The State of Corporate Travel and Expense 2024

Breaking New Boundaries in the Age of AI

Presented by:

Skift + **NAVAN**

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Executive Summary

After years of waiting to see when corporate travel would be "back to normal," it's now clear that there is no going "back" to anything. Some aspects have fully rebounded, like the percentage of travelers and managers who recognize corporate travel as a highly critical component of success. But the current landscape shows that much has changed, including the way employees and managers are approaching why and how they travel.

In fact, many of the structures and priorities in corporate travel today weren't even part of the conversation just five years ago. Take the large number of hybrid employees, for example — people who now look forward to offsites as a primary way to connect with their colleagues. Those changes have resulted in new patterns, like the growing inclination to blend business and leisure travel.

In response, corporate travel and finance managers are rapidly adopting new travel and expense (T&E) policies, processes, and technologies to meet the changing demands of their employees. At the same time, they're struggling to balance rising costs with falling compliance, and an increasing pressure to justify their companies' environmental impact with the need to prove a return on investment from travel.

Fortunately, achieving these goals is becoming ever easier, thanks to generative AI. This groundbreaking — and quickly

evolving — technology will be a major driver of corporate travel innovation, making tools and processes faster, more streamlined, and more personalized. In fact, the generative AI revolution is already underway: Implementations launched in 2023 are helping companies transform their travel and expense management programs into more productive and cost-effective operations.

In this report:

- Findings from Skift and Navan's survey of nearly 700 corporate travel and finance managers and 800 business travelers

- A look at how generative AI is reshaping the corporate travel experience — and the future role it will play in booking, reporting, and supporting employees

- Evidence of the renewed vigor for in-person collaboration, with a heightened emphasis on traveling as a team activity and its implications on corporate T&E

- How all-in-one solutions for travel, corporate cards, and expense management are creating new opportunities at all levels of the corporate travel industry

- Why scalable, future-proofed T&E solutions will be crucial for companies to compete amid a changed landscape

A Message From Navan

Only a year ago, we were all happy to be back to flying, back to meeting in person, back to business travel. But underneath the excitement, a technological revolution was gathering steam — one that has burst forth in the form of generative AI.

Now the genie's out of the bottle, and it will completely upend the way we work, play, learn, and do just about everything. The possibilities for the world of T&E are especially exciting. All kinds of processes — from travel bookings to spend analyses — are on a rocket trajectory toward improved efficiency, lower costs, and happier employees.

For technologists like myself, it's been an exhilarating time. While AI has long been part of Navan's all-in-one travel, corporate card, and expense solution, it was clear from the start that generative AI came with transformative capabilities.

So we got to work. While other companies were still playing around with single prompts, we figured out how to make the response to prompts automatically create new prompts. Today, our generative AI-driven virtual assistant, Ava, can parse vast spectrums of data, unearth trends in travel and expense, and help personalize travel bookings.

And we're just getting started. Moving forward, our work with large language models (LLMs) will enable major developments in complex, LLM-first applications at Navan.

And while we continuously look to leverage the newest technology, we always maintain a laser-like focus on our end users. It's a basic tenet of our business that begins with an ancient practice: listening.

We're excited about where generative AI is going to take us. It's clear that 2023 has been an inflection point for this revolutionary technology — and that a year from now, we'll be marveling at just how far we've come.

Ilan Twig

CTO and Co-Founder, Navan

navan

More window seats.
Less receipts.

Business travel & expense management. Solved.
See how at navan.com.

About the Skift and Navan "2024 State of Business Travel" Survey

In October 2023, Skift and Navan surveyed 689 corporate travel and finance managers and 778 business travelers. Respondents were primarily based in the U.S., UK, France, and Germany.

This is the fifth consecutive year that Skift and Navan have conducted a survey of this sample, and comparisons across the years form the foundation for this report's analysis and insights. Unless otherwise noted, the data cited and visualized throughout this report are from the five years of Skift and Navan's research.

The survey data reinforced that business travel is alive and well, but the ways we travel — and the tools we use to track and report on travel and expense — have undergone a complete transformation in the last five years.

The changes have created an urgency for companies to reevaluate their travel, corporate card, and expense solutions, and to potentially combine them as a mechanism for increasing compliance, productivity, and employee satisfaction while reducing costs and achieving a better ROI on business travel.

Introduction

2023 was a breakout year for generative AI. As ChatGPT grabbed the headlines and attracted hundreds of millions of users, the possibilities that AI presents no longer feel like the far-off future. Of course, with all the excitement and imagination around generative AI comes a flurry of questions about the implications of this powerful technology.

This dialogue has been even more inescapable in corporate travel, where innovative applications for generative AI are already making an impact. The technology is giving travelers more personalized recommendations, and forward-thinking companies are able to scour their data in ways never before possible, which is allowing them to identify cost-saving measures and offer better employee support before, during, and after their trips.

But let's be clear: We're still in early days. With generative AI's great potential comes the responsibility to use it thoughtfully, and most companies are still trying to determine how it should fit into their operations. According to Skift and Navan research, 59 percent of business travelers and 62 percent of managers said they trust AI to handle straightforward tasks for travel and expense — a majority, though not an overwhelming one.

Agree or Disagree[*]: "Business travel is important to my company's growth."

Business Travelers

Year	Percentage
2019	91%
2020	88%
2021	73%
2022	84%
2023	90%

Travel and Finance Managers

Year	Percentage
2019	91%
2020	86%
2021	77%
2022	78%
2023	91%

*Percentage of respondents who "strongly" or "somewhat" agreed

Alongside these monumental shifts in the way we use technology, there's one thing that hasn't changed: Business travel continues to play an integral role in building corporate culture and driving business success. According to a Skift and Navan survey conducted in 2019, 90 percent of travelers either "strongly" or "somewhat" agreed that business travel was important to driving company growth, and about 80 percent of travelers and managers said meeting in person was more effective than meeting virtually. After a predictable dip during the pandemic years, these figures have returned to 2019 levels in 2023 as travelers and managers look to the future.

> *With generative AI's great potential comes the responsibility to use it thoughtfully, and most companies are still trying to determine how it should fit into their operations.*

Skift and Navan's research also found that in today's environment, employees are emphasizing the importance of traveling for in-person collaboration to help maintain balance in a hybrid work world. This shift has required travel and finance managers to make more flexible and personalized policy adjustments.

