



CASTO TRAVEL
PHILIPPINES, INC.
AN MVC SOLUTIONS COMPANY



CBTG

September 2024

Details and Observations

Survey Date:	July 24
Sample size:	26 (Anonymous)
Target audience:	TMC C-Level Executives
Geography:	US and Canada
TTV:	~\$3.5 Billion

Projections:

- Corporate travel sales are projected to be flat compared to 2019
- Expectations of Corporate travel to increase in 2025 (60% expect above 2024). Planning and building to that end.
- Cost savings and NDC listed as top trends for next 3-5 years, with AI as #3
- 60% expect a challenging but positive business environment, while 30% expect it to be sunshine and unicorns.



Key Findings

Air and Hotel:

- Corporate contracts have decreased significantly in value (52%) for corporate buyers compared to PreCovid
- Trip Duration and Hotel Attachment rates are about the same, while hotel rates are nominally more expensive
- Demand for business hotels expected to remain the same due to remote work though this is not decisive (52% in favor, 36% opposed)

Corporate Buyer Behavior

- Cost Optimization and Flexibility and Ease of booking are the top decision drivers for clients for airlines; sustainability is dead last. In fact, $\frac{3}{4}$ say it is not a decision factor when choosing an airline program
- Expectation that remote and hybrid work will result in shorter, more focused trips. Zero expectation that it will reduce the number of trips.

TMC positioning:

- Biggest concern for viability of TMC's is competition from OBT's and direct corporate programs, AI, and followed by access to labor.
- In terms of TMC's best means for differentiation, it is through leveraging technology for efficiency gains and providing data, followed by spend and performance management insights, and offering specialized services. Duty of Care was dead last.
- 40% report having difficulty finding staffing and 30% state they supplement their staffing through use of offshore and near shore service centers.
- 84% believe the traditional distribution model (i.e. the GDS) will be significantly impacted by NDC in the next 3 years.
- In terms of technology, AI is predicted to have the biggest impact, significantly above NDC.

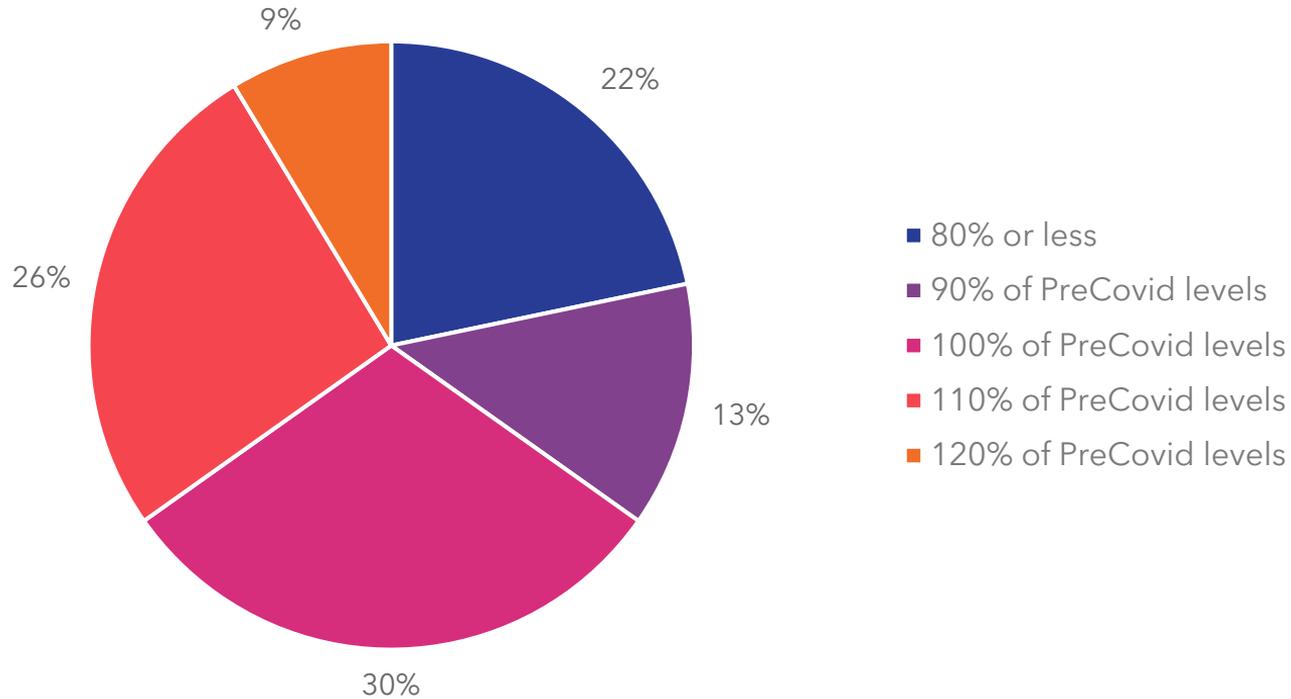
Disclaimers

- This is not a scientific survey. It's probably not even a statistically relevant survey. Also, I'm kinda bad at math.
- It was conducted while I was on summer vacation. The survey may have been influenced by rum...which could explain the math thing.
- I'm aware that there are typos. That's what you get when you buy something for free.
- I'm also aware the charts are in pastel. I'm Californian, what did you expect?

