

BTN

BUSINESS TRAVEL NEWS



SMALL & MIDSIZE ENTERPRISES

Bigger companies may have deal-making leverage, but SMEs are nimble and flexible, making them fertile soil for innovative practices & programs.

PAGE 22



VOICES

Despite high hotel occupancy, *BTN* lodging editor Julie Sickel argues, the upcoming request for proposal season may be the time for buyers to grab some power.

PAGE 64



MEETINGS MAVENS

Meetings pros explain how they use mobile meetings apps, including customizing & limiting app functions, tailoring apps for audiences & data collection.

PAGE 30

FEATURE

YEAR	AVERAGE TOTAL COMPENSATION	YOY CHANGE
2016	\$118,479	+3.2%
2015	\$114,769	+5.6%
2014	\$108,331	+4.2%
2013	\$103,885	-6.1%
2012	\$110,552	-4.7%

BY CHRIS DAVIS

BTN's 33RD ANNUAL

Salary Survey & Report

For the third year in a row, those who *BTN* surveyed are more likely to feel that their compensation is fair and that their companies recognize them adequately. Sentiments aside, their actual compensation rose, too. Things are looking good for the future, as well. In two years, more than a third expect to be working for the same company in a higher travel-related position. Companies also seem to be getting with the times, which speaks to quality of work life. One respondent heralded his company's adoption of an automated expense management tool as a departure from "the Dark Ages." And by 2018, more than 80 percent of the travel managers *BTN* surveyed expect to be managing mobile travel technology and services; in fact, 61 percent already do. Inside, find more on travel managers' views about their responsibilities and rewards.

FULL STORY ON PG 12

Uncertainty Rules as Business Travel Industry Sorts Through Brexit Implications

BY ELIZABETH WEST

Travel industry players are gathering their wits as the ripple effect from the United Kingdom's June 23rd vote to leave the European Union continues. The immediate impact on Britain was painful: The pound sterling fell to its lowest level since 1985; investors fled the British stock market, seeking stability elsewhere; Prime Minister David Cameron, who opposed Brexit, effectively resigned. He will exit in October with no clear read yet on a successor as pro-Brexit leaders, Nigel Farage and Boris Johnson, step out of the fray.

Effects of the vote outside the United Kingdom began to take shape economically and politically as referendum results were tallied. Stock markets fell across Western Europe and have struggled to

stabilize. Markets in Asia and the United States continue to stagger up and down, as well.

Nicola Sturgeon, First Minister of Scotland, whose voters were largely determined to remain in the EU, said a referendum to exit the United Kingdom was back on the table. That direction has proved controversial, particularly among Scottish business leaders who have pressed Sturgeon to work with the United Kingdom.

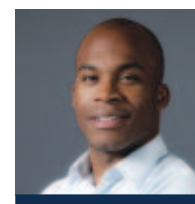
Across the channel, Brexit has emboldened similar EU-exit stances from France's far-right National Front party and the Netherlands' Party for Freedom, as well as others in Denmark and Sweden, plus Italy's 5-Star Movement to separate from the euro.

CONTINUED ON PG 3

What's Inside

- 8 DATA HUB
- 24 2016 TMC REPORT
- 34 LODGING
- 40 TRANSPORTATION
- 46 DISTRIBUTION
- 50 PAYMENT & EXPENSE
- 52 MEETINGS
- 56 MANAGEMENT
- 60 TECHNOLOGY
- 62 PROCUREMENT

4 | On the Record



KDS CEO Dean Forbes on the company's partnerships, additional U.S. investment & potential acquisitions, plus digital currency

Customers and TMCs
 "are frustrated with the lack of alternatives and frustrated with the level of innovation that's happening. ... People are frustrated with some of the GDS-provided tools. They lag so far behind the consumer world."

Southwest®

Corporate Travel

VOLUME 33 | JULY 18, 2016 WWW.BUSINESSTRAVELNEWS.COM

BTN

BUSINESS TRAVEL NEWS







**YOU HAVE ONE FOOT IN EVERY
TIME ZONE WITHOUT EVER
LEAVING YOUR DESK.**

*That's why we serve more destinations with over 1,000 more flights
a day than any other airline. So Travel Executives like you have
the network that keeps your company flying forward.*



CAR RENTAL TRANSFORMED

Avis Now puts complete control of the rental into the hands of the traveler. They can:

- **Choose the exact car they want**
View available cars in real-time. Exchange or upgrade a vehicle before arriving at the lot.
- **Control the rental experience from start-to-finish**
Confirm, cancel or extend a rental in the app. Lock and unlock doors, or flash the headlights to help find their car. Return the car without assistance, with speed and simplicity.
- **Get real-time updates for peace of mind**
Receive real-time notifications about their trip. Access an instant view of the rental agreement, confirm fuel or mileage and obtain assistance on demand.

Avis Now is available at the top 50 US airport locations to Avis Preferred members via the Avis mobile app. For more information visit www.avis.com.

AVIS[®]



CONTINUED FROM FRONT PAGE

Brexit Uncertainty



With talk of redrawing maps and shifting currencies, uncertainty in the travel industry is a given. Questions about border control, expatriate workers, EU passenger rights protections, airline regulations, international Open Skies agreements remain. As do concerns about the effect of new trade agreements on business travel demand overall. All of these questions must wait to be answered as Britain negotiates its exit terms.

EU officials have pressed Cameron to start unwinding the United Kingdom from its membership by invoking Article 50 of the Treaty of Lisbon, which triggers a two-year timeline for separation. Until the U.K. begins negotiating exit terms, travel process and route access changes are not imminent. "There will be no initial change in the way our people can travel, in the way our goods can move or the way our services can be sold," Cameron reassured the British public immediately following the referendum results.

That's the message travel management companies are driving home to their clients. American Express GBT issued the following statement the morning after the vote: "The EU, the

UK and our sector are now facing a period of uncertainty. There will be a prolonged period of negotiating the UK's exit from the EU, during which time we expect conditions for travelers to remain the same."

BCD Travel echoed those comments later in the day, noting the "gradual and complex" process in which "existing trade and immigration rules will remain in place."

That said, new regulatory, trade and immigration agreements could be brutal for the United Kingdom should the EU set an example for

"We are all hopeful that it will be as attractive to the EU as it is to the U.K. to make that as painless as possible to make sure we can trade freely. But we are hearing on the television that it could be just the opposite."

—FESTIVE ROAD FOUNDER & CEO PAUL TILSTONE

other exit-minded members. "None of us know how that will work out," said Paul Tilstone, founder and CEO of London-based business travel consultancy Festive Road. "We are all hopeful that it will be as attractive to the EU as it is to the U.K. to make that as painless as possible to make sure we can trade freely. But we are hearing on the television that it could be just the opposite. It could be made very painful in order to dissuade other EU members from going down the same referendum pathway." ■

Economic & Regulatory Issues for U.K. Aviation Industry

BY MICHAEL B. BAKER

The United Kingdom's vote to leave the European Union leaves its aviation industry facing "prolonged uncertainty" regarding regulatory and economic impacts, according to analysis from the International Air Transport Association.

Over the long term, IATA projects that a downturn in economic activity and weaker British pound could cut the number of U.K. air passengers by 3 percent to 5 percent by 2020. Its air market largely comes from EU passengers traveling abroad, which in 2015 more than doubled the number of non-U.K. residents flying to the nation.

A departure from the EU would remove

the United Kingdom from the EU's Open Skies agreement with the United States. While it's likely the U.K. would form interim agreements, its new agreements might not mirror the existing ones, Wolfe Research analyst Hunter Keay said in a research note prior to the vote. "We believe U.K. regulators have been tough negotiators in the past, so it would be premature to say there'd be no incremental risks to the status quo, particularly if U.K. politics migrate to a more nationalistic, protectionist bend. Issues like foreign-ownership restrictions could arise again, too."

The Gulf carriers, whose growth already

has drawn the ire of some U.S. and European airlines, could face particular growth restrictions should the United Kingdom reopen all its Open Skies agreements, Keay added.

Those agreements also maintained antitrust immunity, enabling joint-venture agreements between British Airways and American Airlines and between Virgin Atlantic and Delta Air Lines, according to Keay. Delta said in a statement that while it's too early to know long-term effects, "it's business as usual for the foreseeable future for Delta's flights between the U.S. and Britain; Delta remains committed to the U.K. market." ■



U.K. Hotels' Brexit Threats

BY JULIE SICKEL

Weakness in the economy translates into weakness in the hotel industry. That could spell trouble for hoteliers in the United Kingdom following last month's decision to leave the European Union. "Hospitality and tourism benefits from a flourishing economy, and any level of uncertainty will have an impact," British Hospitality Association CEO Ufi Ibrahim said in a statement.

In May, prior to Brexit, London and regional U.K. hotels experienced the longest 12-month moving average period of growth in revenue per available room since the 12 months ending in January 2007, according to STR. May marked a slowdown in London, where RevPAR decreased 3 percent year over year in local currency terms due to a 2.7 percent dip in occupancy, but regional performance fared well, with RevPAR up 2.2 percent and average daily rate up 2.9 percent, offsetting a 0.6 percent fall in occupancy.

How U.K. hotel performance will fare after Brexit is a guess, but in an analysis released before the vote, STR predicted that a "Leave" vote would cause weakness in the United Kingdom's GDP, employment rate and consumer spending, which would result in weaker hotel demand.

So far, the pieces necessary for that prognostication to come true are falling into place. The Monday after the vote, the British pound fell to its lowest level against the U.S. dollar in 31 years, and economists suggest that in the long term, its value will remain lower than it was before the referendum.

Global financial institutions already have revised down their short-term forecasts for the United Kingdom's GDP growth. Fitch Ratings shifted its 2016 forecast from 1.9 percent growth to 1.6 percent growth. It also dropped its previous projections for growth from 2 percent for each 2017 and 2018 to 0.9 percent each. That means that in 2018, real GDP will be 2.3 percent lower than the last forecast Fitch made based on the United Kingdom remaining in the EU. Goldman Sachs released even lower projections, estimating that 2016 GDP growth will land at 1.5 percent and 2017 growth will stall at 0.2 percent.

STR asserted that the financial uncertainty would curb business travel in the United Kingdom, which will negatively affect hotel demand. On the flip side, there is potential for the drop in currency value to heighten nondomestic tourism demand to London and regional areas. ■



Biz Travel Industry Puzzles over Brexit

- Border controls
- Trade agreements
- EU international workforce
- EU airline passenger rights protections
- EU Single Sky agreements
- International Open Skies agreements
- Joint-venture and foreign ownership agreements
- Potentially higher supplier rates
- Devalued British pound decreasing outbound business travel

GDSs Hold Firm to Guidance

BY JAY BOEHMER

Each of the three major global distribution system operators has reaffirmed its 2016 outlooks in the wake of the United Kingdom's referendum to leave the European Union. For now, distributors operating in the United Kingdom remain subject to the EU's Code of Conduct on computer reservations systems.

Commenting that it has operations in 190 countries, Amadeus noted "the impact of one single market would be limited" on its near-term financial results, while the long-term impact "would be correlated to the impact on global GDP growth."

"Markets can overreact in these situations ... In the long run, we believe that the focus will shift back to the specifics and fundamentals of individual companies, and we do not expect to have a significant impact on our businesses because of Brexit," according to Amadeus.

Like Amadeus, Travelport noted it "has a balanced geographical footprint" and reaffirmed guidance it shared with investors earlier this year.

Though the company is headquartered in the United Kingdom, its primary currency for GDS transactions is in the U.S. dollar, and less than 1 percent of its revenue is denominated in British pounds. In total, the U.K. market contributes around 8 percent of Travelport's net revenue. Further, significant company operations, including its primary data center, are based in the United States.

Sabre reaffirmed full-year guidance on news that CEO Tom Klein would step down at the end of the year, "and there hasn't been any change from that," said Sabre Travel Network president Sean Menke.

"As we look at it, there undoubtedly will be some level of impact, but I think we need to be careful relative to stating what that impact will be on travel at the end of the day," he said.

GDS operators also commented that it's too soon to tell if and how Brexit would impact the regulatory framework they operate under in the United Kingdom, namely the EU CRS Code of Conduct.

"If the U.K. ends up leaving the EU, everything depends on the new deal that will be struck between the U.K. and the EU," said Christoph Klenner, secretary general of the European Technology & Travel Services Association, the European trade body for GDSs and online travel agencies. "The general rule is that whoever wants to participate in a part of the EU internal market must comply with all EU rules regulating that market." ■

What's to Come of EU Payment Initiatives

BY JOANN DELUNA

GoldSpring Consulting partner Neil Hammond said Brexit would not affect corporate cards, as the United Kingdom already uses the pound, as opposed to the EU's euro. Should Scotland leave the United Kingdom to join the EU and the euro—a distant possibility—there could be some "very, very minimal" effects.

Likewise, GoldSpring partner Colleen Black said it would take time to see how the United Kingdom, post separation, will fit into European Union initiatives like the Payment Services Directive II, which addresses non-cash cross-border payments. There's also the 1999 Single Euro Payments Area initiative, which simplifies

crossborder payments among the 28 member states of the European Union and the four member states of the European Free Trade Association. "There's really no reason for the U.K. not to abide by those regulations," Black said.

As for the EU's more recent interchange fee cap on the amount certain card issuers can charge merchants, she said the United Kingdom's interchange rates could change once the United Kingdom leaves and if volatility in exchange rates comes into play. "But we're jumping the gun," she said, "as we don't even know when all this will take place, let alone how it's going to move forward." ■

BRINGING EASE AND VALUE TO CORPORATE MEETING TRAVEL.

Delta Edge™ Meetings makes meeting planning easier for companies with Delta Corporate Sales Agreements by providing instant access to the meeting travel pricing that best benefits your company. Rest assured knowing eligible meeting travel will now count toward your contract fulfillment. You'll even have the opportunity to receive detailed reporting and financial incentives for travel booked. That's how we're building our business around the needs of yours.

To learn more, talk to your Delta Sales Account Executive
or visit DELTA.COM/EDGE.



BTN
BUSINESS TRAVEL NEWS
2015 ANNUAL AIRLINE SURVEY



KEEP CLIMBING



DELTA



Delta Edge program benefits (including Operational Performance Commitment™, Delta Edge Meetings, SkyPartner Performance+™ and Corporate Priority) are available to select accounts that have US point of sale discounts as part of their Corporate Sales Agreement and an assigned US account manager. Some benefits like Corporate Priority are only eligible on flights that are both Delta marketed and operated. Terms apply and are available at delta.com/edge.

KDS's Expansion Plans

Travel booking and expense firm KDS has expanded in the United States slowly and steadily since launching there in 2014. It has nine travel management company partners in North America, and after it nails down two partnerships on the payment and the enterprise resource planning side, CEO Dean Forbes said, it will be ready to invest more heavily in the United States. Meanwhile KDS has been flexing its innovation muscles with bitcoin. CEO Dean Forbes talked with *BTN* payment and expense editor JoAnn DeLuna

HOW ARE THINGS PROGRESSING AT KDS?

We're really happy with the progress in the United States. It's always been our strategy to be slow and cautious. If anyone was ever expecting us to hire 1,000 people to work in the United States and see how it goes, that was never going to be our strategy. We stopped counting Neo customers and started counting transactions. They're up 48 percent year over year. For our next release [July 16], we'll be exposing Neo [KDS's door-to-door itinerary-booking tool] to all our customers. Everybody will have both at no extra charge. Historically, clients could either use the Neo platform, the KDS corporate platform or some customers choose to use both.

AND YOU HAVE NINE TMC PARTNERS IN NORTH AMERICA, RIGHT?

I'm really happy with that as that's ahead of our plan by some margin and there are some pretty sizable ones in there, like Fox [World Travel], BCD Travel and [Travel and Transport].

HAS YOUR STRATEGY FOR GAINING CLIENTS REMAINED THE SAME?

It's still via the TMCs, and that's working for us. I don't see us changing that for the foreseeable future. Neo is still the thing that's winning out for us. We're seeing and hearing two things [from customers and TMCs]. One, they're frustrated with the lack of alternatives and frustrated with the level of innovation and what's happening within those alternatives. People are frustrated with some of the GDS-provided tools. They lag so far behind the consumer world. In other cases, they're saying, "Sure, we know that company really well, as they've been in market for a long time, but we've learned our lesson by dealing with them, so we'd really like to look at alternatives." Before we even get into the details of how good the solution is, just those market dynamics are really powerful for us.

WHAT IS KDS WORKING ON AT THE MOMENT?

We're getting pretty close to finalizing two interesting partnerships, which we've been working on for a while. Once we nail those, we're going to make a very sizable investment in the United States because it's really just a question of scale. It's such a big geography, and I want to make sure we have



KDS CEO Dean Forbes talks:

- An impending U.S. push
- Bitcoin digital currency
- Future acquisitions

enough partner coverage that we can spread ourselves a little more broadly without having to have 1,000 people from Day One in the region.

WHAT KIND OF PARTNERSHIPS ARE THESE?

We're travel and expense, so I'd like for us to have the same power we have in the travel community on the expense side. The TMC partnerships: That part is covered. The partnerships you can expect us to announce in the coming weeks are centered on payment side and the ERP side.

DURING BTN'S LONDON CONFERENCE, THERE WAS TALK OF KDS PROCESSING BITCOIN. CAN YOU TALK MORE ABOUT THAT?

That's really it. We can deal with bitcoin as a payment, alongside corporate card, lodge card. It's running now. Running means I've seen it, but not sure if we're exposing it to clients yet.

DO YOU SEE BIG ADOPTION FOR BITCOIN IN THE CORPORATE TRAVEL MARKET?

To be honest, probably not for the immediate term. The work to be able to accept it was one part us being able to flex our innovation muscles and another part us expanding our payment-type capability as far as we could. Because once you can deal with card, Apple Pay, all kinds of virtual payment providers and bitcoin, you're proving that you can cover the full gambit.

LAST YEAR, YOU WERE LOOKING TO ACQUIRE A COMPANY BUT IT FELL THROUGH. WHAT HAPPENED?

The company was in our T&E space, much heavier on one side than the other. I think they realized now they should've sold. It fell through because the other side had valuation aspirations that didn't meet mine.

"Once you can deal with card, Apple Pay, all kinds of virtual payment providers and bitcoin, you're proving that you can cover the full gambit."

ARE YOU LOOKING TO MAKE ANY OTHER ACQUISITIONS?

I would love to. It would be a marketshare play for us, somebody who looks a lot like us, probably smaller. There aren't many companies who have an equal distribution between travel and expense or even nearly equal. It would probably be someone heavy on travel, a little bit expense, or very heavy on expense with a little bit of travel. Cultural fit is important. We'd acquire a company that's also in constant dialogue with customers because we talk to our customers all the time.

TMCs are frustrated with the choices they have. Even the ones who are most committed to a single vendor say to us: "We're uncomfortable that we're this committed to a single vendor. We like the vendor and their product, but 70 percent of our online traffic is with one vendor," or, "We have a set of options that have affiliations we don't like," like a GDS product. I would love to make an acquisition and take care of a lot of those problems for TMCs. And they would love to have the expense piece. It's exactly what they're asking us for. ■

*Hand them the keys
to their travel kingdom.*



Treat your clients to the premium benefits and uncompromised service that have earned Hertz® its reputation for outstanding business travel.

Visit **[hertz.com](https://www.hertz.com)** for details.

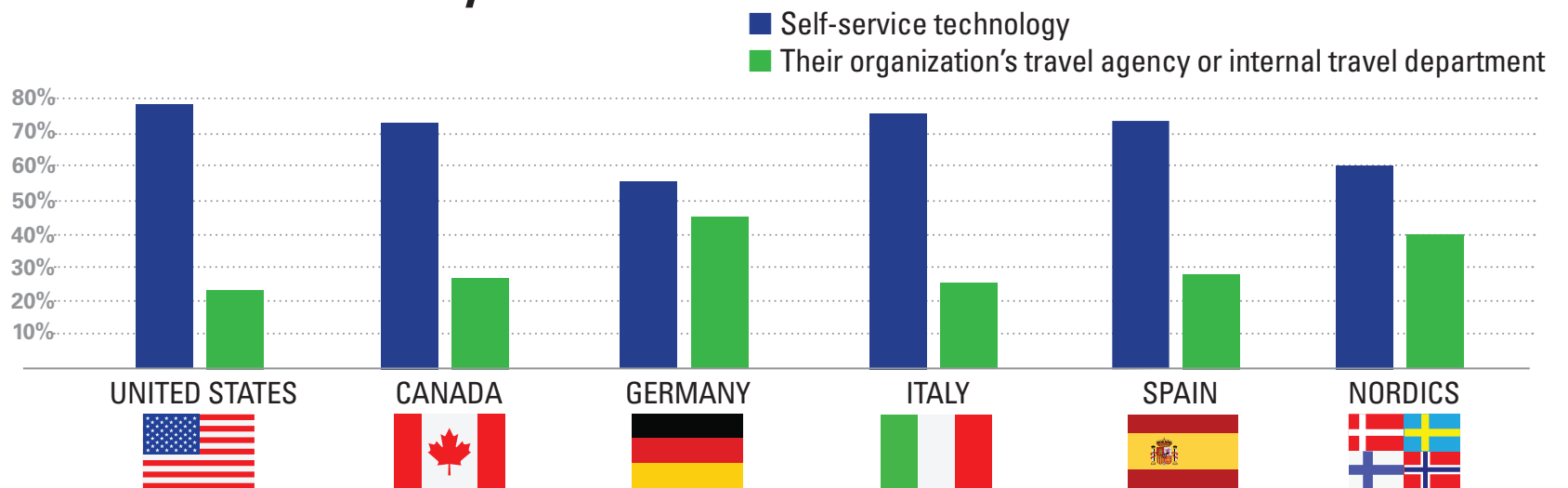
Hertz®



Tech Vs. Travel Agents

Travelers no longer are dependent on travel agents, and most would avoid working with them if they have a say-so. That means more instances when business travelers may use technology that takes them out of their companies' travel policies. Unless travel managers take the technology reigns themselves, that is.

Business travelers, especially those from the United States, would manage their travel on their own if they had a choice.

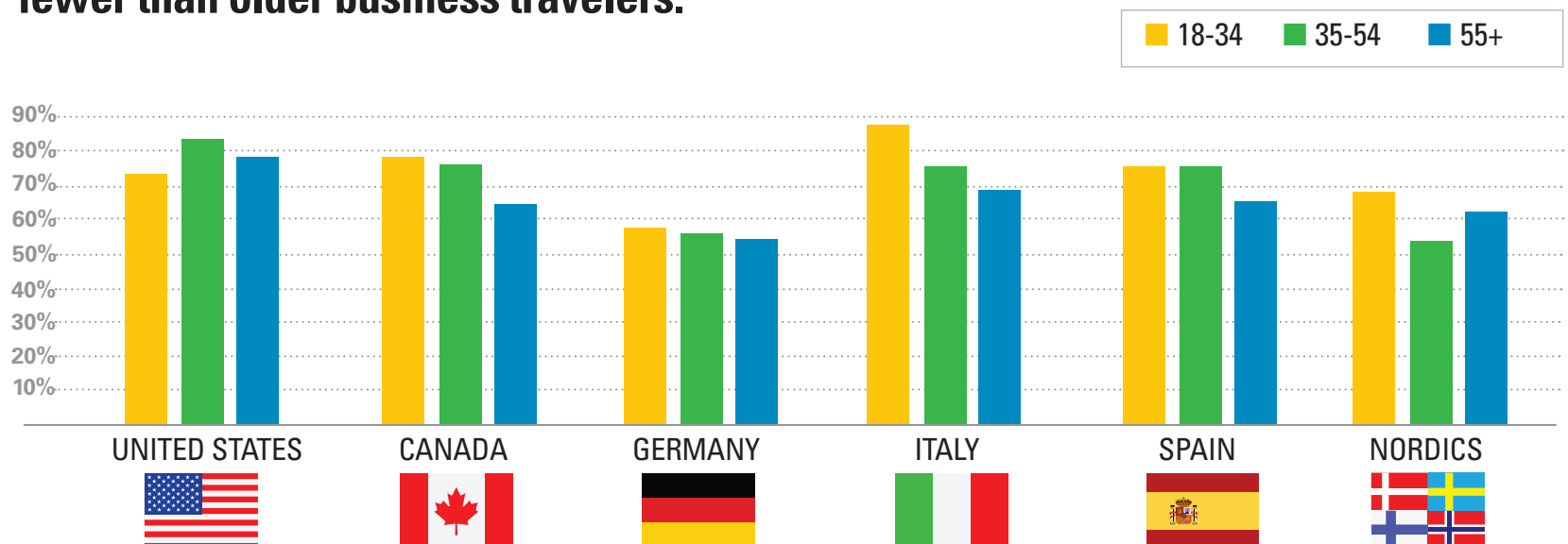


Despite U.S. travelers' embrace of self-service tech, they're more satisfied when they book with a person. Here's their satisfaction level after bookings made within the past year.

