

# Travel policy and sourcing during COVID-19

## About the survey



**The goal:** With this survey we aimed to explore **travel buyers' views and expectations around travel sourcing and policy** affected by COVID-19.



**Methodology:** The results are based on an online survey of **97 travel managers** conducted September 9-28, 2020.

## Respondent profile



72% of travel managers have **global** responsibilities and 21% manage **regional** travel programs.



57% are based in **North America** and 29% in **EMEA**, including the U.K.



Top three industries: **Financial services** (20%), **Pharmaceutical** (18%) and **Manufacturing** (17%).



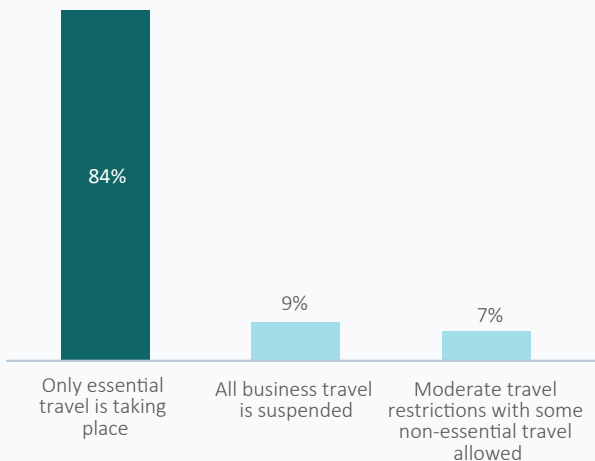
67% work for **large companies** with more than 10,000 employees.



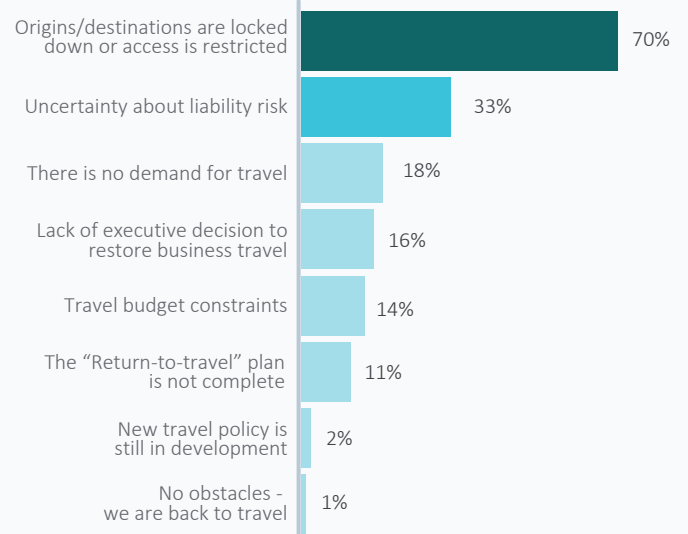
47% have annual **travel spend of US\$50 million** and above.

## Current state of corporate travel

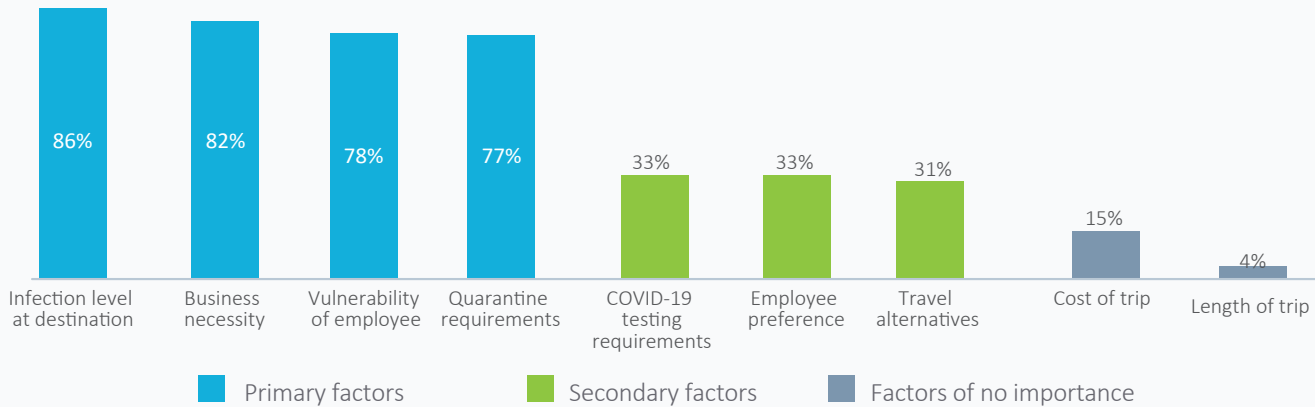
8 in 10 travel buyers report **only essential travel** taking place.



