

VISTA JET

WSJ INTELLIGENCE

THE FUTURE OF BUSINESS TRAVEL

DRIVING GLOBAL SUCCESS



June 2021

“The COVID-19 pandemic upended our world, including travel. It also showed that some business travel is truly essential and having to forgo in-person trips came at a real cost to companies: any savings in travel budgets were exceeded by the cost of missed opportunities, sometimes worth **several millions.**”

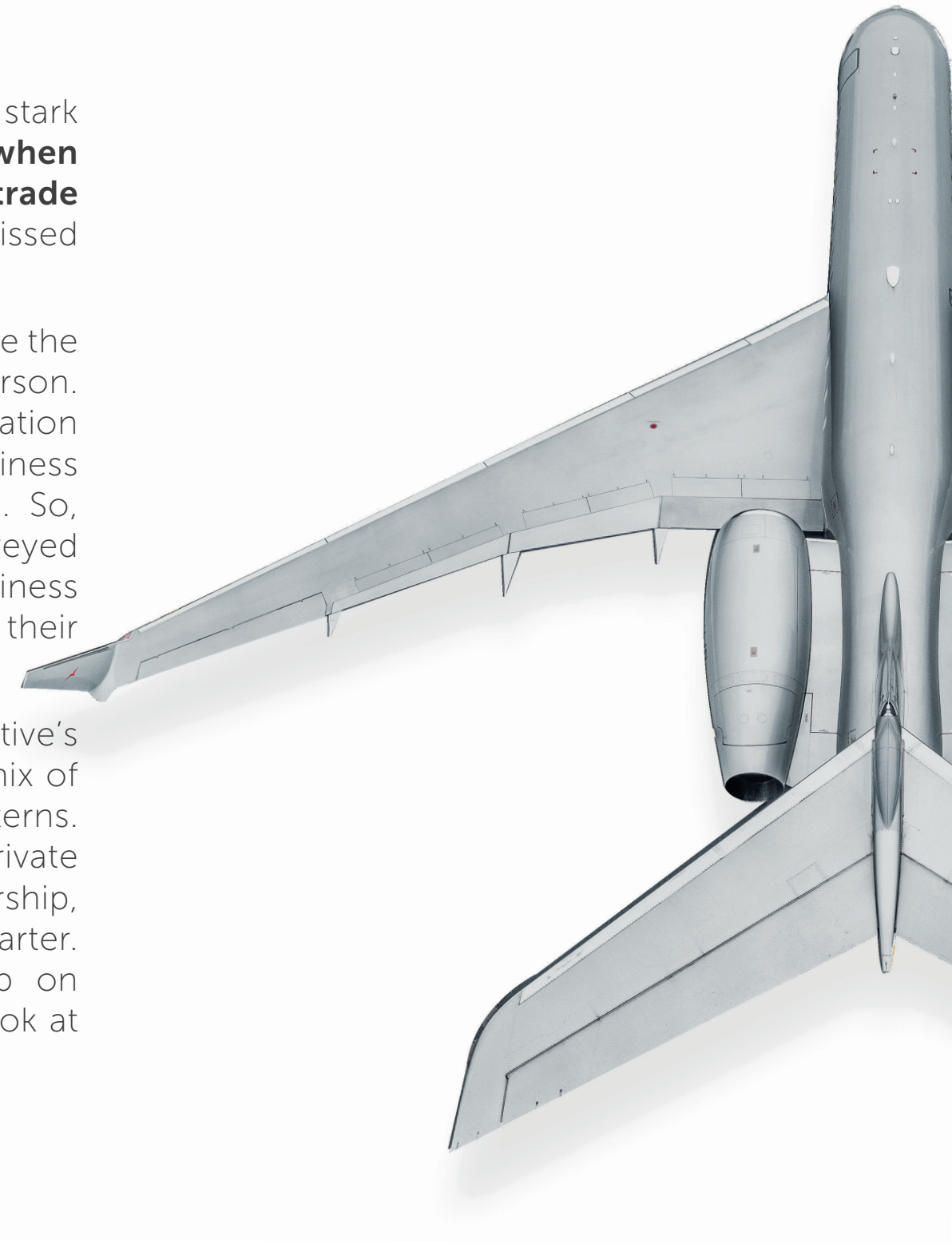
Matteo Atti

EVP Marketing and Innovation, *VistaJet*

The lockdown of billions of people globally put into stark relief the price of stopping business travel. **Only when travel was taken away did its value to worldwide trade become clear**, both in terms of disruptions and missed opportunities.

