



MAXIMISING OPPORTUNITIES FOR BUSINESS TRAVEL GROWTH

A POLICIES FOR GROWTH WHITE PAPER





FOREWORD BY DAVID SCOWSILL

Travel & Tourism is an important and often overlooked export sector that makes a significant direct contribution to jobs and global trade, spreading its value widely across the world.

While Travel & Tourism imagery and discourse often tends to focus on its role in offering services and products for the leisure market, the contribution that business travel makes in driving global trade is considerable. In 2016, US\$1.2 trillion was spent on business travel around the world, nearly one quarter (23%) of total Travel & Tourism spending.

Business travel is a catalyst for growth as it is integral to the relationships, investments, supply chains and logistics that support international trade flows. In countries with developing economies, business travel often plays the leading role in growth of the wider Travel & Tourism sector, creating the infrastructure and jobs needed for transportation, accommodation and other services that leisure travellers could capitalise on in due course. Data in this report provides proof that the Travel & Tourism's impact particularly at driving that growth in developing and emerging markets is significant.

WTTC is proud to have collaborated with our Member, Travelport, on this important study. Not only does it provide the evidence base required to help both public and private bodies make the right decisions for the future opportunities for business travel and of a sustainable Travel & Tourism sector, but it also provides an understanding of the global and societal context in which companies must operate to maximise the opportunities for their businesses and their travelling employees.

DAVID SCOWSILL

President & CEO
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FOREWORD BY GORDON WILSON

Travel & Tourism continues to be a significant contributor to jobs and global trade. While discussions around the industry often focus on the leisure sector, this report outlines the key trends in the business travel sector and looks at the practical ways in which technology is successfully transforming business travel into a more personalised, seamless, smooth and hassle-free experience.

Technology is changing every aspect of how people travel - whether they are travelling for business, leisure or a combination of both. We are now part of an "experience culture" that did not exist five years ago with a constant flow of new emerging technologies including wearable devices, mobile payment solutions, virtual reality, augmented reality and artificial intelligence (AI). The ever-connected digital consumer now expects a travel experience that is immediate, seamless, personal, reliable and engaging.

To dig deeper into the opportunities these changes create, we have included research from Travelport customers located in key high-growth and emerging business travel destinations around the world to find out what needs to be done to improve the business travel experience.

We hope this report gives you useful insights into how new technologies are creating profound changes in the nature of business travel and also generating new opportunities; it's our opinion that the countries and companies that get it right will benefit from heightened GDP contribution from the Travel & Tourism sector.

What's for sure, the global Travel & Tourism sector certainly continues to be an exciting and dynamic one to be part of!

GORDON WILSON

President & CEO
Travelport

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1. INTRODUCTION

Travel & Tourism is an important and often overlooked export sector that makes a significant direct contribution to jobs and global trade, spreading its value widely across the world. In 2016, the sector contributed 6.6% of total global export earnings and 30% of service sector exports. As a leading job creator, Travel & Tourism directly employs 109 million people representing 3.6% of all employment. When indirect and induced impacts are included, the sector contributes one in every 10 jobs worldwide.

While Travel & Tourism imagery and discourse often tends to focus on its role in offering services and products for the leisure market, the contribution that business travel makes in driving global trade is considerable.

Business travel broadly includes all trips that are undertaken by employees on behalf of their companies or organisations, including attending meetings, sales missions, conferences, incentives and other events. The sector is broken down into two main groups: “managed travel”, which is conducted through corporate travel systems and traditionally uses intermediaries such as Travel Management Companies (TMCs); the second group is “unmanaged travel” where individual travellers book directly with suppliers, such as airlines, hotels and other travel service companies, in a way very similar to leisure travellers.

In 2016, US\$1.2 trillion was spent on business travel around the world, nearly one quarter (23%) of total Travel & Tourism spending. But beyond the simple spend associated with business travel, there are wider benefits for economies and trade. WTTC’s 2011 study, *Business Travel, a Catalyst for Economic Performance*, found that business travel improves global corporate productivity at a return on investment rate of ten to one.

Travel & Tourism’s impact on wider trade flows stemming from new sales generation, customer retention, partnership development, innovation, exports and FDI is also well documented. Despite the progress made over the years in video-conferencing and communications technology, still, when surveyed¹, people in business continue to espouse the value of in-person meetings for both building and maintaining long-term relationships and for sealing business deals.

The aim of this paper is to understand the economic and consumer trends we are seeing in business travel and identify the opportunities for destinations and business travel providers to work together to ensure benefits for all.

2. BUSINESS TRAVEL: SIZE, IMPACT & ECONOMIC TRENDS

BUSINESS TRAVEL IN 2016

It is not surprising that the countries with the largest business travel spend are those with both the largest economies and largest Travel & Tourism economies, with the USA, China, United Kingdom, Germany and Japan leading the table. In these five countries alone, where USA, China, Germany and Japan are also the top four global traders for both merchandise exports and imports in 2015 according to the World Trade Organisation², business travel spend is a total of US\$665 billion, 58% of the total. Sweden and Malaysia are interesting outliers, with their business travel impacts significantly higher than would normally be expected by the total size of their Travel & Tourism sectors. Indeed, further analysis from Oxford Economics confirms that business travel spending is high for these two countries relative to both leisure travel and the average for the wider regions.

Top 10 countries for business travel spend

	BUSINESS TRAVEL CONTRIBUTION RANKING 2016	TOTAL T&T CONTRIBUTION RANKING 2016	BUSINESS TRAVEL CONTRIBUTION RANKING 2027	TOTAL T&T CONTRIBUTION RANKING 2027
USA	1	1	1	2
CHINA	2	2	2	1
UK	3	5	3	6
GERMANY	4	3	4	3
JAPAN	5	4	5	5
ITALY	6	8	6	8
FRANCE	7	6	7	7
CANADA	8	13	8	15
SWEDEN	9	26	11	27
MALAYSIA	10	28	9	25