Technology that enables a more seamless path — from booking to travel to reimbursement — has been advancing, and those companies implementing more modern solutions are saving time and money and improving employee satisfaction in the process. Solutions combining travel, corporate cards, and expense management tools are driving better compliance, streamlining processes, and helping control costs.
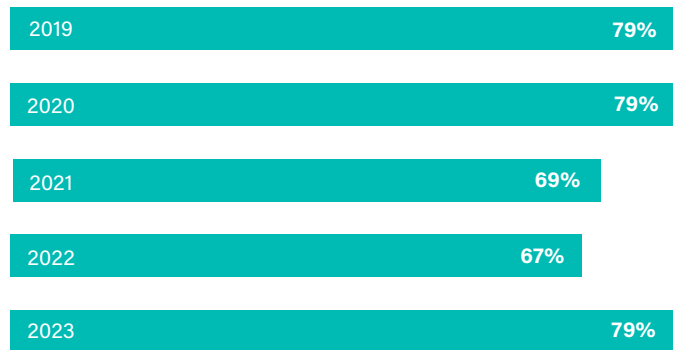
Underpinned by in-depth analysis from five years of Skift and Navan's joint research on the state of business travel, this report explores the future of corporate travel through the lens

Agree or Disagree[*]: "When it comes to getting things done, meeting in person is more effective than meeting virtually."

Business Travelers

Year	
2019	82%
2020	83%
2021	73%
2022	73%
2023	80%

Travel and Finance Managers

Year	
2019	79%
2020	79%
2021	69%
2022	67%
2023	79%

*Percentage of respondents who "strongly" or "somewhat" agreed

of a renewed collaborative spirit that's enabled and enhanced by technology. The formula for a successful corporate travel program is undoubtedly in flux, as companies figure out how to improve program elements like compliance and duty of care through the use of generative AI, as well as by adopting, integrating, and connecting previously disparate systems.

As companies fit these puzzle pieces together, they must keep their eyes on satisfying a fundamental need for every successful team: maximizing the value of working together.

Corporate Travel Refocuses on Collaboration and Community

Planning the future of corporate travel starts with understanding the future of work. And after several years of back and forth, workplace policies are finally solidifying. According to data from Resume Builder, 90 percent of companies plan to put their return-to-office policies in action by 2024.

For most companies, a hybrid workforce is here to stay. According to Skift and Navan's 2023 survey, about two-thirds of companies have "partially remote" work schedules. In fact, corporate travel and finance managers reported that 70 percent of their employees would be hybrid in 2023, up from 64 percent a year earlier.

The new hybrid model obviously means that fewer people are together in the office all the time, and there's data clearly backing this up. Research from Gallup forecasted a 37 percent decrease in office foot traffic vs. 2019, leading to 40 percent of Fortune 500 companies planning to reduce their real estate footprints in 2023.

"Which of the following best describes your company's policy toward remote work?"

Business Travelers

	2022	2023
Fully remote	17%	16%
Partially remote	70%	67%
Office only	13%	17%

Travel and Finance Managers

	2022	2023
Fully remote	21%	12%
Partially remote	64%	70%
Office only	15%	17%

Agree or Disagree: "To compensate for the lack of personal interaction, our employees will be taking more business trips in 2024 than they did this year."

Travel and Finance Managers

5%
10%
19%
26%
40%

Legend:
- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

Top 5 Challenges of Hybrid Work, According to Leaders and Managers*

For all the upsides that come with dialing in from home, employees and managers alike are beginning to see the drawbacks of fewer casual run-ins at the office, such as:

1. Decreased workplace communication

2. Decreased collaboration

3. Negative impact on workplace culture

4. Lower productivity

5. Decreased creativity or innovation

More and more, employees and managers alike are considering corporate travel to be the antidote to these challenges. But changing travel patterns require new approaches to policies and programs.

*Source: Gallup

While more options to work from home on a regular basis provide additional flexibility for employees, the new setup poses some tough questions for travel managers and finance professionals. In some cases, travel managers will need to be prepared for additional spending. For example, nearly 60 percent of the corporate travel and finance managers that Skift and Navan queried said that, in order to compensate for the lack of personal interaction, their employees will be taking more business trips in 2024 than they did this year. In addition,

according to Deloitte's most recent corporate travel study, 70 percent of the trips that relocated employees take to company headquarters are either partially or fully paid for by the company.

Companies are now at an inflection point as they try to balance the new workplace with a new corporate travel landscape. After all, evolving traveler personas and travel strategies have upended traditional workflows for corporate card spending and expense management.

How Employees Are Traveling Now

According to Skift and Navan data, group travel for meetings, events, conferences, and team offsites continues its upward trajectory over the traditional traveling road warrior.

This change is reflected in the number of trips people report taking on an annual basis. In 2019, for example, 23 percent of business travelers said they took more than 20 trips within the year, compared to just 3 percent in 2023. Even in 2021 and 2022, the share of business travelers who said they traveled more than 20 times in a year was slightly higher.

Of course, employees are still on the road: More than 80 percent of travelers said they would take at least three trips for work in the next year, and almost half of them said that number would be six or more.

"How many business trips do you predict you will take in the next 12 months?"

Business Travelers

Range	Percentage
0-2	19%
3-5	34%
6-10	27%
11-15	12%
16-20	5%
21+	3%
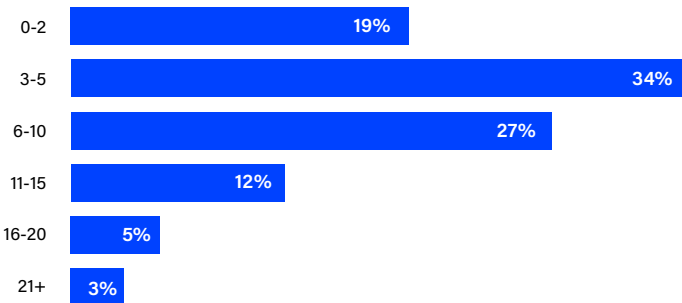
That's no surprise: Despite the positive effects of a more flexible work schedule and a better work-life balance, a lot of remote and hybrid employees miss seeing each other in person. According to the 2023 Skift and Navan survey, business travelers said that attending conferences or events as a group or team would be the No. 1 reason they plan to travel next year. Notably, traveling to "close a deal" — the most popular answer in the 2019 survey — didn't even crack the top 5 this year.

Another important change from 2019 is the growth in offsites — a relatively recent phenomenon, reflected by the fact that Skift

and Navan did not begin to survey travelers and managers about this topic until 2021. These team gatherings have now become standard procedure as a means to overcome hybrid disconnectedness and maintain corporate collaboration.

