

Business Travel of the Future

Four scenarios and a new way forward



by Public Futures
for Wonderful Copenhagen

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Foreword

At the Copenhagen Convention Bureau, we have been working with scenarios since early 2019. Scenarios that are rooted in thorough research and the involvement of many local and global stakeholders. At the end of 2019 we published our long-term 2040 scenarios, the Copenhagen Scenario Model.

Thus, when the pandemic hit and overnight fundamentally disrupted our operating conditions, we were already having an ongoing scenario process. The pandemic periodically confronted us with outright bans on travelling and meeting, as well as ongoing tough restrictions on activities resulting in the widespread migration of not only business meetings but everyday office work to Teams.

As early as March 2020, we decided that we needed to supplement our long-term scenarios with short-term crisis scenarios, and throughout the pandemic these have been refined and tested with stakeholders.

The scenario work has helped guide our thoughts on directions and decisions as we have been preparing ourselves for a new long-term reality while operating in conditions of a deep crisis.

Scenarios are a great tool and the process of producing them is incredibly rewarding. They have sparked so many different conversations with partners and clients on the way providing us with deep insights into the many changes taking place and the way in which views and perspectives have developed.

During the last three years each of the scenarios have been our living reality at some point, at least partly.

We hereby share the latest iteration of the scenarios, including comments and recommendations by Public Futures. We hope they can be useful to not only ourselves but to others in a world and a line of business where long-term change has been imposed upon us in a very short period of time.

Thanks to Public Futures for an always inspiring cooperation.

Copenhagen Convention Bureau

Preface

Where are we headed after the pandemic? Since the spring of 2020 we have been working on that question with Wonderful Copenhagen and as futurists we have been scanning trends, knowledge, and insights, combining them, and bringing them together in a set of scenarios. A map of the future. Together with hundreds of industry people in the global business travel industry we have sketched a direction for the future of business travel.

Back in 2019, we conducted a scenario study called “The future of Congresses - The Copenhagen scenario model”. The pandemic scenarios were able to build on this work, even as their shorter-term focus and the unusual situation have led to an entirely new set of scenarios.

Scenarios do not by themselves point to a particular direction or produce answers to where we need to go. They create a space for possible futures which can inspire present conversations on strategy. But after two years of work and of experience with a historic pandemic, a new direction - a new way forward - actually does present itself, and this report describes it.

Many people and entities are already actively working on forming and realizing this new way forward – necessarily so.

Strategic conditions for the business travel industry have changed decisively during the last couple of years, megatrends are transforming the world, and the pandemic has affected expectations and demands in a lasting way. It is a game of transformation rather than adaptation. And it is a game of qualitative development at a pace which is unprecedented to this industry.

That is our conclusion after having presented scenarios, discussed the future and exchanged ideas with industry people at workshops, seminars and conferences – some online, others real life events as conditions permitted. We have worked with partners of Wonderful Copenhagen, engaged in a conversation with experts and industry people in the US and Europe, and we have presented scenarios in Stockholm, Oslo, Hamburg, and London on a tour with the business events team of Wonderful Copenhagen.

We extend a big thank you to all contributors along the way. A special thank you to Kit Lykketoft, Cathrine Seidel Tvede, Martin Strange Persson, Lene Corgan, Annika Rømer, Runa Sabroe and the entire team at the Wonderful Copenhagen CVB.

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Introduction: Changing conditions

We are witnessing a radical shift in conditions for business travel and the business travel industry. The lockdowns were a heavy blow to all forms of tourism, and business travel was possibly the hardest hit of all. Currently the war in Ukraine and its impact on energy and food prices represents a new crisis creating renewed uncertainty for the industry.

Coming out of the critical part of the pandemic, the travel market was marked by near boom conditions with bottlenecks and pressure on the entire ecosystem as the industry faced a huge challenge of upscaling capacity from zero. But the business travel industry shouldn't confuse this with a full resumption of the pre-pandemic growth path.