82%
WITH A TRAVEL AGENT OR MANAGER

75%
ONLINE BOOKING TOOL

In the United States, Millennials who prefer self-service tech number fewer than older business travelers.



Source: Global Business Travel Association & Sabre survey of 756 business travelers based in North America & 970 based in Germany, Italy, Spain, Denmark, Finland, Norway & Sweden, conducted March 21 to April 3

UNITED ✨ ✨ ✨
POLARIS
business class

**Introducing the international business class experience.
Redesigned from Ahh to Zzz.**

✦ United PolarisSM is taking business class to new heights, elevating your travelers experience and offering everything they need to be rested and renewed from lounge to landing.



✦ We offer personalized, white glove services catered specifically to your traveler's needs. The United Polaris Lounge features abundant seating and plenty of access to power. Whether working or sitting back and putting their feet up, your travelers can rest their eyes and relax in comfortable chaise lounges.



**WHEN IT COMES TO SLEEP,
THIS SEAT MEANS BUSINESS.**



✦ We've created a state-of-the-art space that starts with easy aisle access from every seat and continues all the way to the smallest details to maximize functionality and flexibility.

✦ Whether your business travelers want to work, relax or sleep, the custom-designed United Polaris seat is just right.

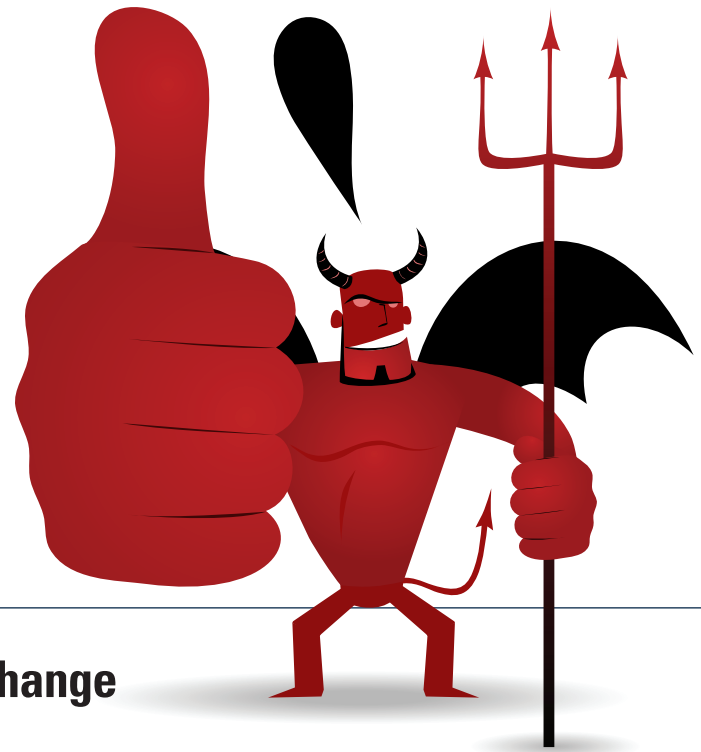


Learn more at united.com/polaris



Making a Deal with the Devil?

Travelers want personalized travel, and yet they're leery of trading personal information to get it. The more data they make available, the more personalized suppliers can make their offerings. Travel programs can get in the game, too, though, improving traveler satisfaction and promoting in-policy behavior.



What Business Travelers Would Share in Exchange for a More Personalized Traveler Experience

	UNITED STATES	CANADA	GERMANY	ITALY	SPAIN	NORDICS
						
Frequent-flyer or hotel loyalty number	63%	57%	41%	27%	39%	47%
Personally preferred airline & hotel brands	62%	62%	55%	49%	61%	41%
Aircraft seat preferences	55%	63%	52%	36%	52%	43%
Personally preferred hotel amenities	54%	57%	65%	51%	54%	32%
Personally preferred time to fly	52%	60%	57%	55%	71%	46%
Personally preferred method of ground transportation	42%	46%	35%	37%	46%	26%
Travel history	41%	36%	23%	40%	33%	36%
Preferred leisure activities while traveling	33%	36%	24%	31%	38%	19%
Business calendar with booked appointments	26%	26%	18%	22%	35%	14%
Social media account names	17%	10%	9%	14%	18%	7%

Source: Global Business Travel Association & Sabre survey of 756 business travelers based in North America & 970 based in Germany, Italy, Spain, Denmark, Finland, Norway & Sweden, conducted March 21 to April 3



Welcome to IHG[®], where we deliver true hospitality to business around the world

Building the right travel program for your company and your travelers is our passion. It needs to be valuable to your business and your employees. We get that, and we get how important it is for you, too.

As one of the world's leading hotel companies, we have more than 5,000 hotels and over 740,000 guest rooms in almost 100 countries. Our brands are some of the best known and most trusted in the world. We have the right hotel brand for your travel program, for your business travelers and groups and meetings occasions.

Everywhere you need us and everywhere your business takes you, we're there with you. Our accurate tracking and insights empower you to build a winning travel program. Our Global Sales team is here to help you get the most out of IHG – where we deliver true hospitality to business around the world.

For more on IHG's customizable and insight-driven Business Travel programs visit www.ihg.com/businesstravel.



*IHG[®] Rewards Club not applicable to Kimpton[®] Hotels & Restaurants; to be included at a future date.

Sunnier Days: Travel Buyer Compensation Is Up & Attitudes Are Brighter

BY CHRIS DAVIS

"My job responsibilities didn't change, but the company recognizes the value of my position. Changed [my] title and gave me a raise."

—TRAVEL BUYER RESPONDENT TO BTN'S SURVEY

Spring 2016 brought with it an uncommonly sunny disposition among buyers and managers of corporate travel and meetings, and not only because their average compensation this year has continued to rise at a healthy clip. The respondents to this year's salary survey, the 33rd annual edition of *BTN's* examination of buyer compensation, were more likely than in previous years to view their compensation as at least fair and feel their recognition within their organizations to be at least adequate. They also are more likely to see a path for their own industry advancement and predict higher salaries to come.

But this survey was fielded in April and May, before the optimistic springtime was pierced by the summertime lightning bolt of the United Kingdom's June 23 vote to depart the European Union. Whether the ensuing global uncertainty of the consequences of the Brexit vote has darkened travel managers' outlook can't be discerned from this survey, so it's appropriate to view these results outside of that prism.

Otherwise, the view for travel management professionals is pretty good: The average total compensation for this survey's 194 respondents—including salary, bonuses and incentives for respondents among all company sizes and sectors—as of Jan. 1, 2016, was \$118,479, a figure 5.5 percent higher than these same respondents reported as their compensation one year prior. That growth far outpaces the U.S. Bureau of Labor Statistics' year-over-year figures for overall U.S. compensation growth for civilian workers and those in private industry, each of which was a little under 2 percent in the first quarter. It's also about 3.2 percent higher than the \$114,769 figure reported in *BTN's* 2015 salary survey.

As always, the flat average of respondents' compensation tells only part of the story, as the figure varies widely corresponding to the gender of the respondents and the annual airline spend of their organizations. Still, it's the third straight year that the overall average compensation figure in this survey has risen from the prior year's, and such consistent average increases play a part in what appears to be travel buyers' improving collective mood.

A Brighter Outlook

This year's respondents, generally speaking, are happier with their pay relative to their responsibilities than they have been in recent years. While 39 percent of respondents still consider their pay too low for their workload, that is five percentage points lower than in 2014, and the 16 percent of respondents in 2016 who consider themselves "paid very well" for their efforts is up from 13 percent in 2014. The remainders in both surveys consider their compensation an equitable exchange for their work.

Respondents were asked to detail the biggest change to their job during the past year, and while some took the opportunity to note difficulties like lower visibility or more responsibilities without a commensurate salary hike, others cited positive changes. "A new manager is committed to fairness and has brought hope to the team," wrote one. Another cited a promotion, though one in which "my job responsibilities didn't change, but the company recognizes the value of my position. Changed [my] title and gave me a raise."

Still another noted a corporate implementation of an automated expense management tool: "So happy to come out of the Dark Ages. I felt like I was falling behind the times because my company did not use the latest and greatest technology."

Organizational recognition for many is a key aspect of job satisfaction; employees in any industry like to feel their work is valuable. Fewer respondents to this year's survey feel they are "not well recognized" by their organizations than in the prior two years: 26 percent this year versus 30 percent in 2015 and 29 percent in 2014. While the share of respondents who call themselves "well recognized" has remained constant during that timeframe, those who cited "adequate" recognition rose to 53 percent in 2016 from 47 percent in 2015 and 49 percent in 2014.

It should be noted that there is a significant split between men and women with regard to their satisfaction with pay and recognition. While 23 percent of male respondents consider themselves paid well for their responsibilities and 32 percent indicated they were "very well recognized" by their organizations, those numbers among female respondents dip to 12 percent and 14 percent, respectively. Conversely, 45 percent of women indicated their salary was too low for their responsibilities and 31 percent consider themselves "not well recognized" in their workplaces, but just 29 percent and 17 percent of male respondents, respectively, said the same.

Meanwhile, respondents on the whole indicated they see better chances of

A large, stylized graphic of the letter 'A' dominates the background. The left vertical stroke of the 'A' is a solid blue. The right vertical stroke is a solid red. The horizontal crossbar is a light gray. The 'A' is positioned such that its left side is on the left edge of the frame and its right side is on the right edge, with the top and bottom points extending towards the top and bottom of the frame respectively.

OVER 1,000 MORE FLIGHTS A DAY THAN ANY OTHER AIRLINE.

We want to make sure you have everything you need to keep your company flying forward. That's why our schedule revolves around you, so you can be everywhere your business is.

BTN's 33rd Salary Survey & Report

advancement and brighter prospects for higher salaries in the next few years. When asked where they would be professionally in 2018, 34 percent of all respondents predicted they would still be employed by their current organization but in a more advanced travel-related position. That's not only the most frequent response this year, just edging out the 33 percent who project they'll be in the same position in two years, it's also higher than the 31 percent who in 2015 predicted advancement within the following two years and the 29 percent who did so in 2014.

While most respondents, 54 percent, expect that travel management and procurement professionals' average compensation generally will hold steady during the next year, 41 percent believe it will increase, up from the 39 percent both in 2015 and 2014 who—correctly, it turns out—forecasted higher average salaries in the forthcoming year.

Evolving Responsibilities

There is a level of consistency, and has been for many years, among certain professional responsibilities in travel management roles regardless of organizational size or industry type: managing relationships with airlines, hotels, travel management companies and other suppliers; managing travel technology; and helping set and implement travel policy. But 2016 has brought with it increased responsibility for travel managers and projections of further involvement with two aspects in particular: mobile technology and social media. No surprise, perhaps, given the level of attention those two topics, and how to manage them, has received within the business travel industry. This year's survey respondents indicated those two trends are affecting their roles on a more granular level, and they expect even more involvement to come.

BTN asked respondents to note their involvement—in terms of negotiation, management, supervision and selection—with 10 aspects of travel management outside the standard foundation of the profession. More respondents indicated that within the prior two years, they had assumed management of mobile travel technology and services than they took on for any other of those 10 aspects. Now, 61 percent of respondents manage that function, and another 20 percent expect to do so by 2018.

It's yet another indication that many organizations, in some cases spurred by their travelers, have shifted from deciding whether to involve their travel management personnel in mobile technology decisions to determining how best to do so. Only one in five respondents indicated that they do not expect to have any involvement in mobile technology management by 2018.

Meanwhile, 27 percent of respondents are not involved in the management of internal social media for travel but expect to be by 2018, the highest figure among the offered roles. That 27 percent would join the 35 percent of respondents who already

AVERAGE TOTAL COMPENSATION PACKAGE

Includes salary, bonuses & incentives, as of Jan. 1 of listed year

	2016	2015	YOY Change
BY TITLE			
Travel specialists/advisors/ coordinators/analysts/buyers	\$72,887	\$67,338	+8.2%
Travel managers/supervisors	\$102,310	\$103,319	-1.0%
Purchasing, procurement and sourcing executives	\$131,474	\$124,403	+5.7%
Travel directors/vice presidents	\$149,320	\$141,214	+5.7%
All*	\$118,479	\$114,769	+3.2%
BY GENDER			
Female	\$108,016	\$104,146	+3.7%
Male	\$136,861	\$141,540	-3.3%
BY 2015 U.S.-BOOKED AIR VOLUME**			
Under \$2 million	\$101,386	\$98,419	+3.0%
\$2 million to \$12 million	\$100,251	\$101,684	-1.4%
\$13 million to \$20 million	\$133,953	\$128,664	+4.1%
More than \$20 million	\$146,752	\$135,004	+8.7%
BY CERTIFICATION ***			
Holding formal certification	\$123,772	\$117,549	+5.3%
Holding no formal certification	\$107,794	\$113,704	-5.2%

* Among 184 respondents who provided total compensation figures for 2015 & 2016

** Among 194 respondents who indicated organizations' annual 2015 U.S.-booked air volume

*** Professional certifications comprise Certified Corporate Travel Executive, Certified Meeting Manager, Certified Meeting Professional, Certified Purchasing Manager, Certified Travel Professional, Corporate Travel Expert, Global Leadership Professional & Global Travel Professional designations

THROUGH THE YEARS: TRAVEL MANAGER COMPENSATION

Includes salary, bonuses & incentives, as of Jan. 1 of listed year

YEAR	AVERAGE TOTAL COMPENSATION	YOY CHANGE
2016	\$118,479	+3.2%
2015	\$114,769	+5.6%
2014	\$108,331	+4.2%
2013	\$103,885	-6.1%
2012	\$110,552	-4.7%
2011	\$115,974	+8.9%
2010	\$106,543	+1.4%
2009	\$105,075	+4.7%
2008	\$100,402	+3.3%
2007	\$97,161	-1.4%
2006	\$98,545	+5.4%
2005	\$93,195	+1.6%
2004	\$91,768	+11.5%
2003	\$82,300	+10.6%
2002	\$74,400	+8.6%

BTN Salary Survey research, 2002 to 2016



Change in action.

Sheraton is changing to make every stay smarter,
smoother and simpler. But don't take our word for it.
Book your travelers with us and discover the difference.

Sheraton[®]
Where actions speak louder.

spg.pro

BTN's 33rd Salary Survey & Report

manage social media for travel, more than one-third of whom have picked up that responsibility since 2014.

Several respondents, in fact, cited social media implementation as the biggest change to their job within the past year. "Social media presence has grown by leaps and bounds," wrote one. Another said, "Much more involved with internal social media and focusing more on becoming more traveler-centric."

Other travel management functions for which respondents picked up additional responsibility in the past two years include traveler security management (14 percent of all respondents) and travel data aggregation (12 percent). About one-fifth of all respondents expect to assume responsibility for strategic meetings management initiatives by 2018, while 38 percent already do. Remote conferencing still hasn't gained a strong presence, at least among travel managers, as just 12 percent of respondents are responsible for the technology and only 8 percent more expecting it by 2018.

Certification Consequences

Several industry organizations offer professional certification to those who pass high-level education classes. In *BTN's* survey, about 55 percent of respondents indicated they held at least one such designation, including but not limited to the Global Business Travel Association's Global Travel Professional certification, the Convention Industry Council's Certified Meeting Professional designation and the Institute for Supply Management's Certified Purchasing Manager certification.

While comparing compensation figures based on such certifications is a tricky endeavor, not only because of small sample sizes but also because younger, less experienced respondents are less likely to hold such designations than those with higher-level roles and more experience, the results of *BTN's* survey show that certified respondents on the whole earn an average total compensation package of \$123,772 versus \$107,794 for those respondents without. Those figures were much closer in the 2015 survey, with respondents with certification earning \$117,549 and those without earning \$113,704.

These respondents collectively have differing attitudes toward their organizations, as well. While about one in five respondents with certifications feel they are paid well for their responsibilities, about 37 percent feel they are underpaid. Among those with professional certifications, about 11 percent feel they are paid well and 43 percent think they don't get paid enough for their responsibilities. Similarly, 31 percent of those without certification see themselves as not well recognized within their organizations, but only 23 percent of those with certifications feel the same. About the same percentage of those with and without certification, about one in five, consider themselves very well recognized.

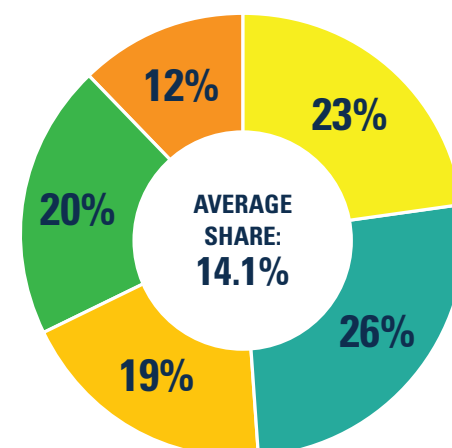
TYPES OF COMPENSATION TIED TO DEPARTMENTAL PERFORMANCE

	Bonuses	Incentives	Stock Options	None
All	57%	18%	12%	38%
Travel directors/vice presidents	63%	30%	26%	33%
Travel managers	49%	13%	5%	47%
By 2015 U.S.-Booked Air Volume				
More than \$20M	70%	19%	19%	25%
\$13M-\$20M	62%	28%	17%	35%
\$2M-\$12M	49%	13%	5%	45%
Less than \$2M	42%	23%	15%	50%
By Professional Certification				
Formal certification	67%	26%	13%	28%
No certification	48%	13%	14%	46%

192 respondents. Respondents were instructed to select all that apply.

BONUSES & INCENTIVES

As a percentage of current total compensation package*

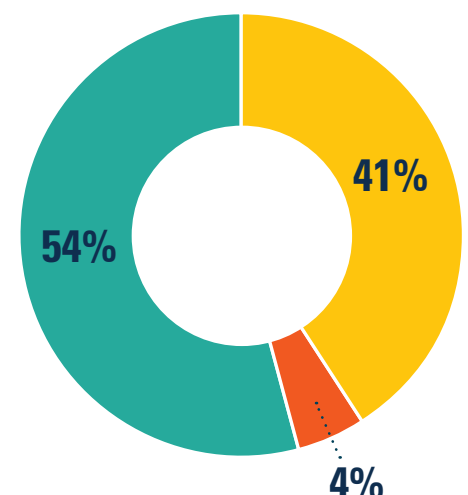


Share of compensation
 5% or less 6% to 10%
 11% to 15% 15% to 20%
 More than 20%

* Based on the 106 respondents who indicated they receive a bonus or other incentives as part of their total compensation

SALARY OUTLOOK

Expectations for travel management/procurement professionals' salaries in the coming year.



Salaries will increase
 Salaries will decrease
 Salaries will stay the same

184 respondents

TYPES OF PERFORMANCE TO WHICH COMPENSATION IS TIED

Travel department's contribution to organization's value	44%
Savings/cost avoidance	43%
Year-over-year program improvement statistics	31%
Formula that considers savings, satisfaction, reporting & strategic initiatives	28%
Traveler satisfaction	20%
Technology implementation	13%
Other*	21%
Not applicable	25%

174 respondents. Respondents were instructed to select all applicable answers.

* Includes overall company performance, employee satisfaction & service levels, among others

Save the day and your bottomline.

At Southwest®, our Corporate Travel Team has you covered. They'll create a custom agreement that suits your company's needs with great benefits like low fares and no change fees*. Now you can stop stressing over travel budgets and feel confident you're getting the value you want. Visit [Southwest.com/corporatetravel](https://www.southwest.com/corporatetravel) for more information.

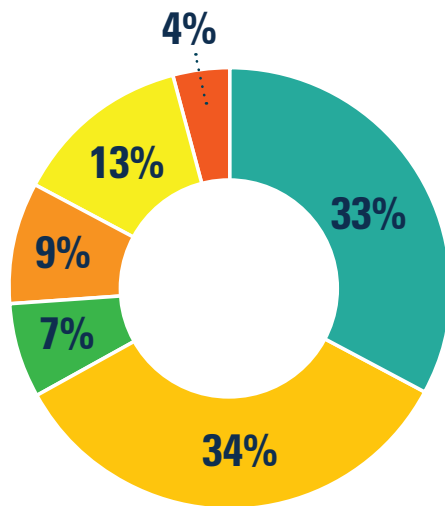
Southwest®
Corporate Travel

*Fare difference may apply.



BTN's 33rd Salary Survey & Report

PERSONAL EXPECTATIONS FOR TWO YEARS FROM NOW



- Employed by my current employer in the same position
- Employed by my current employer in a more advanced travel-related position
- Employed by my current employer in a largely non-travel-related position
- In a similar position with a different employer
- In a different level or type of position with a different employer
- Unemployed/retired

183 respondents

Fewer respondents to *BTN's* 2016 Salary Survey feel they are "not well recognized" by their organizations, compared to the prior two years.

FEELINGS ABOUT COMPENSATION RELATIVE TO JOB RESPONSIBILITIES

	Salary Low for Responsibilities	Equitable/Fair Exchange	Paid Well for Responsibilities
All	39%	45%	16%
By 2015 U.S.-Booked Air Volume			
More than \$20M	42%	39%	19%
\$13M to \$20M	26%	48%	26%
\$2M to \$12M	42%	49%	9%
Less than \$2M	37%	42%	21%
By Professional Certification			
Formal certification	37%	44%	20%
No certification	43%	45%	11%
By Gender			
Male	29%	49%	23%
Female	45%	43%	12%

185 respondents. Some rows may not add to 100% due to rounding.

TIME SPENT ON TRAVEL MANAGEMENT/PROCUREMENT

	< 25%	25% to 49%	50% to 74%	75% to 99%	100%
All	9%	15%	18%	26%	32%
By 2015 U.S.-Booked Air Volume					
More than \$20M	2%	2%	14%	29%	54%
\$13M to \$20M	7%	11%	19%	41%	22%
\$2M to \$12M	10%	26%	21%	19%	24%
Less than \$2M	25%	13%	17%	25%	21%
By Professional Certification					
Formal certification	6%	14%	20%	34%	26%
No certification	14%	19%	16%	14%	38%

183 respondents. Some rows may not add to 100% due to rounding.

HOW DO YOU FEEL ABOUT YOUR RECOGNITION WITHIN YOUR ORGANIZATION FOR YOUR ON-THE-JOB EFFORTS?

	Very Well Recognized	Adequately Recognized	Not Well Recognized
All	21%	53%	26%
By 2015 U.S.-Booked Air Volume			
More than \$20M	21%	44%	35%
\$13M to \$20M	22%	67%	11%
\$2M to \$12M	19%	54%	28%
Less than \$2M	25%	54%	21%
By Professional Certification			
Formal certification	20%	57%	23%
No certification	21%	48%	31%
By Gender			
Male	32%	51%	17%
Female	14%	54%	31%

184 respondents. Some rows may not add to 100% due to rounding.



The right spot for
your business travelers
during crunch time is
IHG's Crowne Plaza.®

Your business travelers deserve to be at a business hotel.

The opportunity for a workout probably isn't the first thing that comes to mind when you're considering the right hotel for your business travelers. But more than ever, people want to blend work needs with the things that keep them in-routine and feeling fit to take on the world. That's why your travelers will find a fitness center at every Crowne Plaza. It's just one of the things that will help keep your people happy to go the extra mile.

Call your IHG Sales Representative or visit CrownePlaza.com


CROWNE PLAZA®
HOTELS & RESORTS

IHG®
InterContinental Hotels Group

© 2016 IHG. All rights reserved. Most hotels are independently owned and/or operated.

