

# BTN

BUSINESS TRAVEL NEWS



### DISTRIBUTION

After two years of Concur talking about it, United has become the first airline to make its direct connection to TripLink live. Tim MacDonald talks about TripLink and other Concur projects.

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### MEETINGS MAVENS

Betsy Bondurant, Vicki Hawarden and Kevin Mellott hash out meeting venue security issues and how strategic meetings management can help.

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### TECHNOLOGY

Oliver Quayle explains how Amex GBT and KDS will work together now that the mega TMC has acquired the agile booking and expense innovator, bringing him with it.

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## FEATURE



## Travel Bots: Here to Stay?

AI fervor has flared up and then fizzled over the years, but advancements in machine learning capabilities and natural language processing—both text and voice-to-text platforms—have inspired a wave of innovation in chatbot travel assistants. Startups largely pushed the industry into the AI space, with intuitive apps for booking and 24/7 support services. The ultimate goal is to democratize VIP agent support with data-powered bots that “know” the individual traveler, track past trips and deliver predictive and personalized information even in a disruption. That’s a big bite for nascent innovation. Many startups have pivoted to an agent-powered model as they build up their machine learning models. Travel management companies are incubating AI tools, as well, figuring out how best to leverage agents and what portion of demand AI could take wholesale. Also, how best to go to market. And several players have their eyes on the midmarket.

FULL STORY ON PG 8

## U.S. & U.K. Issue Bans on Onboard Electronic Devices for Flights from Middle East & North Africa

BY MICHAEL B. BAKER

Both the U.S. and U.K. governments are banning passengers from bringing laptops, tablets and other electronic devices onboard flights from certain countries in the Middle East and Africa.

When the ban was first announced last month, the U.S. Department of Homeland Security said the stringent measures were based on intelligence related to “terrorists’ ongoing interest in targeting commercial aviation.” The DHS cited airport attacks in Brussels and Istanbul and the downing of Russia’s Metrojet Flight 9268 over Egypt in 2015 and the attempted downing of a Daallo Airlines flight over Somalia last year. More recent reports indicate the ban stemmed from two developments: a foiled plot in which

a tablet computer was disguised as a bomb, plus intelligence indicating that terrorists have acquired airport security screening equipment to devise ways of getting the explosives through security without detection.

The U.S. ban affects the home airports of all three Gulf carriers—Hamad International Airport in Doha, Dubai International Airport and Abu Dhabi International Airport—as well as Istanbul Ataturk Airport; Kuwait International Airport; Cairo International Airport; Queen Alia International Airport in Amman, Jordan; King Abdulaziz International Airport in Jeddah, Saudi Arabia; King Khalid Airport in Riyadh, Saudi Arabia; and Mohammed V

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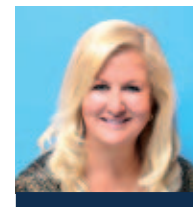
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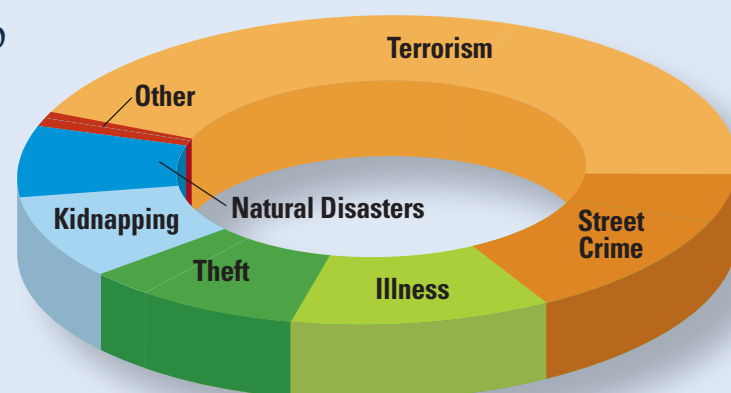
American Airlines SVP of global sales Alison Taylor on the carrier’s new buyer/agent portal, which will complement its sales team buildup

“We’re working on a platform for the corporate customers and also our top travel professionals: a dashboard of results and a great way for us to disseminate specials and market initiatives and payment initiatives.”

## 6 | Data Hub

### Business travelers fear terrorism more than any other risk

Whether it’s the biggest risk or not, taking care of your travelers means dealing with what worries them.



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# **Hertz**



# Startup from Steve Singh Launches Payment Tool

BY JOANN DELUNA

Concur co-founder Steve Singh's startup Center has combined virtual card technology and traditional payment cards to offer CenterCard, which touts itself as a corporate payment system that tracks spend against budget in real time. "It's a new type of corporate card that brings together that budget and spend in a proactive way that works seamlessly at point of sale," said Naveen Singh, VP of product development for the firm, who also is Steve Singh's son.

CenterCard fuses "an app-based budget solution with a first-of-its-kind digitized physical credit card, seamlessly turning budget into a strategic and empowering business tool," the company said. The tool "allows companies to maintain a 360-degree view of their discretionary spend by linking budget to strategy and spending, resulting in smarter real-time decision making."

Managers can assign multiple budgets to one employee on Center's desktop platform or app. Those budgets sync to the employee's battery-powered CenterCard, which features a power button and an e-reader-like touch display.

To make a purchase, the employee selects the appropriate budget displayed on the card to pre-categorize the transaction and then completes payment at the terminal just as the employee would with a traditional plastic card. The transaction is automatically recorded and deducted from the selected budget. In this sense, CenterCard functions like Coin, a digital plastic card that allowed users to upload several credit, debit, membership and loyalty cards onto one credit card-size card. Fitbit acquired Coin last May and ceased operations in June.

Unlike Coin, which was squarely a consumer tool, CenterCard has corporate controls aplenty. Managers can monitor transactions instantly from their desktops or the app. The balance of each budget assigned to the employee is displayed on the card and in the app.

The card's battery life is between 10 and 15 days. Even when the battery is low, it can still be swiped or inserted into a chip terminal like a traditional plastic credit card. Once the card is charged and turned on, all "offline" transactions sync to the preset budget. Users who've been assigned multiple budgets can correct the allocations via the app.

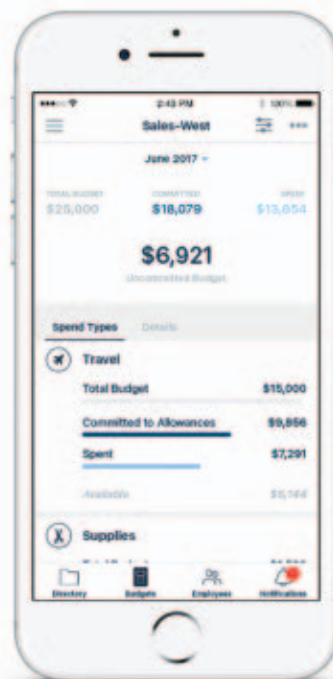
While CenterCard targets frequent travelers and spenders, they also support infrequent users via the app, which processes individual requests for virtual card numbers for card-not-present transactions.

## Security

Virtual card technology is considered safer than traditional plastic cards because each virtual card number typically is associated with one user and one vendor, is tied to a single transaction and is active for a specific time frame. Center's virtual card technology ties each transaction back to a specific budget, explained Singh, but CenterCard is configured for multiple uses against that budget. So theft could still be an issue.

Bluetooth allows the app to detect when the card has been disconnected from the phone for longer than two days, prompting a notification that asks the user if the card was lost or stolen. If so, the user can activate a kill switch that shuts off the card. A manager also can shut down the user's card from the app.

The cards have a digital element that traditional plastic cards don't, making them susceptible to hacking. Singh maintained that Center's virtual card provider, which he did not disclose, encrypts the card information. Center also is exploring biometrics.



## Still Early Days

Center has partnerships with two banks, Washington Federal and Central Bank of Kansas City but has yet to secure a card network. It is in talks with the major networks, Singh said, noting that the startup also is considering whether the card should be a prepaid or credit-based product. "We're looking into both," Singh said.

Center will begin its beta phase within two months with "a handful" of prospective clients. The startup is targeting small- to mid-size companies; the annual fee for each card will be less than \$100.

Singh claimed the instant access to spend against budget will allow managers to be more agile with travel and other resources overall. "Instead of sending a memo to cut all travel, CenterCard allows [managers] to make strategic cuts," Singh said. "You can cut \$15,000 from research and development's travel budget and \$10,000 from the marketing [travel] budget and add \$5,000 to the sales travel budget so you can close a couple of deals that will grow topline revenue again."

Steve Singh serves as Center's executive chairman and will not leave his role as president of business networks and applications for SAP and CEO of Concur. Naveen Singh said Steve Singh helps Center a few times a month by advising on business strategy and partnerships. Steve Singh told the Puget Sound Business Journal in 2014, "Rather than playing tennis or something like that, when I'm not working at SAP this is what I'm doing. It's my family and finding interesting companies that get me excited."

Former BlackBerry executive Dietmar Wennemer is CEO of Center, and the executive team listed on the company's site includes former Concur EVP of technology John Love.

## Is There More to It?

Center's trademark filing for CenterCard suggested it could contain not just credit card payment details, government identification and loyalty program memberships but also health insurance, tickets for travel and electronic keys. The company has referenced interest in the Internet of things in some materials. The filing also said the card would incorporate "a microcontroller and memory chip to support personal identity and payment applications."

—Additional reporting by Jay Boehmer

# American Airlines' New Sales Strategy

American Airlines is pouring resources into its sales efforts this year, including a significant buildup of its sales team under SVP of global sales Alison Taylor, as the carrier seeks to reclaim corporate market share. Taylor, who joined the airline from the same role at Starwood Hotels & Resorts, spoke to BTN transportation editor Michael B. Baker about the new team's direction.

## WHAT ARE YOUR PRIORITIES IN YOUR NEW ROLE?

I've held town halls now in every destination and division. It's given me a very good viewpoint because I've taken the time to listen to everyone and what are their hurdles, how should I support them and what should be the priorities so we are the easiest sales organization to do business with. We're adding over 130 sales associates globally. Part of that is a new vice president reporting to me, Chris DeGroot. Our core focus will be our very strong domestic business, which makes up 80 percent of our business, but internationally, we need to be more globally effective and ramp up the revenue and profitability of our international routes.

Of course, there is the empowerment of our sales teams. We've already started reducing some of the approval processes for them, making it easier for them to get through their day, and making things as streamlined and simple as possible. We are producing more tools for them. That includes a customer portal, and we'll be disseminating those by the end of 2017. We have a lot in place, but everyone is really passionate about the fact that sales is now front and center. We're ramping up the deployment and spending more time and effort on our international business and point-of-sale, as well.

## WHAT WILL THE CUSTOMER PORTAL ENTAIL?

We're working on a platform for the corporate customers and also our top travel professionals: a dashboard of results and a great way for us to disseminate specials and market initiatives and payment initiatives. And that's this year.

## WHAT OTHER POSITIONS WILL YOU ADD WITH THE SALES TEAM GROWTH?

We've decided to start managing the group business again. We will start deploying against our great group customers for meetings, incentives and conferences. Many of those [130 salespeople] will be deployed against more corporate customers but some of our great group accounts, as well. The corporate customers and our large TMC partners are very happy that we are bringing on more people. Some of the sales team are stretched, and this would mean we have better resources to manage our current accounts and also we can spend a lot of time on new accounts



American Airlines SVP of global sales Alison Taylor talks:

- Building up the sales team
- A new buyer/agent portal
- A returned focus on group sales

and account acquisitions. It's important that we extend the number of verticals and do that domestically and internationally. We're strong in many sectors, but there are some industries where we could do with additional time and focus and dedicated deployment.

