

BTN

BUSINESS TRAVEL NEWS



GLOBAL

The U.S. State Department has launched a travel advisory system that's based on four risk levels and includes a mobile-friendly travel risk map.

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BTN'S HALL OF FAME CLASS OF 2017

New to the BTN Group Hall of Fame: Carey International founder JP Carey, inducted by Carey International president & CEO Gary Kessler; former Hilton Hotels CEO Barron Hilton, inducted by Hilton Worldwide senior director of intermediary sales Linda Hilton; Partnership Travel Consulting senior consultant global strategy and former Cisco global travel procurement director Susan Lichtenstein; and HRG CEO David Radcliffe.

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TOP STORY



Snapshots of What's to Come This Year

In our annual outlook issue, BTN editors and experts in the field predict which industry developments will make the most impact in 2018. New Distribution Capability is poised to transform airline content strategies. Artificial intelligence will finally surface in online booking tools and will start to influence travel management best practices. China's payment models may make take the global lead this year, and smart contracts may make their industry debut. In short, there's a lot to look forward to, especially if you're an innovation-minded travel buyer who has been eager for change. However, experts also anticipate that change will bring some pain in 2018, such as a change in group and meetings commissions from hotels.

FULL STORY ON PAGE 6

Wyndham Will Acquire La Quinta for \$1.95B

BY JULIE SICKEL

Wyndham Worldwide Corp. will acquire La Quinta Holdings' hotel franchise and hotel management businesses for \$1.95 billion in cash. Wyndham will gain 900 managed and franchised hotels, as well as the La Quinta brand, bringing Wyndham Hotel Group's portfolio to 21 brands and over 9,000 hotels across more than 75 countries. Wyndham Rewards will absorb the La Quinta Returns loyalty program and its 13 million members.

"La Quinta will immediately become one of our flagship brands," said Wyndham Hotel Group president and CEO Geoff Ballotti. "It is an exceptionally strong brand that is led by service-minded associates who deliver some of the highest customer-engagement levels in our industry."

The companies expect the deal to close in the second quarter of 2018. The transaction comes amid plans from both companies to spin off parts of their businesses. La Quinta announced in January 2017 that it planned to spin off its owned real

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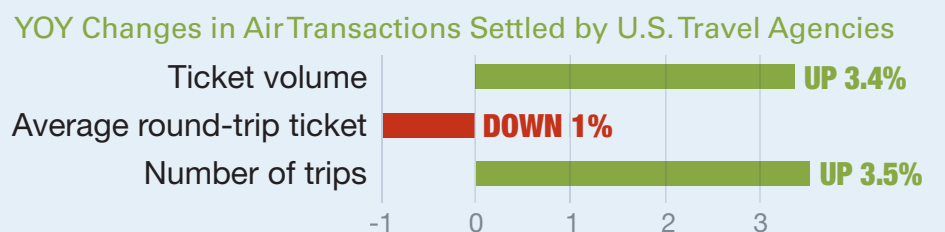


U.S. Customs & Border Protection deputy executive assistant commissioner John Wagner on facial recognition at airports

"We're piloting a handful of places right now. The results are very encouraging. I would say that in calendar year 2018, you are going to see us ... rolling out additional uses of biometrics."

4 | Data Hub

How Airlines Performed in 2017, Including:



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U.S. Customs & Border Protection Is Piloting Facial Recognition

U.S. Customs and Border Protection is investigating whether forthcoming biometric facial scans for departing foreign travelers could speed up other airport processes like TSA checks, baggage tagging, lounge entry and even duty-free purchases. The agency will introduce facial scanning this year to reduce the need for fingerprinting on arrival. BTN contributing editor Amon Cohen quizzed CBP deputy executive assistant commissioner John Wagner on these developments and the Global Entry expedited entry program.

IS YOUR BIOMETRICS PROGRAM INTENDED TO ENSURE PEOPLE WHO ARE SUPPOSED TO LEAVE THE COUNTRY ACTUALLY LEAVE, OR IS IT ABOUT VISA OVERSTAYS?

Both. In the mid-2000s, we changed the arrivals process to take fingerprints and a photograph. We never built the departures component, most notably because our airports were never set up to have a segregated departure controls area. CBP took this mission on from other parts of Homeland Security a couple of years ago. We settled on a process using facial recognition that compares a live photo to a photo already submitted to the government for the purposes of travel.

WHERE WOULD THE PHOTO BE TAKEN?

At any place you already stop today to hand your passport over to show your identity and conduct a required transaction.

YOU'VE BEEN PILOTING THIS PROCESS WITH CARRIERS. HOW'S IT GOING?

We've piloted with Delta and JetBlue. We've seen good accuracy and reliability of information and ease of use for us and travelers. This could also serve as a platform to drive innovation throughout the entire airport experience. Since we have to build this by legislative mandate for the purpose of biometric exit, we asked if we could use the same data for other places within the airport where you have to show your passport—for example, the Transportation Security Administration checkpoint or airline services like tagging your checked baggage or maybe access to a lounge or duty-free store.

There are privacy implications to work through, but our discussion with carriers and airports is about whether an environment based on facial recognition for some nonrequired components would be an interest and convenient. We think airlines will be able to improve some of their services. If we can link this to the airline boarding process, then it's not a two-stop boarding process where travelers have to present their boarding pass and then see the CBP officer. What we're piloting with JetBlue in Boston is that they take the picture when you go to board the plane, they send that to us, we validate it, the green light comes on and you board without actually presenting your boarding pass or your phone, and it takes two or three seconds.



U.S. Customs & Border Protection's John Wagner talks:

- Pilot programs with airlines
- Privacy implications
- Timing

"We settled on a process using facial recognition that compares a live photo to a photo already submitted to the government for the purposes of travel."

DO YOU SEE A WAY TO WORK OUT THE DATA PRIVACY ISSUES YOU MENTIONED, OR MIGHT SOME BE INSURMOUNTABLE—FOR EXAMPLE, FOR VISITORS FROM THE EUROPEAN UNION?

There are certainly privacy needs to address, especially if we are going to use this technology for services not required by law or regulation. We have been discussing with privacy authorities in the U.S. how we would go about it. A lot of it is advising people what choice they have, where the data goes if they choose to participate, where is it stored, who it is shared with, how long there is access to it, and will they have an option? So there is a lot of visibility we have to provide. I don't think it's insurmountable. We're not collecting new data because it's comparing with what you've already given us. We just want to use that data to make it more convenient to travel in and out of the airport.