BTN's 33rd Salary Survey & Report

TASKS & RESPONSIBILITIES

Percentage involved (managing, negotiating, selecting or supervising)

	Have managed for at least 2 years	Began to manage less than 2 years ago	Don't currently manage, but expect to in 2 years	Don't currently manage & don't expect to
Travel data aggregation	71%	12%	7%	11%
Travel data visualization	61%	10%	10%	18%
Traveler security management	47%	14%	10%	29%
Mobile travel technology/services	41%	20%	20%	20%
Payment system managing (including corporate, ghost and/or virtual cards)	36%	10%	9%	45%
Strategic meetings management	28%	10%	20%	41%
Expense management technology/services	25%	9%	11%	55%
Internal social media for travel	22%	13%	27%	39%
Leisure travel for employees	14%	3%	3%	80%
Virtual conferencing	8%	4%	8%	80%

185 respondents. Some rows may not add to 100% due to rounding.

Additional Findings

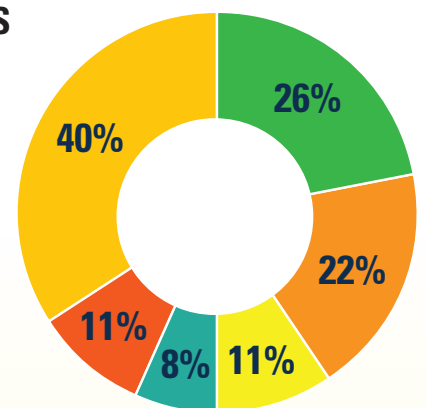
- About 62 percent of all respondents receive bonuses, incentives and/or stock options that are tied to departmental performance. The average value of those additional payments is a bit more than 14 percent of the average total compensation package, though the responses were quite varied; about 49 percent of respondents indicated that share of compensation was less than 10 percent. That compensation was most typically tied to the respondents' departmental contribution to organizational value as well as demonstrated cost savings or avoidance, while others cited program improvement statistics, traveler satisfaction and broader performance formulas as the basis for their bonuses.

- About 75 percent of those respondents from organizations with 2015 United States-booked air volume of at least \$20 million receive additional performance-based compensation, but only 50 percent of those with United States-booked air volume of less than \$2 million do.

- Arguably, the most direct way to receive a raise is to ask for one, but that's a move that only 22 percent of respondents have made in the past two years. About 60 percent had taken some direct action in the past two years to boost their compensation; the pursuit of a promotion was the most frequently cited method. Others have changed companies or engaged a career coach or mentor in an effort to boost their titles and bank accounts. ■

ACTIONS TAKEN IN THE PAST TWO YEARS TO INCREASE COMPENSATION

- Pursued a promotion
- Asked for a raise
- Changed companies
- Engaged a career coach/mentor
- Other
- None of these



184 respondents. Respondents were instructed to select all applicable answers.

PROFESSIONAL INDUSTRY CERTIFICATIONS HELD

Global Travel Professional	15%
Certified Corporate Travel Executive	11%
Certified Meeting Professional	5%
Certified Travel Professional	5%
Certified Purchasing Manager	3%
Corporate Travel Expert	3%
Certified Meeting Manager	2%
Global Leadership Professional	2%
Other/multiple	9%
None	45%

177 respondents

METHODOLOGY BTN's 33rd annual Travel Manager Salary & Attitude Survey measures compensation and analyzes perceptions among corporate travel professionals. It compares current salaries to the previous year, determines how compensation is derived and shares job sentiments from those buying and managing corporate travel. For the 2016 edition, invitation emails were sent to *Business Travel News* and *Travel Procurement* subscribers, as well as members of The BTN Group's Research Council. Qualified respondents indicated they are involved in travel and/or meetings management and/or procurement. A total of 194 qualified respondents (72 percent female and 28 percent male) sufficiently completed an online survey questionnaire, though not every respondent answered every question. Those who provided a job title comprised 81 travel managers and supervisors; 19 purchasing, procurement and sourcing executives; 14 travel specialists, advisors, coordinators, analysts and buyers; 26 travel directors; 13 vice presidents; four owners, presidents, CEOs, CFOs or COOs. Twenty-seven other respondents did not specify their titles, or held titles that encompassed multiple disciplines. Polled travel professionals represented a broad cross-section of industries. Among their organizations, 13 percent had annual United States-booked air travel expenditures of less than \$2 million, 44 percent had such expenditures between \$2 million and \$12 million, 15 percent had between \$13 million and \$20 million and 28 percent had more than \$20 million.

PREMIUM SERVICE THAT'S ALL BUSINESS.

Trust Africa's most awarded airline to go the extra mile to let you work or relax in ultimate comfort. With connections from over 30 North American cities to 75 African destinations, our daily flights feature a Premium Business Class service with fully-flat seats for a good rest, gourmet cuisine, award-winning South African wines and a selection of on-demand entertainment. Let us make your business our pleasure.



www.flysaa.com • 1-800-722-9675
or your professional travel consultant



SOUTH AFRICAN AIRWAYS

A STAR ALLIANCE MEMBER 

SMEs Present A Ripe Environment for Innovation

BY MICHAEL B. BAKER

When it comes to getting the best deals, volume often remains king within many corporate travel supplier categories. When it comes to travel program innovation, however, small and midsize travel programs boast several advantages over their larger brethren.

"I was very flexible and nimble at Sapient," said former travel manager for the company Michelle De Costa, who now manages a much larger program at Liberty Mutual Insurance. "I could dream it up and put it in place the next day."

So, what approach should SMEs use to take advantage of their position, and what challenges do they still need to overcome?

"I was very flexible and nimble [when managing an SME]. I could dream it up and put it in place the next day."

—LIBERTY MUTUAL INSURANCE'S MICHELLE DE COSTA

SME Innovations

- AMONG JENNIFER STEINKE'S WINS:**
- Short's Travel's FindIt, which enables travelers to shop on any platform—a personalized travel experience—then brings them back into the system to see alternatives & then book with two clicks
 - Proactive messaging to send reminders to travelers and help during trip disruptions
 - Mobile app with both the travel policy & other suggested apps
- AMONG MICHELLE DE COSTA'S WINS:**
- Launched the enterprise version of Yammer, beginning a social media conversation with travelers
 - One-question, post-booking traveler survey
 - Client Experience Concierge program for clients & travelers

Planting the seeds: A smaller traveling population also means a travel buyer can get closer to travelers and solicit feedback on what is working and what is not, giving them an idea of what to target for innovation. By contrast, a larger company might have multiple divisions, travel populations and traveler needs. Even though SMEs increasingly are going global, it's still more manageable.

"If you're a huge organization, it's almost insurmountable," said Dycom Industries corporate travel manager Jennifer Steinke. "As soon as you get one thing rolled out, you're back to starting out again."

For SMEs, she said, innovation can spring from a simple question: "If you could have a perfect world for travel, what would it look like?" She noted, "You're dealing with smaller teams of people, who maybe are closer in proximity as far as operationally."

At the same time, SME buyers generally have smaller teams of their own and might juggle responsibilities outside the travel sphere. As such, finding the time to devote to travel program innovation can still be a challenge.

Even so, SME buyers should not outsource innovation and expect, say, the travel management company to lead the way, Steinke said. To begin, buyers should look at the overall program, considering company culture and willingness to take risks. They should then determine what the large strategy is—becoming more traveler-centric, for example, or driving mobile efficiencies—and explore what tools are available to achieve that, both third-party and internal.

Getting management buy-in: Just as SME buyers are closer to their travelers, they also are closer to their bosses, which can play to their advantage. SMEs tend to be less complex, so buyers have fewer layers to reach key decision makers and fewer corporate departments from which to get approval, De Costa said. As such, building trust is easier, as the C-suite members at a large company might not even know who the company travel buyer is.

SME management also tends to be less cautious and risk

averse, meaning they might be more open to the new ideas, De Costa said.

That does not make proper development and the selling of ideas any less important, however. "No matter what your size, you have to tell the right story and have the right value proposition," Steinke said.

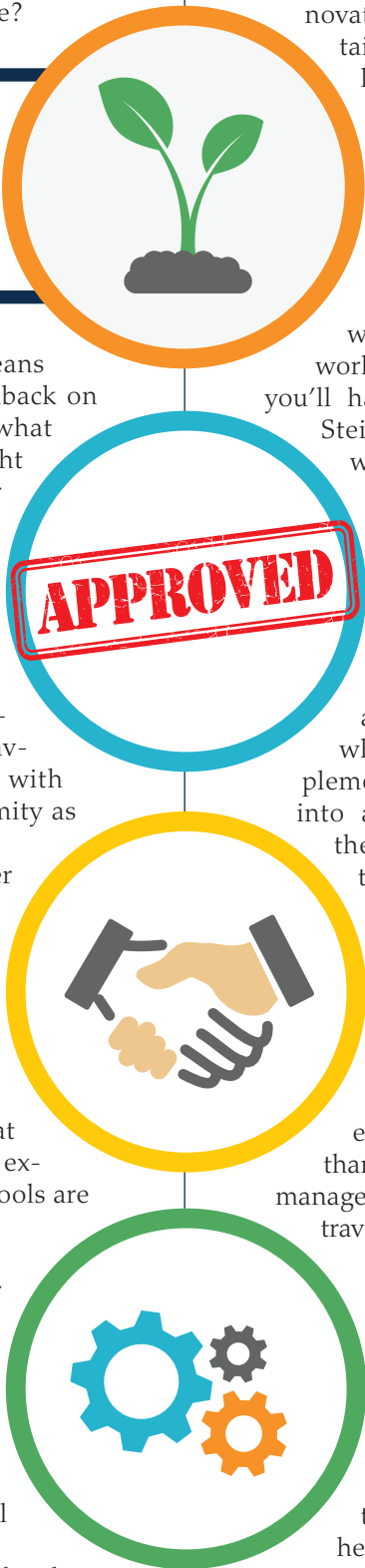
Partnering with suppliers: Large suppliers tend to pay less attention to those clients with smaller spending levels, Steinke noted. SME buyers might have success with new ideas if, for example, the supplier could use the innovation to win or maintain relationships with large buyers, as well.

Still, SME buyers might find better success partnering with smaller and emerging suppliers. "Find a smaller technology company willing to develop and work with you, where you'll have a bigger voice," Steinke said. "It's easier when you're a bigger fish in a smaller pond."

Implementation: If a project needs internal resources, such as IT, those often are limited at SMEs, which can delay implementation. "It can go into a queue, and when they get to it, they get to it," De Costa said. "It can take longer, and sometimes you struggle."

Fortunately, getting traveler buy-in once it's time to implement an idea is an easier task for SMEs, thanks again to the travel manager's proximity to the traveling population.

"It's easy to get a pilot group, pick up the phone and build up a greater level of trust in that important audience," Steinke said. "When they know you have their best interest at heart, they will be in front of you." ■





Global Travel Risk
Management Solution

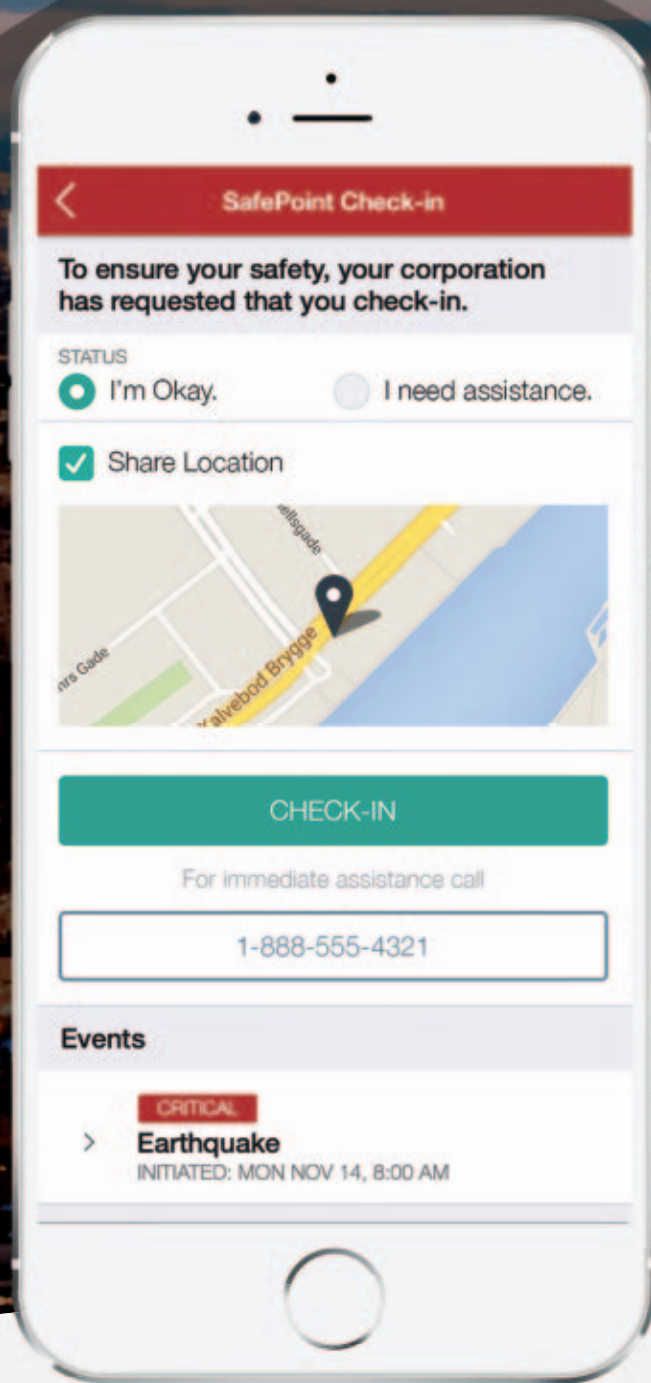
Hello, Peace of Mind

New mobile duty of care solution that allows companies to proactively locate & communicate with traveling employees.

Automated
best-in-class travel
intelligence alerts

Complete
trip data
beyond the PNR

Instant check-in
communication



Mobile
dashboard to
monitor & locate

Instant access
to your company
assistance hotline

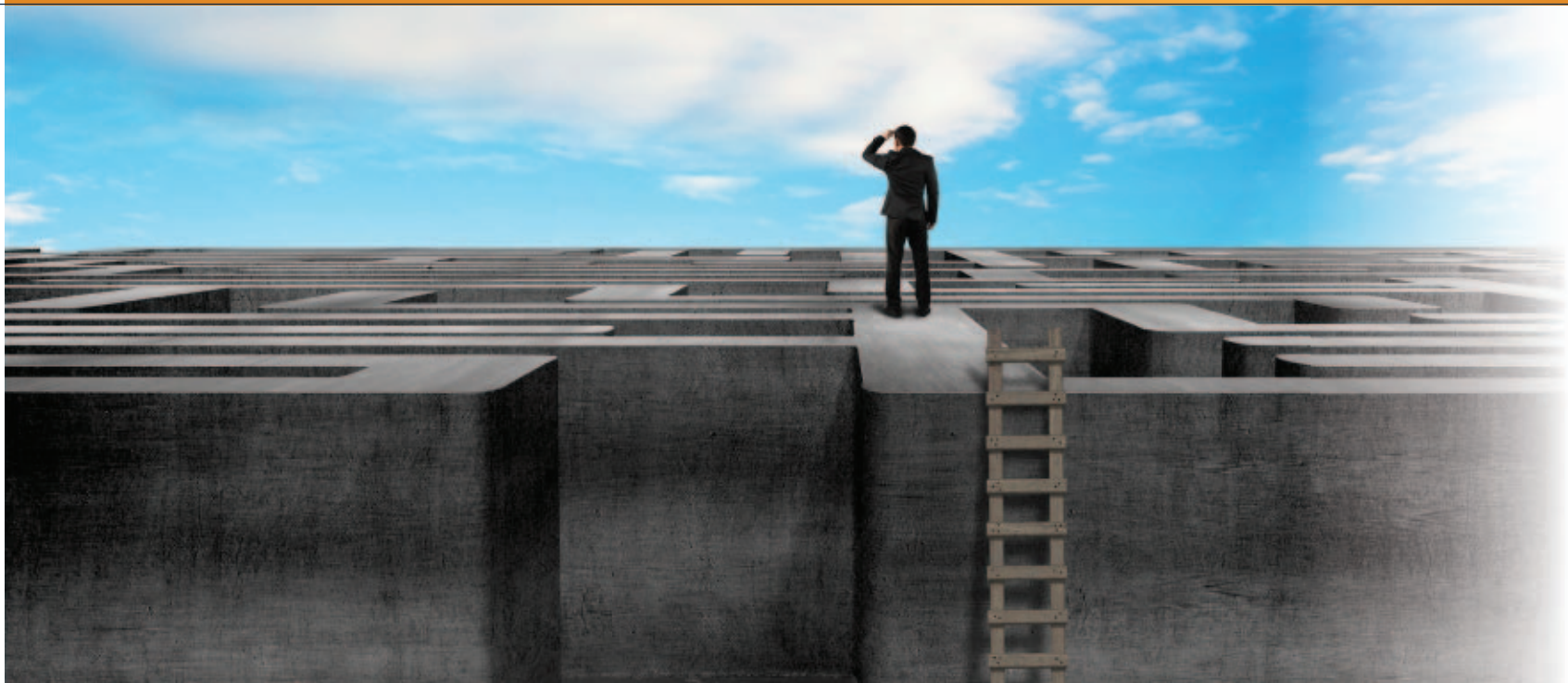
Integrated
with TripCase®

SABRE.COM/SAFEPOINT

From the world leaders in travel technology

Partnered with **iJET**

Sabre **tripcase**



TMC Business Strategies in an Idling Corporate Travel World

Slow goes it for the travel management company sector

By Jay Boehmer

The number of trips booked by business travel agencies and settled through ARC rose a modest 1.7 percent in 2015, a weak follow-up to 2014's 3.6 percent growth rate. The brakes on corporate travel were squeezed even harder to open 2016, according to ARC business trip data and commentary from airlines, travel management companies and global distribution system operators. "The biggest issue in North America that's holding us back is the slow-to-no growth in corporate travel," Sabre CEO Tom Klein told investors in late April. For Sabre, leisure looked solid, but corporate travel was "muted," added CFO Rick Simonson. The numbers bear that out: Business trip growth rose by less than 1 percent for the first three months of the year, according to data based on ARC-designated agency code numbers.

It's too soon to tell, but the first quarter letup in corporate air demand may be fleeting. A pickup would be welcome by TMCs, as most are compensated for each transaction. That makes air bookings a key driver of revenue. In May, Wolfe Research airline analyst Hunter Keay took the view that "corporate travel demand is better than people realize," and he expects improvements during the last six months of the year. Similarly, UBS airline analysts viewed the downward revision in corporate budgets during the first quarter as "a lagged reaction to the double-digit stock market sell-off to start the year." There was more optimism for the second half of 2016, UBS analysts wrote.

At the very least, the corporate air demand that drives TMC revenue doesn't appear to be slowing further. Sabre Travel Network president Sean Menke said in June that corporate demand has stabilized, "meaning it's bottomed out." While Balboa Travel COO John Cruse also called out "a little softening of demand in the first part of the year," he also noticed a pickup in the second quarter. "It's not extreme, but it seems to be that at the end of April and into May, things rebounded just a little bit." Travelport CEO Gordon Wilson in early May said, "I'm not particularly gloomy about corporate travel." The corporate slowdown was "a mixed bag," depending on the industry sector, he said. Corporate travel for oil and gas companies, which have been cutting costs since oil prices retreated from their peak, was "clearly down." Yet, other sectors were doing "relatively well." At the time, he noted that finance and banking was building up from a lull.

What's a TMC to Do?

Among the more than two dozen corporate agencies that authorized ARC to release their annual sales and transaction data for BTN's 2016 TMC report (see page 28), the results also were mixed—but largely positive. Most agencies registered transaction growth from 2014, some by double-digit percentages. Just a few registered declines, and they were modest.

So, how's a TMC to accelerate business in a slow environment? Winning new business and riding current client demand are option. Fox World Travel posted 14 percent growth in both air transactions and sales last year. "A lot of our existing customers are doing well, and their travel is strong," said COO Lori Meress. "We're bringing on a lot of new customers, as well. We haven't made any acquisitions for a number of years, so this is organic."

While Fox benefited from some existing client growth, TMCs exposed to corporate clients whose sectors are down, especially energy, have been less fortunate. Carlson Wagonlit Travel, which did not participate in the BTN survey, reported that its 2015 transactions declined 1 percent to 61.4 million. "Excluding the impact of the energy portfolio, transactions increased by 1.3 percent," according to the mega travel agency.

American Express Global Business Travel chief global sales officer Christine Ourmières-

KNOWLEDGE IS POWER. MORE POWER TO YOU.

The right information can help you manage your travel program more effectively and ensure the best experiences for your travelers. So we've enhanced our innovative contract reporting solutions to include insights into your travelers' satisfaction and the value of their corporate travel benefits. Providing confidence through transparency. Another way we're building our business around the needs of yours.

To learn more, talk to your Delta Sales Account Executive or visit DELTA.COM/EDGE.



DELTA



KEEP CLIMBING

BTN's 2016 TMC Survey & Report



It's Not as Bad as You Think, According to These Sunny Sources

"Corporate travel demand is better than people realize," said Wolfe Research's Hunter Keay, who expects improvement in the second half of 2016.

"It seems to be that at the end of April and into May, things rebounded just a bit," said Balboa Travel COO John Cruse.

Corporate travel demand has stabilized, "meaning it's bottomed out," said Sabre Travel Network president Sean Menke.

"I'm not particularly gloomy about corporate travel," said Travelport CEO Gordon Wilson.

"A lot of our existing customers are doing well, and their travel is strong," said Fox World Travel COO Lori Meress.

"Excluding the impact of the energy portfolio, transactions increased by 1.3 percent," Carlson Wagonlit Travel reported about 2015.

Widener sees the "three dimensions" of organic growth at Amex GBT: organic client growth, expansions and new wins. While not reflected in U.S. point-of-sale ARC data, global expansion is an area of opportunity for larger multinational TMCs. "Organizations are understanding the value of a global program, and duty of care is part of the concern," said Ourmières-Widener. "Not only that, but it's about cost savings, control and compliance."

In some cases, adding to a TMC's business travel portfolio is as much about attracting smaller clients to the TMC sphere as it is about taking away accounts from competitors, several small and midmarket agency executives said.

Shopping Sprees

Yet another way for agencies to grow is through mergers and acquisitions, a popular option for such travel agencies as Direct Travel, Corporate Travel Management and Travel Leaders, each of which have made several transactions in the past 18 months. Travel Leaders attributed about half of its transaction growth last year in corporate travel to acquisitions. Australia-based Corporate Travel Management continued to bulk up in the United States. In April, it announced the acquisition of Travizon, its seventh in the United States in the past four years. That followed December's deal to acquire California's Montrose Travel.

Even mega BCD Travel got in on the act in May 2015 with the purchase of Knoxville-based World Travel Service. Egencia, too, boosted its size after bringing in Orbitz For Business, following parent company Expedia's acquisition of Orbitz Worldwide. Egencia's first-quarter gross bookings rose 21 percent year over year due in large part to the inclusion of Orbitz for Business results.

Innovative Travel Acquisitions president Bob Sweeney, who has been brokering travel agency acquisitions since 1991, said the rate of M&A in the TMC space has accelerated in recent years, driven in large part by travel agency owners looking to retire.

Pressure on Client Pricing

Like many TMC executives before him, Travel Leaders Group CEO Ninan Chacko bemoaned the commoditization of TMC services, as procurement-minded companies have put pressure on the transaction fees paid by clients. Cruse said Balboa's double-digit net air transaction growth last year was "still very strong, but what happens over time is pressure on our revenue streams: pressure on fees to come down, pressure on revenue streams from airlines and hotels." Other TMCs shared similar observations. Hogg Robinson Group chief executive David Radcliffe sees a rise in bidding activity among clients. "There's a lot of activity out there at the moment," he said in May. "When times get tough or uncertain around the globe, you're bound to get everyone saying, 'Are we getting the best deal? Is there something better that we can get?'"

To counter the pricing pressure from corporate clients, some TMCs are diversifying to lessen their reliance on booking fees. Travel Leaders, Travel and Transport and others have grown their portfolio of offerings via new data consolidation and analytics services. Plenty of agencies are talking more about meetings and events and consulting, as well. "Obviously, the number of trips customers take is a function of their business needs, but we want to be able to also do more within each of those companies," Chacko said. "Clearly, our core offering is travel fulfillment. We've made pretty good strides in terms of consulting—so broadly speaking: data intelligence, consulting and analytics—and then, to some degree, also meetings and meetings management. We've been able to not just maintain but also grow our footprint across existing clients and attract new clients, both through organic and inorganic means."

