

ROADMAP WINS BTN 2015 INNOVATE AWARD **PG 20**



**Business** Travel News

October 12, 2015

# HOTEL BRAND SURVEY 2015

**WINNERS CONSISTENTLY DELIVER ON THE CORPORATE TRAVEL  
EXPERIENCE; TOP SPOTS CHANGE HANDS**

Page 10

ADVERTISING COVER



# BusinessTravelNews

October 12, 2015

UNITED



A STAR ALLIANCE MEMBER 

rewarding  
relationships

friendly

*Committed to building and  
maintaining relationships by  
understanding your needs and  
delivering solutions that matter.  
fly the friendly skies®*

## Making it easier and more efficient to do business with us



### Reliability

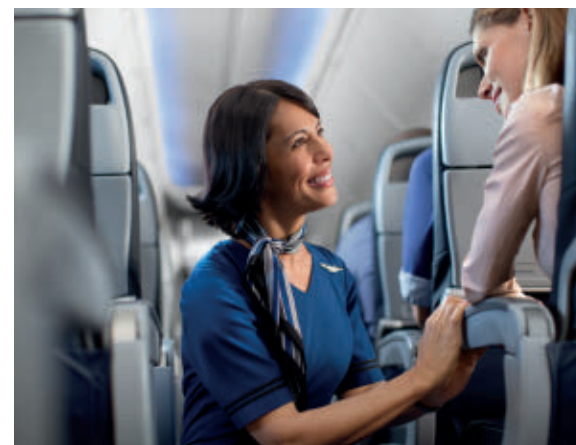
As always, we're committed to ensuring that our customers get to their destinations safely and on time. We are making a significant investment in improved systems and operational performance metrics like on-time departure and arrival rates. And we're already seeing great progress, especially in some of our largest markets such as New York City and Chicago.

### Tools that enable and empower

Our agency self-service tools are one way that we're delivering on our commitment to make it easy to do business with us. Our new, more flexible agency rebooking parameters make it easier for you to assist customers. We're also developing a new corporate and agency customer website, built with you in mind, which will combine powerful self-service reporting and transactional tools to make it easier than ever to get the information and services you need.

### Recognizing that relationships matter

Our sales team is dedicated to building and maintaining a rewarding and productive relationship with each of our customers. We aim to be the industry's most visible and accessible sales force, and we'll spend time with you to make sure that we understand your unique business needs. In conjunction with our Executive Desk and our inside sales support team, we are here for you 24/7, 365 days a year.



**fly the friendly skies<sup>®</sup>**

**Thank You Again**

 **BusinessTravelNews**



David Kong  
President and Chief Executive Officer  
Best Western Hotels and Resorts

Thank you for recognizing Best Western PLUS® as the top-rated hotel chain in the upper midprice category. We greatly appreciate this honor.

It's been our pleasure, from all of us at Best Western Hotels and Resorts®, to serve you.

**bestwestern.com**

Each Best Western® branded hotel is independently owned and operated.

Best Western and Best Western marks are service marks or registered service marks of Best Western International, Inc. ©2015 Best Western International, Inc. All rights reserved.

“Vendors are recognizing that what is in the best interest of the business traveler is in the best interest of the vendor.”  
—ROCKETRIP CEO DAN RUCH, PAGE 6



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

**ELIZABETH WEST**  
Editor-in-Chief  
(732) 494-1955  
ewest@thebtngroup.com

**JAY BOEHMER**  
Editor-in-Chief, *The Beat*  
(646) 380-6249  
jboehmer@thebtngroup.com

**AMANDA METCALF**  
Managing Editor  
(646) 380-6248  
ametcalf@thebtngroup.com

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

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

**JULIE SICKEL**  
Associate Editor, Lodging  
(646) 380-6264  
jsickel@thebtngroup.com

**JENNIFER RUF**  
Contributing Art Director

**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

**KWAFO ANOFF**  
Director of Circulation  
(201) 901-2103  
kanoff@ntmlc.com

We welcome your letters, comments and feedback. Contact the editor-in-chief at ewest@thebtngroup.com.

For breaking news and original research and to search articles since 1996, visit **businesstravelnews.com**.

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

SUBSCRIPTION SERVICES

Tel: (800) 869-6882  
Fax: (866) 658-6156  
btn@kmpsgroup.com  
Business Travel News  
P.O. Box 47655  
Plymouth, MN 55447

LIST RENTAL

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

E-MAIL INFORMATION

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

REPRINTS OR COPYRIGHT PERMISSION

**BRETT PETILLO**, Wright's Media  
(877) 652-5295  
bpetillo@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

© ALL RIGHTS RESERVED



*Prize-winning innovation: Roadmap wins BTN's 2015 Innovator Award • Roadmap CEO Jeroen van Velzen (pictured here) on promoting travel app engagement • What the judges saw, both good and bad, in other Innovation Lab tech tool competitors **Page 20***

**On The Horizon 4**  
2016 will bring growing food and beverage costs, tighter cancellation policies from hotels and an increased focus on compliance from travel managers.

**Metrics 8**  
Intercontinental business fares will flatline while average daily rates rise in North America and Europe in 2016. How other regions will fare, plus high-speed rail hot spots.

**Hotel Brand Survey 10**  
Four Seasons, Westin, Hyatt Place, Best Western Plus, Wingate by Wyndham, Homewood Suites and Candlewood Suites top their respective tiers. A look at what the top brands in each hotel segment have been doing to win the praise of travel buyers.

**Technology 26**  
NuTravel brings on Southwest vet to build direct-to-customer online portals for airlines • Routehappy gains more funding.

**Transportation 28**  
Deem's lawsuit against Travelport doesn't mean Deam content will disappear from the GDS • TSA adapts PreCheck program • Analysts see upside in Smisek's departure from United.

**Lodging 30**  
DOJ OKs Orbitz-Expedia merger • Travel management companies team with Olset to guide travelers to well-matched hotels • Best Western's refreshed branding.

**Management 32**  
Travelers want their corporations to recommend apps • Travel buyer salaries continue their climb.

**Payment & Expense 34**  
Deem's bet is on an end-to-end suite of software, as opposed to stand-alone apps.

**Distribution 35**  
Just over half of agents are increasing GDS use for hotel bookings • Judge calls off trial by judge for US Airways v. Sabre • ETTSA files complaint against Lufthansa.

**Procurement 38**  
2016 corporate hotel rates could make biggest jump in three decades • Hotel room nights booked through HRG picked up during the first half of 2015 • ADR dipped in Middle East and Africa in August.

**Perspective 40**  
Airbnb is like online dating. Dynamic inventory responds to market needs, and specialized content waits behind well-curated profiles.

## Price Of Meetings & Events To Vary By Region

BY JULIE SICKEL

Global hotel prices are expected to increase 2.5 percent year over year, and the price paid by meeting and event planners likely will differ vastly by region, according to CWT Meetings & Events' 2016 forecast.

Trends expected for 2016 include tighter hotel cancellation policies, growing food and beverage costs and an increased focus on compliance. "Many companies will try to harness their combined spend as they look for ways to cut costs and improve program efficiency and control," said CWT M&E

the ability to sell unneeded rooms, opting not to hold space while responding to availability requests and limiting the hold window for such requests.

### Regional Outlook

North American hotel prices are forecast to increase 4.3 percent year over year, as demand growth in both the transient and group space continues to outpace supply growth. CWT M&E expects the volume of meetings held domestically to increase next year and projects group size to grow 2 percent. Cost per attendee per day will increase

2 percent, while prices in Western Europe are forecast to increase 0.7 percent. The forecast reports that while European interest in SMM is growing, some companies continue to struggle with the diversity of the countries and cultures across the region. Additionally, suppliers in the region have created stricter attrition and cancellation clauses. Group size is expected to increase 1.2 percent from 2015, and cost per attendee per day should decrease 0.4 percent.

Hotel prices in Asia/Pacific are expected to increase 3 percent. Though

global clients that have a presence in Asia/Pacific are looking to implement SMM programs for improved control and cost savings but not at the expense of local business needs.

In Latin America and the Caribbean, hotel prices are forecast to increase 3.7 percent. This year, corporate group size in the region dropped by almost 10 percent from 2014 levels as a result of worsening economic conditions in Brazil and Argentina. In 2016, group size is predicted to drop 1.5 percent. CWT M&E reports that the pharmaceutical industry should drive meetings growth as North America-based companies expand their meetings and events programs and visibility in the region. Cost per attendee per day is expected to increase 1 percent. ↗



"Many companies will try to harness their combined spend as they look for ways to cut costs and improve program efficiency and control. This will continue to drive increased interest in strategic meetings management and consolidation."

—CWT M&E'S DAVID MORAN

executive vice president David Moran. "This will continue to drive increased interest in strategic meetings management and consolidation."

Further trends predicted in high-demand markets include hotels using harsher revenue-management tactics for group rates, limiting rebooking dates or

4.5 percent, with food and beverage continuing to be a significant driver of that metric.

In Europe, CWT M&E reports, buyers are gaining greater negotiating power as the region sees slow but steady growth. Hotel prices in Eastern Europe are expected to increase

economic uncertainty threatens to affect regional growth, China and India likely will drive demand, compensating for deficiencies in the region. Group size is expected to increase 11 percent, and cost per attendee per day is predicted to grow 5 percent. CWT M&E reports that

## Who Are The Top 25 Industry Execs?

Before *BTN* announces its 2015 25 Most Influential Executives in the Business Travel Industry in December, we want to hear from you. Who should be on that list? Think buyers, suppliers, consultants, public policymakers and association leaders who exerted the most influence this year. Email [dmeyer@thebtngroup.com](mailto:dmeyer@thebtngroup.com) with a bit of information about each nominee's accomplishments.

### Alaska Airlines, Icelandair Agree To Codeshare

**Alaska Airlines** and **Icelandair** will begin a codeshare agreement on Nov. 1, pending regulatory approval. The agreement would bring integrated ticketing, one-stop check-in and baggage handling, and coordinated schedules between the two carriers. They also began offering reciprocal mileage accrual on their respective frequent-flyer programs on Oct. 1. Alaska and Icelandair previously had a frequent-flyer partnership from 2010 to 2013.

### United Plans Nonstop Service To Central China

**United Airlines** plans the first transpacific nonstop service to Central China's Xi'an. United has applied to the U.S. Department of Transportation to operate between Xi'an and San Francisco three times per week between May 8 and Oct. 27 using Boeing 787 Dreamliner aircraft.

### Lufthansa's Short-, Medium-Haul Flights To Get Wi-Fi

**Lufthansa** is partnering with satellite telecommunications supplier Inmarsat to install broadband Internet on short- and medium-haul flights in early summer 2016, enabling passengers to use mobile devices via a wireless network. Lufthansa will not allow on-board telephone calls owing to customer preference. It already has equipped all planes in its intercontinental fleet with its FlyNet broadband system.

### JFK's First Hotel Approved

New York's John F. Kennedy International Airport is on track to get its first on-airport hotel. **The Port Authority of New York & New Jersey Board of Commissioners** approved JetBlue Airways and hotel developer MCR Development's \$265 million conversion of the TWA Flight Center into a 505-room hotel, according to New York Gov. Andrew Cuomo. Construction is slated to begin next year, and the hotel is expected to open in 2018.

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

October 12, 2015 Issue 790 Vol. 32, No. 15

Business Travel News (USPS 0728-870, ISSN 8750-3670) is published monthly except semi-monthly in March, April, June, July, September and October 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, N.J. and additional mailing offices. Business Travel News is a trademark owned exclusively by Northstar Travel Media. Copyright © 2015 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 Business Travel News, P.O. Box 47655, Plymouth, MN 55447; by phone at (800) 869-6882; fax (866) 658-6156; e-mail: [btn@kmpsgroup.com](mailto:btn@kmpsgroup.com); or website: <http://reforms.kmpsgroup.com/jointforms/Forms/Subscription.aspx?pubcode=BTN> POSTMASTER: Send change of address to Business Travel News, P.O. Box 47655, Plymouth, MN 55447. Printed in the USA.



# EMBRACE YOUR INNER KNOW-IT-ALL WITH SKY PARTNER PERFORMANCE+.<sup>SM</sup>

The first on-demand contract reporting app in the industry gives you access anytime to up-to-date contract reports. Now you can check your Edge Points\* balance daily and track up to five months of travel bookings in advance. Giving you all the answers, all the time — that's building our business around the needs of yours.

[DELTA.COM/EDGE](https://delta.com/edge)



KEEP CLIMBING  
 

\*All Edge Points Program Rules apply and can be requested from your Delta Sales Account Executive.



*Cisco Systems senior global travel manager Carlos Almendros on his company's plans to transition its Asia/Pacific hub agents to virtual workers, rather than in-office employees, following similar, successful moves in its Americas hub and Europe, Middle East and Africa hub:*

“Technology plays a big part in this. In places like India, it's not so easy to do because there are broadband and phone challenges. Service providers there have regulations around domestic and international calls.”

■

*Lufthansa German Airlines vice president of the Americas Juergen Siebenrock on reports that Lufthansa's GDS bookings have diminished since it instituted a €16 Distribution Cost Charge on Sept. 1:*

“I don't know how that happened, but it is unfortunate because when you look at the data, you have to be very careful. There are some underlying effects here. We had a strike last year. There was a labor issue. There was an Air France strike. We had strikes this year. There might be a shift in ticket stock and booking channels. From our point of view, our bookings look stable, but we are very cautious. We look at this data every day ... but we have to see. Four weeks is not long enough to say where the journey is going to go. From our point of view, we are very careful at making any prognosis at the moment.”

*Lufthansa German Airlines chief commercial officer Jens Bischof on his company's “advanced talks” with technology providers to implement direct connect solutions:*

“[Lufthansa Group has] invested a lot recently in allowing direct connect solutions. ... We're also in talks with TMCs and have invited them to work together with us on these solutions, and I'm quite confident that we'll be able to achieve significant progress over the next couple of weeks and month.”



*Sabre GetThere president Yannis Karmis on Cisco Systems' demands for an end-to-end mobile platform that both satisfied policy controls and provided a satisfying user experience:*

“Cisco's expectation was an ‘and’ not an ‘or’—not, ‘How do I make a trade-off?’” Karmis explained. “Getting teams aligned on this can't be an exercise in making trade-offs. It has to be about finding ways to deliver on the value proposition.”

## Rocketrip CEO Dan Ruch Talks Traveler-Centric Future



It's hard to put corporate travel startup Rocketrip in a box. The real-time trip budgeting tool is banking on managed travel evolving into an employee-centric environment. It's a world in which corporations may have to entice employees to save money. Rocketrip offers a solution.

The technology lets clients scan available air, hotel and car rental rates to return an estimate of how much a business trip should cost before the traveler makes a booking. That's Phase 1. Phase 2: The incentive piece kicks in. If a traveler books the trip and beats the estimated budget, he or she earns points based on the percent savings. Phase 3: Travelers redeem points, choosing incentive items that matter for them. Golf clubs, check. Gift cards, check. Flights, check. Rocketrip also has forged partnerships with Airbnb, Expedia and a host of other travel providers.

Rocketrip has announced a partnership with Virgin America that essentially gives the carrier preferred status within the tool. *BTN* editor-in-chief Elizabeth West caught up with Rocketrip CEO Dan Ruch on the eve of the announcement.

**Business Travel News: Why does this partnership with Virgin America matter?**

**Ruch:** The entire market is moving to an employee-centric model. Mobile devices, the sharing economy ... everything is forcing travel management to think differently. We really thought the last adopters would be traditional legacy vendors. For me, this [partnership] signals that vendors are recognizing that what is in the best interest of the business traveler is in the best interest of the vendor. It's a signal that it's not just about getting a cost-insensitive traveler to spend more.

**BTN: But doesn't Virgin America already have a more progressive outlook on customer-centricity than what we typically think of as a legacy carrier?**

**Ruch:** They've always catered to a more progressive audience in everything they do with their brand, pricing and markets they service. [It's] all done with the customer they want to service in mind. It's not United's typical customer; it's not Delta's typical customer. Virgin is the fun airline, and they've catered to that market. They've struck their own partnerships with Airbnb and Uber. Partnering with Rocketrip is playing into this market. They need to be where travelers are. Instead of coercing companies to push traffic to them, they are meeting employees where employees want to be.

**BTN: Do you mean within Rocketrip?**

**Ruch:** Effectively Virgin becomes Rocketrip's preferred airline. It's definitely not a forced choice, so we promote and recommend Virgin America but users are free to book however—and with whatever supplier—they want to book. The benefit to Virgin America, though, is that they get a way to engage with a growing network of business travelers who in many cases travel

frequently but don't have hardened loyalties to one existing legacy carrier. Effectively, they get a chance to win over a very high-value customer by offering a better value proposition right at the point of booking. So they are meeting users where they are and not forcing them into a funnel they don't want to be in.

That's on the budget side. On the redemption side, [Rocketrip is] a massive e-commerce biz where employees redeem [reward points] for value. Along with Virgin America elite status, [various] gift cards, American Express cash and Callaway golf clubs, etc., employees can now convert their Rocketrip points into Virgin America's Elevate [frequent-flyer] program. This is massive. It effectively allows employees to convert their rewards from their corporate travel program to personal travel.

**BTN: That seems fine for your customers operating in a fairly open environment but might not play well in more tightly managed programs. Do you have clients like that?**

**Ruch:** With all our partner agreements with all redemption providers, we reserve the right to remove them from the platform for clients with a conflict of interest. If we are working with a client who has a strong existing relationship with United, we would simply remove the opportunity for employees to redeem any rewards or transfer any points to Virgin America. That's at the discretion of each client. We want to meet employees where they are, but we also have to do that to the extent that it is permissible by the client.

**BTN: Do you see extending relationships like this to other “legacy”-type vendors, as you describe them?**

**Ruch:** Our focus is to find and identify partners who believe what we believe: that an employee-centric model makes sense in this new world. We went to Virgin because of their work with Airbnb, Uber and others. We felt they would align. Most of the work we do in regard to partnerships on the vendor side is done based on analysis of customer behavior. We look at the data our clients provide to us in terms of where they're booking travel today. We look to do preferred partnerships with vendors our users are engaged with organically. We saw a significant volume of travel going to Virgin. There was an opportunity for Virgin to capture a wide share of that wallet, but also their value aligns with our users' interest. It's the reason we engaged with Airbnb and the reason we are talking to some of the other hotel vendors now. It's based on looking at where users are going organically and then making the process of booking more seamless by integrating the vendors into the platform. ➔

# SMM 2015

## Strategic Meetings Management and Purchasing Practices

Find out about the practices put in place by companies that have developed advanced strategic meetings management programs.

Examine the highlights of a recent survey of corporate meeting buyers focused on program and per-attendee cost recaps and forecasts as well as measurements of strategic program maturity and technology deployment.

Join The BTN Group and cosponsors Carlson Wagonlit Travel, Crowne Plaza and Delta for this presentation of the research highlights with additional commentary from two accomplished travel management practitioners.

### AMONG THE FINDINGS TO BE DISCUSSED:

- Strategic Meetings Management maturity
- Meeting cost outlook
- Involvement of travel and procurement departments
- Use of preferred hotel properties

THURSDAY  
**OCTOBER 29, 2015**  
 1pm EDT / 10am PDT



**DEBI SCHOLAR**

Corporate Strategic Meetings Management Executive



**KARI WENDEL**

Senior Director of Global Strategic Meetings Management Strategy and Solutions

Carlson Wagonlit Travel



MODERATOR

**DAVID MEYER**

Editorial Director  
 The BTN Group

**REGISTER at [www.BusinessTravelNews.com/Webinars](http://www.BusinessTravelNews.com/Webinars)**

PRESENTED BY



SPONSORED BY



# 2016 BUSINESS TRAVEL PRICING PROGNOSIS

Excerpts From Advito's 2016 Industry Forecast

FROM 2015 TO 2016, INTERCONTINENTAL BUSINESS CLASS AIRFARES WILL FLATLINE IN ...



**1%** NORTH AMERICA | **0%** EUROPE | **0%** ASIA

BUT THEY'LL DIP IN ...