WHAT'S YOUR BEST GUESS ABOUT TIME LINES?

We're piloting a handful of places right now. The results are very encouraging. I would say that in calendar year 2018, you are going to see us, in conjunction with some airports and airlines, rolling out additional uses of biometrics.

DOES IT MATTER IF THIS TECHNOLOGY ROLLS OUT PIECEMEAL AT DIFFERENT AIRPORTS?

That doesn't matter ... but what we are hoping for is consistency. We don't want conflicting systems where it's even more complex to get from the curb to the gate or vice versa: You have to give your fingerprints here, a piece of paper here, your passport here, your picture here. Let's figure out a way to link them all. In an ideal situation, it's easier for the traveler to get through all the required steps as a good person but impossible for a bad person to get through.

We're also going to use facial-recognition technology in the arrivals process. We piloted [in November] in Atlanta on a couple of flights to see how it would work. If we can match you to your photograph and we've already got your fingerprints on file, we're not going to have to take them again.

HOW IMMINENT IS BIOMETRIC ARRIVALS?

I expect we would start to roll out in summer 2018. We have to figure out if we still have a need for kiosks. I think we'll be able to phase out the whole kiosk process. We're also going to make Global Entry even quicker. We are working on just taking your picture and you walking out the door without stopping at a kiosk.

WHAT PROGRESS ARE YOU MAKING WITH EXTENDING RECIPROCAL ARRANGEMENTS BETWEEN GLOBAL ENTRY AND THE EXPEDITED TRAVELER PROGRAMS OF OTHER COUNTRIES?

We have just added Taiwan, and India before that.

THAT'S 14 COUNTRIES. ARE MORE IN THE PIPELINE?

I'm not aware of any imminent at this point.

ARE THERE BARRIERS PREVENTING MORE COUNTRIES FROM GETTING INVOLVED?

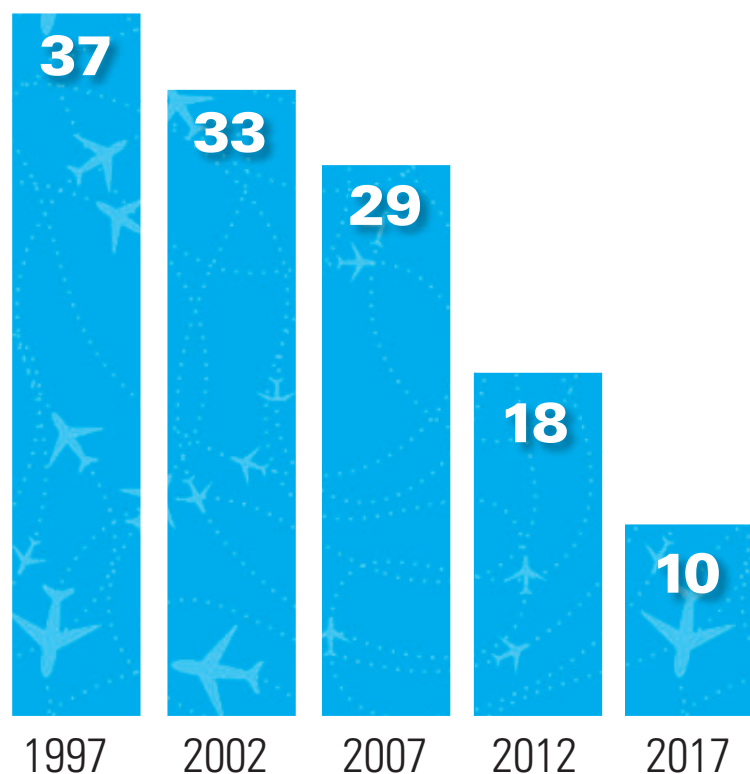
I don't think that's the case. It's more the levels of the countries we have in the program already, the requirements for the background checks and the vetting, and a question of whether a government wants to provide that for access to the U.S. for their citizens. ■

How Airlines Performed in 2017

2017 Was the Safest Year in Commercial Aviation History



COMMERCIAL PLANE ACCIDENTS HAVE DECREASED 73% IN THE PAST 20 YEARS



Source: Aviation Safety Network, a tracking service from the nonprofit Flight Safety Foundation

Most Punctual Airlines in the World

AMONG THE 20 LARGEST AIRLINES



All three U.S. legacy carriers, as well as Alaska Airlines & Southwest, ranked in the top 10.

AMONG THE 250 LARGEST AIRLINES



IAG's Barcelona-based LCC improved 13 percentage points over 2016.

AMONG LOW-COST CARRIERS



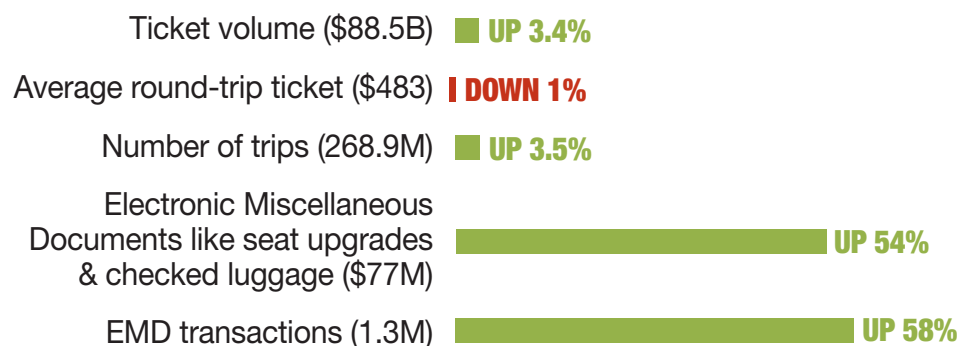
 **Tokyo Haneda**
Madrid
Atlanta

Passengers departing from these airports were the most likely to be on time, at least among airports with at least 30 million departing seats per year.

Source: OAG's annual Punctuality League report, based on 57 million flight records; "on time" is defined as arriving within 15 minutes of the scheduled arrival time

Ticket Prices Lowered & the Number of Trips Rose

2017 YOY CHANGE BASED ON TRANSACTIONS SETTLED BY U.S. TRAVEL AGENCIES



Source: Airlines Reporting Corp.