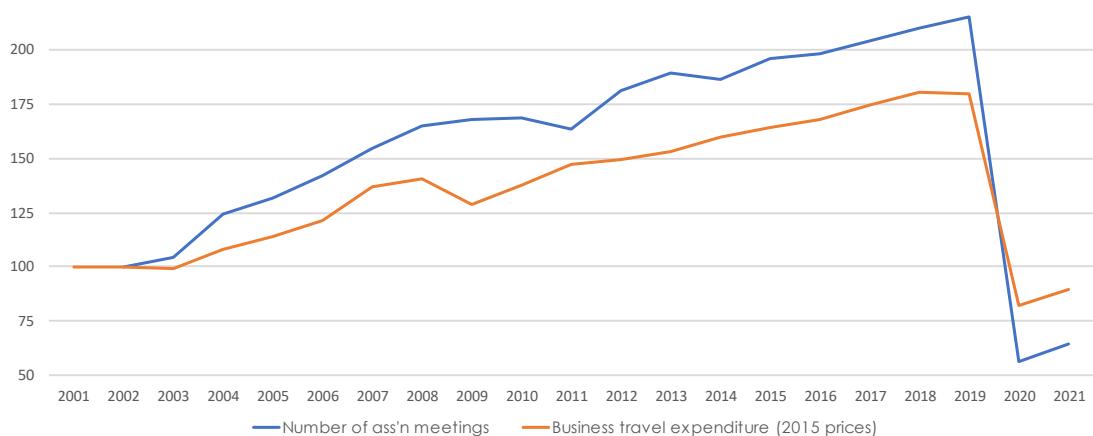
The fact is that before, during and after the critical part of the pandemic, a number of long-term megatrends keep exerting their influence moving the world towards a new and different state. Megatrends like climate change, the knowledge economy, technology, individualization, the continuing rise of Asia, and ageing of the population.

And even any full market recovery to the pre-pandemic level of activity, would still mean resurfacing at a different position from where we went down. Something happened, and it has a lasting impact.

What really compresses the challenge, increasing the demand for transformation, is the fact that the pandemic experience has profoundly changed practices creating new habits and expectations. This means that the entire landscape for business travel is transformed. And it is by no means certain that it will return to the path of growth to which the industry has been accustomed for decades.

Global business travel and association meetings

Index: 2002 = 100



Sources: Business travel expenditure Statista.com (<https://www.statista.com/statistics/1093295/business-travel-spending-worldwide/>), accessed June 6, 2022. Deflated by GDP deflator (World Bank data). Association meetings: ICCA, Statistic Report, Statistics Report 2002-2011. 2012 ff: Annual statistics reports. 2021: International Association Meetings Market, Abstract for international associations, press, universities, students and consultants ICCA 2022.

As the graph shows, the dramatic global collapse of 2020-21 followed a quite steady long-term growth. This was true for total business travel expenditure as well as for the number of association meetings, a very important part of the total market. For decades the industry saw respectable percentage growth practically every year, a pattern going back many decades.

Challenges of growth before the pandemic

Simultaneously a set of challenges developed leading up to the pandemic. Challenges associated with growth that weren't sufficiently addressed. Some have to do with sustainability.

- Carbon emissions expanded with the growing volume of activity (despite some efficiency gains) making the industry's share of global emissions trend upwards.
- Local environmental, capacity and infrastructure concerns came to the forefront in many important destinations. Overtourism became an urgent problem for a highly visible industry putting a critical focus on a broad set of dimensions from environmental impact to employee treatment.
- Technology increasingly provides online substitutes and/or alternatives to business travel and meetings, a challenge which was strongly boosted by the pandemic experience.

In short, coming out of the pandemic, there is a pent-up need for transforming the core concept of business meetings and the need is now urgent. The "Glasgow Declaration for Climate Action in Tourism" from November 2021 is one reflection of a newfound acute awareness in the broader travel industry at these challenges.

The congress and meetings concept itself has a history of more than 100 years, with the modern mass market for air travel-based international meetings arising from the 1960s onwards. Boeing launched the 747 (the "Jumbo jet") in 1969, and Business Class was introduced in 1979. These were some of the milestones and breakthroughs of the transporting side of the industry.

Development has been fast-paced with globalization, technology, knowledge economy and global growth propelling the industry. While the market in this way produced stable growth, the core product – meetings, conferences, congresses – is essentially unchanged for a century¹.

It has to be said that many actors in the industry are actively working on transforming and positioning themselves for the new way forward. This was underway even before the pandemic. But it is also necessary. And the speed has to go up.

¹ Public Futures 2019: The Future of congresses. The Copenhagen Scenario Model. Scenarios for the future of congresses 2040. Fortifying impact. Wonderful Copenhagen for Best Cities Global Forum, 2019.