¹ WTTC, Business Travel: A Catalyst for Economic Performance, April 2011

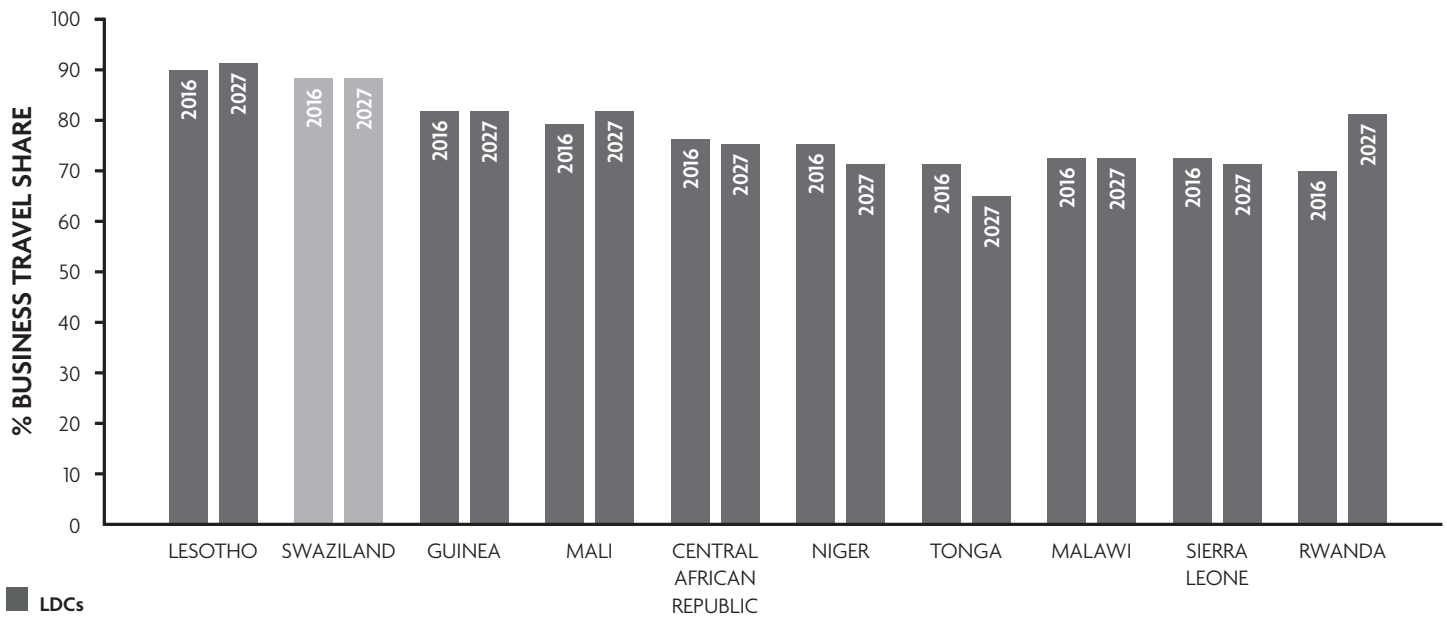
² https://www.wto.org/english/res_e/statis_e/wts2016_e/wts2016_e.pdf

WHERE IS BUSINESS TRAVEL MOST IMPORTANT?

Myriad factors drive increased travel across the globe including higher real incomes, increased leisure time, improved and accessible transportation and communication systems and globalised marketplaces. With its high job creation potential and links to many other industries, Travel & Tourism in turn generates additional demand for services and professions and can be a particularly attractive option to stimulate development in developing and emerging economies. In addition to the direct and indirect effects, Travel & Tourism also generates valuable spinoff benefits by providing infrastructure that other industries can use, and by boosting trade, skills, and investments.

Within these developing economies, business travel often plays the leading role in growth of the wider Travel & Tourism sector. Fourteen of the top 20 countries where business travel represents the highest proportion of total Travel & Tourism GDP in 2016, are those classified as Least Developed Countries (LDCs) by the UN3. Travel & Tourism in these countries is heavily reliant on the business structures that create the infrastructure and jobs for the transportation, accommodation and other services that leisure travellers could capitalise on in due course.

Business travel growth; past five years and next ten years - Top ten countries



RWANDA

Since the end of Rwanda's bloody war, now over two decades ago, the country has made significant strides in both social and economic development. Its climb through the international rankings of governance, anti-corruption, gender, competitiveness and ease of doing business has also been impressive⁴.

Its president, Paul Kagame has stated his goal of the country being the "Singapore of Africa", focusing its limited resources on education, health, and information technology and laying out a rigorous development strategy based on trade, finance, and services⁵.

Over the past 5 years, GDP grew on average 7% per year and exports of goods and services increased their share of GDP from 11% to 17%. This growth has been fuelled by government pro-business policies such as strong tax incentives for companies and a lack of bureaucratic red-tape (it takes less than 24 hours, on average, to set up a company, for example). Companies headquartered in Rwanda that invest at least \$10 million are exempt from corporate income tax, while those that export at least 50% of their goods pay only 15% tax. Rwandan officials hosting Chinese trade delegations emphasize Rwanda's stability, government transparency, and business-friendly regulations⁶.

3 http://www.un.org/en/development/desa/policy/cdp/ldc/ldc_list.pdf

4 <https://www.trademarka.com/countries/rwanda/>

5 <http://foreignpolicy.com/2015/04/02/africas-singapore-dream-rwanda-kagame-lee-kuan-yew/>

