CIRIUM

2022
Corporate Travel Leaders' Outlook

Interviews and trends from corporate travel executives.

ATMOSPHERE
Research Group

Business travel resumes amid a changed, uncertain environment

Business travel is not dead. It may be hibernating in some markets, but it is definitely on the way back. However, aspects of business travel will be tangibly different compared to the pre-pandemic era. Based on interviews conducted by Atmosphere Research with 27 corporate travel, finance, and corporate services professionals with oversight over company travel programs at 25 organizations in the US and Europe, it is clear the evolution of business travel during the next three to five years will result in a function that is more purposeful. There will be greater emphasis on sustainability for business travelers. We heard strategy and decision-making will be informed by data and analytics to an even greater extent than today.

What are the key changes identified?

- **A critical mass of business travelers aren't yet ready to resume business travel.** Business travel has restarted. At first glance, it looks very much like it once did. For business travelers, especially more frequent travelers, the "muscle memory" of business travel is strong. Dig down and shift focus from the business traveler to the function of corporate travel and it's clear that tangible, long-lasting changes have occurred. While travelers now may look much as they did before the COVID pandemic began, travel managers shared that between 15% and 30% of their employees aren't yet ready to resume business travel.

- **Total business travel activity is expected to grow, whereas per-employee activity is likely to shrink.** Eleven of the 25 organizations interviewed said they currently anticipate their total business travel activity — and, with that, inflation-adjusted spending will recover by the end of 2023. Drill down and a different story emerges. To start, five of the organizations interviewed said they don't expect their total business travel spending will ever return to pre-COVID levels (allowing for factors such as inflation and higher airfares). Almost everyone we interviewed told us they don't expect individual employees travel as frequently as they did before the pandemic began. When asked when they expected their per-employee travel to return to pre-COVID levels, 17 of the 25 organizations responded "never."

- **Organizations seek to make travel policies more practical and pragmatic.** Corporate travel departments utilized the extra time they had available in 2020 and 2021 to review their travel policies and procedures. Eleven of the 25 organizations interviewed made what they consider positive improvements, often involving ending pre-trip approvals, allowing employees to book flexible airfares and, at a few organizations, making it easier for employees to book non-approved suppliers. One reason behind some changes: Travel managers acknowledge travel policies can affect worker satisfaction and impact an organization's ability to hire new employees in a tight labor market.

- **Sustainability is becoming a top corporate travel focal point.** Of all the topics we discussed, sustainability emerged the top concern and was given the most energy, passion and dedication. Twenty of the 25 organizations interviewed already include

corporate travel in their broader sustainability decisions. Even organizations that have not yet begun to develop or implement corporate travel sustainability programs acknowledged sustainability will be a significant factor for their travel programs. The various steps organizations are implementing to make their travel programs more sustainable include allowing employees to fly nonstop rather than take connecting flights, giving preference to LEED-certified hotels and, on certain city pairs, inter-city rail, buying carbon offsets, incorporating sustainability-related messaging in their travel portals and online booking tools and establishing carbon budgets for trips.

- **Corporate travel's future will be powered by data, analytics, AI and the metaverse.** Contemporary corporate travel management is a prolific producer and consumer of data. Our interviews identified how corporate travel's evolution will incorporate several strategic technologies, namely components of Artificial Intelligence such as machine learning and predictive analytics. Corporate travel managers believe these software solutions provide the ability to make smarter, better-informed, proactive business decisions that will benefit the entire corporate travel management ecosystem. Even the emerging 'metaverse' is expected to play a role in corporate travel's future.

- **Travel managers have very positive outlooks about their profession's future.** The 27 professionals we interviewed for this report are all highly accomplished, highly dedicated business managers and executives who take great pride and enjoyment in their work. They view corporate travel as a function that provides a critical service to their employees who travel and a central role to their employers' abilities to succeed. Whether they hold the role of travel manager or work in finance or corporate services, all acknowledge the numerous challenges and complications that exist in managing corporate travel. Corporate travel managers have seen their profession shift from being "order takers" to problem solvers, requiring a need to stay abreast of topics as diverse as travel distribution, public health, and geopolitics.

The human side of travel

Jeremy Bowen
Chief Executive Officer - Cirium

In the pandemic, we learned that business could survive — at least for a while — without business travel. We also learned, for the most part, the aviation industry is strong enough to weather a significant downturn in business travel. Today, a strong return to leisure travel is leading the recovery but business travel is coming back in many markets.

In this report we supplement data with real-world stories. Cirium worked with Atmosphere Research to gain further insight into what was happening in travel offices and boardrooms and how those decisions will affect future corporate and traveler behavior.

We learned that business travel is as significant as ever, but traveler experience and traveler safety have grown in importance. We learned that the travel dynamic is transforming.

At the surface, we can track the return of travel, but looking deeper, we uncover the rationale that is driving travel behavior. Most importantly, we learned what corporate travel managers are thinking and how they perceive the future of business travel.

As the industry welcomes the return of travel, the insights in this report will help frame how airlines, hotels and travel service companies respond to the changing operating environment. And as always, Cirium's aviation analytics will be there to help travel service providers operate more efficiently, make better decisions and find new growth opportunities.

CONTENTS

Project overview and research methodology

This report is based on telephone and video interviews with 27 management professionals at 24 for-profit companies and one not-for-profit university. The interviews were conducted between November 2021 and March 2022. Atmosphere recontacted the five organizations interviewed in November 2021 and December 2021 to revisit topics such as travel resumption and spending plans given the onset of the COVID-19 Omicron variant in late November 2021.

The telephone interviews were based on a 24-question discussion guide created by Atmosphere and reviewed and approved by Cirium. Each interview lasted approximately an hour. The questions intentionally focused on broad-based strategic questions. To secure participation from the widest range of organizations and professionals, we intentionally did not ask about annual budgets or spending, which TMCs each organization used, or details about their preferred or contracted suppliers. Because Cirium is a leading provider of aviation data, our industry supplier conversations focused on the airline sector more than lodging or other travel services.

The 24 for-profit companies interviewed span a diverse group of industry sectors (see Figure 1). Cirium arranged an interview with one company; Atmosphere Research secured the rest. In the 24 interviews arranged by Atmosphere (23 for-profit companies and the university), Cirium's identity as the report sponsor was kept confidential.

Figure 1: 25 organizations in 13 industries were interviewed for this report
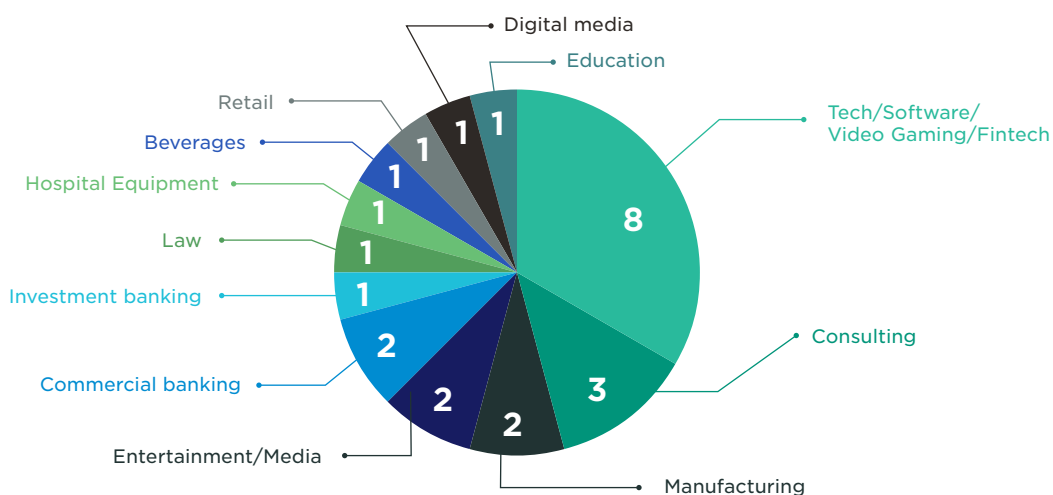
Source: 2022 Corporate Travel Outlook Study, Q2, 2022, Prepared by Atmosphere Research for Cirium

In keeping with best practices for this type of B2B research engagement, all interview participants were promised confidentiality and anonymity. To support this, Atmosphere agreed not to disclose any details that could be used to identify the people interviewed, such as exact job titles, because some interviewees considered their job titles unique enough to identify them. Atmosphere also agreed to identify a company by its industry, such as tech, pharmaceutical or retail.

Of the 27 people interviewed, 23 work in corporate travel management with job titles ranging from manager to vice president. As part of our agreement with the corporate travel professionals, we agreed to identify each as a "travel manager." The four remaining people interviewed worked at two different start-ups that did not have designated travel managers. Two of the four are CFOs; the remaining two work in corporate services roles.

Twenty two of the 24 for-profit companies are headquartered in the US; the remaining two are headquartered in Europe. Twenty-three of the organizations interviewed, including the university and 22 for-profit companies, described themselves as "global."

This report was written by Atmosphere Research Group, LLC. The assessments and conclusions expressed within this report reflect Atmosphere's informed and objective perspectives, which may not reflect the opinions of Cirium. Participating travel managers were based in the United States and Europe. Although many have global roles, not all takeaways may apply to all regions.

