

Travel risk survival kit

Managing business travel risk

Tips and tools for managing what's ahead



Economic risks

Trade dispute escalation
Brexit



Geo-political risks

Political change
Terrorist threats



Health and safety risks

Disease
Pollution
Natural disasters

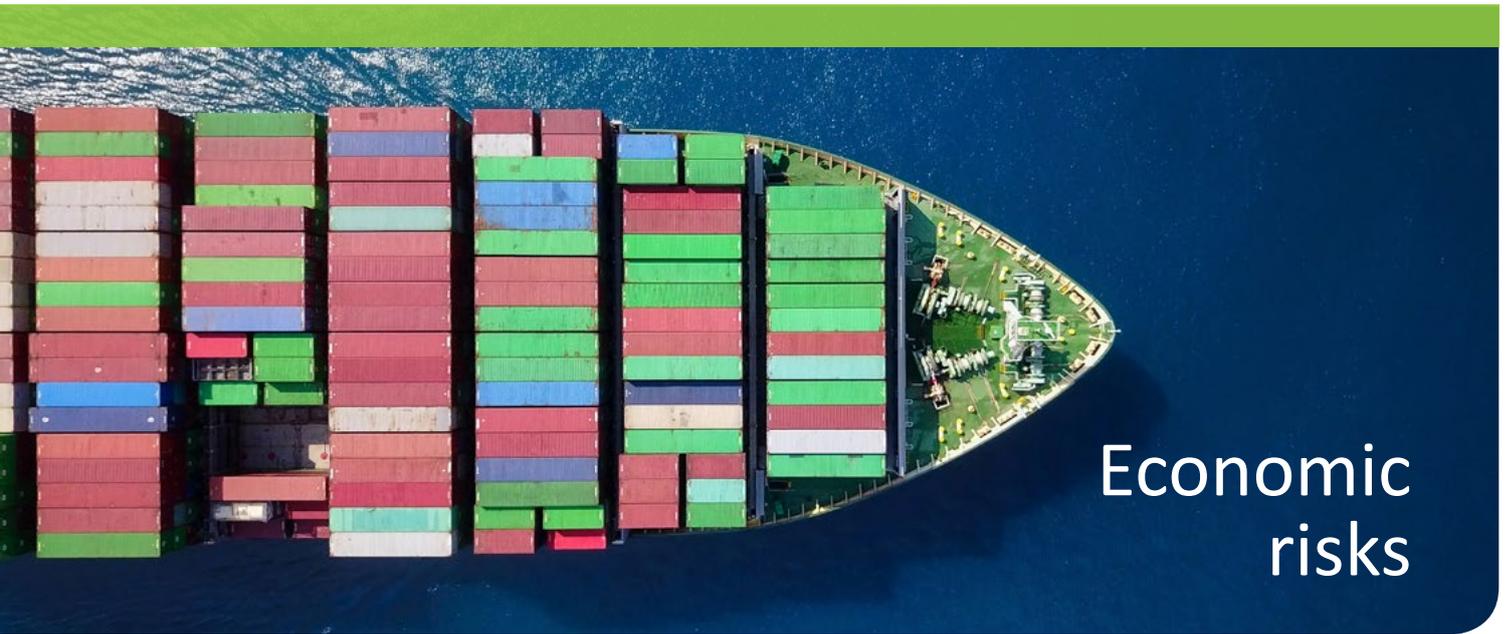


Cyber risks

Cyberattacks
Data breaches
Payment vulnerabilities
Fraud

Almost half of travel managers believe travel risks will increase in 2019.¹ Meanwhile, business travelers list safety support as one of the biggest gaps between what they want on trips and what their companies provide.² This *Travel Risk Survival Kit* offers warnings about what's ahead, advice on how to prepare for those risks and ways companies can fulfill duty of care and keep their travelers safe and secure.

¹International SOS, Ipsos MORI Business Resilience Trends Watch 2019
²Business Travel News



Economic risks

The economic outlook is clouded by a number of issues, including a marked slowdown in European growth; weak Japanese growth; slower Chinese growth; a disappointing emerging market performance; volatile commodity prices; and geo-political shocks. But two major risks stand out.

