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# BusinessTravelNews

April 1, 2014

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## MEETING THE DEMAND

A new *BTN* survey and other industry data point to a rebound in corporate meetings. What does it mean for strategic meetings management? Page 30

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# BostonCoach Owner Acquires Dav El, Vows More Consolidation, New Tech

BY JAY BOEHMER

Marcou Transportation Group in March acquired Dav El Chauffeured Transportation Network, growing a portfolio of brands that also includes the recently acquired BostonCoach.

Dav El president and CEO Scott Solombrino will oversee the Marcou Transportation Group's Premium Chauffeured Transportation Platform, which combined has "more than 3,000 employees, operates 1,700 company-owned vehicles and generates revenue in excess of \$250 million per year," according to the company.

Solombrino said more acquisitions are to come as Marcou plays out a strategy to consolidate the highly fragmented

chauffeured transportation business.

"We're going to consolidate this industry," said Solombrino. "We're already picking through our next four to five deals that we think are important, that we want to bring into the fold."

Marcou's chauffeured portfolio also includes Regal Limousine, an operator in the Washington, D.C., area, and Harrison Global, which itself has grown through acquisition. Marcou last year bought BostonCoach from longtime parent Fidelity Investments.

Solombrino said each brand would maintain its own identity but tie together technology, reservations and sales functions. The combined sales forces are being integrated and the brands already jointly are fielding corporate requests for proposals, he said. The combination of brands "gives us tremendous critical mass, tremendous depth and a huge amount of penetration on a percentage basis into the *Fortune* 1,000," he said.

Financial terms were undisclosed.

## Taking On Uber

The group plans to launch "very soon" an Uber-like on-demand chauffeured services mobile application, said Solombrino, adding there is tremendous corporate demand for such functionality.

Since its 2010 launch, consumer-focused Uber has expanded its footprint to about 40 cities in North America and more abroad, attracting delight from



Scott Solombrino

many users and some hostility from legal authorities and members of the ground transportation establishment.

"We feel that Uber has done a lot of disruption in the marketplace, and they've done it without a lot of compliance," said Solombrino. "We think in the very near future we'll have a complete mobility solution to compete with Uber on the corporate side of the business, which no one has really succeeded at yet."

A few players in the ground automation space have angled offerings to the corporate market, including Taxi Magic, Sedan Magic, Limos.com and Groundlink. Yet, Solombrino's sights are set squarely on Uber.

"We certainly respect what they have done in the marketplace and the penetration and depth that they have in the market, but we also know there's no

shame in being number-two or number-three for a while until everybody understands exactly where that market is going," he said. "We see mobile use and mobile communication as being the real leader of where the market is headed."

Solombrino said the newly bonded group's mobile solution would use a mix of technologies built "in-house and out-of-house on the open market already." He did not disclose partners on the project, but said the BostonCoach brand has a strong technology backbone.

Furthermore, he said the now-merged members of the chauffeured transportation group "were on the path long before the acquisition was completed," and the overarching technology platform is "already done. We just have to make a decision from a fleet perspective as to when we want to start to implement and do testing in the marketplace."

Solombrino suggested that the first iteration would include on-demand reservations, which, like Uber, would enable passengers to use mobile devices to promptly dispatch an available vehicle to their location. The group of brands also could expand mobile functionality to pre-reserved transportation services.

While Uber was the stated target of the transportation group's initiative, Solombrino also praised the tech firm's vision—even if those plaudits came with a few punches. "I give them all the credit in the world for being fantastically smart people who've really figured out this sector and have done a great job of disrupting every one of us who've operated legitimately through the years under the rules and regulations."

## BTN NOTES

### BTN Group To Launch Thought-Leadership Event

The BTN Group is launching a new initiative in thought leadership and innovation capped by Innovate 2014, a Sept. 3-4 conference in Manhattan, which will try to find solutions to common challenges and showcase innovation. Among topics *BTN* staff and interested industry members will examine before and during the conference are improving the hotel, airline and TMC sourcing processes; improving online booking tools; leveraging mobile opportunities and optimizing travel policies. To join a task force or receive more information, contact David Meyer at [dmeyer@thebtngroup.com](mailto:dmeyer@thebtngroup.com).

### TMOY Nominees Sought

*BTN* is seeking candidates for its Travel Manager of the Year and Best Practitioners honors, to be awarded July 29 in Los Angeles. *BTN* seeks corporate travel buyers and managers who in the past 12 months advanced at least one industry best practice or elevated the role of travel decision-maker as a whole. The deadline for nominations is May 21. Submit nominations to David Meyer at [dmeyer@thebtngroup.com](mailto:dmeyer@thebtngroup.com).

## Lufthansa To Debut Premium-Economy Class

Lufthansa in November will launch its new Premium Economy Class on Boeing 747-8 aircraft and roll out the product to its entire long-haul fleet through summer 2015, the carrier announced last month. In development since late 2012, the new seats, "depending on the aircraft type," are up to 1.2 inches wider and provide about "3.9 inches of more room on the side due to each seat having its own wide armrest and a center console between the seats." Measuring 38 inches from seat back to seat back, the seats will provide passengers "approximately one-and-a-half times as much room as compared to Economy Class," according to Lufthansa. Premium Economy passengers will be allowed two checked bags and, for an extra €25, access to Lufthansa's airport lounges. Onboard, Premium Economy passengers will be "greeted with a welcome drink and will find their own water bottle, as well as a high-quality amenity kit with practical travel accessories at their seat," according to Lufthansa. The airline indicated that pricing will "be closer to Economy Class than Business Class," noting that a flight segment on the North Atlantic will run on average an additional €600 on top of an economy ticket.

## PKF: U.S. Hotel Supply Growth To Lag Long-Term Average Until 2017

PKF Hospitality Research projected the U.S. hotel supply growth rate will remain below the long-term average until 2017, according to a March forecast. U.S. hotel occupancy levels should return to pre-recession levels this year, and the firm projects the average daily rate will increase 4.9 percent this year and 5.7 percent next year. Adjusted for inflation, however, U.S. ADR will not reach pre-recession levels until after 2015, "thus suppressing the financial feasibility of new development projects in the near term," according to Cornell University School of Hotel Administration real estate professor and PKF advisor Jack Corgel.

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“Many workers are saying they would be more engaged and more productive if they could travel more to get work done. To some extent, people have forgotten about the worker experience and how face-to-face is a very important part of doing business. I do think most firms don’t take it seriously enough as an extension of employee benefits.”

—HfS Research senior vice president *Christa Degnan Manning*

“In comparison with this time last year, when the overriding sentiment was still very cautious, there are more encouraging trends and in some sectors there is clearly a greater appetite to invest and look for business.”

—Eurostar chief executive *Nicolas Petrovic*



“Now that we have been doing this kind of regularly, we are really getting good at integration. We’ll have that business [in the United States] fully integrated in a year. Normally it takes us two years.”

—*Corporate Travel*

Management managing director *Jamie Pherous* on the Australian travel management company’s expansion into the United States following the acquisitions of R&A Travel in 2012 and TravelCorp in 2013, adding that CTM seeks more acquisitions

“Parliament could not accept the Council’s wish to stop the clock until 2020. We have the next ICAO assembly in 2016, and if it fails to deliver a global agreement, nobody could justify maintaining such an exemption for another four years.”

—European Parliament member *Peter Liese* on an informal agreement to restart emissions regulations on all European Union flights in 2017, rather than 2020 as proposed by the European Commission



## Interview: Loews Hotels’ Whetsell



*Los Angeles* - Two years into his position, Loews Hotels president and CEO **Paul Whetsell** is ready for what he calls a “stabilizing” year. During his tenure, the upper upscale hotel company has invested about \$250 million in renovations and technology upgrades across its portfolio. Whetsell said he also “made a lot of changes those first two years on the operating and marketing front, and now it’s more or less time to let them take

root.” Speaking with *BTN* lodging editor Michael B. Baker at the Americas Lodging Investment Conference here in late January, Whetsell talked about Loews’ plans for 2014 as well as its recent decision to make basic Wi-Fi a free amenity across all its hotels.

**Business Travel News: What sort of year do you expect?**

**Paul Whetsell:** We’re going to have a very good year. January turned out to be good for us. If we can keep that up, the industry is supposed to do a 6 percent to 7 percent [increase in 2014 revenue per available room year over year], and we’re going to do a bit better than that because we’re coming off of a big renovation year. When you can get that, which is almost three times the rate of inflation, you should make money. Unless some external event happens, I think we have a good three to five years left in the cycle.

**BTN: What’s happening with development at Loews?**

**Whetsell:** We have two hotels that we’re building: one in Chicago and one in Orlando. Chicago is a 400-room hotel that’s going to be very nice, 52 stories with 400 luxury rentals on the top, which we won’t own. In Orlando, we’re having 1,800 rooms. We bought in Washington, Boston and Los Angeles, and within this quarter, we’ll announce two or three more deals in our pipeline coming up. We’ve basically covered our major gateway cities. We’re a little more focused on what I call major markets now: Seattle, Portland, Dallas, Houston and Minneapolis. These are all good markets to support a Loews. Four out of five hotels that we bring in our system will be existing, but we will have one or two in our pipeline that we’re building along the way. We’re fortunate to have a good balance sheet where we’re able to do that. Then, we’ll turn our attention a little more international as we fill in the holes here, but we have a lot of growth domestically to do.

**BTN: What drove the decision to offer free Wi-Fi across your system?**

**Whetsell:** We’re not as big as some of the other brands—we have 21 hotels—so, we’re really trying two things. One is to build up better loyalty within our system. A lot of people know our hotels individually. They’ll come up to me and say the Loews

Miami is one of their favorite hotels, but that doesn’t necessarily mean they think of the Loews Boston. The second is that we’re trying to attract a much broader customer base through digital marketing, e-commerce and social media. We were one of the first brands to allow people to make reservations through Twitter. My belief is that we’re not that big of a trendsetter with the free Wi-Fi, because everyone is going to have to do it. We do have a premium, higher speed, if someone is downloading 100 files and wants it done in 30 minutes instead of two and a half hours. But if you just want to check your email, it’s just a matter of time before everybody [offers] that [for free].

**BTN: What are the challenges on the distribution side?**

**Whetsell:** It’s difficult to keep up with all the new channels of distribution, all the different vehicles you have to monitor today, so we’re making an effort to step up our game here. At our annual internal meeting for general managers and directors of sales and marketing, we had Google and TripAdvisor, and it was eye-opening. The person from Google was showing us how they map their customers from the time they start thinking about a hotel stay until they actually book it and how many different websites they may go to, and we have to be ready on every one of those sites to tell our story. It’s time-consuming, it’s costly and it’s complicated. Our head of social media [Piper Stevens] came out of Godiva Chocolate, and she’s adapted.

**BTN: What else do you have planned for this year?**

**Whetsell:** We’ve upgraded our product, put \$250 million into our hotels, and we’ve upgraded our technology, which allows us to do the free Wi-Fi. The next one on our list is really taking a look at the in-room entertainment. The pay-per-view model is rapidly changing. People come in today and have their own computer and can stream Netflix. We just changed our standard in our hotel. Everything new has to be a 47-inch smart TV. 📺

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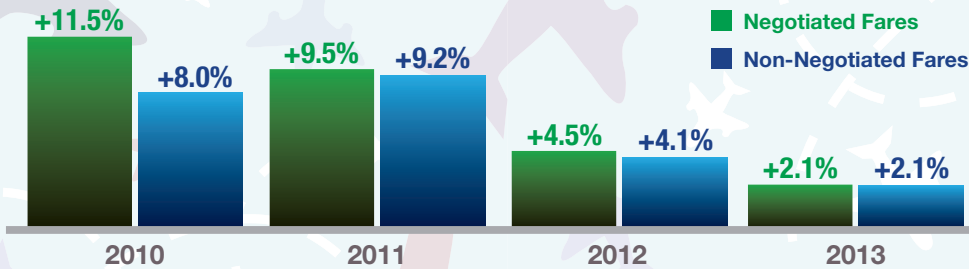
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## Airfare Increases Moderating

Average Ticket Prices, Year-Over-Year Increases

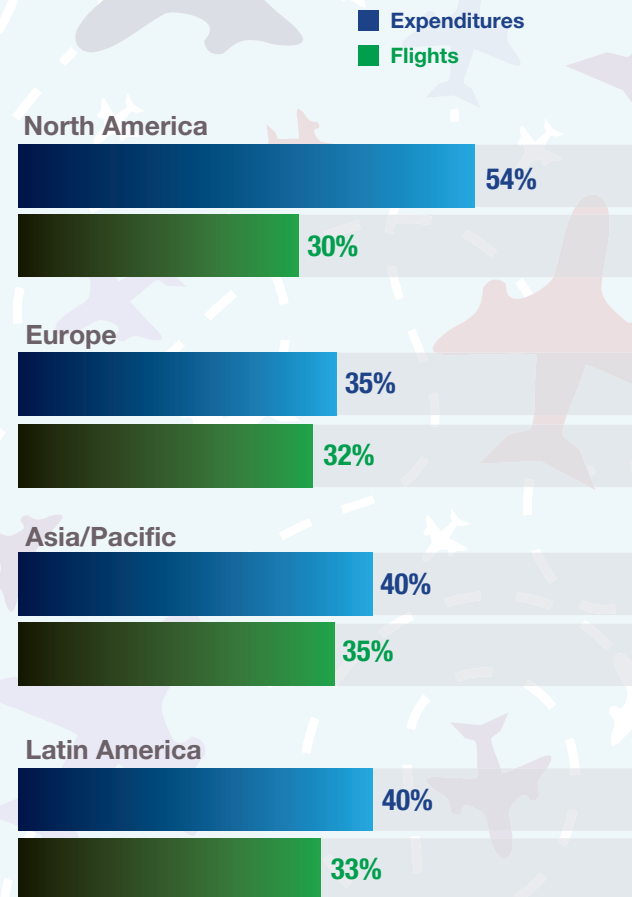


Note: Data encompasses all Egencia bookings from North American points of sale to all global destinations.