Top 5 Reasons Business Travelers Plan to Take a Trip in 2024

1. Attend conferences/events as a group/team
2. Establish new business relationships
3. Foster established business relationships
4. Attend conferences/events alone
5. Gather as a team in one place

Three-quarters of travelers said they plan to attend a company offsite in the next year, up from 65 percent in 2021. Employee enthusiasm about offsites has also continued an upward trajectory. In the 2023 Skift and Navan survey, 77 percent of business travelers said they were either "strongly" or "somewhat" "excited by the idea of regular company offsites to connect with co-workers," which was up from 70 percent in 2022 and 63 percent in 2021.

"Think of offsites as the new place to build those fundamental layers of empathy and understanding that are essential to collaboration," said Ariel Hunsberger, senior manager of people leadership development at Salesforce. "You get to reconnect with who you are, how you want to work, and what inspires you to work."

Large companies like Salesforce may be able to commit big budgets to offsites. For instance, the company opened a 75-acre ranch 70 miles south of San Francisco, where remote employees can connect in person for yoga, nature walks, and meditation.

Agree or Disagree*: "I am excited by the idea of regular company offsites to connect with my co-workers."**

Business Travelers

2021 **63%**

2022 **70%**

2023 **77%**

*Percentage of respondents who either "strongly" or "somewhat" agreed

Agree or Disagree*: "I am excited by the idea of regular company offsites to connect employees."**

Travel and Finance Managers

2021 **61%**

2022 **62%**

2023 **66%**

*Percentage of respondents who either "strongly" or "somewhat" agreed

Organizations that don't have that luxury will need to determine how to effectively allocate resources and create policies to control costs. That puts even more pressure on travel managers and finance professionals to balance employee demands with the bottom line.

Oftentimes, the responsibility to plan group travel falls to someone within the organization. According to Skift and Navan data, just 36 percent of travel and finance managers said they use a third-party tool, compared to 30 percent who rely on a company staff member, and another 25 percent who use an in-house online tool.

The inefficiency of these tools is perhaps why managers who responded to the Skift and Navan survey in 2023 were less enthusiastic about corporate offsites than travelers. While up from 61 percent in 2021, just two-thirds of managers said they were "excited by the idea of regular company offsites to connect employees."

The new landscape has created some tension, as managers have to maintain a focus on the ROI of travel — which can be tricky for this evolving trend. Indeed, while managers aligned with business travelers in believing that relationship-building is among the top reasons to travel for work, group travel continued to be lower down on their list of priorities.

Throughout 2024 and beyond, managers and executives will need to balance a focus on external business with employee desires for group experiences that may not necessarily produce immediate bottom-line results. Of course, while making this calculation, they also have to reconcile the changes around who is traveling, when, how far they're going, and for how long — all of which have significant implications on travel and expense management.

Top 5 Reasons Managers Expect Employees to Take a Trip in 2024

1. Establish new business relationships

2. Foster established business relationships

3. Close a deal

4. Essential client-related travel

5. Attend conferences/events as a group/team

Rewarding Employees — and Saving Money

Whether it's for group or individual travel, the costs for corporate travel can look daunting. Amid the economic turmoil of the past several years and the evolving patterns of corporate travel, managers have also been forced to deal with jumps in average prices for airfare and hotels. And while price growth is leveling off, the Global Business Travel Association projects a future where what we're seeing today reflects what they have coined the "true new cost of travel."

> ## 81%
> *of business travelers would like their company to offer financial rewards for saving the company money on travel expenses. Today, just 67% of managers said they do.*

Managers don't have to fight the financial battle alone, though. They can integrate creative cost-saving features that invite employees to be part of reining in those expenses. Instead of giving travelers a ceiling for their hotel budget — which encourages them to come as close as possible to the cap without going over — managers can incentivize them to make choices that save the company money.

According to Skift and Navan data, 81 percent of travelers would like their company to offer such financial rewards. Today, just 67 percent of managers said they do.

As one example, Asana, which has more than 1,800 global employees, implemented a solution that incentivizes employees to book lower-cost hotel rooms, and the results were immediate. Asana's employees who opted to use the rewards program booked hotels that cost an average of 23 percent less — a savings that's shared with the traveler.

Those savings can be redeemed in a variety of ways, like, for example, during an employee's personal getaway, which might be on the front or back end of a business trip.

Incorporating Blended Trips

The concept of turning a work trip into a vacation isn't anything new, of course. In 2019, 57 percent of travelers told Skift and Navan that they had combined a work trip with a leisure trip, though just 45 percent of their managers said the same about their employees.

After a predictable pandemic dip, blended travel has not only returned but exceeded previous levels of popularity. And, perhaps driven by new attitudes around work-life balance, companies are getting on board. More than two-thirds of business travelers told Skift and Navan that they plan to take advantage of business trips over the next year by adding a personal trip before or after, and 58 percent of managers said they actively encourage their employees to do so. That appears to be good business practice: A recent study from Crowne Plaza Hotels and Resorts found that 59 percent of millennial and Gen Z workers said they were more inclined to work for a company that offers frequent travel or flexible blended travel as a perk.

> ## 68%
> *of travel and finance managers said their companies offer to pay some or all of their employees' personal expenses when they add a leisure component to a business trip.*

As blended trips become more common, so have companies' active support for the practice. The Skift and Navan survey in 2023 found that 68 percent of managers said "yes" or "sometimes" when asked whether their companies offer to pay some or all of their employees' personal expenses when they add on a leisure component. And 55 percent of travelers said they even get a stipend for their personal time.

New types of travel require creative responses. With more flexible travel policies that incorporate employee rewards and not only acknowledge but even encourage blended travel, companies are able to meet their employees where they are. That allows them to garner higher employee satisfaction as well as offer more room for individualized and personalized business travel that stays within compliance.

Considering a Leisure Travel Policy?

Managers should collaborate with HR and legal teams to consider some of these key questions:

- Who pays for costs related to flight changes if the employee decides to extend the trip?

- How will the company distinguish between business expenses worthy of reimbursement and personal costs that fall on the employee's shoulders?

- Should there be blackout periods to avoid peak travel times and higher costs?

- If an employee is injured during the trip on a personal excursion, is it still part of the company's responsibility?

- Will all employees be eligible to add leisure time?

- What will the approval process be for employees to share the personal piece of the trip with managers?

- How will you advise employees to continue following company guidance for health and safety during the personal extension?

All Together Now: Better Travel Planning, Seamless Payments, Easier Expensing

Adding to the annals of "the more things change, the more they stay the same," the 2023 Skift and Navan survey found once again that a majority of travelers and managers continue to struggle with cumbersome travel and expense tools and processes. The good news is that solutions to these perennial headaches are already at their fingertips.