**2%** LATIN AMERICA | 
 **3%** MIDDLE EAST | 
 **2%** AFRICA | 
 **3%** SOUTHWEST PACIFIC

↑ Economy fares will dive 5%

## NORTH AMERICA'S AIRFARE OUTLOOK

**2. Low-cost carriers** will continue to pump up capacity.

**3. Traditional carriers** will have to add capacity to maintain market share

**4. Airfares** will fall.

What Advito Expects To Happen

**1. Oil prices** will stick at \$60 a barrel.

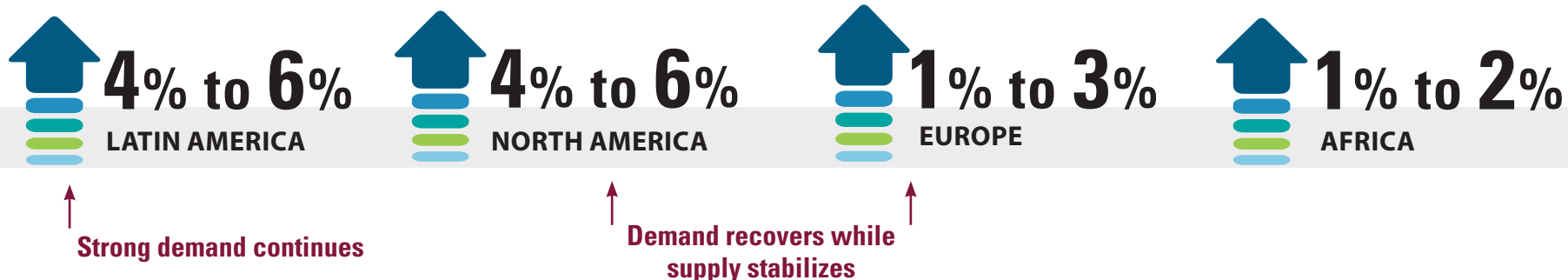
What else **could** happen

1. Oil prices fall.  
2. Airlines add capacity.  
3. Fares lower.

OR

1. Oil reaches toward \$100 a barrel.  
2. Airlines cut capacity.  
3. Fares rise.  
4. Demand falls.  
5. Go back to Step 2.

HOTEL AVERAGE DAILY RATES  
WILL CLIMB IN ...

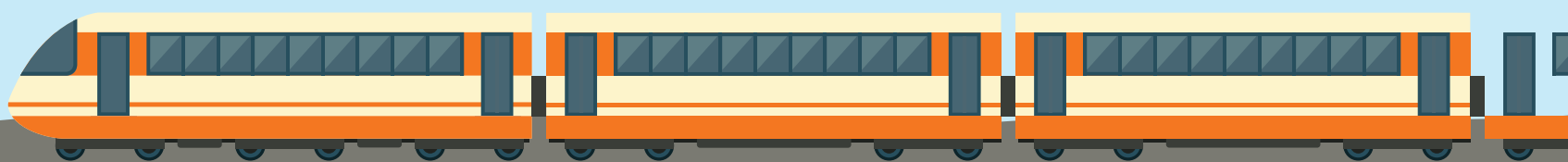


THEY'LL STAY STILL IN ...



HIGH-SPEED RAIL  
TRACKER ...

<b>MEXICO</b>	Country has suspended plans for first high-speed line, Mexico City-Queretaro, twice in past 16 months
<b>EUROPE</b>	Rate of high-speed line openings has slowed Berlin-Munich line almost done
<b>ASIA</b>	China's high-speed network passed 20,000 kilometers in June Guangzhou-Hong Kong opening pushed from 2015 to 2018 90-minute Kuala Lumpur-Singapore line that could carry 100,000 per day likely to open after 2020 target
<b>BRAZIL</b>	Rio de Janeiro-Sao Paulo line on drawing board
<b>SAUDI ARABIA</b>	First high-speed line, Mecca-Medina, to open this year and carry 3 million per year
<b>MOROCCO</b>	Africa's first high-speed line, Tangier-Casablanca, expected in 2017
<b>UNITED STATES</b>	High-speed is long way off Amtrak's Northeast Corridor carried a record number of passengers in fiscal year 2014



# HOTEL BRAND SURVEY 2015

MOBILE APPS, AMENITIES & A FOCUS ON THE GUEST EXPERIENCE,  
PARTICULARLY FOR MILLENNIALS, PROVE KEY

BY JULIE SICKEL

**C**orporate travel buyers are placing a high value on traveler experience, as illustrated by *BTN's* 2015 Hotel Brand Survey, in which buyers gave top marks to brands that have made an effort to deliver.

*BTN's* survey ranked brands across seven tiers. Of the first place finishers, only two were repeat winners from 2014: Best Western Plus and InterContinental Hotels Group's Candlewood Suites. Additionally, no multi-brand company had more than one first place finisher.

Overall, Marriott International had the strongest performance, with five brands—Ritz-Carlton, Marriott, SpringHill Suites, Residence Inn and TownePlace Suites—ranking in the top three in their tiers. Starwood Hotels & Resorts and Hyatt Hotels each had three

brands finish in the top three of their respective tiers, while IHG and Hilton Worldwide each had two.

#### Keeping Pace With Trends

All the first place brands in this year's survey have some form of mobile app. Four Seasons, which placed first in the luxury segment, was the most recent to add one, in June.

Bjorn Hanson, a clinical professor at New York University's Tisch Center for Hospitality and Tourism, said a hotel's app can be a bellwether of brand philosophy. "The apps are representative of a brand's attitude as perceived by travelers or corporate buyers or meeting planners," Hanson said. "Often, the companies that have the apps have also done things with food and beverage concepts or

lobby functionality, such as high-speed Internet access. It's more part of a package of them trying to respond to younger travelers."

Indeed, the leading brands in each tier have made efforts to appeal to modern travelers and Millennials, investing in more than just new pillows and better breakfasts. "If you look at what we've learned from really studying the next-generation traveler, they've grown up combining business and leisure," said Janis Milham, Marriott senior vice president of modern essentials and extended-stay brands. "They combine work and play all the time, so we've had to think about our designs, our decor, our rooms, our lobbies, in combining elements of those. It's table stakes these days."

The U.S. lodging industry's investment in improvements like new in-room amenities, faster Internet and upgraded technology systems in 2015 is expected

**"Brand consistency used to mean every hotel looked the same. Now, brand consistency means the experience is more the same [and] I don't mean the color of the wallpaper in the lobby. It's just kind of the feel and attitude of the property."**

—New York University Tisch Center for Hospitality and Tourism's Bjorn Hanson

#### Methodology

For its annual Hotel Brand Survey, *BTN* emailed readers who are 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 and on industry knowledge of how buyers relate with specific brands. Buyers rated hotels on as many as 12 attributes on an ascending scale from one to six. The highest average score for each attribute is emphasized.

The data is based on 283 respondents. *BTN* reported results only for hotel tiers and brands with significant respondent usage.

to total \$6.4 billion, a 7 percent year-over-year increase, according to an analysis by the NYU Tisch Center. Among the most expensive changes that brands required in 2015 were changes to bathrooms and replacing tubs with walk-in showers, new or enhanced fitness facilities and redesigned lobbies geared toward Millennials.

"Brand consistency used to mean every hotel looked the same," Hanson said. "Now, brand consistency means the experience is more the same. In general, whether it's Westin or Hyatt Place or Springhill Suites, those create a very uniform experience, and ...

I don't mean the color of the wallpaper in the lobby. It's just kind of the feel and attitude of the property."

Brands that heighten that guest experience and provide a consistent product will maintain positive relationships with travel buyers as corporate hotel rates climb. While Advito, the consulting arm of BCD Travel, projects hotel rates in North America to rise between 4 percent and 6 percent, NYU's Tisch Center expects hikes of 6.5 percent to 7.5 percent, the upper end of which would mark the largest increase in three decades.

Keep reading for detailed reports on the luxury, upscale, midprice and extended-stay segments.

**1** best hotel value

**2** fully equipped kitchen with full-size fridge

**3** 631 properties in the U.S. and Canada

**4** instant rewards no points required

**5** direct billing opportunities

**6** free grab-and-go breakfast

**7** dedicated sales reps

**8** easy mobile booking

**9** free in-room wi-fi

**10** see reason #1

**top ten** reasons to choose us

1.800.EXT.STAY  
ExtendedStayAmerica.com

**extended STAY AMERICA**

# Four Seasons, Ritz-Carlton Lead Luxury Tier

Four Seasons is back on top after placing second in 2014 behind Mandarin Oriental, which dropped out of this year's survey entirely. Four Seasons is no stranger to first place though, having come in at No. 1 in 2013, 2011 and every year from 2006 to 2009. "[Corporate travelers] have fueled our success and expansion from the beginning," said Four Seasons senior vice president of global sales Jonathan Sicroff. "Corporate travelers really appreciate and need our services. We try to get the basics right and try to make our facilities and locations appropriate for them."

The brand swept nearly every category rated by travel buyers, from quality of sales staff to overall price/value. It also received a higher overall score than last year's victor. Sicroff attributes its success to recent introductions like beds with interchangeable soft, medium and firm mattress

## Luxury Brand Satisfaction Ranking

★	Four Seasons	5.44
②	Ritz-Carlton	5.23
③	Grand Hyatt	5.04
④	JW Marriott	4.94
⑤	W Hotels	4.71

toppers and 15-minute room service for select menu items.

Looking ahead, Four Seasons is "reimagining the entire guest experience, from a physical aspect, to the bathrooms, to the public space ... to interacting with travelers along their journey," said Sicroff. A key piece of that initiative is Four Seasons' mobile app,

which was introduced in June and serves as an interface between guests and onsite service and delivery teams. The app enables guests to check in, check out, browse local recommendations, order room service, make spa or restaurant reservations, submit housekeeping requests and contact the concierge. "It allows the traveler on the road to access any of the hotel services that they need," Sicroff said. Four Seasons also is upgrading its Wi-Fi to offer one-click connection at a faster speed for an unlimited number of devices.

Ritz-Carlton also is familiar with the top of the *BTN* survey. It finished No. 1 in the luxury segment in 2010 and has finished in the upper end since, taking second place this year and receiving the highest score for quality of data. "We start with our top [corporate] customers that have global travel

CONTINUED ON PAGE 19

How luxury brands ranked in ...	Sales Staff	Consistency	Arranging Group Travel/ Meetings	Meetings Facilities	Corporate Rate Programs	Data Quality	Helpful & Courteous Service	Physical Appearance	Public Business Amenities	In-Room Business Amenities	Personal Amenities	Price/Value Relationship
<b>Average</b>	5.22	5.00	5.00	5.10	4.60	4.80	5.27	5.35	5.25	5.18	5.18	4.96
<b>Four Seasons</b>	5.57	5.37	5.39	5.44	4.83	4.96	5.61	5.70	5.74	5.64	5.64	5.43
<b>Ritz-Carlton</b>	5.38	5.16	5.21	5.22	4.74	5.00	5.42	5.54	5.50	5.30	5.35	5.00
<b>Grand Hyatt</b>	5.36	4.91	5.07	5.04	4.67	4.94	5.23	5.23	5.12	5.08	5.00	4.92
<b>JW Marriott</b>	4.97	4.84	4.77	5.03	4.38	4.71	5.20	5.28	5.03	5.14	5.04	4.86
<b>W Hotels</b>	4.82	4.71	4.57	4.75	4.36	4.38	4.90	5.00	4.86	4.71	4.86	4.57

# DARING TO TURN PAYMENTS ON ITS HEAD



eNett International is proud to have participated at this year's *BTN* Innovator Lab. We're changing the way the travel industry makes payments; reducing costs and providing financial rewards for travel managers. Speak to us about how eNett Virtual Account Numbers (VANs) can simplify and automate your supplier payments today.

Find out more at [www.enett.com](http://www.enett.com)

# Westin Tops Upper-Upscale Segment, Hyatt Place Leads Upscale

Wellness, design and modern amenities proved to be the connecting thread between the top-performing brands in the upper-upscale and upscale tiers in *BTN's* 2015 Hotel Brand Survey, as Starwood Hotels & Resorts' Westin brand and Hyatt Hotels' Hyatt Place garnered the highest overall scores from travel buyers.

Westin, which placed third last year, performed well in such categories as ease of arranging group travel and meetings, helpful and courteous service, physical appearance of hotel and facilities, quality of business amenities—both public and in-room—and overall price/value relationship.

In recent years, Westin has appealed to travelers looking to maintain a healthy lifestyle on the road with its health-conscious Super Food menu, its new Sleep Well menu, its Fresh by The Juicery juice program, its workout gear-lending program and its Run Concierges.

During the past year, the brand has focused on its Tangent workspace offering, which features Media:scape by Steelcase smart technology, video-conferencing and seamless connectivity. "While a hotel room or lobby is a place where you can do work, Tangent was specifically designed as a smart room and personalized workspace that enhances

## Upper-Upscale Brand Satisfaction Ranking

★ Westin	4.82
② Hyatt Regency	4.77
③ Marriott	4.72
④ Hyatt	4.69
⑤ Hilton	4.64
⑥ InterContinental	4.62
⑦ Embassy Suites	4.48
⑧ Sheraton	4.31

productivity and can be booked on demand," said global brand leader Brian Povinelli. "[Tangent] is perfect for small, impromptu meetings and can be booked by the hour at a moment's notice."

Appearing for the first time in this survey, Hyatt Regency, No. 2 in the upper-upscale tier, received high marks for quality of sales staff, consistency of offering, corporate rate programs and quality of data. "They're a bit of an outlier in upper-upscale," said Bjorn Hanson, a clinical professor at New York University's Tisch Center for Hospitality and Tourism. Hyatt Regency properties, unlike Westin and Marriott, have higher

room counts and grander appearances. "Their properties are large and dramatic," Hanson said, which appeals to some business travelers.

Last year's top brand, No. 3 Marriott, still managed to beat out Hyatt Regency and Westin in the meeting facilities category.

While brands in the upper-upscale tier continue to make strides in appealing to corporate travelers, it's worth noting that overall scores for every brand, except new-to-the-list Hyatt Regency, dropped from 2014. The change might reflect the movement away from the segment as rates have risen in recent years.

"On a dollar basis, more so than a percentage, rates have been going up in upper-upscale, so this may be a value issue," Hanson said. The January-through-August U.S. average daily rate for the segment is up 4.8 percent to \$174.74, according to STR. More buyers are reallocating their portfolios, Hanson said, to include more upscale, select-service and limited-service hotels in place of upper-upscale hotels and full-service hotels.

## Select-Service Trumps Full Service

Though the upscale tier is comprised of both full-service and select-service offerings, travel buyers ranked three select-service brands highest in the

amadeus®

# Are you ready for a connected future?

The travelers of tomorrow will expect to travel without boundaries.

They'll expect journeys to be a single experience – no matter which part of the world they're visiting or how they're traveling.

The question is, are we ready to help them connect the dots?

Join us on a journey toward a connected future at

[www.shapethefutureoftravel.com/northamerica](http://www.shapethefutureoftravel.com/northamerica)

Let's shape the future of travel

[salesinquiries@amadeus.com](mailto:salesinquiries@amadeus.com)  
1-888-AMADEUS



segment. Modern, casual and spacious Hyatt Place improved from its No. 3 slot in 2014 and earned the highest scores for quality of sales staff, consistency of offering, physical appearance of hotel facilities, quality of business and personal amenities and overall price/value relationship.

“Our business guests love us because we create a stylish, comfortable and seamless experience,” said Steven Dominguez, vice president of global brands for Hyatt Place and Hyatt House. “I’m not sure that we’re doing anything different than what we’ve done before, but we’re still delivering that consistently great experience and now in more places.”

The brand has undergone rapid expansion, opening a new property every 10 days on average, according to Dominguez. About 80 percent of those openings have occurred in urban markets.

Hyatt Place properties offer large guest rooms, a 24/7 food menu, free Wi-Fi and free hot breakfast, and many locations offer complimentary parking. The brand is in the process of removing scripts from the check-in process, allowing front desk staff to make a more personalized connection with every guest.

Starwood Hotels & Resorts performed strongly in the segment, as two of its specialty select brands, Aloft and Four Points by Sheraton, took the No. 2 and No. 3 slots, respectively. Aloft improved from fifth place, while Four Points improved from 10th.

“Guests, whether traveling for business or pleasure, want convenience and comfort,” said Brian McGuinness, senior vice president of specialty select brands.

### Upscale Brand Satisfaction Ranking

★	Hyatt Place	4.53
②	Aloft	4.43
②	Four Points by Sheraton	4.43
④	Doubletree	4.37
⑤	Courtyard by Marriott	4.36
⑥	Hilton Garden Inn	4.34
⑦	Radisson	4.27
⑧	Crowne Plaza	4.22

“Both Aloft and Four Points are designed to accommodate today’s hyperconnected global traveler, so our guests can always feel like they are connected, no matter where they might be in the world.”

The newer of the two brands in both age and its urban-inspired design, Aloft offers free Wi-Fi and Apple TV in all guest rooms, as well as an open lobby with a bar and grab-and-go cafe. McGuinness said Aloft is testing programs that will allow guests to control the air conditioning and lighting and even brew a cup of coffee all from a smartphone.

Starwood’s third-largest brand, Four Points earned top scores for its corporate rate programs and helpful and courteous service. It took the No. 1 slot in *BTN*’s 2011 survey but has failed to crack the top three in recent years.

“Four Points is focused on improving productivity for the global business traveler, offering

essentials like in-room and public space Wi-Fi and wireless boardroom essentials in every meeting room,” McGuinness said. The brand also offers a chance to unwind with local craft beers through the Best Brews program.

The brand leads Starwood’s global pipeline growth, operating approximately 200 hotels in more than 40 countries.

Though not among the top brands overall, Radisson, at No. 7, bested other brands in the two meetings-focused categories.

Radisson vice president of global branding Richard Flores said that’s no coincidence. About a year-and-a-half ago, the brand implemented the Radisson Reimagined program to improve the overall product and guest experience. Some \$600 million went toward the program, including renovations of hotel facilities and lobbies. It also launched a Meetings Success program.

“Think of it as the 101 of how to deliver everything from a site inspection to how to respond to RFPs to how to cater an offering,” Flores said. “It’s a meetings group program engineered for our hotels, our properties, our franchisees, owners, managers, developers, and it focuses on giving our on-property team the tools they need to deliver meetings successfully.” Flores said Radisson is expanding and improving its Meeting Success program through a partnership with Meeting Professionals International. Upscale U.S. hotels saw the highest year-over-year August 2015 ADR increase of any segment, up 5.2 percent to \$133.89, according to STR. ↗

How upper-upscale brands ranked in ...	Sales Staff	Consistency	Arranging Group Travel/ Meetings	Meetings Facilities	Corporate Rate Programs	Data Quality	Helpful & Courteous Service	Physical Appearance	Public Business Amenities	In-Room Business Amenities	Personal Amenities	Price/Value Relationship
<b>Average</b>	4.81	4.56	4.57	4.58	4.39	4.44	4.83	4.73	4.74	4.69	4.69	4.58
<b>Westin</b>	4.95	4.77	4.76	4.71	4.35	4.45	5.09	5.07	5.00	4.91	5.02	4.81
<b>Hyatt Regency</b>	5.02	4.86	4.73	4.70	4.69	4.61	4.89	4.86	4.76	4.75	4.74	4.69
<b>Marriott</b>	4.88	4.63	4.75	4.84	4.13	4.53	4.93	4.81	4.91	4.82	4.83	4.60
<b>Hyatt</b>	4.87	4.65	4.57	4.71	4.47	4.44	4.90	4.81	4.72	4.83	4.74	4.68
<b>Hilton</b>	4.73	4.43	4.64	4.64	4.49	4.47	4.85	4.64	4.81	4.76	4.63	4.60
<b>InterContinental</b>	4.86	4.55	4.51	4.50	4.52	4.50	4.76	4.73	4.70	4.65	4.68	4.46
<b>Embassy Suites</b>	4.54	4.58	4.56	4.33	4.35	4.31	4.67	4.53	4.55	4.45	4.47	4.45
<b>Sheraton</b>	4.67	4.04	4.05	4.20	4.12	4.19	4.58	4.38	4.43	4.34	4.40	4.34

How upscale brands ranked in ...	Sales Staff	Consistency	Arranging Group Travel/ Meetings	Meetings Facilities	Corporate Rate Programs	Data Quality	Helpful & Courteous Service	Physical Appearance	Public Business Amenities	In-Room Business Amenities	Personal Amenities	Price/Value Relationship
<b>Average</b>	4.57	4.36	4.35	4.07	4.32	4.28	4.60	4.45	4.43	4.37	4.31	4.33
<b>Hyatt Place</b>	4.82	4.76	4.38	3.97	4.34	4.25	4.85	4.72	4.59	4.56	4.50	4.59
<b>Aloft</b>	4.66	4.66	4.21	4.25	4.39	4.31	4.64	4.55	4.52	4.33	4.29	4.35
<b>Four Points by Sheraton</b>	4.74	4.23	4.50	3.88	4.46	4.36	4.92	4.58	4.46	4.42	4.29	4.38
<b>Doubletree</b>	4.54	4.25	4.25	4.00	4.41	4.18	4.69	4.50	4.50	4.41	4.38	4.39
<b>Courtyard by Marriott</b>	4.55	4.42	4.34	3.74	4.08	4.38	4.58	4.48	4.47	4.49	4.49	4.33
<b>Hilton Garden Inn</b>	4.45	4.49	4.31	4.04	4.34	4.25	4.46	4.45	4.31	4.33	4.33	4.31
<b>Radisson</b>	4.41	4.09	4.56	4.37	4.32	4.30	4.38	4.17	4.25	4.21	4.08	4.17
<b>Crowne Plaza</b>	4.40	4.03	4.24	4.32	4.18	4.24	4.25	4.19	4.35	4.19	4.15	4.14



HYATT  
PLACE®

WELCOME TO A *different* PLACE®

# GUESTS *top place* IS HYATT PLACE

## VOTED #1 UPSCALE HOTEL BRAND BY BUSINESS TRAVEL NEWS

At Hyatt Place hotels we make it our mission to offer an outstanding experience for our guests, which is why we're proud to be recognized by readers of Business Travel News in the 2015 Annual Hotel Survey.

