

GETTING BACK TO BUSINESS

Navigating the Safe Return of Meetings and Their Role in Economic Recovery

U.S. TRAVEL
ASSOCIATION®

CONTENTS



03 **LET'S GET DOWN TO BUSINESS**

11 **THE RETURN OF BUSINESS TRAVEL**

15 **A PHASED RETURN**

21 **EMERGING TRENDS**

25 **POLICY SOLUTIONS**

26 **RESOURCES**

EXECUTIVE SUMMARY

After a decade of continual growth, every sector of the travel and tourism industry has experienced incomparable damage due to COVID-19 that has led to economic devastation in communities nationwide. Particularly hard-hit industries, including airlines and lodging, are facing challenges never experienced before, despite implementing enhanced health and safety measures and documented data that validates how safe their environments are with these measures in place.

While domestic leisure travel has started a slow recovery, business travel—in line with previous crises—has a long way to go before it matches its previous record high levels. **There is a general consensus among the business community and the travel industry that Q2 2021 is the earliest realistic time horizon for when a recovery will even begin.**

Currently the business travel sector is facing several challenges stunting its potential recovery, including:

- ✗ Federal protocols and inconsistent state ordinances on event size caps and distancing guidelines;
- ✗ Uncertainty about international border openings;
- ✗ How companies treat business travel;
- ✗ The evolving use of technology and hybrid events; and
- ✗ Changing traveler sentiment.

Similar to leisure travel, business travel will return in phases and will be dependent on various factors, including ones dictated by government, as well as businesses themselves. Anticipated phases expected are:

- Returning to the office
- Regional, small meetings or gatherings within driving distance
- Overnight travel requiring a hotel stay and possibly a flight
- Large gatherings including trade shows, conferences and conventions, including those with international attendees

Company travel policies are evolving, and decision-making criteria will not only include business travel expense but also its necessity, liability factors, as well as the location and purpose of the meeting. The economic performance of sectors and companies will also greatly influence event spend and resources dedicated to business travel.

Until larger groups can meet again, and travel budgets are restored, digital events and hybrid meetings will be widely adopted. While hybrid platforms and virtual events have some benefits, including the ability to expand reach and enhance and repurpose content, the technology, design and format required to effectively produce virtual events has very quickly redefined the skills and resources required of meeting planners and suppliers—as well as affected cost.

Business travel will return, even if it looks different. Face-to-face meetings and in-person events are a critical component of making connections and building relationships—all of which are the foundation of how companies operate. However, the U.S. economy and American jobs cannot wait three years for its recovery.

Spending stemmed from business travel will fall from \$334 billion in 2019 to \$141 billion in 2020 and it will take until 2024 to climb back above \$300 billion. Without the right policies and strategies to revive this critical sector, recovery of the economy and jobs will remain stagnant. Safely rebuilding business travel and allowing meetings and events to return in a safe and structured manner will be vital to restoring the U.S. economy, bringing back American jobs and re-establishing our leadership and position on the global stage.



INTRODUCTION

International inbound travel halted first when borders closed in February. By late March, the coronavirus pandemic had also caused travel within the United States to come to a standstill. Nonessential businesses were directed to issue stay-at-home orders and many communities began lockdowns. Throughout that month, more and more events were cancelled. Nearly overnight, life as we were accustomed had changed completely.

Though many businesses were able to pivot quickly and figure out how to connect and work effectively in a remote setting through an increased reliance on conference calls, webinars and virtual platforms, most agreed: there is no replacing face-to-face interactions.

In the U.S.—and around the world—a warm greeting and a handshake is as much a part of the business process as memos, presentations and contracts. Whether it is client lunch, a meeting of 15 people or a convention of 10,000 attendees, business and event travel is a significant driver for local, national and global economies, creating and supporting jobs within the travel industry and well beyond.

The fact is, the importance of face-to-face meetings is invaluable. The coronavirus pandemic complete with social distancing and endless zoom calls and webinars has accentuated the need and desire for human connection in person. From growing new business, retaining and building existing relationships, gaining experience or training, or continuing to be informed and educated on the latest trends, technologies or products, being together, in person is much more effective, efficient and genuine than a virtual setting can capture.

About Back to Business

The report is intended to provide U.S. Travel Association members and businesses within the broader travel industry with real data, case studies, and a potential recovery timeline.

All information within the report—including the policy solutions provided—can be used to inform lawmakers of the importance of business travel, as well as the meetings and event sectors, to the overall the economy, American jobs and U.S. trade; how the coronavirus pandemic has stalled a decade of growth that jeopardizes the rebuilding of our country; and ways to accelerate recovery.

For more information on report use, please contact Tori Emerson Barnes, executive vice president of public affairs and policy, U.S. Travel Association.



LET'S GET DOWN TO BUSINESS

From in-person meetings to client site visits, sales missions to educational conferences, conventions and trade shows, **nearly 500 million business trips by domestic and international travelers were taken in the United States in 2019**—a number that had been steadily increasing for the past 10 years.¹

These travelers spent a total of \$334 billion on travel related goods and services, including \$94 billion on lodging and \$70 billion on air transportation.² (Fig. 1)

Of that, general business travel spending to visit clients and sell products or services in person made up nearly 60% (\$195 billion), while the remaining \$139 billion was driven by meetings, conferences, conventions and trade shows (Fig. 2). **The spending generated from business travelers supported 2.5 million American jobs.**³

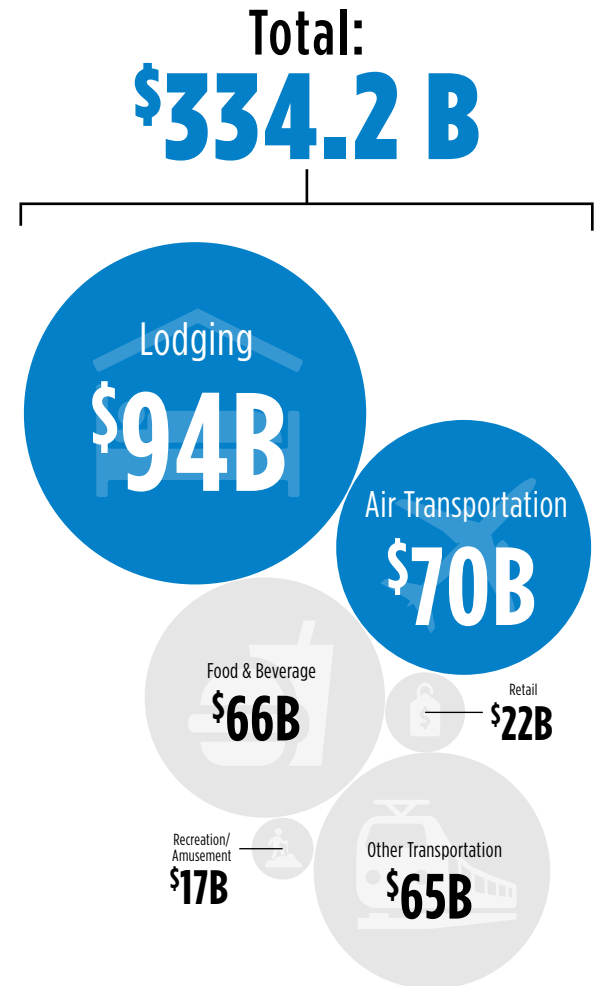
Fig. 2 - Business Travel Economic Impact (2019)

	Spending (\$ billions)	Employment (jobs)
Total Business	\$334.2	2,537,600
General Business	\$195.0	1,432,700
Meetings/Convention	\$139.3	1,104,900

Travel Segment	Spending (\$ billions)	Percent of Total
Total Travel	\$1,127	
Leisure	\$792	70% of total travel
Business	\$334	30% of total travel
General Business	\$195	58% of business travel
Meetings/Convention	\$139	42% of business travel

SOURCE: U.S. Travel Association
 Note: This data reflects spending by both domestic and international travelers in the U.S.

Fig. 1 - Half of Business Travel Spending is for Lodging and Air Transportation (2019)



SOURCE: U.S. Travel Association

An Even Bigger Impact

Including indirect and induced supply chain impacts, business travelers generated a total of \$791 billion in economic output (Fig. 3).⁴ Business travelers supported a total of 4.9 million American jobs across all industries, including more than 200,000 manufacturing jobs and 264,000 jobs in health and social services (Fig. 4) in 2019.⁵

Often booking last minute and less discriminate towards price, business travelers have a disproportionate impact on total travel spending, greatly impacting the revenues of hotels and airlines.

Despite making up 20% of total trip volume, business travelers accounted for 30% of total travel spending in the U.S. and nearly 40% of lodging and air revenue.⁶ It is estimated that business travel contributes to 70% of global revenues for high-end hotel chains and 55-75% of airline profits.⁷



Fig. 3, 4 - Business Travel's Downstream Impact on the U.S. Economy (2019)



Total Output: \$791 Billion
Total Employment: 4,878,800 Jobs



Accommodation and Food Services
\$181 Billion
2,018,600 Jobs



Transportation and Warehousing
\$102 Billion
437,800 Jobs



Manufacturing
\$102 Billion
209,700 Jobs



Real Estate and Rental
\$83 Billion
230,100 Jobs



Finance and Insurance
\$43 Billion
144,800 Jobs



Retail Trade
\$32 Billion
315,100 Jobs



Wholesale Trade
\$31 Billion
96,100 Jobs



Information
\$31 Billion
50,200 Jobs



Health and Social Services
\$30 Billion
264,100 Jobs



Professional Services
\$28 Billion
171,600 Jobs



Arts, Entertainment and Recreation
\$23 Billion
249,500 Jobs



Other
\$105 Billion
691,200 Jobs

SOURCE: U.S. Travel Association

It can be argued that the exchange of ideas, information and knowhow is even more important than the exchange of goods. **Business travel expenditures both in the U.S. and globally have grown faster than GDP in recent years.** In the United States, business travel spending has averaged a 4.6% annual growth rate over the last decade (2010-2019)—faster than the 4.1% average annual nominal GDP growth rate.⁸

Not only does business travel contribute significantly to the economy, but it also increases competitiveness and positively impacts trade.

In 2019, business travelⁱ generated \$28 billion in export income to the U.S. economy, which directly affects (and improves) the trade balance.⁹ Even after accounting for spending on business travel by U.S. residents abroad (\$17 billion) there was a business travel trade surplus for the U.S. of \$11 billion in 2019.¹⁰

Recent research from Harvard Growth Lab reveals a direct link between a country's incoming business travel and the growth of new and existing industries.¹¹ Business travel leads to the transportation of ideas, and if used efficiently, can support organizations in the building of trusted relationships and partnerships, which in turn support economic growth.

According to our study, the world is benefiting enormously by mobilizing the knowhow in brains through business travel. A permanent shutdown of this channel would probably imply a double-digit loss in global GDP.