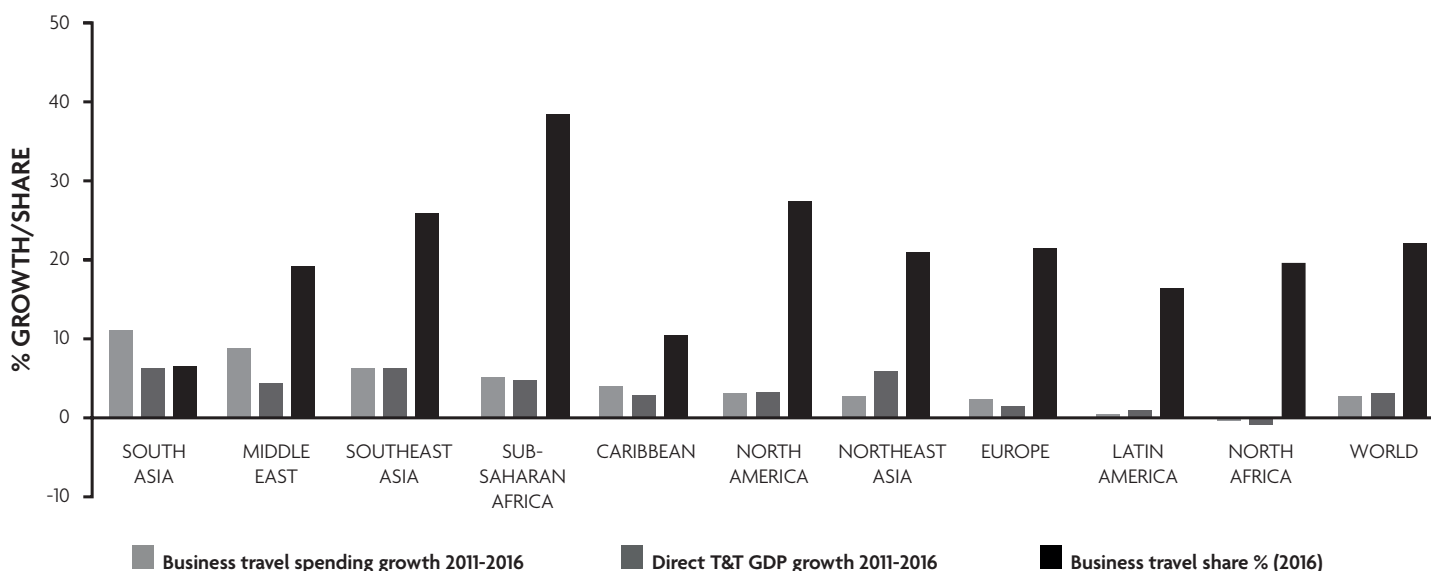
6 <https://qz.com/827935/rwanda-is-a-landlocked-country-with-few-natural-resources-so-why-is-china-investing-so-heavily-in-it/>

Over the past five years, at a global level, business travel spend has grown at an annual average of 3.6%.

Regionally, the picture changes quite significantly, with the strongest growth in the past 5 years having taken place in Asia, the Middle East and Sub Saharan Africa. In most of the regions, business travel growth over the past 5 years outperformed the direct Travel & Tourism GDP growth overall, although there were exceptions in North America, Northeast Asia and Latin America.

In North Africa, where terror and political uprisings have conspired to bring about a retraction of 1.3% in the five years to 2016, the decline in business travel, while still a retraction, was far smaller at -0.2%, suggesting that trade, and with that business travel, had a far stronger role in supporting the sector over those years than leisure travel.

Business travel vs T&T GDP growth: regional picture



Many of the 20 countries that have experienced the highest levels of growth in business travel over the past five years are those in developing and emerging markets. Business travel is often the driving force in the overall growth in contribution of Travel & Tourism to GDP in these economies as companies continue to find ways to develop new markets and maximise their revenues. Countries emerging from conflict such as Sudan, Sri Lanka, Angola and Rwanda also feature highly on this list, quite clearly emphasising the clear link between peace and economic development.

Business travel vs T&T GDP growth: top twenty countries

	BUSINESS TRAVEL SPENDING GROWTH 2011 - 2016	DIRECT T&T GDP GROWTH 2011-2016	LDC
DEMOCRATIC REPUBLIC OF CONGO	32.4%	17.7%	Yes
QATAR	24.9%	16%	
AZERBAIJAN	21.0%	22%	
MOZAMBIQUE	19.1%	13%	Yes
MYANMAR	18.8%	23.3%	Yes
ICELAND	18.3%	16.3%	
SUDAN	17.3%	12.9%	Yes
PHILIPPINES	16.7%	10.3	
SRI LANKA	16.7%	15.5%	
ANGOLA	16.2%	9%	Yes
INDIA	16.2%	7.5%	
GEORGIA	15.4%	18.4%	
RWANDA	14.9%	10.4%	Yes
MARTINIQUE	14.6%	3.4%	

COTE D'IVOIRE	14.1%	14%	
SWAZILAND	13.7%	15.6%	
TANZANIA	13.6%	12.4%	Yes
DOMINICAN REPUBLIC	13.3%	10.1%	
JAMAICA	12.3%	5.2%	
MALTA	11.8%	5.1%	
REUNION	11.8%	3.7	
CAMEROON	11.8%	8.2%	
MACEDONIA	11.8	8.0%	
WORLD	3.6%	3.7%	

Travel & Tourism growth is strong and the sector is forecast to grow at 3.9% per year for each of the next 10 years. Business travel growth, at 3.7% growth per annum, will be led by Asia Pacific where annual average growth is forecast at 6.2% and as countries raise their shares of business travel as a proportion of their tourism economy. In particular, India will be particularly interesting to watch given the sheer scale of its travel industry and the rapid growth of certain Indian travel providers and low cost carriers.

WTTC forecasts show that by 2027, business travel spending in Asia-Pacific will more than double to \$645 billion from the current \$334 billion. The region will make up half of the global total, easily out-performing the Americas, the current region with the largest business travel spend. The data shows that China now spends more than \$127 billion each year on business travel which is expected to double to \$340 billion by 2027. The strong growth in Asia is not surprising from both a business and a cultural perspective as direct face-to-face meetings are traditionally important in building and maintaining business relationships⁷.

Top ten countries forecast growth in business travel 2017 - 2027

	BUSINESS TRAVEL REAL GROWTH 2017-2027	% SHARE OF TOTAL T&T 2016	% SHARE OF TOTAL T&T 2027	SHARE INCREASE 2016-2027
CHINA	9.5%	19.2	23.3	4.1
MYANMAR	8.7%	39.9	46.1	6.2
RWANDA	8.5%	70.2	81.1	10.9
GABON	8.5%	26	33.7	7.7
GREECE	8.2%	6.7	9.7	3.0
HONG KONG	8.0%	16.1	18.8	2.7
TANZANIA	7.9%	14.5	16.8	2.3
CAMBODIA	7.4%	15.1	16.2	1.1
SOLOMON ISLANDS	7.3%	31.5	40.2	8.7
INDIA	7.2%	5.4	5.4	–
WORLD	3.7%	23.1	22.4	-0.7

Overall, however, the global share of business travel is expected to dip slightly from 23.1% in 2016 to 22.4% in 2027. As the nature of work changes with more contract or flexible labour, advances in automation and robotics moving people out of jobs, without intervention, increases in geopolitical volatility, strengthening protectionist and localisation policies may bring a slowdown to global trade, negatively impacting business travel.