Multitasking travelers will enjoy 24/7 convenience with free Wi-Fi everywhere, roomy rooms and the a.m. Kitchen Skillet™ breakfast that's free with every stay.

For more information and reservations, visit [hyattplace.com](http://hyattplace.com)

# Best Western Plus Leads Upper-Midprice, Wingate Tops Midprice

## Upper-Midprice Brand Satisfaction Ranking

★	Best Western Plus	4.70
②	SpringHill Suites	4.62
③	Hampton by Hilton	4.48
④	Holiday Inn Express	4.42
⑤	Holiday Inn	4.41
⑥	Country Inns	4.28
⑦	Fairfield Inn	4.16
⑧	Comfort Inns	3.95

## Midprice Brand Satisfaction Ranking

★	Wingate by Wyndham	4.16
②	La Quinta	4.13
③	Best Western	4.12

Best Western Hotels & Resorts' Best Western Plus once more finished atop the upper-midprice tier. Wingate by Wyndham bested La Quinta Inns & Suites and Best Western to head the midprice segment in *BTN's* 2015 Hotel Brand Survey.

Best Western Plus earned segment-high marks in multiple categories, including quality of sales staff, corporate rate programs, helpful service, appearance of hotels and facilities and overall price/value relationship.

The segmentation of Best Western into three

different brands—Best Western, Best Western Plus and Best Western Premier—is an ongoing boon to the company. “Best Western Plus was designed with the types of room amenities and hotel services business travelers want when they are on the road, including free Wi-Fi, a quality complimentary breakfast, an updated exercise facility and business center services,” said Wendy Ferrill, vice president of worldwide sales for Best Western Hotels & Resorts. “Like any new product, it has taken a few years to build consumer awareness for the type of lodging experience a business traveler can expect when staying at a Best Western Plus.”

Coming in at No. 2, Marriott's SpringHill Suites received the highest scores for consistency of offering and quality of public-area business amenities. Janis Milham, senior vice president of modern essentials and extended-stay brands for Marriott, said those results are on par with the physical improvements implemented in recent years. “They're a testament to all the great design work that's been done, especially with our new lobby footprints,” Milham said. “We've been designing the lobbies to be very functional and very purposeful.”

For properties without lobby bars, she said, the brand also has activated the lobbies and worked to appeal to next-generation travelers through craft beer and wine offerings in its 24-hour markets. The brand has yet to roll out service requests through the Marriott International app, but SpringHill guests can manage reservations and check in and out through the mobile offering.

Hampton by Hilton, which came in second

place in the tier last year and third this year, recently celebrated its 2,000th property opening; those hotels span 17 countries. One of its biggest growth areas is in urban markets, according to Phil Cordell, global head for focused service and Hampton brand management for Hilton Worldwide. “Hampton is very much a suburban, office park, interstate kind of brand,” Cordell said. “We're still in all those places, but now it's also in urban locations.”

The brand is streamlining its breakfast offering through healthier options and local fare. Soon, Hilton rewards program members will be able to use the Hilton app's Digital Key to enter their rooms. The service is live at select Hilton properties and will roll out through 2017.

Overall, the upper-midprice segment has benefited from corporate travelers' drift from luxury and upper-upscale down the price scale, a trend Bjorn Hanson, a clinical professor at New York University's Tisch Center for Hospitality and Tourism, noted in an annual analysis of corporate negotiated hotel rates. Upscale and upper-midprice also have dominated the U.S. hotel construction pipeline, accounting for more than two-thirds of room construction from January through August 2015, according to STR.

## A Focus On The Customer Wins The Midprice Segment

In the midprice tier, Wingate by Wyndham received the highest scores for consistency of

CONTINUED ON PAGE 19

How upper-midprice brands ranked in ...	Sales Staff	Consistency	Arranging Group Travel/ Meetings	Meetings Facilities	Corporate Rate Programs	Data Quality	Helpful & Courteous Service	Physical Appearance	Public Business Amenities	In-Room Business Amenities	Personal Amenities	Price/Value Relationship
<b>Average</b>	4.62	4.29	4.25	3.82	4.47	4.37	4.65	4.45	4.36	4.41	4.31	4.55
<b>Best Western Plus</b>	4.96	4.58	4.55	4.09	4.96	4.71	4.87	4.78	4.57	4.74	4.65	4.96
<b>SpringHill Suites</b>	4.93	4.71	4.51	4.00	4.55	4.60	4.85	4.74	4.62	4.62	4.59	4.71
<b>Hampton by Hilton</b>	4.65	4.52	4.39	3.97	4.47	4.44	4.79	4.54	4.49	4.55	4.39	4.63
<b>Holiday Inn Express</b>	4.68	4.28	4.27	3.83	4.55	4.45	4.77	4.61	4.43	4.35	4.24	4.57
<b>Holiday Inn</b>	4.67	4.14	4.31	4.13	4.64	4.44	4.64	4.41	4.50	4.40	4.18	4.52
<b>Country Inns</b>	4.67	4.20	4.28	3.65	4.50	4.15	4.47	4.22	4.22	4.17	4.17	4.63
<b>Fairfield Inn</b>	4.37	4.13	4.09	3.38	4.17	4.27	4.51	4.26	4.10	4.31	4.10	4.26
<b>Comfort Inns</b>	4.07	3.74	3.58	3.50	3.92	3.92	4.32	4.05	3.95	4.18	4.14	4.09

How midprice brands ranked in ...	Sales Staff	Consistency	Arranging Group Travel/ Meetings	Meetings Facilities	Corporate Rate Programs	Data Quality	Helpful & Courteous Service	Physical Appearance	Public Business Amenities	In-Room Business Amenities	Personal Amenities	Price/Value Relationship
<b>Average</b>	4.27	3.92	4.03	3.74	4.21	3.94	4.51	4.21	4.17	4.16	4.12	4.33
<b>Wingate by Wyndham</b>	4.16	3.94	4.06	3.76	4.06	3.50	4.60	4.40	4.33	4.27	4.40	4.40
<b>La Quinta</b>	4.12	3.88	3.96	3.68	4.19	4.07	4.42	4.24	4.28	4.28	4.08	4.37
<b>Best Western</b>	4.55	3.938	4.07	3.79	4.39	4.26	4.50	4.00	3.89	3.93	3.89	4.21

# STRATEGIC MEETINGS SUMMIT 2015

NOVEMBER 3, 2015 | NEW YORK HILTON MIDTOWN

THE INDUSTRY'S ONLY CONFERENCE DEDICATED TO STRATEGIC MEETINGS MANAGEMENT

Join the BTN Group for its first Strategic Meetings Summit! This one-day conference in New York City will unite the top corporate decision makers for strategic meetings management, including expert consultants, senior level meetings executives and corporate travel managers. Attendees will gather intelligence on industry developments and share experiences, challenges and solutions with peers in an open forum.

Don't miss this opportunity to obtain insights and understanding regarding the policies, technologies and management of successful strategic meetings management programs.

**REGISTER BY  
OCTOBER 23 & SAVE!**



## Featured Speakers

**Debbie Scholar**  
Corporate Strategic Meetings  
Management Executive



**Kari Wendel**  
Senior Director of Global Strategic Meetings  
Management Strategy and Solutions  
Carlson Wagonlit Travel



**David Clark**  
Manager, Global Travel  
and Meeting Services  
Eli Lilly and Co.



**Erin Stahowiak**  
Project Manager  
Meetings and Events  
McDonald's

**And More!**

Register now at [strategicmeetingssummit.com](http://strategicmeetingssummit.com)

DIAMOND  
SPONSOR



GOLD  
SPONSORS



SILVER  
SPONSOR



BRONZE  
SPONSORS



PRESENTED BY



# Homewood Suites, Candlewood Suites Finish Atop Extended-Stay Tiers

Hilton's Homewood Suites knocked Marriott's Residence Inn from the top spot in the upscale extended-stay tier, while InterContinental Hotel Group's Candlewood Suites continues to reign supreme among midprice extended-stay hotels, according to *BTN's* 2015 Hotel Brand Survey. Homewood, which also earned a No. 1 ranking from J.D. Power's North America Hotel Guest Satisfaction Study this year, dominated in every category in its tier.

"We offer tremendous value based on the rate structure that we offer," said, vice president of brand performance support Rick Colling. "Obviously, we're looking for longer stays, and we build savings into that pricing based on the values or amenities." Those include Wi-Fi, full breakfast daily, complimentary evening socials Monday through Thursday, fully equipped kitchens and a grocery service. By 2017, Homewood will have access to Hilton's Digital Key program, currently rolling out at select properties.

The brand also is upgrading its portfolio through its Take Flight program, which launched in 2013 to provide properties with modern social spaces like outdoor kitchens and lounge areas with fire pits. "We really invested in making sure that we've driven a product that's conducive to sharing and community and that real residential feel," Colling said.

Colling said the pipeline for the brand has never been more robust. In addition to its existing 370 properties, 125 more are in development. A significant portion of its current and planned properties sit in urban markets.

Indeed, the entire upscale extended-stay tier is seeing a development boom; U.S. supply rose 8.3 percent year over year to 155,430 rooms during the first half of 2015, according to The Highland Group's 2015 U.S. Extended Stay midyear report.

During that same period, room nights sold increased 7.9 percent year over year. The segment's second-quarter occupancy reached its highest quarterly level in 10 years.

Residence Inn, which regularly moves between the No. 1 and No. 2 spots in *BTN's* 2015 survey,

## Upscale Extended-Stay Brand Satisfaction Ranking

★	Homewood Suites	4.92
②	Residence Inn	4.60
③	Staybridge Suites	4.58

also has turned its attention to enhancing the extended-stay guest experience. "Residence Inn has done a great job with launching its lobby decor and new functionality, and it's really getting great results from our consumers," said Janis Milham, senior vice president of modern essentials and extended-stay brands for Marriott.

In June, the brand launched Residence Inn Mix, which occurs three nights a week and rotates local food and beverages, food trucks and onsite grilling.

Since the launch, Milham said, guest scores collected internally have increased 3 percent among Generation X and Y travelers and 2 percent among Baby Boomers. "It's just a really cool new approach to providing evening engagement with our customers," she said.

IHG's Staybridge Suites came in at No. 3. This month, the brand unveiled its Urban Guest Room Design for new city-center developments. Each suite offers modern updates like a mobile desk, built-in shelving and storage space to allow for more room to work and separate dining and work areas, "something that is very important to Staybridge Suites guests who often stay for weeks or months at a time," said Heather Balsley, IHG senior vice president of Americas brand management.

Candlewood Suites, meanwhile, earned top marks in the midprice tier for quality of sales staff, consistency of offering, corporate rate programs, quality of data, helpful and courteous service, quality of in-room personal amenities and overall price/value relationship. It also earned a No. 1 ranking in J.D. Power's satisfaction study.

## Midprice Extended-Stay Brand Satisfaction Ranking

★	Candlewood Suites	4.46
②	TownePlace Suites	4.32
③	Extended Stay America	4.02

Balsley attributes the positive performance to the brand's well-trained, considerate and personable team members, as well as the consistently positive experience each property offers.

The brand continues to garner satisfaction for its Lending Locker program, which provides common household or wellness items during guests' stays, and for its Local Finds section in the 24-hour Candlewood Cupboard, where guests can purchase local refreshments, snacks and supplies.

At No. 2 among midprice extended-stay hotels, TownePlace Suites received the highest score for physical appearance, quality of public-area business amenities and quality and variety of in-room business and personal amenities.

Marriott has made efforts to improve the design around TownePlace for the next-generation traveler. New and renovated properties, which make up about two-thirds of the brand's portfolio, utilize The Container Store's Elfa closet system with flexible arrangements of hanging space, shelving and cubbies. "We've done new decor and design but in a really different sort of a way by partnering with a brand we really think fits well with TownePlace and an extended-stay customer," Milham said. The program also offers Container Store discounts to guests.

The midscale extended-stay tier saw healthy growth during the first half of 2015, as U.S. room supply rose 5.2 percent year over year, according to The Highland Group. Demand increased 4.5 percent year over year during the first two quarters. Midyear occupancy fell 0.3 percent to 73.4 percent, but the average rate rose 7.9 percent to \$76.20. ↗

How upscale extended-stay brands ranked in ...	Sales Staff	Consistency	Corporate Rate Programs	Data Quality	Helpful & Courteous Service	Physical Appearance	Public Business Amenities	In-Room Business Amenities	Personal Amenities	Price/Value Relationship
Average	4.75	4.74	4.69	4.57	4.85	4.73	4.68	4.17	4.13	4.12
Homewood Suites	5.06	5.06	4.94	4.59	5.17	5.00	4.88	4.94	4.69	4.83
Residence Inn	4.67	4.65	4.52	4.55	4.73	4.55	4.50	4.70	4.65	4.50
Staybridge Suites	4.53	4.50	4.61	4.56	4.65	4.65	4.67	4.53	4.47	4.65


How midprice extended-stay brands ranked in ...	Sales Staff	Consistency	Corporate Rate Programs	Data Quality	Helpful & Courteous Service	Physical Appearance	Public Business Amenities	In-Room Business Amenities	Personal Amenities	Price/Value Relationship
Average	4.43	4.41	4.51	4.17	4.45	4.25	4.02	4.72	4.60	4.12
Candlewood Suites	4.67	4.58	4.69	4.67	4.83	4.33	4.00	4.17	4.25	4.38
TownePlace Suites	4.43	4.46	4.47	4.15	4.36	4.42	4.17	4.33	4.25	4.14
Extended Stay America	4.18	4.20	4.36	3.70	4.17	4.00	3.90	4.00	3.90	3.82

## Luxury CONTINUED FROM PAGE 12

needs and work with them very strategically at a pretty high level,” said Ritz-Carlton vice president of sales John Harper. “We ask specifically what’s going on, what’s trending in their world and what can we do to help accommodate them and work more closely together with them. How that information gets carried through the organization helps us make a pretty big difference in how we approach the segment.”

Ritz-Carlton recently adopted a slight redesign of its brand logo, introducing a light blue background and more modern text, as part of a new brand voice geared at reaching a new generation of guests. The brand continues to see positive results from its rewards program and property renovations, as well as its mobile app, which allows guests to check in, check out and place service requests. “We’ve been very committed to having an app and using mobility to help, not take away from, our legendary service,” Harper said. “We’re very surprised at how frequently customers are using it. We had an expectation, but it’s exceeding that expectation.”

The average overall score for the luxury tier this year topped last year’s, suggesting that travel buyers aren’t as disenchanted with luxury as they had been in the recent past. Metrics for luxury hotels are also positive. From January through August, U.S. demand growth reached 0.9 percent, topping the period’s 0.4 percent supply growth. And August occupancy rose 0.5 percent year over year to 76.5 percent, according to STR.

As for U.S. pipeline development, the luxury segment reported the largest year-over-year increase in rooms under contract during August 2015, rising 55.9 percent to 11,434 rooms, according to STR. It also saw a 63.5 percent year-over-year increase of rooms under construction, to 5,927 rooms. 

## Midprice CONTINUED FROM PAGE 16

offering, helpful and courteous service, physical appearance of hotels and facilities, quality of public business amenities, quality of in-room personal amenities and overall price/value relationship.

“Our big focus over the last 12 months has really been customer service,” said, vice president of brand operations Brian Krause. “We continue to be committed to delivering strong customer service and guest satisfaction.”

In addition to topping *BTN*’s survey, Wingate earned a No. 1 ranking in its segment in J.D. Power’s Hotel Guest Satisfaction Study this year. Krause said consistency and design play a role in the brand’s success, as most Wingate properties are new builds that follow a prototype, with spacious guest rooms and meeting facilities. “Guests know what they’re getting,” he said.


Wingate’s global footprint is expanding quickly, Krause said. It’s focusing on major markets, such as Chicago and New York City, as well as airport markets like Denver and Seattle, to increase brand awareness.

No. 2 La Quinta won in quality of in-room business amenities. Chief marketing officer Julie Cary said the brand recently overhauled its free Internet offering. “Over the last year, our guests have told us they want to be able to stream video and use multiple devices,” Cary said. “La Quinta responded by upgrading our Wi-Fi to be five times faster.” It also changed its minimum Wi-Fi bandwidth.

Though Best Western came in at No. 3, the brand earned the highest scores in multiple categories: quality of sales staff, ease of arranging group travel and meetings, facilities for meetings, corporate rate programs and quality of data.

This is the third consecutive year the brand has received the top score for quality of data and the second consecutive year Best Western Plus has done so in the upper-midprice tier. “Our data is set up in a format that we can really sit down and look at that data with a [corporate] customer and make sure that the hotel program as it relates to Best Western is performing as the travel manager had intended,” Ferrill said. “Then we go through that data to look for gaps and opportunities to see where we can enhance what the travel program is offering,” she added.

The Best Western brand uses a similar, “holistic” approach for its meetings offerings, Ferrill said. “If we don’t have the meeting space in our hotel, we figure out a way to make it work ... It’s evaluating the situation and finding a solution.”

Though midprice hotels haven’t seen particularly strong demand in recent years, the segment has experienced some of 2015’s largest January-through-August year-over-year growth in occupancy, up 2.3 percent to 61.3 percent, according to STR. Average daily rate during that period increased 4.4 percent to \$84.13. U.S. rooms under construction dropped 0.3 percent year over year during August. 



## Insight into Your Travel Data

## Measure • Benchmark • Forecast



## Omegaalytics

- 36 panels in 1 dashboard
- Refreshed daily
- Web and App accessible on iOS devices
- What If scenarios
- Benchmark with ARC data
- Ability to see data from weekly/monthly/quarterly/yearly perspective with variances in a few clicks
- Secure – leveraging latest in identity authentication, i.e. no username & password



**Omegaalytics**, Omega World Travel’s new proprietary reporting system, was showcased at Business Travel News (BTN) Innovate Conference 2015 in New York City.

For further information contact:

**Nadim Hajje**, VP Information Technology & Data Analytics  
3102 Omega Office Park • Fairfax, VA 22031  
571-431-1243 • nhajje@owt.net

Customer Focused Technology Driven



# Roadmap Takes Home BTN 2015 Innovator Award



Roadmap's Jeroen van Velzen, Koen Bavinck and Markus Emmer with BTN Group editorial director David Meyer (in a tie) and editor-in-chief Elizabeth West

Netherlands-based technology firm Roadmap snagged *BTN's* 2015 Innovator Award at the BTN Innovate conference in New York City. Co-founder and CEO Jeroen van Velzen accepted the award on behalf of his team, which has introduced a corporate travel-oriented solution that blends corporate and consumer travel apps and delivers them in a single app environment to managed travelers.

The second annual Innovate Conference attracted 11 corporate travel innovators to compete for the title. Travel technology consultant Norm Rose, Microsoft global travel lead Eric Bailey, Oracle global travel director Rita Visser and TripBAM CEO Steve Reynolds, last year's Innovate winner, judged the competitors and named the official winner. Roadmap also won the People's Choice title, as voted by conference attendees.

The winner called out the benefit to the industry—and its newfound focus on the traveler.

"This double vote of confidence is not just for the talented team at Roadmap but also for business travelers across the globe. It marks a turning point for travel management," he said, noting his confidence that the managed travel industry will continue to invest in their travelers to enhance their experience beyond the booking.

Rose, acknowledging Roadmap for its right-time innovation that consolidates app functions in a single location, nevertheless noted the product will meet challenges as it finds its niche. "Here's a product in the market with customization, a direct channel or a corporate booking tool and it seems very flexible," he said. "The interface is clean, easy to follow and intuitive, and that says a lot because a lot of interfaces on mobile are not that way at all.

"On the weakness side, there's an issue about where the market is for this," Rose continued. "It's going to be an expensive solution, [so] it may have to replace a solution from one of the big TMCs, which have launched (or are launching) their own solutions. They will say, 'It's very nice, but it's not for us.' So how does it fit in? Maybe it's more the midmarket and SME overall,

but who is going to decide what will go into it, and how does it work from a pricing perspective?"

While Rose presented a valid concern, buyers in attendance were eager to explore the opportunity.

The judging panel identified three honorable mentions among Innovation Lab competitors: Amadeus for its collaboration with Microsoft, Eved, for an alternative meetings payment solution and Short's Travel, for its FindIt solution. Additional participants included Carey International, Checkmate, eNett, NexTravel, Omega World Travel, Travel and Transport and Traxo. [▶](#)

## BTN Innovate Conference

*BTN's* Innovate conference was conceived to energize the technology and innovation community around travel management. The conference includes think tank sessions that forge strategic direction to help the managed travel industry meet modern challenges. *BTN* formed The Innovation Lab as a showcase of and recognition platform for managed travel technology advancements. Innovation Lab competitors pay to participate in the annual event.