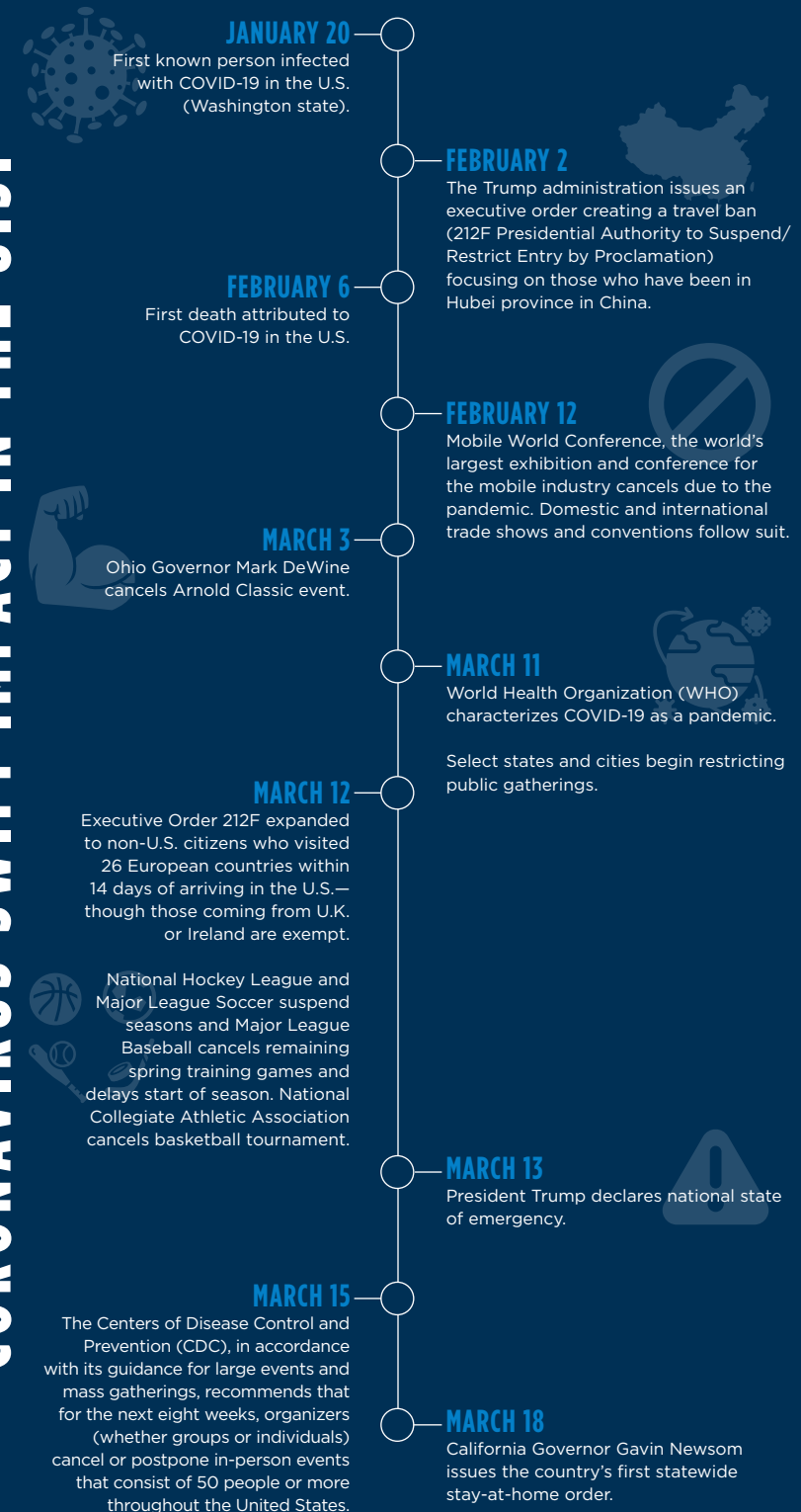
Ricardo Hausmann, director,
Harvard Growth Lab

How a Global Pandemic Affects Business Travel, Meetings and Events

As more information emerged about COVID-19, its point of origin, and the pattern in which it was spreading and being transmitted, government leaders around the globe, as well as state and local officials in the U.S., began to use unprecedented measures to help control the virus. From closing borders to country and state lockdowns, from limiting gathering sizes to quarantines, the world slowly began shutting down, bringing travel with it and greatly affecting every sector within.

i - excluding short-term/border workers

CORONAVIRUS SWIFT IMPACT IN THE U.S.





Return to office: The reopening process for businesses is dependent on state and local guidelines from governors and public health officials.



International borders: The U.S. government has begun discussions about reopening international travel. A pilot program kicked off on October 21 between London and Newark airports. A first step in reopening travel between the U.S. and the U.K.—the pilot program will inform the final reopening framework. This is the first transatlantic flight testing the CommonPass—an app intended to verify an individual's negative COVID-19 test prior to boarding.

Additionally, U.S. Travel Association is leading stakeholder discussions to provide recommendations and insight to the U.S. government with the aim of removing travel restrictions and bolstering traveler confidence.

Event Industry Council (EIC) Accepted Practices Exchange (APEX) COVID-19 Business Recovery Taskforce was commissioned to provide a voice in planning, preparing and participating in recovery efforts. The taskforce addressed the immediate need for guidance on accepted practices to gather safely with a common set of protocols to restart the industry.

- [Industry Resources](#)
- [Health and Safety for Hotels Accepted Practices Guide](#)
- [Code of Conduct](#)
- [Principals for Recovery](#)





Gathering sizes: The number of people who can gather at an in-person event varies per state. Additionally, state-issued quarantines can affect out-of-state travel.


- [Meetings Mean Business Reopening Tracker:](#) tracks the latest state-by-state protocols for in-person gatherings—including occupancy limits, mask requirements and travel protocols.


CDC Health and Safety Guidelines: wear masks, socially distance, wash hands often, limit contact with common surfaces, utilize contactless technology when possible.

CDC Considerations for Events and Gatherings:

 **Lowest risk:** Virtual-only activities, events and gatherings.

 **More risk:** Smaller outdoor and in-person gatherings in which individuals from different households remain spaced at least 6 feet apart, wear masks, do not share objects, and come from the same local area (e.g., community, town, city or county).

 **Higher risk:** Medium-sized in-person gatherings that are adapted to allow individuals to remain spaced at least 6 feet apart and with attendees coming from outside the local area.

 **Highest risk:** Large in-person gatherings where it is difficult for individuals to remain spaced at least 6 feet apart and attendees travel from outside the local area.

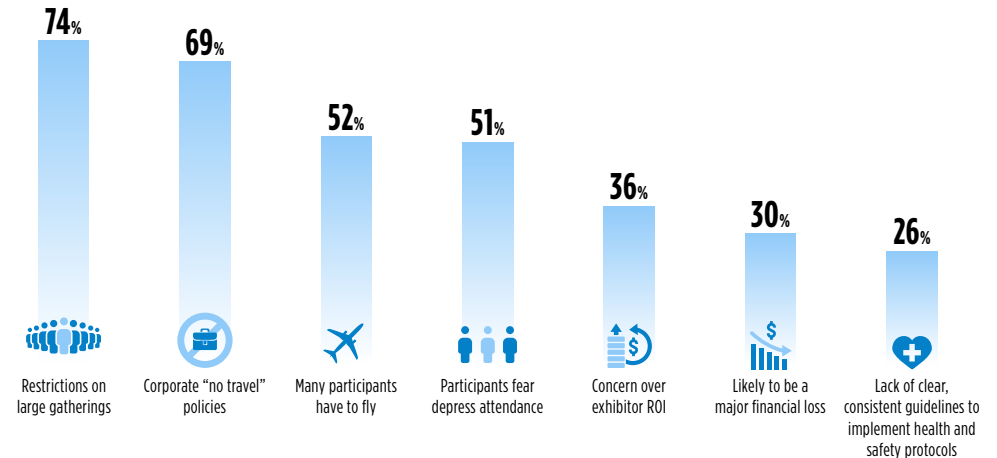
A Deeper Dive into COVID-19's Effect on Business Travel

After growing annually for a decade, the fallout from COVID-19 has grinded business travel to a halt. By April 2020, 92% of the Global Business Travel Association's (GBTA) organization members reported canceling or suspending all or most of their domestic travel and 98% of international travel.¹² Even as of late September, more than eight in 10 (81%) global organizations had cancelled most or all of their business travel to the United States.¹³

The Center for Exhibition Industry Research (CEIR) reported that the U.S. business-to-business (B2B) exhibition industry came to a complete standstill in the second quarter of 2020 with growth plummeting nearly 100% from the prior year.¹⁴ Close to nine in 10 events originally scheduled in the second quarter were cancelled and the remaining 12% postponed, many of which will ultimately be cancelled.¹⁵ The top reason for cancelled events for three-quarters of organizations was 'restrictions on large gatherings/group meetings' followed by corporate 'no travel' policies impacting participation (Fig. 5).¹⁶

The Professional Convention Management Association (PCMA) also reported that 87% of planners cancelled at least one event and two-thirds had postponed events by early April.¹⁷ Similarly, the top reason for cancellations were travel and gathering bans, social-distancing requirements, heavy attendee cancellations and attendee worry and fear. At the time, planners were hopeful the impact of the pandemic would only last a few months—the majority of events cancelled or postponed were for March, April, May and June.¹⁸

Fig. 5 - Group Size Restrictions are the Top Reason Why Exhibitions Cancelled



A Ripple Effect: How Decreased Business Travel Affects Lodging Demand and Occupancy

Business travelers usually occupy roughly one fifth of available luxury and upper class hotel rooms. In 2019, for example, group travelers (primarily business) had an occupancy share of 22% of these top-tier hotels while transient travelers (primarily leisure) occupied 47% (the remaining 31% were mostly vacant)¹⁹.

While the hotel occupancy rate for both group and transient was down by the same staggering year-over-year rate of -90% in April transient occupancy rates recovered much of that loss over the summer while group occupancy rates have not meaningfully improved (Fig. 6)²⁰. Similarly, on the demand side, while transient travel recovered much of its loss and was down “only” 47% y/y in September, group travel demand was still down 83% (Fig. 7)²¹. **For 2020 overall, while the number of leisure trips is projected to decline by 24%, the number of business trips is forecast a much steeper decline—down 60%.²²**

While both leisure and business travel plummeted in Q2, leisure travelers began venturing out to visit friends and family or drive to nearby outdoor destinations such as the beach over the summer months. Business travel relying more heavily on air travel and typically gathering in larger groups has been much more constrained. Typically known as the ‘conference season’, business travel declined even