Broadly, overall satisfaction levels with corporate travel agencies and platforms scored roughly 7 out of 10 across both traveler and manager surveys — a far cry from a resounding endorsement. In both surveys, about one in six business travelers and managers scored their platforms as a 5 or less.

Breaking it down further into various features within a travel platform, a similar figure — three-quarters or fewer — of both travelers and managers "strongly" or "somewhat" agreed that their travel and expense solutions were easy to use and supported them well on a trip.

Agree or Disagree*: "Our company's corporate travel agency/platform is easy to use and supports employees while traveling."

	Travel and Finance Managers	Business Travelers
Easy to use	76%	78%
Easy to change/cancel trip plans	69%	69%
Supports employees well on a trip	70%	74%
Quick response times	68%	68%

*Percentage of respondents who either "strongly" or "somewhat" agreed

Agree or Disagree: "Our company has the tools to create nuanced and dynamic corporate travel and expense policies."

Travel and Finance Managers

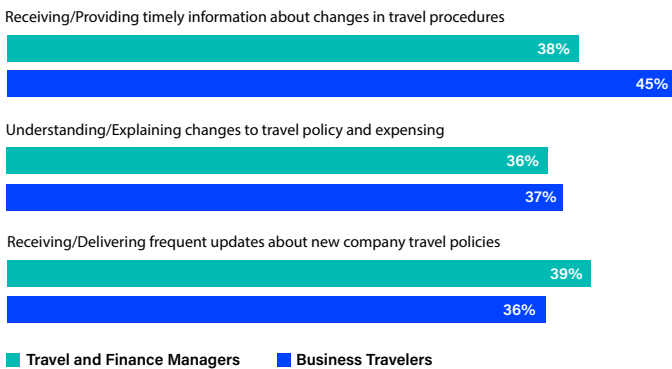|	
Strongly agree	26%
Somewhat agree	37%
Neither agree or disagree	24%
Somewhat disagree	9%
Strongly disagree	3%
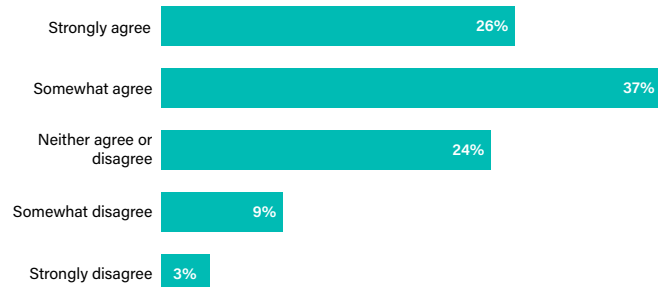
Managers also reported that their corporate travel tools still feel too rigid: Just 63 percent of travel and finance managers either "strongly" or "somewhat" agreed that they had the tools to create nuanced and dynamic travel and expense policies that today's travel environment demands. *(See chart on previous page.)*

These are decent scores, but most corporate travel professionals would likely agree that a dissatisfaction level of 25 to 30 percent means there's still room for improvement. And improvements in these areas could be especially impactful: The middling sentiments around platform features dovetail with concerns business travelers and managers face when traveling for work. While health and safety were top of mind for business travelers in the past few years, that list of priorities has also changed. In this new era, issues around communication were the top three concerns for travelers and three of the top four for managers. All of these responses mirror their lack of complete confidence in specific features and tools offered by travel agencies or platforms.

Biggest Concerns Regarding Business Travel in 2024

Receiving/Providing timely information about changes in travel procedures

- 38%
- 45%

Understanding/Explaining changes to travel policy and expensing

- 36%
- 37%

Receiving/Delivering frequent updates about new company travel policies

- 39%
- 36%

■ Travel and Finance Managers   ■ Business Travelers

The other top concern for managers — not listed in the chart above, since it was less of a worry among travelers — was anxiety about fixing travelers' problems while on the road. Here, too, technology can help. For example, updating an itinerary shouldn't feel like signing a legal document. After all, when travelers are booking a leisure trip for themselves, they're accustomed to the convenience of a few clicks to cancel and keep credits for future use. It should feel just as easy, if not even easier, when managing business trips.

When a situation is a bit more complicated, employees and managers benefit when help is at their fingertips — whether through an information portal that can be updated in real time or a direct line to a customer service representative.

The research shows that this pain point is still stinging: Only 28 percent of travelers "strongly" agreed they have quick response times for questions, problems, and emergencies.

The bottom line is that today's travelers want traveling for work to feel less like, well, work. It should be simple and come with the flexibility for travelers to make adjustments on their own and track down support when they need it.

Linking Payments and Expense is Making More and More Sense

Travelers' and managers' frustrations with travel solutions extend to corporate card and expense management systems as well.

Paying for company expenses with personal cards instead of corporate cards, for example, is becoming increasingly burdensome for both travelers and finance teams. But improvements in flexibility and control with corporate cards are opening new avenues for seamless payments and expensing solutions.

The numbers seem to bear this trend out. Back in 2019, the Skift and Navan survey found that 77 percent of business travelers and 69 percent of managers said employees used a personal card to pay for their expenses while traveling. *(See charts on following page.)*

But things have changed. By 2023, personal card users had dropped to 47 percent of travelers and 37 percent of managers.

Meanwhile, 64 percent of travelers said that they were using corporate cards in 2023, up from 41 percent in 2019. Nearly three-quarters of managers said their employees were using corporate cards, up from 68 percent in 2019.

Besides increased control over spend, one of the best arguments for corporate cards is a simpler, more straightforward reporting process for employees and finance teams alike. Perhaps that's why more managers said their employees have been using corporate cards over the years. These numbers may also reflect that such payment methods were at least made available to all employees, if not necessarily put to use. On the flip side, the
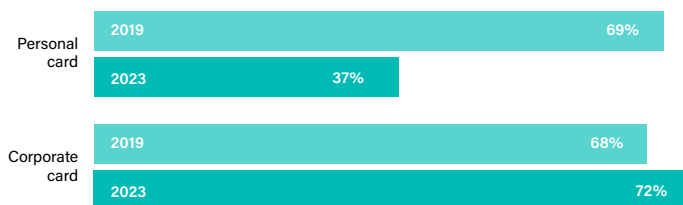
How Business Travelers Pay for Expenses

Business Travelers

Personal card	2019 — 77%
	2023 — 47%
Corporate card	2019 — 41%
	2023 — 64%
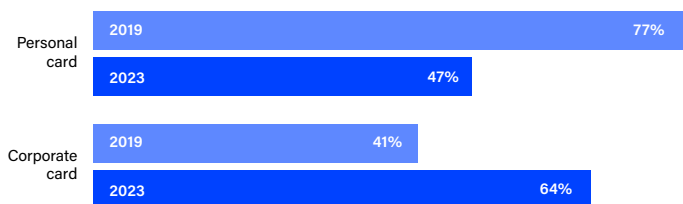
How Employees Pay for Expenses

Travel and Finance Managers

Personal card	2019 — 69%
	2023 — 37%
Corporate card	2019 — 68%
	2023 — 72%

gains in traveler adoption may point to greater alignment on the benefits now available with corporate cards.