Because of the pandemic, it was possible to measure the impact of not being able to conduct business in person. For the first time, the chance to go beyond speculation and quantify the essential role and value of business travel in people’s professional lives was possible. So, in April 2021, WSJ Intelligence and VistaJet surveyed over 200 high-level global executives about business travel, its changes and its role for the future of their organizational growth.

Pre-COVID-19, travel was an intrinsic part of an executive’s job. The members of this group, coming from a mix of industries and geographies, all had intense travel patterns. In the year before the pandemic, 86% had flown private for business, using either full or fractional ownership, jet cards, membership programs or on-demand charter. The same percentage had also flown roundtrip on commercial First Class, and virtually all — 96%— took at least one Business Class commercial roundtrip.



Private aviation demonstrated its value as a **critical mobility solution**

The lack of travel hurt the business of almost all the executives surveyed, with the pandemic having limited business travel for **90% of companies**. Commercial airline traffic was down to a third of 2019 levels.

Conversely, even with tight restrictions across the world, business aviation flights were trending between 85% and 90% of year-on-year volumes since July 2020, according to FlightAware. That shows that people wanting to travel were flying private — either to observe social distancing guidelines in airports or on flights, or because so many commercial flights were canceled,

Private aviation demonstrated its value as a critical mobility solution, ensuring continuity in business management and global trade.

A new calculus emerged, with safety, efficiency and value more important than ever. As 2021 started, companies were still reassessing their guidelines for senior executive travel, and this lack of clarity seems to be generating friction for the top users of business travel. Many business leaders feel that **video conferences have failed to generate the same results as in-person meetings**, and this paper shows their intuition is borne out by the experiences of executives from many countries, in many industries.

Through this research we explore the nature of the new business travel needs, the criteria for decision-making and how business travel in the future might look — specifically the new role private aviation will play and the new definition of value for entrepreneurs and global leaders.

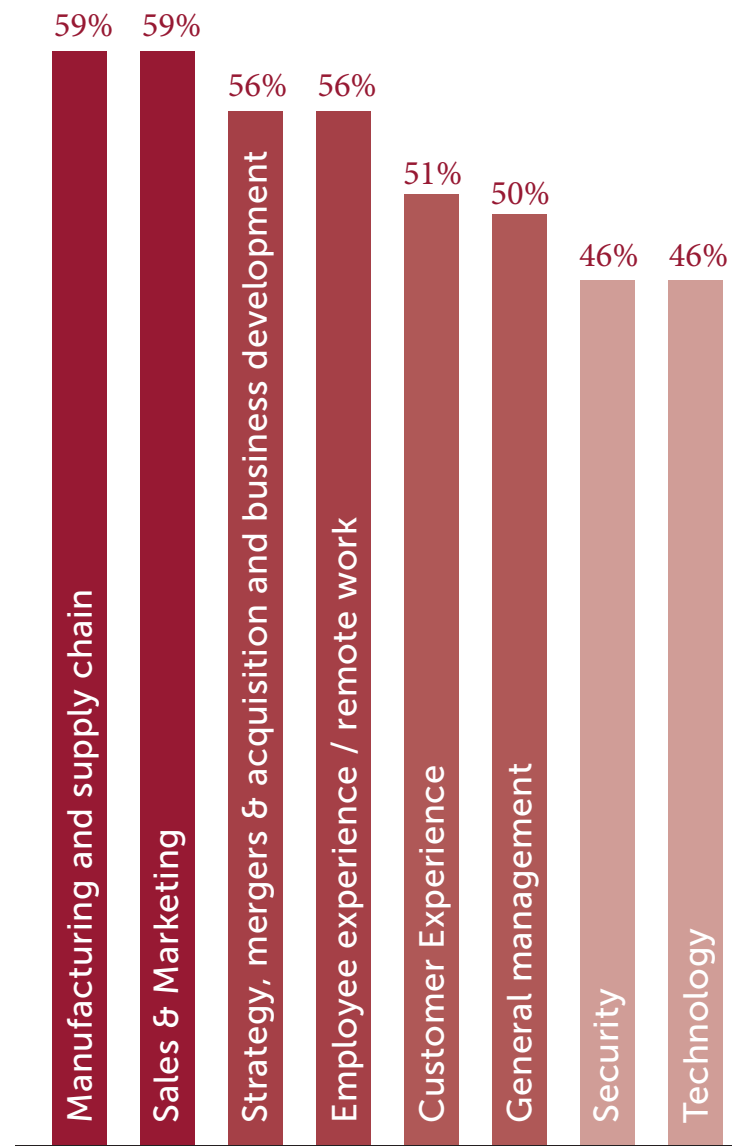


Operations **hit**, opportunities **missed**

Only 10% of respondents said their companies had not restricted business travel, versus 27% who said their companies allowed none at all. Yet, **97% said their companies experienced negative impacts directly related to business travel restrictions.**