Scenarios for business travel

As soon as the pandemic struck, Wonderful Copenhagen commissioned a scenario project for post-pandemic strategies for the travel industry. So, we interviewed people in the industry, framed the issues, and scanned information. We developed four scenarios for the post-pandemic future of the travel and meetings industry. These were then used as platforms for workshops and discussions with industry representatives.

During the two pandemic years, we engaged with many of Wonderful Copenhagen's Transatlantic and Baltic Sea partners from the global travel industry ecosystem in what is in effect an ongoing strategic conversation. We conducted real-life and online workshops and seminars, and we went on a tour presenting the scenarios to industry people in Stockholm, Oslo, Hamburg and London.

Over the course of this entire process some things have become quite clear to us about the future direction of the industry, and also about the industry's attitudes and views in light of the dramatic pandemic experience. There is a strong sense of urgency for transformation in the industry – above and beyond simply being let out of the pandemic deep freeze.

Some of this follows from the expected change in travel and meetings behavior resulting from the new working and meeting practices during the pandemic.

At the same time there is an enhanced awareness of megatrends, business trends, and challenges that were underway *before* the pandemic, which the industry has neglected or been too slow to address sufficiently.

Specific to the travel industry prior to the pandemic was the concentrated growth in some destinations leading to complaints of "overtourism" and tensions with some local communities. An equally pressing and growing issue was environmental concerns and the huge challenge of global climate change. This is critical to an industry which relies heavily on air travel.

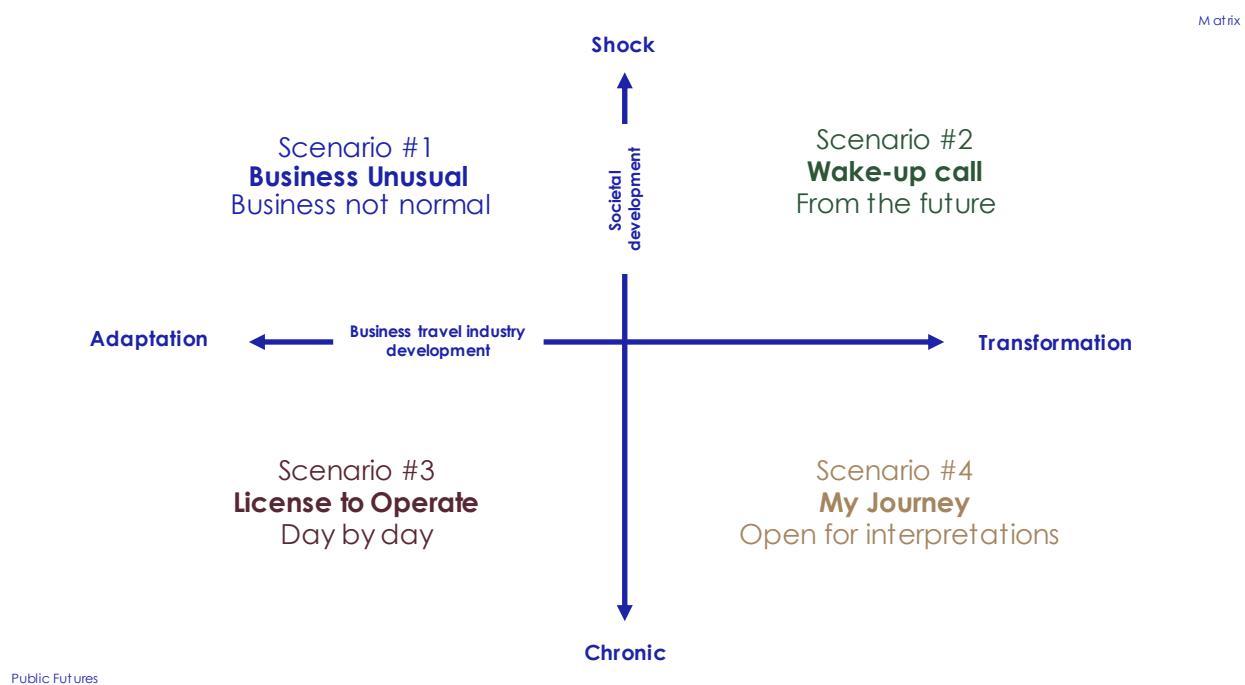
Also, the mindset of the industry is influenced by decades of consistently high growth rates, shaping expectations, plans and culture. The pandemic, brutally, put an end to that.