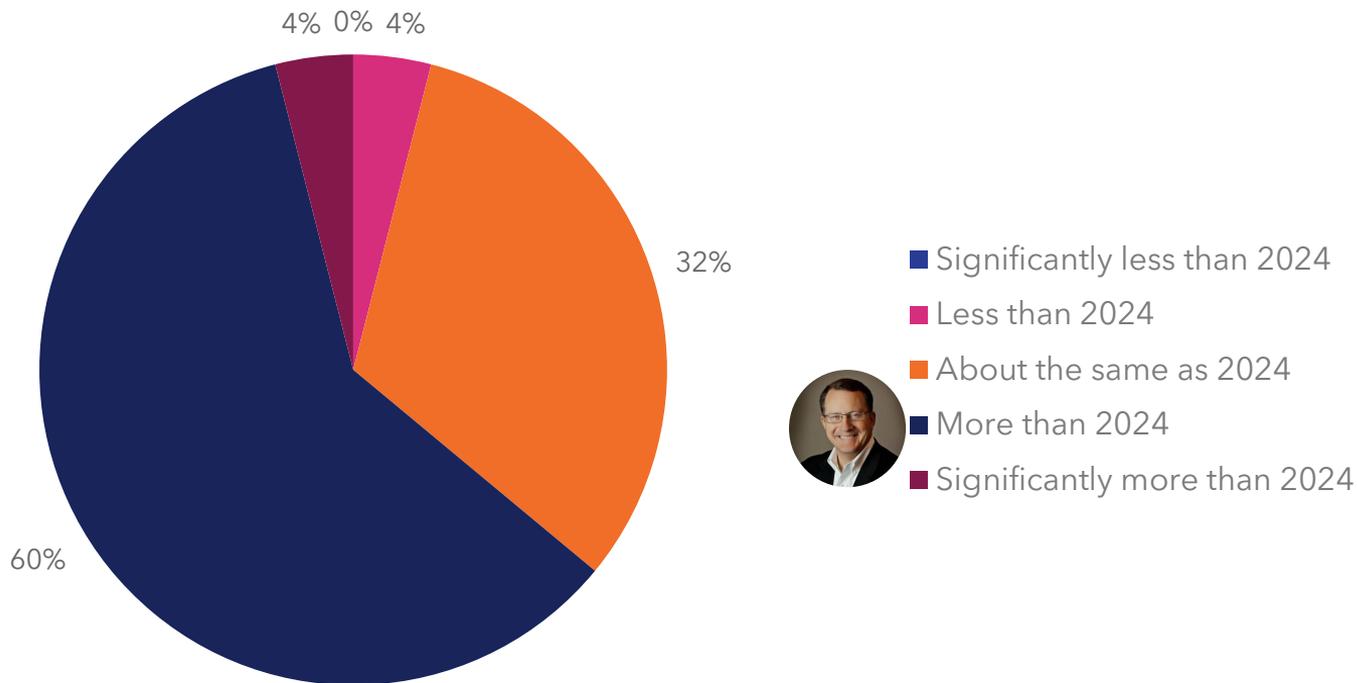


Used to denote a particularly relevant point, a wry observation about our industry, or just something humorous.

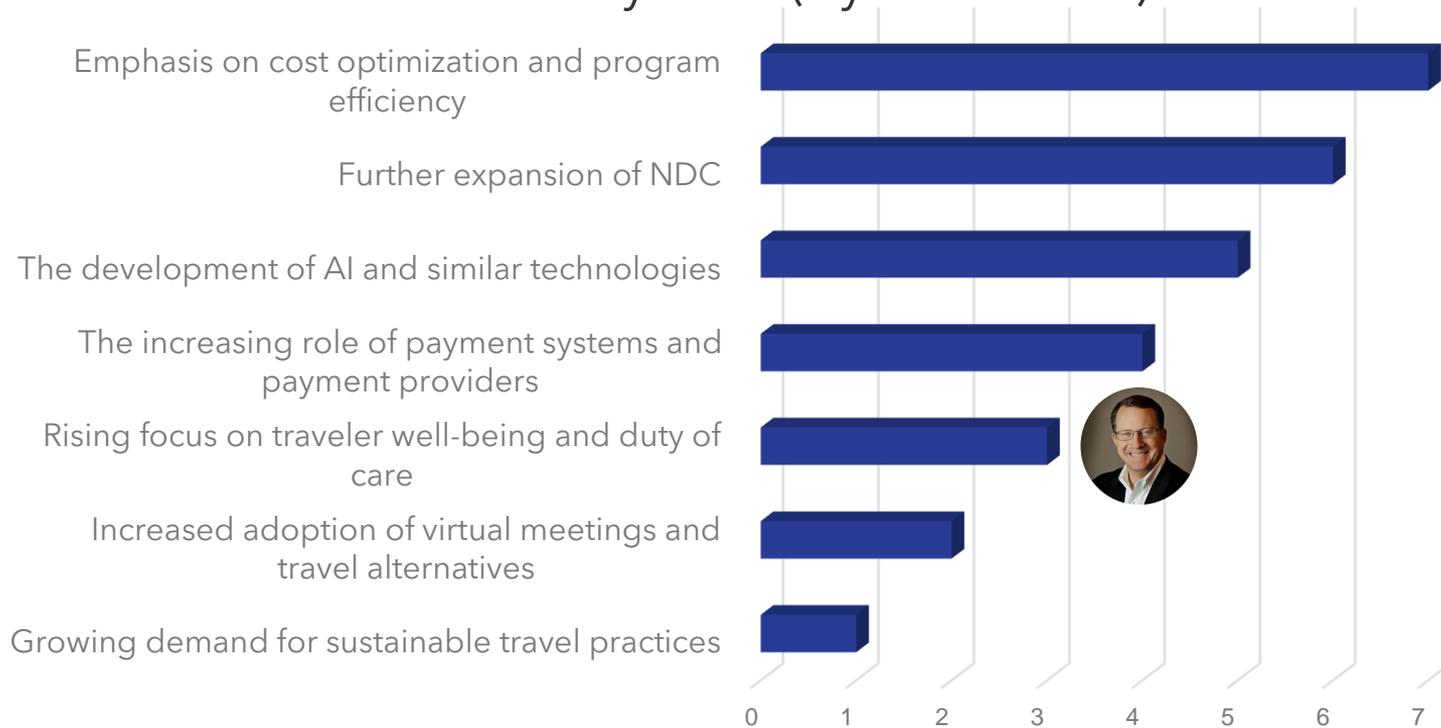
How does your current corporate travel sales compare to PreCovid levels?