Source: Expedia's Egencia, based on client bookings

## North American Travel Managers Most Likely To Expect Costlier 2014 Air Travel

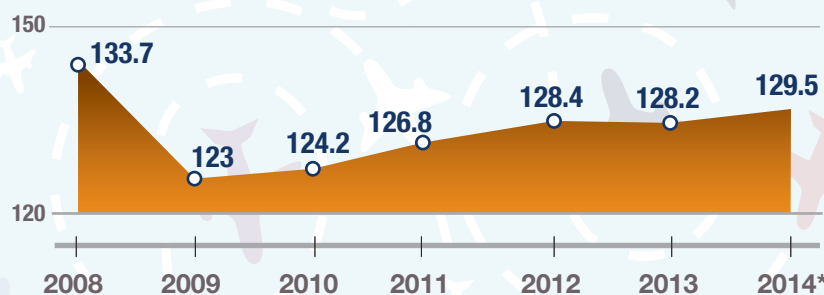
Percentage Of Respondents Expecting Increases Versus 2013



Source: AirPlus International, based on a late 2013 survey of 958 travel managers in 20 countries, including 100 in North America

## 2014 Spring Air Travel On U.S. Airlines Forecast To Hit Six-Year High

March 1-April 30 Onboard Passengers, Including International Flights (in millions)



\* Forecast

Source: Airlines for America

## 2013 Airline Industry Recap

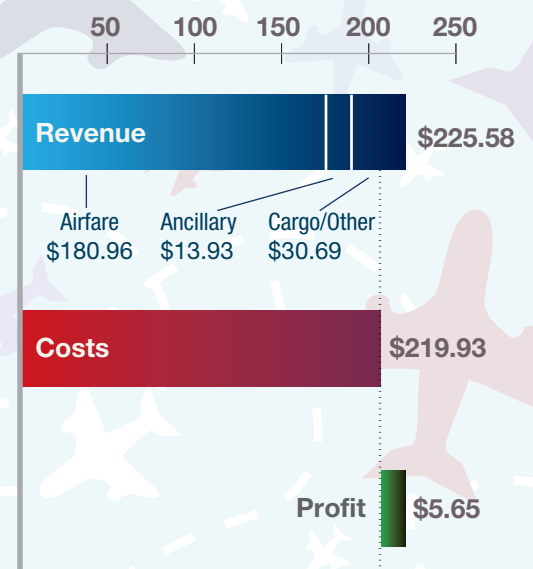
U.S. Financial Data <sup>1</sup> In Millions, Except Where Noted		U.S. Airlines' Scheduled System Data <sup>2</sup> Domestic And International, Year-Over-Year Changes	
Passenger Revenue	\$131,470	Passengers	+0.9%
Cargo Revenue	\$2,926	Flights	-1.4%
Other Revenue	\$15,177	Passenger traffic	+2.1%
<b>Total Operating Revenue</b>	<b>\$149,573</b>	Passenger capacity	+1.7%
<b>Total Operating Expenses<sup>1</sup></b>	<b>\$139,231</b>	<b>Global Premium Air Traffic<sup>3</sup></b> Year-Over-Year Changes	
<b>Total Operating Profit</b>	<b>\$10,343</b>	Overall	+4.2%
<b>Adjusted Net Profit (excluding special items)</b>	<b>\$7,377</b>	Within North America	+3.7%
<b>Adjusted Profit Margin</b>	<b>4.9%</b>	North Atlantic routes	+2.4%

1 - Based on nine U.S. airline companies that had reported financial results as of March 2013. Other revenue includes ground handling and maintenance service provided for third parties, baggage fees, the sale of frequent-flyer miles to banks and other third parties, reservation change fees, etc. Top operating expenses were fuel and related taxes (\$47.8 billion) and wages, salaries and benefits (\$32.8 billion). **Source: Airlines for America**

2 - Passenger traffic is based on total revenue passenger miles. Total passenger capacity is based on total available seat miles. **Source: U.S. Bureau of Transportation Statistics**

3 - Year-over-year changes in the number of international passengers buying first- and business-class seats. **Source: International Air Transport Association**

## Worldwide 2014 Airline Revenue And Cost Forecast, Per Departing Passenger



Source: International Air Transport Association

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## Interview: Amex Global Business Travel's Bill Glenn



**Business Travel News: Ahead of the closing of this deal, what are your priorities?**

**Bill Glenn:** The same that we had in place since we announced last September—our strategic planning process for 2014. The change has been that obviously we want to stand up on day one with flawless execution and make sure that all the internal basics are covered—which they are—and continue our momentum that we have in the marketplace and customer service to our existing customers.

**BTN: Once the deal closes, what's the first order of business?**

**Glenn:** I hope nothing changes because it'll be a flawless execution between the day before closing and the day after closing. That's critically important. Number two, the organization should stay focused on what we are doing in 2014. We have pretty good traction, we're winning business, we want to keep our customers happy with great levels of service. And third, we continue planning what "Newco" represents and the growth opportunities we have.

**BTN: The announcement claimed the JV represents the largest investment ever in a travel management company. What are you going to do with this cash?**

**Glenn:** There are three or four main buckets of capital that we're thinking about. First is investing in technology. That would be to have functional, flexible and disruptive technology because the space is evolving. Second would be in information management and insight, which has been a combination of proprietary data that we have as well as big data. We've been developing some products and services that are in the pipeline that use our information and utilize big data and decision scientists. Third is international expansion. We say we are the largest corporate travel management company by sales. We have

American Express last month announced progress toward a proposed business travel joint venture expected to close in the second quarter. Amex would hold half and, in exchange for \$900 million, an investor group led by Certares would hold the other half. Certares founder Greg O'Hara will serve as chairman of the joint venture while Amex's **Bill Glenn** will be president and CEO. Glenn spoke last month with *BTN's* David Jonas about the joint venture's development, priorities and technological strategy. Excerpts follow.

a global footprint, and we're going to continue to solidify that and also follow the footprint of corporate customers. The fourth opportunity is in partnerships moving forward.

**BTN: On technology, anything more specific about what's in development?**

**Glenn:** I won't get into the specific products, but there's a pipeline against mobile and mobile applications. We look at our customers in a variety of ways: by geography, by size, by industry—both customers and prospects. In addition to that, we look inside our customers, and there are generally three constituents: there's the corporation/decisionmaker, there is the program administrator and there is the traveler. It is critically important that we have a value proposition for those constituents, and that value proposition is evolving to be more digital.

The other phenomenon ... if you look at consulting companies, the average age of their employees is 27.5 years old. They want to adapt in their business life what they are adopting and adapting in their personal life. We want to give to employees the tools, capabilities and applications they are adopting in their personal life but also to make it as valuable to them as it is the corporation. I think about this as end-to-end solutions with a digital transformation, digital platforms that provide value across the constituents within a company.

**BTN: You mentioned international expansion. What else is required to make the network, including partners, sufficiently global?**

**Glenn:** There's more work to do there. Every company, if it is being candid, would say that. It stems from a couple of factors: Companies are more global, they're expanding, and they are getting more sophisticated because they have

to be. We're in a pretty good position today, competitively differentiated, but there's a lot more work going forward. We'll have to make sure our partners in those markets where clients are traveling have the same kinds of tools.

**BTN: That sounds like it includes standardizing technology infrastructure.**

**Glenn:** Standardizing, and innovating as well. The digital transformation that I mentioned before is going to be across the globe. That's critically important for our partners as well.

**BTN: How much of the work that needs to be done will involve acquisitions?**

**Glenn:** Partnerships and acquisitions are something we are going to evaluate very carefully.

**BTN: As far as the size of the organization, the last number publicized was 14,000 employees. Do you think that's the optimal size?**

**Glenn:** I feel very good about the organization's size today. You always want to have an enabling structure, and technology—as it has—will bring changes. As it moves online, there are and have been—as we talked about a couple of years ago when we restructured—changes. Growth also brings changes the other way; as you expand your footprint you may need more feet on the street. The organization is stable right now, but that should change over time, both up and down some, depending on business conditions. A big driver over the past few years has been online migration.

**BTN: What's your view on how the consulting organization should evolve?**

**Glenn:** As mentioned, a key area of focus is information management and insight. That comes from a position of strength. It starts with a closed loop that

American Express has. That information exists on the business travel side and the corporate payment side. The ability to use that information and provide insights to corporations is very important to our core value proposition and also our consulting practice.

**BTN: Regarding corporate payments, it seems as if the relationship between business travel and the card business within Amex has oscillated a bit over the years. Can the linkage between the two be as strong as before, given that business travel now officially is being decoupled?**

**Glenn:** I actually think it's stronger. It was December 2011 when I took responsibility for both businesses. I started working on what the synergies between the two businesses would be and found them in the areas of lead generation, information management and insights, and around that, product development. We have worked over the past several months to preserve a lot of those and memorialize lots of those. It's strengthened because if you look at the past 10 years or so, maybe it has vacillated some, but we do have a pipeline of products that we have co-developed and preserved and will be in the marketplace. We're mindful of what the information and insights could mean to both of the businesses. All that was taken into consideration in terms of the operating agreements between the two companies. Importantly, it carries the brand name: American Express Global Business Travel, and American Express has a 50 percent interest in it, so in terms of going to market and making it work for our customers and prospects, I feel very good.

**BTN: Is it fair to ask whether a 50/50 JV structure—in this case with various ownership interests—impedes the ability to make business decisions quickly?**

**Glenn:** The board is going to govern the company like other boards do, which is typically not being involved in the operations of the business but helping with long-term strategic decisions, large capital investments and protection of shareholders and investors. Regardless of the representation structure or ownership structure, those are the critical, principal responsibilities of board members. It's a fair question, but I don't see it as anything but helping us speed up the JV structure, speed up decision-making and have some very talented people weigh in on the long-term strategic decisions that boards should be responsible for. 🌐

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# Travel Managers Discuss Pitfalls And Promise Of Social Networks

BY AMON COHEN

London - Travel managers who have created official communities on enterprise social networks like Yammer generally are fulsome in their praise of the resultant engagement with travelers and other key stakeholders. However, new technologies create new hazards, and an unexpected challenge has arisen from employees launching unofficial travel communities on the same networks. Jointly presenting in February here at the Business Travel Show, AstraZeneca travel service regional business partner Louise Kilgannon and Continental Tyres global category manager for travel and mobility Rüdiger Bruss both said they have to figure out how to deal with such unofficial communities.

"One of our employees launched a business travel community which is used to share tips on things like restaurants," Bruss told attendees. "It looks official but some of the information is dead wrong."

Kilgannon told a similar story. "We found four nonofficial travel sites," she said. "Some of them are giving really bad information."

Finding the appropriate response is particularly tricky for Bruss because his company does not have an official community for travelers; the one he runs is for the 40 Continental employees worldwide with travel management duties. "If you're not doing it, someone else will, and they will run something contrary to your travel program," he said. "We would close it down if we had our own travel community, but we don't, so that's high on our agenda."

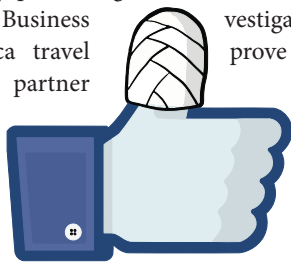
AstraZeneca has a different attitude. "We don't close them down because we are meant to have open communities," Kilgannon said. "Instead, we go on to those communities and say, 'This is wrong information; come and join our community where the information is correct.'"

The official traveler community was the launch community for AstraZeneca's version of Yammer. The company has 22,000 active Yammer users and the official traveler community has 500 active followers, "but many more look at it," said Kilgannon, who has lead responsibility within the travel team for managing the community, a task that takes her approximately one hour each week. An alert arrives in her email in-

box every time a post is made, and she posts regularly herself.

The travel team uses Yammer to broadcast such travel advisories as weather problems. It also is an internal public relations tool used, for example, to gather and forward positive comments from travelers. Another crucial function is to act as a channel for criticism. Kilgannon told the audience it is important to acknowledge negative comments and promise to investigate. Often the complaints prove misplaced. One example is a traveler who criticized AstraZeneca's car rental provider. A brief investigation revealed the critic had not signed up for the provider's priority program, which instantly would have improved the level of service received.

Kilgannon said a lot of thought goes into the communication style on Yam-



Continental Tyres' Rüdiger Bruss

mer. "We use a very specific tone with our travelers," she said. "It's shorter, snappier and more friendly. We are trying to capture that coffee-line chat. We try to come up with light-hearted approaches. For example, we provided a jargon-buster because one of our booking agents was using too many terms

like 'LRA' and 'PNR.' We also wrote: 'We know you check against the Amex fares; so do we.' (American Express is AstraZeneca's designated travel management company.)

Continental Tyres operates a corporate travel purchasing community on its social software platform, IBM Connections (formerly IBM Lotus Connections). The community shares feedback on supplier performance and Bruss also posts training blogs, since most participants are part-time, nonspecialized travel managers. Continental recently implemented in five countries the Lanyon hotel RFP process and Bruss quickly was able to educate the travel team in other countries about it.

Bruss said the community is particularly useful as a self-help forum.

"One person asked a question about policy and received answers from 13 countries in two days," he said. Members also upload white papers and industry forecasts. ↻

## GAO Study Details The Good And Bad Of Federal Sequestration-Related Travel Cuts

BY DAVID JONAS

ACTIONS BY FEDERAL agencies last year to reduce business travel amid U.S. government sequestration had some unintended consequences—both positive and negative—according to a U.S. Government Accountability Office report issued last month. Of nine "personnel and related actions" taken by 23 federal agencies examined in the report, reduced employee travel occurred at all but two agencies: the National Science Foundation and the Office of Personnel Management.

At the State Department, GAO found that "reduced travel spending due to sequestration limited their oversight capacity. For example, the State inspector general reported that sequestration limited its ability to travel to high-threat overseas posts to evaluate their physical security, which has been a high priority since the 2012 attack on the U.S. embassy in Benghazi, Libya."

Meanwhile, the Department of Energy's inspector general told GAO that "sequestration-related travel constraints directly affected [DOE's] ability to conduct audits, inspections and investigations due to the need to travel to remote DOE sites and facilities."

On a positive note, the Treasury Department reported that measures taken for sequestration will continue to prove "useful in the future," according to GAO. For example, Treasury's departmental offices "instituted a centralized travel review process in response to sequestra-

At the State Department, the U.S. Government Accountability Office found that "reduced travel spending due to sequestration limited their oversight capacity."

tion and plan to continue the effort. The process encouraged more scrutiny of travel needs and expenses and also provided more consistency around travel policy in various departmental offices." Treasury also continued cost-cutting initiatives begun before sequestration, including more virtual training.

In its report, prepared for the House of Representatives Committee on the Bud-

get, GAO described a few other agencies' travel reductions, some of which also began before sequestration. For example, the Department of Transportation in summer 2012 identified nearly \$47 million in annual travel costs that would be cut from the Federal Aviation Administration's budget.

Meanwhile, the Small Business Administration "was able to implement sequestration without furloughs because it previously reduced personnel costs," according to GAO. For fiscal year 2012, it reported \$1.5 million in savings by reducing travel. "SBA prioritized travel related to oversight over other travel, which enabled it to conduct travel necessary for oversight of small business eligibility for and participation in certain contracting programs."