## Don't Kill The Relationship

### Roadmap CEO Jeroen Van Velzen On Travel App Engagement

After 15 years of procurement-oriented travel management, Roadmap CEO Jeroen van Velzen predicted a pivot that will put a clear focus on the business traveler. What's the return on investment of caring for the traveler? That's the wrong question, he said, at least in the beginning. To succeed, companies must be willing to give first. To explain more, van Velzen sat down with *BTN* editor-in-chief Elizabeth West.

#### **BTN: Give me the two-minute elevator pitch.**

**Van Velzen:** Roadmap allows the travel buyer to get his own app. And it's not just an app but a broader perspective on how to communicate with travelers. Think of it as a communication platform with your traveler while he's traveling. The platform allows [the corporation] to brand the app and customize it and create a sort of tone of voice that fits with the purpose of the program and fits with the corporate itself. It feels, touches, operates like an employee would expect from his employer. From a traveler perspective, it's what you would expect from the basics of every traveler app: flight details, hotel details, everything you would expect from an itinerary app. But this is not an itinerary app; this is a trip app. It

follows [the traveler] from home to home, door to door, meeting to meeting. So you have all your transport details. When you land, it tells you the best transport options to the hotel. Around the hotel, it will tell you what restaurants are very interesting to look out for, what restaurants your colleagues went to, so that's a layer, as well. It also provides a straight [channel for] feedback to the travel manager. That is the core offering to tie the traveler experience into the purpose of program that the travel manager sets up. So what happens is you bring these two together under the umbrella of the corporate brand.

#### **BTN: Roadmap spun out of a company called Sound of Data. Why did you pursue corporate travel, and how did Sound of Data influence what you are doing now?**

**Van Velzen:** Sound of Data was a communications service provider. In essence, that is still what we are doing. We are building a communication layer between the travel manager and the traveler. And there is no friction in between. There's no supplier in between, there is no travel management company in between, there is no online booking tool—just the travel manager and the traveler. That communication

is digital. That was also what Sound of Data was about but in different industries, so that's how we learned to build digital communication services on a very mass scale. We did that for TV programs: voting for *The X Factor* and *American Idol*. So we know how to do this on a big scale but also on a tight, customized scale.

#### **BTN: Why corporate travel?**

**Van Velzen:** We fell in love with the travel industry, and also it was purpose driven. We found out that no one cares for the traveler. Everyone cares about the transaction, everyone cares about the distribution, but no one cares for the traveler. The traveler, in the end, is the one that drives all the value in the entire industry. So our purpose is to drive traveler happiness and, in essence, we are going to reverse engineer the industry from the traveler perspective. And why corporate: We started out in the OTA space, in the leisure space, and we found out that they really don't care about the traveler. They want to make their buck and get that transaction. Through a very difficult journey, we found that the corporate has a humongous opportunity to start taking care of travelers.

# Judges' Score Innovation Lab Contenders



Meet the judges: tripBAM's Steve Reynolds, Microsoft's Eric Bailey, Oracle's Rita Visser and Travel Tech Consulting's Norm Rose

## Amadeus: Microsoft Outlook Booking Tool Integration

▲ **HIGH:** It's a unique way to book within the calendar and offers a fresh user interface. There's a high value in anticipated fast adoption, considering Outlook is the most pervasive calendar application in the world.

▼ **LOW:** A lot of booking solutions already exist. Judges also are concerned about limited space on the screen and fear trouble with more complex bookings. (Note: Microsoft's Eric Bailey, who's working with Amadeus on the product, abstained).

## Carey International: Real-Time Mobile Car Tracking

▲ **HIGH:** It offers a new capabil-

ity for the traveler arranger to track the car and to service the traveler.

▼ **LOW:** It feels like playing catch-up to Lyft and Uber. Bringing it into a reservations environment is good for managed travel but short on innovation.

## CheckMate: Mobile Hotel Concierge Services

▲ **HIGH:** Personalization is an opportunity, and this is more intimate than managed travelers are used to.

▼ **LOW:** Judges wondered about scalability, as technology on the front end veils the fact that people on the phone fulfill requests manually.

## eNett: Virtual Payment

▲ **HIGH:** ENett supports 31 currencies, protects the TMC and supports the TMC model.

▼ **LOW:** The difference from other virtual payment providers is unclear.

## Eved: Alternative Meetings Payment

▲ **HIGH:** It puts meetings spend information in one place in a robust

system that can bring invoices in and make sure the payment happens.

▼ **LOW:** Questions remain about how the product helps save money.

## NexTravel: SME Online Booking & Travel Management

▲ **HIGH:** A consumer-like interface offers the industry something new.

▼ **LOW:** Judges saw weakness in the business impact, level of innovation and per-user pricing model, which would challenge large programs.

## Omega: Big Data Consolidation & Visualization

▲ **HIGH:** There's opportunity in a proven market, especially with a good user interface. A Micro Strategies platform looks great and is scalable.

▼ **LOW:** Judges failed to see how the product differs from Highmark, Pi and others. A Micro Strategies platform can be expensive to support as the data warehouse grows.

## Short's FindIt: Open Shopping Widget

▲ **HIGH:** Personalization and bringing the flexibility of open

booking back into managed travel enable quality control and servicing.

▼ **LOW:** Open booking can be a strength and a weakness: "Do we make things so good that people don't want to go anywhere else, or do we let them do whatever they want?"

## Travel and Transport: Big Data Consolidation & Visualization

▲ **HIGH:** It unites data in a more beautiful presentation.

▼ **LOW:** What is the travel manager or corporation actually going to do with the data?

## Traxo: Itinerary Management

▲ **HIGH:** It enables users to grab data directly from supplier websites, a good product for TMCs that don't have an itinerary app and for corporate customers.

▼ **LOW:** Transmitting full itineraries across the Internet creates a security issue for all itinerary apps. Judges also wanted an expense integration that could extend the itinerary.

**BTN: Adoption of TMC apps has lagged; you've said that corporates are willing to spend money on mobile, just not with their TMCs. Explain that a bit more.**

**Van Velzen:** If they are talking to their TMC, they are basically negotiating. That is the mode of their relationship. Many of the TMC offerings are commoditized. Within that negotiating space, they also negotiate: "I want an app, and I think it should be included in my booking fees." It's very hard for a TMC to break out of that. It's also hard to differentiate on these offerings because they don't have the service organization to do it and they don't have the technical organization to do it. That, for the TMC, is very difficult. From the corporate end, if you are able to create a better traveler experience for employees, it makes perfect sense to invest in it. If you look at travel spend at, say, \$20 million, it does make sense to spend \$100,000 on the experience.

**BTN: What is the client pipeline and in what markets are you looking to grow your client base?**

**Van Velzen:** The U.S. market understands this value proposition; Europe is sort of trailing in the maturity of its travel programs. We are seeing about 80 percent of our funnel is U.S.-based companies. Within that specific customer segment, we tend to see organizations struggling with two things. First, they've been on the procuring route for the past 15 years, and now it's time to do something back for the travelers. So that's one angle. And

the other is around talent management. [Some] organizations know their true asset is the people that work for them, and they want to take care of their travelers and they don't want to outsource that to a third party. They want to own that environment. So those are the typical first movers in this space.

**BTN: China and other emerging markets are leapfrogging others in terms of mobile; do you see that market developing for you?**

**Van Velzen:** We launched our first customer in APAC, but it's a very fragmented market. And from a talent management perspective, labor is still very inexpensive, so they don't have a tendency to start taking care of their employees. They dig mobile; they like that. Actually, there is no other thing, so you have to have the app. But whether the app comes from the TMC or an OBT ... or whomever, they don't care, as long as it does the job.

**BTN: What's the tipping point at which corporates are going to get the mobile adoption they are looking for within a corporate app? Is it a safety event or something more nuanced?**

**Van Velzen:** It's the user experience that drives adoption and engagement. If you are creating an app and you can't get the message across in 15 or 20 seconds, you are gone. It's got to be slick; it's got to be sexy. It has to look and feel trustworthy, and the brand

should appeal to the end user, so if you don't own that brand equity, you are 5-0 down. It's more an art than a science.

**BTN: You have said that there really isn't an ROI in a mobile app right now, but there is a business reason. What does this mean?**

**Van Velzen:** You need to figure out what your travelers are doing while they are traveling. You might think you know, but you don't, and neither do we. There are a bunch of assumptions that we need to validate on what makes sense to invest in. In many cases, what you see now is that travel managers put out a very long requirement list of what should go into an app, thinking that is what travelers want. But we don't know what travelers want. We have to figure that out. In order to figure it out, you first have to build a relationship, and within that relationship, you can't make any money. That doesn't make any sense: to build a relationship and instantly require money. That's transaction thinking. If you want to build engagement and adoption, you have to start thinking about relationship. We all know that to start a relationship, we invest first. We give more than we take. That is our reasoning for not going too fast into ROI. The ROI comes in if your travelers start adopting this stuff, and Roadmap sees adoption rates of 70 to 80 percent. Then, it starts making sense to start playing and influence with it, and that will yield the best ROI. But don't go kill your relationship by seeking ROI too early.

## Amadeus

Amadeus provides the technology which keeps the travel sector moving - from initial search to making a booking, from pricing to ticketing, from managing reservations to managing check-in and departure processes. Our ambition is to facilitate the entire travel journey from door-to-door, in the process of improving the travel experience for hundreds of millions of people every year. Amadeus does this by joining up and connecting key players in the travel industry: travel agencies, corporations, airlines, airports, hotels, railways and more. We give those companies the tools to serve travelers better and to manage their own business more effectively. Amadeus is at the heart of the global travel industry. Our people, our technology and our innovation are dedicated to working with our customers and partners to shape the future of travel.

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



## American Airlines

American is the world's largest airline with more new planes than any other airline, an expanded network and a sales team that is providing innovative tools to help make your job easier. Here's what we're delivering:

**FLEX FUNDS:** Flex Funds gives you unparalleled access to waivers providing you ultimate flexibility to serve your travelers. Only American offers online, access to your waivers, any time.

**AWARD-WINNING INFLIGHT EXPERIENCE:** We're the only airline to offer a true First Class on transcon flights. With fully lie-flat seats, private work spaces with power ports and Wi-Fi, travelers can stay connected and comfortable - to arrive recharged and ready to hit the ground running.

**EXPANDED NETWORK:** Our network and schedule are built around business travelers' needs - not the other way around. With the most flights to top U.S. business destinations and convenient service to key global business centers, American offers your travelers the flexibility they need.

*We're going for great in corporate travel. Learn more at [aa.com/corporatetravel](http://aa.com/corporatetravel).*

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



## American Express Global Business Travel

American Express Global Business Travel enables corporations and empowers business travelers with insights, connections and exceptional customer service on a global scale. Through technology and information, American Express Global Business Travel provides leading travel solutions, integrated consulting services, proprietary research and end-to-end meetings and events capabilities. These innovative offerings enable clients to optimize the return on their travel and meeting investments. American Express Global Business Travel has operations and network partners in nearly 140 countries worldwide with approximately 12,000 employees. American Express Global Business Travel ranked first among corporate travel providers in the 2014 Corporate Travel 100 ("CT100"), an annual listing compiled by Business Travel News which ranks companies with the largest volume of U.S. air bookings. Learn more about how American Express Global Business Travel connects the world at [www.amexglobalbusinesstravel.com](http://www.amexglobalbusinesstravel.com).

[www.amexglobalbusinesstravel.com](http://www.amexglobalbusinesstravel.com)

DIANA POSTEMSKY  
Vice President, Corporate Affairs & Communications  
[diana.c.postemsky@aexp.com](mailto:diana.c.postemsky@aexp.com)



## ARC

Since 1984, ARC has been settling financial ticket transactions for airlines, travel agencies, corporate travel departments and other suppliers, and because of this unique transactional settlement history - ARC is now the unifying leader in data collection for global airline ticket transactions. ARC uses this unmatched insight to create data products and services, ticket distribution and original travel solutions that empower the industry. In other words, ARC creates solutions for our customers that are rooted in data.

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

DON CALAHAN  
Data Sale Director  
[dcalahan@arccorp.com](mailto:dcalahan@arccorp.com)  
**917-691-2211**

DAN SWAIN  
Data Sales Director  
[dswain@arccorp.com](mailto:dswain@arccorp.com)  
**703-816-8032**



## Avis Budget Group

Avis Budget Group, Inc. is a leading global provider of vehicle rental services, both through its Avis and Budget brands, which have more than 10,000 rental locations in approximately 175 countries around the world, and through its Zipcar brand, which is the world's leading car sharing network, with more than 900,000 members. Avis Budget Group operates most of its car rental offices in North America, Europe and Australia directly, and operates primarily through licensees in other parts of the world. Avis Budget Group has approximately 30,000 employees and is headquartered in Parsippany, N.J.

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

PETER VEREB  
Global Account Manager  
[peter.vereb@avisbudget.com](mailto:peter.vereb@avisbudget.com)  
**856-424-3200**



Avis  
Budget  
Zipcar  
Payless  
Apex

## BCD Travel

BCD Travel helps companies make the most of what they spend on travel. For travelers, this means keeping them safe and productive, and equipping them to make good choices on the road. For travel and procurement managers, it means advising them on how to grow the value of their travel program. For executives, we ensure that the travel program supports company objectives. In short, we help our clients travel smart and achieve more. We make this happen in 110 countries with more than 11,000 creative, committed and experienced people. And it's how we maintain an industry-leading client-retention rate of 96%, with 2014 sales of US\$24.2 billion. For more information, visit [www.bcdtravel.com](http://www.bcdtravel.com).

[www.bcdtravel.com](http://www.bcdtravel.com)

KENDRA CASSELS  
Manager, Strategic Communications  
[Kendra.cassels@bcdtravel.com](mailto:Kendra.cassels@bcdtravel.com)  
**416-985-1668**



# Thank you for your support



## Best Western International

Best Western International, Inc., is a global network of 4,000-plus hotels in more than 100 countries and territories worldwide and offers five types of hotels: BEST WESTERN®, BEST WESTERN PLUS®, BEST WESTERN PREMIER®, BEST WESTERN PLUS EXECUTIVE RESIDENCYSM and BW Premier CollectionSM. Most recently, the brand announced a new boutique hotel concept called VibS® (as in vibrant), a chic, hip, urban boutique hotel concept focused on style, technology and guest engagement.

Our worldwide family of hotels offers accommodations for all types of travelers, whether traveling for business or planning an affordable family vacation. We are committed to providing superior customer care at all Best Western hotels. Our dedication to caring for our guests is reflected in the fact that more than 1,800 Best Western hotels globally received TripAdvisor Certificate of Excellence awards.

In addition, Best Western Rewards®, the brand's award-winning loyalty program, is one of the few such programs in which members earn points that never expire and can be redeemed at any Best Western hotel worldwide.

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

SANDRA TAYLOR  
Director Travel Industry Relations  
Sandra.taylor@bestwestern.com  
623-780-6845

Best Western  
International

## Carey International

Carey International is the trusted leader in innovative chauffeured service solutions, customer-centric travel technology, and ground transportation logistics management; providing world-class service, unparalleled safety, and general peace of mind to the world's most discerning travelers since 1921. Spanning more than 1000 cities worldwide, Carey's award-winning global franchise network offers consistent standards of service and unmatched duty of care for both travelers and arrangers across two distinct brands

Carey® features a world-class fleet of late-model executive and luxury vehicles, a corps of professional chauffeurs, and a full portfolio of specialized transportation logistics management services including Meetings and Events, Private Aviation Ground Transport, and Road Shows.

Embarque® offers flexible, modern transportation utilizing a late-model fleet of EPA SmartWay® certified fuel-efficient vehicles and a team of professional drivers dedicated to offering a unique car service experience that raises the bar on efficiency and productivity for any class of traveler.

[www.careyconnect.com](http://www.careyconnect.com)

GINA CURCIO  
Director, Inside Sales, sales@carey.com  
800-930-1490



## Carlson Wagonlit Travel (CWT)

CWT is a global leader specialized in managing business travel and meetings and events. CWT serves companies, government institutions and non-governmental organizations of all sizes in more than 150 countries and territories. By leveraging both the expertise of its people and leading-edge technology, CWT helps clients derive the greatest value from their travel program in terms of savings, service, security and sustainability. The company is also committed to providing best-in-class service and assistance to travelers. In 2014, sales volume for wholly owned operations and joint ventures totaled US\$27.3 billion. As part of its commitment to responsible business, CWT is a signatory of the United Nations Global Compact Ten Principles.

[www.carlsonwagonlit.com](http://www.carlsonwagonlit.com)

CHLOE COUCHMAN  
Global Media Relations Director  
ccouchman@carlsonwagonlit.com  
+44 (0) 20 3353 1497

MICHAEL FAGLE  
Marketing Communications Director,  
Americas  
michael.fagle@  
carlsonwagonlit.com  
763-614-1239



## CSI globalVCard

For 25 years, CSI Enterprises has provided innovative payment solutions to world leading brands. Combining technology and extraordinary customer service, the company's highly secure globalVCard® virtual payment solutions enable businesses to reduce costs and increase profits in all areas of B2B payments. 'globalVCard travel' is the latest addition to CSI's suite of no-cost corporate payment solutions. Combining the company's online virtual credit card system, mobile payment app and PCard, globalVCard travel provides businesses with powerful spending control and the ability to increase compliance, reduce fraud and simplify reconciliations. Visit <http://www.csiglobalvcard.com/corporate-travel/> to learn more.

[www.csiglobalvcard.com](http://www.csiglobalvcard.com)

jpless@csiglobalvcard.com  
866-998-0437



## Cvent

Cvent, Inc. (NYSE: CVT) is a leading cloud-based enterprise event management platform, with more than 14,000 customers worldwide. Cvent offers software solutions to event planners for online event registration, venue selection, event management, mobile apps for events, e-mail marketing and web surveys. Cvent provides hoteliers with an integrated platform, enabling properties to increase group business demand through targeted advertising and improve conversion through proprietary demand management and business intelligence solutions.

[www.cvent.com](http://www.cvent.com)

AFEEF KHALIL  
Regional Director, Enterprise Sales  
AKhalil@cvent.com  
571-830-2481



## Delta Air Lines

Delta Air Lines serves more than 170 million customers each year. Delta was named to FORTUNE magazine's top 50 World's Most Admired Companies in addition to being named the most admired airline for the fourth time in five years. Additionally, Delta has ranked No.1 in the Business Travel News Annual Airline survey for four consecutive years, a first for any airline. With an industry-leading global network, Delta and the Delta Connection carriers offer service to 332 destinations in 63 countries on six continents. Headquartered in Atlanta, Delta employs nearly 80,000 employees worldwide and operates a mainline fleet of more than 700 aircraft. The airline is a founding member of the SkyTeam global alliance and participates in the industry's leading trans-Atlantic joint venture with Air France-KLM and Alitalia as well as a joint venture with Virgin Atlantic. Including its worldwide alliance partners, Delta offers customers more than 15,000 daily flights, with key hubs and markets including Amsterdam, Atlanta, Boston, Detroit, Los Angeles, Minneapolis/St. Paul, New York-JFK, New York-LaGuardia, Paris-Charles de Gaulle, Salt Lake City, Seattle and Tokyo-Narita.

[www.delta.com/ctm](http://www.delta.com/ctm)

JENNIFER MARTIN  
Managing Director, Sales Strategy  
Jennifer.H.Martin@delta.com



## EmpireCLS Worldwide Chauffeured Services

EmpireCLS Worldwide Chauffeured Services has been helping people reach their destinations for over 30 years.

Our journey to becoming a leading chauffeured transportation provider began as a small limousine company in New Jersey, with a handful of vehicles and a simple idea to create memorable experiences by practicing exceptional customer service, and upholding personal safety and discretion. Our company has since grown in size and capabilities, but not our unwavering values of service.

Today, EmpireCLS provides luxury, chauffeured transportation to the world's most influential decision makers in over 700 cities globally. Our comprehensive, transportation services are utilized by private aviation and luxury hotel brands; meetings and events, touring and roadshows managers; travel agencies and corporate buyers; and travelers in need of security-detailed transportation.

*Your arrival is more than just a destination. It's our signature.*

[www.EmpireCLS.com](http://www.EmpireCLS.com)

SALES TEAM  
sles@empirecls.com  
800-451-5466 x2897



## Enterprise Holdings

Enterprise Holdings offers the best in transportation solutions, including extensive car rental and car sharing services, with the largest fleet of vehicles in the world through a global network of more than 8,100 airport and neighborhood locations. The combination of National Car Rental, Enterprise Rent-A-Car, Enterprise CarShare, Enterprise Rideshare and Zimride by Enterprise provides businesses convenient and affordable alternatives for travel.

