



Opinion (/Opinion) | Online (/Online)

# Innovation, recovery, renewal: What the travel industry can expect in 2021

By SAP Concur (<https://www.concur.com/>) | November 26, 2020

After a difficult 2020, SAP Concur leaders are optimistic that the coming year will be one of innovation, recovery and renewal. While 2021 is unlikely to look like any recent year in history, it may be remembered as one in which life slowly began to return to normal after one of the worst pandemics of the modern age.

In 2021, the global community will continue to see significant changes in nearly every sector. Here, our global team of experts shares perspectives and predictions for the new year. Some remind us that out of challenging times often come new ideas that can benefit the world well into the future.

## Business travel will resume, responsibly

2021 will usher in the era of responsible travel. A coalition of players across the industry will increase work to regain the trust of customers, showing that travel can indeed be safe. They will begin to restart business travel in earnest in 2021.

Those who must travel - members of the C-suite, salespeople and essential workers - will remain as early adopters. Travel providers, including hotels, airlines, rail providers, ride-sharing and car rental services, may require travelers to disclose their COVID-19 health status until a vaccine is available and widely adopted. This could range from COVID-19 or antibody test results, including rapid testing right at the gate or rental car pickup, to proof of vaccination once it is broadly available.

Some businesses outside of the travel sector are already **considering such policies** (<https://www.usatoday.com/story/entertainment/music/2020/11/12/ticketmaster-coronavirus-tests-vaccinations-billboard/6265349002/>). Mid-to-late in the year, the experiences of early adopters, measured by low infection rates, will then influence the broader base of travelers.

Businesses will raise the bar on health precautions. As border policies change with the rise and fall of regional COVID-19 case numbers, companies will require employees to comply with government guidelines, such as quarantine requirements before and after trips. More mainstream mask requirements are also a possibility, with travelers proving compliance through documentation throughout the trip that they have complied with mask mandates. These protocols will address what an SAP Concur **study** (<https://www.concur.com/newsroom/article/global-survey-covid-19-impact-business-travel>) identified as global employees' top concerns: infecting their families (55%) and getting sick themselves (53%) during a business trip. With travelers able to practice the health and safety habits they've adopted in their daily lives, business travel will feel more feasible.

Sustainability will be the table stakes. Health and safety isn't the only form of responsible travel that will lure travelers back. New environmental research compels companies to use the temporary pause in travel to add new environmentally sustainable practices to their corporate travel programs.

For example, Microsoft's **purchase** (<https://www.theverge.com/2020/10/22/21527695/microsoft-greenhouse-gas-emissions-pollution-business-travel-aviation>) of sustainable aviation fuel to reduce pollution from commercial flights most frequented by its employees. These efforts will inspire the 69% of travelers who rank sustainability as important to them feel more comfortable and encouraged about returning to travel. - *Mike Koetting, chief product strategy officer, SAP Concur*

## AI at work will accelerate

The pace of digital change in business and society will sharply increase. Many companies were in the early and mid-stages of digital transformation when the pandemic struck. They pivoted and sped up that transformation to address unprecedented global disruption and customer needs, and now they will be expected to continue operating within this new context.

Automation will become essential, not extra. As businesses maintain hybrid remote-working models and anticipate other potential disruptions in 2021 and beyond, the role of automation and AI use cases in the workplace will grow. These may include enabling efficient day-to-day communications between knowledge workers doing their jobs from home and automating invoicing and expenses to keep valued partners paid and to preserve budgets.

We will also see more businesses leaning on AI algorithms to make quick decisions backed by real-time financial transparency in order to meet the business needs brought on by the pandemic. This includes managing spending in near real-time to improve budget management and liquidity, increasing compliance and eliminating errors and maximizing profitability.

The broader use of AI and machine learning to add intelligence to applications and eliminate manual processes also gives firms a much-needed competitive boost by improving their productivity. A recent SAP Concur-commissioned **study (<https://www.concur.com.sg/resource-centre/whitepapers/finance-in-the-new-world-of-work>)**, for instance, found that as much as 38% of employees in the Asia Pacific region submit expenses manually by filling out a form and enclosing physical receipts. Firms can save tens or even hundreds of thousands of U.S. dollars each year – and improve staff satisfaction – by automating their finance and administration processes. -*Andy Watson, SVP & general manager for Asia Pacific Japan and Greater China, SAP Concur*

## Diversity, equity and inclusion progress will take a village

It's been a whirlwind for workplace culture in 2020. The pandemic has led to a **decline (<https://www.qualtrics.com/blog/confronting-mental-health/>)** in employees' mental health and increased worldwide unemployment - including a **great number of women leaving the workforce (<https://www.phocuswire.com/COVID-19-a-critical-moment-for-corporations-at-risk-of-losing-women-leaders?ctxp=>)**. The U.S. has also grappled with restrictions to diversity training. These circumstances have set back companies' diversity, equity and inclusion efforts, creating more unease for employees.