Cost-cutting that began in 2011 helped the Social Security Administration absorb necessary sequestration reductions and avoid furloughs. For example, SSA reported to GAO that it has since cut about \$30 million in travel expenses and "reduced agency-sponsored conferences from 113 in fiscal year 2010 to 13 in fiscal year 2012, saving almost \$7 million." ↻

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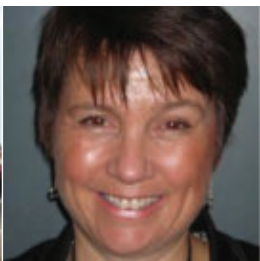
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# NuTravel Building Out Platform As 'Central Point' For Tech Integration

BY DAVID JONAS

NUTRAVEL Technology Solutions hasn't been intentionally secretive about its new technology platform, but it hasn't been shouting from the rooftops either. That's because the company has spent the past 18 months working on that platform and wanted it operational before promoting it in the market, according to president and CEO Carmine Carpanzano. "We wanted to get to a certain point in the lifecycle where we can report on things that are real," he told *The Beat* in late February.

Indeed, the company is pretty busy providing a bunch of enhanced products and services in verticals from corporate and government travel to groups and meetings, expense integration and supplier services, with more on the way. Underpinning all new development is the nuTravel Technology platform. Its service-oriented architecture serves as a central repository of modules that has helped the company advance its own booking tools. It's also helping to equip travel management companies and corporate clients with the means to do so themselves. U.K.-based Corporate Travel International, for example, recently introduced a brand-new self-booking system backed by nuTravel technology.

Since its founding in 2002, nuTravel has matured into what Carpanzano described as "a central point" to which expense companies and other industry players can connect, and "a neutral player focused 100 percent on the online booking channel."

NuTravel now hooks up with four expense systems and leverages them to sell integrated travel and expense services: Mexico's SudiSoft and U.S.-based providers Insperty, Chrome River and Certify. (NuTravel in 2012 joined with the latter and Travelocity Business in a partnership that never came to fruition, given the 2013 sale of TBiz to BCD Travel.)

NuTravel now claims to work with 300 distributors of its technology, including many corporate travel management companies. Its booking tools are nuTravel Enterprise, which is the rebranded ResX acquired from TRX and positioned for the large market, and nuTravel SME, formerly CTS, which nuTravel built and targets at smaller managed travel clients.

Carpanzano said nuTravel is seeing

a growing number of RFPs, leading to increased direct corporate business, due in part to the Mundi booking tool alliance established with KDS and New Zealand's Serko. When that deal was announced, KDS wasn't as aggressive in pursuing U.S. business as it since has become, but Carpanzano doesn't seem too concerned about any conflicts of interest. "They are working with certain partners, but from a broader perspective we are still working together," he said. "We are better entrenched here in North America. There is room for different channels and different opportunities that will be afforded to both nuTravel and KDS."

## Enter NTP

Rather than "doing the same things over and over again" in terms of prod-

uct development, nuTravel a few years back conceived the nuTravel Technology Platform to build and offer modular applications via web services, according to nuTravel executive vice president and chief technology officer Joe Sternlicht. A sort of app store in concept, NTP is fed partly by unbundling the Enterprise online booking tool.

Travel purchased ResX. "We changed our SME tool to talk to NTP and receive Enterprise profiles," he explained. "So now the SME tools use the Enterprise profiler, and so can anyone else that talks to NTP?" Carpanzano said the profile technology business is an area in which nuTravel is poised to expand.

NTP also offers a FlightStats-powered itinerary alert system, and NuTravel currently is working to add more automation to the platform, including availability monitoring.

One of the next components will be a policy manager. "An administrator can create a policy through a graphical user interface and then do an air search on their own, send it to us, run it through that policy manager as they have defined it, and get it back all marked up in terms of what is in



"As technology evolves, there is no reason why corporate TMCs, if they have the wherewithal and have the ability to access services such as those we can provide, cannot build their own apps."

—NUTRAVEL CEO CARMINE CARPANZANO

policy, what's out of policy and what action to take if it's out of policy," Sternlicht said. "We can integrate that tool into Enterprise or into SME, or it can be used standalone." Carpanzano also noted that the policy engine could be used by agents working in an offline environment.

There's also content aggregation, accomplished through direct supplier connections, links to global distribution systems and the ITA Software shopping tool that nuTravel uses. "NTP is the key because it's also our content hub," Carpanzano said. Sternlicht noted that nuTravel currently is coding new connections to a hotel company, a car rental vendor and a rail operator, none of which he identified but all of which he expects to be ready in a few months.

Empowering Clients  
The service-oriented architecture makes components of NTP available not only to nuTravel's own systems, but also those of its technology customers, including travel companies

and direct corporate clients. "We have noticed that our customers have been getting a little more tech-savvy over the years," Sternlicht said. "Some are building their own applications and calling our web services."

That may take the form of simple tools that check to ensure prices booked still are the lowest, and can serve as the genesis of larger projects. "We are finding that people are coming to us who are not Enterprise customers, who have their own agency and who are not looking for a booking tool but are looking for a solution," Sternlicht said. Maybe a company needs to manage travel only for a certain group of people and is looking only for air availability, for example.

"And then the next thing they want to do is to book that, then change that," he continued. "And before you know it they are writing their own booking tool, something that's very specific to their business flow."

Carpanzano noted that one unnamed travel company wants to use nuTravel services to build its own online booking system. "It's interesting how this platform is evolving, and the many facets that we are able to use it for," he said. "As technology evolves, there is no reason why corporate travel management companies, if they have the wherewithal and have the ability to access services such as those we can provide, cannot build their own apps."

That's what the U.K.'s Corporate Travel International has done. Re-launched last year following the 2013 merger of TMC TD Travel and hotel booking agency Hotelscene, CTI describes its new booking tool, called Sherpa, as a "knowledge-based travel solution" that incorporates online and offline content. Sternlicht said Sherpa "has a very unique way of processing travel." It's made possible by nuTravel's NTP and built on HTML5 (as is all new technology developed by nuTravel, meaning products and services will be born mobile-ready).

Next Steps  
Meanwhile, nuTravel is exploring ways to use big data, particularly by using another piece of acquired TRX technology that addresses the concept of a "predictive itinerary."

"The algorithm would take into consideration travel policy, corporate discounts and user requests and on one click take in all that information and return a suggested itinerary," Carpanzano said. "It never got off the ground, but we have been resurrecting that concept."

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## Interview: Turkish Airlines' Oğuz Karakaş



**Business Travel News: Why is Turkish Airlines expanding so rapidly?**

**Oğuz Karakaş:** We want Istanbul to be the number-one hub in the world for transit passengers. In the past, Turkish did not grow as much as it should have, given that Istanbul has been a very good connecting point for East and West since the 16th century. We have decided that we first have to connect Turkey to the rest of the world, and then connect other countries. It's a strategy initiated by management and endorsed by the Turkish government, which owns 49 percent of the airline [the other 51 percent is quoted on the Turkish stock exchange] and wants to improve our import/export economy and our relations with other countries. Our national export association did research that showed when we launch a new route, exports to that destination triple in a couple of months. But this is not the main reason for our expansion. The central point of aviation is moving east. If we fill our long-haul flights, we can make money.

**BTN: Does Turkish make a profit?**

**Karakaş:** Over the last 10 years we have made money. Turkish receives no support from the government financially, and there are no more treasury guarantees on our aircraft leasing. The last couple of years have presented really good opportunities to buy aircraft, and our labor costs—other than for pilots—are lower compared to other European airlines.

**BTN: Where has expansion taken place?**

**Karakaş:** Last year we became the number-one airline measured in the number of countries we fly to—105. We are the strongest European airline in the Middle East, and we are also growing very fast in Africa, where we are the second-largest, after Air France/KLM.

Turkish Airlines is one of the world's fastest-growing carriers. Passenger numbers in January were up 24 percent year over year, and the fleet has expanded to 233 from 65 aircraft in 2003, with enough on order to double in size again. *BTN* contributing editor Amon Cohen recently talked to director of corporate agreements and marketing **Oğuz Karakaş** about growth, corporate sales strategy and the state of travel management in Turkey. Edited excerpts follow.

**BTN: What are your plans for North America?**

**Karakaş:** Two years ago we only flew a daily service to Chicago and a double-daily to New York. Since then, we have added Los Angeles, Houston, Washington, D.C., and Toronto, and this year we will add Boston and Montreal. We have plans for more in the U.S.

**BTN: How much bigger does Turkish plan to become overall?**

**Karakaş:** We have orders for 250 more aircraft over the next five years, of which 40 are wide-bodied. There is also a new airport being built in Istanbul. Phase one of the project will have three runways and capacity for 90 million passengers annually. We want to complete it by the end of 2017. Phase two, to be completed by 2023, will add three more runways and give us total capacity of 150 million passengers per year.

Our current airport is almost completely full. There are no slots available in the rush hour. The new airport will accommodate our 450 aircraft and the many other airlines that want to fly to Istanbul. I am sure we will face tougher competition at the new airport.

**BTN: European travel managers have praised Turkish Airlines for offering corporate deals independent of its Star Alliance partners. What is your carrier's corporate sales strategy?**

**Karakaş:** First, we are Star Alliance members and we cooperate with our partners for some customers. But we have our own deals too. My department—corporate agreements and marketing—was launched four years ago. We started analyzing what others were doing and we joined the Star Alliance Corporate Plus scheme, but we still had only a few corporate deals outside Turkey. Inside Turkey, we ran a simple program covering 180 of the biggest companies.

Now, Turkish Airlines has its own product called Turkish Corporate Club, which had 3,000 customers in Turkey at the end of 2013. We also have launched Turkish Corporate Club in Germany and have a couple hundred customers there. Last year, we segmented by adding Turkish Corporate Club Premier for key accounts, which is open to customers using us in three countries or more.

**BTN: How do your negotiated deals work?**

**Karakaş:** The feedback we received from customers was to make it simple. Our product is based on discounts, which are not applied only to the highest fares. We have also made our medium- and low-priced fares more flexible as well as subject to discounting. Our customers like that.

**BTN: What do customers have to give you in return?**

**Karakaş:** We don't say, "You have to spend \$5 million." We don't think corporate agreements should be about forcing customers to use us. We are confident about our product in all cabins, so we believe that once travelers have tried us, they will want to continue using us. We see corporate agreements as the key to opening the gate to win corporate travelers.

**BTN: Isn't there a risk that without any commitments, clients will be unable to direct as much business to you as they would like, for example, because their travelers prefer to fly airlines offering their favorite loyalty programs?**

**Karakaş:** There is a risk, but results show that is not the case. When I sign an agreement with a corporate customer, it forces us to offer better services, better schedules and better quality. Our business lounge at Istanbul includes a couple of restaurants with five-star service. Many people go to the lounge early

so they can eat before departure instead of on the flight. Two days ago, we added another 2,400 square meters to the 3,000 square meters we already had, so why should I write a marketshare commitment into our contracts?

**BTN: Late last year, Lufthansa announced it would scale down its cooperation with Turkish. Is that because it was losing too many corporate customers to you?**

**Karakaş:** Yes, that may be the case. We cooperate but we are also competitors. In fact, legally speaking, we are obliged to compete.

**BTN: Is your airline considering entering into joint ventures with other carriers?**

**Karakaş:** There are none planned but that doesn't mean we won't in the future.

**BTN: How is travel management developing in Turkey?**

**Karakaş:** Companies here have basic knowledge. We will soon be launching a Universal Air Travel Plan product here, which will have a positive effect on travel management because customers will be able to access their own payment reports online. Unless businesses here are presented with tools, they don't know where to look.

**BTN: Do any Turkish clients have negotiated agreements with you?**

**Karakaş:** Ninety-nine percent of our domestic customers are on our fixed discount program. We cannot negotiate because of Turkish competition law, which says we must provide the same conditions for everyone. So if we have two banking customers, we cannot give one a 15 percent discount and the other only 10 percent. Also, we have a 70 percent share of Billing and Settlement Plan revenue in Turkey. Only a few companies here have offices in other countries, and in those cases we will negotiate with them at the other points of sale.

**BTN: Do Turkish firms have travel policies?**

**Karakaş:** The multinationals based here have policies like you would find anywhere else, but policies in Turkish companies are usually very simple. They don't work with reporting and data to maximize savings.

**BTN: Will Turkey move to a more Western style of travel management?**

**Karakaş:** Not very soon, but yes. As travel assumes a larger proportion of Turkish companies' budgets, they will become more enthusiastic, and we will give them more tools. 🔄

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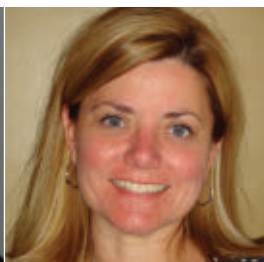
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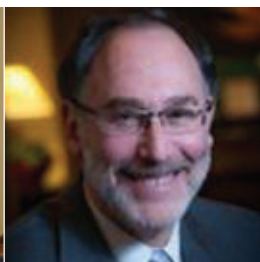
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# United Culls Noncompliant Contracts

*Delta Sustains 'First-Mover Advantage'*

BY JAY BOEHMER

THE NEW WATCHWORD from United Airlines on corporate contracts is “compliance.” That is, accounts not delivering on negotiated commitments might not stick around.

Presentation slides accompanying remarks delivered last month by United chief revenue officer Jim Compton at the J.P. Morgan Aviation, Transportation & Industrials Conference in New York noted that the airline during the last quarter of 2013 “reduced [the] number of non-compliant corporate contracts by 25 percent” from the preceding quarter.

“One of the indicators that is firming is this concept of compliance,” Compton told investors. “You can get corporate contracts really, really easy,” he said, but added, “What’s really important is: Is the deal working for you? Is it working for them?”

Meanwhile, Compton noted that revenue management adjustments made in the fourth quarter helped the airline capture fewer far-out bookings in favor of close-in bookings. The latter are more likely to be booked by business travelers at a higher fare.

United had attributed its industry-lagging third-quarter 2013 revenue performance to flawed demand forecasts baked into its revenue management systems. That appears to be on the mend.

“Tickets issued 21-plus days out for travel in January and February were down 3 percent” year over year, Compton said. “Tickets issued within 20 days were up 11 percent in the first two months of the year.”

While Compton did not detail corporate revenue trends for the first two months of 2014, he disclosed that full-year 2013 corporate revenue was up 5 percent from the prior year. The growth rate accelerated throughout the year, he said, and was up 7 percent in the fourth quarter from the prior-year period.

## ‘First-Mover Advantage’ Key To Delta’s Corporate Success

Delta Air Lines, meanwhile, continues to post solid gains in corporate revenue. According to presentation materials from the conference, ticketed corporate revenues this year are tracking 6 percent ahead of the prior-year period.

Delta reported the largest year-over-year revenue gains among clients in financial services (15 percent increase), automotive (11 percent), media (10 percent), business services (10 percent), banking (7 percent), technology (6 percent) and health care (6 percent).

Ticketed corporate revenues from accounts in the defense and manufacturing industries, however, are down from the prior year by 1 percent and 4 percent, respectively.

to win back as the merged entity “gets its network act back together.”

