



BEST PRACTICES FOR MANAGING THE “BLEISURE” BOOM AND OTHER BUSINESS TRAVEL TRENDS

By Rodrigo Sanchez, Head of Commercial Cards | SEPTEMBER 2024

 Citizens®

Key takeaways

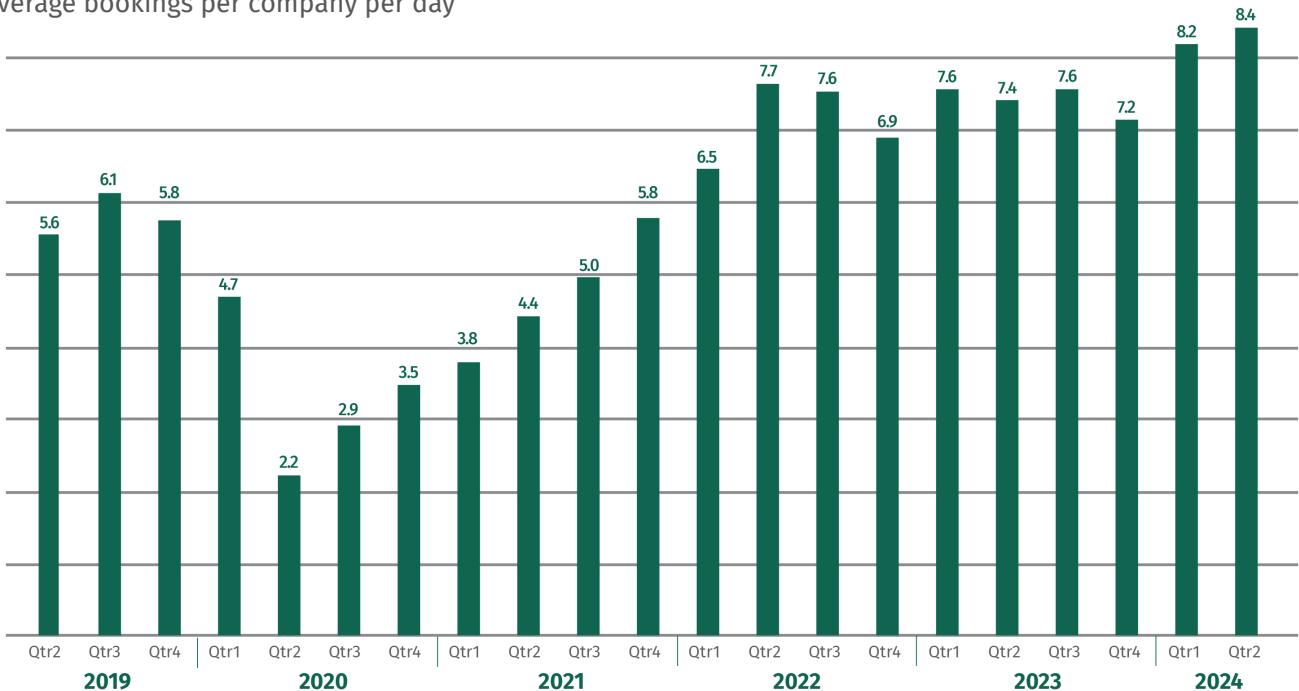
- Business travel trends are shifting at midsize companies, with higher travel volumes, higher prices and changing preferences.
- Many companies still rely on legacy business travel processes, which have legacy problems.
- Best practices today include dynamic policies, end-to-end travel management technology, corporate card programs, and negotiated pricing with preferred corporate travel providers.
- Citizens clients now have access to Navan, a holistic travel management resource.

Business travel continues to evolve, adding to the complexities facing midsize businesses that aim to manage travel strategically and efficiently. New data from Navan, a partner of Citizens that offers holistic travel and expense technology, shows how business travel trends are changing.

From higher prices to “bleisure,” the practice of combining leisure travel with business trips, the current environment reflects the broader shifts happening both in corporate and personal preferences—including a higher volume of travel in general. Navan’s data shows midsize companies are completing more than eight travel bookings a day on average, compared to about six per day pre-pandemic.