Changed business travelers return to a changed, shaky world

Throngs of business travelers have begun to crowd airports around the world, shuffling their way forward in airport security lines, checking their smartphones for flight updates. Is their flight still on-time? Has the gate changed? Did their upgrade clear? They wait for the "beep" as they scan their mobile boarding pass on the gate reader, smiling as they watch the ground fall away for the first time in two years, happily discovering their airline added or upgraded its in-flight wi-fi as their plane ascends past 10,000 feet, donning their noise-cancelling headsets as they settle in to long-familiar routines.

Business travel has resumed. At first glance, it looks very much like it once did. For business travelers, especially more frequent travelers, the muscle memory of business travel is strong.

Dig down and shift focus from the business traveler to the function of corporate travel, and it's clear that tangible, long-lasting changes have occurred. These seismic changes will produce an unexpected evolution in business travel's role, potentially permanently affecting numerous aspects of corporate travel management.

In this report, we examine some of the factors that will contribute to the changes in business travel in the next three to five years. Among them are biosafety, geopolitics, where and how we work and sustainability.

But let's start with the business traveler. While travelers now may look much as they did before the COVID pandemic began, expect them to bring emotional baggage along with their carry-ons when they are ready to resume business travel – which, by the way, plenty are not yet ready to do. Two unnerving years of public health, biosafety and geopolitical disruption have affected business travelers' emotional well-being. People bedridden with COVID-19 are 60% more likely to experience depression compared to people who had less severe cases of the virus or didn't contract it.* Among business travelers in the US, UK, and South Korea — three of the 12 countries where Atmosphere Research conducts research among travelers — 29%, 34%, and 39% of business travelers, respectively, report feeling concerned or anxious about business travel. It's thus understandable when travel managers told Atmosphere that between 15% and 30% of their employees aren't yet ready to resume business travel.

> **Travel managers report up to 30% of their business travelers aren't ready to resume business travel.**

"No employee is, or will be, required to travel if she or he doesn't feel safe doing so. I've been surprised by how many people, across almost every department, have stated they're not yet ready to resume business travel. I estimate it's around 25% of our travelers. That's down from late 2021, but it's still a lot. Many have told me they're not yet comfortable or confident enough to leave the security of what they know. They're nervous about crowded airports, crowded planes, and being on a flight with an unruly passenger. The pandemic took an extraordinary emotional toll on a critical mass of our travelers." – Travel manager, university

* The Lancet Public Health, Mar 14, 2022

"More than 15% of our business travelers have said they're not yet ready to resume travel. Some have described themselves as 'shell shocked' from the emotional impact of COVID. Managers recognize they have a responsibility to not push their employees to travel. This isn't a bravery contest." – Travel manager, global beverage company

"No employee who is concerned about COVID is forced to travel for business. Recently, one of our most frequent travelers, who hasn't been on a plane in nearly two years, told me he bought a refundable ticket, packed a suitcase, and went to his local airport just to see if he could handle it. He didn't plan to fly, he just wanted to see if he could handle the airport. This is a rational, extremely well-educated and well-read man in his mid-40s, who installed a home gym during the pandemic, who participates in IRONMAN events. He said he was shocked at how scared and fragile he felt. He said he felt like a marshmallow at the airport." – Travel manager, global law firm
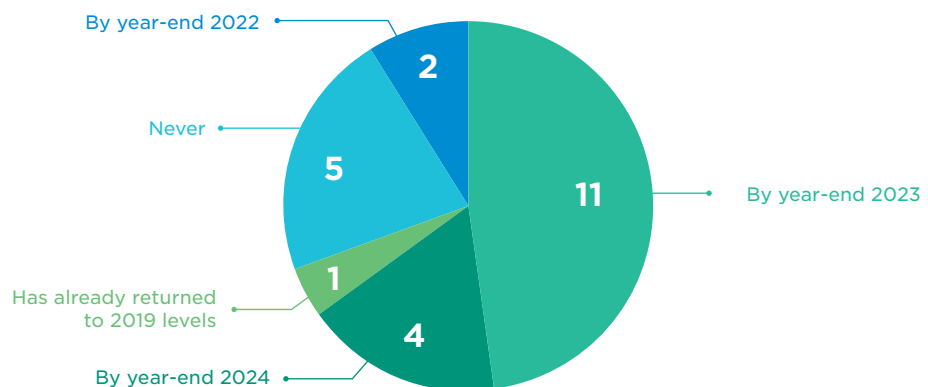
Total business travel activity expected to grow, per-employee travel expected to shrink

▶ **intra-company and conference travel expected to decrease**

▶ **Employee relocation, not expected to materially increase air-travel**

The 27 professionals interviewed expressed reasonably strong outlooks about their organizations' business travel recoveries and future growth. Understandably, numerous caveats about the state of COVID and related travel restrictions, national and global economies, geopolitics, and the organizations' financial performances were expressed. But, holding those aside, 11 of the 25 organizations interviewed currently anticipate their total business travel activity will recover by year-end 2023 (see Figure 2).

Figure 2: When, if ever, do you expect your organization's business travel activity will return to 2019/Pre-COVID levels?"

- By year-end 2022: 2
- By year-end 2023: 11
- By year-end 2024: 4
- Has already returned to 2019 levels: 1
- Never: 5

Source: 2022 Corporate Travel Outlook Study, Q1, 2022, Prepared by Atmosphere Research for Cirium
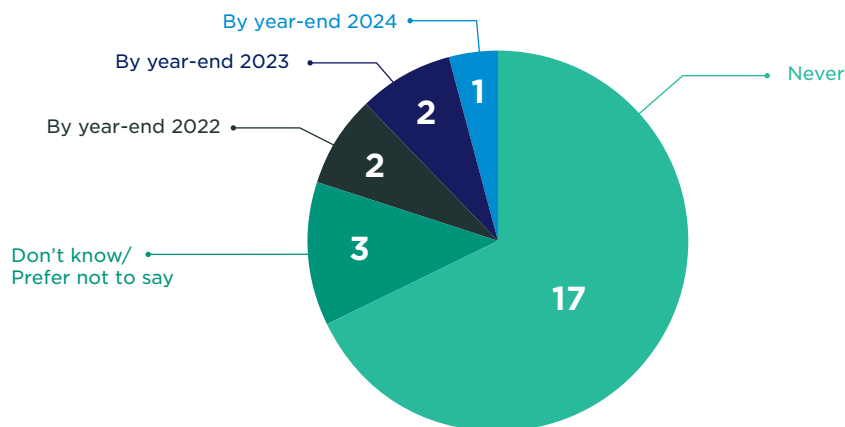
Seventeen of 25 organizations say their employees will "never" travel for business as much as they did in 2019.

What's behind this? Two intertwined factors: companies' own business growth ambitions coupled with new-employee hiring activity. A technology company travel manager told us her company had hired more than 25,000 new employees during 2020 and 2021. Other mid-size organizations said they'd hired anywhere from a few hundred to a few thousand new employees. A pharma company's travel manager shared that his company's extensive international growth plans meant they'd be growing in multiple countries (as he said, "We start with three people in a country, in six months we're 30, in a year it's 100 or more."). The CFO of a start-up software company anticipates that by the end of 2023 his company will be between three and five times larger than it was at year-end 2019. These companies also told us that 20% or more of their new employees would need to do some business travel each year. As these organizations' ranks of business travelers swell, so will their total travel activity and spending.

Examine more closely and a different story emerges. To start, five of the organizations interviewed said they don't expect their total business travel spending will ever return to pre-COVID levels (allowing for factors such as inflation and higher airfares). Almost everyone we interviewed told us they don't expect individual employees will travel as frequently as they did before the COVID pandemic began. When asked when they expected their per-employee travel to return to pre-COVID levels, 17 of the 25 organizations responded "never" (see Figure 3).

We'll be the first to admit that "never" may be a tad aggressive. A foundational element of successful business involves in-person interactions. Still, using video conferencing and other content-sharing and collaboration technologies is now normalized. These tools enable businesspeople to work together from anywhere, saving out-of-office time and money, reducing hassle and stress, and diminishing the volume of business travel-related emissions, thus benefitting the environment — more on these organizations' business travel sustainability efforts later.

Figure 3: When, if ever, do you expect your per-employee business travel activity will return to 2019/Pre-COVID levels?"

By year-end 2024 — 1
By year-end 2023 — 2
By year-end 2022 — 2
Don't know/ Prefer not to say — 3
Never — 17

Source: 2022 Corporate Travel Outlook Study, Q1, 2022, Prepared by Atmosphere Research for Cirium

The predominant areas where business travel is likely to shrink are internal travel and for external conferences and events. By 2025, internal travel is expected to still be 10% to 20% below 2019 levels. Interestingly, that's not as low as many of the professionals first expected, back in 2020. Why? The growth of remote-based workers introduces the need for organizations to periodically bring these workers to offices or other facilities. The frequency of these trips will vary based on factors such as the organization, its line of business, the employee's role, and where the remote employee lives and location of their "base" office location. The air transport industry, however, shouldn't view this as a sizeable new business opportunity. Based on our interviews, it appears most employees who moved during 2020 and 2021 relocated to communities within 200 miles of their original location. The expectation is that most remote employees will drive or take other forms of ground transportation, rather than fly, between their new hometowns and their office locations.