[www.enterpriseholdings.com](http://www.enterpriseholdings.com)



## Hertz

Hertz operates its car rental business through the Hertz, Dollar, Thrifty and Firefly brands from approximately 11,555 corporate and licensee locations in approximately 145 countries in North America, Europe, Latin America, Asia, Australia, Africa, the Middle East and New Zealand. Hertz is the largest worldwide airport general use car rental brand, operating from approximately 10,090 corporate and licensee locations in approximately 145 countries. Our Dollar and Thrifty brands have approximately 1,400 corporate and franchise locations in approximately 75 countries. Hertz is the number one airport car rental brand in the U.S. and at 130 major airports in Europe. Product and service initiatives such as Hertz Gold Plus Rewards, NeverLost®, and unique cars and SUVs offered through the Company's Adrenaline, Prestige, Green Traveler, and Dream CarCollections, also set Hertz apart from the competition. Additionally, Hertz owns the vehicle leasing and fleet management leader Donlen Corporation and operates the Hertz 24/7™ hourly car rental business. More information about the Company can be found at [www.abouthertz.com](http://www.abouthertz.com).

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



## HRS Global Hotel Solutions

HRS operates a worldwide hotel reservation system for business travelers, with a database of more than 295,000 hotels spanning all categories in 190 countries. Our hotel portfolio includes over 195,000 independent properties - equaling two-thirds of the world's total hotel inventory (and not typically available to corporate travel programs). As a global hotel solutions provider, HRS offers our 40,000 corporate customers a wide range of free tools and services covering the entire hotel booking/payments value chain. We offer global hotel sourcing services, direct booking apps, GDS/TMC/OBT integration, payment solutions, small meeting sourcing, and strategic data analysis around program spend.

<http://corporate.hrs.com>

ERIC HOFER  
Director of Sales and  
Account Management  
eric.hofer@hrs.com  
817-312-9047

ED LI  
Key Account Manager  
ed.li@hrs.com  
201-913-2771



## Loews Hotels & Resorts

While Loews Hotels & Resorts history is rich, we have an eye on tomorrow—and that means understanding today's traveler. Each of Loews Hotels' distinctive properties has its own point of view. We are especially proud that each of our hotels reflects its surroundings. This is local in the very best sense of the word. And since we understand that our team runs the hotel but our guests run the show, travelers have the chance to go, do, explore—or do nothing at all. It's about relaxation and enjoyment. Each of our properties is unique, but the one thing that never wavers is a warm, welcoming atmosphere where business travelers, families and, yes, even your four-legged friends feel right at home.

[www.loewshotels.com](http://www.loewshotels.com)

LOIS O'SHEA  
Executive Director Corporate Travel Sales  
loshea@loewshotels.com  
609-304-2630



## Lyft

Lyft is an on demand ride-sharing company providing safe and affordable rides for your employees.

Companies across the US are adding Lyft as a preferred ground transportation supplier to their travel policies. Lyft offers a way for travel managers to drive savings, offer convenience to their employees, and save time while satisfying the safety and reporting requirements of their Risk Management teams. Lastly, travel managers choose to promote Lyft because of strong brand alignment — corporate social responsibility and good business practices.

[lyft.com/work](http://lyft.com/work)

JAYDON ROBINSON  
Vertical Manager  
jaydon@lyft.com  
858-603-9537



# Thank you for your support



For the advancement of business travel

## MasterCard

(NYSE: MA), [www.mastercard.com](http://www.mastercard.com), is a technology company in the global payments industry. We operate the world's fastest payments processing network, connecting consumers, financial institutions, merchants, governments and businesses in more than 210 countries and territories. MasterCard's products and solutions make everyday commerce activities – such as shopping, traveling, running a business and managing finances – easier, more secure and more efficient for everyone. Follow us on Twitter @MasterCardNews, join the discussion on the Cashless Pioneers Blog and subscribe for the latest news on the Engagement Bureau.

[www.mastercard.us/en-us/businesses/mid-large.html](http://www.mastercard.us/en-us/businesses/mid-large.html)



## Omega World Travel

Omega World Travel is a travel management company, business meeting facilitator, corporate travel agent and so much more. Since 1972, we have been providing travel services to businesses and consumers around the world. With the power of our brands, such as Cruise.com, and our industry-leading software, we can help your employees safely navigate the globe.

Omega is one of the largest business travel management companies in the U.S., with more than \$1 billion in sales. About 70% of our volume is in business travel, and 40% overall is international in scope. We serve corporations, nonprofits, government agencies, government contractors, educational institutions, and more.

[www.omegatravel.com](http://www.omegatravel.com)



## Sabre

Sabre® is a leading provider of travel technology solutions and we've made innovation our business from the very beginning. From building the first computer reservations system in the world, to leading the way for online travel, to delivering cutting-edge travel solutions. Sabre's innovative technology helps corporations convert business travel into corporate performance.

Operate an efficient, vigilant and traveler-friendly program with our solutions designed for travel managers, travelers and Corporate Travel Departments (CTDs).

[www.sabretravelnetwork.com](http://www.sabretravelnetwork.com)

ELZUNIA SYSKA  
Director, Global Account Management  
[Elzunia.Syska@getthere.com](mailto:Elzunia.Syska@getthere.com)  
682-605-2965



## Southwest Airlines

Over 40 years ago, Southwest Airlines started out as a regional carrier serving three cities in Texas. Today, we carry more passengers in the United States than any other airline and serve over 95 total destinations in 41 states, the District of Columbia, Puerto Rico, and seven international countries. In addition to our everyday low fares, Southwest Airlines is the only airline to continue to provide no change fees\*, no cancellation fees\*, no fees for two checked bags\*\* and the ability to reuse unused funds\* in their entirety to the original traveler without a penalty. Business travel friendly ticketing policies like these and more help raise the value to your travel program while lowering your company's bottom line; all without changing the things you've always counted on—safety, outstanding Customer Service, on time flights. Whether managing a multi-million dollar business travel program for a Fortune 500 company or making purchasing decisions for a single office start-up, Southwest Airlines' suite of business travel products, services, and programs can help meet your business travel needs.

[www.southwest.com/corporatetravel](http://www.southwest.com/corporatetravel)

JEFF CIGOLA  
National Account Manager  
[jeff.cigola@wnco.com](mailto:jeff.cigola@wnco.com)  
646-524-5252



## Travel & Transport, Inc.

Travel and Transport, a full service travel management company headquartered in Omaha, NE., has a proven history in providing passionate service and developing travel technology that pushes boundaries. This has been true of our company since we began our journey in 1946. Our top priorities are cultivating sturdy, successful client partnerships and providing flexible, strategic travel management solutions. We apply our expertise and strategic industry position to help our clients reduce travel costs while receiving the highest level of service possible. We are small and flexible enough to cater our services and technologies to your specific needs, yet large enough to command respect among vendors. Travel and Transport is employee-owned and financially sound. Our 100% employee-ownership means that each member of our team is empowered and equipped to positively impact our clients travel program. Travel and Transport is Going Places. Come along for the ride.

[www.travelandtransport.com](http://www.travelandtransport.com)

[goingplaces@travelandtransport.com](mailto:goingplaces@travelandtransport.com)  
(800) 228 2545



## United Airlines

United Airlines and United Express operate an average of more than 5,200 flights a day to 374 airports across six continents. In 2013, United and United Express operated nearly two million flights carrying 139 million customers. With hubs in Chicago, Denver, Houston, Los Angeles, Newark, San Francisco and Washington, D.C., United operates more than 700 mainline aircraft and, in 2014, took delivery of 35 new Boeing aircraft, including the 787-9 as the North American launch customer, and welcomed 32 new Embraer 175 aircraft to United Express. The airline is a founding member of Star Alliance, which provides service to 192 countries via 27 member airlines. More than 85,000 United employees reside in every U.S. state and in countries around the world. United has been honored with a Sustainability Outstanding Achievement Award as a travel supplier by the GBTA Foundation and Project ICARUS. The Foundation recognized United for outstanding leadership, innovation and commitment to delivering industry-leading sustainability programs, products and services. Additionally, readers of Global Traveler named United's MileagePlus the "Best Frequent-Flyer Program" for the past 10 years. For more information, visit [united.com](http://united.com), follow @United on Twitter or connect on Facebook.

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

[cyndi.hunter@united.com](mailto:cyndi.hunter@united.com)



A STAR ALLIANCE MEMBER

# NuTravel Brings On SWA Vet Rob Brown To Lead New Airline Portal Business

BY JAY BOEHMER

Seeing demand from airlines to build direct Web portals for business customers, travel tech firm nuTravel hired Southwest Airlines veteran Rob Brown to lead its recently launched Airline Solutions Group.

This summer, nuTravel split its operations into two: the Corporate Solutions Group that houses its more mature corporate booking tool business and Airline Solutions, which comprises nuTravel's emerging business line that builds and powers airline business portals.

"We just wanted to gain some focus in both of the camps, and so we made a decision to split things out," nuTravel CEO Carmine Carpanzano said.



"Distribution is continuing to evolve. The GDSs have, for the most part, dominated distribution, and they'll still be an integral part. Going forward, you have the evolution of things like APIs and XML communication that allow airlines to better understand who their customers are and how they want to be serviced."

—NuTRAVEL'S ROB BROWN

NuTravel first got into B2B portal building with Air Canada, which launched a small business portal in 2012. This year, JetBlue went live with its own nuTravel-powered portal for small and midsize business customers, and Canada's WestJet is developing a portal with the tech firm.

"On the airline side, we have not really done any major PR or any marketing," Carpanzano said. "Everything we've done has been predominantly through word of mouth."

He said nuTravel is in discussions with airlines of varying shapes and sizes, including "legacy" carriers. Prospects are coming in from various regions, as well, including the United States, Europe, Australia and New Zealand. "There are about seven airlines in the pipeline right now," he said. "If I go back a year ago, there was one."

While nuTravel sees signs of life, plenty of bodies are buried in the

B2B portal graveyard: United Airlines gave it a go with GoBusiness, launched in 2005, since deceased. In 2007, then-SkyTeam partners Delta Air Lines, Northwest Airlines and Continental Airlines released a short-lived joint portal, and American Airlines discontinued its Corporate-Access portal in 2008.

Southwest's SWAbiz has had the most staying power in the United States. It makes sense, then, that nuTravel chose a Southwest vet to lead the charge. Brown started as executive vice president and general manager of the Airline Solutions Group on Oct. 1.

"Airlines are always evaluating distribution strategy," said Brown. "They're always looking for ways where they can not just lower costs but also better service their customers. Distribution is continuing to evolve. The GDSs have, for the most part, dominated distribution, and they'll still be an integral part. Going forward, you have the evolution of things like APIs and XML communication that allow airlines to better understand who their customers are and how they want to be serviced."

Brown and Carpanzano cited ancillaries as an example of airlines seeking to deliver new services to customers, including business clients.

Carmine previously told *The Beat* that B2B portals can offer more business-focused functionality than consumer-oriented websites. For example, referring to JetBlue, he said, "They had a goal to develop a system that was separate from the consumer site and can do some different things that the consumer side of the business doesn't do today: the ability to aggregate a corporation under one account; understand the customer, their travel patterns and spend; be able to provide them with reporting; and also provide them with hotel and rental car in the same reservation. A lot of these portals that airlines have had in the past didn't aggregate the transaction in one PNR."

While direct portals largely have targeted small and midsize business clients, Brown said, "There's an opportunity with all segments, and that's something each airline will have to evaluate with their respective customers."

Carpanzano said the airline portal business brings in revenue from both upfront development and recurring, transaction-based charges.

Meanwhile, nuTravel's Rich Miller was assigned to oversee the booking tool business as executive vice president and general manager of its Corporate Solutions Group. Carpanzano will focus on business strategy and work "on our capital needs as we continue to grow business and look out three to five years," he said.

NuTravel said growth opportunities in the more mature booking business remain. It began as a midmarket-focused provider and got into the enterprise space after purchasing ResX from TRX. Miller said nuTravel's modus operandi will be a focus on the end user. It sees, among other opportunities, a chance to capitalize on SAP's acquisition of competitor Concur.

While nuTravel does not disclose revenue, the company has added headcount in the past year, bringing in around 15 employees to bring the total to around 45, said Carpanzano. [➔](#)

ORIGINALLY  
PUBLISHED IN  
thebeat.  
travel

## NEWSLOG

### Wex, Grasp Launch Single-Use Virtual Cards

Corporate payments provider **Wex** and data and intelligence company **Grasp Technologies** announced Wex now issues single-use virtual cards for Grasp. The solution, GraspPAY, allows travel management companies and corporate customers to create virtual cards for hotel bookings in 22 currencies within the travel agent's existing booking system and has "several" beta customers, according to a Wex spokesperson. Existing virtual card providers make profits by charging setup and transaction fees, which Wex and Grasp claim their exist-

ing business model avoids. They declined to elaborate.

### Groupize Debuts SMM App

Small group and meeting technology firm **Groupize** released Groupize Strategic Group Management. The technology offers enterprises, travel management companies and third-party planning firms a one-stop shop for sourcing, booking and managing multiroom bookings, along with all the requirements

for small meetings, typically fewer than 25 rooms and 50 participants. That segment, according to Groupize, often falls outside the sweet spot for larger strategic meetings management technologies and yet can represent as much as 80 percent of a corporation's event volume. Groupize SGM accommodates a corporation's preferred transient, extended-stay and meeting rates and supports direct connects to hotel systems. Third parties have the ability to white label the solution for their clients, enable meeting request forms to initiate services and provide a self-service module for clients to plan and book their own small meetings. Groupize named

Corporate Travel Planners and Orbitz for Business as launch partners.

### CWT M&E Releases Midsize-Meeting App

CWT Meetings & Events released Meet by CWT M&E. According to Carlson Wagonlit Travel, small and midsize events have been underserved by meetings apps. The off-the-shelf app for Apple and Android devices offers attendee-engagement features and logistical tools for planners. It also allows for user feedback.

# With More Funding, Routehappy Works With Carriers On Content Marketing

BY MICHAEL B. BAKER

Routehappy has secured an additional \$3 million in funding to launch its Routehappy Hub for airlines and has named five of the 10 carriers with which it is creating content.

United Airlines, Delta Air Lines, Swiss International Airlines, Qantas and Icelandair are among those working with Routehappy on its software-as-a-service platform. The Routehappy Hub enables airlines to manage product content, provide details on services and amenities on specific routes or flights and transmit that data to direct and indirect distribution channels, founder and CEO Bob Albert said. Routehappy also is in discussions with “major distributors” about integration and is working with Sabre to integrate merchandizing data like photos and videos of seats and amenities for specific flights into agency platform Sabre Red Workspace. It began incorporating data with Serko earlier this year. Expedia is a user, as well.

“Airlines have spent a lot of money differentiating products and services. ... All of these products need to be organized and conveyed to consumers, so we have focused on building for the entire industry the platform and pipes that will allow airlines to create that content and decide where that will go.”

—ROUTEHAPPY CEO BOB ALBERT

At its core, the Routehappy Hub centers on “universal product attributes,” a content standard with which travelers can assess potential flights beyond price and schedule.

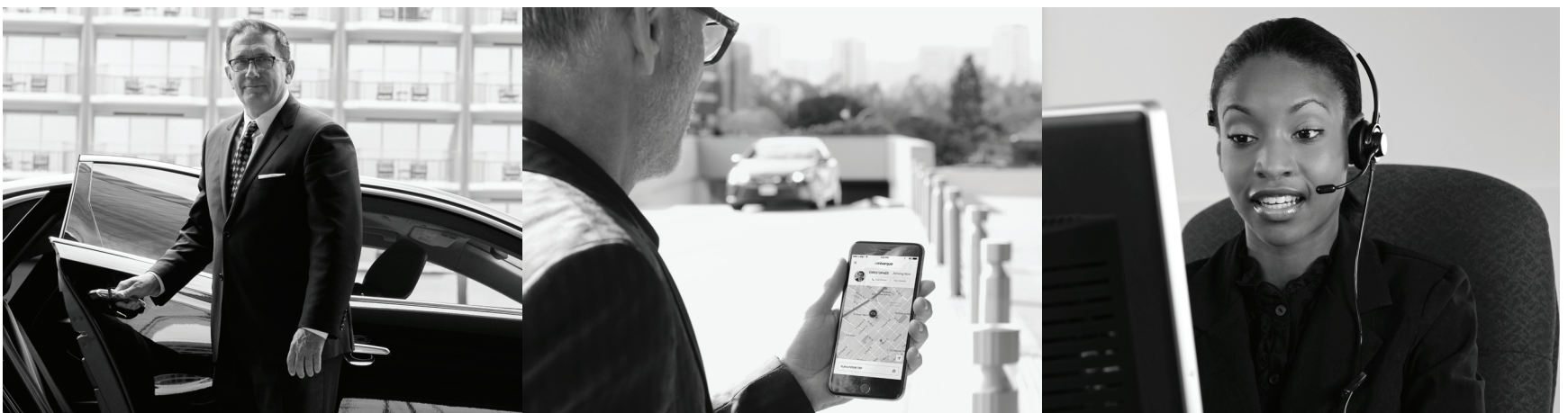
“Airlines have spent a lot of money differentiating products and services, including product updates or tickets and fares with different rules and policies,” Albert said. “All of these products need to be organized and conveyed to consumers,

so we have focused on building for the entire industry the platform and pipes that will allow airlines to create that content and decide where that will go.”

The hub removes the need for airlines to market with “bullet points and asterisks,” Albert said. For example, airlines that offer free wine and beer only on domestic routes could make that clear whether it applies upon booking, or carriers could tout certain amenities—Delta

and JetBlue’s sleep kits, for example, he said. With corporate booking tool integration on the radar, such tools could incorporate negotiated benefits into the UPA to get “predefined benefits in front of a corporate traveler,” he said.

With the latest round of funding, from Par Capital Ventures and some of its existing investors, Albert said to expect more partnership announcements this fall. [↗](#)



## DRIVING CONNECTIONS

Carey International specializes in making complex travel logistics seamless. With knowledge gained from more than 90 years of experience, we have developed a groundbreaking suite of integrated technologies that consolidates all your transportation management needs for all the members of your team, custom designed for all platforms – so that all relevant information is available to everyone, everywhere.

800-336-4646

[www.careyconnect.com](http://www.careyconnect.com)

© 2015 Carey International, Inc. All rights reserved - 1005

**CAREY**<sup>®</sup>  
INTERNATIONAL

# Deem Suit Won't Block GDS's Access To Ground

BY JAY BOEHMER

Deem has filed a lawsuit against Travelport in a U.S. district court in California over a disputed payment structure related to their Deem ground service agreements. The lawsuit will not immediately impact Travelport subscribers' access to Deem's ground platform, which connects ground transportation service providers with intermediaries and buyers.

It has been an eventful year for Deem Car Service.

In January, Global Ground Automation, which Deem acquired in 2008, filed suit against competing ground technologies GroundSpan and GroundWidgets over patent infringement. And in May, Concur cut off access to Deem's ground services for its Concur Travel booking tool.

More recently, Deem announced it has embarked on an industry-backed on-demand and advance reservations platform that blends a consumer user experience with the requirements of managed travel.

"Deem's recently announced Car Service initiatives operate outside of the GDS environment and aren't impacted in any way, shape or form by our Travelport relationship, or lack thereof," CEO Patrick Grady wrote in an email. "Furthermore, we do not rely upon the GDS community for distribution of our services, Car Service, or otherwise. With regard to Travelport and our current commercial disagreements, we assume it's in the best interest of both parties to arrive at a resolution."

Last year, Deem settled a prior billing dispute with Travelport and submitted a \$150,000 payment to the GDS operator, according to Deem's complaint. The two then entered negotiations on a new pricing arrangement to incorporate "a fixed pricing schedule for both air and ground transportation services

to be booked in the Travelport GDS in support of Deem's and Travelport's mutual customers."

Deem's complaint noted that "Travelport's air transportation division" agreed to a new fixed annual \$150,000 payment from Deem, after which "negotiations focused on Travelport's ground transportation division accepting an equal fixed annual payment of \$150,000 from Deem."

Travelport, however, never executed

operates "the largest global chauffeured transportation network in the world" and has "deep intellectual property assets in this area."

The company intended for years to create a next-generation ground technology platform that featured on-demand and mobile capabilities, but those efforts were sidetracked during a challenging era of bank ownership.

"From the end of 2008 through mid-2013, we really couldn't focus

for cloud and mobile "over the next couple of months."

Through early 2016, it "will be connecting up the industry's back offices and integrating all of the inventory across all of the fleets of the operators. Once that content is available in our real-time network, we will make the application generally available for real time," said Grady, referring to an on-demand, Uber-like experience.

"What we are doing in connection



"What we are doing in connection with the chauffeured transportation industry is not designed in any way, shape or form to compete with UberX or the taxi industry. This is designed for corporate travel and for premium leisure consumers who place a real value in safety and trust and security."

—DEEM CEO PATRICK GRADY

a new agreement, according to the complaint, and has continued to bill Deem "under the old pricing" model.

In a letter to Deem last year, attached as an exhibit in the complaint, Travelport reserved its right to terminate "Deem Ground's access to the Travelport GDSs," but Travelport confirmed it "continues to offer its customers access to Deem ground services at this time."