The business travel industry worldwide is responsible for \$1.2 trillion of global GDP contribution, nearly a quarter of the Travel & Tourism sector's overall economic impact. While the industry is also growing at a global average of 3.7% per year for each of the next 10 years, the relative importance of business travel is flatlining.

With greater focus on understanding the importance of the industry to different markets and where the biggest growth opportunities are, destinations and companies can begin to identify how they can plan to maximise the investment needed to support further business travel growth.

⁷ <http://scholarship.sha.cornell.edu/cgi/viewcontent.cgi?article=1005&context=chindper>

3. BUSINESS TRAVEL IN A CHANGING WORLD

The trends and issues that influence business today are often fast evolving and unpredictable. To stay ahead, companies are constantly having to learn and adapt their businesses to meet the ever-changing customer demands, emerging technologies and disruptive forces. The changing nature of the workplace and of employee demands are additional aspects that are of particular relevance to the business travel market.

A LESS SAFE WORLD

Terrorist attacks, political instability and unrest around the world, together with disease outbreaks and natural disasters, have all helped to push safety and security to the forefront when it comes to business travel.

According to the Institute of Economics and Peace⁸, over the past 10 years, the world has become slightly less peaceful. At the same time, insurance company Munich Re's analysis⁹ of loss events worldwide from 1980 to 2015 found that the rate of extreme weather events appears to be increasing around the world, with 750 natural catastrophes in 2015, compared with a yearly average of 590 in the past decade. The 30-year mean figure was 470 disasters a year.

Additional factors of disease are also a concern for business travellers and their companies. Academics at Brown University published a study in 2014¹⁰ on the changes in the frequency of outbreaks of infectious disease between 1980 and 2013. Their data finds that the number of outbreaks, and the number of kinds of disease, have both increased significantly since 1980.

International travel and risk go hand in hand but as the real or perceived dangers get closer to home and harder to predict, the risks of doing business rise, and safety and security is increasingly a priority for business travellers and those on whose behalf they are travelling. In a recent study by Global Business Travel Association (GBTA), safety and security ranked above cost control as the number one priority by travel managers who look after organise and manage business travel for their organisations¹¹.

What are business travellers biggest safety concerns when traveling?¹²

TERRORISM	45%
STREET CRIME	15%
OUTBREAKS OF DISEASE	13%
PROPERTY THEFT	12%
KIDNAPPING	8%
NATURAL DISASTERS	6%

"Keeping travellers safe on the road is a prime responsibility for travel professionals," says GBTA executive director Michael McCormick¹³. Understanding the road warriors' fears and anxieties about business travel as well as communicating the available risk protocols and assistance services, can go a long way in building an effective risk management program."

Companies are therefore increasingly needing to reassess their risk strategies and travel policies. Research¹⁴ shows that 96% of employers have security procedures in place to deal with a major incident, and traveller tracking has become a key issue. As such, travel management companies have the opportunity to provide their clients with the most up-to-date tracking, geolocation and messaging functionality, so they can, if required, communicate with and track business travellers in real time.

8 <http://economicsandpeace.org/wp-content/uploads/2016/11/Global-Terrorism-Index-2016.2.pdf>

9 https://www.munichre.com/site/touch-naturalhazards/get/documents_E-1125431578/mr/assetpool.shared/Documents/5_Touch/_NatCatService/Focus_analyses/Loss_events_world-wide_1980-2015.pdf

10 Smith, K. et al. 2014. Global rise in human infectious disease outbreaks, Journal of the Royal Society Interface. <http://rsif.royalsocietypublishing.org/content/11/101/20140950.full>

11 Source: 2015 EVP Barometer by American Express Global Business Travel, January 2016

12 Source: GBTA Foundation: Risk on the Road: Safety and Security Concerns Lead to Traveller Behavior Change

13 GBTA Foundation: Risk on the Road: Safety and Security Concerns Lead to Traveller Behavior Change

14 2015 EVP Barometer by American Express Global Business Travel, January 2016

TECHNOLOGICAL CHANGE

Changing technologies and pervasive consumer behaviours have fundamentally altered how people socialise, communicate and do business. In the “experience culture” of the world today, there is a constant flow of new emerging technologies such as wearables (i.e. Apple Watch, Samsung Gear), mobile payments (such as Apple Pay and Android Pay), virtual reality, augmented reality, bots and artificial intelligence (AI). These advances have opened up myriad new opportunities for brands to support, engage and empower their customers via sophisticated apps and mobile services. Technology is also changing every aspect of how people travel and its use and development is only going to accelerate in the coming years.

Studies from Atmosphere Research Group¹⁵ show that 90% of all US travellers now have a smartphone with this percentage set to rise to 93% by the end of 2017. In the UK, this figure is currently around 80% with smartphone ownership expected to reach 83% in the next year. Growth in emerging markets is also strong, although starting from a lower base.

Consumers today have become used to using a host of apps and increasingly smart devices to enhance their day-to-day lives. While travel has been one of the biggest creators of apps - there are over two million apps in Apple's app store of which around 5% are travel related¹⁶ - only a very small number of them are regularly used¹⁷. The opportunities that mobile affords as a means to reach consumers is summed up by Henry H Harteveltdt, travel industry analyst and advisor at Atmosphere Research Group. He says, “mobile has passed the point of being a channel. It's not enough to be mobile-first. Travel brands need to be experience-first, designing every interaction around mobile to be explorable and sellable through a mobile device¹⁸.”

But while app development has been prolific, particularly in hotel booking and transport services, the business travel industry has been playing catch-up to try to offer this level of technological experience. Traditional players are siloed, believes Lee McCabe from Facebook, which makes the fact that technological capability is actually exceeding organizational capability a particular challenge¹⁹. This has become an even more pressing issue as corporations take on more tech-savvy and digitally connected millennials²⁰ in the work place who tend to look for ways to challenge traditional systems and the status quo when established structures do not meet their needs.

Reporting on the state of data and analytics, the McKinsey Global Institute found that most companies are capturing only a fraction of the potential value from data and analytics, due largely to barriers within their own organisational frameworks. Their report states that many companies struggle both to incorporate data-driven insights into day-to-day business processes and to attract and retain the right talent who can combine an understanding of data with industry and functional expertise²¹.

