



Corporate Travel Moves Forward

The Impact of Payments in a
Resurgent Corporate Travel
Economy

- Industry insights from Ralph A. Kaiser, CEO of UATP

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Corporate Travel Outlook

Even as leisure travel demand surged and remained elevated over the past three years, corporate travel has faced headwinds and hurdles at every turn. Changes in work habits, reconsidered strategic priorities and geopolitical upheaval have all prevented business travel from experiencing the same post-pandemic resurgence the leisure sector has enjoyed. But barring unforeseen circumstances, that period of stagnation appears to have ended and corporate travel is poised to fully recover in 2024.

Research indicates that companies are fueling their travel ambitions with bigger budgets and professionals across many industries expect to take more work trips next year. For example, an [Accor survey](#) found that 57% of respondents within the corporate travel industry expect a travel budget increase in 2024 over 2023. [Hilton Worldwide's 2024 Trends report](#) found that 46% of full-time and self-employed workers plan to travel for business in 2024.

Our recent study aligns with these results, highlighting the significance of cost control, ensuring a satisfying and efficient travel experience and using data to enhance visibility and optimization.

Conducted in August 2023, UATP's original survey of worldwide corporate travel managers aimed to understand their present challenges and priorities regarding their payment strategies. This survey's findings were compared with data from an earlier survey in 2022.

The study uncovered a corporate travel industry poised for progress, with increased budgets, support for more payment methods and a reinvigorated focus on cost management and data collection. UATP stands ready to turn these forecasts into reality through our global payment network, along with technologies like automation and APIs, business intelligence tools and more flexible and adaptable solutions for both Issuers and Corporate Account Holders.

46%

of full-time and self-employed workers plan to travel for business in 2024



Getting Back to Business (Travel): Corporate Travel Spending Surges

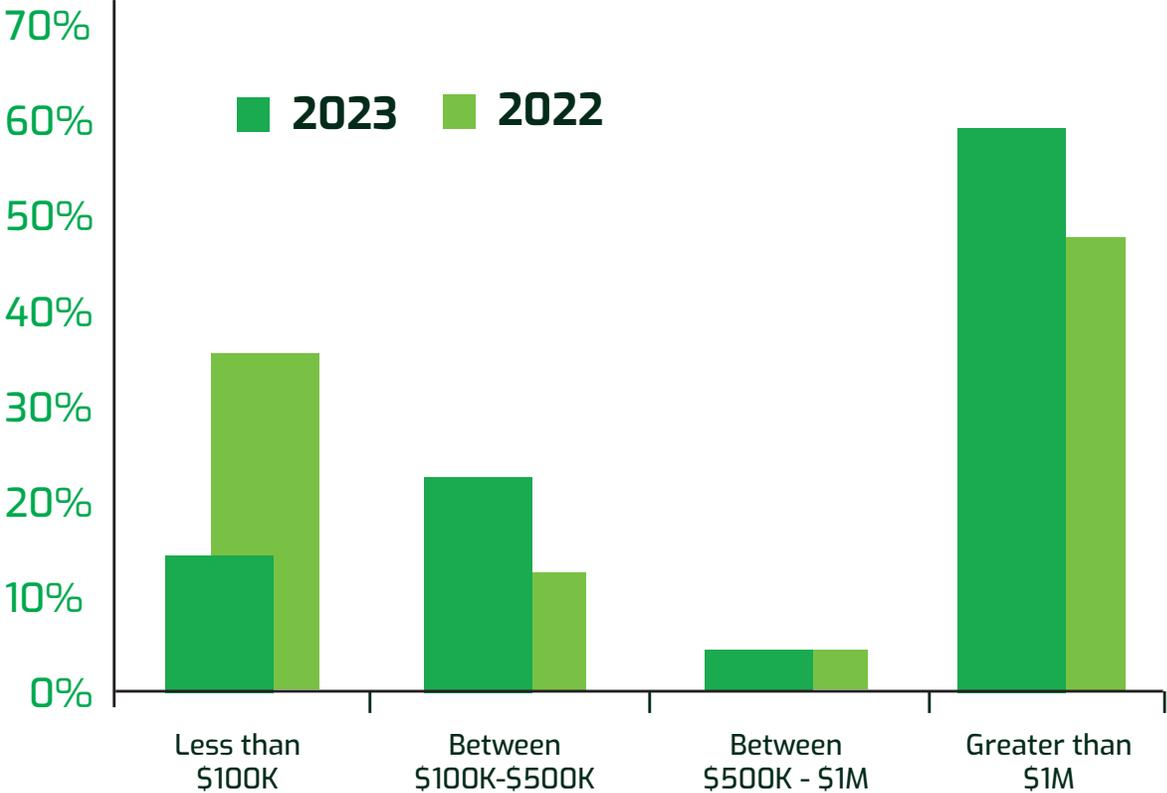
A year-on-year comparison reveals the long-anticipated return of corporate road warriors. In 2022, more than 35% of companies surveyed said they planned to spend less than \$100M in the upcoming year, while only 14% of respondents this year report that they are in that spending bracket.