## WHAT DO YOU HAVE PLANNED TO IMPROVE RELATIONSHIPS WITH CORPORATE BUYERS?

We'll bring on a dedicated customer engagement director to make sure that when we do have customer engagement—whether that be a sales call, an event or a trade show—we have superb branding and are on point with our messaging and that we're more innovative and exciting. That's along with making sure that with these extra feet on a street, we have a lot more customer exposure. That's where we are ramping up the number of activities we do with customers and making sure we are getting out to new markets where we may not have had such a presence before, not only new geographic locations but new industries. For example, we have a great deployment [of salespeople] in New York and the entire region: Boston, Philadelphia, etc. We're adding substantially to that over the coming months so we can see more customers and make sure that we are servicing those customers' requests quicker.

Speed to market is something we have spent many hours on as a team, so we're working on reducing hurdles, approval processes, removing caps on flex funds; we're going at it very aggressively. We're [also] starting an advisory board. In the past, we did a corporate day and a travel agent day and might have 100 customers in one room. Now, we would like to have a more thoughtful approach with key decision makers to bring them in behind the curtain and make sure we involve them as we build and develop anything. We are putting together a very senior corporate customer advisory board, and it will be global.

## HOW ARE YOU LEVERAGING AMERICAN'S PARTNERSHIPS WITH OTHER CARRIERS LIKE JAPAN AIRLINES?

We have the joint business with both JAL and our IAG partners, and we work extremely closely with them. When I have my team meetings, they

**"Internationally, we need to be more globally effective and ramp up the revenue and profitability of our international routes."**

are at the meetings. We leverage each other's networks and sales teams quite effectively. My team in Asia/Pacific is based in the JAL office in Tokyo. In London, we are based at the British Airways head office. I was just in London working on our hub initiatives, our joint initiatives with BA, and we decided on which point of sale, who can most effectively manage which customer and how to extend our reach. We've met with JAL and BA this year already six times. ■

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\*According to the Networks, Partnerships and Frequencies category of the 2016 Business Travel News Airline Survey, published on November 21, 2016. Delta Air Lines earned the top overall score for the 6th consecutive year (2011-16) on the Business Travel News (BTN) Airline survey.



# How Biz Travelers Think About Terrorism

Outside Afghanistan and Iraq, terrorist attacks took 158 American lives from 2002 to 2014, according to a National Consortium for the Study of Terrorism and Responses to Terrorism report that GBTA cited in its recent Risk on the Road study. The rate of Americans who've died in terrorist acts has risen since 2014, however, from Paris to Brussels to Turkey. Yet, other concerns like political instability and illness are more probable and easier for employers to prevent or mitigate, according to GBTA. Nonetheless, it cautioned employers, "It may be important to address how travelers feel, even if these feelings are not completely rational." Otherwise, business travelers could experience stress or anxiety.

## BUSINESS TRAVELERS FEAR TERRORISM MORE THAN ANY OTHER RISK

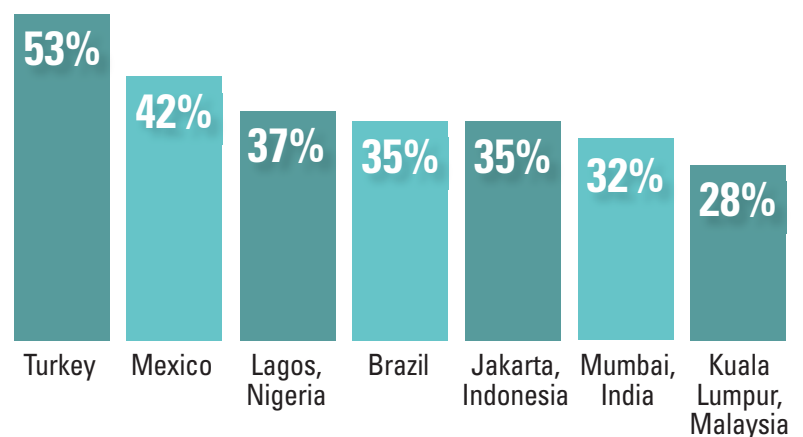
According to GBTA, "The concern about terrorism could reflect (1) widespread media coverage of recent high-profile incidents in the U.S. and Europe; (2) the tendency of terrorists to target travel sites, such as airports, planes and hotels; (3) the unpredictable nature of terrorism; (4) the growing frequency of attacks in the developed world; and (5) the high number of fatalities in recent attacks."



<b>Terrorism</b>	<b>45%</b>	<b>Property crime/theft</b>	<b>12%</b>
<b>Street crime</b>	<b>15%</b>	<b>Kidnapping</b>	<b>8%</b>
<b>Illness/disease/ outbreaks/sanitation</b>	<b>13%</b>	<b>Natural disasters</b>	<b>6%</b>
		<b>Other</b>	<b>1%</b>

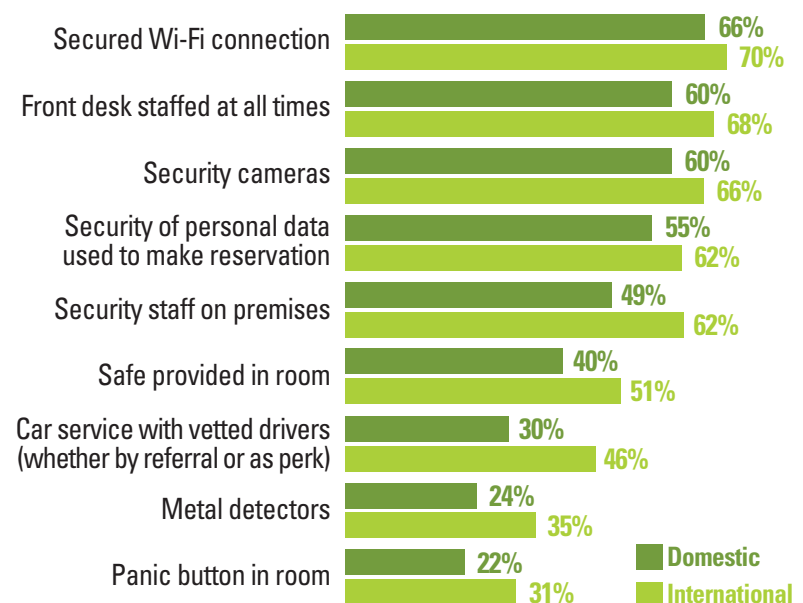
## MORE THAN A QUARTER OF TRAVELERS DEEM THESE MARKETS UNSAFE

Business travelers' perceptions of these markets put companies in a bind, as, according to GBTA, "most of these are fast growing and economically significant, making them popular business travel destinations today or in the future."



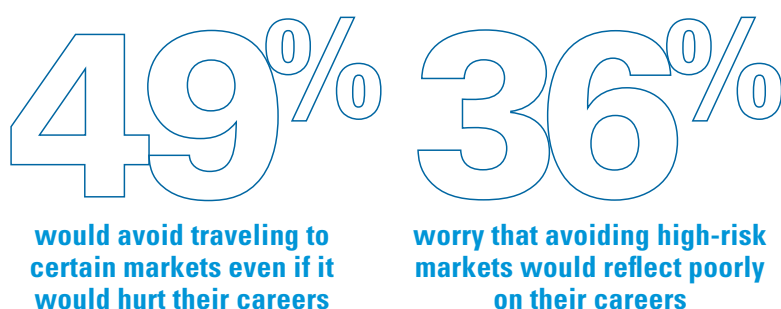
## HOTEL SECURITY FEATURES THAT BUSINESS TRAVELERS FIND VERY IMPORTANT

Because of recent terrorist events, 40 percent of business travelers look for certain security measures when they choose lodging, and 36 percent spend more time than before researching lodging. Noting the importance business travelers place on secured Wi-Fi connections and security of personal data, GBTA said, "Travel programs might want to consider providing tips about using Wi-Fi in hotel rooms or meeting spaces."



## BUT TRAVELERS MAY WORRY ABOUT WHAT HAPPENS IF THEY DON'T GO TO CERTAIN HIGH-RISK DESTINATIONS

Younger travelers are most likely to worry that not traveling to a high-risk market would hurt their careers, "likely reflecting greater concern about job security," according to GBTA.



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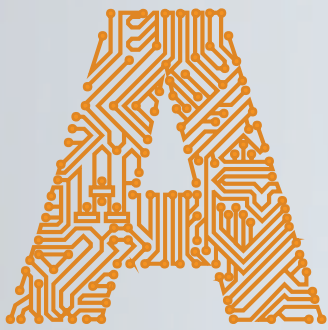
Mariana Burkle, Sheraton Associate since 2011

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# TRAVEL BOTS

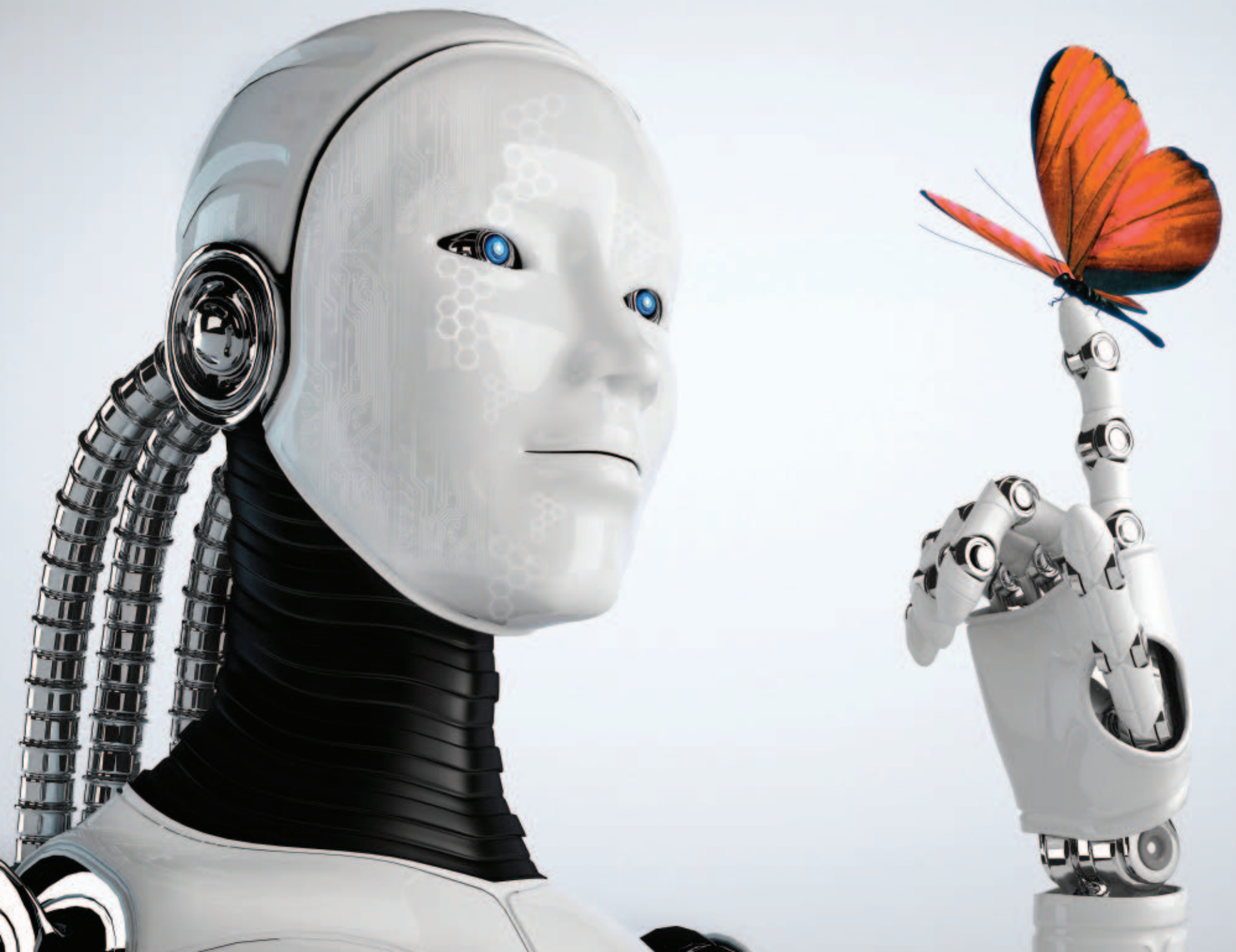
**ARE THEY HERE TO STAY?** BY ELIZABETH WEST



Artificial Intelligence is the buzzword for 2017. AI has infiltrated industries as diverse as personal shopping, executive recruitment and medical diagnostics. Transformational fervor around AI has fizzled in the past, but AI-powered messaging platforms have energized innovation of late.

