Navigating Global Business Travel

Key shifts that will define the future of the industry and how payment can support business travel transformation

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A new era of global business travel

After years marked by turbulence and uncertainty, global business travel is staging a comeback. Newly reminded of the essential value business travel provides, organizations are ramping up both volume and spend.

At the same time, the industry has undergone a myriad of changes which cannot be ignored. From distributed work to a rising sustainable travel imperative, new needs are rendering existing processes obsolete.

Navigating these new needs as demand ramps up is placing the entire industry at a tipping point. One that requires new tools, systems and processes, fueled by technologies like AI. One that requires a new organizational mindset around collaboration and leadership. One that requires a new ethos to overhaul legacy thinking. To navigate the business travel needs of today and tomorrow, flexibility, agility and dynamism must be taken to new heights.

In this report, we share insights from travel decision makers, including travel managers, finance, and procurement teams, on key shifts defining the industry and explore new opportunities to establish advantage in the next era of global business travel.

Business travel continues to drive essential benefits

88%

of travel decision makers agree, "Business travel is critical for driving our organization's growth"

90%

of travel decision makers agree, "Our growing hybrid/remote workforce will significantly increase the amount of business travel our organization does over the next 10 years"

Business travel remains an essential engine of growth, especially as companies navigate a shifting economic landscape and the long-term realities of distributed work. Travel decision makers attest that business travel is a bedrock of growth, with its top benefit being building new client relationships and prospecting (62%). Other key benefits include strengthening corporate strategy and planning (61%) and building internal connections through team bonding (60%).
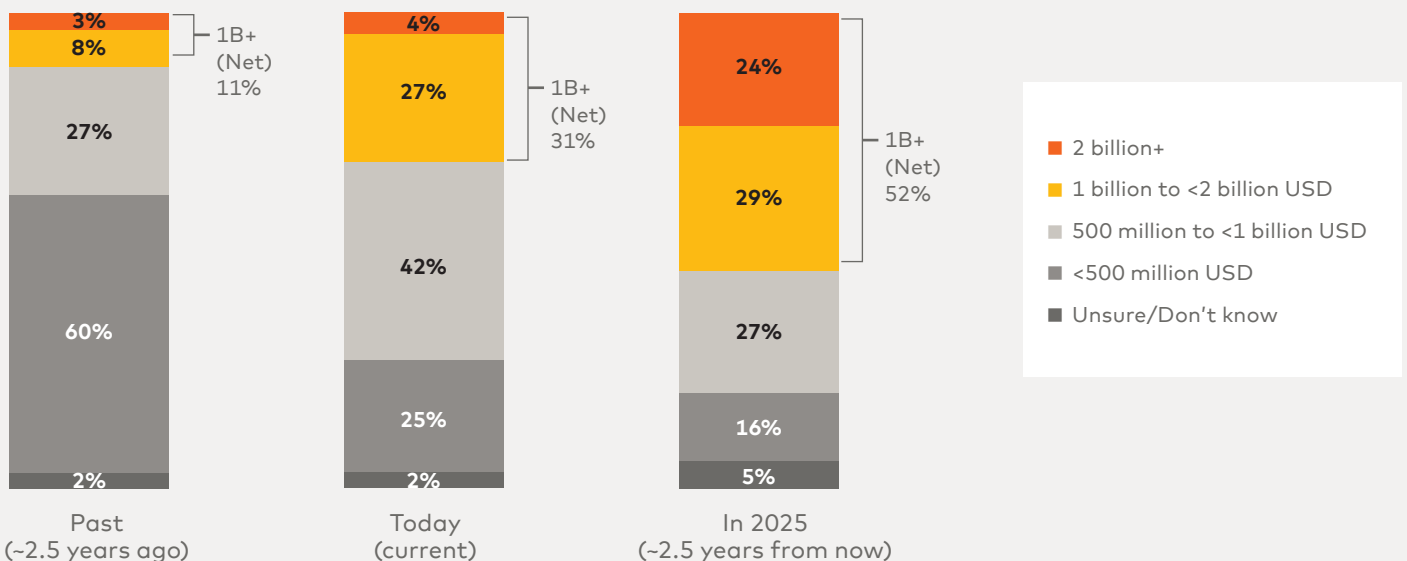
Along the same lines, negative business impacts would be expected if reductions in business travel occured. Over four in 10 travel decision makers say curtailing travel would decrease revenue by more than 10% in the next three years (43%), while nearly half say employee turnover would increase by more than 10% (48%) in the same timeframe. Maintaining travel is not only critical to fueling new growth but also for avoiding revenue decline and employee turnover.