Daily travel bookings have climbed at midsize U.S. companies

Average bookings per company per day



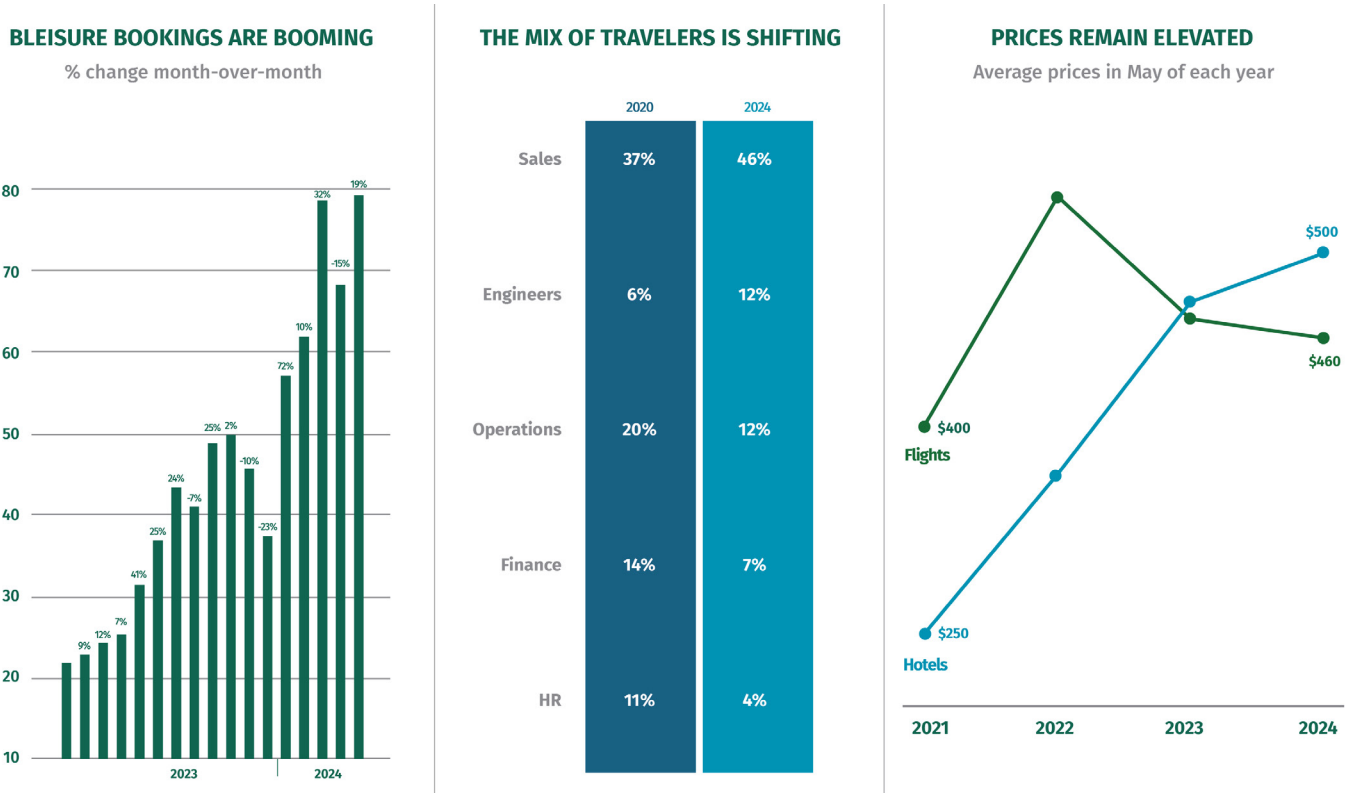
New trends driving business travel

The higher volume of business travel is not the only trend playing out at midsize companies.

Bleisure, for example, has become increasingly popular. A boom in leisure travel has spread to business booking, as more employees tack some element of personal travel onto their business commitments. According to Navan’s data, bleisure bookings are materially higher even in 2024 than they were in 2023.

Higher prices, more bleisure & shifting roles

Travel trends among midsize companies



Source: Navan. Data reflects bookings by midsize companies from January 2020 to May 2024.

Group business trips are also on the rise. As companies and employees seek out a harmonious balance of in-person, hybrid, and remote work, there is more demand for groups of employees to travel together to a destination—whether that’s traveling back to company headquarters for in-person events or traveling to offsite locations as a group. The changing patterns of hybrid and remote work may also be contributing to a shifting mix of business travelers. Salespeople represent the highest percentage of business travelers both pre- and post-pandemic, but among other roles, some are traveling less while some travel more. For instance, HR, operations, and finance professionals are a lower share of business travelers today, while engineers and marketing professionals seem to be traveling more.

Of course, higher costs are another key dynamic for travel today. Flight and accommodation costs have come down from mid-2022 peaks but have settled at a persistently higher level than pre-pandemic. With stable demand from both business and leisure travelers, and higher labor costs for providers, it appears likely that higher cost levels will persist.