Among the benefits of a streamlined process are reimbursement times, which have been and remain a concern. Only about one-third of both travelers and managers "strongly" agreed that they were satisfied with the amount of time it takes to reimburse travel expenses.

Part of the reason behind slow reimbursements — and process satisfaction in general — may well stem from the high level of manual processes. About 60 percent of companies use at least partially manual submission and approval processes for expenses, which leaves room for human error.

The more that companies can link payments and expenses, the better. Now, with tools like automated expense reporting and virtual cards, companies can provide employees with options similar to tools they use outside of work, through mobile wallets and digital apps.

Technology Knocks Down a Big Hurdle in Merging Cards and Expenses

According to Skift and Navan data, 58 percent of travelers and 56 percent of managers either "strongly" or "somewhat" agreed that they liked their corporate card solution, but their expense management solution didn't support their needs.

Until this year, the two only came as a package deal. Taking advantage of a modern expense management solution meant adopting that company's corporate cards. This was less than ideal for companies that recognized the value of upgrading their back-end system but wanted to keep the benefits and relationships with the banks behind their cards.

In June, Navan announced it was the first expense management solution to decouple the two. A new feature, Navan Connect, enables customers to change their expense management system and keep their existing corporate cards. Just a few months later, Navan and America's third-largest bank, Citi, partnered to leverage Navan Connect with a jointly branded travel and expense system designed for Citi Commercial Bank cardholders in the U.S.

"Collaboration can and must take many different forms in this new era of corporate travel," said Michael Sindicich, executive vice president and GM of Navan Expense. "And partnerships can go a long way in helping to solve customers' needs."

The Power of Integration

The numbers tell a clear story: The corporate travel world isn't overly enthusiastic about the features of the travel, corporate card, and expense management platforms they're using.

One consequence: subpar policy compliance rates, which are actually trending down. Results in the Skift and Navan survey showed that 41 percent of managers said they have less than 75 percent policy compliance among employees. That number has increased 5 percentage points since 2022; more managers are reporting lower compliance. The same is true for managers who say they had 100 percent compliance: In 2022, it was 19 percent; in 2023, the number had decreased to 16 percent.

Percentage of Employees Complying With Travel Policies

Travel and Finance Managers

	2022	2023
100%	19%	16%
75%–99%	45%	43%
Less than 75%	36%	41%
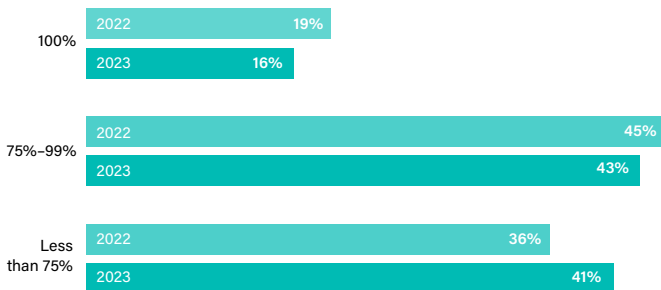
Problems with travel and expense programs can multiply when companies attempt to cobble together platforms from different providers: one for travel, one for expense, and perhaps a third for corporate cards. The challenges are often further complicated by different systems in different regions to navigate different currencies. Not surprisingly, platforms from different companies often don't communicate effectively with each other. And when issues crop up, the companies may blame each other, leaving customers to sort it out for themselves.

It doesn't have to be that way. An integrated travel, corporate card, and expense management solution from a single company eliminates the blame game, ensures communication between tools, and makes upgrades and new features easy to implement.
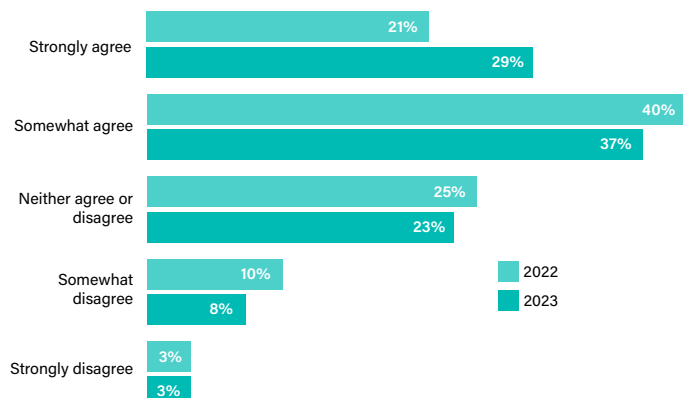
People get it. In the Skift and Navan survey, 76 percent of travelers said they would be either "very" or "somewhat" interested in an all-in-one solution.

Trying to figure out if it's time to break up with your old systems? Consider these questions when looking for a new solution:

► How long does your company's reconciliation process typically take each month?

► How much time do admins spend tracking down receipts and manually reviewing for compliance?

► What kind of insights does your finance team need that they aren't automatically able to see now?

► What role do the complexities of international travel, including VAT compliance and currency conversions, play in your company's travel policy challenges?

► What do your employees say about their experience managing travel and getting reimbursed? (Tell them they can be honest.)

Agree or Disagree: "Our company would be interested in a travel solution that provides a more unified, all-in-one travel, card, and expense platform, rather than separate solutions."

Travel and Finance Managers

	2022	2023
Strongly agree	21%	29%
Somewhat agree	40%	37%
Neither agree or disagree	25%	23%
Somewhat disagree	10%	8%
Strongly disagree	3%	3%

And 66 percent of managers expressed the same level of interest — an increase from 62 percent in 2022. Additionally, among those who were "very" interested in an all-in-one, the survey saw a big increase: from 21 percent to 29 percent. *(See chart on previous page.)*

What's holding more companies back from adopting integrated solutions? Nearly half of corporate travel and finance managers (49 percent) said they were concerned about change management challenges stemming from employee training issues, up from 43 percent in 2022. And 40 percent have hesitated due to potential costs, a number that was flat year over year. However, in the end, hanging on to legacy solutions may be the more expensive option.