Within Travel & Tourism, there are many more examples of data sharing that would bring benefit to businesses and customers. Creating the goal of the seamless journey on the one hand and the best systems for keeping employees safe and productive on the other. Brokering the necessary arrangements and reconciling the multiple data sources to get to these goals are the difficult challenges to face along the way.

IMMEDIACY, PERSONALISATION AND CONTROL

Across the world, consumers are searching for increased personalisation and simplicity in the products and services that they use. Business travellers are no different.

This new digital world has created consumers who are “impulsive and in pursuit of immediate gratification” who “want services yesterday and real-time virtual dialogue with their brands” says research firm Euromonitor²². Further research by the computing technology company, Oracle, has also found that consumers are most willing to use new technology to engage with brands if they “feel they are in control of their experience”²³.

The challenge for companies is not just to be fast and responsive, but also to ensure that alongside this technology, their brands also have a personal ‘face’ and understand these boundaries of control. Speaking at the London Business Forum in 2016, Dave Coplin, the Chief Envisioning Officer for Microsoft summed up the nature of where the focus for companies should be; ‘when looking into future technology, we should focus on researching humans rather than tech itself, the tech is simply the enabler.’

¹⁵ <http://blog-digital.travelport.com/13-reasons-to-get-serious-about-mobile-tech-for-2017>

¹⁶ <http://www.applift.com/blog/travel-apps-mobile-infographic>

¹⁷ <http://www.mckinsey.com/industries/travel-transport-and-logistics/our-insights/facebook-and-the-future-of-travel>

¹⁸ <http://blog-digital.travelport.com/13-reasons-to-get-serious-about-mobile-tech-for-2017>

¹⁹ <http://www.mckinsey.com/industries/travel-transport-and-logistics/our-insights/facebook-and-the-future-of-travel>

²⁰ Millennials - people reaching young adulthood in the early 21st century - <https://en.oxforddictionaries.com/definition/millennial>

²¹ McKinsey & Company, 2016, Age of Analytics: Competing in a Data-driven World

²² Euromonitor consumer trends January 2017

²³ Oracle Retail 2025 study - <https://www.oracle.com/corporate/pressrelease/oracle-retail-2025-032217.html>

Now used to controlling their traveller preferences outside of work, business travellers' expectations of their work-related trips are starting to surpass what is provided for within their company policies that set out and regulate employee entitlements, requirements and allowable expenses when travelling on business.

Their growing experience of "sharing economy" or peer-to-peer business models in their everyday lives is just one example of where the corporate policies lag behind. In the US only 11% of travel managers allow the use of accommodation services such as Airbnb, with 42% not permitting their travellers to book private accommodation. Although there is generally more acceptance of ride-sharing services, such as Uber, with 26% of managers allowing employees to use them and 13% planning to introduce it to their programs²⁴.

Travellers now want an experience that is connected, immediate, seamless, personal, reliable, engaging and good value. "We live in an experiential world where brands and loyalty are defined by the experiences they deliver and where every customer has a smartphone in their pocket", says Gordon Wilson, CEO of Travelport.

Greeley Koch, executive director of the US-based Association of Corporate Travel Executives (ACTE), reinforces this by talking about the concept of "traveller centricity" with the focus on making sure that the traveller has a good experience for many reasons, including better recruitment, motivation and retention of employees. He even sees the corporate travel policy becoming more of a concern in recruitment processes; "We're hearing more and more about recruits wanting to see the travel policy before they join the company."²⁵

With mobile becoming the focal point of business travel and of delivering personalised services, research from Travelport Digital, part of Travelport, identified the kind of information that its customers were prepared to accept. Travellers primarily look to mobile technology to "improve the efficiency of their travel experience"²⁶ which includes check-in and check-out apps allowing them to save time by jumping queues, as well as having access to airport maps that help them to locate key services such as ATMs, currency exchanges, shops and food and beverage outlets. They also appreciate predictive apps that give them information about their flight connections.

What kind of information do business travellers want from mobile alerts and notifications?²⁷

FLIGHT DISRUPTIONS	77%
FLIGHT/AIRPORT GATE UPDATES	71%
UPGRADE OFFERS	49%
IN-FLIGHT OFFERS	38%
AIRPORT OFFERS	34%

Alerts and notifications are generally well received by travellers if they alleviate their stress or if they believe the contact is relevant to them and helps them to smooth their journey or provides offers. Relevance and timing are essential as this develops reliance and interaction.

The majority of travellers (55%) also don't mind sharing their location through an online social network and even more (69%) are comfortable receiving promotional offers from nearby businesses. This clearly shows a huge potential for a host of travel service providers, such as tour operators, attractions and restaurants, operating in business travel destinations.

THE GROWING IMPORTANCE OF WELL-BEING

Significant academic and corporate research over the past few years has identified vast employee productivity benefits and subsequent corporate financial savings that strategically designed investment in employees' well-being can have²⁸.

With concern about work-life balance being one of the most important issues for business travellers across all generations, according to a recent Association of Corporate Travel Executives (ACTE) survey²⁹, business travellers are increasingly extending their trips and bringing along friends and family, combining their business and leisure time (a concept known as 'bleisure'). With 23% of travel managers in the same study saying that travellers will seek time off as 'compensation' for a business trip, companies must learn to adapt with flexibility to this growing trend.

24 Phocuswright – US Corporate Travel: Market Sizing and Trends

25 Interview with ACTE, Buying Business Travel. March 2017

26 Travelport - Corporate Mobile and Business Intelligence Update 2015

27 Travelport - Corporate Mobile and Business Intelligence Update 2015

28 <https://hbr.org/2010/12/whats-the-hard-return-on-employee-wellness-programs>

29 ACTE - Meet the Modern Business Traveller, October 2016

This phenomenon offers huge potential for destinations and there are already a fast-growing number of apps offering different services to travellers from arranging personalised services within a city (e.g. booking restaurants, tours, attraction tickets) to monitoring an individual's health throughout their journey and checking for any potential security issues or disruption to travel services. New concierge-style apps, such as Pana, Aces, Lola, Symphony and Bellhop, to name just a few, can make recommendations and even bookings for restaurants or attractions if the business traveller has a few hours of free time before their flight home or between meetings.



WHAT DO BUSINESS TRAVELLERS FROM EMERGING MARKETS WANT?

