

After Deal,  
Concur's Singh  
Plans Ahead

6



Buyers Detail  
Booking Tool Wish List

20



Accor's  
Olejniczak  
Talks Strategy

22



# Business Travel News

October 13, 2014

## 2014 HOTEL CHAIN SURVEY

Satisfaction scores among  
corporate travel buyers rise  
across a vast majority of  
hotel brands. **Page 26**



PLUS



PREMIER

#surveysays

KEEP CLIMBING



# MEETING DEADLINES EVERY MINUTE.

THAT'S BEST-IN-BUSINESS.<sup>SM</sup>

Delta delivered 3 million more passengers on time than our closest competitor did in 2013. We're committed to getting your people where they need to be to succeed, working 24/7 to be the most reliable airline. That's another way we're building our business around the needs of yours.

[DELTA.COM/BUSINESS](http://DELTA.COM/BUSINESS)



Source: DOT Air Travel Consumer Report, 2/2014, p. 5 (on time rankings) and p. 32 (domestic enplanements). Delta's 2013 domestic on-time arrival rate was 84.5% and our closest competitor's was 81.5%. Based on Delta's total domestic 2013 enplanements, this difference equates to 3,033,858 passengers. Competitive set defined as US Global Network Carriers: American, JetBlue, US Airways, United/Continental and Southwest/AirTran.



**DAVID MEYER**  
Editorial Director  
(646) 380-6246  
dmeyer@thebtngroup.com

**CHRIS DAVIS**  
Editor-in-Chief  
(646) 380-6252  
cdavis@thebtngroup.com

**DAVID JONAS**  
Executive Editor  
(203) 546-8857  
djonas@thebtngroup.com

**JAY BOEHMER**  
Executive Editor  
(646) 380-6249  
jboehmer@thebtngroup.com

**MICHAEL B. BAKER**  
Senior Editor, Lodging  
(646) 380-6250  
mbaker@thebtngroup.com

**JoANN DeLUNA**  
Associate Editor, Payment & Expense  
(646) 380-6268  
jdeluna@thebtngroup.com

**LOIS HEYMAN**  
Copy Editor  
(646) 380-6263  
lheyman@thebtngroup.com

**AMON COHEN**  
Contributing Editor

**BRUCE SERLEN**  
Contributing Editor

**JONATHAN CHAN**  
Art Director  
(646) 380-6248  
jchan@thebtngroup.com

**MICHELE GARTH**  
Production Manager  
(201) 902-1930  
mgarth@ntmlc.com

**LISA GONZALES**  
Production Specialist  
(201) 902-1927  
lgonzales@ntmlc.com

**GAYLE GRAIZZARO**  
Production Specialist  
(201) 902-1914  
ggraizzaro@ntmlc.com

We welcome your letters, comments and feedback. Contact the editor-in-chief at [cdavis@thebtngroup.com](mailto:cdavis@thebtngroup.com).

For breaking news and original research, and to search articles since 1996, visit [businesstravelnews.com](http://businesstravelnews.com).

Follow Business Travel News on Twitter at [twitter.com/BTNOnline](https://twitter.com/BTNOnline)

**SUBSCRIPTION SERVICES**

Tel: (847) 564-5941  
Toll Free: (877) 705-8889  
Fax: (847) 291-4816  
Business Travel News  
PO Box 3610  
Northbrook, IL 60065-3610  
nbtn@omeda.com

**LIST RENTAL**

**DANIELLE ZABORSKI**, MeritDirect  
(914) 368-1090  
dzaborski@meritdirect.com

**E-MAIL INFORMATION**

**WAYNE NAGROWSKI**  
(845) 731-3854

**REPRINTS OR COPYRIGHT PERMISSION**

**WRIGHT'S MEDIA**  
(877) 652-5295 Ext. 102  
niademarco@wrightsmedia.com

**BTN EDITORIAL & SALES OFFICES**

116 W. 32nd St., 14th Floor  
New York, NY 10001  
Editorial Fax: (646) 380-6241



100 Lighting Way, 2nd Floor  
Secaucus, NJ 07094  
[www.northstartravelmedia.com](http://www.northstartravelmedia.com)  
© ALL RIGHTS RESERVED

# Contents

OCTOBER 13, 2014

“We’re first and foremost a TMC. ... We look for tech companies to partner with rather than looking to build every new product in-house.”

—BCD TRAVEL'S CRAIG BAILEY, PAGE 8



*A new Oversight Systems analysis of corporate expense reports indicates that fraudulent transactions in 2014 have cost companies millions. 14*



## On The Horizon 4

NYU's Bjorn Hanson projects 2015 corporate hotel rates to increase 5.5 percent to 6.5 percent year over year; Questions about Concur's future linger after SAP announces its acquisition

## Metrics 10

Charts show August ARC air transactions by travel agency segment, American Express Business Travel clients' second-quarter spending, and trends in corporate hotel costs

## Procurement 12

A GBTA study indicates those travel buyers who have adopted dynamic-pricing hotel agreements generally are satisfied; Group purchasing organization Corporate United steps into travel procurement

## Distribution 18

The industry debates the definition of a ticket agent in light of the U.S. Department of Transportation's latest proposed airline consumer protections; Ryanair and Amadeus partner

## Technology 20

Buyers detail a wish list of the features they would like to see in a better online booking tool; Serko announces partnerships and readies a travel and expense mobile app

## Lodging 22

Interviews with Accor Hotels senior vice president of global sales Carlo Olejniczak and InterContinental Hotels Group owners association president Eva Ferguson

## Meetings 25

Online hotel marketplace Roomer is trying to mine a potentially large vein of at-risk inventory; underfilled corporate hotel meeting room blocks at risk of attrition penalties

## Cover Story 26

A difficult negotiating climate has not soured corporate travel buyers' attitudes toward their hotel chain partners, with satisfaction scores in *BTN's* 2014 Hotel Chain Survey up across most brands

## Perspective 38

Travel management company subscription pricing would benefit everyone, says Craig Fichtelberg, president and co-founder of Chicago-based TMC AmTrav

# NYU Analysis: Corporate Hotel Rate Increases In 2015 To Outpace Recent Years

BY MICHAEL B. BAKER

THE AVERAGE CORPORATE negotiated hotel rate in the United States will increase between 5.5 percent and 6.5 percent, according to analysis released in September by New York University hospitality clinical professor Bjorn Hanson.

"This should be a year for corporations to pay more, and hotel executives are viewing 2015 as an opportunity to catch up," said Hanson, whose analysis is based on industry data and interviews with corporate travel and hospitality executives. "If you go back to 2007 and look at inflation, rates should be higher than they are now, and occupancy is up by two full points this year."


As in recent years, hoteliers and travel buyers are entering negotiations with

vastly different expectations, Hanson said. Buyers are braced for increases but hope to hold them to 3.5 percent

Even so, Hanson said the gap in expectations this year was not as broad as it was in negotiations leading up to

understands there has been an increase in occupancy," he said. "It's been a couple of years since the end of the recession, and people are getting used to this environment."

Corporate negotiated hotel rates in the United States in 2014 increased about 4.5 percent, and overall U.S. hotel ADR increased about 4 percent, according to the analysis.

Hanson also noted that hotels will continue to push for services and amenities—Internet access and breakfast, for example—to be charged separately from room rates, a "trend that accelerated in 2012 and 2013," the analysis indicated. At the same time, buyers will be eyeing more select-service hotels to add in their programs in lieu of upper upscale, full-service hotels, Hanson said. 



"I'm not suggesting it will be an easy year [for negotiations], but everyone understands there has been an increase in occupancy. It's been a couple of years since the end of the recession, and people are getting used to this environment."

—NYU'S BJORN HANSON

to 4.5 percent, he said. Some hotels, meanwhile, said they would push for increases as high as 8.5 percent.

2014 corporate rate agreements.

"I'm not suggesting it will be an easy year [for negotiations], but everyone

## BTN NOTES

### Call For The Top 25 Execs Of 2014

*Business Travel News* is preparing to create its annual list of the 25 executives who this year had the greatest influence on the business travel industry. The list will include the buyers, suppliers, consultants, public policy makers and association leaders who led the most impactful developments affecting the industry during 2014.

The final list will be announced Dec. 8 during The BTN Group's Trends & Forecasts conference at the Sheraton New York Times Square Hotel in New York City. At that conference, attendees will hear panels on industry developments and share their experiences, challenges and solutions with fellow corporate travel buyers in an open forum.

The Jan. 19, 2015, issue of *Business Travel News* will feature profiles of each named executive. Please send nominations—and the accomplishments that qualify them for this year's list—by Oct. 27 to *BTN* editorial director David Meyer at [dmeyer@thebtngroup.com](mailto:dmeyer@thebtngroup.com).

### CWT Readies Mobile Hotel-Booking Pilot For Select Clients

**Carlson Wagonlit Travel** is piloting hotel-booking capability through its CWT To Go mobile app and plans to make it available to all users by year-end, the travel management company announced last month. Users in the pilot program can use the app to search hotels, view results on a map and book hotel rooms. Search results include preferred rates and properties per a corporate travel policy, and CWT service teams can retrieve bookings if travelers need further support. Additionally, the app integrates with CWT's Portrait traveler profile tool, so it can pull traveler details, including credit card information and loyalty program membership, when travelers make hotel bookings. Users also can scan credit cards through their mobile devices' cameras when entering payment information. Currently, only CWT employees in the United States, United Kingdom and Ireland have access to the app's hotel booking features, and the ability "will roll out to select CWT global clients shortly," according to the TMC. The majority of users will have access to it by the end of 2014. Other features in the new version include more detailed flight alert information, a redesign for the Android platform and the ability to label entire trips or portions as "leisure" so that travelers can manage personal travel on the app. CWT also is working on air and ground transportation booking functionality for the app, slated for release next year, according to *The Beat*.

### Swiss Details Fleet Overhaul Plans

**Swiss International Airlines** is planning significant fleet upgrades and looking into expanding its U.S. service, according to Patrick Heymann, the airline's senior director of the Americas. Heymann, who began his current role in May, said last month that Swiss aims to "be closer to our customer and have a higher product point" with new aircraft. "When you have a fleet of 90 aircraft, it's easier to get there," he added. Swiss parent **Lufthansa Group** last month announced it has ordered 15 **Airbus A320neo** aircraft, with an option for 10 more to be confirmed later, to replace its existing A320 fleet. The aircraft will begin replacing some of Swiss' short-haul aircraft in 2019. On longer-haul flights, Swiss in 2015 will begin phasing in six **Boeing B777-300ER** craft for its longest routes, including those to the western United States and East Asia, adding another 100 seats of capacity on those flights, Heymann said. While Swiss will monitor market demand as many airlines move to two-class cabins, current plans are to make all its new aircraft three-class cabins, as is the carrier's standard for long-haul flights, he said. Swiss also is "looking into opportunities to open additional markets in the United States," he said. Swiss currently serves Boston, Chicago, New York, Newark, Los Angeles, Miami and San Francisco.

### GSA Inaugurates Car-Sharing Program

The **U.S. General Services Administration** selected **Enterprise CarShare**, **ZipCar**, **Hertz** and New York-based **Carpingo** for a new car-sharing program. In a statement, GSA indicated it is "following the lead of popular low-cost commercial car-sharing ventures" as a means to realize new efficiencies and optimize vehicle use within the government fleet program. It expects increased demand for car-sharing due in part to "budget constraints." The four vendors will offer short-term car-sharing services (a maximum of one full day) as an option to federal employees. GSA noted that it will pilot the car-sharing program in Boston, Chicago, New York and Washington, D.C.

FIND DAILY NEWS UPDATES AND MORE AT [BusinessTravelNews.com](http://BusinessTravelNews.com)

October 13, 2014 Issue 772 Vol. 31, No. 15

Business Travel News (USPS 0728-870, ISSN 8750-3670) is published monthly except semi-monthly in March, April, May, June, September and November, by Northstar Travel Media, LLC, 100 Lighting Way, Secaucus, NJ 07094, tel. (201) 902-2000, and is distributed free of charge to qualified corporate travel buyers and travel agents specializing in business travel in the United States and Canada. The cost of a print subscription to non-qualified subscribers is \$129 in the U.S.; \$142 in Canada and Mexico; and \$210 in other foreign locations; the cost of a digital edition subscription is \$65; payable in advance in U.S. dollars. Registered for GST as Northstar Travel Media USA GST No. 264513185. Canadian GST #123397457. Periodicals postage paid at Newark, NJ, and additional mailing offices. Business Travel News is a trademark owned exclusively by Northstar Travel Media. Copyright © 2014 by Northstar Travel Media, LLC. Reproduction of this magazine, in whole or in part, is prohibited unless authorized by the publisher. Editorial and advertising offices: 100 Lighting Way, Secaucus, NJ 07094. For all circulation inquiries, including new subscriptions, renewals, cancellations, changes of address and problems with missed deliveries, contact customer service by mail at Omeda Customer Service, P.O. Box 3610, Northbrook, IL 60065-3610, by phone at (877) 705-8889; by fax at (847) 291-4816; or by email at [nbtm@omeda.com](mailto:nbtm@omeda.com). POSTMASTER: Send change of address to Business Travel News / Circulation, P.O. Box 3610, Northbrook, IL 60065-3610 Printed in the USA.





# Carfirmation<sup>®</sup>

---

Mobile Gold Alerts. Change your car on the fly, when you land.

With Hertz Gold Plus Rewards<sup>®</sup>, your travelers get a Carfirmation<sup>®</sup> – we'll send them an email or SMS the moment their plane lands confirming both the vehicle and stall it's waiting in. They can even change the car they've already reserved into another one. Right from their phone. No lines. No waiting. Go to [HertzGoldPlusRewards.com](http://HertzGoldPlusRewards.com) and sign up.

---

***Gold Plus Rewards***

***Traveling at the Speed of Hertz<sup>®</sup>***

**FOR YOUR INFORMATION:**

At participating locations and subject to availability and other restrictions. Requires enrollment in complimentary Hertz Gold Plus Rewards. Message and data rates may apply. ® Reg. U.S. Pat. Off. © 2014 Hertz System, Inc.

[hertz.com](http://hertz.com)

**Hertz<sup>®</sup>**

# Concur 'Completes' SAP, But There Are Plenty Of Questions

BY DAVID JONAS

AFTER HE PULLED OFF an agreement for an \$8.3 billion acquisition, which he described as “the largest acquisition in the history of the SaaS industry,” you could excuse SAP CEO Bill McDermott’s exuberance when discussing Concur last month during a conference call with analysts and media.

Concur, he gushed, provides context-aware applications (notably TripIt) “better than anyone in travel.” Its boss, Steve Singh, “ran the best margin profile company in the SaaS industry” and built a network of suppliers and partners across the business travel space that he’s now got “in the palm of his hands.”

Concur’s products, McDermott continued, blow away the competition. “We looked at ourselves in the mirror, and how many [SAP] Travel OnDemand customers we have, and what our run rate was, and how simple our conversation was for a user versus Concur’s, and then we also thought about the business network and 23,000 [Concur] customers in an installed base and realized that this category is game over, so it’s time to hook up with Concur and go long.”

In short, McDermott described Concur as “the cornerstone” and “best, most marquee asset in the industry.” Put it together with the previously acquired Ariba procurement platform and Fieldglass contingent workforce management system, along with the rest of the SAP portfolio, and McDermott claimed that “SAP will have the most cloud users of any cloud company in the world by far and the world’s largest business network by far. We are the undisputed business network company.

“You shouldn’t in any way be concerned that we have a whole long list of acquisitions to add to this one, because we don’t,” he added. “We wanted this one. It completes us, as Jerry Maguire would say.”

While some of that is hyperbole, there’s no denying Concur’s ascendance. Founders Singh, Raj Singh and Mike Hilton spent 21 years building a little expense management firm into the talk of the industry and a force for change.

But while the acquisition seems to be sensible on the surface for both parties, there are, of course, plenty of questions.

## First Things First

Should the purchase by SAP subsidiary SAP America go final (expected later this year or early next), where will Concur, its management and its employees fit into the SAP structure? It’ll



Concur’s Steve Singh

be a wholly owned but independent unit that retains its brand identity. It will “collaborate closely” with Fieldglass and Ariba as part of the SAP Business Network, McDermott said. In materials filed with the U.S. Securities and Exchange Commission, Concur noted that its management team “will continue to lead Concur as part of the SAP organization, initially reporting to the Office of the CEO at SAP.” Concur added that the two companies “do not anticipate workforce changes,” as the combination “is not about industry consolidation and layoffs. It is about innovating and growing our joint businesses.”

In an email to employees, Steve Singh wrote: “This is a big event in our history and in the broader software industry, but from a day-to-day perspective, this deal doesn’t change a lot about what we have to do.”

## Products And Services

Concur intends to maintain existing offerings and continue following its product roadmap. Decisions on future product development will come after the merger transaction closes.

But there clearly is an opportunity to integrate Concur’s and SAP’s travel and expense solutions. In its SEC filing, Concur wrote that “we expect to bring the combined strengths of SAP and Concur to bear for all of our combined customers to deliver an unparalleled travel management experience.” Concur also claimed that by having access to SAP’s technology, it can realize its ambition to create “the Perfect Trip.”

Concur did state an expectation that it would implement SAP’s HANA platform “wherever it is appropriate to deliver a better customer experience.”

Though Concur already integrates with SAP’s products (and committed to maintain connections with other companies’ ERP products), Singh and McDermott discussed what they see as



SAP’s Bill McDermott

a tremendous opportunity to cross-sell into each other’s client base.

HfS Research senior vice president Christa Degnan Manning sees the end-game for SAP: using the core technology of the HANA platform to back the “best-in-breed” cloud applications it has purchased (also including talent management and performance platform Success Factors), and build a new interface to stitch them all together. By doing so, she said the employee experience would be improved by removing the need “to interact with all these different web-based activities.”

“The proliferation of too many best-in-breed self-service software applications has become distracting to the workforce,” Manning continued. “The Concur application will benefit from the front-end single updated interface across the SAP platform so employees have less to learn every time they go online to do self-service.”

She also pointed to back-end benefits: leveraging Concur’s travel and expense data to better understand the impact of travel on employee productivity and engagement “rather than in the abstract sense when people talk about traveler fatigue or stress. Over time it’ll be those back-end integrations that benefit the pure Concur customers as well as the SAP-installed constituents.”

## Trickier Questions

Top of mind for many customers is how their service will be impacted. Concur wrote that as a result of the transaction, “there will be no impact to customer service.” Some may see that as a bad thing, since Concur’s customer service long has been an area of complaint for certain accounts. It’s also an area not typically improved by a big merger, at least not in the short term.

But, there is some optimism. “SAP is such a large company, maybe Concur would get the back-end support which

is much needed at this time, as we’ve all heard,” according to a travel manager at one Concur client company, speaking on the condition of anonymity.