COVID-19 disrupted supply chains, manufacturing, sales and marketing, business development and company strategy, not to mention forcing a sudden shift to remote work for employees and a scramble for protective equipment for essential workers. All this on top of a global patchwork of restrictions, rules and lockdowns.

Among respondents whose companies had restrictions on travel in the past year, virtually all — 87% — had a massive or substantial disruption in at least one area of business, and 24% indicated massive or substantial disruptions across all eight areas measured, specifically as a result of business travel restrictions.



Limited travel massively/substantially disrupted areas of business

Base: Company imposed some travel restrictions n = 182

Travel restrictions also diminished opportunities, illustrating that some transactions need to be done in person. Development of international business and product launches were each cited by 37% of respondents as taking a hit because of a lack of in-person presence.

A third of the companies saw missed opportunities (34%) and fewer deals closed (33%). The experiences were remarkably similar across regions, except for employee alignment, which 36% of U.S. respondents said was problematic without business travel, while only 19% of respondents in the rest of the world saw as an issue.

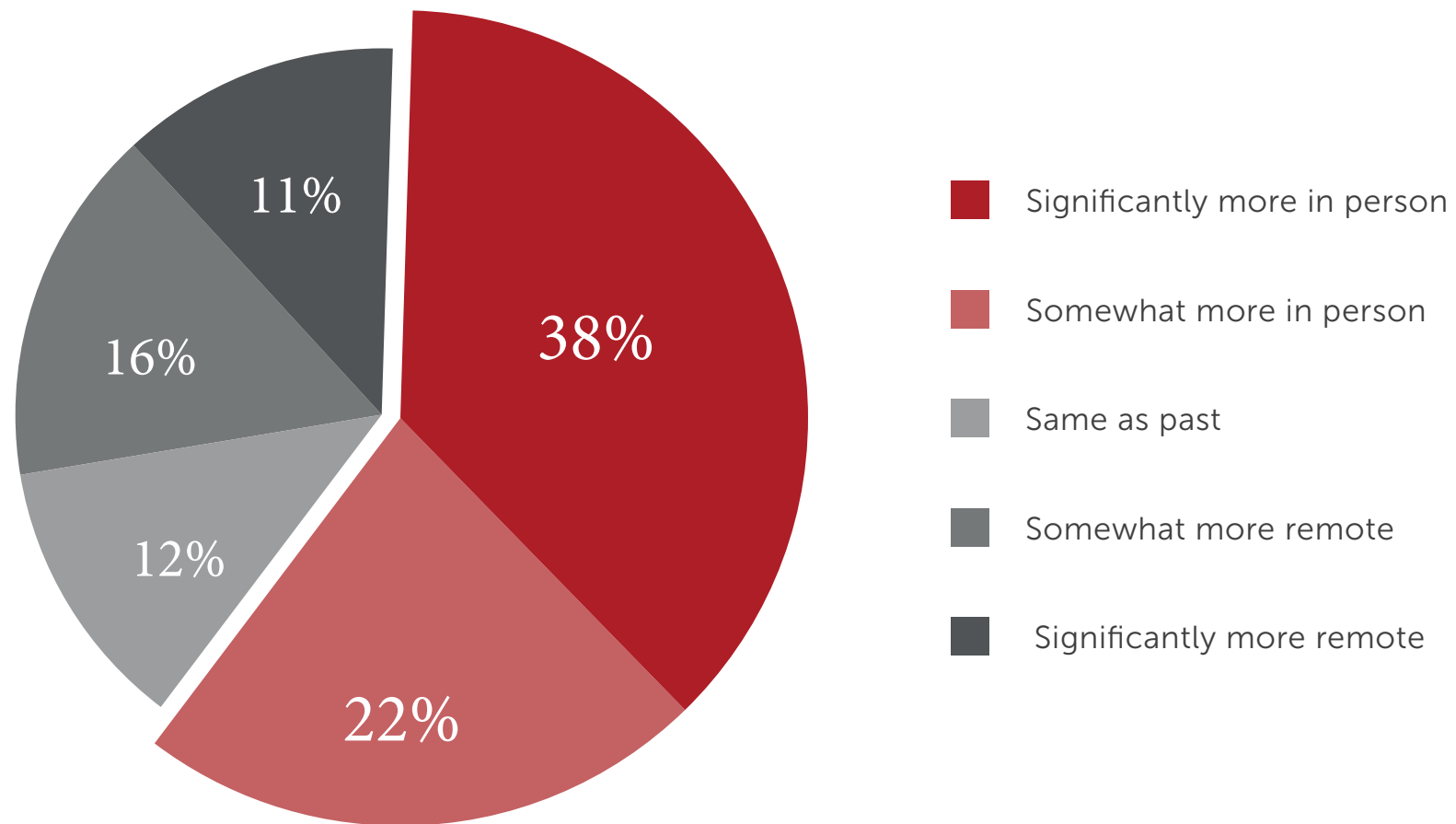
“It is hard to read a room when everyone is in individual windows on a screen. Misunderstandings can occur, especially across cultures. And these, in turn, can become **costly mistakes.**”