> **By 2025, organizations expect that internal staff travel will still be 10% to 20% below 2019 levels.**

"About 50% of our travel is customer related, another 15% or so is related to field work, manufacturing, and so on, and maybe 10% is for trade shows and conferences. The remaining 25% is internal – staff meetings, people traveling to other offices to collaborate in person, and managers traveling to meet with employees who work in other locations. What will drive our return to travel are factors such as status of office openings, associated travel restrictions, health conditions in a destination, whether a client is open to receive visitors, the employee's vaccination status for destinations that will still require this, and whether the employee feels comfortable traveling. About 20% of our employees who traveled for business before the pandemic aren't ready to resume business travel. Many others have been clear they don't want to travel as much as they once did." – Travel manager, global technology company

"We intend to trim our business travel in a very methodical, thoughtful manner. It's not an across-the-board cut. Going into 2022, our Finance team worked with each department to review and plan expenses and budgets. Our CFO decided that pegging everything to 2019 wasn't the most effective strategy, so departments were tasked to build new 'ground-up' budgets, including travel. We provided a lot of data to the department heads to help them with this and participated in many of the departments' exercises helping them build their budgets. Because of our planned travel policy changes, this was a timely and useful process." – Travel manager, global technology firm

"During the pandemic, we hired more than 10,000 new employees, few of which have seen the inside of their offices, let alone met their colleagues and managers in person. We expect a small surge of internal travel – kick-offs, teams regrouping, managers meeting employees in person – during 2022. We expect that to decrease once everything has stabilized a bit. Managers have been told to plan to periodically bring remote workers to their base office location; how frequently that will occur will vary by region, department, work group, and role. Our leadership has been clear on this, however. They've told managers not to skimp doing this if it's necessary to get the work done." – Travel manager, global technology firm

"We definitely intend to reduce internal travel where it's really employees meeting just with one another. Internal travel accounted for about one-third to 35% of our travel before COVID. We estimate approximately two-thirds of this can be accomplished effectively using video conferencing. Our Marketing department is reviewing the conferences we attend and events we host. They've told me they believe they will be able to cut about 10% of these. Recruiting and onboarding new professionals is always important. This may be one area where we do more travel – not necessarily just our staff, but also bringing in prospective new professionals for interviews, and then training and relocation as required." – Travel manager, global commercial bank

TOTAL BUSINESS TRAVEL ACTIVITY

"Internal travel accounted for about one-third to 35% of our travel before COVID. We estimate approximately two-thirds of this can be accomplished effectively using video conferencing."

"We're planning to aggressively grow, and that may cause us to buck the trend. We of course use video conferencing and other channels for sales, account management, and other activities to reduce the need to travel. But if we expect to achieve our growth objectives, we expect many of our travelers may have to travel more than they did in 2019 or before. I expect this will be short-term. As we hire more people, we should see the amount of travel done by individual employees decline." – CFO, start-up technology company

"Pre-COVID, sales, client account management, and client support field work accounted for about 55% of our travel. Internal management meetings and travel accounted for about 15%. The rest was mostly, marketing and events, recruitment, and support functions. 2022 is a rebuilding year, so it won't be typical. But in 2023, when we hope things are less erratic, we intend to cut marketing, internal management, and support travel more than 70% versus 2019."
– Travel manager, global hospital equipment maker

"Our travel focus will emphasize field work such as site visits to production facilities, account management and support, sales, and essential internal support, such as IT. We expect internal travel this year will be about 30% this year below what it was in 2019. Managers have been told to plan for 20% to 25% less internal travel in 2023 compared to 2019." – Travel manager, growth-stage CPG firm

"We were using video conferencing long before COVID emerged as a way to be more efficient. That won't change. Ours is an industry based heavily on relationships, and our employees insist that they have to travel. Last March [2021], we conducted internal forums about business travel. We wanted to see how employees felt about business travel. What we heard was 'don't send me somewhere unsafe, but don't keep me in 'Zoom prison,' either.' Our people want to go when and where they need to go to do their jobs. But absolutely no one has told us they want to travel more than they did before COVID." – Travel manager, global entertainment company

"Approximately 80% of our travel is client-related. Almost all of that is either billed back to a client or built into an engagement's fee. Our headcount increased about 10% during the pandemic. The nature of our client engagements is what drives our travel activity. In 2022, based on what we have heard from clients, we expect to see a substantial increase in consultant travel. What will change, though, will be where the consultants travel. During the pandemic, we strategically hired skilled professionals who live in or close to where our clients are located to reduce the distance our consultants need to travel." – Travel manager, global consulting firm

"Though we will let people work remotely, we expect that may actually spike travel as people need to come to their offices to get together."

"We do not see video conferencing eliminating travel for us. Though we will let people work remotely, we expect that may actually spike travel as people need to come to their offices to get together. In China, most of our employees are office-based, except for a commercial team that is fairly remote."
– Travel manager, global pharma firm

Remote workers introduce new complexity

▶ **Though only a small percentage of employees may have moved during the pandemic, at medium- and large-size companies that may equal hundreds of people**

▶ **Most orgaizations expect remote employees to create a "heavy" impact on corporate travel workloads in 2022**

"About 4% of our management and professional employees now work remotely, which we define as being located 100 or more miles away from a corporate facility. That's about 250 people. Our executive leadership team has committed to bringing remote employees to their "base" office location at least three times a year to ensure productive professional relationships, spur creativity and sustain and improve our corporate culture." – Travel manager, global beverage company

"Serving our remote employees isn't complicated, but it does create some additional work and introduces a few complexities. Much of the additional workload is one-time actions, such as making sure employees update their travel profiles with their new addresses and home airports, and then checking to see if these employees' new home airports are served by one of our preferred carriers. We are also working with remote employees' managers to help them budget for these employees' trips to their base office locations. The airlines' various route and flight cutbacks is something that's starting to concern us. None of the cuts so far have affected the communities where our remote employees have moved to, but I fear we're just one announcement away from a cut that does."
– Travel manager, global technology firm

"At the start of the pandemic, in 2020, several hundred members of professional staff in the US moved from big cities to smaller communities. Roughly 40% of them are still remote. Among those who are still remote, more one-third moved again during the pandemic because the communities where they originally moved to didn't have adequate airline service."
– Travel manager, global law firm

Practical, pragmatic evolution of travel management policies

▶ Companies revisited policies during the pandemic, resulting in more strategic programs

▶ While some policies were tightened, most were designed for employee flexibility

Eleven of the 25 organizations interviewed will relax some aspects of their travel policies and procedures.

During 2020 and 2021, corporate travel departments utilized the extra time they had available due to the lack of business travel to review their travel policies and procedures, examining ways to make their policies and programs more practical and pragmatic for their travelers while also supporting their business and financial responsibilities. Eleven of the organizations interviewed are making what they consider positive improvements. The most mentioned change is ending the need for pre-trip approvals. Several organizations are allowing employees to book flexible airfares. Very few organizations plan to make it easier for employees to book outside their contracted TMCs or suppliers unless there is compelling justification, namely significant price savings. Indeed, we routinely heard how COVID intensified the need for employees to book through designated channels and with contracted or preferred suppliers.

Citing their current travel policies or programs are working well, eight organizations are not making material changes. Six had tightened, or are in the process of tightening, elements of their travel policies, mostly strengthening their pre-trip review and approval processes due to heightened duty of care concerns (commonly associated with COVID concerns) and corporate desires to more closely track spending.

What does the future hold? Despite one manufacturer's very negative view of its corporate travel program, Atmosphere believe more organizations will reduce bureaucratic processes that add little or no value, instead further empowering employees to make smart, common sense-based decisions that are also fiscally responsible and support other corporate objectives, such as sustainability.

"Employees can book via their choice of channel. However, before they book, employees must get manager's approval for estimated travel expenses. Expense reports are reviewed and fares that exceed estimates by 10% are kicked back to employee for explanation."
– CFO, start-up technology company

"A lot of us who work here used to work at larger software and gaming companies. We're here to escape that kind of bureaucratic, monolithic, process-everything-to-death culture. That's one reason why our travel program has been lightly managed. Our trip review process is fairly simple and straightforward. We don't anticipate changing that in 2022, except to obtain some of the bits of information that are sometimes now required, such as vaccination and COVID test result information." – Travel manager, online gaming company

> **"COVID intensified our focus on having employees book through our TMC. Requiring employees book through our TMC is essential to helping us uphold our duty of care responsibilities."**

"COVID intensified our focus on having employees book through our TMC. We used to require pre-trip approvals but ended those in January 2020. No one liked them and, to be honest, trip requests were rarely denied. Since they weren't providing any value, we decided to end them. One less bit of administrivia. Requiring employees to book through our TMC is essential to helping us uphold our duty of care responsibilities. We need to know where our travelers are and our TMC plays a central role in providing that information."
– Travel manager, global manufacturing company

"Our business travel is based on adding value. How does a trip add value to the hotels we are visiting? How does a trip add value to our corporate culture? How does a trip add value to our corporate and business objectives and get us closer to reaching or exceeding them? In 2021, we conducted an internal audit and review of our travel-related business practices, with an eye on adding value to our travel program. One decision was to eliminate the pre-trip review process. It consumed everyone's time without providing much benefit. But, because of duty of care responsibilities, we decided to tighten our focus on compliance using our TMC and, wherever possible, flying our contracted airlines. Next up are improvements to our expense reporting software, with a focus on reducing the headaches and making the tool more useful to all who use it.'" – Travel manager, hotel ownership group

"Being 'thoughtful' and 'mindful' guide our business travel. Business travel has always been subject to managers' review and approval; this won't change. At the same time, we don't want policies and red tape to stand in the way of doing business. Even before COVID, when an employee learned she or he needed to travel, they were required to estimate the expected "ROI" for their trip. It's not always a financial ROI. It may be that the employee is meeting with a customer, vendor, new-hire recruit, or fixing a problem. As part of being thoughtful about our business travel, we ask our travelers to be as efficient as possible with their time and the company's money, when they travel." – Travel manager, global tech/software company