Fig. 6 - Group Hotel Occupancy Levels Have Not Yet Recovered

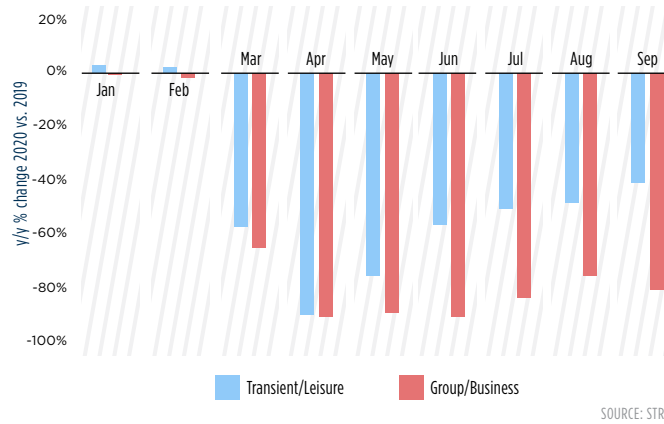


Fig. 7 - Group Hotel Demand Levels Have Been Equally Slow to Recover

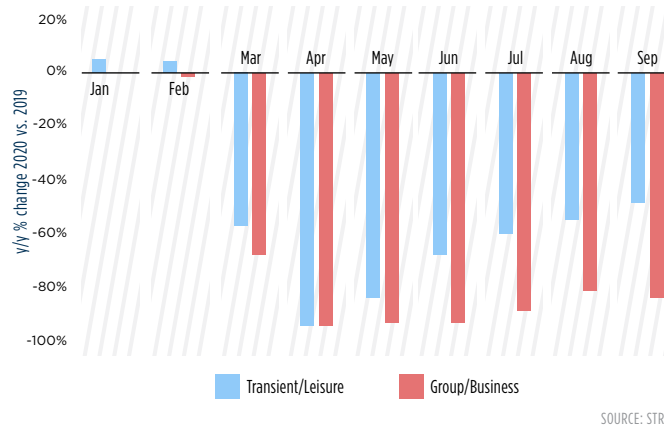
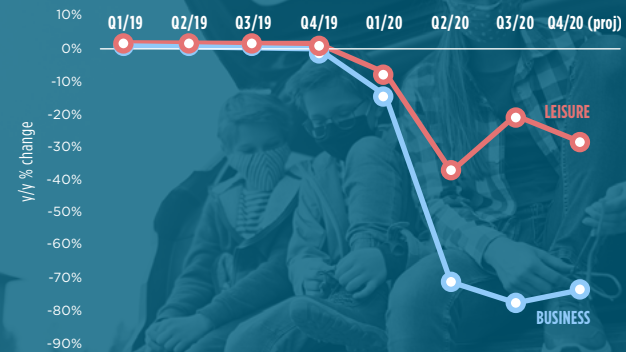
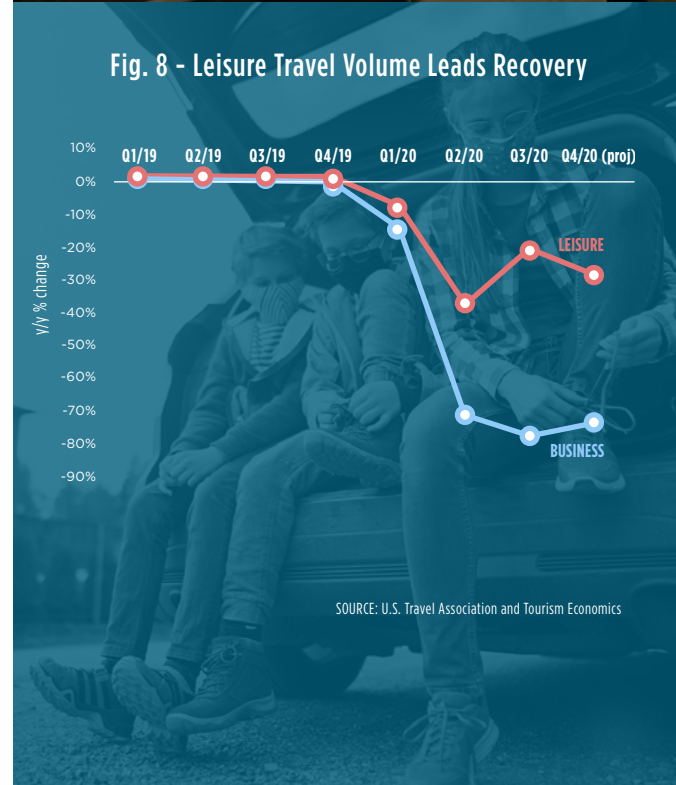


Fig. 8 - Leisure Travel Volume Leads Recovery

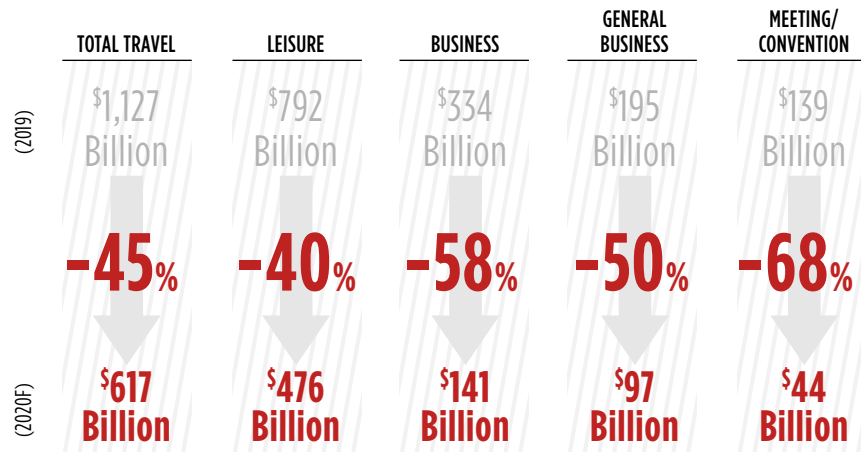


further in Q3 compared to the same quarter in 2019 and was not expected to meaningfully improve at all come Q4.²³ (Fig. 8)



SOURCE: U.S. Travel Association and Tourism Economics

Fig. 9 - Business Travel Spending Forecast to Decline Nearly 60%



SOURCE: U.S. Travel Association
 Note: This data reflects spending by both domestic and international travelers in the U.S.

Staggering Economic Losses Across the Industry

From March through September 2020 business travel spending (by both domestic and international travelers in the U.S.) was down 77% compared to the same period in 2019, a loss of \$162 billion for the U.S. economy.²⁴ This includes a loss of \$36 billion for the airline industry (-83% y/y) and \$47 billion for the lodging industry (-81% y/y). Business travel related to meetings and conventions dropped significantly more (-85% y/y) than general business travel (-72% y/y).²⁵

For 2020 overall, while leisure travel spending is projected to shrink by 40%, as a result of gathering size restrictions, rising case counts, lack of confidence in healthy and safety meeting protocols and the absence of a vaccine or accessible testing, business travel spending is forecast to decline by 58%, falling from \$334 billion in 2019 to \$141 billion in 2020.²⁶ (Fig. 9)

Meeting planners and suppliers are anticipating significant revenue hits in 2020 and continuing into 2021. Nine in 10 suppliers and 61% of planners expect a 50% or more decline in revenues in 2020.²⁷ Yet, as of late October, less than six in 10 planners (54%) and nine in 10 suppliers expect 2021 revenues to improve to at least 50% of 2019 levels.²⁸

Impact of Cancelled Events on Local Economies

A conference, convention or tournament, among other in-person events, is a driver of economic development, boosting a destination's profile and increasing the potential for future visitors.

For example, after working to attract the presidential conventions and months of preparation, due to gathering size restrictions and ongoing healthy and safety concerns, the 2020 Democratic National Convention, originally to be held in Milwaukee, was scrapped in favor of a virtual convention, and just a few in-person GOP events were staged in Charlotte—meaning both destinations missed the immediate economic rewards reaped by host cities in years past.

In 2016, the Republican National Convention brought to Cleveland approximately 48,000 visitors and more than \$110 million in total direct spending.²⁹ The 2016 Democratic National Convention in Philadelphia attracted 54,000 visitors and more than \$132 million in direct spending.³⁰ Those conventions further exposed Cleveland and Philadelphia to a national audience, showing off some of the very best the two cities have to offer.

The cancellation of major events due to COVID-19 has seriously affected communities across the U.S. Many destinations, particularly urban centers, rely on business travelers to fill hotel rooms and boost spending during the week, when leisure travelers are less likely to visit. Business travelers command higher rates and have disproportionate impacts on spending and hotel revenues.

The spending business travelers generate is heavily relied upon not only to drive hotel revenue and fill convention centers but also to support local jobs and generate local and state tax revenues to be reinvested back into communities. The cancellation of major events across the country has significant and lasting negative consequences.

SPOTLIGHT: Business Travel Drives Additional Leisure Spend

In the entertainment capital of Las Vegas, convention visitors boost visitation during weekdays, when leisure visitors are less likely to travel. Historically, **convention visitors spent an average of \$994 per trip, 18% higher than the average leisure visitor.³¹ In 2019, 6.6 million convention visitors generated \$6.7 billion in direct spending and supported 44,000 jobs.³²** As a result of COVID-19 and the widespread cancellation of trade shows, conventions and meetings, the Las Vegas economy has felt significant impacts on jobs and lost spending from convention attendees.

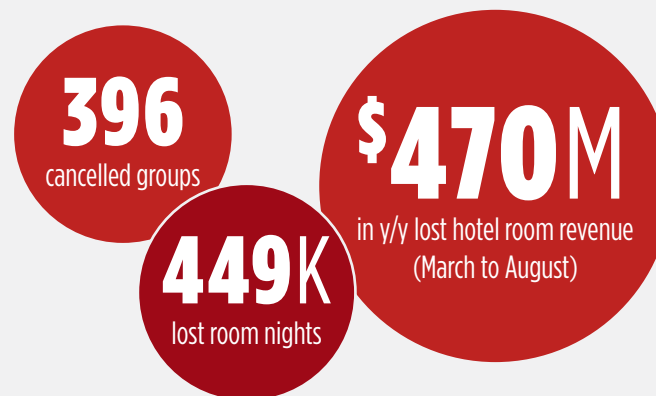


SPOTLIGHT: How the Cancellation of SXSW Rocked Austin



As one of the first cities to announce a major event cancellation in the U.S. earlier this year, **Austin, Texas lost \$65 million in hotel room revenue in March from the cancellation of South by Southwest (SXSW).** Compared to the same event dates in 2019, room revenue in 2020 dropped by 81% to \$15 million.³³ SXSW alone accounts for the consumption of almost 60,000 room nights and \$34 million in room revenue. While the lodging impacts were substantial, there are also numerous other local venues and event vendors that rely on SXSW for up to 50% of their total annual revenue. In fact, countless hospitality workers rely on earnings made during SXSW to cover several months of rent and other living expenses.³⁴

And this was just one event. Like most urban destinations, Austin's business travel demand has been hit very hard by the pandemic. After March, hundreds of meetings were cancelled, including every citywide convention scheduled in 2020, resulting in:



The outcome: A \$453 million total economic impact loss for the local economy through August^{ii, 35}

ii. Loss only includes meetings and events that were facilitated by Visit Austin and does not account for events that cancelled directly with the hotels.

SPOTLIGHT: Significant Impact to Visitor Spending and Tax Revenues

UN  STOPPABLE
PHILADELPHIA



More than one-third of Philadelphia's total visitor spending is attributed to business travel, meetings and events. The cancellation of nearly 20 citywide events through the end of 2020 and more than 500 lost business travel groups has resulted in over 600,000 foregone hotel room nights or about half of all group room nights. In total, the lost economic activity to the city has resulted in a **loss of \$2 billion in total travel spending including more than \$427 million which would have generated \$40 million in state and local tax revenues from lost meetings and conventions, just between March and September.**

SPOTLIGHT: Kentucky Derby—A Two-Minute Race, Millions in Economic Impact

LOUISVILLE
EST. 1778

The top driver of tourism to the region, the **Kentucky Derby season annually contributes close to \$500 million to Louisville's local economy.**³⁶ Even though the main event was rescheduled from May until September, the race's attendance was limited only to participants, media and horse connections. No public tickets were sold.³⁷

And it's more than just a two-minute race, the Derby is the grand finale of a two-week festival which has an additional annual impact of \$127 million.³⁸ The entire two-week Kentucky Derby Festival was cancelled. Typically, a massive draw for the community, the Derby attracts visitors from far away to the Louisville area, where they eat at restaurants, visit horse farms, stay in hotels and shop locally.

Small businesses ranging from local fashion boutiques selling bow ties, hats and fascinators, florists, to caterers to distilleries and cigar retailers depend on the Kentucky Derby festivities, which is like a second holiday season to many restaurants and retailers.³⁹ It is also a chance for the city to make a first impression and potentially attract new businesses, talent or homebuyers.

***D**uring a time that has gutted the tourism industry, the Kentucky Derby represented more than an annual tradition. It meant jobs. The two weeks of Derby season in Louisville typically induces nearly \$500 million in economic impact. As the largest annual tourism generator in Kentucky, even at a reduced capacity, its delayed hosting offered a small economic relief to our fellow citizens working from the front line and beyond. Pre-COVID, these were 60,000 neighbors strong in the Louisville area alone. The Derby itself impacts other areas in the state and its downsizing affected many.*

Karen Williams, president & CEO, Louisville Tourism

If business remains slow, some local companies and organizations may close all together. As a result of COVID-19, approximately 60% of Greater Louisville's' 60,000 travel industry jobs have been lost.⁴⁰



PHOTO CREDIT: USATSI, cbssports.com

THE RETURN OF BUSINESS TRAVEL

In short: It will take time. After economic downturns and other travel disruptions, historically, business travel has been more volatile and slower to recover than leisure. In fact, during the 2008-09 recession, business travel took five years to fully recover.⁴¹

Critical Business Travel Resumes Q2 2021

The consensus across travelers, planners, suppliers and corporate executives is that business travel will not resume until Q2 2021 and it will take approximately three years to get back to levels similar to 2019.