The dollars have shifted to the \$100K-\$500K bracket (22.5% of respondents cited this range as their projected travel budget, almost double the prior year's 12.5%) and to the highest (>\$1M) bracket, which jumped from 48% to 59%.

The rise in budgets is a central factor behind the forecast that global business travel spending will reach **\$1.4 trillion in 2024**, according to the Global Business Travel Association. This expected volume exceeds 2019 levels and represents a complete recovery for the corporate travel sector.

Corporate travel spending is clearly on an upward trajectory.

How much travel spend is your company planning on in 2024?



Cost Savings at the Helm of Corporate Travel Decision-Making

Increased business travel spending and swelling corporate travel budgets are also accompanied by increased costs. As the volume of business travel grows over the next year, the impact of transaction fees and foreign exchange costs will become more significant, prompting corporate travel departments to explore ways to keep costs under control. Our survey data reflects this trend, finding that cost savings are a key priority for corporate travel managers.

Fortunately, payment solutions are available for corporate travel managers to help reduce overall travel costs. For example, UATP accounts offer consistent transaction costs across all geographies and rates typically 100 basis points less than the other card brands.

60%

said their most significant pain point is keeping down travel costs overall

31%

said they have been impacted by the cost of surcharging, such as foreign exchange fees/bank fees

56%

said cost savings are most important to their payment strategy

70%*

of companies strategically evaluate and prioritize travel's potential outcomes (such as revenue generation) and side effects (such as cost, emissions and health risks)

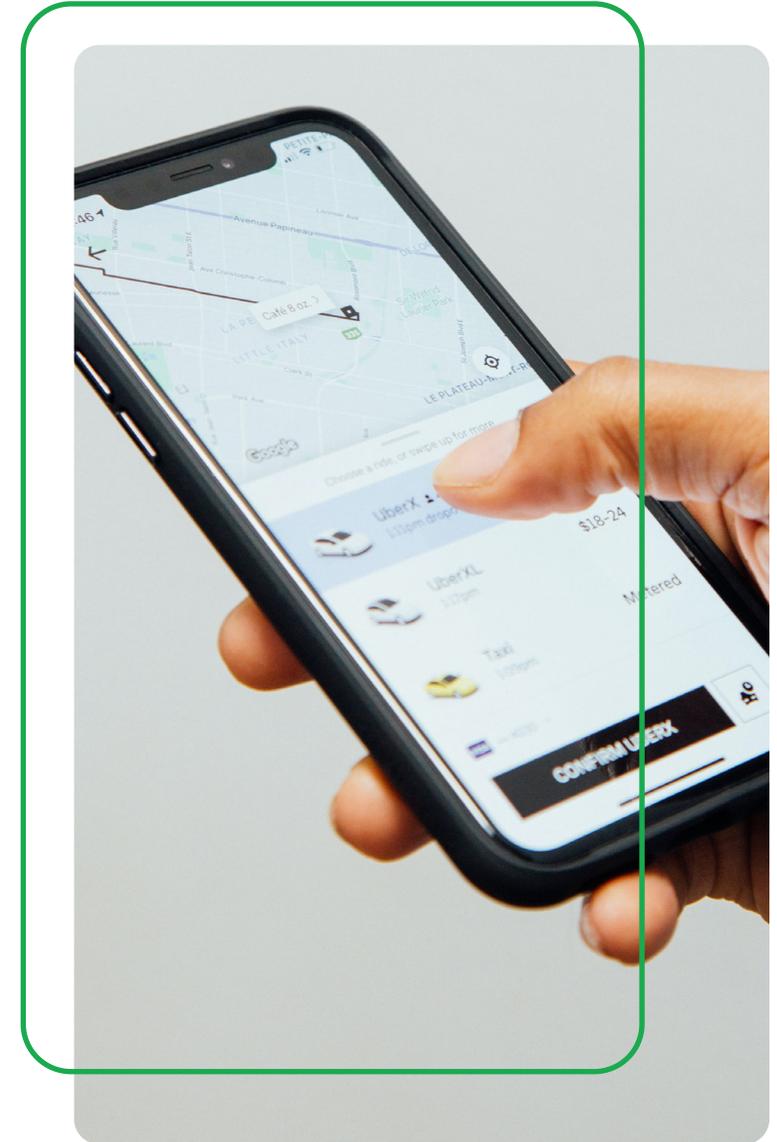
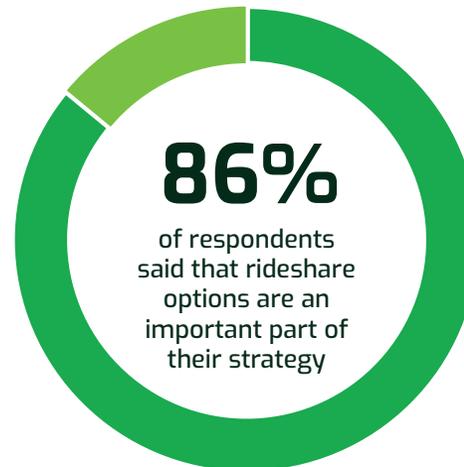
* [Deloitte Insights](#)