Bastian responded: “Well, you know, American never left the market. We’ve always been competing with American

Northwest Airlines and move “quickly to improve the quality of the products and offerings” ahead of the competition.

“We are not impacted by the distractions,” Bastian said. “We all know, those are tough mergers and tough integrations to accomplish. That’s not impacting our performance. What we’re able to do is spend all of our time with our corporate customers and invest in the products, the services and the technologies that they prefer.”

When United and Continental sealed their merger, Delta faced questions similar to Baker’s. Yet, even after United eclipsed the Continental brand, “You’ve seen that we’ve continued to make progress,” said Bastian, “and I think you’re

going to see some of that same performance. It’s a big market out there, and the corporate markets are robust. We’re looking for not trying to steal share going forward, but certainly at least to be able to maintain our share, and that should provide us some nice improvement opportunities for the future.”



“One of the indicators that is firming is this concept of compliance. You can get corporate contracts really, really easy. What’s really important is: Is the deal working for you? Is it working for them?”

—UNITED AIRLINES’ JIM COMPTON

J.P. Morgan airline analyst Jamie Baker during the conference questioned whether the recently merged American Airlines and US Airways could disrupt Delta’s success. In an exchange with Delta president Ed Bastian, Baker highlighted “corporate share that American has ceded to you and others,” but stands

and US Airways. I have no doubt that once they get their act together, as you mentioned, they will be a much stronger competitor.”

Bastian spotlighted what he called Delta’s “first-mover advantage in this space,” citing its work to restructure under bankruptcy protection, merge with

## GBTA: Business Travel This Year To Rise In Five Largest Western European Markets

BY MICHAEL B. BAKER

THE GLOBAL BUSINESS Travel Association projects business travel spending this year will increase year over year in all five of Western Europe’s largest markets—Germany, the United Kingdom, France, Spain and Italy—for the first time since 2010.

Combined business travel spending in those five markets increased in 2013 by just under 1 percent year over year, according to estimates in the GBTA Foundation’s Western Europe outlook, released last month. However, spending increased only in the United Kingdom and Germany, decreasing in the other three.

Improving conditions should turn those markets around this year. “Growth will first develop in the export sector and then quickly diffuse to consumer and business spending,” according to the outlook. “The government sector will offer little recovery help given the focus on fiscal rebalancing.”

Business travel spending in Germany, where the economy is “one of the most robust in all of Europe,” in 2013

increased by 6 percent year over year and this year should increase by another 7 percent, according to GBTA. As recovery in the rest of Europe picks up the

pace next year, the association projected German business travel spending in 2015 will increase 10.6 percent, “an unprecedented rate for a market as developed as Germany’s.”

In the United Kingdom, business travel last year increased by almost 2 percent, according to the report. With U.K.-based firms generally optimistic about growing their business during the next few years, GBTA projected the country’s business travel spending will increase 4.4 percent this year and 5.1 percent next year.

Business travel in France in 2013 decreased slightly (0.2 percent) year over year, according to GBTA estimates, although domestic business travel spending was up 1.6 percent. The association determined that business travel spending levels in France have “bottomed” and will increase 5.4 percent this year and another 5.5 percent in 2015.

The country is facing a few risks to that growth, however.

“There is a large amount of uncertainty in the future of France’s economic policy,” according to GBTA. “It’s unlikely that France will continue to compete in the global economy without significant reform to labor markets, pensions, taxes and social benefits.”

In Spain, where the economy has been “one of the weakest in the developed world over the last couple of years,” business travel spending levels in 2013 dropped an estimated 5 percent, according to GBTA. Its economy should begin turning around this year, however, and business travel spending should increase 4 percent in 2014 and 5 percent in 2015, the report stated.

Like Spain, Italy’s economy has contracted for 10 quarters in a row, and business travel spending there in 2013 decreased an estimated 4.1 percent year over year, GBTA reported. The organization projected that the current quarter will be the last in Italy’s run of business travel spending declines, with spending beginning to pick up in the second quarter. For the full year of 2014, GBTA projected Italian business travel spending will increase 2.8 percent year over year and again by the same rate in 2015.



# SignUp4 Building Unified Meetings Technology Interface, Adding Functionality

BY SARAH BEAUCHAMP

MEETINGS TECHNOLOGY firm SignUp4 recently introduced a handful of tools, including functionality that retains meeting attendee profile information across all registrations, helps estimate event budgets and streamlines the meeting supplier request-for-proposals process.

The moves are part of an overall technology strategy geared to streamline the user experience of SignUp4's event management and spend management tools.

"In 2014, we're working toward a unified interface," said Brandon Schust, SignUp4's vice president of technology, "and more of a seamless user experience between our Event Management System and Spend Management System. It won't appear as two products anymore."

The company plans to integrate its latest RFP tools into the event management system and create more "diversified roles" within the product, allowing meeting managers to delegate more, Schust explained. "We want to collect every piece of data around meetings and events and connect them in a usable fashion."

SignUp4's new Profile Manager enhances its event management system and rappidApp custom app platform by monitoring the lifespan of an attendee's relationship with an organization.

In addition to contact information, attendee profiles include a complete payment and registration history. Companies can group particular attendees together based on any data they collect, allowing for more tailored communication strategies. Data can also be accessed for research or reporting purposes, and the company said some "predictive big data capabilities" are in the works.

Benefits of the new tool for attendees include the ability to avoid re-entering their information into a company's system for each event they attend, and access to a cross-event agenda tool that displays hotel, flight, breakout sessions and other schedule information in a format that can be imported into attendees' calendars.

Attendees using rappidApp can log into their profiles and view personalized invitations and agendas, previous registrations and any upcoming travel or hotel stays.

"We really listened to our customers to make sure we got the right design for our Profile Management platform from the start," said Doug Wetzel, SignUp4's co-founder and vice president of new product engineering.

Also in late 2013, in response to continued e-RFP overload, SignUp4 introduced its National Sales Office system and dashboard. The dashboard allows travel buyers to send RFPs to an NSO—either one they currently work with, including hotel chain representatives or such meetings-management third parties as Experient or ConferenceDirect, or one from SignUp4's global directory, consisting of NSOs with whom its clients previously have worked. The contacts use the system to find and select appropriate vendors. NSOs can search the SignUp4 vendor database for potential prospects or create their own.

Once the NSO has received responses from the vendors, they can make recommendations to the buyers, pairing

them based on the information provided in the RFP.

Users also can view and report the performance of NSOs through the dashboard's reports, which display detailed information on which NSOs have provided the best hotel matches given RFP needs. The new NSO interface—now available within SignUp4's Spend Management System—allows buyers to drive business to only those venues that accept the specifics of their proposed meeting.

"Planners work with those vendors who understand their terms and conditions and strive to earn their business," said Kiley Reynolds, SignUp4's applications development manager. "They have the opportunity to strengthen these relationships and choose from vendors recommended by their NSO partners."

SignUp4 hopes the new product will "simplify the RFP process for both the planner and the vendor by streamlining processes and reducing workloads."

Further simplifying the RFP process, SignUp4 also launched a Budget Estimator Tool last year, helping travel

buyers project the cost of an event before putting together RFPs or budgets. The tool helps buyers identify the most cost-effective potential meetings destinations by finding the best air and hotel rates based on the projected departure points of attendees. The estimator also includes a currency converter for international events.

Other companies including Cvent and Carlson Wagonlit Meetings & Events in recent years have launched similar budget estimator tools.

New features have been added to the platform every six to eight weeks, according to Reynolds, and SignUp4 plans additional functionality.

Meanwhile, SignUp4 recently partnered with SpendMD to enable easier data collection for pharmaceutical companies subject to the Physicians Payment Sunshine Act. The act requires medical meeting managers to collect data on what they spend on meetings attended by physicians. Beginning last month, they are required to report that information to the U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services. [▶](#)



## Passkey Unveils Mobile Hotel Booking Site For Meetings

BY SARAH BEAUCHAMP

HOTEL BOOKING technology company Passkey recently unveiled a mobile version of its hotel booking website for meetings, which enables the booking of such ancillary hotel services as upgraded rooms or discounts at the hotel's spa.

Passkey last May launched the group booking site and this year optimized it for mobile devices. When integrated into the meetings registration process, the site—which Passkey called "revenue-maximizing" for hotels—allows attendees to book hotel rooms within the meeting's contracted block and select add-ons. "As they are booking their stay, they are presented, without any intrusion, with options," explained Sam Fahmy, Passkey's vice president of products and marketing.

"It's a combination of built-in online tools within the booking process," Fahmy said, "and email campaigns to supplement that." Through the site, organizers can send attendees automated emails, reminding them to book within the room block or suggesting upgrades and add-ons if they didn't choose any during registration.

The mobile booking website also



can be embedded into a company's Facebook page and other social media outlets. The site accommodates 10 languages, including English, Spanish and Mandarin.

Organizers using the platform observed an average 5 percent increase in both bookings per group and incremental revenue per booking, according to Passkey. "For companies, it's really important to contain costs and make sure that everyone books within that contracted block and satisfies the contract between the meeting planner and the hotel," Fahmy said.

Passkey predicts more than 100,000 events will incorporate the mobile booking site in 2014. The site is available at no extra cost to Passkey customers or anyone licensing Passkey technology. There's no additional setup, and each website is rendered automatically for users depending on their device.

"If the latest stats are any indication, mobile device popularity and usage is set to increase significantly over the next few years," Fahmy said, "and we are making investments to expand our mobile portfolio accordingly." [▶](#)

# Lodging Industry Shifts Mobile Strategies Beyond Booking

BY MICHAEL B. BAKER

DISTRIBUTION VIA mobile channels has emerged as a key challenge for hotels, but managing the mobile realm has moved far beyond generating bookings.

Mobile bookings today are growing at a rate five times faster than web bookings 10 years ago, according to Starwood Hotels & Resorts president and CEO Frits van Paasschen. Yet, even as mobile becomes an increasingly larger piece of the hotel distribution pie, translating mobile searches into bookings remains a technological burden for many hotel companies. Best Western International CEO David Kong last summer told *BTN* mobile searches actually had resulted in more phone reservations because users find it easier to click the “call now” button than enter on a mobile device all the information necessary for a booking.

As such, both hotel companies via their apps and intermediaries are working to cut down on the number of clicks to advance from searching to booking. Even for those deeply immersed in technological expertise, that is not easy.

“We’re a technology company and



spend all our time and energy on building these projects, and we’re managing five platforms: iOS, Android, tablets, mobile web and desktop,” said Drew Patterson, CEO of hotel metasearch tool Room 77. “That’s a lot to manage, so what are the tools to help hotels?”

Speaking at the Americas Lodging Investment Summit in Los Angeles in late January, TripAdvisor head of industry

relations Brian Payea said that 40 percent of his site’s total traffic now is mobile. TripAdvisor is looking for ways to convert more of that traffic into actual bookings, although it does not intend to abandon its roots as a media site to become an intermediary, he said.

“If people go to a supplier site and don’t have an experience there that makes a quick transaction, that’s where

suppliers are losing,” Payea said. “If the other channel is more frictionless, that’s where the traveler is going to go.”

Google managing director of travel Rob Torres concurred, noting that Google’s mission in the travel sphere has been to improve the user experience, not to compete directly with hotel and third-party distribution sites.

“People want a seamless experience, jumping from one device to the other,” Torres said. “If you don’t have that seamless experience, you’re losing people.”

Experience is not the only challenge that mobile distribution strategy presents. It adds yet another wrinkle to an aspect of the distribution chain that has flummoxed hotels for years: The actual booking tells only a small part of the tale. Depending on which study one examines, travelers—including many corporate travelers who are required to book through a specified tool—often look at between 10 and 30 other websites before making their actual booking.

While Facebook thus far has been something of an unknown quantity in the travel space, global head of travel Lee McCabe said it represents one of its “fastest-growing verticals.” The social networking giant is working with a few hotel partners to develop a measurement process that looks at “purchasing power” across all points of a search, not just the final booking site, he said.

To improve that search process, Google is looking at how best to apply its various acquisitions—ITA Software, for example—as well as developing direct-connect partnerships, Torres explained.

“Travel is one of the most heavily searched areas in Google, and we don’t always answer those questions that well,” he said. “It’s about deriving the right answer to the right question at the right time on the right device.”

In the mobile world, that discovery process can be a different experience. “We’re moving away from the world of the web, going from website to website,” Facebook’s McCabe said. “We’re now in the world of apps and the world of channels, which is much more restrictive.”

As such, hotel companies are looking to move their own apps beyond basic functionality. Most hotel brands have apps that can search and book hotels and manage loyalty points, but increasingly that will not be enough to drive traveler use—particularly among corporate travelers who already are booking through other channels.

“Global brands now have the advantage of collecting data on travelers, but if it’s to funnel advertising, [travelers] will

CONTINUED ON PAGE 21

## Radisson Nears End Of U.S., Canada Renovation Efforts

BY MICHAEL B. BAKER

Bloomington, Minn. – Carlson Rezidor Hotel Group’s Radisson brand this year plans to complete renovations across its United States and Canada portfolio, turning the final corner on its five-year plan to reinvigorate the brand there.

Speaking here in February at the brand’s Americas annual business conference, Thorsten Kirschke, then Carlson Rezidor Americas president, said about 75 percent of U.S. Radissons have undergone renovation since Carlson launched its “Ambition 2015” plan in 2010. By year-end, renovations of all properties should be complete, making Radisson “the most renovated ... upscale brand of an international nature in North America,” he said.

Radisson also has been removing underperforming hotels from its brand. With 4,200 new rooms opened in 2013, it was the first year since that process began that Radisson opened more rooms than it removed, Kirschke said.

The brand is seeing tangible results from those efforts, he said. Its score in J.D. Power and Associates’ 2013 North America Hotel Guest Satisfaction Index Study increased more than any other hotel brand. Its score in *BTN*’s 2013 Hotel Chain Survey improved more than any other upscale brand.

Carlson Rezidor Hotel Group chief



Thorsten Kirschke

commercial officer Suzy Riesterer said she’s also seen an impact on the corporate sales side, although she expects to see more when negotiations for next year’s programs begin this summer.

“We’ve seen a lot of acceptances of our hotels into [requests for proposals] this year, and we’re still getting some trickling in yet,” Riesterer said. “Because some of the hotels were just in the [renovation] process this last quarter, we might expect the biggest jump to come next year, when we enter the RFP season with a significantly renovated portfolio.”

Riesterer said the company plans to add in 2014 nine new global salespeople and also should benefit on the corporate side from its recent addition as a preferred partner in the Americas for HRG.

Radisson in 2013 continued to grow its upper upscale Radisson Blu brand. Although it remains a brand situated largely outside of North America, it added two properties in the United States last year: one at Mall of America here and the converted Radisson Blu Warwick Hotel in Philadelphia.

For the entire Carlson Rezidor Hotel Group, systemwide revenues in 2013 increased 4 percent year over year to \$7.5 billion. Carlson increased its share of revenue from global distribution systems, direct bookings and digital channels—which account for 65 percent of room revenue—by 4 percent, the company reported.