2021 will bring a new wave of policy makeovers beyond HR. More representatives across the organization will get involved. Finance leaders will do their part to inform the business case for diverse hires and avoid the financial repercussions of turnover, which was an **estimated (<https://www.businesswire.com/news/home/20190925005201/en/Report-Toxic-Workplace-Cultures-Cost-Billions>)** \$223 billion in 2019.

These companywide cultural shifts will also include travel departments that are under more pressure than ever to ensure the health and safety of traveling employees - for good reason. SAP Concur research identified safety and harassment issues for **women and LGBTQ travelers** (<https://www.concur.com/newsroom/article/a-new-survey-reveals-hidden-threats-to-certain-high-risk-business>), and the potential for **travelers of Asian descent** (<https://www.concur.com/newsroom/article/global-survey-covid-19-impact-business-travel>) to face discrimination as business travel resumes.

We can expect some legacy travel policies, like prioritizing lowest logical fares, will shift to address more safety and employee-centric measures in 2021 and beyond. - Amy Padgett, senior director, product strategy communications, SAP Concur

## Consumer travel will look different

**Longer stays** (<https://www.phocuswire.com/alternative-accommodations-pivot-to-long-term-stays>) are here to stay. From changing quarantine policies to a newly expanded meaning of WFvH (work from vacation home, anyone?), quick trips are no longer accessible to consumer travelers in the way they were pre-COVID.

TripIt data show an **increase in trip duration** (<https://tripit.com/web/vacation-home-for-the-holidays/>) - spanning flight, lodging and car rentals - indicating that travelers are planning trips with intention. And without the physical confines of work or school, longer stays at short-term rentals will continue to be a popular choice for business and leisure travelers alike.



*Automation will become essential, not extra.*

SAP Concur

---

Share this quote

Sustainable sustainability. The pandemic has effectively hit the pause button on emissions, which are projected to be 8% less in 2020 than they were in 2019. Travelers are increasingly demanding any recovery in travel to be rebuilt sustainably, from more effective seating layouts to low-carbon **sustainable aviation fuel** (<https://www.weforum.org/reports/clean-skies-for-tomorrow-sustainable-aviation-fuels-as-a-pathway-to-net-zero-aviation>).

In 2021, look for consumer travelers to spend more time at their destinations; utilize **paperless boarding pass** (<https://www.tripit.com/web/blog/news-culture/documents-feature-in-tripit.html>) and itinerary solutions; dine at restaurants that offer locally sourced food; and stay in hotels that are more eco-friendly, boasting everything from refillable toiletries to water conservation as an amenity. Expect consumers to increasingly look for solutions that track and offset emissions easily.

Digital health passports and travel corridors will become mainstream. Travel corridors will become more prevalent in 2021, especially in the spring. Vaccines are coming, which will increase traveler, travel supplier and government confidence globally, although it is unclear how long disbursement will take and it is likely there will be global inequities in the speed in which the vaccine is rolled out. Traveling from highly vaccinated countries to less-vaccinated countries could therefore be problematic.

Rapid testing is expected to become more accurate and prevalent, allowing travel and the hospitality industry to continue to reopen. Digital health passports, displaying a traveler's vaccine or negative test status, along with travel corridors, will emerge as we transition to a new normal in global travel. - *Fiona Ashley, VP, travel marketing, SAP Concur*

## Small businesses will seize the moment

With U.S. federal financial relief in flux, small businesses will keep chipping away at the costs of doing business. The distribution of vaccines cannot come soon enough, as many small- to mid-size businesses are fighting to survive the economic effects of the pandemic. Continued trimming of operational costs and limiting non-essential spend will help. But barring access to a vaccine, unfortunately, it won't be enough for some.