**Restricted access to destinations** along with uncertainty about **liability risks** are the top two travel obstacles.

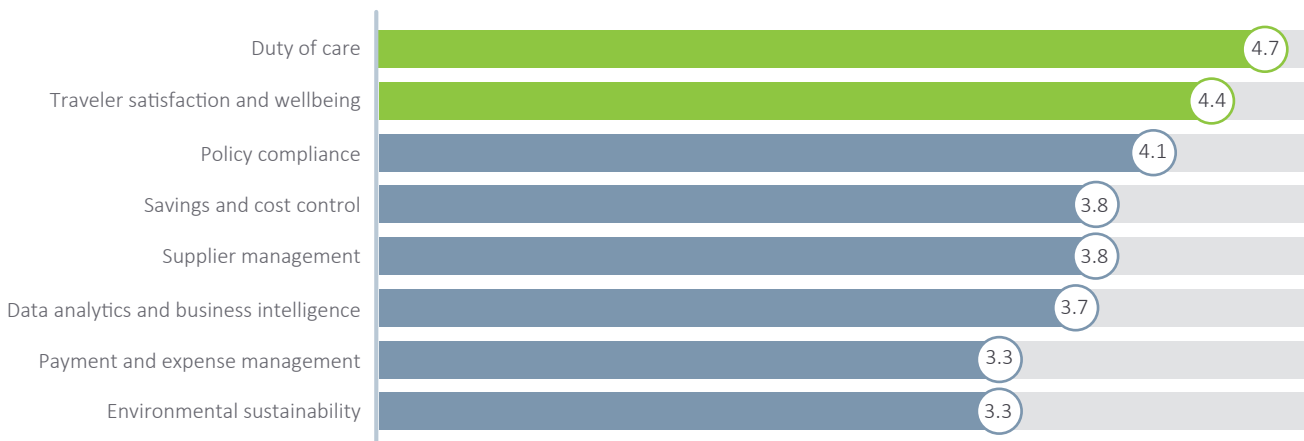


Infection level at the destination, business necessity, employee vulnerability and quarantine requirements are among the most important points companies consider when deciding whether or not to **allow business travel**.



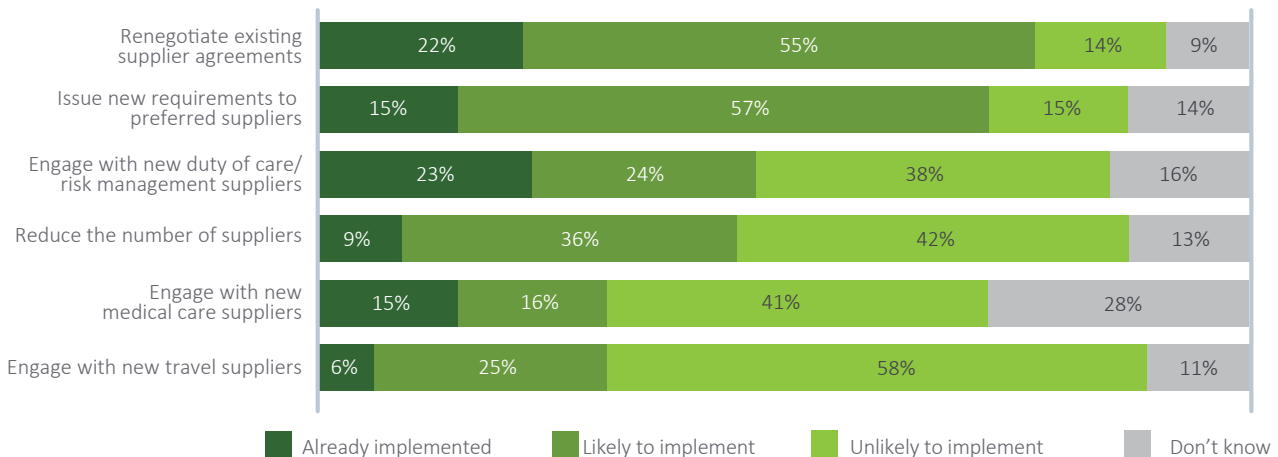
## Travel policy and sourcing

**Duty of care and traveler satisfaction** are the two most highly rated travel program priorities.\*

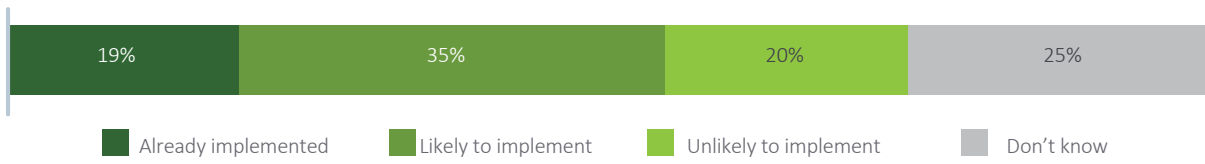


\*Based on a weighted average of the ratings on a scale from 1 "Not important at all" to 5 "Extremely important".