GDS Incentives Are a Bright Spot

In addition to the revenue TMCs get directly from clients, agencies earn overrides from airlines, commissions from hotels and incentives from GDS operators. Several TMCs, including BCD Travel, have put more focus on selling hotels, a nice revenue opportunity. BCD CEO John Snyder noted in December that "hotel booking is a very key initiative for us." He cited the industry benchmark 50 percent hotel attachment rate, "very low" in his words. "Literally, just moving the gauge 2 or 3 percentage points drops millions of dollars to the bottom line for us," he said. Per-transaction GDS incentives, meanwhile, rose steadily last year and continue to move upward. Travelport forecast a "low- to mid-single-digit escalation in incentives" in 2016, much the same rate of growth as in 2015. Sabre's annual report noted incentives have been "increasing in real terms, growing in the low-single digits on a per-booking basis in recent years."

As the three major competing GDSs duke it out for market share, they have sweetened the pot for agencies. "The deals are getting better than ever and the downside penalties for not making enough bookings seem to be getting more lenient than ever," said industry lawyer Mark Pestronk, who assists agencies with GDS contracts. "The balance of power has shifted somewhat toward agencies and away from the GDS vendors in these negotiations throughout the years." ■



Help Them Be There. [to close the deal]

TSA Pre✓[®]

When your company's travelers enroll in TSA Pre✓[®], they become part of a smarter travel experience with fewer hassles and less stress. With no need to remove shoes, laptops, liquids, belts or light jackets, they keep moving forward, saving time and money. TSA Pre✓[®] is the smart choice for business.

If you're planning to attend GBTA, visit us at booth 105.



Transportation
Security
Administration

Encourage your travelers to enroll today.
Learn more at tsa.gov

BTN's 2016 TMC Survey & Report

Travel Management Companies' 2015 Air Transactions

Company/Headquarters	Settled Through ARC	Settled Elsewhere	Total Transactions	Change from 2014	Sales Volume Settled Through ARC	Sales Volume Settled Elsewhere	Total Sales Volume	Change from 2014	GDSs Used Worldwide
A & I Travel Management <i>Memphis</i>	63,858	16,210	80,068	18.4%	\$32,783,969	\$6,037,453	\$38,821,422	6.7%	Travelport 100%
AAA Corporate Travel Services <i>Cincinnati</i>	175,288	30,738	206,026	10.0%	\$93,780,465	\$10,892,316	\$104,672,781	5.2%	Travelport 100%
Adelman Travel Group <i>Milwaukee</i>	449,209	98,000	547,209	9.6%	\$266,153,836	\$52,500,000	\$318,653,836	9.2%	Sabre 89% Travelport 11%
Altour ¹ <i>New York City</i>	785,120	118,635	903,755	-0.7%	\$569,057,192	\$43,185,517	\$612,242,709	-3.3%	Not Disclosed
Balboa Travel <i>San Diego</i>	160,204	52,341	212,545	19.2%	\$113,682,464	\$19,306,153	\$132,988,617	0.9%	Amadeus 50% Sabre 50%
Cain Travel Group <i>Boulder, Colo.</i>	116,342	34,564	150,906	-8.9%	\$67,620,814	\$9,500,000	\$77,120,814	-11.9%	Travelport 100%
Christopherson Andavo Travel <i>Salt Lake City</i>	389,182	81,987	471,169	7.8%	\$244,701,227	\$28,153,978	\$272,855,205	3.8%	Sabre 9% Travelport 91%
Conlin Travel <i>Ann Arbor, Mich.</i>	109,293	14,807	124,100	23.0%	\$66,233,674	\$7,700,327	\$73,934,001	18.3%	Travelport 100%
Corporate Travel Management <i>Brisbane, Australia</i>	513,755	126,874	640,629	-0.5%	\$314,602,979	\$51,081,551	\$365,684,530	-1.9%	Sabre 100%
Covington Travel <i>Richmond, Va.</i>	57,105	7,779	64,884	3.5%	\$32,694,839	\$2,776,943	\$35,471,782	-6.1%	Sabre 4% Travelport 96%
Executive Travel <i>Lincoln, Neb.</i>	77,772	28,194	105,966	15.5%	\$37,933,326	\$10,325,322	\$48,258,648	15.3%	Sabre 7% Travelport 93%
FC USA ² <i>Brisbane, Australia</i>	692,243	129,708	821,951	15.6%	\$487,167,505	\$36,677,542	\$523,845,047	8.8%	Sabre 100%
Fox World Travel <i>Oshkosh, Wis.</i>	298,891	53,654	352,545	14.3%	\$161,485,709	\$18,244,229	\$179,729,938	14.4%	Travelport 100%
Frosch <i>New York City</i>	841,806	23,000	864,806	25.0%	\$665,308,988	\$8,500,000	\$673,808,988	15.0%	Sabre 85% Travelport 15%
Gant Travel Management <i>Bloomington, Ind.</i>	155,412	54,123	209,535	14.7%	\$92,703,666	\$17,510,000	\$110,213,666	5.0%	Sabre 85% Travelport 15%
Hess Corporate Travel <i>Bountiful, Utah</i>	86,877	23,038	109,915	1.0%	\$50,432,053	\$7,364,875	\$57,796,928	-2.8%	Travelport 100%
HRG North America <i>London</i>	1,080,857	266,073	1,346,930	2.1%	\$841,256,456	\$54,838,940	\$896,095,396	-8.0%	Sabre 91% Travelport 9%
National Travel Service <i>Charleston, W.Va.</i>	102,049	21,755	123,804	15.4%	\$47,217,726	\$8,031,028	\$55,248,754	11.4%	Sabre 1% Travelport 99%
Omega World Travel <i>Fairfax, Va.</i>	422,263	775,000	1,197,263	0.2%	\$271,565,135	\$251,000,000	\$522,565,135	0.2%	Not Disclosed
Ovation Travel Group <i>New York City</i>	666,716	102,272	768,988	8.8%	\$574,451,961	\$45,000,000	\$619,451,961	0.9%	Sabre 98% Travelport 2%
Travel and Transport ³ <i>Omaha, Neb.</i>	1,560,664	1,288,765	2,849,429	5.2%	\$975,229,249	\$687,554,400	\$1,662,783,649	0.1%	Sabre 53% Travelport 47%
Travel Leaders Group ⁴ <i>Plymouth, Minn.</i>	2,647,496	332,177	2,979,673	10.6%	\$1,902,543,169	\$178,469,130	\$2,081,012,299	3.0%	Amadeus 6% Sabre 82% Travelport 12%
TravelStore <i>Los Angeles</i>	229,609	159,113	388,722	24.5%	\$143,222,777	\$49,258,035	\$192,480,812	9.7%	Sabre 93% Travelport 7%
Valerie Wilson Travel <i>New York City</i>	89,824	11,006	100,830	2.7%	\$103,631,811	\$8,100,100	\$111,731,911	-2.7%	Sabre 86% Travelport 14%
World Travel <i>Douglasville, Pa.</i>	899,399	231,992	1,131,391	8.9%	\$537,338,987	\$80,396,815	\$617,735,802	2.0%	Travelport 82% Sabre 18%

¹ Includes Wing Mate & Travel Master ² Includes Corporate Traveler & FCm Travel Solutions ³ Includes Ultramar Travel Management ⁴ Includes Travel Leaders Corporate, Tzell Travel Group & Protravel International

METHODOLOGY BTN asked travel management company executives and owners to authorize U.S. bank settlement plan Airlines Reporting Corp. to release their agency's 2014 and 2015 ARC air ticket transaction and sales data. ARC data for each agency encompasses wholly owned home offices and legal entities, including all branch offices and satellite ticket printers.

ARC provided ARC air transaction and sales data and defines net air sales as the total airfare minus any commission. All information is based on ticketed-passenger data for tickets processed during the 2014 and 2015 calendar years via ARC-accredited agency locations in the United States, Puerto Rico and the U.S. Virgin Islands. Information does not correlate to flown data, and refunds and exchanges are not included. All other data are self-reported. Non-ARC sales and transactions may include ticket purchases on airlines that do not participate in ARC or through direct airline websites, airline bulk-buy programs or consolidator tickets.

Agencies that declined to participate include American Express Global Business Travel, BCD Travel, Carlson Wagonlit Travel and Egencia.

Room-to-Work
COMFORT ZONE

The spacious suites at Homewood Suites by Hilton® have separate areas for work and relaxation, so you can find your comfort zone while you're on the road. **HomewoodSuites.com**

SPACIOUS SUITES | FULL KITCHEN | FREE WI-FI | COMPLIMENTARY EVENING SOCIAL* | FREE HOT BREAKFAST



Hilton



*Monday through Thursday only. Service of alcohol subject to local and state laws. Must be of legal drinking age. ©2016 Hilton Worldwide

Hello SMMP, Meet Your Mobile App



Spend is one thing, but content security, brand experience and attendee engagement also fall under the rubric of strategic meetings management. Mobile meetings apps touch all these areas and, as a result, should be part of a holistic view of a strategic meetings management program. Recent and promised advancements in mobile data collection, integration and reporting may bring this relevance into sharper focus as they open a channel to a meeting's return on investment. *BTN* editor-in-chief Elizabeth West spoke with meetings technology consultant Corbin Ball, Siemens' global meetings and event manager Bobby Badalamenti and Schneider Electric's event solutions and digital operations manager Jason Askew.

Q *What's the penetration of mobile apps for meetings and events?*

Corbin Ball: I've seen estimates that 85 percent of meeting planners are currently using mobile meetings apps or plan to use them in the near future. If you look at it across the broad swath of events, it's going to be a little bit lower than that, but I'd say it's above 50 percent and that number is rising rapidly.

Q *I can see that level of penetration for consumer-facing events, but do those numbers apply for internal corporate meetings?*

Ball: The larger the event, the more likely it has a mobile event app. Small corporate events are not as likely to have an app, but the availability of the multi-event app over the past two years is changing that. Corporations are finding that it's cost effective [to] build

out an app for their company, and then they add on dozens or hundreds of small events. In that case, it's simple, easy to set up and it provides a means of communication.

Q *Bobby, that's what you did at Siemens. Why was it important to approach this from a strategic-platform perspective, rather than a one-off approach for your company?*

Bobby Badalamenti: We have global approval for one app, rebranded it and ensured that noncompliant functionality is turned off. We have very, very clear directions from Siemens' security departments to limit our exposure. We also comply with Siemens "Brandville." The visuals, everything has to be compliant with our brand guidelines.

Q *Is this the same at Schneider Electric? Have security and branding requirements prompted adoption of an approved app?*

Jason Askew: Security is always a concern in any corporation, as is branding. We want to make sure [meeting owners] stay within their brand guidelines, but it's not as tight as Bobby describes at Siemens. We have yet to see adoption at our Tier One events, so until there is wide exposure of the brand via the mobile app, we may not see it quite as standardized.

Overall, we're still in the early phases of adoption, and what I've found is that a lot of the businesses had used multiple vendors. Everything from SpotMe, Quick-Mobile, DoubleDutch and even internally we considered building our own meetings app.

Q *Interesting—I want to come back to that thought in a minute. Bobby, you mentioned that certain functionalities are disabled on Siemens' approved app. Tell us what features the company allows and what is off limits.*

Badalamenti: Siemens doesn't currently allow any type of sharing with Facebook, Twitter or social media and does not allow event-only sharing features. If it's a social media-type feature, it is disabled. You have to remember that this is a globally approved app, so we comply with strict standards in Germany, where we've had adoption at the largest scale and for some quite large meetings.

Critical for us right now [are] polling, surveys and gamification features. We use the push notification and alert, which is great for communicating, and the attendee-to-attendee meeting schedule with keyword search. Clearly the basic features for the agenda: posting speakers, bios, content schedules, sessions, etc. [Because we use] a single-source technology platform, all of that information transferred [to the app] as you build the registration website, so that helps reduce resources that might otherwise have to populate content in the app.

Q *Does Schneider limit app functionality?*

Askew: We're executing specifically in North America, so we're not locking down as much. I hand over the tools to our business verticals and leave it up to them to decide what they're going to turn on. We have a cross section of attendees, from IT professionals who are savvy with apps to electrical contractors who are

still getting familiar with smartphones. So the businesses have to decide what is right for their audiences.

For some of our senior management, being able to interact with one another, to message directly or schedule meetings, even the polling aspect has been well-received. Just having the ability to post photos and share viewpoints helps people adopt these tools. That's the importance of keeping it open with understanding that there may eventually be things that aren't allowed.

Q *Let's go back to the idea of resources. ... It takes some time and know-how to tailor an app to an audience. How configurable are the tools?*

Badalamenti: In the U.S., Siemens doesn't have dedicated resources that create or input content into mobile apps, although there are colleagues who "do it themselves." We offer mobile apps as a hybrid [of] DIY [and] outsource. If it's not an easy self-service tool, outsourcing the content creation attaches expense [to the app] over the purchase. At that point, you have to see if you have budget for [outsourcing] and if the app still offers value.

"The impetus is on the supplier just as much as it is on the corporation to come up with uses for that information" that comes from meetings apps.

—SIEMENS' BOBBY BADALAMENTI

Askew: The ability to manipulate the back-end content management system in the app is important. The easier it is to manipulate, the better adoption I have seen with [meeting owners]. If apps are heavy with setup, they just don't have the time to do that. That's one reason we considered building our own, but [off-the-shelf] apps have gotten more user-friendly and smarter in how they acquire information.

Q *What about maturity in knowing when to deploy app features strategically to enhance the event versus distracting from the event, especially for different audiences? It seems like an emerging skill set.*

Badalamenti: We are developing digital etiquette guidelines for meetings and events. We'll be doing lunch and learns and posting information on our meeting and event portal to educate [meeting owners]. The app itself [enables] meeting owners to give attendees all the information they need in advance of the meeting. Then, there's an expectation set that during the

meeting there's less need to engage with the app. Of course, we want [attendees] to use the app to set meetings and network, but that's why we need the guidelines about how to manage it.

Askew: It's an interesting dilemma. It also has to be controlled at a software level. It's hard to get people to stop engaging with their phones, especially when you are offering them an app. Plus, you add gamification, where people compete to have the most points for different interactions, so it could be confusing. The vendors could allow the customer to enable and disable functionalities on the fly to help manage that. But you really do have to understand your audience. Millennials are really used to second-screen interaction, and they thrive on the social-sharing aspect. It's not a problem for them.

Ball: If you find attendees interacting more with the app than with other attendees, perhaps there are some issues with the app itself. But also, you have to have goals associated with whatever you set up on these apps. For example, at South by Southwest, they use decent technology where attendees put their specific interest areas into the

app, and they are notified if people with a similar set of interest areas come within range. To have an app assist you in that process is extremely valuable. For gamification, at the Consumer Electronics Show, you got a badge every time you went into a different exhibit hall and a prize when you got through all of them. The goal was to have people explore more exhibit halls than in the past. So part of this is the planning, part of it is how the apps are maturing and [becoming] easier to use.

Q *The interactions will ultimately produce the engagement data, which has been something of a holy grail for the meetings and events industry.*

Ball: That's one of the real values of bringing these tools in. Companies will capture data that ties into what their [attendee] activity is, and they'll be able to track [that data] in a way that it's far better than it has ever been before.

Meetings Mavens Talk Shop

MOBILE APP RELEVANCE TO SMMP

MANAGING APP RESOURCES

CONTROLLING THE APP EXPERIENCE

NEXT STEPS WITH MEETINGS DATA

Badalamenti: Siemens currently partners with a CRM company that will have an "elegant" integration with Cvent by the end of the summer, versus the limited integration available today. I can't speak to results, but it is certainly our intention to utilize that functionality and integration to centralize data and make it more robust.

Askew: Schneider is on schedule to integrate mobile event data with Marketo. I look at it like two train cars coming together. What I see on the other side, I'm not really super excited about because I see the [event] data that comes in on the back end of Marketo and I'm sure it's the same with others, but what do you do with it? What does it mean and how do you dissect it? That's the big question mark. We have ideas, but there's still a lot of work to be done.

Q *It seems like we need key performance indicators for engagement. They could be different with every event, but there must be some commonalities. Is this an area where vendors could help?*

Badalamenti: If you are a supplier, that should be the first thing in your head. You're not going to build it for just for the sake of building it. You're going to build it because you're offering solutions that didn't exist before. Each company might do it a little differently, but clearly, the impetus is on the supplier as much as it is on the corporation to come up with advantages for using the data.

Ball: Data analytics is becoming a huge area. A lot of it is up to the technology providers to connect the dots, what DoubleDutch has done, for example. They've had ties to Marketo and now they are reaching out to Eloqua. Watson Analytics is an interesting tool, too. It's a free tool that you can upload 100,000 rows, 50 columns wide, of data and has natural-voice queries of that for free. That's a drop in the bucket in terms of actual Big Data, but it's a start.

In the bigger picture, we are talking about the true digitization of the business process. It's all part of strategic meetings management. It will help us dig into ROI and improve the attendee experience, which also improves ROI. We have never had the tools that can do this for meetings and events. Now, you see the links with CRM tools and with mobile event apps and with all the data points coming through. It's an exciting time. ■

AIRFRANCE



FRANCE IS IN THE AIR

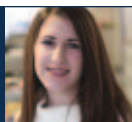


PUTTING YOU



YOU AT THE CENTER OF OUR WORLD

Welcome to our Business class, where your comfort is our priority.



Hilton's Direct-Booking Gains & OTA Backlash

BY JAY BOEHMER

From the February launch of its 'Stop Clicking Around' campaign through May, Hilton Worldwide has seen its mobile app downloads rise, loyalty program enrollment surge and direct bookings increase 10 percent year over year. It also has seen a "couple" of online travel agencies de-prioritize its hotels in search results and showcase only "very basic" Hilton listings, vice president of global OTA and wholesale Stephen Fitzgerald said during the New York University International Hospitality Industry Investment Conference.

As a first mover in the industry's book-direct push, "we've seen some great results year to date," Fitzgerald said during a panel discussion on distribution. CEO Christopher Nassetta also has cited positive results for the hotel company. Even so, some OTAs, which Fitzgerald did not name, have stripped Hilton branded listings down to terse, one-line results. "It's bookable," he said, "but it doesn't look like much to consumers."

Erik Munoz, chief marketing officer for hotel revenue management platform operator LodgIQ, said such "dimming" actions are a move by OTAs to counter book-direct initiatives. "If you're not giving [OTAs] favorable room types or prices, you're going to be buried, but also, your listing could be dimmed: so just having property name and basic information while other listings have photos and reviews," Munoz said the result makes the hotel "less appealing to book."

The lone OTA representative on the NYU panel, Expedia senior vice president Melissa Maher, said the ordering of hotel search results is driven by the OTA's well-established algorithm. "It's nothing new. It's not about member rates," she said. "It's how our algorithm has been in place." The two primary components of the algorithm are offer strength—taking into account the hotel rate, user reviews and other indicators of hotel value—and quality score, which is based on the relationship between the hotel and Expedia, including the quality of property information the hotel provides to the OTA and guest satisfaction.

After those, said Maher, Expedia's algorithm looks at the compensation the hotel pays the OTA for selling its rooms. "When hotels give us competitive rates and competitive inventory on our sites, our algorithm gives them more exposure. Hotels that don't do not get as much exposure as those that do." Expedia this year even launched the Accelerator program, which lets hoteliers bid for better search-result placement.

Marriott International vice president of global distribution Alexander Pyhan addressed the company's focus on building closer relationships with loyalty customers and controlling distribution costs. Marriott developed its book-direct business case with an understanding that there could be a "potential loss in attractiveness, if you will, in the third-party marketplace," he said. "Any impact that we've seen has been offset" by direct-booking and direct-relationship gains.

Meanwhile, at a Travelport customer conference,

Hilton's Direct-to-Consumer Wins FROM FEBRUARY TO MAY

Mobile app usage up
Loyalty program enrollment up
Direct bookings up 10%

The Consequence

Some OTAs have de-prioritized its hotels in search results

Marriott International vice president of global distribution and cross-channel strategy Oral Muir described the hotel company's relationship with OTAs as "cooperation." He said, "The tack that Marriott's taken over the years has been that we are OK with the customer choosing the channel that they want to use to book, but we want to make sure the consumer also understands that there are different costs and different benefits based on their choice."

For OTAs and other travel partners, "we want everyone to be fat and happy, as long as they bring us business that we need and don't expect us to pay for business that we don't want," he said. It's like paying for everyone's good time at a party. "Every time you're the only one bringing food and drinks and paying, at some point you stop wanting to go to those parties."

InterContinental Hotels Group, Hyatt Hotels Corp. and Choice Hotels also have announced initiatives this year that offer special rates or other perks for loyalty members booking directly. They're targeted at OTAs, but corporate travel buyers and travel management companies have been caught in the middle. Now, the challenge before hotels is to trim distribution costs without damaging third-party demand. "It's not just a matter of negotiating a better deal with the OTAs," said Kalibri Labs CEO Cindy Estis Green. "Hotels really need to take control of their business mix. They need to understand the nature of demand in their markets and what the costs are for every type of business that they

"There are 14 loyalty programs out there. People can't be loyal to all 14. So, if you look at the strategy that is shaping right now, there might be one or two players that are very successful."

—EXPEDIA'S MELISSA MAHER

get." The result is likely a diverse mix of business from a variety of channels, including OTAs. "Unto itself, the profitability of a direct channel versus any other channel is always going to be significantly greater," LodgIQ CEO Ravneet Bhandari said. Yet, he urged hotels to "take a balanced view of the entire distribution equation over time."

Estis Green discussed the airlines as a case study. In the early 1990s, U.S. carriers had a cost of acquisition of up to 20 percent of sales, she said. Now, that is down to low single digits, she noted. How did they do it? Agency commission cuts factored heavily, but that was "ugly" and "not the way people would want it done," said Estis Green. "I don't recommend that for the hotel industry." Even so, "the cost of acquisition in the U.S. market has risen to about 15 to 25 percent" for hotels, she said. Of course, hotels face different challenges than airlines to bring acquisition costs down. The industry is more fragmented and operates under a "completely different economic structure," she said.

Many view the book-direct campaigns as a battle between the hotel chains and OTAs, acknowledged Maher, but "this really is a battle between brands trying to create value and focus on their value proposition. Not all hotel brands can build the loyalty they desire through mobile apps, hotel perks or member rates, she reasoned."

—Additional reporting by Julie Sickel

**92% OF ALL COMPANIES*
RECEIVE INCOMPLETE
TRAVEL EXPENSE
REPORTS**

DON'T BE ONE OF THEM



Visit us at GBTA Convention booth#1810 to see how HRS payment solutions can help you streamline your payment process for hotel stays.

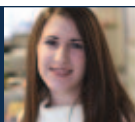
HRS'S payment solutions deliver increased accuracy, reduced costs and greater traveler satisfaction.

With HRS, hotel payment is made centralized, paperless, and transparent for improved business travel management

Find out how HRS can help your expense reporting.
Call: + 1 866 839 9731, email corporate-us@hrs.com or
visit corporate.hrs.com

*Companies of over 500 employees. Source: Expense Reporting:Global Practices and Pain Points (HRS/GBTA)
Download the whitepaper from our website at corporate.hrs.com





Oasis Collections' Place in the Lodging Landscape

Back in February, AccorHotels acquired a 30 percent minority stake in Miami-based Oasis Collections, which operates in 18 cities across the United States, Europe and Latin America. The investment, a bold step for Accor that set the stage for the hotel industry to embrace alternative accommodations, also set Oasis Collections on a path to grow around the globe. Founder and CEO Parker Stanberry spoke with *BTN*.

HOW DID YOU FIRST GET INVOLVED WITH ACCORHOTELS?

They had an internal mandate to explore alternative accommodations, and they reached out to us in July last year. They liked what we had to say and vice versa. They own a minority stake, and so we're still able to do our thing. And they want us to do our thing and continue to have that startup, nimble mindset. On the other hand, they're going to be quite helpful and involved in terms of awareness and distribution. That's what they bring for us, the ability to reach their loyalty members and the people that search accorhotels.com everyday. From us, they are looking to be able to offer our product to their customers, whether it's a brand-new customer or one they have today in their hotels but may be about to lose to alternative accommodation. They're quite pragmatic about that. They want to be there to offer an option for those folks who are looking for something fresh and not the traditional hotel experience.