Ian Moore

Chief Commercial Officer, *VistaJet*



Post-COVID-19 travel



Future business meetings

After a year of lockdowns, there is built-up anticipation for travel as restrictions ease. **Six in 10 respondents expect more in-person meetings in the future**, compared to a typical year before the pandemic. Among those who are intense users of private aviation, taking eight or more private flights a year, **60% plan to significantly increase in-person meetings**, compared with 38% of total respondents. **Additionally 81% said business travel will be more important than ever to driving success.**

81% agree that business travel will be more important to driving success than ever before.

What are executives' priorities for making a trip?

The top reasons, each with 34%, are visiting partners and vendors for strategic alignment and attending industry events and conferences. Along with attending events and meetings to drive company innovation, at 23%, these activities could be classified together as general business development.

A similarly important category for in-person attention is **relationships with clients**. Making a trip demonstrates to current and potential clients that they are worth a top executive's attention beyond simply squeezing another video conference into a day's agenda. Bad optics are exacerbated when the pitfalls of video calls occur — interruptions by family or grogginess in a late-night meeting with a client on the other side of the world — a signal of a lack of importance toward the client. At the same time, body language, humor and tone can be hard to ascertain through a screen, especially with people one doesn't already know well.

A third of respondents said they prioritize private travel for problem-solving with key clients, while relationship-building with their current network and delivering a presentation to clients each were cited by 31%. Indeed, even if they were limited in the number of private flights they could take, **55% would travel to “save” a large client relationship or to deliver on a commitment (53%).**



Closing a deal worth more than \$5 million or attending an extremely important conference, such as the World Economic Forum, also ranked as priorities for a private flight. At 46% and 45% respectively. Some activities — where chemistry counts — **simply cannot be done via a screen.**

Priority situations for a private flight



“The notion that private travel is the solution to the new fluidity in travel has become evident to most executives. The importance to be able to **manage sudden changes** in policies has taken center stage.”