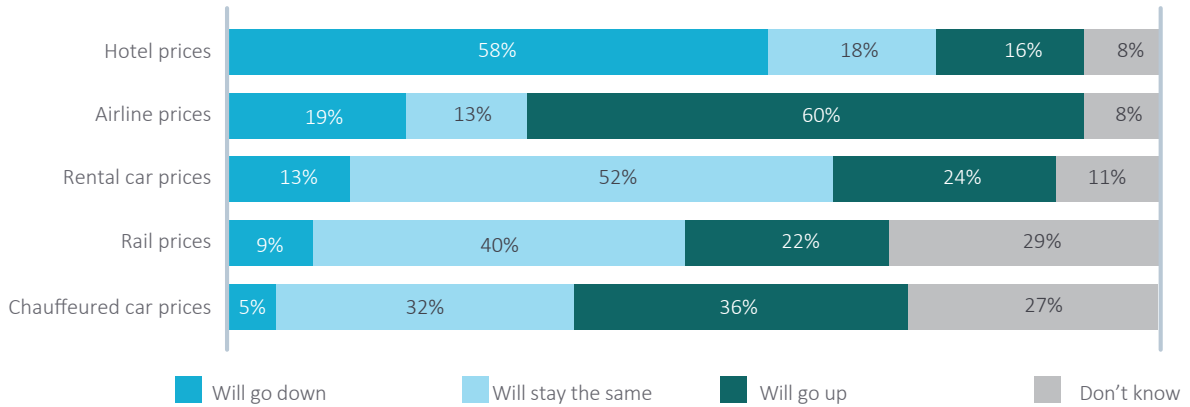
Talking about supplier management changes, travel buyers are inclined to **renegotiate** existing agreements and issue **new requirements** to preferred suppliers.



More than half of buyers have already introduced **cost containment measures** when it comes to sourcing or are likely to do so.



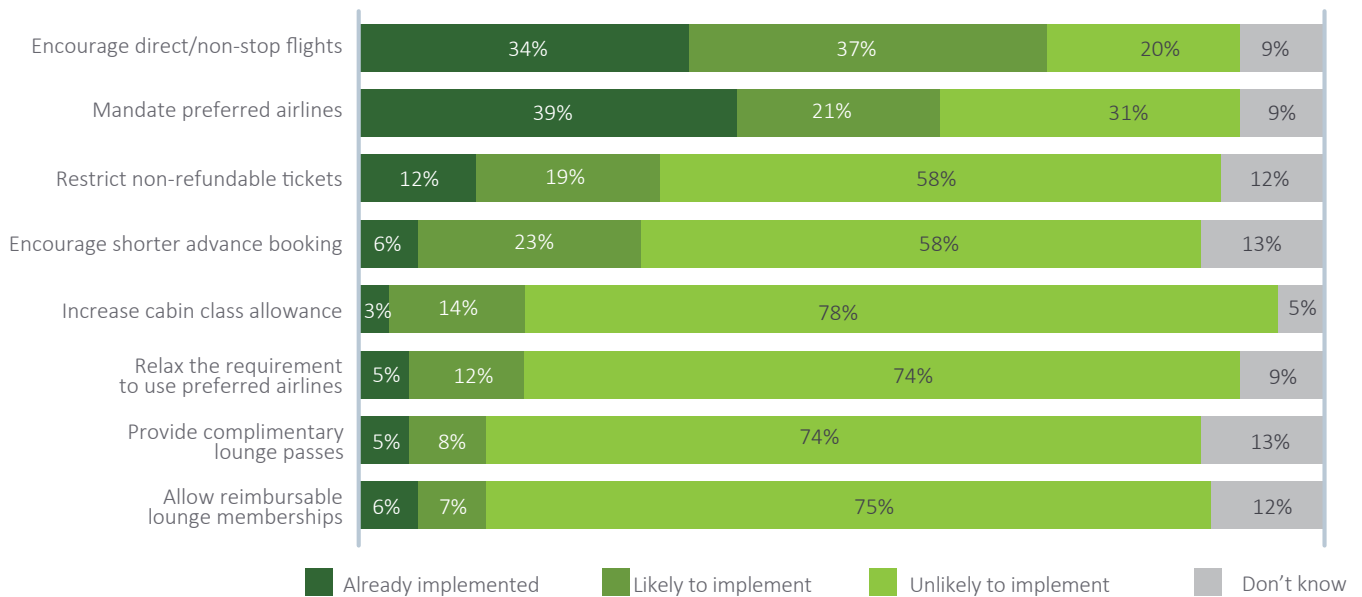
6 in 10 expect **hotel prices to decrease** and the same number expect **air prices to go up**.



