



**GLOBAL
BUSINESS
TRAVEL**

Supplier Insights

JULY 2021

Welcome to the second edition of Supplier Insights by American Express Global Business Travel (GBT).

Across much of the world, travel is beginning to return – US domestic is leading the recovery but the vital signs for international are starting to look better.

Accommodation is an important part of the story. As part of this edition's hotel focus, we describe how we're updating the GBT hotel program to help clients – and our hotel partners – drive more value.

In Leadership Corner, Maria Haggarty looks at how GBT – with you, our supplier partners – can serve SME customers and help them thrive.

This is an important moment for our industry as the world gets #TravelReady. I wish you all the best in your preparations.

Larry Restiano

Senior Vice President, Global Supplier Partnerships

HIGHLIGHTS AT A GLANCE

GBT agrees to buy Egencia

GBT and Shell ally on sustainability

2022 Global Hotels Program

Spotlight on Ovation

Voice of the Client

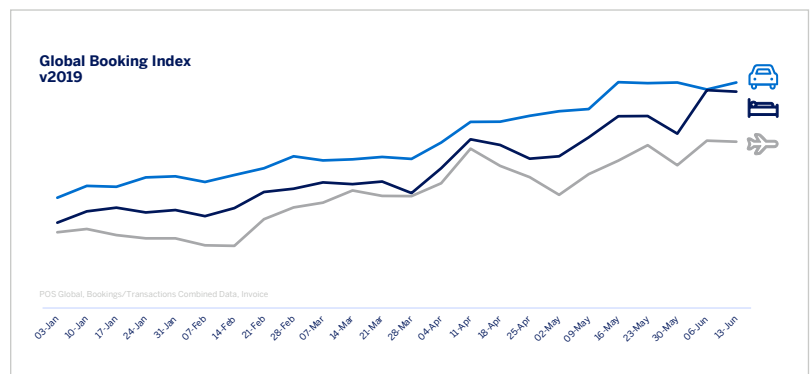
Together we can help SMEs thrive

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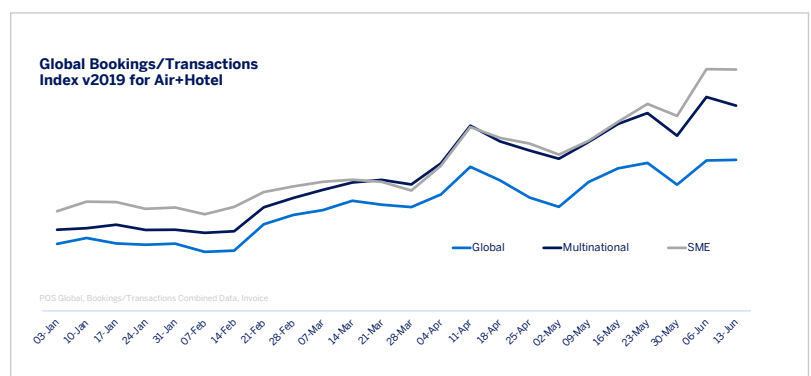