Further, the GDS operator denied Deem's allegations, stating it would "vigorously defend" itself in court.

## Deem's New Ground Service

Deem, which operated for years as Rearden Commerce, has been entrenched in ground transportation technology and further expanded its capabilities with the Global Ground Automation acquisition. Grady said it

on our core business around travel, expense, procurement, shopping, etc.," said Grady.

Now, the ground project is back in full swing. Deem announced in July that "dozens" of ground transportation service providers agreed to participate in the new Deem Car Service platform and reported more suppliers signing on by late September. It separately entered into "a strategic technology and marketing alliance" with the National Limousine Association.

Deem Car Service would support a mobile, on-demand, Uber-like ground service, as well as advanced reservations, while supporting corporate policy controls, client vendor preference, negotiated rates, duty of care and other hallmarks of managed travel.

First up, Deem plans to deliver the advance reservation capabilities

with the chauffeured transportation industry is not designed in any way, shape or form to compete with UberX or the taxi industry," said Grady. "This is designed for corporate travel and for premium leisure consumers who place a real value in safety and trust and security. That can only be accomplished through the chauffeured transportation industry and a robust vetting process, like the one that the NLA provides and all of its members."

Once it's live, Deem said, companies will be able to use the standalone Deem Car Service application or access it by way of other Deem systems, including Deem Travel. Grady noted that some corporate clients have asked Deem "to expose this capability through our APIs" to other online booking tools and mobile applications, "and we are happy to do that." [▶](#)

## TSA Increasingly Reserves PreCheck Lanes For Enrollees Only

BY MICHAEL B. BAKER

The U.S. Transportation Security Administration has largely phased out "managed inclusion," which placed nonenrolled travelers into PreCheck lanes. Now, it's focusing on significantly raising membership levels in the PreCheck program.

The TSA has confirmed it no longer uses "behavior detection officers" and hand swabbing to detect explosives, both quick screening methods that

allowed the TSA to move nonenrolled travelers to PreCheck lanes. The practice had come under scrutiny earlier this year after a Department of Homeland Security Inspector General's report showed that a former domestic terrorism organization member made it through a PreCheck lane, where security screening is looser.

Business travelers enrolled in PreCheck also criticized the service, as travelers who are not familiar with PreCheck protocols,

such as leaving shoes on and laptops in bags, slowed down the line. The TSA also has reduced the number of nonenrolled travelers whose elite membership in frequent-flyer programs got them approved for PreCheck.

The TSA will continue to use dogs to screen certain travelers into PreCheck lanes, but "overall, the agency is now moving toward offering TSA PreCheck expedited screening only to trusted and pre-vetted travelers enrolled in the

TSA PreCheck program," according to a TSA statement provided to *BTN*.

At the same time, TSA aims to boost PreCheck enrollment to more than 25 million travelers from the just over 1 million enrolled now. The TSA will open more application centers and work with private-sector marketing to increase awareness of the program. It also is exploring ways to keep PreCheck wait times reasonable, including adding staff where necessary. [▶](#)

# Analysts See Silver Lining In Smisek's Departure From United Airlines

BY MICHAEL B. BAKER

Analysts said United Airlines CEO Jeff Smisek's sudden departure could be positive for the carrier, whose profit has lagged that of competitors.

Smisek, who had served as United's CEO from the time of its merger with Continental in 2010, stepped down alongside two other United executives amid a federal investigation involving The Port Authority of New York & New Jersey. Oscar Munoz, COO of rail transportation company CSX and a United board member, took over the CEO role at United.

Among the allegations is that United revived a direct Newark-to-Columbia, S.C., flight at the behest of David Samson, who was then chairman of the Port



Jeff Smisek

Authority, on a quid pro quo basis. The investigation also is looking at United routes to Atlantic City. The carrier allegedly received financial incentives from New Jersey officials and did not have to repay them after canceling those routes, despite a contract provision to the contrary, The Associated Press report-

ed in late September.

The investigation indicates a deeper problem, Stone Fox Capital wrote: "Clearly, the decision to implement a single flight to a city like Columbia can't be positive for margins. Whether or not this was done to obtain political favor, it could indicate a culture that isn't primarily focused on the best operations and shareholder returns."

Wolfe Research's Hunter Key said United "needed a management and culture shake-up." Munoz, himself an industry outsider, now can handpick United's new CFO, considering John Rainey left for PayPal, according to Cowen & Co. "United has lagged the airlines in terms of multiple expansion and earnings power, despite significant potential," the firm wrote. "The new management could un-tap United's potential, given United's hub structure and size."


Credit Suisse analysts Julie Yates and Parker Kim wrote that Munoz's 11 years on United/Continental's board gave him "a front-row seat during the merger [and] subsequent struggles" and that he could bring "pricing and capital



Oscar Munoz

discipline" from the rail industry.

Key added that United also needs operational improvements and possible network revamping in order to achieve that pricing. "[United] needs to take a hard look at which hubs work and which hubs don't as a primary driver to close its potentially structural margin gap to peers. That's not really something Mr. Munoz is qualified to do, in our view. At least not immediately."

The Smisek investigation seems unlikely to affect United's operations, Key noted. "The termination ... feels like self-imposed sanctions to us, and perhaps that alleviates some of the potential penalties that federal investigators may be considering." 

## There is a better way to book hotels with your corporate travel program.

The only TMC to receive  
**HONORABLE MENTION**  
BTN 2015  
Innovator Awards

FindIt® is a new kind of corporate booking tool, personalized to how each business traveler shops for travel.

- ▶ This is not Open Booking – all reservations are booked automatically through your TMC
- ▶ Search 30+ airline and hotel websites
- ▶ Travelers are directed to a one page check-out to purchase with Short's Travel
- ▶ Your corporate discounts and travel policy are applied before booking
- ▶ Your TMC corporate travel profiles are applied **automatically**
- ▶ Purchase web rates or GDS rates directly with Short's Travel

Contact us today for a demo at [sales@shortstravel.com](mailto:sales@shortstravel.com) or online at [www.findit.travel](http://www.findit.travel).



WWW.SHORTSTRAVELMANAGEMENT.COM



# Orbitz-Expedia Clears DOJ

BY JAY BOEHMER

The U.S. Department of Justice will not challenge Expedia's acquisition of Orbitz, clearing the final hurdle for the \$1.3 billion transaction.

In February, Expedia announced its agreement to acquire Orbitz Worldwide and all its holdings on the heels of Expedia's move to assume full ownership of Travelocity. Expedia and Orbitz operate travel management companies Egencia and Orbitz For Business, respectively.

The deal was contested by the hotel industry, which fears the online travel giant's increased negotiating leverage and claims consumer harm.

DOJ Assistant Attorney General Bill Baer, however, said: "The Antitrust Division investigated the concerns that have been expressed about this transaction. We took those concerns seriously and factored into our analysis all of the information provided by third parties. At the end of this process, however, we concluded that the acquisition is unlikely to harm competition and consumers."

The DOJ found no evidence that the

merger would "result in new charges being imposed directly on consumers for using Expedia or Orbitz. So we focused our investigation on the commissions Expedia and Orbitz negotiate with airlines, car rental companies and hotels.

"Second, we found that Orbitz is only a small source of bookings for most of these companies and thus has had no impact in recent years on the commissions Expedia charges. Many independent hotel operators, for example, do not contract with Orbitz, and those hotels that do often obtain very few bookings from its site. In addition, beyond Expedia and Orbitz, travel service providers have alternative ways to attract customers and obtain bookings, including Expedia's largest online travel agent rival, Priceline."

The American Hotel & Lodging Association expressed disappointment, commenting: "Simply put, this decision will hurt consumers and small business owners and remove choice from the marketplace. By approving this deal, only two players control the online marketplace: Priceline and the behemoth

Expedia, now owning Orbitz, Travelocity, Hotels.com, Hotwire, Cheap Tickets, and Trivago. Together, these two players control over 95 percent of the online travel agency bookings in the United States. We continue to believe that increased consolidation is bad for consumers and bad for business."

AH&LA reiterated its concerns that the deal would result in higher distribution costs, especially for owners of independent hotels, "who risk seeing booking commissions rise by double digits."

The DOJ viewed the OTA tie-up in the context of a sector that is "rapidly evolving." Baer cited "the introduction of TripAdvisor's Instant Booking service and Google's Hotel and Flight Finder with related booking functionality" in the past 18 months.

At the time of the agreement, neither Orbitz nor Egencia could provide details on integration plans. Expedia commented in a statement: "We look forward to officially welcoming Orbitz Worldwide, Inc., and will make a formal announcement upon closing the transaction." ↗

## Best Western Refreshes Branding

BY JULIE SICKEL

Best Western International has rebranded as Best Western Hotels & Resorts. Also in the works are mobile apps and websites and a new boutique hotel offering.

In addition to a new corporate logo, Best Western is doubling-down on its brand segmentation strategy, adopted in 2010, by introducing distinct logos for Best Western, Best Western Plus and Best Western Premier. "Unlike many brands, our logos must deliver business across various mediums, including a roadside sign during the daytime and night [and signage] inside and outside a hotel, on collateral and in the digital space," said senior vice president of marketing and sales Dorothy Dowling. Senior vice president of brand management Ron Pohl added that the company plans to redo signage at "a critical mass" of properties by summer 2016 and complete the rest before December 2017.

On the technology side, Best Western has introduced a new mobile website and new Best Western to Go apps for iOS and Android. The mobile products offer such features as a hotel-comparison view, improved search function with filters, a map feature that highlights nearby attractions and points of interest, Best Western Rewards integration and enhanced visual design with more images and rich media.

"With our new mobile website and apps, we have built simple, seamless online experiences designed to increase bookings, create guest loyalty and set expectations for an exceptional guest experience," Dowling said. The company also intends to launch an entirely new website in spring 2016 to wrap up its three-phase digital platform redesign. In the first phase in August, Best Western introduced new property websites for more than 2,000 hotels in North America.

In January 2016, Best Western plans to approach major corporations to offer a money-back guarantee, the company stated, which would refund the cost of stay for any dissatisfied traveler and deposit reward points into that traveler's account to apologize for any inconvenience.

The company also expects to have one property for Glō—a boutique midscale, new-construction brand with streamlined, modern design—open by the end of 2016. Best Western offers seven brands, including Glō, across 4,100 properties in more than 100 countries. ↗

# Olset Strikes Agreements With Adelman, Amadeus

BY JULIE SICKEL

Olset has officially moved into the corporate travel sphere through partnerships with Adelman Travel and Amadeus, said Olset founder and CEO Gadi Bashvitz.

Adelman is using Olset's sentiment data both during the pre-booking process to guide travelers to hotels based on personal preferences and after booking to give travelers an idea of what they can expect when they arrive at a property, said Bashvitz.

"Historically, the data available about hotels has been quantitative: Does it have a pool, is there a business center and is there room service?" according to Adelman chief information officer Ivan Imana. "With the data we receive from Olset, we're able to provide qualitative insights into each of these features based on what other travelers are saying."

Olset's database features 500,000 hotels, 50 million traveler reviews and around 200 million categorized traveler sentiments. The company culls the data from such sources as TripAdvisor reviews, Facebook posts and its own concept site, hotelmatch.me, which launched in February.

Bashvitz said the idea is to save travelers time by helping them make faster, more



"Instead of just getting a random list of hotels . . . you get a very personalized list of results. We give the tools to the traveler to help them understand exactly why these hotels are recommended to them."

—OLSET CEO GADI BASHVITZ

informed decisions about where they book, based on what they value, such as speedy Wi-Fi or a positively reviewed fitness center. "If Netflix can be so smart and Amazon can be so smart, why can't travel?" Bashvitz said. "That's where we want to go."

Olset launched a recommendation application program interface at the end of 2014. During the first quarter of 2015, it introduced its sentiment API, which Adelman has used to integrate Olset data since June.

"Instead of just getting a random list of hotels, which is what happens now, you get a very personalized list of results. We give the tools to the traveler to help them understand exactly why these hotels are recommended to them," Bashvitz said, adding that the tool takes into consideration

whether a hotel is a preferred property.

Amadeus also will use the sentiment API as part of its hotel Web services, which offers data and booking capabilities for more than 324,000 lodging properties. Amadeus group director of hotel distribution Peter Waters said Amadeus is the first GDS to do so, and he expects the feature to improve customer satisfaction and hotel conversions. Amadeus will make it available later this year.

Other partnerships are in the works for the three-year-old tech company. It is doing pilots with online travel agencies, though Bashvitz won't name them, and it will launch Cinch, a booking app for unmanaged business travelers, in the coming months. ↗

# BUSINESS TRAVEL TRENDS & FORECASTS

DALLAS

NOVEMBER 12

## CONNECT. LEARN. GROW.

Join the BTN Group at the fifth annual one-day conference designed exclusively for business travel buyers. Through expert-led sessions and interactive discussions, attendees gain valuable insight on best practices in travel and meetings management, corporate hotel negotiating strategies, enhancing the traveler experience and more.

Connect with travel industry peers to share common challenges and effective solutions that enhance your corporate travel and meetings program.



OMNI DALLAS HOTEL

**REGISTER TODAY!** [BusinessTravelTrends.com/Dallas](https://www.BusinessTravelTrends.com/Dallas)

PRESENTED BY



SPONSORED BY

amadeus cvent

dinova  
THE BOTTOM LINE IN BUSINESS DINING

enterprise National  
DRIVE ALLIANCE PARTNER

MasterCard

OMNI HOTELS  
& RESORTS

Southwest  
Corporate Travel

# GBTA: Business Travelers Want Their Companies To Recommend Travel Apps



BY ELIZABETH WEST

Travel managers should be recommending travel apps to their business travelers, according to a Global Business Travel Association report. Few companies do, however.

GBTA based its report on responses from 521 managed and unmanaged travelers who have traveled on business at least once in the past 12 months. Among participants, 95 percent owned a smartphone that they used for business purposes. More than three-quarters have downloaded travel-related apps.

Navigation apps (think: Google Maps, Waze) are the most common among 54 percent of survey respondents. Next up: airline and hotel. Airline apps were downloaded by 46 percent and hotel apps by 45 percent. Thirty-four percent had downloaded third-party travel booking apps like Expedia, Orbitz and Kayak. About a quarter had downloaded itinerary management apps, ground transportation apps (like taxis, Lyft or Uber) and general travel review apps like TripAdvisor. All of the most commonly downloaded apps were consumer oriented.

That may owe partially to the fact that few companies actually recommend apps to their travelers. Just 17 percent of respondents said their companies recommended a menu of travel apps. GBTA suggests corporates are missing a golden opportunity to influence traveler app selection and preferences. Indeed, among travelers whose companies do recommend apps, 91 percent called those recommendations useful.

Companies with managed travel programs were more likely than others to recommend apps, but not by

much. This led the study authors to recommend a clear next step: "When companies have a managed travel program, they can perhaps do a better job recommending TMC apps in an effort to promote booking through preferred channels."

## Usage Rates

Millennials and Gen X travelers were more likely to use travel apps than were Baby Boomers. A 2013 Boston Consulting Group report posited that half of business travelers would be Millennials by 2020, and as more Millennials enter the workforce, corporates will need to have a clear strategy around app usage for multiple business functions, including travel. This should include, according to the GBTA study, top-notch technology and apps that are as easy to use as consumer apps. Without that, Millennials could turn out to be the heaviest users of agent assistance, as they get frustrated with subpar technology and reach out for personal help.

But corporates may not want to wait five years to pull that strategy together. Frequent travelers, regardless of age group, display similar app

### STATEMENT OF OWNERSHIP, MANAGEMENT AND CIRCULATION

1. PUBLICATION TITLE Business Travel News 2. PUBLICATION NUMBER 728-870. FILING DATE 10/1/15 4. ISSUE FREQUENCY Monthly except semi-monthly in Mar, Apr, Jun, July, Sep and Oct. NO. OF ISSUES PUBLISHED ANNUALLY eighteen 52. ANNUAL SUBSCRIPTION PRICE USA \$129, CAN/MEX \$142, OTHER FOREIGN \$210, \$65 DIGITAL EDITION. 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, 116 West 32nd Street, 14th Floor, New York, NY 10001 EDITOR: Elizabeth West, Northstar Travel Media, LLC, 116 West 32nd Street, 14th Floor, New York NY 10001 MANAGING EDITOR: Amanda Metcalf, 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 28, 2015

#### 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)	33,009	34,137
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)	31,317	32,359
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))	31,317	32,359

#### 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)	589	525
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)	353	620
e. Total Nonrequested Distribution (Sum of 15d (1), (2), (3) and (4))	942	1,145
f. Total Distribution (Sum of 15c and e)	32,259	33,504
g. Copies Not Distributed (see Instructions to Publishers #4 (page 3))	750	633
h. Total (Sum of 15f and g)	33,009	34,137
i. Percent Paid and/or Requested Circulation (15c divided by f times 100)	97.08%	96.58%
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	12,913	11,674
b. Total Requested and Paid Print Copies (Line 15c) + Requested/Paid Electronic Copies	44,230	44,033
c. Total Requested Copy distribution (Line 15f) + Requested/Paid Electronic copies (Line 16a)	45,172	45,178
d. Percent Paid and/or Requested Circulation (Both Print & Electronic Copies) (16b divided by 16c x 100)	97.91%	97.47%

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 12, 2015 issue of this publication.

18. Signature and Title of Editor, Publisher, Business Manager or Owner: Louis Magliaro, Group Publisher, 10/5/15.

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).

usage profiles to those of Millennials and Gen Xers. These travelers spend more travel dollars and make more travel-oriented decisions with the information provided on their smartphones. Understanding and supporting frequent travelers' needs now and evolving that strategy to support incoming Millennials may be the smartest play.

## Pushing The Liability Envelope

The challenge, according to several travel buyers attending The BTN Group's Innovate conference in New York City last month, is the issue of liability. Traveler safety and security and data security immediately emerge as travel managers consider the concept of recommending specific apps. According to one corporate travel app supplier, "100 percent of companies are concerned about data security when it comes to travel apps. It is their first question when they come to us."

For some companies, it's a matter of checking each recommended app through IT and clearing it for the travel program. The second hurdle is making travelers understand that


even though the company recommends a certain app, the corporate IT department is not prepared to support that technology if something goes awry.

For other companies, these issues remain deal breakers. The alternative is to create internal travel apps, a task that a healthcare company travel manager at the Innovate conference characterized as a futile

effort that results in apps that are too clunky to compete with consumer solutions.

That's a strong argument for pushing TMC app technology and focusing the liability and support issues on the contracted supplier. Either way, travelers will continue to download and use their travel apps. Whether the company wants to manage that usage and potentially

capture the related data is the question each corporation has to answer.

The GBTA report authors looked to the positive: "This is another opportunity for travel programs to assess and incorporate the mobile apps that they consider useful and could help travelers not only be compliant with travel policy but make the experience of business travel a better one." 

## GBTA: Travel Buyer Compensation On The Rise

BY AMANDA METCALF

Travel buyers' average compensation has risen 5 percent since summer 2014, to \$110,000, and their satisfaction with salary and benefits lifted with the tide. Median income rose 6 percent to \$103,000.


The findings come from the Global Business Travel Association, which surveyed 285 U.S. buyers between June 24 and July 16, and appeared in its 2015 Compensation and Benefits study. The research asked buyers to compare their 2015 salaries to their 2014 earnings.

BTN's 2015 Travel Manager Salary & Attitude Survey, released in July, also recorded a 5 percent year-over-year compensation increase, to an average of \$114,769.

GBTA reports that those who hold its GTP Certification earn 8 percent more. Otherwise, average salary rises in proportion to the travel spend the buyer oversees, though there's a 30 percent salary jump from companies that spend less than \$10 million to those that spend between \$10 million and \$50 million. Buyers who work at the smaller-spend companies make an average of \$82,000

compared with those in the next tier, who average \$117,000.

Buyers at for-profit companies earn \$111,000, compared to nonprofit buyers' \$95,000. Those who live in the Northeast average \$118,000, and those in the West take in \$114,000. The Midwest falls in at \$105,000, and buyers living in the South earn \$96,000 on average.

Salary and benefit satisfaction stayed stagnant from 2010 to 2013. It lurched from 63 percent in 2013 to 72 percent in 2014 and made another strong jump to 77 percent this year. 

## The Phocuswright Conference

NOVEMBER 16 - 19, 2015  
FT. LAUDERDALE/HOLLYWOOD,  
FLORIDA USA

The theme for the 2015 Phocuswright Conference is all about the traveler.

While the travel industry debates what's next, travelers have already moved on. For the constantly connected, devices are simply a means to an end. Join us at the global forum for travel's most influential leaders and discover what your post-mobile world looks like.