Under the current market conditions, air, hotel and car rental policies and sourcing strategies are changing. Here are the details.

## Air policy

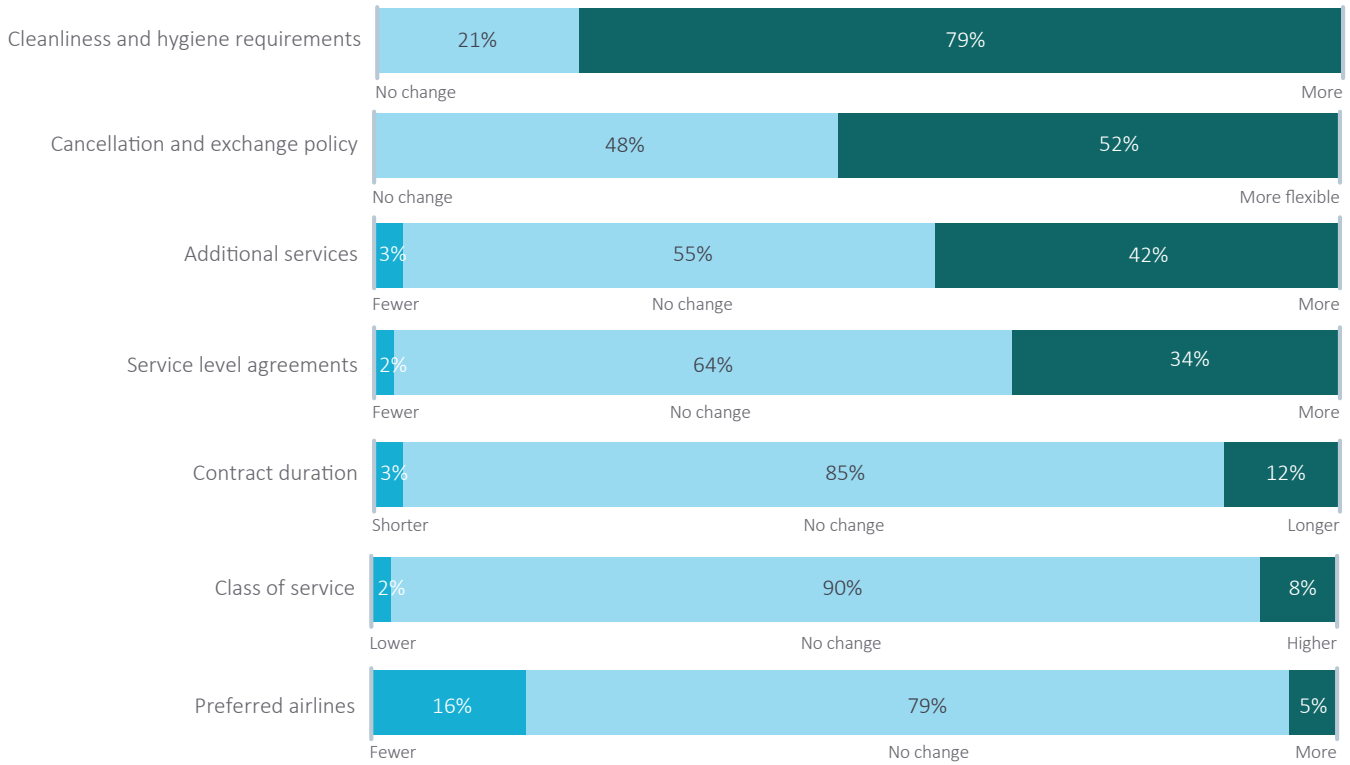
Encouraging **flying direct** and mandating **preferred airlines** are in the top two most popular air policy measures.