Enter the chatbot travel assistant. Startups have thrown down the gauntlet, enabling “virtual travel assistants” as early as 2015; Pana’s irreverent pitch

to enterprises in October 2015 began: “Friends Don’t Let Friends Use Concur.” Several more have followed suit: HelloGbye, Mezi, TripActions and others have introduced mobile travel assistants, touting booking capabilities, with or without integrated corporate policies; offering proactive alerts and disruption support; and even expanding recommendation capabilities to local restaurants and entertainment, which is atypical for corporate travel agency services.



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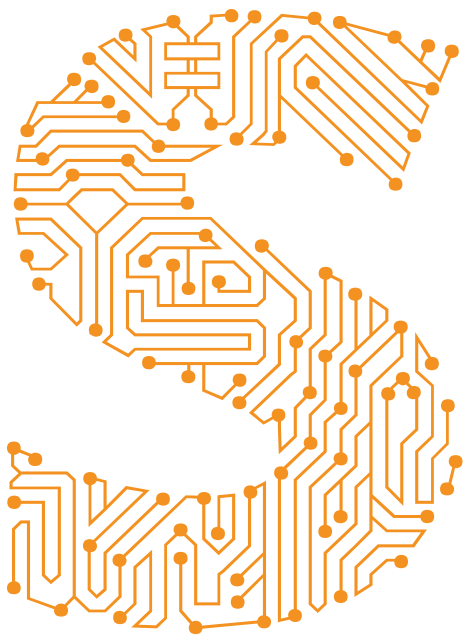
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So far, the startups have targeted individual corporate travelers and smaller enterprises that have lightly managed programs, minimal preferred supplier agreements and straightforward travel itineraries. But it gets sticky for a bot to digest data and make judgments for negotiated, global managed travel programs that contend with policy parameters, frequent trip disruptions and traveler-initiated changes.

That hasn't stopped established managed travel players from Concur to a number of travel management companies from pursuing similar AI strategies. After it acquired Hipmunk last October, Concur was particularly excited about the Hello Hipmunk AI tool, Concur EVP of platform and data services Tim MacDonald told BTN. He said Concur planned to act as an incubator for Hipmunk to work on bots to benefit the Concur enterprise product suite. On the TMC front, Carlson Wagonlit Travel's Carla avatar has been in beta for several years, while Australia-based FCM Travel Solutions introduced its message-based mobile travel assistant Sam, which stands for SmartAssist Mobile, last July in the U.S. FCM plans to roll Sam out to Europe and Asia this year. American Express Global Business Travel has not announced a chatbot, but Oliver Quayle, VP of product marketing and innovation for Amex GBT and KDS now that the two have merged, cited GBT's database as central to KDS's post-merger innovation map, which looks like it will favor AI and machine learning and may build on the predictive and personalized approach of KDS's Neo booking tool.

## WHAT'S THE GOAL?

"When I talk internally, I always tell the story of the great travel agent during my time as a road warrior at IBM when I traveled 150 nights a year," said Travelport senior director of product innovation Nathan Bobbin. "She knew everything that I wanted in my constantly changing schedule. She'd say, 'Hey, I know you're supposed to go home, but instead, you are going to Tel Aviv. So here's the trip I booked for you. You're at the Marriott because I know you love Marriott; I didn't take the early flight because there was no aisle seat. There's an extra connection, but I knew you'd be OK with that ...' And she was always right because she knew all that stuff about me. That's the experience powering the dream of AI, machine learning, personalization and mobile, where all those capabilities come together so that everyone can have one of those amazing travel agents in their pocket."

Microsoft global director of travel, venue sourcing and payment Eric Bailey painted a comparison that makes today's standard corporate online booking tool experience seem absurd. "You can almost go through the insane conversation you would have with an OBT: 'Please give me an hour with a plus- or minus-three-hour range as to when you want to leave. In return, I'll give you the lowest price without any reference to what your preferences are, and I don't care if it's a dollar cheaper or \$1,000 cheaper.'"

Personalization and predictive results are just two features chatbot travel assistants aim to provide. Amid 24/7, globalized business and travel disruptions, imagine round-the-clock alerts and predictive rebooking support. Also within reach are expanded services that can recommend local restaurants and make reservations or that can identify entertainment and fitness options that appeal to the individual traveler. Indeed, some apps like Mezi and Pana claim they already can handle some of these details.

## HOW DO WE GET THERE?

The short answer is data—and lots of it. Co-founder and CEO Swapnil Shinde described Mezi's behind-the-scenes structure: "When a user sends a message to Mezi, several different chatbots begin collaborating with one another. If AI detects that the user's intent is to look and book flights, a flight chatbot will start talking to the customer. If the intent is hotel, a hotel bot will talk to the customer. So then we have a bot for dining and one for payments; we even have a bot for reminders and marketing."

All these bots are powered by data feeds. Mezi uses global distribution system content, Expedia content, Priceline content. TripActions, for another example, has agreements with Sabre, Booking.com and Priceline. But travel content is just one data set. Chatbots also look at flight schedules, delays and cancellations. Data on weather or traffic conditions may power alerts, and historical conversations and bookings that the traveler has made within the tool can power recommendations. Mezi uses only historical data, while other tools begin with a profile and add to it through usage.

Other apps have forged data partnerships to bolster personalization. HelloGbye accesses American Express card data for hotel transactions to deliver personalized hotel results to users even if they don't have a long history or a complete traveler profile stored with the HelloGbye tool. Juiced up with Amex card data, the bot will digest the individual's historic bookings but also mine the transactions of other travelers to return "Amazon-like" recommendations. Making sense of these large volumes of data and turning them into relevant recommendations for individuals requires machine learning.

## MACHINE LEARNING

Managed travel technologies have, for a long time, relied on rules engines to drive automation. TMCs use "if this, then that" scripts in mid-office systems to run quality-control and quality-assurance routines on trip reservations. Configuring an online tool to bias preferred partners in

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- [More go-to-market strategies for chatbots; it's not just direct to the corporate](#)
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search results is another example of a rules engine's work. All of that is familiar territory for agents and travel buyers.

Re-shopping tools like Yapta and Tripbam are based on automated mid-office routines that TMCs have performed for more than a decade, but with a twist. They define a cohort of comparable hotels or flights instead of shopping the same hotel or flight. That change—knowing the right cohort to re-shop—introduced one of the first “machine learning” innovations for managed travel.

“As those kinds of innovations expand outward from basic rules engines to more and more complex rules, you get to a point where you can't manually configure all of the rules because there are just too many scenarios or you don't know what the if/then [action] should be,” said Evan Konwiser, digital traveler VP for Amex GBT. “You get to a point where you have to create more mechanized solutions for a rules-engine effect. That's where machine learning comes in, where you allow the algorithms to effectively set the rules themselves based on the data that is available. The enhancement of machine learning is that those algorithms self-evolve, meaning they can take feedback from a user from any number of [data] sources and they can improve the algorithms over time without somebody going in and manually configuring changes.” In reality, though, these algorithms are tweaked manually all the time as R&D pursues increased accuracy and better insights.

Algorithm-based machine learning has to happen in the background of chatbot apps—or of any travel booking tool—to increase personalization for the user. If built from historic data, that could include everything the traveler booked, plus details on what they did not choose. Or a bot could start with a rich data profile with all of the user's declared personal information, travel preferences and loyalty alliances and then layer on subsequent usage data.

Machine learning also can





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help the tools themselves perform better as trips get more complex. When trip complexity makes it impossible for Mezi's bots to collaborate effectively, the request transfers to a human travel agent. "The travel expert will step in, our chatbot will learn from that interaction, and next time [the bots] will be smarter in handling all Mezi users. The platform is designed in a way that it becomes smarter with every conversation," said Shinde.

## NATURAL LANGUAGE PROCESSING

Chatbots' success relies on broad access to data, elegant user interfaces and personalized results, but natural language processing has been a game changer in making chatbots usable. It also has pushed innovation hard toward perfecting messaging platforms and delivery.

Online demos for HelloGbye and Pana, for example, show moderately complex trip requests going through the chatbots. Though chatbots work with both written and spoken communication, these demos showed spoken queries: Someone describes the trip aloud—complete with idioms—including class-of-service and style preferences like "modern" or "four-star," and the tools return personalized results nearly instantly. HelloGbye also demonstrated a "conversation" in which the user was booking two travelers. After the bot returned search results, the booker realized he'd forgotten to say that only one traveler would be flying in business class and that the travelers would be staying in different hotels. He corrected himself, and the bot processed the revision and both bookings without a problem.

That's the kind of advancement BCD Travel director of emerging technologies Miriam Moscovici said is critical for message-based apps to succeed. "Realizing the ability to have a cumulative conversation has been a dramatic change for natural language [processing]. Eight or nine years ago, you could ask a chatbot what the flight is to Los Angeles on a given day, and it would respond with some options and some prices, but that was it," Mosco-

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"Nearly every [start-up] pivots very early on to being agent powered with a little bit of AI rather than AI powered with an agent escalation."

—Amex GBT's Evan Konwiser

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vici said. "Now, you can respond again to the chatbot and say, 'What about a day earlier?' Entire lengths of conversations can be harmonized into one understanding of what the question is and be able to execute commands."

It's not always perfect, contrary to the flawless natural language processing depicted in online product demos. Some online reviewers of these message-based apps said the chatbots misunderstood phrases, but such slipups didn't dramatically deflate app ratings, which were positive overall. There were plenty of business travelers in the reviewer mix, but it was unclear how heavily managed they were. One has to assume, given the small list of corporate contracts these startups can claim, that most were lightly managed or unmanaged. Getting enterprise clients is a tough hurdle to clear.

Also, great content and a fantastic natural language interface may not be a match for serious travel disruptions. This is an area where chatbots need to make judgment calls, and they may not be so good at that yet. Judgment also comes into play with policy exceptions or waivers that travelers access through their agencies; these might be needed even for minor disruptions or for productivity reasons if the trip is important enough. Travelport's Nathan Bobbin, who sees many startups come through the doors of the Travelport Labs technology incubator, hasn't seen an AI-powered travel bot that's up to the task for such scenarios.

## CONFOUNDING THE BOTS

Historically, travel technology has struggled with managed travel policies, which set up clunky rules systems. But that's not the problem for chatbots. Travel policy rules are machine learning's dream. They are clear, straightforward and can overlay all the travel content that the bot can pull in. The problem for bots is the opposite: They don't know when to make exceptions.