Uncertainties and scenarios

The scenarios are built on two major dimensions of uncertainty. One representing the outside world, and how the pandemic will play out. Will covid-19 be a shock which may be deep and long-lasting but ultimately temporary? Or will it turn out to be "chronic" in the immediate sense of restrictions being maintained and in the broader sense of having other important long-lasting effects on the industry?

The other dimension of uncertainty deals with the industry's behavior and approach to the future. Will it seek to merely adapt itself to changing circumstances, or will it seek a path of transformation and create a new future for itself and the customers it serves?

The two dimensions can be represented by two axes in a matrix, creating four quadrants, each defined by different combinations of outcomes on the uncertainty dimensions: Four scenarios.



Here is a quick summary of how they might unfold.

Scenario #1: Business Unusual. Recovery is the keyword. When the pandemic fades, pent-up demand drives recovery – it's full speed ahead to a slightly different normal. Challenges are back, stronger than ever – but addressing them tends to be postponed. Business will be frantic, the urge to restore business volume and revenue streams will dominate. Capacity will quickly be fully used; bottlenecks and negative externalities will occur faster than new investment can address the situation.

Scenario #2: Wake-up Call. Innovation and execution are keywords. The pandemic recedes, travel recovers, but at the same time becomes different. The pandemic is generally seen as a wake-up call. A signal that we must transform our economic system to a much more sustainable one on every dimension. The travel industry needs to address its own unique problems of accelerating growth, increasing emissions, over-tourism, etc. There is pressure for change from customers and from the political landscape, and success requires responding to these demands. Travel and meetings value needs to be redefined along economic, environmental, and social dimensions.

Scenario 3: #License to operate. National importance is the keyword. Continuous diseases may throw our hopes to be free of infectious disease. At the same time, wars and rising tension between great powers threaten global stability and adds new security concerns. Travel will continue to be restricted, and there will be little room for non-essential travel. Political goodwill becomes an essential business asset. Activities that are seen to be of national importance will be prioritized.

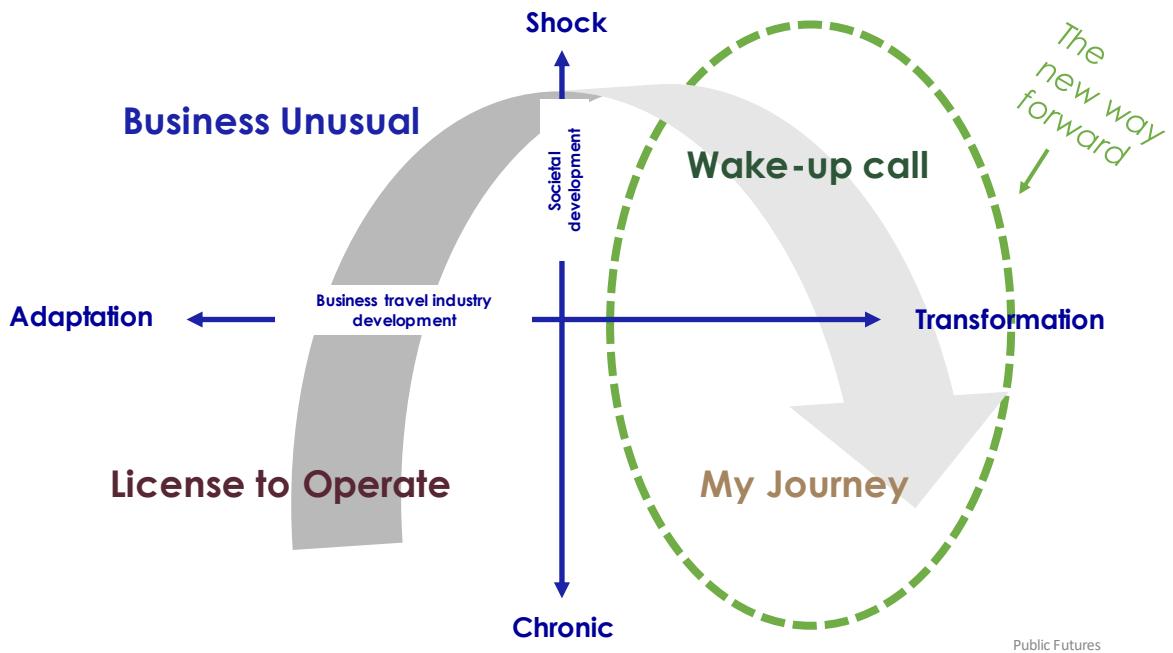
Scenario #4: My journey. Redefinition is the keyword. As the new situation turns out to be chronic, society seeks different values. Family, community, spirituality, meaning. This applies to the business community as well. Traveling is transformed. Shorter distances, longer stays, more engagement with local communities. A deeper sense of the meaning of a place. On a fundamental level, the purpose of traveling is redefined, replacing a transactional commercial approach with more emphasis on relation building and creative

human interaction. And also more explicit focus on the long-term effects of meetings – of creating a great legacy.