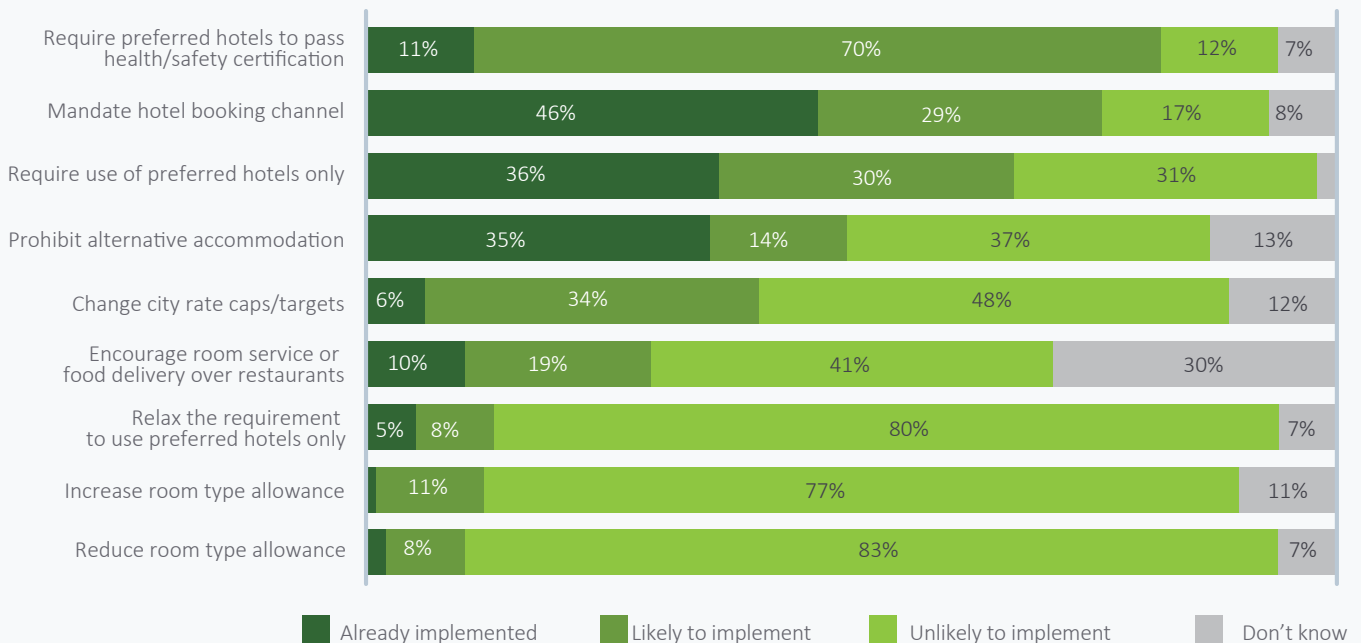
## Expected changes in air sourcing

Travel buyers increasingly incorporate **cleanliness requirements** and flexible **cancellation policies** into supplier negotiations.