Manning agreed that SAP can help improve reliability. “The cloud companies have observed that to get to the next level and truly deliver globally and scale the business, they needed a partner like SAP to step in and solve for those customer frustrations around uptime and technological support.”

Another question relates to Concur managing its growth. McDermott and Singh discussed new avenues for Concur to follow into other parts of the world (84 percent of its revenues currently come from the United States). “You win with scale,” Singh said. Added SAP CFO Luka Mucic: “SAP will drive globalization of the Concur platform beyond its strong North America base and so enhance its presence significantly in Latin America, Europe and Asia/Pacific.”

While Concur has maintained a revenue growth trajectory north of 25 percent annually, its growth spurt this decade hasn’t helped with customer-service issues.

How about that partnership with IBM? As IBM is exiting the expense management market, one reason cited by Concur as to why IBM would direct its customers to Concur Expense is to keep them away from the likes of SAP.

Then there are the ongoing questions surrounding Concur’s role in the industry. TripLink and the open-booking philosophy behind it recently has been among the most heavily debated topics in corporate travel management circles.

McDermott said “the future is the network solution TripLink.” He also suggested that “with billions spent on fees from multiple intermediaries, this travel market is ripe for innovative collaboration in a network-based model.”

It sounds as if McDermott is fully onboard with the TripLink strategy, which hasn’t exactly been accepted by all corporate travel industry constituents.

Meanwhile, where does American Express fit in? Amex owns about 13.7 percent of Concur and therefore stands to make some dough from this deal. (The Concur investment stayed with American Express Co. this year when the business travel unit was moved into a new joint venture). According to Concur’s SEC filing, Amex entered a voting agreement with SAP America “pursuant to which they have undertaken to vote their shares in favor of the merger.” American Express Co. vice chairman Ed Gilligan has been a member of Concur’s board of directors, which unanimously backed the SAP acquisition. 🗳️

— Associate editor JoAnn DeLuna contributed to this report.

UNITED



A STAR ALLIANCE MEMBER

got  
your  
back

friendly

*United BusinessFirst<sup>®</sup>.  
More flat-bed seats than  
any North American airline.*  
**fly the friendly skies<sup>SM</sup>**

[united.com/flyerfriendly](http://united.com/flyerfriendly)



“Over the last five or 10 years, our booking fee has gone up single digits, our incentives that we pay to agencies have gone up single digits but at or lower than the booking fee. So we have had a net increase in our booking fee over that period; that shows you we are adding value sitting in the middle.”

—Sabre CFO **Rick Simonson** last month during a Deutsche Bank conference

“The whole mission at that point in time was to move everything around the GDS. Now, it’s about taking a new level of connectivity and giving it to the GDS. That’s far easier and far less controversial, and kind of exciting.”

—Farelogix CEO **Jim Davidson** on NDC-Xpress, a new product that allows airlines implementing the International Air Transport Association’s New Distribution Capability to define offers and differentiate content in GDSs and other third parties



“I have been looking for the right time to take the next step in my life for a while, and my decision was ultimately determined by the strong state of the company and my absolute confidence in Robin’s leadership.”

—JetBlue Airways CEO **Dave Barger** in a statement announcing JetBlue president Robin Hayes will replace him as CEO on Feb. 16, 2015.

“We have been partnering with IBM as their preferred company in accordance with our agreement and continue to sign a large number of GERS customers, including some of the most respected brands and companies in the world including the Reno-Sparks Convention [and] Visitors Authority.”

—Concur vice president of business development **Jonathan Meister** in a statement to The Beat last month, responding to Harman International’s selection of expense management system provider Chrome River to replace GERS, which IBM is retiring

## Interview: BCD Travel’s Craig Bailey



BCD Travel last month appointed 10-year company vet **Craig Bailey** to serve as president of its North America operations, overseeing “client management, contracts, budgets and relationships with all other regions,” according to the travel management company. He spoke recently with *Business Travel News* executive editor David Jonas about account management, technology and the TBiz integration. Excerpts follow.

### **Business Travel News:** What are your goals?

**Craig Bailey:** More than anything, I plan to build on the successes that were laid down by Mike [Janssen, promoted to global COO]. North America always has been a key driver market for us. Since 2008 close to half of our new sales globally have originated with bids from companies from North America. It’s important that we continue to drive new sales growth here.

Retention is also the cornerstone of our success. We have enjoyed over 95 percent account retention since BCD Travel was created in 2006. A significant portion of our growth over that period of time has come from customers that elected to not only renew with us, but expand the relationship to other countries. Obviously very high traveler satisfaction has played a key role in our retention success.

### **BTN:** How do you improve client servicing?

**Bailey:** A key component of that is equipping our account managers to be more globally minded. Most of our North American accounts have expanded their programs multinationally or globally. It will be important to continue that progression of our account management team to really think not only regionally but also globally, and to be more connected with their colleagues around the world.

### **BTN:** Given that most TMCs generally support the same booking tools and most help to integrate other systems, how much of a differentiator is an agency’s technology?

**Bailey:** We’re first and foremost a travel management company, not a technology company. We look for technology companies to partner with rather than looking to build every new product in-house. In the area of intelligence and analytics, we are investing in solutions that will help us and our customers use data to not just understand the past but predict what will happen next. In the area of our new business intelligence platform, we are working internally to create additional capabilities.

### **BTN:** In what ways are client needs changing?

**Bailey:** The needs are changing in the area of equipping travelers to make decisions themselves when they are on the road. We launched our TripSource mobile app in the United States and Canada in December. Since then, 82,000 travelers have down-

loaded the app globally [for the iOS and Android platforms]. Putting the decision-making in the hands of the traveler is key. Engaged travelers make smart decisions. We are going to keep evolving from a B-to-B to a B-to-C mindset. Travelers will get help throughout the trip and have tools when and where they need it. We’ll even build in rewards for behaviors that companies want to encourage for their travelers. We’ll continue to add capabilities. For now, it’s mostly an itinerary management app, but next year we’ll be adding the ability to communicate with travelers at the right moment and in just the right way so we can guide them to the most cost-efficient behavior when they are on the road. We are also going to roll out an iterator that travelers can use to forward non-BCD-booked itineraries into the app so that program managers will have a tool to address that rogue spend. Data will be passed to their security and spend management information systems through that.

### **BTN:** On TBiz, has that been fully integrated?

**Bailey:** Yes. For the most part, the integration has gone very well and as we expected. After the acquisition, we found that many of the TBiz clients are very loyal to the brand, and we had to demonstrate that the acquisition would be beneficial to them. We just migrated all TBiz customers over to Decision Source, our data and security reporting platform. They have been very impressed with the capabilities relative to the TBiz reporting platform.

The migration of many of the back-office and information and communications technology infrastructure, etc., was all done by the end of last year. It’s always a challenging environment but we have successfully migrated all those core systems over, picked them out of Sabre and moved them over here.

### **BTN:** Are you prospecting for TBiz business specifically?

**Bailey:** We are. We really haven’t until recently been out in the marketplace actively selling TBiz. That was really driven by the fact that we were going through so much migration and integration activity, so it really wasn’t the right time to start going through implementations at the same time in that environment. But now that we have most of those core migration and integration activities behind us, we’re back in the marketplace and starting to sell. 🚀

# Homewood does it again!



2014

2013

2012

2011

2010

Proudly ranked "Highest in Guest Satisfaction among Upper Extended Stay Hotel Chains." This is the 5th consecutive year that Homewood Suites has received a J.D. Power Customer Satisfaction award.  
**BOOK NOW AT [HOMWOODSUITES.COM](http://HOMWOODSUITES.COM)**



FREE HOT BREAKFAST | FREE DINNER & DRINKS\* | FULL KITCHEN | SPACIOUS SUITES | FREE WIFI

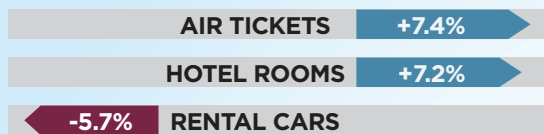
\*Monday thru Thursday only. Service of alcohol subject to local and state laws. Must be of legal drinking age. ©2014 Hilton Worldwide. Homewood Suites received the highest numerical score among upper extended stay hotels in the proprietary J. D. Power 2014 North America Hotel Guest Satisfaction Index Study<sup>SM</sup>. Study based on responses from 67,145 guests measuring 4 upper extended stay hotels and measures opinions of guests who stayed in a hotel June 2013-May 2014. Proprietary study results are based on experiences and perceptions of consumers surveyed May 2013-May 2014. Your experiences may vary. Visit [jdpower.com](http://jdpower.com)

 **HILTON HHONORS** **Be at home.**

# Business Travel Trends

## Amex Business Travel Clients' Second-Quarter Spending

Year-Over-Year Comparisons



Amex noted that strong demand from “professional services, manufacturing and technology/communications industries” fueled the overall growth. The discrepancy between increases measured for air and hotel spending versus the decline in car rental spending “may point to nontraditional disruptors in the [ground transportation] space gaining traction amongst business travelers,” according to Amex.

Source: American Express Global Business Travel, based on customers' April-June booking data (excluding taxes and fees)

## August ARC Air Transactions

By Travel Agency Segment, In Millions, Excluding Refunds And Exchanges

	MEGAS	ONLINE	OTHER	ALL
AUGUST 2013	2.47	3.97	4.08	10.52
AUGUST 2014	2.44	3.86	4.28	10.56
YOY CHANGE	-1.3%	-2.7%	+4.3%	+0.1%
YEAR-TO-DATE 2013	19.84	33.86	34.81	88.52
YEAR-TO-DATE 2014	20.21	32.98	37.55	90.68
YOY CHANGE	+1.9%	-2.6%	+7.9%	+2.4%

Note: “Megs” include American Express, BCD Travel, Carlson Wagonlit Travel, Expedia's Egencia, Hogg Robinson Group and Omega World Travel; “Online” includes various online travel agencies, including Orbitz for Business and BCD Travel's TBiz; “Other” includes all other travel agencies whose data is processed by ARC.

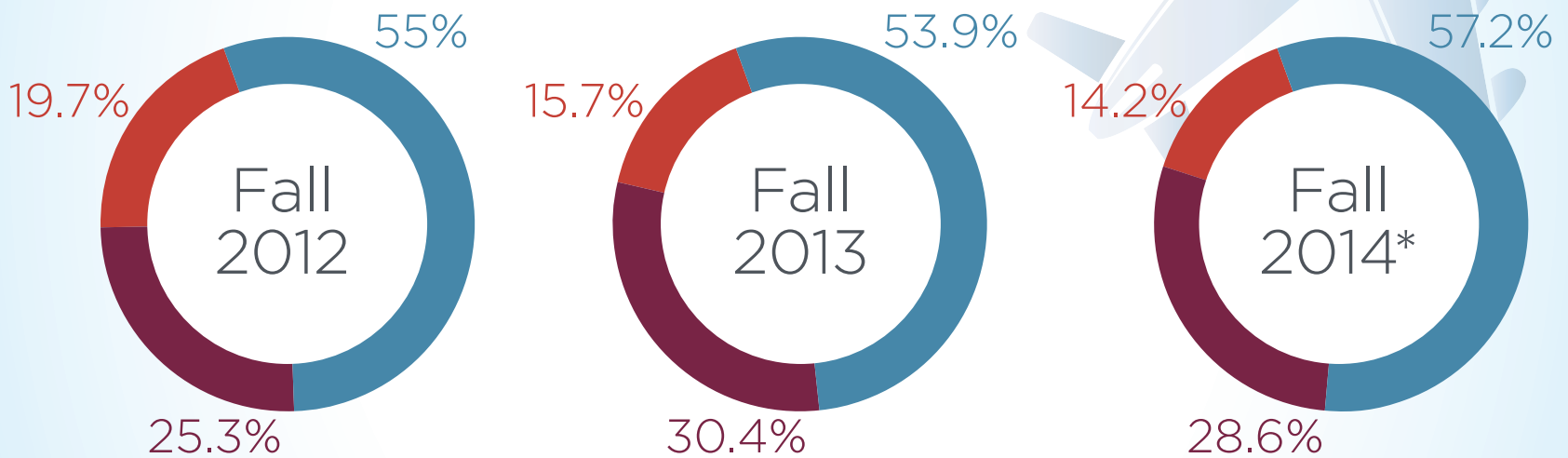
Source: ARCLabs

## Agencies: 2014 Business Travel Picking Up Pace

Year-Over-Year Comparisons Of Overall Business Travel Bookings

VS. PRIOR YEAR

HIGHER EVEN LOWER

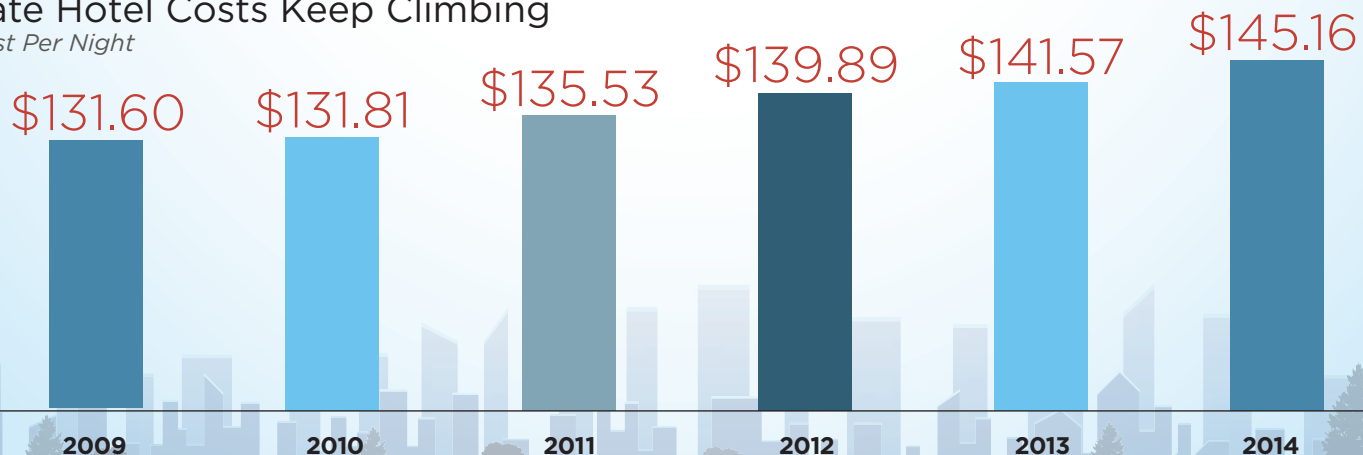


\* 346 respondents

Source: Travel Leaders Group August 2014 survey of “U.S.-based travel agency owners, managers and frontline travel agents who indicated that 50 percent or more of their portfolio is made up of business travelers.”

## Corporate Hotel Costs Keep Climbing

Average Cost Per Night



Source: Prime Numbers Technology, based on more than 3.5 million stays booked primarily by U.S.-based corporate travel agencies

# We're committed to your business.

Work stations on our new planes keep your travelers connected.

We know business doesn't stop when your employees are in the air. That's why we offer Wi-Fi on nearly all domestic flights and a growing number of international flights, enhancing productivity and accessibility. And with new planes joining our fleet every week, many with lie-flat seats, your team will arrive refreshed and ready for business.

Rediscover American as the leader in corporate travel on [aa.com/corporatetravel](http://aa.com/corporatetravel).



## GBTA Survey: Dynamic Hotel Pricing Adopters Still A Minority But Generally Satisfied

BY MICHAEL B. BAKER

MOST TRAVEL BUYERS who have adopted dynamic-pricing agreements in their hotel programs are satisfied with the results, according to a Global Business Travel Association Foundation study of 193 U.S. travel managers, but a significant portion of respondents remain skeptical and have no plans to accept dynamic pricing.

About one out of five buyers surveyed said they are using dynamic pricing—using a discount off best-available hotel rates rather than fixed rates—and most within that group are using chainwide agreements in markets where they have low volumes. Only 14 percent of those using dynamic pricing said they use it in individual property agreements, and 29 percent said they used it in high-volume cities.

Just under half of dynamic-pricing adopters cited improved cost savings as a benefit, more than any other benefit in the survey. About a third said the agreements give travelers access to



all room types for last-room availability, and a quarter cited transparency of rates. Smaller percentages of the group said dynamic pricing benefited them by reducing time needed for the request-for-proposals process, reducing administrative resources or allowing for multi-year agreements.

Most buyers using dynamic pricing also indicated they were likely to keep using it next year, and about two-thirds are considering expanding it to at least one additional hotel, according to the survey.

Among the 78 percent of buyers not

currently using dynamic pricing, however, adoption is growing slowly. Only 16 percent of non-adopters—a subset that made up half the survey's total respondents—said they had tried dynamic pricing in the past, and only 15 percent of that group said they planned to use it within the next three years. Difficulties in budgeting and measuring savings were the most frequently cited reasons among buyers who have not adopted dynamic pricing.

About a quarter of the survey respondents had never even heard of dynamic pricing, and most of that group came from companies with annual hotel volumes of less than \$5 million.

“When these travel managers have heard of dynamic pricing, they are no less likely than other travel managers to say their company uses it,” according to the report. “This suggests that companies with a low hotel spend may represent an untapped market that would benefit from dynamic pricing if they knew about it.”

## Strength Of British Currency Moderates Hotel Rate Increases For HRG

BY MICHAEL B. BAKER

THE AVERAGE DAILY hotel rate paid by Hogg Robinson Group clients during the first half of 2014 declined year over year in most global regions, but ADR in local currency terms increased in 31 of its top 50 markets, according to the travel management company's Interim Hotel Survey, released last month.

“Megacities are continuing to lead the way, resulting in regional trends becoming less meaningful,” HRG director of global hotel relations Margaret Bowler said in a statement. “Demand is still growing and is yet to peak, and with occupancy at record levels in the top business destinations, hotels are feeling confident in the strength of the market.”

Exchange rates during the first half of this year also have been volatile, with only eight of the top 50 cities in the survey experiencing an ADR increase in terms of the British pound.

Globally, HRG's largest ADR increases in local currency terms were in FIFA World Cup host cities São Paulo (29 percent) and Rio de Janeiro (17 percent), as well as Johannesburg (17 percent), Aberdeen (13 percent) and Moscow (16 percent), which remained

the most expensive city in the world for corporate hotels, the report indicated. The largest drops were in Chennai (down 14 percent), Mumbai (down 11 percent) and Zurich (down 7 percent), all of which have had significant supply growth, as well as Frankfurt (down 8 percent) and Munich (down 7 percent), both affected by off-years of large biennial events.

In North America, ADR was about flat in U.S.-dollar terms and down in terms of the British pound. Foul winter weather curbed travel demand from the United Kingdom in such cities as New York, Chicago and Philadelphia and, in turn, curbed ADR growth in those cities. ADR in some cities was up significantly, however, including Houston (7 percent to \$238.06), San Francisco (8 percent to \$317.04) and Boston (8 percent to \$297.60), all of which had strong corporate demand amid little supply growth, according to HRG.