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BTN'S

WHAT TO WATCH 2018

Snapshots of the trends & developments that both BTN editors & experts in the field say will have the most impact on the industry in the coming year

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REGULATORY



Travel Data Protection Will Turn into Opportunities

By American Express Global Business Travel chief privacy officer & VP of commercial compliance **Kasey Chappelle**

Personal data makes business travel possible. It can also make business travel smarter and faster. Data, handled effectively and appropriately, can bring down costs, increase compliance with laws and policies and keep travelers happy and safe. The European Union's General Data Protection Regulation, coming into force this May, aims to update how personal data is handled and shared. It has a broader scope than the law it replaces, so any company handling EU data must pay close attention to this shift.

Travel is complicated, and business travel involves high-risk data. A travel transaction isn't a simple data flow. It involves many different entities located around the world. Business travel is increasingly driven by data-powered consumer technologies that can cause privacy problems if they are not handled carefully.

Data Awareness Will Lead to Opportunities: Smart companies are treating GDPR compliance as an opportunity rather than a risk. Here's one example: The law requires companies to maintain a record of data-processing activities. Some companies will have a compliance analyst update a spreadsheet as business processes change. Others will take this opportunity to create a data inventory, forming the basis of a data-governance program that meets GDPR obligations but also furthers business goals for data quality and accuracy. That will reduce errors and power better client and traveler services. In 2018, as GDPR forces companies to become more rigorous about charting and monitoring their data, it will drive better business practices and even new opportunities.

Dialogue Will Create Clarity: Data protection law divides organizations into controllers and processors. The former are directly responsible for data; the latter process data only on the explicit instruction of a controller. The travel buyer, global distribution system and travel supplier by law are controllers. Travel management companies take differing positions, but most provide services complex enough to qualify as a data controller and they will offer controller compliance to clients. Those TMCs take on the responsibility—and the liability—of data protection compliance. That can lift the GDPR burden from travel managers significantly.

Still, travel managers need to educate internal stakeholders like procurement and compliance departments that travel programs are different. They may already have had to explain to their lawyers why a contract can't be—and doesn't need to be—executed with every potential hotel, airline and ground transport company around the world. This task can be made easier through industry dialogue and standardization. Travel industry associations have started to share explanations of complex data protection issues specific to travel, such as proper treatment of meal preferences and disability assistance requests, and legal analysis of international travel booking transfers. Further, they can align on technology solutions and sponsor industry codes of conduct to simplify compliance and ensure data is protected across the travel transaction.

Breach Notifications Will Drive Security Practices: Cybercriminals increasingly target vulnerabilities in the travel ecosystem. Travel companies must pay close attention to how they secure the valuable data they handle. GDPR doesn't change that; it does, however, impose new obligations on companies that experience breaches. Breach notification laws, active in the U.S. and a few other countries, have forced companies to pay closer attention to security programs and their responsibility to the public when breaches are uncovered. GDPR will have a similar effect for EU citizens. Breach announcements will increase dramatically in 2018, and companies will be forced to improve their incident response times and formalize their protocols.

SMMP Compliance Will Get Real with GDPR



By GoldSpring Consulting senior consultant **Kevin Iwamoto**

The countdown to May 25, 2018, is set for compliance with the European Union's General Data Protection Regulation. Strategic meetings management program leaders can leverage the opportunity to get visibility and oversight of rogue meetings and events spend. One of the most common challenges among SMMP global category leaders is their inability to see local country spend and local country preferred supplier agreements. GDPR offers an opportunity for SMMP category leaders to access all this information through a GDPR-readiness audit. Violating GDPR will result in fines of 4 percent of annual global revenue or 20 million euros, whichever is greater, so it shouldn't be difficult for SMMP category leaders and procurement to get approval to conduct such audits and then bring the rogue spending and supplier agreements into the SMMP. Here's what I see in the market, and many companies will scramble to make the May deadline:

The PII Governance Gap Audit: If you think about all the personal data flowing through business travel, meetings and events, the data-governance-gap audit is critical. SMMP leaders will figure out what personal data they have about attendees, speakers and sponsors; where it came from; and whether they have adequate consent to use it. Under GDPR, existing preselected boxes and opt-ins are not enough.

Data Storage: SMMP leaders are scouring the systems where data is stored and analyzing when it was last used and what was it used for. Data accuracy is key here, as are the processes in place to keep the data safe and, important for meetings, whether that data has been shared with other suppliers and partners. SMMP leaders will be busy ensuring they have adequate consent from participants and that sponsors and suppliers are compliant with GDPR regulations.

Existing data may take a hit. Corporates will have to communicate incorrect information back to individuals. They will also be obligated to destroy the data if they never had the proper consent in the first place. This happens often when merging registration and attendee lists from other meetings and events. Indeed, this practice will require much more oversight, and that necessitates a clear understanding of what personal data is held, where it came from, where it is stored and who it was shared with.

Documentation: Organizations will have to be ready to show they complied with data protection principles by having effective policies and procedures in place. And just as financial audits are standard for travel programs, the meetings industry should get ready for personal data audits to become the norm.

It's hard work, but it's not bad news. The GDPR requirements will allow SMMP leaders to get local country spend transparency and consolidate it under the main corporate SMMP governance umbrella for greater control in 2018.

DATA STRATEGY

Data Aggregation Will Drive Travel Risk Management

By Concur president Mike Eberhard



Geopolitical uncertainties and natural disasters in destinations normally deemed safe will keep risk management top of mind for travel managers in 2018. Meanwhile, business leaders are grappling with how to ensure the safety of their business travelers through comprehensive duty of care programs. I share this concern with executives around the world, and I believe the answer to keeping travelers safe lies in a more sophisticated approach to handling their data.

Travel data is only valuable when it is accessible, accurate and comprehensive. Companies have had trouble using data for travel risk management in the past, largely because it is disparate and disconnected. Today, business travel data is spread among numerous channels: corporate credit cards, personal credit cards, online booking tools, supplier-direct sites and more. When gaps in data exist, companies lack complete and accurate pictures.