Best practices that address new travel trends and legacy problems

Though these travel trends are new, many companies and employees are still stuck with longtime problems arising from a legacy approach to travel.

Old problems linger amid legacy approach to corporate travel management

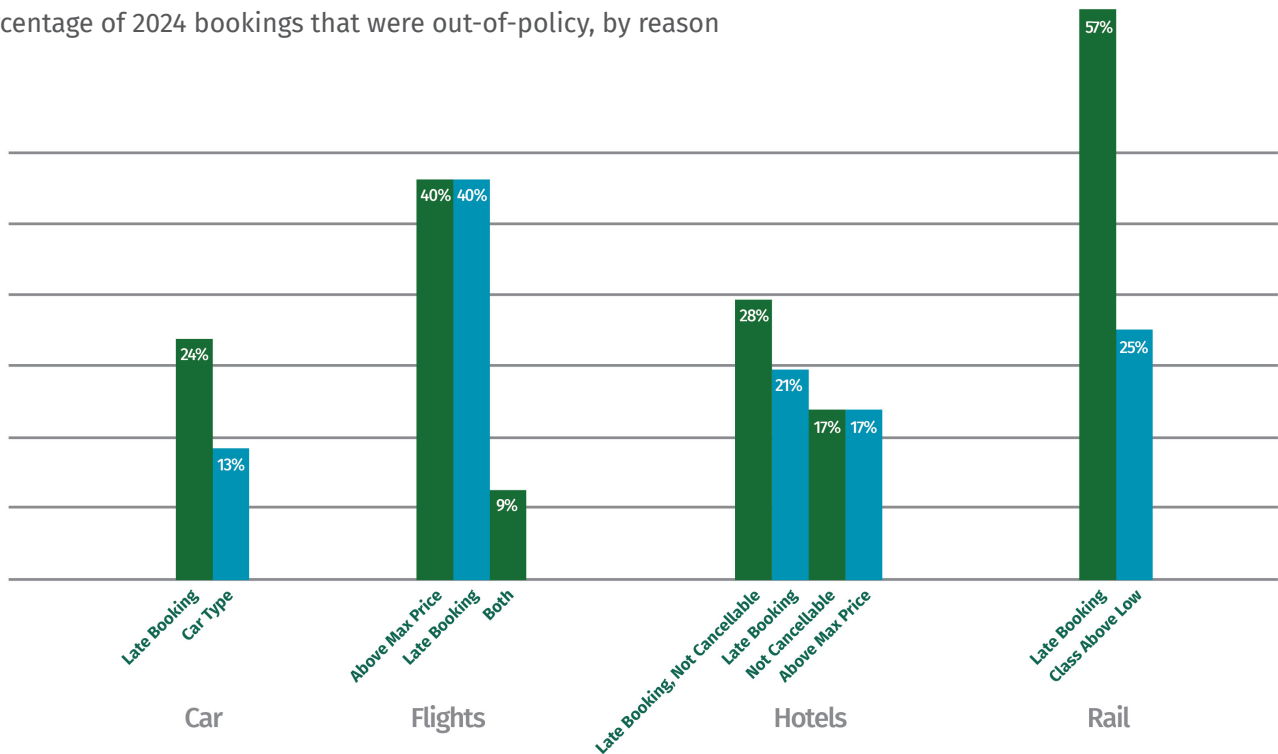
Old norms include booking travel on a platform that may or may not incorporate travel policies, paying on an employee’s personal credit card and submitting expense reports later, and a cumbersome process of reconciling and reimbursing expenses. Each of these steps is often handled by a separate work stream and over an extended time period.

Midsize companies face higher travel volumes, higher prices, and the longstanding issues of legacy processes which may not enable the adoption of best practices.

For companies, this kind of legacy approach creates a number of inefficiencies. If companies only track expenses when reports are submitted by employees, there is an inherent lag between the travel transactions and the time when managers see expense data. Further, they may still have to do considerable administrative work to gather contextual information about the time, place, and nature of each expense. Policies for price, timing, and other attributes may be hard to implement and assess.

Data lags and inefficiencies leave companies without insight on business travel

Percentage of 2024 bookings that were out-of-policy, by reason



Source: FactSet Earnings Insight 5/31/24

For employees, this kind of legacy approach presents the financial burden of carrying travel costs on their personal finances until reimbursement comes through. They also contend with the administrative burden of tracking and submitting expense reports.