"We're increasing the number of pre-trip approvals. It was one before COVID. We increased it to three – the employee's manager, the manager's manager and HR, because of COVID and duty-of-care responsibilities – when we resumed travel in 2021. Pre-trip approvals will now require just two approvals, from the employee's manager and the manager's manager."
– Travel manager, retailer

"We ask employees to prepare an 'ROI' for their trips. I don't think we will ratchet up the trip review/approval process itself, we don't want trip review and approval processes to interfere with people's abilities to do business – but especially for international travel we may have to collect more information, such as their vaccination status, to comply with both entry requirements and our own duty-of-care responsibilities." – Travel manager, global tech/software company

"We've built an infrastructure for heavily-managed travel. The pandemic forced us to become a lot stricter. We implemented a stricter pre-trip review and approval process, focusing on health and biosafety and ease of travel as much as budget. Everyone now has to go through approval process, but the trip approval, and strictness of approval are up to managers' discretion. We'd hoped to build this as something digital, but inconsistencies among our TMC ruled that out. Instead, it's email-based. Managers and the company have more visibility into travel and travelers

now that the stricter policies are in place. They view this as good, in terms of travel management, financial efficiencies, etc."
– Travel manager, global pharma company

"We have a pretty rigid trip review and authorization process. Employees already had to justify their need to travel. In 2022, managers will view internal travel requests with a 'tell me why I shouldn't say no' mindset. We're also going to ask employees to explore scheduling their trips in ways that will allow them to bundle multiple trips into one journey."
– Travel manager, global manufacturing company

Travel policies can affect employee retention and recruitment

▶ **In a hotly contested environment for talented employees, companies don't want to lose — or not be able to recruit—employees over travel policies**

▶ **Corporate travel teams are listening to employees more as they work to align travel policies with employee satisfaction initiatives**

Travel management professionals, along with their colleagues in HR and department heads, are increasingly aware that corporate travel policies contribute to employees' job satisfaction.

Let's be honest: Most organizations view business travel as an expense rather than an investment. As one travel manager commented, "my CEO has absolutely zero interest in helping airline CEOs earn their bonuses." However, travel management professionals, along with their colleagues in HR and department heads, are increasingly aware that corporate travel policies contribute to employees' job satisfaction. Furthermore, with the 'Great Resignation' underway, organizations are actively engaged in numerous efforts to retain valuable employees, minimize employee attrition and recruit well-qualified new employees. With technology supporting a reduction in business travel, we heard how the frequency and duration of employees' business travel have become as, if not more, critical as other travel policy components, such as fare type, cabin class of service and the optional ancillary airline products employees can expense. We also heard acknowledgments that, while small, travel policies can and do affect employee job satisfaction and an organization's ability to recruit and hire new employees.

"We're a venture-backed start-up. Our investors don't want to see us spend their money frivolously. At the same time, we don't want our travel policies to be punitive. We don't want to lose employees over travel policies. Travel policies aren't a factor in recruitment, but how much travel we ask or expect employees to do is a concern for some. We don't force anyone who doesn't want to travel right now to travel. We've adopted what we believe, as a start-up, are common-sense business practices for our business travel. We all fly coach, but we pay for extra legroom seats, Wi-fi on the plane, things like that."
– CFO, start-up software company

"People who want to work in B2B manufacturing aren't seeking glamour. We don't lose too many potential new employees when they learn it's unlikely they'll get to fly in the big seats. Our recruiters are being asked more about how much travel is associated with particular jobs. It's very clear that our new generation of employees isn't fond of business travel, and we have to respect that if we want to the most qualified candidates to join us. We're also not immune to the 'Great Resignation.' We have heard from some department heads and HR that our travel policies have been a contributing factor to a small number of employee departures. I'm concerned some of the [negative] changes we're making to our travel policies may result in more employees leaving if they are recruited by other companies and promised not only better pay and benefits, but possibly also more generous travel policies, elsewhere." – Travel manager, global manufacturing company

"We have to be careful not to be too penny-pinching with our travel policies. Retail's thin margins and cyclicality means our travel policies may be less generous than comparably-sized businesses in other industries. We want our policies to be fair to both the company and our employees. When we made dramatic cutbacks to our travel policies in during the 2008-2009 recession, we lost some key members in various departments. Even in the middle of that awful recession, there was demand for the best professional talent. As we reexamined our travel policies in 2021, our CEO said he didn't us repeating mistakes from the recession. We don't want to lose talented people because of short-sighted decisions. We don't want to lose employees to the great resignation because of our travel policies, either." – Travel manager, retailer

"We're also facing something new now, the competition for talent. Our air travel policy has, frankly, been stingy. We've heavily limited who can fly in premium economy and business class on long-haul flights. In a surprising number of employee exit interviews with HR, we heard that not only employees were leaving for what they considered to be more intriguing professional opportunities and more generous compensation, but also better travel policies. This was a wake-up call to us. Rarely before had anyone told us that they were leaving because they couldn't fly business class. But that was then and this is now. We're making changes."
– Travel manager, global technology company

"Our President has told corporate support teams like ours that we can't lose out on hiring or keeping the best people over something stupid. Our travel polices fall into that."

"We compete very intensely with other top-tier banks for the best talent. Our President has told corporate support teams like ours that we can't lose out on hiring or keeping the best people over something stupid. Our travel polices fall into that. There's been a huge focus on employee work-life balance at investment banks. My department can't stop a tyrannical manager from working his people to the bone, but I can at least make sure that when our employees travel, they will be productive and reasonably comfortable. I've never heard of anyone who's quit for another job citing our travel policies as a reason for leaving." – Travel manager, global investment bank

"We have had employees tell us they wouldn't work here because at the time we didn't allow business class travel. As a result, we did a 'voice of the customer' program. We reached out to employees, asked questions and listened. They were basically focus groups, and they were very effective. Our travel policies have been a focus for our head of HR, who came from another pharma company. He said we have to 'travel smart but travel better.' As a result, we've begun to focus more on alleviating the stress of travel for our employees. Our employees sometimes travel for two weeks at a time. Even before the great resignation, we would lose employees who had to travel extensively because we wouldn't allow them to fly business class on long-haul flights. Not many, but the ones we lost were often very talented. Some of our best performers. So those losses would hurt."
– Travel manager, global pharma company

"In 2019, HR told us that travel demands were cited in about 6% of exit interviews about why people were leaving. It was never the number one reason, but more than half of the employees who left included travel in their five top reasons for leaving their jobs. COVID served as a great reset for this, and not only for our employees, but for some of our top executives. We know now, with so many people everywhere resigning from their jobs and the intense competition to hire people, we have to be more accommodating with our employees when it comes to their business travel."
– Travel manager, global technology company

Companies are aligning their corporate travel policies to align with employee satisfaction initiatives. During our interviews, more than half the organizations said they either had examined or are examining their travel policies regarding their impact on retaining employees and affect new-employee recruitment. But don't interpret this as organizations being willing to spend money without adequate consideration..

Among the 25 organizations interviewed, nine had upgraded or are upgrading their air travel policies, generally by permitting employees to book more flexible fares and, for long-haul flights, expanding access to premium economy and/or business class. Of the remaining 18 organizations, just four had implemented or are implementing downgrades, mostly by restricting or eliminating long-haul premium cabin travel. Eight organizations permit, or will soon allow, employees to book ULCCs, although none had contracted with a ULCC as a preferred airline.

"We have a very hierarchical travel policy, perhaps too hierarchical for today. Our senior execs are allowed to fly business class long-haul and on domestic or regional flights where total journey time is five hours or longer. Mid-level execs are allowed to fly business class long-haul, but that is going to change to business class on overnight flights of seven hours or longer and premium economy, where available for everything else. Lower-level management and almost everyone else has a coach/economy-only policy." – Travel manager, global manufacturing company

"Our employees have been asking a lot of questions. They're concerned about being on crowded planes. They're concerned about being on planes with unruly passengers. Delays, cancellations and other highly publicized problems undermine their confidence in airlines and their ability to get them where they're going on time. They're pushing for more flexibility to fly in premium economy or business class on long-haul flights, because of the additional personal space those cabins offer. Our management has agreed to this for the first half of 2022 and will evaluate plans for the second half of the year in Q2. Domestically, we're giving employees flexibility if there is a nonstop on a non-preferred airline versus a connection on a preferred airline. Our rationale for that is the nonstop reduces potential [COVID] exposure along the way, plus it's obviously faster. Getting our colleagues to their destination and back home again faster may help reduce concerns among our colleagues about resuming their business travel." – Travel manager, global technology company

"We have heard from our travelers that they want more flexibility with carrier selection, schedules and fares. Our travelers have been clear, they want more control over their itineraries and flexibility with them, while still serving their clients. We're using more refundable and flexible fares now, because of COVID-related uncertainty. We expect this won't last too long. The elimination of change fees makes it much easier to manage unused tickets and funds. We are sensing the possibility for conflict, though, where clients may want consultants to use the lowest logical

fare, but the consultant wants to get to and from the client location as quickly and efficiently as possible, to minimize travel time and potential exposure to others. I anticipate this will be an area that we will monitor extensively." – Travel manager, global consulting firm