Technology can bridge those gaps. Cloud computing has made it easier to access and aggregate information in real time. Developers have created application programming interfaces that allow disparate systems to talk to each other, bringing data sources together. In 2018, businesses will build on these advancements to improve travel risk management services and ensure duty of care. Three strategies will drive this result:

Cross-functional strategies for travel risk management: Duty of care extends beyond the corporate travel department into HR, legal, security and more. In addition to working more closely with these teams, travel managers will integrate HR data, corporate card data and digital receipts with travel data. Real-time, multidata sources will enable companies to pinpoint and communicate with employees in emergencies. Continuous automated data capture and aggregation will remove security gaps caused by old data and/or heavy reliance on the traveler to take action.

Consumer-friendly tools: Employees expect seamless experiences across all their technology applications, both consumer and enterprise. In the coming year, companies will prioritize the traveler experience and choose tools that employees will love to use. Improved compliance will lead to more comprehensive travel data and greater visibility.

Accepting and aggregating out-of-channel bookings: The sharing economy and proliferation of booking and purchase options at employees' fingertips has made it impossible to impose rigid travel policies and ignore out-of-channel bookings. Companies will embrace more open travel policies that provide travelers flexibility and options, while also employing methods to capture off-channel data.

Deploying these strategies will give businesses accurate, real-time insights to ensure employees are safe wherever they travel.

T&E Tech: Travel ROI & Spend Optimization Will Come into Focus

By Chrome River co-founder & CEO Alan Rich



Nearly every industry undergoes major evolutions as technology evolves. Television shifted from scheduled viewing to time delays, then on-demand. Automobiles have changed from internal combustion to hybrid and are now facing their most dramatic paradigm shift with driverless technology. Employee expense management has seen similar evolution: The first era of expense management was receipts stapled to forms. These were a pain for business travelers to create and equally cumbersome for approvers. The second era introduced expense report software, which "automated" the paper process. It was easier for everyone to use and enabled workflows, but productivity gains were questionable. The third, and current, era focuses on simplifying the expense management process with mobile apps, receipt scanning with

QUICK TAKE

African Business Travel Management Ascends

BY TOPAZ INTERNATIONAL OWNER
BRADLEY SEITZ

African business travel management can no longer be ignored. The World Bank has identified substantial sub-Saharan African growth in key life indicators like gross domestic product, population and life expectancy over the past 20 years. This suggests further global influence and opportunities for the travel industry in the near future. The ability of our industry to work collectively on common challenges will drive innovative solutions to African travel problems. Progressive technology will eliminate some issues on this continent, and innovation will be more welcome in a growing region eager for change.

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optical character recognition data extraction and expense item creation. Integration with credit card and travel providers provides real productivity gains. Automated enforcement of expense policies and business rules provides risk and cost reduction. ACH payments to employees and card providers streamline business processes.

Each iteration of expense management technology has focused on cost control and compliance, and each has succeeded. With the help of automation, many organizations have minimized process costs, maximized expense policy compliance and reduced fraud to the point where continued efforts to improve further will produce diminishing returns.

Enter the Next Era

The next era for expense management will focus on actionable spend intelligence; the emphasis will be less on reducing spend and more on making it impactful. This doesn't just mean leveraging spend data to negotiate vendor discounts; it is about obtaining information on the outcome of T&E spend to optimize future spend.

Cloud-based customer relationship management solutions, integration between applications via application programming interfaces, mobile capture of spend information and geographic encoding of spend data are some of the underlying technology and environment changes that make this new era possible.

Sales and account management teams are typically responsible the majority of T&E spend in an organization. In their

CRM solution, these teams log every prospect and customer interaction like meetings and meals. The CRM system also contains data on the outcome of these interactions, whether an opportunity was won or lost and how much revenue was generated. An expense system contains details of spend incurred by the sales and account teams. Unfortunately, these are two application silos, often owned by different parts of the organization. The disconnect makes it difficult to provide context on the outcome of T&E spend and impossible to analyze how sales teams' T&E spend impacts revenue generation.

Answering Tough Questions & Allocating Budgets

As we move into 2018 and beyond, expense solutions that integrate CRM sales data with spend data to deliver actionable intelligence will usher in the next era of expense management. This will have a major impact on how organizations create and distribute T&E budgets. By allocating each spend item to a specific sales opportunity or account within the expense solution and combining this with revenue data, sales and finance leaders can obtain granular detail on specific opportunities and activities. Organizations will be armed with answers to questions like: What is an optimum amount of T&E spend to deliver a dollar of revenue? Which activities are more or less likely to deliver successful sales outcomes? What spend is least efficient in generating new revenue?

As organizations adopt expense management solutions less as spend reduction solutions and more as spend optimization solutions, we'll witness a real impact in the way finance teams view T&E budgets.

QUICK TAKE

The Year to Pilot NewTech

BY CONICHI
FOUNDER & CEO
MAX WALDMANN

If you look back at the last two years, [all this technology] was new. People were super excited talking about things, and then last year people saw technologies were getting more mature. In 2018, people will try things out. They will fall down; they will stand back up again. We'll see a lot of a people presenting and showing off and creating case studies on the technology presented over the last two years like blockchain, end-to-end sourcing and enhanced duty of care.

SOURCING



Hotels Will Mess with Group & Meetings Commissions

By BTN lodging editor Julie Sichel

Corporates funding their strategic meetings management programs entirely through commissions may want to create backup plans. This year could see one or two big players in the hotel industry lead the way in altering how commissions are paid out to intermediaries and corporates for group and meetings sourcing. This idea has come up more and more during the past three to four years. So why will it actually happen in 2018? With the consolidation of recent years, the big hotel companies have more power than ever to do away with things they don't like.

While a change in hotel commission structures would certainly affect those companies that rely on them as some part of their revenue stream or as rebates to their travel program, a number of consultants who spoke on background for this piece said the segment of the business that is sure to be most impacted is groups and meetings travel. "It's going to explode," one consultant said.

Hotel commissions are what make many of today's SMMPs work. Corporates and associations typically source hotels in one of two ways: They use intermediaries like travel management companies or meeting planning services like HelmsBriscoe and ConferenceDirect; these kinds of companies carry out the sourcing and then return all or a portion of the commissions they receive to clients. Or corporates forego the intermediary and pay a full-time internal person to source, using the commissions they receive from hotels to cover the headcount. Both ways allow corporates to fund people or technology without having to ask senior leadership for a significant investment.

