



CTIP
CORPORATE
TRAVEL

2020-2021

White Paper on Business Travel Management Market

—
Panoramic View:
Finding certainty in uncertain times

Trip.com Group™ 携程商旅

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The sudden outbreak of the COVID-19 pandemic did little to ease the uncertainties in 2019. If anything, it augured a very unusual and challenging year for the world economy. Despite the unprecedented impact, China's economy picked up steadily in 2020. Its GDP exceeded CNY100 trillion after growing 2.3% year on year.

As the pandemic tied up our feet, the business/leisure travel industries were facing a big test. **GBTA (Global Business Travel Association) data shows that global BTS (business travel spending) dropped 51.5% to USD694 billion in 2020.**

Due to COVID-19, **China's BTS also fell 38% over the year. Yet China is bouncing back faster than most countries in Asia-Pacific and the rest of the world.** China's business travel market has sound fundamentals in the long run. As China becomes more experienced in epidemic prevention and vaccinates an increasing number of people, the market would not have to wait long before returning to its pre-pandemic level.

Given China's "new development paradigm with domestic circulation as the mainstay and domestic and international circulations reinforcing each other", the domestic travel market would be the first to rebound. There is, however, less optimism about the outbound travel market, mainly because of lockdown restrictions and rigid entry/exit policies of various countries. Things will not get much better unless these countries bring COVID-19 under control and effectively vaccinate their citizens.

This White Paper presents a panoramic view of Chinese and global business travel markets in the pandemic era. It also covers the current situation and future trends of business travel management, which customers and peers might find illuminating when exploring new paths together.



Research Methods



Survey (Quantitative)
+
Interview (Qualitative)

Online survey on business travel managers

Send questionnaires to thousands of companies through Ctrip Corporate Travel's own channels and ZhiXingXiaoZheng's We-media channel, targeting administrative/financial managers and other persons directly in charge of business travel.

Online survey on frequent business travelers

CTR Market Research Co., Ltd. runs an online survey on business travelers at large (covering most frequent travelers) from tier-1 to tier-4 cities in China.

Qualitative

In-depth interview with business travel managers

Business travel managers from different industries go into depth about their problems and needs, the way to "delicacy management", and future trends.

Workshop for frequent business travelers

Frequent business travelers from all walks of life sit together and brainstorm about how to make travel less tedious and more fun.

Ctrip Corporate Travel

Analyze the behavioral preferences of travelers and various trends based on Ctrip Corporate Travel's big data.



COVID-19 Impact on Global Business Travel Market

PART 2

START

Overview of the World Economy in 2020

NDRC: The world economy is expecting a restorative rebound, though it would be uneven and unstable

In 2020, the COVID-19 pandemic plunged the world economy into its worst downturn since the Great Depression. Things seemed to be looking up in the second half of the year, following a sequence of massive policy responses from major economies. The recovery, however, was losing its momentum in Q4 due to a coronavirus second wave in Europe and the U.S. In 2021, the global economic situation remains complex and challenging. A restorative rebound is on the cards, as easing policies continue in major economies and an increasing number of people get vaccinated around the world. Yet the recovery will remain uneven and unstable, given the great uncertainty surrounding the pandemic and the sheer challenges and risks in the medium- to long-term.

The world economy would still be recovering from a low base in 2021

Since 2020 Q3, major economies have been bouncing back faster. Principal international economic institutions slightly revised up their 2020 global growth forecasts, though they acknowledged that the world economy would still be recovering from a low base in 2021. **The World Bank expected the global economy to expand 4.0% in 2021 after shrinking 4.3% in 2020, and the IMF expected it to grow 5.5% in 2021 after contracting 3.5% in 2020.**

The world is facing a widening vaccine gap and uneven economic recovery

As winter closed in, a coronavirus second wave swept the Northern Hemisphere. The speed of vaccination has a vital bearing on the pandemic control. Still, countries and people across the globe would be facing a widening vaccine gap. IMF predicted that if the pandemic situation worsened once again, the 2021 global economic growth would be 0.75% lower than the baseline expectation. Also, **global aging, national income gap, Brexit, and geopolitical conflicts** would drive world economic growth into a downward trend against pre-pandemic levels.

Global trade and investment will pick up slowly

Global production, trade and investment have plummeted due to tighter border and traffic controls in the pandemic era. As a result, countries are increasingly embracing regional and local approaches to supply chains. **IMF estimated that the world trade volume would fall by 9.6% in 2020, and rise by 8.1% in 2021.**

Easing policy environment would continue to prevail across the globe

Major economies offered large monetary incentives following the coronavirus outbreak. As the global economic downturn continues, so will these incentives in the short run. Inflation expectations are somewhat higher around the world. The IMF predicted a 1.3% inflation for advanced economies in 2021, up from 0.7% a year ago. Yet even a 1.3% inflation is lower than the target, meaning there is still room for monetary easing.

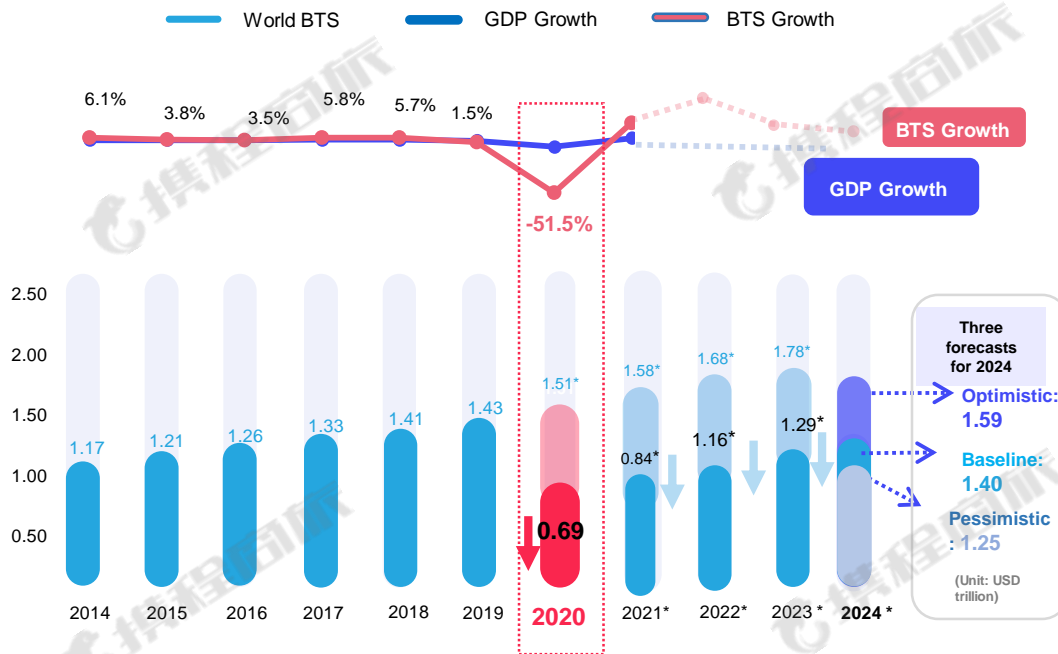


Overview of Global Business Travel Market

World BTS dropped 51.5% to USD694 billion in 2020

- GBTA estimated that **global BTS dropped 51.5% to USD694 billion in 2020**. The 2020 BTS losses would be 10 times as large as those following the Great Recession of 2008.
- Before the pandemic, business travel activity had grown for 10 consecutive years by 2019. It began to falter in 2019, however, as increasing barriers to trade and geopolitical tensions led to a global economic slowdown. Total BTS reached USD1.43 trillion in 2019, growing only by 1.5% over 2018 levels.
- In the optimistic scenario** (where inoculation turns the tides), GBTA expects global BTS to reach USD1.59 trillion in 2024, about 11% higher than the pre-pandemic peak. **In the pessimistic scenario** (where vaccine rollout is slow and lockdown restrictions are enforced in various countries), GBTA expects global BTS to reach only USD1.25 trillion by 2024. **The clouds of uncertainty are looming larger.**

Global Business Travel Spending (2014-2024)



BTS (business travel spending)

* Estimated data for 2020

* Estimated data for 2019

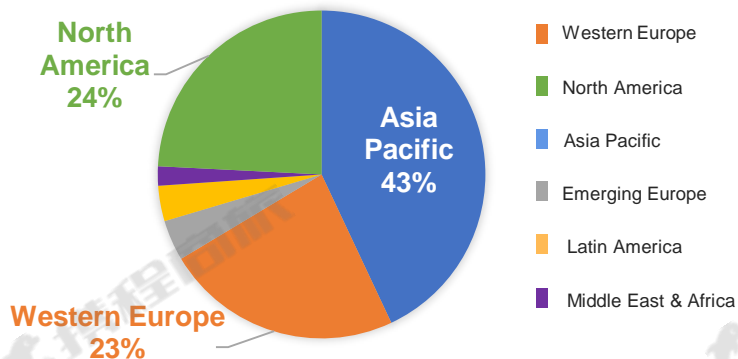


Regional Business Travel Market

Asia Pacific leads the global recovery whereas Western Europe and North America are hit harder

- In 2019, trade tensions and business uncertainty led to weakness in global business travel growth. Asia Pacific (APAC) continued to make up the largest share of business travel followed by North America and Europe. These three regions made up 90% of global business travel activity in 2019.
- Conservative estimates suggest that the world will not regain the pre-pandemic levels of business travel by 2024. Western Europe and North America will see sharper declines than other regions, while the Middle East & Africa (MEA) and APAC will regain 2019 peaks faster. **Business travel in APAC, which has fared relatively better through the pandemic, will help to buoy global travel activity. Among the Top 15 countries by BTS in 2020, China remains the world's largest business travel market.**

Business Travel Spending by Region in 2019



Business Travel Spending: Top 15 Markets (2020)

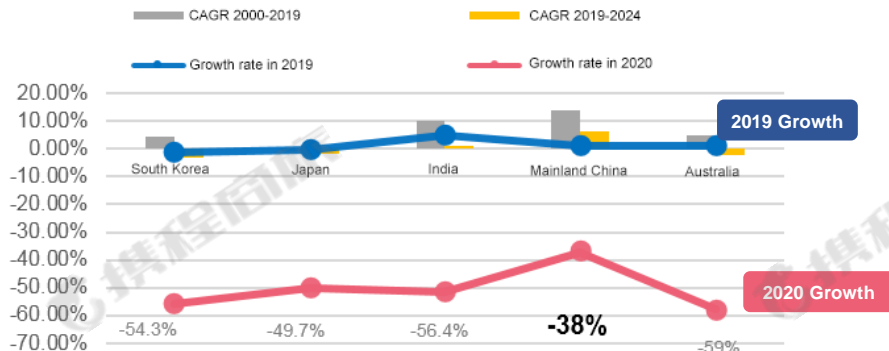


Asia Pacific - Business Travel Market

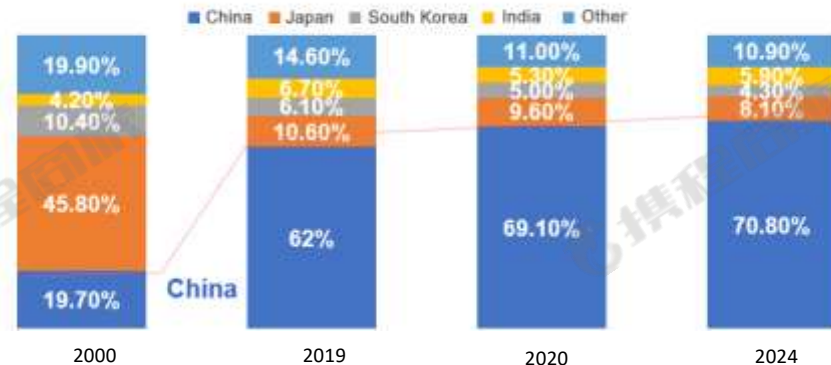
Asia Pacific remains the largest market and China's recovery is more convincing

- BTS in Asia Pacific made up almost 43% of global business travel and for the last two decades it had been expanding at an annual average rate of 7.3%—significantly faster than the global annual average rate of 4.5% over the same period. In 2019, however, business travel in the region increased by only 1%. The dramatic slowdown was mainly because of trade disputes and weaker domestic demand. The pandemic considered, GBTA expected BTS declines to total 44% in Asia Pacific in 2020, significantly lower than the expected declines of 58% in Western Europe and 60% in North America.
- China's share of the Asia Pacific business travel market has been growing by the year, reaching 69% in 2020. The country will fare even better than most in the region given the early control of the virus and a more domestically focused business travel market, with a projected 2020 spending decline of only 38%. Annual BTS in China totaled USD381.7 billion in 2019, growing at a moderate rate of 0.9%.**
- The hardest hit markets in the region will include those that are dependent on international trade like Singapore whose BTS was predicted to decline by 82% in 2020. Business travel in Hong Kong, likewise, was expected to plummet by 84% in 2020. Japan also experienced significant declines in BTS which stemmed from a slowdown in manufacturing at home.

Growth Rate of Business Travel Spending in Five APAC Countries



Business Travel Spending of APAC Countries - Changes in Regional Shares (%)

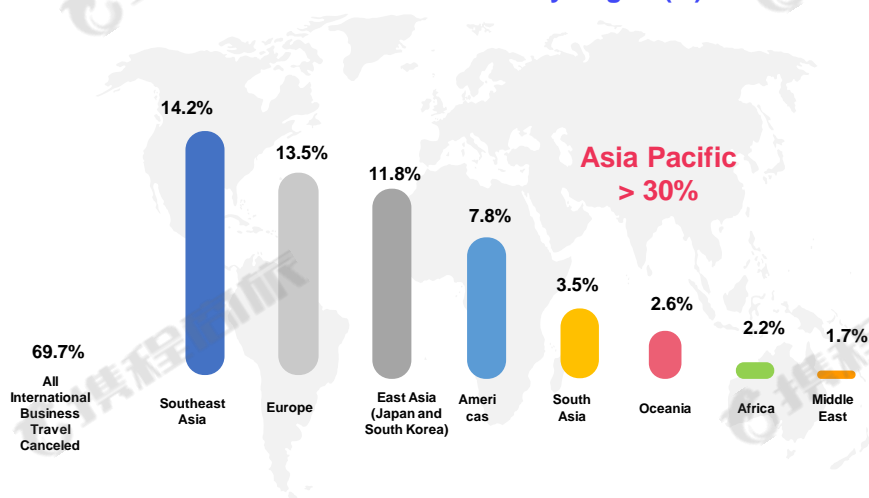


Asia Pacific Remains the Main Destination of Overseas Business Travel

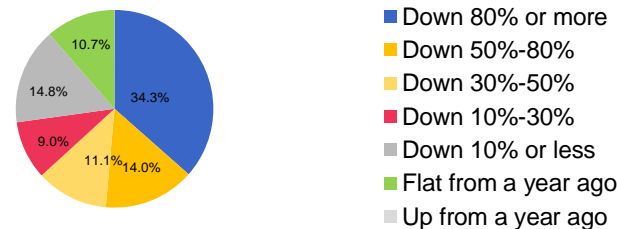
International BTS plummeted at 80% of companies due to travel restrictions

- For the rest of the companies, **Asia Pacific remains the main destination** of international business travel, followed by Europe and the Americas.
- Over 80% of companies claimed a lower international BTS from a year ago. Survey shows the main reasons for the drop in international business travel and spending are tighter border controls, canceled flights or routes, and stalled international market expansion.

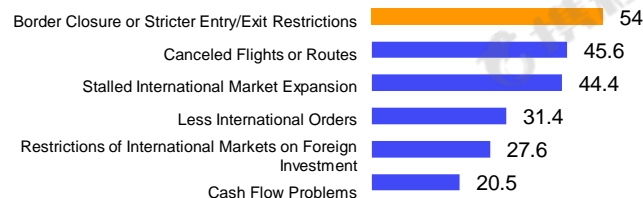
International Business Travel by Region(%)



Percentage of Change in International Business Travel Spending



Main Factors Affecting Overseas Business Trips (%)

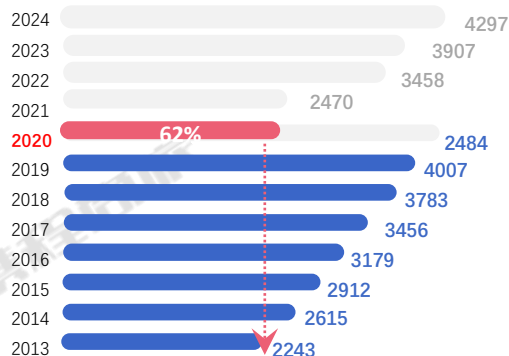


China - Business Travel Market

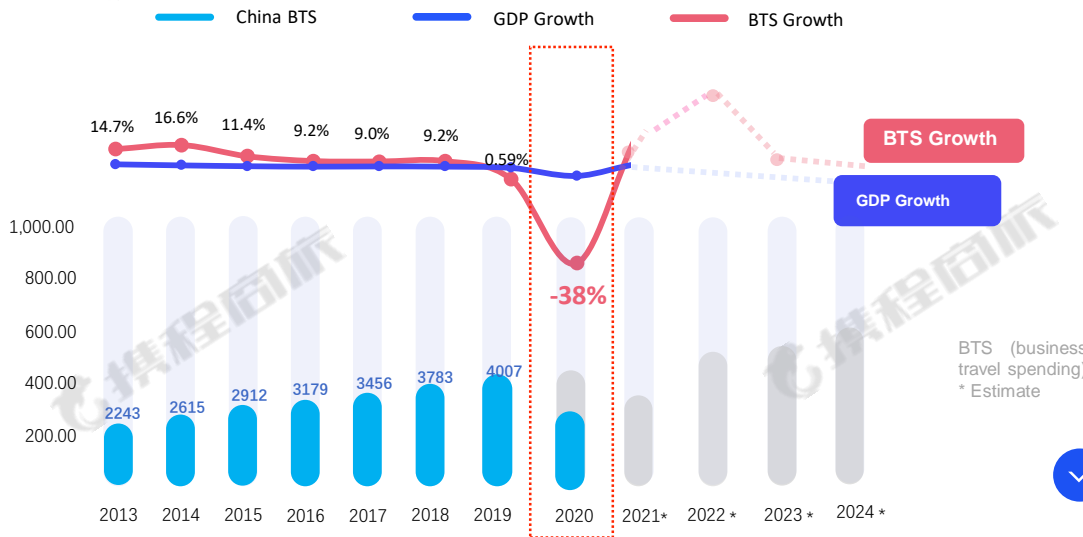
Growing domestic demand drives domestic business travel increase amid steady economic recovery

- According to the IMF, "China is the only major economy in the world to show positive growth in 2020 as its GDP expanded 2.3%. We predict China's growth will accelerate to 8.1% in 2021." China will inject more impetus into global economic recovery. Its economy picked up steadily in 2020, despite the pandemic and deep global recession. In light of China's new development paradigm with domestic circulation as the mainstay, the domestic business travel market has crafted its own pandemic survival rules.
- UNWTO data shows that because of COVID-19, global tourism industries lost USD1.3 trillion in revenues in the "worst year in tourism history". Yet in the same year, Trip.com Group posted one of the industry's fastest improving performance. Ctrip Corporate Travel saw a robust recovery of its business travel.

2013-2024 BTS of China (USD 100 Mn)



2013-2024 BTS of China(USD 100 Mn)



Source: 2019 GBTA BTI Outlook; and IMF's World Economic Outlook, October 2019





Pandemic Survival Rules of Business Travel Industry

PART 3

START

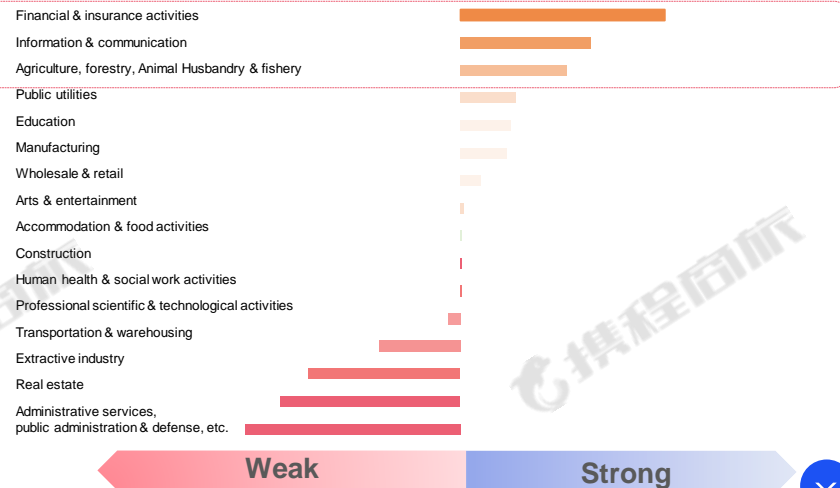
2020 Travel Management Maturity by Industry

Growing domestic demand drives domestic business travel increase amid steady economic recovery

Comparison shows the most mature industries by travel management remain to be financial and insurance activities; information and communication; and agriculture, forestry, animal husbandry and fishery. Their percentages of BTS in the travel management market are higher than their percentages of BTS in all markets. However, upon comparing the figures in the travel management market for the last two years, we notice that the share of public utilities (electricity, gas, water, environment, etc.) has significantly increased, indicating that the industry is gradually improving its travel management awareness, with more and more companies opting for professional travel management. Also, the agriculture, forestry, animal husbandry and fishery industry and the professional scientific and technological activities have witnessed an increase in travel management maturity rate.

