for support to get their employees traveling again.

*The Amadeus Safe Travel Ecosystem provides the tools that TMCs require to accomplish this objective. It helps orchestrate today's complex and fragmented traveler touchpoints, giving TMCs a head start in meeting the duty of care needs they have so clearly identified for their customers.”*

**Christian Warneck**  
Vice President Safe Travel Ecosystem,  
Amadeus

“

*At Amadeus, we believe in powering more sustainable journeys through technology. As the R&D leader in travel technology, we want to make carbon neutral travel a reality through solutions that will monitor, reduce, offset and capture the industry carbon footprint. We are supporting our travelers and corporations to make greener, educated choices by adding information on sustainable travel options, displaying data and enabling people to compare. We are developing solutions that enable customers to reduce their environmental impact and improve operational efficiency, and we are aiming at building in carbon offsetting options into our selling platforms.*

**Monika Wiederhold**  
Executive Vice President,  
Global Ecosystem Initiatives,  
Amadeus



## **Introduce sustainable travel management tools**

TMCs want to introduce tools to help customers' employees make more sustainable choices at the booking stage. These include looking at different transport and accommodation choices alongside each other and understanding which are the most environmentally friendly, as well as providing carbon footprint calculators so employees can understand the total environmental impact of their trip before confirming the booking.

TMCs are also looking for better reporting on their clients' total travel emissions, to improve the quality of consultancy they deliver.

## Set up better for selling products beyond flights

TMCs are improving their content, technology, knowledge, booking processes and client education to boost their accommodation sales. The new trends in business travel push TMCs to make sure they have access to and offer more accommodation types and options than ever before, and they will need to look for smart technology to search and compare efficiently and provide proper consultancy. Many TMCs are looking to better leverage the various business models accommodation providers endow, to maximize their financial reward whilst offering additional value to customers.

They are also making sure they can provide COVID-19 related services like PCR testing and, if needed, quarantine management.

Some TMCs which haven't already done so are aiming to move into areas adjacent to regular business travel such as meetings & events, and marine and/or offshore travel.

## Develop leisure and bleisure sales

With business travel slowly recovering, many TMCs are building strategies to expand their leisure travel sales.

As well as offering holidays, plus niches like medical tourism and study tours, another area of interest is bleisure – an opportunity identified earlier. This includes not only leisure extensions to business trips but booking evening activities such as restaurants, sports events or theaters.



# Upgrade both customer-facing and enterprise technology

A substantial 63% of TMCs see more and better technology as their route to succeeding in the future. TMCs are looking to upgrade both customer-facing and internal IT.

## Technology to improve customer service

Better duty of care and sustainability tech tools (see above) are a key part of the enhanced customer offering. TMCs are also looking at improved mobile apps and messaging tools, virtual payment offerings and self-booking tools with fuller content.

## Technology to automate manual tasks and boost productivity

TMCs are reviewing every step of their processes to understand where robotics and other technology can achieve more with fewer people. Not only does automation optimize costs (a priority for 49% of respondents) while improving productivity, TMCs say it may also be unavoidable at a time when trained travel consultants are in short supply.

Options TMCs are considering include chatbots to automate routine service desk enquiries and activities so they can focus on tasks that add more value. Offering more self-service tools to clients will also reduce workload for the TMC and answer one of the key needs of their customers.

## Smarter enterprise technology

TMCs are looking at better company technology, including customer relationship management tools for their sales, account management and marketing teams, as well as telephony upgrades.

## NDC and other technology

TMCs have also used the downtime to work on leveraging technology to give them full content access. Securing content via NDC, for example, has been a top priority for this reason, to prepare for new possibilities like delivering more personalized offers to the traveler. Above all, TMCs said they are looking for a single, scalable channel through which they can book all air content, whether from NDC or other sources.

## IT strategy rethink

Increasing numbers of TMCs are outsourcing their IT function, using external developers and other support instead of employing staff in-house.