But hoteliers, from their own perspectives, are paying out significant sums of money to large intermediaries or corporates for group business they might have received regardless. As already has been demonstrated in recent years with cancellation policies and direct booking rates, all it will take is one major hotel to deploy a new structure for commissions before the rest of the industry moves in lock step.

What a new commission model could look like is still to be decided. Hotels could focus on number of room nights in a tiered structure instead of percentages for each room night, paying out X commission for Y room nights and giving favor to SMMPs that can offer more room nights. Or hotels could pay commissions only if the corporation's broader hotel program considers the property a preferred property. Whatever the model, if things change, the questions become: What happens to all the non-hotel players with skin in the game, and can corporates still prove the value of SMMPs once they have to ask for more funds from their organizations to make them happen?

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Smart Contracts Will Crush the Hotel RFP

By Mezi VP of strategic partnerships
Johnny Thorsen

QUICK TAKE

Two Ground Transport Predictions

BY EXECUTIVE TRAVEL FOUNDER & CEO STEVE GLENN

Hertz will buy Avis:

There are too many car rental companies. Enterprise/National is eating the cake of the other companies with amazing pricing and outstanding customer service. A merger allows Hertz and Avis to try to muscle back some market share that Enterprise/National has been stealing from them.

Lyft will grow faster than Uber in 2018 as

Uber raises prices:

I am a big supporter and user of Uber; however, under the hood of its business model, it is hemorrhaging billions of dollars and will be forced to fine-tune its pricing structure.

My best guess is they will have to dramatically increase their prices by 10 percent to 20 percent in 2018 to slow the losses.

Lyft, on the other hand, is taking a lot of market share from Uber. It was barely a blip on the radar and now owns a third of the business.



As corporate travel rolls into 2018 with all engines powering full speed ahead, it's worthwhile to take a step back and consider which travel procurement category the coming technology might impact the most. My guess is that the hotel RFP process finally is about to get a serious shake-up and might even be removed completely from the playing field for the brave buyers who dare to think different.

Considering the inefficiencies associated with the current hotel RFP, it's surprising that procurement experts continue to execute the same game plan every year. Many programs have even acknowledged the failure by creating a rate-audit process that effectively is designed to highlight how often the RFP process fails to deliver the expected result.

Imagine a new world in which a smart contract calculates and assigns the correct hotel rate regardless of how the booking was made and through which channel it was made. Furthermore, the smart contract will use dynamic and flexible parameters to calculate the price and provide both the hotel and buyer real-time access to a single data set showing number of room nights purchased and price paid at any given time, without waiting for other service providers to prepare the data for analysis.

This fantasy soon will be a reality, as blockchain-based smart contract services on demand make their way into the corporate travel industry. The biggest benefit created by a smart contract is that the price is guaranteed; nothing can prevent the correct price from being applied once the booking has been made. However, there are other significant advantages, including the ability to get extra discounts based on daily, weekly or monthly room-night consumption; method of payment; or number of travelers staying in a property on a given night. Today's distribution models can make use of none of these discounts without significant manual work and thus errors that then create the need for additional controls. In a blockchain-based world, however, these not only are possible but also quickly will become the norm for advanced buyers. The implications are dramatic. Imagine a hotel account manager confronted with an important customer saying he or she will require support for smart contracts in order for the hotel to remain in the program.

Even better, this can be achieved without involving the global distribution system and travel management company. These traditional pillars are reduced to potential booking channels while the price and payment are managed by the smart contract with an automated audit trail.

What do you think? Will you keep the hotel RFP alive for nostalgic reasons, or move into the future?

TECHNOLOGY



The "Year of the Voice" for Business Travel?

By BTN payment & expense editor JoAnn DeLuna

This past holiday season, Amazon sold "tens of millions" of Alexa-enabled devices; the Echo Dot was the top-selling item across all Amazon.com categories and across all manufacturers, according to the online retailer and cloud computing company. In January, Google also announced it had sold "tens of millions" of Google Home voice-activated devices in 2017.

As adoption of voice-enabled devices increases on the consumer side, business travel suppliers will develop their platforms with voice capability in mind to satisfy demand, just as they've had to create consumer-like travel apps. "Either you [as a supplier] will be left behind, or you'll provide more value leveraging such devices and technology," Omega World Travel VP of IT and data analytics Nadim Hajje told me recently.

In 2012, Oracle Fusion Expenses became the first expense management system to incorporate voice functionality, allowing travelers to capture



AI Will Begin to Impact Corporate Hotel Booking

By HRS VP of product development **Martin Biermann**

It's hard to miss the increasing footprint artificial intelligence has in our everyday lives. This point is best illustrated by the remarkable popularity of intelligent "smart" home speakers. According to U.K.-based Strategic Analytics, consumers worldwide purchased an estimated 24 million smart speakers in 2017, nearly half in the fourth quarter alone. eMarketer reports that 35.6 million Americans used a voice-activated-assistant device at least once a month last year, an 129 percent increase over 2016.

As we consider the impact on business travel, look at how consumers use AI. Amazon shared that people asked Alexa for cooking-related advice more than nine times as often last year as in 2016; Alexa also helped mix "tens of thousands" of drinks. People increasingly look to AI for instant, convenient expertise to solve the challenges in front of them. And with Alexa possessing more than 20,000 skills and growing in the U.S. alone ... people expect instantaneous solutions to personalized issues.

Corporate Hotel Bookings in the AI Age

In times of maximum hotel program complexity, only those who make it easy will attract repeat business. Convenience is the new basis for customer loyalty, whether that's at the time of booking, on the day of arrival, during the stay or at departure.

Personalizing corporate hotel bookings will require continuous cataloging and tracking of traveler behavior. How does the traveler search? Which detailed pages does he or she look at? Does the user check the map view? Is location thus a deciding factor? All of this will be analyzed to draw conclusions, and not just for the booker in question. The technology will make precise suggestions even to new employees or those that hardly travel. Booking tools, leveraging similar demographic characteristics and peer traveler behavior and mixing in select traveler preferences, can serve up policy-compliant lodging options, including the right hotel services.