"It's easy for a company to be draconian with a travel policy, but it's not easy to keep employees if you are. They're gonna split," said Bobbin. "The point of managing travel is enabling your travelers to make the right decisions for the business inside the context of the policy, and that's hard: creating a policy that's flexible but effective." Computers are not good at that, he said. "For 100 percent of managed travelers, AI travel bots can maybe handle 20 to 30 percent of the use cases. That's the most frustrating part because that doesn't mean we can solve 100 percent of the needs for 20 percent of the market. If that were the case, we'd go out and win that 20 percent."

That's where Amex GBT's Evan Konwiser said agencies actually have a leg up in the chatbot race. "There have been a lot of startups that have played in this game, but nearly every one of them that I've seen pivots very early on to being agent powered with a little bit of AI rather than AI powered with an agent escalation," Konwiser said. "To me, that's a very important data point and a very important lesson for our industry. The TMCs already have the agents."



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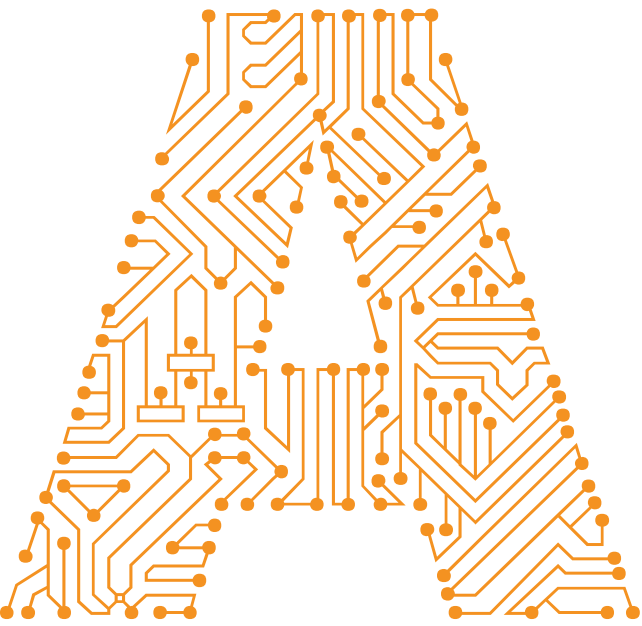


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According to Konwiser, chatbot agents do not provide the right traveler experience to be first out of the gate in the messaging channel. Rather, he said, it's smarter to start with humans working through the messaging channel and then to layer in AI. "For [GBT], it's the long game of creating that new channel, of creating the right AI self-service systems on top of that channel so that we can create the right efficiency game. But we're doing it from a traveler experience standpoint more than we're doing it from a pure efficiency standpoint. The answer is not to throw down some cheap two-function bot to our travelers."

## WHO WILL GET THERE FIRST?

If there's one *deja vu* element in the story of managed travel chatbots, it's the tension between technology companies' and TMCs' approaches to the solution. The technology companies don't necessarily grasp the service side, while the TMCs are typically not as adept at the technology piece, instead trying to introduce solutions through the scope of their agents.

Johnny Thorsen—founder of the first managed travel SMS messaging app, conTgo, which Concur bought in 2013—unsurprisingly believes the tech companies may have the edge. "There are so many variables and scenarios that it's not like when you have done X percent, then the rest are done automatically," said Thorsen, who is now SAP Mobile Services senior director of value solutions. "That's really critical. That's why it

"Somebody will bring the technology to bear to a point where you can serve 20 percent of the market 80 percent of the time, and that's when this will take off."

—Travelport's Nathan Bobbin



will be interesting to see, two years from now, who the leading AI solution is. In my mind, they need to know more about the technology than travel. The AI engine they're building [has] to be capable of analyzing each conversation and detecting a possible pattern. Once there is a pattern, that's when they can start influencing what comes out. That's not about travel knowledge; it's about content knowledge and understanding the conversation."

Bobbin pointed out the obvious: "We're in a very nascent market with AI and managed travel." He added that "somebody will bring the technology to bear to a point where you can serve 20 percent of the market 80 percent of the time, and that's when this will take off. But I don't think we're there yet." He guessed AI innovation would take five years to catch up with aspirations.

Plenty of startups think they are already there. HelloGbye has gone all in on AI. A spokesperson told *The Company Dime* last month that the platform offers a "rich conversational platform that is fully digital. No humans," and while the company acknowledged potential service gaps, it questioned whether any other model could scale. Mezi, Pana and TripActions have taken a more moderate approach, engaging agents pretty extensively, at least at first.

Mezi's Shinde has been building on his agent base for two years. "You can imagine that on Day One, maybe 90 percent of our requests were solved by humans and 10 percent were solved by AI," he said. "Today, AI has become so powerful that around 75 percent of the requirements [we get] for a flight request or a hotel request are solved by our AI-powered chatbot; no human [agent] is involved."

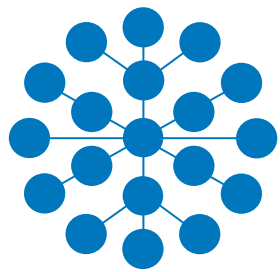
While Mezi's journey is nearly identical to what Konwiser described as the best path forward, there's another factor not involved for Mezi at this point: enterprise clients. That said, more than 30 percent of Mezi users pay with corporate cards at least part of the time, Shinde said, adding that Mezi would announce enterprise clients "in the next several months." Per usual for chatbot apps, Mezi is targeting companies with travel spend under \$10 million.

## DON'T DISCOUNT THE MIDMARKET

That market, however, is huge. And it's one for which the larger agencies have had a devil of a time providing solutions that can scale down without tying up resources. Many smaller clients, as a result, have been left in the unsatisfying role as the smallest fish in the large pond.

Online travel agencies like Egencia and TMCs like AmTrav that have been the refuge for small- and midmarket companies looking for lighter-touch programs, will need to keep an eye on their smaller clients if they plan to keep them. Indeed, TripActions co-founder and CEO Ariel Cohen told BTN his primary market is companies that spend \$500,000 to \$5 million annually on travel. But the ones that save the most money and thrive using TripActions are not starting travel management from scratch, he said. "Rather, they are replacing their current agency and technology relationships." ■

— 4<sup>TH</sup> ANNUAL —



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## SMM & Venue Security: The Most Important Conversation You're Probably Not Having



Meetings security is a tough topic, especially when both the venue and the planner concentrate on liability instead of the larger goal. The result is a gaping hole in risk management that should keep both parties of the contract up at night. Excellence Squared COO Vicki Hawarden, strategic meetings consultant Betsy Bondurant and Erase security firm president Kevin Mellott talk through the problems and how strategic meetings management efforts can propel better standards and solutions.

**Q** *Has awareness of meetings safety and security grown in the past couple years?*

**Betsy Bondurant:** Meetings safety and security has become more and more of a business driver for SMM programs. People certainly want savings and cost avoidance, but they really want that visibility, to know what meetings are taking place and where, and they want that visibility sooner. A client recently told me that security was concerned the company was holding meetings in unsafe locations and they wanted to be able to have input on meeting locations before events are contracted.

**Q** *Are corporations working meetings safety and security conversations into the venue sourcing and contracting process?*

**Bondurant:** Many of the more mature SMM programs have worked with their legal department and with the legal department of a chain hotel

[to standardize] terms and conditions regarding things like attrition and liability and force majeure and all those clauses that bog the lawyers down each and every time they're negotiating [a meetings] contract ... to create what is often called a master service agreement. Under that agreement, you then start sourcing availability at a particular hotel and negotiate specifics for [an individual] meeting: the availability, rates, meeting space, room block, food and beverage. The interesting part is that most people are not looking at security and risk in those overarching contracts, but I also don't think they're looking at it on the individual contracts.

**Q** *How do the venues look at their security responsibility toward their clients?*

**Kevin Mellott:** A long time ago, we had the White House conference on travel and tourism. One of the forum topics was safety and security. None of the CEOs agreed as to what their responsibility was to the guests staying there. They all agreed they had some responsibility, but they didn't agree to what level. Our [security] firm has certain chains that we like to work with because we know their security personnel at their headquarters and they typically can give us a little leverage at the local level. I cannot tell you that when I go out the door, our site inspection is going to be the same for every Marriott or every Wyndham or every Hyatt. Every time we get there, it's different at the building. The general manager is different. The local fire department

capabilities are different. The police department response is different.

**Q** *Without standardized internal support for SMM and general agreement from venues, it sounds like meetings safety and security relies on the meeting planner.*

**Vicki Hawarden:** I was a meetings professional for a big chunk of my career. I had my first wake-up call after 9/11, like many people, and remember doing site visits and asking [venues] about how they control access to their HVAC system because there were concerns at that time of spores being thrown out into the air, etc. Half the time people looked at me like I was asking a silly question. I realized then there was not a lot of agreement on what constituted appropriate safety and security measures.

**Mellott:** [We expect] the meeting planner to perform almost like the intelligence community in the U.S.: The meeting planner has to get it right 100 percent of the time, and a security incident only has to happen once in their career. It's very problematic.

**Q** *At the SMM level, do you see companies at least starting to address this with tools or guidance for meeting organizers?*

**Bondurant:** I've seen awareness growing in the past 18 months, but I don't see a lot of standard questions or vetting in the sourcing process yet.

Gaining visibility through SMM into all of an organization's meetings [could develop] into standard security processes and procedures. For example, policies set out that if you're planning a meeting in certain higher-risk markets, you have to work with internal risk and security to get it approved. If you are planning a certain type of meeting—for a board of directors—you need to alert risk and security before contracting. Hopefully there is some type of crisis management plan. If they're a formal meetings management department that has very seasoned planners, they likely will have developed some things.

**Mellott:** Our most successful programs are when we work with the client's general legal counsel and we create ... a minimal standards performance deal, that every venue we use has to meet these criteria or we have to ship people in to provide resources on site. Once we get that out, then all the planners working in house and the independents working for the corporation are on the same page, at least the basic same page when they go out the door. From my viewpoint, the strategic management side is the only place that you could get a lot of leverage in the big picture going forward to help the individual meeting planners get through this in a safe manner.

**Q** *Vicki, you're working on industry standards for venue security. How is that going?*

**Hawarden:** Part of what I've been doing since my [previous role as president and CEO of] the International Association of Venue Managers is working with a group that is focused on creating standards and doing assessments. We've been working with the Convention Industry Council's Apex committee, reaching out to a venue organization in Europe [and having] discussions with a similar group in Mexico. We want to create a standard that is sort of that baseline to be recognized as a secure venue and then [also establish] ways to recognize [venues that] go above and beyond.

**Q** *Have you established certain categories of questions at this point? What should organizations prioritize?*

**Hawarden:** We have about 12 elements in the standard, [including] data protection; human resources, how you train people and hire people; health and safety processes; risk management, business continuity. What seems to be "the most important" unfortunately tends to be driven by what's in the news yesterday. When we had the Ebola breakout, everybody was calling me asking, "How are we controlling our health and safety?" After a flu outbreak, everybody freaks out about contagious illness. [We need to] decide what matters during a calm time, put out the road map for what matters and what's the priority. We also need to address what's important for large venues, small

venues, big city, small city. Organizations may still wish to do their own due diligence with a private firm or their internal assessment, but [our goal] is to provide a tool that anybody could use: a planner, a venue or a brand or chain. This way, we're not just reacting to the latest incident.

**Q** *To that point, what do organizations need to consider from a business perspective when evaluating a venue or location? No one wants to make reactive business decisions.*

**Mellott:** That inspection or accreditation ultimately comes down to money and the value of the assets being protected. We look at the assets in three groups: human assets, physical assets and intellectual assets. That's pretty cold-blooded at times, but that's how we get the C-level to spend big money to address the issues. If the asset exposure is high and the potential value loss is high and likely, and you need to do the meeting because the company is going to make a lot of money on the other side, it becomes a mathematical formula of how much we're going to spend to stop any silliness from happening. The client can also negotiate cost reduction with the venue based on how many extra security resources they have to bring in. That's what the CEO cares about and, in my experience, they are often surprised that the company doesn't already have this in place.