Industry	2019 BTS in Travel Management Market	2020 BTS in Travel Management Market	2019BTS in All Markets (Including the Market Not Under Travel Management)	2020BTS in All Markets (Including the Market Not Under Travel Management)	2020 Management Intensity
Manufacturing	34.34%	30.75%	34.8%	30.8%	Medium
Financial & insurance activities	19.09%	13.24%	2.6%	3.6%	Strong
Information & communication	14.23%	16.86%	5.3%	8.8%	Strong
Wholesale & retail	7.00%	5.64%	4.2%	5.7%	Medium
Agriculture, forestry, animal husbandry & fishery	5.02%	7.8%	2.4%	1.0%	Strong
Public utilities (electricity, gas, water, environment, etc.)	3.09%	9.86%	9.6%	6.2%	Strong
Professional scientific & technological activities	2.55%	3.56%	3.8%	5.8%	Slightly weak
Real estate activities	5.05%	4.05%	7.5%	9.9%	weak
Construction	2.51%	1.90%	3.9%	2.8%	Slightly weak
Transportation & warehousing	2.39%	2.56%	5%	5%	Slightly weak
Arts & entertainment	1.96%	1.43%	0.2%	1.5%	Medium
Education	0.99%	0.85%	1.4%	0.3%	Slightly strong
Extractive industry	0.60%	0.31%	0.1	5.1%	Weak
Accommodation & food activities	0.39%	0.93%	1.4%	1.1%	Medium
Human health & social work activities	0.09%	0.05%	0.1	2.1%	Medium
Administrative services, public administration & defense, etc.	0.70%	0.24%	17.7%	9.4%	Weak

Travel Management Maturity by Industry (%)

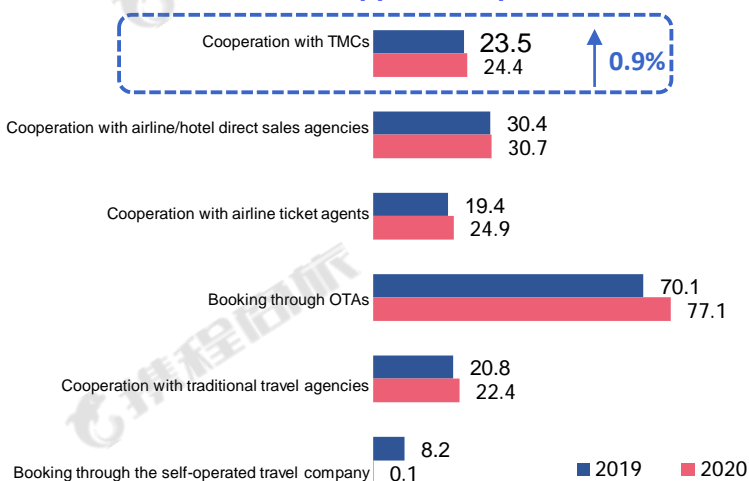


Business Travel Supplier Cooperation Model

With an increasing share of the travel management market, TMCs are gaining momentum in second-tier cities

- When comparing research results within the last two years, we found that the share of travel management market has increased, indicating that companies are gaining greater awareness of professional travel management. **For second-tier cities, the share of travel management companies (TMCs) in the travel management market has increased by 13.6%, showing that companies in these cities are realizing the importance of professional travel management.**
- Online travel agencies (OTAs) are still the dominant domestic business travel booking platforms with a high market share in emerging first-tier ("Tier 1.5") and third- and fourth-tier cities. Business travel is still dominated by the payment model of "employees pay first, and the company reimburses later". The awareness and penetration rate of professional travel management still has a lot of room for improvement.
- Notably, more and more state-owned enterprises (SOEs) and foreign enterprises choose to cooperate with TMCs, even during the pandemic.

Business Travel Supplier Cooperation Model (%)



Tier 1	Tier 1.5	Tier 2	Tier 3 & 4	SOEs	Private Enterprises	SJVs	WFOEs
%	%	%	%	%	%	%	%
28.3	19.6	34.8	7.3	29.6	14	44.1	39.3
		↑13.6		↑8.3		↑16.8	↑4.8
31.9	31.5	35.3	28.3	32.2	28.9	41.9	32.1
						↓1.3	
23.1	21.2	24.8	31	25.1	25.6	23.3	17.9
						↓6.7	
71.2	80.1	73.2	84	69.4	82.7	65.7	75
						↓6.5	
21.6	20.2	26.2	34.2	23.1	26.8	24.2	17.9
						↓4.4	
0	0.3	0	0	0	0.1	0	0

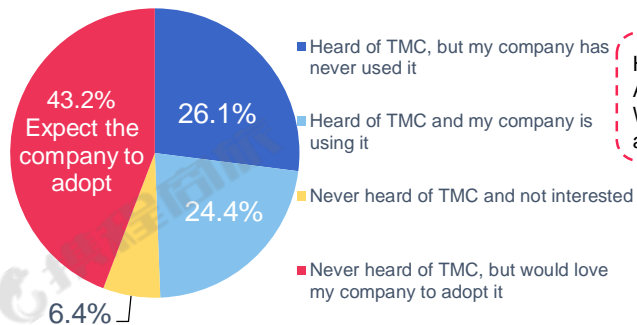


Business Travel Supplier Cooperation Model - TMCs

44.2% of business travelers hope their companies would use professional travel suppliers

- In recent years, with more companies demanding travel cost control, efficiency improvement, and management standardization, the TMC industry is growing rapidly. In this survey, nearly half of the respondents heard of TMC, but only 22.4% of the companies are using this model.
- It is worth mentioning that **after learning about the services provided by TMCs, 43.2% of the business travelers hoped their companies would adopt the model. Among them, business travelers of private and medium-sized enterprises living in third- and fourth-tier cities have expressed a stronger desire for the digital transformation of travel management.**

Awareness & Adoption Rate of TMC (%)



Heard of TMC: 49.4% ↑ 5.8%
 Adopted TMC: 24.4% ↑ 0.9%
 Would love to know more about TMC: 43.2%

By City (%)	Tier 1	Tier 1.5	Tier 2	Tier 3 & 4
Heard of TMC, but my company has never used it	35	30	26.2	16.3
Heard of TMC and my company is using it	28.3	19.6	34.8	7.3
Never heard of TMC	5.1	6.2	7.1	7.1
Never heard of TMC, but would love my company to adopt it	31.6	44.2	31.9	69.3

By Corporate Type (%)	SOEs	Private Enterprises	SJVs	WFOEs
Heard of TMC, but my company has never used it	30.6	26.9	22.9	28.6
Heard of TMC and my company is using it	29.6	14	44.1	39.3
Never heard of TMC	7.2	6.3	5.5	3.6
Never heard of TMC, but would love my company to adopt it	32.6	52.9	27.5	28.6

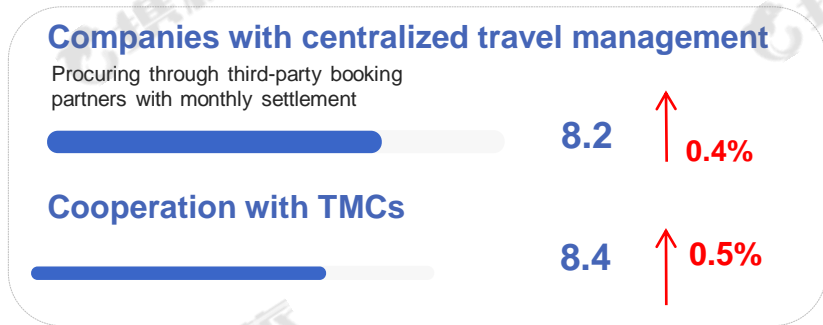
By Corporate Size (%)	Small Enterprises	Medium-sized Enterprises	Large Enterprises
Heard of TMC, but my company has never used it	26.8	27.2	27.6
Heard of TMC and my company is using it	12	34.4	36.4
Never heard of TMC	7.4	4.8	5.6
Never heard of TMC, but would love my company to adopt it	31.6	44.2	31.9



Satisfaction Rates of Different Business Travel Cooperation Models

The satisfaction rate of companies with centralized travel management is still on the rise

- Business travel management models include: 1) Centralized travel management (procuring through third-party booking partners, such as TMCs, airline & hotel direct sales agencies, and small and medium-sized ticket agents); 2) "Employees book first, and the company reimburses later".
- Survey shows that **companies with centralized travel management have a satisfaction score of 8.2, up 0.4% YoY. Meanwhile, the satisfaction score of companies cooperating with TMCs has increased by 0.5%, reaching 8.4 points.**



Satisfaction score	Centralized booking	Decentralized booking	Cooperation with TMCs	Cooperation with airline/hotel direct sales agencies	Cooperation with airline ticket agents	Cooperation with traditional travel agencies
Avg.	8.2	7.9	8.4	8.1	7.9	7.9
Top3 (%)	73.5	66.6	83.3	80.9	64.3	58.5

Working with one travel supplier for centralized booking and management	Working with multiple travel suppliers but considering switching to unified management	Working with multiple travel suppliers with no plan for switching to unified management	Employees pay first, and the company reimburses later, with little cooperation with travel suppliers
7.8	7.3	7.4	7
65.5	46.6	53	43.3

Companies with decentralized travel booking

Employees book first, and the company reimburses later

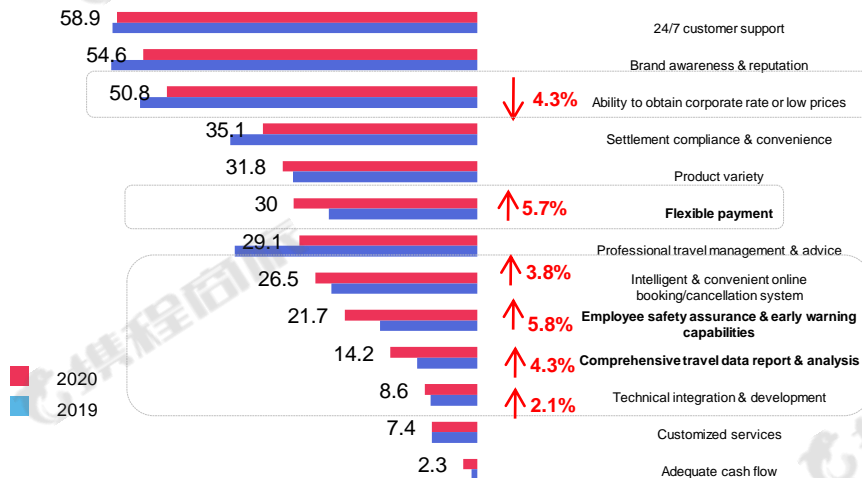


Key Factors in Choosing Business Travel Suppliers

Travel safety and travel data analysis become more important

- Research shows that due to the pandemic, companies place a higher value on employee safety assurance and early warning capabilities (5.8%↑) when choosing travel suppliers. Flexible payment and professional travel data report/analysis are also crucial factors. Attention to other factors such as system integration and technology development capabilities also saw a YoY increase.
- In contrast, low prices are not as appealing to companies. Companies are shifting from being price-oriented to valuing refined travel management, more professional data analysis, and integration with their internal system.

Key Factors in Choosing Travel Suppliers (%)



Key Factors in Choosing Travel Suppliers by Corporate Type (%)

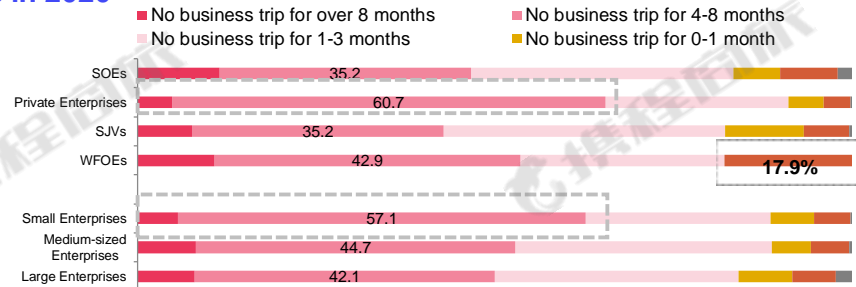
SOEs/Public Institutions	Private Enterprises	WFOEs	SJVs	COEs	Small Enterprises	Medium-sized Enterprises	Large Enterprises
58.5	57.9	61.5	62.7	50	59	59.6	56.1
59.2	55.2	53.2	52.2	42.1	54.6	53.8	56.1
51	49.7	53	55.3	44.7	51	49.5	51
36.7	34.9	34.7	36	36.8	35.8	29.8	36.7
21.1	30.8	36.8	34.8	34.2	31.5	30.5	40.8
29.3	30.1	30.6	29.2	28.9	30.8	25.1	29.6
32	28.8	27.4	34.2	28.9	28	34.5	34.7
24.5	25.5	28.5	32.3	23.7	26.5	27.3	24.5
15.6	21.2	24	22.4	31.6	21.6	22.9	20.4
15.6	13.7	14	18	13.2	14	15.6	13.3
6.8	9.1	5.7	13	13.2	8.6	7.3	13.3
9.5	7.5	6.2	7.5	7.9	7.6	5.8	8.2
2	2.3	1.7	3.1	5.3	2.2	2.5	3.1

Impact of the Pandemic on Business Trips

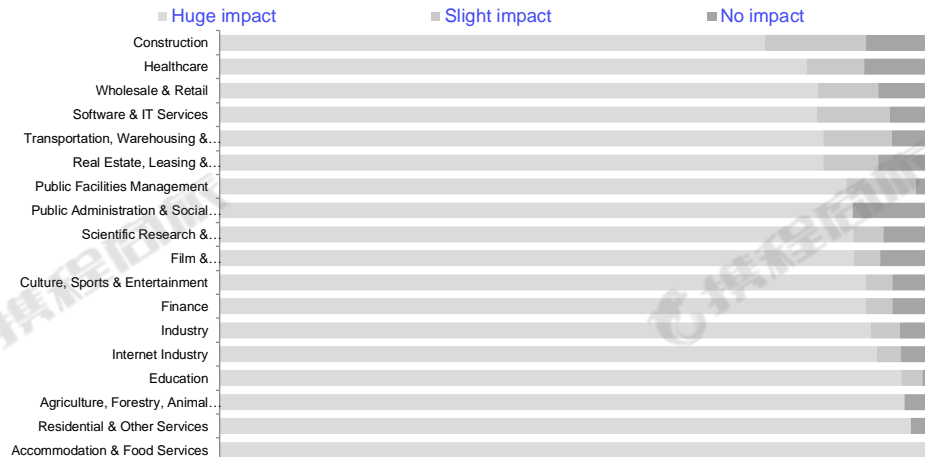
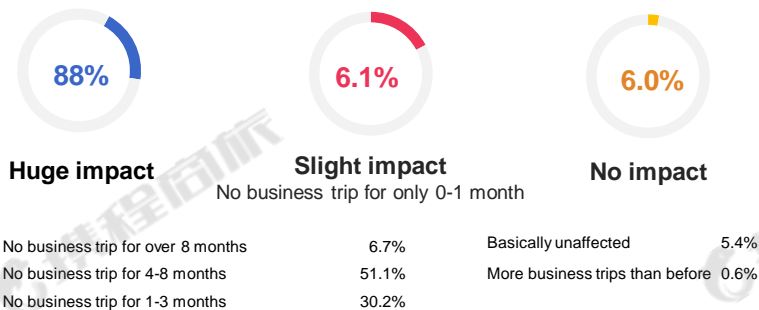
88% of companies reported severe impacts on business travels in 2020

- 88% of business travelers said that travel in 2020 was gravely affected by the pandemic. 51.1% said that no business trip was scheduled for 4 to 8 months.
- Enterprise-wise, the pandemic has a greater impact on the travel activities of private and small enterprises. Travel activities across sectors like the accommodation and food service, residential and other services, agriculture, forestry, animal husbandry and fishery, education, Internet, and industry are more affected by the pandemic.
- Notably, foreign-invested enterprises account for the highest proportion under "basically unaffected", indicating little impact of the pandemic on their travel activities despite the overseas travel restrictions. They may have shifted their focus to domestic business expansion.

Impact of Pandemic on Business Trips by Corporate Type (%)



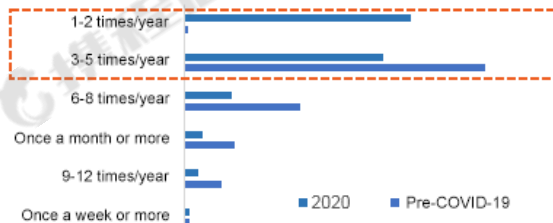
Impact of Pandemic on Business Trips (%) - Business Travelers



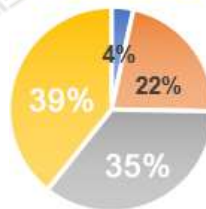
Impact of the Pandemic on Business Trips - Frequency

- The research finds that the dominant frequency of business trips before the pandemic was 3 to 5 times/year, whereas in 2020 most respondents traveled 1 to 2 times for business purposes. Industry-wise, people with the most frequent business trips in 2020 came from the wholesale and retail industry and the construction industry. Industries with a high frequency of business trips previously such as the accommodation and food industry, the financial industry, and the Internet industry saw a decline. Industries that are more dependent on offline activities such as the film and TV industry and the education industry were hit the hardest by the pandemic with the lowest frequencies of business trips.
- The research on business travelers reveals that when an outbreak occurred at the travel destination, frequent business travelers would prefer sticking to their trips if the company's regulations and local policies allow.

Change in Frequency of Business Trips - 2019 vs 2020



How would you respond to an outbreak at your business trip destination?



- Change booking
- Cancel trip and refund tickets immediately and reschedule travel dates based on the pandemic situation
- Learn about the destination's travel policies (whether nucleic acid testing or quarantine is required), and stick to travel plan if possible
- Follow company requirements and regulations

Frequency of Business Trips by Industry (2020)

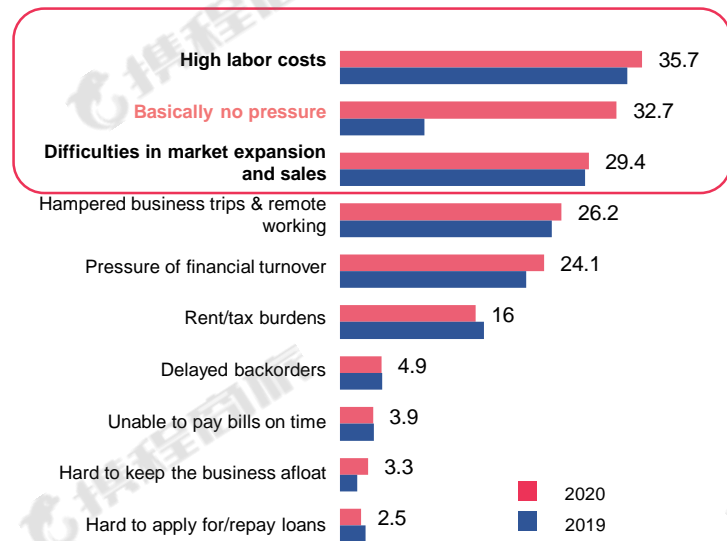
	Agriculture, Forestry, Animal Husbandry & Fishery	Industry	Wholesale & Retail	Construction	Transportation, Warehousing & Postal Services	Accommodation & Food Services	Internet Industry	Software & IT Services	Real Estate, Leasing & Business Services	Scientific Research & Technological Services	Film & TV/Publishing/Advertising & Media	Healthcare	Education	Finance	Residential & Other Services	Public Administration & Social Organizations	Culture, Sports & Entertainment	Public Facilities Management
1-2 times/year	64	40.9	31.6	35.8	32.7	69	54.3	39.8	46.2	45.8	55.6	40.3	65.2	43.4	40.6	61.4	53.8	51.2
3-5 times/year	24	40.5	46.2	43.4	50	20.7	31.8	40.8	36.9	40.3	37	41.9	27.3	49.1	50	29.5	36.5	34.1
6-8 times/year	0	12.2	14.5	13.2	7.7	3.4	6	10.7	10.8	11.1	3.7	11.3	3	3.8	9.4	6.8	7.7	4.9
9-12 times/year	0	3.7	0.9	2.8	3.8	6.9	2.6	5.1	1.5	0	0	3.2	3	1.9	0	0	1.9	2.4
Once a month or more	4	2.7	6.8	4.7	5.8	0	4.6	3.1	4.6	2.8	3.7	3.2	1.5	1.9	0	2.3	0	7.3
Once a week or more	8	0	0	0	0	0	0.7	0.5	0	0	0	0	0	0	0	0	0	0
	12	18.6	22.2	20.7	17.3	10.3	13.9	19.4	16.9	13.9	7.4	17.7	7.5	7.6	9.4	9.1	9.6	14.6



Business Trips - Challenges Posed by the Pandemic

- Compared with last year's research, the three major challenges faced by companies during the pandemic arise from **labor costs, market expansion and sales, and remote working**. However, **32.7% of companies said they were not troubled by such pressure**.
- Of the main factors affecting business trips, concerns over employees' safety remain on top, followed by hampered business expansion and other objective factors such as city regulations and canceled flights.
- Regarding what support companies want from travel service providers, destination safety warnings **rose to the top**, followed by personalized features for addressing COVID-19. Both of them are pandemic-related features.