The data shows that many of the countries that have experienced the highest levels of growth in business travel over the past five years, and those where growth in business travel is likely to be strongest, are in developing and emerging markets. Business travel is often the driving force in the overall growth in contribution of Travel & Tourism to GDP in these economies as companies continue to find ways to develop new markets and maximise their revenues.

Travelport asked several of its clients in some of these key markets, including Asia Pacific, Sub-Saharan Africa and parts of Eastern Europe, about what business travellers most wanted in their regions.

TMCs in Asia Pacific agree on the importance of mobile and Wi-Fi connectivity throughout journeys, as well as offering flexible solutions to travellers.

“Travellers seek to have a platform where they can see all their options and choices in one go - airline, hotel, ground transport”, according to a leading travel agent in Malaysia.

Talking to the importance of an improved end-to-end trip experience, a large travel agency operating in Asia Pacific stated, “Travellers need a good experience - pre-trip, trip and post-trip. They want a simplified booking process, automated, omnichannel where consistent information is consolidated across channels enabling travellers to book easily”.

For TMCs in Sub-Saharan Africa, the top priorities for business travellers include having access to free Wi-Fi, but this is currently being hampered by mobile network limitations and disruptions.

“Since technology is becoming the cornerstone in driving customer service, it should reach business travellers beyond economic and social environment without political barriers,” says one Africa-based TMC.

But not everybody in the region is well-versed in travel technology. One Mauritius-based agency says: “So far, business travellers rely heavily on the travel agencies for all their travel plans and hotel bookings. They are unaware of tech tools that can assist them in the booking/choice process.”

In Europe, the three countries expected to see the fastest growth in business travel spending in the next 10 years are Latvia, Greece and Lithuania. The top priorities for business travellers in these countries are Wi-Fi onboard flights, advanced seat selection, free breakfast at hotels and loyalty points.

According to a travel agency in Latvia, “Business travellers need a seamless, smooth, hassle-free experience so as they can focus on the business objectives of the trip. This means an all-inclusive package, because spending time to manage specific items such as breakfast and Wi-Fi would be annoying”.

Identifying opportunities for the further development and facilitation of business travel requires companies to increasingly address wider societal issues and changes in tastes and preferences among consumers. Addressing the global mega trends and adapting business accordingly needs nimble corporate structures and visionary leadership.

4. TECHNOLOGY AND BUSINESS TRAVEL: WHAT ARE THE OPPORTUNITIES?

Smartphones and the apps that are supported by them have brought about tremendous change in the way people manage their work and personal lives over the past few years. The changes that have simplified the way travel can now be planned and booked at the touch of a button due to digital innovations are no exception.

Digital innovations can bring benefits for both business travellers and their employees. Travellers can gain from services that offer greater personalisation and are tailored to their own needs and preferences and those that offer significant time savings. For employers, less human interaction may bring about significant financial savings, more efficient management of the burden of travel administration, and the mitigation of risk through technologies that track employees or new financial systems that reduce fraud.

ARTIFICIAL INTELLIGENCE AND VOICE CONTROL

Artificial Intelligence (AI) can be a way to engage with travellers before and during their trips - not just to sell, but importantly also for service. Part of this service involves the creation of “feedback loops” allowing travellers to make comments and rate every stage of their trip, so that processes and experiences can be constantly improved.

A ‘mobile assistant’ to help travellers with every part of their end-to-end journey is set to be the next huge leap for business travel. Saved profiles with passport numbers and frequent flyer details are just the start of this process which will lead to the delivery of an individual, tailored and contextual experience.

Leisure travel companies have already been using chat bots on their digital platforms and corporate travel suppliers are now following suit: Carlson Wagonlit Travel has just relaunched its AI bot ‘Carla’, while FCM Travel Solutions has recently launched its SAM (Smart Assistant for Mobile) chat bot which blends AI technology backed up by the ability to contact a human consultant if needed.

Industry feedback suggests that these chat bots have so far been limited in their functionality, with human operators often having to step in when the bot struggles to understand requests from consumers. The future, according to Mike Slone, Chief Experience Officer at airline software company Travelaer, will be cohesive conversational interfaces between customers and brands³⁰. He believes that these conversational platforms will replace the need for websites and apps.

INTERNET OF THINGS

The Internet of Things (IoT), refers to the growing number of physical devices connected by electronics that can communicate with each other - in travel, this spans all types of services from airport terminals to hotel accommodation throughout of a journey.

This is an area being taken very seriously by the travel industry with an estimated \$128.9 million being spent on IoT projects during 2015³¹. A good example is Dutch airline KLM’s “smart seat” that collects live data on a passenger’s heart rate, tiredness, hydration levels and temperature, which is monitored by cabin crew on a tablet to enhance service.

Being able to track airline hold luggage is seen as another major advantage of IoT technology, which could solve a key concern of air travellers: “The bag senses when you enter the luggage area, and selects the carousel you are standing closest to and enters that carousel,” says Dave Bartlett, technology chief at GE Aviation³². easyJet, for example, has a leading ‘Day of Travel’ concierge style mobile service guiding the traveller all the way through the journey experience.

IoT technology can also be used to effectively guide passengers through the airport terminals, advising them of any gate changes or delays/cancellations, as well as sending marketing messages from nearby restaurants and retail outlets.

Hotel services can also be transformed by sensory lighting and temperature controls that constantly change based on the monitoring of the guest’s movements within their room. Hotels are also developing smartphone entry for rooms, sent directly to a guest’s device, which can save time for business travellers by circumnavigating the traditional check-in process.

VIRTUAL PAYMENTS

Mobile payment options (i.e. Apple Pay and Samsung Pay) alongside the use of Virtual Account Numbers (VANs) have plenty of obvious practical advantages for business travellers as they will not have to deal with the inconvenience of obtaining local currencies and it also helps with completing expense reports.

Forecasts³³ suggest that \$503 billion of mobile transactions will be conducted per year in the US alone by 2020. The predicted resurgence of wearable technology in 2017 will also bolster the mobile payments movement, offering improved convenience and security to consumers.