The Traveler Experience: Still Front and Center for Corporate Travel Managers

The return on corporate travel expenditures is often directly linked to the travel experience, as a seamless and convenient experience can lead to efficiency and productivity. For this reason, we're seeing more corporate travel departments offer travelers support for conveniences like rideshare services and expanded use of alternative forms of payment (AFPs). It's also why Uber became the first rideshare platform to join the UATP network, and why UATP Issuers can and are offering payment acceptance through the Uber Wallet.

According to a survey conducted by the [Global Business Travel Association](#) in July 2022, ride-sharing services were allowed by 50% of corporate travel policies. The organization also found that ridership among business travelers increased by 21%, and most travelers anticipated using these services about the same (71%) or more (18%) in the three months following the survey.

Rideshare companies are recognizing this and developing options aimed at business travelers, as evidenced by [Uber's recent announcement](#) of a new product designed to provide the flexibility and comfort that corporate travelers need and to attract spending from corporate travel departments.

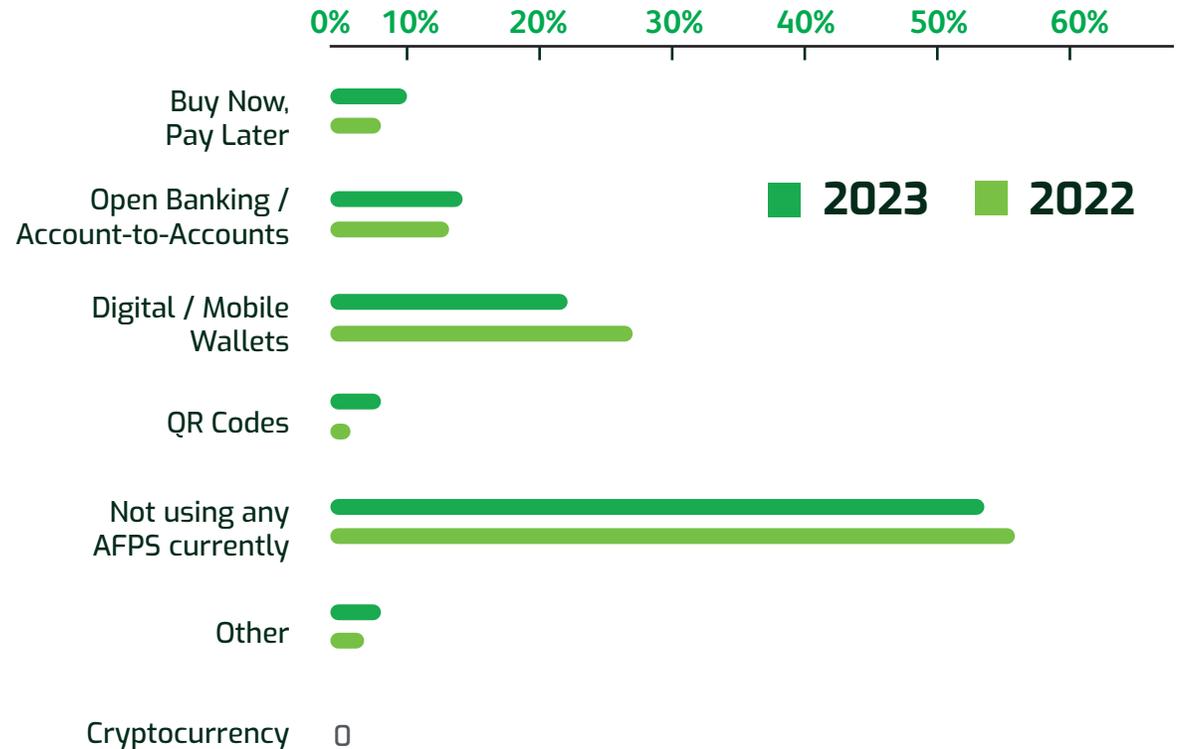


Expanded Support for Alternative Forms of Payment (AFPs)