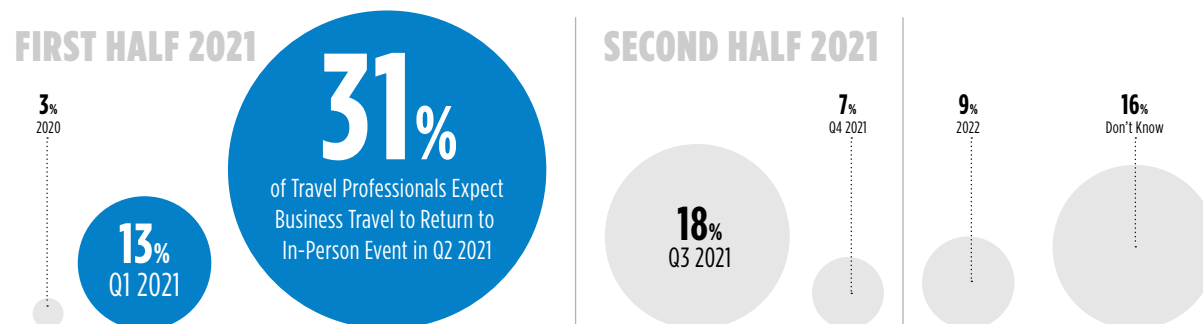
CEIR believes small (less than 50,000 square feet) regional exhibitions will be the first to return. Based on their most likely scenario, assuming new COVID-19 cases peaked in late-July and a vaccine will be approved in Q1 2021, **small B2B exhibitions will partially resume in November 2020 but large shows will not resume until Q3 2021.**⁴² In a worst-case scenario with a second wave of COVID-19 cases this fall and a vaccine not approved until Q2, small shows would resume in Q1 2021 and large shows would not resume until late 2022.⁴³

Travel organizations have similar (and evolving) expectations and are now looking into 2021 for the return of business travel. The majority of GBTA companies expect their employees to return to in-person events in 2021.⁴⁴ **Almost half (45%) expect attendance to resume in the first half of the year with the majority (31%) looking at Q2** and an additional 25% expecting a return to in-person events in the second half of 2021.⁴⁵ (Fig. 10)

U.S. Travel's forecast aligns with CEIR findings that essential small and medium meetings and events within driving distance will resume in the first quarter of 2021 and large events will return in the second half of 2021. Nine months of cancelled events in 2020 will likely create much pent-up demand.

However, even with a vaccine and effective public health safety measures in place, 36% of companies do not believe the number of business trips will fully recover to their pre-pandemic level within the next three years.⁴⁶ Just over four in 10 (42%) believe the number of business trips will recover to pre-pandemic levels within three years.⁴⁷

Fig. 10 - Almost Half of Travel Professionals Expect Business Travel to Return to In-Person Events in The First Half of 2021



SOURCE: Global Business Travel Association Coronavirus Member Poll, Sept 2020



Industry Sector and Economic Performance Considerations

When taking a closer look at sectors hit hardest by the pandemic, including energy, manufacturing, retail and automotive, among others, it is generally anticipated it will take longer for these to resume large scale business travel. **Healthcare (particularly biotech), financial services, telecommunication and education sectors fared relatively well during the pandemic and will have more resources to dedicate to event spend—even if it is just for small meetings in the short-term.**⁴⁸ Larger meetings—particularly for sectors more comfortable with technology such as financial services, pharmaceuticals and other tech sectors will likely be replaced with hybrid and virtual meetings for the time being.⁴⁹ Likelihood and willingness to travel is also correlated with an industry’s reliance on global consumers.⁵⁰

Whether a higher risk tolerance, more confidence in traveling or an essential part of their business, event participants in the global energy, real estate, travel and transportation and sports and recreation sectors were more likely to prioritize in-person meetings and business travel even before a vaccine is readily available.⁵¹

Building Back the Economy

In terms of business travel spending, while domestic leisure travel and associated spending is projected to return (and likely surpass) 2019 levels by 2024, domestic business travel spending—general and group combined—is projected to remain at just 91% of 2019 levels even in 2024.⁵²

Even when individuals begin to feel more comfortable traveling, corporate travel policies are expected to continue to limit non-essential trips as long as COVID-19 remains a threat, due to strict company health policies, pandemic-related budget constraints and liability concerns.

The swift deterioration in corporate profits is predicted to dampen the recovery even in the aftermath of the pandemic. High levels of corporate debt and weak labor markets further raise the risk to many private sector companies—negatively impacting corporate travel budgets. This will affect both general business travel (e.g. to visit clients, make sales calls, repair or service equipment or receive training) and group travel for meetings, conferences, conventions and trade shows.

Group travel, however, not only suffered more strongly than general business travel in 2020 but will also take longer to recover back to 2019 levels. General (domestic) business travel spending is expected to reach 91% of 2019 levels in 2022 while group travel will reach less than 70% of 2019 levels by that time. Individual business travel is naturally considered less risky (in terms of exposure to COVID-19) than large meetings and events and also requires a smaller amount of pre-planning and coordination.

A full return to pre-crisis levels for group travel is expected to be painfully slow. In addition to the lingering effects from the economic recession (which will likely have a disproportionate effect group travel, often seen as more discretionary), continued size restrictions, health and safety protocols as well as more risk aversion on the



part of participants and organizers of large meetings is expected to slow the recovery of group travel. Some events may also find it challenging to restart following a long period of stagnation. Even in 2024, domestic group travel is projected to reach just 86% of 2019 levels while general business travel is projected to return to nearly 100% of 2019 levels.

A robust recovery of meetings, conferences and trade shows is eventually expected as the economy steadily rebuilds, and as event planning and corporate spending horizons improve, but it will take a number of years and will likely not happen within the range of our current forecast (2024).

Until borders reopen, air routes are reinstated, and travelers feel more comfortable flying, international business travel will remain even more restrained. General business spending by international travelers is projected to remain at just 43% of 2019 levels in 2021 and 84% in 2024. Spending by international travelers attending meetings and conventions is projected to remain at 25% of 2019 levels in 2021 and just 82% in 2024.⁵³ (Fig. 11)

Challenges to the Recovery Process

A BUSINESS TRAVELER'S STATE OF MIND

Personal health concerns, concerns for friends and family and economic impacts have had real impacts on Americans' willingness to travel to attend conferences or conventions.

At the height of the pandemic in mid-April, eight in 10 American travelers were avoiding conferences and conventions until the coronavirus situation is resolved.⁵⁴ As of late-October, sentiment has barely improved: close to three-quarters of travelers are still holding off on conferences and conventions.⁵⁵ (Fig. 12)

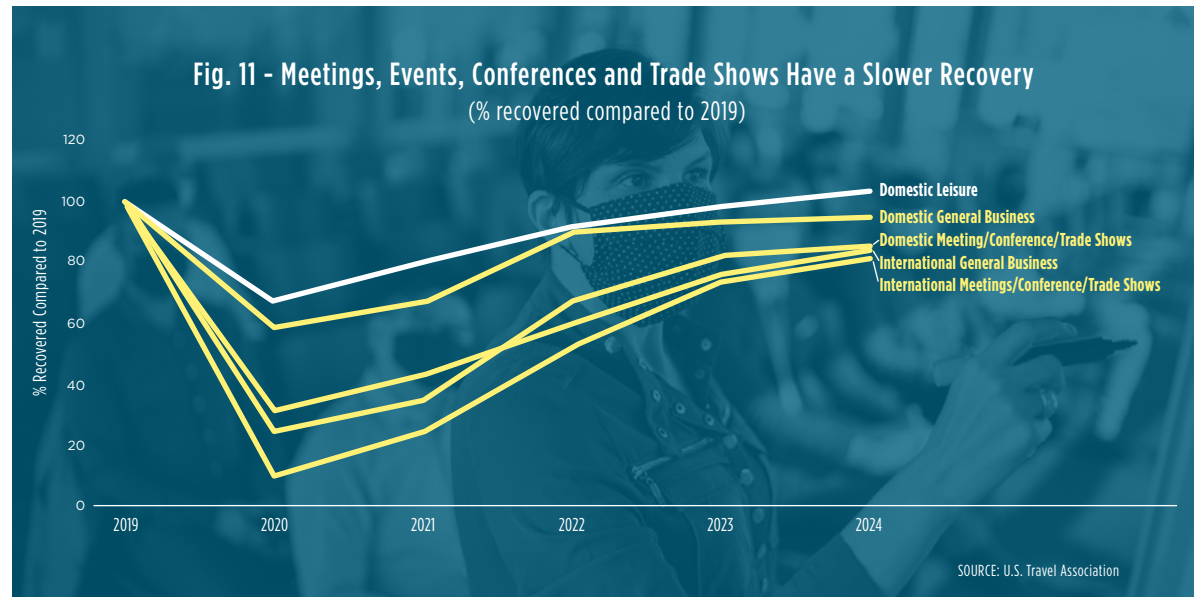


Fig. 12 - Nearly Three-Quarters of Travelers are Avoiding Conferences and Conventions

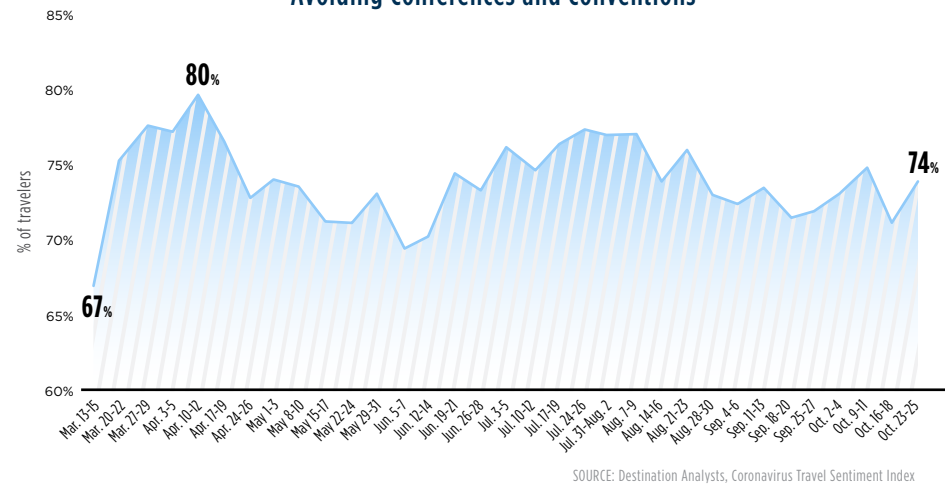
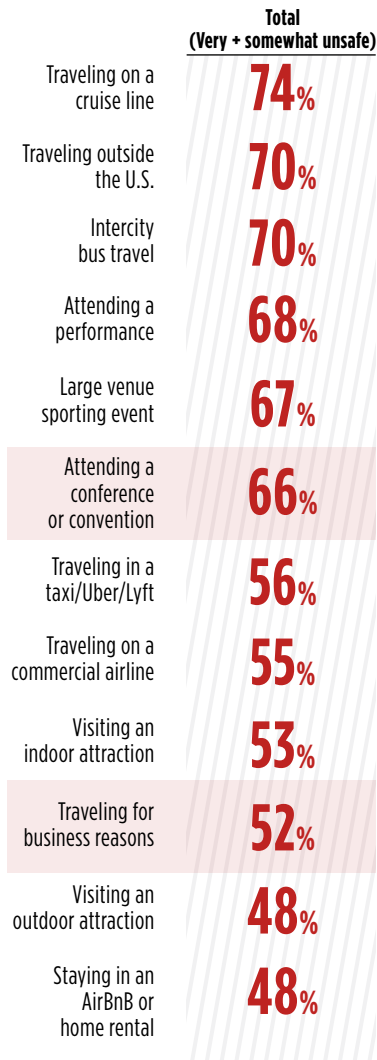


Fig. 13 - Perceived Safety of Travel Activities (as of Oct. 26)



SOURCE: Destination Analysts, Coronavirus Travel Sentiment Index

More than half of travelers working for companies with employees who travel for business do not anticipate business travel resuming until at least April 2021.⁵⁶