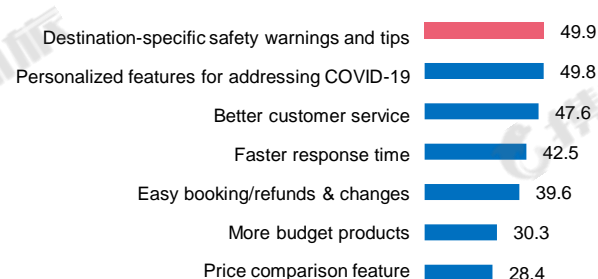
Major Business Challenges & Pressure During the Pandemic (%)



Main Factors Affecting Business Trips (%)



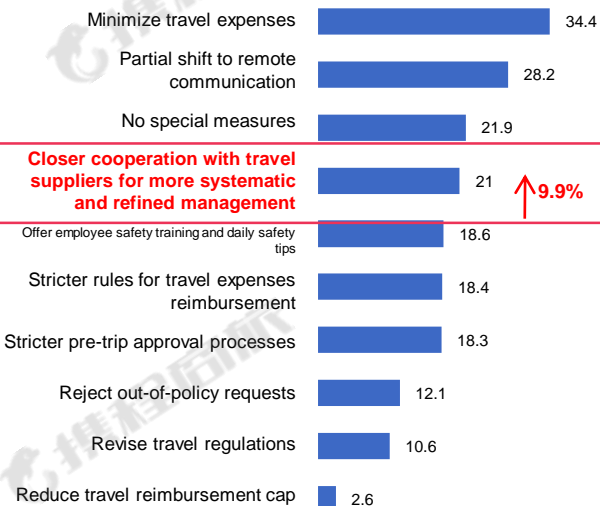
Support Needed from Travel Suppliers



Business Trips - Responses to the Pandemic

- The research finds that of all corporate responses to the pandemic, "closer cooperation with travel suppliers for more systematic and refined management" rose to the top five, up 10%, indicating rising importance attached to refined control enabled by professional travel management.
- Across different types of enterprises, SOEs and private enterprises pay more attention to controlling travel expenses; foreign-invested enterprises opt for remote communication possibly due to international travel restrictions. SJVs, SOEs, and private enterprises place a higher value on close cooperation with travel suppliers.

Research on Travel Managers: Corporates' Responses to the Pandemic (%)



Pandemic Responses by Corporate Type (%)

SOEs/Public Institutions	Private Enterprises	WFOEs	SJVs	COEs
30.6	36.5	31.7	29.2	26.3
27.2	24.5	37.4	35.4	21.1
19	21.4	23.8	21.7	28.9
21.1	22	17.9	23.6	13.2
18.4	17.8	21.7	17.4	13.2
22.4	19.6	13.4	19.9	18.4
23.1	18	15.3	22.4	28.9
17.7	12.7	9.4	9.9	13.2
7.5	11.8	8.5	9.3	10.5
2.7	2.5	2.8	2.5	5.3



2021 Business Travel - Key Goals

Travel compliance becomes the top priority, while travel safety remains essential

- The research finds that **standardized travel processes and travel compliance** have become the top priority, especially for SOEs, private enterprises, and large enterprises. To solve this pain point, Ctrip Corporate Travel can provide corporate invoice settlement to support more standardized and transparent travel expenditure management and financial settlement. Ctrip Corporate Travel also launched **the One Plus solution for SOEs** to help standardize their business trips.
- Controlling travel costs dropped to second place, signaling less urgency for it. In contrast, more companies hope to ensure employees' travel safety, reduce advance payments, and use one travel service provider for unified control.

2021 Key Management Goals for Business Travel (%)

■ 2020 ■ 2021



2021 Travel Goals by Corporate Type (%)

SOEs/Public Institutions	Private Enterprises	WFOEs	SJVs	COEs	Small Enterprises	Medium-sized Enterprises	Large Enterprises
57.1	58.4	51.7	55.3	57.9	56.3	57.5	62.2
46.9	49.7	44.9	41.6	42.1	49.1	42.5	38.8
31.3	30.1	23.4	26.7	34.2	28.3	26.9	36.7
21.8	27.4	26.4	26.1	23.7	26.3	30.2	23.5
29.3	26.6	24.5	21.7	39.5	25.9	27.3	29.6
23.8	21.3	29.8	27.3	26.3	24.2	22.2	21.4
16.3	19.6	17	21.7	21.1	19.6	16.4	14.3
14.3	19.9	16.6	18	13.2	18.3	18.5	24.5
10.9	14.3	13.4	16.1	13.2	14.6	10.9	11.2
0	2.5	2.1	5.6	2.6	2.2	4	4.1





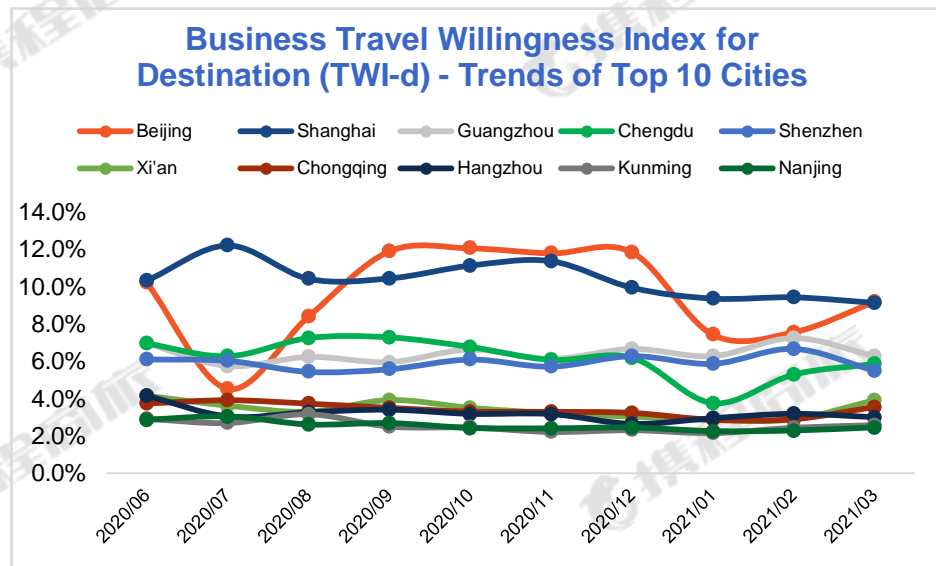
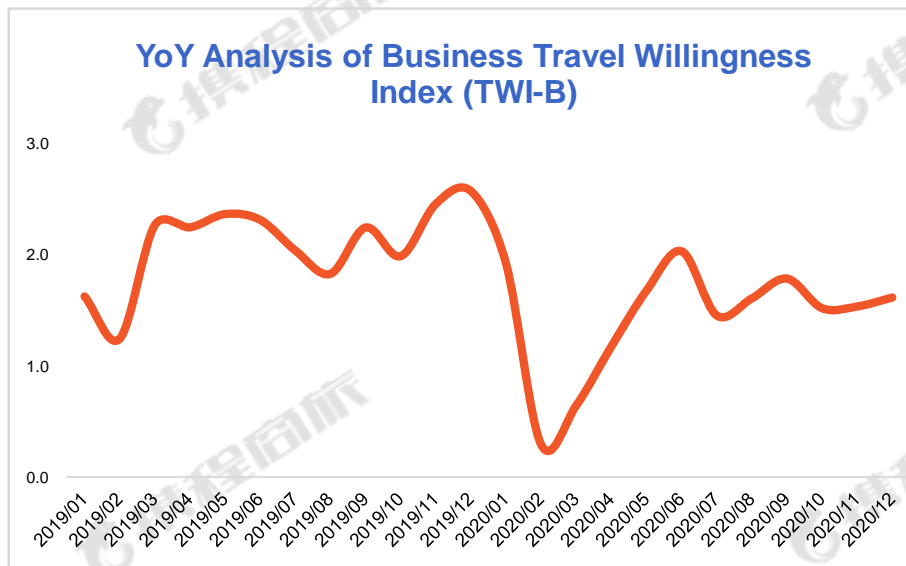
Domestically Driven Recovery of Business Travel Industry

PART 4

START

Recovery in Business Travel Willingness

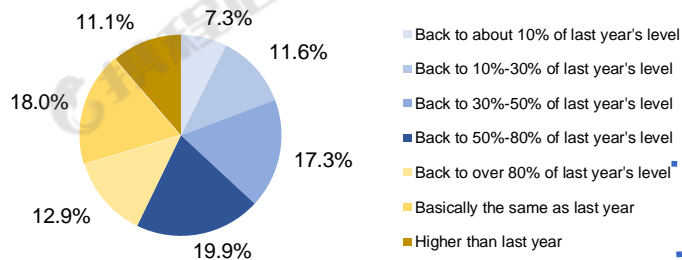
- According to CAPSE, in February 2020 the Business Travel Willingness Index (TWI-B) dropped 85% MoM and 76% YoY due to the pandemic; in July, it dropped 28% MoM and 29% YoY due to an outbreak in Beijing.
- There is no significant change in the Top 10 destinations by business travel willingness in the past 10 months. Due to outbreaks, however, Beijing suffered a significant decline in TWI-d in July 2020 and January 2021, and so did Chengdu in January 2021.



Overview of Business Travel Recovery

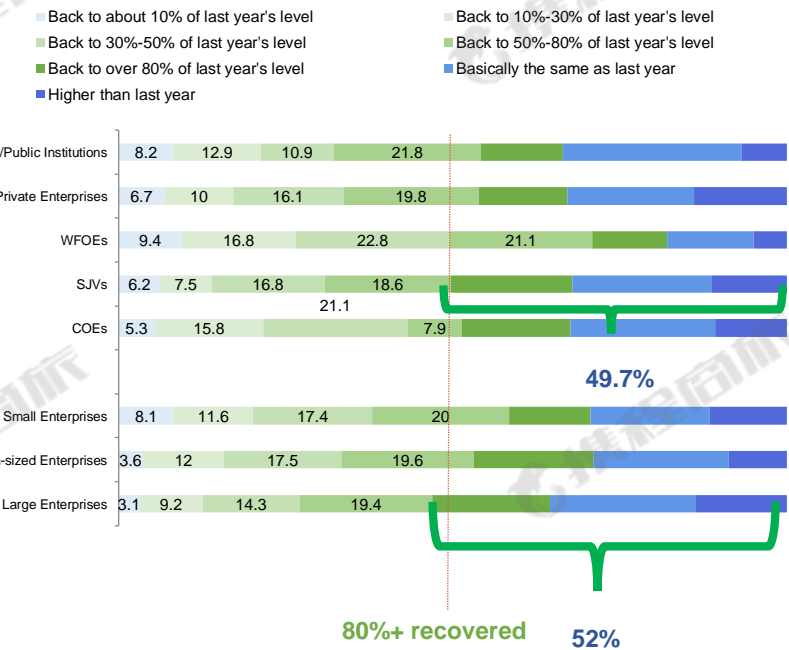
- Research on business travel managers shows that as of the end of 2020, **over 40% of companies saw business travel bounce back to more than 80% of the previous year's level, and 11% overtook their 2019 figures.** As the pandemic gets under control, most companies have resumed their travel activities. Among all types of enterprises, **Sino-foreign joint ventures** have recovered the fastest. **Large enterprises are also making promising headway** as 52% of them have seen business travel bounce back to more than 80% of the previous year's level.
- Research on business travelers reveals that in 2020, most of them resumed business travel in May, June, and July. Business travel activity normalized **after reaching a peak in June.**

Research on Travel Managers - Business Travel Recovery (%)



Back to over 80% of last year's level 42%

Business Travel Recovery Level by Corporate Type (%)



Research on Business Travelers - Starting Month of Travel Resumption (%)



Travel Recovery Trend by Corporate Type

- Industry-wise, compared with 2019, the demand for business travel in **public institutions, manufacturing, scientific research and technological services, wholesale and retail, and real estate industries** is increasing. Public utilities, which are closely related to our daily lives, show the strongest momentum as a new powerhouse of business travel.

Business Travel Demand Ranking by Industry

Industry	2020 Rankings	2019 Rankings	Changes in Rankings
Information Transfer, Software & IT Services	1	1	
Public Utilities	2	11	↑ 9
Manufacturing	3	5	↑ 2
Finance	4	2	↓ 2
Agriculture, Forestry, Animal Husbandry & Fishery	5	4	↓ 1
Pharmaceuticals & Biological Products	6	6	
Real Estate	7	8	↑ 1
Leasing & Business Services	8	7	↓ 1
Scientific Research & Technological Services	9	11	↑ 2
Wholesale & Retail	10	12	↑ 2



Travel Recovery Trend by City

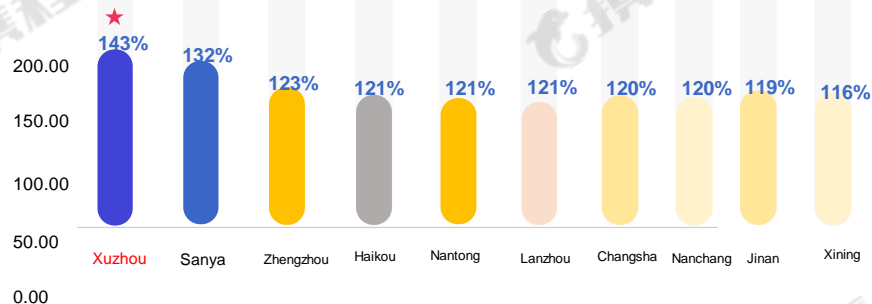
- City-wise, **fourth- and fifth-tier cities are leading the path to travel recovery**. Given the outbound travel restrictions, many companies are shifting their focus to the domestic market, and lower-tier cities in particular.
- Xuzhou of Jiangsu Province (a second-tier city) ranks first both by the level of business travel recovery and the growth in business travel demand**, followed by Sanya and Haikou of Hainan Province, and Zhengzhou of Henan Province. Second- and lower-tier cities are recovering faster than the rest.

2020 Travel Recovery by City Tier

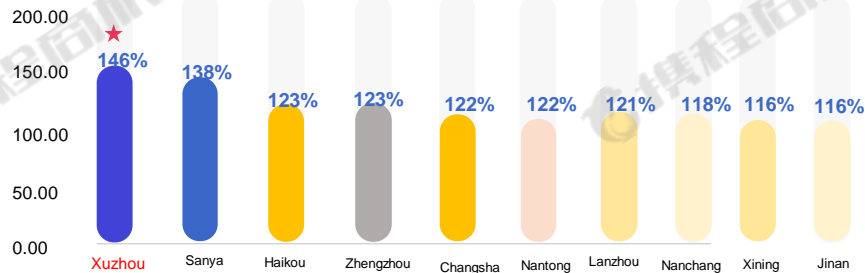


Source: Ctrip Data Research Institute

Top 10 Destination Cities by Growth in Business Travel Demand



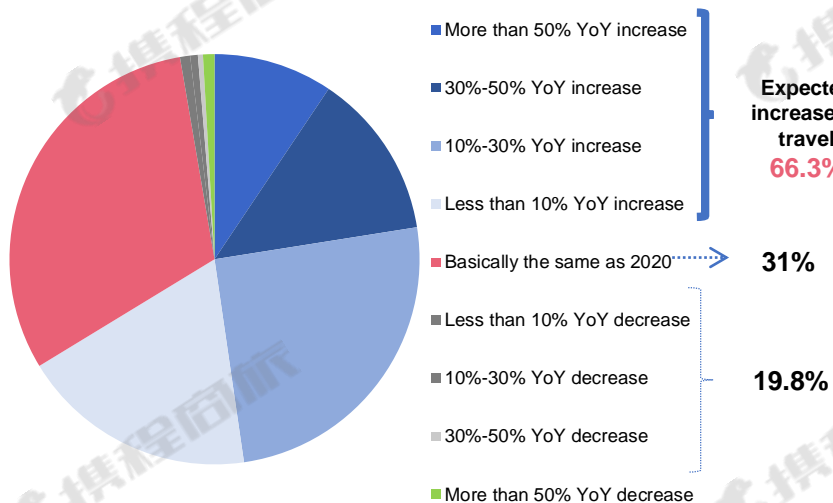
Top 10 Departure Cities by Growth in Business Travel Demand



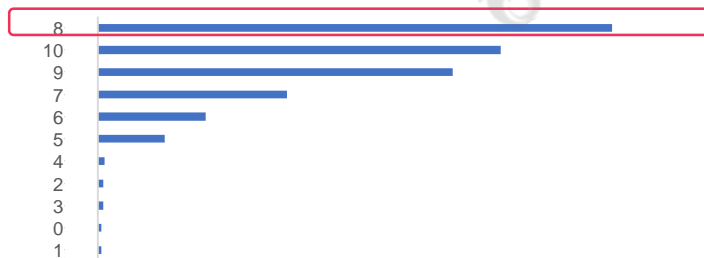
Business Travel Confidence Index & Outlook

- Survey shows that **66.3% of travel managers expect an increase in business travel in 2021**. About 10% of companies look forward to a 50% plus increase, while another 31% predict no significant change. The surveyed companies noted that if the pandemic gets better controlled, they would arrange more business trips to make up for last year's shortfall. In most cases, the business travel recovery confidence index is as high as 8 points.
- In 2021, most of the surveyed business travelers **plan to take their first trip in March**, right after the Spring Festival, if the pandemic is well under control.

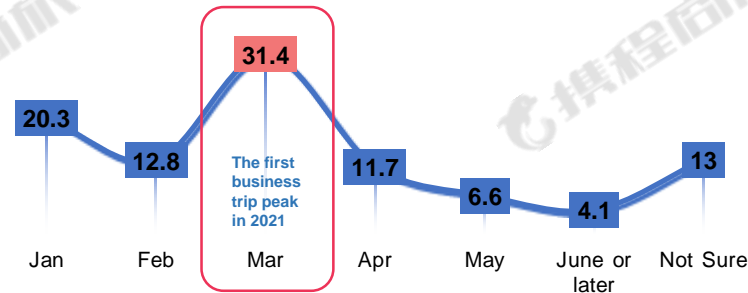
Research on Travel Managers - 2021 Travel Expectation



Research on Travel Managers - Travel Recovery Confidence Index (%)



Month of First Business Trip in 2021 (%) - Business Travelers





Basics of Business Travel

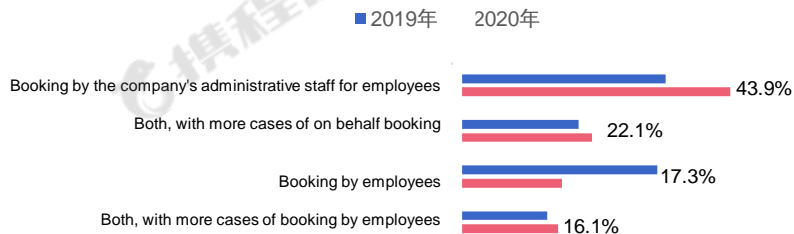
PART 5

START

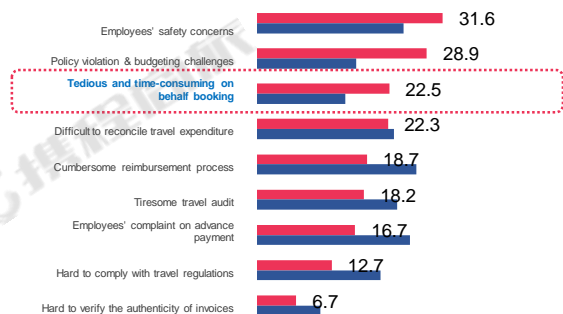
Business Travel - Booking Methods

- In 2020, “on behalf booking” was the most chosen business travel booking method, and its proportion rose substantially from last year. **Research shows that “tedious and time-consuming on behalf booking” has risen to the third biggest concerns about business travel management.** To address this pain point, Ctrip Corporate Travel offers an OBT system that enables booking on behalf of employees, online approval, and automatic flagging of out-of-policy requests.
- Among all types of enterprises, private enterprises, Sino-foreign joint ventures, and small enterprises generally prefer on behalf booking, while state-owned enterprises, wholly foreign-owned enterprises, and medium-sized enterprises generally prefer individual booking by employees.