**Q** *Is it realistic to think that meeting planners can apply enough pressure to ensure that minimum venue-security standards are applied broadly across the industry?*

**Mellott:** Hotel owners and the heads of the brands have not made really public statements [about security standards]. A couple of CEOs [have told me] they just don't have the muscle to flex on that from a brand perspective and drive it down to management companies and owners. The only muscle I see is coming from who decides to pay a bill to use the facility.

**Hawarden:** The question of what the planners are doing is critical. I was a meeting planner when we were trying to push uphill the corporate social responsibility initiative. Venues viewed it as a cost: a barrier, a problem. It was an issue until planners really started to focus on it and say, "No, this really matters to us." Then everybody got onboard because, of course, the customer is driving what really matters to the venue.

**Q** *Corporate social responsibility is an interesting comparison. It became a differentiator for many venues, and now it's table stakes. But CSR is easy to promote because it's optimistic. The security conversation is more threatening.*

**Bondurant:** People are uncomfortable talking about safety and security. Hotels and venues

## Meetings Mavens Talk Shop

GAPS IN VENUE SECURITY SCREENING

WHERE SMM ENTERS THE PICTURE

EDUCATING & SUPPORTING AT THE PLANNER LEVEL

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don't want to open themselves up to liability or show weaknesses.

**Hawarden:** They are also a little afraid of letting too much information out because they don't want people to know what their security plans are. It's a little peskier.

**Mellott:** I wish the meetings industry would get behind this the way they got behind recycling plastic bottles. If you look at all the environmental things—the soap in the rooms, not washing the towels every day—if they jumped into safety and security for their own attendees the way they did to protect the planet where their attendees live, we would not have nearly the problems we do.

**Hawarden:** Nobody thinks it's fun to talk about safety and security, but it matters. If you're prepared and you're focused on it before something like that happens, you're so much better off than being behind the eight ball, something does happen, and now you're trying to catch up to it.

**Q** *So what's the first step for strategic meetings managers?*

**Mellott:** Venues and clients need to start looking at this in a different way. Venues can't view the client in terms of whether they are going to freak out when they bring up security, and clients can't only think in terms of shifting liability to the venue. They all need to look at this as a partnership in which everyone needs to be legitimately educated and aware and want to know what we're going to do "in case." Everybody needs to be a realist but not overreact.

**Hawarden:** It's important to ask those good questions. If you do nothing else, just ask good questions. Obviously having things in your contract, having really rigorous site visits, all of that matters, but just ask good questions.

**Bondurant:** Meeting managers can show their value more effectively when they are proactively reaching out to the director of security, IT folks, asking what the concerns should be that we should be looking at venue security and talking to legal. They can't hide in a corner until someone reaches out to them and then they say, "Oh, I was waiting for you to approach me about it." ■



## United Has Become the First Airline to Make Its TripLink Direct Connection Live

In January, United Airlines made live its direct connection to TripLink, becoming the first airline to give travelers direct access to corporate-negotiated rates from its website. The move also provides travel managers the ability to capture off-channel bookings. Concur also has recognized customers' increasing taste for virtual payments and will announce advances in that area by midyear. EVP of global products Tim MacDonald spoke with BTN payment and expense editor JoAnn DeLuna.

### AFTER A MORE THAN A TWO-YEAR DELAY, UNITED AIRLINES HAS GONE LIVE WITH TRIPLINK. WHAT HAS THAT MEANT FOR TRIPLINK ADOPTION, AND WILL MORE SUPPLIERS CONNECT THIS YEAR?

More suppliers are going live. That has really boosted the value that our customers are realizing. United just went live in January, and we've seen a tremendous amount of itineraries coming through. American Airlines, British Airways and Iberia should be fast behind them. They will be staggered throughout the entire year.

### HOW MANY COMPANIES HAVE SIGNED UP AS TRIPLINK USERS?

We have over 8,000 customers signed up. We saw rapid growth in 2016 across two different dimensions. One is the uptick in implementations by customers. Many customers have purchased TripLink but deferred implementation by a few months. 2016 was the year when a large number of customers implemented TripLink. Combined with that was the significant uptick in suppliers going live, then the dramatic improvement in driving end-user adoption, meaning getting travelers to connect accounts with suppliers, downloading and using TripLink. All that taken together led to a significant increase in the number of itineraries customers are now seeing that they've never been able to see historically.

### DO YOU MEAN ITINERARIES FORWARDED TO CONCUR OR ITINERARIES PROVIDED TO TRIPLINK BY SUPPLIERS?

TripLink is increasingly capturing bookings as they happen with suppliers. We've seen a 1,000 percent increase in the number of users connected, meaning: When they go to participating suppliers and make bookings there, we will automatically get the itinerary. The overall objective is to give customers increasing visibility into travel that's being booked without encouraging users to book direct. We do that through a combination of supplier-direct integrations that allow us to capture bookings as they happen on supplier sites, along with TripIt. Some users will get more itineraries through TripIt, but



Concur EVP of global products Tim MacDonald talks:

- Airlines going live on TripLink in 2017
- Concur's breaks with Egencia & Amex GBT
- Branded fares on Concur Travel

the idea is to cast as wide a net as possible so we can get increasing visibility and ability for those travel managers to manage all of their travel, not just what's going through traditional channels.

### WITH ALL THE TALK ABOUT TRIPLINK, IS THE COMPANY STILL INVESTING IN CONCUR TRAVEL?

Yes, in very big way. The significant investments we're making now are in ensuring [that] our customers and travelers can see branded fares and [that] customers can effectively manage those. We've seen an explosion in unbundled fare families from all airlines. It started with some of the international carriers, but now we see it happening in the U.S. We have customers that don't want certain fare types to show up to travelers. That's a significant investment we're making because we have to enable that across every carrier and across every [global distribution system], and we'll be rolling that out in the first [half] of 2017 across each carrier and GDS.

Another big investment is in virtual pay. More and more customers want to adopt virtual pay for travel, so we are enabling virtual pay for our TMC partners and then will be enabling that for our customers in Concur Travel in the middle of this year. We're working with all the different virtual pay providers out there so customers can use whatever virtual card or bank they want to use in Concur Travel & Expense.

### CONCUR RECENTLY ENDED ITS PARTNERSHIPS WITH EGENCIA AND AMERICAN EXPRESS GLOBAL BUSINESS TRAVEL. CAN WE EXPECT MORE OF CONCUR'S RELATIONSHIPS WITH TRAVEL MANAGEMENT COMPANIES TO END?

Absolutely not. Egencia and Concur have decided to continue to support our existing mutual clients but will not add new ones. We have a high bar on customer experience, and despite our efforts on both sides, we just weren't able to meet those. We [also] continue to work very closely with American Express Global Business Travel. We have thousands of mutual customers that we work with together everyday, and there are customers getting added all the time that use Concur products and GBT as their

**"The overall objective is to give customers increasing visibility into travel that's being booked without encouraging users to book direct."**

TMC. We are deepening and expanding our relationships with TMCs every quarter.

### IT'S BEEN A FEW YEARS SINCE CONCUR SCRAPPED ITS PRICE-TO-BEAT GAMIFICATION TOOL, AND THE COMPANY RECENTLY DEEPEDED ITS PARTNERSHIP WITH ROCKETTRIP. WHY?

We didn't see customer adoption for [Price-to-Beat]. Our feature was ahead of its time. Rocketrip came along and offered a similar but considerably evolved experience. It's been a great partnership wherein we can continue to offer that value to our customers. That's proven to be more effective than supporting the feature that we developed. ■



## Virgin America Name to Retire

Alaska Airlines plans to retire the Virgin America name in 2019, operating as a single carrier that incorporates some of Virgin's signature elements. It plans to meld in some of Virgin America's traits, such as the mood lighting and inflight entertainment, to create a "warm and welcoming West Coast vibe," according to Alaska. "We spent the last 10 months conducting extensive research and listening carefully to what flyers on the West Coast want most," Alaska VP of marketing Sangita Woerner said. "While the Virgin America name is beloved to many, we concluded that to be successful on the West Coast, we had to do so under one name."

The carriers also will merge to a single loyalty program, Alaska Mileage Plan, in 2018. Other plans include pre-selection and payment for onboard meals, new lounges in San Francisco and New York's John F. Kennedy International Airport and expanded lounges in Seattle, Los Angeles and Portland, Ore.

After Alaska's decision to eliminate the Virgin America name, Virgin America founder Richard Branson wrote: "I'm told some people at Virgin America are calling today 'the day the music died.' It is a sad (and some would say baffling) day. But I'd like to assure them that the music never dies." ■

**"While the Virgin America name is beloved to many, we concluded that to be successful on the West Coast, we had to do so under one name."**

—ALASKA AIRLINES' SANGITA WOERNER

## American Will Invest in China Southern

American Airlines has committed to invest \$200 million for a 2.8 percent stake in China Southern Airlines. Although each belongs to a different alliance—China Southern is in SkyTeam, and American is in Oneworld—the carriers plan to build a strategic relationship through the investment, for which regulatory approval is pending. They intend to begin codesharing and interline agreements this year and could collaborate in sales and frequent-flyer programs, as well.

"China Southern's extensive network within China touches developing and thriving markets that only a Chinese carrier can reach, and they have a reputation and record of excellence," according to American Airlines president Robert Isom. "We are two of the biggest carriers in the world, and our networks are highly complementary."

American operates transpacific flights to Beijing and Shanghai, while most of China Southern's transpacific flights originate from Guangzhou. When codesharing begins, American will gain connections to about 40 destinations from Beijing and 30 from Shanghai. China Southern, which has been seeking to grow its corporate business share, will gain connections to about 80 destinations from Los Angeles, San Francisco and New York.

American is the second U.S. carrier to make a major investment in a Chinese airline, following Delta's \$450 million investment in China Eastern. ■

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CONTINUED FROM FRONT PG

International Airport in Casablanca, Morocco. Under the new rule, passengers must place any electronic device larger than a smartphone into checked baggage. There's an exception for approved medical devices, which require additional screening.

The DHS said the ban "will remain in place until the threat changes" and that more airports could be added. The restrictions do not affect flights returning from the U.S. to those airports.

The U.K., meanwhile, has banned electronics larger than 16 centimeters by 9.3 centimeters by 1.5 centimeters aboard flights from Turkey, Lebanon, Egypt, Saudi Arabia, Jordan and Tunisia, according to Secretary of State for Transport Chris Grayling. Canada reportedly may be considering a similar policy.

## Industry Reaction

The restriction is eliciting concern from the travel community, as it will be a considerable hindrance for corporate travelers traveling from and connecting through those airports. Global Business Travel Association executive director and COO Michael McCormick said the U.S. Transportation Security Administration should "take all necessary steps" to ensure aviation safety but that GBTA is talking to members to assess the business travel impact. "Nearly half of business travelers prefer to stay connected and get work done while flying," he said. "Not allowing them to bring their devices on the plane cuts productivity, taking time away that they can be getting business done. Many business travelers also prefer to keep their devices close for security purposes because they may contain sensitive company information."

Association of Corporate Travel Executives executive director Greeley Koch said some companies plan to start computer-exchange programs so employees do not have to travel with the devices. He added, though, that the ban could disrupt business travel further if the ban spreads. "How long will it be before this ban is extended to flights from Paris and Brussels into the U.K. and U.S.?" Koch wondered after the initial announcement of the ban. "No one is going to willingly check their computers or tablets, which often host the most detailed and proprietary corporate information, into the cargo hold of an airliner. Baggage goes missing every day. Can you imagine the consequences of losing a week's or a month's work, plus your confidential corporate data, to a luggage theft?"