ADR in British pound terms also declined slightly in Europe. Local currency ADR declined in Brussels (down 4 percent) and Vienna (down 4 percent), which has had a “weak corporate market,” HRG reported. ADR in Hamburg, meanwhile, increased 11 percent, due in large part to a major

event in the city during the period. Within the United Kingdom, ADR increased in eight of the TMC's top 10 markets, most sharply in Aberdeen (13 percent), driven by the oil and gas industry; and London, Glasgow and Belfast (each up 5 percent).

The Asia/Pacific region was the only one for which HRG reported an increase in ADR in British pound terms. In local currency, the largest ADR increases were in New Delhi (21 percent), which has added supply but also has a strong corporate demand, and in Hyderabad (15 percent), which has had a booming IT industry and little supply growth. Besides Mumbai, Sydney (down 1 percent) was the only major market at which HRG saw ADR decline, due to soft corporate demand and oversupply, the travel management company reported.

In the Middle East and North Africa, the largest ADR increases in local currency were in Manama (9 percent) and Istanbul (8 percent), though rates at the latter were down in British pounds due to oversupply, according to HRG. ADR increased 2 percent in Dubai, though HRG noted a large amount of hotel projects underway there is beginning to slow rate growth.

## Group Purchasing Organization Steps Into Travel Procurement

BY MICHAEL B. BAKER

Following its entry into the travel space with a car rental supplier agreement, indirect procurement organization Corporate United plans to pursue deals with other travel categories, deepening its involvement in the segment, executives told *Business Travel News*.

The Cleveland-based purchasing group in September announced an agreement with Enterprise Holdings to create a car rental program for its member companies, a roster that it claims numbers 240 and includes such companies as Pentair, Cargill and Eaton Corp. The four-year agreement gives members access to a set base rate for both National Car Rental and Enterprise Rent-A-Car, Corporate United sourcing manager Dustin Cochran said. Alamo Rent A Car, also under the Enterprise umbrella, was excluded, as it focuses more on leisure travel, he added.

Each member company must sign its own contract to join and gets specific codes unique to itself.

“Rental car is a category our members have been asking about for at least eight years or more,” Cochran said. “Rates are set, and as more members join and add more volume, they can and will go down.”

Corporate United does not act as an affinity group, with all members using a common code to access discounts, vice president of operations Gary Como explained. Rather, each member company must sign its own contract to join and gets specific codes unique to itself.

Once enough member companies sign on, Corporate United will be able to provide a comparison group for benchmarking reporting, according to Como.

With the Enterprise agreement in place, Corporate United now is in an “exploratory phase” to secure agreements with other travel supplier categories, Cochran said. Both hotels and travel management companies are “potentially key areas for which we've gotten good feedback from our members,” he said.

“We want to make sure that we're able to deliver an agreement, but we're definitely looking at that now that we've set our feet in the space,” he added.



**CONGRATULATIONS**

to the  
**2014 Beat Readers' Choice Award Winners**



**SUPPLIER OF THE YEAR**



**MOST ADMIRED AIRLINE**



**MOST ADMIRED  
CAR RENTAL COMPANY**



**MOST ADMIRED  
HOTEL COMPANY**



**MOST ADMIRED  
PAYMENT SYSTEM**



**MOST ADMIRED  
TECHNOLOGY COMPANY**



**MOST ADMIRED  
TRAVEL MANAGEMENT  
COMPANY**

To learn more about subscribing to *The Beat*, or to register for a free two-week trial, please visit: [www.thebeat.travel/Subscribe](http://www.thebeat.travel/Subscribe)

# CWT Joins The Virtual Card Game Through Conferma Partnership

BY JoANN DeLUNA

CARLSON WAGONLIT TRAVEL is the latest travel management company to offer a single-use virtual card program for paying certain travel expenses following the announcement last month of a partnership with Conferma.

CWT senior director of global card products Clive Cornelius told *Business Travel News* that the TMC has been working with the payment technology provider for about a year and that clients initially will use the product “for hotel and low-cost carriers—across all markets and banks.”

## How It Works

Generating virtual cards for low-cost carriers is “much simpler” than for hotel reservations, according to Cornelius. For flights, CWT generates a virtual card at the time of booking by connecting to Conferma’s technology. So that travelers can’t use the cards for anything other than the specified transactions, CWT programs the cards with such controls as value amount, validity dates and merchant category codes.

As with regular hotel bookings, CWT inserts the single-use number in the booking so the hotel can use the virtual card as a form of guarantee, Cornelius explained.

“What isn’t available via the [global distribution system] today is the ability to tell the hotel that this card should be used for payment as well as a guarantee,” he said. “That’s something we want to work with the GDSs on so we can enhance the normal booking capability, so that all of that becomes a standard booking process.”

In the meantime, CWT faxes to the hotel the details and specified use of the card, according to a client’s travel policy—for example, just the room, room and breakfast or all costs, explained Cornelius.

Because the cards are aligned with each individual transaction, the reconciliation process is easier than with traditional lodging card products, Cornelius claimed.

“We were finding that clients were looking for a solution that enables central payment, like lodge or [business travel account] cards that we use for air travel, but they wanted to extend that capability to include hotel and other content in the future,” Cornelius said.

The new virtual card capability is available to all CWT clients worldwide, with 30 clients already using it. Use incurs an additional cost that is

negotiated on a client-by-client basis. Clients can use their own bank and card issuer or, depending on their geographical location, use CWT’s card provider. However, the use of CWT’s card provider is limited to certain markets, including Europe and some countries in Latin America and Asia/Pacific, according to Cornelius.

## Virtual Possibilities

CWT is exploring the ability to link the virtual card to its mobile application.

Initially, CWT assumed the solution would be best for such industries as energy, resources and marine. However, it found that the need extended across companies in all sectors and industries that have travelers who are not issued corporate cards.

Should the hotel misplace the fax holding the card details, travelers at check-in and checkout can present the information on their smartphones.

“It’s part of our 2015 plans ... so no firm timeline for delivery for the card piece, but we may work on interim steps so we have something available to the traveler in the meantime as we work out that integration,” Cornelius added.

The TMC also will work to expand the virtual card’s scope, including use

with network airlines. When asked if car rental bookings would be accommodated, Cornelius said those transactions are “slightly more difficult” for several reasons. For one, the financial risks are higher. A car rental company stands to lose a \$40,000 car if someone drives away with it, compared with someone skipping out on a couple of nights’ stay worth \$300 to \$400, Cornelius explained. Then there’s the issue of insurance in the case of a car accident.

“If the policy taken out means the

first \$1,000 of damage would go on the card and the way we create the virtual card is you set the limit based on what the booking value is, how would they be able to attribute the \$1,000 excess if [the traveler] were to have an accident?” Cornelius asked. “We want to work closely with all the main players in the car industry and work through how we can make this work and how they can take this as another form of payment.”

## Increasing Adoption

Initially, CWT assumed the solution would be best for such industries as energy, resources and marine, in which employees are based in locations where companies “don’t necessarily want to issue corporate credit cards,” Cornelius explained.

However, CWT found that the need extended across companies in all sectors and industries that have travelers who are not issued corporate cards.

Educating potential clients will take some time. But knowledge and adoption of this type of product is increasing, especially as other banks and card network suppliers begin launching their own virtual payment solutions.

BMO in July announced it was piloting a MasterCard virtual solution in the United States. Adelman Travel Group and Christopherson Business Travel separately also collaborated with individual clients to create their own virtual payment offerings.

“The coverage is the main thing that needs to grow,” Cornelius said. “I think that with someone like CWT adopting and offering it to the breadth of clients we have can help with the level of interest and usage and therefore expect [the] number of card providers and banks that offer virtual card products to increase and the number of markets they offer to also increase. For us, it’s about the ability to offer a solution that’s agnostic of the GDS we’re using to service the client and agnostic of whatever bank or card provider [the client] wants to work with.”

## Study: Fraudulent Expense Reports Have Cost Companies Millions Of Dollars In 2014

BY JoANN DeLUNA

ABOUT 1 PERCENT of 10 million transactions filed during a three-month period earlier this year on corporate expense reports recently analyzed by Oversight Systems proved fraudulent, amounting to \$13.7 million in losses, according to a new report by the auditing and expense management software provider.

Oversight Systems in July analyzed the expense reports of 160,000 travelers, mostly from *Fortune* 500 companies, that were submitted and approved between March 1 and May 31. Oversight did not disclose the total number of expense reports included in its analysis.

Twenty percent of those travelers submitted at least one report with at least one noncompliant transaction. Oversight found about 6.3 percent of all transactions to be “out of compli-



ance,” according to the report. Of these noncompliant transactions, 19 percent were classified as “fraudulent” with an average value of \$115 per transaction.

The report showed that “suspicious out-of-pocket” expenses represented the highest incidence of noncompliant transactions, at 2.8 percent of all expense report transactions analyzed, representing a total value of \$15 million. “Policy misuse” was second, rep-

resenting \$14.9 million in transactional value, followed by duplicate transactions at \$3.8 million.

Additionally, Oversight in its analysis found that 5 percent of employees committed 82 percent of fraud. This means “within each organization there are only a handful of ‘bad actors,’” the company claimed.

Oversight clients who monitored expenses on a monthly basis and communicated their travel policy helped promote “appropriate behavior among employees” and witnessed noncompliant activities decrease as much as 70 percent, according to Oversight.

About 68 percent of the travelers whose reports were analyzed used Concur Expense to create and submit their reports. About 10 percent each used Oracle and SAP, and about 6 percent used IBM Global Expense Reporting Solutions.

KEEP CLIMBING



# DELTA UATP: YOUR CORPORATE TRAVEL PAYMENT SOLUTION.

ACCEPTED GLOBALLY. NO FEES. ITINERARY-LEVEL DATA.



For more information, please email:  
[UATPSALES.DELTA@DELTA.COM](mailto:UATPSALES.DELTA@DELTA.COM)

or visit us online:  
[DELTA.COM/DELTAUATP](http://DELTA.COM/DELTAUATP)



# AirPlus International Renews Business Travel Commitment With New Investment

BY JoANN DeLUNA

RESISTING THE ALLURE of other payment verticals, payment provider AirPlus International as part of a recent annual business review revised its strategy to focus solely on business travel, managing director and chairman Patrick Diemer recently told *Business Travel News*.

“Sometimes we’re tempted to go outside of business travel management—we’ve discussed p-cards and fleet cards—where payments are interesting and we think we can add value, but one of the key elements of our strategy is to continue in business travel management,” Diemer said. “When I look at the business travel market [from the perspective of] an independent company—not a bank or a [travel management company]—that’s just doing T&E cards, we believe there’s a significant opportunity for us across the globe.”

To reinforce its commitment to the sector, AirPlus is putting its money where its mouth is and committing up to roughly \$10 million annually on an ongoing basis to improve the quality of its products. “There’s a significant cost involved to invest in data quality,” Diemer said.

Because of the continued investment,

Diemer said AirPlus is not the right option for customers seeking solutions based on the “best price.” However, “if customers are looking for the best quality around in the market, then we can make an offer that will be compelling,” he added.



“We believe the smartphone will become the payment tool of business travelers. Travel managers will be swamped by demand [from travelers] to allow them to use mobile wallets.”

—AIRPLUS CHAIRMAN PATRICK DIEMER

Some of the funds also will go to improving AirPlus’ Information Manager analytics tool, which allows travel managers to evaluate corporate card and account data based on such factors as cost centers, projects or flights.

With Information Manager, travel managers can access corporate spending data through a dashboard. Clients can create customized reports or use 25 standard reports, Diemer explained.

The product previously was free for clients, but AirPlus two years ago began charging for it.

“We’re also taking the decision to invest further into a new generation of analysis, which we’re not ready to launch yet, but it’s clearly an area where

not readily available by MasterCard and Visa,” Diemer explained.

## Advancing Mobile Wallets

Smartphones, Diemer believes, may be the “key driver” to improving data quality and AirPlus has been piloting several mobile applications. AirPlus in June 2013 began piloting the MyWallet mobile wallet with Deutsche Telekom using the telecom company’s near-field communication technology and the AirPlus corporate card.

More than 200 Deutsche Telekom employees use the tool in 14 countries, and more employees continue to join, Diemer claimed. AirPlus plans to release the product first in Germany in mid-2015.

“We gained a lot of experience in this project, and we’re building upon this now to offer a scalable mobile payment solution soon,” Diemer said. “To make this market solution not only very convenient and easy to use, but also [with] a security level that complies with a business customer’s needs, some technical developments are right now being undertaken.”

AirPlus this year also began a “very limited” pilot with its own employees to pay for taxis using quick-response codes, Diemer revealed.

The payment provider in April 2013 launched its AIDA one-time-use virtual card product on mobile platforms in the United Kingdom and Germany and more European countries later that year. AirPlus also has been working on bringing Mobile AIDA to the United States, but has faced licensing issues.

While Diemer acknowledged that not many people today use mobile wallets, he also said Apple Pay—Apple’s near-field communication-enabled mobile payments feature, announced Sept. 9 and embedded in the new iPhone 6—is “big news” and predicted it would boost adoption of e-wallets in the business travel sector.

“We believe the smartphone will become the payment tool of business travelers,” Diemer said. “Travel managers will be swamped by demand [from travelers] to allow them to use mobile wallets. It’s completely unavoidable and positive for business travelers, and travel managers can gather more data.”

How long before business travelers tap their smartphones to pay for T&E? Diemer said networks and merchants first would need to upgrade their infrastructure to enable such transactions, estimating it would take about five years. 🌐

## NEWSLOG

### Conferma Enables Hotel Payment Via Mobile App

**Conferma** last month introduced a mobile app that allows clients to settle hotel bookings, the payment technology provider announced. Using the TripPay app, travelers can display to front-desk clerks during check-in or checkout the front and back digital images of a virtual card, which would contain a 16-digit number and three-digit security code created by the client’s travel management company.

With TripPay, travelers also can resend booking confirmations to a hotel’s fax machine and receive a reservation notification once a trip is booked. The virtual card number disappears from the app after the check-out date, indicating it no longer can be used. Travelers also can use TripPay to photograph hotel invoices and receipts and submit them to Smart New Accounts Payable, Conferma’s reporting and reconciliation tool, which matches that information with booking data.

The app is available for all Android and iOS devices. Conferma now is

developing contactless payment capabilities using near-field communication technology, according to CEO Simon Barker.

### Certify Enhances Expense Tool

Expense management provider **Certify** last month updated its expense tool with features including single sign-on capability and a new interface dashboard with analytics. Users can click on Enterprise Dashboard’s charts and graphs to see supporting expense data from the past 90 days. Dashboard elements include display of top items by expense category, type, policy violations and statistics for submitted, processed or pending items. To access single sign-on, Certify clients can log in through their employer’s intranet or through the Certify mobile application, which is compatible with Android, iOS, Windows and BlackBerry networks.

Other new features include multiple-level approvals, mileage maps and inte-

gration with QuickBooks. The single sign-on feature carries a fee, levied on a client-by-client basis, but the other new features are free.

While data analytics for airline expenses are “already outstanding,” according to Diemer, in other merchant categories—particularly lodging and ground transport—there is a “massive opportunity to increase data quality.”

“Even superficial information, like how many room nights [a traveler] stayed when he or she checked out, is

we are distinguishing from the competition,” Diemer added.

### ExpenseWatch Upgrades

Pennsylvania-based **ExpenseWatch** launched a new approval feature and now integrates with **MapQuest**, the expense management company announced. The MapQuest feature, according to ExpenseWatch, allows users to attach single or multiple maps to individual expense line items to “quickly” calculate mileage for repeat destinations—for example, trips between home and an airport. The geographic data in turn gives travel managers more insight on spending and travel activities, according to ExpenseWatch. The Empowered Approvals feature allows travel managers to configure the information fields they see in their expense report summaries to “easily and accurately” approve reports, according to the firm.

# BUSINESS TRAVEL TRENDS & FORECASTS

## CHICAGO

## OCTOBER 22

### CONNECT. LEARN. GROW.

You can't afford to miss the second annual one-day travel management event held exclusively for business travel buyers in Chicago. Through expert-led sessions, interactive discussions and peer networking, attendees enhance their business strategy and set the stage for success in the months ahead.

#### TOPICS INCLUDE:

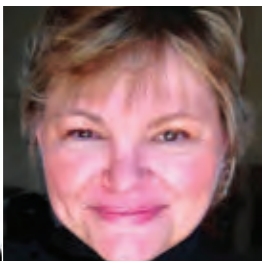
- Benchmarking and best practices
- Travel management services
- Airline industry trends and corporate airline contracts
- 2015 hotel season forecast

#### AND MORE

#### SPEAKERS



**MARK EBLE**  
Vice President  
PKF Consulting



**HOLLY HEGEMAN**  
Founder and Publisher  
PlaneBusiness Banter



**MARY ANN MCNULTY**  
Director, Content  
Solutions  
The BTN Group



**BARRY ROGERS**  
Director  
TCG Consulting

AND  
MORE

## REGISTER TODAY!

VISIT US ONLINE AT  
[BUSINESSTRAVELTRENDS.COM/CHICAGO](http://BUSINESSTRAVELTRENDS.COM/CHICAGO)

PRESENTED BY



SPONSORED BY

cvent



SHERATON CHICAGO  
HOTEL & TOWERS

# What's A Ticket Agent? Industry Parties Comment On DOT's Look At The Lexicon

BY DAVID JONAS

The headline components of the U.S. Department of Transportation's latest proposed airline consumer protections are the possible rules around the disclosure of ancillary fees and the opportunities for consumers to view prices for optional services. Airlines are on one side, opposing any such requirements, with distributors and consumer advocates on the other. But there's much more to DOT's proposals, including several additional regulations and requirements for travel agencies. The federal government included one key question that it seemingly must answer before assessing the reaction to all other components of the proposed rules: How should a "ticket agent" be defined? Apparently, it's not a simple question.

Specifically, DOT seeks to clarify and codify its view that "ticket agent" is a broad term, encompassing flight search tools, websites serving as intermediaries and any entity "that arranges for or sells air transportation for compensation (regardless of the form of compensation)." That includes metasearch sites, global distribution systems, other channels through which consumers can choose a displayed itinerary then purchase it on another site, and sites that are compensated on a "cost-per-click" basis for displaying air transportation advertisements. According to DOT, the rationale is to ensure that all companies involved in "arranging" air transportation disclose the essential information on pricing, fees and code shares that consumers need to make informed choices.

In a joint filing, metasearch providers Google, Hipmunk, Kayak, Skyscanner, Travelzoo and TripAdvisor objected to the expanded definition, arguing that they are information sources and "do not themselves arrange for, book or sell air transportation."