Distributed work has also accelerated demand for global business travel. Travel decision makers expect business travel volume to ramp up in the next few years and significantly increase within the decade as a result of a growing hybrid and remote workforce. This aligns with industry forecasts, which estimate that travel volumes are expected to exceed pre-pandemic levels by 2026.[1]

Along with this anticipated rise in travel volume comes a projected increase in travel spend. Where only 11% of travel decision makers reported spending more than one billion USD on travel annually pre-pandemic, 31% say they do so today – and 52% imagine doing so in 2025.

Travel decision makers anticipate rising business travel spend

Approximate amount organizations spent and plan to spend on business travel

	Past (~2.5 years ago)	Today (current)	In 2025 (~2.5 years from now)
2 billion+	3%	4%	24%
1 billion to <2 billion USD	8%	27%	29%
500 million to <1 billion USD	27%	42%	27%
<500 million USD	60%	25%	16%
Unsure/Don't know	2%	2%	5%

1B+ (Net) 11% (Past) — 1B+ (Net) 31% (Today) — 1B+ (Net) 52% (In 2025)

1. Global business travel spending is coming back, but recent headwinds push anticipated full recovery into 2025 and 2026

Rising complexity requires new processes and organizational mindset

The unprecedented change in the business travel landscape in the last few years presents an opportunity to re-evaluate traditional practices. The vast majority (87%) agree, "The business travel industry is at a tipping point with an opportunity to overhaul legacy systems to meet the needs of today's business traveler." This requires foundational mindset shifts that lead to more effective processes, systems and policies. At the core of this is creating T&E ecosystems that are seamless, employee-centric and proactive.

A new T&E ethos: Core principles for designing travel ecosystems

Seamless	**Employee-centric**	**Proactive**
90% agree	80% agree	92% agree
"The future of T&E is the convergence of payment and expense management, simplifying the process for all parties involved (e.g., business travelers, finance, legal, HR, etc.)"	"We need to invest more in employee-centric travel payment methods"	"Our T&E process needs to shift from a reactive approach to a proactive one, replacing manual tasks with automated ones, and simplifying complexity to achieve efficiency"

88%

of travel decision makers agree, "Optimizing travel processes requires greater cross-functional collaboration than it did three years ago with more departments like HR, finance, legal and more"

"If companies are going to have a remote program, they must have cross-functional collaboration. There should not be one person responsible for making decisions about how to optimize travel in a hybrid organization."

— Senior Director, Global Travel

Rising organizational complexity is also driving the need to rethink collaboration and leadership when it comes to business travel. Today, travel decision-making is distributed across the organization: When asked who is most responsible for deciding who travels, no clear front-runner emerges. Instead, that responsibility is shared across travel managers / procurement (47%), travel or expense card management teams (44%), C-Suite executives (39%), Human Resources (37%), Finance (35%), mid-level managers (27%) and security or technology teams (13%).

As a result, greater collaboration and leadership is needed to bridge priorities and perspectives across these departments. Travel decision makers who are highly attuned to the growing number of people involved in decision-making even see the need for a Chief Travel Officer to coordinate financial and policy decisions in the future. Eighty-five percent agree, "In 10 years, it will be commonplace for companies to have a Chief Travel Officer to manage the complexities of travel processes, optimize and work toward best practices."