"I give our CEO credit. He went to our CFO and Board and told them that we can't pinch pennies for long-distance international travel. We're now going to allow business class for long-haul international flights. We can't risk having our people packed like sardines for flights that may be seven or eight hours or longer. Other flights remain coach-only. Our travel policy allows employees to book extra-legroom seats when those are available, but we don't reimburse anyone, even our CEO, for upgrades." – Travel manager, online gaming company

"For domestic travel or travel within Europe, we require employees and independent contractors to book in coach. Employees are allowed to book extra-legroom seats if available, and if business or first class costs no more than $125 or its equivalent abroad we'll allow it on domestic or regional trips of five hours or longer. For long-haul flights of seven or more hours, we allow business class. One of our management principles is 'don't be a [jerk].' Forcing people to fly economy on a long international flight is a [jerk] move." – CFO, start-up technology company

"As a mid-size, research-focused university, we are very mindful about where and how we spend our money. Travel is heavily-scrutinized expense. The [university] administration doesn't want to see money 'wasted' on excessive or 'luxury' travel. We don't buy Basic Economy fares, but pretty much everyone flies coach within North America and between the US and Central America. Members of the administration, department heads and other senior-level university staff fly business class on long-haul flights, though we're in the process of analyzing potential savings for premium economy versus business class based on current airfares and our international travel activity in 2018 and 2019. The initial analysis estimates we'd reduce our international airfare spend approximately 35% to 40% by downgrading from business class to premium economy." – Travel manager, university

"We have reduced eligibility for business class travel. We now exclude domestic or regional business class travel for almost all of our professionals, though we do pay for extra-legroom seats and, where available, premium economy on transcon flights. For the most part, we use business-class for overnight long-haul flights, but on shorter daytime flights, such as those from Europe to eastern US cities, we use premium economy. In the US, with the worst of the COVID pandemic hopefully behind us, we are more certain about employees' abilities to travel, so we have cut back on buying flexible fares, which we did for the little amount of business travel we did in 2020 and 2021, to less expensive changeable but non-refundable fares. We don't use Basic Economy fares. We suppress those in our flight search results." – Travel manager, global commercial bank

Travel managers deploy multi-faceted "voice of the customer" programs to measure their travelers' opinions, satisfaction

▶ **Traveller experience is becoming increasingly important**

▶ **Companies have begun to set traveller satisfaction metrics**

Business travel consumes a great deal of an organization's time and money. It's also one of the most emotional activities in any business or not-for-profit. Atmosphere was encouraged to learn how most of the corporate travel, finance and corporate services professionals we spoke with for this report want their business travelers to be informed about and engaged with their organizations' travel programs. They are also equally interested in seeking their travelers' feedback. The mix includes focus groups, discussion groups, structured 1:1 conversations, webinars, streaming content, information sharing using multiple digital platforms, channels and online surveys. And of course, travelers send a great deal of unsolicited feedback to corporate travel, finance and corporate services departments. Besides being used to guide their travel programs, several of the professionals we spoke with said the information they receive from their travelers can be useful in their discussions and contract negotiations with their preferred suppliers.

> *"We are at constantly publishing information on three different travel-related intranet sites. Our travelers are very good about giving feedback. We used webinars in 2021 to share travel information and they've been phenomenal. They generate a lot of feedback through Q&A. In one webinar, we allocated 20 minutes for Q&A and we went for 45 minutes. Employees are engaged, travel is important to them. We're not afraid of hearing from our travelers. We want to hear from them. They provide us with the clearest picture of what's on their minds, what they'd like to see happen and how we're doing. We get real-time, immediate, unfiltered feedback. We have to share a lot of information now things are different. Health cards, visas, travel restrictions, day of travel, etc. All of that. We have to look at the lifecycle of the journey from point A to point B and back to point A again."* – Travel manager, global pharma company

> *"We look at dozens of factors that affect the traveler experience. For the air travel portion, we consider things such as elapsed journey time, reliability, on-time performance, whether the traveler has to take red-eye or overnight flights, length of time at their destination, access to TSA PreCheck or airport fast track security, airport lounges, in-flight wi-fi, in-seat power, seat pitch, onboard service and a few more items. We share a lot of information on internal communications channels and intranet forums. We have been conducting focus groups among our travelers to learn their opinions about our travel policies, how they feel about returning to travel, booking tools, expense reporting tool and other related topics. We do UI and UX testing when we want to make changes to our digital travel tools. We conduct our own in-house surveys of our business travelers about their trips, almost like a customer satisfaction survey. We use the relevant findings when we're discussing things with our TMCs and key suppliers and also as part of our supplier sourcing negotiations."* – Travel manager, global technology company

"We [the corporate travel department] bear complete responsibility for the traveler experience. We had our marketing research team develop a survey which we send to each traveler at the conclusion of a trip. It incorporates a version of the Net Promoter Score, which we use to measure satisfaction with the TMC, airline, hotel and other suppliers that were used. We also use this to track when problems occur and their resolution. We use the relevant data as part of our negotiations with suppliers when our contracts with them come up for review." – Travel manager, global technology company

"This is a keenly important topic to us [corporate travel]. We invest a considerable amount of money in our business travel and our colleagues invest a considerable amount of their time. We conduct internal focus groups about our travel program, suppliers, etc. We have quarterly employee webinars, sometimes with a guest speaker from our one of our TMCs or one of our preferred suppliers, allowing ample time for Q&A. These are almost always well attended. We send surveys to randomly selected travelers following their trips. These include an NPS [Net Promoter Score]-like scoring for the suppliers used. We aggregate the data and share pertinent information with our colleagues in Strategic Sourcing [procurement] and Corporate Services, plus our suppliers. When it makes sense to do so, we also use the data in RFPs and contract negotiations." – Travel manager, global investment bank

"We're in the hospitality business. Customer satisfaction plays a central role in our business success. We incorporate this into our traveler experience. We have a travel forum on our intranet. We schedule live, interactive travel webinars with Q&A sessions at least once a quarter; recently, with more business travel taking place, we sometimes hold these monthly. We record them and we've been surprised at how many times they're viewed. If we are considering major changes to our travel policies, or adding or dropping certain suppliers, we'll conduct some focus groups among our travelers and survey our travelers as well. And, of course, we send our version of a customer satisfaction survey to our employee travelers after their trips. In 2020 and 2021, we modified these to ask about topics such as compliance with biosafety directives such as compliance with masking requirements, enforcing social distancing, and cleanliness. We view all of this as an invaluable feedback loop. The results have helped us with some of our sourcing decisions." – Travel manager, hotel ownership company

"We have an internal travel forum and a channel on Slack. We have conducted some 'voice of the traveler' online discussions groups to learn how people feel about returning to travel, our travel policies, our TMCs, hotels, and the expense reporting solution we use. We don't focus much on airlines, because to be honest everyone hates airlines and we know there's not much they will do, especially since we don't fly all of our people in business class." – Travel manager, global manufacturing company

"We receive plenty of unsolicited feedback from our travelers about the airlines, hotels, and other suppliers we use. We regularly survey our travelers and conduct additional outreach to our more frequent travelers. We also host internal online discussions, similar to focus groups but more casual. We have an internal travel forum that rivals FlyerTalk with rooms for various airlines, alliances, hotels, restaurants, and more. It's extremely popular." – Travel manager, global consulting firm

Sustainability is becoming a top corporate travel focal point

▶ **Corporate travel may be a "scope 3" source of greenhouse gas, but it is still expected to contribute to organization sustainability efforts and objectives**

▶ **Sustainability is expected to change everything about how organizations view their travel programs**

Of all the topics we discussed, nothing matched sustainability in terms of the energy, passion and dedication we heard across the 27 professionals interviewed. Even those without formal sustainability programs recognized that sustainability will be a significant factor affecting their travel strategy going forward. Worth noting is that all of our conversations occurred before the US Securities and Exchange Commission (SEC) announced it would require large companies to disclose their sustainability activities, which would eventually include the climate impact of their corporate travel, as part of their financial reporting.

Some companies, notably Microsoft, have been working on their corporate travel sustainability activities for several years. Starting in 2012, Microsoft developed an internal "carbon tax," which it applied to its business units' air travel and electricity. In 2017, the company began to estimate the carbon footprint of its business travelers' hotel stays. The company also created four travel personas to help its business travelers better understand how their travel behaviors affect their travel-related carbon footprints to help employees improve their behaviors. In March 2022, Microsoft announced it was increasing the internal "carbon tax" as part of the company's larger corporate objective of being a "carbon-negative, water-positive, zero-waste" organization by 2030. Other organizations, including Capgemini, Zurich Insurance and Intuit have embarked on travel-related emission-reduction efforts and other sustainability-focused activities.

In our interviews, several professionals mentioned how their companies wanted to beat key competitors in becoming the first to meet their sustainability objectives.

"Our CEO has made it clear to us, in very stark terms, that he wants us to beat our key competitors to becoming carbon-neutral by 2030. We're all on the hook to help achieve this. No pressure." – Travel manager, global investment bank

"We're a relatively small, relatively new company, but our CEO has challenged us to become a zero-waste, carbon-neutral organization by 2029. That's a year ahead of most of our key competitors, most of whom are very large, very well established businesses with far greater resources. I spend more time now focusing about how we get our travel-related carbon emissions to zero by 2029 than on almost anything else. This is one of the most interesting, exciting professional challenges in my entire career." – Corporate services director, start-up technology firm

"Sustainability [is] going to change almost everything about how companies think about their travel programs, how we manage them and how people travel."