In five years, we likely won't have "traditional" searches any more. With machine learning, travelers no longer will need to set up searches. Instead, the traveler just enters the city, date and number of rooms and will get three hotel options, all matching the individual requirements, and that's it. Systems will see meetings in personal calendars, take action and generate bookings.

IBM CEO Ginni Rometty said, "AI is the opportunity of our time; 100 percent of jobs will be augmented by AI." AI will impact hotel bookings in 2018, and hotel program managers will begin to see this technology enhancing the traveler experience and supporting compliance and performance goals.

expenses on-the-go with a voice note. Coupa and Trivago followed in 2015. Last year, Coupa VP of product and segment marketing Sunny Manivannan said voice recognition devices were poised to gain more traction among expense technology providers. And voice technology is catching on throughout the travel sector, not just in expense.

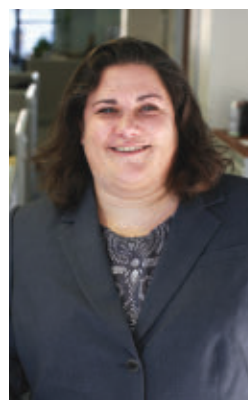
Alexa has around 170 travel and transportation functions, which Amazon calls "skills," and in December it launched Alexa for Business. Concur was among the first to develop a business travel skill, allowing Concur users to inquire about upcoming business trips. Omega is waiting for Amazon to approve its Alexa skill, which will allow travel managers to pull up traveler location information from its OmegaCare duty of care solution with a voice command. The Alexa skill responds to similar commands as Omega's chatbot. OmegaCare pulls booking data from Concur, Cytric and GetThere and pulls off-channel bookings from itineraries that travelers send in.

Suppliers will have to ensure voice recognition is flawless and intuitive and has accompanying desktop or mobile integrations so travelers and travel managers can see complex responses easily, but the industry is just at the beginning of what is possible.

Watch for future voice recognition developments this year in data analytics, travel booking and expense report creation. Hajje predicted that voice-activated devices will replace legacy telephony systems and disrupt the mobile apps market. "If I was on a mobile phone, I'd have to pivot into several apps to get the data ... but what's more natural than talking or even chatting with a chatbot? We're only scratching the surface," he said.

Chinese Travelers Will Advance Adoption of Mobile Payment

By BTN managing editor **Amanda Metcalf**



Chinese consumers love mobile tech. China now represents the largest business travel spend in the world, according to GBTA. By the transitive property, I reason that mobile payments will become the dominant form of payment worldwide. Maybe it'll take longer than 2018 to pry the plastic out of U.S. business travelers' hands. And maybe it'll take a while for infrastructure to evolve to enable mobile payments worldwide, but already it has begun. To capture the spending power of Chinese people traveling abroad, merchants and suppliers around the world are taking steps to accept the mobile payment platforms that are so popular in China.

A few developments from the past few months:

- Luxe Rodeo Drive Hotel and Luxe Sunset Boulevard Hotel became the

CONTINUED ON PAGE 14

QUICK TAKE

Online Direct Booking for Meetings

BY MEETINGS TECH CONSULTANT CORBIN BALL

Of the 1.8 million meetings held annually in the U.S., small meetings—50 people or fewer—represent a large percentage.

They are often simple, one-day events in a single room with basic A/V and catering. However, hotels have often managed these meetings in the same way they manage larger events, assigning a sales person and negotiating a contract. This costs time, labor and money for the hotel and the event organizer, but it is changing. Small meetings arrangers will access direct, online booking of meeting space and experiences in 2018, and they'll have a number of tools to choose from.

Streamlined processes promise to save planners time and effort from traditional RFP booking engines, a key event tech trend to watch in the coming year.

CONTINUED FROM PAGE 13

first hotels in Los Angeles to accept Alipay and WeChat Pay through a partnership with Citcon. The hotels reported that 1 million Chinese tourists visited L.A. in 2017. "Accepting these popular forms of payment is an important step in attracting the \$2.9 billion spent by these tourists in California each year," they said.

- Mobile point-of-sale facilitator Verifone enabled Alipay acceptance in Europe in 2016, and early in 2018, Verifone enabled it in select Lacoste U.S. stores, maneuvering for what it pegged at 3 million Chinese tourists who visit the U.S. every year.
- Verifone also enabled Chinese travelers to use their Alipay Mobile Wallets to pay for taxis in New York and Las Vegas.
- In November, Eurotrade, which operates 70 or so stores in the Munich airport, became the first German supplier to accept WeChat Pay, having got Alipay up and running in 2016. Point-of-sale facilitator Wirecard said the move was meant to target the 2 million Chinese who travel to Germany every year. It also said spending by Chinese travelers in Eurotrade's Munich airport stores increased 92 percent in the first three months in which Alipay was live.
- Alipay launched in Canada in 2016 and gained 700 Canadian merchants. Alipay then expanded its capabilities last fall, partnering with mobile payment app SnapPay so Alipay users could pay at Canadian merchants that accept SnapPay. "We want to continue offering Chinese consumers visiting Canada the ability to pay as they would in China," Alipay North American president Souheil Badran said, "but we also want to offer Canadian merchants the opportunity to access the Chinese market."

As the large number of Chinese travelers propel wider adoption of mobile payment like Alipay and WeChat around the world, that could very well prompt faster acceptance in the U.S., said Ford Motor Co. Asia/Pacific travel manager Christine Liu. As Citcon CEO Chuck Huang said, "Mobile payment is the new frontier of commerce, and China is leading this trend."

DISTRIBUTION



Less Talk, More Action for NDC

By BTN transportation editor Michael B. Baker

Suspicious buyers, leery travel agencies and global distribution systems have long feared that the International Air Transport Association's New Distribution Capability standards would shut them out of the distribution landscape. "A few years ago, you couldn't mention NDC to a large travel agency. It was like, 'Get out of my office,'" United Airlines director of distribution Tye Radcliffe said at The Beat Live conference last fall. "Now we're having a dialogue. We're going to work on it together, and it's more of a foregone conclusion that it's coming." The broad industry acceptance of late paves the way for real progress after the slow march forward.