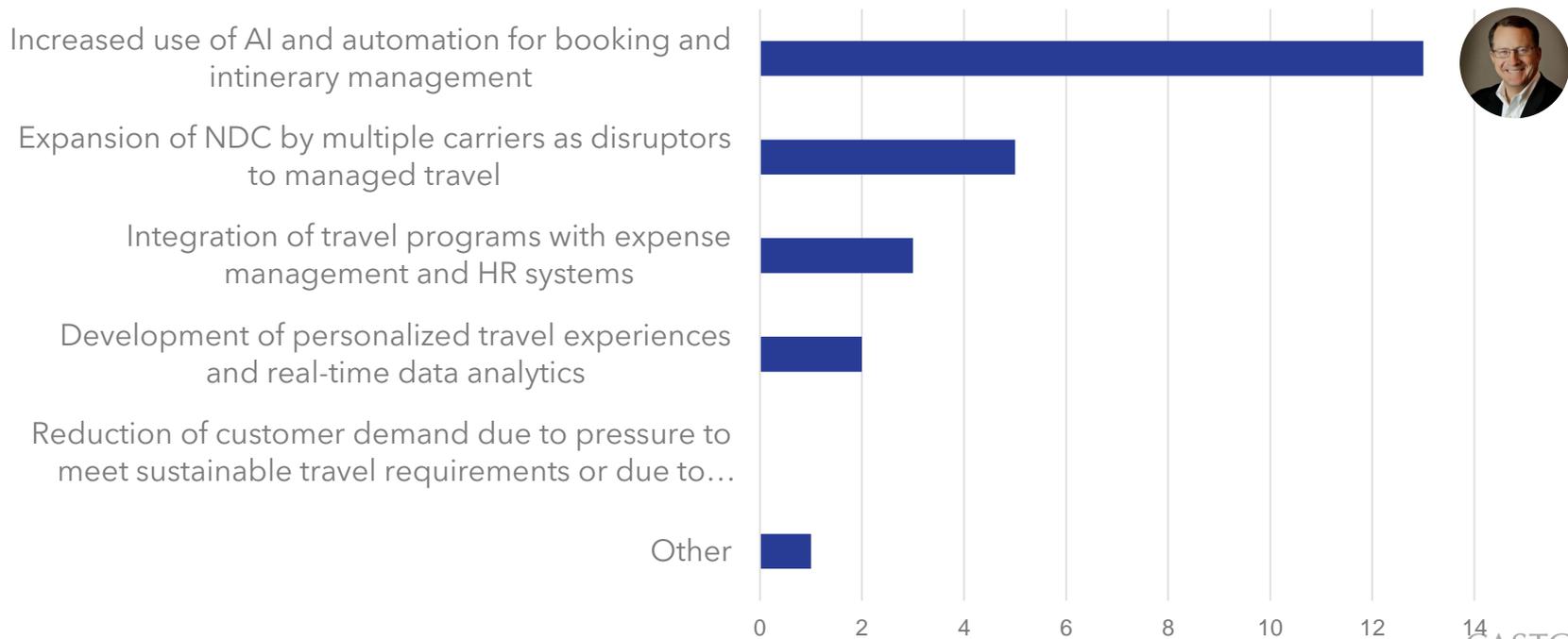
For calendar year 2025 you are forecasting corporate travel sales to be:



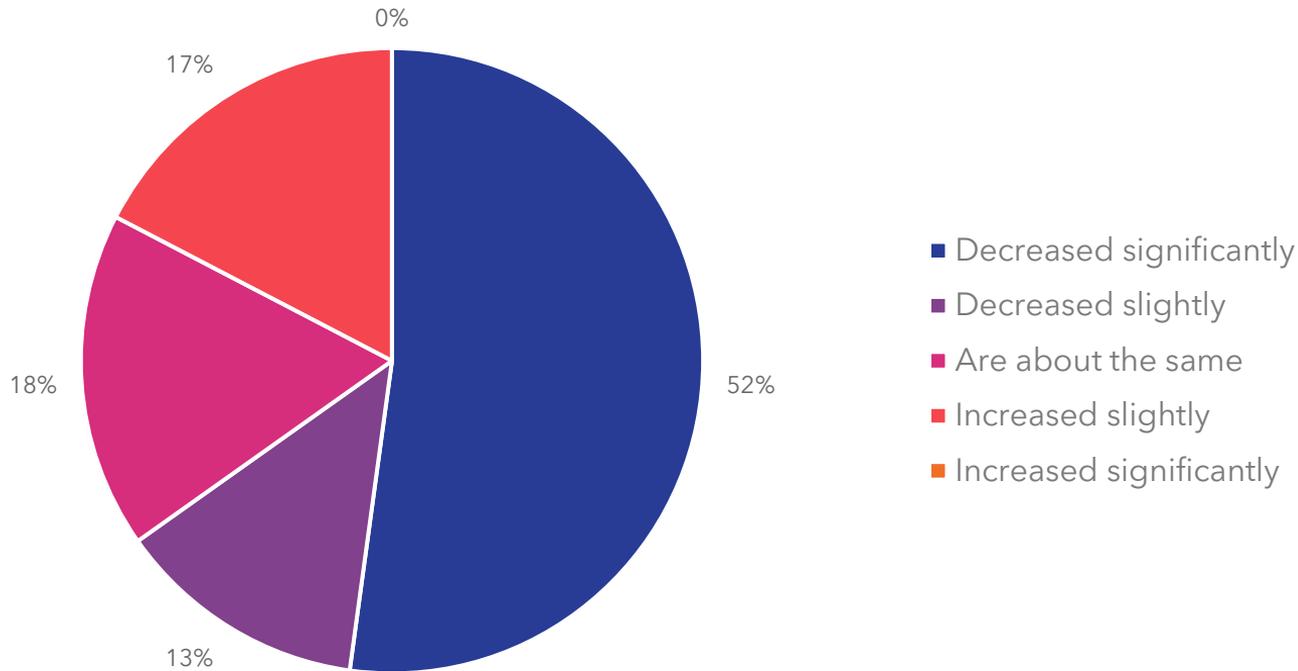
What will be the most significant trend impacting corporate travel for the next 3-4 years? (By rank order)