GBT Global Recovery Trends

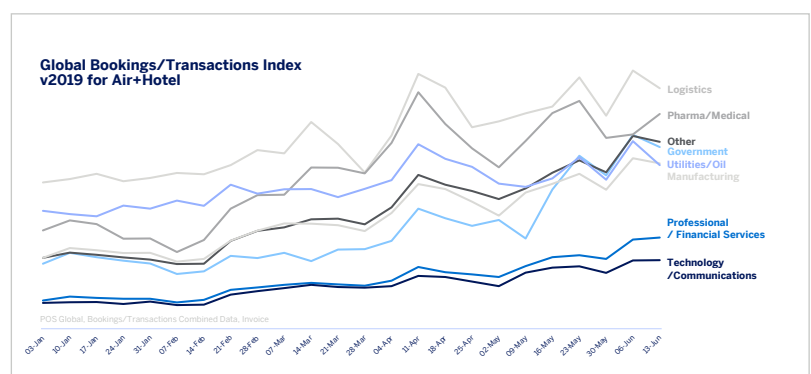
HOTEL BOOKINGS HAVE STRENGTHENED, WHILE AIR IS STILL TRAILING



SME CONTINUES TO LEAD RECOVERY – BUT MULTINATIONAL CLIENTS ARE RAPIDLY RETURNING



PROFESSIONAL AND FINANCIAL SERVICES SHOW GROWING MOMENTUM



GBT AGREES TO BUY EGENCIA

In May, GBT announced it had made a binding offer to acquire Egencia, Expedia Group's corporate travel arm. Under the deal, GBT would continue to invest in the Egencia brand, its people and technology.

Digital is central to the deal's logic: together, GBT and Egencia would offer comprehensive technology and customer solutions across every segment of business travel. By teaming Egencia with GBT's Supply MarketPlace, customers would get more choice and suppliers more access to business travelers.

The proposed deal is subject to consultation by Expedia Group and Egencia with their applicable employee representatives, as well as customary closing conditions including regulatory approvals.

GBT AND SHELL ALLY ON SUSTAINABILITY

GBT and Shell Aviation have announced an alliance to help increase the supply and use of Sustainable Aviation Fuel (SAF). The end goal is to accelerate the aviation industry's pathway towards net-zero emissions.

SAF offers a way for corporates to return to the skies without driving up their emissions. Compared with fossil fuel-based jet fuel, SAF has the potential to cut lifecycle emissions from aviation by up to 80%. However, today it represents less than 0.1% of aviation fuel used.

This collaboration will aggregate SAF demand for corporate travel to unlock investment and scale SAF production across technology types over the coming years.

This is a key industry issue. We will continue to update you as the alliance develops.

WORKSPACES – GBT's simple, user-friendly way for home-based and remote employees to make flexible, daytime bookings for hotel-based work and collaboration spaces – is now rolling out across Europe.

Contact your SMP to find out more.



2022 GLOBAL HOTELS PROGRAM

Ahead of the start of the sourcing season, GBT's 2022 Global Hotels Program (GHP) - known to our clients as Preferred Extras™ - kicks off this month. The program features new questions that reflect the priorities of GBT clients and their travelers. Sustainability is an important focus, with questions about hotel green certifications and policies for measuring and reducing negative environmental impacts.

Restoring traveler confidence in hotel safety is another key RFP topic: the 2022 GHP includes mandatory questions relating to sanitation and COVID-19 management practices that will populate in booking tools, where available.

61.5% of US SME hotel bookings are discretionary using GBT's Preferred Extras™ hotel program rates (GBT Internal Reporting, FY 2019). We anticipate that this figure will remain static or even increase as travel picks up in 2021 and 2022.

TOP 10 NORTH AMERICA HOTEL DESTINATIONS – DEMAND BEGINS TO SHIFT BACK TO NORTHERN HUBS

The first half of the year saw the strongest travel volumes in the southern half of the US, reflecting the variation in travel restrictions related to COVID, especially in Q1, with the most active cities including Houston, Austin, Dallas and Atlanta.

Over the last 4-6 weeks, however, travel to traditional northern hubs, such as New York and Chicago, has increased materially.

CITY	2019 RANK	2021 YTD APR RANK	2021 MAY RANK	2021 MAY ADR
New York	1	10	1	234
San Francisco	2	68	34	211
Chicago	3	45	6	165
Atlanta	4	12	5	145
Houston	5	3	2	133
Washington	6	23	12	206
Boston	7	58	14	195
Charlotte	8	34	15	119
Dallas	9	7	4	148
Austin	10	5	3	115

Attributes: Global POS, All LOB, May 2021 YTD

SPOTLIGHT ON OVATION

Ovation launches its proprietary, invitation-only hotel program in August. Amanda Colin, Vice President Marketing at Ovation Travel Group, explains what makes the Ovation program so special.