“Deploying the right technology is key to victory in a market transformed so dramatically by the pandemic. We continue to invest heavily in research and development at Amadeus, and are listening carefully to what our TMC partners tell us about the tech tools that will empower their success.”

**Paul De Villiers**

Senior Vice President, Global Business Travel Accounts,  
Amadeus



# Reboot corporate strategy

## Pricing model restructure

Many TMCs said they intend to change the way they charge corporate customers. The mass cancellation of booked trips in 2020 exposed severe flaws in fixed pricing models based on transactions. TMCs found themselves performing extensive services to help cancel and rearrange trips and provide advice for little or no financial reward.<sup>3</sup>

TMCs are looking instead to introduce management or subscription fees which guarantee a minimum retainer plus additional fees for completing reservations or providing services including reporting and account management. Some will introduce charges for assistance previously considered part of the service, for example delivering border control and medical advice to travelers.

## New customer segments

As well as additional services ranging from leisure to marine and/or offshore, and meetings & events, several TMCs have decided to chase a wider variety of corporate clients. In some cases that means pitching for larger and/or more multinational customers than the rest of their client base; in others, it means going after smaller companies.

## Buying or selling up

After a year of remarkable TMC consolidation, it looks like more is to come. One-third of respondents are looking at expansion, acquisition (either acquiring or being acquired) or consolidation.

<sup>3</sup> The TMC Model in a brand new world, The Business Travel Association/Nina & Pinta, June 5, 2020



## Rethink people strategy

As discussed earlier, TMCs are evenly divided over whether to retain current employee numbers or begin recruiting again. Behind this split lie two different strategies for adapting to the current environment, plus a third that affects all TMCs.

### Automating manual tasks

Most TMCs are looking to automation to support their growth. This includes using robotics to replace time-consuming, manual employee tasks but also by moving more of their customers' routine bookings online. This will contribute to freeing up resources to perform more complex and revenue generating activities, or to counterbalance a reduction of staff, either short-term or more permanently.

### Looking for new competencies

Those TMCs that are recruiting told us they want to introduce new skills into the business, in addition to bringing back traditional travel reservations expertise. Top of the priority list is to hire a new generation of tech-savvy digital natives. Other skills they are looking to further develop include analytics, business intelligence and consultancy.

### Switching to more homeworking

Although there are some potential challenges (see above), TMCs intend to make remote working a permanent option. They see a huge opportunity to reduce commercial rent and other costs, and it is popular with many employees. It also gives TMCs the flexibility to introduce other employment models, such as contractors and franchisees.

Most TMCs said they will develop a hybrid model, where employees will work part of the week at home and part at the office.

# Conclusion – The glass remains half full, not half empty for TMCs

TMCs no longer ride a wave of guaranteed long-term business travel growth. That represents a severe challenge to revenues in an already low-margin sector. Therefore, inaction is not an option. TMCs have to evolve and find new ways to grow profitability.