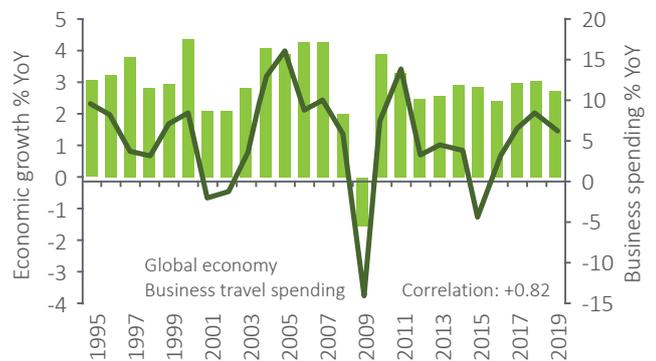
Trade dispute escalation

Trade relations between the U.S. and China remain tense. Technology transfer and intellectual property issues are still unresolved.⁴ Trade relations between the U.S. and the European Union (EU) are strained, too, and could deteriorate in 2019 if a threatened U.S. tariff increase on cars imported from the EU provokes a retaliatory response.

If these bilateral disputes escalate into a full-blown global trade war, tariff fever could spread to other markets. And if countries around the globe impose import tariffs and subsidize their domestic industries, a resulting decline in global trade could push up inflation, depress business sentiment, lower consumer confidence and further weaken global economic growth. That would, inevitably, lead to a drop in business travel.

The economy matters to business travel

Economists forecast global markets will lose some momentum in 2019. The health of the economy influences corporate travel budgets and the frequency of business trips.



Source: Oxford Economics

Alarm bells aren't ringing yet. Growth is expected to slow to 2.8% this year from 3% in 2018.³

But it's the wrong time to be complacent.

³Oxford Economics

⁴Economist Intelligence Unit, *Risk Briefing*, Dec. 12, 2018

Brexit

The date for the U.K.'s exit from the EU has been extended beyond the original deadline of March 29, 2019, but this does not guarantee a deal. A no-deal Brexit could trigger a sharp depreciation in the value of the British pound. At a minimum, that would stoke inflation. A more extreme outlook, offered up by the Governor of the Bank of England, is that a disorderly exit would push the world's fifth-largest economy into a deep recession.⁵

The U.K. economy would suffer, but so would other European economies—Ireland, in particular. More importantly, a disorderly Brexit might even trigger a wider European crisis. Countries like Italy and Spain, which still haven't fully recovered from the last global economic downturn, would be especially hard hit.

Uncertainty is bad news for corporate travel. Travel managers may be dealing with lower travel volumes, increased travel restrictions and tighter budgets. They will need to be even more cost-conscious. Suppliers may need to adjust revenue strategies to manage unpredictable and potentially volatile demand. This may result in unexpected changes to pricing and availability.

Manage price volatility

- BCD Travel's [Hotel Price Assurance \(HPA\) and Air Price Assurance \(APA\)](#) automatically search for better prices on the same rooms and flights, enabling corporate travel programs to take advantage of price fluctuations that swing in their favor.
- [Dynamic Performance Management™](#) from business travel consultancy Advito gives business travel managers access to year-round, data-driven insights. They gain constant visibility into shifts in pricing and supplier performance, meaning they can seize opportunities to improve program performance 12 months a year.
- [DecisionSource® Reporting and Analytics](#) provides data-centered, actionable insights that enable corporate travel managers to make smart and swift decisions amid ongoing change.



Traveling post-Brexit



Once the U.K. leaves the European Union, it will be treated as an unaffiliated third country. This will lead to large and small changes that will have an impact on business travelers every day.

Documents

- To travel within the Schengen Area of 26 European countries, U.K. nationals will need a passport with six months of validity.
- The European Commission has recommended putting the U.K. on the visa-exempt list, even if there is a no-deal Brexit.⁶
- U.K. citizens may need an International Driving Permit (IDP) to legally drive within the EU. It currently costs £5.50.

Mobile communications

- Reciprocated fees charged by U.K. and EU mobile operators for roaming services will no longer be regulated.
- Mobile operators seem prepared to keep roaming charges unchanged, but they will have no legal obligation to do this.