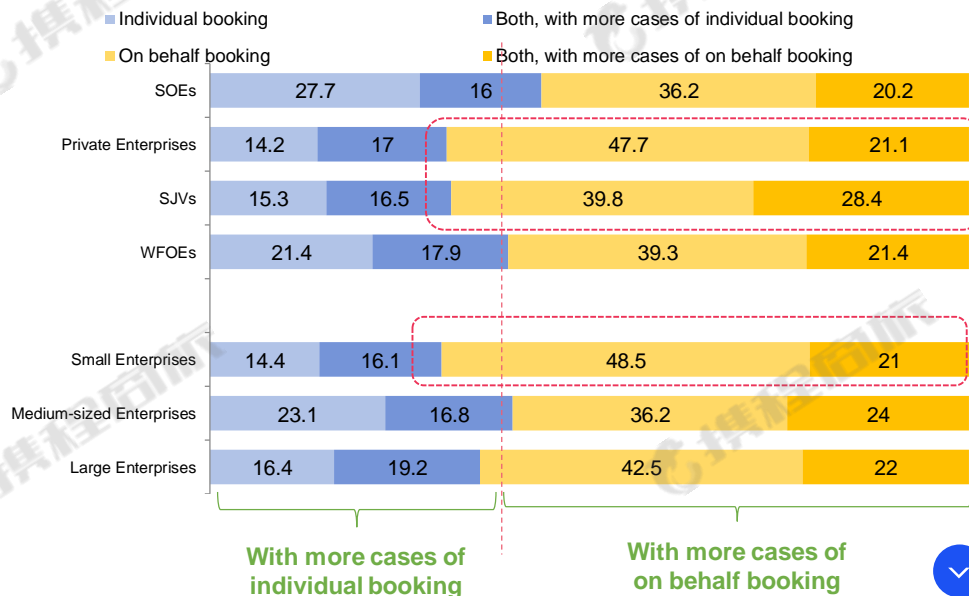
Business Travel Booking Method (%)



Pain Points in Business Travel Management (%) - Research on Travel Managers



Booking Methods by Corporate Type (%)



With more cases of individual booking

With more cases of on behalf booking

Sources: Online survey on business travel managers (Ctrip Corp.'s own channels and ZhiXingXiaoZheng's We-media channels), and online survey on business travelers

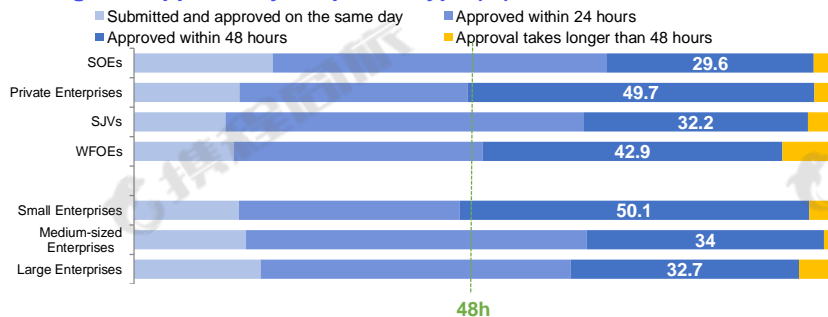
Ctrip Corporate Travel

PART 5 Basics of Business Travel

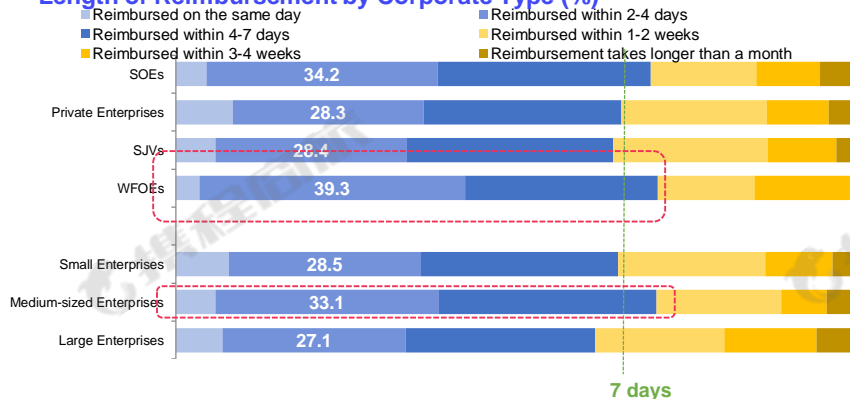
Business Travel - Approval & Reimbursement Methods

Approval & reimbursement take longer, with more trips approved within 48 hours

Length of Approval by Corporate Type (%)



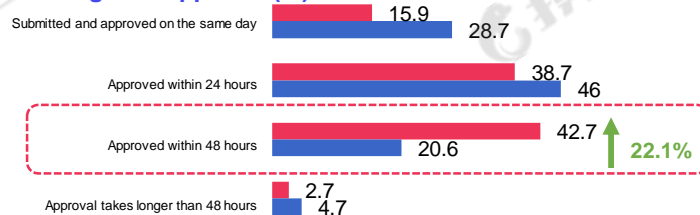
Length of Reimbursement by Corporate Type (%)



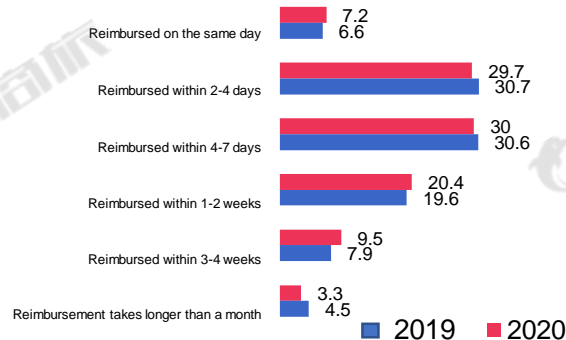
Source: Online survey on business travel managers (via Ctrip Corp.'s own channels and ZhiXingXiaoZheng's We-media channels)

- In 2020, most business trips were approved within 48 hours. **Compared to 2019, the approval took longer with more stringent criteria.** The workshop for frequent business travelers revealed that due to the pandemic, companies chose to tighten travel control by involving more managers for approval. Among all types of enterprises, private enterprises, wholly foreign-owned enterprises, and small enterprises take longer to approve travel requests.
- Reimbursement efficiency remained the same as 2019 as most companies completed reimbursement within a week. Comparison by corporate type shows that **a higher proportion of state-owned enterprises, wholly foreign-owned, and medium-sized enterprises completed reimbursement within a week, while a higher proportion of Sino-foreign joint ventures and private enterprises took more than a week to complete the process.**

Length of Approval (%)



Length of Reimbursement (%)

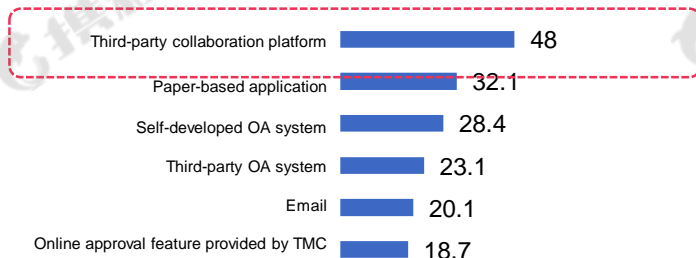


Business Travel - Approval & Reimbursement Channels

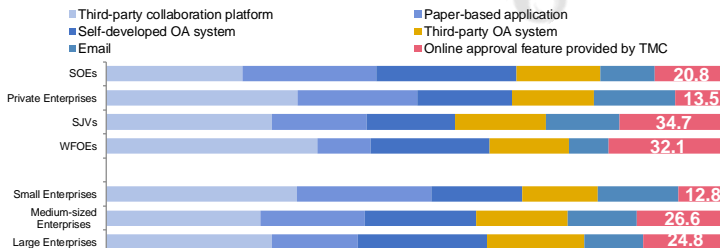
Third-party collaboration platforms are getting more popular

- Most companies use third-party collaboration platforms for travel approval. That is particularly true for foreign enterprises and small enterprises. Besides, 32% of companies still use **paper-based application forms for travel approval, most of which are state-owned enterprises and small enterprises. Digitization still has a long way to go.**
- As far as reimbursement methods go, the most popular choices are paper-based applications and third-party financial software systems. Ctrip Corporate Travel booking system can be connected with companies' financial, personnel, and ERP systems, thus ensuring the integration of booking, approval, and reimbursement.

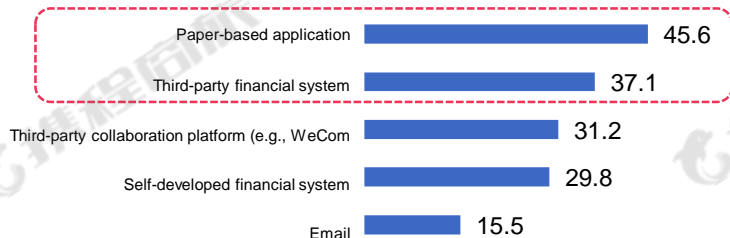
Approval Channel Breakdown (%)



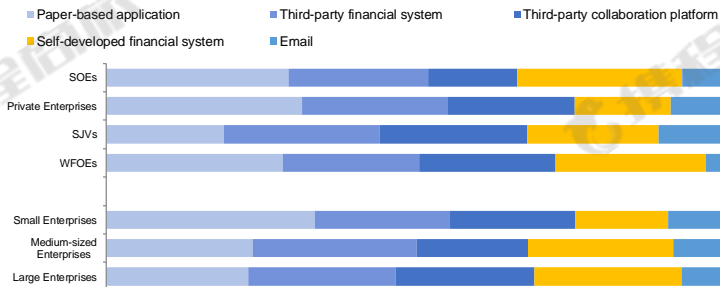
Approval Channels by Corporate Type (%)



Reimbursement Channel Breakdown (%)



Reimbursement Channels by Corporate Type (%)

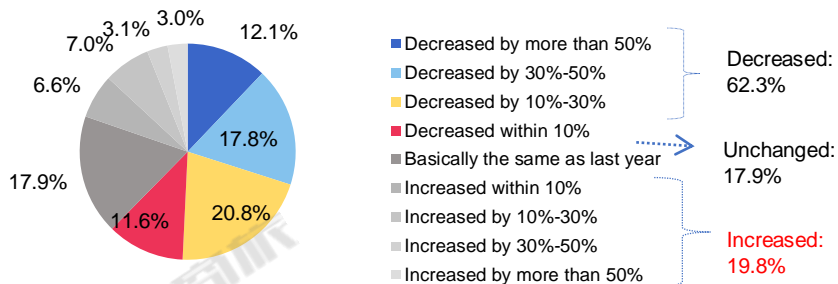


2020 Business Travel Spending (BTS)

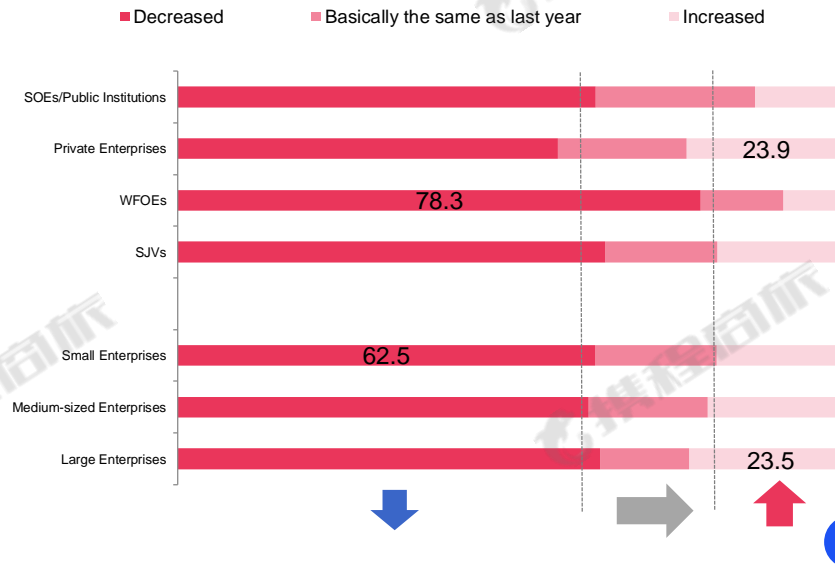
62.3% of companies reduced their BTS in 2020

- Due to the pandemic, 62.3% of companies reduced their BTS in 2020 compared to the previous year. 17.9% said their BTS remained the same as last year, whereas 19.8% mentioned an increase.
- Comparison by corporate type shows that a higher proportion of foreign enterprises cut their BTS in 2020, while a higher proportion of private enterprises and large enterprises increased their BTS.

Total Business Travel Spending in 2020 by Changes (%)



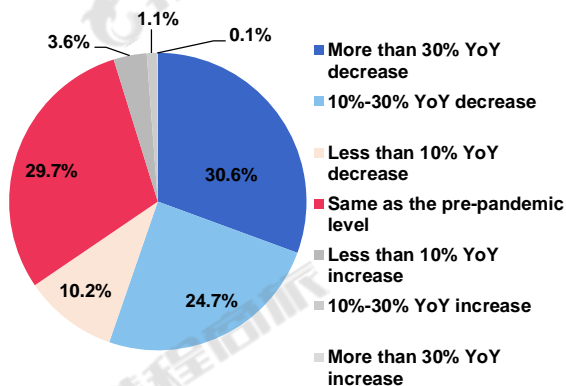
Total BTS Changes by Corporate Type (%)



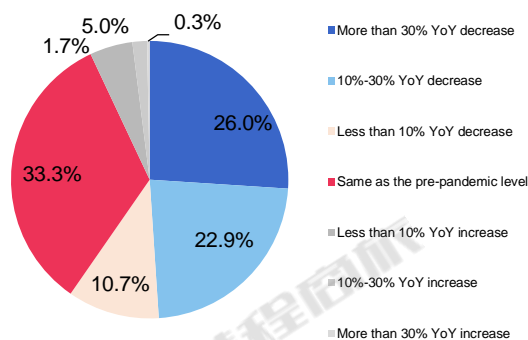
Changes in Business Travel Policies amid COVID-19

- Flights: **most companies lowered their reimbursement cap by over 30%**. 29.7% of companies kept their flight policies unchanged, while 4.8% raised their cap.
- Hotels: For the largest cohort (33.3%) of companies, hotel policies remained unchanged. 59.6% of companies lowered their reimbursement cap for hotels while 7% raised it.
- Travel Allowance: For the largest cohort of companies, travel allowance standard remained unchanged. 50.9% of companies lowered their allowance standard. **13.8% increased it, a higher percentage than those of the companies which raised the airfare/hotel reimbursement caps.**
- Overall, the allowance standard is higher than last year, indicating stronger travel incentives in the pandemic era.

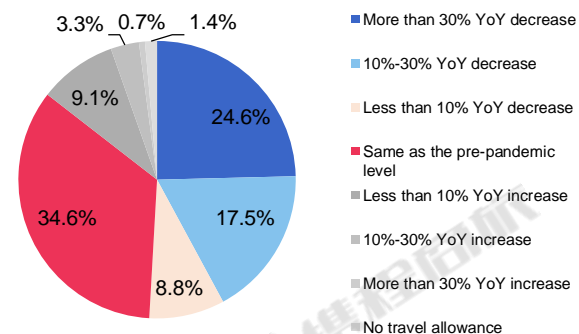
Flight Policy – 2019 vs 2020



Hotel Policy - 2019 vs 2020



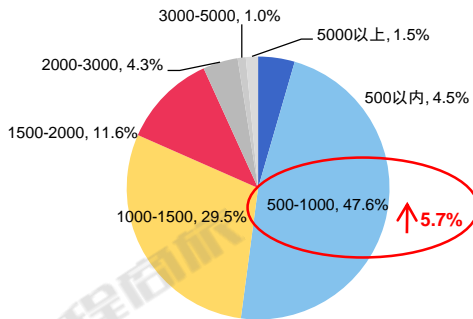
Travel Allowance Standard - 2019 vs 2020



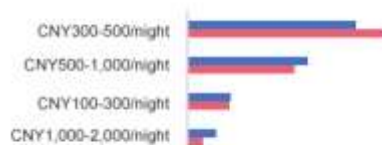
Overview of Flight & Hotel Booking Performance

- Regarding the average flight ticket booking price, **most booked domestic flights are priced in the CNY500-1,000 range**. The financial industry, public administration and defense, and the arts and entertainment industry have posted a higher average booking price.
- As for the average booking price of hotels, first- and second-tier cities are still dominated by rooms priced at CNY300-500 per night, while third- and fourth-tier cities are dominated by rooms priced at CNY100-300 per night. The financial industry leads in the average booking price. The hotel booking reimbursement caps of public utilities, accommodation and food services, and the transportation and warehousing industry have been raised. **The decrease in the average booking prices of flights and hotels can be attributed to companies' tightened control over travel policies and budgets, and the overall price decline in the flight and hotel booking market due to the pandemic.**

Average Booking Price of Domestic Flights (one-way)



Average Hotel Booking Price - Tier 1 & 2 Cities



Average Hotel Booking Price - Tier 3 & 4 Cities



Average Booking Price of Domestic Hotels

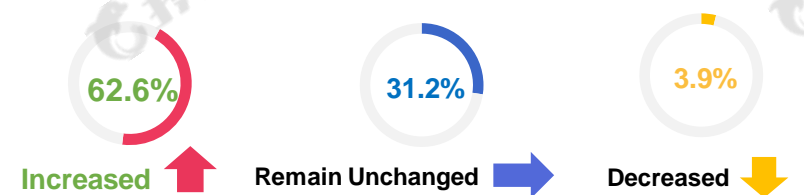
	Tier 1 & 2 Cities	Tier 3 & 4 Cities
Manufacturing	CNY400-500	CNY200-300
Administrative services	CNY500-600	CNY300-400
Public utilities	CNY600-700	CNY300-400
Real estate activities	CNY600-700	CNY400-500
Information & communication	CNY500-600	CNY300-400
Public administration & defense, etc.	CNY300-400	CNY200-300
Transportation & warehousing	CNY600-700	CNY300-400
Construction	CNY400-500	CNY300-400
Professional scientific & technological activities	CNY500-600	CNY300-400
Wholesale & retail	CNY500-600	CNY300-400
Financial & insurance activities	CNY700-800	CNY400-500
Agriculture, forestry & fishery	CNY400-500	CNY300-400
Accommodation & food services	CNY600-700	CNY300-400
Education	CNY500-600	CNY300-400
Arts, entertainment & sports	CNY500-600	CNY300-400
Extractive industry	CNY500-600	CNY300-400
Human health & social work activities	CNY400-500	CNY300-400

2021 Business Travel - Budget Planning

Over 60% of companies plan to increase their travel budgets in 2021

- Although travel activities in 2020 were hindered by the pandemic, **62.6% of companies said they would increase their travel budgets for 2021**, while 31.2% planned to keep their budgets at the same level. Only 3.9% planned to lower their budgets. We predict **the business travel business will surge in 2021 as demand increases**.
- Comparison by corporate type shows that more Sino-foreign joint ventures and private enterprises plan to increase their travel budgets. In terms of enterprise size, more large and medium-sized enterprises said their travel budgets would grow.