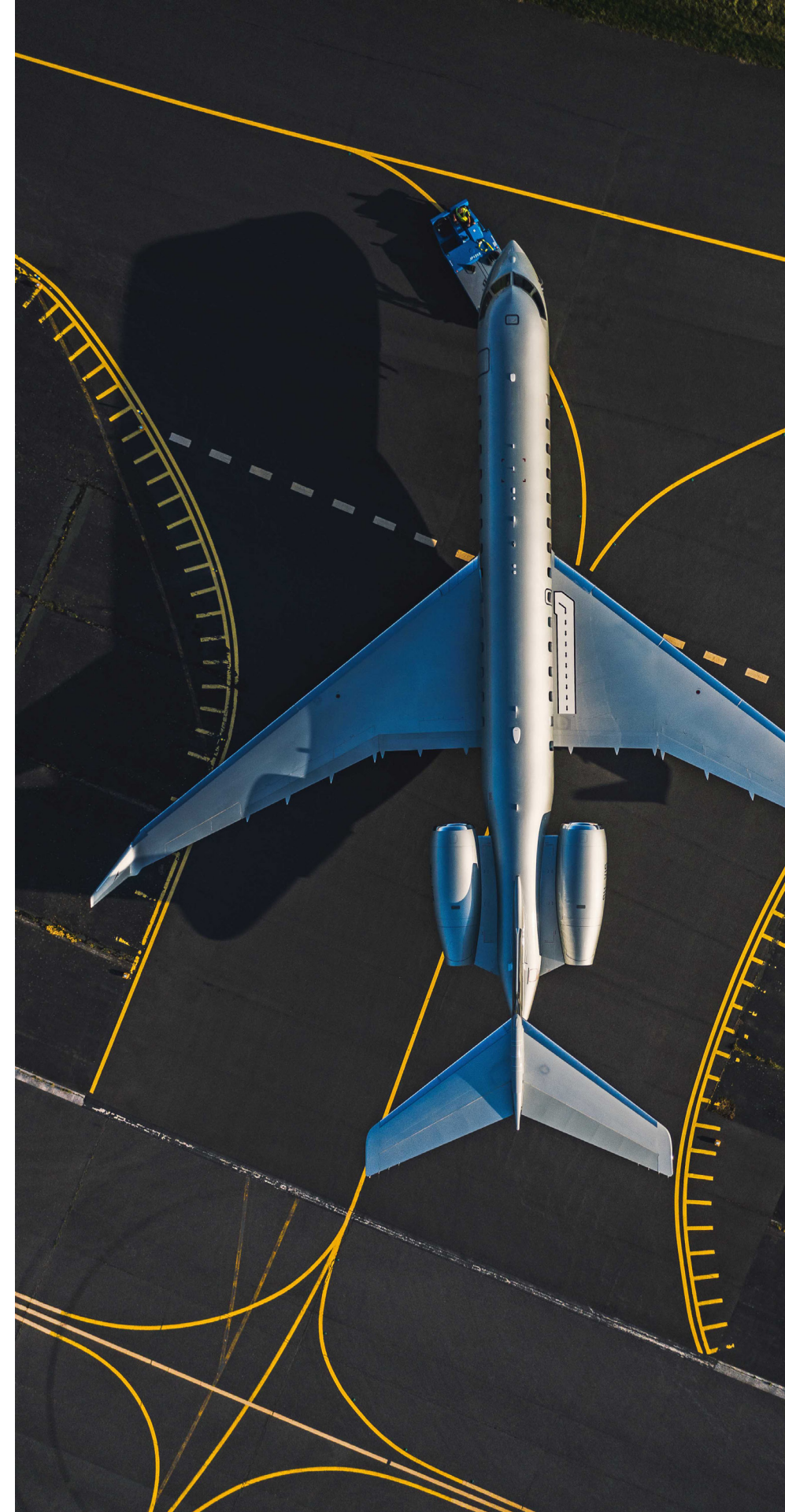
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Future travel depends largely on regulations.