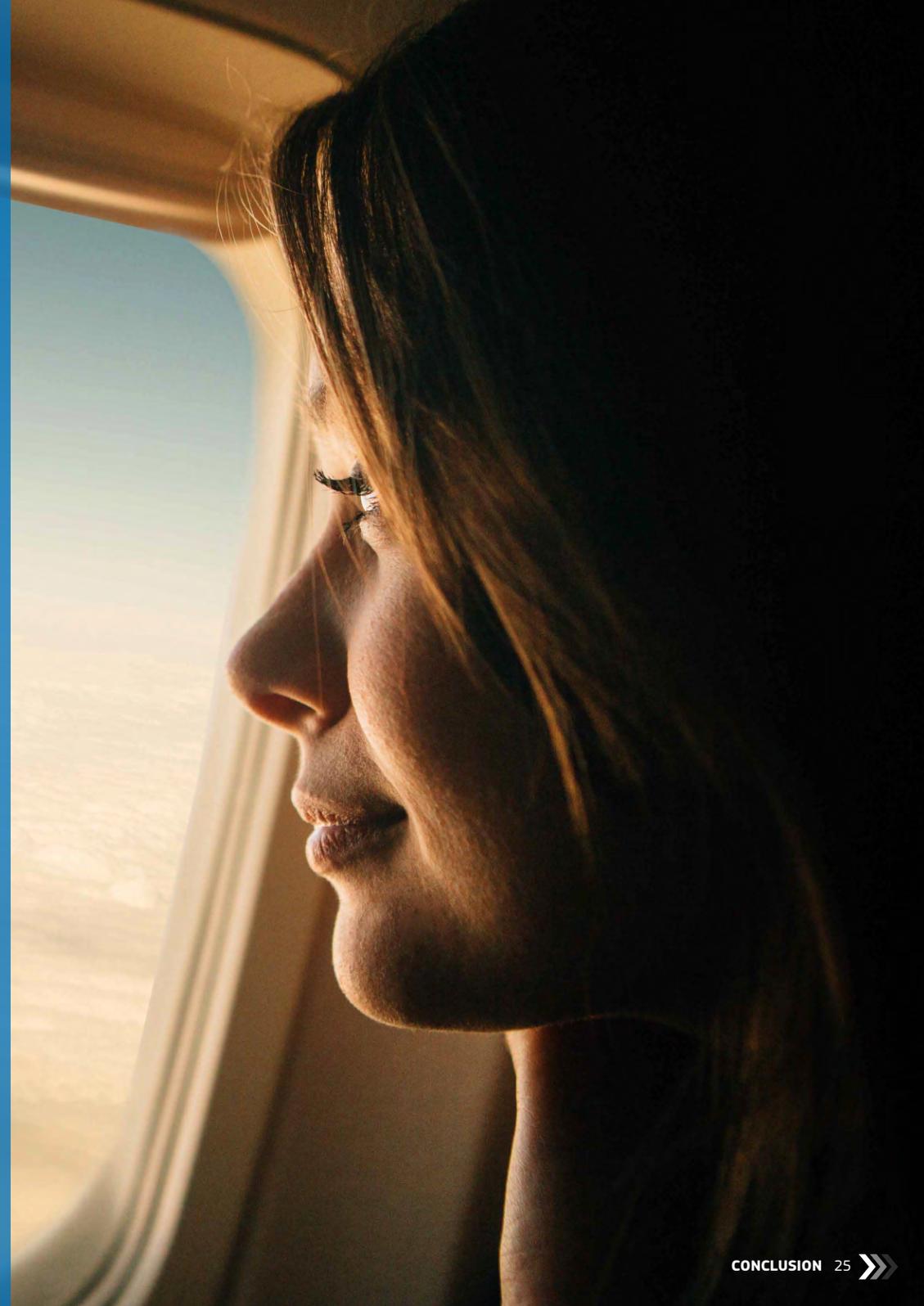
And the overall picture that emerges from our TMC survey is an optimistic one. TMCs see many routes to success, despite the possibility their customers may not travel as frequently, because when people do travel for business, they will count on the support of TMCs more than ever.

So too will their employers. There will be even more duty of care around business travel than pre-pandemic, and corporate clients will also look to TMCs to help manage sustainability issues, not to mention continuing to keep travel costs under control.

The resources TMCs need to achieve these goals are a mixture of technological and human. Technology can enhance customer service and reduce costs by automating more manual tasks. On the question of human resources, TMCs are split on the topic of recruiting. They do however agree they need to bring in new skills, especially digital know-how, to launch a broader range of products and services.

Changes also lie ahead at the corporate level. Externally, TMCs are looking to update fee models for clients. Internally, they continue to look at options including acquisition.

TMCs are clearly preparing themselves for a new world of business travel, embracing the change. And one thing is certain: change will be continuous, so we need to remain open to the fact that the TMC world could look very different in the future.