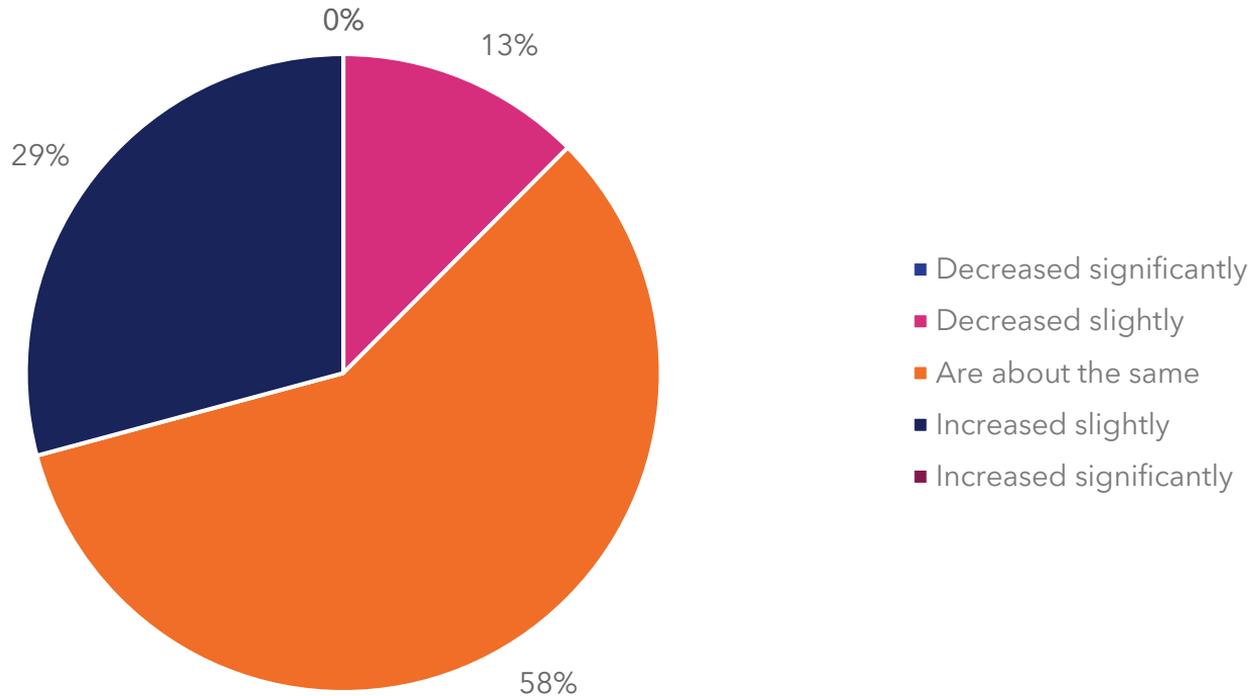
How do you expect technology to shape the future of managed travel?



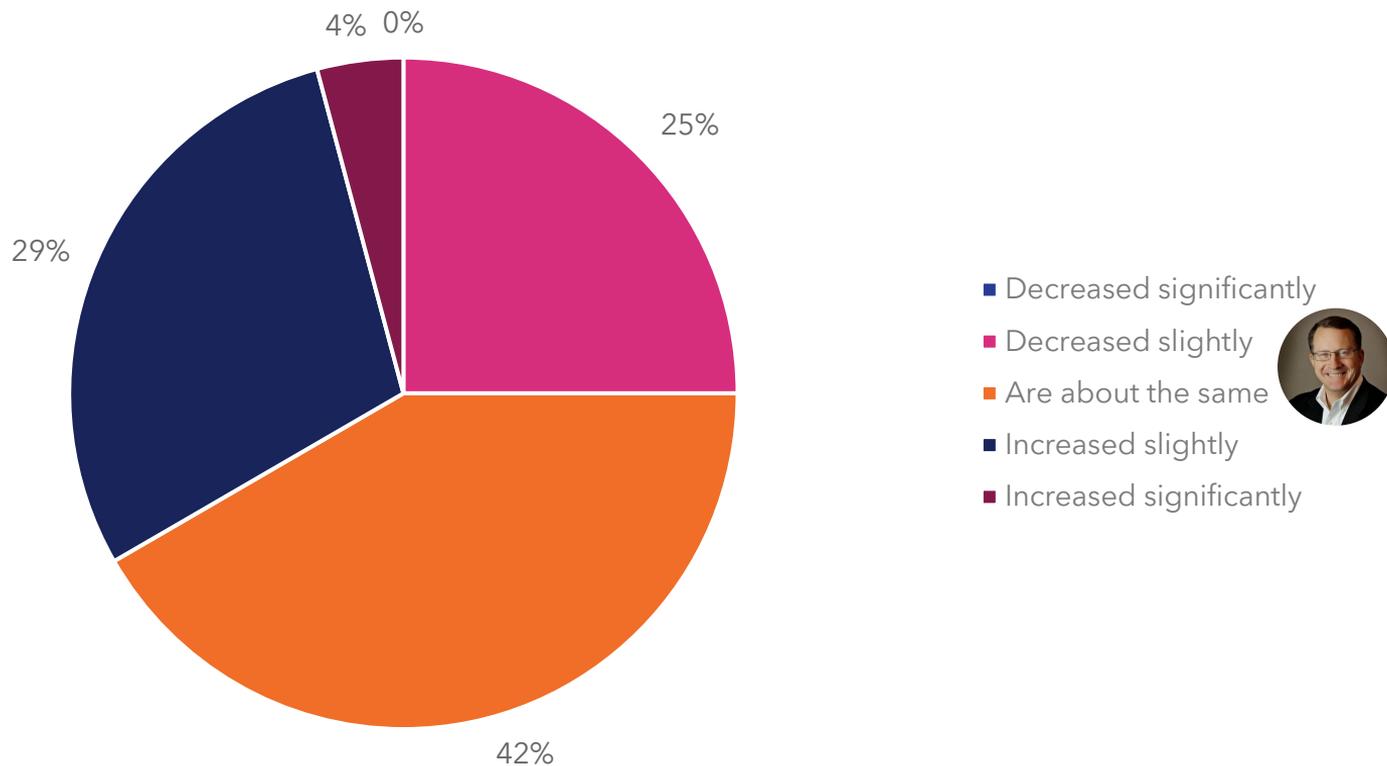
From the perspective of the corporate buyer and compared to PreCovid, the value of corporate contracts with air carriers has...