A key point is how to define "sell" and "arrange."

"The common definition of 'arrange' is 'to make preparations' or 'bring about an agreement or understanding,'" the metasearch providers wrote. "Metasearch sites do not make preparations for air transportation. ... Nor are they directly or indirectly brokering the sale of transportation by making a booking for a particular user."

They pointed out that they are authorized neither by airlines nor any ticket agents to sell air transportation. Therefore, "without having any substantive participation in the exchange of goods,

services or money, the department cannot reasonably assert that metasearch sites are selling, offering for sale, negotiating, arranging or brokering air transportation. To find otherwise would be akin to deeming as ticket agents a third-party billboard advertisement of a new route or a newspaper travel page describing a featured airline discount."

The metasearch providers characterized DOT's attempt to "regulate a whole new class of entities" as "without precedent or authority," and as being ultimately more detrimental than helpful for consumers. They suggested that by

on these sites will appear lower than the true cost of travel."

BCD Travel termed as "arbitrary and discriminatory" any requirements on corporate travel agents not also applied to "similar service providers."

In its filing, Carlson Wagonlit Travel also supported an expanded ticket agent definition, for similar reasons. "DOT should strive to ensure that all entities that hold out airfare and schedule information are subject to the same regulatory requirements," CWT wrote. Otherwise, one particular type of agent would "shoulder the additional costs" of

DOT seeks to clarify and codify its view that "ticket agent" is a broad term, encompassing flight search tools, websites serving as intermediaries and any entity "that arranges for or sells air transportation for compensation (regardless of the form of compensation)."

expanding the definition of ticket agent, DOT would confuse consumers who then may not fully understand which party handled their transaction "and lead them to contact metasearch sites, which can do nothing to help them book or change their travel or answer their inquiries about existing itineraries."

DOT previously defined Hipmunk as a ticket agent—specifically, in August 2013 when it fined the company \$30,000 for not properly disclosing baggage information or codeshare operators.

## The Devil's In The Definition

Existing ticket agents—including some big TMCs—took the opposing view.

For example, not only does BCD Travel support DOT's intention to expand the definition, but in its filing it wrote that the move should be viewed as "a prerequisite to any of the other rules proposed by the department" as part of the current assessment of new consumer protections.

"If carriers and travel agents like BCD Travel are required to disclose the total air costs of travel to consumers at or prior to the point of sale and metasearch sites and online booking tools, who have little or no direct accountability to the consumer, are not likewise subject to similar disclosure requirements, consumers will receive conflicting pricing and service information in response to identical searches," according to the TMC. "In fact, carriers may be encouraged to bait travelers to these metasearch sites. The disclosed air cost shown

adhering to DOT's consumer protections while other entities "engaging in substantially the same activities gain a competitive cost advantage."

Open Allies for Airfare Transparency, which counts as members BCD Travel and hundreds of other distributors, also supported DOT's proposal. In its filing, the coalition wrote that excluding metasearch sites from the ticket agent definition would risk leaving consumers unprotected from "the safeguards against deceptive and unfair advertising practices" that DOT is pushing for.

The group contended that "there can be no serious argument that metasearch sites that enable consumers to search for flight options are not both offering for sale and holding themselves out as 'selling' and 'arranging for' air travel."

Open Allies sees metasearch companies as performing the same search functions as do typical ticket agents. "The fact that a metasearch company does not actually book the flights, but rather refers the user to other sites to book them, is irrelevant to the question of whether the search results showing fares and flights are misleading," the group argued.

The Global Business Travel Association also threw its support behind DOT's proposal, writing that a ticket agent "must be defined as broadly as possible in this ever-changing online travel distribution environment."

While American Express Global Business Travel and the Travel Technology Association submitted comments on

several proposals, neither commented on the ticket agent definition.

TTA members include Amadeus, Expedia, Orbitz Worldwide, Priceline, Sabre, Travelport and TripAdvisor, representing both sides of the issue. While TripAdvisor argued along with its metasearch brethren against DOT's proposal to expand the ticket agent definition, Orbitz and Amadeus in their own filings supported it.

Orbitz wrote that "the online travel marketplace is continuing to evolve, and it is important that the department's regulations enable it to respond to new developments, and not lock it into definitions or concepts that rapidly may become obsolete."


"Intermediaries such as Google are taking on an increasingly prominent and significant role in the distribution of information to consumers," Orbitz continued. "In many cases at least initial elements of the booking process already occur on their branded sites, and it seems likely that more of the booking process will occur through their portals in the future, further blurring, if not eliminating, any distinction. Thus, to ensure a level playing field, it is essential that whatever requirements do apply to ticket agents such as Orbitz also apply to them."

## Caveats

In adding its support, Amadeus wrote that DOT "correctly excludes ... those entities that do no more than advertise fares online," without providing flight search capabilities.

The American Society of Travel Agents described as "straightforward" the inclusion of metasearch firms within the definition of ticket agent, with one caveat: DOT should exclude "host" agencies, those companies that "provide various support and technology services to travel agencies, but may not have consumer-facing operations."

Similarly, ATPCo wrote that DOT should be clear in excluding "third-party B-to-B technology and data providers" that have no consumer-facing websites, no access to schedule or availability information and no roles in any actual transactions.

While the Business Travel Coalition focused on the ancillary fee debate, urging DOT to "move expeditiously to ensure that ancillary fees are disclosed, searchable and transactable," it suggested regulators leave the rest of the proposed rules for later. "We are concerned that the ancillary-fee rule may well become entangled with a raft of knotty issues arising from the other proposals consequently pushing a decision deep into 2015, or even halting the process indefinitely," BTC wrote. 

ORIGINALLY  
PUBLISHED IN  
the beat  
thebeat.travel

# After Locking In Amadeus And Travelport, More GDS Deals 'Not Pressing' For Ryanair

BY JAY BOEHMER

Ryanair last month announced its second new global distribution system agreement of the year as Amadeus joined Travelport in securing access to the European low-cost airline's fare content and ancillaries.

Ryanair previously confirmed discussions with all of the three major GDS operators, including Sabre. But with the two largest at European points of sale now in the mix, Ryanair CEO Michael O'Leary last month didn't appear in a hurry to further build out the airline's distribution portfolio.

"We've been on Travelport, so Galileo and Worldspan, for about six months," he said during a press conference. "Amadeus is clearly our next big one. We're talking to one or two others, but the combination of Amadeus and the Travelport GDS means, certainly from a European perspective, we have over 90 percent market penetration. So, we might sign up additional ones in the future but it's not a pressing commitment."

O'Leary said Ryanair's focus is to op-



Ryanair's Michael O'Leary

timize relationships with Amadeus and Travelport to advance the airline's new mission to court business travelers. Noting that the carrier's service is centered on the intra-European market, he said expanding distribution to U.S. points of sale or other regions is "not a major area for us," though the Amadeus and Travelport deals would cover that.

For now, the Amadeus agreement—which takes effect Nov. 1—is much like Travelport's. Ryanair has vowed not to surcharge bookings through the chan-

nel and to make available "ancillary services content," according to Amadeus.

Amadeus senior vice president of distribution Holger Taubmann said that, come November, "Ryanair content can be easily searched for, displayed and ticketed as any large carrier is today in the Amadeus system."

However, as with Travelport, the Amadeus deal does not include access to some of the airline's lowest-priced, promotional inventory. "In all our GDS agreements, the two lowest fare classes—so the very low, promotional fares we use for new routes and price stimulation—won't be available on the GDS. They will be only available on the Ryanair website," said O'Leary.

He noted that such fares account for around 10 percent of the airline's inventory, meaning that "90 percent will be visible" via the GDSs. For the content that is available, Ryanair will offer parity to like fares sold via direct channels.

O'Leary also is optimistic that the GDS channel will drive bookings of Ryanair's new Business Plus fare option.

The GDS deals and new business fares are just a few signs of an evolving Ryanair strategy. The company also has strived to work directly with TMCs and large corporate clients, and is "establishing those relationships already, particularly at some of the bigger bases," O'Leary claimed.

True to form, O'Leary during the press conference in Cologne, Germany, was full of zingers. He struck a jokingly contrite pose about a previous stance that Ryanair would relist in GDSs "over my dead body."

"I'm an idiot," he said. "You can't believe anything I say when I say we will never do something again."

Asked how long the deal with Amadeus would last, O'Leary said, "I can't remember. Is it a three- or five-year deal to see how it works? But it's a bit like a marriage here. We've had the engagement, today is the marriage, tonight will be the lovemaking and we expect to see lots of little children—Amadeus-Ryanair children—as we move through this winter, particularly at German airports." 🌐

## A Network of Solutions, Advancing Travel Payment

ITINERARY-LEVEL DATA — REDUCE COSTS

INCREASE CORPORATE LOYALTY

Learn more, visit [UATP.COM](http://UATP.COM)  
[marketing@uatp.com](mailto:marketing@uatp.com)

**UATP**<sup>®</sup>

## Panel: Openness, Intuition, Simplicity Top Buyers' OBT Wish List

BY AMON COHEN

"TRAVEL BUYERS ONLY" was the house rule for the Business Travel Technology Day event in Amsterdam on Sept. 18 (staged by The BTN Group), but online booking tool providers—not to mention global distribution systems and travel management companies—likely would have found the opening session very useful had they been allowed in. For an hour, buyers let rip with a collective wish list of the features they would like to see in a better online booking tool. The list would show providers what they don't offer but should consider developing and, perhaps in some cases, what they do have but have failed to communicate.

Top of that list was what panelist Peter Brodbeck, head of global travel for Syngenta, labeled an "open-slash-closed system"—something akin to Travel Management 2.0 theories in which travelers can book whatever and wherever they like through the tool but travel managers still can keep a eye through data reporting on every transaction they make. "My biggest wish is that we are not bound to a GDS by using an OBT," said Brodbeck. "We want an open platform that could link other sites, [connecting to] the majority of

booking channels out there." As an example, he cited the ability to link dining reservation apps into such a platform.

Brodbeck said TMCs had an opportunity to fulfill this vision, but "missed the boat. They didn't follow the technology. They are still missing the open links, such as with airlines."



"My biggest wish is that we are not bound to a GDS by using an OBT. We want an open platform that could link other sites, [connecting to] the majority of booking channels out there."

—SYNGENTA'S PETER BRODBECK

"I agree," said fellow panelist Corrado Simontacchi, corporate purchasing manager for Huntsman. "My wish is one day to have a tool which provides access to all kinds of travel. This is not yet completely supported by any tool." Simontacchi called for tools to become end-to-end solutions into which customers can plug suppliers, websites and other content vendors of their choice, and equally unplug any of these ele-

ments without any detrimental effect on the rest of the process.

Running with the idea, another buyer in the audience said the very concept of a standardized GDS-driven booking tool is becoming redundant. "We need to move from thinking about tools," he said. "Instead, we will have portals via

cloud solutions to link it all together. We will move away from depending on GDSs to the cloud."

Audience members also discussed extending the role of booking tools to encompass other travel management functions, including duty of care. One contributor suggested travelers could log into their booking tool on arrival to confirm they have reached their destination—a useful idea, given that GDS-

based tracking tools only can indicate where travelers should be, not where they actually are.

The second major strand of wishes to emerge from the session was for booking tools to become more intuitive, understanding travelers' needs better and responding with smarter recommendations. Sanofi global lead buyer for travel Heath Dancy bemoaned a "lack of intelligence in booking tools." Craving better integration between booking tools and Microsoft Outlook, Dancy would like to see a booking tool start working as soon as the planning of a meeting begins, proposing an itinerary "it thinks you would like based on what you have done before."

Another example Dancy cited would be a traveler planning three trips at the start of a year and the tool responding with advice on whether it would be more cost-effective to combine the three destinations in one itinerary or visit them separately. Similarly, Brodbeck fantasized about a tool that could figure out the best order in which to schedule a multi-leg trip, such as whether to fly to Washington and then Chicago or the other way around before returning to Europe.

Jean-Michel Kadaner, president of consultancy Key Corporate Solutions, said his clients are asking for internal benchmarks which could show infrequent travelers the average price paid by their colleagues for travel on the same route or to the same destination. Simontacchi concurred. "We are pushing more decision-making on to the traveler, so they need benchmarking," he said. Simontacchi also suggested that tools forecast how the cost of the airline seat the traveler is contemplating is likely to change in the days leading up to departure.

Another idea from Simontacchi was smart automated rebooking if a traveler's itinerary is disrupted. He would like the tool to tell the traveler: "Don't worry, we've seen it, and we're taking care of it for you."

Although some of those suggestions would give travelers more choice, buyers also stressed they would like more simplicity. While Simontacchi's wish for transactions to be "a maximum of two clicks" may be optimistic, panel and audience alike agreed they wanted fewer, but better, choices. "I don't need 30 lines to choose from. Let's have a more targeted search," said Dancy.

Above all, Dancy added, corporate booking tools need to catch up with the consumer world, especially mobile apps. "When our travelers get to work, the technology they have to use doesn't match up," he said. ☞

### NEWSLOG

#### Mobile Tech Platform CheckMate Enabling Hotel Check-In Via TripCase App

Mobile tech platform **CheckMate** now provides mobile hotel check-in functionality for users of **Sabre's** TripCase itinerary management app. After being acquired in 2013 by hotel metasearch company **Room 77** and later launching a beta version, CheckMate now claims its link to TripCase is the first such "in-app integration" for hotel check-in. Users before arrival "can easily upgrade their rooms, accept special offers, enter contact and payment information, update preferences and more," according to the company. "When their room is ready, they are notified of where they can then pick up their pre-programmed keys."

#### Gogo, Virgin Atlantic Partner

Wireless Internet provider **Gogo** will install in-flight connectivity on **Virgin Atlantic's** fleet, Gogo announced last month. The two companies still are finalizing a partnership agreement but have determined that Gogo will retrofit

all Virgin Atlantic aircraft with its satellite-based 2Ku product, which it claims will "deliver unprecedented bandwidth" to the fleet. Gogo president and CEO Michael Small in a statement noted that the carrier's "relationship with **Delta Air Lines** will also allow us to build a seamless experience for passengers who fly both airlines."

#### Amex GBT Adds CTO

**American Express Global Business Travel** named longtime **Amadeus** executive Philippe Chérèque its new chief technology officer. According to an Amex spokesperson, Chérèque "will lead our technology strategy and innovation with a focus on core platforms and critical path products." The spokesperson added that Chérèque's team also will focus on "platform optimization and GDS connectivity, as well as on newer technologies that can facilitate greater mobile and tablet functionality to meet the growing trend of consum-

erization in the industry." Amex GBT president and CEO Bill Glenn in July told *BTN* that following the relaunch of the company as a joint venture it would "aggressively move on the information and technology side." Chérèque had worked for Amadeus between 1987 and 2011, culminating with a role as executive vice president of commercial. He subsequently served as an advisor to **Emirates** on that carrier's reservations system strategy.

#### Concur Adds Taxis In France

**Concur** partnered with French taxi service **Taxis G7**. Initial integration now lets users connect their Concur accounts to Taxis G7's mobile app to "seamlessly book and receive e-receipts directly into Concur Expense." The companies noted that Taxis G7's eCab app now is available for users in Paris, Amsterdam and Brussels, with plans to expand by year-end to 15 additional European cities.

# Serko Eyes Payment App, Fuels NuTravel Strategy

BY DAVID JONAS

New Zealand-based travel and expense automation provider Serko in mid-September made a string of announcements, including some related to its as-yet-unlaunched mobile app. Even before that app hits the market, Serko is lining up resellers and laying out its vision for a near-field communication-enabled process to streamline travel payment and expense management, bolstered by Apple's recent announcement of the Apple Pay contactless payment system for iPhone users.

Serko also has new partnerships with AirPlus and travel risk management firm Intelligent Travel. Through the deal with AirPlus, Serko is linking its Incharge expense management tool to provide "direct access" to AirPlus transaction details. "We are linking the data into Serko Incharge, showing the breakdown by traveler and formatting it correctly, which in turn reduces the friction in the expense reconciliation process," according to a statement from Serko CEO Darrin Grafton. He noted that AirPlus also is "an established form

of payment" for the Serko Online booking tool.

While linkages between booking, expense and payment systems are not new, Serko is seeking to break new ground with its mobile app. Meant to serve as "one piece of technology in your hand that covers travel and expense," Serko Mobile promises to provide itinerary information and travel alerts, and allow users to make changes to existing flight bookings (accomplished through Serko's Universal Traveller tech platform).

The forthcoming iOS and Android app also will be positioned as a doorway into the emerging world of contactless payment. In an early September blog post, Grafton wrote that Apple will "change the payment game forever with the launch of NFC on the new iPhone 6, which will finally see the wallet and the phone become one. And, as Apple changes the way we pay, Serko is also changing the way employees experience business travel through the launch of our new mobile app"

Serko claims several NFC-related

patents, including one obtained in the United States in June for a travel expense system that uses mobile NFC automatically to carry out financial transactions, communicate with corporate enterprise resource planning systems and handle "associated expense management reconciliation."

Meanwhile, Serko in September also announced a three-year deal with existing partner nuTravel Technology Solutions through which nuTravel will resell Serko's mobile app. It's an exclusive arrangement within North America.

## NuTravel's Jump-Start

For nuTravel, that new arrangement will "jump-start" its mobile strategy, said nuTravel president and CEO Carmine Carpanzano.

"We have been building our service bus models in parallel," Carpanzano said. "A big factor is leveraging and sharing certain things from a technology perspective. Serko has made a huge investment on the mobile side, and that's an area we have lacked in in terms of our strategy at nuTravel. This gets

into the market much faster than if we did development ourselves."

Though described as a reseller deal—Serko will receive royalties as nuTravel sells a premium version in North America, Carpanzano explained—the app is "constructed in a way that we'll be able to add content that is relevant to customers in North America," said nuTravel chief strategy officer Rich Miller.

Expected in early 2015, the first iteration will include itinerary management, travel alerts, tracking for duty-of-care purposes and integration with nuTravel's expense partners.