Working with the scenarios: A new way forward emerges

As we presented and discussed the scenarios with industry people in many settings, and as the pandemic unfolded, a pattern emerged in how people perceived and estimated the scenarios – and, by extension, an image of a future strategic direction for the industry emerged.

A central exercise in these discussions was the voting on scenarios on two questions. First, which scenario do you see as the most likely? Second, which one is the most preferable?



In the beginning the “most likely” scenario votes tended to cluster on the left-hand side, that is seeing the future of the industry as being dominated by its adaptation to circumstances. Over the course of the pandemic this clustering moved first upwards to “Business Unusual”, then trending rightwards towards “Wake-up Call”. It even showed a clear trend to moving further from here down towards the “My Journey scenario”.

The “most preferable” scenario votes consistently had few votes in the “License to Operate” quadrant but were otherwise spread out over the other three. The trend was from being mostly clustered in the “Business Unusual” scenario with “Wake-Up Call” a strong second, to moving more and more to the right

and down, so that “Wake-Up Call” and “My Journey” increasingly stood out as the most preferable scenarios to participants.

Our interpretation is that there has been a change in the mix of uncertainties since we built the scenarios. There is little uncertainty now about the need for industry transformation. “Business Unusual” could result from a combination of financial pressure and insufficient ability to transform, but is not likely, and it is certainly not preferable. And so, the need for transformation is a certainty.

Given this there is a consensus that the industry must transform in a way that combines the strict sustainability requirements of “Wake-Up Call” with the need to create new concepts for business travel and meetings that the “My Journey” calls for. Thus, the combination of the two forms the new strategic way forward for the business travel industry.

An inequation for business travel and meetings of the future

How will “Wake-Up Call” and “My Journey” combine and interact? Well, one way of illustrating this is by asking what criteria should be fulfilled for the undertaking of a business travel, congress or meeting activity. A general formulation of this could be as follows:

$$\$ + CO_2 + \text{Health \& Safety risks} + \text{time} < \text{Total value of the experience}$$

The left-hand side of the inequation represents costs in terms of money (\$), environmental and climate emissions (CO_2), health and safety risks to participants, and necessary time spent. These correspond to “Wake-Up Call”-factors, issues that need to be addressed and their impact minimized. At the right-hand side we have the value that a given business travel activity generates. To participants, employers, hosts, associations, destinations, and any other involved parties.

Look at this equation for any given meeting compared to an alternative, which might be to hold it online. On the right-hand-side, doubtlessly most people would say that there is greater value to a face-to-face meeting than an online meeting (even after two years of pandemic experience – perhaps especially after this experience). But on the left-hand side each of the factors tend in the other direction: The cost in money of logging on to an online meeting is negligible; so is the cost to the environment; health and safety is hardly a concern at all; and, of course, you are saving yourself all the time, hassle and inconvenience that is associated with travelling.

Thus, there is no way around it: It is necessary to take a hard look at how business travel and meetings can be made dramatically more valuable to participants in order to match the extra costs generated by meeting in real life. It is necessary to work out how specific locations and the specific types and concepts of face-to-face meetings can contribute even more to the unique value proposition. And that is what the “My Journey” scenario is addressing.

The new way forward

In the coming years and decades we will see the unfolding of a continuous process of discovery towards concepts and business models for business travel and meeting concepts that do not exist today, and which we may not even be able to imagine.

But, as described above, the general direction of change will be found in a combination of the scenarios “Wake-Up Call” and “My Journey” as described above.

It will be an ongoing transformation which will measure up against other historic transformations of the industry. Like the introduction of Business Class in the 1970s or the liberalization of air travel from the 1980s onwards.

At that time, it was reasonable to expect important changes, but it is only in retrospect that the landscape that erode becomes fully visible.

The coming changes are going to concern the very core of the product: Why and how we travel and meet. Forms and content, both.