As new technology enables an upgraded approach to travel management, companies that adopt current best practices will see that these strategies fit together in a holistic, updated process. We see midsize company leaders using the following best practices for their corporate travel programs:

1 – Replace static with dynamic business travel policies. The old approach usually places static policies on business travel, like static price ceilings for flights or hotels. Dynamic policies, in contrast, use current market conditions to set policy guidelines in each transaction. Travel costs can be quite seasonable and varied. A dynamic policy takes prevailing conditions into account, allowing for higher price limits in busy times and lower price limits in slow times.

With these interactive guardrails in place, employees may actually have more and better choices when it comes to booking travel. Employees may find that they have more options that meet their personal preferences, such as flying at certain times of day or choosing a hotel in their preferred environment.

Companies, in turn, may get much more useful data about the true incidence of out-of-policy transactions, allowing managers to respond and strategize more effectively. They may also be able to optimize their business travel costs as dynamic policy limits change with the pricing environment.

2 – Use end-to-end tech to connect policy with the travel booking process. Dynamic policies are only possible when you have the right supporting technology. Companies can see a number of benefits from upgrading to a travel platform that uses their dynamic policies for each transaction.

Navan’s end-to-end travel management technology can also track and summarize expense data in real time, giving companies greater visibility into their travel expenses and trends.

Citizens and Navan have partnered to offer a holistic travel management platform to Citizens clients. By pairing the use of corporate cards with holistic travel-management technology, companies have more control, more insight, and appealing tools for employees.

Employees can benefit where such platforms allow them to add on personal travel to their business commitments and pay separately for just their personal travel—an attractive feature to all those who are participating in the bleisure boom.

3 – Use corporate cards to connect policy, capture travel data more usefully, and relieve employee burden.

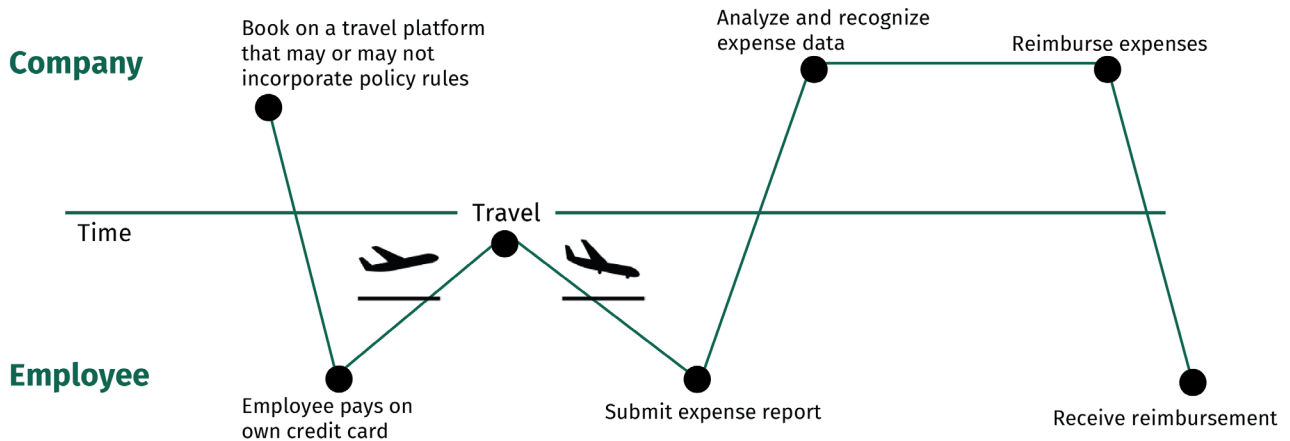
The third component in a best-practice approach is to use corporate cards for travel expenses rather than relying on employees to pay and then recoup the cost.

Corporate cards allow for another layer of policy control. Cards can be linked to specific transaction limits, location specifications, or other parameters to put corporate policy into effect with each booking. Cards also complete the holistic process to generate useful expense data in real time.

Employees often prefer corporate cards because they are relieved of the financial burden of carrying their travel expenses until their reimbursements come through. Corporate cards can also slash the full-time equivalent (FTE) burden related to expense reconciliation both for the employee and for the company.