As a consulting firm working with several clients on their sustainability strategies, our senior leadership believe it's imperative we are first of our peers across the zero-emissions goal line by 2030. They believe this will bolster our expertise and credibility. As a result, I probably spend between 10% and 50% of my time every day working on our corporate travel sustainability efforts. Sustainability will have as much, and maybe more, impact on corporate travel as the jet engine, revenue management and the Internet. It's going to change almost everything about how companies think about their travel programs, how we manage them and how people travel."
– Travel manager, global consulting firm

Organizations working to make their travel programs more sustainable

▶ **Some organizations began incorporating sustainability actions into their travel programs several years ago**

▶ **Organizations are incorporating travel-related sustainability messaging across multiple booking and communications platforms**

Of the 25 organizations interviewed, 20 already include corporate travel in their broader sustainability decisions. The five whose companies aren't yet including travel in their sustainability plans expect travel will be added before the end of 2022, illustrating how companies recognize the need to swiftly include the function in their sustainability endeavors to meet employee, investor and public expectations.

Many of the professionals interviewed shared how they are actively engaged in multiple ways to incorporate sustainability-related activities within their corporate travel programs. We were told:

We began incorporating environmental messaging into our travel portal and booking engine in 2019. We update and evolve the messaging, of course, and are exploring ways to elevate the visibility. We have also launched travel-related sustainability messaging into the pre-trip approval process." – Travel manager, global beverage company

"Our TMC has created what I call 'sustainability in a box' program around carbon-sensitive travel activities. It's a wrap-around program with multiple components. It's early stages, but it's a good start." – Travel manager, global pharma company

"We will use the estimated carbon impact of a flight as the primary metric to measure and present to travelers. We plan to message this enhancement on our travel portal, internal travel forum, Slack channel and our employee newsletter. We'll present the estimated carbon impact on flight search results on our travel booking website and online booking tool and though our call center. And this is just a start. We are exploring more, including a possible carbon budget." – Travel manager, global commercial bank

"Our employees pushed us to let them book nonstop flights, even when more expensive than connecting flights, which was a pre-COVID travel policy, citing reduced emissions. We preference displaying LEED-certified hotels in our online booking tools and through our TMC call center. Within Europe, we preference inter-city rail over air, especially when it's high-speed rail, on many routes that are less than 400km. This started primarily based on convenience and cost, but in the last few years, rail's lower carbon emissions and reduced carbon impact compared to air has had a measurable impact. We're at the beginning of this travel transformation process."
– Travel manager, furniture maker

"I plan to discuss with our CFO our current policy that encourages employees to take connecting flights if a nonstop flight costs at least 20% more, which I'd like to drop. From a sustainability standpoint, nonstop flights are obviously better. This is a policy that really makes no sense and goes against both our sustainability objectives and common sense. I'm hoping our CFO will let us drop it." – Travel manager, retailer

"We're continuing use of video conferencing, of course. We have just begun to communicate the environmental impact of a trip in our travel booking portal and expect to show the carbon impact of flights by mid-year [2022]. We have begun to explore various options to establish carbon budgets, whether they should be by trip, by employee, by month or quarter or year and so on."
– Travel manager, university

Multiple hurdles challenge sustainability efforts

▶ **Organizations acknowledge sustainability will have long-lasting impact on how they manage corporate travel**

▶ **Many, but not all, organizations have begun their travel-related sustainability efforts; stragglers know they will have to follow**

For many organizations, the use of green or renewable energy in manufacturing processes and the materials used in packaging is easier to control than travel.

Travel has been classified as a "Scope 3" greenhouse gas emission (GHG) by the Greenhouse Gas Protocol and organizations that are aligned with it, such as the US Environmental Protection Agency (EPA) Center for Corporate Climate Leadership. The EPA's website defines Scope 3 GHG emissions as: "Emissions that are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts its value chain," continuing, "The scope 3 emissions for one organization are the scope 1 and 2 emissions of another organization. Scope 3 emissions, also referred to as value chain emissions, often represent the majority of an organization's total GHG emissions."

Of the 25 organizations interviewed, 17 said that sustainability will have a "heavy" impact on their organizations' travel policies this year (2022). Five said sustainability will impact their travel policies in 2023-2024. Just four indicated that sustainability would have "little" impact on their policies – and one of those four clarified that this was because her organization had been working for several years on its sustainability efforts, "normalizing" corporate travel-related sustainability activities as a result.

"Our company has set a goal of being carbon-neutral by 2030, across all aspects of our business. Travel is classified as a Scope 3 greenhouse gas emitter and my company's leadership understands much of what happens with our travel is outside our immediate control. But that's no excuse. Sustainability will create major, long-lasting changes to how we manage our corporate travel program and how our people travel." – Travel manager, growth-stage CPG firm

"Sustainability is one of our top corporate priorities. And while other parts of our operation, like manufacturing, will be more directly involved, our CEO has told us we must all identify more sustainable ways of doing business. Even for those of us who work from home have to share ideas. I unplug my computer and printer at the end of the day, for instance." – Travel manager, global technology firm

"Our employees began pushing us in 2017 to do more about sustainability. We're an early-stage digital media firm, and our employee base is relatively young. They've been very clear to our management and leadership: What the company does about sustainability influences how they view the company. They expect us to focus on our sustainability activities across every part of our business, including company travel." – Travel manager, multinational digital media firm

"We are sharing travel-related sustainability information and content with employees across multiple channels, including Slack, employee forums, our digital booking channels, call center, etc. Our booking channels now show the estimated carbon impact of the flights the employee is planning. We've added sustainability-related messages in the employee travel portal and in the travel newsletters that we send. We are starting to work with administrative and team assistants, who do a lot of our travelers' travel booking, to make sure they are as informed as our travelers about our travel's environmental impact and the steps we can all take to reduce our carbon impact. This isn't about 'flight shaming,' it's about educating our colleagues so they can make what they consider to be the wisest possible decisions for their trips."
– Travel manager, global investment bank

"We have launched our carbon budget program, along with other initiatives such as messaging on our booking tools and channels and showing the estimated carbon impact of flights in the flight search and booking processes. Let me be clear, this is our starting position. I'm not sure there will ever be an "end" position. Our corporate sustainability focus will be ongoing." – Travel manager, global tech firm

"We want our business travel to be as harmless to the planet as possible."
– CFO, start-up technology company

As encouraging as these comments are, it's clear not every organization is yet on board.

"We are working on sustainability measures, but they aren't yet focusing on travel. As an industrial company, it's more critical that we address sustainability efforts in our manufacturing activities. There is far more focus on our scope 1 greenhouse gas emissions, whether our wastewater is as clean as it can be and the amount of power our factories consume than the impact of our business travel. Plus, the travel industry itself seems to just be starting to focus on this."
– Travel manager, global manufacturing company

"Our travel-related sustainability program is coming. We're not there yet. We're starting a program that puts the onus on individual employees, that applies to all employees worldwide, to change their own behaviors and habits in ways that are directionally helpful for the environment."
– Travel manager, global pharma firm

Corporate travel professionals have discussed sustainability with preferred airlines, say much work still required

▶ **Complexity, cost of mission-critical items like sustainable aviation fuel means airlines are years away from becoming truly "green"**

▶ **Critical mass of travel professionals have begun to work with their key airline partners on other actions that can help them make their corporate travel programs more sustainable**

Cirium offers emission data by flight through it's Global Aircraft Emission monitor.

Seventeen of the 25 organizations we interviewed have discussed their sustainability objectives and airline-related expectations with their preferred airlines. The travel managers and other professionals we spoke with universally recognized that much of what airlines need to do to be "greener" is complex, expensive and based on initiatives with long lead times. Notably, while sustainable aviation fuel (SAF) is considered one of the most critical elements to help airlines reduce their carbon emissions, SAF's biggest challenge is scalability. Though many airlines have stated they would like at least 10% of their fuel to be SAF by 2030, IATA estimates that SAF accounts for merely 0.1% of current global aviation fuel production. How, and whether, the massive chasm in current SAF production and future needs will be scaled is a topic corporate travel professionals must follow.

In our conversations, we heard mixed comments about airline sustainability efforts.

> *"We have been following initiatives such as SAF and Sustainable Aviation Buyers Alliance (SABA). We've spoken with our preferred airlines. They've signed onto the World Economic Forum's 'Clean Skies For Tomorrow' initiative. One of our preferred carriers is developing a solution where corporate clients can contribute to SAF purchases, which we like because it will count toward our scope 3 emission reduction goals."* – Travel manager, hotel management group

"Sadly, a few carriers spout meaningless PR platitudes and talking points. I find that frustrating."

> *"We've spoken with the core group of airlines we work with. It's a mix. Some are very engaged. They've discussed their involvement with various initiatives on SAF, their work with aircraft and engine makers and how they're even exploring ways to safely modify the routes their flights take that can reduce fuel consumption and, thus, emissions. Sadly, a few carriers spout meaningless PR platitudes and talking points. I find that frustrating."* – Travel manager, global entertainment company

> *"We've spoken with various airlines and alliances. I appreciate their predicament. I know what they need and want to do will take time, is very complex and is very expensive. I don't think it's far-fetched to imagine we will soon be in a situation where we will be forced into a trade-off between lower fares and lower carbon emissions. I'm concerned that my company will choose the savings."* – Travel manager, global manufacturing company

> *"Our preferred airlines all tell us they're working on various strategies and solutions to be more environmentally responsible businesses. They've walked us through what they're working on and the complexity of the challenges they face. We believe them. And it's not like we're innocent here. When we were pushing them about why they couldn't expedite the development of sustainable aviation fuel, our account manager asked us, 'And when will you have nothing but electric-powered trucks delivering your products?' Point taken."* – Travel manager, global beverage company

Corporate accounts and TMCs are generally aligned on sustainability strategies and actions

▶ **21 of 25 organizations have discussed their corporate travel-related sustainability objectives with their TMCs**

▶ **Organizations acknowledge whatever they do with their TMCs, projects will involve multiple phases and incremental progress**

Corporate travel managers are looking to their TMCs to help provide sustainability solutions.