American Airlines VP of sales and distribution strategy Cory Garner sees a "tremendous amount of warmth" toward technology that will advance distribution. American last year enacted an incentive program that offers \$2 for each American Airlines fare segment that's booked through a full, end-to-end Level 3 NDC connection with the carrier. That applies to American Airlines-marketed fares, not fares marketed by codeshare partners. "There has been a

tremendous expansion, not just in the U.S. but also globally," Garner said. "We're now operable in 30 countries, and we're certified for 150 more. It feels like we're at the precipice of something because the intensity of the conflict has died down."

In April, when Air France-KLM launches its 11 euro per-way fee on bookings made through GDSs, Europe's three biggest airline groups all will be aligned in issuing such charges. More carriers likely will surcharge GDS bookings, offer incentives for NDC-enabled bookings or implement a combined approach this year.

On the GDS side, Travelport closed out 2017 with the announcement that it was the first GDS certified as a Level 3 aggregator under NDC, and it plans to announce its first airline connection partner soon. Sabre president and CEO Sean Menke said at The Beat Live that his company will achieve Level 3 certification by the third quarter of 2018, and Amadeus also has said it will do so sometime this year.

Even so, GDSs continue with caution. "Part of the reason it's taken so long is that when IATA first launched this, they tried to cut out the GDS," Travelport global head of product and marketing Ian Heywood said at the Association of Corporate Travel Executives' global conference in London in the fall. "And now it's the opposite, so we're trying to drive this forward but in a sensible manner. This is a major change but it's in a much more controlled manner, and that's what we need."

Whatever the momentum, the period of arguing is in the past, according to Farelogix president and CEO Jim Davidson. "The train has left," he said at the ACTE conference. "There are still people trying to pull it back, but this will replace how airlines connect to all their distribution outlets. The big difference is the airline has a choice in how they want to connect, no different than any other technology or retail company."

Differentiation Will Drive New Business Models

By Festive Road managing partner Paul Tilstone



This year, we'll see incentives for all! Ok, let's be honest, I used that to grab your attention, as that's absolutely not a phrase you are going to hear much in 2018. In fact, the direct opposite will start to happen as suppliers will become much more discerning.

In the past, just having a business relationship with a supplier was likely to result in incentives between agents, content aggregators and suppliers. But, as anyone who has worked on agency incentives will attest, the grumblings about what they got in return has always been there. More recently, suppliers have become more discriminating in their financial relationships with the agency community, and the trend is not limited to the airline sector.

The changing perspectives on incentives are a bellwether for greater, underlying business model changes that will evolve this year. We've already seen the introduction of distribution fees, the waiving of these fees for some preferred agencies and the introduction of special fares through a "private" channel. These largely have been linked to the rollout of the New Distribution Capability standards by most of the larger carriers, but let's be clear: While they are connected to NDC, it is only in as much as they are all part of a broader airline strategy to develop a more efficient distribution chain for the future.

Changes to distribution strategy will accompany greater differentiation in both the products and services of the suppliers and across those delivering the services—for simplicity, let's call them the "resellers". Suppliers are building incentive programs based on demonstrable value and return relative to the ability to sell these new products and services. As a supplier, why wouldn't you focus on rewarding those resellers who can help you achieve your objectives. That's just business.

We are likely to see a variety of delivery models established during 2018 as the suppliers, resellers and buyers weigh the new options available to them to distribute and consume these differentiated products. Here lies the opportunity: As a reseller, you get to sell why you're different and how you'll meet the supplier's business objectives—maybe even co-create new ways together, ultimately becoming the "reinvented reseller."

What this means for the buyer this year is either a whole lot more pain or a glorious future of exciting work to be done. The changes in distribution and business models can't be ignored. True understanding of the value chain, money flow and impact on both the business traveler and company needs creates opportunity. It's all for the taking.

Disruption at the most fundamental financial level to an industry provides the opportunity to shape a new future. Now there's an incentive for all.

Women Will Take More Leadership Roles

By BTN editor-in-chief Elizabeth West



2017 was a year of fire and fury for women. Revelations about sexual harassment in the workplace rocked the entertainment and media industries, as well as politics and Silicon Valley, toppling figures from Hollywood and stand-up comedy to network news, public TV, radio and both the Democrat and Republican parties. Uber CEO Travis Kalanick's ouster started with allegations of toxic "bro culture".

Kalanick hits closer to home for the business travel community, but does the conduct of one startup executive really reflect the culture of our industry? I mean, we don't have these problems, do we? When it comes to workplace harassment, I need only point to the #MeToo movement to form a pretty solid theory: It's everywhere. But sexual harassment is only the most overt iteration of gender bias. There are more subtle versions.

Kalanick hits closer to home for the business travel community, but does the conduct of one startup executive really reflect the culture of our industry? I mean, we don't have these problems, do we? When it comes to workplace harassment, I need only point to the #MeToo movement to form a pretty solid theory: It's everywhere. But sexual harassment is only the most overt iteration of gender bias. There are more subtle versions.

Pay Inequality: For as long as BTN's annual Salary Survey has asked whether the participant is male or female, women have consistently reported salaries about 20 percent lower than their male travel manager counterparts. Of course, equal pay assumes that men and women are doing the same jobs, and often they are not. It's clear from the data that male respondents track overall to the more senior roles.

The Corner Office: BTN's Salary Survey queries travel management professionals across industries, so it's not a fair assessment of the business travel industry, per se. It doesn't survey suppliers at all. There also are other places to look for evidence like in the corner office, on boards of directors and in the technology companies that are feeding the innovation revolution in our industry. Take a look. How many women do you see? There are some true standouts: Carlson Cos. chairman Marilyn Carlson Nelson, Omega World Travel president and CEO Gloria Bohan and Best Western Hotels & Resorts chief marketing officer Dorothy Dowling are a sample. On the innovation front, SpotHero for Business, represented by co-founder Becca Rabinowitz, just won BTN's 2017 Innovator of the Year Award. 30SecondsToFly co-founder and CEO Felicia Schneiderhan is building an artificial intelligence-powered business travel personal assistant.

There are plenty of powerhouse women in our industry, but they are not nearly as numerous nor as visible as their male counterparts. In 2018, I predict, women will take the fires stoked in 2017 and turn them into action in their lives and in their careers. I also predict lessons learned in the corporate world in 2017 will translate into fairer opportunities for women in the workplace, including women in business travel.