For corporations dealing with travel through those airports, iJet International airline safety analyst Max Leitschuh suggested travel buyers check with airlines to determine what sort of insurance policies they have on lost luggage. Those who do not wish to check their electronics could consider rerouting through a country not affected by the ban.

The U.S. Travel Association chided the U.S. government for its communication around the policy. Even some within the TSA had not been briefed on the policy as the news emerged on March 20, according to The New York Times. "Even with security as a justification, it does not absolve authorities of the responsibility to communicate," according to USTA VP for public affairs Jonathan Grella.



## How Airlines Are Handling the Bans

### Emirates (U.S. ban)

Passengers may hand over devices at the gate to be packed in a box that will have priority unloading upon arrival.

### Etihad (U.S. ban)

Etihad's home airport of Abu Dhabi hosts the only U.S. Customs Preclearance facility in the Middle East. Passengers must place their devices in checked baggage before going through Preclearance. Etihad plans to add staff to the Preclearance facility while the ban is in effect.

### Kuwait Airlines (U.S. ban)

The carrier warns of "significant delays and/or the possible confiscation of restricted items by security personnel" if passengers traveling from or through Kuwait to the U.S. do not put prohibited items in checked luggage at their first point of departure.

### Qatar Airways (U.S. ban)

The carrier will allow all passengers to gate-check banned electronics. It also will provide USBs at the gate to which business class passengers can upload work. Onboard, it will provide them with loaner laptops.

### British Airways (U.K. ban)

Passengers who are partway through a trip that includes travel home to the U.S. from an affected country and those about to start such a trip can rebook for a later date should they not be able to comply immediately with the checked electronics requirements.

### Turkish Airlines (both bans)

The carrier is allowing passengers in Istanbul to hand over devices at boarding. At that point, they will hand over the devices and collect them at a designated place in the baggage claim area.

## Effectiveness of the Bans

On a broader scale, the bans have drawn questions based on their effectiveness. Turkish Transport Minister Ahmet Arslan called for "reverse steps," saying it offers no benefits to passengers, according to the BBC.

Nicholas Weaver, a UC Berkeley International Computer Science Institute researcher, told BTN a laptop bomb would be just as dangerous in the cargo hold as onboard. And if the concern is onboard hacking, that could be accomplished with a mobile phone as easily as with a computer, Weaver said. The DHS said it avoided banning mobile phones in order "to balance risk with impacts to the traveling public."

Weaver also questioned the effectiveness of limiting the ban to certain airports, saying the U.S. restriction makes no sense unless it includes all other airports that connect to those airports currently named. "The problem with an administration that has so burnt its credibility in hundreds of ways, including crying 'national security' to justify the blatantly bigoted intent behind the first travel ban, is that even if there is some reason, there is doubt," he said.

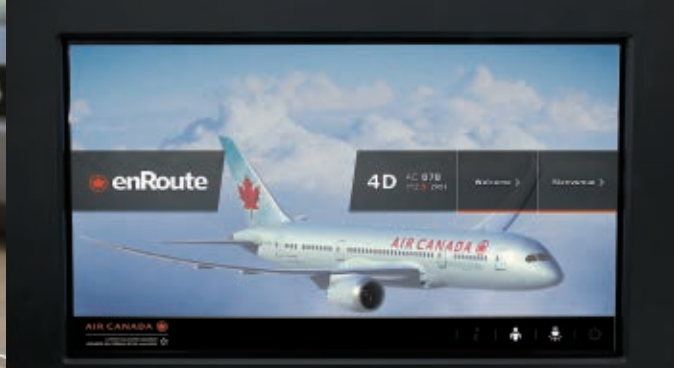
Leitschuh noted the inconsistencies between the U.S. and U.K. bans. The United Arab Emirates, Qatar and Kuwait, for example, appear on the U.S. ban but not on the U.K. one. Additionally, these measures would have prevented none of the attacks cited by the DHS as examples, he said.

In fact, the ban even increases one danger to passengers. "The ban will increase the number of lithium-ion batteries being transported in cargo holds," Leitschuh said. "A lithium-ion battery fire in the cargo hold is much harder to contain and extinguish than in the passenger cabin." ■

## Advice for Travelers

The bans likely will last months, not days or weeks, according to International SOS. The company advises corporate travelers who must travel through affected countries to take extra precautions to secure their devices before checking them. This includes locking luggage with U.S. Transportation Security Administration-approved locks, removing sensitive information from items that are going into checked bags and placing them on the cloud or a shared drive, and leaving behind non-essential electronic devices.

In addition, passengers should allow extra time for security procedures when traveling through those airports. "Affected airports will have to review how they process and move passengers through the terminals as efficiently as possible while maintaining an adherence to the scheme," according to ISOS and Control Risks travel security expert James Wood. "Disruption while the restriction beds in should be expected, particularly while the airports refine and review their security procedures."



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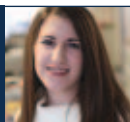
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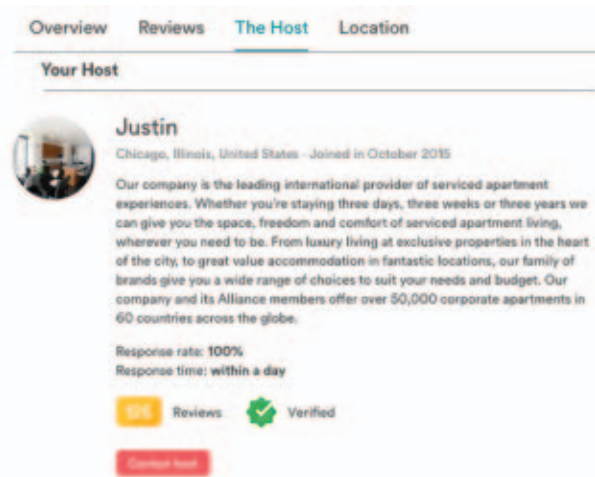


## The Rise of U.S. Airbnb Commercial Operators

In the U.S., Airbnb hosts that rent out more than one entire home or apartment generated \$1.8 billion in revenue for the company in 2016. That's one-third of Airbnb's total U.S. revenue, according to a study from CBRE Hotels' Americas Research, called Hosts with Multiple Units—A Key Driver of Airbnb Growth.

American Hotel & Lodging Association president and CEO Katherine Lugar and some hoteliers and lawmakers call these hosts "illegal hotel operators," implying that by posing as homeowners, they are skirting laws and regulations aimed at commercial lodging operators. AHLA commissioned the CBRE study, as well as prior reports about multi-unit Airbnb operators.

However, for this particular study, "illegal" isn't exactly the correct term. Using data scraped from Airdna, a site that tracks Airbnb listings and revenue, CBRE examined multi-unit operators in the U.S. between October 2014 and September 2016. It excluded shared and private rooms, units with minimum stays of 30 days or more and unique property types, such as boats and tree houses. This methodology, though, can let in units operated by transparent commercial operators. Those operators, then, are inadvertently labeled illegal, as well.



For instance, the Chicago listing pictured above, with a three-night minimum stay, appears on both Airbnb and Airdna. It states on "The Host" tab that it is a serviced apartment. While the listing doesn't say so, the property belongs to BridgeStreet Global, with which Airbnb inked a partnership in 2015. The host, Justin, has 33 other listings on Airbnb. BridgeStreet CEO Sean Worker previously told BTN that all of BridgeStreet's listings comply with local jurisdictional permissions and that as an established lodging provider, BridgeStreet does pay all the required lodging taxes.

### CBRE's U.S. Findings

- Multi-home hosts comprised the fastest-growing segment among U.S. Airbnb hosts, the fastest-growing segment among U.S. units and the fastest-growing U.S. revenue bucket between October 2015 and September 2016.
- Hosts listing an entire home or homes earned 81 percent of Airbnb revenue in the U.S. last year. That's up from 78 percent in 2015.
- U.S. Airbnb hosts generated \$5.7 billion in revenue between October 2015 and September 2016, a 140 percent increase in revenue from the prior 12-month period.
- In the 13 largest U.S. markets, multi-home operators accounted for 30 percent of Airbnb's U.S. revenue: approximately \$700 million.
- In those 13, markets, hosts listing 10 or more properties created a quarter of all multi-home-operator revenue, about \$175 million.

### She Said, He Said

AHLA's Lugar said, "Our hope is this new data provides officials at every level of government the information they need to double down on their efforts to close the illegal hotel loophole and hold Airbnb and other short-term rental companies accountable. Today, we call on Airbnb to hold true to their word to join us in the fight to take down illegal hotels from their platform."

Christopher Nulty, Airbnb public affairs lead for Eastern North America, dismissed the study in an email to BTN. "This misleading, inaccurate report was bought and paid for by the big hotels and is the latest example of the industry's willingness to say and do anything to protect their record profits, preserve their ability to price-gouge consumers and squash their competition." Nulty added that many of AHLA's own member inns, motels and hotels list rooms on Airbnb, "so these are included in the very data on 'commercial' listings the big hotels seem so concerned about."

**Airbnb says the hotel companies "bought and paid for" CBRE's study, while AHLA cites the report to rail against "illegal hotels" operating on Airbnb.**

The CBRE study found that true home sharing, for which a host is present during the guest's stay, accounts for less than 20 percent of Airbnb's U.S. business. Perhaps that should come as no surprise, however, as Airbnb has already branched out from what began as its core business of everyday people renting out guest bedrooms. In November, the company launched Airbnb Trips, which provides tours and local experiences, and in February, it acquired Canada-based vacation home rental company Luxury Retreats. Airbnb also has snatched up a number of other companies, including social payment provider Tilt; bitcoin payment provider ChangeCoin; and Russian gadget company Lapka. On March 16, the company announced it had raised \$1 billion in its most recent fundraising round, bringing Airbnb's valuation to \$31 billion. ■

### The Situation in San Francisco & New York

According to CBRE, Airbnb revenue increased in all 13 of the largest U.S. markets, but it grew more slowly in New York and San Francisco. Additionally, the share of revenue generated by multi-home operators in those two cities declined by 7.1 percent in New York and by 4.6 percent in San Francisco. Both the state of New York and the city of San Francisco passed laws in 2016 that would financially penalize Airbnb for listings that violate local short-term-rental regulations. Airbnb challenged those laws in court but lost the battle in San Francisco in November and settled with the state of New York in December.

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## Competition Heats Up for Small Meetings Tech

Small meetings booking technology Bizly will introduce a messaging platform designed for more complex bookings, as well as a management app for enterprise clients to manage approvals and track both booking activity and small meetings spend. The platform allows clients to input preferred properties and rates and to implement requirements for and track competitive offers.

CEO Ron Shah said Bizly has shifted its focus from user adoption to corporate contracts. “We had a couple of big companies do a lot of repeat business, and so we started to talk to them.” What he didn’t find was repeat business from individuals. “A general consumer doesn’t need meeting space every day, so by the time you market to them and they’re like, ‘Oh wow, this is great,’ you still have to keep marketing until they actually need it. And then by the time they use it, they just don’t need it again for a while. So, the repeat rate and the marketing cycle just weren’t very attractive.”

To grab the corporate customer, though, Bizly has moved from 300 curated venues on the platform to more than 10,000. It also plans to launch content in international markets by year-end. Meanwhile, it had to incorporate management tools in order to capture and then feed back to the client all the small meetings and events spend that gets lost on corporate cards when ad hoc meeting organizers “do their own thing,” said Shah. That meant beefing up reporting tools and administration interfaces. Bizly now integrates a meetings calendar, approval routing and preferred rates at hotel properties and can slice and dice data per meeting organizer, per department or team, and per date range.