The second phase will see new functionality for users to change itineraries during their trips. A third phase will include full capabilities to originate bookings. Carpanzano said that last part can be seen as a nice-to-have function for users on mobile phones, but essential for tablet users. Miller added that mobile airline bookings can be seen as optional for serving travelers' needs but mobile hotel and car rental bookings—often last-minute, and often subject to change—are "almost a requirement." ↗

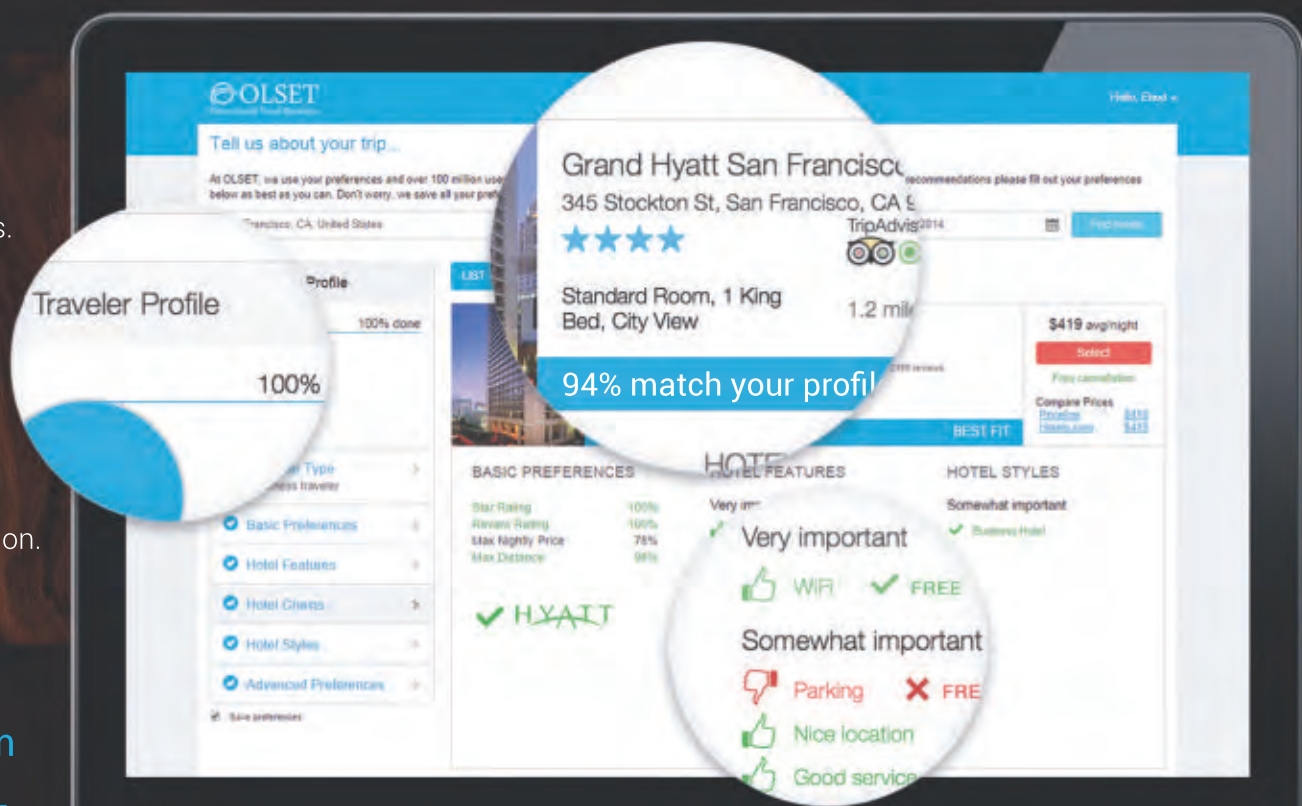


## Boost Your Hotel Attach Rates!

OLSET provides personalized hotel recommendation APIs that make Travel Management better.

[www.olset.com/btn](http://www.olset.com/btn)

- ✓ Increase hotel attach rates.
- ✓ Improve duty of care.
- ✓ Drive traveler satisfaction.



Email us:  
[partner@olset.com](mailto:partner@olset.com)  
 +1 (323) 63 - HOTEL

# Interview: Accor Global Sales Exec Carlo Olejniczak



Los Angeles - Accor Hotels senior vice president of global sales **Carlo Olejniczak** recently discussed with *Business Travel News* editor-in-chief Chris Davis the implications of the global hotel company's move to a Salesforce customer relationship management system, the state of corporate negotiations, business travel and meetings demand and Accor's distribution strategy. An edited transcript follows.

**Business Travel News: What's your sales strategy for the business travel market?**

**Carlo Olejniczak:** Our strategy is basically to focus on "strategic" and "key" partners instead of addressing the entire world. We have a list of about 500 accounts in the corporate world that are either strategic or key. Strategic [are those with] the highest potential and the highest level of productivity, and [we] provide them with global account management. We have a global account at the world level, which is usually where the account office is located. It could be anywhere in the world. For all these accounts, we make sure that wherever they have subsidiaries or activities, we have a contributor that will be coordinating all the activity for these accounts in their region.

Because we have considered that the more we increase the level of collaboration between our people, the more efficient and the better the results, we have deployed a new service management tool for all of them, which stays on Salesforce, which we implemented in April [2013]. Today, our 700 service people are all connecting on Salesforce so they can gather all clients' intelligent information. They can work globally on the account plan. This makes sure that when someone signs a contract with IBM in Brazil, the account leader based in New York will know about it.

The next step is to connect our people in the outside, including the hotels. So we are deploying a hotel portal so that our service people can also access this information.

**BTN: What are the benefits your corporate clients see from the deployment of this sort of connectivity tool among your sales managers?**

**Olejniczak:** For them, it's better service, better connectivity and a better understanding at each country level, and even at each property level, of the

strategic value of these accounts. More and more, an account can at some times be very important for Accor globally, but not for every single independent hotel. So we need to make sure that when they get to any of our properties, they can be flagged as an important client and get the right type of service. This is where we can make the difference.

**BTN: What's your timeframe for involving local properties?**

**Olejniczak:** Basically, the tool has been designed, and it's ready. The test phase is now. We will start rolling it out in November, and the idea is to roll it out between November and June 2015 to 2,000 properties, all the major properties that do corporate contracts.

**BTN: What do you expect for 2015 in your negotiations with corporate clients?**

**Olejniczak:** It looks quite promising. We are still in a market where corporate accounts are trying to save as much as they can. So we are expecting a moderate rate increase for next year in the same way as what we have seen over the past two or three years.

**BTN: How did that end up in past years?**

**Olejniczak:** Close to around 3 percent. It varies depending on the region.

**BTN: What is your general sense now of business travel demand? Are you seeing consistency worldwide?**

**Olejniczak:** We see that corporate accounts want to talk to global players [to address] their needs globally. They want to embrace all their needs into this global account management. It's not only business travel, but also long stays and the meetings and events part, which is getting more and more integrated into global travel policy and the travel programs of the big accounts. It's very big here in the United States,

and slightly less in Europe, but we know that Europe is going to catch up at some point. In Europe, 10 years ago the meetings side was very small, but now they are getting bigger and bigger, which is good.

**BTN: How is that meetings market today, in terms of demand?**

**Olejniczak:** It's a matter that is very solid. That will fluctuate depending on the economic situation, so we'll see that in periods of crisis companies tend to freeze their expenses. We know that these activities are suffering when there is a downturn, but it is still quite solid, and when the economy goes up, then there is always a catchback.

**BTN: What's Accor's strategy in terms of emerging markets?**

**Olejniczak:** If you look at Accor today, except for the United States, where we are very small, we're very big almost everywhere. And we almost have, in other regions, the leadership position. We're number one in Latin America and, of course, in France and Europe. In Australia we're also number one, and in Africa. In that aspect, we are the largest international chain. And when we look at our development plans, physically we're opening a new hotel every other day. So the idea is to open within the next five years 150,000 extra bedrooms. And the development, to answer your question, will take place mainly in Latin America, [Asia/Pacific] and the Middle East.

**BTN: How about the United States? Is there some more thought to putting more resources there?**

**Olejniczak:** Yes. There are quite a few projects now, a few leads that we are receiving. We have also a few Pullman projects and Sofitel projects that are in the pipe. It's a market that's very

much more difficult to penetrate and is already very well-penetrated by our U.S. competitors. But apparently we are seeing some signs of interest. As you know, we have strong development in Latin America. We have 108 hotels, and we have many hotels in the pipe. I think many of the investors that we have there are also expanding to the U.S., and would certainly be trusting our expertise much more than people that have been working with our competitors for many years.

**BTN: Is dynamic pricing a focus for Accor in terms of corporate agreements, and how has it been received?**

**Olejniczak:** Basically it is on our chain-wide products and chainwide offers, which are based on dynamic pricing. This is getting bigger and bigger. It's fast-developing, so we use this mainly for our largest accounts, the strategic and key accounts. On top of that, [when] negotiating a corporate contract, we give them a dynamic discount on all the other hotels. We also use these for midmarket, small- and medium-size enterprises, where we propose to them an offer which is based on a dynamic discount on the [best available rate].

At the core of their program, we see companies still want to have a static negotiated rate. They negotiate this static rate as their threshold. They see this as the maximum they are willing to pay. And when they have done that, then when they purchase, they try to get any rate that is cheaper than that. So they use this as a guarantee.

**BTN: We know there's been some development by some tech companies that cancel and automatically rebook business travel stays. What are Accor's feelings toward that?**

**Olejniczak:** Basically, we try to develop strong partnerships with our strategic and key accounts. And we try to provide them the right service and the right price, and to make sure that we understand their needs, and then we try to avoid this type of behavior. Which means that if they do that, the rates we are quoting them on the service are not correct. So if some companies are only on the best-buy approach, then at some point they are not really the type of companies that we will be developing a strong relationship with. But at some point we also have to do our fair share of the business; we need to make sure that our proposition is good enough for them not to go into that route. 🔄

# Away on Business by Accor



Smart travel & peace of mind  
for your business travellers...

An all-in-one programme for small and medium-sized businesses

**-10%**

Reduce your costs  
by saving up to 10%  
on overnight bookings



Optimise the time of your business  
travellers with a free iPad app  
acting as a real personal assistant



Start saving now by signing up at [www.accor-awayonbusiness.com](http://www.accor-awayonbusiness.com)



## Interview: IHG Owners Association's Eva Ferguson



**Business Travel News: What are InterContinental Hotels Group brand owners' priorities now?**

**Eva Ferguson:** Six years ago, we did the relaunch of the Holiday Inn brand and Holiday Inn Express. That was something that desperately needed to be done, and we worked with IHG throughout that entire process. Express is 20 years old, so they're coming up with a new prototype: a new room design and new great room, so we're working on them with quite a few components. Now, it will be Holiday Inn's turn, so we'll be starting work on a lot of new components to Holiday Inn. One of the biggest things we'll be working with is food and beverage: What are some creative ways to handle that? Typically, it's not a moneymaker. It typically is a cost, and we just want to work with IHG to share some expanding offerings and expanding new ways of doing business.

**BTN: Are you considering removing full-service restaurants from properties?**

**Ferguson:** In some cases, it could be, but I doubt whether we'd ever get to that point. You have to offer something, and maybe there are some creative ways to work around that—a cupboard or a pantry or something—but there still will have to be food offerings at that brand, because it's a full-service brand, especially when you have meeting space. Meetings at the Holiday Inn are a big piece of the business, just like they are at Crowne Plaza.

**BTN: Has that meetings business been growing at IHG?**

**Ferguson:** Yes. We have a midmarket meeting program. That is something that our sales organization put into place, and we check in on that all the time. We are constantly looking at what sales is producing from those midmarket accounts. People still have

As InterContinental Hotels Group develops new standards and directions across its brand portfolio, the group's owners association plays a large role in shaping those initiatives. Association president **Eva Ferguson**—who has been with the association for 30 years, including nine in her current role—spoke recently with *BTN* senior editor Michael B. Baker about some of the most recent initiatives facing owners that affect how they manage their business mixes.

to travel for business, even though it's had its ebbs and flows [during] the past few years. We have Holiday Inns that are everywhere, and they're the perfect group to capture that, along with Crowne Plaza.

**BTN: What about extended-stay brands?**

**Ferguson:** There's been a slight reorganization with those brands under Oliver Bonke, who is the chief commercial officer for the Americas. Oliver is still in the midst of reorganizing, but he's taken those brands and married them in with the Holiday Inn brands: Staybridge is married with Holiday Inn, and Candlewood is married with Express, because of the similarities in operating those hotels and the customer base. That's something they've just done.

**BTN: What's happening with revenue management standards across IHG?**

**Ferguson:** We have endorsed [requiring certified revenue management] as a standard. If a hotel has a revenue

manager, we make sure that they're certified. If you don't have a revenue manager, you go through a different type of certification. We've done a pretty good job with hotels that have pretty advanced and robust systems around revenue management as well as with helping those smaller Express hotels that don't have a separate revenue manager, to help them bridge that gap as well. We're also constantly trying to minimize the impact [of distribution costs] on the hotels, in helping train them as to what's a good piece of business to take and what is not.

**BTN: Recent research indicated capital spending at hotels would be a record this year. How is that playing out at IHG?**

**Ferguson:** A lot of that is technology. That's something we're in the midst of working through with IHG: things like bandwidth, guest Internet, secure payment systems. That's an even more important space since [the credit card data breach] at Home Depot. Being able to process credit

cards and [keeping them] secure is a huge initiative that we're working on right now. The technology piece is a whole separate animal; we have a committee and group working on that as well. Guest Internet is one of the highest things that we get complaints on because bandwidth isn't there, so we're addressing all of that right now. We have a group we call the emerging leaders—franchisees under 40 years old—and we have populated that technology task force with quite a few of them, because they're at the forefront of technology, and they know about it before anybody else does. We're looking at these second- and third-generation franchisees that are coming in and are very savvy in the way they do business.

**BTN: How does IHG involve owners with big brand decisions like these?**

**Ferguson:** We have brand committees that meet on all initiatives for the brands. Each one of the brands has a group of owners that works with each brand, and those groups deal with everything, such as IHG Rewards Club issues within that brand, online travel agency issues, specific brand initiatives and marketing programs. From those committees, it bubbles up to the board of directors. We don't have endorsement rights on everything, but we do offer advice and counsel on a range of things, from how to deal with minimizing the impact of third-party intermediaries to revenue management. We have a very robust committee and board system, and we have had it for many years. We like to consider ourselves somewhat of a competitive advantage for IHG. 🌐

## Dolce Adds Big Chicago-Area Conference Center

BY MICHAEL B. BAKER

DOLCE HOTELS AND RESORTS in September gained a significant boost to its portfolio as it took over management of the Midwest's largest conference hotel in terms of total square footage.

The 1,042-room Q Center in St. Charles, Ill., a former training campus for bygone accounting firm Arthur Andersen, in early September joined Dolce's portfolio of 26 properties and more than 5,000 rooms. The property, which has 150,000 square feet of event space, is Dolce's first hotel in the Chicago area and its ninth conference center.

Dolce now plans to leverage its re-

lationships with corporate and event clients to push more business into the center, Dolce president and CEO Steven Rudnitsky said.

"The selection of Dolce to manage the Q Center is really part of an ongoing realization by owner-operated, dedicated conference hotels that they could have much more of a sustainable business model by diversifying their customer base to include outside and corporate clients," Rudnitsky said.

"The primary object was because of our deep understanding and strong global client reach within the industry and the ability to drive much more outside business to the Q Center," he added.

Dolce also will be applying its brand standards—its food and beverage programs, for example—to the Q Center, he added.

Overall group business at Dolce properties this year has increased in North America from 2013 levels, Rudnitsky said. Both requests for proposals and the actual number of events are up, although the company also is seeing a slightly smaller number of attendees at those events, he said.

In Europe, group business indicates that it is "still well behind the group recovery in North America, but we're starting to see shades of it," according to Rudnitsky. 🌐

# Hotel Marketplace Roomer Branches Into Mtgs.

BY CHRIS DAVIS

ONLINE HOTEL marketplace Roomer's business proposition is based on the resale of nonrefundable hotel bookings that travelers can't use. Once focused solely on distressed individual bookings, Roomer now is trying to mine a potentially large vein of at-risk inventory: underfilled corporate meeting room blocks at risk of attrition penalties.

Roomer recently launched the Roomer Partner Network, an initiative under which meeting planners can offer committed hotel rooms for resale. Individuals then can purchase the room nights, enabling the planner to recoup some investment and potentially head off an attrition charge.

"Think about us as a secondary marketplace," said Richie Karaburun, managing director of three-year-old, Tel Aviv-based Roomer.

The idea to branch into the meetings market was triggered by a customer request, Karaburun recently told *BTN*.

Planners who wish to use Roomer to resell guest rooms—there is no limit on the number of rooms they could sell—can name their own price for the inven-



Roomer's Richie Karaburun

tory. Roomer tells users the "market price" for the location and date in question, Karaburun said, using rates from "a major" online travel agency. There is no charge to list the rooms for sale, but should Roomer sell them, it keeps 15 percent of the price, returning the rest to the planner. "That's why we're motivated, because if we don't actually sell it, we don't make money," he said.

First, though, Roomer validates that a contracted meeting exists. "We ask planners to send us some contractual information with the hotel," Karaburun said. "Nothing confidential. Just so we

know that they're not selling someone else's room."

Hotels, generally speaking, accept the arrangement, he said.

"They would love to have the food and beverage revenue," Karaburun said. "They don't want to just charge room and tax and have [the room] empty. They love incremental revenue like spas, restaurants, room service and Wi-Fi. And [they're often] new customers.

"Some hotels say, 'Why can't we sell those rooms?' They call it double-dipping," he continued. "But when I ask them, 'How many times do you oversell? How many times are you 100 percent booked?' A handful of the time, maybe, in certain cities. But the average occupancies is in the higher 60s in America."

Karaburun wouldn't disclose privately held Roomer's volume of rooms sold through its platform, though he claimed month-over-month growth of 30 percent to 50 percent throughout 2014. However, he noted that rates of conversion vary greatly by city, and those with some of the highest such rates are in cities traditionally favored by many meeting planners.

"Our conversions are all the way up to 50 percent in places like Las Vegas and New York," he said. "It's much lower in places like Minneapolis. That's one of the reasons we like working with meeting planners: Generally the meeting takes place in desirable cities like Miami, Orlando, Las Vegas and New York."

Roomer gets the word out about its rooms for sale through a variety of channels, including metasearch outlets, social media and Google advertising. Karaburun hopes to broaden that to include corporate online booking tool through partnerships, though the company has not yet signed any such deals.

Roomer does not sell meeting space through its platform, and Karaburun said the company wasn't interested in doing so, at least for now. Still, the potential to avoid contractual penalties on guest room attrition should offer motivation to sell, he said.

"That's why you sell your room. The hotel's got your money," he said. "For planners, hotels either have your money or they're going to get your money, because it's in your contract." ☞



"The right room, the right price, free Wi-Fi and a kitchen kitchen!"

— Food Network™ Host **Sunny Anderson**

I travel a lot. And it's nice to know there's one thing I can get off my plate: where to stay. I'm a big fan of Extended Stay America. It's my kind of hotel. A nice, comfortable room, free Wi-Fi, free grab-and-go breakfast, and another extra I can't live without: a kitchen. A real kitchen – with a full size fridge and everything I need to cook up a storm, or make a snack.