Being able to offer the right payment method to travelers so that it is convenient and easy for them to pay is increasingly central to corporate travel strategies. Our survey found that the AFP preferences (what companies currently use for travel) have shifted from 2022 to 2023. Traditional credit cards are still the dominant form of payment, but support for AFPs like virtual cards or mobile wallets has increased.

A recent [Edgar, Dunn & Company survey](#) echoed these findings, with more than half of respondents (51%) reporting using virtual cards to pay for corporate travel expenses.

What alternative forms of payment does your company currently use for travel purchases?



The strategic priorities relating to corporate travel payments have remained consistent for the most part. As traditional cards continue to be the most important payment method utilized by corporate travel departments, it's increasingly crucial to use a card that offers competitive rates, access to advanced data and global acceptance.



Rank the following payment options most important to your company's travel payment strategy.

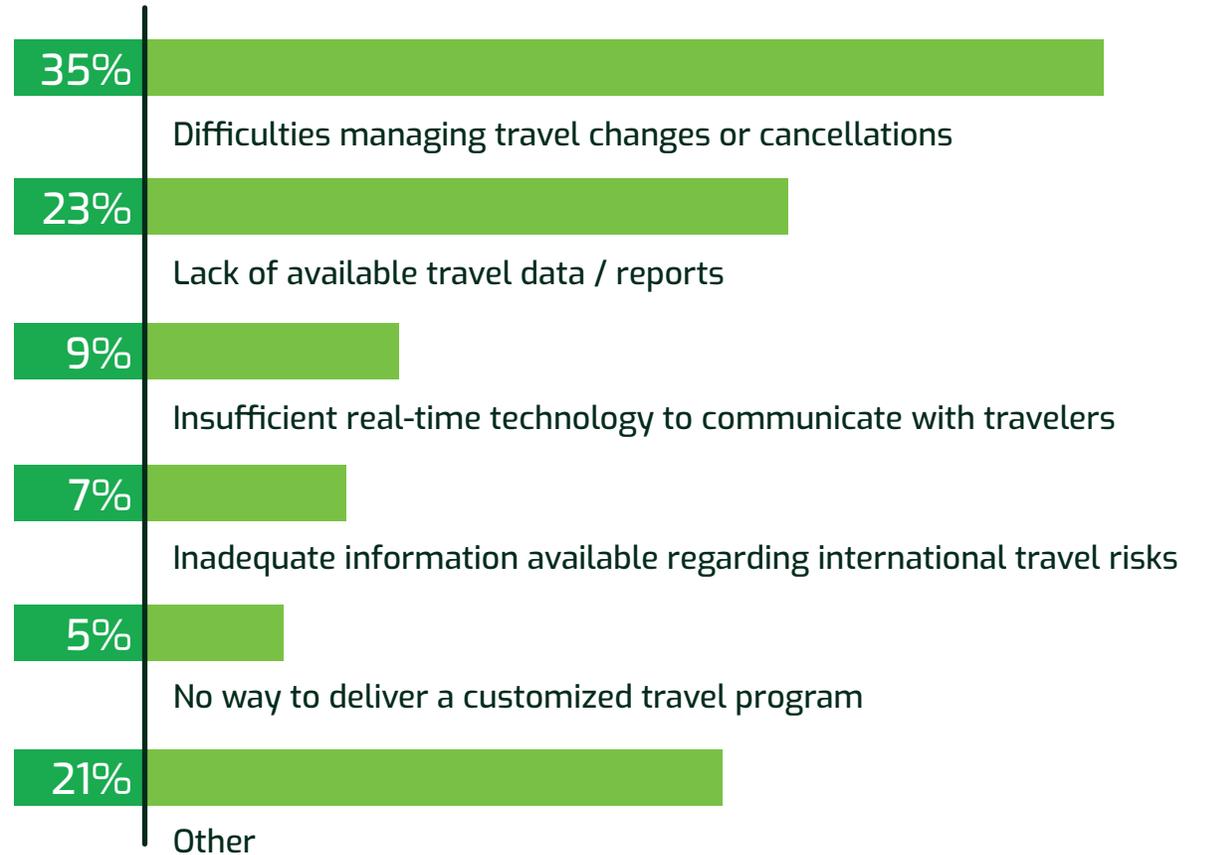
	2023	2022
1	5.7 Credit Card / Charge Card	5.7 Credit Card / Charge Card
2	3.7 Bank Transfer	3.8 Digital / Mobile Wallet
3	3.4 Debit Card	3.1 Debit Card
4	3.1 Digital / Mobile Wallet	3.1 Bank Transfer
5	3.0 Checks	3.0 Checks
6	2.0 Buy Now, Pay Later	2.2 Buy Now, Pay Later