VANs have been around since 2006, but have been more widely adopted within business travel in the past few years³⁴, and are now used extensively for payments to low cost airlines, hotels and other travel providers as part of the digitalisation of the industry. ENett,

30 <http://blog-digital.travelport.com/13-reasons-to-get-serious-about-mobile-tech-for-2017>

31 Travelport Locomote - 5 Corporate Travel Trends to Watch in 2017

32 Travelport Locomote - 5 Corporate Travel Trends to Watch in 2017

33 BI Intelligence’s 2016 Mobile Payments Report

34 <http://www.businesstravelnews.com/Expense-Management/2014-Business-Travel-Survey-Payment-Firms-Turn-Page-On-Tame-2013>

a specialist in B2B payment solutions has found that VANs are now the second most popular payment method for travel companies paying hotels and accommodation³⁵. These single-use VANs can be generated for each individual booking, making them more convenient and secure than traditional plastic cards, including reducing the risk of fraud. They also have the benefit of simplifying the process of reconciling and reimbursing expenses for the traveller, as well as being valuable to new and infrequent travellers who many not have access to a corporate card.

Meeting consumer and company demand and using enhanced technologies to facilitate the creation of added value, loyalty and product development often needs lateral thinking from traditional businesses to become more efficient, more personal and more 'real-time' in their offering.

As tech start-ups continue to enter the business travel market³⁶ and often partner with these more established companies, more and more digital service solutions will be made available to customers. Maintaining the customer -, rather than tech-first focus will be essential in planning future tech investment.

5. THE CHALLENGES TO BUSINESS TRAVEL GROWTH

Across the world, there are barriers that currently hold up potential growth from both technology and regulatory standpoints. For the benefit of business travellers, for companies looking to do business and build trade, and for the destinations that can do far more to maximise experience (and thereby increase spending), they need to be broken down.

VISA REGIMES

In some ways, business travellers can be considered more resilient to visa requirements, as they often have less flexibility on their choice of destinations. For example, a leisure traveller can often choose among a number of countries to travel to, and may factor in the difficulty of getting a visa into that decision. If a business traveller needs to visit a specific company or business partner, however, he or she has little choice but to go to that location.

Nevertheless, visas do in fact affect business travel. An important component of business travel flows are in relation to events and conferences. Organisers setting up such events would, in many cases, aim to host it somewhere that is easily accessible to participants. In this context, an onerous visa process would count strongly against a destination in the selection process.

While it is near to impossible to show a direct link between visa facilitation measures and changes in the flow of tourists, the existing data does show that there can be a link between visa facilitation and growth in travel – including business travel.

The UNWTO Openness Index 2015³⁷, lists the countries which have introduced visa facilitations for the largest numbers of countries between 2010 and 2015. Comparing this list with the list of countries that had the strongest business travel growth in the five years to 2016, it is striking how many countries are on both lists. Eight of the top twenty fastest growing business travel destinations introduced visa improvements for at least 41 countries.

Countries on list of fastest business travel growth 2011-2016 with most improved visa procedures 2010-2015:

	NUMBER OF IMPROVEMENTS (UNWTO)
MOZAMBIQUE	189
MYANMAR	87
SRI LANKA	106
INDIA	41
GEORGIA	112
RWANDA	178
COTE D'IVOIRE	171
TANZANIA	128

35 <https://www.enett.com/media/1333/the-future-of-travel-payments.pdf>

36 <https://skift.com/2017/03/22/skifts-most-interesting-corporate-travel-startups-2017/>

37 (UNWTO Openness Index 2015) <http://cf.cdn.unwto.org/sites/all/files/docpdf/2015visaopennessreportonline.pdf>

Visas are clearly only one factor limiting business travel growth. Not all of the countries with rapid business travel growth in recent years show an equivalent level of improvement in visa facilitation. In some cases, the visa situation may have not been such a big obstacle to begin with. For example, the Philippines was already quite open to both its regional neighbours and key markets around the world, with visa free travel for ASEAN citizens and a visa waiver programme covering over 150 nationalities. Nevertheless, the data indicates that in countries where visas are an obstacle for travellers – including business travellers – measures to facilitate these visas can play a role supporting growth.

INFRASTRUCTURE CONSTRAINTS

Previous research from WTTC on the Americas, Europe and ASEAN³⁸ has all shown a strong link between the quality and capacity of a country's T&T related infrastructure, and the contribution that the T&T sector makes to the wider economy.

Both public and private T&T investment is essential in supporting the ongoing growth and development of the sector. Investment is needed to build structures and facilities to expand capacity, to maintain, enhance and upgrade current infrastructure to account for the evolution in consumer tastes over time and new regulations and environmental standards, and also to stimulate demand.

For business travel, at a company level, the focus is clearly on a need for increased investment in digital technologies. It is clear that while mobile is both the present and future of business travel management, this is not necessarily something that has been completely embraced by employers. A 2016 study of US-based travel managers by GBTA³⁹ found that the majority (69%) did not have a mobile strategy in place to enhance the effectiveness of their travel programme, while nearly half (49%) did not know when their company would introduce a mobile strategy. IT, security and engrained internal processes are challenges that travel managers say are holding companies back. Travel managers also “often do not have primary control of their company's mobile device policy”, according to the GBTA report.

On a practical level, the success of mobile as the key tool for business travellers also relies on a strong telecommunications infrastructure and widespread accessibility to both Wi-Fi and mobile networks to ensure regular and reliable access to key online apps and platforms.

Online access also needs to be cheap – one of the biggest complaints by business travellers over the last few years has been the lack of free and/or consistently reliable Wi-Fi at hotels. A survey by the Resonance Consultancy⁴⁰ found that free internet access was the most important hotel amenity for travellers with 66% ranking it as “extremely important” or “very important”. While this is something that has improved in recent years with many hotels now offering free Wi-Fi as standard, it is still far from universal.

Similarly, apps that are inefficient because they incur large roaming charges in order to track or monitor activity (such as mileage trackers) need to be improved.

Technology is driving and will continue to drive an improved and personalised experience for business travellers. This is a process that is also opening opportunities for tourism businesses within destinations to successfully market their products to these travellers in a far more targeted and relevant way than has been previously possible.

38 WTTC, Travel & Tourism Investment in ASEAN, 2016; WTTC, Travel & Tourism Investment in Europe 2015, WTTC Travel & Tourism Investment in the Americas, 2014.