ARE PEOPLE NOW ABLE TO GO ONTO ACCOR'S WEBSITE AND BOOK OASIS COLLECTION PROPERTIES?

They're not able to go and book our properties yet. That will be a first-quarter of next year scenario. We have a banner on the accorhotels.com site, so we are present there. They are doing some email communications to their loyalty members. Phase 1 is letting their consumers know who we are and introducing the partnership, and then Phase 2 will be a more full tech integration where we, as well as the other players that they've invested in, will sit in the booking channel of accorhotels.com and be available within the loyalty framework to accept loyalty points.

WHAT DISTRIBUTION CHANNELS ARE YOU USING?

We definitely are not our own distribution channel; we consider ourselves a property representative that offers a product and an experience. Then in terms of how we market and sell our product, a lot of it is direct to our website and building some brand awareness in a very targeted way because we are small. We also work with some companies directly. Nike, for example, is a big customer of ours for the Olympics coming up. We work with Google in certain other countries. We also work with travel agencies, relocation companies, corporate housing intermediaries. Then we use other



Oasis Collections CEO Parker Stanberry talks:

- Investment from AccorHotels
- Plans for growth & distribution
- How Oasis fits in among traditional hotels & alternative accommodations

online distribution channels. HomeAway is one of our good partners, FlipKey, TripAdvisor.

DO YOU WORK WITH AIRBNB?

Less so, because they don't have an API that's easy to plug into, but we are certainly open. I see them as a distribution channel for either owners of properties or companies like ours that are curating properties and experiences—property managers is the more traditional term for what we do. [Airbnb and sites like it] are distribution channels for all of those people, including us. It's a weird dynamic where you are, in a way, competing because you want consumers to come to you directly, just like hotels need OTAs. No small company can drive enough demand itself to not need these third-party distribution channels.

ON THE AGENCY SIDE, ARE YOU WORKING WITH TRAVEL MANAGEMENT COMPANIES?

We are working with some of the big travel management companies, like Amex Global Business Travel and Protravel, then also a smattering in the leisure segment.

WHAT ARE YOUR PLANS FOR GROWTH?

We are trying to get to 30 major cities by the end of this year, and 70 to 80 by 2019. What we have done is cover Latin America very well and opened in some cities in Europe and the U.S., and now we're doubling down in the U.S. and Europe and then getting into Asia. This year, we're adding Madrid, Milan, Rome and Amsterdam in Europe and then San Francisco and Chicago in the U.S. We want to have a true global footprint that is relevant from both the B2C and B2B perspective and be able to tell a corporate client, "Yes, we can serve you in all of the major cities in which you would be sending employees," and we can also tell the leisure traveler, "Hey, you used us in Buenos Aires and loved us and so now when you go to Paris, you know what to expect." It's building a brand. It's being in the same relevant cities that a W Hotel would want to be in.

"We are supervising this process quite closely. It's not a sort of "No one's there, God knows what's going on in these apartments."

DO YOU FIND YOURSELF GETTING HEMMED IN BY LOCAL LEGISLATION TARGETING AIRBNB?

It's certainly a challenge for the business. Anyone who's in this space has to be cognizant of regulations, and there are a ton of moving parts. It may be OK in a city one day but not the next. You have to be nimble, and that's part of our strategy of being in so many cities quickly: not to have too much exposure to one set of municipal regulations or the other. At our size, we don't really participate in the lobbying and the political process that others might, and we are a bit different and better set up vis-à-vis what the regulations are trying to address because we are supervising this process quite closely. It's not a

sort of “No one’s there, God knows what’s going on in these apartments.”

HOW HAS THE LANDSCAPE CHANGED SINCE YOU STARTED OUT?

A lot. HomeAway started in 2005 and bought VRBO, which started in 1996, right off the bat. You had a bunch of mom-and-pop vacation rental operations, but for city rental it was pretty much Craigslist. That’s what I used to find my apartment in Buenos Aires when I moved down there at the end of 2006. That’s how I got this idea: my own experience of sifting through Craigslist and dealing with local realtors in a foreign country and not being sure how to pay. Now you’ve got the vacation rental players still very much alive and kicking, and they’ve scaled and multiplied. In the cities, there’s Airbnb. I see them sort of as a classifieds [section]. They are polishing and professionalizing the Craigslist experience. We’re different because we’re offering quality control, vetting, curation and on-the-ground concierge service from dedicated, local Oasis employees.

WHO ARE THE PROPERTY OWNERS YOU WORK WITH?

Mainly individual property owners. We aim for nonprimary residences. We don’t like people coming in and feeling, “Eh, I can’t use this closet because it’s full of stuff,” and there’s owner’s stuff in the pantry. We want travelers to feel confident, like they’re walking into a polished, comfortable, clean scenario, making it as hotel-like as possible within the confines of a unique apartment. So it’s mostly individual, one-off, second-home property owners, but some owners are real estate developers who may have a small building they’ve devoted to this or they may have bought eight units in a larger building to put with us. ■

“We want travelers to feel confident, like they’re walking into a polished, comfortable, clean scenario, making it as hotel-like as possible within the confines of a unique apartment.”



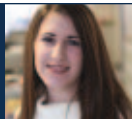
A Hotel for Every Business Need.

At every Best Western®, travelers will find people who care about their business needs. They will discover amenities to stay productive on the road, including free high-speed Internet* and breakfast available at all locations. With more than 4,100 hotels worldwide**, finding the right hotel for business is now easier than ever.



GDS code: BW
bestwestern.com | 1-800-WESTERN

*Some amenities not available at all locations. **Numbers are approximate and can fluctuate. Best Western and Best Western marks are service marks or registered service marks of Best Western International, Inc. ©2016 Best Western International, Inc. All rights reserved. Each Best Western® branded hotel is independently owned and operated.



San Francisco Regulates Airbnb, Which Responds by Suing San Francisco

The San Francisco Board of Supervisors has passed a bill requiring Airbnb and its sharing economy peers to remove any listings not registered with the city, and analysts at financial services firm Canaccord Genuity expect it could lift hotel performance. More important, though, they expect San Francisco's move could sway regulators in other markets. That all depends, though, on the outcome of a suit Airbnb has filed against San Francisco in response.

"We do believe Airbnb has had a materially negative impact on pricing during compression periods, particularly in New York, San Francisco, New Orleans, Los Angeles and Hawaii," stated a report from Canaccord Genuity senior real estate investment trust and lodging analyst Ryan Meliker and associate Michael Kodesch. "As such, we expect a modest tailwind to unfold in the [revenue per available room] performance of San Francisco hotels in [the second half of 2016] and follow in NYC shortly thereafter."

In 2015, San Francisco officials passed a law that stipulated any short-term rental provider listing an unoccupied apartment or home must be a permanent San Francisco resident renting their primary dwelling for less than 90 days of the year. Hosted rentals, in which a resident is present during guest stays, are exempt from the 90-day maximum, and absentee property owners or owners of multiple

Expected Results of San Francisco's Regulation

Airbnb listings in San Francisco

9,500

Short-term falloff of

80%

Long-term falloff of

50%

Source: Canaccord Genuity

"With San Francisco leading the way, we would expect other cities to adopt similar enforcement tactics to eliminate the illegal listings on home-sharing sites."

—CANACCORD GENUITY'S RYAN MELIKER & MICHAEL KODESCH

properties are not eligible to rent. The city also created the Office of Short-Term Rentals, with which hosts are expected to register. According to Canaccord, only 1,324 listings of Airbnb's approximately 9,500 are registered with the office.

The newest bill, passed in early June, requires Airbnb to remove unregistered listings or face fines of up to \$1,000 per day, per listing. Under the terms of the 2015 law, some may even be ineligible to register. Canaccord projects Airbnb listings will fall off 80 percent in the near term and close to 50 percent on a more stabilized basis. "With San Francisco leading the way, we would expect other cities to adopt similar enforcement tactics to eliminate the illegal listings on home-sharing sites," the report stated.

The Lawsuit

Airbnb filed a lawsuit in the Northern District of California on June 27, claiming San Francisco's

ordinance is a violation of the Communications Decency Act of 1996, the Stored Communications Act and the First Amendment.

Section 230 of the Communications Decency Act states: "No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider." In its complaint, Airbnb asserts that the new ordinance infringes on the CDA by treating Airbnb as the publisher or speaker of third-party content, *i.e.*, the listings of its hosts.

The Stored Communications Act pertains to the voluntary and compelled disclosure of "stored wire and electronic communications and transactional records" held by third-party Internet service providers. Airbnb claims that San Francisco's requirement for Airbnb to disclose customer information violates the SCA and the First Amendment.

This is the first time Airbnb has sued a city in which it operates, according to *The Wall Street Journal*. The ordinance is scheduled to take effect on July 24.

Airbnb's Battles Elsewhere

Airbnb is attempting to play ball with regulators in other markets over issues like tax collection. In April, the company reached an agreement with the city of Newark, N.J., enabling it to collect and remit occupancy taxes on behalf of its hosts. On June 15, the same day Canaccord released its report, Airbnb reached an agreement with the state of Pennsylvania to collect and remit its 6 percent occupancy tax.

Still, Airbnb and similar companies face headwinds in other markets. In New York City, for instance, most short-term rentals spanning less than 30 days are considered illegal under state law; one- and two-family homes are OK, but an apartment in a three-unit building is not. With the city struggling to police potentially illegal rentals, Assemblywoman Linda Rosenthal has introduced a bill that would prohibit short-term rental companies, including Airbnb, from advertising in the city.

In Chicago, Mayor Rahm Emanuel continues to tinker with a city ordinance to regulate Airbnb. The most recent draft would add a 2 percent tax per listing to benefit low-income housing and would charge Airbnb an additional \$60 per listing to pay for city enforcement of short-term rental rules.

The sharing economy supplier also finds itself squaring off against the American Hotel & Lodging Association, which continues to release market-specific installments of its study, "From Air Mattresses to Unregulated Business: An Analysis of the Other Side of Airbnb," conducted by Penn State University's School of Hospitality Management. AH&LA alleges that a significant portion of Airbnb's revenue comes from commercial operators, those hosts who rent multiple units year-round. Airbnb, for its part, previously told *BTN* that the AH&LA study is "intended to mislead and manipulate."

The Canaccord report did say the analysts don't anticipate a material impact from Airbnb on the lodging industry beyond the specific markets earlier

Hotelier rhetoric at the recent NYU International Hospitality Industry Investment Conference did suggest that the industry is seeing Airbnb as a more stable piece of the lodging landscape. "I think that we can coexist," said Hilton Worldwide CEO Christopher Nassetta. He added that hoteliers can learn from Airbnb's methods as they begin to interact more directly with customers. "I don't think what they're doing is all bad."

believes Airbnb has entered a Phase Two, in which small-business people and entrepreneurs serve as “micro hotel” operators. “The more you get into micro hotels, the less disruptive it is, the more it’s like a traditional hotel,” he said.

AccorHotels has gone a step further than other hoteliers in its embrace of alternative accommodations, buying Onefinestay for €148 million in April and making significant investments in Oasis Collections and Squarebreak back in February. "We jumped into that market because we do think that the hospitality market is not only hotels," said Accor Christophe Alaux, CEO of North and Central America and the Caribbean. "It's nonbranded hotels; it's home rental. We're expanding the boundaries of hospitality and lodging." ■

use by travelers. Bayer said Airbnb uses email domain names to track which company a traveler is with. That same method is used to link travelers and travel arrangers within a company.

“To have multiple people on a profile in a messaging thread—it sounds easy, but to actually build out the systems to handle this was quite a deviation from what we’ve done before.”

Bayer said the company is playing well in the extended-stay space, the average Airbnb business trip lasting six days. “We’re also seeing that stay as a mix of business and leisure,” Bayer added. ■



RateGuard™

Guarantee your negotiated rates are protected.

"New ways to gain savings within our program — are always worth celebrating!"

HOTEL SOLUTIONS
by The Corporate Solutions Group™

Call or click today
844 560 7333
www.HotelSolutions.biz

While travel manager tools are not used for bookings, said Bayer, “the trips show up in the business travel manager portal so [the manager] can go to reservations and see that they booked that trip for someone else or see that an executive assistant booked on behalf of another person,” Bayer said. “They get visibility into all the details of the transaction.”

Approximately 10 percent of Airbnb's total bookings are for business travel, and travelers from 50,000 companies have booked a room through Airbnb for Business. That figure does not represent the number of corporate programs who've contracted with Airbnb or approved its



U.S. Carriers Focus on Regional Operations

The three largest U.S. carriers all are focusing on improving the reliability and aircraft quality of their regional service. While long-haul flights with ultra-luxury amenities often get the most attention, regional service remains the workhorse of the U.S. aviation industry, accounting for as many as half the departures for major airlines.

Regional partners to the major airlines operate much of that traffic, but from a traveler viewpoint, they are one and the same, Delta CEO Ed Bastian said. "When a customer buys a ticket on Delta, they don't specify what product they're going to be on," Bastian said earlier this year. "We're working to create brand-perfect days and are spending a lot of time with our maintenance resources."

In late May, Delta updated the operational commitment it had made to corporate buyers—a promise of compensation should its on-time and cancellation performance dip below those of both United Airlines and American Airlines—to include regional service. Previously, it had included only mainline service.

Delta's regional cancellations are down so far this year. By the end of May, it had logged 26 "brand-perfect" days, more than double what it had recorded through all of 2015, Bastian said, and in May, its six regional partners had a run of 17,000 operations without a cancellation.

United, which included regional service in its own operational commitment from its inception, is making its own efforts to improve regional service reliability, United vice president of network Brian Znotins said. Part of that has been better scheduling. "We've looked at having fewer operators at hubs or operators at fewer hubs," he said.

Similarly, American Airlines has raised its regional service's on-time performance in recent months to where it was prior to the merger with US Airways—and maybe higher, senior vice president of regional carriers Kenji Hashimoto said. "I'd love to

"We want [aircraft] to be available but make sure to give them the appropriate ... time in the hubs to turn the planes around."

—AMERICAN AIRLINES' KENJI HASHIMOTO

say we did something magical, but a lot of that is settling the two sets of operations," he said. "We've made some adjustments to the way we schedule the aircraft. We want them to be available but make sure to give them the appropriate amount of time in the hubs to turn the planes around."

All three carriers, meanwhile, are cutting down use of 50-seat regional jets in favor of larger, two-cabin aircraft. That means regional service will more closely resemble mainline service, including food, bigger overhead bins and Wi-Fi.

United has "been putting a lot of mainline aircraft into markets we haven't seen previously," including Nashville and Kansas City, Znotins said. Half of American's regional fleet is two-class aircraft, and two-thirds of Delta's regional aircraft are dual-class planes.

Carriers still plan to use smaller aircraft on select routes, however. "[For] some markets that are not big, don't have that much demand or are closer in to a hub, a 50-seater might make the most economic sense," Hashimoto said. "It's better for that community to have the 50-seater coming in than nothing at all." ■

Big 3 Report Domestic Regional Capacity & Traffic

	AVAILABLE SEAT MILES IN MAY 2016	YOY DIFFERENCE
American	2.7 billion	7.6%
Delta	2.2 billion	3.1%
United	2.5 billion	-4.1%

	REVENUE PASSENGER MILES IN MAY 2016	YOY DIFFERENCE
American	2.1 billion	1.6%
Delta	1.8 billion	2.3%
United	2.1 billion	-3.7%

	AVERAGE DAILY FLIGHTS	AVERAGE FLEET SIZE	AMOUNT THAT ARE 50-SEATERS
American	3,500	590	50%
Delta	2,400	450	35%
United	2,900	519	23%

Southwest Will Roll Out a New Passenger Services System This Year

Southwest Airlines will begin selling domestic tickets on its new Amadeus-based reservation system this year, and daily operations will begin on the new system in the first half of 2017.

Southwest chief information officer Randy Sloan said the carrier would implement the new system in three steps. In late 2016, the carrier will use the new system to sell flights that depart in summer 2017. Once that 2017 date passes, all the day-to-day operations—such

as passenger check-in, boarding and baggage handling—will be on the new system. "This approach will move our domestic business to this new platform in a manner that limits revenue loss, limits customer impact and most importantly is frontline-employee friendly," Sloan said. "Most efforts of this kind fail during large-scale data migration, but with this approach, we don't have any large-scale data migration. We begin to use the new system with

a new schedule." Southwest already is using the new system for international flights.

In the second half of 2017, Southwest will begin using new business capabilities associated with the system. These include more flexibility with fares and the use of Electronic Miscellaneous Documents for ancillary services, said Andrew Watterson, Southwest senior vice president of network and revenue. Eventually, the system will give Southwest the ability to explore better management of irregular operations, interline and codeshare agreements, foreign currency capabilities and opportunities for schedule enhancements such as adding red-eye flights.

The carrier estimates the new system will bring at least \$500 million in additional earnings by 2020, Watterson said. ■

A STAR ALLIANCE MEMBER 

WHY FLY WITHOUT Wi-Fi?

Surf above the clouds, with our fast and reliable Wi-Fi whenever and as long as you like with Turkish Airlines.*



For more information and
to join the club: TCC@THY.COM

TURKISHAIRLINES.COM





For the advancement of business travel

[SEPTEMBER 27-28, 2016]

New York Marriott Marquis • New York City

**JOIN *BUSINESS TRAVEL NEWS*
AND TRAVEL PROCUREMENT
FOR THE ONLY INDUSTRY EVENT
THAT COMBINES...**

- * Cutting-edge buyer education
- * Technology innovators and influencers
- * Networking with 300 of your business travel peers

**DRIVING
CRITICAL CHANGE**

Innovate attendees will take on five tough industry issues identified by BTN Group editors and a steering committee of executive travel buyers. Your recommendations drive these deep-dive discussions that serve as catalysts for industry progress and form the basis for so.

BTN Group editors will develop roadmap white papers based on the findings from the discussions.

**THINK TANK
DISCUSSIONS:**

- Data Privacy & Sharing
- Traveler Engagement/Behavior
- Yield Management Yin Yang
- Sharing Economy Policy
- End-to-End Travel Management Systems Integration

REGISTER NOW!

Early Bird Registration through July 15, 2016



INNOVATOR LAB SHOWCASE

**When innovators compete,
the industry wins.**

See new technologies poised to change the business travel industry. Top executives present cutting-edge products, technologies and services targeted to the business travel industry. A panel of judges will critique presenters and choose the 2016 Business Travel Innovator. Event attendees will choose the People's Choice Award Winner.



PICTURED FROM LEFT: Roadmap CEO & Co-Founder Jeroen van Velzen, BTN Group Editorial Director David Meyer, Roadmap CCO & Co-Founder Koen Bavinck, BTN Group Editor-in-Chief Elizabeth West, Roadmap CMO & Co-Founder Markus Emmer.



CAN'T MISS GENERAL SESSIONS

"Innovation and Disruption" by Terry Jones, founder of Travelocity.com, founding chairman of Kayak and current chairman for Wayblazer, a company designed around Innovation and travel

Business Travel News 2016 Travel Manager of the Year & Best Practitioners will take the stage and discuss their efforts to impact their programs and the industry.

2015 ATTENDEES SPEAK OUT...

A lot of travel know-how and sharing in one place.

- Timothy O'Kronley, Procurement Manager, Dechert LLP

What an awesome event—truly the best conference from a content perspective I have been to in a very long time. It was great being around such creative, strategic and collaborative people for two days.

- Robert Jacobsen, Senior Manager, Travel, Expense, Card, T-Mobile US

This was my first BTN Innovate conference and I am glad that I attended. I learned from others, shared my knowledge and made new contacts. Thank you for all the effort that went into arranging a successful conference.

- Ellen Moens, Manager, Travel and Administrative Services, CARE

BTNIinnovate.com

BTNGROUP CONFERENCES





DOT Chooses Carriers for United States-Cuba Flights

BY AMANDA METCALF & MICHAEL BAKER

The U.S. Department of Transportation has tentatively approved eight U.S. airlines to fly United States-Havana flights as diplomatic relations between the United States and Cuba thaw. Objections to the DOT's choice of carriers to fly to Havana are due by July 22, and the department will answer by July 29. It expects to reach a final decision this summer.

Flights can begin in the fall. While 20 United States-Havana round-trips per day were available, 12 airlines applied for 60 flights. The DOT awarded service to areas with substantial Cuban-American populations and to aviation hubs, according to a press release, which said the department also prioritized variety of airports, choice of nonstop and connecting flights and type of airline, from network to low-cost to ultra-low-cost.

The DOT previously had approved six airlines to fly to other Cuban cities: American Airlines, JetBlue Airways, Southwest Airlines, Frontier Airlines, Silver Airways and Sun Country Airlines all can begin scheduled service between the United States and Cuba this fall. The carriers will serve nine Cuban cities from five U.S. cities: Miami, Fort Lauderdale, Chicago, Minneapolis/St. Paul and Philadelphia, according to the department.

American plans to begin flights between Miami and five Cuban cities—Camagüey, Cienfuegos, Holguín, Santa Clara and Varadero—in September. JetBlue will operate flights between Fort Lauderdale-Hollywood International Airport and Santa Clara, Camagüey and Holguín and plans to begin selling tickets this summer. Southwest also plans service from Fort Lauderdale to Varadero and Santa Clara "later this year," according to a statement from the carrier.

What Kind of Travel Is Allowed

According to an agreement that U.S. Transportation Secretary Anthony Foxx and U.S. State Department Assistant Secretary for Economic and Business Affairs Charles Rivkin signed on Feb. 16 to resume scheduled air service between the two countries after more than 50 years, the U.S. Department of the Treasury Office of Foreign Assets Control authorizes travel from the United States to Cuba for family visits; official business of the U.S. government, foreign governments and certain intergovernmental organizations; journalism; professional research and professional meetings; education; religion; public performances, clinics, workshops, athletic, other competitions and exhibitions; "support for the Cuban people"; humanitarian projects; private foundation, research and educational work; exportation, importation or transmission of information or information materials; and certain authorized export transactions.

The agreement also allows use of U.S. credit and debit cards in Cuba and removes a per diem the U.S. had placed on authorized travelers' expenses, so there is no limit on what travelers can spend on living expenses, goods and consumption.

Charter flights from the United States to Cuba will continue to be unlimited. ■

DOT's Havana Choices

ALASKA AIRLINES

- Once a day from L.A.

AMERICAN AIRLINES

- Four times a day from Miami
- Once a day from Charlotte

DELTA AIRLINES

- Once a day from JFK
- Once a day from Atlanta
- Once a day from Miami

FRONTIER AIRLINES

- Once a day from Miami

JETBLUE AIRWAYS

- Twice a day from Fort Lauderdale except once on Saturdays
- Once a day from JFK
- Once a day from Orlando

SOUTHWEST AIRLINES

- Twice a day from Fort Lauderdale
- Once a day from Tampa

SPIRIT AIRLINES

- Twice a day from Fort Lauderdale

UNITED AIRLINES

- Once a day from Newark
- Once every Saturday from Houston

India Boosts Domestic Carriers

India aims to become the third-largest civil aviation market by 2022 via a recently approved National Civil Aviation Policy that puts a maximum fare on short domestic flights and eases rules on codesharing and international operations by Indian carriers.

India's Ministry of Civil Aviation has capped regional domestic flights of about an hour duration to 2,500 rupees, or about \$37. If those caps cause losses to an airline, the government will refund the carrier up to 80 percent. "The government has proposed to take flying to the masses by making it affordable and convenient," according to the policy. "For example, if every Indian in the middle class income bracket takes just

one flight in a year, it would result in a sale of [350 million] tickets, a big jump from [70 million] domestic tickets sold in 2014-2015."

The new policy also permits domestic carriers to codeshare with foreign carriers to any destination in the country without government approval. It removes an old rule requiring Indian carriers to fly domestic

routes for five years and maintain a fleet of 20 aircraft before being allowed to fly internationally. Carriers now can begin international operations as long as they deploy at least 20 aircraft or 20 percent of total capacity, whichever is highest, for domestic flights.