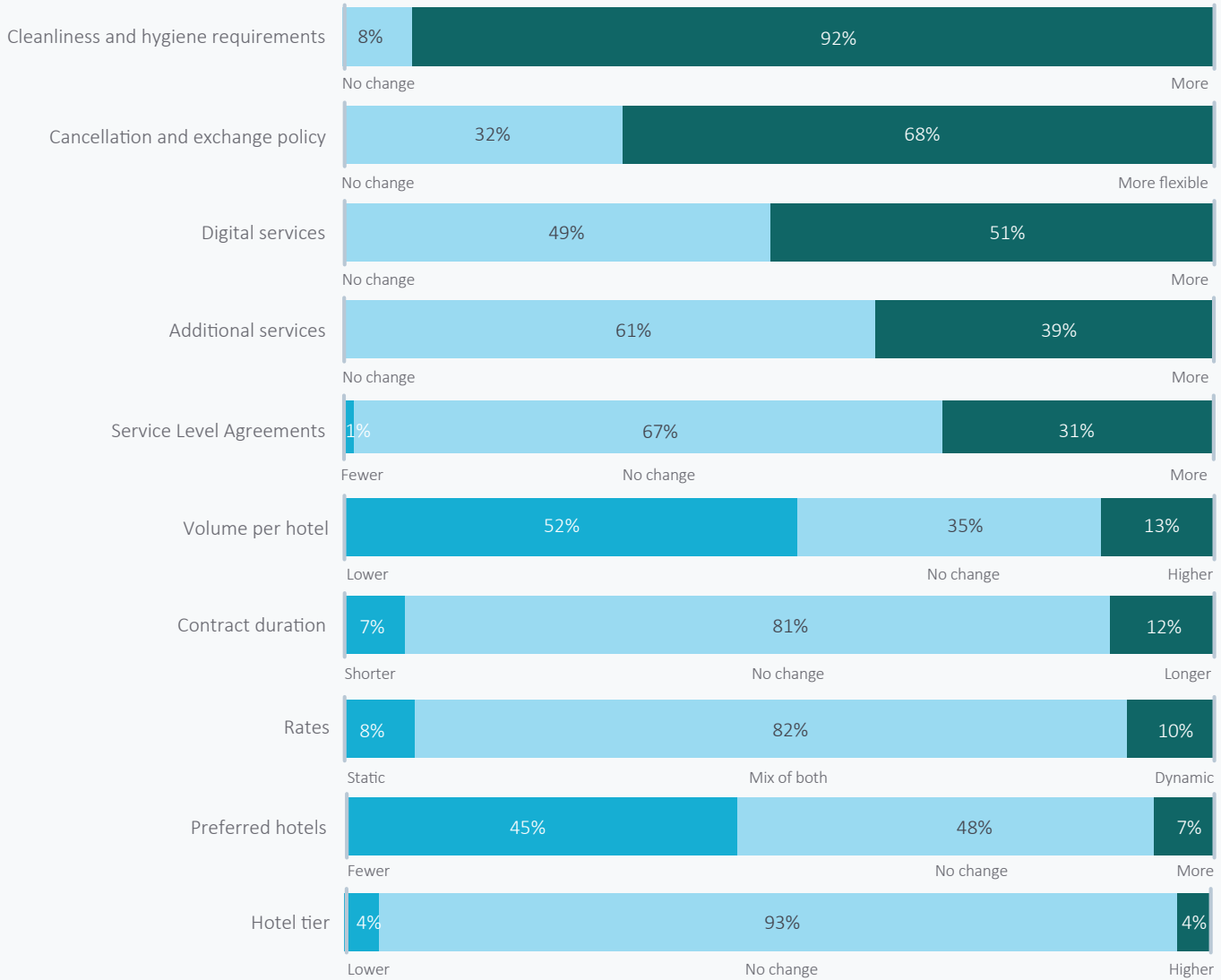
## Hotel policy

Hotel **health and safety certification**, mandated **booking channels** and the requirement to use **preferred suppliers** are among the most popular hotel policy changes.

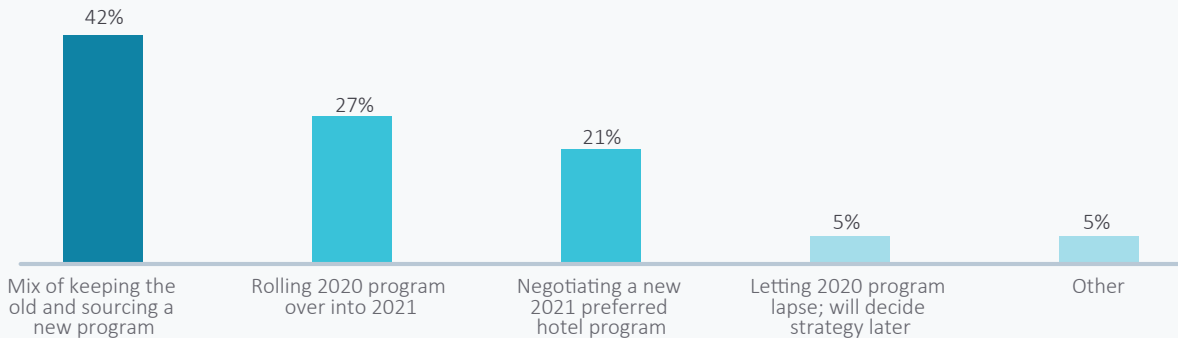


## Expected changes in hotel sourcing

New hotel sourcing strategies focus on **hygiene requirements** and increased **booking flexibility**. Around a half of respondents plan to negotiate **fewer preferred properties** and **lower volume per hotel**.



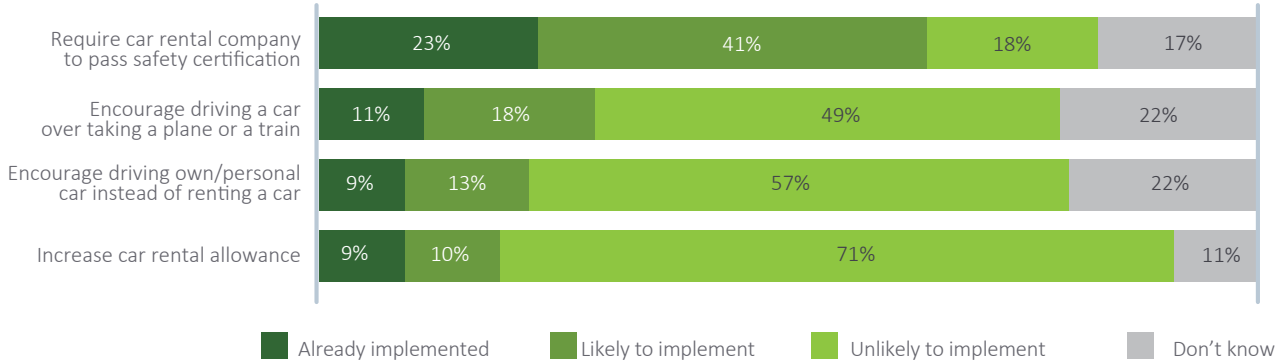
Approaching the **2021 hotel program**, 4 in 10 plan to keep the existing program with new elements added.





