

BUSINESS TRAVEL TRENDS FOR 2022

DECEMBER 2021





BUSINESS TRAVEL TRENDS IN 2022

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The COVID-19 pandemic has dominated our lives for the last two years, and the recognition of Omicron as a variant of concern may see this continue for a while longer. This focus on COVID-19 is entirely understandable. It's most likely touched all of us at a personal level in some way. And of course, the restrictions that accompanied the pandemic caused significant damage and disruption to business travel. We're now coming closer to emerging from the crisis, even if that means simply learning to live with COVID-19; a position many countries are now adopting. That doesn't mean things will be exactly the same as they were before the pandemic. Some practices brought in in response to the pandemic may endure beyond it, and travel is likely to remain more complex for some time. The last two years have also been a time for reflection, leading to a **refocus on new priorities** for the future.

What does this refocus mean for travel? We've identified a short list of trends, which we think will come to resonate with both travel managers and travelers during 2022. We'll be tracking them over the next 12 months and beyond, and when we think the time is right, we'll report on some of them in more detail. To give a taster of what lies ahead, we've compiled this report outlining what we think will be trending in business travel in 2022.



THE VALUE OF BUSINESS TRAVEL

How business travel matters

In the past 20 months or so, a good share of day-to-day work communication moved **online** with little to no loss in employee productivity and company bottom lines. Companies were forced to quickly adapt to new work settings and extensively use virtual communication technologies. The hybrid and remote work setup functioned surprisingly well for many employees and employers.

While business travel came almost to a complete halt, many businesses recorded high profits. Understandably, executives started wondering if past travel volumes had been needed at all and what business travel should look like in the future. For answers to these questions, they can find some clues from the results of our July 2021 survey of 738 business travelers. **Three quarters** told us that business travel helps them perform their work efficiently and provides an **irreplaceable** opportunity to meet with their colleagues, clients and business partners in-person (Fig. 1). For around a half of the respondents, business travel provides a source of job satisfaction and also boosts productivity, both of which should be good news to their employers. Only a small proportion of

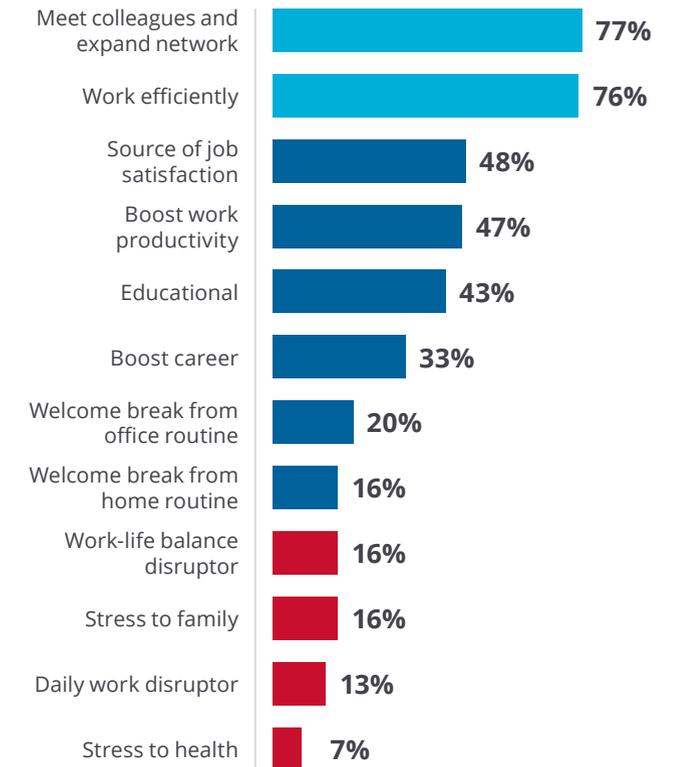
employees raised negative aspects of business travel, such as the stress it creates for their families, health issues, or the disruption to their work-life balance.

Remote isn't the only way

The number of remote, screen-based interactions has grown incrementally since the start of the pandemic. Technology has forever changed the way we work. But online isn't the best solution for all meeting types. Video calls work well for certain types of meeting, but sometimes it's more productive to conduct business **in person**.

Certain types of collaboration are more efficiently done **face-to-face**. We still need to visit clients and prospects, physically see, touch and experience products, shake hands, build contact and maintain human relationships. As our research shows, traveling employees consider in-person client meetings as the most important reason for business travel: **Three quarters** say it's extremely or very important to meet clients **face-to-face**. At the same time, internal company meetings are most vulnerable to substitution by virtual solutions.