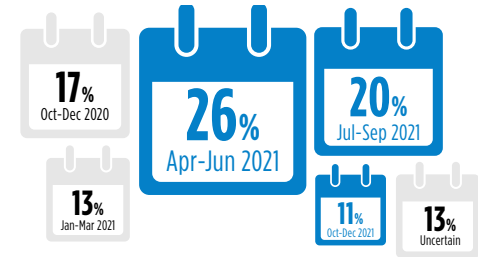
Unfortunately, largely due to the size of events, number of unfamiliar individuals in close proximity and lack of confidence in air travel, travelers view attending a conference or convention as one of the top most unsafe travel activities they could participate in.⁵⁷ (Fig. 13) While trust is improving Americans have also expressed concerns over trusting their fellow meeting attendees and meeting organizers to protect themselves and others from the spread of the virus.⁵⁸

THE ROLE OF THE MEETING PLANNER

While many meeting planners were initially hopeful that face-to-face meetings would resume in 2020, their optimism has not materialized. At the beginning of the pandemic in mid-March, eight in 10 meeting planners believed their next event would be in 2020.⁵⁹ As of late-October, less than two in 10 planners were planning on hosting a face-to-face meeting in 2020.⁶⁰ As uncertainty around the coronavirus remains, the anticipated date for resuming face-to-face meetings continues to shift further out. **A simple majority, or 26% of planners, are planning on resuming face-to-face meetings in Q2 2021 while 31% (and increasing) are not planning on meeting in person until the second half of 2021.⁶¹ (Fig. 14)**

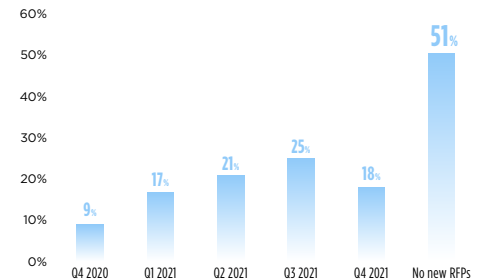
Even with a moving target and continued uncertainty, meeting planners remain focused. **Close to three-quarters (74%) have at least one future face-to-face meeting booked or contracted and request for proposal (RFP) volume is increasing.⁶²** As new event strategies emerge, processing RFPs is a low risk approach for planners to test the market. Nearly half (49%) have one or more RFP in progress—38% for the first half of 2021 and 43% have RFP's for the second half.⁶³ (Fig. 15) With over seven in 10 planners indicating that hybrids will be a part of their future events, many RFPs in the works are for smaller in-person, hybrid events.⁶⁴

Fig. 14 - Majority of Planners Not Planning on Face to Face Events until Q2 2021 or Later (as of Oct. 25)



SOURCE: i-Meet Planner Confidence Index

Fig. 15 - Just Under Half of Meeting Planners Currently Have a RFP in Progress (as of Oct. 25)



SOURCE: i-Meet Planner Confidence Index

A PHASED RETURN

A common consensus among the travel, business, and events community is that business travel will return in phases, factoring in sentiments, travel trends and other indicators.

1. Returning to the Office

As the pandemic continues and COVID-19 cases rise and fall, organizations are evaluating risks and benefits and are in various stages of returning employees back to the office. Largely based on guidance from state and local officials and public health organizations, the return to office requires a variety of unique considerations. Similar to travel, the return to office will likely occur in phases and include multiple mitigation steps such as limits on occupancy, sanitation and physical distancing requirements and mandatory health screenings and face coverings. **Trust both from employees and employers is essential to feel comfortable and safe.** To complicate

matters for working parents, childcare shortages, concerns and virtual learning is another challenge to return to the office. In the absence of a safe learning environment, many parents may not feel comfortable returning to the office and eventually traveling for work.

Even if travelers are ready and organizations approve, some business travel may not be able to occur if

clients are not willing or able to meet in person. While not necessarily requiring a physical office, if employers are not allowing their employees to return to the office

with their own colleagues, they likely will not open the office to external people and allow meetings with clients they have less control over. Opening the office to those outside of the employee base requires a different set of considerations. Some organizations are allowing meetings to take place at hotels or other safe spaces beyond the office.

2. Considering What is Essential Business Travel

The general consensus is that essential deal making client meetings to win new or keep existing business, acquire donors and stay ahead of the competition will likely be the first to return.⁶⁵ In person visits to production sites or to repair, monitor or build physical infrastructure such as data centers, factories and IT infrastructure will be higher priority and require some travel.⁶⁶

SPOTLIGHT: Technology Efficiencies Do Not Replace In-Market Travel to Production Facilities

Chief Financial Officer (CFO) of global berry seller, Driscoll's, Sanjeev Tandon, is budgeting about half of a typical year's travel budget in 2021—largely because they do not believe the majority of travel will occur until the second half of the year when borders reopen and there is a vaccine in place. Tandon believes up to 25% of their business travel will not return as a result of technology efficiencies. However, due to the dispersed nature of their business, it will continue to be critical for executives, operations and research and development teams to have contact with clients, understand how products are performing in market and see the operations in person. — Interview with Sanjeev Tandon, CFO, Driscoll's, October 7

Driscoll's



SPOTLIGHT: A Wait and See Approach but Meeting with Donors is Essential to the Nonprofit's Existence



International nonprofit Room to Read, is taking a wait and see approach and assuming very limited to zero travel in 2021 due to COVID-19 uncertainties globally, an unwavering focus on the health and safety of their employees, as well as budget and resource constraints. The nonprofit seeks to improve literacy and gender education equality in the developing world and relies heavily on donors for their existence. Still, **a high value annual management conference and personal meetings with donors would be considered essential travel that would hopefully happen in some parts of the world.** The need to develop relationships and connect donors to Room to Read's mission is important to ensure they have a healthy revenue stream and will continue to be a priority in 2021. – Interview with Shari Freedman, CFO, Room to Read, October 2

SPOTLIGHT: Face-to-Face Meetings are Essential to Make Deals Happen and Build Relationships

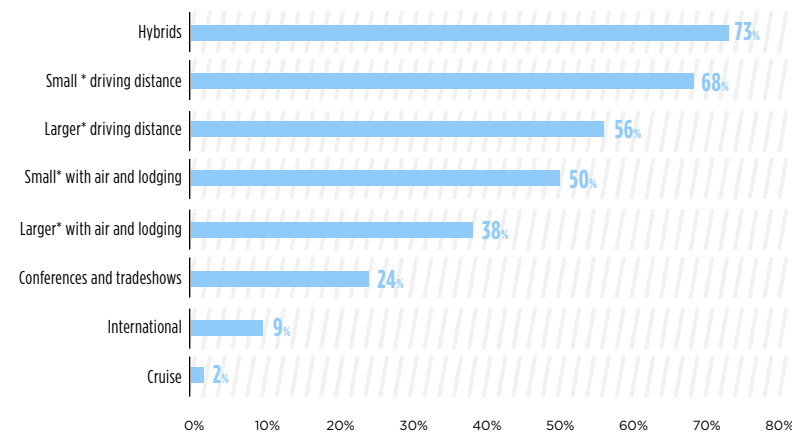


With a travel budget of \$4 million in 2019, OLED Display Capital Equipment innovator, Kateeva's travel budget was cut to \$500,000 in 2020 due to COVID-19. Based in Silicon Valley, 100% of their clients are based in Asia—business travel is an essential component to sell to and support clients, meet with suppliers, introduce new products and provide training. Travel bans and quarantines have made it nearly impossible to budget and plan for business travel in 2021. CFO Mary Loomas is hopeful to get back 75% of their budget in 2021. Projecting \$3 million for business travel in 2021, assuming they can travel back and forth to China and Korea, the company has budgeted only for essential travel to visit clients and has not budgeted for large in-person conferences and trade shows, even if they are domestic. **The company plans to cut discretionary travel for training and education purposes for the foreseeable future, and even as the company continues to grow, plans to keep their travel budget flat.** As the company was forced to troubleshoot virtually, they expect some travel will disappear permanently but when new products are released in-person training with engineers remains essential. The company's leadership feels strongly that face-to-face meetings are essential to make deals happen and build relationships. – Interview with Mary Loomas, CFO, Kateeva, October 6

3. Small Regional In-Person Events

Meeting suppliers and planners agree that small, drivable events will be the first to return followed by smaller events requiring a flight and hotel. Hybrid events offering a virtual option will also impact in person attendance in the near-term.⁶⁷ (Fig. 16) Event management company, Cvent validated this recently, reporting that 90% of new RFPs were for smaller meetings with less than 50 rooms on peak night.

Fig. 16 - Hybrids and Small Driveable Meetings Expected to Return First (as of Oct. 25)



SOURCE: i-Meet Planner Confidence Index
* Small is defined as under 25 and large over 25 attendees

SPOTLIGHT: Indy's #BackonTrack Reopening Strategy



Beginning July 5th, the Indianapolis convention center was under new guidelines and held its first event, a youth basketball tournament. Over the last few months, Indy has hosted 21 live events and welcomed 48,600 attendees with no known COVID-19 cases. Indianapolis's [#BackonTrack](#) meeting strategy gives the industry hope that meetings and conventions will return.

As one of the top convention cities in the country and within a day's drive of more than half of the nation's population, Indianapolis was already one of America's most drivable cities and positioned well to attract travelers—both leisure and business.

Another key factor that allowed Indianapolis to open and begin hosting events was support from the state and local government. The state and city entered phase 4.5 the beginning of July which allows gatherings of more than 250 people and up to 15,000 with the approval of an event health and safety plan by the Marion County Public Health Department.

In addition to the state entering phase 4.5, allowing larger events and group gatherings, other unique factors and considerations that helped propel Indianapolis forward include:

1 Tourism recovery taskforce. In April, shortly after the COVID-19 pandemic hit, Visit Indy gathered more than 60 city and hospitality leaders across all sectors to work diligently towards providing every visitor and hospitality employee a safe and healthy environment – encapsulated in the [Hoosier Hospitality Promise](#).

2 Indiana Convention Center Health and Safety Upgrades – Beginning in March, the Indiana Convention Center invested \$7 million to install

hospital-grade filtration systems and other health and safety updates. In fact, the center has since received NAFA's [2020 Clean Air Award](#) for leadership and excellence in air filtration.

3 Zero Attrition: Indy was the first city to connect all their largest downtown hotels and together [launch a zero attrition](#) program for meetings booked to help mitigate the financial risk for events.

4 Walkability: With 4,700 rooms connected to the Indiana Convention Center and 7,100 rooms in the downtown core, meeting attendees can safely walk to their meeting destination without additional transportation required.

5 Outdoor Recreation Activities: Indy is home to numerous outdoor venues within walking distance from the downtown convention center including a 250 acre state park and zoo and the [Georgia Street](#) promenade immediately outside the Convention Center.

As Indy remains in stage 4.5 of re-reopening, many cities and planners are looking to Indy to see how they have been able to maintain a proven track record of successful events. Not only is the industry looking towards Indianapolis as a best practice case study, but the 83,000 men and women that depend on travel and tourism for a paycheck are also extremely grateful that Indy is #BackonTrack.



SPOTLIGHT: Meetings Mean Business



As one of the first industry hybrid in-person/virtual meetings since the pandemic began in March, Meetings

Mean Business (MMB) successfully hosted their summer board meeting at the Grand Hyatt Washington, DC on July 28. 73 members attended - 30 live and 43 virtually via Zoom.

MMB was determined to demonstrate it is possible to meet safely with the proper physical distancing, personal protective equipment and heightened health and safety protocols. One of MMB's members, Northstar, attended the meeting in person and [documented how business travel has changed](#) over the course of his travel journey. Executive vice president and group publisher, David Blansfield, detailed his journey and outlined what hotels, airlines, airports and other suppliers are doing to help keep travelers and meeting attendees safe.

Hyatt's emphasis on 'safety first, wellbeing always' was apparent in the face coverings everywhere, increased frequency of cleaning with hospital-grade disinfectants on all high-touch surfaces, guestrooms and shared spaces, prominently placed hand sanitizer stations, an upgraded HVAC filtration system and contactless registration. In addition to [Hyatt's Global Care & Cleanliness Commitment](#), the Grand Hyatt Washington is working to achieve a [Global Biorisk Advisory Council Star Facility accreditation](#).