<https://www.wttc.org/research/policy-research/trade-and-investment/>

39 GBTA Foundation 2016, A Mobile Effect: Setting a Clear Mobile Travel Strategy

40 Resonance Consultancy - 2016 Future of Luxury Travel Report

DATA SECURITY

All the technological advances mentioned in this report have obvious benefits for travellers for whom convenience while travelling is a main priority. But there are also some widespread concerns about the advance of this technology, particularly around data security issues.

Writing in the 2017 Travel & Tourism Competitiveness Index by the World Economic Forum, Steve Singh, President of Business Networks and Applications at SAP, believes that privacy, rather than technology is the bigger challenge. “In order to standardize and collect data, we must commit to continuously building trust with travellers, travel vendors, airports, security teams—even governments.”⁴¹ Transparency and empowering consumers with control over their data is key to building this trust.

Both cyber criminals and workforce complacency also need to be addressed to deal with complex data challenges. A recent study of phishing incidents by telecoms company Verizon found that “people in time-pressured professions — such as lawyers, journalists and public relations executives — who often receive urgent external emails, are among the most frequent victims.”⁴² Business travellers could easily be considered part of that group.

Travel & Tourism has been seen by some as dragging its feet on the issue of cyber security. At the WTTC Global Summit in Dallas, Texas in 2016, security specialist PW Singer highlighted the magnitude of the challenge, with costs of cybercrime the global economy reaching half a trillion dollars in 2015.

Several major hotel firms and other companies have had their IT systems hacked and customer information stolen during the last couple of years. With 60% of online attacks being on SMEs, for a sector that is 80% SMEs, Singer thought that this was of great concern. His own research showed that only 11 out of 46 tourism brands studied had taken steps to protect customers against email fraud. If data sharing is to be a key component in addressing the future development and streamlining of systems within business travel, then consumers need to be confident in those who hold it.



THREE CHALLENGES TO ADDRESS CYBERCRIME⁴³

- 1. Communication:** there is a reluctance on the part of both companies and governments to talk about cybersecurity, not just to each other but to competitor companies or other governments.
- 2. Co-ordination:** bad handling of cyberattacks by PR, law departments and the board can escalate a problem significantly. The whole company, not just up to the IT department, needs to understand cyber security and wider security implications.
- 3. Planning and response:** Cyber security breaches are not typically due to software issues but usually because security planning is not adequate and the crisis response process not in place.

Reducing restrictive visa regimes, upgrading lagging technological infrastructure, and making improvements in data security are three of the most pressing issues that need collective industry action, better communication and improved coordination between companies and governments to enable the further growth of business travel. Ensuring that the value of business travel as a driver of trade, which in turn brings growth and prosperity is an important step in this advocacy.

⁴¹ http://www3.weforum.org/docs/WEF_TTCR_2017_web_0401.pdf

⁴² <https://www.ft.com/content/e75d9c96-eec9-11e6-ba01-119a44939bb6>

⁴³ 2016, PW Singer, Keynote speech, WTTC Global Summit, Dallas, Texas, April 2016

6. RECOMMENDATIONS

Business travel has been shown to drive trade as it is integral to the relationships, investments, supply chains and logistics that support international commerce. For companies, business travel yields benefits in terms of sales, customer retention, partnerships, innovation and human capital. But business travel doesn't just happen on its own. Fostering growth and prosperity for companies and destinations needs to be encouraged and developed with benefits for all.

This research has identified five ways in which companies that facilitate and provide services for business travel need to work together with destinations and governments and with their travelling customers to fully maximise the value and opportunity of the industry for wider economic and social development.

INVEST IN TECHNOLOGY

With mobile phones now a main source of communication, reference and digital assistance for travellers, efficient, reliable and free wifi technology can maximise the opportunities within countries and greatly enhance the experience that a business traveller can have of a destination and of the 'process' of travel i.e. check-in, baggage, managing disruptions etc. The future will require smarter and less obtrusive technology that provides linked-up and personal solutions that greatly enhance a business trip.

REDUCE VISA BURDENS

Research from WTTC based on case studies show substantial and in some cases, very significant increases in visitation when visa-related policies and processes are improved. While no visas are optimum, the balance of security versus being open for business through initiatives such as Global Entry in the USA is to be welcomed. Ensuring a smooth process for entering and conducting business in a country will help to drive trade and support growth of a country's overall economy.

INVEST IN INFRASTRUCTURE

Public and private Travel & Tourism investment is essential in supporting the ongoing growth and development of the sector. Investment is needed to build structures and facilities to expand capacity, to maintain, enhance and upgrade current infrastructure to account for the evolution in consumer tastes over time and new regulations and environmental standards, and also to stimulate demand.

TAKE CYBER SECURITY SERIOUSLY

As the increased desirability of greater personalisation for business travellers is matched with enabling technology, so too is there a greater need for companies to ensure that they are planning the right levels of cyber security and crisis response. Consumers need to be confident that those holding their personal data and preferences are protected from hacking and other cyber crimes, while at the same time, they fully understand the steps they can take themselves to minimise risks.

MEET THE NEEDS OF THE BUSINESS TRAVELLER

Connecting experiences throughout an entire business trip, filtering choices based on personal preferences, facilitating quick and easy access to itineraries and other travel information, allowing the functionality to make changes where necessary, making suggestions based on itinerary and current location and contacting agents speedily, round-the-clock, within one single app is the "experience-first" strategy that will be the future of travel management companies.



The World Travel & Tourism Council is the global authority on the economic and social contribution of Travel & Tourism.

The World Travel & Tourism Council (WTTTC) is the global authority on the economic and social contribution of Travel & Tourism. It promotes sustainable growth for the sector, working with governments and international institutions to create jobs, to drive exports and to generate prosperity.

Members are the Chairs, Presidents and Chief Executives of the world's leading, private sector Travel & Tourism businesses. These Members bring specialist knowledge to guide government policy and decision-making, raising awareness of the importance of the sector as an economic generator of wealth.



Travelport is a travel commerce platform, providing distribution, technology, payment and other solutions for the global Travel & Tourism sector.

Travelport facilitates travel commerce by connecting the world's leading travel providers with online and offline travel buyers in a proprietary business-to-business (B2B) travel marketplace. Travelport has a leadership position in airline merchandising, hotel content and rate distribution, mobile travel commerce and a pioneering B2B payment solution that addresses the needs of travel intermediaries to efficiently and securely settle travel transactions.





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