FIGURE 1
THE VALUE OF BUSINESS TRAVEL



Source: BCD Travel survey of 101 travel buyers, April 2021



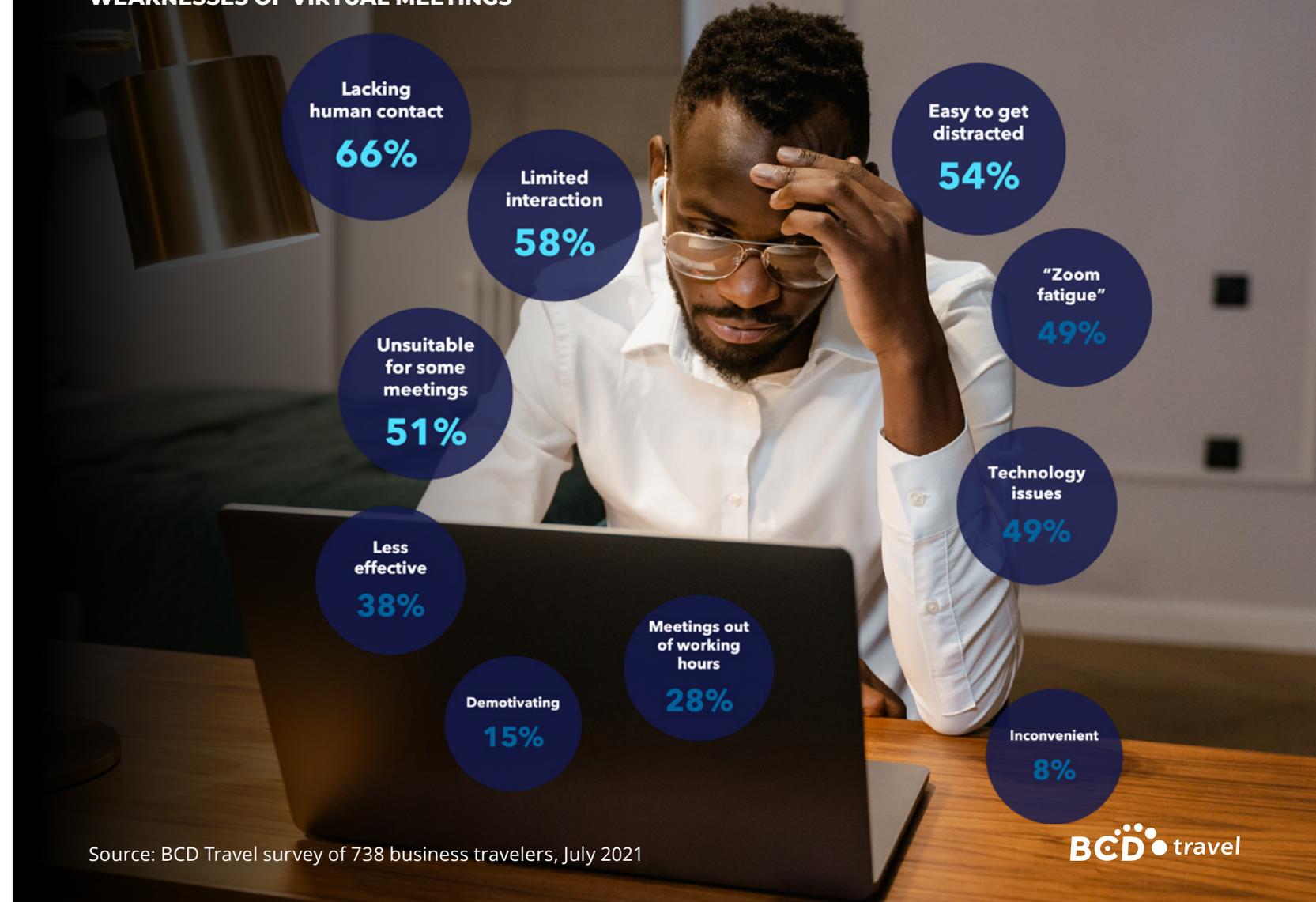
Virtual meetings have their weaknesses

While virtual meetings and remote working are clearly here to stay, they're unlikely to herald the death knell for all business travel. Employees recognize virtual is not the only way and they're increasingly raising concerns about the prospect of relying on screen-based interaction as their primary meeting method.

Virtual communication is particularly ineffective for relationship building. After 20 months of restrictions, pent-up demand for face-to-face meetings with clients, partners and colleagues has never been so high. Unlike meeting in-person, virtual meetings lack human contact and provide opportunities for only limited interaction (Fig. 2).

It's easy to get distracted during these meetings by a doorbell ringing or a dog barking. Besides, Zoom fatigue (other virtual meetings technologies are available) and technology issues have contributed to poor user experiences, often making virtual meetings **less effective** than in-person communication.

FIGURE 2
WEAKNESSES OF VIRTUAL MEETINGS



Source: BCD Travel survey of 738 business travelers, July 2021



Traveling with purpose

It's not clear when business travel will return to pre-pandemic levels. The timing will vary by market and by the reason for the trip. But it's high time companies and travel managers started thinking about the shifting travel paradigm and how to adjust their travel programs to the **new ways of working**. Crucial tasks for a travel manager include measuring the value of travel, demonstrating the quality of its outcome, and proving to internal stakeholders that it's worthwhile. The key is not to simply reduce travel spend – although some companies may want to do this – but to increase the **effectiveness** of that travel towards meeting the company's goals.

To do this, travel managers will need to clearly define what constitutes **necessary** business travel. A well-organized business trip that combines visits to several clients at nearby destinations may come at a higher trip cost, but it avoids travelers hitting the road as frequently. Daytrips to attend a two-hour meeting may disappear, since they are harder to justify. Instead, the transition to remote working for many employees may generate new types of business travel; something we explore in more detail in the section on [New Worker Expectations](#) later in this report.

Switching from office to homeworking may entirely remove the need to **commute**. But every once in a while, these newly remote workers may need to travel to internal meetings at locations defined by the company. This may be a nearby office or somewhere else accessible in a convenient and cheap way. Instead of fewer trips and travelers, some companies may end up with more business trips with a certain purpose than in the past, as long as these trips are justifiable.

Employers won't be alone in setting the new rules for business travel. Traveler preferences and concerns are changing every day, and travel policies need to be updated accordingly. Providing the freedom to decide to travel or not and for how long, favoring direct flights instead of connecting itineraries, taking good care of traveler health and wellbeing – these and many more aspects will need to be considered. As travel gradually ramps up, understanding both the company goals and the needs of a new traveler is a **crucial task** for travel managers.



Companies increasingly view business travel as investments tied to their values, mission and goals. The journey back to travel now involves an **evaluation of purpose, employee health & safety, and providing the right resources to increase traveler confidence on where, when and how business will be conducted.**



AMY DALTON
Senior Vice President,
Americas



ENVIRONMENTALLY SUSTAINABLE TRAVEL

Spotlight firmly on climate change

November 2021's COP26 United Nations Climate Change Conference has put climate change and sustainability firmly in the global spotlight, and it's a theme that's seeing widespread adoption. As more countries and multinational non-governmental organizations, such as IATA (International Air Transport Association), make commitments towards a **net zero carbon future**, the pressure will grow on everyone, including companies and the employees that travel on their behalf, to make their own contributions towards **lower emissions**.

The travel industry is investing

Interest in **sustainable aviation fuel (SAF)** is gaining momentum as a near-term solution for reducing emissions, and aerospace and aviation companies are making the investments needed to use SAF at scale. Companies are also beginning to buy into SAF for their business travel, making commitments to use the fuel. At the same time, aerospace companies are pursuing new technologies, such as **electric** and **hydrogen** powered flight, which will help deliver the **carbon neutrality** required for sustainable travel.

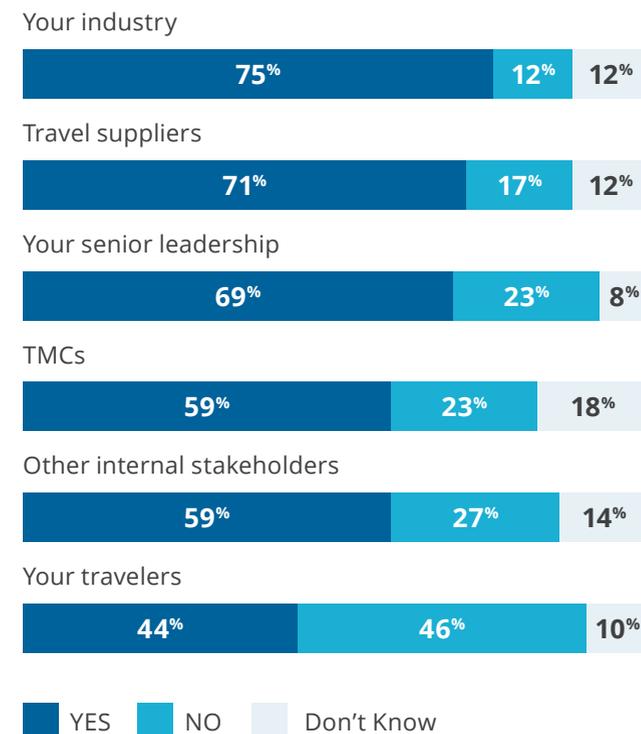
The harnessing of technology by travel suppliers extends beyond net zero carbon air travel. Hyperloop and electric vehicles aimed at enhancing urban mobility are among some of the innovations that should also help make travel more **sustainable**.