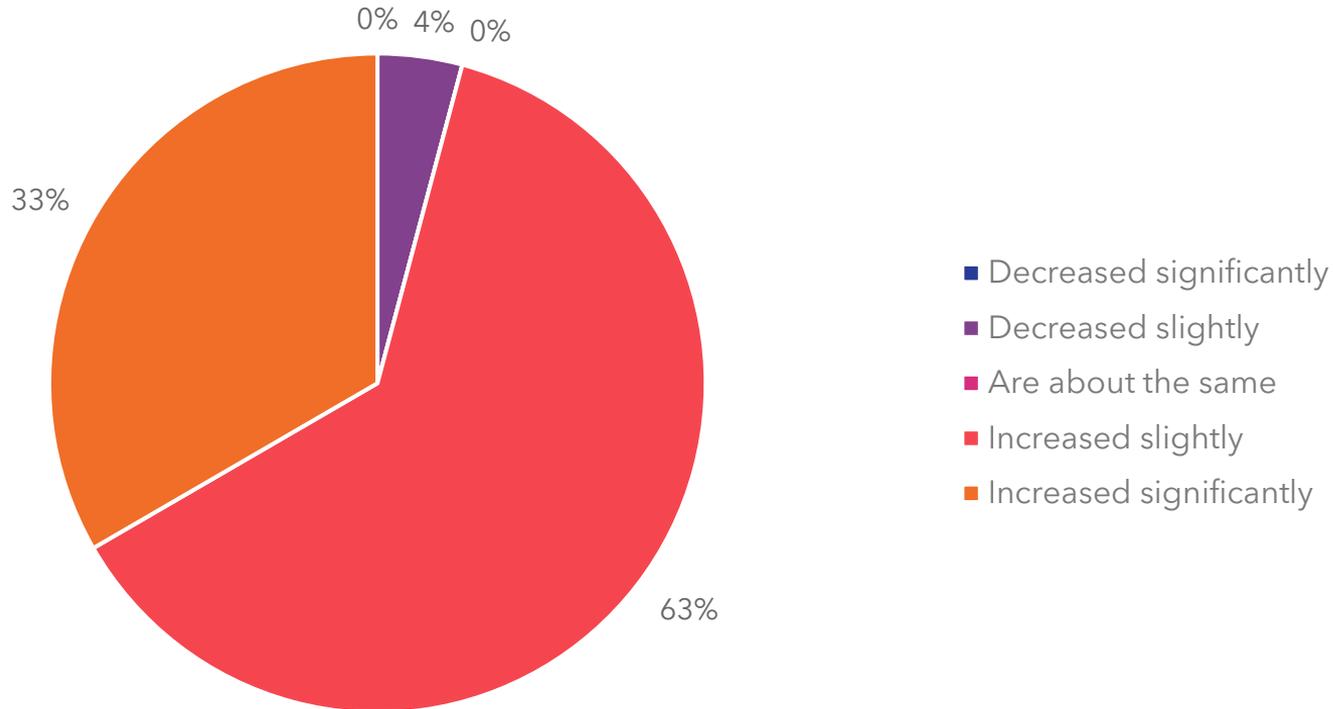
Compared to PreCovid, the average trip duration:



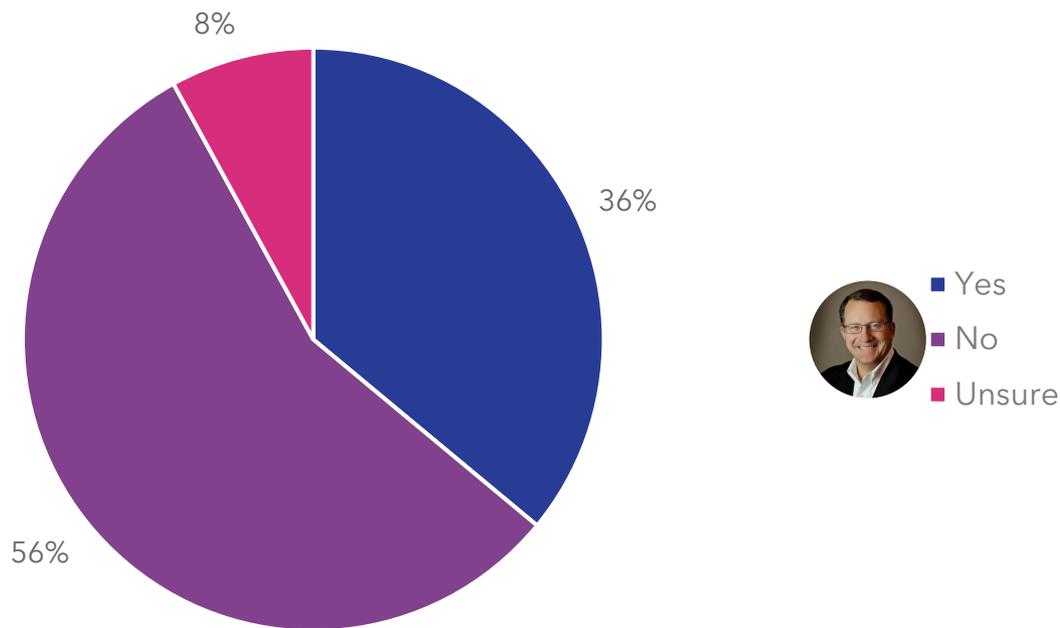
Compared to PreCovid, the hotel attachment rate:



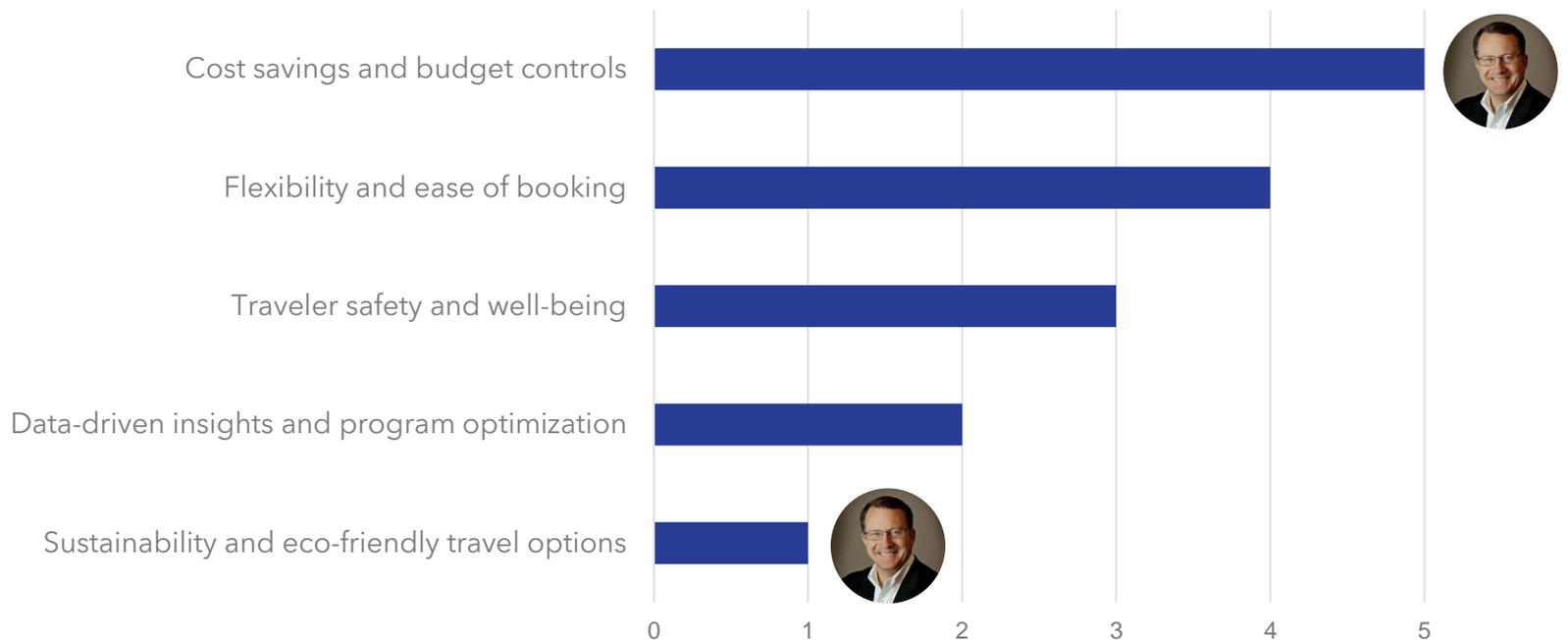
Compared to PreCovid, the average hotel cost per night for corporate travel has:



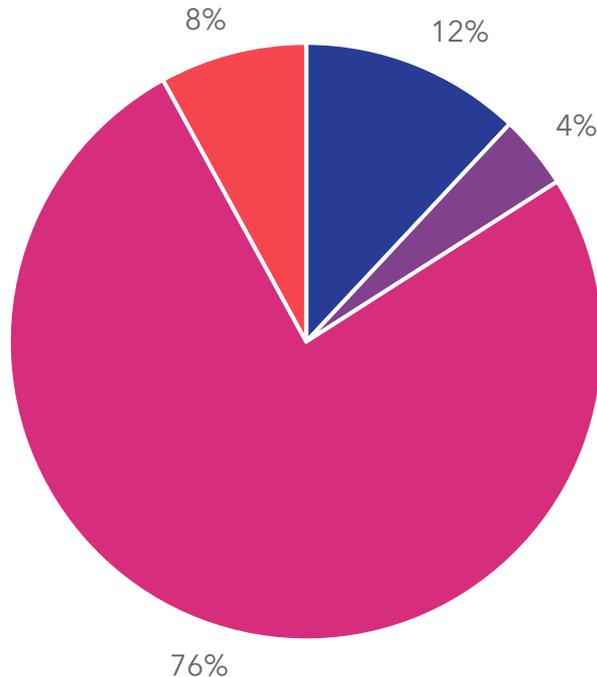
With the rise of remote work, do you foresee a decline in the demand for traditional business hotels?



What are your clients' top priorities when it comes to their corporate travel programs? (rank order)



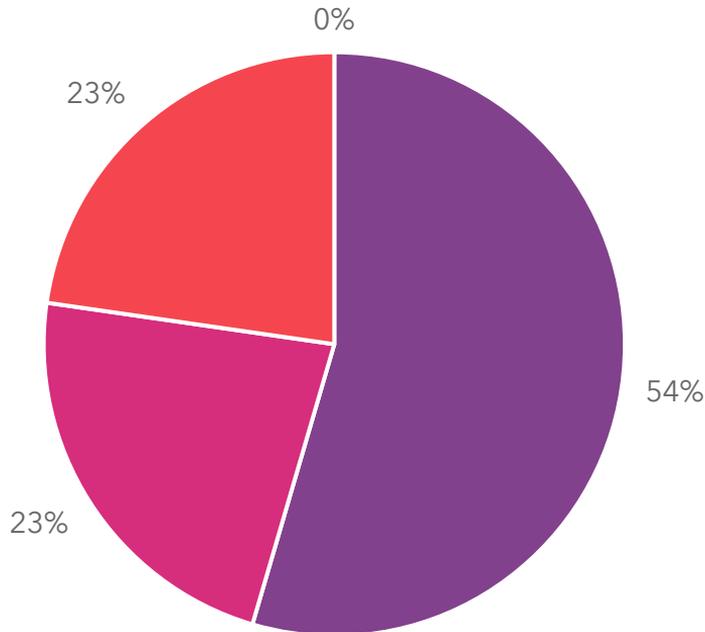
How will the increasing focus on sustainability impact the choice of preferred airline for corporate travel programs?



- Growing demand for carbon offset programs and eco-friendly products
- Focus on airlines with fuel-efficient aircraft and shorter flight routes
- Limited impact as cost remains the primary driver for airline selection
- Other



How will the growing trend of remote hybrid work models impact the demand for corporate travel?



- Significant decrease in business travel volumes
- Shift towards shorter, more focused business trips
- Increased focus on collaboration tools and virtual meeting solutions
- No impact or positive impact on demand for corporate travel



What are your biggest concerns regarding the future of TMC's? (Select up to 2)

Competition from online booking tools and direct corporate travel...

Technology disruptors, including AI

Attracting and retaining skilled talent in a competitive market

Rising travel costs and economic fluctuations

I do not have concerns or I am generally optimistic about the future

Impact upon business operations due to NDC

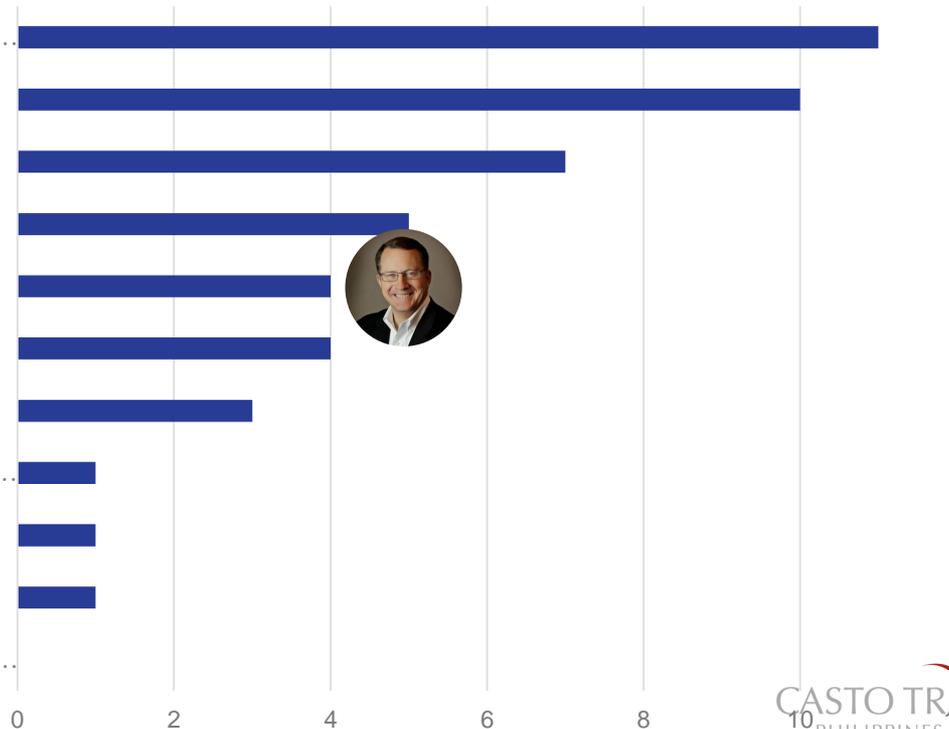
Adapting to changing client needs and traveler behavior

Continued increase in the use of virtual technology impacting the need...