**A kitchen, a great price... the hotel that's just right.™**



# Investing For Success

## *Amid Rising Rates, Hotel Capital Spending Buys Buyer Satisfaction In BTN's 2014 Hotel Chain Survey*

By Michael B. Baker

A difficult negotiating climate has not soured corporate travel buyers' attitudes toward their hotel chain partners, with satisfaction scores in *Business Travel News'* 2014 Hotel Chain Survey up across a vast majority of hotel brands year over year.

Of the 53 hotel brands rated by 368 corporate travel buyer respondents in the survey, only nine had total scores that were lower than they were in 2013. Scores were flat at three brands and up across the rest.

Unlike the 2013 Hotel Chain Survey, in which scores generally were up year over year in the lower tiers but down in the higher tiers, the 2014 showed improving buyer satisfaction in all tiers. Many of the highest increases included upper upscale and luxury hotel brands making up for their drop last year.

At the same time, buyers are facing a challenging hotel negotiating season, with the average corporate negotiated hotel rate in the United States for 2015 projected to increase between 5.5 percent and 6.5 percent year over year, according to analysis by Bjorn Hanson, a clinical professor at New York University's Tisch Center for Hospitality, Tourism and Sports Management (see story, page 4). At the same time, however, hotels this year are investing more capital back into their properties than ever before, which Hanson suspects is a key factor among the score increases.

"The hotel industry sought and was granted forgiveness from travelers for the period when rates were not keeping up with inflation," Hanson said. "Consumer ex-

pectations increase at the same time, and the properties are improving at the same time these rates are going up."

It wasn't surprising that many of the highest increases were among upper upscale and luxury brands, as "most of the spending has been in those segments," he said.

While buyers this year generally appear more resolved to accept some level of rate increases than they were in prior years, Hanson added that there would be a limit to that understanding: "The forecast could be for some quite dramatic acceleration, which could change the dynamic."

After all, buyer satisfaction with hotel brands also can be fickle, as demonstrated in this year's survey. For the first time since the 1993 survey, no brand in any tier was a repeat winner from last year's survey. In fact, three of the nine brands that decreased in total score—Wingate and Hyatt Place, which were down marginally, and Kimpton, which had the largest year-over-year drop of any brand—were the top brands in 2013.


Meanwhile, two of the top brands this year—Mandarin Oriental and Best Western—are well-established brands that achieved the highest scores in their tiers for the first time in the history of the survey.

Among multibrand hotel companies, Marriott Inter-

national had the strongest performance this year, with three of its brands—Marriott, Courtyard and Residence Inn—earning top scores in their tiers. Janis Milham, who bears responsibility for two of those brands as Marriott's senior vice president of modern essentials and extended-stay brands, attributed the performance to research done across all brands, particularly in examining the needs of Generation X and Millennial travelers. "In every single one of our brands, we've launched new renovation plans: new rooms, new designs, innovative public space, technology," Milham said.

InterContinental Hotels Group was the only other major multibrand company with a brand that received the top rating in its tier: its midprice extended-stay Candlewood Suites brand. Hilton Worldwide also fared well, having the second-highest-rated brand in three tiers and the third-highest-rated brand in one, as well as above-average total scores for all but one of its brands.

After reorganizing the survey's tier structure in 2013, *BTN* made few structural changes this year. One criterion nominally changed: Buyers rated "public business amenities" in lieu of "quality of business center" to reflect the more integrated and social approach many brands now take rather than walled-off business centers with a few desktop computers and a printer.

This year's survey also moved Starwood's W Hotels brand into the luxury tier rather than the upper upscale tier, in line with price-point data reported by hospitality data firm STR Global. All other classifications were consistent with the 2013 survey. 

# BUSINESS TRAVEL TRENDS & FORECASTS

DALLAS

NOVEMBER 18

## CONNECT. LEARN. GROW.

You can't afford to miss the fourth annual one-day event held exclusively for business travel buyers. Through expert-led sessions, interactive discussions and peer networking, attendees enhance their business strategy and set the stage for success in the months ahead.

### TOPICS INCLUDE:

- Benchmarking and best practices
- Traveler compliance
- Airline industry trends and corporate airline contracts
- 2015 hotel season forecast

AND MORE

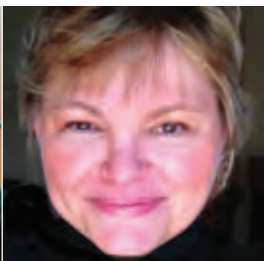
### SPEAKERS



**LINDA BRYANT**  
Manager, Corporate  
Travel Services  
Essilor



**KAREN HATCH**  
Director, Travel  
Goodman Networks



**HOLLY HEGEMAN**  
Editor and Publisher  
PlaneBusiness



**DARCY TAYLOR**  
Director, Travel Services  
KBR, Inc.

AND  
MORE

## REGISTER TODAY!

VISIT US ONLINE AT  
[BUSINESSTRAVELTRENDS.COM/DALLAS](http://BUSINESSTRAVELTRENDS.COM/DALLAS)

PRESENTED BY



SPONSORED BY

cvent



OMNI HOTELS  
& RESORTS



OMNI DALLAS HOTEL



# Marriott International Brands Finish Atop Upper Upscale, Upscale Tiers

Traditional triumphed over avant-garde in the upper upscale and upscale tiers in *BTN*'s 2014 Hotel Chain Survey, with Marriott International's flagship brand and Courtyard brand garnering the highest overall scores from buyers.

Marriott Hotels & Resorts' first-place finish, its first since 2007, shows a shift in buyers' attitude compared with recent years, when boutique-style brands ruled the tier. In 2013, trendy Kimpton was the top brand, but that brand slipped to 10th this year.

Marriott, meanwhile, improved its score significantly year over year and rebounded from a sixth-place finish in 2013. Similarly improved this year were second-place Omni Hotels & Resorts (ranked 11th in 2013) and third-place Westin Hotels (ranked fifth in 2013).

Bjorn Hanson, a clinical professor at New York University's Tisch Center for Hospitality, Tourism and Sports Management, said the top brands shared "what's become one of the attributes of upper upscale hotels: looking for a reliable traveler experience."

"They're three traditional lodging brands, not trying to look flamboyant or create odd architecture," he continued. "Omni's a bit of an outlier, being on a smaller scale and bordering closer to luxury, but it has a strong central control and has become a very respected brand."

Traditional, however, does not mean cookie-cutter. Marriott, top-rated for its public business facilities, several years ago began rolling out its "great room"

lobby concept, designed so that "every lobby gives you a sense of locale," said senior vice president of brand management Paul Cahill.

Marriott also scored notably higher than its competitors for its handling of group business, both from a sales and service side as well as meeting facilities. The brand has launched several group initiatives in recent years, including its Red Coat Direct App, which lets meeting planners make simple onsite requests—a change in temperature, for instance—rather than have to track down a hotel staff member. Next year, Marriott plans to evolve that app to handle some billing aspect, Cahill said, and it also is testing a Pinterest-style platform through which planners can share ideas.

Despite sitting at a price point higher than many of its competitors in the tier, Omni earned the top score for the overall price/value relationship. The brand also is one of the few in the tier to offer complimentary Wi-Fi across its portfolio to guests who are loyalty program members, regardless of their status within the program.

Omni—which has significantly bulked up its portfolio in recent years both through acquisitions and new builds, including properties in Dallas, Fort Worth and

Nashville—also was top-rated for the physical appearance of its properties. Chief marketing officer and senior vice president of sales Tom Santora said that stems from the brand's development of hotels with "great facilities, though no two Omnis are alike."

"Some brands rely on the same bedspread, mattress and carpet, and that's great, but at Omni, we think our customers are looking for something different as they travel," he continued. "They want local color whether or not they get a chance to explore the city, and we do that through the art, menus and music that's playing through the hotel."

Starwood Hotels & Resorts' Westin brand earned the highest scores in the tier for its service, in-room personal amenities and, in a tie with Marriott, consistency across the brand. Westin was a pioneer in branding in-room amenities—such concepts as its "Heavenly Bed" and "Heavenly Bath" have launched imitators in competing brands—more recent service and amenity development has centered on wellness, global brand leader Brian Povinelli said. Such initiatives have included healthier foods in restaurants and event catering, a meditation program and workout gear available for guests to rent.

Personalized service also has been a key focus, he said. "Last year, we started getting some of that infrastructure in place, to get data in the hands of associates, and we've created a new position around guest outreach," Povinelli said. "Now we can act upon that knowledge. If

## UPPER UPSCALE

Brand	Quality of sales staff	Consistency of offering	Arranging group travel	Meeting facilities	Corporate rate programs	Quality of data	Helpful/courteous service	Physical appearance	Public business amenities	In-room business amenities	In-room personal amenities	Price/value relationship	Total
<b>Marriott</b>	<b>5.03</b>	<b>4.92</b>	<b>5.00</b>	<b>5.17</b>	4.52	<b>4.82</b>	5.11	5.13	<b>5.11</b>	<b>5.04</b>	4.98	4.83	<b>4.97</b>
<b>Omni</b>	5.00	4.75	4.78	4.85	4.64	4.73	5.15	<b>5.15</b>	5.05	4.95	4.95	<b>5.00</b>	4.92
<b>Westin</b>	4.92	<b>4.92</b>	4.73	4.76	4.50	4.63	<b>5.22</b>	5.06	5.10	5.03	<b>5.19</b>	4.69	4.90
<b>Hyatt</b>	4.98	4.80	4.81	4.89	<b>4.70</b>	4.47	5.08	5.00	5.03	5.00	5.05	4.92	4.89
<b>Renaissance</b>	4.65	4.79	4.79	4.97	4.63	4.79	5.13	5.09	4.96	4.74	4.91	4.85	4.86
<b>Hilton</b>	4.78	4.65	4.75	4.86	4.55	4.57	5.12	5.00	4.98	<b>5.04</b>	4.80	4.86	4.83
<b>InterContinental</b>	4.77	4.57	4.61	4.70	<b>4.70</b>	4.44	4.97	4.85	4.76	4.79	4.79	4.67	4.72
<b>Millennium</b>	4.84	4.63	4.65	4.65	4.67	4.65	4.64	4.36	4.64	4.82	4.82	4.55	4.66
<b>Radisson Blu</b>	4.68	4.68	4.55	4.76	4.45	4.27	4.71	4.71	4.71	4.71	4.71	4.65	4.63
<b>Kimpton</b>	4.65	4.61	4.55	4.45	4.33	4.14	5.00	4.79	4.71	4.36	4.50	4.50	4.55
<b>Sheraton</b>	4.41	4.50	4.40	4.39	4.47	4.41	4.48	4.43	4.52	4.52	4.46	4.52	4.46
<b>Le Meridien</b>	4.41	4.38	4.31	4.29	4.26	4.21	4.50	4.44	4.56	4.44	4.44	4.25	4.37
<b>Wyndham</b>	4.41	4.41	4.38	4.33	4.50	4.37	4.46	4.29	4.21	4.29	4.23	4.31	4.35
<b>Tier average</b>	<b>4.76</b>	<b>4.69</b>	<b>4.68</b>	<b>4.75</b>	<b>4.54</b>	<b>4.54</b>	<b>4.96</b>	<b>4.88</b>	<b>4.88</b>	<b>4.83</b>	<b>4.83</b>	<b>4.73</b>	<b>4.76</b>

they've requested things in a reservation, like a connecting room, we can give pre-arrival confirmation."

Overall, the upper upscale tier has had a strong year. As of August, year-to-date upper upscale demand in the United States was up 3.8 percent year over year, while supply increased 1.5 percent, according to STR Global. As such, occupancy during that period increased 2.3 percent, and average daily rate increased 4.9 percent.

### Courtyard, Doubletree Lead Upscale Tier

With a mix of select- and full-service brands populating the upscale tier, buyers gave top ratings to one of each. Select-service Courtyard by Marriott earned the highest score in the tier, with Hilton's full-service Doubletree brand very close behind.

Courtyard, improving from a third-place finish in 2013, earned top scores for arranging group travel, data quality, service, physical appearance and business amenities both in guest rooms and in public spaces. Doubletree, up from a ninth-place finish in 2013, was

the top brand in terms of its sales staff, meeting facilities and in-room personal amenities. Both brands tied with the highest score for overall price/value equation.


Hyatt Place, which had been the top scoring brand both in 2012 and 2013, rounded out the top three.

Courtyard, which essentially created the select-service upscale model, has evolved to a massive global brand. It's on track to open its 1,000th property next year and is "growing at an extraordinary pace outside of the United States," said Janis Milham, Marriott senior vice president of modern essentials and extended-stay brands.

Renovations within the brand have helped keep its scores for appearance and amenities high, she said. The brand several years ago introduced a multi-functional, socialization-friendly lobby, and it now has spread through more than 90 percent of Courtyard's portfolio. More recently, it developed a new guest-room décor designed to accommodate younger travelers, which now appears in more than 50 Courtyard properties.

Doubletree also is becoming an increasingly international brand, said its global head John Greenleaf. Its 400th hotel opened this month in Cairns, Australia, and the company now is in 34 countries; six years ago, it was only in one. Of the more than 150 hotels in its pipeline now, only 39 are in the Americas, he said.

As to its strong performance in the chain survey this year, Greenleaf said Doubletree is improving both among internal guest surveys and with quality-assurance visits as it "focuses on quality of the product and the experience, which continues to pay off."

As with the upper upscale tier, upscale hotels in the United States have been making strong gains in both rate and occupancy this year, according to STR Global. Upscale hotel development is above the national average overall, with a 3.5 percent increase in supply year over year through August, and demand was up 6.7 percent. ADR during that period increased 4.8 percent, and occupancy increased 3.1 percent, the firm reported. 

— Michael B. Baker

## UPSCALE

Brand	Quality of sales staff	Consistency of offering	Arranging group travel	Meeting facilities	Corporate rate programs	Quality of data	Helpful/courteous service	Physical appearance	Public business amenities	In-room business amenities	In-room personal amenities	Price/value relationship	Total
Courtyard	4.86	4.78	<b>4.84</b>	4.58	4.44	4.66	<b>4.95</b>	<b>5.07</b>	<b>4.91</b>	<b>4.84</b>	4.61	<b>4.75</b>	<b>4.77</b>
Doubletree	<b>4.98</b>	4.71	4.83	<b>4.73</b>	4.60	4.50	4.89	4.78	4.76	4.76	<b>4.71</b>	<b>4.75</b>	4.75
Hyatt Place	4.85	4.84	4.69	4.25	4.67	4.60	4.83	4.86	4.74	4.66	4.59	4.66	4.69
Crowne Plaza	4.83	4.47	4.71	4.59	<b>4.71</b>	4.49	4.83	4.63	4.71	4.71	4.56	4.73	4.66
Aloft	4.89	<b>4.93</b>	4.61	4.07	4.55	<b>4.68</b>	4.80	4.90	4.43	4.67	4.70	4.70	4.66
Hilton Garden Inn	4.80	4.65	4.58	4.32	4.39	4.36	4.87	4.77	4.67	4.62	4.49	4.65	4.60
Embassy Suites	4.76	4.66	4.50	4.31	4.39	4.39	4.67	4.67	4.58	4.49	4.56	4.55	4.54
SpringHill	4.66	4.61	4.46	4.18	4.38	4.56	4.59	4.57	4.46	4.43	4.46	4.41	4.48
Radisson	4.63	4.32	4.38	4.42	4.48	4.28	4.61	4.48	4.50	4.46	4.37	4.36	4.44
Four Points	4.48	4.23	4.25	3.97	4.25	4.29	4.33	4.29	4.22	4.15	4.19	4.22	4.24
<i>Tier average</i>	<i>4.74</i>	<i>4.59</i>	<i>4.54</i>	<i>4.32</i>	<i>4.46</i>	<i>4.46</i>	<i>4.72</i>	<i>4.67</i>	<i>4.58</i>	<i>4.55</i>	<i>4.49</i>	<i>4.55</i>	<i>4.56</i>

#### STATEMENT OF OWNERSHIP, MANAGEMENT AND CIRCULATION

1. PUBLICATION TITLE Business Travel News 2. PUBLICATION NUMBER 728-870. FILING DATE 10/1/14 4. ISSUE FREQUENCY Monthly except semi-monthly in Mar, Apr, May, Jun, Sep and Nov. NO. OF ISSUES PUBLISHED ANNUALLY eighteen 52. ANNUAL SUBSCRIPTION PRICE USA \$129, CAN/MEX \$142, OTHER FOREIGN \$210 7. COMPLETE MAILING ADDRESS OF KNOWN OFFICE OF PUBLICATION Northstar Travel Media, LLC, 100 Lighting Way, Secaucus, NJ 07094-3626. Contact Person Michele Garth (201) 902-1930 8. COMPLETE MAILING ADDRESS OF HEADQUARTER OR GENERAL BUSINESS OFFICE OF PUBLISHER Northstar Travel Media, LLC, 100 Lighting Way, Secaucus, NJ 07094-3626 9. PUBLISHER: Louis Magliaro, Northstar Travel Media, LLC, 100 Lighting Way, Secaucus, NJ 07094-3626 EDITOR: David Meyer, Northstar Travel Media, LLC, 116 West 32nd Street, 14th Floor, New York NY 10001 MANAGING EDITOR: Chris Davis, Northstar Travel Media, LLC, 116 West 32nd Street, 14th Floor, New York NY 10001 10. OWNERS: Northstar Travel Media, LLC, 100 Lighting Way, Secaucus, NJ 07094-3636 11. KNOWN BONDHOLDERS, MORTGAGEES, AND OTHER SECURITY HOLDERS OWNING OR HOLDING 1 PERCENT OR MORE OF TOTAL AMOUNT OF BONDS, MORTGAGES, OR OTHER SECURITIES None

12. TAX STATUS (MUST BE COMPLETED IF THE PUBLICATION TITLE SHOWN IN ITEM 1 IS A PUBLICATION PUBLISHED AND OWNED BY A NON-PROFIT ORGANIZATION). THE PURPOSE, FUNCTION AND NONPROFIT STATUS OF THIS ORGANIZATION AND THE EXEMPT STATUS FOR FEDERAL INCOME TAX PURPOSES: (CHECK ONE)  a. Has Not Changed During Preceding 12 Months  b. Has Changed During Preceding 12 Months (Publisher must submit explanation of change with this statement) 13. PUBLICATION TITLE Business Travel News 14. ISSUE DATE FOR CIRCULATION DATA September 29, 2014

#### 15. Extent and Nature of Circulation

	Avg no of Copies Each Issue During Preceding 12 months	No. Copies of Single Issue Published Nearest to Filing Date
a. Total Number of Copies (Net Press Run)	32,687	33,849
b. Legitimate Paid and/or Requested Distribution (by Mail or Outside the Mail)		
1) Outside County Paid/Requested Mail Subscriptions stated on PS Form 3541. (Include direct written request from the recipient, telemarketing and internet request from recipient, paid subscriptions including nominal rate subscriptions, employer requests, advertiser's proof copies and exchange copies)	31,003	31,327
2) In-County Paid/Requested Mail Subscriptions stated on PS Form 3541. (include direct written request from the recipient, telemarketing and internet requests from recipient, paid subscriptions including nominal rate subscriptions, employer requests, advertiser's proof copies and exchange copies)	0	0
3) Sales through Dealers and Carriers, Street vendors, Counter Sales and Other Paid or Requested Distribution Outside USPS	0	0
4) Requested Copies Distributed by Other Mail Classes Through the USPS (e.g. First-Class Mail)	0	0
c. Total Paid and/or Requested Circulation (Sum of 15b (1), (2), (3) and (4))	31,003	31,327