Ultimately, embracing an employee-first mindset and evolved organizational approach can have the potential to create efficiencies that benefit business' bottom line. The vast majority attest that improving travel booking (92%), enforcing spending controls (92%), time and cost savings in the travel process (92%) and streamlining expense processes (90%) will pave the way for enhanced business outcomes such as cutting costs, increasing revenue or financial gain of travel, and more.

A hybrid workforce creates new needs that require T&E process innovation

86%

of travel decision makers agree, "The new hybrid and/or remote work environment has made managing travel and expenses more challenging"

92%

of travel decision makers are interested in providing virtual corporate cards to employees to pay for trip expenses so they don't have to worry about things like currency conversions/transaction fees to improve the T&E process in the next five years

88% are also interested in using virtual cards for non-employee payment in the next five years to improve T&E processes

With the rise of distributed work, companies are now responsible for managing the various travel needs of remote, hybrid and in-office employees, along with non-employees like contractors. This has created new T&E complexities for travel decision makers to navigate, with top challenges including:

- Delivering effective and timely information about T&E policies (65%)
- Ensuring travel expense management compliance (64%)
- Managing the needs of a distributed workforce (58%)
- Supporting non-employees with easy payment methods for business travel (57%)

Distributed work has also disrupted expenses and forecasting. Nearly two-thirds of travel decision makers say they have incurred different types of expenses due to a hybrid and/or remote workforce (65%) and that their hybrid and/or remote workforce has made it more difficult to forecast and budget for travel expenses (61%).

As a result, travel decision makers have greater need for more flexible payment and expense management tools (89%), dynamic tools for travel spend optimization (88%) and end-to-end tools for travel and expense management (88%).

When it comes to payments, travel decision makers are encountering more diverse card needs and are under increasing pressure to optimize. Two-thirds have had different types of workers such as remote employees and non-employees require access to corporate payment methods due to a hybrid or remote workforce (67%). Eighty-nine percent also agree, "The new hybrid/remote work environment requires us to maximize the use of cards as employees put more business travel expenses on cards."

Virtual cards provide an effective solution that is universal and efficient across all types of employees. In fact, when asked about travel initiatives that are most important to them, travel decision makers' key priority is the ability to provide/obtain mobile virtual cards to manage employee and non-employee travel spending. Many are optimistic that this will soon become the norm: nine in ten say it will either be commonplace for most companies (48%) or a differentiator for innovative companies (42%) to have virtual credit cards that can be issued to book travel without needing a physical card in the next five years.

Spend management is a priority and new payment solutions can help

1 in 3

travel decision makers still report that employees at their organization use personal cards to book travel (33%)

Managing travel spend is top of mind for organizations, especially as expenses face greater scrutiny and distributed work drives increased travel volume. In fact, the top two challenges travel decision makers face in the current environment center around real-time spend visibility, from both the perspective of the traveler and the company. Integrated systems, compliance and spend controls are also top of mind as travel decision makers seek to optimize these systems.

The good news is the vast majority believe technology that enables more seamless spend visibility is on the horizon. Travel decision makers are also optimistic that further optimization of compliance, spend controls and integration of payment and expense tools is possible with automation.

	Today's challenges		Tomorrow's opportunities In the next five years...
Real-time traveler spend visibility	62% say providing employees with real-time visibility into their spend is a challenge today	→	91% say it will either be commonplace (47%) or a differentiator (44%) to have real-time alerts sent to business travelers about their spending activities to help them stay within budget and avoid unnecessary expenses
Real-time employer spend visibility	61% say getting real-time visibility into employee travel spend is a challenge today	→	89% say it will either be commonplace (49%) or a differentiator (40%) to have real-time ability for companies to track employee traveler spend
Integrated payment & expense	59% say automating travel expense reporting s a challenge today and 45% say their travel and expense reporting process is highly manual	→	89% say it will either be commonplace (48%) or a differentiator (41%) to have integrated payments and expense management software automate the process of tracking expenses and submitting expense reports
Compliance	59% say ensuring compliance to policies and controls for business travel spending is a challenge today	→	91% plan to link corporate cards to customized spending limits to help employees stay within budget and avoid unnecessary spending/expenses to improve T&E processes
Spend controls	57% say providing easy ways that employees can spend efficiently on travel is a challenge today	→	90% plan on offering a T&E card program to optimize spend and controls to improve T&E processes