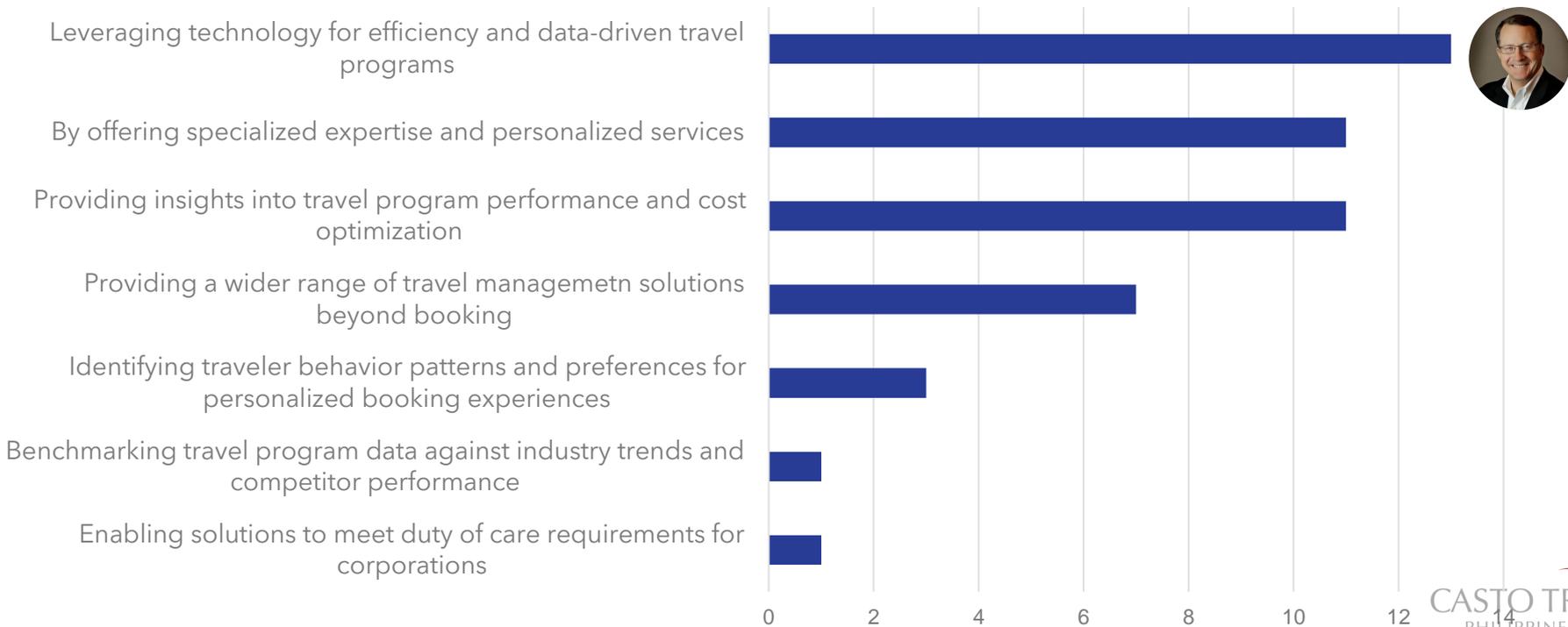
Hybrid work environment changing traveler behavior and demand

Regulatory changes and industry disruptions

Climate change and the means to mitigate it impacting travel options...



How do you see TMC's adding value and differentiating themselves in the future?



With respect to my TMC's need for staffing...



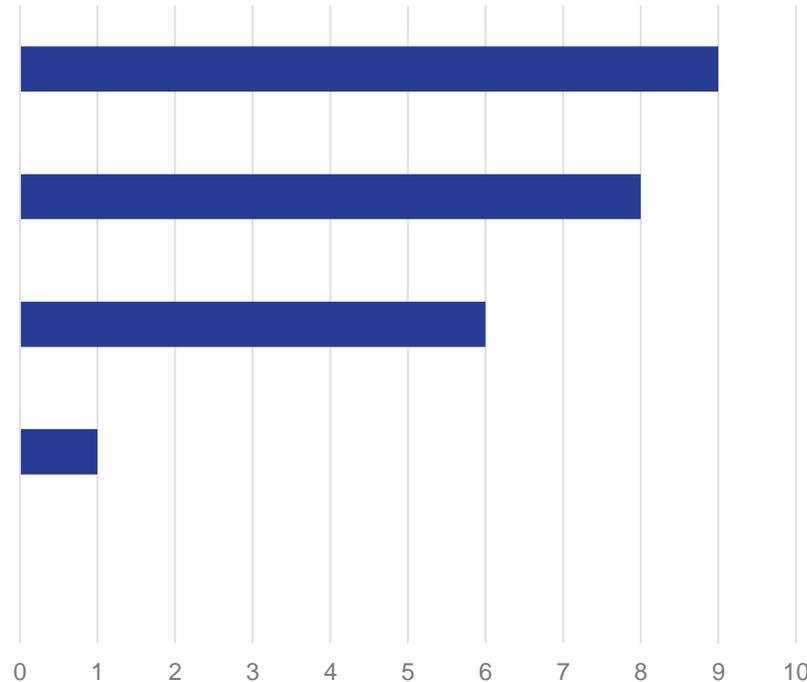
We are having difficulty finding staff for agency operations and client facing roles

We supplement our staffing through the use of near-shore or off-shore service providers