Others will get some breathing room and many of them will have something in common: the ability to create and support demand underpinned by **investments** (<https://www.ggvc.com/insights/hello-alice-x-ggv-impact-report-what-covid-19-means-for-small-business-in-2021/>) in cost-saving, business-enabling technology solutions. These solutions will automate and digitize processes that are essential to running their businesses under tightened budgets. Leaders will also explore renegotiating terms on their loans and recurring payments to preserve cash, especially at the start of the year.

Small businesses will also be on the hunt for vendors and partners that can withstand economic uncertainty and extend value beyond their traditional services, such as lower-interest credit card offers from their preferred banking institution. These steps will help small businesses minimize cash flow disruption as they manage lingering uncertainty in the market. That said, governments and large enterprises may still step up to support SMBs, as economies depend on small businesses for jobs and economic activity.

New ventures, and ways of doing business, will mix things up in the marketplace. Many small businesses have permanently shuttered due to the economic fallout of COVID-19. At the same time, the pandemic has created a new context for commerce - gaps in the marketplace have created opportunities for new business. **Spikes** (<https://fred.stlouisfed.org/series/BUSAPPWNSAUSYY>) in new business applications indicate more entrepreneurs will explore microservices and “side hustles” to meet emerging product and service demands.

As new companies enter the fold, their leaders will leverage digital solutions and hybrid business models to fast-track growth and resiliency in a disrupted market. We will see more small businesses embrace digital commerce, changing the point of sale and/or moving from physical to online sales completely or in part. This will create new options for people to “shop locally” to support small businesses and enable small businesses to fill gaps in crucial supply chains. -Val Blatt, general manager, Global Small to Medium-sized Business Division, SAP Concur

Concur (/Concur)

Airline (/Airline)

Business Travel (/Business-Travel)

Hotel (/Hotel)

IT Services (/IT-Services)

Private Accommodation (/Private-Accommodation)

TMC (/TMC)

Artificial Intelligence (/Artificial-Intelligence)

Distribution (/Distribution-2147286856)

Machine Learning (/Machine-Learning)

Sustainability (/Sustainability)

Coronavirus (/Coronavirus)

Diversity and Inclusion (/Diversity-and-Inclusion)

2020 And Beyond Month (/2020-And-Beyond-Month)

ALSO ON PHOCUSWIRE

<p><b>VIDEO: To rebuild successfully and ...</b></p>	<p><b>The travel forecast is uncertain, other ...</b></p>	<p><b>Change fees are gone, now can we fix the ...</b></p>	<p><b>Thomas C attempts a</b></p>
<p>2 months ago • 1 comment</p> <p>Speaking during Phocuswright Europe, the Travel Foundation CEO ...</p>	<p>2 months ago • 1 comment</p> <p>We analyze why fixed costs when there is no revenue, or even the realistic ...</p>	<p>3 months ago • 1 comment</p> <p>Delta, United and American airlines have announced they are eliminating ...</p>	<p>2 months ago</p> <p>Thomas Coc digital-only c operating as</p>

0 Comments   [Phocuswire](#)   [Disqus' Privacy Policy](#)   **1** Login ▾

[Recommend](#)   [Tweet](#)   [Share](#)   **Sort by Newest** ▾



---

## More on Online

---



(/travel-companies-innovate-pandemic-Middle-East)

**How travel companies are innovating in the Middle East and beyond (/travel-companies-innovate-pandemic-Middle-East)**

News | Online



(/Trust-confidence-responsiveness-checklist-for-travel-brands)

**Trust, confidence and responsiveness - a checklist for travel brands (/Trust-confidence-responsiveness-checklist-for-travel-brands)**