Yet the platform maintains its consumer feel, and none of the admin levers are required. “We want to focus on adoption first with a great user experience; then the administration piece can fall in line,” Shah said. Bizly claims the content is still “curated” by on-the-ground planners, though Shah also claimed it will represent

**“Literally no one enjoys using RFPs. Hotels waste billions of dollars responding to RFPs with a less than 1 percent conversion. Customers don’t hear back from the venues they really want. It’s a really painful process.”**

—BIZLY’S RON SHAH

“basically every high-quality hotel, restaurant, bowling alley with full service ... vineyards, beachside resorts ... all of the relevant inventory three to five star and above.” Unlike global distribution system and website content, Bizly requires venues to show all group spaces. It tags each venue and space by lifestyle descriptions like “modern” or “charming.” Shah said “deep-search” capability allows users to input detailed parameters like “hip venue for high-end dinner for 10 in New York City,” and the platform will return relevant results.

Above all, Bizly is not an RFP platform, and that is key to driving end-user adoption, according to Shah. Instead, adding to its original “instant book” capability, Bizly’s new messaging platform enables meeting planners to message hotel staff directly so they can build customized small meetings and events. The venue contact can share packages and images and negotiate the deal, and the two parties can come to an agreement. Bizly’s offering supports guest room bookings direct with the properties. “It’s all tracked on the messaging thread,” where venues create “shopping carts” for customers as they work through details, said Shah.

Though he bills Bizly’s new capabilities as “the meeting industry’s first messaging platform,” the function sounds similar to that offered by small meetings technology firm Groupize, which introduced “magic email” last year. Like Bizly, Groupize offers two meeting planning tracks. First, on its booking engine for events with less than 10 guest rooms, meeting organizers message the target hotels to negotiate deals, exchange attachments, etc. Groupize’s second track is more of a sourcing tool for meetings with more than 10 guest rooms. Unlike Bizly’s curation, Groupize draws content largely from the GDS. Another difference is that Bizly generally focuses on hospitality events like day meetings, dinners and entertainment. Shah previously told BTN that “companies are fairly well situated in how they handle room nights” and that Bizly didn’t want to insert itself in that process.

But things change quickly for startups, and Bizly is working hard to keep up with its new strategy to focus on the enterprise client. Groupize’s clean integration with Concur is a competitive advantage, but Bizly’s hospitality approach and slick user interface that offers up sophisticated, short-turn meeting and event space may serve just enough of a niche to segment the market. ■

## Cvent Clients’ Top Meetings Hotels

Meetings technology and hotel network provider Cvent has named its 2017 top meetings hotels in the U.S. and EMEA and released its inaugural list of top Asia/Pacific meetings hotels, after debuting its first list of top destinations for Asia/Pacific meetings last year. The hotel rankings are based on business generated through the Cvent sourcing platform. Criteria are RFPs, awarded proposals, awarded room nights, room nights used, major metropolitan area market share, conversion rate and unique visits to each hotel’s Cvent Supplier Network profile.

Cvent supported more than \$11 billion in meetings bookings in 2016. The Cvent Supplier Network includes 245,000 hotels, resorts and venues. Cvent clients are largely based in the U.S.

### TOP 10 U.S. MEETINGS HOTELS

1. Gaylord Opryland Resort & Convention Center (Nashville)
2. The Venetian and Palazzo (Las Vegas)
3. Aria (Las Vegas)
4. JW Marriott Austin
5. Gaylord Texan Resort & Convention Center (Grapevine, Texas)
6. Omni Nashville Hotel
7. The Westin Kierland Resort & Spa (Scottsdale, Ariz.)
8. Manchester Grand Hyatt San Diego
9. Hyatt Regency Orlando
10. Mandalay Bay Resort & Casino (Las Vegas)

### TOP 10 EMEA MEETINGS HOTELS

1. Hilton Diagonal Mar Barcelona
2. Hilton Prague
3. Hotel Arts Barcelona
4. Melia Castilla Madrid
5. W Barcelona
6. Hilton London Metropole
7. Movenpick Hotel Amsterdam City Centre iVenues
8. Sheraton Frankfurt Airport Hotel & Conference Center
9. Hilton Vienna
10. Rome Marriott Park Hotel

### TOP 10 ASIA/PACIFIC MEETINGS HOTELS

1. Marina Bay Sands Singapore
2. Grand Hyatt Singapore
3. Shangri-La Hotel, Sydney
4. Hilton Singapore
5. Conrad Centennial Singapore
6. Fairmont Singapore
7. Hilton Sydney
8. InterContinental Sydney
9. Pan Pacific Singapore
10. InterContinental Singapore

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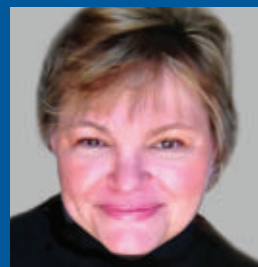
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## CSI GlobalVCard Opens London Office & Revamps App & Partnerships

Payments provider CSI GlobalVCard has opened a London office to support its multinational clients in Europe and will offer as many as 120 currencies through a partnership with corporate prepaid payments firm PrePay Solutions, said CSI GlobalVCard SVP of travel Juliann Pless. The London-based PrePay Solutions—70 percent owned by France’s Edenred and 30 percent owned by MasterCard—offers virtual, prepaid, loyalty and gift cards, among other products. CSI Enterprises has offered payment solutions since 1989, including purchasing and fleet card solutions, for verticals like advertising, media, sports and entertainment. In 2013 it expanded into business travel by partnering with travel management companies and offering GlobalVCard to customers. It partners with 15 TMCs, primarily in the U.S., and brands the company as CSI GlobalVCard.

CSI GlobalVCard, which issues in Canadian and U.S. dollars, will add euros and British pounds and gradually expand to other currencies, Pless said. “The driving reason for us going global was: Our clients in North America who use virtual cards for accounts payable ... wanted to mirror what they were doing in the States with all of their global offices and locations and didn’t want to use multiple providers,” she said. CSI GlobalVCard will tap into PrePay Solutions’ currency capabilities and utilize its technology on the back end, and CSI GlobalVCard will serve on the front-end with customer-facing technology.

### Expanding Virtual Card’s Use

In 2016, CSI GlobalVCard’s processed volume grew 4,000 percent year over year, resulting from an increase in hotels that accept virtual cards, partnerships and the types of travelers using virtual cards, according to Pless. “Instead of just using virtual cards for contractors or recruits, customers are seeing the benefits and rolling it out to all their travelers and employees, including executive-level travelers.”

Clients also have expanded use cases to airline tickets and are evaluating others. Previously, clients used virtual cards primarily for lodging, she said. In July, CSI signed a partnership with Avis Budget Group to enable virtual payments for car rental; CSI will integrate directly with Avis Budget’s website and several TMCs,

but the companies are still working out the logistics.

CSI GlobalVCard also is exploring the use of virtual cards in meetings. While some of its customers already use virtual cards for booking meetings space or holding blocks of rooms, Pless said that’s not done through direct integrations with partners. A direct integration could improve, for example, the process of sending guest names for room blocks, now typically sent to hotels as Excel spreadsheets. “We’d look to automatically send that out by [developing] a way for our system to ingest that information from either a TMC or another partner,” Pless said.

CSI also is integrating its purchasing card and virtual card data with Certify.

### Revamped App

CSI globalVCard soon will relaunch its mobile app, Pless said. Two features will remain after the app redesign. Program managers will continue to be able to send virtual cards to the app so travelers can display card images and numbers at check-in. And travelers will continue to be able to resend fax confirmations for the cards.

Additionally, the app will feature a user display with local weather and images of the city a traveler is in, based on geolocation. It also will offer links to Uber and expense management systems, Pless said. The company plans a mid-April soft launch to hundreds of end users at 75 companies. ■

## CSI GlobalVCard Will Launch Booking Tool in App

Phase One of CSI GlobalVCard’s mobile app relaunch will offer some nifty improvements. Phase Two will offer a totally new travel booking capability targeted to small and midsize organizations.

In April, CSI GlobalVCard will launch a white-labeled booking tool, powered by AmTrav. CSI GlobalVCard’s application programming interface integration with AmTrav will automatically pull a virtual card to pay for a booking, so no one will have to enter a virtual card number manually, CSI SVP of travel Juliann Pless told BTN. The booking tool initially will be targeted to CSI’s small and midsize clients that use its accounts payable products but not the virtual card travel product. Pless said the company is very much targeting the small user “who may not think they need to use” a travel management company.

Later this year, however, CSI GlobalVCard will roll out a more robust booking utility within its mobile app that will allow the user to request, receive and use a virtual card for booking travel, Pless said. The company is evaluating whether it will offer the booking capability by connecting to a global distribution system’s API or through a TMC’s booking tool. “We are keeping our options open with regards to the booking mechanism, as there are a lot of potential integration points and we want to evaluate which one makes the most sense while keeping us as agnostic as possible and enabling the greatest connectivity across the market,” Pless said.

## Visa Enables Mobile Wallets for Corporate Cards

Visa has enabled Android Pay, Apple Pay and Samsung Pay for corporate cards, and U.S. Bank will be the first corporate card issuer to enable them for clients, said U.S. Bank general manager of corporate and public sector bank card programs Jeff Rankin. Once companies approve the use of mobile wallets for their travelers, employees down-

load the mobile wallet app of their choice and input their corporate card details. U.S. Bank has piloted the capability with multiple companies across “hundreds to thousands” of cardholders.

Clients’ requests for mobile solutions for their workforces drove the move, according to Rankin. Because mobile wallets use tokenization, Rankin said the

payment method is safer than magnetic stripe cards. “It’s similar to using a chip card,” he said. “It decreases the chances of fraud and the chance of account numbers and information being stolen.”

American Express was the first card issuer and network to enable Apple Pay capability for U.S. corporate cards in 2015. Later that year, MasterCard enabled corporate card use with Android Pay, Apple Pay and Samsung Pay. ■

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## Energizing Amex Global Business Travel with KDS

When Oliver Quayle joined KDS to lead product marketing in 2010, he didn't want to "market a terrible product that's just the same as everyone else's." So, Dean Forbes, who was CEO at the time, told him to fix it, Quayle told BTN payment and expense editor JoAnn DeLuna. By 2012, KDS had launched Neo, a reimagined, mobile corporate T&E booking tool that deals with the entire trip, door to door. Then American Express Global Business Travel acquired KDS last year. So, after years of criticizing travel management companies, Quayle now finds himself working for one of the biggest as VP of product marketing and innovation.

### WHAT WILL YOU BE DOING IN YOUR NEW ROLE?

For the last five years, I was a little less than polite about TMCs' need to innovate. Now I find myself in a position to do something about it. I still keep my KDS hat, but I'm also working with Evan [Konwiser, digital traveler VP] on the GBT side to provide the product marketing leadership across the portfolio and also work on innovation on the GBT side. The parallels are quite similar. It's been an eye-opener for me to be product marketing to 12 different products that do different things across the TMC customer base. It's been a gas so far, and I'm hoping it continues this way.

### BEFORE KDS CEO DEAN FORBES LEFT, HE INSINUATED AMEX GBT WOULD SHIFT PRIORITIES AT KDS FROM DEVELOPING INNOVATIVE PRODUCTS TO INTEGRATING THE PLATFORMS. WAS HE RIGHT?