"Ovation serves a very select client base, largely professionals from law firms and financial companies. Clients expect a very high-touch service – around 70 percent of bookings are offline.

The Ovation program predominantly features 4 or 5-starred hotels in relevant cities. We offer our own negotiated rates, independent of GBT.

At heart, the Ovation program is built around relationships. We limit the number of hotels - we have around 700 properties - and we work with individual properties helping them refine their offering to meet the needs and expectations of our clients and increase room night production."

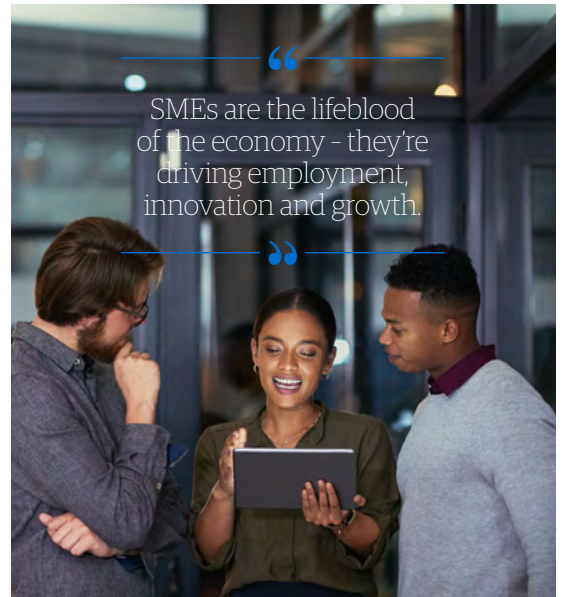


Leadership Corner

TOGETHER, WE CAN HELP SMES THRIVE

Maria Haggarty, GBT's General Manager for small to medium-sized enterprises (SME), looks after clients in a sector that generates around 44% of economic activity in America (US Small Business Administration).

According to Maria, SMEs see travel as an essential source of competitive advantage. "Clients understand they need to be face-to-face to build trust and close the deal. During the pandemic, many continued to travel – they couldn't afford not to. They kept moving, they kept the economy going and they will fuel the recovery."



“SMEs are the lifeblood of the economy - they're driving employment, innovation and growth.”

GBT – together with its supplier partners – can help these companies thrive by providing end-to-end experiences for the SME traveler – and for SME programs. “We can give SMEs everything they need to travel, and make the most of their travel dollar. Helping SMEs grow into big companies is a real privilege.”

The sector is diverse, but Maria can identify shared topics where these clients need additional support. “SMEs are looking for more flexibility around cash management when they're on the road - between air, car and hotel, their options are limited.” Here, SMEs can benefit from the exclusive rates available through GBT's Preferred Extras™ program.

SMEs are also looking to GBT for help navigating the post-COVID travel landscape. “Vaccinations have opened a door to the future of travel. Now, SME travelers need our expertise to help them – and their families – feel good about being back on the road.”

Delivering for SMEs comes down to partnership: “I want to thank our supplier partners for their investment – and for being as energised about SMEs as we are. Together, we can serve their travelers well and gain lifelong customers.”

VOICE OF THE CLIENT

Optimism is growing among clients in all industry sectors as the vaccination program continues to grow momentum. Globally, sentiment is shifting from planning to traveling, with corporates accelerating towards restarting travel.

As companies begin phased returns to the office, clients are easing travel restrictions and relaxing strict approvals processes that limited travel to essential or business critical only. Encouragingly, the proportion of clients communicating with their travelers about the restart is growing at pace.

In the US, positive client sentiments are translating into domestic bookings, with growth up consistently across all industry verticals.

Globally – and despite progress on vaccinations and case numbers in many countries - travel controls remain in place and continue to deter international travel.

The Voice of the Client is based on GBT's ongoing client sentiment survey and feedback from client management teams.

GET IN TOUCH

In the next edition of *Supplier Insights*, we will continue to chart the return to travel, with industry trends data underpinned by analysis from the Global Business Consulting team.