Signings for new hotels were up 43 percent compared with 2012, including 33 hotels that added more than 6,400 rooms in Europe, the Middle East and Africa, according to the company.

Kirschke last month became president of Carlson Rezidor’s Asia/Pacific region, replacing Simon Barlow, who recently resigned “to pursue other opportunities,” according to the company. In the Americas, operations will be led by a team including COO Javier Rosenberg, who leads the Radisson brands; Scott Meyer, who leads the midprice brands; and Phil Silberstein, who leads development. They will report to Carlson COO David Berg.

CONTINUED FROM PAGE 20 delete their app,” Marriott International president and CEO Arne Sorenson said. “If the app is used to deliver value otherwise not available, travelers will love the app and just maybe will be loyal.”

## Checking In On Expanded App Utility

Mobile check-in is one such function many hotel companies, including Marriott, Starwood and Hilton Worldwide, have been funneling through their mobile apps. Technology supplier CheckMate, owned by Room 77, also has been providing mobile check-in platforms for both hotels and such third parties as agencies.

Mobile check-in can provide as much benefit to hotels as it does convenience to travelers.

“There’s a lot of value at the point of check-in,” Patterson said. “They know your stay history, and with Room 77, we know what kind of room they would want—a quiet room, a room with a view, proximity to elevators—that could drive an upgrade recommendation.”

Hotel services, including concierge and in-room dining, also are being moved to the mobile platform.

Such development may be just scratching the surface. Starwood’s van Paasschen said a team at a recent hackathon—an event where programmers competed to develop the best app within a 24-hour period—came up with an app that “tracks guests from the moment they get into town through their stay until they depart.” On their own mobile devices, the hotel staff could identify guests and find ways to personalize their stays, he said.

It might sound rather Big Brother-ish, but it’s not necessarily counter to travelers’ desires. Digital strategy consultant Magnani Caruso Dutton recently conducted a survey of 1,000 U.S. travelers—evenly segmented between business, leisure and family travelers—in which 74 percent of total travelers and 79 percent of business travelers said they wanted hotels to “proactively enhance their stays.” Business travelers also were more likely than the traveling public at large to want

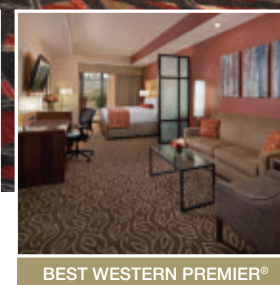
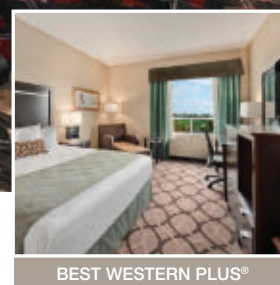
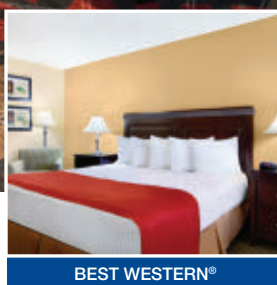
their mobile device to work as a key, accommodate bill payment, schedule a taxi pickup and order room service.

Mobile strategies could move beyond an arrival-to-departure focus and start targeting trav-

elers before they book, van Paasschen said. Such a strategy would require ties into revenue management systems, loyalty programs, hotel networks and data sources from a hotel’s airline and credit card partners.

“Imagine that revenue management forecasts that business will be soft in London, which passes that over to our offer engine, which taps into our sales and loyalty programs to identify incremental guests

we can bring into the system,” van Paasschen said. “A person might have stayed with us in Shanghai and New York but is traveling to London and not booked to us, so we can send a personalized offer.”



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# Interview: Choice Hotels CEO Stephen Joyce



**Business Travel News: How is Cambria's growth progressing?**

**Stephen Joyce:** [Canadian developers Driftwood Hospitality Management and Pacrim Hospitality Services, with which Choice has a joint venture,] are a very aggressive group at this point. They're starting mostly in Eastern Canada, then presumably, they'll move westward as well. That follows on another couple of private equity deals we've done. Development for Cambria is really picking up speed. We have nine [properties] under construction and another nine about ready to go under construction, and our sense is by year-end, we'll have 30 under construction. We have a number of openings coming up. Miami Airport is open. White Plains, [N.Y.], will follow a couple of weeks after that. The hotel in Washington, D.C., will open in May, and there are a number of other openings staggered through the end of 2014 and early 2015. Chelsea [neighborhood in New York] is late 2014 or early 2015, and then Times Square is mid-2015. We're finally getting some momentum, and they're all in the markets we were aiming for, where we have enormous unmet demand.

**BTN: How about the Ascend Collection?**

**Joyce:** In every major metropolitan site, we have very few hotels, and 500,000 rooms generate lots of customers. In New York, it's close to six million that we don't satisfy, so that's where Ascend came in. Ascend has hit 121 hotels. Three and a half years ago, it was 18 or 20. We thought it had some interest, but we just put a group of the owners together, and they are enamored by the revenues, obviously, and we're generating an enormous level of their revenue. It is our highest-contribution brand. Of all the brands we have, it drives more customers into their hotels than any other, including Comfort. This goes to

Los Angeles – As Choice Hotels International continues to expand its upscale footprint through growth of its Cambria Suites brand and the Ascend Collection, travel buyers are taking sharper notice of the largely midprice hotel company when it comes to creating preferred hotel programs, according to Choice president and CEO **Stephen Joyce**. He spoke with *BTN* lodging editor Michael B. Baker at the Americas Lodging Investment Summit here in late January about how corporate buyers are responding to the brands as well as updates on renovations of the Comfort Inn and Suites portfolio and Choice's recent decision to market its SkyTouch Technology property management technology to the wider hotel industry.

show the level of unmet demand and our ability to channel it. That's why we're so confident that the Cambrias will open up strong and be very strong performers very quickly, like we're seeing in the Ascend Collection.

**BTN: Has the growth of these brands boosted corporate business?**

**Joyce:** We're up significantly on the business side, which we can monitor through the [global distribution systems]. We're also up with the number of accounts that have asked us to participate in their process. It was a good fall for us, both from the standpoint of expanding the universe of companies interested in using our product and the rates they're willing to pay and the expected delivery we get from them.

**BTN: We've heard some buyers say their directive this year is to do more travel on the same budget. Has that been a selling point on the corporate side?**

**Joyce:** That's in our favor. The idea of charging for Wi-Fi for us is odd. You get

it free in a coffee shop, so you should expect it in a hotel. Our scenario of free Wi-Fi and free breakfast and, for the most part, free parking, that's a big focus area for a lot of folks that are getting back on the road, who are expected to do the same or more nights for a lot less than they're used to. It's one of the reasons we wanted to move Comfort so fast, because of those folks trying the brand, so they can see what Comfort is and is going to be, which is why we put out the \$40 million [in renovations].

**BTN: What progress have you made on the Comfort Inn renovation project?**

**Joyce:** We got 900 applications, which is almost half the system, and we awarded the incentive capital to close to 400 hotels, so they need to be done in order to earn that incentive by the end of the year. That will be 400 completely reimaged Comforts, which for a brand that's 2,000, is a really good start. We have people naturally doing it because it's their cycle anyway, and we will figure out something after that. We want

to get the whole system done in two or three years, which nobody has ever done before. With Sleep Inn's Designed to Dream [redesign] program, which is in a third of hotels—the rest will be done within the next 18 months—the consumer happily paid an extra \$10 as soon as it was done. The consumer got a much better product and they paid more, so the owner got a return for the capital they invested. It worked the way it was supposed to work. It's early, but we think we'll have the same reaction from Comfort, which will encourage a lot of the owners. When they see there's a payback, they'll start doing it, and that will speed up the process.

**BTN: Is Europe still Choice's main area of growth outside North America?**

**Joyce:** The deals we announced last year in France and the United Kingdom are working very well. Those are both seven or eight properties at this point, and we're expecting to get more from those. There are several other [multi-property] deals in the works, and if they work, you'll hear about them in the not-too-distant future. We are actively looking at multiple portfolios over there, potential conversion candidates, including brands of capital. We think 2014 will be a transition year for us, and 2015 should be a pretty big year. We're having a good year in Mexico, and we had a good year last year, but Europe is first, second and third for us.

**BTN: How is the SkyTouch business faring?**

**Joyce:** We started selling with pretty much a full press in the late fall, and the pipeline has several thousand cus-

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## Extended Stay America To Automate Revenue Mgmt.

BY MICHAEL B. BAKER

EXTENDED STAY America plans to introduce this year an automated revenue management system in an effort to push up rates and revenue across its portfolio, executives said during the company's fourth-quarter earnings conference call in February.

Chief marketing officer Thomas Seddon said the company currently is running revenue management off Excel spreadsheets, which is "better than nothing but not like what other hotel companies have been doing." The company is looking at off-the-shelf revenue management systems with plans to pilot one by the second half of 2014 and fully deploy it by year-end or

in early 2015. It then will take 12 to 18 months for Extended Stay America to see the full benefits, he said.

"The systems will give us the immediate benefit of getting better at forecasting price and inventory changes, and it will get smarter as we use this system," Seddon said.

During the fourth quarter of 2013, the first to be publicly reported since Extended Stay America's initial public offering last year, the company's overall average daily rate increased 4.5 percent year over year to \$53.65. Occupancy increased by 0.9 percentage points to 70.5 percent.

CFO Peter Crage noted a few factors hurt revenue growth during the quarter.

The company was facing comparisons to the period following Hurricane Sandy in 2012, which spurred extended-stay demand, and a significant portion of the Extended Stay America portfolio is undergoing renovation. CEO Jim Donald said that by the end of March, more than 50 percent of the 684 hotels in the portfolio will have been renovated, and the company is considering "expanding and accelerating" renovation plans for the rest.

The company reported a loss of \$15.4 million during the quarter compared with a loss of \$33 million in the fourth quarter of 2012. For the full year, net income was \$82.7 million, up from \$22.3 million in 2012. ↻

# Red Roof Inn Launches Higher-Tier Brand Following Renovations

BY MICHAEL B. BAKER

ECONOMY HOTEL brand Red Roof Inn is shifting some properties into a new brand, Red Roof Plus, featuring higher-quality furnishings, amenities and services, the company announced last month.

Red Roof Inn plans by the end of this month to move 31 recently renovated properties into the Red Roof Plus brand, Red Roof president Andrew Alexander said. Nine franchise locations plan to move to the new brand by the end of the year, he added.

Coming at a slightly higher price point than the standard Red Roof Inn, Red Roof Plus property features include additional outlets, better bedding and wood-like vinyl flooring, which Alexander said is easier to keep clean than the carpet used in traditional Red Roof properties. The hotels also have flat-screen television sets, and during the next few months will be adding high-definition television service, as well as investment in better Wi-Fi performance.

The new brand sprang from renovations that began at Red Roof's downtown Columbus, Ohio, property a few years ago, Alexander said. That work evolved into the new hotel design, which in turn evolved into the new brand. Other hotels switching to the Plus brand include properties in Raleigh, San Antonio, Austin, Atlanta and airport properties in Baltimore, Philadelphia and Pittsburgh.

"We spent a lot of time looking at TripAdvisor reviews, which is unfiltered feedback from the customers," Alexander said. "Franchisees tend to move [hotels] down the scale, but this gives them a chance to move up and become an up-scale economy product."

The hotels also offer a 24-hour service line carrying the promise of immediate problem resolution as well as special premium rooms for a higher rate, Alexander said. Premium rooms are in "prime locations at the property" and



Andrew Alexander

have a few added amenities, including snack boxes, mini-fridges and microwaves. All Plus hotels are smoke-free, a feature that is "unheard of" in the economy tier, he said.

Alexander said a major driver in the decision to renovate was a need for greater differentiation between economy hotel products.

"It's a very competitive industry, especially in the economy segment, and it felt like a couple of years ago that everything was almost like a commodity," he said. "Travelers come to the corner, see four different choic-

es and view them all the same, just asking which one has the lowest price point. How do we change that?"

He expects the new brand also will boost demand among corporate customers. Red Roof in the past has had a larger mix of corporate travel business than the average economy brand, according to Alexander. Corporate sales through regional and national efforts make up about a quarter of Red Roof's sales, and the business/leisure mix tends to run about 50/50 rather than the 30/70 mix more commonly seen across the segment.

The Plus brand, however, could open Red Roof up for even more corporate business, he said.

"There are some pretty discerning companies that only want to stay at the highest level of properties," Alexander said. "Some of those now can choose Red Roof, since they know which ones are Plus and can accommodate their needs."

## Joyce: Business Travel Up

CONTINUED FROM PAGE 22  
tomers in it: everything from single independent hotels to multi-unit independent guys to short chains to portfolio brand companies. We'll have some sense of when this will generate revenue and whether we have a good business on our hands in a couple of quarters, but all the conversations are very positive. We've heard from several of them in the brand business who say it's a little problematic to buy from Choice. We get it, and that's why that's its own division and building, and if you went to see them, you wouldn't see anything from Choice. It's actually pretty encouraging to date. The market I think has figured out this isn't a new business for us. It's a \$30 million business we already have, and if we have 4,000 customers, it's not hard to see us getting to another 4,000 customers in a relatively short amount of time if we were successful in closing on the pipeline. If it doesn't work, we'll just fold it back in, but at this point, we're pretty confi-

dent that we have something interesting. Nobody's got this. It is a [software-as-a-service]-based environment, and not only is it a fraction of the cost, it's better on [payment card industry] compliance, on flexibility. Our guys who go to India for three months to visit their family can run their hotels on their laptops in India.

**BTN: What else is planned for this year?**

**Joyce:** Everybody's putting consumer reviews on their site. We believe that's a good idea. There's an enormous amount of credibility lacking in the review process. If you talk to consumers, they want to know the reviews, but they also want to know that they're genuine. We're one of the first that is. If you're going to make comments, which we welcome, you have to tell us when and where you stayed, and we verify the stay. If you're a consumer looking on our site and reading the good, bad and ugly of what consumers had to say, you know they experienced the hotel.



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So, your basic SkyMiles member would get 4,484 miles today but only 4,261 miles a year from now. The math, of course, changes based on status level. For Gold, you'd get 8,968 today and 6,817 a year from now. Not looking as good.

Of course, all this is based on last year's data. If fare forecasts from corporate travel agencies come to pass, the earnings potential should improve into next year, when Delta launches the program. Meanwhile, the distance between New York and Los Angeles will remain the same.

### 'On The Company's Dime'

What about the companies that employ these corporate travelers? Some analysts said the new program establishes an incentive for travelers to buy more expensive fares—a potential threat to managed travel programs.