Travel processes

- There is not enough time to build the immigration infrastructure needed to ensure seamless travel between the U.K. and EU under a new relationship.
- Travelers will inevitably face some disruptions and delays when crossing the border between the U.K. and EU.

Navigating market fluctuations



A U.S. defense and cybersecurity firm tapped into Advito's Dynamic Performance Management strategy to chart a course through the constantly changing hotel marketplace. The shift to year-round hotel program management provided continual visibility into supplier prices and service levels. That enabled the travel manager to act quickly to seize savings opportunities—leading to a 22% reduction in hotel spending in just one year. [Read the case study.](#)

⁵BBC, Nov. 28, 2018

⁶The Independent, Nov. 13, 2018

Geo-political risks



As U.S. President Donald Trump’s “America First” philosophy changes the role the United States plays on the global stage, it leaves a power vacuum that China and Russia may wish to exploit. China recently reasserted its intention to unify with Taiwan. Russia announced plans to suspend its obligations under a Cold War-era nuclear treaty. Leaders of troubled nations on every continent are threatening their neighbors and even their own citizens. Political alliances are reforming, ethnic disputes are heating up and cross-border migration is now commonplace. The chaos is sparking strikes, protests and terrorist attacks that may endanger business travelers’ safety and disrupt their journeys. But corporate travelers are far more likely to feel the effects of protectionist-influenced policy shifts that change the rules about how they move around the world.

Political change

Elections in countries like Brazil, Italy and Mexico in 2018 provided new platforms for populist politicians who are challenging the status quo. In Mexico, the new government’s decision to cancel plans for a new airport in Mexico City shows how political change can have a lasting impact on travel.

The civil unrest and protests that accompany some election campaigns present a more immediate threat to travelers. India and Nigeria are among the countries preparing for general elections this year. Demand for business travel is typically weaker in the run-up to any vote. And there can be a period of uncertainty for months after a change of government.

Terrorist threats

A reduction in the U.S. military presence in Syria and Afghanistan risks rekindling ambitions of terrorist groups in the region. In recent years, terrorism has been characterized by attacks by individuals or small groups against soft targets. That could change.

⁷[The Independent](#), Dec. 23, 2018

ESTA changes



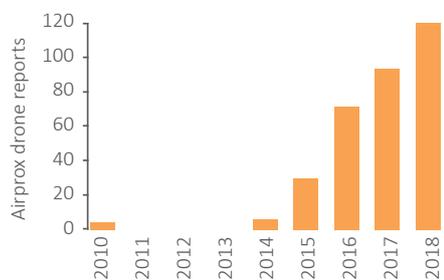
In late 2018, the U.S. announced changes to its Electronic System for Travel Authorization (ESTA). All Visa Waiver Program (VWP)-eligible international travelers using ESTA for entry into the country must apply at least 72 hours before their trip departs. Real-time approvals inside an airport are now prohibited. The [ESTA update](#) costs US\$14 per passport holder—a worthwhile investment in keeping your business travelers moving if they must travel to the U.S. on short notice.

U.K. Security Minister Ben Wallace has warned of a resurgent Al Qaeda with plans for a large-scale attack.⁷ The January attack by al-Shabab militants on a Nairobi hotel, where 21 people died, is the kind of organized terrorist action that could be on the rise.

Travelers must remain vigilant and prepare for increased disruption as authorities adopt new measures to counter threats. The priority for travel managers is ensuring the safety and security of their travelers and providing support during crises.

The disruptive power of drones

Drones caused a three-day closure of London's Gatwick Airport in December 2018, prompting the cancellation of about 1,000 flights and disrupting the journeys of more than 140,000 passengers.⁸ It's illegal to fly a drone within a kilometer of a U.K. airport, but drones are increasingly spotted too close to aircraft.



Source: U.K. Airprox Board, data to November 2018

Even before the Gatwick incident, drone reports were up almost 30% year over year.

Keeping travelers safe during an attack



A trickle of social media feeds and a few news headlines were the first signs that Islamist group al-Shabab militants had stormed the DusitD2 hotel and business complex in Nairobi, Kenya, on Jan. 15—the start of an hours-long terrorist attack that ultimately left 21 people dead.