As an example in action, children's book company Literati previously used separate methods for handling travel and expense management. Employees would book — and pay for — their own travel and submit expenses through an expense management platform, where all transactions had to be manually reviewed. Then travelers would have to wait for reimbursement, sometimes up to two weeks.

Corporate cards would have helped, but Literati was hesitant to distribute them widely; the company's expense platform "lacked…control over what was being spent on the card," said Laura Martin, vice president of finance at Literati. "You could only set a limit, and that was it."

When the company rapidly expanded in 2022, it needed a more scalable option. So Literati switched to an all-in-one solution and never looked back. Travelers now book trips in under five minutes and pay for them with the company card, which Martin now has "no hesitation" issuing, due to the solution's automated policy enforcement.

Now, 96 percent of Literati's virtual card transactions are automatically approved. And if employees have to pay for anything out of pocket, they're reimbursed within 48 hours.

The new solution "is saving massive amounts of time for our team," said Martin. It has also saved the company a lot of money: 22 percent on hotels and 14 percent on travel overall.

# Case Study: Decreasing Emissions Without Sacrificing Travel Opportunities

Research from Deloitte shows that 33 percent of U.S. companies and 40 percent of European companies believe they need to reduce travel per employee by 20 percent to meet their 2030 sustainability targets. That kind of dramatic cut begs a big question: With business travel playing such a crucial role in company growth, how can companies balance what's better for the planet with what's better for the bottom line?

The answer starts by marrying sustainability objectives with an intuitive travel management solution. Instead of a blanket approach that reduces the number of trips, the right tool can identify simple adjustments to keep employees on the road as frequently as they need while reducing the overall carbon impact per trip.

For example, PayFit has seen an increase in the number of rail trips and a decrease in the number of air trips since enabling its employees to research and book more sustainable travel. The company utilizes a feature that automatically encourages an equivalent rail option when available. Additionally, PayFit is now using a sustainability reporting tool embedded in its travel booking solution that analyzes individual trips and departments to offer a more comprehensive view of the company's overall carbon footprint.

"One of the many benefits of [our combined travel and expense solution] is how customizable the platform is," said Julien Lachowski, FP&A director at PayFit.

According to Skift and Navan data, 72 percent of travelers either "strongly" or "somewhat" agreed that seeking sustainable alternatives is important to them. Yet just 25 percent of managers said they offer tools to manage sustainable travel, flat from 2022. Leveraging available travel planning tools may go a long way toward closing this gap.
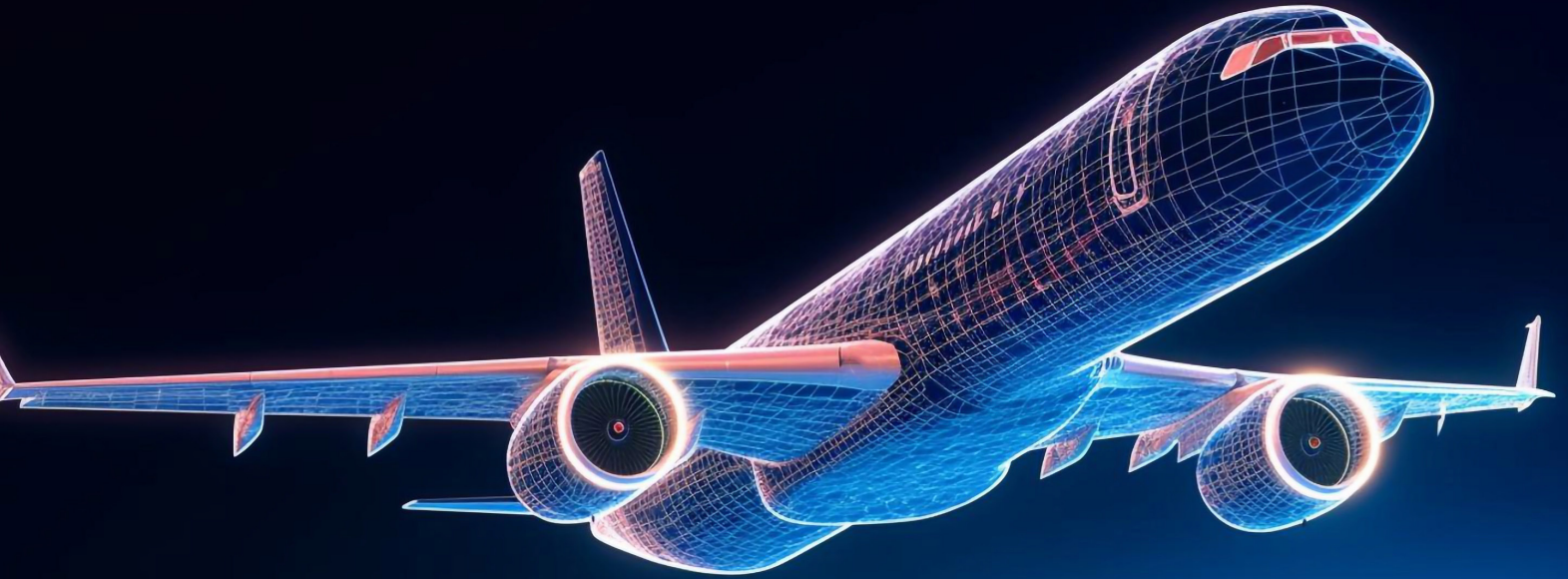
How Generative AI Will Support a Seamless Transition to the Future of Travel & Expense

"Bigger than mobile, more important than the Internet, and Industrial Revolution–level," Ilan Twig, CTO and co-founder of Navan, said about generative AI, a few months after the release of ChatGPT in November 2022. He predicts it "will go far beyond changing the game. It will create an entirely new playground."

While the full ramifications of generative AI are yet to be seen, this playground looks more sophisticated every day. The technology is maturing at light speed, and some of the most innovative companies are seizing the opportunity.

Generative AI's early applications showed exciting potential to help with itinerary planning and destination discovery, but it was the tip of the iceberg. In April 2023, Skift Research estimated that generative AI could create an impact of nearly $30 billion in the travel industry — with $8.5 billion coming in the near term through enhancements to customer service chatbots, developer efficiencies, reputation management, and performance advertising.