Travel managers are paying attention

Over the last year, interest in sustainable travel has increased among most of travel's stakeholder groups. That's the view of the travel managers we surveyed during April 2021 (Fig. 3).

They believe the positive shift is most pronounced in the industries in which they work, with **three quarters** reporting more interest in **sustainability** in their own companies. Their senior leaders have become more convinced too. But travel managers believe the attitudes of their own business travelers remain divided. However, this may not necessarily reflect how engaged with sustainable travel their travelers already are; it may simply show the degree to which their interest is believed to have changed.

FIGURE 3
HAS INTEREST IN SUSTAINABILITY GROWN?



Source: BCD Travel survey of 101 travel buyers, April 2021



Travel managers must look at a variety of approaches to **reduce the carbon footprint** of their programs.

Companies are starting to act

The global pandemic and the rise up the agenda of climate issues are prompting travel managers to **re-evaluate** their travel programs. As many companies adopt targets for environmental sustainability, these are naturally demanding action on business travel. Some corporate customers are already partnering with travel suppliers to reduce their environmental impact. Global consultancy Deloitte is such a case, entering into deals with American Airlines and Delta Air Lines to purchase **sustainable aviation fuel** for a portion of its business travel.¹

Microsoft has signed a similar deal with Alaska Airlines.

Travel managers must look at a variety of approaches to **reduce the carbon footprint** of their programs.

The request for proposal (RFP) documents they issue to suppliers will increasingly require commitments on sustainability and more information about the progress being made towards their sustainability goals. And travel buyers will most likely want sufficient information to be able to compare RFPs and suppliers on the basis of environmental sustainability. They will also need their suppliers to provide appropriate information at **point of booking**, to enable travelers to make the most sustainable travel choices. And when it comes to measuring program performance, they'll want more robust scorecards that look **beyond carbon emissions** as the means to measure sustainable travel.



We're seeing increased focus on sustainability among buyers, from supplier selection to **innovative methods for measuring sustainable travel**. Their efforts are going **beyond the obvious like virtual meetings or alternative travel modes, as we also see an increased interest in bleisure trips, combining business and leisure, to reduce their carbon footprint.**



KATHY JACKSON

Vice President, Executive Chair Sustainability



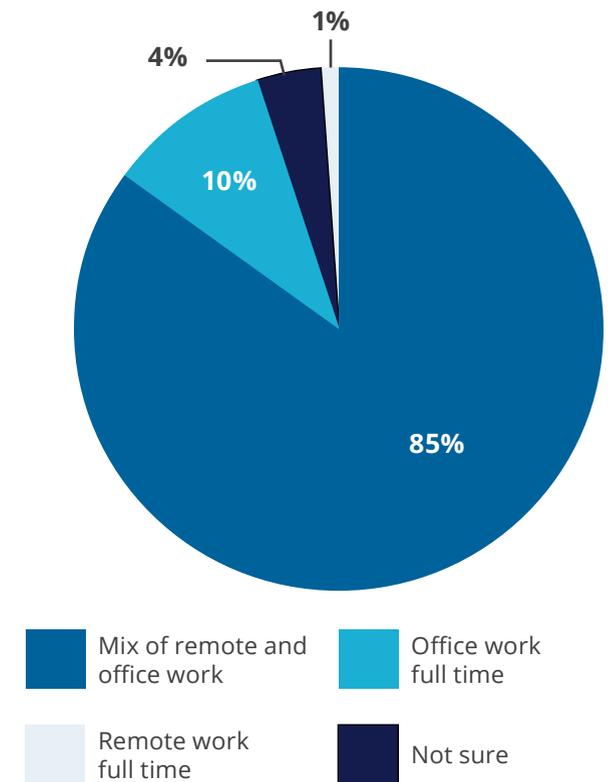
NEW WORKER EXPECTATIONS

The location of work is changing

Advances in technology and societal changes have contributed to a proliferation of new ways of working for (typically) office employees. Remote working is already a well-established practice in many companies, and it continues to drive dynamic changes in the labor market. It has taken on new forms, with the emergence of **hybrid workers** and **digital nomads**. This trend towards more remote working was given a big injection of impetus by the COVID-19 pandemic, with many workers obliged to embrace remote working, if only temporarily. But it seems this shift towards new locations for work will now be a **permanent** feature for many workers, many of whom (or whose employers) may not have given it serious consideration until their hands were forced by the pandemic.

Today, companies are increasingly committing to work-from-home policies for office workers in particular. Our study of business travelers reveals that **85%** expect their company's workplace policy to include a mix of remote and office work – a hybrid approach (Fig. 4). Just **10%** expect to be required to work in the office full-time. Based on their experience over the last two years, companies have found that it's possible for many jobs to be done effectively from home – at least temporarily - without any loss of productivity. Remote workers typically only need a laptop and an internet connection to do their job. Theoretically, this means many can work from literally anywhere – home, dedicated workspaces, hotels or cafes with Wi-Fi (cybersecurity issues notwithstanding).

FIGURE 4
WHAT WILL WORKPLACE POLICIES BE IN THE FUTURE?



Source: BCD Travel survey of 738 business travelers, July 2021



Digital nomads – a new type of remote worker

The shift towards remote working and a more mobile workforce has got people in travel talking about the emergence of the digital nomad. These are employees who can work remotely, and they may often be working for an international organization, or for a company registered in a third country.

Globally, there are already believed to be more than **35 million** digital nomads – that’s close in size to the population of Canada.² Of these nomads, most are self-employed, but **17%** are employed by their companies specifically as remote workers, and their share is rapidly growing. Two-thirds of digital nomads prefer to stay in a single place for **3 to 6 months**; arguably making them semi-nomadic.

Countries, in particular those relying on seasonal tourism, have realized the benefits of attracting a highly-skilled (and potentially well-paid) group of visitors, who can benefit local economies during the off-season simply by being there. Barbados, Croatia, Estonia and Romania are among some of the countries offering digital nomads visas that allow third-country nationals to stay and work for an overseas employer for at least one year.