Key market trends like AI and ESG will drive different needs and expectations

89%

of travel decision makers agree, "We need more dynamic T&E policies to navigate the future of business travel"

Looking ahead, the vast majority of travel decision makers attest that more dynamic T&E policies will be essential to navigating the future of business travel. Smart systems that automate spend and accelerate personalization emerge as key differentiators. Artificial intelligence (AI) will also be used to automate expense and payment processes, create dynamic policies, apply smarter spend controls and better report on ESG.

Another primary use case for AI will be traveler personalization: 58% say leveraging AI to make personalized travel recommendations for employees is a challenge today. As a result, 91% are planning on investing in AI and machine learning to provide employees with a more personalized travel experience in the next five years to improve T&E processes.

Top five innovation differentiators in the next five years

1. Linking company spending limits to whatever payment method travelers are using to pay for their trips (e.g., to automatically enforce limits at the moment of purchase, etc.) (48%)

2. Dynamic travel expense policies based on AI to optimize spend management and/or control costs (48%)

3. Dynamic travel expense policies applied at payment (47%)

4. Using AI for personalized travel experiences for each employee (46%)

5. Leveraging AI to track and report on ESG metrics for T&E (46%)

Travel decision makers believe that leaders who make decisions about company travel policies have understanding the impact from carbon emissions of business travel as their #1 priority

Sustainability is another key area that travel decision makers hope to further optimize in the future. Momentum is rising around measuring an organization's business travel footprint, driven by organizational leadership. Nine in 10 travel decision makers attest that their responsibilities now include a greater emphasis on ESG tracking for business travel, as it has become a critical area of focus for their organization.

With this rising emphasis, most imagine a more sophisticated future when it comes to measuring sustainability. Nine in 10 say it will either be a differentiator for innovative companies (46%) or commonplace for most companies (44%) to leverage AI to track and report on ESG metrics for T&E in the next five years.

Key takeaways

Travel decision makers say global business travel is at a critical juncture, calling for a need to innovate to fulfill the evolving needs of today's business travelers, while carefully balancing organizational strategy.

1 **Business travel continues to drive essential benefits:**
Travel decisionmakers anticipate rising spend as businesses seek to sustain revenue growth and new hybrid work norms. Despite economic headwinds, there is agreement that curtailing travel will negatively impact revenue and employee turnover.

2 **Rising complexity requires new processes and organizational mindset:**
Amidst a changing landscape, there is an opportunity to overhaul travel ecosystems to optimize employee experience. Greater collaboration and leadership is also needed across the organization to manage increasing complexity.

3 **A hybrid workforce creates new needs that require T&E process innovation:**
Distributed work is driving higher demand for flexible, dynamic, agile and end-to-end T&E processes. Travel decisionmakers are looking to optimize payments ecosystems. Virtual cards offer a universal, optimal solution.

4 **Spend management is a priority and new payment solutions can help:**
Real-time spend visibility is a top challenge in the current climate. Tech-driven solutions are on the horizon to ease this pain point. Travel decisionmakers are also optimistic about the further automation of compliance, spend controls and integration of payment and expense.

5 **Key market trends like AI and ESG will drive different needs and expectations:** Travel decision makers believe smart systems that automate T&E processes, dynamic policies and spend controls are top differentiators for the future. Momentum is also rising around turning emissions tracking data into sustainable impact, driven by organizational leadership.

Research methodology

This research was conducted by The Harris Poll and Mastercard Global Foresights, Insights and Analytics from April 7-14, 2023, among 541 travel decision makers across the U.S, Canada, Italy, Germany, Australia and India. Expert interviews and industry-landscaping research were also conducted.

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