To share your feedback, please talk to your dedicated Global Supplier Partnership Manager or drop us a line [here](#).

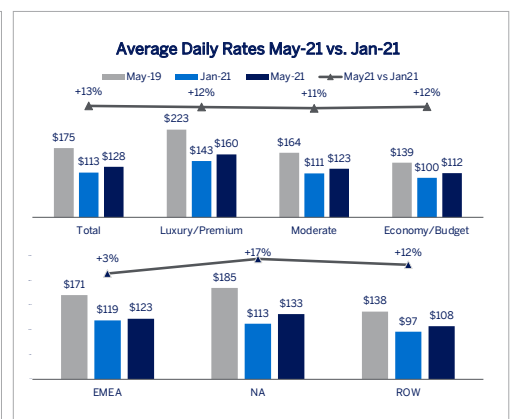
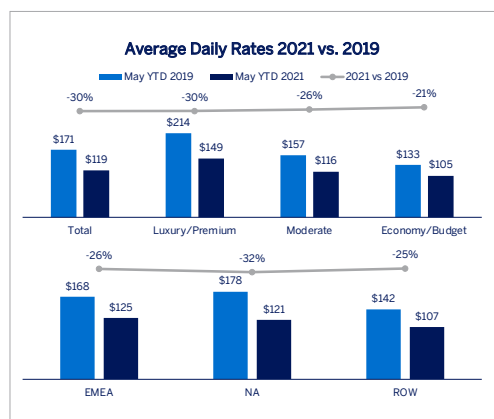
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Key Accommodation Recovery Trends

The hotel sector is rebounding across North America, outstripping air for the first time. Supplier Insights draws on recent GBT transaction data to identify some of the key trends influencing clients as they rebuild their hotel programs.

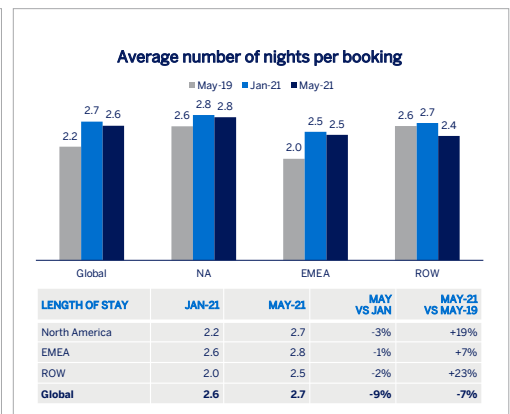
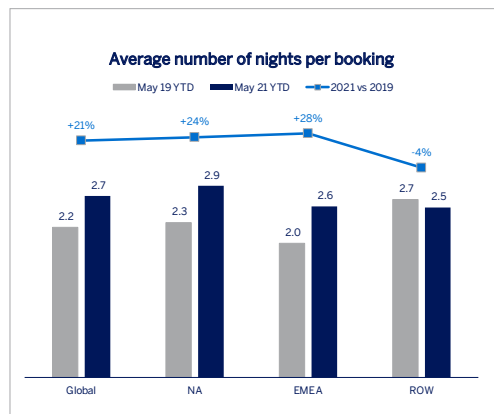
AVERAGE DAILY RATE (ADR) EVOLUTION

All categories of hotel have seen rates fall versus 2019. ADR is now recovering across all hotel categories, led by North America (+17%) and ROW (+12%).



LENGTH OF STAY

Globally, length of stay has increased by +21% from 2.2 room nights per booking to 2.7 room nights. This year, there has been a minor decline in length of stay in May versus January. However, it remains much higher than 2019.



BOOKING PATTERNS AND HOTEL CATEGORY

Compared to 2019, customers are now booking much closer to arrival: 44% of bookings are made within 3 days, up 21% versus 2019. Looking at hotel categories, as travel returns and destinations reopen, Luxury / Premium hotels have seen the highest growth in May versus January (+5%).