Additionally, India now allows foreign investors to fully own local carriers, according to a statement from Prime Minister Narendra Modi's office. It had capped foreign investment at 49 percent, but now the government can approve exceptions. Investment in Indian carriers by foreign airlines, however, remains capped at 49 percent. ■

"If every Indian in the middle class income bracket takes just one flight in a year, it would result in a sale of [350 million] tickets."

—INDIA'S NATIONAL CIVIL AVIATION POLICY

>> SUPPLIER FOCUS

Alitalia



Long Haul Business Class

Network

Alitalia operates nonstop flights from New York to Milan and Rome, nonstop flights from Boston, Miami and Toronto to Rome and seasonal nonstop flights from Los Angeles and Chicago to Rome. On June 16, 2016, Alitalia began nonstop flights from Mexico City to Rome three times a week (Tuesday, Thursday, and Sunday).

From its main hub, Rome Fiumicino Airport, Alitalia currently flies to 27 Italian cities and 70 international destinations, with more than 4,400 weekly flights.

Class Configuration

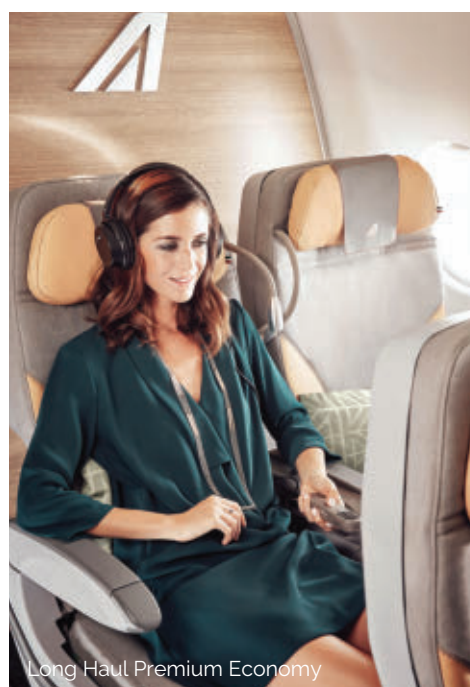
ALITALIA OFFERS THREE CLASSES OF SERVICE ON LONG HAUL FLIGHTS.

Business Class features seats with direct aisle access that recline to a fully flat position covered in rich leather by Poltrona Frau, linens by Italian luxury brand Frette, tableware by Richard Ginori and designer amenity kits. In-flight entertainment features individual 15.4 inch screens with privacy setting and active noise cancellation headphones that eliminate cabin sounds. Additional benefits include priority dedicated check-in desks, priority gates where available, extra baggage allowance and access to lounges. A newly introduced onboard dining concept, "Dine Anytime," gives Alitalia's Business Class guests the opportunity to dine at their leisure during the entire flight, while savoring original recipes paired with wines selected in cooperation with the Italian Sommeliers Foundation.

Alitalia's **PREMIUM ECONOMY** features a private cabin, ergonomic seats with adjustable footrest and headrest, a 10.6-inch LCD screen with accompanying PC Power and USB ports, as well as noise-cancelling headphones, priority check-in and additional baggage allowances. Guests also receive a welcome drink and hot towel prior to meal service.

The **ECONOMY** cabin includes seats equipped with nine-inch LCD screens, PC Power for every block of seats, a one-piece baggage allowance, and complimentary meals which include wine and beer.

Alitalia's in-flight entertainment includes multimedia content



Long Haul Premium Economy



Long Haul Economy Class

and technology which allows guests to connect devices to their seat screen. By Summer 2017, in-flight Wi-Fi and International Roaming on Alitalia's long-haul Airbus A330 and Boeing B777 aircraft, will be available for an additional fee.

Made of Italy

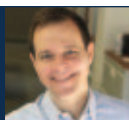
New uniforms, new services, a brand new Alitalia experience.

Thanks to the best of Italy, Alitalia is ready to present its completely renewed image to the world through an exciting new advertising campaign.

After almost 20 years, Alitalia has changed its uniforms. Redesigned by Ettore Bilotta, they are meant to bring together timeless sophistication and contemporary glamour. Casa Alitalia, a completely new concept of presenting the airport lounge experience being implemented for all lounges globally, has been created to reflect the style and hospitality of Italian homes where guests can relax and immerse themselves in comfort.

For more information, visit www.alitaliaagent.com





Sabre CEO Resignation Surprises but Doesn't Worry Stock Analysts

Sabre president and CEO Tom Klein surprised many when he announced that he plans to resign from his post and step down from the board of directors at the end of the year. Even so, a few Wall Street analysts who watch Sabre, and Klein himself, view the company as well positioned to weather the transition.

Klein said the decision was his own: "It's something I've thought about for a while. What's the right time? I guess you're never quite positive, but at the end of the day, I felt the business is in a very good position. It's resilient. It's got good growth characteristics right now, and we're in spaces where we can win."

Cowen and Co. analyst Matthew Broome expressed surprise at the announcement. He called Klein "a very good leader" for the company and his departure "clearly a negative development." He added, "However, he leaves the company well positioned, and we expect minimal disruption to operations during the transition."

Jefferies analyst Jason Kupferberg also called Klein's resignation "surprising." Still, he added, "we believe the situation is quite manageable." As he viewed it, a six-month lead time for the transition and "a deep bench of management talent" within Sabre help. So does the fact that Sabre reiterated its 2016 and midterm guidance, Kupferberg noted.

While "surprising" as well to Evercore ISI analyst David Togut, a research note pointed out that Sabre's board was critical of Klein's 2015 performance, based on proxy materials released in April. For 2015, Klein fell short of his cash incentive opportunity, earning \$1.2 million out of a \$1.4 million target, according to the April 25 proxy filing. "In 2015, our Board of Directors considered the performance of our CEO and, while acknowledging his strong operational and financial performance, found he had demonstrated shortcomings in other leadership areas," according to the filing.

Even so, in the same proxy statement, the board recommended shareholders vote in favor of Klein's participation on the board, noting that his "long service at our company, travel technology industry experience and his leadership experience make him a valuable asset to our management and our Board of Directors."

Cowen's Broome expected the CEO search to extend to internal and external candidates. He wrote that six months is "ample time to find a capable successor, and ensure an orderly transition."

Klein will be involved. As a board member through the end of the year, he said, "I'll be one voice of nine on the board, and I think the board will value my input."

Analyst Reactions

"clearly a negative development"

"he leaves the company well positioned"

"we expect minimal disruption to operations"

"surprising"

"the situation is quite manageable"

"deep bench of management talent"

What will keep Klein occupied in his last months at Sabre?

"From a company perspective, there is an aspect of business as usual, but also there's some important things that we've been working on that I want to make sure are hardened and that maybe I'll have some more urgency about than I would have if I was staying beyond the end of the year." He mentioned data and analytics, user experience and design and Sabre's Asia/Pacific business, which took full ownership of Abacus last year.

According to a U.S. Securities and Exchange Commission filing, Klein's separation agreement with Sabre extends his noncompete, non-solicitation and nondisparagement obligations from 12 months to 24 months, effective Dec. 31.

Klein is barred from working for chief rivals Amadeus and Travelport during that time, of course. Yet, restrictive covenants in his agreement also extend to American Express, Etihad Airways, American Airlines, United Airlines, Delta Air Lines, Lufthansa Group, Expedia, Priceline, TripAdvisor, Google parent Alphabet, Amazon, Facebook, Concur/SAP, Oracle, Farelogix, TravelClick, Carlson Wagonlit Travel, BCD Travel, Hewlett Packard Enterprise, TravelSky, Hogg Robinson Group and Computer Sciences Corp.

"It's a big world, and I've been spending a lot of time in a small part of it," said Klein. When the time comes to get back to work, "I certainly won't jump into anything quickly."

As for next year, Klein expects to spend more time with family. "On the personal side, I'll be

"There's some important things that we've been working on that I want to make sure are hardened and that maybe I'll have some more urgency about than I would have if I was staying beyond the end of the year."

—SABRE CEO TOM KLEIN

55 in the spring and my daughter is in her last year of high school starting in September," he said. "If I get to spend that back half of her last year at home with her, that's a decision I'll never regret if I'm going to take some time off between gigs. And, look, I'll work again; I'm too young to retire, but I do want to take a break. I thought it would be better to do it while my two daughters are in the house than after they leave. All those things kind of led me to thinking this was the right time."

Company materials will tell you that Klein has been with Sabre for 22 years, but "I think of it as 28 years," he said. "I started with American Airlines 28 years ago, then left after a few years and came to Sabre." He's been president of its two primary divisions, president of the entire company and, for the past three years, CEO. He's been with Sabre as a public then private company and back again. "I've been here for a long time," Klein said. ■

Lufthansa & Sabre Trade Barbs

Sabre CEO Tom Klein is surprised that Lufthansa Group has yet to back off its controversial distribution strategy, announced over a year ago. At a Nasdaq investor conference before he announced that he will resign at the end of the year, Klein said Lufthansa’s commercial actions, which include a surcharge on global distribution system bookings, have not addressed Lufthansa’s underlying problems. “At some point, bad strategies—people retreat from them,” he said. Lufthansa aside, Klein said airline-GDS relations have a better dynamic than at any other time in his career.

Klein suspected Lufthansa would have reversed course by now and still suspects it might. “I was wrong about the time frame because I thought they’d back off of a strategy that I don’t think is working. We didn’t think it would work when they rolled it out.” He said Lufthansa’s “management team is correct in their assessment that the airline has a lot of pressure across a lot of different places.”

As per Klein’s diagnosis, Lufthansa’s multi-front problems include labor issues, primarily in Germany; competition from Ryanair for price-sensitive passengers; and competition for high-value customers from Middle East-based carriers, which “have high service and really a differentiated premium cabin that is difficult to compete with in a market that was a bread-and-butter market for Lufthansa historically.” Klein concluded, “The distribution strategy doesn’t solve any of those problems.”

It might even compound them, he argued. “Look, it’s their strategy to execute. It’s a boon for the GDS industry right now from a revenue perspective. So, their costs are higher; we think they’re spilling revenue. They’re getting gapped by IAG and the Air France-KLM group on a lot of revenue metrics, and I suspect that will get worse and not better.”

Lufthansa Claims Sabre Is Overbilling

Lufthansa Group added two claims against Sabre as part of their ongoing contract dispute in a Texas court. A June 30 amended petition alleges Sabre encouraged travel agents to book Lufthansa carriers directly and input the bookings as passive segments in the global distribution system. Sabre then billed Lufthansa for those “non-billable” segments, the airline group claimed.

Since March, Lufthansa and Sabre have been enmeshed in a dispute arising from the airline group’s controversial €16 surcharge on GDS bookings, which took effect on Sept. 1, 2015.

Lufthansa initially petitioned the Tarrant County, Texas, court to confirm that the GDS surcharge did not violate agreements with Sabre, as the GDS operator contended. Now, Lufthansa is adding a claim of tortious

According to Klein, Lufthansa’s Distribution Strategy Does Not Address:

LABOR ISSUES IN GERMANY & ELSEWHERE

COMPETITION FROM RYANAIR FOR PRICE-CONSCIOUS PASSENGERS

COMPETITION FROM MIDDLE EASTERN CARRIERS FOR HIGH-FLYING PASSENGERS

interference on allegations that Sabre undermined Lufthansa Group’s contracts with travel agencies, as well as a breach-of-contract claim on allegations Sabre improperly billed Lufthansa for passive segments.

A day before Lufthansa’s surcharge went live, Sabre told travel agents to book directly with Lufthansa as a way to avoid the surcharge and then to “enter the segment into Sabre as a YK passive segment,” according to Lufthansa’s court filing.

Travel agencies often use passive segments to input transactions made outside of GDSs for invoicing, itineraries, traveler tracking and client reporting. Lufthansa asserted that such YK segments in Sabre “are non-billable segments used for administrative purposes. Nevertheless, Sabre told Lufthansa Group that it would charge it for such bookings, even though they are not billable.”

Since enacting the €16 distribution cost charge, Lufthansa claimed “substantial improper booking fees billed to Lufthansa Group by Sabre.” Despite the airline group’s requests, Sabre has not reimbursed for those “improper billings,” claimed Lufthansa. It is seeking damages to recoup those billings.

Meanwhile, Lufthansa argued Sabre interfered with the airline group’s travel agency contracts, which agents enter by way of bank settlement plans operated by the International Air Transport Association and Airlines Reporting Corp.

“By convincing travel agents to breach Lufthansa Group’s policies—which prohibit using passive bookings except in limited circumstances—Sabre is interfering with Lufthansa Group’s travel agency contracts,” Lufthansa claimed.

Sabre declined to comment on pending litigation.

In April, the GDS operator countered with its claims that Lufthansa violated non-discrimination provisions in its agreements by waiving its surcharge on bookings made through Travelfusion, Farelogix and Lufthansa’s travel agent booking portal. Sabre argued those channels meet the definition of a GDS, as per their contract, and should be subject to Lufthansa’s distribution cost charge. ■

Klein’s Take on Airlines Other Than Lufthansa

“In my career, there hasn’t been a better dynamic as far as the types of conversations we’re having with airlines,” Sabre CEO Tom Klein said. “They really are trying to think through what’s the next level of growth in the industry going to be.”

Many carriers now are in a position to be forward looking, he said. “There’s been consolidation that drove some efficiencies in the markets. You have a historically good fuel environment, and you have pretty good operating discipline across the industry that’s kept capacity more constrained than historically it has been. So, they’re kind of flush with cash, saying, ‘What do we do next?’”

That plays into Sabre’s business, he reasoned. “In general, it’s a very good selling environment from the standpoint of the services that the GDS provides, the access to the premium customer and high-service customer that it provides.”



Travel Leaders' Stealth Acquisitions Strategy

By CEO Ninan Chacko's count, Travel Leaders Group acquired half a dozen travel agencies in the back half of 2015 alone. The multi-brand travel agency operator is on track to buy even more this year, he said. Just don't look for press announcements on PR Newswire, where Chacko was CEO before joining Travel Leaders Group in September. The company has kept its buying activity stealth.

"We are pretty acquisitive, even though we haven't been public about it," he said, adding that Travel Leaders Group's diversified business makes it capable of digesting all types of agency businesses: It operates an agency franchise business, a host agency network, luxury travel agency brands and a corporate travel management company, among others. "There are some larger-size targets we're focused on and that we've historically acquired," he said, "but our sweet spot is probably that medium-sized agency that is involved primarily in corporate work. Then, in some cases, there may be some that also have a leisure orientation that would fit with a different part of our business."

Travel Leaders' corporate sector business is positioned to see equal contributions from organic and inorganic growth, he said. "That's going to vary in a given year on the overall economics and what's happening in the business at large," he added.

Travel Leaders Group's business "is very heavily U.S. point-of-sale centric," he said, noting the exception of some London operations. While Travel Leaders does look internationally for acquisition targets, Chacko still sees plenty of "high-quality businesses, reasonable multiples, good fits and good synergy" in the United States.

"As long as the economy continues to do what it's been doing, I think we'll find the most opportunities here," he said.

In contrast to Direct Travel and Corporate Travel Management, two active TMC acquirers, Chacko said, "We have not traveled the same path as some of the other entities in being as vocal about what we've been doing."

Whether transacted by Travel Leaders or another agency, stealth acquisitions are not new. "I would say only the big ones are announced," said industry lawyer Mark Pestronk, who assists agencies with acquisitions. "For every big one, there are probably two small ones." He added:

"We have not traveled the same path as some of the other entities in being as vocal about what we've been doing."

—TRAVEL LEADERS GROUP CEO



"If the average reader has heard of the seller, then it would be newsworthy and therefore big. Conversely, if the average reader has not heard of this travel agency, then why issue a press release about the acquisition?"

—ATTORNEY MARK PESTRONK

"The difference between big and small would be: If the average reader has heard of the seller, then it would be newsworthy and therefore big. Conversely, if the average reader has not heard of this travel agency, then why issue a press release about the acquisition? That's just my thinking of what gets disclosed and what doesn't."

For example, Pestronk estimated that Navigant International acquired around 50 travel agencies as part of a roll-up initiative before selling to Carlson Wagonlit Travel in 2006—"and I would say half, or less than half, were ever announced," said Pestronk. Direct Travel recently issued a press release—on PR Newswire, no less—that announced "expansion in the South" through the purchase of Georgia International Travel. That made Direct Travel's known tally more than a dozen acquisitions in the past five years.

Yet, it's been a while since Travel Leaders rang the bell on a deal. In November 2012, the group announced Tzell was merging with Pro-travel International. In early 2011, Travel Leaders Group announced its Vacation.com acquisition. In 2010, it announced the purchase of host agency network Nexion.

Antidote to TMC Commoditization

Before joining PR Newswire in 2009, Chacko served as chief commercial officer of global distribution system operator Worldspan until it was sold to Travelport, and he held roles at Sabre and American Airlines. "Having been away from the business and now coming back, it feels to me like the travel management space, in terms of the decision-making in some cases, seems to have devolved into purely the cost of a transaction, whether it's an assisted transaction, a do-it-yourself transaction or a partially-assisted transaction." A bigger part of T&E management, though, is the actual travel and expense, he said.

When Travel Leaders has its consulting hat on, whether the client uses a Travel Leaders company as its travel management company or uses another TMC, it consolidates the client's expense, card and global agency data into one data set, then works with the client to find and act on savings opportunities.

"Our goal is to help them realize returns on the investments they make with us on a consulting basis of at least three times what their investment is," Chacko said. "We're already proving that as much as fulfillment, at least in some customers' eyes, is somewhat commoditized, there are clear value-added services that we've been able to deploy." ■

Registration now open

the
beat
LIVE

CHICAGO
OCTOBER 18-20, 2016

THE INTERCONTINENTAL CHICAGO MAGNIFICENT MILE

Don't miss the 9th annual The Beat Live conference!

Focusing on the key issues in travel distribution and business travel technology and delivering *The Beat's* trademark provocative style, candid commentary from key business leaders and the industry's best networking.

Join the smartest minds in travel management and go off-beat at The Beat Live.

SPEAKERS



TONY D'ASTOLFO
Managing Director
Phocuswright



DAVE HILFMAN
Senior Vice President
of Worldwide Sales
United Airlines



DARA KHOSROWSHAHI
President and CEO
Expedia, Inc.



OSCAR MUNOZ
President and CEO
United Airlines



**JOHN FENTENER
VAN VLISSINGEN**
Founder
BCD Group

SAVE \$300 WITH EARLY-BIRD REGISTRATION THROUGH SEPTEMBER 1

THEBEAT.TRAVEL/LIVE



Advisory Board Speeds Up & Drills Down with DIY Expense Tool

"Expense is the gateway that everyone must pass through," said Steven Mandelbaum. "If you want to have control over your program, you need to have control over your expense system." And The Advisory Board Co., of which Mandelbaum is vice president of information systems, has taken control by creating its own system, ExpenseNow, for desktops.

The Advisory Board wanted an expense tool that serves its policy, from a ban on Uber's Black tier to active management of unused airline tickets. To that end, Mandelbaum found some expense tools on the market constraining. "We have tried to customize and configure them to work the way we wanted, but ultimately we always came short of achieving our holy grail. We thought we had a better approach. ... We also wanted to do away with the expense report."

He noted that an expense report offers no way to ascertain whether a given expense is part of a particular trip. "What you really want is to take a look at all expenses together," he said.

How It Works

The Advisory Board worked with a technology firm over eight months to develop ExpenseNow and launched it to employees in October. Travelers access the tool and all other content on the company's internal network via a single login. The new platform, he said, "works like Gmail," in that employees have one inbox of all of their transactions.

Most, about 80 percent of transactions, are pre-populated into the system from employees' corporate cards, Mandelbaum said. Then, employees choose a purpose for the expense from a drop-down menu of meetings from Salesforce. "We're only going to show you probably three to four dates depending on the date of transaction, not all of your 20 meetings in a month. The list will change depending on the date and type of expense," he explained.

Just as the traveler has a collection of expenses to allocate, the approver similarly has an inbox of expenses to approve, with noncompliant expenses showing in red. Managers can filter to view all of a single employee's hotel expenses, for example, to "see anything that looks weird."



ExpenseNow's Uber Integration

The Advisory Board Co.'s proprietary expense tool integrates with Uber to display a ride's cost, pickup and drop-off locations and class of service. Other suppliers also integrate with Uber, but the data Concur receives, for instance, does not include locations and class of the ride, according to a Concur spokesperson; that information is visible only on the traveler's Uber account.

But such information matters to The Advisory Board, which prohibits the higher-tier UberBlack. ExpenseNow enables approvers to follow up with those who took that service and allows travelers to note if UberBlack was the only option.

They also can display all of an employee's submitted expenses to date in one spot.

The tool also allows the approver to do "retroactive audits," viewing, for example, one traveler's spend for the past three months. "One transaction or one report is usually difficult to do an audit on," Mandelbaum said. "Sometimes travelers break policy, but if you look at totality, it makes sense."

While Mandelbaum couldn't reveal the exact amount the new tool saved, he said, "We did really good year-over-year." He added that employees have said they can submit expenses four times quicker and "absolutely love it." And because travelers submit expenses more frequently, The Advisory Board has more accurate and timely spend visibility. "Most expense systems speed up the process by simply requiring less detail," he said. "We took a different approach since having more data and details is key to optimizing our travel program. We get more detail in a fraction of the time." He added, "The best thing about [the tool] is that we can bring in lots of data sources and then tailor the policy based on the data, which is unique."

How It Will Evolve

To that end, The Advisory Board will continue to build functionality and integrate additional systems and suppliers directly with the expense tool to create "one unified digital umbrella [that] will allow us to do stuff that others can't do," Mandelbaum said. The Advisory Board is focused on an unused-airfare initiative, and will look to an uncommon expense system configuration to help provide visibility.

Mandelbaum said the company will transition to a central bill or ghost card for air transactions, which he calls "a very powerful tool" that will help control the timing of when the airfare charges actually hit the expense tool. "I don't necessarily want every transaction to be accounted for," he said. "Sometimes I want to wait until I know more about the transaction, and sometimes I want to reshape the transaction."

For example, if a traveler cancels a flight, Mandelbaum wants to integrate airfare transaction data with travel management company data to confirm that the traveler actually took the flight before funneling transaction data into the expense system. "It will help with unused ticket management, help us capture change fees better and help us reallocate [tickets] to other travelers where it makes sense," he said.

Likewise, if a traveler buys a plane ticket and expenses the flight, but doesn't go on the trip and instead reschedules the ticket for a separate trip, the second trip's flight cost will look artificially cheap, he noted. Delaying the transaction data until the ticket is actually used will help The Advisory Board get a more accurate read on total trip cost.

The company gets hotel data from MasterCard, but Mandelbaum would like to work with certain hotels to pull direct data into ExpenseNow. His company also will link its compliance-focused internal rewards program to the expense tool. ■

"Most expense systems speed up the process by simply requiring less detail. We took a different approach since having more data and details is key to optimizing our travel program. We get more detail in a fraction of the time."

—THE ADVISORY BOARD CO.'S STEVEN MANDELBAUM

U.S. Court Overturns 2013 Antitrust Settlement Against Visa & MasterCard

The U.S. Second Circuit Court of Appeals has rescinded a 2013 antitrust settlement against MasterCard and Visa worth up to \$7.25 billion. The court will meet with the involved parties on Aug. 11 to determine the next step in the litigation.

MasterCard is reviewing the decision to determine its next step. "We believe we presented a clear case to the court that the settlement was fair and appropriate based on more than four years of negotiation and the close involvement of the district court," a spokesperson said.

The suit originally went to court in 2006 and by 2013 included 12 million merchants that claimed some of the networks' rules were anticompetitive. The plaintiffs claimed MasterCard, Visa and other issuing and acquiring banks worked together to allow "issuing banks to impose an artificially inflated interchange fee that merchants have little choice but to accept," according to the

appeals court. "[The card networks'] antisteering rules prohibit [merchants] from nudging consumers toward cheaper forms of payment; the issuing banks are thus free to set interchange fees at a supra-competitive rate."

The merchants also contested the networks' "honor-all-cards" rule that required them to accept all MasterCard and Visa credit cards, regardless of the differences in interchange fees, if they accepted at least one type of credit card.

In 2012, the parties agreed to a settlement and the district court granted a final approval in 2013. The settlement divided the plaintiffs into two classes: An opt-out class that would receive monetary relief from the \$7.25 billion funds and another class that would receive "injunctive relief" through changes to Visa and MasterCard network rules. In return, the plaintiffs waived any claims they may have had against the defendants.