What this new employee mobility means for employers

Highly-skilled employees increasingly demand flexibility. An appetite for change exists among workers. According to our July 2021 survey of business travelers, **25%** would like to move to another city or country and work remotely from there. And almost one-third would like to work remotely during long trips to the destinations of their choice.

The availability of flexible working can impact both a company’s image and its bottom line. If companies don’t listen to their employees, they may go elsewhere. Companies risk losing some of their **highest-performing** employees. Offering remote working is increasingly seen as a perk, helping to retain workers and attract new employees from a global talent pool. Companies can also benefit by reducing their **office costs** – and maybe even generating income by subleasing under-utilized office space – and by lowering employee costs by recruiting from a wider spread of locations. And, as companies increase their focus on sustainability, they can also claim **lower emissions** from a reduction in commuting by remote working employees. Remote working can be mutually beneficial for employees and employers.





Travel suppliers are responding to these labor market changes. Digital nomads are looking for extended stays. Hotels have responded by increasingly offering lofts and multipurpose social spaces for creative business travelers who like to mix work and leisure within a living environment while away from home for extended periods.

Remote working creates new business travelers

The job setting for remote employees clearly differs from that of office workers; and they have different needs too. These differences and changes in working locations will result in the emergence of **new types** of business travel. While our research has shown internal meetings to be most vulnerable to substitution by virtual technologies, anyone finding themselves in a team made up of remote workers will need to meet **face-to-face**, even if it is only occasionally. What used to be a commute to the office now becomes a business trip to a location, which might be more convenient for all meeting attendees.

Companies are responding to this development, closing down office spaces and encouraging virtual, remote teams to meet at head offices, other conveniently located offices, or offsite. Future travel patterns will likely change with remote work potentially leading to more travel, as the **commuter** of yesterday becomes the **business traveler** of tomorrow.

What this all means

Given employees' increasing interest in changing their work location, companies are under more pressure to allow **flexible** working. Employers may benefit from increased labor mobility helping to adjust the workforce in different locations. In order to manage a hybrid workforce, companies must do their homework. Few organizations currently have an official policy for digital nomads, even though work on alleviating the legal and regulatory risks and avoiding tax pitfalls is crucial.

There's no universal solution. Some firms may require authorization for employees to work from third destinations. Others may offer different types of contract to digital nomads. Remote working may simply be prohibited only in certain countries. But companies need to provide clarity, and this requires an increased awareness of the consequences of all forms of remote working. They can then develop plans to manage the needs of digital nomads, remote workers and hybrid workers.

This is not simply the responsibility of the travel manager. Other stakeholders need to be involved, including Human Resource, Legal and IT (especially IT security). When everyone is agreed, remote working **policies** can be formulated and properly communicated to employees. This may sound like a hard task, but it is unavoidable in order to keep both the company and remote workers safe.



Gone are the times of rigid employment policies crafted predominantly for office-based workers. The transition to remote settings is rapidly changing the way we work and travel. Corporations need to adjust workplace policies to the needs of digital nomads and hybrid employees, firmly placing them on the people risk management agenda. In the long run, taking good care of high-skilled workforce will benefit both.



**NATALIA
TRETAYAKEVICH**

Senior Manager,
Research & Intelligence



PEOPLE RISK MANAGEMENT

Corporate responsibility goes beyond business trips

As businesses continue to manage new hybrid workforces, with a considerable share of employees shifting to **remote working**, they're being forced to expand their duty of care beyond business travelers to include all employees when away from the office. This requirement has been further reinforced by the movement of workers away from office locations, with some choosing to become digital nomads, working remotely and frequently changing their location. Thus, the COVID-19 pandemic has pivoted the focus of risk management towards the **employee**, making it less about simply travel.

In recent years, employees have been given greater freedom over the location of their daily work, and many have made good use of this liberty. According to our July 2021 survey of 738 traveling employees, **25%** would like to move to another city or country and work remotely from there. With remote workers increasingly coming on the radar of travel managers, it may be time to rethink travel risk management strategies and practices.

Who's responsible?

Organizations are increasingly looking for ways to ensure their employees are aware of the potential risks they face **any time** and help keep them safe and productive, **no matter where** they are. The rise of the digital nomad has created both new challenges and opportunities for travel managers (see [New Worker Expectations](#) section).

Protecting remote employees working anywhere requires an integrated approach from various stakeholders. COVID-19 has already demanded collaboration across multiple roles and departments – from Risk Management and Human Resources (HR) to Procurement, Communication and the C-Suite. When it comes to People Risk Management, collaboration is crucial to providing the oversight stakeholders need to manage it efficiently, preventing risks or mitigating the consequences.

Travel managers are increasingly seeing their scope evolve. From managing traveler risks, they're now looking after a wide range of remote employees. They're working with other stakeholders, helping them to implement common traveler risk management tactics across the entire organization, for **all employees**.

Moving to people risk management

People Risk Management is steadily rising up the corporate agenda, becoming top of mind for HR, risk and travel managers. In the past, some companies used dedicated tools to track high-risk events that may have influenced the locations of their offices. The goal of traveler duty of care was to take care of the employees hitting the road to conduct business.

A new all-encompassing approach, which embraces hybrid workforces, must be expanded to include a new set of locations, which employees have chosen as the permanent or temporary site for remote working since the start of the pandemic. With more companies adopting work-from-anywhere policies, **all employees**, irrespective of their location, may soon need and enjoy risk management support.

With more companies adopting work-from-anywhere policies, all employees, irrespective of their location, may soon need and enjoy risk management support.

Duty of care for all – why bother?

We should no longer talk about duty of care for travelers; it's now duty of care for **all employees**. People risk management, employee profiles and employee mobility are all pieces of the puzzle that need to be pieced together by employers. The tools and processes that travel managers have been using now apply in a much broader organizational context. Most security and risk management companies anticipate the shift in emphasis and are taking the first steps in the right direction.

People wellbeing needs to be top priority at any company, and it must move higher up the agenda. Otherwise, employers risk damage to employee physical and mental health and decreasing job satisfaction, which could eventually lead to talent loss. People who don't feel safe and cared for are unlikely to stay. This can cause reputational damage, rising costs and negatively impact company performance. Managing employee risks correctly, on the contrary, may translate into competitive advantage for any organization.





Travel managers will need the right tools

To keep all employees safe and secure, risk managers need to have the right tools.

EMPLOYEE MONITORING

Security reporting or tracking tools will eventually accommodate new categories of employees. Instead of only monitoring travelers in risky locations, employers need to provide these tools to **remote** employees and allow them “check-in” **anytime, anywhere**. Maintaining situational awareness for all employees needs a different approach to that used for business travelers. It must be correctly positioned, striking the right balance between protecting employees in a crisis, while avoiding an association with excessive employer control. It’s crucial that employees are educated and understand what their employer’s motives are.