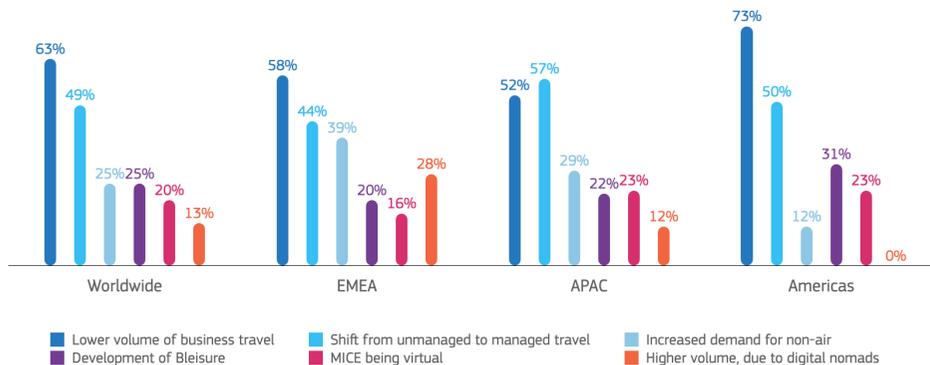


# REBUILDING BUSINESS TRAVEL IN EMEA, ASIA PACIFIC AND AMERICAS

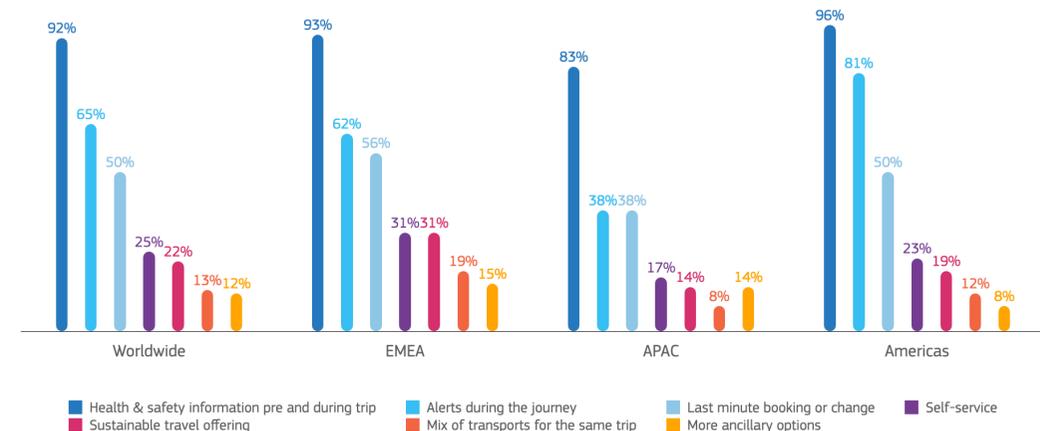
## – REGIONAL INSIGHTS

Above we have looked at the overall global picture for rebuilding business travel. But TMCs around the world have differences of opinion on some of the key business travel topics, and in their tactics to seize the opportunities and secure their success. This section will outline some of these different perspectives and provide insights to regional recovery strategies.

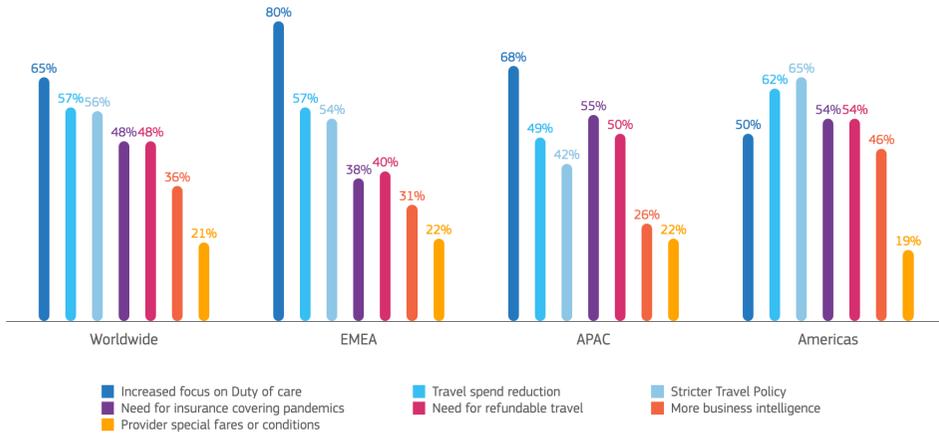
How do you see the future of the Business Travel industry?