BCD Travel's Global Crisis Management team verified the reports, confirmed that the targeted area was in a commercial district and used client booking reports to identify potentially affected travelers. The scope: Over 500 travelers working for more than 81 client companies were in Nairobi. BCD dispatched alerts to designated travel and security contacts for these companies and prompted them to use [Emergency Response](#) to communicate with travelers.

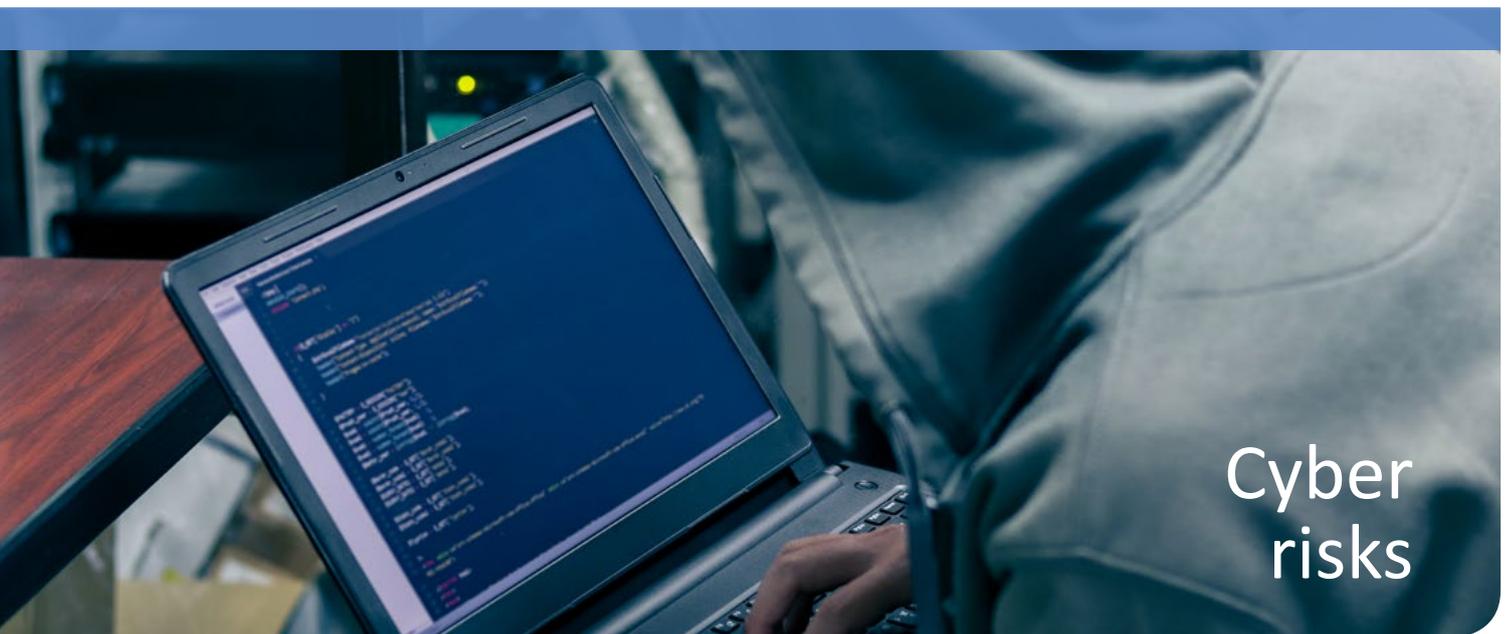
The communications gave travelers guidance and asked them to respond with "I'm Safe" messages. Empowered with real-time information, the travelers in Nairobi knew to be vigilant, seek shelter and stay away from public areas. Companies were able to identify and help their travelers in need.

Manage crises

- The [Traveler Security Program Assessment](#) by BCD Travel gauges whether a company's duty of care practices and policies are effective and comprehensive enough to cover today's travel risks. The assessment explores 11 core aspects of travel risk management, including extreme weather, terrorist attacks, thefts, illnesses, accidents and more.
- All BCD Travel clients have access to [Emergency Response](#), which uses DecisionSource traveler location information to identify travelers potentially affected by an emergency; send mobile alerts about the situation via the [TripSource](#)® traveler platform; and prompt them to check in using the TripSource "I'm Safe" button. Companies can continue to communicate with affected travelers until the crisis is over or the traveler is safe.
- Through BCD Travel's [SolutionSource](#)® platform, companies can partner with third-party risk management providers, including Anvil, International SOS and WorldAware, to expand and tailor corporate travel risk management programs to meet their unique business needs.
- BCD clients can add emergency numbers, details about employee health insurance and more to their [My Company](#) page in TripSource to give travelers quick access to important company information in an emergency.