#### d. Nonrequested Distribution (By Mail and Outside the Mail)

1) Outside County Nonrequested Copies Stated on PS Form 3541 (include Sample copies, Requests over 3 years old, Requests induced by a Premium, Bulk Sales and Requests including Association Requests, Names obtained from Business Directories, Lists and other sources)	710	643
2) In-County Nonrequested Copies Stated on PS Form 3541 (include Sample copies, Requests over 3 years old, Requests induced by a Premium, Bulk Sales and Requests including Association Requests, Names obtained from Business Directories, Lists and other sources)	0	0
3) Nonrequested Copies Distributed through the USPS by Other Classes of Mail (e.g., First-Class Mail, Nonrequestor Copies mailed in excess of 10% Limit mailed at Standard Mail or Package Services Rates)	0	0
4) Nonrequested Copies Distributed Outside the Mail (include Pickup Stands, Trade Shows, Showrooms and Other Sources)	324	575
e. Total Nonrequested Distribution (Sum of 15d (1), (2), (3) and (4))	1,034	1,218
f. Total Distribution (Sum of 15c and e)	32,037	32,545
g. Copies Not Distributed (see Instructions to Publishers #4 (page 3))	650	1,304
h. Total (Sum of 15f and g)	32,687	33,849
i. Percent Paid and/or Requested Circulation (15c divided by f times 100)	96.77%	96.26%
16. Electronic Copy Circulation	Average No. Copies each Issue During Previous 12 Months	No. Copies of Single Issues Published Nearest to Filing Date
a. Requested and Paid Electronic Copies	13,380	12,723
b. Total Requested and Paid Print Copies (Line 15c) + Requested/Paid Electronic Copies	44,383	44,050
c. Total Requested Copy distribution (Line 15f) + Requested/Paid Electronic copies (Line 16a)	45,417	45,268
d. Percent Paid and/or Requested Circulation (Both Print & Electronic Copies) (16b divided by 16c x 100)	97.72%	97.31%
X I certify that 50% of all my distributed copies (electronic and print) are legitimate requests or paid copies.		
17. Publication of Statement of Ownership for a Requestor Publication is required and will be printed in the October 13, 2014 issue of this publication.		
18. Signature and Title of Editor, Publisher, Business Manager or Owner: Louis Magliaro, Group Publisher, 10/1/14.		
I certify that all information furnished on this form is true and complete. I understand that anyone who furnishes false or misleading information on this form or who omits material or information requested on the form may be subject to criminal sanctions (including fines and imprisonment) and/or civil sanctions (including civil penalties).		

# Three Years After Descriptors' Debut, Best Western International Leads Midprice Tiers

The Best Western International family swept the midprice tiers of *BTN's* Hotel Chain Survey, with Best Western Plus scoring the top rating in the upper midprice tier and Best Western topping the midprice tier.

In achieving the top overall score in the upper mid-scale tier, Best Western Plus earned top marks for arranging corporate travel, corporate rate programs and quality of data. It tied with Hampton Inn for top marks in physical appearance. The win for Best Western Plus marked a strong comeback from last year, when it placed fifth.

While Best Western International was founded as a membership association in 1946, it wasn't until early 2011 that the brand created three descriptors in North America—Best Western, Best Western Plus and Best Western Premier—to help consumers differentiate among its 2,100 hotels in the region. The strong showing in this year's survey by both Best Western Plus and Best Western suggests travel managers approve the move.

"Adopting the descriptors approach three years ago has been transformative for the brand," said Best Western senior vice president of marketing and sales Dorothy Dowling. "Travel buyers are sophisticated in their

product knowledge. They understand what we were trying to do and, as a result, we've been able to shift market share.

"We've made a concerted effort, not only to work with large corporate accounts, but to reach out and build relationships with medium-size accounts as well," she continued. "We view ourselves as problem-solvers, working with accounts of every size to help come up with solutions to meet their room-night requirements in various markets. We look forward to gaining continued traction in the business travel space."

Hilton Worldwide's Hampton Inn earned the second-highest score in the tier, up one notch from the 2013 survey and finishing within a hair's breadth of first place.

In addition to tying for physical appearance, Hampton received top marks for consistency, price/value, quality of sales staff, courteous service, public business amenities and in-room business amenities.

Phil Cordell, Hilton's global head of focused service

and Hampton brand management, noted how critical consistency is at this price point. This is especially the case when a brand is approaching the 2,000-unit mark around the world, as is Hampton. "At the core of our brand promise is that we'll provide friendly service, clean rooms and comfortable surroundings every time," Cordell said.

Hampton during the past few years has expanded at a fast pace, including in Europe, where it's known as Hampton by Hilton. Most recently, the brand in September opened a 300-room property in downtown Warsaw, Poland, the largest Hampton outside the United States. Development has also been on the fast track in the United Kingdom and Turkey.

Travel managers need to feel a degree of confidence that the brands they work with will deliver, Cordell said, "that the guarantee is always there, anywhere in the world."

Marriott International's Fairfield Inn & Suites, which was number two in last year's upper midprice listing, fell a notch this year.

"We're in the process of strengthening our overall product offering," said Marriott International vice president of global brand management Shruti Buckley. "Our primary appeal has always been to business

CONTINUED ON PAGE 33

## UPPER MIDPRICE

Brand	Quality of sales staff	Consistency of offering	Arranging group travel	Meeting facilities	Corporate rate programs	Quality of data	Helpful/courteous service	Physical appearance	Public business amenities	In-room business amenities	In-room personal amenities	Price/value relationship	Total
Best Western Plus	4.84	4.63	<b>4.67</b>	4.20	<b>4.82</b>	<b>4.61</b>	4.96	<b>4.81</b>	4.58	4.58	4.52	4.82	<b>4.67</b>
Hampton Inn	<b>4.85</b>	<b>4.76</b>	4.58	4.12	4.57	4.53	<b>4.97</b>	<b>4.81</b>	<b>4.71</b>	<b>4.66</b>	4.53	<b>4.84</b>	4.66
Fairfield Inn	4.61	4.58	4.52	4.19	4.42	4.54	4.74	4.70	4.52	4.52	4.42	4.58	4.53
Country Inn & Suites	4.74	4.48	4.52	4.00	4.68	4.59	4.83	4.63	4.47	4.32	4.33	4.72	4.53
Wyndham Garden	4.43	4.57	4.39	<b>4.32</b>	4.41	4.35	4.71	4.71	4.54	4.46	<b>4.63</b>	4.63	4.51
Holiday Inn	4.54	4.40	4.55	4.29	4.49	4.38	4.63	4.32	4.38	4.36	4.24	4.41	4.42
Holiday Inn Express	4.43	4.31	4.25	3.89	4.37	4.16	4.55	4.36	4.28	4.34	4.25	4.43	4.30
Comfort	4.19	4.09	4.13	3.61	3.94	4.09	4.30	4.00	4.07	4.07	4.11	4.52	4.09
<i>Tier average</i>	<i>4.59</i>	<i>4.48</i>	<i>4.45</i>	<i>4.10</i>	<i>4.48</i>	<i>4.41</i>	<i>4.72</i>	<i>4.54</i>	<i>4.45</i>	<i>4.42</i>	<i>4.37</i>	<i>4.60</i>	<i>4.47</i>

## MIDPRICE

Brand	Quality of sales staff	Consistency of offering	Arranging group travel	Meeting facilities	Corporate rate programs	Quality of data	Helpful/courteous service	Physical appearance	Public business amenities	In-room business amenities	In-room personal amenities	Price/value relationship	Total
Best Western	<b>4.43</b>	<b>4.19</b>	<b>4.29</b>	<b>3.92</b>	<b>4.61</b>	<b>4.35</b>	<b>4.53</b>	4.19	4.13	<b>4.19</b>	4.00	4.43	<b>4.27</b>
Wingate	4.35	<b>4.19</b>	4.24	3.77	4.27	4.07	4.45	<b>4.27</b>	<b>4.14</b>	4.14	<b>4.14</b>	4.18	4.18
La Quinta	4.30	4.02	4.10	3.53	4.40	4.07	4.27	4.11	3.95	4.05	3.78	4.24	4.07
Quality	4.10	3.81	3.95	3.60	4.33	4.15	4.22	4.11	4.00	3.94	3.94	<b>4.47</b>	4.05
<i>Tier average</i>	<i>4.19</i>	<i>4.01</i>	<i>4.03</i>	<i>3.64</i>	<i>4.34</i>	<i>4.14</i>	<i>4.29</i>	<i>4.07</i>	<i>3.96</i>	<i>4.00</i>	<i>3.89</i>	<i>4.24</i>	<i>4.07</i>

# Thank You

for recognizing BEST WESTERN® and  
BEST WESTERN PLUS® as the top-rated  
hotel chain in the midprice and  
upper midprice categories.  
We greatly appreciate this honor.

We promise to do our best to continue to  
earn your trust and business.

**From all of us at Best Western International,  
it's been our pleasure.**



PLUS



PREMIER

[bestwestern.com](http://bestwestern.com)

Business Travel News

David Kong  
President and Chief Executive Officer  
Best Western International

# Mandarin Oriental Hotel Group Is First Asian Brand To Lead Luxury Tier

The king is dead; long live the emperor.

For the first time in the history of *BTN's* Hotel Chain Survey, an Asian hotel brand bested its Western counterparts as the top-rated luxury hotel brand scored by corporate travel buyers.

Hong Kong-based Mandarin Oriental Hotel Group, which has 27 hotels in Asia, North America and Europe, earned the top overall score in the tier as well as top marks for arranging group travel, meeting facilities, physical appearance and in-room business amenities. Ranked eighth in the 2013 survey, Mandarin Oriental improved its overall score more than half a point year over year, more than any other brand in the tier.

Last year's top brand, Four Seasons, slipped to second but improved its score year over year. Buyers gave it top scores for its sales staff, consistency across its portfolio and in-room personal amenities.

Hilton Worldwide's Waldorf Astoria Collection rounded out the top three, improving on its ninth-place finish in 2013. Buyers also said it provided them the highest-quality data of all luxury brands.

Last year's third-place brand, Marriott International's Ritz-Carlton, fell to fifth. While Ritz-Carlton and Four Seasons long had dominated the top two luxury slots in *BTN's* survey, in recent years that has changed. This also is only the second time in survey history—a streak broken by Starwood's St. Regis and Luxury Collection in 2012—that one of those two brands was not in the top luxury position.

Bjorn Hanson, a clinical professor at New York Univer-

sity's Tisch Center for Hospitality, Tourism and Sports Management, noted the top brands this year tended "to be the most flexible by location," while brands that are more uniform across the portfolio scored lower.

"This is a pattern," he said. "The definition of luxury has changed, and people are looking more for a special experience, not just high-finish facilities and lots of service."

Although this is its first time in the top position, Mandarin Oriental is hardly an upstart, having established roots in key U.S. markets including New York, Miami, Boston, Washington, D.C., and San Francisco.

Recent initiatives that target corporate and group business have included "heavily building on our suite business in order to meet the growing demand from corporate travelers wanting flexible room configurations as well as elegant, sophisticated meeting spaces," said vice president of global sales Emily Snyder. She also cited a new partial massage service geared toward business travelers that is easier for them to fit into their stay compared with full treatments.

Mandarin was not the only Hong Kong-based brand to earn high scores from buyers. Shangri-La Hotels and Resorts, which has properties in Canada but none in the United States, performed strongly in the survey


this year as well, despite slipping from second to fourth compared with 2013. Additionally, buyers gave Shangri-La top scores for service, physical appearance, public business amenities and its price/value relationship.

Notably, Mandarin Oriental also outscored its Western counterparts in the price/value criterion. One key distinction of value to corporate travel buyers: Neither brand requires a charge for in-room Internet use, bucking the larger trend among luxury hotels. In-room Internet is complimentary at Shangri-La properties, and Mandarin Oriental in October 2013 made it free for guests who establish an online profile and book on the brand's website, Snyder said.

Overall, corporate buyer satisfaction with the luxury tier was up year over year after slipping in 2013.

Globally, luxury hotel demand is holding a steady growth rate of 3.9 percent this year, as it has since the rebound following the 2009-2010 economic downturn, according to STR Global.

It's a far cry from the days following the downturn, when luxury travel and corporate travel were branded incompatible, despite the claims that the productivity and efficiency provided by luxury hotels make up for the higher costs. Even so, luxury hotels soon could face another challenge from younger travelers, Hanson said.

"The stigma still is diminishing, but there's also the taste and preference issue," Hanson said. "Many younger travelers would prefer to avoid luxury hotels and wear tennis shoes instead of being among all the marble furnishings." 

— Michael B. Baker

## LUXURY

Brand	Quality of sales staff	Consistency of offering	Arranging group travel	Meeting facilities	Corporate rate programs	Quality of data	Helpful/courteous service	Physical appearance	Public business amenities	In-room business amenities	In-room personal amenities	Price/value relationship	Total
Mandarin Oriental	5.41	5.41	<b>5.19</b>	<b>5.38</b>	4.82	5.06	5.55	<b>5.60</b>	5.50	<b>5.50</b>	5.40	5.30	<b>5.34</b>
Four Seasons	<b>5.46</b>	<b>5.42</b>	5.16	5.11	4.87	5.00	5.35	5.39	5.45	5.13	<b>5.43</b>	5.17	5.25
Waldorf Astoria Collection	5.35	5.30	5.05	5.35	4.85	<b>5.45</b>	5.21	5.15	5.23	5.31	5.31	5.08	5.22
Shangri-La	5.10	5.20	4.67	5.00	4.70	4.89	<b>5.60</b>	<b>5.60</b>	<b>5.60</b>	5.40	5.40	<b>5.40</b>	5.21
Ritz-Carlton	5.37	5.12	5.12	4.95	4.53	4.95	5.38	5.30	5.03	5.03	5.24	5.00	5.09
St. Regis/Luxury Collection	5.31	5.19	5.00	5.13	<b>4.93</b>	5.06	5.55	5.18	4.91	4.82	4.73	4.91	5.06
JW Marriott	5.18	5.10	4.93	5.03	4.73	4.85	5.03	4.97	5.10	4.97	5.00	4.89	4.98
W Hotels	4.86	4.81	4.89	4.89	4.86	5.05	5.00	5.07	5.00	5.14	5.14	4.71	4.95
Loews	5.13	4.91	4.73	4.73	4.64	4.64	5.33	5.14	5.07	5.00	5.14	4.93	4.95
Grand Hyatt	4.94	4.91	4.94	5.03	4.82	4.91	4.96	4.80	4.88	4.96	5.04	4.88	4.92
Conrad	4.77	4.92	4.69	4.85	4.62	4.85	5.25	4.88	4.50	4.38	5.00	4.50	4.77
Fairmont	4.91	4.77	4.86	4.64	4.48	4.36	4.93	4.67	4.60	4.47	4.80	4.67	4.68
Sofitel	5.07	4.79	4.62	4.62	4.43	4.46	4.78	4.75	4.63	4.63	4.63	4.38	4.65
Tier average	5.16	5.07	4.94	4.97	4.70	4.86	5.20	5.13	5.08	4.99	5.13	4.92	5.01

# Best Western International Tops Midprice Tiers

CONTINUED FROM PAGE 30

travelers, and it's heartening to see travel managers continuing to respond positively to what we're doing."

A new room design developed with input from business travelers gradually is being rolled out across the brand. With a distribution of roughly 720 hotels, many in secondary locations, Fairfield now is beginning to target downtown locations in primary markets for future growth. Fairfield is also a popular choice for inclusion in dual-brand projects, typically paired with Marriott's TownePlace Suites extended-stay offering. Both are at comparable price points.

Other brands that stood out in this year's upper midprice category include Carlson Rezidor's Country Inns & Suites, which placed fourth. Wyndham Hotel Group's Wyndham Garden Inn, in the fifth position, earned top marks for in-room personal amenities.

In the midprice tier, Best Western captured the highest overall score in the category and earned the top score for quality of sales staff, arranging group travel,


meeting facilities, corporate rate programs, quality of data, courteous service and in-room business amenities. It tied with Wingate by Wyndham for consistency. As with Best Western Plus in the upper midprice tier, Best Western climbed from almost the bottom of the pack (fourth position out of five) in 2013 to take the gold ring this year.

Wingate, which held the number-one slot in this category in 2013, had to settle for second place this year. In addition to tying with Best Western for consistency, Wingate garnered top scores for physical appearance, public business amenities and in-room personal amenities.

Wingate brand senior vice president Bill Hall stressed the continuing importance of evolution—as opposed to radical change—to explain the brand's high standing in the survey again this year. "We've continued to adapt as the needs of our guests have evolved," he said. "Take the business center, for example. Rather than a separate room, we've opened it up. It's now part of the

lobby, which has become a more social space, where guests can meet, work or simply relax." Other examples of Wingate's latest evolution are evident in the new prototype that the brand introduced in March.

Rounding out the top three in the midprice category was La Quinta Inns & Suites, which moved up from fifth place in 2013. "Unlike many of our competitors, which strictly franchise, we are an owner as well as a franchisor, so we have a vested interest in the success of our hotels," said Wayne Goldberg, president & CEO of La Quinta Holdings, the brand's parent company. "We continue to invest in our hotels and in technology, including booking technology, to make it as convenient as possible for travel managers—and their travelers—to stay at La Quinta."

One other brand that deserves mention in this year's midprice listing is Quality Inn, which finished fourth. Part of Choice Hotels International, Quality Inn earned top marks in the important price/value ranking. 

— Bruce Serlen

## METHODOLOGY

*Business Travel News'* Hotel Chain Survey annually measures corporate buyer opinions of the lodging brands they use. *BTN* emailed readers responsible for corporate hotel-buying decisions, asking them to rate hotels, arranged by tier, with which they have conducted business in the past year.

The survey bases hotel-tier divisions on price-point data provided by STR Global along with industry knowledge of how buyers relate with specific brands. Buyers rated hotels in each segment on as many as 12 attributes, each on an ascending numerical scale from one to six. The highest average score for each attribute is listed in boldface.

The data is based on 368 respondents. *BTN* reported results only for hotel tiers and chains with significant respondent usage. The average score within each tier—which appears at the bottom of each table—also includes scores for brands that lacked sufficient usage to be included.