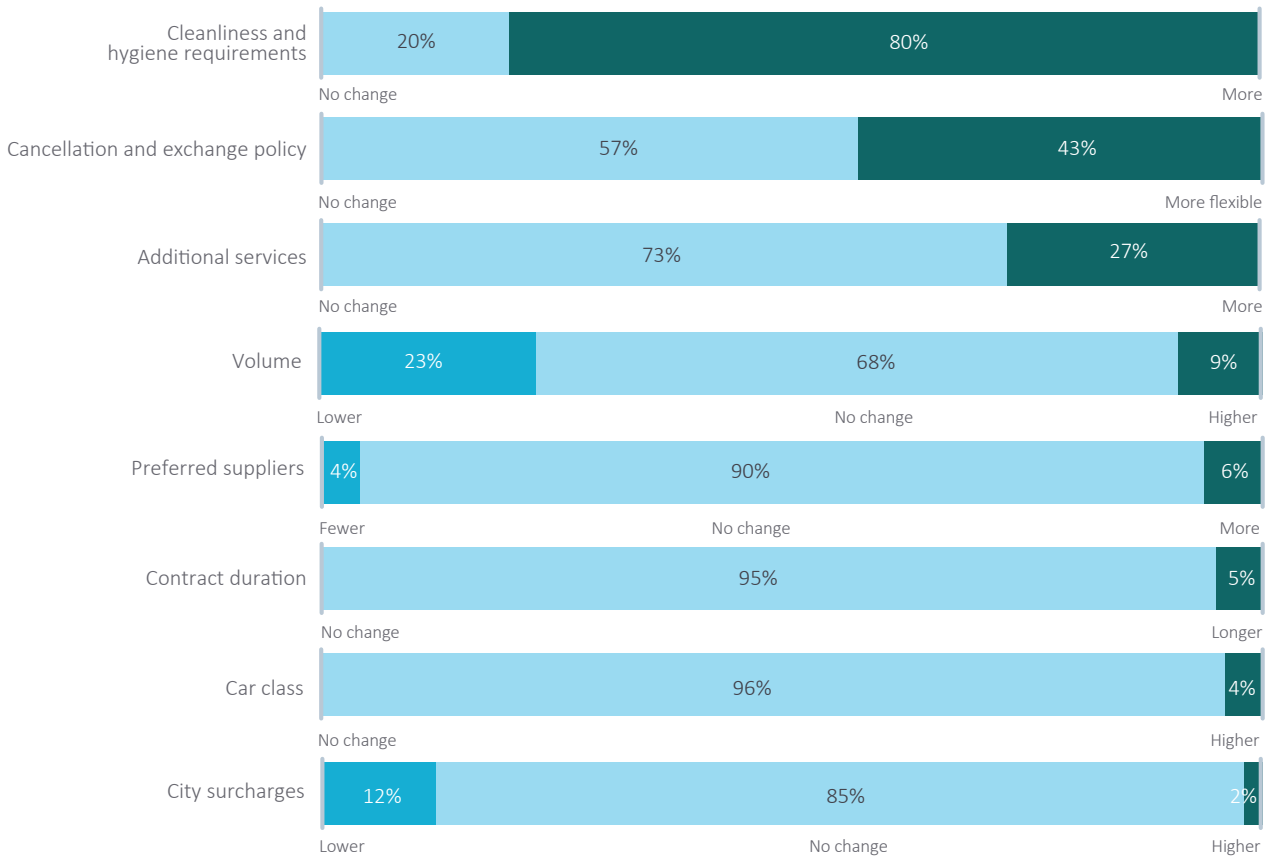
## Car rental policy

Travel buyers increasingly require car rental partners to pass **health and safety certification**.



## Expected changes in car rental sourcing

Similar to other supplier categories, **hygiene requirements** and **flexible exchange and cancellation policies** are among the most frequently negotiated new car sourcing conditions.



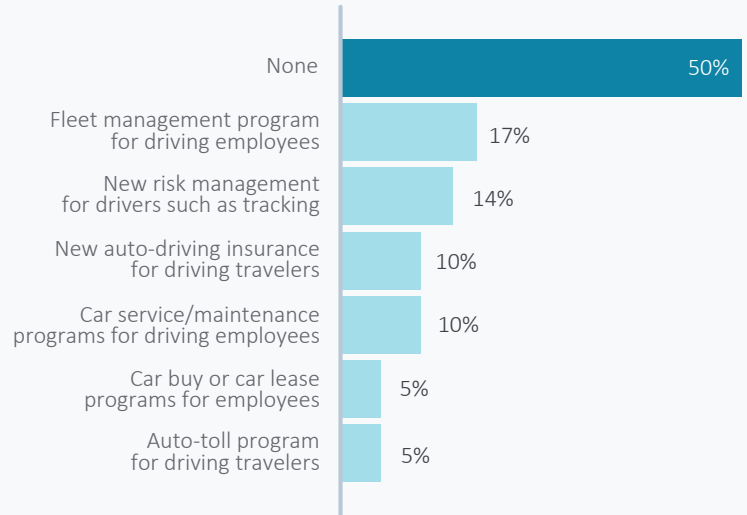


## New trend: Private car use

Average **distance** travelers consider **driving** a car on a business trip.