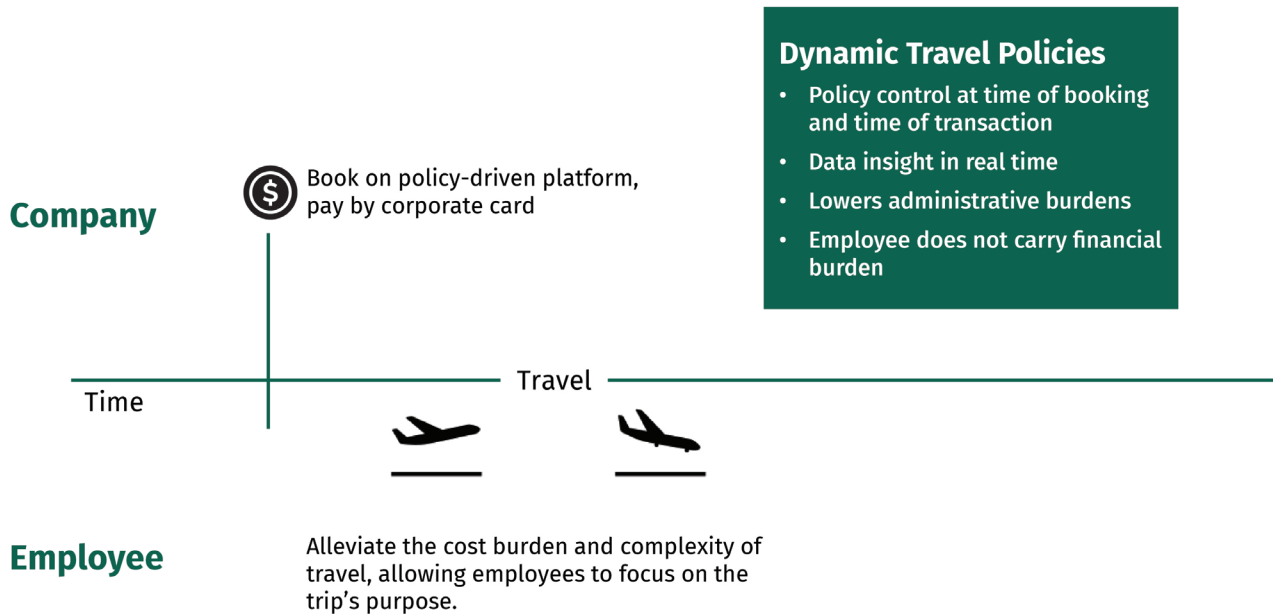
Comparing legacy business travel approaches with best practices

Legacy travel-expense workflow



Source: FactSet Earnings Insight 5/31/24

Incorporating best practices and technology



Source: FactSet Earnings Insight 5/31/24

4 – Negotiate discounted rates with preferred travel providers. Midsize companies may already be spending on travel at the scale that can give them negotiating power to get discounted rates with their preferred hotel or air travel companies. For those businesses that are not yet at that spending level, there are often “small business program” offerings at national travel providers that could generate discounts. In its partnership with Citizens, Navan also offers a suite of travel consulting services to Citizens clients, where companies can pursue discounted rates on specific reservations like blocks of rooms for specific events.

Using modern tools in corporate travel as you do in other business practices

Relying on legacy processes for business travel, midsize companies may be missing out on the insights and efficiencies that they capture through data in any other segment of their business—practices that may become even more inefficient in the face of current travel trends. A best-practice approach to travel management uses dynamic policies; end-to-end technology that connects policies, transactions, payment and expense reporting; and corporate card programs that further support policies while relieving employee burdens. Negotiated pricing can also help companies manage rising costs.

Navan is the ultimate companion to Citizens corporate card program, empowering your business with seamless travel and expense management capabilities.

Travel trends have continued to evolve at a quick pace in recent quarters. With the ongoing transitions happening in workplaces, there are likely more changes to come. A best-practice travel management approach can position companies to make the most strategic choices with their travel budgets.

About Navan, a Citizens partner

Navan is the all-in-one travel and expense solution that gives companies more insight and control over corporate travel spend. Navan’s platform incorporates dynamic policies and employee preferences—all while incentivizing and rewarding employees for saving company money. When paired with a corporate card program, Navan offers a complete end-to-end travel and expense solution, from booking to reconciliation.



Rodrigo Sanchez – As Head of Commercial Cards, Rodrigo is focused on the expansion of our card issuing business, with responsibility for business strategy, product management, sales and account management. Rodrigo has 15 years of experience in the payments, and cards industry, having served in leadership roles across product, strategy, and analytics both in the United States and abroad in South Africa and Uganda. Prior to joining Citizens in May 2021, Rodrigo worked at Silicon Valley Bank in various roles across Global Payments, FX, and Cards.

He holds a Bachelor’s Degree in Finance and International Business from Georgetown University and a strategic management certificate from Oxford University. Rodrigo lives in Connecticut with his wife and two children.

Best practices in action. Are you looking for ways to put best practices in place for your corporate travel program?
Contact us at CitizensBank.com/Navan

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