⁸BBC, Jan. 9, 2019



Cyber risks

High-profile cyberattacks and data breaches that hit leading air and hotel suppliers in recent years demonstrate just how exposed business travelers—and their companies—can be. Affected companies suffer financial losses and reputational damage. Employees have to deal with the fallout from criminal misuse of their personal data.

Cyberattacks and data breaches

Travel managers need to prioritize data security and the privacy of their travelers, but only 33% of corporate travel programs include cybersecurity in their policies.⁹

Cyberattacks are also a very real threat to business travel infrastructure. In such a complex industry, the impact of a cyberattack can be far-reaching, particularly if aimed at the operations of airlines or airports. The air transport industry is weighing a more unified approach to tackling cybercrime.¹⁰

What to know about Wi-Fi in the sky



An inflight connectivity expert for Deutsche Telekom—a BCD Travel client—explains what business travelers and travel buyers should know about using Wi-Fi on airplanes. [Watch the video.](#)

Payment vulnerabilities

Billions of dollars flow through business travel payment systems every day, and not all systems are equipped to mitigate evolving risks. Strong customer authentication (SCA) may help. This two-factor authentication process for remote payments will be required in the European Economic Area starting in September 2019.

But SCA has challenges: Payments do not always occur at booking, and a traveler might be traveling, driving or asleep when the second authentication is required. In response, corporate travel programs may move toward payment systems linked to a company's central account—thereby removing the business traveler from responsibility for trip-related payments. A lodge card is an example of this kind of central payment; virtual credit cards are a more modern solution.

⁹[International SOS](#), Ipsos MORI Business Resilience Trends Watch 2019

¹⁰[Future Travel Experience](#), January 2019

Fraud

While it's easy to be distracted by high-profile data breaches, it's important to watch for the low-level fraud that occurs on a daily basis. Financial losses and traveler stress add up because of smaller-scale crimes like skimming credit cards, raiding loyalty accounts and hacking keyless entry systems. Sometimes travelers themselves are the fraudsters. Old-fashioned expense reports using receipts and spreadsheets greatly increases the chance of employee fraud.

Automated expense submissions cut fraud in half

Employees who submit expenses using receipts and spreadsheets are twice as likely to commit fraud than those using automated expense management solutions.