Sustainability is important to businesses, so by extension it's important to travel management companies (TMCs). TMCs are understandably, dedicating resources to a mix of sustainability efforts. These include developing solutions that can present estimated carbon emissions for flights — and even by type of aircraft — as well as other travel services, such as hotels, gas-powered rental vehicles, inter-city rail and more. TMCs are categorizing hotels as LEED-certified, making carbon offsets available for purchase and developing sustainability-related consulting services.

Among the 25 organizations interviewed, 21 had discussed their travel sustainability objectives with their TMC or designated travel agency. Two organizations hadn't discussed this topic with a TMC, because both are relatively small start-ups not currently using a TMC (the other two interview participants weren't sure about the status of their organizations' discussions with their TMCs). Almost all that use TMCs shared positive comments about their sustainability-related collaborations with their TMCs. One, however, did not.

"Our TMCs have been very, very helpful. We're working with them on several improvements to our booking engines. We want to show the carbon impact or footprint of a person's total trip. We're currently trying to determine which component to launch first, air, hotel, car, or rail. Part of the challenge is obtaining accurate data. We recognize we will probably launch with the equivalent of an MVP [minimally viable product]. Our TMC is working with us side by side. As a software company, we know it's important to have a clear, defined roadmap for future improvements."
– Travel manager, global technology firm

"Our TMCs are working on several solutions. One is the ability to inform travelers about the estimated carbon impact of flights within the booking tools. They're developing messaging campaigns for our travel portals. The first messaging campaign should be available no later than April, and we hope the carbon impact information for flight shopping will be available this summer."
- Travel manager, global manufacturing company

"We asked our current travel agency if they have, or are developing, sustainability tools. They gave us an empty response. We called them on their BS. It was clearly a 'caught you with your pants down' kind of moment. We'd already begun discussing the possible need to change our agency, this reinforced our decision." – Travel manager, online gaming company

"Our TMC is working on various solutions that will help us. For example, they are working on messaging-related enhancements to the booking tool and the flight booking path. We're working with them on how to present flights based on their carbon impact as well as schedule and fare. I'm not sure when we'll launch this, though we hope it will be live by midyear." – Travel manager, retailer

Data, analytics, AI and even the metaverse will have roles in travel management's future

▶ **Corporate travel teams live, breathe and eat data to improve spending, efficiency – and service to their travelers**

▶ **Corporate travel's growing reliance on data, AI and emerging technologies affect the job skills hiring managers seek in new employees**

Contemporary corporate travel management is a prolific producer and consumer of data. We acknowledge this is not news. What is noteworthy are the broader strategic technology developments, in particular components of Artificial Intelligence, such as machine learning and predictive analytics. These new tools are expected to offer great potential to help corporate travel managers make smarter, better-informed and increasingly proactive business decisions. This will help corporate travel departments strengthen their abilities to fulfill their duty of care responsibilities, ensure they meet negotiated commitments with their suppliers and help keep travel programs within budget.

That's not to say other existing or emerging technologies aren't of interest. The IATA New Distribution Capabilities (NDC) and ONE Order programs were mentioned several times. A few travel managers even brought up the metaverse.

> ### "We live, breathe, and eat data."

"We're a tech company. We live, breathe and eat data. We're always using our data. Channel data, O&D data, expense data and more. We use data from HR, including the pertinent data about company travel from our annual employee work satisfaction surveys." – Travel manager, global technology company

"Because we are a bank, we've always been very financially-, data- and analytically-focused. We're intense, aggressive users of our data, such as O&D, carrier and spend, to monitor policy compliance, meeting contractual obligations and getting the best possible return on our travel investment." – Travel manager, global commercial bank

"We're planning to increase and improve how we use our business traveler data to help with our planning and travel spending. As more clients negotiate agreements where travel and related expenses are included in the fees they pay, we need to better understand these and use both our data and tools like predictive analysis to identify opportunities where we can improve compliance, make sure our travelers are booking the smartest options, and better control our expenses. I believe this will also be useful for our colleagues in our Finance department, such as helping them plan cash flow, taxes and tax recovery, etc." – Travel manager, global law firm

"We're a technology company. Data is everything to us. We absolutely have used, and will continue to use, traveler data as part of our sourcing, planning and decision-making process. We look at O&Ds, airlines, fare classes, what was offered versus what was booked, booking-versus-travel dates, fare paid, ancillaries purchased, channels, itinerary modifications and cancellations and more. As we receive it, we use information about the various NDC bundles our eligible employees purchase – and decline. We use our traveler 'customer satisfaction' survey data as well. We also share our data across the enterprise where it will be helpful." – Travel manager, global technology company

"We began using our traveler data in earnest in 2016. Analyzing our data has helped us uncover potential benefits from trip bundling, better itinerary planning, and evaluating the potential savings from moving our long-haul travel to premium economy from business class. I know there's a lot more we can do with our data. We have received approval from the University Administration to develop the next phase of our data analysis tool which will make more use of predictive learning, as a project for some students from our business and computer engineering schools to work on with us." – Travel manager, university

"We absolutely use our traveler data to inform our policies and decision-making, both internally and with our suppliers. When we had a lowest absolute fare policy, I used our data to prove the cost of the employee time we lost when faster, more convenient and only slightly more expensive other flights were available. I've used the data to aid our supplier negotiations, determine compliance, and prove the case for issuing corporate credit cards." – Travel manager, global manufacturing company

"Data will take on an increasingly larger role in my job. My job has become steadily more quantitative and data-focused. I believe we do a good job collecting and analyzing our travel-related data, but I know we can and must do more. I've been talking with our CIO about how we can apply artificial intelligence to our travel and travel-related expense data. In a perfect world, I'd like to use AI to help us improve our planning and forecasting, ensuring we stay within planned budgets and, ideally, identify the employees or departments that are most likely to exceed their budgets, improving compliance, identifying situations that may trigger non-compliance, meeting contractual agreements with our suppliers and even helping to determine which flights are most likely to be on-time so we can give them preference in our flight search displays." – Travel manager, retailer

"We're always looking at our data. But there's no one thing that has been a surprise. Nothing yet has caused us to change our travel policies. But we hope to add a new business intelligence system that will get feed from our HR database, expense reporting, the TMC and more. That may help us do better with meeting spend, which is tracked differently from regular travel expenses. We're building a global meetings program. Some of our external meetings and events are regulated, because we're a pharma company and we need to show compliance with various regulations." – Travel manager, global pharma company

"As we've been working on the job description for the travel coordinator or manager we plan to hire, we've spent a lot of time discussing the various professional skills the candidate will need. We've agreed that strong data analysis skills are among the most critical. We had to talk our CFO out of including 'Excel jockey' as part of the job description." – CFO, start-up technology company

"I'm a bit of a technology nerd. I worked with our IT department to implement predictive analytics in 2015 and Machine Learning in 2017. We use this to refine our flight, hotel and other search results, anticipate when we are likely to grossly underperform or overperform on our airline and other supplier commitments and trending for expenses budgets and other financial measurements. Conferences and events play large roles in how companies like ours market our products to potential clients. I'm starting to explore whether the 'metaverse' will be viable for us to use as a marketing channel, to reduce the need for us to travel and exhibit at some events. If it works, and I know that's still a few years away, it could help us cut tens of thousands of dollars, maybe more, from our events travel budgets." – Travel manager, global hospital equipment manufacturer

Travel managers are optimistic – even exuberant – about their professional futures

▶ **Corporate travel managers say their roles are now more strategic and forward-looking compared to before COVID**

▶ **Travel managers cite closer, more collaborative professional relationships with other department heads as a key benefit**

Allow us to set aside the need to be dispassionate analysts for a moment. The 27 people we interviewed for this report are all highly accomplished, highly dedicated business professionals who take great pride and enjoyment in their work. They view corporate travel as a function that provides a critical service to their employees who travel and a central role to their employers' abilities to succeed. Whether they hold the role of travel manager or work in finance or corporate services, all acknowledge the numerous challenges and complications that exist in managing corporate travel – challenges and complications that were highlighted when the COVID pandemic began, and during a two-year period of nearly constant change.

Those who work in corporate travel management, especially those who consider themselves to be "veterans" of the practice, have seen the function evolve in incalculable ways. We asked the 23 travel managers we interviewed how they see their roles, and the role of travel managers in general, evolving during the next three to five years. Their comments provide only a portion of the picture. What we are regrettably unable to share is the excitement and energy we heard as we discussed this topic.