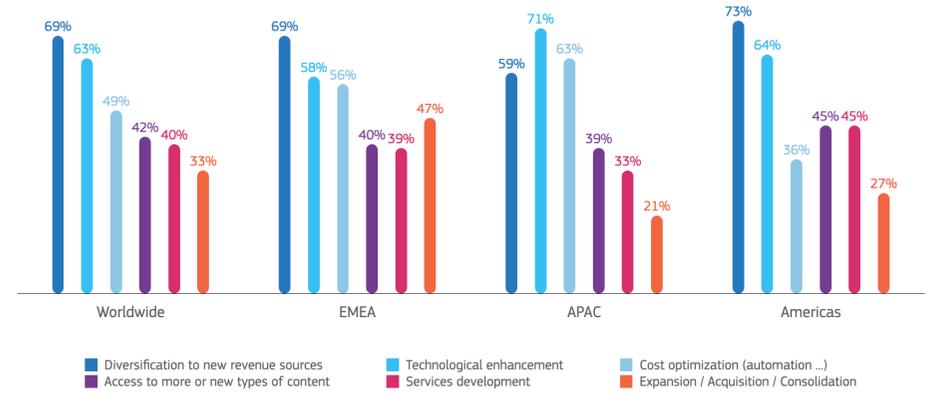
What will be the priorities for business travelers?



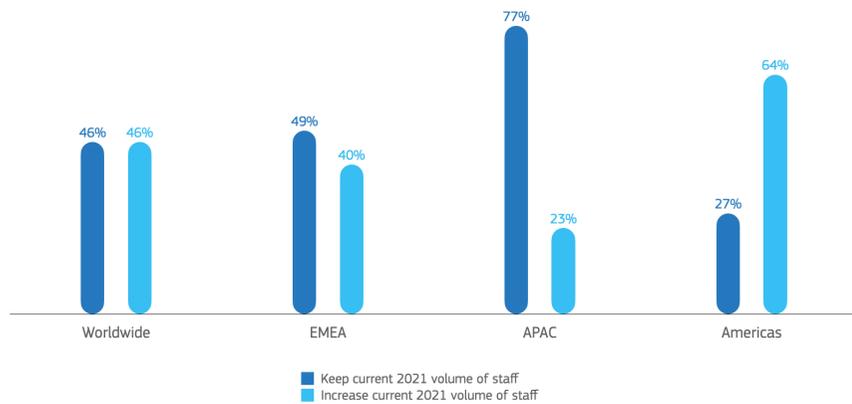
### How will corporations' travel needs and expectations evolve?



### What is going to be your strategy to accelerate recovery?



### At full recovery, what is going to be your strategy regarding your volume of staff?



## SEIZING OPPORTUNITIES IN EMEA (EUROPE, MIDDLE EAST AND AFRICA)

### Major trends

EMEA TMCs are the most confident they can benefit in the future from increased demand for non-air sales such as hotel, car, rail and others – 39%, versus 29% for APAC and 12% for the Americas. The reason could be that hotel sales are often lower for TMCs in Europe than in North America as Europe has more independent hotels, which were historically more challenging to distribute.

They feel encouraged by this opportunity even if fewer than half of EMEA TMCs (44%) expect a shift from unmanaged to managed travel, unlike the other two regions with APAC at 57% and the Americas at 50%.