It's easy to think that innovation is all about cool stuff, gadgets and buzzwords. If you look across the business travel [industry], the basics aren't even there. The first innovation is doing what should be "the basics." The core platform [has to be] able to support incremental improvements for the traveler experience by integrating suppliers, consistency of on- and offline supplier choices, the trip records and profile management so [agents] know who they're speaking to, what their preferences are and what trip they're on. That [effort] started before I joined, but it's necessary to make sure that's a reality before building out the innovations on top of that platform. We're experimenting with the cool stuff—natural language and artificial intelligence—but we're using it on specific use cases. You won't really see the wow factors until that core platform is in place. But that's this year. It's a good investment that allows us to step up change for the second half of this year.

### ONCE THE CORE PLATFORM IS SET, WILL KDS MAINTAIN ITS PRE-ACQUISITION PACE OF RELEASING NEW PRODUCTS AND FEATURES?

It could go either way. When you're part of a big company, sometimes there's a lack of courage to put out [new products]. At KDS, we were putting



Oliver Quayle, VP of product marketing & innovation for American Express Global Business Travel & KDS, talks:

- Integrating Amex GBT & KDS cultures
- When the "cool stuff" will start to roll out
- The value of a bigger data set

out stuff when the paint was still wet because we needed the feedback to make it work. As part of a bigger company, there are more checks and balances and governance. That said, GBT wants to be more like KDS in their approach and find more of a healthy balance so we don't release something that needed one more iteration but put out enough stuff to get customer feedback so we can keep innovating. GBT has stuck to their word [in terms of] wanting us to be the company they bought and not changing how we develop [products]. If anything, we've been infecting the GBT side more than vice versa.

### KDS ALREADY USES MACHINE LEARNING ON THE TRAVEL SIDE. WHAT ELSE CAN WE EXPECT?

The difference now is that we have access to GBT [data]. With machine learning, the more data you have, the better. They can put in card swipe and spend data, as well as on- and offline data. In terms of an AI/machine learning playground, that's a much richer experience than anything we were dealing with before at KDS. GBT already has a team looking into [for example] trip recommendations based on previous behavior, which is very similar to what we were doing at KDS, but the difference is the scale. ... They have global data from tens of thousands of customers, a volume that we simply didn't have before.

### IT'S EARLY ON, BUT HAVE YOU SEEN ANY TRACTION IN TERMS OF KDS TAPPING AMEX GBT CUSTOMERS?

We've seen a lot of traction very quickly. When GBT customers see Neo for the first time, they still have that wow effect. ... Even though we had a lot of great customers before, there wasn't much outside of France, the U.K. and a bit in Germany. Now there's a significant volume of customers coming to us for Neo.

### HAS KDS LOST OR GAINED ANY TMC PARTNERSHIPS FOLLOWING THE ACQUISITION?

All of our largest customers are on active multiyear reseller agreements. There will be other TMC opportunities, as well. It's definitely not the end of us having independent reseller partnerships. It just changes

**"For the last five years, I was a little less than polite about TMCs' need to innovate. Now I find myself in a position to do something about it."**

the nature of some of them. There are a lot [of TMCs] that really don't care.

### THERE ARE SEVERAL INTERESTING EXPENSE STARTUPS. WOULD KDS CONSIDER ACQUIRING ONE NOW THAT YOU HAVE BIGGER POCKETS?

I see a lot of really exciting and interesting technology partnerships and service providers in or around what we're doing today. I can't say anything about what I've been looking at myself, but a big part of my role is looking at things that can supplement either the technical or service-related part of our offer. It's a whole different ball game making an acquisition as part of GBT. ■

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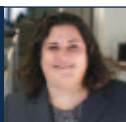
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# Early Returns from Study Show Travel Managers Audit Hotel Rates Infrequently

BY JULIE SICKEL

For as long as corporate travel programs have been conducting audits of global distribution system hotel rates, it's been lather, rinse and repeat. Travel programs run the audits, catch the rate discrepancies, spend weeks trying to get hotel partners to load the proper rates, then repeat to get the rates where they need to be. But with the advent of technologies like Tripbam and Yapta, which catch improperly loaded corporate GDS rates while searching for better deals, it's unclear how much the old way of doing things has changed.

## How Often Do You Audit Your Hotel Rates?



Early numbers from a survey by HRS and GBTA has found: not much.

Data from the first 200 respondents found that continuous rate auditing is rare among corporates. Twenty-two percent audit the rates every couple months, and 33 percent check only once, when rates are loaded. "Anyone who deals with a hotel program knows that that's not when rate complaints stop," said HRS head of corporate sourcing for the Americas Jeff Hillenmayer.

**"Not only are people not doing this, part of the reason they're not doing this is they don't think it's important enough; they don't realize how much money they're leaving on the table."**

—GBTA'S KATE VASILOFF

GBTA research manager Kate Vasilloff said that before conducting the survey, GBTA had no real sense of how and how often programs were conducting audits, "not even a finger in the air sense," she said. "It really depended on who you talked to, how mature their programs were. There are just too many factors." Of the 13.5 percent of travel managers who don't audit hotel rates, 27 percent don't think it has a significant impact on their hotel rates, so it's not a priority.

On average, travel managers found rates to be incorrectly loaded 16 percent of the time, Vasilloff said, including errors not only in price but also in negotiated amenities and room types. One-third found rate issues more than 20 percent of the time. A separate analysis HRS conducted on 23,000 of its own clients' rates last spring found that one-quarter were incorrect and 11 percent of the rates were higher than what was negotiated.

The GBTA survey returns also pinpoint the varied ways in which travel managers conduct audits. About half do so manually. Thirty percent rely on reports from their travel management companies and 19 percent on reports from hotels. Some 40 percent rely on travelers to report incorrect rates.

The survey will run through April. The first 200 responses came from GBTA members and affiliate organizations and HRS clients. To participate, travel managers must have responsibility for negotiating, loading or verifying hotel rates and contracts. ■

## How Amex CEO's Pay Changed from 2015 to 2016

BY JOANN DELUNA

American Express' strong financial performance in 2016 meant CEO Ken Chenault received his target "total direct compensation" of \$22 million for the year, a 19 percent year-over-year increase, according to a March 21 filing with the SEC. However, a portion of that pay has been attached to long-term performance, so the amount he is taking home immediately for 2016 has decreased from 2015.

Amex's compensation and benefits committee reallocated the \$6.6 million annual incentive award portion of that \$22 million into long-term incentives instead of a bonus entirely or partly in cash, the filing showed. With that change, 91 percent of Chenault's 2016 compensation is tied to long-term and stock-based incentives. The remaining 9 percent is his \$2 million base salary.

Chenault's target total direct compensation has remained at \$22 million since 2014. In 2014 the committee decided to award Chenault more owing to a "solid performance against specific goals" and Chenault's overall leadership contributions to Amex's success. That year, net

income increased 10 percent to \$5.9 billion, earnings per share rose 14 percent, revenue rose 4 percent and return on average equity rose from 27.8 percent to 29.1 percent. Amex then cut Chenault's 2015 compensation

	Total Direct Compensation (Amex reporting)	Summary Compensation (SEC standards)
2014	\$25.1 million	\$22.8 million
2015	\$18.5 million	\$22 million
2016	\$22 million	\$17.5 million

Source: March 21, 2017, American Express SEC filing

26 percent because the card network missed several financial goals, including its minimum earnings-per-share target of \$5.18. Thus, based on SEC-reporting standards,

Chenault's salary has decreased consecutively for the past three years.

For this past year, Amex's compensation and benefits committee said, it has awarded the \$22 million because the card network exceeded its initial earnings guidance of \$5.93 per share, achieved a record number of new cards in the fourth quarter, added 1 million U.S. merchants, made traction on its two-year plan to remove \$1 billion from its overall cost base by the end of 2017 and to enhance growth, and strengthened its card member rewards. All that supports future revenue growth for the company, according to the filing.

Still, the committee reallocated portions of Chenault's compensation because those cost-reduction and growth efforts are ongoing. "While acknowledging that the company exceeded initial expectations and made significant progress in 2016, the committee also recognized that additional work lies ahead to reset the company's trajectory toward profitable growth and high returns," the filing noted. ■

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## Business Travelers Expect Consistency Airbnb Can't Deliver

BY CRAIG FICHELBERG

How would you define convenience for a traveler checking into a hotel for business travel? Is it knowing that there will be someone waiting at the front desk to assist you 24/7? Is it providing standard in-room amenities, such as daily clean sheets and towels, a coffee maker, an iron, dry cleaning, cable TV and Wi-Fi? Or maybe convenience is better characterized by an on-property fitness center, bar, concierge or business center. Regardless, hotels around the world have established a standard they all must maintain in order to attract business travelers.

Airbnb has done a phenomenal job disrupting the hotel space. The company has added diverse and robust supply at a competitive price point. It has created an easy-to-use booking tool to distribute its inventory to the public. But, thus far, Airbnb has struggled to penetrate the highly sought-after business travel market. It is no easy task to take a diverse group of homeowners and establish a reliable level of consistency from one property to the next, but consistency is exactly what business travelers expect. Business travelers do not have time between meetings to



Craig Fichtelberg is president of AmTrav Corporate Travel

track down room keys, find business centers or search for Wi-Fi networks and passwords.

On average, business trips are short and time is vital. The Airbnb convenience bar is lower than hotels' and inconsistent from one property to the next. Airbnb will need to raise the convenience bar across its properties to achieve the business travel adoption the company is striving for.

While Airbnb has struggled with business travelers, Uber has prospered. A Certify analysis of the business receipts it processed in 2016 showed Uber to be the most expensed service while Airbnb made up less than 1 percent of expenses in the lodging category. Both Airbnb and Uber are disruptors in their respected spaces. Both come in at lower price points than their traditional competitors. Both have easy-to-use mobile booking tools. But, the reason Uber has seen adoption with business travelers and Airbnb has not is the convenience factor. While Airbnb is struggling to provide a consistent level of convenience, Uber's combination of lower cost and higher convenience fuels business travel adoption.

In pursuit of this convenience level, Airbnb is developing partnerships with concierge companies and services to mimic the hotel experience. This is a step in the right direction. Once it can establish consistent convenience across the majority of its business properties, both travel management companies and booking tools will be pressured to find ways to incorporate Airbnb content into their regular booking paths.

At this point, the burden is on Airbnb, and hotels have no intention to wait around. Instead, they're taking steps to enhance traveler and guest convenience. If Airbnb can raise its convenience factor at a faster pace than hotels, parity will eventually reign between hotel offerings and Airbnb properties. At that point, Airbnb will be as strong a contender in the business travel space as Uber is today. ■

**It is no easy task to take a diverse group of homeowners and establish a reliable level of consistency from one property to the next. But consistency is exactly what business travelers expect.**

*From the desk of Craig Fichtelberg*

	HOTEL	AIRBNB BUSINESS TRAVEL READY LISTINGS
Daily Clean Sheets/Towels	Y	N
Coffee Maker	Y	?
Iron	Y	Y
Dry Cleaning	Y	N
Cable TV	Y	?
Wi-Fi	Y	Y
Easy-to-Find Wi-Fi Connection Info	Y	?
Fitness Center	Y	?
Concierge	Y	?
Business Center	Y	?

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— Angeline Davis, Travel Associate, CA, Inc.

This was hands-down the **best SMM content** delivered to date. My team and I have attended GBTA (SMM track) and WEC (SMM track) and the sum of information provided at both did not come close to the information delivered in one day at the Strategic Meetings Summit. **Outstanding!**

— Shary Hahn, Director, Corporate Travel, Meetings and Events, ACT, Inc.

I have attended various seminars & conferences related to the industry, however this was solely focused on Strategic Meetings Management, which doesn't get much attention. Attending **this seminar provided great value** in understanding how we can better assist our customers given the complexity of this category.

— Erika M Rivera, Sourcing Specialist, Moody's Corp

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