From Our Partners | Online



# LIVE BLOG

## Coronavirus updates

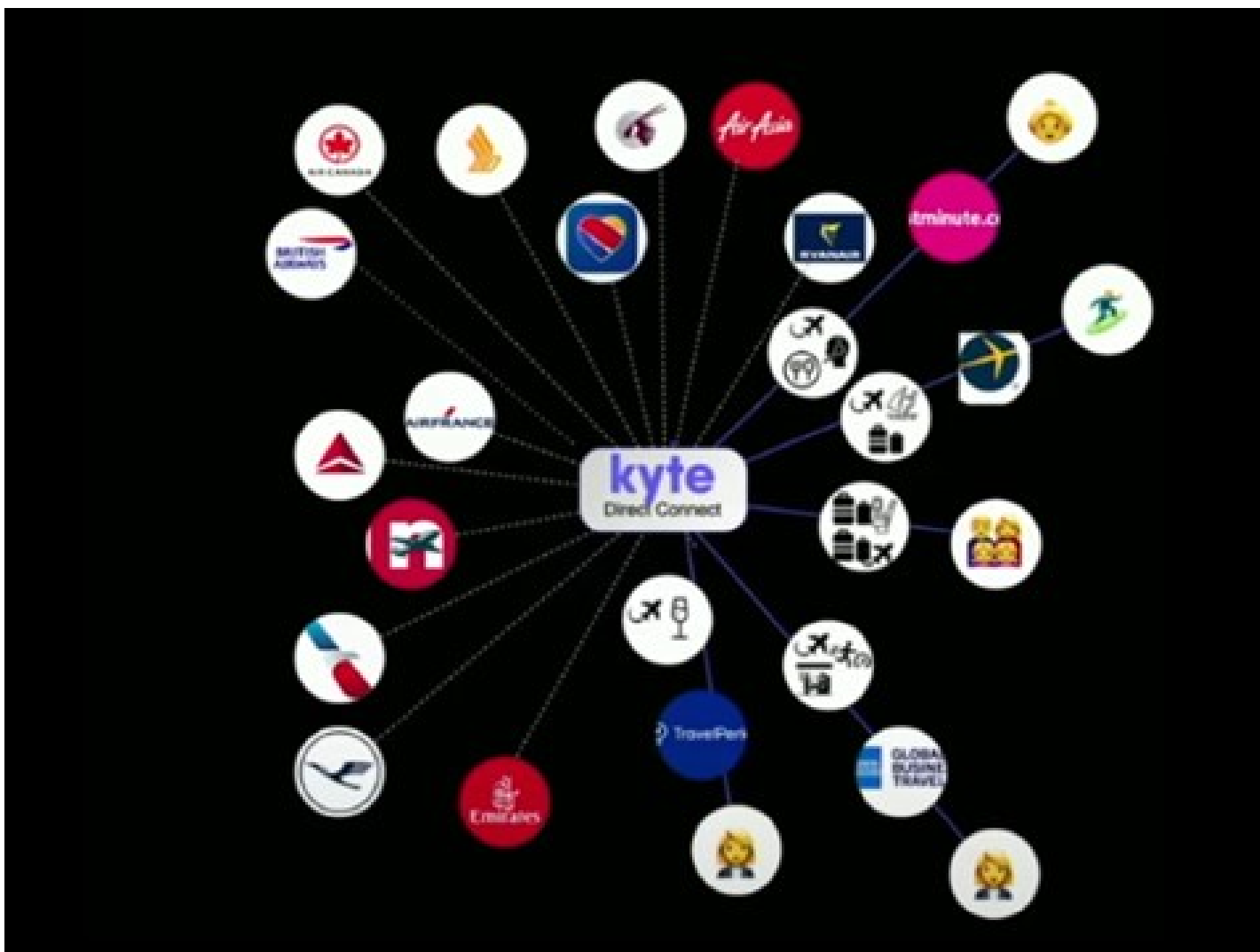
(/Coronavirus-impact-travel-industry)

**LIVE BLOG: Coronavirus and the travel industry - impact and recovery** (/Coronavirus-impact-travel-industry)

News | Online

### The Latest

---



(/Phocuswright-Conference-2020-Launch-Pitch-Kyte)