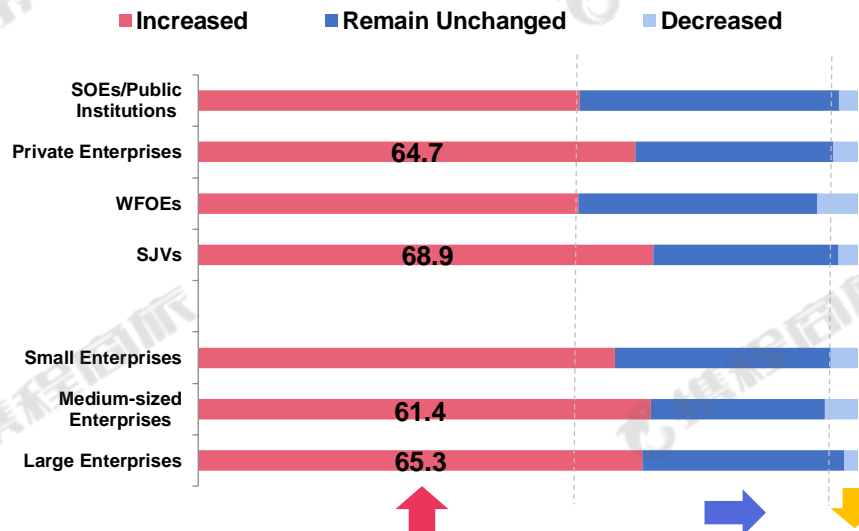
2021 Business Travel Budget by Change (%)



Increased by 5% or less	9.1
Increased by 5%-10%	19.4
Increased by 10%-20%	18.3
Increased by 20% or more	15.8

Decreased by 5% or less	0.8
Decreased by 5%-10%	1.3
Decreased by 20% or more	1.3
Decreased by 10%-20%	0.5

2021 Travel Budget by Corporate Type (%)





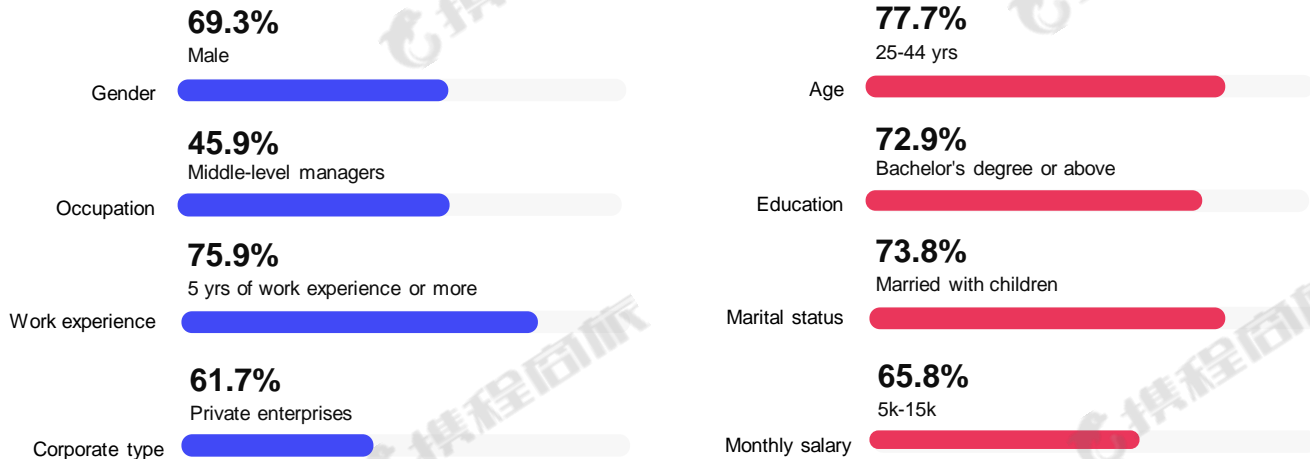
Frequent Business Traveler Profile

PART 6

START

Basic Profile

- Based on the basic information of business travelers in **2020**, the majority are male and aged **25-44** years old.
- Most of them (**72.9%**) are middle-level managers with no less than 5 years of work experience and a bachelor's degree or above.
- **73.8%** are married with children.

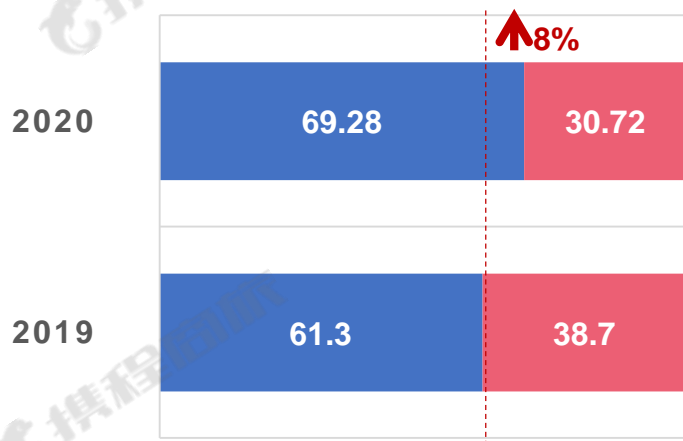


Frequent Business Travelers Overview

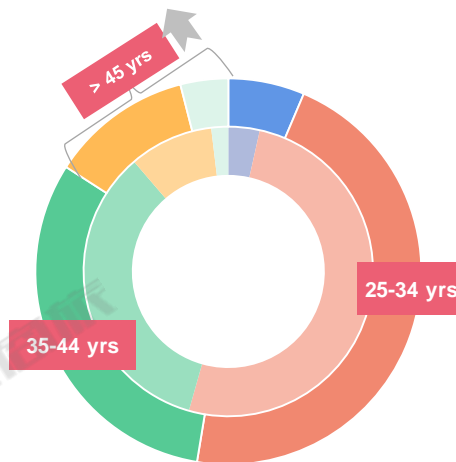
- Age-wise, the majority are young and middle-aged below 44 yrs (88%+). Notably, the 45+ years group is enlarging, showing that more middle- and senior-level managers are engaged in the first line of business development.
- Gender-wise, business travelers are still predominantly male, with an 8% increase in 2020.

Gender

■ Male ■ Female



Age 2019 vs 2020 (%)



■ 18-24 yrs
■ 25-34 yrs
■ 35-44 yrs
■ 45-54 yrs
■ 55+ yrs

< 44 yrs - 88%



Frequency of Business Travel by Industry in 2021

- Industry-wise, those from **the wholesale and retail, construction, and software and IT industry** traveled the most in 2020. Industries with a high frequency of business trips previously such as finance, accommodation and food services, and Internet industries saw a decline.
- Notably, most business travelers are married with children. Age-wise, young people aged 25-44 travel the most, leaving footprints all over the world.

Business Travel Frequency (by Industry)

Source: Online survey on business travelers, N (2020) = 1,495

By Industry	Agriculture, Forestry, Animal Husbandry & Fishery	Industry	Wholesale & Retail	Construction	Transportation, Warehousing & Postal Services	Accommodation & Food Services	Internet Industry	Software & IT Services	Real Estate, Leasing & Business Services	Scientific Research & Technological Services	Film & TV/Publishing/Advertising & Media	Healthcare	Education	Finance	Residential & Other Services	Public Administration & Social Organizations	Culture, Sports & Entertainment	Public Facilities Management
1-2 times/year	64	40.9	31.6	35.8	32.7	69	54.3	39.8	46.2	45.8	55.6	40.3	65.2	43.4	40.6	61.4	53.8	51.2
3-5 times/year	24	40.5	46.2	43.4	50	20.7	31.8	40.8	36.9	40.3	37	41.9	27.3	49.1	50	29.5	36.5	34.1
6-8 times/year	0	12.2	14.5	13.2	7.7	3.4	6	10.7	10.8	11.1	3.7	11.3	3	3.8	9.4	6.8	7.7	4.9
9-12 times/year	0	3.7	0.9	2.8	3.8	6.9	2.6	5.1	1.5	0	0	3.2	3	1.9	0	0	1.9	2.4
Once a month or more	4	2.7	6.8	4.7	5.8	0	4.6	3.1	4.6	2.8	3.7	3.2	1.5	1.9	0	2.3	0	7.3
Once a week or more	8	0	0	0	0	0	0.7	0.5	0	0	0	0	0	0	0	0	0	0
	12	18.6	22.2 [▲]	20.7 [▲]	17.3	10.3 [▼]	13.9 [▼]	19.4	16.9	13.9	7.4	17.7	7.5	7.6 [▼]	9.4	9.1	9.6	14.6

Business Travel Frequency (%)

Business Travel Frequency (by Marital Status)

	2020	Single	Married Without Children	Married with Children
1-2 times/year	44.7	54.3	51.2	42
3-5 times/year	39.3	33.5	36.9	40.6
6-8 times/year	9.5	9	6.9	10.1
9-12 times/year	2.7	0.5	3.4	3
Once a month	3.5	2.1	1	4.2
Once a week	0.3	0.5	0.5	0.2

16 12.1 11.8 17.5

Gender

	Male	Female
1-2 times/year	48.6	41
3-5 times/year	34.2	44.2
6-8 times/year	10.3	8.7
9-12 times/year	3.1	2.4
Once a month	3.5	3.4
Once a week	0.3	0.3

17.2 14.8

Age

	18-24 yrs	25-34 yrs	35-44 yrs	45-54 yrs	55+ yrs
1-2 times/year	63.1	42.9	39	51.9	69.6
3-5 times/year	28.6	39.9	43.4	34.4	25
6-8 times/year	6	9.8	10.8	7.9	3.6
9-12 times/year	1.2	3.2	2.4	3.7	0
Once a month	1.2	4	4	1.6	1.8
Once a week	0	0.2	0.4	0.5	0

8.4 17.2 17.6 13.7 5.4

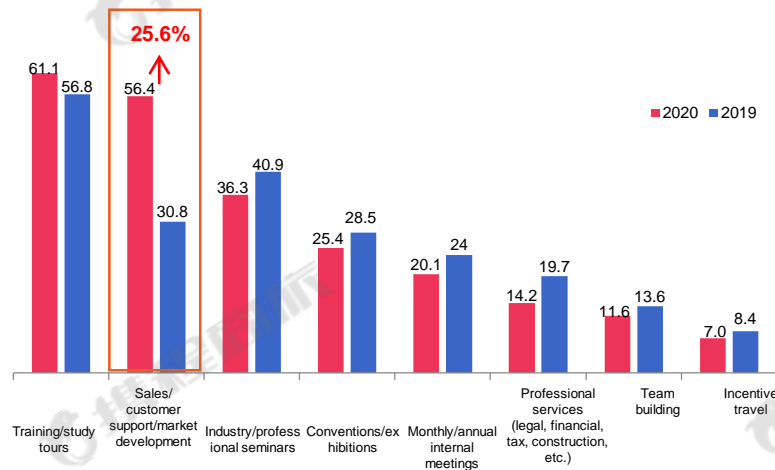


Analysis of Business Travel Purposes in 2020

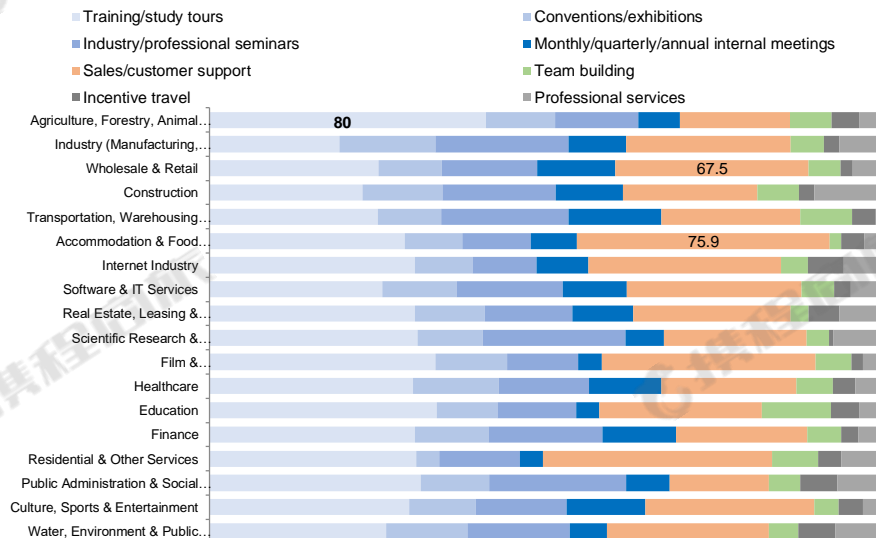
Sales/market development is one of the main goals of business travel

- Of the purposes of business trips in 2020, the top three ones are attending training/study tours, sales/customer services, and attending industry/professional seminars. Among them, **the percentage of traveling for sales/customer support/market development saw a 25.6% increase, rising to the second place, showing that companies are shifting focus to cross-regional sales and market expansion to improve their business amid the pandemic.**
- Industry-wise, **most trips in the agriculture, forestry, animal husbandry and fishery industry are training/study tours**, whereas people from the wholesale and retail industry and the accommodation and food services industry travel mainly for sales/marketing expansion.

Purposes of Business Travel (%)



Purposes of Business Travel by Industry (%)



Popular Destinations for Domestic Business Travel

Nanjing and Zhengzhou among the 10 most visited cities for business travel

- Guangdong, Shanghai, Beijing are the most visited provinces/municipalities for business travel, with Guangdong Province topping the list. For popular destination cities, Nanjing and Zhengzhou rose to the top 10, while Wuhan dropped out of the list due to the pandemic.
- Of cities in different tiers, Tier 1 and Tier 1.5 cities are the most visited. Though Tier 1 cities saw a decline in visits, Tier 1.5, 2, and 3 cities showed an increase, indicating a growing tendency of visits in lower-tier markets.
- Also, the proportion of intra-province short-distance business trips increased by 9% in 2020, making it an emerging trend.

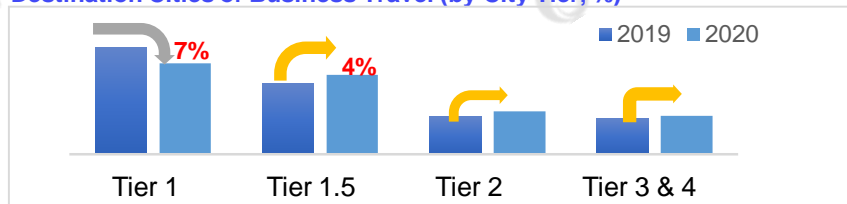
Top 10 Destination Provinces/Municipalities

Top 10 Destination Cities

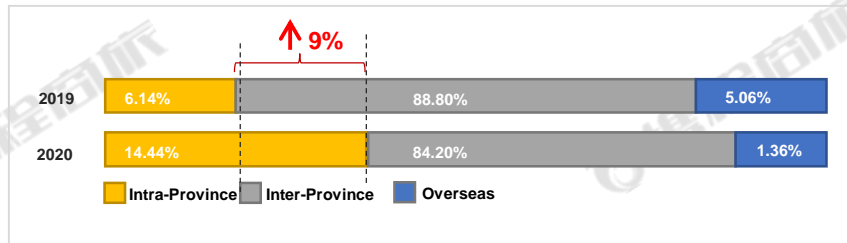
Ranking	Province/Municipality
1	Guangdong ↑ 2
2	Shanghai ↓ 1
3	Beijing ↓ 1
4	Sichuan
5	Zhejiang ↑ 2
6	Jiangsu ↓ 1
7	Shandong ↑ 3
8	Shanxi ↑ 4
9	Chongqing ↑ 2
10	Fujian ↑ 2

Ranking	City
1	Shanghai
2	Beijing
3	Shenzhen
4	Guangzhou
5	Chengdu
6	Hangzhou ↑ 2
7	Xi'an
8	Chongqing ↓ 1
9	Nanjing ↑ 2
10	Zhengzhou ↑ 4

Destination Cities of Business Travel (by City Tier, %)



Long-Distance vs Short-Distance Business Trips (%)



Popular Arrival Airports & Railway Stations

Beijing Daxing Airport among the top 10 popular arrival airports

- In 2020, Shanghai Hongqiao International Airport was the most popular arrival airport, whereas Shanghai Pudong Airport dropped in the ranking, probably due to the outbreak in November. Beijing Daxing Airport rose to the top 10, while Wuhan Tianhe International Airport dropped out of the list due to the pandemic.
- Among railway stations, Beijing West Railway Station's ranking dropped significantly. Changsha South Railway Station got into the top 10. Rail route rankings fluctuate greatly. The once-popular Beijing-Shanghai and Beijing-Tianjin routes dropped in rankings significantly due to the outbreak in Beijing. The Chengdu-Chongqing route in Southwest China entered the top 10.

Flights

Top 10 Domestic Arrival Airports in 2020

Arrival City	Airport Code	Arrival Airport
Shanghai	SHA	Hongqiao Int'l Airport
Beijing	PEK	Capital Int'l Airport
Shenzhen	SZX	Bao'an Int'l Airport
Guangzhou	CAN	Baiyun Int'l Airport
Chengdu	CTU	Shuangliu Int'l Airport
Xi'an	XIY	Xianyang Int'l Airport
Shanghai	SHA	Pudong Int'l Airport
Chongqing	CKG	Jiangbei Int'l Airport
Hangzhou	HGH	Xiaoshan Int'l Airport
Beijing	PKX	Daxing Int'l Airport 

Top 10 Domestic Flight Routes

Ranking	2020
1	Beijing-Shanghai
2	Shanghai-Beijing
3	Shanghai-Shenzhen
4	Shenzhen-Shanghai
5	Shanghai-Guangzhou
6	Guangzhou-Shanghai
7	Beijing-Shenzhen
8	Shenzhen-Beijing
9	Beijing-Chengdu
10	Chengdu-Beijing

Trains

Top 10 Domestic Arrival Railway Stations

Ranking	2020
1	Shanghai Hongqiao
2	Beijing South
3	Hangzhou East
4	Zhengzhou East
5	Nanjing South
6	Chengdu East
7	Guangzhou South
8	Hefei South
9	Changsha South
10	Beijing West

Top 10 Domestic Rail Routes

Ranking	2020
1	Shanghai-Hangzhou
2	Hangzhou-Shanghai
3	Shanghai-Nanjing
4	Nanjing-Shanghai
5	Guangzhou-Shenzhen
6	Shenzhen-Guangzhou
7	Shanghai-Beijing
8	Beijing-Shanghai
9	Beijing-Tianjin
10	Chengdu-Chongqing 

* Wuhan Tianhe International Airport failed to get into the top 10

* Wuhan Railway Station failed to get into the top 10

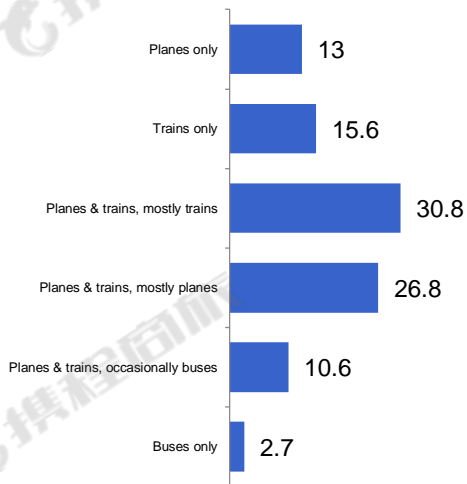


Preferences of Transportation Modes

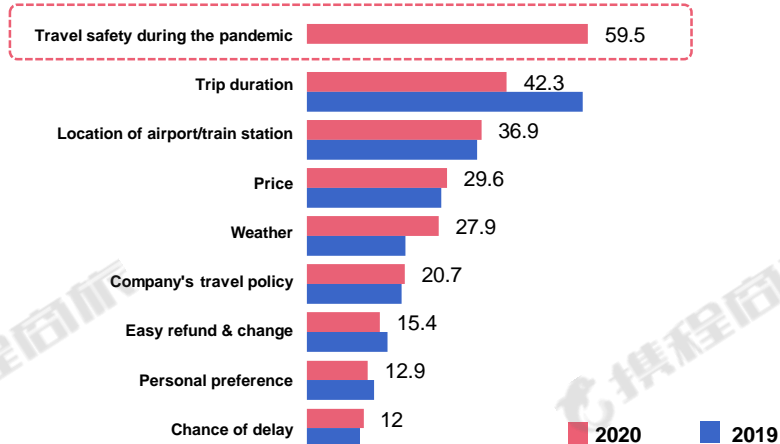
Safety becomes the primary concern in choosing transportation modes

- Regarding modes of transportation for business trips, **planes and trains are the most popular options, mostly trains.**
- When choosing the travel mode, business travelers prioritize security, trip duration, and the location of the airport/train station. "Travel safety during the pandemic" is the primary consideration of business travelers.

Preferences for Business Travel Transportation Modes in 2020 (%)



Considerations in Choice of Business Travel Transportation Modes (%)

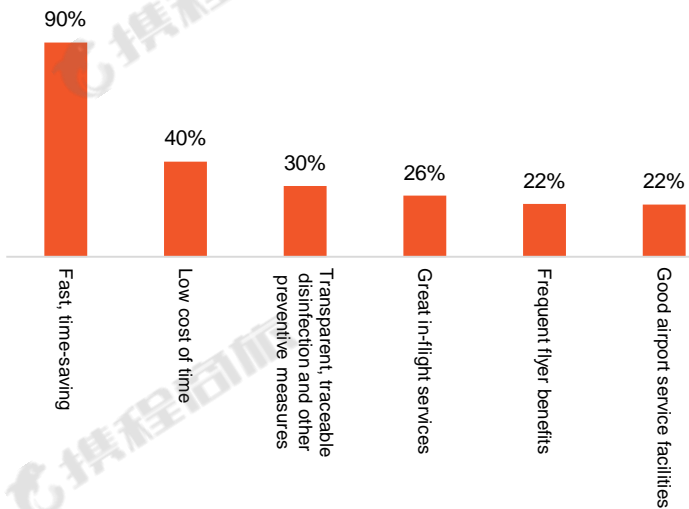


Considerations in Transportation Mode Choice

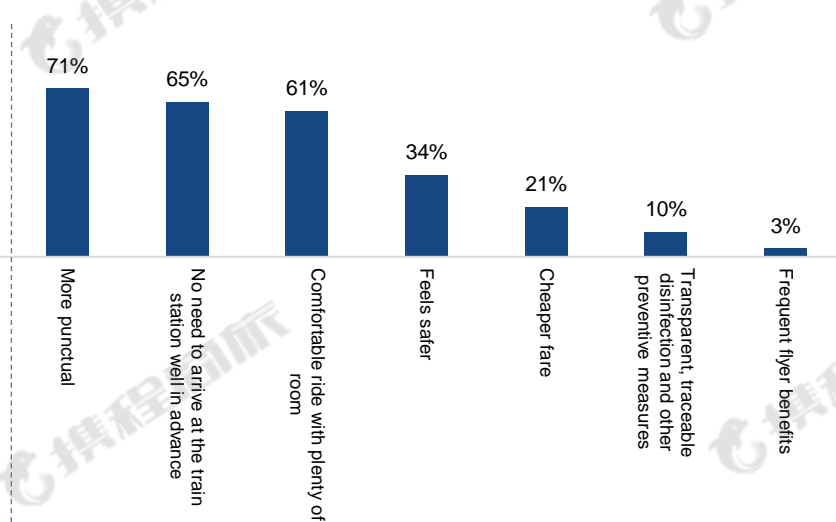
Both planes and trains have their pros and cons

The CAPSE research shows that over 90% of business travelers prefer air travel because it's fast and time-saving. However, since high-speed trains are more punctual, and travelers don't need to get to the train station well in advance, high-speed rail travels of less than 4 hours are preferred by most business travelers.