INTELLIGENCE

To begin with, it’s important to provide employees with the **relevant** information about their location, be it the destination for a business trip or their place of remote working, temporarily or permanently. Travel alerts can be useful for both employee groups and need to be delivered timely to all impacted worker groups. It’s crucial to partner with the right global and local providers.

24/7 RISK MONITORING

Access to **timely, accurate, and relevant** information is vital when monitoring risky situations. Complete monitoring of relevant locations must be well-resourced or automated to avoid human errors. Destinations of interest must be expanded to include new locations enabled by work-from-anywhere policies.

RISK ASSESSMENT

Complete risk assessment has a number of aspects. These include identifying risks, assessing their likelihood, profiling and categorizing risks within a response framework, and conducting timely reviews. Under a People Risk Management framework, mitigation measures to reduce risk will **change**. Authorizations will apply not just to traveling employees, but also to anyone relocating for extended periods of time. Training must be offered to all workers instead of travelers only. Expanding risk assessment to all employees means **new risks** and profiles must be accounted for. This will inevitably add some complexity.



The pandemic has completely changed the way we regard employee mobility and remote working. But it’s also created some new challenges for employers, as remote working now means working from anywhere. Forward-thinking organizations are moving from Travel Risk Management to People Risk Management. They recognize the shift from keeping traveling employees safe to keeping all employees safe, no matter where they are. Duty of Care wherever their people are.



JORGE MESA

Director, Global Crisis Management



A **BROADER** SET OF RISKS

Underlying risks did not disappear

Understandably, the risks associated with a global pandemic have dominated people's minds for almost the last two years. The risks to health and travel disruption are likely to remain for some time. But as travel returns, it's important to recognize the **other risks** during a trip – they've not gone away; they've just retreated from the consciousness. Underlying risks didn't simply disappear simply because the world was fighting a pandemic.

Global pandemic and other health risks

It will be some time still before the pandemic is truly behind us. The World Health Organization (WHO) has warned that it could easily continue deep into **2022**, simply because vaccination rates remain low in large parts of the world. Globally, the number of COVID-19 cases has fallen, but infections are still rising in some countries, most notably across Europe, as the AY 4.2 variant has an impact. WHO's labelling of the Omicron variant as one of concern is now fueling fears that a new variant has emerged, which is capable of evading the immunity built up by past infection or vaccination. Government reaction has been swift and equally disruptive for travelers.

Looking further ahead, even localized outbreaks of COVID-19 could prove to be almost as disruptive to travel as a pandemic.

Climate change and extreme weather events

The World Meteorological Organization (WMO) claims extreme weather events are the new norm. During **2021**, we've seen a record heatwave in **Canada**, severe flooding across **Europe** and a second successive year of drought in sub-tropical **South America**. Aside from the direct disruption to trips caused by extreme weather, the alarm bells such events are ringing has demanded a call to action, whose implications are likely to resonate **throughout travel**.

As travel returns, it's important to recognize the other risks during a trip – they've not gone away; they've just retreated from the consciousness.

Changing world order

At the national level, protests against the system may resume as lockdown restrictions ease, increasing the risks and disruption faced by travelers. Anti-vaccination and climate change show sufficient issues of importance still exist for people to feel the need to protest.

Internationally, as the U.S. reduces its participation on the global geopolitical stage, other major powers may be encouraged to try and fill the void this creates. In **Europe**, Brexit has already happened, but its consequences continue to play out, and developments in Hungary and Poland suggest some discord growing between members of the European Union. Such developments may result in **reduced freedoms** to travel and trade.



Terrorism

Acts of terrorism didn't simply disappear during the pandemic. Terror attacks and conflicts continued in a number of developing countries including Afghanistan, Ethiopia, Mali and Nigeria; they simply weren't as newsworthy as COVID-19.

As restrictions and checks associated with the pandemic ease, the risks associated with terrorism may grow in other parts of the world. And as recent events in **Tokyo**, the **Norwegian** town of Kongsberg and Southend-on-Sea in the **U.K.** have shown, incidents involving homegrown, lone-wolf attacks remain an unpredictable risk wherever one travels. As regular travel returns, business travelers will need to be extra vigilant and take time to refamiliarize themselves with the day-to-day risks they faced pre-pandemic.

Cybersecurity

As the world continues to become more digitized, this has increased the risk of cybercrime and cyberattacks. A shift towards more remote working has increased companies' vulnerability, while the pandemic is itself being used as a vector for committing new cyberattacks.

The subject of cybersecurity deserves more consideration, and we look at the issue in more depth as a trend in its own right [later in this report](#).

Economic risks

While restrictions and lockdowns switched off consumption for long periods of time, government policies, including furloughs and direct financial support for companies, helped to largely preserve the **supply side** of the economy. The economy is ready to bounce back, largely intact. And as consumers have accumulated savings over the last two years, their spending is ready to lead the recovery. But this is not to say there are no short-term risks.

Supply chain issues created by the pandemic are being amplified by the speed at which demand is bouncing back. **Two-thirds** of respondents in Oxford Economics' November Global Risk Survey expect supply disruption to persist into the **second half of 2022**. The shortages this is creating are increasing inflationary pressures, which in turn could remove some momentum from the rebound.

The effects are already being felt in travel, with the shortage of new cars helping to drive up car rental rates in some markets, and rising oil prices combined with a strong rebound in travel demand likely to push up airfares on some routes.



After close to two years of little or no travel, with the pandemic dominating our every move, it's easy to forget the other risks to which travel managers and their travelers may be exposed. It's time to re-engage with the wider issues that might affect travel programs and travelers.



MIKE EGGLETON

Director, Research & Intelligence



CYBERSECURITY ESSENTIALS

A challenge for everyone

Technology's evolution continues to generate new cybersecurity-related challenges. Through the use of apps, sharing of data, online purchases, services and communications, the digital world connects everything and everyone.³ Ensuring this cyberworld is secure is essential for protecting people, organizations, infrastructure. In fact, it's vital for almost everything we value and rely on. Cyber threats continue to grow, as does their potential impact. It's therefore important for everyone to remain vigilant, and that includes travel managers and their travelers.

A clear and present danger

The World Economic Forum (WEF) considers cybersecurity threats to be a clear and present danger. It regards cyberattacks to be highly likely, and perhaps more importantly, with the potential to have a **significant global impact**.⁴ It believes cyberattacks and cybercrimes may result in economic disruption, financial loss, geopolitical tensions and social instability.