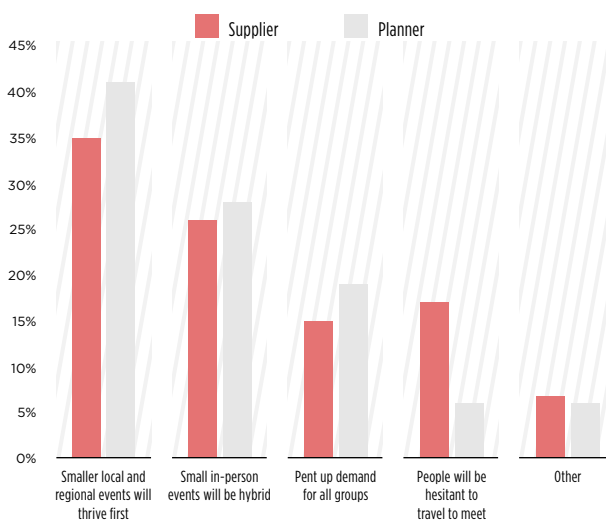
Beyond the standard face masks, frequent hand washing and sanitizing and social distancing, the hotel and attendees took extra health and safety precautions including providing each in-person participant a microphone to promote safe, open dialogue and individually wrapping all notepads, pens and cups.

From the airport, airlines, rental car, dining options and the hotel it is clear that in person meetings can occur safely.

Perhaps because they generally are more behind the scenes, providing the infrastructure that brings an event to life, suppliers are somewhat more optimistic in the recovery of face-to-face meetings than planners.

Planners have been able to move many of their events online and have not been decimated as badly as suppliers. They also deal more directly with attendees and operate with a 'duty of care' mindset. Nearly one in five meeting suppliers believe there will be pent up demand for all types of travel to their region compared to 15% of planners while 17% of planners believe people will be hesitant to travel to meet in person versus just 6% of suppliers.⁶⁸ Both groups concur that smaller, local and regional events will thrive before national and international groups gather.⁶⁹ (Fig. 17)

Fig. 17 - Suppliers More Optimistic in the Return of Face to Face Meetings



SOURCE: PCMA Convene, COVID-19 Recovery Dashboard, September



PHOTO CREDIT: Northstar Meetings Group

4. Larger In-Person Events

Discretionary travel to attend large scale conferences and trade shows that are higher risk and primarily for educational purposes will likely be the last to return and require the availability of a vaccine, stable health indicators, open borders and lifted government restrictions to fully resume.⁷⁰ Incentive travel will also be slow to return as many companies likely will not have budget and will be cautious of optics.⁷¹

Most Influential Factors to Resume Business Travel

Health experts and government organizations including the CDC and WHO are the most relied upon sources of information for business travel stakeholders.

Key indicators business travel managers are monitoring to help inform decisions on easing travel-policy restrictions include:

- ✓ The number of COVID-19 cases (locally and nationally)
- ✓ Testing rates
- ✓ National and local government regulations
- ✓ Travel restrictions and quarantines
- ✓ Vendor's health and safety policies
- ✓ Employees willingness to travel⁷²

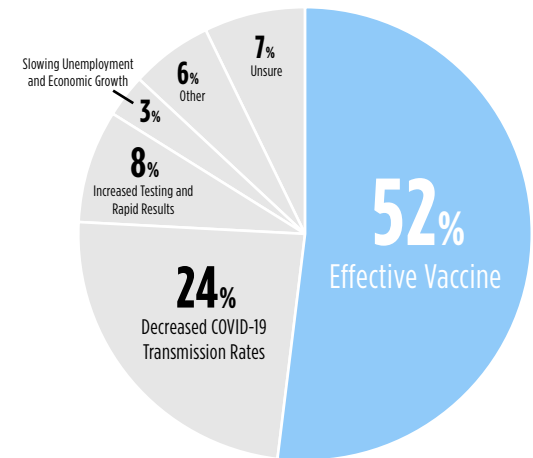
An Effective Vaccine is By Far the Top Indicator to Book and Resume Business Travel

Three in 10 travel planners are also looking at airline and hotel health and safety protocols before putting employees back on the road.⁷³ One CFO interviewed is specifically concerned about airline protocols and would steer employees towards airlines with stricter safety protocols such as open middle seats.⁷⁴

Business organizations agree that an effective vaccine would have the most influence on increasing in-person events, followed by decreased COVID-19 transmission rates.⁷⁵ (Fig. 18) In mid-November, Pfizer announced its COVID-19 vaccine may be a remarkable 90% effective based on early test results - extremely encouraging news regarding the likelihood of an accessible vaccine. While still early - the announcement of a possible vaccine in the foreseeable future offers hope to Americans to resume some sort of normalcy in 2021. Still, before hitting the road again, some global travel managers interviewed were planning on instituting one to three-month buffer time on top of any government guidance to ensure safety.⁷⁶

As meeting planners often are focused on organizing larger gatherings and are responsible for meeting attendee's safety, they tend to be more cautious by nature and are heavily influenced by a company's duty of care, or obligation, to protect its employees, travelers and meeting participants. As future meetings are booked, favorable/flexible cancellation/attrition terms will also be important considerations.⁷⁷

Fig. 18 - An Effective Vaccine Will Have the Most Positive Influence on 2021 Business Travel Plans



SOURCE: Global Business Travel Association Coronavirus Member Poll, Sept. 2020

It is not just travel stakeholders. Prior to March 2020, Chief Sales Officers (CSO) of large corporations had many employees out in the field traveling and conducting business on a regular basis.

As an essential part of doing business, and generally meeting one on one or in small groups, sales executives tend to be more bullish on returning to face-to-face meetings—nearly half were anticipating that customers would meet live prior to the availability of a vaccine.⁷⁸

Similar to prior economic downturns, CSOs anticipate that customers will require more strategic conversations and while maybe not as frequent, face-to-face engagement will be critical to support customers evaluating decisions, managing resources and identifying opportunities.⁷⁹ While a large portion of sales kick off events were in the process of being cancelled or postponed in 2021, only 16% of sales executives believed they would offer alternative incentives in place of award trips in 2021.⁸⁰

As the current environment continues to evolve, CSOs are seeking peer perspectives to validate the decisions they are making on behalf of their customers, teams, shareholders and themselves. Playbooks and protocols for field sales teams are being developed to safely travel to customer sites.⁸¹

Additionally, Chief Human Resource Officers and other executives are weighing the risks, business needs and investment required to resume business travel again. In May, 50% of Human Resource Executives expected restrictions on in-person events to last six months or more and one in five expected restrictions for more than 12 months.⁸²



MEETING PLANNERS

26% of planners, are planning on resuming face-to-face meetings in Q2 2021 while

31% (and increasing) are not planning on meeting in person until the second half of 2021

SOURCE: i-Meet Planner Confidence Index, October 2020



BUSINESS TRAVELERS

Nearly **75%** are still holding off on conferences and conventions

>50% of travelers working for companies with employees who travel for business do not anticipate business travel resuming until at least April 2021

SOURCE: Destination Analysts, Coronavirus Travel Sentiment Index



SUPPLIERS

Increasingly more willing to travel - Even in the absence of a widely available vaccine or therapeutic treatment, only

18% said they would not travel in late October vs. 29% in September's survey – and

37% vs. 27% in September said they would go any distance if the program was worth it

SOURCE: PCMA Convene, COVID-19 Recovery Dashboard



CHIEF SALES OFFICERS

45% anticipate customers will engage in face-to-face meetings prior to coronavirus vaccine availability

Yet **52%** were planning a virtual 2021 sales kickoff event

SOURCE: Gartner, CSO Actions in Response to COVID-19, August 2020



HUMAN RESOURCES OFFICERS

50% expect restrictions on in-person events to last six months or more

19% expect restrictions to last 12 months or more

SOURCE: PCMA Business Events Compass, July 2020

EMERGING TRENDS



Hybrid and Virtual

As travel and meeting face-to-face were basically non-existent after mid-March 2020, training, meetings, conferences and even trade shows all went virtual.

While some meetings already had digital components, the pandemic accelerated this trend and required the development of hybrid meeting strategies. Until larger groups can meet again in person, business event professionals, suppliers and exhibition organizations believe the rise of digital event technology will continue to have a measurable impact on event attendance into 2021.⁸³ As of late September, approximately two-thirds (62%) of planners' events scheduled for the remainder of 2020 were redesigned for an entirely virtual event.⁸⁴ A similar proportion of exhibitions postponed in 2020 now have at least one digital option (63%).⁸⁵

I believe digital and some form of hybrid is here to stay. We've learned that it's now a viable option and allows for greater access ...once the opportunity to gather becomes a reality again, digital will increase every event's footprint to those who want to attend any event but cannot be there in person.

Event Planner⁸⁶

Scheduled to be held November 3 – 6 as a hybrid event with 600 gathering in person in Grapevine, Texas and 1,000+ attending digitally Meeting Professional's International (MPI) is optimistically moving forward with one of their signature annual events. Elevated health and safety standards are first and foremost as MPI is committed to showcasing this event as a model for other in-person events. A strict and evolving [Duty of Care plan](#) ensures that optimal health and sanitary conditions are being met in all environments and is continually communicated to potential and registered attendees. Understanding that this may be the first in-person event many attendees are participating in since March, frequent communication regarding the host hotel's commitment to a safe, secure and healthy environment as well as providing safe transportation options has provided reassurance to event attendees.

In addition to the in-person event, MPI is delivering a 100% live digital experience featuring devoted concurrent education, daily interview shows, keynote interviews, entertainment and peer-to-peer networking. The experience was designed separately from in person, in order to deliver a unique offering designed specifically for the digital environment and allowing inclusivity for all who want to attend WEC Grapevine.

Rounded out with the live-in person and digital live events, WEC Grapevine will be a first-of-its-kind hybrid event. By providing options, being transparent, flexible and realistic, MPI hopes to provide a best practice case study on hosting in person events.



Hybrid Events: Pros

Despite less than 10% of event organizations indicating they had a hybrid model in place before COVID-19, and the training and technology required, there are numerous benefits to including a virtual component of events.⁸⁷

One significant benefit is the ability to increase attendance and engage delegates who are unable to travel, due to distance, costs or time away from home or the office. In the short-term, this will be beneficial to ensure attendees continue to value meetings and events as many attendees may not have the budget or feel safe to travel to an in-person event. Another benefit is enhanced content engagement. Recording speakers and sessions from hybrid or virtual events allows content to be repackaged through other channels and promoted throughout the year to increase engagement and generate additional revenue. The expanded reach, exposure and enhanced content engagement can help offset the technical costs of hybrid events. Hybrid Events Authority in Minneapolis noted that **exposure to some meetings and association events ended up converting about 40% of virtual attendees to in-person attendees the following year.**⁸⁸

Hybrid Events: Cons

Converting face-to-face events to virtual and developing hybrid events are having an impact on budget and venue site selection. According to CEIR, organizers only recouped 13% of revenue when transitioning face-to-face meetings to virtual and only half are charging for virtual events at all.⁸⁹

“[The reach of virtual events] is much deeper than a live meeting that is dependent on schedule, cost, time away from office, space, budget, etc. Hybrid events are really two events in one and the cost to execute a hybrid event right now is somewhat prohibitive.” – Emily Milliot, Senior Partner, AG Communications LLC

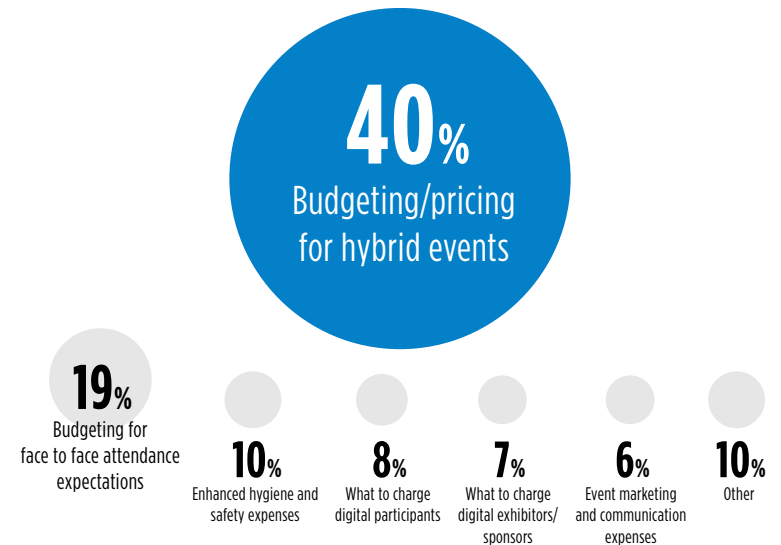
The top financial challenge to plan business events in 2021 cited by planners was ‘budgeting for hybrid events’ (Fig. 19). One-third (36%) of meeting planners indicated they were seeking broadcasting facilities in their site-selection efforts to accommodate hybrid event formats.⁹¹ If the foreseeable future of large gatherings is hybrid, live meeting attendance, and supply-side revenues that support physical meetings will continue to be challenged.