Male employees are twice as likely to commit expense fraud

Source: Chrome River

How travelers can outsmart fraudsters

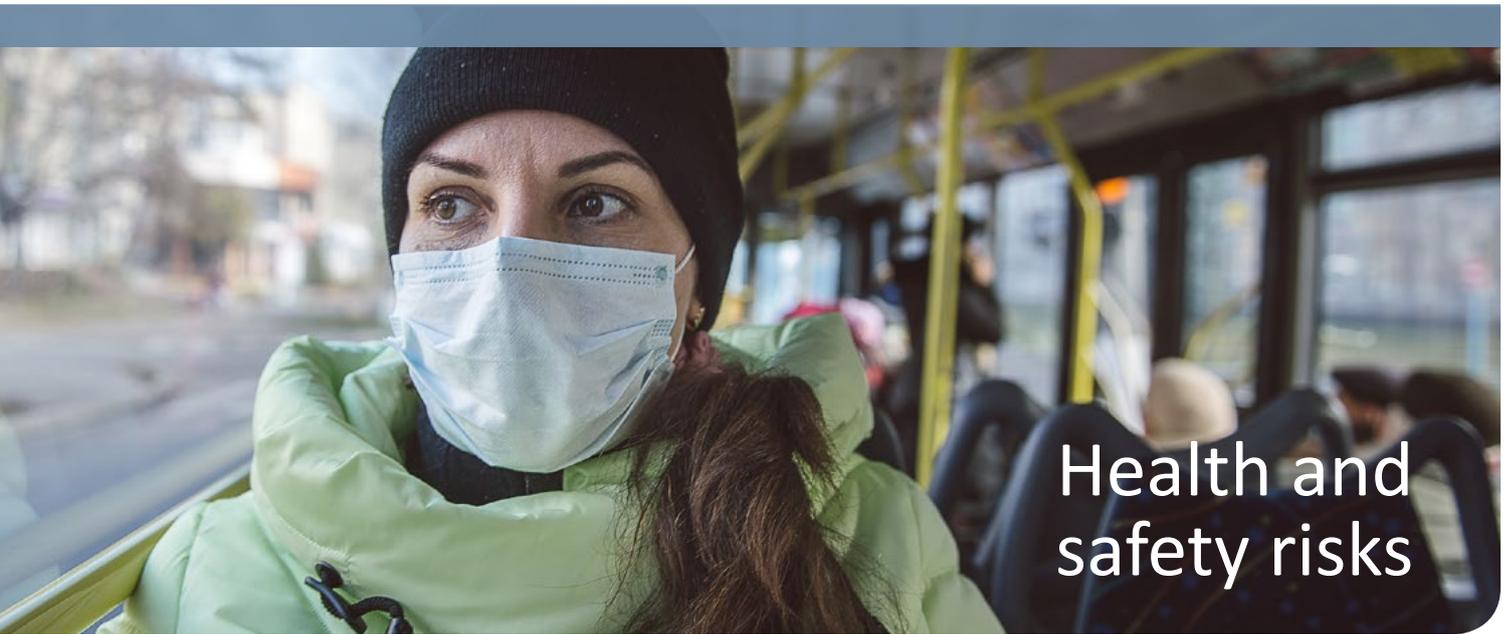


- Beware of “shoulder surfers” glancing over your shoulder to steal personal information when you’re making a transaction.
- Never log into corporate accounts over public Wi-Fi, including on airplanes.
- Go paperless. Keep everything safe on a password-protected mobile device.
- Limit the damage of theft by leaving extra credit cards and spare cash at home.
- Don’t share travel plans on social media.
- Watch out for phishing emails that appear to come from legitimate companies like airlines, hotels and banks. Delete suspicious emails immediately.
- Access websites using a browser and not a link embedded in emails.
- Change passwords frequently, selecting alphanumeric combinations.

Manage cyberthreats and fraud



- [Virtual Payment Automation](#) by BCD Travel takes the traveler—and the fraudster—out of the travel payment process. Electronically generated unique virtual card numbers can be restricted to particular suppliers, defined time periods and set amounts. Virtual credit cards are fenced in and can be linked to automated travel and expense reporting. That improves oversight, streamlines processes and avoids the risk of exposing employees’ personal credit card information to scammers.



Health and safety risks

Major disease outbreaks cause business travel slowdowns well past the threat of illness. Natural disasters that damage infrastructure also have long-lasting effects. But commonplace problems like air pollution in major cities actually have an impact on more business travelers than these headline-grabbing events.

Disease

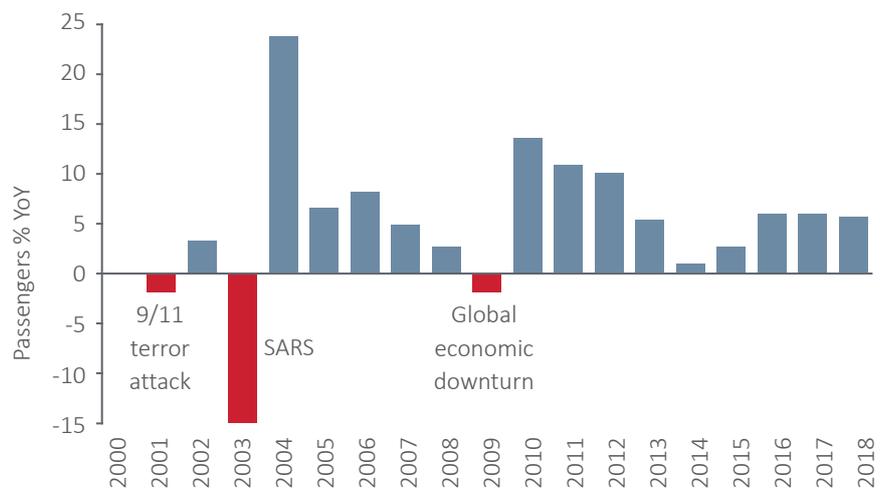
The Ebola outbreak in the Democratic Republic of Congo in 2018 was a reminder of the health hazards corporate travelers face.¹¹ Pandemics and localized outbreaks are rare. But when they do

occur, they threaten travelers' well-being, and they also can disrupt business trips as authorities suspend transportation to curb disease transmission.