With those exciting opportunities on the table just a year into generative AI's meteoric rise, the question is: What else will happen between now and the end of the decade?
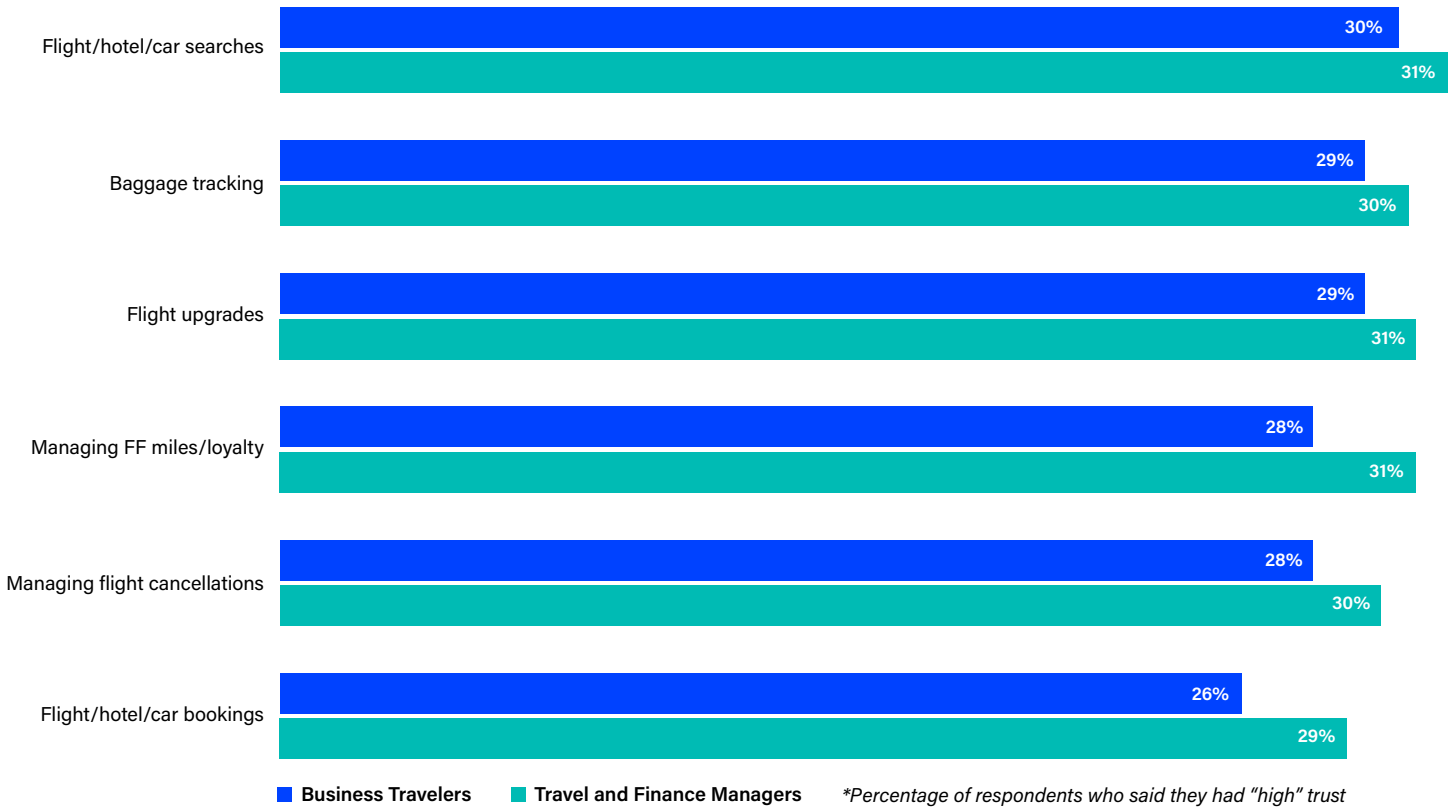
AI's Potential Impact in Travel

■ Near-Term "Baseline"
■ Long-Term "Dreaming Big"

$8.5 billion

$20 billion
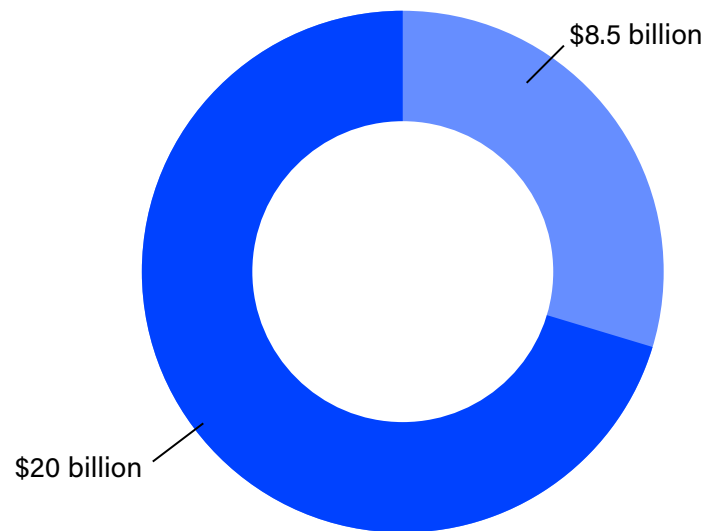
Source: Skift Research, April 2023 Estimates

"How much trust*would you put in AI to perform the following tasks related to your business travel?"

Flight/hotel/car searches
- Business Travelers: 30%
- Travel and Finance Managers: 31%

Baggage tracking
- Business Travelers: 29%
- Travel and Finance Managers: 30%

Flight upgrades
- Business Travelers: 29%
- Travel and Finance Managers: 31%

Managing FF miles/loyalty
- Business Travelers: 28%
- Travel and Finance Managers: 31%

Managing flight cancellations
- Business Travelers: 28%
- Travel and Finance Managers: 30%

Flight/hotel/car bookings
- Business Travelers: 26%
- Travel and Finance Managers: 29%

■ **Business Travelers**   ■ **Travel and Finance Managers**   *Percentage of respondents who said they had "high" trust*

Until this year, Skift and Navan had never surveyed travelers and managers about artificial intelligence — a testament to just how quickly generative AI has gone from sounding like the plot of a sci-fi movie to being part of our everyday lives.

A majority of both travelers (59 percent) and managers (62 percent) said they either "strongly" or "somewhat" trust AI to handle "straightforward" tasks for travel and expense. The survey defined "straightforward" tasks as things like travel searches, baggage tracking, flight upgrades, or managing bookings and cancellations.

But when looking only at those who "strongly" agreed they trusted AI for these tasks, the number was just 23 percent for both travelers and managers. That tracks with the sentiment shared across much of the general population, which may be best expressed as deep interest with cautious optimism.

It's easy to understand why plenty of travelers and managers might be hesitant to give more control to AI. Big change comes with big uncertainty, and generative AI's arrival has been greeted with questions about the positive — and potentially negative — implications the technology has on the future of work.