In many cases, hybrid events require additional resources and are not very cost efficient or affordable. While you may have savings on food and beverage, still have speaker costs and AV. A truly virtual event requires significantly more resources and labor and can have a negative impact on budget.

Paola Bowman, Destination Services Manager, Arlington Texas Convention and Visitors Bureau

Fig. 19 - Budgeting and Pricing for Dynamic Situations Are Top Financial Challenge for 2021



SOURCE: PCMA Convene, COVID-19 Recovery Dashboard, October

Lodging properties and convention centers are quickly adding amenities and retooling space to adapt to future meeting needs. For instance, the Javits Center in New York City added a 30,000-square-foot broadcast studio equipped with a private green room, two studio cameras, livestreaming capabilities, and a giant video wall.⁹² An onsite production team is available to help planners ensure their virtual and hybrid events run smoothly. In addition, the studio will be able to host up to 300 attendees in a comfortable, socially distanced setting. The Baltimore and Washington, D.C. convention centers are partnering with audiovisual companies and adding broadcast studios to stream high quality digital events and host on-demand experiences.⁹³



PHOTO CREDIT: www.javitscenter.com

A Potential Job Opportunity

A skills gap and opportunity remain for many meeting planners to understand a variety of technology platforms and be able to execute a live virtual event. Seven in 10 planners do not feel adequately prepared and feel they need additional training to design meaningful digital event experiences.⁹⁴

The Future of Bleisure and Remote Work

One-quarter of business trips were extended for leisure purposes in 2019.⁹⁵ The top reason for extending business trips was to explore the destination although 31% admitted that being able to pass some of the costs, such as air travel, onto their employer was a top motivating reason.⁹⁶ Similarly, a National Car Rental survey found that saving money was a primary reason for taking a bleisure trip for 49% of millennials.⁹⁷ Business trips often included family members or friends. For instance, last year in Las Vegas, 24% of travelers attending a conference brought along at least one companion.⁹⁸

Now with companies slashing their business travel budgets and being much more selective in the business travel approved, bleisure and the cost savings it affords will likely diminish substantially—or at least look different. Traveling to far away destinations may not be feasible if companies are not budgeting for air travel.

Work From Anywhere

Yet, opportunity remains as a large portion of Americans work virtually and transition to fully remote offices. It is becoming apparent that many can work anywhere, and schools are exploring virtual learning scenarios that provide an ability relocate more easily. As the remote work trend will likely continue for the foreseeable future, lodging companies are developing products and offerings to appeal to workers seeking a change in scenery.

For those who do not need to physically go to an office or travel for business, they may prefer longer and fewer trips for perhaps weeks at a time. Short-term rental companies such as VRBO and Airbnb are seeing an increase in longer-term rentals.

According to Airbnb, in August, the number of people who searched for longer stays was up more than 50% compared to last year and they recently introduced a new dedicated “monthly stays” section for guests.⁹⁹



Hotels are also taking advantage of the work from anywhere trend and appealing to remote workers by offering alternative workspaces. A quiet, clean space with high speed internet and outdoor amenities such as pools, bicycle rentals and hiking are in high demand. Savvy hotels have added daytime rentals, extended occupancy hours beyond traditional check-in times, digital newspaper access, custom housekeeping options and complimentary in-room fitness equipment.

Partnership opportunities between co-working companies enables hoteliers to generate revenue while awaiting a travel industry recovery—a trend that may continue beyond a business travel rebound.¹⁰⁰

Co-working provider Industrious partnered with Proper Hospitality to bring the work-from-hotel concept to Proper Hotels across the country. Participating hotels are offering a place to work away from home and the ability to book a suite by the day, week or month with discounted extended stays.¹⁰¹ Hilton also recently announced '[Workspaces by Hilton](#)', which 'remove working without distractions' with rooms that include spacious desk and office space and enhanced WiFi for 'distraction-free, productive remote working'. The [Work Anywhere with Marriott Bonvoy](#) program allows guests to work from select hotel guest rooms through a Day Pass, Stay Pass or Play Pass.

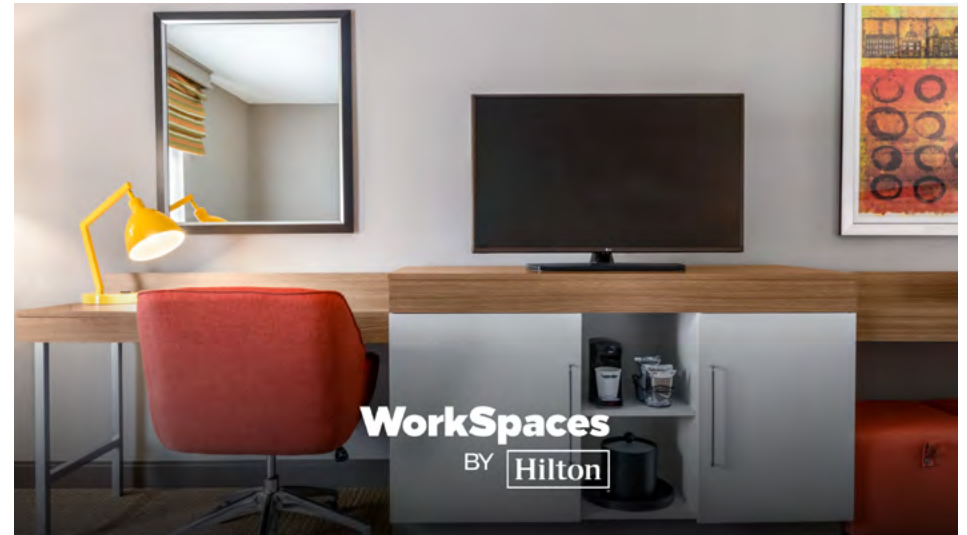


PHOTO CREDIT: www.workspacesbyhilton.com



PHOTO CREDIT: www.workanywhere.marriott.com

POLICY SOLUTIONS TO RESTORE BUSINESS TRAVEL AND MEETINGS AND EVENTS

The broader travel industry—led by U.S. Travel Association along with its Meetings Mean Business Coalition—and the federal government are collaborating on several initiatives in order to safely revive business travel sooner than the predicated three-year timeline.

This includes legislative action and an industrywide campaign that first promotes healthy travel protocols and behaviors followed by a marketing initiative that encourages safe in-person meetings and events.

There are several measures Congress and the administration can take now, including:

Creating temporary tax credits and deductions, such as:

- A tax credit to restore activity in the business meetings and events sector, including conventions and trade shows.
- The restoration of the entertainment expense deduction for businesses to help stabilize demand at entertainment venues.
- A tax credit to help businesses of all sizes offset the cost of mitigating the spread of COVID-19, including the cost of structural barriers and personal protective equipment.

Expanding the use of technology to streamline the travel process both domestically and internationally, including:

- The widespread implementation of opt-in biometric identification and touchless solutions when possible, such as at the check-in processes, boarding, payment, food ordering, etc. (ex. CLEAR).
- Consolidation and streamlining of the U.S. Department of Homeland Security Trusted Traveler Programs by creating common enrollment, security vetting, and screening procedures.

- Fast-tracking technologies that prioritize sharing and verification of negative test results and eventually vaccination across state and international borders (ex. CommonPass).

Empowering businesses to reopen and restart:

- Establishing safe harbors (i.e. liability protection) for businesses that follow applicable guidelines to protect employees and customers, host meetings or events, and conduct businesses travel.
- Creating pandemic risk insurance to provide a federal backstop to help give confidence to businesses and parties to plan events.

Additionally, U.S. Travel and the Meetings Mean Business Coalition are creating an advocacy education campaign to differentiate the terms ‘meetings’ from ‘gatherings’ to help external stakeholders, including the federal government, as additional guidance is created for in-person events. The term ‘meetings’ refers specifically to in-person events essential to conducting business, while ‘gatherings’ should be considered unessential.

RESOURCES

U.S. Travel [Travel Confidently Toolkit](#)



The health and safety of customers is the number one

priority of every travel business. This shared viewpoint has brought sectors from across the industry together, working with health and medical experts, to reach collective agreement on a core set of health and safety guidance that the industry may adapt to their businesses.

Though each guidance may be implemented in different ways, each touchpoint is applying consistent enhanced cleanliness measures. A healthy and safe travel experience is a shared responsibility. When travel businesses, residents and travelers all do their part, Americans can [Travel Confidently](#).

[Industry Guidance for Promoting Health and Safety for All Travelers](#)



[Meetings Mean Business COVID-19 Toolkit](#)

Tailored resources and messaging for meetings and event professionals.

- [Reopening Tracker](#)
Find the latest state-by-state protocols for in-person gatherings—including occupancy limits, mask requirements and travel protocols.

[American Express Global Business Travel: Travel Vitals](#) search across different components of a trip for travel guidance, government requirements and advisories.

[CDC: Interim Guidance for Event Planners \(Updated October 29, 2020\)](#)

[Cvent Source Safely](#) - resource hub to get the latest health and safety guidelines and protocols from 40,000+ venues globally, located within the Cvent Supplier Network.

Event Industry Council



- [Health and Safety for Hotels Accepted Practices Guide](#)
- [Code of Conduct](#)
- [Principals for Recovery](#)

[Event Services Professional Association Recovery Roadmap for Convention Services](#)

- help service professionals navigate the myriad of changes to convention services for successful post-COVID-19 recovery. This is a collective effort by peer event service professionals to identify a list of new and changing services for CVBs, hotels, and convention centers to consider.

Event Safety Alliance: [Reopening Guide](#)

[World Travel and Tourism Council Safe Travel Protocols](#) - align the private sector behind common standards to ensure the safety of its workforce and travelers as the sector shifts to a new normal. The protocols seek to provide the public and private sectors with the insights and toolkits for interaction and implementation to ensure that people are and feel safe. Protocols published for a variety of travel segments including: hospitality, attractions, outdoor retail, aviation, airports, short term rentals, cruise, tour operators, convention centers and MICE, car rental and insurance.