The court now believes that the "incremental value and utility" of the injunctive relief was "limited," as many states like New York, California and Texas prohibit surcharging, according to the filing. Additionally, because American Express also prohibits surcharging, something that also is being challenged in court, and the settlement only permits surcharging for Visa and MasterCard if the merchant also surcharges for competing networks like Amex, those merchants that accept Amex cannot take advantage of the settlement agreement, nor can those merchants in the injunctive-relief class opt out of it.

Also, while the injunctive relief laid out in the settlement was set to expire in 2021, the merchants would never regain the right to sue, the filing noted. "It operates in perpetuity, provided only that Visa and MasterCard keep in place the several rules that were modified by the injunctive relief provided to the [second] class. In sum, regardless of what Visa or MasterCard do with their network rules after July 20, 2021, no merchant will ever be permitted to bring claims arising out of the network rules that are unaffected by this Settlement Agreement."

Ultimately, the court concluded that members of the injunctive-relief class were "inadequately represented." The filing stated, "as a result, this class action was improperly certified and the settlement was unreasonable and inadequate." ■

A Network of Solutions, Advancing Travel Payment

ITINERARY-LEVEL DATA — REDUCE COSTS

INCREASE CORPORATE LOYALTY

Learn more, visit UATP.COM
marketing@uatp.com

UATP[®]



DOJ Initiates Deeper Dive on Cvent-Vista Merger

BY ELIZABETH WEST

The U.S. Department of Justice isn't ready to give the green light for Vista Equity Partners to acquire Cvent, even if the two companies are ready to get going. As Cvent's annual conference wrapped in Las Vegas on June 30, so did the extended 30-day review period to clear the way for the merger. Rather than signing off, the regulatory officials have requested more information from the two companies.

Speaking to *BTN* about the tech firm's pending acquisition, Cvent CEO Reggie Aggarwal said the tech firm's outlook was business as usual. "Everyone says that, but it really is," he said. "Look at the number of open positions we have. Our R&D budget is the same, and we don't expect to have any major changes. The whole reason they bought us is to continue to grow. ... Vista knows a lot about this space. Management is committed to staying for the long term, and we're continuing to invest and grow."

A few early warning signs, though, hinted that the merger might not move quickly through the regulatory process. According to Cvent's June 9 U.S. Securities and Exchange Commission filing, on April 26, Cvent and Vista made the filings required under the Hart-Scott-Rodino Antitrust Improvements Act. These filings triggered a 30-day waiting period during which antitrust regulators may request voluntary information from the merger parties to help their analysis of the competitive effects of the transaction. These could include supplier lists, strategic plans and the like. During this

"This could push the timing [of the deal] up against the termination date of October 17; however, that date is extendable by either party to April 2017."

— ANTITRUST ATTORNEY

time, regulators also may contact customers, competitors and suppliers about antitrust concerns.

On May 26, Vista voluntarily withdrew its HSR notification and report form, and it refiled the form on May 31. This "pull-and-refile," as it's commonly called, restarted the 30-day review period. This extended waiting period expired on June 30.

A common reason for a party to the merger to restart the review period is to give regulators more time to review initial merger details with the hope that they'll approve the tie-up without making a more in-depth "second request" for information. "[The pull-and-refile] likely means the DOJ has noticed there could be an issue," one antitrust attorney told *BTN* in late June, speaking on condition of anonymity. "The next thing to look for is whether the DOJ issues a 'second request' for more information from the companies."

That second request arrived on July 1.

"This really drags the deal out since it will take the companies a few months to supply the DOJ with its requested information and then more time for the DOJ to work through it all," the source told *BTN* via email on July 1. "This could push the timing up against the termination date of October 17; however, that date is extendable by either party to April 2017."

—Additional reporting by Mary Ann McNulty

APRIL 26

Cvent & Vista Equity Partners file a Notification and Report form for the merger as required by the Hart-Scott-Rodino Antitrust Improvements Act, triggering a 30-day waiting period.

MAY 26

Vista withdraws the HSR form.

MAY 31

Vista refiles the HSR form, restarting the 30-day review period and effectively extending its expiration, buying antitrust regulators more time to consider & thus increasing the chance they won't request additional information.

JUNE 30

The extended review period ends.

JULY 1

The Department of Justice files a "second request" for further information.

Meetings Industry Takes a Stand

BY MARY ANN MCNULTY

Eight years after politicians attacked the meetings industry as being "frivolous and wasteful," a coalition forged as a defensive response has morphed into an offensive lobbyist to "elevate our industry in a very meaningful way," Meetings Mean Business Coalition co-chair Richard Harper said at a Cvent conference.

MMB launched "Worth Meeting About" in June to highlight the role face-to-face meetings play in campaigns, elections and policymaking. At the Democratic and Republican National conventions in July, Harper said, MMB plans to "target the very audience that attacked us" by posing a simple question: "Hey, guess where you are?" The advertising campaign will appear on elevators, benches and billboards.

Within months of the negative rhetoric in 2008, scores of organizations cancelled hundreds of meetings. Worse than the job losses, Harper said, was that the industry had zero messaging, data or spokespeople to counter the attacks. Since it formed in 2009, MBB has amassed research, data, infographics, spokespeople and videos of execs extolling the value of meetings. Now, MBB wants to enlist meetings professionals to a council to suggest how to "permeate this message through your business."

Savvy meeting professionals are leading the way by speaking the language of the C-suite, which comes in just two dialects, according to Cvent co-founder and president of worldwide sales and marketing Chuck Ghoorah:

"How do you increase my revenues or decrease expenses?" Well-managed meetings can accomplish both, he claimed. With a mobile event app and onsite registration tools integrated with its CRM tool, SevOne senior global events specialist Kira Frank identified \$1 million in closed business and \$1.7 million in pipeline business from a quickly planned user conference. "When the CEO saw this, it completely changed his thinking about the conference," Ghoorah said.

On the flip side, when a new director asked employees at Olympus for cost-reduction strategies, Kelly Pettis had been trying to organize a strategic meetings management program. She saw an opportunity and documented \$13 million in unmanaged spend and forged a meetings department that saved \$4.5 million and 2,200 man-hours in only six months, Ghoorah said.

These types of initiatives are the first steps in a collective effort to emphasize the "true value of meetings and events," Ghoorah said. "You know it. I know it. But I don't think the C-suite knows it as well as they should. And I don't think the C-suite respects it as much as they should." ■

CAPTIVATE

EDUCATE

ENGAGE



MEETINGS

Our audience of meeting planners and event organizers is unmatched in the industry.



CORPORATE

Our corporate travel buyers purchase over \$20 billion in travel annually.



LEISURE TRAVEL

Our travel agents and wholesalers represent 50% of the high-end travel market.

Reach the Most Powerful Audiences in Travel

Northstar Marketing Solutions helps the world's top travel brands and leading destinations engage the most powerful audiences in travel. Let's collaborate to build your new marketing programs and reach the top buyers in leisure, business and event travel.



NORTHSTAR
MARKETING SOLUTIONS

Learn more at northstarmarketingsolutions.com



Cvent Maps End-to-End Meetings Tech Platform

BY MARY ANN MCNULTY

As reliance on technology by both customers and the meetings marketplace has advanced rapidly, Cvent guided meeting planners and suppliers on a road map of its future meetings and events technology at its recent conference. The products focused on consumerization, or easier-to-use technology; the marketing cloud; and attendee experience, according to Cvent founder and CEO Reggie Aggarwal, who said technology can amplify the human connection and provide more insights into the business value of meetings and events. Cvent began reengineering its suite last year with Cvent Express and is applying the easier, simpler mantra to other areas, including the CrowdCompass mobile app. Product management executives Brett Fitzgerald, Jeannie Griffin, McNeel Keenan and Andy Rosic presented more detail on the products, which are debuting through 2017.

Cvent's New & Upcoming Tech

Simplification: Cvent Express launched last year to streamline event registration and management for smaller, simpler events. "It's the fastest growing application on the platform, with adoption doubling every two months," Fitzgerald said. The company also plans to "reimagine" the Cvent Supplier Network search experience.

International: Attendees have been able to register in multiple languages, and for those who want to build their sites in other languages, Cvent Express is available in French, German, Portuguese and Spanish. In July, the professional and enterprise versions also will be available in those languages, and by year-end, CrowdCompass mobile apps will debut in those same four languages with others on the road map.

Enhanced Reporting: A standard interface for full-featured, single-click reports with filters, grouping controls, visualization and other functions will span all Cvent products. New products will launch with the new reporting framework, and Cvent will retrofit existing technology with standardized reporting features within a year, according to company officials.

RFP Sharing for Stakeholders: For third parties, for

Cvent's Tech Buckets

EXECUTION

Logistical components of sourcing, venue selection & registration

ENGAGEMENT

Why attendees come to events

INSIGHTS

To help organizations analyze & improve the effectiveness of their events

venue selections made by committee or just for those users with a boss, Cvent's new client portal provides a dedicated website where stakeholders can view RFP responses and compare bids. Stakeholders also can review dashboards like spend by category and view hotel pickup reports to compare against contracted blocks.

Abstract Management: Tools to automate the collection, review-evaluation and management of content for presentation topics, references and materials are available now to early adopters and can be used for speakers, papers or any type of review process, Fitzgerald said.

Speaker Resource Center: This will provide a central hub to collect all speaker bios, photos and presentations later this year.

Meeting Appointment Solution: Building on a lightweight networking solution that Cvent introduced a few years ago, the company has launched a more robust offering that allows configuration of rules for appointments, attendees and time slots. In the third quarter, the company plans to expand the product to matchmaking and group-appointment scheduling, which will be important for tradeshow, according to Griffin. Cvent also plans to translate all the tools to exhibitor management appointments and lead capture by the fourth quarter.

RFID Attendee Tracking: In November 2015, Cvent acquired AllianceTech to leverage its RFID technology for large events. With RFID tracking, organizers can view dashboards and reporting in real time to adjust seating, meals, schedules and more. Because it's integrated with CrowdCompass and appointments, planners can forecast changes to accommodate larger-than-expected crowds at one session or can message attendees to change a meeting room.

Webhooks: Available today for early adopters, it provides data exchanges to other products with which companies might need to integrate to fully leverage information. In addition, Cvent has integrated its products with marketing solutions firm Marketo and plans to integrate with Eloqua by year-end, according to Keenan. Cvent also integrates with Concur and is open to others, Aggarwal said.

Gamification: In the third quarter, a robust gamification module will be available in CrowdCompass, and users can modify as needed. "The idea [with gamification] is that you're modifying behaviors to provide a greater experience for attendees," said Griffin. About a dozen employees who work on CrowdCompass have gaming expertise and applied it to the new module, according to Rosic.

Event-in-a-Box: Building on the onsite attendee

Cvent Releases Group Business Trend Data Portal

Cvent has launched the beta version of a portal to allow users to analyze trends about the billions of dollars of group business meeting opportunities that have flowed through Cvent's sourcing tools over the past four years. Designed for suppliers but available to planners and others, the free Group Business Trends portal allows users to query the RFP database using a variety of filters to identify trends like group average daily rates by location, chain or event types; explore RFP details by booking window or size; compare meeting destinations by planner location; and explore sales behaviors like RFP response

time, degree of flexibility and turndown rate. The initial release includes data on RFP traffic by quarter from the past four years for 44 markets and more than 62 million data combinations, and Cvent plans to add additional markets, as well as quarterly updates.

In 2015, planners sourced \$9.8 billion in meetings and events through the Cvent Supplier Network of more than 240,000 hotels, resorts and event venues in 175 countries. Cvent found that "group rates in North America have appreciated by roughly 5 percent compound annual growth rate" and that there's a consistent drop from the second quarter to the third quarter,

a seasonal trend due largely to hotels in the southeastern and southwestern United States.

The portal is Cvent's first initiative in a broader plan to create dashboards for property-specific analytics, which would be offered on a fee basis to suppliers, similar to reports that STR offers on transient business trends to help hoteliers benchmark their performance against others in a market or a specific competitive set. "Now hoteliers will have the opportunity to gain valuable insights into group business trends and interact with the data in new ways," said Kevin Fliess, vice president of product marketing for Cvent's Hospitality Cloud.

management tools and expertise options that Cvent has offered, this simpler version delivers equipment and software in one box to allow event managers to set up and run an event, check attendees in and print name badges.

CrowdCompass: In a June release, CrowdCompass' social media icon moved to a home screen to become more accessible and encourage more engagement. The company also added 42 features to the app from January through April. Of those, users had requested 18, according to Rosic. Developers plan to release a CrowdCompass Express version for simpler events. It will include the upgraded reporting and localized language by the fourth quarter. Once the upgraded Meeting Appointment Solutions are turned on for an event, the appointments will appear in attendees' apps automatically and the current appointments technology will turn off.

App penetration into smaller events remains limited, Aggarwal told *BTN*. "The majority ... still don't have a mobile app," he said. Some of the enhancements are designed to make it easier for smaller events to launch mobile and engage more with attendees.

Of those who use Cvent's app today, few actually use the reporting to glean insights from attendees, Rosic said. The new reporting framework will make it easier, but Cvent officials also plan to emphasize ways that companies should be maximizing the information. "Every marketing channel has been digitized," Aggarwal said. "Marketing automation, personalization, customer relationship management—all of that has been [automated]

"When you go to a website, [the site owners] know it. It takes six minutes to download a white paper and read it, and they know it. But when you come to my event for three days, I don't know what you do."

—CVENT CEO REGGIE AGGARWAL

by 20 to 40 companies worth \$1B plus in this space. Why is that so important? When you go to a website, [the site owners] know it. It takes six minutes to download a white paper and read it, and they know it. But when you come to my event for three days, I don't know what you do." The new products, he added, are about "digitizing the physical footprint. I can see that you went to these sessions, the general session, etc."

The new products also are about driving Cvent's penetration deeper into an organization: into marketing, the executive suite and other stakeholders. "We've said the market is \$5 billion for event cloud software—for all of that. So as you can see, there's very little penetration. Still the biggest competitors out there are manual processes. Over time, companies will convert over to technology, frankly because companies like us are building great products," and the widgets they currently use are getting harder to integrate into increasingly digitized platforms. ■



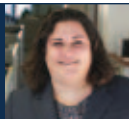
Save on dining T&E. Instantly.

Dining is the third highest expense in corporate T&E. Dinova is the only preferred network exclusively focused on connecting expense account diners to quality restaurants nationwide.

Join the millions of other companies that are **saving with Dinova!**
Contact Chris Froelich to learn how.



Chris Froelich
Vice President, Business Development
973.954.6006
cfroelich@dinova.com



Reporting Travel Data Throughout the Organization

ments against that total trip cost, “the top end was this, the bottom end was this.” [Department heads] would be able to go back and ask, “Why are we spending so

BTN editor-in-chief Elizabeth West sat with travel industry pros to talk strategy—making travel data, and travel management data, relevant to stakeholders in the organization:

- Business travel and procurement consultant Margaret Brady
- J.Crew global travel manager Neil Corp
- DHL regional category manager of T&E Michelle Hunt
- Sutherland global head of travel services Joe Monaghan

WE’VE HEARD A LOT ABOUT DATA ADVANCEMENTS LATELY AND NEW TOOLS ON THE MARKET TO DELIVER BUSINESS INTELLIGENCE. WHAT DATA INITIATIVES ARE YOU WORKING ON?

Michelle Hunt: The first challenge that I run into is data integrity. Depending on your source and other variables, you still have to clean it and validate it before you can make it actionable. That takes time. I can pretty much predict the questions that will come [once executives receive the reports], so I go through and figure that out first. That said, if the integrity isn’t there, it delays everything.

WHAT SOURCES OF DATA ARE YOU USING?

Hunt: I mainly use travel management company data and credit card data. I would really like to get into the [expense] data because there’s so much more there. Unfortunately, not all of my companies use [the same tool], so it’s hard. Starting with Q1 data, I standardized the reporting that I share throughout the organization. I want to start to benchmark my [internal] companies against one another to see if that creates some friendly competition in the organization to get them to do the right thing.

WHAT STANDARD METRICS ARE YOU USING AND WHAT IS THE FORMAT OF THE REPORT?

Hunt: It’s an Excel report right now, but we have a stoplight theory behind it—red, yellow, green—to help visualize key areas. We are using fairly standard metrics like average ticket prices but also reasons for travel. We are looking for certain percentages that fall out of range [at which point] you get a red on that one or a yellow over here and, if things look good, a green.

Neil Corp: I do a similar report for my department heads. I compile expense data, TMC and credit card data and try to distribute quarterly. It gets fairly granular about top performers, a bit of name and shame, and all that data is shared to all the departments. They get to see what others are doing.

INTERNAL BENCHMARKING IS A GREAT LEVER, BUT IT’S BEEN OUT THERE A WHILE. IS ANYONE WORKING ON A NEW IDEA AND WHAT ARE YOUR GOALS?

Corp: My dream, with the way data is going, is to show a true trip cost, from door-to-door. We have distribution centers, so there’s regular travel to those places. I would like to show an average monthly cost to those places. Then, you could benchmark depart-



“Most companies don’t have good travel budgets in the first place. I don’t know how my company gets [budget] numbers sometimes.”

—J.CREW’S NEIL CORP

much?” You could go into it even more, depending on the appetite for data. You could show trip cost when people booked 21 days in advance versus those who booked closer in and that type of thing. The data is all there right now to do it, but it’s a matter of matching it back to the traveler. We rely too much on associates and how they input data into [the expense tool] or the agency miscoding a cost center or that kind of thing.

DO YOU BRING YOUR AIR COSTS INTO YOUR EXPENSE SYSTEM OR DO YOU HAVE TO MERGE TWO SETS OF DATA?

Corp: We have a travel card for most of our airline spend, so at least that one data [set] is quite good. That’s lucky for that side. The rest of it is really on [our expense tool], so we have to try to match it somehow.

C-SUITE EXECUTIVES AND DEPARTMENT LEADERS PROBABLY CARE ABOUT PERFORMANCE AGAINST BUDGET MORE THAN ANYTHING ELSE. IS THAT THE ULTIMATE GOAL BEHIND YOUR REPORTS?

Joe Monaghan: Ultimately, it’s performance against the budget. That’s really the number. The closer [the business leaders] get to that number, the more detail they want, absolutely.

THERE ARE SOLUTIONS COMING ONTO THE MARKET TODAY TO TRACK TRAVEL SPEND AGAINST THE BUDGET AND THEN PROVIDE NOTIFICATIONS TO BUSINESS LEADS ABOUT PERCENT OF BUDGET LEFT IN REAL TIME. IS ANYONE USING THOSE?

Monaghan: We have a product that I can pull data in from virtually any source, which works for us



“Finance and travel can’t afford to be disconnected. You need to collaborate with your finance team so they’re smarter and they advocate for you.”

—MARGARET BRADY

The
**Phocuswright
Conference**

November 14 – 17, 2016
Los Angeles, California USA

FUNNEL REVOLUTION

Join the Funnel Revolution at the 2016 Phocuswright Conference

The Funnel has long served as the battleground for online travel's greatest contests. But revolution is here and the new rules of engagement are unfolding. Make no mistake: The Funnel's reign is at an end.

Will you be here to see it?

REGISTER TODAY

PHOCUSWRIGHTCONFERENCE.COM

+1 860 350-4084 X500



“The first challenge that I run into is data integrity. Depending on your source and other variables, you still have to clean it and validate it before you can make it actionable.”

—DHL'S MICHELLE HUNT

really well. It's as good as any other product that's out there, and we do look at multiple data sources. We distribute those types of budget reports monthly.

DO THEY REFLECT FUTURE, BOOKED TRAVEL AGAINST THE BUDGET?

Monaghan: Yes, absolutely, and we do some unique things with that data. Every morning, for example, we rerun back through Sabre every [airline] reservation in the system that's less than 24 hours old. The tool spits out a [rebooking] report that can go in and rebook seats [coming in at a lower cost]. Fare classes change every night, so we watch it for 24 hours and [within that time frame] I can change it for free. We call it our “found money” report. That's been a huge windfall for us.

AND DO YOU TYPICALLY REPORT THAT TYPE OF SAVINGS OR COST AVOIDANCE TO MANAGEMENT OR DEPARTMENT LEADS?

Monaghan: We call it value add, but it's effectively the same thing, so yes. We're keying in on [exchanges] so that we use money that's already spent. We're maniacally focused on that. At the end of the day, it's, “How am I doing against budget? Can I travel more? Do I need to watch my pennies?”

Corp: The budget is definitely where the sweet spot is for C-suite. But most companies don't have good travel budgets in the first place. I don't know how my company gets [budget] numbers sometimes. The total trip cost that I am working toward is aimed here, as well. It would improve company budgets and C-level suites would then have better data. Often, if you're looking at travel cost savings, people usually just look at a travel budget and reduce that. If they had the budget correct in the first place, it might change things. I'm working toward that in my partnerships with finance, and we're getting there.

Margaret Brady: That is such an excellent point. Finance and travel can't afford to be disconnected. You need to collaborate with your finance team so they're smarter and they advocate for you. They can offer new value to what you're doing ... and you can educate them about travel because they probably don't know that much about ancillary fees, etc. It's actually shocking that these conversations don't always happen inside organizations.

ARE OTHERS HAVING THESE CONVERSATIONS?

Corp: We are starting to because without that, [travel buyers] constantly have to react to changes within the company [instead



“Fare classes change every night, so we watch it for 24 hours and [within that time frame] I can change it for free. We call it our ‘found money’ report. That's been a huge windfall for us.”

—SUTHERLAND'S
JOE MONAGHAN

of] working hand in hand. When the company plans to expand, for example, travel should be a central consideration. “How much is that going to cost? Is that an expensive city to fly into?”

Hunt: DHL does a lot of expansion, and we went to the project managers about it. Now we're No. 1 on that project list. They have to notify travel when they're going to go open a new location. Are we involved in where the location's going? No, but we influence what comes next.

WHAT OTHER METRICS DOES THE SENIOR LEVEL CARE ABOUT, OR WHAT SHOULD THEY CARE ABOUT THAT THEY ARE MISSING? ALTERNATIVELY, WHAT SHOULD THE TRAVEL BUYER CARE ABOUT THAT THEY SOMETIMES MISS?

Brady: We can't ignore the revenue side of the business. I mean, that's why we travel, right? To grow the business. When I share data with the senior level but particularly the P&L owners—in a global program [with] a partnership organization where they don't have to comply—my role has been first and foremost to support the business. They did comply, though, because it was business intelligent to do so.

We all have great ideas, but I don't want to tell the business unit what to do. I want to give them the information. They drive the traveler according to the business. That said, you have to work collaboratively by [pointing out the options]: Do you want to push online, do you want to push hotel, do you want to push airfare and compliance? And you show them, “If you want to save \$2 million you can do this.” You can show them 100 percent of that savings but also give impact options that scale savings from 10 percent, 20 percent, 30 percent and so on.

On the other hand, you've got a consultant working 60 hours a week and he has no life. Is anybody going to kill the guy because he spent the extra dollars? No—not if you're going to make \$10 million in revenue with this client work and you're going to spend \$200,000 on airfare. Travel buyers may not know but they should make a point to know the relevance to the business. And then demonstrate that in the reporting if they can. ■

Photos courtesy of Association of Corporate Travel Executives/Jesse M. Kushneryk

Getting Engagement: Travel Data for Business Travelers

Sharing data with travelers is central to successful communications and engagement efforts, said consultant Margaret Brady. “You're not just using data in a storyboard or a deck to your executive. Your executives want to see how you're engaging the population. Executives are part of the culture; they get those emails, too,” said Brady. She advises companies to mine their data for the snippets that tell the travelers a story and that can point them to progress against a goal. “You identify the opportunities and then create leaderboards that show how each office stacks up in terms of online adoption or whatever the goal is. You make it fun, and [the travelers] get pretty competitive.” As that data goes out to travel populations, Brady said, send the reporting up and down the organization. “Executives need to see the communications, know that this is what we're doing and that we're inspiring people and letting them know that their actions matter.”

BUSINESS TRAVEL

HALL of FAME



Join over 250 travel industry executives at the **6th Annual Business Travel Hall of Fame** induction ceremony and dinner as the **BTN Group** recognizes four of the industry's most influential executives who helped shape today's business travel landscape and created legacies of achievement. Celebrate and pay tribute to those being inducted as they reflect on their accomplishments and look at the future of business travel.