A minority of EMEA based TMCs (28%) believe the emergence of digital nomads could drive an increase in business travel, yet this seem to be a more influential trend than in APAC (12%) or the Americas (0%). 58% of the EMEA TMCs consider overall business travel volumes might be lower than before COVID-19.

### What TMCs believe travelers want

As the other two global regions, EMEA TMCs see provision of health and safety information as by far the most important priority for business travelers (93%). They are ahead of the other regions in seeing last-minute bookings or changes (56%) self-service (31%) and, notably, sustainability (also 31%) as other traveler priorities.

### What TMCs believe corporate clients want

Substantially more EMEA TMCs (80%) than counterparts in APAC (68%) and the Americas (50%) see an increased focus on duty of care by corporate clients. In contrast, significantly fewer EMEA TMCs (38%) detect client interest in insurance to cover pandemics than in APAC (55%) or the Americas (54%). Refundable travel (40%) is also much less of an issue.

### Recovery strategy

Diversification to new revenue sources (69%) is the most popular recovery acceleration option for EMEA TMCs. At 58%, however, enthusiasm for technological enhancement is lower than elsewhere. But expansion, acquisition and consolidation (47%) are under consideration far more than in the Americas (27%) or APAC (21%).

### Recruitment

This is the issue on which the three regions are arguably most divided. EMEA TMCs (49%) are closest to the global average (46%) in saying they will keep staff numbers at 2021 levels, versus 77% for APAC and only 27% for the Americas. Two out of five EMEA TMCs intend to recruit more employees.



“TMCs in EMEA see a strengthened focus on sustainable travel and duty of care as front and center of their corporate clients’ priorities. Meeting those needs will unlock travel in the region and boost revenues for TMCs, for instance through increased hotel bookings. Clients are now more likely to make sure travelers use their appointed TMC to book all elements of their trip – not just the air ticket – and they want help to make the right choice.”

**Anna Kofoed**  
Executive Vice President,  
EMEA Travel Sellers,  
Amadeus



## SEIZING OPPORTUNITIES IN ASIA PACIFIC

### Major trends

The number one trend for the future identified by Asia Pacific TMCs is a shift from unmanaged to managed travel. Fewer companies in APAC have western-style managed programs involving detailed policies or data-driven supplier agreements, so the pandemic may prove the catalyst which finally produces that transformation.

12% think the emergence of digital nomads will lead to an expanded travel market, placing APAC between EMEA (28%) and the Americas (0%). 52% of APAC TMC executives believe the overall business travel volumes might be lower in the future.

### What TMCs believe travelers want

Consistent with all regions, APAC TMCs see health and safety information as the top priority for business travelers (83%). All other issues are regarded as less important in APAC than elsewhere. For example, only 38% think in-journey alerts are important for

business travelers, compared with 81% in the Americas and 62% in EMEA. A sustainable travel offering is a very low priority (14%).

### What TMCs believe corporate clients want

APAC TMCs consider increased focus on duty of care the number one priority for their clients (68%). More surprisingly, the next priority is the need for insurance to cover pandemics (55%).

Relatively low scorers compared with the Americas and EMEA are a stricter travel policy (42%) and more business intelligence (26%), although these figures may start to rise quickly if the same respondents' prediction of a shift to managed travel start to come true.

### Recovery strategy

Technological enhancements (71%) is the top strategy of APAC TMCs for the recovery of business travel. That contrasts with EMEA and the Americas, where diversification to new revenue sources is the number one plan, although new revenue sources are also a strategy for 59%

of APAC TMCs. Another top priority in APAC is cost optimization (63%), again ahead of EMEA (56%) and the Americas (only 36%). On the other hand, changes in ownership are not seen as a likely way ahead, with expansion, acquisition and consolidation only being considered by 21% of APAC TMCs.

### Recruitment

Although fewer APAC TMCs than in other regions believe travel volumes will be lower in future, they are much more conservative about the size of their workforce. Only 23% expect to recruit more staff compared with how many they have today, versus 40% of TMCs in EMEA and 64% in the Americas. More than three-quarters (77%) expect staff levels to remain close to what they are.