Hybrid Events and Digital Experiences

- [Meeting Professionals International: How to Hybrid](#)
- [PCMA Digital Experience Institute](#)

ENDNOTES

1. U.S. Travel Association, 2020
2. U.S. Travel Association, 2020
3. U.S. Travel Association, 2020
4. U.S. Travel Association, 2020
5. U.S. Travel Association, 2020
6. U.S. Travel Association, 2020
7. The New York Times, 'Best Guess on When Business Travel Will Recover? It Could be Years,' July 13, 2020. <https://www.nytimes.com/2020/07/13/business/business-travel-hotels-airlines.html>
8. U.S. Travel Association, 2020
9. U.S. Department of Commerce
10. U.S. Department of Commerce
11. The Growth Lab, Harvard University, 'New Harvard Research Identifies Business Travel as a Driver of Economic Growth', August 11, 2020. <https://growthlab.cid.harvard.edu/news/new-harvard-research-identifies-business-travel-driver-economic-growth>
12. Global Business Travel Association, 'Business Travel Becomes the Latest Casualty of the Coronavirus Pandemic', April 8, 2020. <https://www.gbta.org/blog/global-business-travel-becomes-the-latest-casualty-of-the-coronavirus-pandemic/>
13. Global Business Travel Association, 'Coronavirus Member Poll Results', September 24, 2020. <https://www.gbta.org/Portals/O/Documents/gbta-poll-key-highlights-20200924.pdf>
14. Center for Exhibition Industry Research, 'CEIR Announces 2020 Second Quarter Results', August 26, 2020. <https://www.ceir.org/news/ceir-announces-2020-second-quarter-results/>
15. Center for Exhibition Industry Research, 'CEIR Announces 2020 Second Quarter Results', August 26, 2020. <https://www.ceir.org/news/ceir-announces-2020-second-quarter-results/>
16. Center for Exhibition Industry Research, June Update on Impact of COVID-19 on U.S. B2B Organizations, June 30, 2020.
17. PCMA Convene Recovery Dashboard, April, April 13, 2020. <https://www.pcma.org/wp-content/uploads/2020/04/pcma-convene-covid19-survey-p5d3.pdf>
18. PCMA Convene Recovery Dashboard, April, April 13, 2020. <https://www.pcma.org/wp-content/uploads/2020/04/pcma-convene-covid19-survey-p5d3.pdf>
19. STR, 2020
20. STR, 2020
21. STR, 2020
22. U.S. Travel Association and Tourism Economics, 2020
23. U.S. Travel Association and Tourism Economics, 2020
24. U.S. Travel Association and Tourism Economics, 2020
25. U.S. Travel Association and Tourism Economics, 2020
26. U.S. Travel Association and Tourism Economics, 2020
27. PCMA Convene, COVID-19 Recovery Dashboard, September 21-24th. <https://www.pcma.org/business-events-recovery-dashboard-uncertainty-pandemic/>
28. PCMA Convene, COVID-19 Recovery Dashboard, October 19 - 22nd. <https://www.pcma.org/business-events-recovery-marathon-october-dashboard-survey>
29. Tourism Economics, 2016
30. Tourism Economics, 2016
31. Las Vegas Convention Visitors Authority
32. Las Vegas Convention Visitors Authority
33. Hotel News Now, 'How SXSW Cancellation, COVID-19 Hurt Austin Hotels', April 2, 2020. <https://hotelnewsnow.com/Articles/301109/How-SXSW-cancellation-COVID-19-hurt-Austins-hotels>
34. Visit Austin
35. Visit Austin
36. Louisville Tourism

37. Louisville Tourism
38. Louisville Tourism
39. Blood Horse, 'Silent Spring, Delayed Derby's Impact on Louisville', April 27, 2020. <https://www.bloodhorse.com/horse-racing/articles/239840/silent-spring-delayed-derbys-impact-on-louisville>
40. Louisville Tourism
41. McKinsey and Company, 'For Corporate Travel, a Long Recovery Ahead', August 13, 2020. <https://www.mckinsey.com/industries/travel-logistics-and-transport-infrastructure/our-insights/for-corporate-travel-a-long-recovery-ahead>
42. Center for Exhibition Industry Research (CEIR) Index Update, Predict, September 22, 2020.
43. Center for Exhibition Industry Research (CEIR) Index Update, Predict, September 22, 2020.
44. Global Business Travel Association, 'Coronavirus Member Poll Results', September 24, 2020. <https://www.gbta.org/Portals/O/Documents/gbta-poll-key-highlights-20200924.pdf>
45. Global Business Travel Association, 'Coronavirus Member Poll Results', September 24, 2020. <https://www.gbta.org/Portals/O/Documents/gbta-poll-key-highlights-20200924.pdf>
46. Global Business Travel Association, 'Coronavirus Member Poll Results', September 24, 2020. <https://www.gbta.org/Portals/O/Documents/gbta-poll-key-highlights-20200924.pdf>
47. Global Business Travel Association, 'Coronavirus Member Poll Results', September 24, 2020. <https://www.gbta.org/Portals/O/Documents/gbta-poll-key-highlights-20200924.pdf>
48. McKinsey and Company, 'For Corporate Travel, a Long Recovery Ahead', August 13, 2020. <https://www.mckinsey.com/industries/travel-logistics-and-transport-infrastructure/our-insights/for-corporate-travel-a-long-recovery-ahead>
49. PCMA Business Events Compass, July 16, 2020. <https://www.pcma.org/products/business-events-compass-next-normal/>
50. PCMA Business Events Compass, July 16, 2020. <https://www.pcma.org/products/business-events-compass-next-normal/>
51. PCMA Business Events Compass, July 16, 2020. <https://www.pcma.org/products/business-events-compass-next-normal/>
52. U.S. Travel Association and Tourism Economics, 2020
53. U.S. Travel Association and Tourism Economics, 2020
54. Destination Analysts, Coronavirus Travel Sentiment Index.
55. Destination Analysts, Coronavirus Travel Sentiment Index.
56. Destination Analysts, Coronavirus Travel Sentiment Index, October 4, 2020.
57. Destination Analysts, Coronavirus Travel Sentiment Index, October 4, 2020.
58. Destination Analysts, Coronavirus Travel Sentiment Index, October 19, 2020.
59. i-Meet Planner Confidence Index, October 2020. <https://mailchi.mp/i-meet.com/plannerconfidenceindex-phase2>
60. i-Meet Planner Confidence Index, October 2020. <https://mailchi.mp/i-meet.com/plannerconfidenceindex-phase2>
61. i-Meet Planner Confidence Index, October 2020. <https://mailchi.mp/i-meet.com/plannerconfidenceindex-phase2>
62. i-Meet Planner Confidence Index, October 2020. <https://mailchi.mp/i-meet.com/plannerconfidenceindex-phase2>
63. i-Meet Planner Confidence Index, October 2020. <https://mailchi.mp/i-meet.com/plannerconfidenceindex-phase2>
64. i-Meet Planner Confidence Index, October 2020. <https://mailchi.mp/i-meet.com/plannerconfidenceindex-phase2>
65. McKinsey and Company, 'For Corporate Travel, a Long Recovery Ahead', August 13, 2020. <https://www.mckinsey.com/industries/travel-logistics-and-transport-infrastructure/our-insights/for-corporate-travel-a-long-recovery-ahead>
66. McKinsey and Company, 'For Corporate Travel, a Long Recovery Ahead', August 13, 2020. <https://www.mckinsey.com/industries/travel-logistics-and-transport-infrastructure/our-insights/for-corporate-travel-a-long-recovery-ahead>
67. i-Meet Planner Confidence Index, October 2020. <https://mailchi.mp/i-meet.com/plannerconfidenceindex-phase2>
68. PCMA Convene, COVID-19 Recovery Dashboard, September 21-24th. <https://www.pcma.org/business-events-recovery-dashboard-uncertainty-pandemic/>

69. PCMA Convene, COVID-19 Recovery Dashboard, September 21-24th. <https://www.pcma.org/business-events-recovery-dashboard-uncertainty-pandemic/>
70. McKinsey and Company, 'For Corporate Travel, a Long Recovery Ahead', August 13, 2020. <https://www.mckinsey.com/industries/travel-logistics-and-transport-infrastructure/our-insights/for-corporate-travel-a-long-recovery-ahead>
71. PCMA Business Events Compass, July 16, 2020.
72. McKinsey and Company, 'For Corporate Travel, a Long Recovery Ahead', August 13, 2020. <https://www.mckinsey.com/industries/travel-logistics-and-transport-infrastructure/our-insights/for-corporate-travel-a-long-recovery-ahead>
73. McKinsey and Company, 'For Corporate Travel, a Long Recovery Ahead', August 13, 2020. <https://www.mckinsey.com/industries/travel-logistics-and-transport-infrastructure/our-insights/for-corporate-travel-a-long-recovery-ahead>
74. Interview with Mary Loomas, CFO, Kateeva, October 6, 2020.
75. Global Business Travel Association, 'Coronavirus Member Poll Results', September 24, 2020. <https://www.gbta.org/Portals/0/Documents/gbta-poll-key-highlights-20200924.pdf>
76. McKinsey and Company, 'For Corporate Travel, a Long Recovery Ahead', August 13, 2020. <https://www.mckinsey.com/industries/travel-logistics-and-transport-infrastructure/our-insights/for-corporate-travel-a-long-recovery-ahead>
77. i-Meet Planner Confidence Index, September 2020. <https://mailchi.mp/i-meet.com/plannerconfidenceindex-phase2>
78. Gartner, CSO Actions in Response to COVID-19, August 25, 2020.
79. Gartner, CSO Actions in Response to COVID-19, August 25, 2020.
80. Gartner, CSO Actions in Response to COVID-19, August 25, 2020.
81. Gartner, CSO Actions in Response to COVID-19, August 25, 2020.
82. PCMA Business Events Compass, July 16, 2020.
83. PCMA Convene, COVID-19 Recovery Dashboard, September 21-24th. <https://www.pcma.org/business-events-recovery-dashboard-uncertainty-pandemic/>
84. PCMA Convene, COVID-19 Recovery Dashboard, September 21-24th. <https://www.pcma.org/business-events-recovery-dashboard-uncertainty-pandemic/>
85. Center for Exhibition Industry Research (CEIR), June Update on Impact of COVID-19 on U.S. B2B Exhibition Organizations, June 30, 2020.
86. PCMA Convene, COVID-19 Recovery Dashboard, September 21-24th. <https://www.pcma.org/business-events-recovery-dashboard-uncertainty-pandemic/>
87. Center for Exhibition Industry Research (CEIR), June Update on Impact of COVID-19 on U.S. B2B Exhibition Organizations, June 30, 2020.
88. SmartMeetings, 'Hybrid Meetings: Big Effort, Big Reward', October 1, 2015., Smart https://www.smartmeetings.com/magazine_article/hybrid-meetings-and-events
89. Center for Exhibition Industry Research (CEIR), June Update on Impact of COVID-19 on U.S. B2B Exhibition Organizations, June 30, 2020.
90. PCMA Convene, COVID-19 Recovery Dashboard, September 21-24th. <https://www.pcma.org/business-events-recovery-dashboard-uncertainty-pandemic/>
91. PCMA Convene, COVID-19 Recovery Dashboard, October 19-22nd. <https://www.pcma.org/business-events-recovery-marathon-october-dashboard-survey/>
92. Associations Now, 'Venues Add New Amenities to Adapt to Future Meeting Needs', September 2020. <https://associationsnow.com/2020/09/venues-add-new-amenities-adapt-future-meeting-needs/>
93. Associations Now, 'Venues Add New Amenities to Adapt to Future Meeting Needs', September 2020. <https://associationsnow.com/2020/09/venues-add-new-amenities-adapt-future-meeting-needs/>
94. PCMA Convene, COVID-19 Recovery Dashboard, September 21-24th. <https://www.pcma.org/business-events-recovery-dashboard-uncertainty-pandemic/>
95. Destination Analysts, State of American Traveler, Summer 2019.
96. Destination Analysts, State of American Traveler, Summer 2019.
97. National Car Rental, '2019 State of Business Travel Survey Fact Sheet', February, 2019. <https://www.nationalcar.com/en/blog/2019-state-of-business-travel-survey-fact-sheet.html>

98. National Geographic, 'How the Death of Business Travel Will Change Your Next Vacation', October 1, 2020. <https://www.nationalgeographic.com/travel/2020/10/is-business-travel-a-thing-of-the-past/#close>
99. Airbnb, 'Making the Most of the Growing Demand for Longer Stays', September 18, 2020. <https://www.airbnb.com/resources/hosting-homes/a/make-the-most-of-the-growing-demand-for-longer-stays-263>
100. Skift, 'Hotels Partnering with Co-Working Companies Signal a Pandemic Trend That Could be Here to Stay', October 6, 2020. <https://skift.com/2020/10/06/hotels-partnering-with-co-working-companies-signal-a-pandemic-trend-could-be-here-to-stay>
101. Skift, 'Hotels Partnering with Co-Working Companies Signal a Pandemic Trend That Could be Here to Stay', October 6, 2020. <https://skift.com/2020/10/06/hotels-partnering-with-co-working-companies-signal-a-pandemic-trend-could-be-here-to-stay>