THE **PhoCusWright**<sup>®</sup>  
CONFERENCE

LOS ANGELES, CALIFORNIA USA  
NOVEMBER 11 - 13, 2014

**OCT. 31**  
Last Chance  
To Save

Where are you on  
**DISRUPTION'S  
CURVE**

Plan. Forecast. Budget. Technology changes; your competitors evolve. In a marketplace where no one is safe, anyone can be thrown a curve. That's why you can't afford to miss *The PhoCusWright Conference* - the industry's leading event for understanding the trends and technologies that connect you to today's travelers.

**REGISTER TODAY**  
phocuswrightconference.com  
+1 860 350-4084 x500

# THE WESTIN DIFFERENCE

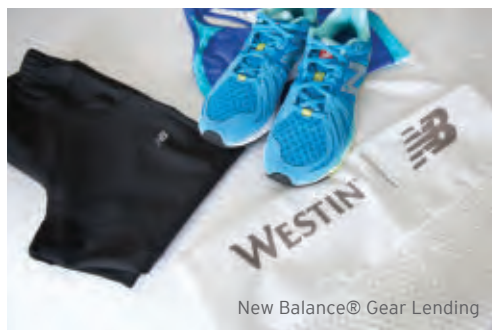
At Westin® Hotels & Resorts, our mission is to focus on the well-being of our guests. Our signature amenities are designed to enable your travelers to perform their best. Everything about their stay will leave them feeling better than when they arrived.

## SLEEP WELL

A good night's sleep is critical for mental and physical health. Your travelers get a restorative night's sleep in our Heavenly® Bed, where every detail promotes superior slumber, from the white, 250-thread count sheets to the down duvets and custom mattresses.



Heavenly Bed



New Balance® Gear Lending

## MOVE WELL

Exercise is known to improve focus and reduce stress. Our world-class fitness studios, New Balance® Gear Lending program and runWestin® local running maps help keep your travelers moving.

## WORK WELL

Tangent™ at Westin is a small, private meeting space for your travelers. It's available by the hour for groups of four and comes with free internet, office supplies and light snacks. Tangent is perfect for impromptu meetings, interviews and brainstorming.



Tangent™ at Westin





The Westin Cleveland Downtown



The Westin Washington, D.C. City Center



The Westin Wilmington



The Westin Sacramento

# REVITALIZING TRAVEL

*Westin Hotels continues to invest in building new hotels and renovating our current hotels to ensure every aspect of your travelers' stay is a revitalizing experience.*



## THE WESTIN CLEVELAND DOWNTOWN

Following a \$64 million transformation, this conveniently located hotel redefines the Cleveland landscape. It features 484 all-new guest rooms and the city's newest restaurant, Urban Farmer.



## THE WESTIN WASHINGTON, D.C. CITY CENTER

Experience the \$17 million dollar transformation of this vibrant hotel. The 406 guest rooms, 17,500 square feet of meeting space, public areas, lobby, fitness studio and restaurant have all been redesigned.



## THE WESTIN WILMINGTON

Enjoy modern technology and rejuvenating amenities in 180 guest rooms and suites. A 2,100 square foot state-of-the-art legal center provides private offices and a hospitality area for meals.



## THE WESTIN SACRAMENTO

Situated on the banks of the Sacramento River, The Westin Sacramento features river views, private balconies, an award-winning spa and restaurant and many newly refreshed guestrooms.

To learn more about how Westin helps your travelers perform their best on the road, and to make Westin Hotels the preferred choice for your travelers, call 866-500-8254



# Marriott's Residence Inn, IHG's Candlewood Suites Lead Extended-Stay Tiers

As extended-stay occupancy hit record levels this summer, Marriott International's Residence Inn and InterContinental Hotels Group's Candlewood Suites largely dominated their respective tiers in *BTN's* 2014 Hotel Chain Survey.

Besides earning the top overall score, each brand also swept every criterion in their respective categories save one. In the upscale tier, second-place Homewood Suites by Hilton—the top brand in 2013—earned the highest score for its public business amenities. In the midprice tier, second-place Extended Stay America, maintaining its ranking from last year, was rated highest for its corporate rate programs.

For both Residence Inn and Candlewood Suites, it was their first time in several years at the top of the survey ratings. Residence Inn's most recent first-place finish was in 2007, and Candlewood's was in 2003.

Marriott's TownePlace Suites, which had been the top-rated midprice extended-stay brand for three years running, did not generate a large enough sample size to be included in the ratings this year.

Overall, extended-stay brands showed the largest year-over-year increases in satisfaction of any tier, and no extended-stay brand's score declined compared with 2013. Mark Skinner, partner in extended-stay research firm The Highland Group, said that could be in part due to a "fair amount of renovation within a lot of products" in the tiers.

Residence Inn, the first extended-stay brand to launch in the United States nearly 40 years ago, has been upgrading the guest room décor, room layout and public spaces across much of its portfolio of more than 650 hotels, said vice president and global brand manager Diane Mayer. Guest room improvement features

include new desks, reoriented living-space arrangements and more use of natural light. For public spaces, the brand has left physical layouts largely untouched but has worked to create a style of "residential outdoor living," including adding fire pits, she said.

About half the brand's properties have made those changes, and about three-quarters will have done so by the end of next year, Mayer said.

"Tapping into that residential trend is key," she said. "Another key element is service, because the length of stay allows more of a personalized service, where employees get to know the guests well and understand what their special needs are."

Internet access has been another focus for the brand. It has upped the minimum bandwidth standard for its complimentary Internet offering, and now offers higher-bandwidth access for a fee, which is waived for upper-tier loyalty program members, Mayer said.

Residence Inn also has been introducing mobile check-in across the brand. It currently is deployed in hotels outside of North America and will launch at all hotels later this year, she said.

Candlewood, meanwhile, this year has focused on creating "greater consistency in guest experience" across the brand, which now stands at more than 300 properties, said Robert Radomski, vice president of global brand management for IHG's extended-stay brands. Part of that effort has been the expansion of the brand's "lending locker" amenity, from which guests

can borrow items like blenders, slow cookers and electric grills. More than half of Candlewood's properties this year added that feature, and about 80 percent of Candlewood's portfolio now does, Radomski said.


The brand is adding a feature to its Candlewood Cupboard honor-system convenience store to offer locally popular items at each location—a region's signature barbecue sauce or ice cream, for example, he added.

Sales training has been a priority at both brands. During the past few years, Residence Inn has worked with general managers to improve both sales and revenue management skills, according to Mayer.

"In the past, general managers at Residence Inn had come up through the sales ranks, but over time, they've been coming more through the operations ranks, so helping them develop their sales skills was a big impetus," she said. "This is so they can better lead their hotel in both on-property and off-property sales."

As a brand standard, every Candlewood hotel must have a dedicated director of sales, and the brand recently insourced its sales certification training after previously using a third-party facilitator, Radomski said.

In the United States, midprice and upscale extended-stay occupancy this year hit their highest levels since 2002, and overall U.S. extended-stay occupancy was higher than 80 percent during the second quarter, The Highland Group reported. Average daily rate for the second quarter, meanwhile, increased 7 percent to \$71.98 in the midprice tier and 3.6 percent to \$127.43 in the upscale tier, according to the firm.

"Hotels have been able to drive a bit more rate, because supply growth has been very limited on the national basis," Skinner said. "We're not going to see peak supply years until 2016 and 2017." 

— Michael B. Baker

## UPSCALE EXTENDED STAY

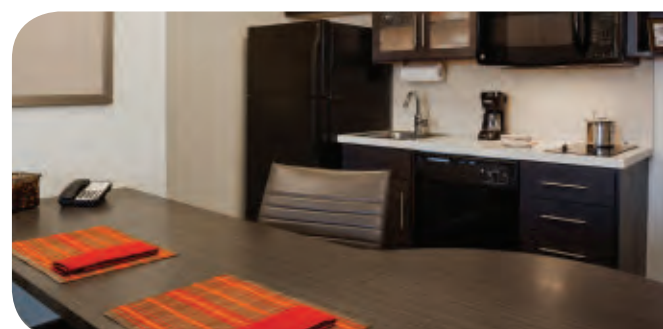
Brand	Quality of sales staff	Consistency of offering	Corporate rate programs	Quality of data	Helpful/courteous service	Physical appearance	Public business amenities	In-room business amenities	In-room personal amenities	Price/value relationship	Total
Residence Inn	<b>5.14</b>	<b>5.18</b>	<b>5.14</b>	<b>5.19</b>	<b>5.29</b>	<b>5.25</b>	5.10	<b>5.30</b>	<b>5.21</b>	<b>5.42</b>	<b>5.22</b>
Homewood Suites	4.91	5.04	4.84	4.67	5.07	5.16	<b>5.11</b>	5.08	4.89	5.13	4.99
Staybridge Suites	5.00	5.08	4.92	4.67	5.08	4.92	5.00	4.92	4.58	5.17	4.93
<i>Tier average</i>	<i>4.99</i>	<i>5.03</i>	<i>4.80</i>	<i>4.59</i>	<i>5.03</i>	<i>5.06</i>	<i>5.01</i>	<i>5.00</i>	<i>4.85</i>	<i>5.07</i>	<i>4.94</i>

## MIDPRICE EXTENDED STAY

Brand	Quality of sales staff	Consistency of offering	Corporate rate programs	Quality of data	Helpful/courteous service	Physical appearance	Public business amenities	In-room business amenities	In-room personal amenities	Price/value relationship	Total
Candlewood Suites	<b>4.69</b>	<b>4.71</b>	4.43	<b>4.38</b>	<b>4.69</b>	<b>4.54</b>	<b>4.54</b>	<b>4.75</b>	<b>4.58</b>	<b>4.58</b>	<b>4.59</b>
Extended Stay America	4.61	4.37	<b>4.53</b>	4.28	4.61	4.26	4.32	4.32	4.39	4.44	4.41
<i>Tier average</i>	<i>4.57</i>	<i>4.51</i>	<i>4.47</i>	<i>4.31</i>	<i>4.63</i>	<i>4.42</i>	<i>4.36</i>	<i>4.41</i>	<i>4.38</i>	<i>4.48</i>	<i>4.45</i>



# Unpack. Unwind.



At Candlewood Suites® hotels, we offer a more casual kind of longer stay, including all of the comforts and conveniences you need to be at your best while on the road.



## CANDLEWOOD SUITES

CandlewoodSuites.com | 1.888.Candlewood



Extended Stay Rates • Comforts of Home™ Bedding Collection • Fully-equipped Kitchens  
Free high-speed internet • Pet Friendly • Candlewood Cupboard® • Candlewood Gym®  
Outdoor Gazebo Grill • Free Laundry • Lending Locker



# TMC Subscription Pricing Would Benefit All



**BY CRAIG FICHELBERG**  
CO-FOUNDER AND PRESIDENT  
AMTRAV

**T**ravel management company pricing has become stale and outdated. The fee-per-transaction model surfaced 20 years ago when the airlines cut commissions. The industry's knee-jerk reaction to offset the lost revenue was to charge a fee for each transaction.

Over the years, that one fee has multiplied into a nauseating fee menu. A booking may start with a simple \$9 online fee, but as the trip progresses the fees quickly accumulate, and what started as a \$9 fee could end up at hundreds of dol-

lars. Today there are change fees, after-hours fees, hotel/car-only fees, offline fees, prepaid hotel fees, international fees, VIP fees, upgrade fees, expense management fees, reporting fees and soon there will be open-booking fees. The list goes on and on. At a time when new business travel models are surfacing, designed to pull travelers away from their TMC, the industry needs a more traveler-centric pricing model that provides a better incentive for travelers to stay with their TMC.



The company would account for the TMC cost once per month, and the travelers would not have to concern themselves with any fees on credit card statements or expense reports—a huge economic savings. TMCs should look to simplify travel and reduce costs, not further complicate travel with the administrative nightmare associated with reconciling so many fees.

The TMC also benefits from subscription model pricing. Most obvious, invoicing each trip is dramatically simplified. The same fees that the traveler and company need to reconcile, the TMC needs to charge. Billing would be straightforward, simple and done once a month. Second, a TMC could package services into different monthly pricing bundles and allow companies to self-select the package that best fits their needs. Third, with TMC fees clearly separated from vendor charges it will be much easier for a TMC to justify their value by comparing savings through vendor contracts and travel policy to their monthly fee.

Travel management companies should look to simplify travel and reduce costs, not further complicate travel with the administrative nightmare associated with reconciling so many fees.

Enter the subscription model.

Imagine a scenario in which the company pays a fixed amount per traveler per month. The more the traveler uses the TMC, the more the company maximizes its monthly subscription value. Gone would be the days of booking away from the TMC to try and reduce company costs at the expense of service. The tides would be turned.

The benefits extend well beyond the obvious cost savings. A monthly fee per traveler eliminates an enormous administrative headache for both the traveler and the company. At some point, the multitude of fees for a trip need to be accounted for. In a subscription model these fees disappear.

But most importantly, the subscription model addresses a challenge in the marketplace today that threatens the existence of the TMC model. Naysayers claim that travelers are better off booking outside of the TMC channel. But business travelers need service and support that they are not getting going direct. The current transaction-fee model discourages travelers from booking with a TMC. A subscription fee changes the traveler incentives. The door that the TMC has been slowly closing on its travelers is now wide open, and everyone benefits. 🚀

*AmTrav is a Chicago-based travel management company.*

**LOUIS MAGLIARO**, Group Publisher  
(973) 769-0028 lmagliaro@thebtngroup.com

**ANTHONY CARNEVALE**, Associate Publisher  
(201) 902-1976 acarnevale@thebtngroup.com

**EDIE GARFINKLE**, Advertising Director  
Tel: (720) 542-9371 Fax: (805) 832-6676  
egarfinkle@thebtngroup.com

**MARY ANN McNULTY**, Director, Content Solutions  
(630) 519-4510 mmculty@thebtngroup.com

**ELIZABETH WEST**, Executive Editor, Content Solutions  
(732) 494-1955 ewest@ntmlc.com

**MARIZA MOREIRA**, Group Design Manager  
(201) 902-1965 mmoreira@ntmlc.com

**ALICIA EVANKO-LEWIS**, Vice President Events,  
The BTN Group, Travel Weekly, PhocusWright  
(646) 902-6244 aevanko@ntmlc.com

**TAHNEE PERRY**, Group Marketing Director  
(646) 380-6272 tperry@ntmlc.com

**LINDSAY STRAUB**, Marketing and Events Associate  
(646) 380-6274 lstraub@thebtngroup.com

#### Hawaii

**DEBBIE ANDERSON**, Destination Marketing Hawaii  
Tel: (808) 739-2200 Fax: (808) 739-2201

#### Canada

**CYNDY FLEMING**, Publicitas APR  
Tel: (416) 363-1388 Fax: (416) 363-2889

#### Mexico

**JUAN MARTINEZ DUGAY,**  
**PALOMA MARTINEZ**, Towmar  
(011) 52-55 2122-3900  
jmdugay@towmar.com  
pmartinez@towmar.com

#### Japan

**MICHIKO KAWANO**, Pacific Business Inc.  
kawano-pbi@gol.com

#### Korea

**JUNG WON SUH**, Singesi Media  
Tel: 82-2-3275-5969 Fax: 82-2-785-8225

#### Singapore

**LAVENDER TAN**, AL Media  
Tel: (65) 9752 8613 Fax: 65-6469-8028  
e-mail: lavtan@singnet.com.sg



100 Lighting Way  
Secaucus, NJ 07094  
www.northstartravelmedia.com

**Chairman and Chief Executive Officer**  
Thomas L. Kemp

**Chief Financial Officer**  
Lisa Cohen

**President/Travel Group**  
Robert G. Sullivan

**Executive Vice President, Digital Media**  
Thomas Cintorino

**Senior Vice President/Group Publisher**  
Bernard Schraer

**Senior Vice President/Editorial Director**  
Lori Cioffi

**Senior Vice President/Editorial Director**  
Arnie Weissmann

**Senior Vice President, Human Resources**  
Janine L. Bavoso

**Vice President, Marketing Solutions**  
Michelle Rosenberg

**Vice President, Content Licensing**  
Sheila Rice

**Vice President, Product Development and Production**  
Roberta Muller

**Vice President, IT Infrastructure and Operations**  
Richard Mastropietro

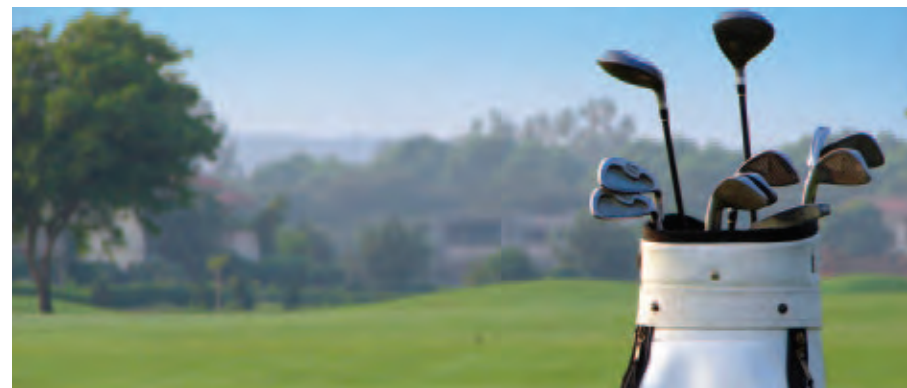
**Vice President, Database Products**  
Elizabeth Koesser

# BUSINESS TRAVEL INDUSTRY shoot out



PRESENTED BY  
**BTNGROUP**

Thank you to our sponsors for their support of the second annual Business Travel Industry Shoot Out, held September 16 at the Sleepy Hollow Country Club in New York.



SPONSORS



**DELTA**



MasterCard

PRODUCED BY

**BTNGROUP**

CONFERENCES

For more information about next year's Shoot Out and other BTN Group conferences:  
Anthony Carnevale, Associate Publisher  
[acarnevale@thebtngroup.com](mailto:acarnevale@thebtngroup.com)

Visit [www.businesstravelnews.com/calendar](http://www.businesstravelnews.com/calendar)



# Your schedule is nonstop. Luckily, so is ours.

Introducing 17 new nonstop destinations nationwide to and from Dallas (Love Field). At Southwest®, we're always giving your team more nonstops to the places they need to go. Find out more at [southwest.com/corporatetravel](https://southwest.com/corporatetravel).

**Southwest**®  
Corporate Travel

**Service starts 10.13.14:** Baltimore/Washington (BWI) • Las Vegas • Denver • Orlando • Chicago (Midway) • Los Angeles (LAX) • Washington, D.C. (Reagan National) • **Service starts 11.2.14:** Tampa Phoenix • New York (LaGuardia) • Atlanta • Ft. Lauderdale • Nashville • San Diego • Orange County/Santa Ana • **Service starts 1.6.15:** Oakland (San Francisco Bay Area) • San Francisco (SFO)