**VIDEO: Kyte - Summit pitch at Phocuswright Conference 2020 (/Phocuswright-Conference-2020-Launch-Pitch-Kyte)**

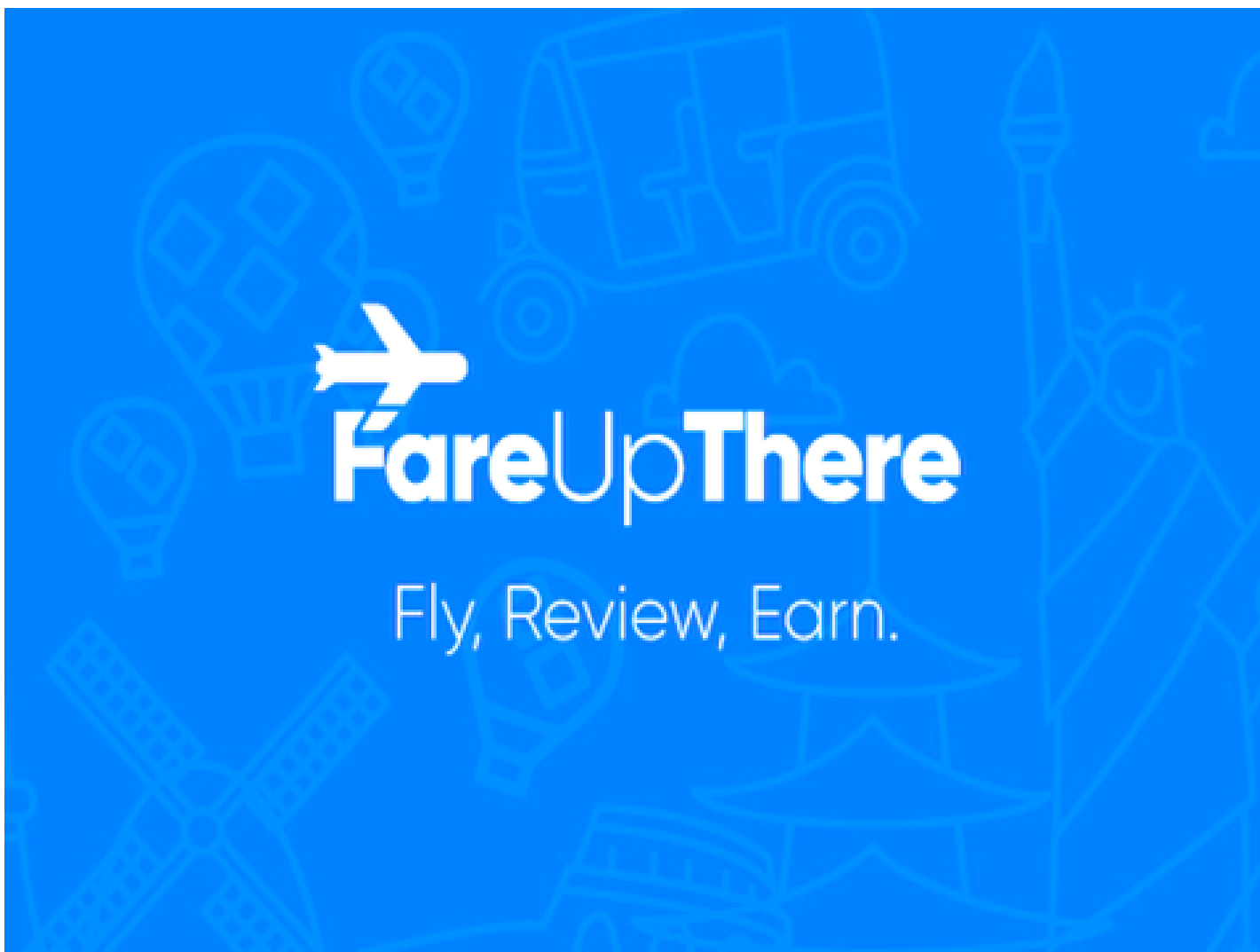
Interview | Startups



(/What-is-data-science-and-what-does-it-enable-hoteli-ers-to-do)

**What is data science and what does it enable hoteliers to do? (/What-is-data-science-and-what-does-it-enable-hoteli-ers-to-do)**

Opinion | Technology



(/startup-stage-fareupthere-collects-airline-reviews)

**STARTUP STAGE: FareUpThere rewards travelers for airline reviews (/startup-stage-fareupthere-collects-airline-reviews)**

Interview | Startups



---

Copyright © 2020 by Northstar Travel Media LLC. All Rights Reserved. 116 West 32nd Street, New York, NY 10001 U.S. | Telephone: +1 860 350-4084

Phocuswright (<https://www.phocuswright.com/>) • The Phocuswright Conference (<https://www.phocuswrightconference.com/>) • Phocuswright Europe (<https://www.phocuswrighteurope.com/>) • Battleground (<https://www.phocuswrightbattleground.com/>) • TTE (<https://www.traveltechnologyeurope.com/>) • Web In Travel (<https://www.webintravel.com/>) • Inntopia (<https://corp.inntopia.com/>) • Retail Travel

(<https://www.northstartravelgroup.com/Audiences/Retail-Travel>) • Hotel Investment

(<https://www.northstartravelgroup.com/Audiences/Hotel-Investment>)