**REGISTER TODAY**  
[PHOCUSWRIGHTCONFERENCE.COM](http://PHOCUSWRIGHTCONFERENCE.COM)  
**+1 860 350-4084 X500**

# I, TRAVELER

EMBRACING POST MOBILE

**LAST CHANCE**  
**Register through**  
**October 31 for**  
**final savings**  
**on your ticket.**

# Deem Employs Suite Software Philosophy

BY JoANN DeLUNA

Deem has enriched its product offering from one travel platform in 2005 to more than 11 million individual products, including travel. It connects its 34,000 corporate clients with 100,000 merchants and 40 travel management company partners. It's a broad commerce-as-a-service provider that its founder and CEO likens to another tech company that has grown fat on diversification: "Travel was to Deem what books were to Amazon," said Patrick Grady.

This year, alone, Deem Expense, an in-house expense management tool for small businesses that launched last year, expanded to the midmarket. In June, Deem updated its T&E mobile app to include optical recognition that works with human verification. And in July, the company announced updates for the Deem Car Service mobile app, including plans to roll out advance-reservation capability in the fourth quarter and on-demand mobile hailing by 2016.

Deem aims to expand its expense product into the enterprise sector by mid-2016, and an expansion to

midmarket, primarily companies with 1,000 to 5,000 employees, but it also counts *Fortune* 100 companies and small businesses as customers. Some clients use just one of Deem's applications, but most use multiple apps, Grady said.

He maintains that the company's "one-stop shop with a unified shopping cart" and end-to-end T&E management are differentiators in a sea of expense management companies. Only a few like Concur, Deem and KDS offer end-to-end, booking-to-expense services without integrating with a third party. "When you lump T&E and e-procurement together—what we call Deem Shopping, where purchasing office supplies looks exactly like purchasing travel, where you have company policy and preferred vendors and an employee profile that knows your purchase history and preferences—that's how we differentiate from our competition," Grady said.

Integrating a suite of applications on a common platform with a robust third-party developer community has proven successful for other

in the procurement space, Concur in T&E and Fieldglass for services procurement—totaled about \$13 billion. "Now they'll spend the next five to seven years or more writing or integrating those apps into a common suite," Grady said. "The reason why is because customers want integrated suites."

Similarly, Coupa launched in the procurement space in 2006 and added an expense management solution in 2009 that can stand alone or function within Coupa's complete Spend Management offering. Coupa also believes in the one-stop-shop model and similarly has been characterized as having an Amazon-like shopping experience. In fact, Coupa began using Amazon Web Services' e-procurement hardware and infrastructure in 2007. A Coupa spokesperson said Coupa's platform facilitates the sale of "hundreds of millions" of products—office supplies to travel management services—from more than 1.7 million merchants to more than 500 customers.

While the number of expense management players boasting a consumerlike user interface has increased over the past few years, Grady isn't


Customers new to expense management technology, he added, sometimes prove tougher sells than companies that are coming off a legacy expense system and thus appreciate the value of automation. Expense tech rookies, by contrast, are reluctant to replace their "free" processes with automated solutions that cost money up front.

## Users Vs. Administrators

The trend for cloud-based startup expense apps is drifting toward traveler-friendliness and attractive, easy-to-use interfaces. No longer do CFOs, IT pros or travel managers buy new products in a vacuum, without end-users' input. "Companies have realized that you can't mandate your [employees] use something that's painful and time consuming because so many people are voting with their smartphones every day," Marks said. "We can have all of these things to run finances but can also surround users with an amazing user experience at the same time."

Still, some travel managers have expressed concern that there is too much emphasis on the traveler experience and that the new tools no longer provide the controls they need. Deem, Grady said, was designed from the onset to offer "compliance with convenience." He added, "It's a complex undertaking. You have to build out a robust back end and insulate the user from all that complexity. The lower-end-market companies that have come out with really cute interfaces and really great end-user experiences fundamentally lack the robust policy controls that the CFO or travel manager wants.

"That's another reason why I'm not terribly optimistic about the proliferation of the low-end expense app space: because there are a lot of toys out there that have been filling a vacuum ... but we're delivering a suite of robust policy controls and consumer experience."

Deem is working to make the platform more capable of shadowing users through their business trips. "Expense reporting in the future doesn't exist," Marks said. "The tool will be smart enough to do that on your behalf, to consume information via credit card feed and receipt capturing and package that information up for you into a smart expense report that you just verify," Marks said. "That's a bit of foreshadowing of where we hope to go." 



"Companies have realized that you can't mandate your [employees] use something that's painful and time consuming because so many people are voting with their smartphones every day."

—DEEM'S THOMAS MARKS

Europe is on the way via development work it's doing for a multinational client, Grady said. "The only delta between the markets is the feature set. Larger companies have more complex business processes that they need to automate, so it takes more time to deliver those features to the market," he added.

## Suite Software Vs. Stand-Alone Apps

The company first entered the travel space as Rearden Commerce, in 2005, when it launched a travel platform that combined air, hotel and car rental bookings, including such services as shipping and dining reservations. The company's sweet spot is the

business-to-business sectors, Grady noted. He cited SAP within enterprise resource planning, Salesforce in customer relationship management and Microsoft in the computer desktop arena. "Companies don't buy stand-alone apps in the presence of suites. They buy them in the absence of suites," he said. "Over the past 30 years, there really is no precedent whatsoever in the B-to-B software or software-as-a-service [space] in which companies that only provide stand-alone apps ultimately prevail. They might get some early wins, but ultimately platforms with integrated suites prevail."

Grady emphasized SAP, whose past three years of acquisitions—of Ariba

worried about the competition. For one, penetration into the small to midmarket sector is less than 20 percent, and penetration into the lower end of that sector is even smaller, at 5 percent, according to Deem vice president of product marketing Thomas Marks. "Often, we don't compete against one another, as hard as that is to believe. Our No. 1 competitor is the spreadsheet," Marks said. "There's a wide open market, and there's plenty of room for multiple expense players."

The company's marketing efforts are to convince potential customers there's a better way to manage expense reporting than spreadsheets and taping receipts to paper and scanning them, Marks said. He claimed Deem retention rate is 98 percent. "Our job is not to replicate the Excel-based management system in the cloud but to implement a world-class expense management process that makes use of all modern technology that's available to you," Marks added.

# TravelClick: Agents Increase GDS Use For Hotels, Priming Record Year

BY JAY BOEHMER

A slight majority of travel agents are increasing their usage of global distribution systems for hotel bookings, according to a biennial TravelClick study. Working with market research firm Phoenix Marketing International, TravelClick surveyed travel agents in 48 countries who use Amadeus, Sabre and Travelport GDSs.

ORIGINALLY  
PUBLISHED IN **the beat**  
thebeat.travel

The study was produced with the support of those GDS operators.

Of more than 900 agents surveyed, 51 percent reported they're using GDSs "more often compared to the past two years" for booking hotels. Those agent sentiments support TravelClick's projection that 2015 will be a record year for GDS hotel bookings, expected to rise by 1 million year over year to 62 million. That owes both to booking growth in general and to agents booking more in GDS channels. "Motivated travel agents have become better at being client advocates and giving their travelers a one-stop shop," said TravelClick senior industry analyst John Hach. "For years, they were more focused on air, and now it's more of a complete itinerary. We've seen the hotel pick up for years."

Another reason for growth: "The technology is better and the content has improved," said Hach. He noted that agents now can add hotel bookings via GDSs with fewer keystrokes than before, while the sheer volume of bookable properties has risen in the channel since the last study.

Each of the three major GDSs has reported growth in non-air bookings during

the second quarter. For the three months ending June 30, the number of hotel room nights sold through Travelport rose 5 percent year over year to 17 million. Using a different metric for the period, Amadeus reported that non-air bookings, including hotels and rental cars, rose 6 percent year over year to 15.7 million. Meanwhile, Sabre's second-quarter non-air bookings rose 6 percent to 14.7 million. Since TravelClick's last study, the GDSs have endeavored to add more hotel content, both directly and by partnering with aggregators like HRS.

Even though GDS hotel bookings are growing, most continue to come direct,

including central reservations offices, brand websites and hotel properties directly.

Meanwhile, TravelClick's study found that 47 percent of agents indicated they would book best-available rates over negotiated rates if it yielded client savings. "There's a myth among hoteliers that if they have a corporate rate, they're going to get their fair share," said Hach. "What we see in the transaction data and the research is: If there is a better rate available and an agent can save the client money, they will actively book that rate as opposed to just booking the negotiated rate."

Meanwhile, 96 percent of agent respondents to the study considered rate parity

"There's a myth among hoteliers that if they have a corporate rate, they're going to get their fair share. What we see in the transaction data and the research is: If there is a better rate available and an agent can save the client money, they will actively book that rate as opposed to just booking the negotiated rate."

— TRAVELCLICK'S JOHN HACH

according to TravelClick's most recent North American Distribution Review, which was based on second-quarter data.

GDSs captured 19.3 percent of the share of transient room nights, online travel agencies had 16.4 percent and the remainder were made through various direct channels,

important. Rate-parity agreements ensure hotels provide distributors with the same rates available in their own channels. "Over half of agents stated that they actively book away from hotels that do not offer their best rates within the GDS," TravelClick noted. [▶](#)

## BCD To Distribute Deem Car Service

Deem announced that BCD Travel signed a distribution agreement for Deem Car Service, a new offering that blends a mobile, on-demand, Uber-like ground transportation service with advanced reservations while supporting corporate policy controls, client vendor preference, negotiated rates and other elements of managed travel. Deem previously announced that "dozens" of ground transportation service providers had agreed to participate in the platform, including EmpireCLS, Music Express, and Flyte Tyme. Deem separately entered into "a strategic technology and marketing alliance" with the National Limousine Association this summer. It also announced more than a dozen additional ground transportation operators that will participate in the platform.

## Air Canada, Amadeus Make Full-Content Agreement

Air Canada and Amadeus reached a new multiyear agreement that provides the global distribution system with "the full range of Air Canada's content and fares," Amadeus announced. The GDS will connect to Air Canada via the airline's XML interface, "enabling complete access to the airline's products." The full-content agreement includes "the airline's complete range of merchandising content," as the airline will make use of Amadeus fare family and ancillary services capabilities.

## US Airways Suffers Blow In Sabre Suit As Judge Calls Off Bench Trial

BY JAY BOEHMER

U.S. District Judge Lorna Schofield delivered a significant setback to US Airways and its years-old antitrust lawsuit against Sabre, when she denied the airline's request for declaratory judgment and called off the Oct. 26 bench trial start date. Not all is lost for the airline, which plans to amend its complaint against Sabre in order to pursue a jury trial.

In correspondence with the court, Sabre made clear it would resist US Airways' attempts to amend its complaint, calling a trial unnecessary and the case virtually over. US Airways had sought to maintain the scheduled Oct. 26 trial start while seeking a jury trial, but Judge Schofield denied the request. She instructed Sabre and US Airways to work on a schedule

for the airline's amended complaint motion, which Sabre will seek to dismiss. Then, the judge will decide how to proceed.

US Airways had waived all but \$20 in damages so a judge, not a jury, would decide the case. It hoped for a declaratory judgment that would affirm its view that Sabre's global distribution system contract provisions and other actions violate anti-trust law.

Instead, Judge Schofield decided, "US Airways' request for declaratory judgment is dismissed as moot." She reasoned that US Airways' request for judgment "relates to past actions," including a now-expired GDS contract. Further, following their merger, US Airways now is subject to American Airlines' settlement agreement with Sabre, meaning it "cannot seek relief

for any alleged harm suffered after Oct. 30, 2012, through Dec. 19, 2019," wrote Judge Schofield. As such, "a declaratory judgment would not impact the parties' current legal relationship and would be academic."

Sabre argued that because the judge dismissed US Airways' request for declaratory relief, all that remains in damages are \$20 and some attorney's fees. Sabre already offered those up to US Airways this summer by way of a Rule 68 offer of judgment and recently offered it again. "With the declaratory judgment claim dismissed, Sabre's Rule 68 offer gives US Airways complete relief on its remaining claims," Sabre claimed in a letter to the court. "If US Airways rejects Sabre's offer, Sabre will re-file its Motion for Entry of Judgment in due course."

Even so, US Airways plans to amend its

complaint "to restore its full request for damages," according to a letter filed with the court. US Airways previously estimated that surviving damages, before it waived them to \$20, totaled \$70 million, or \$210 million post-trebling.

A Sept. 9 letter from a Sabre representative to the court noted the GDS operator would oppose any motion filed by US Airways to amend its complaint. "US Airways voluntarily chose to amend its complaint and to waive damages in an attempt to gain a perceived strategic advantage, with full knowledge of the potential consequences of its decision if the court subsequently dismissed its declaratory judgment claim," Sabre argued. "US Airways may not 'unwaive' damages now." [▶](#)

# GDS Trade Group Files Lufthansa Complaint

BY JAY BOEHMER

The trade association that represents global distribution systems and online travel agencies in Europe filed a formal complaint with the European Commission alleging the Lufthansa Group has breached computerized reservations systems regulations.

Since Sept. 1, Lufthansa Group airlines Lufthansa, Austrian Airlines, Swiss and Brussels Airlines have levied a €16 surcharge on tickets booked via GDSs but have waived the fee for bookings through direct channels, including a travel agent portal.

The European Technology & Travel Services Association complaint claims that the portal meets the European Union definition of a CRS, that the Lufthansa Group is beholden to “parent carrier” rules and that its surcharge discriminates against indirect channels.

Further, ET TSA secretary general

have heard from travel agents that this is the case.” ET TSA’s argument is similar to one that European travel agent association ECTAA made in a separate complaint in July.

The European code of conduct defines a CRS, often used interchangeably with GDS, as “a computerized system containing information about, inter alia, schedules, availability and fares, of more than one air carrier, with or without facilities to make reservations or issue tickets, to the extent that some or all of these services are made available to subscribers.”

ET TSA claims the agent portal meets two key conditions: “one condition being multiple carriers and the second being the portal is offered to subscribers—travel agents who have to sign on to terms and conditions before they can access,” said Klenner.

He said the agent portal is “an attempt on the part of Lufthansa to

for parent carriers. While established GDSs were founded and once owned by airlines, carriers have wound down those investments. That issue gave rise to parent carrier concerns, and ET TSA and ECTAA say Lufthansa now is the “parent carrier” of its agent portal.

Specifically, ECTAA’s earlier complaint claimed Lufthansa breached two articles in the code governing parent carriers:

*10.4. A parent carrier shall neither directly nor indirectly discriminate in favour of its own CRS by linking the use of any specific CRS by a subscriber with the receipt of any commission or other incentive or disincentive for the sale of its transport products.*

*10.5. A parent carrier shall neither directly nor indirectly discriminate in favour of its own CRS by requiring*

Asked for an update on its own complaint, ECTAA noted, “For the time being, we don’t have any news elements to communicate.”

Meanwhile, Klenner noted that the commission is under no time constraint to review or act on the complaints, though ET TSA is considering “political pressure through the European Parliament and through, potentially, authorities in different European countries” to move things along.

Klenner also noted that some individual ET TSA members “are taking individual actions” and filing their own complaints with the commission. ET TSA members include the major GDSs—Amadeus, Sabre and Travelport—and a few major online travel agencies, including Expedia and Ebookers.

In a statement, Lufthansa wrote, “We firmly believe that our action is compliant with all relevant regulation and legislation.”

Meanwhile, regarding the agent portal, the Guild of Travel Management Companies released the results of a poll of its 37 United Kingdom-based TMC members this week, finding that 67 percent have “declared that they have not, and will not, register for the Lufthansa website in order to avoid a levy applied to third party distributors who book via a GDS.” While 27 percent indicated they had registered, they stated “it is purely to look at the functionality and capability of the Lufthansa agency portal, and not to use it for bookings,” noted GTMC. The remaining 6 percent have signed up but “will only use the direct channel, bypassing a GDS, if requested to do so by a client.”

ORIGINALLY PUBLISHED IN **the beat** thebeat.travel

“[Lufthansa’s agent portal tries] to replicate the CRS model in that it wants to offer comprehensive content, not just its own content, to travel agents. That is absolutely fine ... except for the fact that they have to comply with the legislation that’s in place.”

—ET TSA SECRETARY GENERAL CHRISTOPH KLENNER

Christoph Klenner told *The Beat* the agent portal is offering content from not just Lufthansa Group airlines but also Star Alliance members, codeshare partners and even interline partners. Lufthansa did not reply to requests to confirm, but Klenner said, “We have seen evidence and screenshots and

replicate the CRS model in that it wants to offer comprehensive content, not just its own content, to travel agents. That is absolutely fine. Nothing stands in their way, except for the fact that they have to comply with the legislation that’s in place.”

The CRS code includes provisions

*the use of any specific CRS by a subscriber for sale or issue of tickets for any transport products provided either directly or indirectly by itself.*

ET TSA and ECTAA each have declined to provide with full copies of the complaints submitted to the EC.

## TripBAM, BCD Sign Long-Term Contract

BY JULIE SICKEL

BCD Travel signed a long-term agreement with tripBAM. BCD’s pilot with the automated hotel rate-shopping platform began last July. BCD senior vice president of strategic marketing April Bridgeman said the pilot helped the travel management company refine how it introduces the technology to clients, as some may be ready to go all-in on tripBAM’s technology and others may be more conservative as they learn more about what the software can accomplish.

“What we’re able to do for our customers is give them a service that combines both the tripBAM technical functionality, as well as our agents’ ability to ensure that we’re actually securing the lower rates that the tool offers and identifies,” Bridgeman said.

“That increases the conversion to those lower rates for our clients.”

TripBAM founder and CEO Steve Reynolds said the tool requires significant agency involvement, both to get data about a client’s hotel program and

to facilitate rebookings once savings are found. “Having [BCD] there in lockstep with us in trying to accomplish this common goal for the client just makes all the difference in the world,” he said.

For the BCD clients that worked with

tripBAM during the pilot, Bridgeman said the tool drove a return on investment and helped instill consumer confidence in some travelers who had been skeptical of the capabilities of a managed travel hotel program.



“What we’re able to do for our customers is give them a service that combines both the tripBAM technical functionality, as well as our agents’ ability to ensure that we’re actually securing the lower rates that the tool offers and identifies.”

—BCD TRAVEL SVP OF STRATEGIC MARKETING APRIL BRIDGEMAN

## Report: Lufthansa GDS Bookings Decrease In Weeks After Launching DCC

BY JAY BOEHMER

Even before Lufthansa Group began levying a €16 surcharge for global distribution system bookings on Sept. 1, some travel agencies and travel buyers reported they intended to book away from the carrier. A Tnooz report citing a “highly confidential document” circulating among Sabre Travel Network executives shows Lufthansa Group carrier bookings in the GDS did take a hit in the first two weeks of September.

The report and associated documents show that Lufthansa Group bookings transacted in Europe via the three major GDSs fell 16.1 percent year over year from Sept. 1 to Sept. 14. Non-Lufthansa Group carriers, meanwhile, on average saw a 4.3 percent rise in GDS bookings for the period. Including Lufthansa, airline bookings among GDSs in Europe rose 1.4 percent.

Competitors Air France, Alitalia and British Airways saw GDS bookings increase 10.7 percent, 8.4 percent and 4 percent, respectively, the Tnooz report showed. Yet, the biggest gainer in the two-week snapshot was not a major competitor but rather United Airlines, a Star Alliance and Lufthansa codeshare partner. United’s bookings

rose 12.8 percent year over year during the period. Meanwhile, Star Alliance partner Scandinavian Airlines showed booking growth of 3.2 percent.

According to a statement Lufthansa sent *The Beat*, “Currently there is no significant change of the overall booking situation within the Lufthansa Group. We are in line with the statements and forecasts given regarding the booking figures.”

Lufthansa did not directly dispute the GDS booking figures circulating, but it commented, “If there have been non-official sales figures by a single GDS in the media, it is highly unprofessional to project them to describe the overall booking situation of LHG, even if you focus on all GDS sales. The first weeks of September were heavily influenced by a pilot’s strike action as well as other seasonal effects.” The airline is scheduled to provide a more detailed report on its quarterly performance in late October. Lufthansa previously told investors that it anticipated that the initiation of its €16 surcharge would have a “neutral” financial impact. Several agencies and buyers had indicated plans to book Lufthansa flights by way of codeshare partners, a

method that does not carry a surcharge.

While United’s gain suggests Lufthansa may still be getting some bookings by way of codeshare partners, the GDS data cited by Tnooz does not capture bookings in Lufthansa’s direct channels, including brand websites and its agent portal. Lufthansa has offered those channels as a way for travelers and agencies to avoid its surcharge.


Asked if the Distribution Cost Charge was negatively impacting bookings, Lufthansa Group chairman and CEO Carsten Spohr was quoted in Reuters on Sept. 2 saying, “advance bookings make me optimistic,” according to a Lufthansa translation from German provided to *The Beat*.

One GDS source speaking on the condition of anonymity also said there was a discernible shift in GDS bookings for Lufthansa, though few details were provided. The source said there were signs that some corporations have elected to book away, while others are seeing Lufthansa move down in fare displays sorted by price, making them less attractive in spot buys.

One corporate large-market travel buyer noted that, since Sept. 1, the company has demoted Lufthansa results in the compa-

ny’s preferred corporate booking tool and that when Lufthansa was the best option, it was ticketing by way of codeshare partners.