Reasons for Business Travelers to Travel by Air



Reasons for Business Travelers to Travel by High-speed Rail

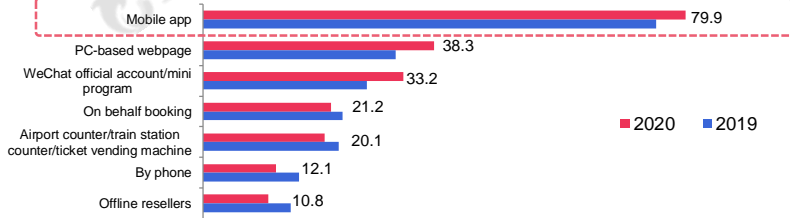


Booking Channels & Payment Methods

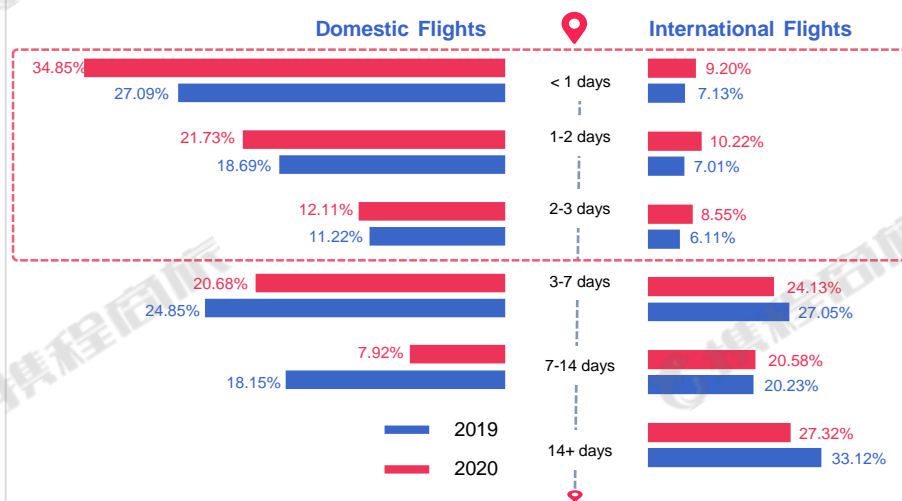
Short-notice flight bookings are on the rise with a YoY decrease in booking window

- Regarding booking channels, apps are the go-to option for business travelers to book travel products, enjoying rising popularity. Booking through a PC-based webpage and WeChat official account/mini program also saw a YoY increase. In contrast, **booking through offline channels such as airport counters/phone is on the decline, showing a shift to online channels.**
- As for payment methods, the proportion of personal mobile payments (Alipay, WeChat, bank cards, credit cards, etc.) is still high, indicating that advance payments by employees are still common for bookings.
- As for the booking lead time of flight tickets, **the proportion of domestic flights booked 0-2 days in advance has increased significantly, while the advance booking window of overseas air tickets has also narrowed year-on-year.** Interviews revealed that business travelers would navigate the pandemic situation at their destination before booking.

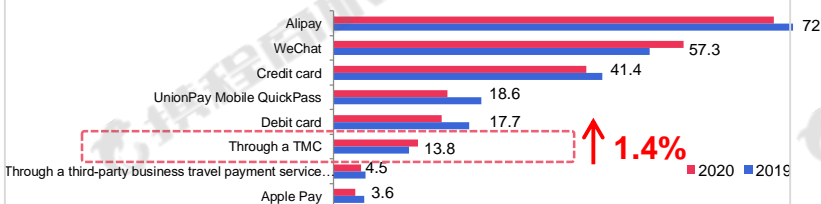
Booking Channels (%)



Booking Lead Time - Flight Tickets (%)



Payment Methods (%)

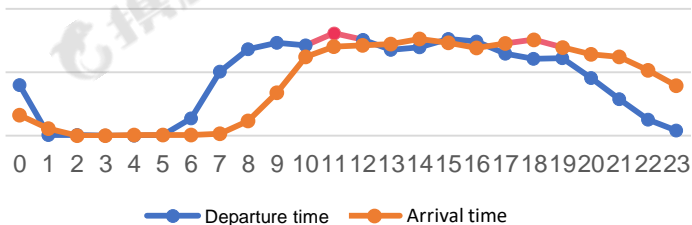


Travel by Air - Time Preference

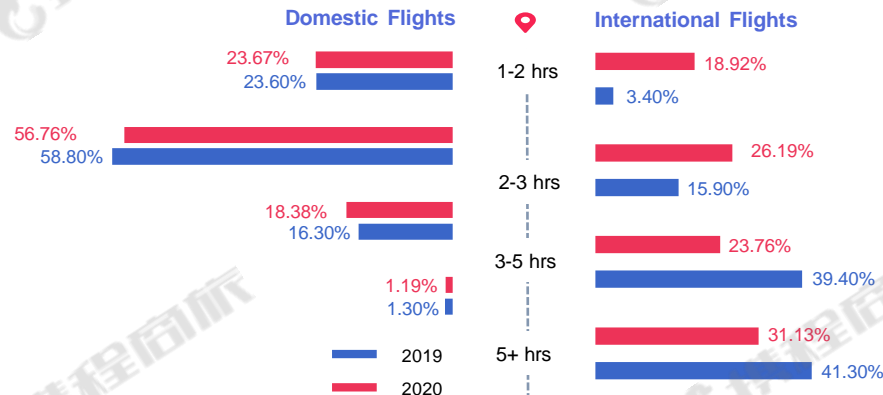
Booking window shortened again due to the pandemic

- The research finds that the number of business travelers arriving at the airport **1-1.5 hours** and **2-3 hours** in advance has increased compared to pre-COVID, to have ample time for health QR code inspection and security check. The peak departure time (**8 am to 12 pm**) is no different than pre-COVID, while the peak arrival time is **5-7 pm**.
- Most domestic flights take **2-3 hours**, with an increase in **3-5 hour** flights. The time spent on international flights has also shortened drastically, showing that business travelers prefer short-haul destinations for overseas trips.

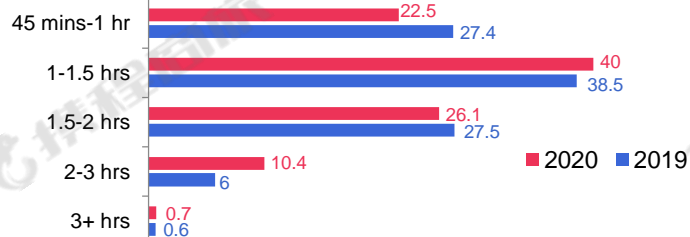
Flight Departure & Arrival Time



Length of Plane Ride (%)



Airport Arrival Time Before Departure (%)

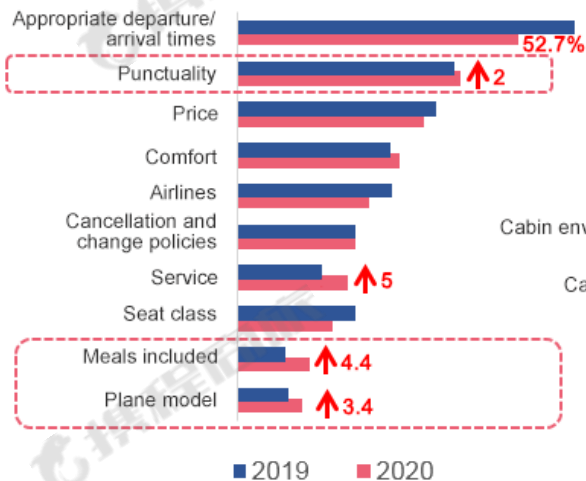


Travel by Air - Factors Affecting Travel Satisfaction

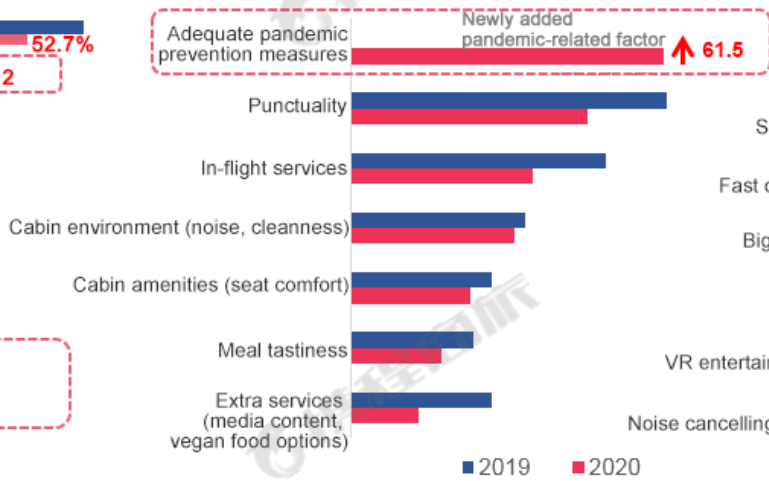
Probability of delay is the most critical factor affecting air travel satisfaction

- When purchasing flight tickets, business travelers' top concern is whether the departure and arrival times are appropriate (52.7%). Flight punctuality, in-flight meals and aircraft model are also among top considerations.
- Of the factors affecting satisfaction during air travel, **"adequacy of pandemic prevention measures" ranks as the top concern, indicating greater importance attached to safety during the pandemic.**
- Among the amenities that affect passengers' preference for flights, in-flight Wi-Fi is the most voted one, followed by the space between rows. Most travelers want in-flight Wi-Fi for instant communication.

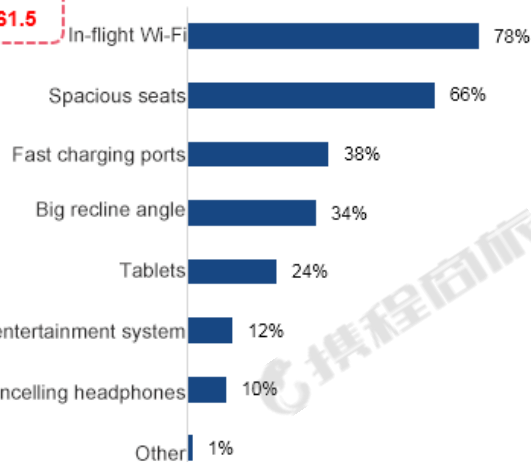
Factors to Consider when Purchasing Flight Tickets (%)



Factors Affecting Air Travel Satisfaction (%)



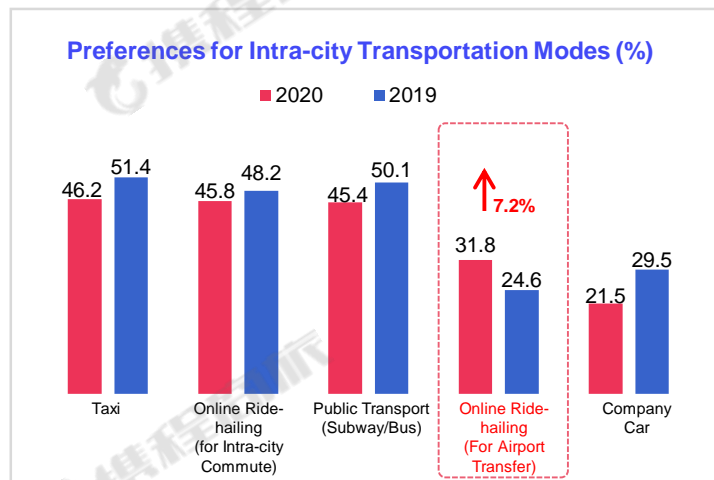
Amenities Affecting Passengers' Preference for Flights (%)



Preferences for Intra-city Transportation Modes

Companies encourage employees to use ride-hailing services and avoid public transportation

- The research on business travelers finds that more people are using ride-hailing services for intra-city transportation during the pandemic. Interviews with business travelers reveal that companies are encouraging their employees to reduce the risk of infection by avoiding public transportation. The allowance for car use has been increased.
- Orders of Ctrip Corp's car services reveal that bookings of ride-hailing and airport transfer services showed a YoY increase. Ctrip Corporate Travel can meet business travelers' needs for diversified car services with one-stop booking for all modes of transportation.



Whether the Company Encourages Employees to Use Ride-hailing Services/Taxi (%)

Yes, less public transportation for travel safety



No opinion, as long as it complies with the travel policy



No. Public transportation is preferred



Comments by frequent business travelers...

"For business trips during the pandemic, the company encourages us to use ride-hailing services, especially for airport transfers, to minimize the use of public transport."

"Travel service providers can offer designated car service for destination vehicle arrangement."

"For business travel, we book cars from Ctrip Corporate Travel directly and pay via the company account with no out-of-pocket expense, which is quite convenient!"

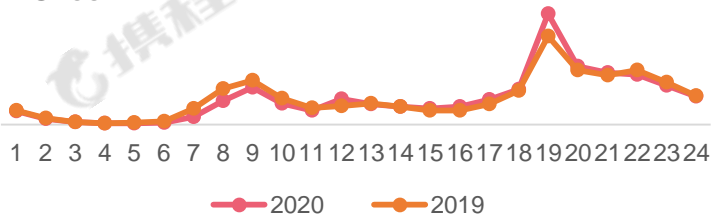


Business Travel Accommodation - Time Preferences

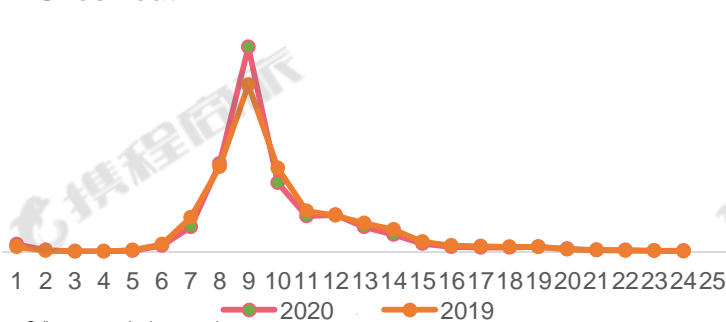
Last-minute bookings surged due to the pandemic

- The peak check-in hours for business travelers in 2020 are around 6-7 pm with a YoY increase. The peak check-out time is 8-9 am.
- Regarding the booking lead time, both domestic and overseas hotel and flight bookings within 1 day in advance have increased greatly, showing that business travelers would evaluate the pandemic situation at the destination before booking.

Check in

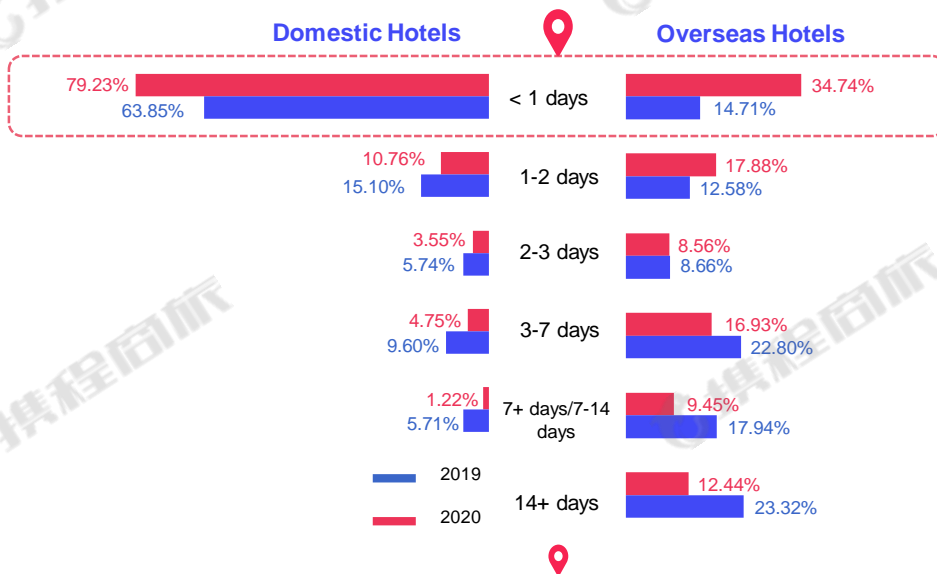


Check out



Source: Online survey on business travelers

Hotel Booking Lead Time (%)

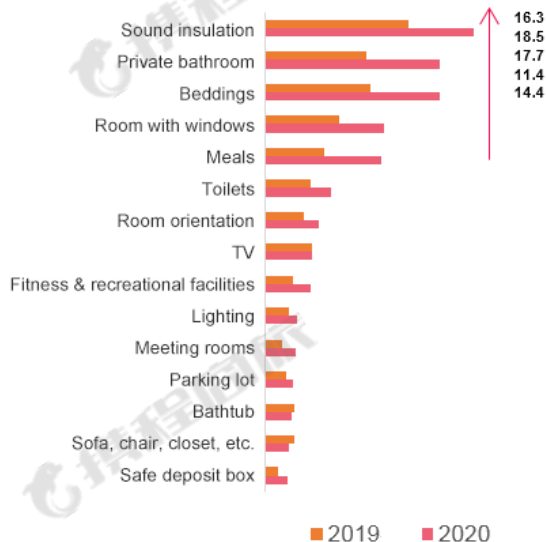


Business Travel Accommodation - Factors Affecting Satisfaction

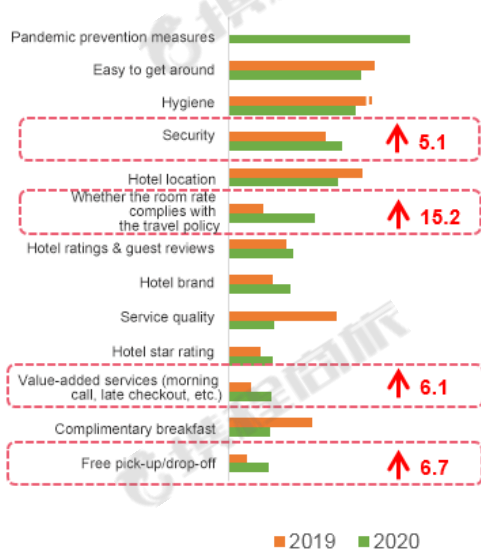
Epidemic prevention-related services/amenities take on extra appeal

- When staying in hotels, business travelers care more about amenities such as soundproofing solutions, private bathrooms, and bedding. In terms of services, business travelers are particularly concerned about "pandemic prevention measures", safety, compliance with the company's travel policy, and airport transfer services amid COVID-19. Extra services such as personal protective equipment and timely detection of guests' discomfort can significantly improve guest satisfaction.

Amenities



Services



Extra Services

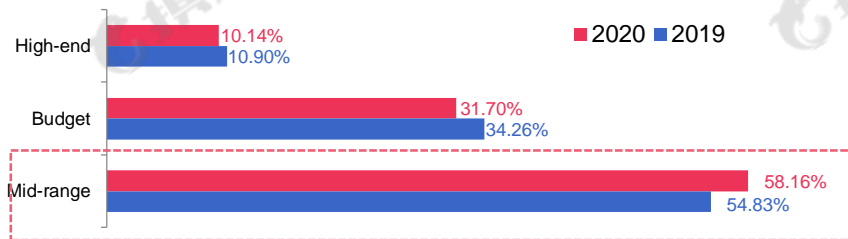


Business Travel Accommodation - Hotel Preferences

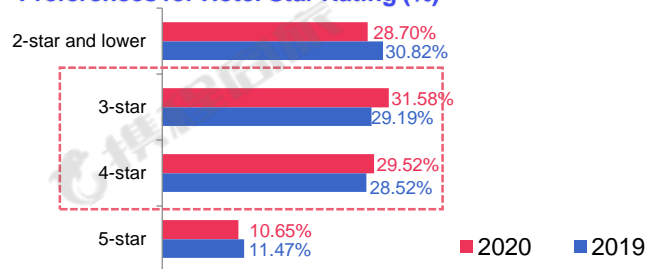
Business travelers may enjoy better hotels that comply with travel policy during the pandemic

- Regarding hotel types, business travelers still prefer mid-range hotels, contributing to a YoY increase in bookings of such hotels. As for hotel star ratings, most business travelers favor three- or four-star hotels whose popularity is still growing.
- As for the hotel price, mid-range hotels are still the go-to option for business travel with an average room rate of CNY400 or below, showing a decline compared to last year. Companies' tightened control on allowable hotel expenses and increasing business trips destined for cities of Tier 3 and below contributed to this change. However, thanks to an overall decrease in hotel prices, frequent business travelers have a better chance to enjoy better hotels within the reimbursement cap.