A disease's grip on travel

The outbreak of severe acute respiratory system (SARS) in Singapore in 2003 was more disruptive to air travel than the 9/11 terror attacks or the global economic downturn in 2009.

The effects of the health scare were amplified by Singapore's role as a regional transport hub.



Source: Changi Airport Group

¹¹BBC, May 14, 2018

Business travel's bad air

Many popular business travel destinations are air pollution hotspots. Pollution levels are highest across Asia and in the Middle East.¹²

- Mostly clean air
- Pollution may trigger health problems
- Air pollution is among the world's worst



Pollution

One of the biggest health risks facing travelers on a daily basis is something they can't see or feel—air pollution. According to the World Health Organization, nine out of 10 people breathe air containing high levels of pollutants, and around 7 million people die every year from the effects of air pollution. More than 90% of air pollution-related deaths occur in low- and middle-income countries, mainly in Asia and Africa. Travel managers need to do all they can to prepare and protect travelers visiting these destinations.

Natural disasters

Tsunamis, volcanic activity, hurricanes, wildfires and earthquakes are affecting more corporate travelers than ever because they're increasingly visiting destinations where such events happen. Natural disasters are difficult to predict, but travel managers can work with travel management companies to make sure their business and their travelers are ready.

Getting firefighters to wildfires



No fire season is normal for the U.S. Forest Service's emergency response crew. But even by their standards, 2017 and 2018 were unprecedented. Relentless wildfires across the American West led to a 131% increase in travel for the scouts, smoke jumpers and firefighters dispatched to get blazes under control. As travel demand rose, BCD Travel agents reduced the time needed for each booking. Their quick, competent work helped the Forest Service save lives, natural areas, homes and businesses. [Read the success story.](#)

Responding during a hurricane



Having the right partner and the right plan gets you through a crisis. That travel industry truism was put to the test when a Texas-based electric and natural gas provider responded to a hurricane and subsequent floods. A well-practiced emergency response plan and travel assistance from tenacious BCD Travel agents enabled the utility's crew to complete 1.3 million power restorations in just a few days. [Read the success story.](#)

Manage traveler communications



- [TripSource notifications](#) give travelers the information they need to react quickly to disruptions—whether they're coming from airlines or Mother Nature.
- To discover how travel managers are using the latest technologies to listen to, influence and respond to travelers, check out BCD Travel's [Inform](#) report on traveler communications.

¹²World Health Organization



Summary

Get ready for risks ahead

Business travel risks are on the rise, and so are travelers' expectations for how companies should help them stay safe and deal with disruptions. Strong partnerships between businesses and their travel management companies pave the way for mitigating risks, complying with duty of care and increasing traveler satisfaction.

Ask how BCD Travel can help your corporate travel program prepare for the risks ahead.

The traveler happiness gap

Business travelers say companies fall short on meeting their on-trip needs.



Source: Business Travel News

Get to know the BCD Travel Research & Innovation team



Miriam Moscovici
Senior Director
Innovation and Research



Mike Eggleton
Senior Manager
Analytics and Research



Laurent Schouteten
Senior Manager
Corporate Innovation



Natalia Tretyakevich
Senior Manager
Research and Innovation

About BCD Travel

BCD Travel helps companies make the most of what they spend on travel. For travelers, this means keeping them safe and productive, and equipping them to make good choices on the road. For travel and procurement managers, it means advising them on how to grow the value of their travel program. In short, we help our clients travel smart and achieve more. We make this happen in 109 countries with almost 13,500 creative, committed and experienced people. And it's how we maintain the industry's most consistent client retention rate (95% over the past 10 years), with 2017 sales of US\$25.7 billion. For more information, visit www.bcdtravel.com.