Wolfe Research airline analyst Hunter Key in a Feb. 28 research note pointed to what he called “an unintended benefit”—for Delta, that is—of “business

travelers who are now incentivized to book more expensive itineraries (in order to claim more miles), if the expense is on the company's dime.”

There always has been some tension

There always has been tension between loyalty programs and managed travel programs. But Delta's new program creates a different issue, in which even if the company's preferred carrier is Delta, travelers may wait to book to secure a higher fare.

between supplier loyalty programs and managed travel programs. A company that promotes American as its preferred carrier might have a traveler who is a United loyalist. It's a common

scenario, and complicates preferred-supplier compliance.

But Delta's new program creates a different kind of issue, in which even if the company's preferred carrier is Delta, travelers may, for example, wait to book closer in to secure a higher fare.

“I think a lot of corporate buyers are going to say that this crosses the line of a kickback to the traveler,” said The Advisory Board Co. travel buyer Steven Mandelbaum. “I totally understand rewarding for loyalty, but directly tying it to ticket price and encouraging folks to spend more is probably going to result in more companies telling its travelers they can't keep their miles.”

While that may be a bridge too far for many, it does place buyers in a position of concern.


According to a blog post from Oracle travel buyer Rita Visser, “only time will tell” if the new policy steers travelers into “gaming the systems to make their reservations closer in to pay more for their travel,” among other potential outcomes. Miles hounds for years have gamed the mileage-based system by

forcing connections and elongating distances flown, so it wouldn't be surprising if a similar class of travelers exists under a newer scheme.

Still, Visser in an email wrote she expects Delta's new program “won't force travel policies to change, only the management of those policies.”

As for Delta, they've heard the concerns from buyers and said that the policy change was made after direct feedback from constituents that included corporate accounts.

“The key is that the travel manager has the information that they need so that they can give the best direction and best advice to the populations they're managing travel for,” a Delta spokesperson said, noting that the airline has and would continue to provide clients with key data to understand their spending and travel habits.

Furthermore, it's not an entirely new complication. JetBlue, for example, has a fare-based frequent-flyer program with another threat to corporate travel compliance: double points if you book direct. 

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# Travelport's eNett Expanding Virtual Card Payments To Several New Markets

BY JoANN DeLUNA

FAST-GROWING eNett International by year-end plans to roll out its Virtual Account Number program in up to 15 additional markets including the United States, according to head of marketing and communications Marijke Timmers. Majority-owned by global distribution system operator Travelport, the Australia-headquartered company also plans to hire up to 50 people.

eNett last year experienced triple-digit percentage transaction volume growth, with the number of payments settled up about three times that of 2012, according to Travelport president and CEO Gordon Wilson. Much of eNett's growth has been with online travel agencies that use the system to settle hotel bills, Wilson explained. "That's growing like a weed," he said, "but we are beginning to see corporate travel growth."

Growing interest from the corporate travel side stems from eNett's integration late last year into the latest version of Travelport's Smartpoint agency desktop application, allowing agents to use it as an embedded form of payment. That development in the fourth quarter of 2013 helped eNett introduce its VAN product to Dubai, Hong Kong, Ireland and the Netherlands. It currently has customers in 45 countries and plans to expand in Europe and the Asia/Pacific region in



the first half of this year and the United States and Canada in the second half.

"As the product gains traction in those markets, more agencies come on board and the volumes of transactions climb," Timmers said.

eNett toward the end of 2013 began targeting small and midsize agencies, in addition to large enterprises, as the "majority of our competitors play in the big agency space," according to Timmers.

Supplier defaults are a "huge problem" for agencies in general, but especially can be detrimental for smaller agencies, Timmers said. "Between 2000 and 2010,

96 airlines went under in Europe," she explained. "If a small agency in particular is exposed to any one of [those airlines], that's going to take them down."

Although VANs work on a pre-funded model—meaning eNett does not provide credit—the virtual account is protected against supplier default and fraud by MasterCard, Timmers explained. Clients also have different foreign exchange options; VANs work in 27 currencies and 15 local settlements. Clients can lock a rate at the time they create the VAN without having to wait for settlement, Timmers added. Clients only are

responsible for paying the cross-border fee, which she said is below 1 percent, rather than the 1 percent to 3 percent fee banks charge on foreign exchange.

"Larger agencies that are more sophisticated may have foreign-exchange hedging and most likely do local settlements, but for smaller agencies there are different options available," she said.

eNett also is focusing on developing relationships with suppliers. "We want to help hotel chains with their inefficiencies as well as provide new forms of payments for their agency customer base," she said. "We're working with airlines, especially low-cost carriers, to offer VAN as a form of payment on their websites and as a form of payment for agencies to pay LCCs or a traditional airline."

EasyJet is a prime example. The airline "has adopted eNett as its means of payment in Europe for trade bookings," Wilson said. "As easyJet expands its trade booking, the settlement for those are not through the Bank Settlement Plans. It's through eNett or the customer's own credit card." He noted that corporate customers in Europe tend to be invoiced by their travel agencies rather than use individual cards, and the agencies pay easyJet with an eNett virtual card.

"[VAN] is preferred over the bank transfer, because although suppliers haven't received money, they can see it's in the pipeline," Timmers said.

When asked how eNett differs from other virtual card programs, Wilson explained that "eNett is the cardholder," whereas in the case of AirPlus, for example, it is not and instead the agency is the cardholder. "That presents some interesting opportunities for us in terms of how eNett can be used to make payments, also as a credit card through BSPs." He also highlighted eNett's integration with Travelport's systems and agency workflow processes, certain currency capabilities and "an ability to onboard literally thousands of customers within days, which many of these other bank-issued virtual cards cannot."

Unlike with Conferma, through which a client interested in virtual cards also must work within Conferma's network of banks, Timmers said that "with eNett, you don't need to be a customer of any bank, just an eNett customer."

As with many other virtual card providers, interest also is on the rise thanks to some recent high-profile credit card breaches. Wilson said that reducing the risk of fraud "definitely is a point in the engagement on the supplier side."

In reporting financial earnings on Feb. 27, Travelport noted that eNett "was a net contributor to adjusted earnings before interest, taxes, depreciation and amortization for the first time in 2013."

— With reporting by David Jonas

## U.S. Bank Extends Rewards Program To Corporates

BY JoANN DeLUNA

U.S. BANK commercial card clients now can take advantage of the bank's FlexPerks Travel Rewards program, previously available only to consumer-card holders, the bank announced last month. The FlexPerks Corporate Rewards program shares the same currency and redemption structure as the consumer FlexPerks Travel Rewards Visa Signature card and is available for the bank's Corporate Travel, Executive, Executive Platinum and One cards, according to the bank.

"We saw a lot of demand from customers in the middle market for this sort of offering," said U.S. Bank corporate payment systems business president Kurt Adams.

The annual fee per cardholder to join FlexPerks Corporate Rewards is \$80, which an organization can elect to pay on behalf of cardholders, "or more commonly the individual will pay," according to U.S. Bank travel product manager Mary Miklethun.



Mary Miklethun

Cardholders earn one FlexPoint per \$1 spent using the card. Organizations can either redeem points at the individual employee level or pool points at the corporate level "to be redeemed at the organization's discretion," according to the bank. Air travel rewards begin at 20,000 FlexPoints for tickets worth up to \$400.

Large corporations that typically qualify for significant rebates can have both the rebate program and the re-

wards program, said Miklethun. U.S. Bank will deduct a percentage of an organization's rebate to pay for the program. The percentage is dependent on the size of the client's program and its negotiated rebate, said Adams. As rebates tend to be lower for midmarket companies, Miklethun said those organizations can choose between the rebate or the rewards program.

"If [the company] has a rebate in place, then we'll deduct a fixed cost per point on the rebate," said Miklethun. "The point about flexibility in the middle market is that it becomes a choice of whether they want a rebate or reward points in the program."

Many organizations in the middle market, according to Adams, don't have a rewards program, with or without a traditional cash rebate. "So this would be an option if they don't have anything in place, other than using personal cards and then reimbursing employees for travel," Adams explained.

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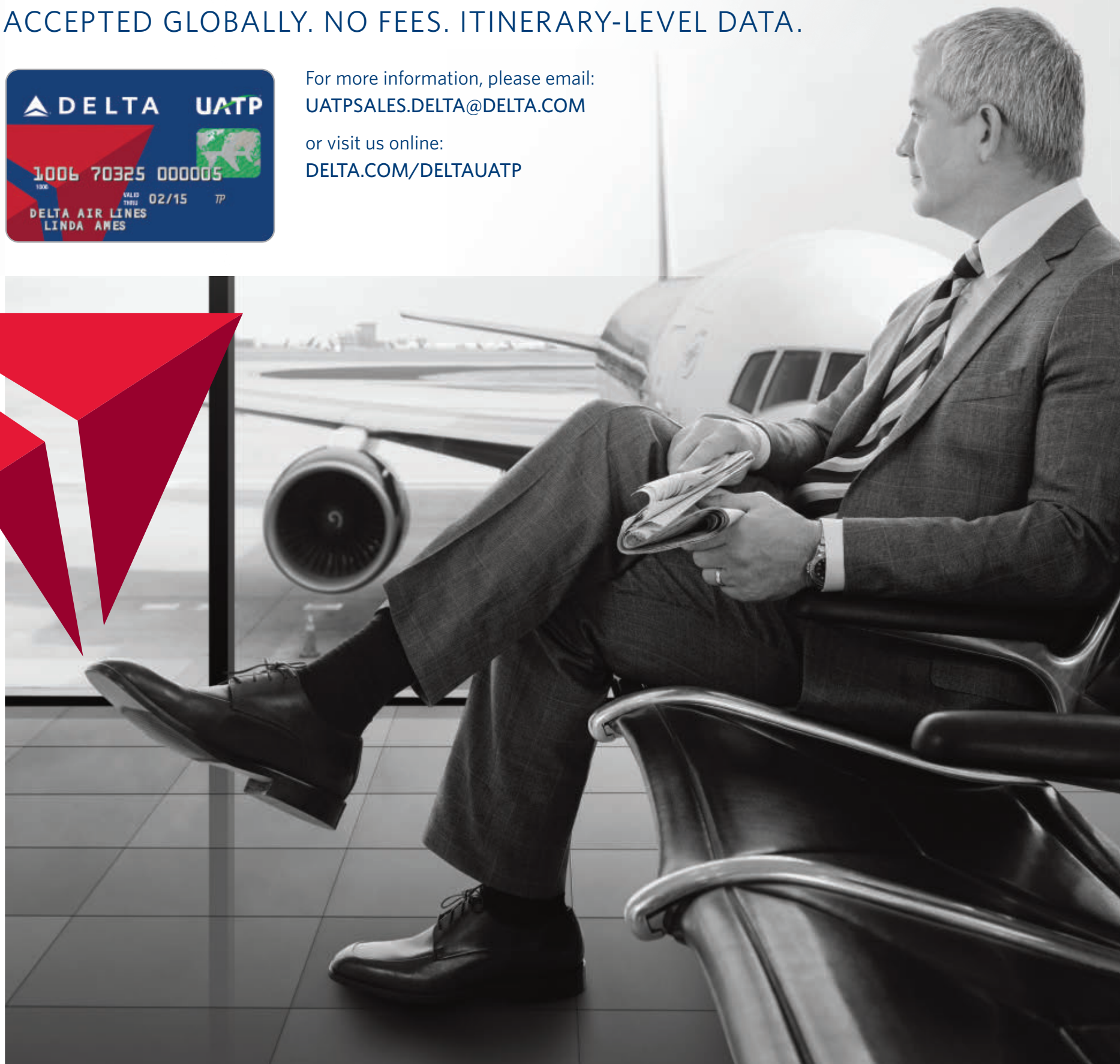
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# Amadeus Abandons Multi-GDS Desktop, Refocuses On 'Traveler-Centric' Systems

BY DAVID JONAS

CITING PRESSURE felt by travel management companies to deliver improved "traveler-centric" solutions, Amadeus no longer is working on the desktop component of Amadeus One. About five years in development, the multi-GDS agent desktop targeted at the North

American travel agency market was meant to be an integrated, multi-source tool that would improve agent productivity and help manage volume from multiple GDSs. But it fell victim to an evolving distribution chain, which devalued the system's promise to ease agent training in multi-GDS environments and provide access to content.

Certain elements will be brought to the Amadeus Selling Platform Connect, an "Amadeus-only" agency desktop, said head of corporate product and innovation Jay Richmond.

Other components that had been organized under the Amadeus One umbrella—a customizable traveler portal, a new profile system and the e-Travel Management corporate booking tool—will be maintained, and in fact enhanced, as Amadeus refocuses on what it perceives as current TMC priorities.

"It's a pivoting strategy to respond to the requirements of the customer," Richmond said last month. "We realized that there was less importance on having a single multi-GDS agent point of sale in the agency operations than there was to deliver more interoperability and flexibility in the traveler-specific tools we make available."

He suggested that TMCs increasingly are compelled to offer "an end-to-end traveler-centric service platform" that provides greater value in shopping, booking, trip management, itinerary management, destination services and expense management.

"Additionally, when we first started this [development of the Amadeus One desktop], the TMCs felt more anxiety over risk associated with content disparity across channels," Richmond explained. "Over time, the TMCs feel more comfortable that distribution will even itself out and parity will remain."

Also referencing TMCs' need to prioritize development resources, Richmond added that "it's not just a question of what you are doing, but how quickly you are doing it."

Indeed, the Amadeus One desktop had been beset by delays, and although several TMCs publicly committed to,

the system in most cases never seemed to advance much beyond the testing phase. In some cases it required agencies to line up agreements with GDSs to allow for multi-GDS connectivity, and also came with a degree of change management for travel agency users that Amadeus did not necessarily expect.

At the same time, thanks to development of hybrid cryptic-graphical agent desktops around the industry, "training from one cryptic command language to another cryptic command language for us has eased," said Lea Cahill, COO of Atlas Travel & Technology Group, a predominantly Sabre agency that in May 2012 signed up for the Amadeus One desktop. "In Sabre, a seat map is graphical even in cryptic." As such, agent

airlines that we are experiencing right now ... all of that coming together has made Amadeus One a less interesting proposition," she said.

Other agencies that had signed up included Travel Leaders Corporate, Omega World Travel and Balboa Travel.

It's not as if all work on the Amadeus One desktop is lost. The company plans to enhance its Selling Platform Connect agency desktop by incorporating certain parts, including workflows, automation and intuitive graphical user interfaces.

"From a customer perspective, they'll still get the best of what's been delivered," Richmond said. "You'll see more of that flexibility of choice and interoperability in the traveler-centric service

lution for the traveler from the outside in. A lot of tools have been built from the inside out: how do I express what I have into a mobile form factor? That's really limiting. You need to start with a clear understanding of how the user uses their device, how they expect to interact with it, and when to interact with it. Starting with the device and going backward into e-Travel Management will really make something that is much more consumer-friendly and less feeling like a structured, rigid corporate product."