The consequences can be huge and are growing

According to Cybersecurity Ventures, the global cost of cybercrime is expected to grow by **15%** annually, reaching **US\$10.5 trillion** by 2025.⁵ Both the likelihood and potential impact of cyberattacks on the connected world we live in and rely on today are unprecedented. Cybercriminals frequently outwit computers and mobile devices, disrupting any digital activity, with financial and personal consequences.

The pandemic led to a sharp rise in the number of remote workers, and this could prove to be a permanent shift in working patterns for many employees. But it has also exponentially increased the opportunities for cybercriminals. Employees are increasingly accessing company systems using devices that may be more vulnerable to attack. And as employees begin to return to the office, they may bring with them bad cybersecurity habits picked up while working from home. As the business world reopens, companies will find it even more difficult to ensure workforces comply with cybersecurity best practices, as reorganizations, staff turnover and new hires require key cybersecurity messages to be reinforced on almost a continual basis.

The World Economic Forum regards cyberattacks to be highly likely, and perhaps more importantly, with the potential to have a significant global impact.

³ [World Economic Forum](#), Cybersecurity

⁴ [World Economic Forum](#), Global Risks Report 2021

⁵ [World Economic Forum](#), Cybersecurity, Cybercrime



Travel is exposed

In recent years, cybercriminals and hackers have targeted a number of leading travel brands. These have affected all aspects of travel – airlines, hotel companies, IT companies, travel agencies, airports, fuel suppliers. These headline-grabbing attacks distract from the large number of smaller-scale assaults. The transactional nature of the travel industry and the legacy systems on which many companies still rely heavily, makes it an attractive target. As the industry recovers, hackers are likely to see it as a **lucrative target** once again.

The motivations for cybercrime vary, and this is equally true for attacks on travel suppliers. Financial gain isn't the only motivation. Sometimes hackers commit an attack simply to prove that they can. In more sinister circumstances, state sponsored attacks on companies and infrastructure may be part of some bigger geopolitical strategy.

A series of attacks on a leading global hotel chain compromised more than **500,000** payment card accounts, resulting in more than **\$10 million** in fraudulent payments. A more recent attack on another leading hotel chain saw hackers gain access to almost **500 million** customer records, including credit card and passport numbers. And yet customers appear to have been unaffected, suggesting the attack may have been state sponsored purely to gain access to a huge data lake of information.

Travel managers can protect their company and travelers

Many travel managers already recognize the importance of cybersecurity, placing it, together with data privacy and security in general, at the forefront of their TMC relationship. They're tackling the issue at the RFI (request for information) stage of the bid process; no longer treating it simply as a checkmark to be dealt with later in the implementation process.

But they also need to protect their company and travelers from the active cyberthreats they face on a daily basis. The first step is to recognize cybersecurity as a **daily risk** to travel and take responsibility for tackling it. **Prevention**, or least minimizing the impact, will pay dividends over simply responding to cyber incidents after the damage has been done.

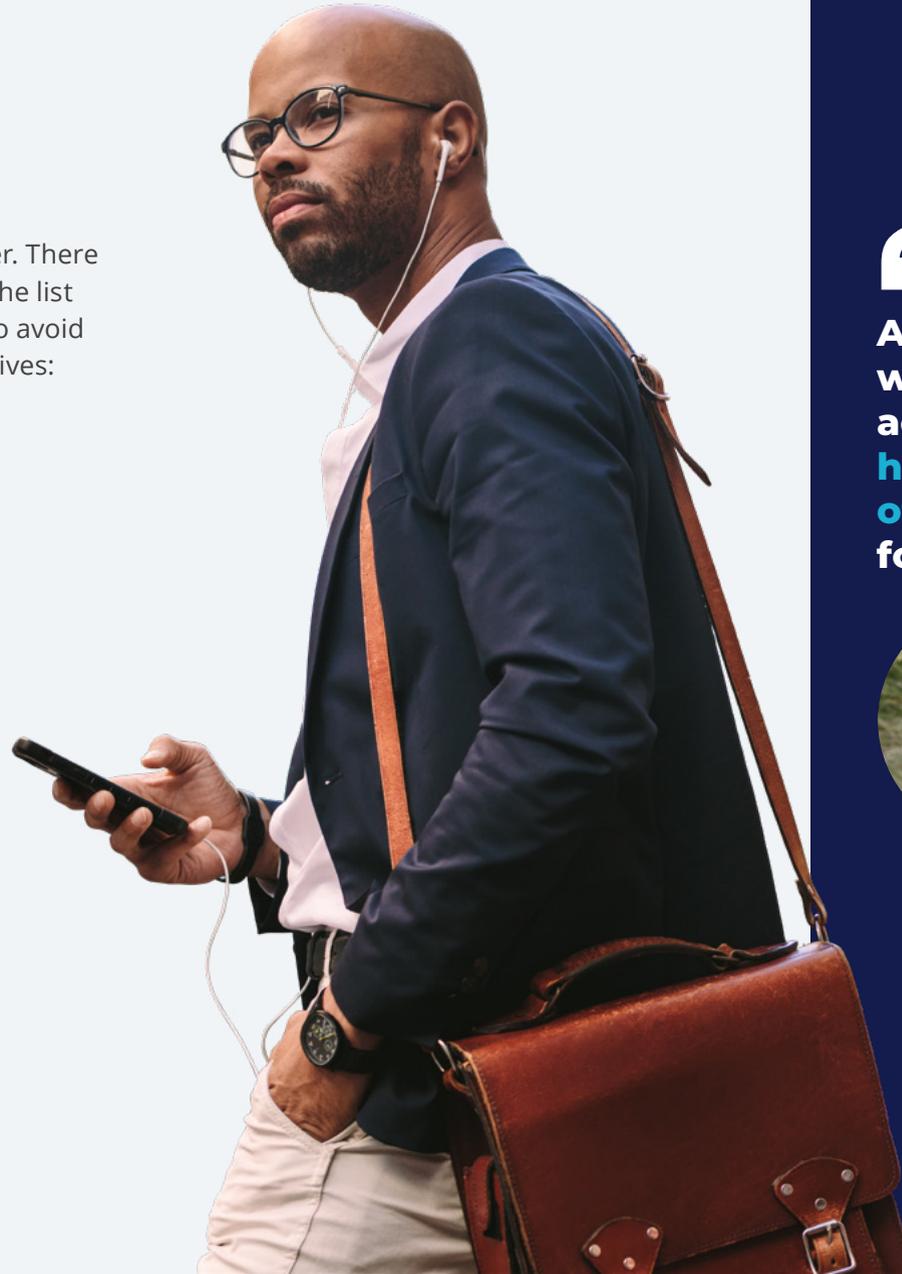
As the employee is often the weakest point in a company's defenses, travel managers can help by ensuring travelers receive proper training, are aware of hackers' tactics and are subject to strict user policies. For example, ensuring any personal devices used for work on a remote-basis are carefully screened for malware before being allowed to connect to any corporate network.