DECEMBER 5, 2016
7:00 PM – 11:00 PM
THE ST. REGIS NEW YORK

REGISTER AT BUSINESSTRAVELHALLOFFAME.COM

GOLD SPONSORS

American Airlines



DELTA

LOEWS
HOTELS • RESORTS

UNITED
A STAR ALLIANCE MEMBER

SILVER SPONSORS



GLOBAL BUSINESS TRAVEL



avis budget group

Avis
Budget
Zipcar
Payless
Apex

BW | Best Western
Hotels & Resorts

BRONZE SPONSORS

enterprise

National
DRIVE ALLIANCE PARTNER

starwood
Hotels and
Resorts

PRESENTED BY

BTNGROUP



BCD Plans In-Trip Mobile Merchandizing Platform

BY JAY BOEHMER

BCD Travel plans to roll out a merchandizing platform this year to support sales of in-trip services to travelers on their mobile devices, executive vice president of global supplier relations and strategic sourcing Rose Collazo Stratford said. BCD's mobile system is powered by Travelport-owned Mobile Travel Technologies. Stratford, speaking during a Travelport customer conference, said merchandizing capabilities have "been on our road map for quite some time. We're moving forward with a platform that will enable us to do that much easier."

The platform should be up and running in the third quarter. "Then, once we have that, we will start bringing in the content," she said. First up likely would be ground transportation services, but BCD Travel also has its sights set on selling airline ancillaries down the road.

"We don't want to have to tie our agents up in booking these preferred seats or baggage," Stratford said. "Much of that can be moved to mobile, where it's self-service and the customer can do it after ticketing. There's a lot that can be done in the booking process and then a lot that can be done after booking." She said enabling airline ancillaries is part of the post-booking merchandizing vision, "but you know the airlines have to have an API in order to do that. Some do, not all do. And it's a question of whether they're willing to do it." She added: "That's really our vision. How quickly that will happen is really dependent on how quickly the airlines are ready for it."

Even so, merchandizing to travelers, especially managed travelers, is a delicate proposition. MTT regional director for the Americas Neil Laidler suggested that through merchandizing companies should "upsell, not upset."

Stratford noted, "We really felt like we needed to have the user experience first. Certainly, merchandizing is secondary. The trick is to not overmerchandise, because you can't overload your user in too many offers. You need to make sure that the content is relevant. That is the key."

Also, consider the traveler's employer. Some travel managers would prefer their travel management company not to try to upsell. "You have to find a balance," Stratford said. "We are predominantly corporate travel. We are aligned with our corporate clients in ensuring that we're delivering to their customers what they're comfortable with."

In-trip merchandizing is yet another stop on BCD's journey to take its mobile offering from an informational system to a transactional

one. CEO John Snyder views TripSource as "a servicing, a selling platform and a communication platform for our travelers."

As an example, BCD enabled hotel booking via the tool in June. TripSource hotel sales will tap into global distribution system hotel content and into content from several third-

"We don't want to have to tie our agents up in booking these preferred seats or baggage. Much of that can be moved to mobile, where it's self-service and the customer can do it after ticketing."

—BCD TRAVEL'S ROSE COLLAZO STRATFORD

87%
of travelers use multiple devices, from a computer to an iPad, according to Stratford.

party aggregators, such as HRS and Expedia. Bookings will be supported through the TripSource native app, as well as a website designed to be compatible with mobile and desktop browsers.

Indeed, BCD has pivoted a tad in its mobile approach by embracing such responsive design. That was informed in part by the desire to sell hotel rooms. "We went down the path for native app with Android and iOS, which was a good decision," Stratford said of the initial mobile strategy. "But we also knew when you look at the statistics, 87 percent of travelers use multiple devices. They may start searching on a computer then move to an iPad. The reality is you need to have a seamless experience. We changed directions and decided to go down a responsive design with TripSource.com." Even so, the TripSource native app is still supported, of course, and has "400,000 active users," said Stratford. ■

Amex GBT Launches Pre-Trip Approval Tool

BY JOANN DELUNA

American Express Global BusinessTravel plans to release its pre-trip Expert Approval tool in the United Kingdom and the United States in July. It already is available in Australia. "We found that many companies still have a manual process to manage travel demand and, as a result, they had poor visibility into travel costs," said Amex GBT products and digital platforms project manager Elissa Dymke. "[This tool] answers the question: Should I be traveling?"

Designed for mobile and desktop use, the cloud-based tool prompts users to indicate

whether a trip will involve flights, hotel and ground transport and whether the traveler will book online or offline, plus "all other expenses related to the trip, not just the components from the booking tool," Dymke said. Expert Approval's expense-cost calculator then estimates a total trip cost using fares and rates it pulls from Sabre via an application programming interface.

It also displays visa requirements, as well as risks related to the destination, based on risk tables defined by the company, government websites or Amex GBT's partnership with iJet.

Companies can input travel policy elements and configure approval paths. For instance, a company can require additional pre-trip approvals for more dangerous locations. An approver also can set a flexible cost window for a booking, allowing, for instance, a booking that's 10 percent higher than the tool's estimated cost.

Once the trip is approved, the tool will email the traveler, who can click through to an online booking tool; Expert Approval integrates with Serko in Australia, and Dymke said Amex GBT is working on partnerships with other major booking tools. ■

Priceline Founder's Startup Rewards Traveler Flexibility

BY JAY BOEHMER

Priceline founder Jay Walker is finally giving the lowdown on Upside, his business travel venture that opened beta testing June 21, ahead of a soft launch in mid-September. As he describes it, Upside is a “flexibility engine” that bundles air and hotel packages while rewarding users with gift cards that grow in value the more flexible their travel plans are. For now, the company is targeting the unmanaged set, but Walker sees applicability—down the road, at least—for the managed segment, as well.

Walker is soliciting travelers to register as beta testers. They will help shape the product “before we open it to the whole world,” said Walker. Here’s how it works: After keying in travel dates and origin and destination details and pre-approving some air and hotel brands, travelers will be guided through “a few” questions to gauge their flexibility.

Are you willing to make a connection or depart before 8 a.m.? What hotel classes will you consider? How far from your destination would you stay? The more flexible you say you are, the more your gift card balance will grow and the less expensive the package will be. “A role model here was 20 questions,” said Walker. He said the simple Q&A format lends itself to a mobile interface. In addition to a Web version of Upside, an iOS mobile app will be available upon launch, with an Android app coming out later this year.

After travelers demonstrate their flexibility, Upside will return an air and hotel package—not long lists of flight and hotel results. Users can only buy packages, not standalone airfares or hotel nights. Travelers can choose gift cards for a variety of national retailers or ecommerce sites, and their cash value can exceed \$200 for a single domestic package and go even higher for international trips, said Walker.

While Upside is going after end-user, unmanaged business travelers for now, Walker could see Upside “move toward the managed travel space” after gaining the right scale and honing the user experience. He also envisioned potentially licensing the Upside engine to others. For now, there are no company administrator tools, no duty-of-care support, no loading of company-negotiated rates or expense system integration—and we’ve got nothing against any of those things,” said Walker. “It’s just not what Upside is starting as.”

While not an enterprise solution, Walker said Upside represents a new travel-buying concept, one that the managed travel segment should pay attention to. He talked it up as “a peek into the future of saying, ‘Hey, flexibility and alignment of interests is an extremely valuable proposition.’ If you get the traveler to align their interests with that of the company, the savings can be quite dramatic.” That “won’t be lost on anybody in managed travel,” he said.

Walker called out BCD Travel as “one of our business partners” and a managed travel actor that sees the long-term value proposition. BCD Travel will lend call center support in the United States, while ePerformax will operate an international call center out of the Philippines, he said. Around-the-clock agent support is part of the package for users. Upside is tapping into Sabre for global distribution content and also getting hotel inventory from Expedia and Priceline, in addition to Upside’s own negotiated rates.

As far as its business model: “The way we make our money is pretty straightforward,” Walker said. “We sell at retail and we buy at wholesale.”

He added: “You’ve got a lot of difference between the opaque

wholesale costs and the retail price, and between those two, you can give 80 to 85 percent of all the savings you generate to the customer and still make a good living because you’re in the package business.”

Also, Upside will levy a \$35 domestic and \$45 international

“If you get the traveler to align their interests with that of the company, the savings can be quite dramatic.”

—JAY WALKER, FOUNDER OF PRICELINE & NOW UPSIDE

How Upside Makes Money

Buy travel at wholesale.

Sell it at retail.

Return 80% to 85% of the savings to the customer.

Charge a domestic service cost of \$35 and an international one of \$45.

“service cost” to the purchaser for every package sold. That “covers all of our customer service fees so that you don’t have cost on a call to us,” Walker said. Yet, that cost can be defrayed since users can apply gift card balances to the cost of a package.

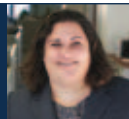
So, how far will Upside stretch the limits of traveler flexibility? Will Walker and company package eight-hour layovers on Spirit Airlines with by-the-hour, one-star motels?

In short: no. Walker said Upside will stay away from low-cost carriers and focus on business-quality hotels and airlines. “We have a long-term customer value equation in the decision engine underneath the flexibility,” said Walker. “Our financial motivation is to keep you as a customer for years. We’re in the business of getting you to buy again, not in the business of getting you to transact.”

Further, users could elect to stay only at four-star properties and designate preferred airlines, even if that reduces their gift card opportunity or package savings. Travelers can see what they’re getting, including property and carrier details, before purchasing. Also, they can adjust their level of flexibility to change their package before buying.

Perhaps some business travelers will choose to take a red-eye or opt to stay in a two-star hotel to maximize gift cards and deliver company savings. Then again, maybe they won’t.

“It’s about savings for the employer as much about discovering the value of your flexibility,” said Walker. “Even if you don’t use that flexibility, you want to know what it’s worth.” ■



CWT: Prepare for a Tough 2018 RFP Season with Marriott Merger

BY JULIE SICKEL

During the 2016 corporate hotel request for proposal season, Marriott International declined to bid 18 percent of the time, twice as often as Hilton Worldwide and more than three times as often as Starwood Hotels & Resorts. That's one metric Carlson Wagonlit Travel's hotel solutions group used in a white paper to illustrate what the corporate negotiation landscape could look like following the Marriott-Starwood merger.

The group used CWT aggregate client data to dig into other metrics, such as the likely impact of the megamerger on room-night market share. It found that in 14 of the 20 cities worldwide in which CWT clients spend the most, the combined portfolios of Marriott and Starwood would represent 30 percent or more of corporate room nights. In Minneapolis, the market with the highest combination of Marriott and Starwood market share, it represents 50 percent.

"Consolidation in the hotel industry isn't new, but the Marriott/Starwood tie-up is likely to change the way corporate travel is bought and sold," CWT hotels president Scott Brennan said in a media statement. "Everyone has to think very carefully about what this means for negotiating corporate travel deals."

It's no secret that Marriott International has been reducing its negotiated corporate business in recent years, but the fact that the company declined to bid far more often than other hotel chains demonstrates just how far it's taken the initiative. As Marriott represents more hotels in more markets, the question stands whether it'll continue in the same fashion.

CWT's analysis also found that Marriott captured the largest portion, 22 percent, of noncompliant corporate spend last year. Starwood, meanwhile, captured 9 percent. CWT suggests Marriott's loyalty pro-

gram is the culprit behind its larger share of noncompliant travelers. "The combination of the new Marriott's increased market share and the pulling power of its loyalty program means it will be in a very strong position," Brennan stated. "After all,

"The combination of the new Marriott's increased market share and the pulling power of its loyalty program means it will be in a very strong position."

—CARLSON WAGONLIT TRAVEL'S SCOTT BRENNAN

50%

Marriott & Starwood's combined market share of corporate room nights in Minneapolis

volume drives the discussion in the hotel industry. On top of that, where a player the size of the new Marriott goes, others will follow."

The report wasn't all doom and gloom, however. CWT posits that the Marriott/Starwood merger could help streamline the hotel RFP process and lead to more aggressive pricing from chains looking to maintain relationships with corporate partners. Even though the effects of the merger likely won't be realized until the 2018 RFP season, CWT advises travel buyers to start preparing for the changing hotel climate now, during the 2017 season. ■

United's \$3.1 Billion Bottom-Line Plan

BY MICHAEL B. BAKER

United Airlines plans to improve its bottom line by \$3.1 billion by 2018, including winning back corporate market share lost in the difficult post-merger years, executives told investors.

The carrier projects that operational improvements alone will add \$300 million, partly by reducing costs related to delays and cancellations, such as meal and hotel vouchers for stranded passengers and booking them on other airlines, United CEO Oscar Munoz said. Operational improvements also will help the carrier regain corporate market share and thus increase revenue.

Late last year, United launched its Global Performance Commitment, which guarantees compensation to corporate clients should its on-time and cancellation performances fall below those of both Delta Air Lines and American Airlines, and United is on track to meet that commitment this year, vice chairman and chief revenue officer Jim

Compton said. "Year to date, we're not paying a nickel, and we expect that to continue for the rest of the year."

Over the past six months, United's operation has improved to "consistently perform in line with our peers," Munoz said. Meanwhile, the carrier's market share has shown improvement, particularly in hub markets, he said.

United projects that another \$1.5 billion will come from "commercial enhancements," such as increasing premium economy seats by 20 percent and premium class seats by 30 percent, introducing a basic economy fare and implementing a new revenue system better at predicting demand, Compton said.

Cost management initiatives—for example, replacing 50-seat regional aircraft with larger aircraft and installing slim-line seats, both of which increase the number of seats—will drive another \$1.3 billion, executives said. ■

United's Plan to Pull \$3 Billion Out of a Hat

\$1.5

BILLION

from commercial enhancements like adding premium class seats

\$1.3

BILLION

from cost management like larger aircraft

\$300

MILLION

from operational improvements like delay and cancellation costs



Louis Magliaro, Vice President & Group Publisher
973.769.0028 • lmagliaro@thebtngroup.com

EDITORIAL

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

PRODUCTION & CIRCULATION

Michele Garth, Production Manager
201.902.1930 • mgarth@ntmlc.com

Lisa Gonzales, Gayle Graizzaro,
Production Specialists
201.902.2000 • lgonzaless@ntmlc.com
ggraizzaro@ntmlc.com

Kwafu Anoff, Director of Circulation
201.901.2103 • kanoff@ntmlc.com

SALES

Anthony Carnevale, Associate Publisher
201.902.1976
acarnevale@thebtngroup.com

Edie Garfinkle, Advertising Director
805.389.6836
egarfinkle@thebtngroup.com

Lindsay Straub, Regional Sales Manager
646.380.6274
lstraub@thebtngroup.com

Debbie Anderson, Hawaii
808.739.2200
debbieanderson@dmhawaii.com

Michiko Kawano, Japan
+81-3-3661-6138
kawano-pbi@gol.com

Juan Martinez Dugay
Paloma Martinez, Mexico
(011) 52-55 2122-3900
jmdugay@towmar.com
pmartinez@towmar.com

Lavender Tan, Singapore
(65) 9752 8613
lavtan@singnet.com.sg

CONTENT SOLUTIONS

Mary Ann McNulty, Director,
Content Solutions
630.519.4510
mmcnulty@thebtngroup.com

MARKETING & EVENTS

Max Bzdyk, Marketing,
Events & Sales Assistant
201.902.1924 • mbzdyk@ntmlc.com

Mariza Moreira, Group Design Manager
201.902.1965 • mmoreira@ntmlc.com

LIST RENTAL

Danielle Zaborski, MeritDirect
914.368.1090 • dzaborski@meritdirect.com

REPRINTS OR COPYRIGHT PERMISSION

Brett Petillo, Wright's Media
877.652.5295 • bpetillo@wrightsmedia.com

SUBSCRIPTION SERVICES

800.869.6882 • btn@kmpsgroup.com
Business Travel News
PO Box 47655
Plymouth, MN 55447
www.businesstravelnews.com/subscribe

Thomas L. Kemp
Chairman & Chief Executive Officer

Lisa Cohen
Chief Financial Officer

Robert G. Sullivan
President, Travel Group

Thomas Cintorino
Executive Vice President, Digital Media

David Blansfield
Executive Vice President &
Group Publisher

Lori Cioffi
Senior Vice President & Editorial Director

Arnie Weissmann
Senior Vice President & Editorial Director

Janine L. Bavoso
Senior Vice President, Human Resources

Roberta Muller
Senior Vice President,
Product Development & Production

Sheila Rice
Vice President, Content Licensing

Richard Mastropietro
Vice President, IT Infrastructure &
Operations

Elizabeth Koesser
Vice President, Database Products

BTN Editorial & Sales Offices 116 West 32nd St., 14th Floor, New York, NY 10001
www.businesstravelnews.com

DID YOU GET THE NEWS?

*Delivered every other week / ** Delivered monthly

Complimentary
subscriptions to
BTN Group Newsletters,
deliver the latest:

- Supplier developments
- Industry analysis
- Emerging practices
- Original research

BTNDAILY

Essential as morning
coffee, a quick update
for your daily dose of
industry news

BTNGLOBAL

Industry developments
and case studies to inform
your multinational travel
program*

BTN^{TRAVEL}MANAGEMENT

Hits your inbox with top
supplier news and best
practices *

Travel Procurement

Your fix of market analysis,
supplier management and
program measurement**



SUBSCRIBE NOW: www.businesstravelnews.com/newsletters

Hotel RFP Season: Time for a Power Grab?

BY JULIE SICKEL

Hoteliers have some worries. U.S. occupancy, while high, is stalling in growth. First-quarter earnings were lackluster thanks to slow U.S. business travel and Easter's shift to March. Past that, U.S. GDP growth is low, hotel supply is up, world events in Europe and Latin America have swayed demand, Brexit's impact remains a giant question mark ... The list goes on.

For corporates, these factors likely translate to more strength in the upcoming request for proposal season.

Bjorn Hanson, a clinical professor at the New York University School of Professional Studies Tisch Center for Hospitality and Tourism, releases an annual report on corporate negotiated rates. Though his report doesn't come out until August, he told me he anticipates the balance of power will shift more in favor of buyers than last year. "Buyers are feeling that their position is stronger than last year, and sellers' view of the world is that occupancy is the highest it's been since 1984," he said. "It's a complicated environment."

The Sell Side

At the recent NYU International Hospitality Industry Investment Conference, top hotel executives all but dismissed the idea that the good times are over for the industry. CBRE Hotels senior managing director Mark Woodworth has an expression that I heard repeated during the conference: Just because we've reached our peak, doesn't mean the cycle's over.

Maybe hoteliers are right. According to Woodworth, there are five things that, when combined in some quantity, typically spell the end of the hotel industry's prosperity: Economic weakness, asset price bubbles, unanticipated developments, high energy prices and oversupply.

Let's game this out. Right away we can remove energy prices from the equation, given that the oil industry has been in its most significant downturn since 1999. Asset price bubbles, too, we can take off the table because we don't know about bubbles until they burst — though some are eyeing the commercial real estate market for trouble.

As for unanticipated developments, while the terrorist events in Paris and Brussels hurt hotel demand in those cities, Four Seasons CEO J. Allen Smith said the impact of those events remained fairly local, and an STR analysis found that occupancy at hotels in those cities rebounded within about three months. Brexit certainly shocked global markets when it was first announced, but for now the real impact remains to be seen.

That leaves us with hotel supply and the economy. Supply is up. Markets like New York City, Houston and Miami are already experiencing the consequences of oversupply. Yet, STR still forecasts 2016 growth to be 1.5 percent, which is about half of what supply growth was at the last peak, in 2008. And hoteliers don't think that oversupply alone is enough to cause a reversal of fortune. "We have never had a supply-induced turndown in lodging performance, never," Marriott International CEO Arne Sorenson told NYU conference attendees. "Downturn in RevPAR has always been driven by the demand side of the equation."

What affects demand? The economy. GDP growth in 2016 has been, to borrow Sorenson's own descriptor, pretty tepid. In the first quarter, it increased 1.1 percent on an annual basis, according the Bureau of Economic Analysis. It's predicted to grow about 2 percent in the second quarter—still just OK, certainly not negative. Beyond GDP growth, a disappointing jobs market data report for May spooked some economists, who aren't sure how to frame the severe disconnect between the number of jobs that were



Julie Sickel, BTN lodging editor

The sky isn't falling on the hotel industry, in spite of concerns over the economy, supply, terrorism and a potential global financial disaster. However, the hotel industry is on the downslope from its peak.

expected to be added, 158,000, and the number of jobs actually added, 38,000.

Federal Reserve chair Janet Yellen said the central bank is not raising short-term interest rates until the economic outlook is clearer. The International Monetary Fund weighed in on June 22 by lowering its 2016 U.S. economic growth outlook from 2.4 percent to 2.2 percent, citing concerns like declining participation in the labor force, lower productivity growth, income inequality and high poverty levels.

By Woodworth's litmus test, the sky isn't falling on the hotel industry, in spite of concerns over the economy, supply, terrorism and a potential global financial disaster. However, the hotel industry is on the downslope from its peak. Best Western Hotels & Resorts CEO David Kong said at this point, any RevPAR growth is being driven mostly by rate growth and not by occupancy, which is "cause for concern."

The Buy Side

There's been a marked weakness in U.S. corporate travel so far in 2016. The good news is that it seems to be rebounding, with the latest TravelClick data indicating a pickup in business transient bookings for the third quarter of this year. The other positive is that hoteliers likely won't hold that weakness against corporates in the upcoming RFP season.

With hotel performance likely to soften in the coming years, it's looking like a good time to remind hoteliers of your program's value. From a revenue-management standpoint, hotel properties typically want an initial 30 to 50 percent rate of occupancy because that allows them to increase rate for that remaining 50 to 70 percent of business. Corporate travel represents "a desirable base" of occupancy for hoteliers, Hanson told me. As occupancy is expected to remain flat next year, companies that can shift share to properties stand to benefit. The Rainmaker Group's Dom Beveridge did point out that group travel is even more attractive, as those rates are negotiated farther in advance. So be prepared to compete.

Another thing to keep in mind this coming negotiation season is the introduction of special discounted rates through hotel loyalty programs. Are those rates beating your negotiated rates? If so, it's time to ask some tough questions at the negotiating table about what your business is worth. ■

Business Travel News (USPS 0728-870, ISSN 8750-3670) July 18, 2016 Issue 803 Vol. 33, No. 10. Business Travel News is published monthly except semi-monthly in March, April, May, August, September and October by Northstar Travel Media, LLC, 100 Lighting Way, Secaucus, NJ 07094 (201) 902-2000, and is distributed free of charge to qualified corporate travel buyers and travel agents specializing in business travel in the United States and Canada. The cost of a print subscription to non-qualified subscribers is \$129 in the U.S.; \$142 in Canada and Mexico; and \$210 in other foreign locations; the cost of a digital edition subscription is \$65; payable in advance in U.S. dollars. Registered for GST as Northstar Travel Media USA GST No. 264513185. Canadian GST #123397457. Periodicals postage paid at Newark, NJ, and additional mailing offices. Business Travel News is a trademark owned exclusively by Northstar Travel Media. Copyright © 2016 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 at (866) 658-6156; e-mail at btn@kmpsgroup.com; or www.businesstravelnews.com/subscribe. POSTMASTER: Send change of address to Business Travel News, P.O. Box 47655, Plymouth, MN 55447. Printed in the USA. 

ONE SOLUTION

FOR ALL YOUR CORPORATE TRAVEL PAYMENTS.

Delta UATP: Accepted Globally. Comprehensive travel data. No Fees.



[DELTA.COM/DELTAUATP](https://delta.com/deltauatp)



KEEP CLIMBING



DELTA



Visit Us At
Booth 1012

AROUND THE CORNER. AROUND THE WORLD.

The Business Rental Program from Enterprise and National provides service in more than 80 countries and territories, with over 8,300 fully staffed locations worldwide.

Partnering with Enterprise and National ensures you always have rental options whenever you or your co-workers travel, wherever you go. Our fully staffed offices make sure you always have assistance when needed.

And when you join the award-winning Emerald Club from National, you'll experience elevated service in all corners of the globe.

Visit www.drivealliance.com/BTN
or call **1-877-439-4504** to learn more.