Amadeus also will work to ensure interoperability between any third-party booking tools and its portfolio of products, including a profile management system and traveler portal.

On profiles, Amadeus is expanding deployment of the cloud-based Open Profile Suite, a tool first implemented for Sony Europe in conjunction with Radius Travel. "We have agencies now adopting it in every region," Richmond claimed.

Meanwhile, the Amadeus Travel Portal is live today as a desktop version. Envisioned as a single personalized touchpoint for all travelers, it can deliver "dynamic messaging" based on a traveler's profile or data specific to a planned trip, Richmond said. Development of a mobile-optimized version is underway. It is being built "in conjunction with e-Travel Management's new user experience and interface," Richmond said, without specifying a time-frame. Amadeus at the end of 2014 or early 2015 also plans to launch a new mobile tool called Trip Concierge that directly would tie into Portal.

Atlas uses the Amadeus One profile management tool and the portal, and supports e-Travel Management. "They are very important to our current strategy," Cahill said. "Portal and Profile are live with customers, and not just a handful. We started migrating all our clients in late 2013."

Meanwhile, although Richmond wouldn't say much about them, Amadeus also is developing "a couple of other items related to expense management," with an eye on seamless integration into its suite of traveler tools.

All such development is about flexibility in providing services, "so we aren't telling customers, 'Sorry, this is a walled garden,'" according to Richmond. It relates to development of the Amadeus Total Travel Record in that it addresses "the importance of delivering solutions that would consolidate, simplify and centralize," he said. "Around all trip data, we'll be certain that no matter where that data may reside or how it becomes part of a traveler's trip we'll have a structured repository that it can be put into or pulled out." 



"When we started this, TMCs felt more anxiety over risk associated with content disparity across channels. [Now], TMCs feel more comfortable that distribution will even itself out and parity will remain."

— AMADEUS' JAY RICHMOND

training in multi-GDS environments is easier, thereby "dissipating" one benefit that the Amadeus One desktop sought to provide and reflecting one reason why the system's concept had "started to age." Cahill joined Atlas in early 2012 from Amadeus, where she had been involved in Amadeus One development.

At TS24, announced in May 2012 as another Amadeus One user, multi-GDS capabilities in a single platform had been the goal. "It was a challenging process," said CEO Tammy Krings. "We were completely modifying the workflow for the front line and at the same time creating an environment where a non-GDS staff member could sit side by side with a GDS senior-level staff member who has no interest in using a GUI and work effectively."

TS24 had implemented the new desktop and planned "a whole volume of enhancements and next steps to implement," but Krings said that "the secondary level of devaluation" for Amadeus One came as other GDS operators became less interested in providing multi-GDS capabilities in a single user interface. "The changes in the marketplace, the harmony between the GDSs and the

platform that we provide to the marketplace and more Amadeus-specific functionality around the Amadeus desktop." He noted that a pilot with TMCs is expected to kick off this year.

Though TS24 recently selected Sabre as its primary GDS, it also picked Amadeus as the secondary provider. "Where we go from here is looking at the commonality across the Amadeus platform and the Sabre platform," Krings said. "There are lots of similarities. We want to make sure the effort we put into workflow management continues. Everything we did in Amadeus One was transferrable. It was a process engineering exercise, and that won't go to waste because it really has improved our workflow, whether on the Amadeus platform or Sabre Red or whatever we might be using."

## Building 'From The Outside In'

New development at Amadeus includes improving the Amadeus e-Travel Management self-booking system, which the company is "looking to reinvigorate" in North America while also investing in Europe and elsewhere, Richmond said. "We think what has been missing in the marketplace is to focus on building a so-

# Amadeus Vet Tom Cates To Lead Balboa Growth Efforts, Advance Tech Development

BY DAVID JONAS

FOLLOWING AN 18-YEAR run at Amadeus, Tom Cates in February became executive vice president of strategic development at Balboa Travel Management. The San Diego-based travel management company hired him to oversee “global growth initiatives, more than anything,” said president and CEO Denise Jackson. “We do have customers for which we do technology projects. It’s another line of business outside the traditional TMC model that continues to grow, and we are hoping Tom will bring some depth to that as well.”

Established in 1969, privately held Balboa claims about \$200 million in annual sales. It’s a BCD Travel affiliate, has a meetings and incentives business line that Jackson said is “growing at a rapid pace,” and is a member of the Virtuoso luxury travel agency network. But its primary focus is corporate travel, which generates the vast majority of its sales. In addition to

its headquarters, Balboa operates offices in San Bruno, Calif., and a recently opened location in Austin, Texas, as well as a handful of client onsites. It also runs a program for home-based employees. By virtue of its West Coast ori-

entation, Balboa’s client roster includes lots of high-tech companies, but the TMC also holds accounts from various other industries. Jackson said client program sizes range between \$500,000

in annual travel spending to upwards of \$50 million, though typically it falls between \$2 million and \$10 million. Some Balboa clients already are based in or have opened offices in parts of the country other than the West Coast, but

of their global requirements,” Jackson said. “We will diversify some of our national offerings. Tom is here to help with that process with a team that already is in place.”

He’s also focused on improving Balboa’s marketing and ensuring the TMC has sound partnerships and an appropriate market-segmentation strategy. Cates said his background in organizational development and his experience at Amadeus position him well for the task at hand. “Part of my charge is to improve the North American footprint,” he said. “Being aggressive on the sales side, improving marketing techniques and the sales pipeline, these are things I have built my career upon.”

“Balboa has some great partners,” he continued. “Can we expand it to diversify our revenue stream? Maybe we’ll move into the Canadian market with some partnerships.”

When asked if acquisitions would augment planned organic growth, Jackson said, “We are actively looking.”



“Balboa has some great partners. Can we expand it to diversify our revenue stream? Maybe we’ll move into the Canadian market with some partnerships.”

—BALBOA’S TOM CATES

entation, Balboa’s client roster includes lots of high-tech companies, but the TMC also holds accounts from various other industries. Jackson said client program sizes range between \$500,000

the TMC is pursuing growth to become a truly national player.

“We are developing a more robust infrastructure to better serve our customers on a national level and meet some

## Sabre Sees Decline In GDS Bookings As Competitors Grow

BY JAY BOEHMER

AMADEUS AND TRAVELPORT for 2013 each reported a rise in the metrics they use to measure global distribution system transactions. Not so for Sabre, which in an amended registration statement filed March 10 with the U.S. Securities and Exchange Commission revealed a year-over-year decline in 2013 GDS bookings.

Full-year “direct billable airline bookings” processed by Sabre last year fell to 314 million, down nearly 4 percent from 2012. Including non-air travel transactions, total direct billable global distribution system bookings last year declined 3 percent to 368 million.

Even so, “transaction-based revenue was flat” for the company’s GDS business, as a “3 percent increase in the average booking fee” for the full year offset transaction declines, according to Sabre (which has filed for an initial public offering and has proposed “SABR” as its Nasdaq ticker symbol).

Full-year 2013 revenue for Sabre Travel Network, the unit that houses the global distribution system business, rose 1 percent from a year earlier

to \$1.8 billion. “The increase was driven by a \$25 million increase in other revenue primarily from payments in connection with certain services provided to our joint ventures,” according to the filing.

Full-year direct billable airline bookings processed by Sabre last year fell to 314 million, down nearly 4 percent from 2012. Even so, “transaction-based revenue was flat” for the company’s GDS business.

Revenue for Travelocity, which Sabre has deemphasized through a combination of asset divestitures and a partnership with Expedia, last year declined 6 percent to \$586 million.

Sabre’s other core business, Airline and Hospitality Solutions, fared better in 2013, with full-year revenue up 19 percent year over year to \$712 million.

Sabre attributed the growth in that business to increased sales via its SabreSonic airline reservations system, other airline IT solutions (including \$25 million generated through The Prism Group, acquired in 2012) and growth in the company’s hotel IT business.

Companywide, full-year revenue rose to \$3.05 billion from \$2.97 billion in 2012. Adjusted EBITDA for the full year rose to \$791 million from \$787 million.

Previously, Amadeus reported a 5.3 percent increase year over year in total global distribution system bookings.

Travelport measures its global distribution system transactions slightly differently, reporting that “total segments” for full-year 2013 rose 1 percent from 2012 levels.

Sabre’s preferred metric to measure global distribution system transactions is a direct billable booking, which is “any booking that generates a fee directly to Travel Network,” including “bookings made through our GDS” as well as those via “our joint venture partners in cases where we are paid directly by the travel supplier.”

### Buying And Building

Meanwhile, regarding Balboa’s approach to technology, Jackson said, “We buy more than we build, and moving forward we’d like to build more than we buy. That’s also some of why Tom is here.”

Balboa had been one of the TMCs signed up to use the now-abandoned Amadeus One desktop (see story, page 28), but even before that the company created a multi-GDS environment using both Amadeus and Sabre. That, Jackson said, helps overcome content and faring inconsistencies among GDSs, as well as differences in how those systems work with third parties.

“We use our own systems to sit on top of GDS systems,” she explained. “Sometimes we use GDS tools. We use GDSX for mid-office programming for both. We have our own profile system that can deal with both systems so we are not duplicating all over the place.”

His time at Amadeus allowed Cates to observe changing TMC technology needs. “You have started to see a transition to GDSs providing technology from the time travelers enter the airport, to bags and the return trip, and even afterwards,” he said. “That is the focus of where you are seeing technology go, looking at the entire customer experience, and to stay competitive mobility, of course, is part of that.”

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# Meeting The Demand

*BTN's 2014 Strategic Meetings Management Survey*

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By Sarah Beauchamp



**T**he years following the global financial crisis of 2008 brought hard times to the meetings industry. Drastic budget cuts meant that companies had less money to allocate to live events, and even if they had the funds, some customers or clients couldn't afford to travel. Now, thanks in part to a stabilizing economy and improving corporate performance, it appears that a recovery in meetings demand and spending is underway, according to new *BTN* research as well as testimony from several major hotel chain executives and third-party management companies.

According to a *Business Travel News* survey of 172 corporate travel and meeting managers fielded from December 2013 to February 2014, 39 percent of respondents indicated their organizations' 2013 meetings expenditure increased from 2012, and 40 percent predicted another year-over-year increase in 2014. About 11 percent of respondents reported a decrease in meetings expenditure.

Executives at several event technology and management companies, including BCD Meetings and Incentives, QuickMobile and Cvent, told *BTN* of increased business during the past two to three years. "We've seen that people are starting to put on more meetings, the number of attendees per meeting has gone up, and the requests for proposals for spend and hotels has been trending back up," said Cvent vice president of marketing Eric Eden.

Event management firm Meetings & Incentives also reported an increase in the number of conferences held by its clients annually, swelling to 637 in 2013 from 450 in 2011. "We've seen meetings spend rise pretty dramatically with our clients; about 18 percent a year over the last two years," said Meetings & Incentives director of strategic meetings management and analytics David Sachs. The average number of attendees per event for M&I clients also increased nearly 50 percent within the same timeframe, he said.

Meetings management firm BCD M&I, a sister company to BCD Travel, had clients who put in place travel freezes at the end of 2012 and expected meetings to decrease.

"In some of those cases, meetings did not decrease as they had anticipated, even with internal budget cuts," said Charlene Rabideau, BCD M&I's vice president of account management and operations. Since 2012, BCD M&I has seen a year-over-year increase in its annual number of meetings managed and corporate business overall, which Rabideau attributed to strong customer growth the past few years.

Meanwhile, several hotel chains during earnings conference calls in February cited improving group performance. Hyatt Hotels reported a 3.9 percent year-over-year increase in group room nights in 2013, with the average daily group room rate up 2.4 percent, and

Marriott International claimed a 7 percent year-over-year increase in group bookings in 2013. Starwood Hotels & Resorts Worldwide reported that group booking pace is up for 2014, and Marriott's booking pace for 2014 is running 4 percent higher than last year, with its corporate group booking pace up nearly 10 percent. Research firm TravelClick also reported that booked group room nights for 2014 across the top 25 North American markets is up 3.8 percent since last year, with the group booking pace up about 10 percent.

Studies conducted by other organizations also showed a thriving meetings industry, including the industry umbrella association Convention Industry Council. While CIC's "Economic Significance of Meetings to the U.S. Economy" report focused mainly on the association space, its data showed that during 2012, 1.83 million meetings were held in the United

**Research firm TravelClick reported that booked group room nights for 2014 across the top 25 North American markets is up 3.8 percent since last year, with the group booking pace up about 10 percent.**

States. They were attended by 225 million participants, an attendee increase of 10 percent since 2009. Overall, meetings in 2012 contributed more than \$115 billion to the U.S. gross domestic product, nearly a 9 percent increase from 2009.

"This increase seems to be technically driven by economic performance," said Tony Wagner, vice president of CWT Meetings & Events, Carlson Wagonlit Travel's meetings-management arm. "As the economy grows and there's more confidence in a company's earnings, you tend to see the number or size of their meetings increase."

However, some executives struck a more cautious tone, reporting that while overall corporate meetings spend is up, per-meeting spend has remained stagnant. "Meetings budgets are still scrutinized like there's no tomorrow," Meetings & Incentives' Sachs said. Other event management companies reported stable increases in business and more client investment in meetings, but have not seen a spike in per-meeting spend.