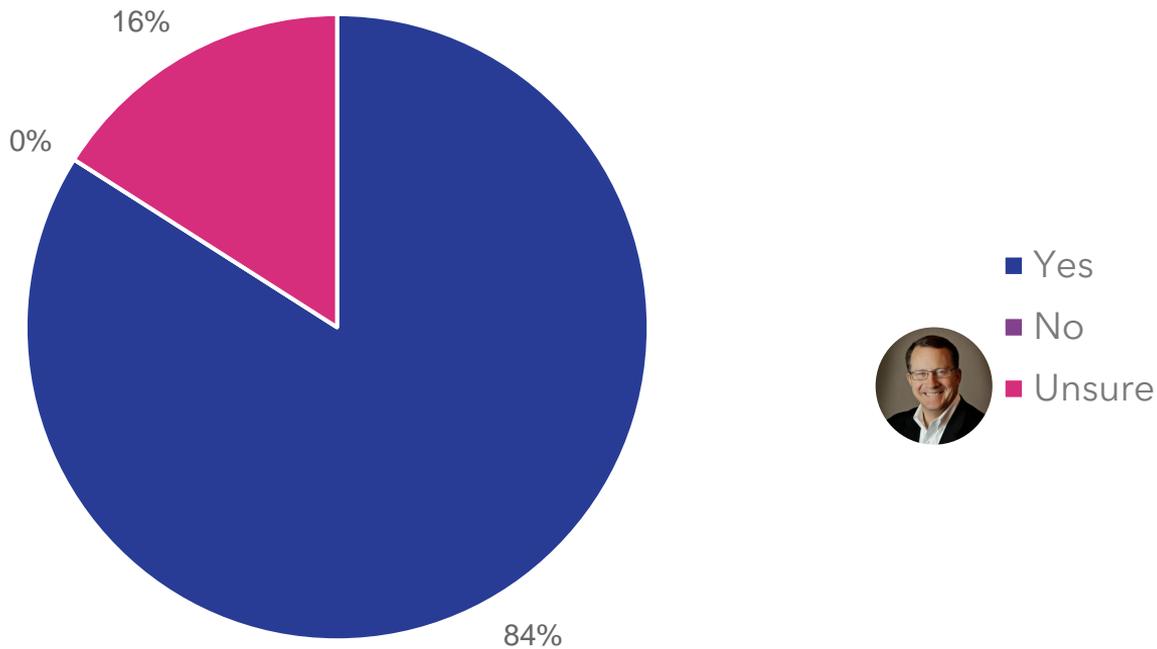
We are not having difficulty finding staff or hiring for most functions

We are having difficulty finding staff for internal (i.e. non client facing) operations, including HR, Accounting, IT, etc.

We supplement our staffing through the use of contractors



Do you believe the traditional airline distribution model (GDS) will be significantly disrupted by NDC in the next few years?



What emerging technologies do you believe will have the biggest impact on the future of business travel management?



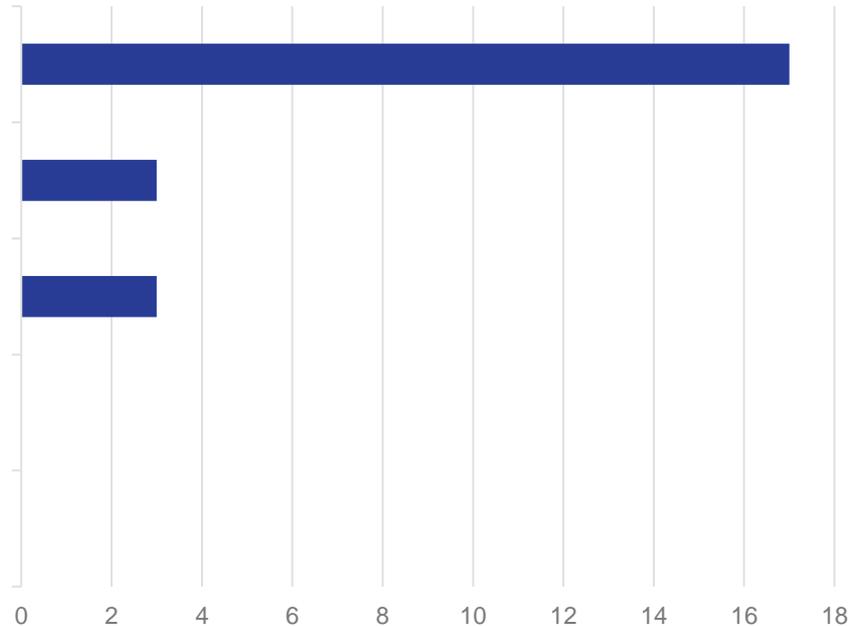
Artificial intelligence for personalized travel recommendations and itinerary optimization

Biometric authentication for seamless airport and hotel check-in experiences

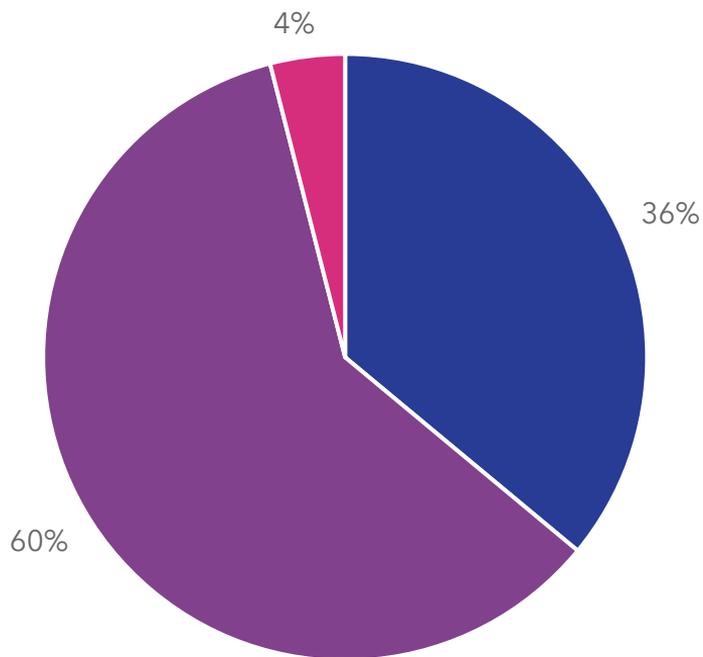
Blockchain technology for secure data management, traveler identity verification, and/or payment solutions

Use of the metaverse to virtualize internal and external meetings

Virtual and augmented reality for enhanced travel planning and destination exploration



What is your overall assessment for the future of corporate travel and the role of the TMC?



- The future is bright and I expect business expansion
- The future is uncertain but I am optimistic
- There are dark clouds on the horizon





THANK YOU!