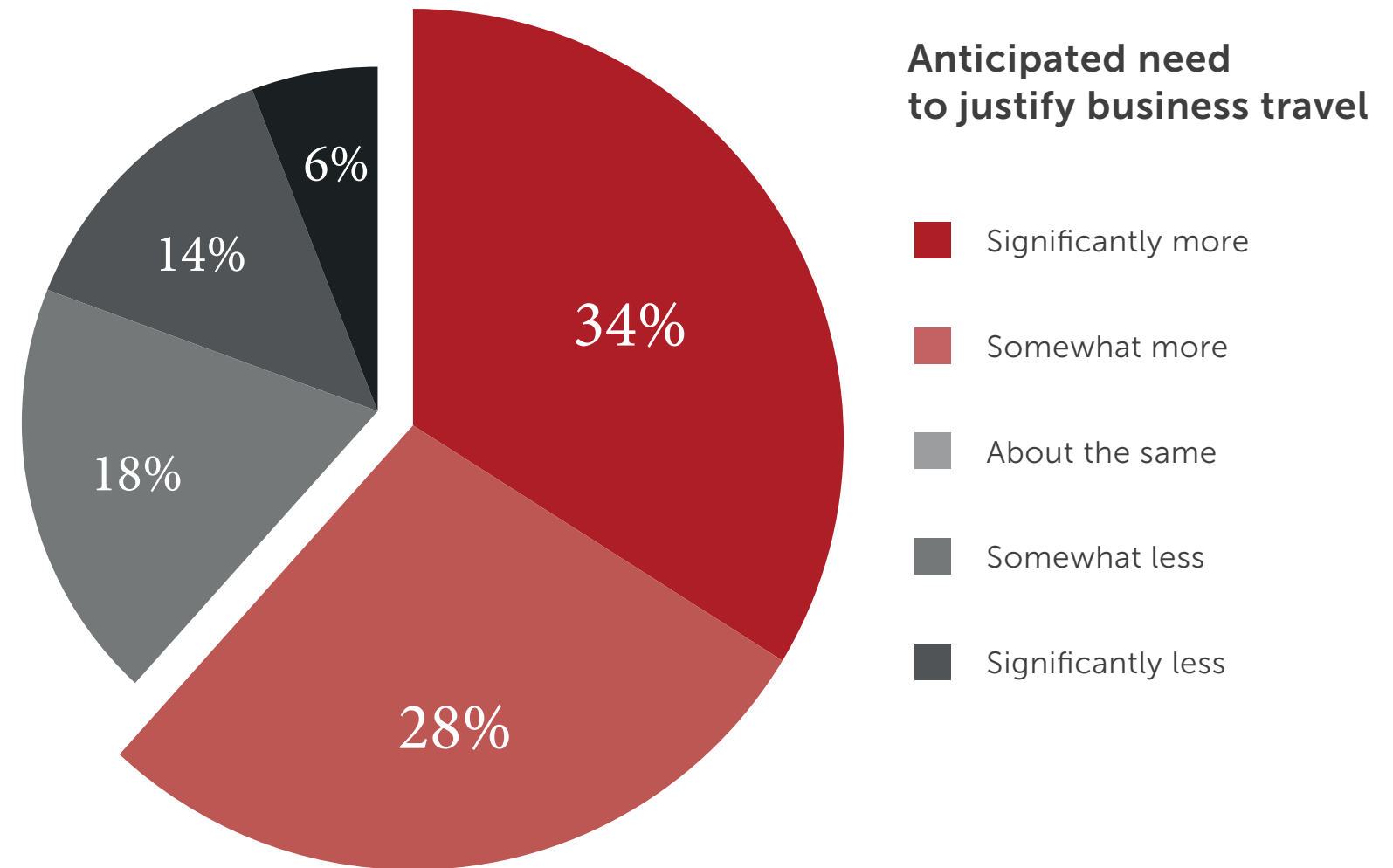
46% of respondents are waiting for destinations to reopen; 42% want updated COVID-19 data and regulations for their destinations; 36% want support in case regulations change while they are on a trip; and the same number are waiting for their companies' travel policies to relax.

Some are concerned about flexibility in travel — changing or canceling their plans, booking at the last minute, or emergency repatriation if regulations should change mid-trip. Fear — not of COVID-19, but of getting stuck because of sudden COVID-19 changes or restrictions — is an argument in favor of private flights. 34% cited being fully vaccinated themselves, 32% global herd immunity and 26% door-to-door services to optimize social distancing.



A strict calculus on **travel's value**

Surviving without private travel can't compare to thriving thanks to it. While executives were clear that the lack of travel cost them business opportunities, it is hard to pinpoint the missed financial value. Considering that most of the surveyed executives chose private travel for servicing their biggest clients or for securing multimillion-dollar deals, the price of missing those contacts could well be in seven figures or more — many multiples of the cost of a private flight. **Still, most executives — 62% — expect to be asked for more justification for business travel.**