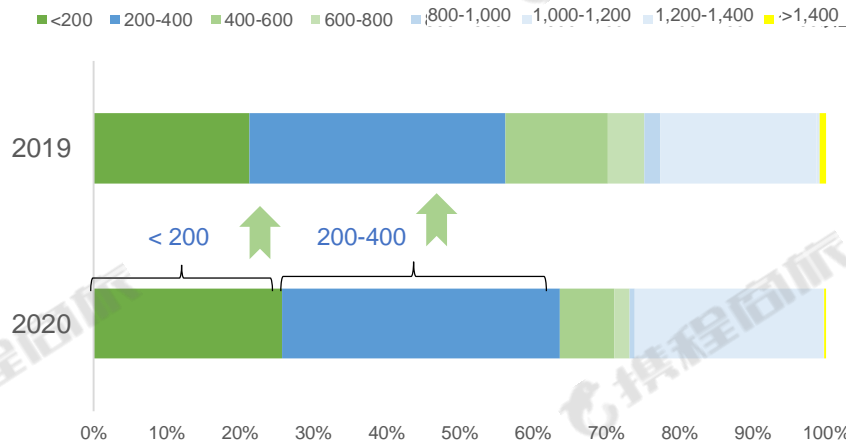
Preferences for Hotel Type (%)



Preferences for Hotel Star Rating (%)



Preferences for Hotel Price (%)



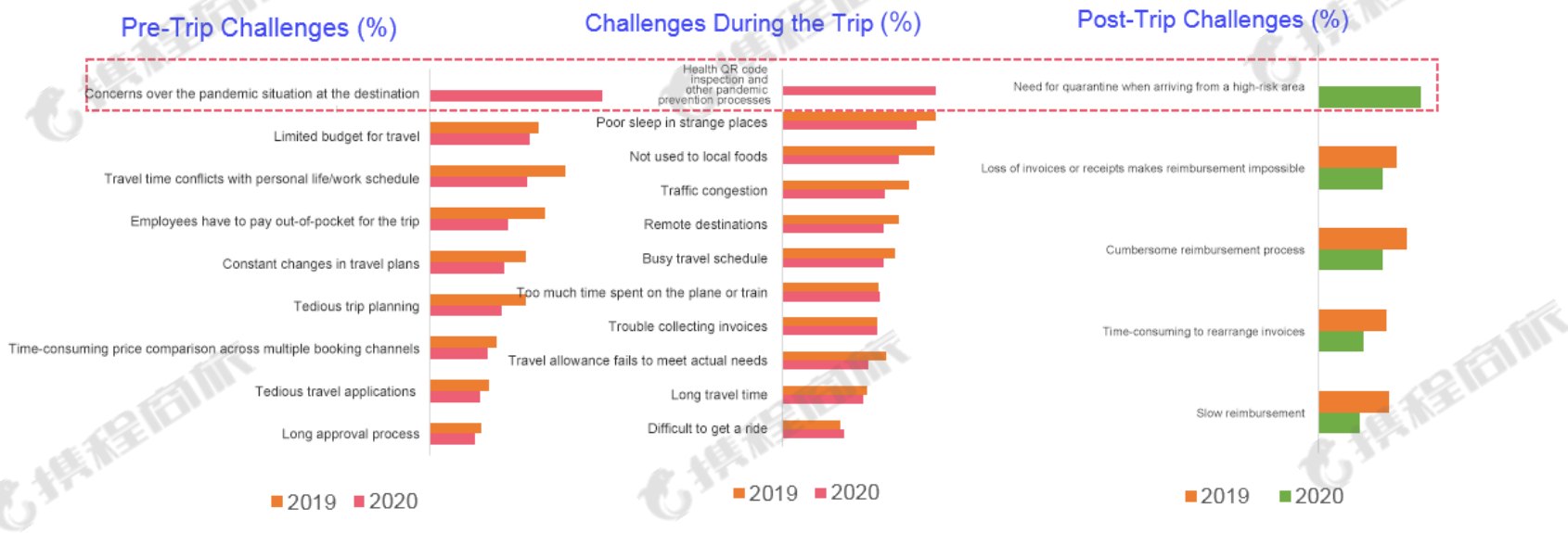
Source: Ctrip Corp. Data Research Institute



Frequent Business Travelers - Challenges of Business Travel

Pandemic-related factors become the top concerns

- Regarding common travel problems and inconvenience, pandemic-related challenges were added in this year's survey, which were chosen as business travelers' top concerns before, during, and after the trip according to the survey results. For example, travelers were worried about the pandemic situation at the destination, the health QR code inspection procedure, and the need for quarantine after returning from a trip.

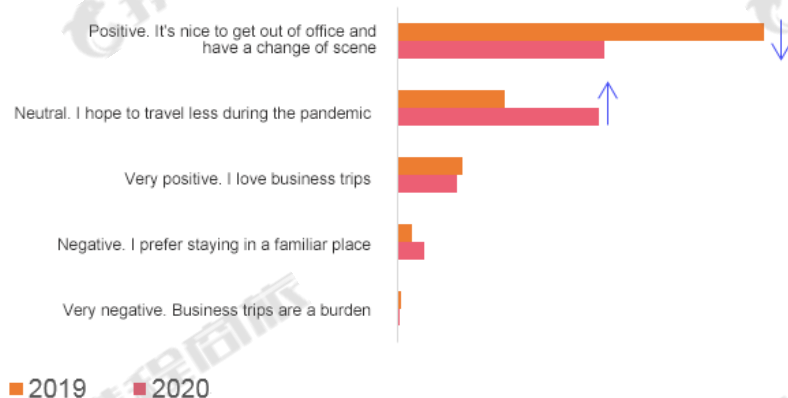


Frequent Business Travelers - Changes in Attitudes Towards Business Travel

A more neutral position

Travelers have become more neutral towards business trips compared to previous years, mainly out of concerns over pandemic-related requirements like nucleic acid testing and quarantine, coupled with other cumbersome processes such as advance payment and reimbursement. Some business travelers hope the company would cooperate with professional travel service providers to make business travel easier.

Attitudes Towards Business Trips (%)



Comments by frequent business travelers...

About the pandemic:

"If an outbreak occurs in the city I'm visiting on a business trip, I will get anxious because being quarantined will severely disrupt my work."

"An outbreak at the destination will make hotel check-in harder, because they may require my nucleic acid testing results."

"Traveling this year has been uncomfortable and depressed, whether by air or by rail, because I have to wear a mask all the time."

About reimbursement:

"The company's internal reimbursement process is cumbersome with a long pay back period and strict invoice requirements."

"Since only the flight tickets can be paid via the company account, we have to pay a lot in advance out of our own pockets. So one person may have to pay 10-20k for the entire team's trip."

About expectations for professional travel service providers:

"We hope the company can cooperate with a professional travel management company to make business travel more pleasant."

"It would be the best if a professional travel service provider could provide us with an optimal, comprehensive travel plan, covering transportation, accommodation, meeting arrangements, and provision of facilities."

"Fast approval and corporate settlement for business trips would be nice, so we don't have to pay out of our own pockets."



Best Cities For Domestic Business Travel Revealed

Shanghai tops the list, followed by Hangzhou and Chengdu

In this year's white paper, we present the results of a survey on "Best Cities for Domestic Business Travel". Among hotlisted cities, Shanghai ranks 1st, followed by Hangzhou and Chengdu, two new first-tier cities. Among the first-tier cities on the list, Beijing ranks 4th and Guangzhou 6th. Tier-2 cities like Kunming and Haikou also made it to the top 10.

TOP 20 (%)					
Ranking	City	%	Ranking	City	%
1	Shanghai	26.5	11	Xi'an	6.9
2	Hangzhou	18.8	12	Changsha	6
3	Chengdu	17.9	13	Macau	4.4
4	Beijing	14	14	Fuzhou	4.1
5	Chongqing	13.9	15	Harbin	4
6	Kunming	13	16	Tianjin	3.8
6	Guangzhou	12.9	17	Wuhan	3.5
8	Nanjing	11.2	18	Lhasa	3.4
9	Hong Kong	10.9	19	Jinan	3.3
10	Haikou	9.9	20	Nanning	3.2





2020 Business Travel Milestones

PART 7

START



Flights



Hotels



Trains



Car Services



Global Civil Aviation During COVID-19

IATA: The global air transport industry is expected to lose USD84.3 billion in 2020

- The International Air Transport Association (IATA) released its financial outlook for the global air transport industry, showing that **airlines are expected to lose USD84.3 billion for a net profit margin of -20.1% in 2020. Revenues will fall by 50% to USD419 billion from USD838 billion in 2019.** In 2021, losses are expected to be cut to USD15.8 billion as revenues rise to USD598 billion.
- "Financially, 2020 will go down as the worst year in the history of aviation. On average, every day of this year will add USD230 million to industry losses. In total, that's a loss of USD84.3 billion", said Alexandre de Juniac, IATA's Director General and CEO. At the low point in April 2020, global air travel was roughly 95% below 2019 levels. There are indications that traffic is slowly improving.

2020 Regional Performance

Region	Passenger Demand (RPKs)	Passenger Capacity (ASKs)	Net Profit (USD)	Remarks
Global	- 54.7%	- 40.4%	-\$ 84.3 b	
North America	- 52.6%	- 35.2%	-\$ 23.1 b	North America's large domestic markets and financial support to US carriers under the CARES Act are expected to play a key role in the recovery.
Europe	- 56.4%	- 42.9%	-\$ 21.5 b	The progressive opening of intra-European travel has the potential to boost the recovery, provided onerous quarantine measures are avoided. Strings attached to government relief packages, particularly for environmental purposes, will need to be carefully managed to avoid unintended consequences such as damaged competitiveness.
Asia Pacific	- 53.8%	- 39.2%	-\$ 29.0 b	Asia-Pacific was the first region to feel the brunt of the COVID-19 crisis. It is expected to post the largest absolute losses in 2020.
Middle East	- 56.1%	- 46.1%	-\$ 4.8 b	Lower oil prices will add extra pressure to a difficult economic situation within the region. The recovery for the region's super connectors could be delayed with the expected phasing of the re-start with domestic and regional followed by long-haul international routes.
Latin America	- 57.4%	- 43.3%	-\$ 4.0 b	Latin America entered the crisis with a delay. The region's governments have implemented some of the most draconian measures in terms of border closures which could both delay and slow down the recovery.
Africa	- 58.5%	- 50.4%	-\$ 2.0 b	The course of the virus in this region is yet to be fully seen. Nonetheless, border closures have all but stopped flights. International donors will be needed to supplement the limited means for the region's governments to provide relief packages.

Source: Open data from the Civil Aviation Administration of China (CAAC)

Reduced losses in 2021

- With open borders and rising demand in 2021, the industry is expected to cut its losses to USD15.8 billion for a net profit margin of -2.6%. Airlines will be in recovery mode but still well below pre-crisis levels (2019) on many performance measures:
- Total passenger numbers are expected to rebound to 3.38 billion (roughly 2014 levels when there were 3.33 billion travelers), which is well below the 4.54 billion travelers in 2019.
- Overall revenues are expected to be USD598 billion which would be a 42% improvement in 2020, but still 29% below 2019's USD838 billion.
- Airlines will still be financially fragile in 2021. Passenger revenues will be more than one-third smaller than in 2019.

A challenging recovery

- Although losses will be significantly reduced in 2021 from 2020 levels, the industry's recovery is expected to be long and challenging.
- Confidence: Travel patterns are likely to shift. The gradual opening up of air travel is likely to be progressive, starting with domestic markets, followed by regional and, lastly, international. Research suggests that some 60% of travelers will be eager to recommence travel within a few months of the pandemic coming under control. The same research also indicates that an even greater percentage of potential travelers until their personal financial situation stabilizes (69%) or if quarantine measures are in place (over 80%).
- Depending on how the pandemic evolves, knowledge of the virus deepens, or science improves, industry and governments will be better prepared for a globally coordinated response. That includes the potential removal of measures when it is safe.



2020 Civil Aviation Milestones

A wave of airline bankruptcies

- In 2020, countries across the world imposed travel restrictions one after another to prevent the spread of COVID-19. As a result, air travel demand suffered a "cliff-like" drop, which hastened the failure of some already financially strained airlines.
- According to the statistics of Cirium, a total of 43 commercial airlines around the world went bankrupt due to the impact of COVID-19 as of October 2020. Many airlines sought cost cuts and government aid to survive the pandemic.

Travel bubbles

- A travel bubble is a special travel package that allows people from low-risk countries to travel freely.
- The package can considerably boost cross-border movement of travelers, hence accelerating the recovery of local tourism.
- Many countries, including Australia, New Zealand, and Cambodia, plan to launch "travel bubbles".

No-destination flights

- No-destination flights, or "flights to nowhere", are a desperate attempt of airlines to woo passengers who are eager to get back out there. These flights take off, fly for a few hours, and then get back to where they start.
- A range of airlines, including Qantas, All Nippon Airways (ANA), and Royal Brunei Airlines, have jumped on the "flights to nowhere" bandwagon. As yet, these flights have been well-received by local passengers.

Unlimited flight pass

- In June and July 2020, major airlines successively rolled out unlimited flight pass products. Survey shows, however, that only 20.2% of passengers have bought and used such products. At our workshop, most of the frequent business travelers argued that although such products might take the fancy of individual fliers, they do not suit business needs.

Facilitating resumption of work and production during COVID-19

- Air freight companies have played a prominent role in ensuring smooth transportation and adequate supply of materials since the initial outbreak. First, throughout 2020, they have transported large amounts of anti-epidemic materials on a total of 9 million flights (all-cargo aircraft and passenger aircraft's belly-hold capacity), around 78% of 2019 levels, well supporting China's anti-epidemic efforts. Second, they have contributed a lot to the resumption of work and production of Chinese importers and exporters by transporting products and raw materials for them.

Accelerating infrastructure construction

- As of the end of 2020, China had approved 17 airport economic demonstration zones in cities including Zhengzhou, Beijing, Qingdao, Chongqing, Guangzhou, Shanghai, and Chengdu. These zones are critical in the country's push to boost the civil aviation industry, accelerate economic transformation, and pursue opening-up on all fronts.

Source: Online survey on business travelers, N (2020) = 1,495



Overview of China's Hospitality Industry 2020

With COVID-19 generally put under control, business travel and hotel demand is gradually picking up in China. On July 14, 2020, the Ministry of Culture and Tourism lifted the ban on trans-provincial group tours and "flight + hotel" packages, which accelerates the recovery of the hospitality industry.

Overall development and recent trends in the hospitality industry

1. More chained-brand hotels will come into being as COVID-19 fundamentally reshapes tourism and hospitality.

COVID-19 has delivered a two-punch blow to the hospitality industry by handing out demand and supply shocks one after another. Still, in every crisis, there is an opportunity. With financially strained small and low-end hotels closed, suspended, acquired, or transferred, an industry-wide shakeout will direct resources to quality brands and present an opportunity for product and service upgrade.

2. Mid-end hotels maintain rapid growth, constituting a pillar of China's hotel market.

China's mid-end hotel market is still on the upswing, having grown by more than 50% year on year for two years in a row. Behind such growth are an array of factors: an expanding middle class, the increasing demand for mid-end hotels driven by consumption upgrade, and the assimilation of budget hotels into top chains.

3. The budget hotel industry is crawling through the bottleneck, but opportunities are still there in regional markets.

The increasingly saturated budget hotel industry is going downhill due to fiercer competition, increasing labor costs and rents, outdated products, changing consumer needs, and the impact of COVID-19. However, amid the urbanization in China, budget hotels may get back on their feet by expanding in lower-tier markets and upgrading their brands.

4. As we enter an era of digital economy, digital transformation enables hotels to deal with an increasingly uncertain environment.

Reeling from COVID-19, hotels tend to put away their big ideas and focus on their own survival. In the post-pandemic era, the only thing certain is the increasing uncertainty in the business environment. And what better way to navigate the minefield than hopping in the digital helicopter? By virtue of digital technology, hotels can increase work efficiency, and tailor their services to varied customer needs.

Hotel Group Sizes over the Past 5 Years

Items	2019	2018	2017	2016	2015
Number of Hotels	34,213	29,411	25,480	20,426	13,619
Number of Rooms	3,495,299	3,092,036	2,768,516	2,363,179	1,649,021
Hotel Growth Rate	16.3%	15.4%	24.7%	50.0%	-
Room Growth Rate	13.0%	11.7%	17.2%	43.3%	-
Number of Groups with 50+ Hotels	38	44	40	37	29
Number of Groups with 20,000+ Rooms	28	25	19	20	15

Distribution of Hotel Brands by Grade 2019



Source: China's Hotel Management Companies (Groups) Report 2019 jointly released by China Tourist Hotel Association (CTHA), Ctrip, and Beijing Joint Wisdom Information Technology Inc.



New Trends in Hospitality amid COVID-19

Use of digital technology in smart scenarios

- Digital transformation becomes imperative for hotels to keep pace with changing customer needs in an increasingly uncertain and volatile business environment resulting from COVID-19.
- The purpose of digital transformation is to increase operational efficiency. Hotel services will be digitized and moved from offline to online, and online scenarios will be combined with smart devices. In a digital era, hotel operators must be far-sighted enough to accurately predict future trends and fast-track digital transformation.
- They can use a "service brain" to control data throughout the service process and improve their managerial expertise.

New forms of business in hospitality

- Short trips and getaways are gaining popularity due to COVID-19. Hotels are expected to be more than just a place to stay. They need also be a platform for entertainment and interaction. Particularly, parent-child bonding is becoming a key selling point of hotels. Some new forms of business may emerge to meet the changing customer needs.

Contactless smart service

- During COVID-19, hotels launched service robots and contactless food deliveries to free guests from safety worries.
- Survey shows that such contactless services are favored by a vast majority of business travelers, although a part of them still need time to adapt.

Two thumbs up! Contactless services need to be promoted.



Affirmative, but need time to adapt to contactless services.



Negative.



Supporters

Early try at live streaming

- Several hotels advertised their catering services or pre-sold their new offerings via live streaming during COVID-19.
- As of December 31, 2020, Ctrip had pulled in RMB 4 billion from 118 live streams. Live streaming becomes a new way for hotels to expand their business. However, most hotels take a wait-and-see attitude because the buying decision process in hospitality is longer than in retail.



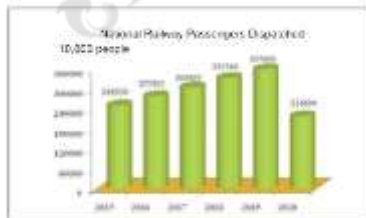
Overview of Railway Transportation During COVID-19

Passenger numbers

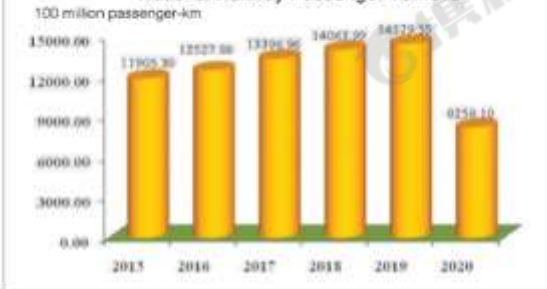
China registered 2.167 billion railway passengers in 2020, falling by 39.4% (1.412 billion) from the previous year. Rail passenger transport was 825.81 billion passenger-kilometers, down 43.2% (627.145 billion) from last year.

National Railway Passenger Traffic

Indicator	2019	2020	YoY ±%
Passengers Dispatched	10,000 (10.04)	5,988.4	-39.4
Passenger Turnover	125 million passenger-km	627.145	-43.2



National Railway Passenger Turnover



Railway network

- China railway network has a total length of 146,300 kilometers among which 38,000 kilometers are high speed railways, with a density of 152.3 kilometers per 10,000 square kilometers. 59.5% of the network is now double track, with 72.8% electrified. The length of railways operated in West China is 59,000 kilometers.
- The year of 2020 has seen 20 new projects underway, and multiple new lines covering 4,933 kilometers put into operation, including Beijing-Xiong'an intercity railway, Yinchuan-Xi'an high-speed railway, Zhengzhou-Taiyuan high-speed railway, Lianyungang-Zhenjiang high-speed railway, Yancheng-Nantong high speed railway, Shanghai-Suzhou-Nantong railway, Golmud-Korla railway, and Dali-Lincang railway. China has completed ahead of schedule a 4+4 corridor high-speed railway network, and is further expanding it into an 8+8 corridor grid.