Another large travel-buying organization was “in a wait-and-see” mode and continued to book based on lowest logical fare, in which Lufthansa now has a €16 disadvantage. The buyer, like others, viewed the surcharge as disruptive, as it supports a belief held by some travelers that better fares can be found outside the program.

During the Deutsche Bank 2015 Technology Conference on Sept. 16, Sabre CFO Rick Simonson commented on the impact of Lufthansa’s Distribution Cost Charge. “In many cases, the travel agents and the corporation have said they are going to an alternative rather than pay that,” he said. “It’s essentially a fare increase, and on those segments where there’s competition, they’ve said they will move those to other competitors. If they do, and we expect they will, those flow through the GDS, as well. It still comes through the GDS, and Travel Network, Sabre’s business, will still get its fair share of that. We don’t see any impact in the short or medium term on our bookings.” Sabre declined to comment. 

## 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>



## Rise In 2016 Negotiated Hotel Rates Could Set Record

BY JULIE SICKEL

The average corporate negotiated hotel rate will increase between 6.5 percent and 7.5 percent in 2016, according to a report from Bjorn Hanson, a clinical professor at the New York University School of Professional Studies Tisch Center for Hospitality and Tourism.

That means the average rate could mark the highest increase in corporate rates in the history of the Tisch Center's annual report. Last year, corporate rates rose approximately 6.25 percent, the largest increase since 2006.

Hanson said this year's outlook shows that hoteliers are trying to reach a more favorable parity between transient and corporate rates than in previous seasons.

"There is still some catching up to do from the perspective of the hotel companies," he said. "In recent years, the negotiated corporate rate increases ended up being less than average daily rate increases, so even though corporate rates have been increasing, [they have] not as much as other rates in general."

Hanson said even though travel buyers "read the headlines" around the hotel industry, some still may be surprised at the effect that high occupancy, which is projected to continue

"In recent years, the negotiated corporate rate increases ended up being less than average daily rate increases, so even though corporate rates have been increasing, [they have] not as much as other rates in general."

— NEW YORK UNIVERSITY'S BJORN HANSON

at levels not seen since the 1990s, will have on negotiations. "It gives the hotel executives a sense of confidence that if some of these negotiated contracts don't work out, there's plenty of other demand to help achieve a favorable occupancy and maybe even at a

higher rate," Hanson said.

NYU based the analysis and estimates on interviews with industry executives and corporate travel executives, on evaluation of industry financial data, on press releases and on information available on hotel and brand websites. [↗](#)

## STR Global: August Rates Down In Middle East & Africa

BY JULIE SICKEL

The August average daily rate at hotels increased year over year in most global regions but declined in the Middle East and Africa, according to STR Global.

ADR in the Americas grew 4.1 percent to \$122.89, though occupancy dropped 1.5 percent to 70.6 percent. In Rio de Janeiro, occupancy was almost flat, rising just 0.6 percent to 64.7 percent, and ADR increased 4.9 percent in local currency. Lima, Peru, also experienced a rise in ADR, up 19.3 percent in local currency terms, but occupancy there declined to 68.5 percent, a 13.6 percent drop from a strong August 2014. On a country level, Ecuador recorded decreases in both rate

(1.8 percent to \$99.17) and occupancy (6.6 percent to 65.8 percent).

Europe's ADR increased 6.4 percent, both in U.S. dollars (to \$135.10) and in euros (to €119.34). Occupancy grew 2.2 percent to 77.1 percent. Belgium reported increases in both ADR (5.4 percent) and occupancy (1 percent to 71.7 percent), as demand expands to additional markets outside Brussels and year-to-date demand growth (3.8 percent) outpaces supply growth (0.5 percent). France, which had a weak start to the year, reported positive performance metrics; occupancy rose 1 percent to 73.2 percent, and ADR increased 3.2 percent. On a market level, Barcelona experienced a 1.6 percent ADR increase but a 1.5 percent

drop in occupancy to 87.7 percent.

In the Asia/Pacific region, occupancy increased 1.3 percent to 72.7 percent, and ADR increased 1 percent to US\$109.21. In South Korea, an outbreak of Middle East Respiratory Syndrome that occurred earlier this summer continued to impact performance, as occupancy decreased 14.4 percent to 70.1 percent and ADR slipped 7.5 percent. Beijing, boosted by the International Association of Athletics Federation World Championships, recorded its highest August occupancy since 2001, 78 percent (up 2.8 percent year over year), while ADR increased 6.5 percent. In Bangkok, occupancy grew 10.4 percent to 76.3 percent, and year-to-date demand was up 34.3 percent.

August ADR in the Middle East and Africa dropped 1.6 percent to \$134.53 percent, and occupancy fell 1.1 percent to 62.9 percent. Negative performances in both ADR and occupancy were posted by Kuwait (ADR down 6 percent and occupancy down 7.8 percent to 39.6 percent) and Oman (ADR down 6.9 percent and occupancy down 3.7 percent to 47.5 percent). On a market level, Amman, Jordan, reported decreases in ADR (5.5 percent) and occupancy (7.1 percent to 63.4 percent). Cape Town posted a 2 percent decline in occupancy to 60 percent but saw a 6.2 percent rise in ADR, as hotels raised rates to make up for losses in demand (down 3.7 percent). [↗](#)

### NEWSLOG

#### U.S. Hotel Occupancy Dips, ADR Rises In August

August U.S. hotel occupancy decreased 1.4 percent year over year to 70.7 percent, STR reported. Average daily rate increased 3.6 percent to \$122.32. August marked the first in 69 months that year-over-year room demand declined. It was still the fourth-best month on record, considering the drop was just 0.3 percent and demand was around 110 million room nights, according to STR. Among the top 25 markets, Denver experienced the most significant increase in ADR, 10 percent to \$128.16, while New York City saw the largest decrease, 3.3 percent to

\$232.76. Phoenix posted the largest rise in occupancy, 4.9 percent to 54.6 percent, while Houston reported the largest decline, 7.6 to 65.5 percent.

#### ESA Sells 53 Properties

Extended Stay America sold six ESA-branded properties and 47 Crossland Economy Studios hotels, as well as all Crossland Economy Studios' intellectual property, for \$285 million cash. The sale to DW Crossland Owner LLC, which is owned indirectly by affiliates of Westmont Hospitality Group, is expected to close this quarter, according to an SEC filing. The properties are not among those updated under ESA's ongoing renovation program, according to the company.

"This transaction allows us to focus our resources on the renovation and marketing of a single [Extended Stay America] brand," said CFO Jonathan Halkyard.

#### WestJet Is August's Most Punctual Airline

WestJet's 84 percent on-time arrival rate ranked it as August's most punctual major North American airline, according to FlightStats. North American carriers on average got 80 percent of flights to the gate within 15 minutes of their scheduled arrival times. Among the 13 largest carriers, Delta Air Lines (83.5 percent), Virgin America (81.4 percent), American Airlines (80.5 percent) and Southwest

Airlines (80.3 percent) also had above-average on-time rates. Alaska Airlines (80 percent), United Airlines (79.2 percent), US Airways (78.9 percent), Frontier Airlines (78.3 percent), Air Canada (77 percent), JetBlue Airways (75.3 percent), Allegiant Air (67.3 percent) and Spirit Airlines (65.9 percent) had below-average performance.

#### La Quinta CEO Resigns

La Quinta Holdings president and CEO Wayne Goldberg resigned by mutual agreement with La Quinta's board. CFO Keith Cline will step in as interim president and CEO while the company conducts an executive search.

# HRG: More Corporates Are Traveling For Business

BY JULIE SICKEL

Hogg Robinson Group booked more hotel room nights between January and June 2015 than during the same period last year, according to the travel management company's 2015 interim hotel survey.

Calling the survey a "barometer for economic growth," HRG director of global hotel relations Margaret Bowler said the increase in room nights indicated more corporates are traveling for business.

In local currency terms, HRG clients paid higher average daily rates year over year in 26 of the top 50 cities. HRG's largest ADR increases in local currency were in Moscow (59.7 percent); Sydney (15.2 percent); Tokyo (14.6 percent); Chennai, India (14.3 percent); and Sao Paulo (14.1 percent). Moscow remained the most expensive city for business travel for the 12th straight year.

As in last year's survey, ADR in

megacities often exceeded ADR in their respective regions. Similarly, HRG noted that rates varied widely within each of several key markets. "Markets globally are becoming even more fragmented and accommodating not only the ongoing stature of the megacity in the face of the diminishing importance of the region but also different city trends within the same city," Bowler said. She cited New York City, where new supply in the Times Square area weighed down rate growth compared with other parts of the city.

Convention business boosted ADR in Chicago (17.9 percent to \$223.46) and Boston (7.2 percent to \$297.60), while slow supply growth bolstered rates in San Francisco (6.7 percent to \$317.04) and Vancouver (11 percent). ADR in Washington, D.C., fell 10.3 percent to \$298.31 as convention business decreased from 2014 levels. In Houston, hit hard by


the oil industry downturn, ADR continued to drop, dipping 6.7 percent to \$238.06.

Nine of the top 12 markets in Europe saw ADR rise in local currency terms. An increase of fairs and conventions fueled rate growth in Frankfurt (10.3 percent) and Berlin (6.9 percent), while a softer convention season and an increase in supply lowered ADR in Paris by 4.3 percent. ADR increased in seven of the top 10 U.K. markets, including Manchester, where it rose 7.6 percent in the face of increasing corporate demand and low supply growth. Aberdeen, like Houston, has hit a low-demand, high-supply slump as a result of poor oil industry performance, as rate dropped 14.4 percent.

In the Asia/Pacific region, the largest ADR increases were in leisure-focused Sydney (15.2 percent) and corporate-driven Tokyo

(14.6 percent), which also benefited from exchange rates. Rate drops in Bangalore (5.7 percent), Beijing (6 percent) and Shanghai (0.9 percent) were driven almost entirely by shifts in exchange rate.

In the Middle East and West Africa, only Cairo (27.5 percent) and Doha, Qatar (2.3 percent), experienced increases in ADR; Cairo benefited from a more stable political climate and an increase in business demand. Meanwhile, oversupply has led to an 8.2 percent drop in rates in Abu Dhabi.

Bowler advised flexibility for hotel programs in the year ahead. "Not only in terms of being able to benefit from in-city fragmentation ... but also in terms of the increase in new bed stock in defined tiers," she said. "With new brands and concepts appearing almost daily, we are seeing many legacy hotel chains fighting for the traditional midmarket." 

# TAKE ON TRAVEL



5 WAYS YOU CAN  
#TAKEONTRAVEL IN 2016

Get started at  
[travelandtransport.com/5ways](http://travelandtransport.com/5ways)

MOBILE  
BIG DATA  
GAMIFICATION  
GLOBALIZATION  
TRAVELER ENGAGEMENT

# How Airbnb Is Like Online Dating

BY ISAAC BOWMAN

Lodging is a \$1 trillion dollar global industry, of which Airbnb has a small but rapidly growing slice. It takes years to build a new hotel; yet without pouring an ounce of concrete, Airbnb reportedly has grown its revenue 55 percent year over year. To explain this growth and predict its broader impact, the lodging industry is seeking ways to compare Airbnb to hotels. A September study from STR produced excellent analysis but narrowed down Airbnb inventory in New York City to only those “units competitive with traditional hotels.”

Squeezing Airbnb’s content to fit traditional lodging-value propositions raises two very key issues: Is an Airbnb listing really a “unit,” and who defines “competitive” amenities? These questions are closely related—and a lot like online dating in two ways.

**“Units” are a measurement of static content, but Airbnb’s marketplace network creates inventory dynamically.**

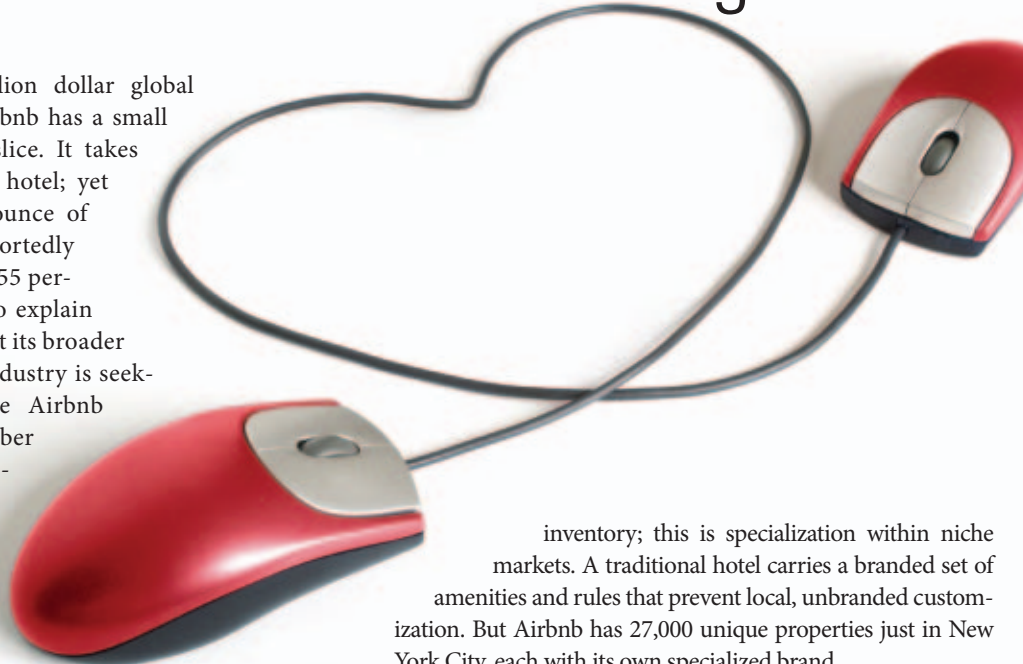
Much the same way people create or modify dating profiles based on their immediate needs, Airbnb’s network generates or even shrinks inventory almost on demand, with what the *Los Angeles Times* calls a “near zero marginal cost” phenomenon. Hotels take years to plan and build, while hosts on Airbnb can respond dynamically to trade shows, weather and economic changes. In reality, Airbnb benefits from two networks that work in concert: Airbnb’s platform network, with its low marginal costs, and the market network of high value, underutilized capital assets that some people call homes. In finance terms, this is asset redeployment at its finest, or as Harry Campbell called it in a *Forbes* column, “arbitrage.”

Feel like you’ve been in this dating relationship before? Probably because this model has been tested by hundreds of companies that use self-service technology to create massive crowdsourced economies of trust: Yelp, Twitter, LinkedIn, eBay, TripAdvisor and—yes—many of those online dating sites. If people are willing to spend so much time selling a few used toys on eBay, how could there not be a way to generate cash flow from such capital-intensive items like airplanes, boats, vehicles and houses?

While hotels carefully weigh the cost and benefit of construction growth, Airbnb inventory grows organically. This allows Airbnb to invest most of its capital resources in building better relationship software.

**Today, you can create a dating profile and make dramatic changes on demand.**

Online dating profiles don’t just get created; users actively adapt their personal branding and lists of “amenities” in the dating market. Hairstyles are modified, bios are tweaked and yoga photos are swapped with CrossFit workouts. This isn’t just new



inventory; this is specialization within niche markets. A traditional hotel carries a branded set of amenities and rules that prevent local, unbranded customization. But Airbnb has 27,000 unique properties just in New York City, each with its own specialized brand.

More than anything else, online dating brought specialization to matchmaking. Much like dating, finding the right hotel experience is very personal. A hotel has to guess, often years in advance, what kind of bed you want and what color of carpet looks best. On a dating site, if you suddenly find an interest in men with beards, just swipe to the right. Pretty soon, the market will respond and more profiles will appear with beards. How about men with red beards who wear glasses and enjoy the opera? I have full confidence such “inventory” exists, owing to the specialization effects of large, diversified inventories. The users decide which profile amenities are most important and most available. The dating site simply builds the platform. This decentralized, market-based approach is amazingly efficient.

Successful online dating sites don’t boast about their content. They boast that the volume of their content creates specializations their platform can use to discover highly customized relationships between two profiles.

Yes, there are a lot of stereotypical, *Up in The Air*-style business travelers still seeking long-term relationships with premium hotel brands. However, not all dating profiles look like George Clooney’s character in the film. Statistically, for every two Clooneys, there is one profile of a business traveler that doesn’t fit the typical mold. Perhaps that’s why one in 10 bookings on Airbnb are for businesses, according to Bloomberg. Annually, that’s 4 million room nights on Airbnb for business travelers seeking a different kind of relationship.

Even if Airbnb’s growth slows, it will have a major impact on general lodging services and prices. For decades, hoteliers have been creating their own “dating profiles,” writing their own bios and loading their own photos. But in the end, that’s just one profile for one hotel. In a numbers game, Airbnb still will capture significant market share. The start-up will be able to do this not because it is cheaper or family friendly or any other catch phrase of the day. Airbnb will grow because its marketplace platform allows inventory to be any and all of those things everyday and yet be something completely different tomorrow.

*Isaac Bowman is a managed travel and expense technologist who has implemented or worked for nearly every major travel booking tool. Follow him @isaacbowman*

## BTNGROUP

**LOUIS MAGLIARO,**  
Group Publisher, (973) 769-0028 [Imagliaro@thebtngroup.com](mailto:Imagliaro@thebtngroup.com)

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

**EDIE GARFINKLE**  
Advertising Director  
Tel: (895) 389-6836 Fax: (805) 832-6676  
[egarfinkle@thebtngroup.com](mailto:egarfinkle@thebtngroup.com)

**LINDSAY STRAUB**  
Regional Sales Manager  
(646) 380-6274 [lstraub@thebtngroup.com](mailto:lstraub@thebtngroup.com)

**MARY ANN McNULTY**  
Director, Content Solutions  
(630) 519-4510 [mmcnulty@thebtngroup.com](mailto:mmcnulty@thebtngroup.com)

**MARIZA MOREIRA**  
Group Design Manager  
(201) 902-1965 [mmoreira@ntmlc.com](mailto:mmoreira@ntmlc.com)

**ALICIA EVANKO-LEWIS**  
Senior Vice President, Events  
(646) 902-6244 [aevanko@ntmlc.com](mailto:aevanko@ntmlc.com)

**TAHNEE PERRY**  
Vice President, Marketing  
(646) 380-6272 [tperry@ntmlc.com](mailto:tperry@ntmlc.com)

**MAX BZDYK**  
Marketing, Events And Sales Assistant  
(201) 902-1924 [mbzdyk@ntmlc.com](mailto:mbzdyk@ntmlc.com)

### Hawaii

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

### Mexico

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

### Japan

**MICHIKO KAWANO,** Pacific Business Inc.  
Tel: +81-3-3661-6138 Fax: +81-3-3661-6139  
[kawano-pbi@gol.com](mailto: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  
[lavtan@singnet.com.sg](mailto:lavtan@singnet.com.sg)

## NORTHSTAR TRAVEL MEDIA

100 Lighting Way  
Secaucus, NJ 07094  
[www.northstartravelmedia.com](http://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 Cintonino

**Executive Vice President/Group Publisher**  
David Blansfield

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

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

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

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

**Vice President, Marketing Solutions**  
Michelle Rosenberg

**Vice President, Content Licensing**  
Sheila Rice

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

**Vice President, Database Products**  
Elizabeth Koesser

# BUSINESS TRAVEL

## HALL of FAME



# Join Us

DECEMBER 7, 2015  
7:00 PM – 11:00 PM  
THE ST. REGIS NEW YORK

The BTN Group recognizes the industry's most influential executives and this year's inductees at the fifth annual Business Travel Hall of Fame reception and ceremony. Reserve your seat today to celebrate the accomplishments and significant contributions made to the business travel landscape during this prestigious event.

#### INDUCTEES:

**Mary Bastrentaz**, Accenture  
**Jonathan Linen**, American Express  
**Leo van Wyck**, SkyTeam  
**Mike Leven**, formerly IHG, Days Inn, HSFS  
**John D. Hertz**, founder of Hertz

[BUSINESSTRAVELHALLOFFAME.COM](http://BUSINESSTRAVELHALLOFFAME.COM)

#### GOLD SPONSORS



#### SILVER SPONSORS



#### BRONZE SPONSORS



PRESENTED BY



A GOOD BUSINESS TRIP  
BEGINS WITH A GOOD NIGHT  
IN THE HEAVENLY® BED



Help your travelers perform their best at our  
more than 200 Hotels & Resorts worldwide.  
Learn more at [Westin.com](http://Westin.com).

*For a better you.™*

**WESTIN®**  
HOTELS & RESORTS

© 2014 Starwood Hotels & Resorts Worldwide, Inc. All Rights Reserved. Westin and its logo are the trademarks of Starwood Hotels & Resorts Worldwide, Inc., or its affiliates.

starwood  
Hotels and  
Resorts

L MERIDIEN

aloft

FOUR  
POINTS

WESTIN

THE LUXURY  
COLLECTION

W  
HOTELS

Sheraton

ST REGIS

element