Travelers have a role to play too

Travelers can expect to be the focus of cybersecurity more than ever. There are so many preventative measures that should become habitual. The list is long and growing, but there are six simple actions they can take to avoid cyber fraud both when traveling on business and in their everyday lives:

- ✓ Safeguard login credentials and watch out for anyone trying to steal a glance of them.
- ✓ Never log in to corporate accounts over free public Wi-Fi hotspots.
- ✓ Go paperless: Keep itineraries and travel documents on a password-protected mobile device.
- ✓ Don't divulge travel dates and locations on social media.
- ✓ Lookout for "phishing" emails that appear to come from airlines, loyalty programs and banks. Never divulge any personal information; don't click on any links; delete immediately.
- ✓ Change passwords frequently and use alpha-numeric combinations.



As business travel returns, we're already seeing fraudsters' activities on the rise again. I'd highly recommend a refresher of security training, especially for returning employees.



FRANK SCHUCHARD

Senior Director,
Information Security



GLOBALIZATION RESET

Reset under way

Globalization has brought incredible benefits over the last 20-30 years, which have been realized through improvements in efficiency, standardization and cost savings. Emerging markets have reaped significant socioeconomic benefits from shifts in production into their countries, but this has come at the cost of stagnant household wealth growth in advanced economies.

But things are now changing. The rise of political populism, changing consumer values including concerns about their carbon footprint, and the rising costs and supply chain issues associated with the pandemic are forcing a **rethink**. To address these emerging concerns and make their businesses more resilient, companies are shifting from a consolidated to a more **diversified approach** towards supply, production and consumption. At the same time, they are also looking at ways of bringing production back **closer** to the point of consumption.

Implications of the reset

According to Euromonitor International (Sept. 2021) the globalization reset may see the following changes:

- Global trade – as protectionism reduces competition, it will **push up prices**. Shifts in production back to consuming markets may boost wages, **increasing consumption** in advanced economies.
- Financial flows – **reduced investment** will impact jobs and incomes growth in export-dependent countries – which are most likely emerging markets.
- Travel and migration – as production shifts closer to consumption, it will exacerbate **labor shortages** in advanced economies.
- Digital connectivity – as this increases, it will enable more people to **engage** in global trade.

These appear to add up to a re-positioning of economic benefits away from emerging markets and back to the advanced economies. As companies readjust the locations of their operations, this is likely to result in a **shift in business travel** patterns.



It's a good time to pull back to 30,000 feet and consider how larger forces at play in the world could shift your strategy.



MIRIAM MOSCOVICI

Senior Director,
Research & Innovation



There will be winners and losers

A reversal of globalization to any degree will create winners and losers among the world's economies, whose ramifications will filter down across industries and activities, including travel. The winners are likely to be those economies with **large internal markets**, such as China and the U.S. They possess the demographic, geographic and economic size to manage the complete cycle from production through to consumption within their own borders. Self-sufficiency is more likely. **High value-add industries**, where production is confined and consumption is widespread, may also do well. **Local** brands may also thrive, as consumers are encouraged to buy local.

But there will be **losers** too: small and open economies; industries that are heavily dependent on trade (and travel); multinational companies and global brands.

Travel patterns are likely to change in response to the changing fortunes of different countries, industries and companies. And travel managers may need to provide extra support to their travelers to help them navigate a more-regulated and complex travel environment. A shift to local brands may also require travel managers to work with **more suppliers**, as global suppliers become less attractive in a world where global solutions lose some of their appeal.

Crossing international borders becoming harder

Changes to globalization don't just have economic consequences. There's a socio-political dimension to the reset too, which may have a bigger impact on travel. Geopolitical developments, such as the U.K.'s exit from the European Union (EU), have reduced some international **travel freedoms**. And the European story doesn't end there, with issues between the EU and both Hungary and Poland exposing some tensions among the remaining members of the bloc.

The COVID-19 pandemic may play an even bigger role in rolling back traveler freedoms. During 2020, countries closed their borders, often discriminating against travelers of specific nationalities. Even within groupings like the EU, governments broke ranks, making unilateral decisions about who could enter their country, from where, and under what circumstances. International treaties like the Schengen Agreement took second place as governments sought to protect their populations. The primacy of national self-preservation has continued in 2021, and it may well continue into 2022 and possibly beyond. Some COVID-19 **restrictions may persist** in some shape or form, even after the pandemic has ended. At what stage will governments stand down track & trace apps?



Being fully-vaccinated could become a **condition of travel post-pandemic** or a requirement at the destination, even for visitors from abroad.

In future, crossing international borders is unlikely to be as simple as it used to be. Travelers will find international travel more **complex** and will need extra support from travel managers to navigate this new complexity, which could be with us for decades. Just look at some of the security measures introduced after 9-11 that are still with us today.

Does vaccination become the new passport?

Being fully-vaccinated has become a passport to crossing international borders with reduced or no restrictions. Vaccines have been mandated for specific occupations, visits to offices and even for attending certain venues and events in some countries. Austria is making

COVID-19 vaccination a legal requirement from February 2022. What will this mean for freedom of international movement? Being fully-vaccinated could become a **condition of travel post-pandemic** or a requirement at the destination, even for visitors from abroad.

Ironically, this could actually present a **globalization upside**, reinvigorating some travel freedoms. Digital health passes, which many travelers are using today to confirm their health credentials, and in particular their vaccination status, may well endure beyond the pandemic. As they also function to confirm the user's identity to the authorities, they could be suitable for deployment as a digital global identity platform, reducing much of the complexity in crossing international borders in the future. Just a closing thought.



As the reset unfolds, travel managers can have the best of both worlds by selecting travel suppliers with global networks underpinned by local operations that provide the support and expertise tailored to the specific needs of employees in each market.



DAVID COPPENS
Executive Vice President

FINTECH IN FOCUS

Huge potential value

Judging by the number of times fintech (sometimes also referred to as paytech) got a mention at a recent travel innovation conference, the business travel industry finally appears to be waking up to the benefits of adopting certain aspects of finance technology. The rewards for travel as a whole could be huge: One estimate suggests the adoption of fintech by all channels could increase total consumer spend on travel by nearly **\$80 billion** annually.⁶ Where it resonates most for business travel is its potential to save time and money.

In search of a solution

Our own research among travel managers revealed payment & expense to be among some of the biggest pain points when managing the end-to-end process of business travel for both employees and non-employees.⁷ More than half indicated that they struggle with missing invoices or invoice errors, receipts, credit card reconciliations and managing the quality of expense and spend data. And all this when having to work with a manual process.