> *"Generative AI models are shrinking in size and increasing in power. The pace of development — and the implications for the corporate travel and expense industry — will be like nothing you've ever seen."*
>
> — Ilan Twig, Chief Technology Officer and Co-Founder, Navan

Despite concerns about handing over the reins to generative AI to aid with the travel experience, it's important to understand that traditional AI has long been part of the industry, performing tasks like tracking bags, monitoring customer sentiment on social media, and determining pricing for flights and rooms. And outside of travel, AI has become enmeshed in just about everyone's routines (right, Siri?).

Where We're Heading: Personalized Travel Bookings, Custom Data Queries

The travel industry has been talking about the power of personalization for years, but the promise of individualized search results has remained elusive. Even frequent corporate travelers are accustomed to sifting through a mountain of results for properties and room types that don't match their preferences and/or include a warning about the potential for being out of the company's policy.

The path to a future state is finally coming into focus. Navan is leading the charge with Ava, a generative AI-powered chatbot that uses each traveler's unique details — like loyalty memberships, preferred amenity choices, favorite hotel types, distance from the office, and policy limitations — to suggest top matches.

Navan's early experimentation also reveals a huge potential for generative AI to help demystify big data on the business side. Ava has the ability to comb through multiple databases and unearth insights about travel and spend intelligence that can arm managers with answers to questions that every travel manager and CFO has, like, "How can we save 10 percent on our travel costs?" Ask Ava, and recommendations will appear in a matter of seconds.

"Complex analyses like this would take humans weeks and require an entire team of data crunchers," said Twig. "Now, with a simple prompt, any team member can immediately unearth the exact steps necessary to achieve their program goals."

It's a night-and-day difference from the way that finance managers have been accustomed to working: A 2020 report from McKinsey showed that finance professionals spent approximately 36 percent of their time on non-value-added tasks, due to poor data quality and availability. After years of reading reports about the importance of embracing digital transformation, the arrival of generative AI means a more efficient workday is actually possible.

The revolution may be in its early stages, but the industry is in a state of hyper-acceleration. "Generative AI models are shrinking in size and increasing in power," said Twig. "The pace of development — and the implications for the corporate travel and expense industry — will be like nothing you've ever seen."

Tips for Exploring Generative AI Opportunities in Corporate Travel

Companies that haven't yet made the leap into generative AI-powered solutions are not alone: Only one-third of respondents in recent McKinsey research say their organizations are using generative AI on a regular basis.

Consider these tips to help with navigating your company's journey:

▶ **Clean up your data.** Generative AI relies on good inputs. With that in mind, now is the time for finance professionals to organize and refine the company's intelligence in order to better empower generative AI solutions.

▶ **Find the right partners.** While every company seems to be talking about generative AI, that doesn't mean all of them are doing it well. Look for true tech leaders who can play a role in ushering your own organization into the future.

▶ **See it for yourself.** Put yourself in the traveler's shoes to understand how generative AI is changing the booking experience. From Expedia's ChatGPT-powered planning tool to Navan's Ava, conversational bots can help you better understand the landscape of travel.

▶ **Plan for bigger strategic work.** Generative AI's power of automation is going to free up a lot of time, allowing travel managers to focus more of their attention on bigger-picture issues. Think about what it could mean for your professional evolution when you don't have to dedicate energy to cumbersome manual tasks.

Conclusion

In 2024, there will no longer be any lingering questions about when corporate travel will return: It has finally come full circle. Now it's time for companies to get serious about up-leveling and future-proofing their travel and expense processes, policies, and systems in order to maximize the return on every trip — without creating more work.

That process begins by understanding the new normal of hybrid work, and that traveling as a team — to offsites, industry events, conventions, and trainings — now plays a pivotal role in building corporate culture. Combined with a rise in blended travel, team travel is creating new challenges for corporate travel and finance managers when tracking travel patterns and expenses, as more employees are traveling under unfamiliar circumstances.

> *Generative AI is now piloting the future. And there are miles upon miles of blue sky ahead.*

Technology must play a central role in overcoming these challenges. Companies embracing all-in-one systems that combine corporate travel booking, corporate cards, and expense management have a distinct advantage here. By harnessing the full potential of new and existing technologies, they're able to increase compliance, reduce costs, and fuel greater productivity — while eliminating the frustrations of paper receipts and manual report submissions.

Moving forward, innovations in these solutions will increasingly be driven by generative AI. This technology, advancing at light speed, is already creating unique opportunities for travelers to plan and manage their trips and revolutionizing the way managers track the success of their programs.

Integrating new technologies always comes with a learning curve, especially when dealing with the nuances of travel and expense policies. However, the long-term benefits of creating a better company culture and a stronger bottom line will outweigh any short-term challenges.

Replacing the frustrations of traditional travel and expense — combing through irrelevant booking options, saving receipts, and resubmitting rejected expense reports — with a more seamless experience comes with other upsides as well. Travel is now thought of as a work perk, and is even becoming a recruitment and retention tool. In addition to improving the lives of traveling employees, modern solutions are easing the perpetual headaches of communicating policy changes, manually reviewing exception requests, and struggling with lackluster compliance rates.

The evolving approach to travel management isn't just making people happier. It's helping to enable greater cost savings on every trip — whether employees are traveling together for a team-building experience or hitting the road solo to cement a new partnership. In short, this new era of travel management is already fueling smarter, faster, and more cost-effective business travel — metrics that will improve as new technology develops.

Generative AI is now piloting the future. And there are miles upon miles of blue sky ahead.

About Skift

Skift is the largest industry intelligence platform, providing media, insights, and marketing to key sectors in travel. Through news, research, conferences, exclusive interviews, strategic sector-focused newsletters, and more, Skift deciphers and defines the global trends that matter to the marketers, strategists, and technologists shaping the industry.

SkiftX is Skift's in-house content marketing studio, working collaboratively with partners like Accor, Dubai Tourism, AWS, Expedia, Allianz Partners, and many more to help brands solve problems, create unforgettable moments, and communicate big ideas through content, research, and event activations.

Visit skiftx.com to learn more or email skiftx@skift.com.

About Navan

Navan is the all-in-one solution that makes travel easy so you can focus on being there, not getting there. Say goodbye to spending hours on the phone trying to change your flight or saving stacks of receipts to manually input expenses. From EAs and finance teams to travel managers and employees, Navan empowers people to focus on the things that matter most to them — all while providing companies with real-time visibility, savings, and control.

Learn more at navan.com.