One possible explanation is that APAC TMCs reduced staff numbers less drastically when the pandemic began, so they have less workforce capacity to rebuild.



“TMCs in Asia Pacific are the most optimistic that business travel will recover fully – something which has already happened in the Chinese domestic market – and resume its impressive long-term growth trajectory. But much has changed, and APAC TMCs see clear opportunities in the new world of business travel to also further improve on the past. A great example is the high number who expect more companies to shift from unmanaged to managed business travel. This provides fantastic potential for TMCs to earn more revenue by helping clients with this transformation. Expect more use of technology too: APAC TMCs are especially strong believers in progress through automation.”

**Mieke De Schepper**  
Executive Vice President and  
Managing Director, Asia Pacific,  
Amadeus

## SEIZING OPPORTUNITIES IN AMERICAS

### Major trends

50% of Americas TMCs consider the continued shift from unmanaged to managed travel a dominant trend for the future of business travel. This could unlock opportunities for the TMCs to help offset the effects of potential lower overall business travel volumes, which 73% of the Americas TMCs expect to experience for the coming years.

Americas TMCs are more bullish on bleisure (combined business and leisure trips) sales than TMCs in other regions, as bleisure was identified as a growth opportunity by 31% of Americas TMCs compared to 22% in APAC and 20% in EMEA.

Americas TMCs are less convinced (12%) than their counterparts in other regions (APAC 29%, EMEA 39%) that there will be increased demand for non-air elements. For North American TMCs this could be due to the fact that non-air attachment rates have historically been much higher than in other regions.

### What TMCs believe travelers want

Almost all Americas TMCs (96%)

identify providing health and safety information as a top priority for business travelers. Second most important is offering in-journey alerts (81%), a much greater requirement in than in EMEA (62%) or APAC (38%).

### What TMCs believe corporate clients want

Americas TMCs have a noticeably different view on the priorities of their corporate clients. While increased focus on duty of care is comfortably the number one need for counterparts from EMEA (80%) and APAC (68%), it ranks fifth in the Americas at 50%. Instead, the top Americas priority was identified as implementation of a stricter travel policy (65%), which ranks third for EMEA TMCs and fifth in APAC.

Next on the list is travel spend reduction (62%), suggesting Americas-based TMCs may continue to make saving money for customers the focus of their marketing and product development.

Another issue receiving greater attention in the Americas is providing more business intelligence (46%, compared with 31% for

EMEA and 26% for APAC), reinforcing a long-standing reputation for travel management being more data-driven in this region than other parts of the world.

### Recovery strategy

Diversification to new revenue sources (73%) is regarded by the largest number of Americas TMCs as the solution to accelerate recovery, and is a higher figure than for the other two regions. The clear second choice is technological enhancement (64%). While 36% of Americas TMCs identified cost optimization as a key recovery strategy, this was lower than for EMEA (56%) and APAC (63%). Services development (45%) is a more popular option than for other regions.

### Recruitment

TMCs in the Americas are by far the most optimistic about recruiting more staff than they have currently. A very impressive 64% said they will increase above 2021 levels (compared with 40% in EMEA and 23% in APAC). Only 27% intend to keep employee numbers at reduced 2021 levels, an especially sharp contrast with APAC (77%).



“Although domestic business travel has bounced back faster in North America than in other regions, the pace of continued recovery will depend on a number of factors, including cross-border restrictions, ongoing vaccine progress and, of course, corporate travel budgets. As a result, TMCs have further increased their focus on developing new and enhanced services to grow revenue, strengthen client loyalty and support new client acquisition. Our TMC customers see technology as a key enabler of service enhancements for everything from in-journey travel alerts to improved business intelligence tools that will help clients realize maximum value from their managed travel programs.”

**Rajiv Rajian**

Executive Vice President and  
Chief Commercial Officer,  
Americas, Amadeus