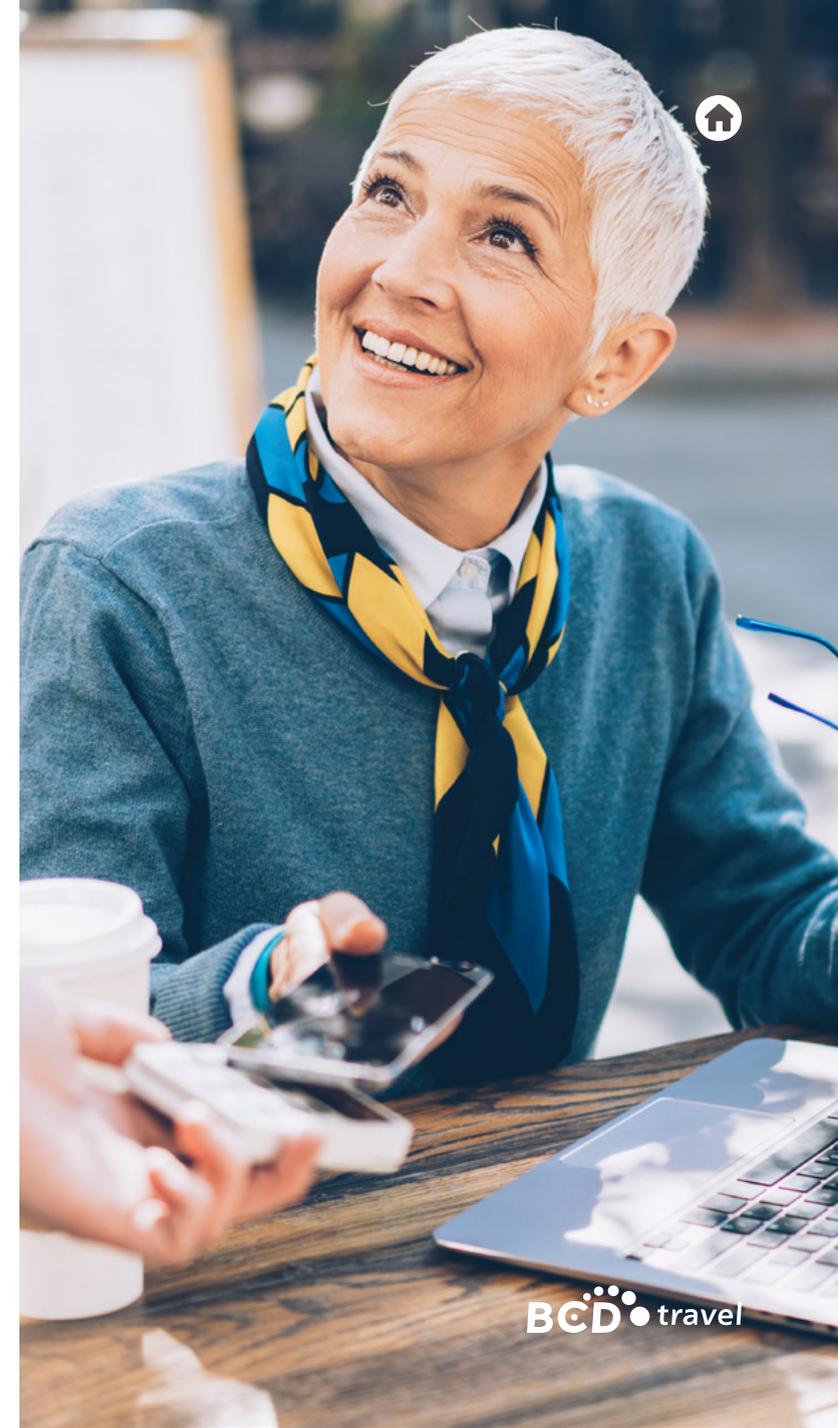
More than a quarter of companies face challenges managing their payments for meetings, events and

non-employee travel. Changes to the workplace arising from the pandemic, such as the rapid expansion of hybrid working, have increased the complexity surrounding payment and expense management, particularly for infrequent travelers.

In providing a solution to these payment and expense issues, **simplicity** will be the key requirement for most travelers. They're looking for a seamless process that saves time, eliminates the need for paper receipts, and simplifies approval. This starts with **digital payment**.

Transforming travel and expense spend management

Companies involved in corporate travel, including travel management companies and specialist fintech businesses, are now using fintech to deliver solutions that **simplify, digitize and automate** corporate travel payment, reconciliation and invoice management.⁸ Travelers and travel managers can mutually enjoy the benefits of a frictionless, digital payment experience, that starts with trip booking and payment and ends with reconciliation.



⁶ [The Fintech Times](#), June 2, 2021

⁷ BCD Travel, survey of 106 travel buyers, Oct.12-26, 2021

⁸ [BCD Travel](#), Sept. 16, 2021



These new solutions can seamlessly manage payment, invoices and receipts during a trip, and then automate review, reconciliation and audit.

Travelers may no longer need to make payments or expense claims during or after a business trip. And travel managers will have more control over payment for corporate travel, meetings and events. The ability to introduce rules engines will make it much easier to apply payment policy and spending limits across different traveler segments: a traveler-centric approach to payment and expense, so **everyone wins**.

As well as the simplified and bespoke experience offered to travelers, fintech-solutions will provide travel managers with access to the high-quality, real-time data they need to power **more effective decisions**. A manual process that was once an operational necessity can now be converted into an automated source of value for those companies that invest in fintech-based solutions. In a pilot of its BCD Pay solution, BCD Travel noted a **75%** improvement in the total time required to input data, reconcile, report and integrate the data across a fragmented system of back office functions, ERP systems and credit card issue systems.



“Adopting fintech-based solutions can help remove the friction and pain points experienced by travelers, travel managers and finance teams related to their travel and expense payment, invoices, reimbursement and reconciliation.

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Do you have questions or comments regarding this report? Please email [Mike Eggleton](#) or [Natalia Tretyakevich](#) to share your thoughts.



MIKE EGGLETON
Director
Research & Intelligence



NATALIA TRETYAKEVICH
Senior Manager
Research & Intelligence



AJAY SINGH
Vice President, Digital
Payment and Expense
Products



ABOUT BCD TRAVEL

BCD Travel helps companies make the most of what they spend on travel. We give travelers innovative tools that keep them safe and productive, and help them make good choices on the road. We partner with travel and procurement leaders to simplify the complexities of business travel, drive savings and satisfaction, and move whole companies toward their goals. In short, we help our clients travel smart and achieve more. We make this happen in 109 countries with a global client retention rate of 98%, the highest in the industry. For more information, visit www.bcdtravel.com.

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