"We have evolved from order-takers to problem-solvers. I see my role evolving to be more aware of global issues that affect travel – which, I guess, could be almost anything. Health, political and financial stability. Financial markets. Weather and climate. National and corporate security. Cyber. New and evolving technologies. And, of course, transportation and travel news. I remember a comedian who used to joke he never got any respect. That used to be corporate travel. With apologies to that comedian, we get a lot of respect now. We literally helped pluck people out of countries whose borders were shutting down, or whose home country borders were closing, when COVID erupted. We didn't just receive thank you texts and emails, we received handwritten thank you letters from grateful employees and, in more than few instances, their spouses. We now work more closely and collaboratively with more departments. It's wonderful." – Travel manager, global investment bank

"In the next couple of years, I expect my role will transform into something resembling a data scientist. We're very committed to increasing the relevant data we collect, and to making more and better use of our data, in order to make more effective decisions. We want this data to guide us in every possible way – travel compliance and non-compliance, flight O&Ds, budget management, supplier negotiations, and probably 10,001 other things. We intend to share this data across the organization so department heads and their travelers can make sure they're staying within budget, identify areas for improvement, but also identify areas where the company needs to improve things.

If we do this well, we could possibly usher in a new 'golden age' of corporate travel management." –
Travel manager, global beverage company

"I never set out to run a travel department. Earlier in my career, I was working in Finance at another company and was assigned to look at our travel department to see if there were ways to make it more cost-effective without ruining everyone's lives. Somehow that morphed into becoming a travel manager. My job really changed during the pandemic, in part because of our growth but also because of how travel itself has changed. I remember scrambling to bring people back home when various borders began to close in early 2020 as COVID spread. As we grow, and as we start to hit the various thresholds airlines set to be eligible to negotiate fares, I see my role evolving to take that on. As a small-ish company, I already have a close relationship with our CFO and Finance team, with HR and with various department heads. I hope I don't lose those as we grow, because those relationships and the communication we have contribute a great deal towards making my job enjoyable, manageable and effective." – Travel manager, online gaming company

"The way the role is changing in managed travel is the recognition that whoever is responsible for travel is taking on the responsibility for employees' well-being when they're traveling and how they travel. This goes beyond duty of care. This goes beyond a good travel experience lending itself to efficiency. We're dealing with physical and mental health consequences for the travel decisions we make, the choices we make. There is stress when you travel – will you end up being locked up in a room for 10 days? Will you be able to get home? COVID increased our visibility with senior leadership and increased our respect within the company. We now have much tighter coordination with departments such as HR, benefits and global security. I have direct contact with senior leadership, whether individually, through a task force, or some other means, to process decisions. We supply information to make decisions. It's unique for our company. Our CFO is very supportive. Travel is not going to go away. Our CFO told me, 'We need your attention more than ever as our travel manager.'" – Travel manager, global pharma company

"I expect my job will become even more data-driven, even more technology-based and even more focused on strategic matters. Corporate travel now is about much more than negotiating contracts with suppliers and enforcing compliance. Our profession, our roles as travel management leaders, is ensuring our travelers' physical and mental well-being. Travel in the 21st Century has become steadily more complicated and stressful. And right now, business travel is an emotional minefield. Will you be exposed to someone who is COVID positive while traveling? Will you be on a flight that is delayed or cancelled because of unruly passengers? Will borders remain open? Will you pass a required COVID test, and what happens if the answer to that is 'no'? Can you honestly blame a business professional today for saying 'no thanks' to business travel? I also expect and want to evolve my role so I can spend more time helping to develop, grow and mentor my team. I work with wonderful people and have a responsibility to help them achieve their professional objectives." – Travel manager, global software company

"I'm not sure how much more my job can change given all the ways it's already changed! Clearly, as we grow, as we deal with more people returning to offices, but also with so many working remotely and with COVID remaining a threat to health in so many places, I expect I will continue to be stretched and pulled in many new directions. And of course, we still have to manage our TMCs, our supplier relationships, our budgets and our own department. We have a lot more respect now than in 2019, not that people didn't respect us before. As the COVID situation grew in early 2020, and especially when borders began to close, we scrambled to get employees back to their home locations. I don't want to brag or seem arrogant, because a lot of people in this company worked 24/7 to make sure employees were safe when COVID struck. But our department had a unique role. The pandemic helped transform employees' views of us from the 'I need a flight to Denver" department to a group that provided a valuable service and care for our employees, especially when*

emergencies occur. We all feel very proud, and I think we earned that." – Travel manager, global technology company

"Our department was always visible before COVID but I feel we are now more respected than before COVID. I sometimes feel like I'm the worrier-in-chief. Duty of care is not a responsibility I take lightly. Obviously, I need to stay on top of matters like COVID and geopolitical affairs. I'm concerned my role may become one where my colleagues and I are seen as ogres, as impeding progress, because of the company's intense focus to minimize travel spending. I can't let that affect my role as a manager, as a leader. I know I will need to work hard to sustain and I hope even improve my team's morale." – Travel manager, global manufacturing company

"I've always said that if travel managers were to run away to join the circus, we'd all be jugglers. We're used to simultaneously managing dozens, hundreds of different projects and tasks. My job has evolved more in the past two years than at almost any time since I've been in corporate travel. I think the growing importance of sustainability will have an incredible effect on my job and our department's role and obligations. We're now viewed as more of an essential department and function. A lot of organizational silos between our department and other groups were busted down during COVID and I couldn't be happier about that." – Travel manager, global entertainment company

"My role certainly has evolved. When COVID first hit two years ago, it seems like I did nothing but track down travelers in various parts of the country and the world and make sure they safely returned home as quickly as possible. In a way, I feel like a 'corporate Mom,' making sure no one goes where they shouldn't. COVID sucks up the oxygen in the room, but I will always have to be confident our travelers are safe, that they can accomplish their professional objectives and that we do everything possible to make sure their trips are productive and successful. I'm in a much more consultative role than I'd imagined. We're certainly doing more data analysis and then using that to inform various strategies and decisions. I know my role will evolve, but probably in smaller ways and over a longer time-frame than the travel manager at a 'BTN 100' firm." – Travel manager, university

"The job has moved far beyond negotiating good prices with suppliers and making sure employees comply with travel policies. Those form the table stakes for contemporary corporate travel management. COVID transformed our department and the role we play within our organization. We're now considered a critical employee service due to the constant gyrations and changes we've seen during the pandemic. In the past two years my department has had to deal with the impacts from a health pandemic, constantly changing travel restrictions, weather disasters, changing business environments, labor shortages at airlines, the 5G crisis and, because all that wasn't enough, a war. I feel we've been in a high-speed marathon for two years, and we're holding our own in the race. In the next year, the biggest areas where my job will evolve are in sustainability, making more and better use of our data, examining whether our travel-related duty of care responsibilities and tools are as effective as they need to be and looking at new tools and technologies that can serve our travelers or our department better." – Travel manager, global software company

"I anticipate many of the tasks in travel management will become increasingly automated. And I'm not talking about five or ten years down the line, I mean within a year or two or three. As automation and software tools like artificial intelligence become more widely-used and effective, I anticipate that my role will become increasingly more strategic. I expect the role of the corporate travel manager will become even more forward-looking. What can we do better and more effectively and how? We're already major users of our data, and I expect this will only increase. I expect we will use our data, AI, and other automation to refine everything from proactively suggesting to travelers when they'd be better off traveling, to avoid delays, to creating a dashboard

within our travel portal to guide travelers who may have to travel on when would be the best time to actually book, to making our supplier negotiations even more efficient and effective for both us and our partners. I also expect that my role will have to embrace a broader view. COVID made many of us realize we have a responsibility to look beyond the traditional boundaries of our professional roles and do more 'what if?' thinking. Even when COVID is eventually classified as an endemic disease, I know I will have to pay attention to whatever may be the next destabilizing event. Because no matter what these events will be, no matter what will cause them, they will more than likely affect business travel." – Travel manager, global beverage company

Data is at the heart of everything, but sometimes it is necessary to go to the source and listen directly to the people at the center of corporate travel. Sustainability, traveler experience and travel purpose will all have a critical impact on the long-term look of business travel and its recovery.

The role of the corporate travel manager is becoming more strategic. It's a more balanced role blending cost control, compliance and enabling travel with a purpose. Just as corporate travel is different now compared to before COVID, so is the role of the corporate travel professional. Corporate travel professionals rightly see a bright future – futures that will hopefully see them interacting with a wider sphere of leaders at their organizations, as they help them understand why corporate travel is about much more than "book me a flight to Denver."

RESOURCES

LEARN MORE ABOUT ATMOSPHERE RESEARCH

TRACK BUSINESS TRAVEL RECOVERY ON THE CIRIUM THOUGHT CLOUD

REQUEST A DEMO OF CIRIUM AIR TRAVEL ANALYTICS AND TOOLS

LEARN ABOUT CIRIUM AIRLINE PLANNING TOOLS AND SCHEDULES AND ROUTES DATA

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[1] The metaverse is a series of technologies, including virtual reality and artificial reality, that will be integrated to create an immersive environment that blends the physical and digital worlds. Source: "What Is The Metaverse, Exactly?" Wired, November 25, 2021. https://www.wired.com/story/what-is-the-metaverse/

[2] "People who were bedridden for at least seven days were about 60% more likely to experience symptoms of depression, according to a study published in The Lancet Public Health. That contrasts with those who had COVID but weren't bedridden, who were less likely to experience depression and anxiety than people who never had the disease at all." Source: Bloomberg News, March 14, 2022. https://www.bloomberg.com/news/articles/2022-03-14/serious-COVID-linked-to-higher-risk-of-depression-months-later

[3] Source: Atmosphere Research Group's US Travel Online Survey, Q1 2022, Atmosphere's UK Travel Online Survey, Q3 2021, and Atmosphere's South Korea Online Survey, Q4 2021.

[4] Source: "The S.E.C. Moves Closer To Enacting A Sweeping Climate Disclosure Rule," New York Times, March 22, 2022.