There will be a focus on nearness, meaning and effect. And there will be a persistent and tough competition from digital formats and new technological opportunities.

It does not suffice merely to evolve the product. The challenge is one of transformation. It will be turbulent and fast-paced, and we cannot foresee exactly where we will end up. But, building on insights from the process, it is possible to say some things about what we will be aiming for, when it comes to the forms as well as the content of the product.

Framework: *How we will travel and meet in the future*

Sustainability is a must in business travel and meetings. In every way and dimension. The industry has to be consistently socially responsible in the way it conducts its business. From reducing emissions affecting the global climate to the impact your activities have on communities and local environment as well as how you treat employees.

Climate, the environment and overtourism were already big issues before the pandemic but today they are completely unavoidable. There is pressure from politicians, the media, the public, and, not least, from customers. The travel business is very visible, especially at popular destinations.

On this, Covid-19 has truly been a wake-up call. It dramatically demonstrated the industry’s vulnerability to health and security risks, as well as how much the industry relies on society, and how quickly its entire foundation can be shaken.

During the pandemic lockdowns we have seen the rapid development of new habits, patterns of behavior and forms of organization in business and working life. A new culture has been established, not least when it comes to travelling.

And don't forget that the industry's loss of revenue corresponds to cost savings to companies, universities, and other institutions as well as individual congress and meeting participants. It became clear that it is possible to avoid a large part of the normal travelling and meeting activities and their expenses. Bill Gates suggested during the pandemic that business travel would be permanently halved (and that office days would be reduced by 30%). Even if that were to prove too dramatic, there is little doubt that business travel activities have entered a new phase of closer scrutiny on the part of customers – whether corporate or others – as a consequence of the new patterns.

This merely strengthens the need for attention to sustainability. Objectives like the UN's Sustainable Development Goals, the global tourist industry's COP-26 pledge and the Danish government's goal of a 70% national reduction of CO₂ emissions need to be incorporated in strategies and plans. Wonderful Copenhagen's Tourism for Good strategy from 2019 is an early example with its emphasis on the environmental certification of companies in the industry and of gaining top position in rankings like the GDS Index.

Destinations and entities that were early adopters of such goals have a good start on the new way forward. And the importance of these competitive parameters cannot be overestimated. To be sure, some observers are pondering whether sustainability has become a so-called "hygiene factor", that is a factor which is taken for granted and cannot be relied upon to actively attract business but whose absence would discourage it. Yet there is little doubt that for the foreseeable future it will indeed be possible to distinguish one's business positively on sustainability parameters. The challenge is simply so gigantic, and the agenda is of correspondingly lasting importance.

Also, any head start advantage that might be held at present must not lead to complacency for the industry. There is a long way to go, and we are facing a giant task and an enduring challenge. It concerns everything from food waste and ecology to waste handling and energy efficiency. And It touches all parts of the business travel ecosystem from transportation and infrastructure through hotels, attractions and service providers.

Above all, we must not lose sight of the target. The important goal is not to gain ranking on lists like the Global Destination Sustainability Index. This, as well as SDGs, COP-pledges, or national goals, are about achieving results in combating climate change.

The broad concept of sustainability features two additional dimensions beside the environment: Economic and social. Especially social and ethical factors are strongly influencing the global agenda right now. Diversity, equity and inclusion – or DEI – are fast becoming decisive issues.

Conditions in this area need to be properly addressed today, and there will be an increasing awareness about them in the future.

Content: *Why* we will travel and meet in the future

The core of business travel and meetings is their indispensability to the economy, to politics and to knowledge creation. We have an abundance of communications technologies but meeting personally face to face remains important to human understanding and trust.

Over the decades we have seen the development of an established culture and model for business travel, meetings and congresses which has been expanding to new geographical markets in Asia, Africa and Latin

America, as well as to new professional associations, industries and fields of knowledge. The concept itself hasn't been developed to anywhere near the same extent. A congress today would be easily recognizable to a congress participant of 1922.

That, of course, testifies to the strength of the concept. Yet today we are able to meet on a range of virtual platforms, and the pandemic created a veritable breakthrough for doing so in everyday practice. This brings up the issue of the advantages and competitiveness of the concept of business travel and meetings in a way it has never been before.