The benefits of private travel

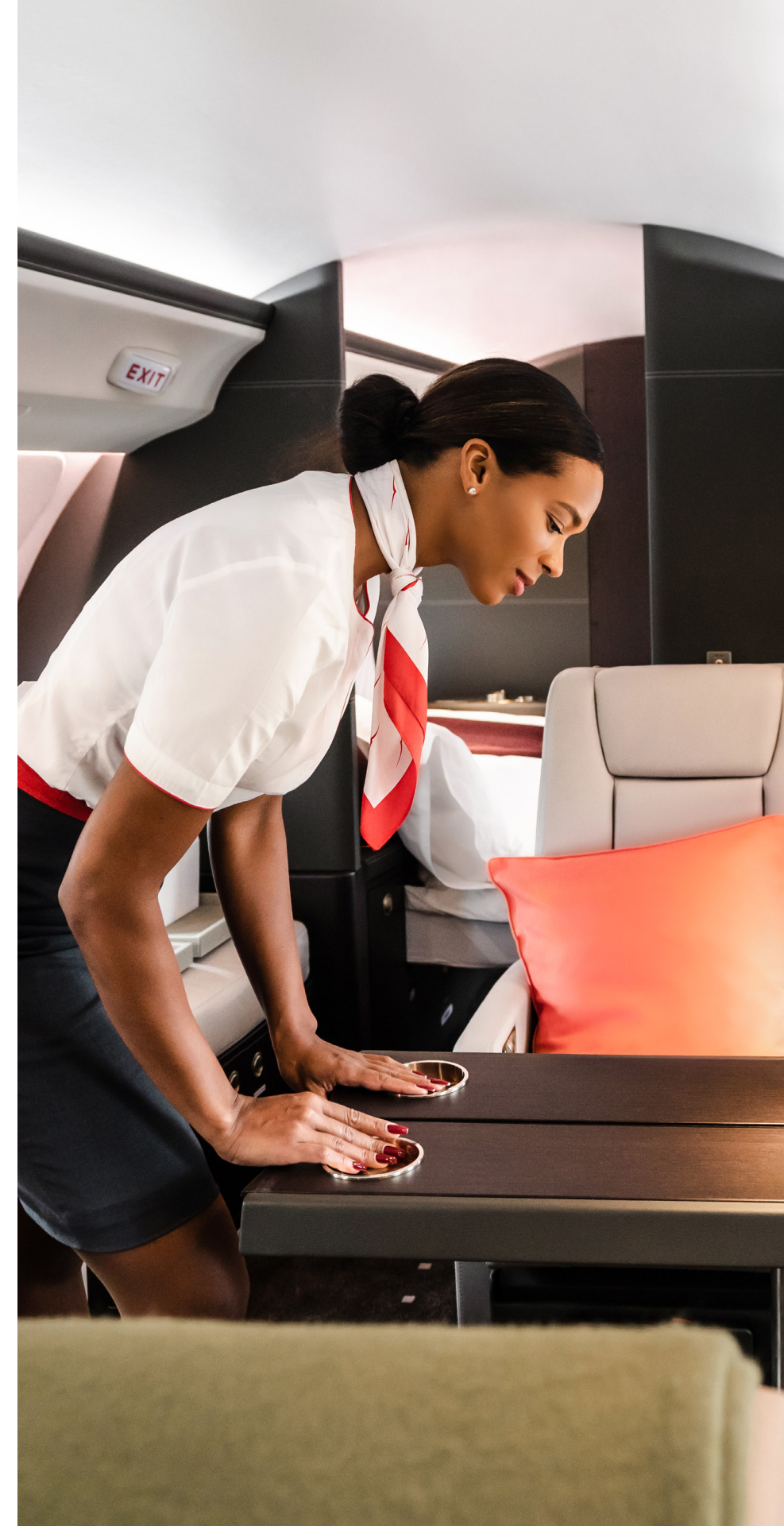
The benefits of private travel, such as flexibility and efficiency; the ability to conduct business securely during the flight without risk of being overheard; and the ability to arrive fresh at destination are difficult to put a price tag on. These are not luxuries for the traveler, but the premise for good business practices.

The vast majority — **87% of respondents** — said their time is very valuable and they **look for opportunities to maximize results**, and **74% said that flying private is a driver of efficiency and success**.

By contrast, only 39% of respondents said the total cost of private aviation presented a barrier. For four in 10 respondents, it was the concerns about the safety ratings of certain charter companies that gave them reason to pause.

The restrictions imposed by the COVID-19 pandemic accelerated innovation in many areas. They also exposed where humans need to connect more than on screen for important decisions, in the personal realm and also in business.

Some things require trust and a handshake.



The study

Methodology and respondents:

Online quantitative study in field
April 9 – 23, 2021

201 total respondents:

C-suite / head of large business unit

Countries:

U.S. (50%), EMEA (Germany, U.K., UAE) (25%),
APAC (Singapore, Australia, India) (25%)

Industries*:

- Technology (25%)
- Financial Services (20%)
- Professional / Business Services (18%)
- Manufacturing (16%)
- Commercial / Investment Banking (6%)
- Real Estate / Development (2%)
- Other (11%)

Company revenue*:

- Minimum \$500M for C-suite
- \$300M for head of unit
- Under \$1Bn: 26%
- \$1Bn – 4.99Bn: 42%
- \$5Bn - \$9.99Bn: 21%
- Over \$10Bn: 11%

*May not equal 100% due to rounding.

Research and report partner



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