Milestones and anti-epidemic measures

- The Yangtze River Delta saw 3.099 million railway trips during the National Day and Mid-Autumn Festival holiday, setting a new daily record for passengers in 2020.
- Railway traffic in this region suffered a "cliff-like" drop early this year before it gradually recovered and stably went up.
- As part of the effort to support work resumption, dedicated trains started running across the Yangtze River Delta in February 2020. A total of more than 100,000 migrant workers were carried to where they worked on 164 trains in 125 batches. A new mode of transportation adapted to epidemic control needs has thus taken form.
- On June 20, e-tickets were adopted for normal speed trains in China.
- From July, passengers can use the "railway e-card" app to get their QR code scanned before entering or exiting stations along the Shanghai-Nanjing, Nanjing-Anqing and Nanjing-Qidong lines.
- From September, Nanjing and some other stations started delivering food ordered online to passengers on normal-speed trains.
- To solve the supply-demand imbalance, Beijing-Shanghai railway will adopt a floating price system from December 23, 2020 on.

Source: 2020 Statistics Public Report of China Railway Group Limited (Development and Reform Department) (March 1, 2021)



Increasing Car Service Demand during COVID-19

- 48.6% of business travelers said they were encouraged to choose ride-hailing/airport transfer services over public transportation as much as possible during COVID-19.
- When choosing car services, business travelers will prefer those that are safety- and hygiene-minded, have taken strict anti-epidemic measures, and can make rapid response.
- According to data from Ctrip Corporate Travel, one-stop business travel services, covering ticket booking, car services and hotel check-in, are becoming more popular.

Does your company encourage using ride-hailing/taxi services to reduce the use of public transportation? (%)

Yes, less public transportation for travel safety



No opinion, as long as it comply with the travel policy



No. Public transportation is preferred

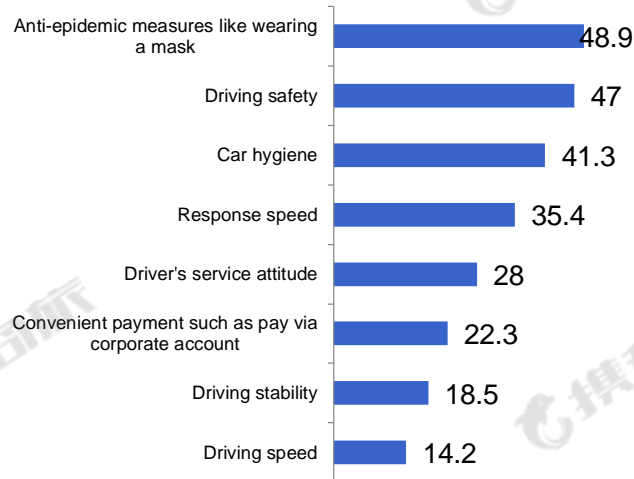


Source: Online survey on business travelers, N (2020) = 1,495

Q: Does your company encourage using ride-hailing/taxi services to reduce the use of public transportation during COVID-19?

What are your major considerations when choosing a car service?

Major considerations when choosing car services (%)



MICE Trends in 2021

“Vertical cut” - the wave of the future

MICE was among the sectors hardest hit by COVID-19 in 2020, and the impact will probably continue in 2021, and even beyond.

- Variables in the MICE market in 2021:
- The prospect of a long-term fight against COVID-19 makes it difficult to hold crowded exhibitions, cross-regional conferences, and incentive tours. The risk of cancellation becomes a major factor that influences sponsors' decision on whether to hold an offline event.
- Chinese customers prefer domestic destinations and MICE complexes to overseas ones due to entry restrictions of various countries.
- Private and foreign businesses cut their MICE budgets and spending, as opposed to steady demands from governments and SOEs. It is noteworthy that the year 2021 marks the 100th anniversary of the founding of the CPC. The increased needs for Party and League building activities will prop up part of the MICE market.
- In years to come, China may see the emergence of a batch of cultural festivals that carry indications of a city's identity. As meccas for business travelers, these festivals may present a new opportunity for MICE professionals. Local governments would vigorously promote this model to drive endogenous needs, stimulate consumption, and build city brands.
- Smaller is better. To meet epidemic control and prevention requirements, large conferences and exhibitions will be split into fast, flexible, and functional small ones with no more than 100 participants each. MICE professionals should tap this trend for new business opportunities, such as portable, reusable exhibition materials that can be fast deployed and put away.

- 6. Online conferences and exhibitions continue to take a considerable share in the MICE market. However, with COVID-19 basically under control, MICE will be gradually decoupled from the Internet scene in 2021.
- 7. If COVID-19 will not end in 2021, the annual meeting season may come earlier, lasting from September to October, instead of December to next February, to avoid high risk of infection in winter.
- 8. The MICE industry faces a talent reshuffle. On one hand, it has lost at least 30% of the existing professionals during COVID-19; on the other hand, travel agencies previously engaged in mass tourism have been shifting to MICE to survive the pandemic. With working knowledge at a premium, training becomes ever more important.
- 9. COVID-19 accelerates the transition of some MICE companies toward marketing and PR. Small companies are more likely to succeed in this transition as they have less to worry about than larger ones.
- 10. “Vertical cut” is the future trend of the MICE industry. In years to come, more and more MICE professionals will concentrate on a certain vertical industry, providing a diverse, integrated portfolio of services for corporate clients. This model features high customer stickiness and good profit, and hence can facilitate business sustainability.



By Jia Ziru, Founder and Editor-in-Chief of China BT MICE
An expert in MICE business innovation and industrial Internet with more than ten years of experience

*The opinions expressed herein are those of the author, and do not necessarily reflect the stance of Trip.com.





The Future of Business Travel

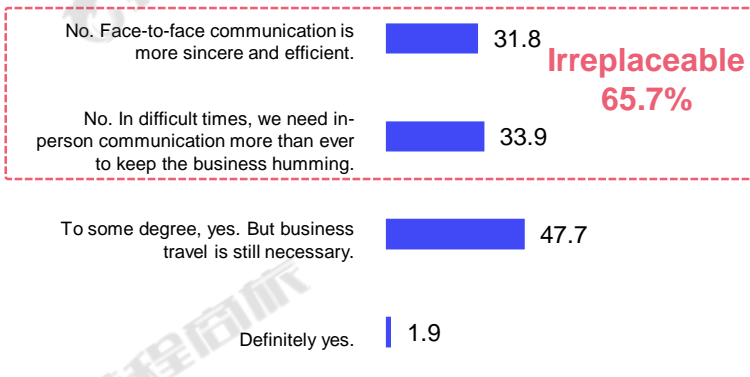
PART 8

START

Topic: Will teleconferences replace face-to-face meetings?

- Survey shows that more than 65% of companies do not think teleconferences will replace face-to-face meetings. The latter, they believe, are more efficient and can better enhance the bond between participants. Besides, there is no online alternatives to site visits or contract signing.
- Nearly half of the respondents believe that teleconferencing is a stop-gap measure for only a part of business activities, like routine meetings and training. But business travel is still necessary because meeting in person demonstrates that both parties are truly committed to making a deal.

Will teleconferences replace face-to-face meetings? (%)



Answers of travel managers

Not all meetings will be moved from in-person to online because face-to-face communication is very important in business activities. Teleconferencing is only an expediency. Face-to-face bonding makes more business sense.

- Procurement manager at a foreign enterprise

You need to be there for your clients. You need to be there for technical support, site visits, meetings, and important teamwork.

- Travel manager at a private enterprise from the manufacturing industry

No. Face-to-face meetings are more efficient and can enhance mutual understanding.

- Head of finance at a wholly foreign-owned enterprise from the service industry

Yes, we can hold routine meetings remotely, but we prefer to talk in-person whenever necessary. Not just because it's more efficient, but it also shows our clients that we're really into it.

- Head of finance at a state-owned enterprise

Face-to-face meetings will not be completely replaced, partly because our technology and network are not up to snuff. In good deal making, most of the real negotiation happens before we sit down to negotiate. We need to bond with our clients and build good public relations, which can never be achieved via teleconferencing.

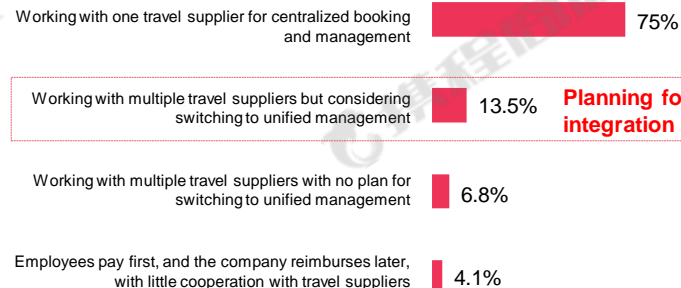
- Travel manager at a wholly foreign-owned enterprise from the

fast-moving consumer goods (FMCG) industry

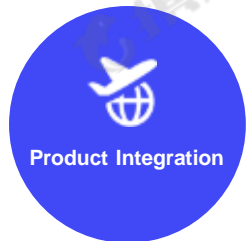


Keyword in Business Travel 2021: Integration

Travel Supplier Cooperation Model - Choices by Travel Managers



Three Integrations Boost Business Travel Efficiency



Product Integration

Centralized control over flights, hotels, and car services has become popular.

However, in some companies, employees still need to pay first, which will make it difficult to comply with travel policy, and result in cumbersome reimbursement processes.



System Integration

An all-in-one system can help companies save considerable time and labor costs. It can integrate with companies' internal systems, and covers the whole travel management process from approval, booking, to reimbursement.



Unified Supplier

Survey shows that most companies use a single service provider for centralized booking and management, and they enjoy a higher satisfaction rate. Most companies working with multiple service providers are considering switching to unified management.

Survey shows that more and more companies have started to place flight booking, hotel reservation, and car hailing under centralized management. According to Ctrip Corporate Travel's data for the past two years, **the share of hotels in travel products under control has significantly increased, indicating that companies are paying more attention to travel management.**

Satisfacti on with Travel Suppliers (Points)

Working with one travel supplier for centralized booking and management	Working with multiple travel suppliers but considering switching to unified management	Working with multiple travel suppliers with no plan for switching to unified management	Employees pay first, and the company reimburses later, with little cooperation with travel suppliers
7.8	7.3	7.4	7



Keywords in Business Travel 2021: System Integration and All-in-One

- Ctrip Corporate Travel Management System can seamlessly integrate with companies' internal systems, allowing centralized management of approval, booking, and reimbursement. This all-in-one system frees employees from repetitive, tedious travel formalities so that they can focus on more important tasks.

Integrate with Existing Systems like Finance/OA Systems

So far, Ctrip Corporate Travel has provided travel management system integration solutions for **1,500+** renowned companies at home and abroad across fields like pharmaceuticals, finance, banking and securities, manufacturing, and Internet. Some of them are Fortune 500 companies. Ctrip Corporate Travel also has a range of system integration partners including famous OA, ERP, and HR system vendors in and outside China.



Satisfy customization needs

Comb through customers' travel policies, and help them customize policies.

One-stop travel resources

Ctrip Corporate Travel provides one-stop resources of flights, hotels, trains, and car services to meet customers' international and domestic travel needs. It also support collective display of offerings from contracted hotels.

Streamline travel management

Ctrip Corporate Travel's system is integrated with OA systems, moving online the whole travel management process, from application, approval, booking to settlement.

Business travel data report

The system can display breakdowns of business travel spending in real time, and analyze budget variances.

Improve employee satisfaction

Online reconciliation and settlement allows finance staff to work more efficiently with no need to handle a load of bills and receipts.

Shiseido x Ctrip Corporate Travel

Integrate with Third-party Collaboration Platforms

Primary research reveals that many companies use third-party collaboration platforms for internal communication, approval, and other procedures. Ctrip Corporate Travel is cooperating with major platforms on system integration for the convenience of business customers.

- Sync organizational structure
- Allow convenient business travel
- Avoid switching between multiple apps
- Increase travel management efficiency



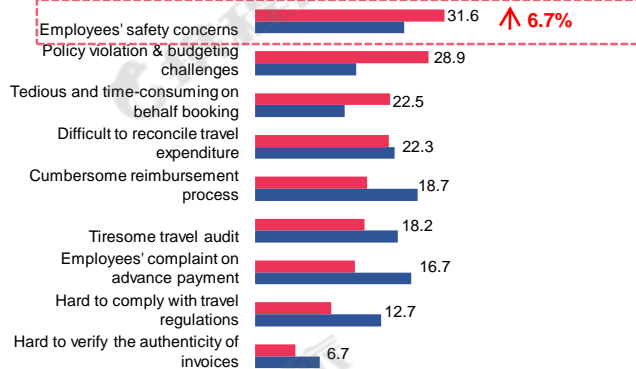
WeChat x Ctrip Corporate Travel



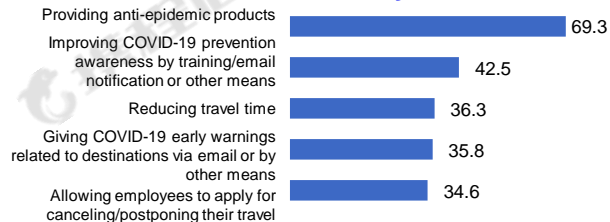
Keyword in Business Travel 2021: Travel Safety

- According to the 2020 survey on business travel managers, employees' travel safety concerns become a top pain point followed by policy violation and tedious, time-consuming on behalf booking.
- Companies have taken a series of measures to ensure safety, such as providing anti-epidemic products for employees, and training them on how to protect themselves against the pandemic.

Travel Management Pain Points



Measures to Ensure Travel Safety



COVID-19 early warning/travel policy

Weather/Geological disaster/Flight change alert

Global SOS data



In 2017, Trip.com launched the Global SOS system to provide 7x24 support for worldwide travelers in emergencies. **During COVID-19, Ctrip Corporate Travel launched an employee health record system by which companies can track the health and safety conditions of employees traveling for business in real time. The system also provides travelers with COVID-19 early warnings and information related to their destinations.**

How to balance business development and employee safety? Answers of travel managers

- Companies may work with large platform suppliers to ensure employees can go on business trips as scheduled to keep the business humming, and do not have to pay first.
- Travel managers should standardize travel management, ensure compliance with travel policies, and simplify travel booking. Ctrip Corporate Travel can help them achieve this. Travel booking, approval, and reimbursement will be completed on an all-in-one platform, and employees no longer have to pay first and go through a lot of red tape to get reimbursed, which will greatly improve their satisfaction. In the meantime, travel managers should also improve employees' awareness to cut travel costs.
- Companies should put into place and adhere to a set of reasonable travel policies, and enhance training on travel compliance and safety. Employees should strictly follow business travel policies, and handle travel issues in a flexible way.
- A great business travel platform can solve all problems.

Keyword in Business Travel 2021: Digital Transformation

Primary research shows that SOEs have embarked on recovery of business travel earlier and faster than other companies. They are strict with travel cost control. To meet their needs, Ctrip Corporate Travel released three solutions on the first SOE Innovation Summit in 2020. These solutions can provide services and technical support for SOEs throughout the travel management process, seeing them through digital transformation of travel management.

Three Solutions for SOEs Offered by Ctrip Corporate Travel



Finance System Integration

Interconnect with the financial settlement system by a direct data link



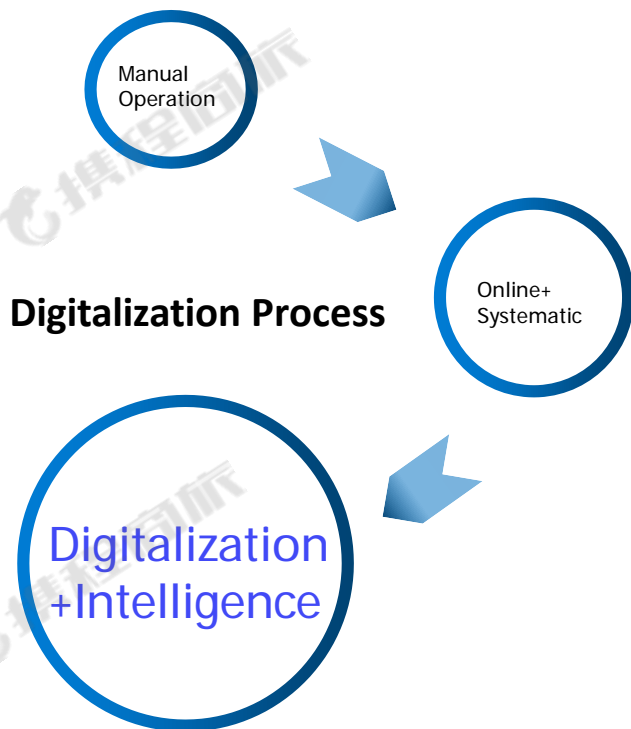
Procurement Platform Integration

Provide resources and services for self-built procurement platforms



OBT-PLUS System

Independently deploy the self-owned OBT system customized for SOEs



About Ctrip Corporate Travel

Ctrip Corporate Travel is China's travel management company (TMC) under Trip.com Group. Over the past decade, Ctrip Corporate Travel has served 12,000+ large enterprises, including over half of the Fortune 500 and 100+ of China's top 500 firms. By unleashing our advantages in cash flow, services, products, and technologies, we have helped these companies reduce up to 30% of travel costs. In 2014, we launched a self-service travel management platform for SMEs, which now has 450,000+ SME users.

We offer

Abundant Resources

- **Flights**
Cover worldwide airline routes
- **Hotels**
Book among over 1.40 million hotels around the world
- **Car Services**
Four products with 100+ car models for your choice
- **Trains**
Access to trains and rail lines nationwide

One-stop Service

- **Professional Management**
Professional full process management
- **Corporate Settlement**
Monthly corporate settlement alleviating financial pressure
- **No More Advance Payment**
Increasing employees' satisfaction to business travel
- **Attentive Service**
7x24 services

Advanced Technology

- **Professional R&D Team**
- **All-in-One Integration Solution**
- **Strict Risk Control**
- **International certification in information security**

Three-pronged fork: solutions for the next five years

The handle:

cash flow - a firm grasp of the handle is the premise of financial security and service quality

The edges:

services, products, and technologies
- advanced technologies are the drivers of outstanding services and products



"Domestically driven recovery of business travel industry"

• New tax and fee cut policies unlock market vitality

China cut taxes and fees by more than CNY2.5 trillion in 2020, which greatly alleviated the burden on market entities. 2021 is the first year of the 14th Five-year Plan period. In its work report for this year, the Chinese government announced to raise the value-added tax (VAT) threshold for small-scale taxpayers from CNY100,000 to CNY150,000 in monthly sales, and halve the corporate income tax (CIT) liability of small and low-profit enterprises for the portion of taxable income not exceeding CNY1 million based on the existing preferential policies.

• China is accelerating vaccine development

China National Pharmaceutical Group Co., Ltd. (Sinopharm) has submitted a market approval application to the National Medical Products Administration (NMPA), bringing us closer to the final victory against COVID-19. China pledges to give developing countries priority access to its successful vaccines, which serves the common interest of people around the world, and inspires global confidence to defeat the pandemic.

• The share of travel management market is expected to increase amid a trend of delicacy management

Against the backdrop of COVID-19, growth-seeking companies are paying more attention to internal management, especially the meticulous standardization of business travel protocols. With travel as the second highest controllable expense, more and more companies have realized the importance of professional travel management, and are more willing to cooperate with TMCs.

From individual booking by employees ➔ to centralized booking and management

From working with multiple service providers ➔ to unified management

• Domestic business trips surge, especially in lower-tier cities

As China introduced a new development paradigm with domestic circulation as the mainstay, many local companies have gradually shifted their focus from overseas markets to lower-tier Chinese cities. To ride this trend, TMCs should join hands with airlines, hotels, and other related companies to cover a broader range of resources and provide one-stop travel services for business clients to meet their increasing needs. In 2020, with the resumption of work and production front of mind, Trip Corporate Travel also announced its domestically focused development strategy.



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About Us

Ctrip Corporate Travel is China's famous travel management company (TMC) under Trip.com Group. Relying on its strengths in resources, technologies, services, and management, Ctrip Corporate Travel has served 12,000+ large enterprises (including 250+ Fortune 500 and 100+ of China's top 500 firms) and 450,000+ SMEs over the past decade.

Since 2006, we have been helping business clients streamline booking and approval processes, improve and implement travel policies, and control overall travel costs. We provide advice based on industrial data analytics to help clients improve their travel management, and have saved up to 30% of travel costs for them.

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