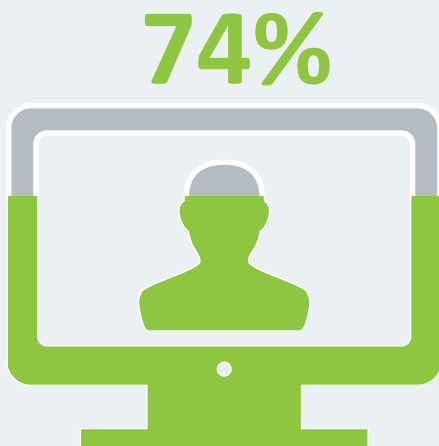


Few companies have plans to introduce **new car sourcing elements** to support driving employees.

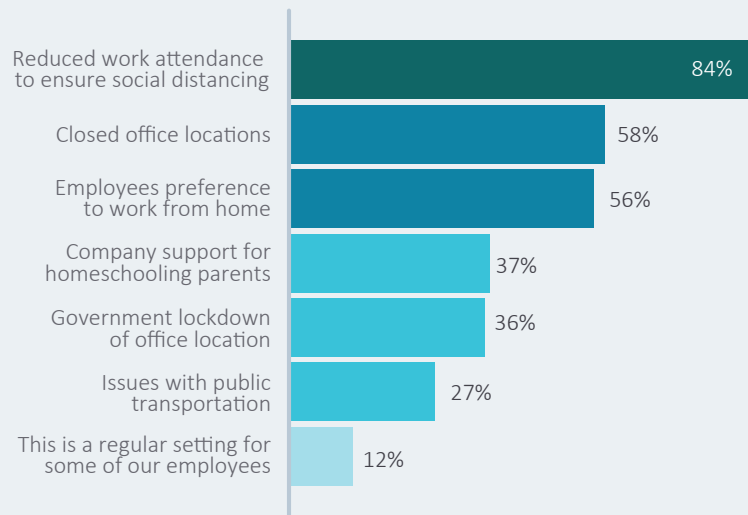


## New trend: Virtual work

Three quarters of employees are currently **working from home**.

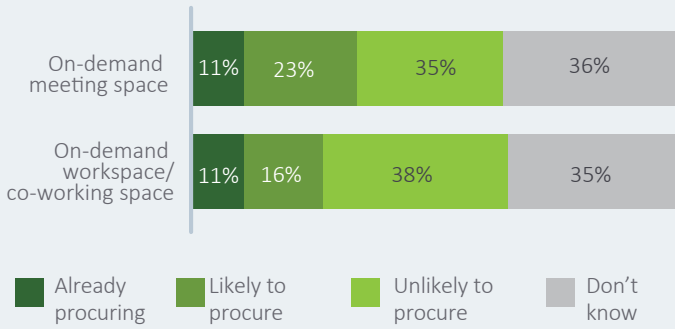


Social distancing, closed offices and employee preference are among the **main reasons for virtual work**.



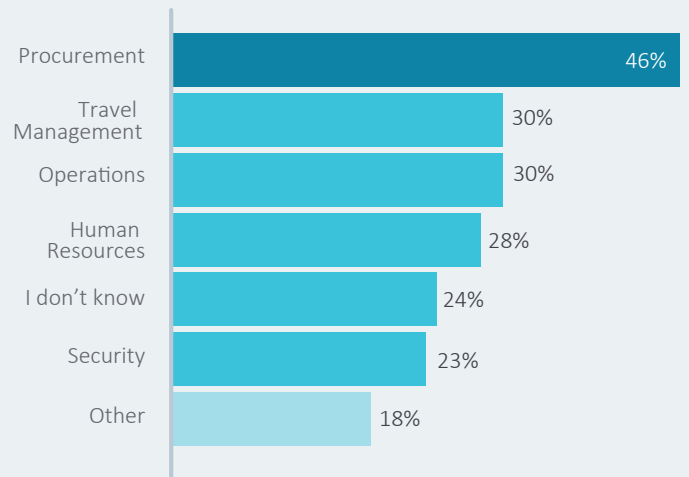
## Procurement of new categories

34% of travel buyers are procuring **on-demand meeting space** or consider doing so. 25% say the same about procuring **on-demand workspace**. A third don't have a clear strategy around procuring these new categories.



## Stakeholders involved

**Procurement, Travel Management** and **Operations** are involved in the procurement of new categories.



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