Driven by Data: For Corporate Travel Managers, Data Reigns Supreme

The importance of data is closely related to corporate travel managers' ability to manage costs. With the right information in place, managers have better visibility into their travel spend and can react accordingly. Corporate travel departments also have a duty of care to ensure traveler safety and compliance; survey respondents indicate that they need comprehensive reports and the agility to manage sudden changes.

UATP's real-time payment analytics allow organizations to meet their duty of care obligations more efficiently. As the only solution on the market that enables Level III data exchange, UATP can provide itinerary-level data on each transaction, improving accuracy and detail regardless of point-of-sale, currency or geography.

What is the biggest challenge you face regarding duty of care?

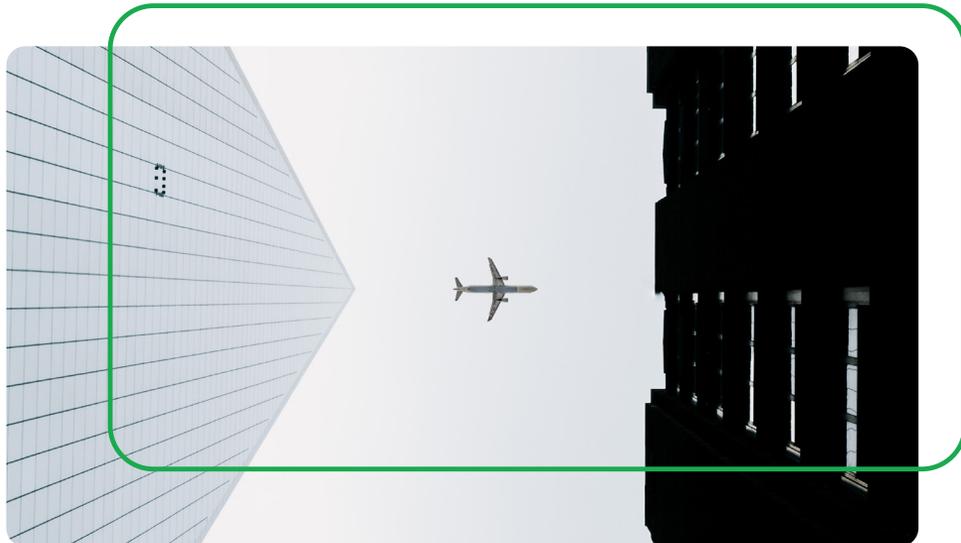


Your Corporate Travel Partner

After years of anticipation, corporate travel is moving forward again. But with that momentum comes a renewed emphasis on cost control, support for new payment methods and travel services like rideshare and the need for comprehensive data. Corporate travel departments need a strong partner during this resurgent period to drive efficiency, visibility and convenience.

UATP can be that partner. With a UATP Account dedicated to travel that offers competitive rates, advanced data tools, easy reconciliation, sophisticated fraud mitigation and global acceptance, UATP can help keep costs in check while providing unparalleled clarity into the travel experience.

To learn more about how UATP can help your corporate travel department or to speak with a payment expert, [contact us here](#).



The UATP Advantage

As the world's most reliable payment network, UATP combines a proven reputation with extensive industry expertise to design, create and implement high-performance payment solutions at a competitive cost, without sacrificing quality of service.

To learn how UATP can help improve your payments strategy, visit www.uatp.com.

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