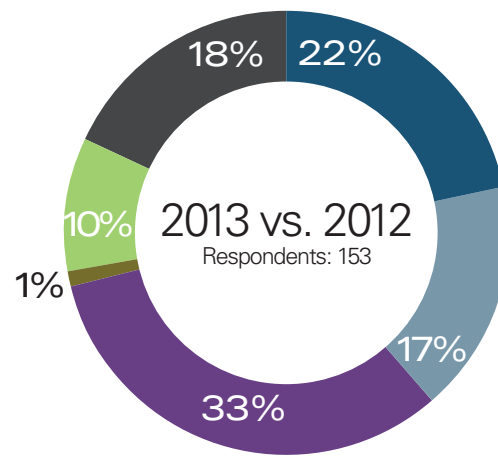
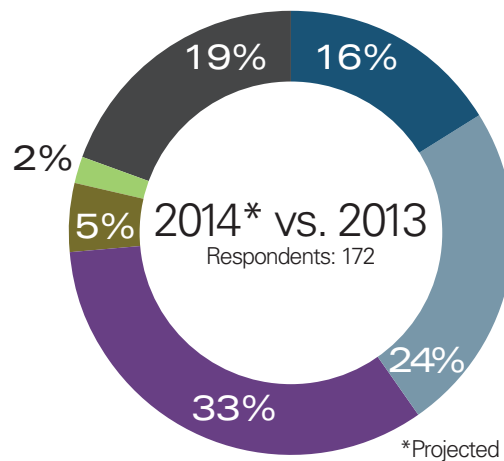
CONTINUED ON PAGE 32



## Meetings Expenditure Trends

Year-Over-Year Changes In Organizational Spending On Meetings

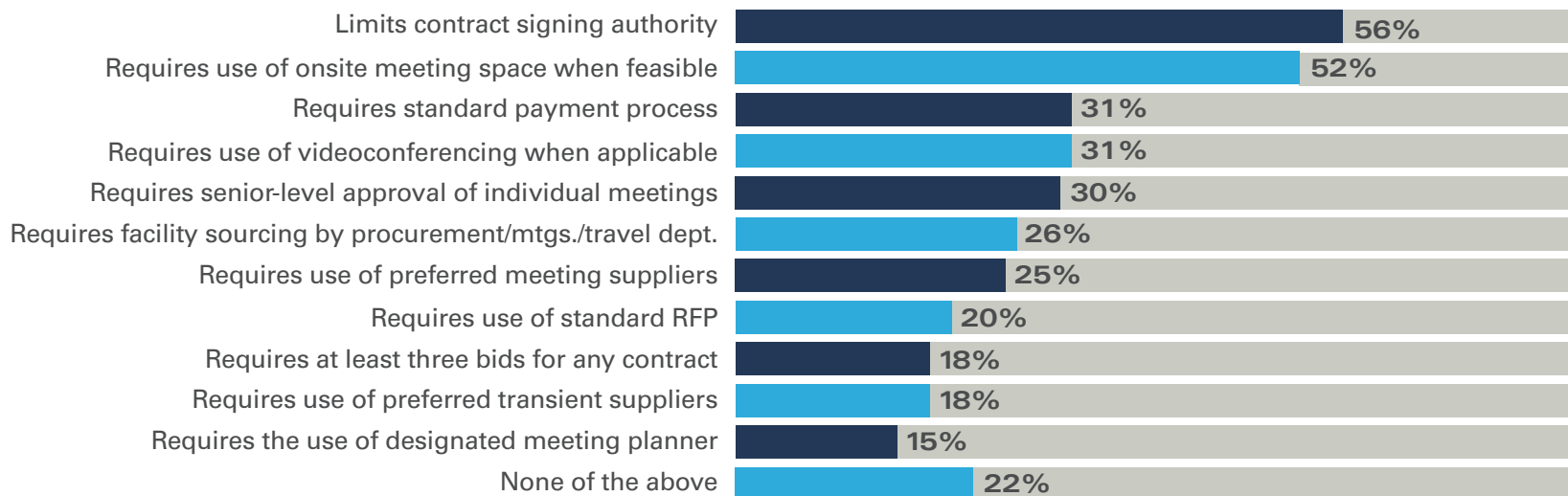
- Increase more than 5%
- Increase 5% or less
- Stay about the same
- Decrease 5% or less
- Decrease more than 5%
- Don't know



Source: A BTN December 2013–February 2014 survey of travel managers

## Policy Planks

Current Policy Language Governing Organizational Meetings Programs



Source: A BTN December 2013–February 2014 survey of 170 travel managers

CONTINUED FROM PAGE 31

### Centralizing Success

A 2012 survey conducted by *BTN* and sister publication *Meetings & Conventions* indicated that 36 percent of 295 meetings-professional respondents had in place a strategic meetings management program at their organization, taking a comprehensive approach to managing meetings and monitoring meetings spend across their entire organization or business unit, with a much higher percentage having at least some aspects of an SMM program in place.

This year's *BTN* survey of 172 corporate travel and meeting professionals revealed that companies are looking to centrally consolidate those SMM programs in order to better track companywide spend and return on investment.

From scandals involving profligate spending at some meetings like the U.S. General Services Administration's incident in 2012, to the introduction of the U.S. Physician Payments Sunshine Act, which requires pharmaceutical companies to report per-attendee spend, there are many reasons why some organizations are trying to better track and report spend by centrally consolidating their strategic meetings programs.

However, while the benefits of consolidating SMM programs can be significant, the process is anything

but easy and can involve a vast range of departments, including human resources, marketing, procurement, training and internal communications and information technology. This year's survey demonstrated a clear divide between those companies that are in the advanced stages of SMM, collecting better quality data and putting it to use, and those in the early phases attempting to consolidate their program to gain a handle on spend.

Roughly 34 percent of respondents said their company has consolidated the meetings purchasing process, 29 percent reported consolidating meetings data and 31 percent have centralized the planning process. Large companies are more likely to have developed advanced SMM programs, due to higher meetings budgets, as are pharmaceutical companies because of strict industry regulations. Still, most organizations have yet to centralize any part of the meetings process, with more than half of respondents reporting no consolidation at all.

"More and more customers are looking to take a more enterprisewide approach to managing their meetings, but many are still in the infancy stages," said CWT M&E's Wagner. "What we have seen is what we'd call a parallel path based on maturity of a customer." Mature customers include those larger companies that have had an established SMM program in place for a

while, he said. These organizations have already begun to see the benefits of centralized SMM in the form of cost savings and better data collection.

"As procurement becomes more involved, companies want to take a more consistent approach and implement a more consistent process," Wagner said. "They want to reduce the number of vendors from a management standpoint and see an increase in data quality and leverage." CWT's clients also have begun to align hotel sourcing strategies across transient and meetings properties. "There's a big difference between business and transient, and we're seeing that negotiation come together."

BCD M&I's Rabideau also witnessed more cooperation in managing transient and meetings travel, noting a 2012 GBTA study that found 43 percent of travel managers were planning live events for their organizations and 38 percent were responsible for developing their companies' strategic meetings management programs. "We see more integration of travel and meetings happening," Rabideau said, "and the oversight of the two commodities has become more important in order to find opportunities to leverage the programs."

Companies whose meetings programs still are in the early stages are just beginning to track basic data, for instance how many meetings are happening across a



company and how much they cost, and making the information available in order to reduce expenditures. “It’s OK to start simple,” Eden said. “You don’t have to jump into the deep end. It’s OK to have a phase plan.”

The particulars of centrally consolidated SMM programs vary by company, but they generally include central sourcing and budgeting functions, leaving the actual planning and execution to individual departments. “One of the things we noticed right away, by centralizing our meetings and trying to get more of them to come through the travel department, is that we can leverage contracts and we know what’s being committed,” said Cheryl Benjamin, travel manager at manufacturer Dart Container Corp. “We don’t want to take over the meeting planning, we just want to be involved in that contract and that financial obligation.” Not only does this format help Dart cut costs, it also helps the company “source smarter,” she said.

Benjamin explained that by the time a meeting is presented to her team, it’s already been discussed with a vice president or department director, so upper-management approval is implied. However, other companies have more formal approval processes in place. Nearly 56 percent of *BTN* survey respondents reported their company’s meetings policy placed limitations on contract-signing authority, and about 30 percent required senior-level approval.

Some companies have put in place per-meeting spending thresholds and delineate which meetings require authorization. “The average [threshold for approval] is \$25,000,” explained Meetings and Incentives’ Sachs, adding that the amount varies by organization. “From what we’ve seen, corporations still give choices. The one piece that tends to be taken away [from an individual department] is the sourcing and hotel procurement.”

In addition to approval processes, some companies control spend by limiting the venues or locations where a meeting can be held. Approximately 52 percent of respondents indicated they are required to use onsite meeting space when feasible, while 25 percent must use preferred meeting suppliers, and about 30 percent

reported utilizing videoconferencing when applicable. “We hold a blend of in-person and virtual meetings,” Benjamin said. “We don’t always bring people in if we don’t have to, and we’re installing videoconferencing equipment in our facilities.”

How a company consolidates its SMM program and what restrictions it enforces is mostly dependent on company culture, explained Rabideau. “We’ve seen everything from very loose [restrictions] to ‘strongly encouraged,’ ” she said. “Meetings are not typically mandated, so strongly encouraged is probably the most aggressive. We’ve had a few clients say they’d use disciplinary action if guidelines are not followed.”

For many companies just starting the SMM process, defining the concept of a meeting helps them structure better meetings management guidelines. “In general, if it’s 10 or more guest rooms on a given night, with or without meeting space, it becomes a group event,” Sachs said. He attributed this rule to a hotel model that

see organizations beginning to at least dip their toe in the water on what a global program and policy looks like. People who are managing meetings programs globally are at least putting a general policy in place, doing some data capturing, general meeting registration, hotel sourcing, and then allowing the region to do some of the management locally.”

Sachs agreed that going global is the next big step for strategic meetings management. “We have had a lot of companies that have done their North American side,” he said. “Now they’re all starting to move forward on the global side. The globalization of SMM in the next year, year and a half, is going to happen and is going to gain a lot more traction.” Sachs said this would lead to more data and “better information for companies to work with.”

Wagner predicted more organizations would invest in SMM programs that combine marketing and meetings strategy. “Executives and marketers are expecting

**CWT Meetings & Events vice president Tony Wagner predicted more organizations would invest in SMM programs that combine marketing and meetings strategy. “Executives and marketers are expecting more of a return from meetings,” he said.**

considers any event with less than 10 attendees a catering event, while those with 10 or more are considered a meeting. For some companies, like Dart, there’s a less-than-formal definition in place. “I’d say if there’s 20 to 25 people and if there’s offsite meeting space involved, it’d be considered a meeting,” Benjamin said. “With us, it’s more, ‘Give me your meetings details and let’s talk this through.’ ”

#### The Next Steps

While many companies still are in the early stages of structuring an effective strategic meetings management program, Rabideau said more organizations would begin to invest in globalized meetings programs. “For 2014, we continue to see the trend of centralizing programs on a global basis,” she said, “or we

more of a return from meetings,” he said. “Because of the technology marketplace changing, people are reassigning their technology strategies and are trying to build in more links between their marketing organization and meetings strategy because these tools are starting to expand their capabilities.”

Cvent’s Eden also predicted more synergies between meetings and marketing management. “A pretty high percentage of events that companies do is around marketing,” he said, citing a 2014 Forrester Research report that concluded that, on average, 20 percent of marketers’ budgets is committed to live events. “Companies always need to win more customers and sell their existing customers more products and services, and in-person events are one way marketers do this.”

## Technology’s Evolution

Technology continues to become increasingly crucial to strategic meetings management, making it possible to source and evaluate data once unavailable to companies. “You’re seeing more and more customers integrate technology into the meetings experience now, and there’s more and more data being gathered,” said Tony Wagner, vice president of CWT Meetings & Events. “I expect us to start seeing companies leveraging data not around spend, not around who is attending and how many events they’re attending, but how they’re interacting.”

Wagner expects companies with mature strategic meetings management programs soon will be able to easily and regularly monitor attendee reaction to speakers,

educational sessions and other meeting components. “That type of data is now being gathered, but isn’t necessarily being acted upon as a meeting owner.”

Key to that technological growth has been the rapid development of meetings apps, which in some cases have fully replaced printed meeting agendas.

Event apps have gone from being an added bonus to something that is expected, explained Robin Jones, chief marketing officer of meetings app and technology provider QuickMobile. “If

you isolate the mobile event app category, it’s in a mass adoption stage,” she said. She reported that QuickMobile has seen demand double year over year “in terms of inbound interest through to apps delivered and companies added to our client list.”

Many of QuickMobile’s customers have stopped utilizing one-off event apps and now invest in platforms that allow them to create apps year-round, Jones said.

“Large organizations two years ago would go out and buy an app for a flagship event,” she said, “but what we’re seeing now is,

keeping with SMMP, a need to consolidate that spend, get economy to scale and get a better pricing structure for a company’s overall mobile landscape.”

Instead of singular event applications, QuickMobile customers more often are employing the company’s multi-event application platform, through which they can create custom mobile apps for any event as needed. “It’s gotten much more traction than we anticipated,” said QuickMobile CEO Patrick Payne. When the company first introduced the platform at the end of 2012, officials predicted less than 20 clients would utilize it by the end of 2013; instead, Payne said more than 100 customers currently leverage the platform.

— Sarah Beauchamp



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## LETTERS

# Travel, Expense Integration Is True End-To-End



**BY ALAN TYSON**  
CEO  
DATABASICS

Scott Gillespie's articles are always thought-provoking. I think most of us would agree that his proposal to formally include HR considerations in travel management (*BTN*, March 3) is well-founded, but Scott never seems to back away from making larger points: that Travel 1.0 is yielding diminishing returns because it doesn't take into account human factors in cost calculations. I think the problem is more complex.

Travel 1.0 generally ignores not just people issues, but other critical analytic dimensions as well. Basically, how can a travel program be evaluated outside the operational, financial and procurement structures and policies of an organization? A simple example: The typical travel program is largely incapable of implementing a budget. Another: the typical travel program cannot distribute reservation data by operational/financial classifications. Would being able to do these things have an impact? It's as if we are looking at the moon through binoculars. We've picked out most of the visible features. To see more, though, we need to use a telescope. The telescope here is integration of travel and expense reporting information for the purposes of analysis. Not for the trivial crowd-pleaser of saving a few keystrokes on input. Back-end integration is the true "end-to-end" and represents an opportunity to deliver substantial value to today's travel programs right now.

# Where Is The Coverage Of Women Execs?

I have been enjoying your magazine for many years. However, in the March 3 edition I noticed a definite lack of female perspective in most of your content.

Apart from the interview with April Bridgeman of BCD Travel, and a few commentaries from JoAnn DeLuna, every other editorial or interview was with senior men. I appreciate that sometimes it is difficult to get good coverage and editorials. However, in these days with the growing number of women executives in the travel industry, I find it hard to believe that only men were found and highlighted in your March 3 edition. Nonetheless, do note that I did enjoy the write-ups.

I have never in the past written comments to newspapers or any other media. However, in this edition, I was completely stunned by its content and felt strongly about sharing my thoughts.

I hope to see a more rounded gender balance in future editions. Thank you!

— Francine Miller, CMP

*BTN Editor-in-Chief Chris Davis responds:*

Thanks for taking the time to share this perspective. It's certainly true that we at *BTN* are committed to covering the business travel management industry in the most comprehensive manner that we can, and while we always strive to do so in the most balanced manner possible, your letter is a good reminder to keep every angle in mind.

It's also true that the ratio of men and women in this industry's senior-level leadership doesn't reflect the ratio of the rank and file: Sixty-five percent of the respondents to *BTN*'s industrywide 2013 Salary and Attitudes Survey (*BTN*, Aug. 5, 2013) were women, for example, a percentage that is not reflected among the industry's current senior executives. It's a topic we covered in a Dec. 17, 2012, cover story, "Confronting The Glass Ceiling."

One effort to change that, the nascent Winit Women in Travel association founded by Citi managing director of global head of general services and travel Mick Lee, is focused on training women and promoting them into senior positions, eliminating the gender gap in compensation and ensuring women earn their fair share of speaking opportunities at industry events. The *BTN* Group editorial director David Meyer and group publisher Tim Reid both serve on Winit's advisory board.

Thank you again for your comments and your interest in *Business Travel News*' editorial coverage. 🔄



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