At the same time there is an increasing attention to the cost of business travel, not just to employers' travel budgets, but in terms of time away from family, risks to your health and well-being, and to climate and environment. This translates into increasing attention to the real value of meeting face to face. This has to be not only greater but much greater than the value of conducting the meeting online. It has to make more sense, there has to be more *meaning*, in transporting yourself physically to meet in a particular geographic location.

Is it worth it? This is a familiar common-sense question which will increasingly impose itself, not least among CFOs overseeing company costs.

The crucial questions are: Why meet? Why meet exactly here and now? What are we getting out of that? You need to be able to provide convincing answers, whether as a destination, as a host to a conference or congress, or as a participant in one. In light of the competition from digital platforms, and soon, in light of competition from other destinations that are developing new responses and strategies.

The "My Journey" scenario provides answers to these questions. This is where you see new types of business travel and meetings aimed at creating meaningful human relations, a deep sense of place and "Legacy awareness".

There have been made attempts to capture the intangible factors that create the unique value of a physical meeting. The challenge is to unfold those and to develop travelling and meeting concepts that strengthen them.

Those are factors like²:

- "Out of the ordinary experiences" that can generate new ways of thinking through a meeting of professional minds freed from daily routines
- Presence in time and space enables the co-creation of value because it is conducive to conversations across individuals and groups that wouldn't normally meet
- Face to face meetings stimulate the developing and sharing of ideas; networking and socializing; motivates change of attitudes and behavior; induces personal growth and learning, the sparks for social change and innovation
- The destination potentially gains access to knowledge and competencies which can provide a lift to local communities and local professional and industrial clusters.

² Public Futures 2019: The Future of congresses. The Copenhagen Scenario Model. Scenarios for the future of congresses 2040. Fortifying impact. Wonderful Copenhagen for Best Cities Global Forum, 2019.

The stronger such effects are, the more individual participants gain from meeting. This applies as well to hosts, organizers, and any employers.

Such effects have always been present. They have been commonly seen as positive side effects to business travel and meetings that the parties involved have experienced to a minor or greater degree. In the future they are not side effects. They are the very core of the product.

It is notoriously difficult to quantify these effects. For one thing, they tend to play out over a long period of time after the meetings have taken place. Long-time positive impacts of a meeting, a congress, or an event are exactly what defines “legacy”.

There are clear signs that the industry is starting to work purposely and systematically on developing the qualitative content and impact of meetings, congresses, and events. Initiatives like Wonderful Copenhagen’s pioneering “Legacy Lab” are visible manifestations of this future agenda.

The concept of legacy encapsulates many of the intangibles whether they apply to professional associations, event organizers, participants, hosts or destinations. Both short-term and long-term.

Conclusions

The coming years will see experimentation, development, and rapid change in the business travel industry. This new way forward will combine a focus on sustainability in *how* we travel and meet with a new emphasis on *why* we meet, including radical new concepts of business travel and meetings. By consciously strengthening intangibles like meaning, a deeper sense of place, and legacy, this will aim at utilizing the natural advantage that personal meetings have over online meetings in order to increase the unique human value offered to participants.

This is clear from the scenario process involving hundreds of industry people. Over the course of the exercise, we saw an emerging consensus that such a transformation is both likely and desirable.

It is also necessary. The strategic conditions for the industry are rapidly changing. Challenges to sustainability in the form of climate change, environmental issues, overtourism, capacity and social issues strain the industry's relations with broader society. There is an urgent need to address them.

At the same time the pandemic has dramatically accelerated trends that were already underway, notably providing a veritable breakthrough for the practice of online meetings.

Thus, the industry faces an overhang of challenges. This is not in doubt. It is up to the industry how to respond. It is a hopeful sign that there is a clear determination among industry people that we have met in this project to respond by transforming the industry rather than merely attempting to adapt. To an industry that has been blessed by beneficial megatrends and a steadily increasing flow of customers for decades, this is a new reality.

To paraphrase the great late futurist Alvin Toffler: The challenge is not whether business travel can stay in business in the future. The question is how it can become the business travel *of* the future. And that is what the new way forward is about.

About Public Futures

We are a leading futures studies think tank based in Copenhagen. We are specializing in societal development and public and private strategy.

Established in 2005 by experienced professional futurists, we work with strategic development based on social analysis and futures studies.

We work with public sector, private sector and NGOs.

We pursue a future-oriented approach focusing on challenges and opportunities by linking the future to current decisions and strategy.

Public Futures is a full member of Association of Professional Futurist (APF) and World Future Society (WFS)