CONGRATULATIONS TO THE BTN GROUP BUSINESS TRAVEL HALL OF FAME CLASS OF 2017

Susan Lichtenstein

Partnership Travel Consulting senior consultant of global strategies

"You can't do anything without a team. We are better together. I am a firm believer that supplier or buyer—it doesn't matter—if we don't do this together, it doesn't work."

Susan Lichtenstein's more than 20 years in the travel and meetings industry encompass roles at Experient, b-there.com, Kuoni, Maritz Travel, Rosenbluth Travel and Cisco. In her recent position as global travel procurement director for Cisco, Lichtenstein consolidated a large number of call centers to three global hubs, deployed an online booking tool in more than 73 countries, implemented mobile booking, instituted a new buying strategy that reduced RFPs by 75 percent, and drove revenue with a Travel Collaboration Program built with the Cisco sales team.

Until moving into a consulting career in 2017, Lichtenstein managed travel procurement, operations and card programs across 95 countries for Cisco. GetThere named her team Most Innovative Global Travel Program four times and gave Cisco its Transformational Leadership Team Award twice. The Association of Corporate Travel Executives gave the program its Advancing the Global Industry Award and its Innovator Award, and BTN named Lichtenstein a Best Practitioner in 2015, Travel Manager of the Year in 2009 and one of the 25 Most Influential in 2008 and again in 2009.

David Radcliffe

HRG CEO

"It's a complex world, and good TMCs help bring value and clarity. The good ones like us are the ones that help our clients to travel well—to do business, not to do business travel. Throughout it all has been a constant ... good people. Good people will always have a role in the travel management business."

Named three times to the BTN annual list of the Most Influential executives in the business travel industry, David Radcliffe, CEO of HRG, joined Hogg Robinson Travel at its Waterlooville branch in 1978. He started as a sales advisor and quickly rose to become marketing director and a boardmember of the U.K. travel operation, turning around underperforming branches along the way. He was named business travel director in 1991 and CEO of Hogg Robinson BTI in 1993 and led the management buyout in July 2000, one of the largest private-to-public deals of the time. He since has expanded HRG's network of owned operations and contracted partners to 120 countries.

He was inducted into The British Travel & Hospitality Hall of Fame in 2014. BTN named him one of the 25 Most Influential in 1999 for his efforts in building BTI. BTN named him to the list again in 2005 related to the dissolution of BTI and the acquisitions of Sea Gate Travel and Spendvision, and in 2006 for exiting BTI and reinventing HRG as a global travel management company.

Barron Hilton

Former CEO of Hilton Hotels Corp.

"One time I did ask Barron, 'Do you consider yourself a hotelier?' ... He thought for a minute about his answer ... and he said, 'No actually I believe I'm an entrepreneur.' And I thought that was a very interesting response. He said, 'Even in this industry, that's what I believe I am.'"

—HILTON WORLDWIDE SENIOR DIRECTOR OF INTERMEDIARY SALES LINDA HILTON

Barron Hilton took over Hilton Hotels Corp. from his father, Conrad Hilton, in 1966. During his 30 years as CEO, he dramatically expanded Hilton's domestic hotel operations through franchising and management services. In 1975, Hilton Hotels sold a 50 percent interest in six of the company's largest hotels to Prudential Insurance for \$83 million. Barron took a lease-back to manage the properties, collecting lucrative management fees and a percentage of the properties' gross profits. The sale also proved that these hotels were worth double their book value, demonstrating the underlying value of the company's real estate holdings. The transaction also enhanced the value of the stock. Hilton used the proceeds to pay down high-interest debt and to repurchase 20 percent of the company's stock, which still was trading well below the company's book value. Throughout his 30 years as CEO, he carried a low debt-to-capital ratio and a high credit rating, positioning himself to make strategic real estate acquisitions. He entered the gaming market in Las Vegas in 1970 and extended the company's leadership in meetings and conventions.

After serving in the Navy during World War II, he spent 20 years as an entrepreneur founding such diverse businesses as Vita-Pakt citrus products, the Carte Blanche credit card and Air Finance Corp., one of the nation's first aircraft leasing companies. He founded the football team now known as the NFL's L.A. Chargers and helped forge the merger between the American Football League and the National Football League that created the Super Bowl.

He is retired from his role as chairman, president and CEO of Hilton Hotels, and he is chairman emeritus of the Conrad N. Hilton Foundation, which funds nonprofits that improve the lives of disadvantaged people around the world. The combined endowment exceeds \$5 billion. As his father did, Barron has pledged 97 percent of his estate to the humanitarian work of the foundation.

JP Carey

Founder of Carey International

"His greatest contribution to business travel was his dogged and innovative pursuit of solving the challenges of the business traveler."

—CAREY INTERNATIONAL PRESIDENT & CEO GARY KESSLER

The founder of the first national and international limousine service, JP Carey was a trained barber and a natural entrepreneur. He moved to New York City in his youth and eventually started a chain of 25 barbershops. He sold those to focus on Grand Central Station, where he started with a barbershop and expanded to a laundry, shoe store and haberdashery. In 1921, he acquired a limousine service with six Packard touring cars to serve wealthy travelers arriving at Grand Central. He named it Carey Cadillac Touring Company. In 1935, he opened one of the first Hertz franchises. Also during the 1930s, Carey Cadillac added regularly scheduled service to the area's first airports: Newark and LaGuardia. In 1939, the airport service spun off to operate under the name Carey Transportation.

JP laid the groundwork that his grandchildren built on in the late 1960s when they formed Carey International Chauffeur Driven Systems to expand outside New York City. Carey Cadillac New York became the first of many licensees of the system.

Head to www.businesstravelnews.com/halloffame2017 for video interviews with Susan Lichtenstein, David Radcliffe & Gary Kessler.



Left to right: Carey International president & CEO Gary Kessler, who inducted the late JP Carey; Hilton Worldwide senior director of intermediary sales Linda Hilton, who inducted Barron Hilton; and BTN Group Hall of Famers Susan Lichtenstein and David Radcliffe

BUSINESS TRAVEL HALL OF FAME SCHOLARSHIP WINNER



United Airlines SVP of worldwide sales Dave Hilfman (left) presented the Business Travel Hall of Fame Scholarship Award, sponsored by United Airlines, to Nelson Perez (right) of the New York University Jonathan M. Tisch Center for Hospitality and Tourism Class of 2019. They were joined by United regional sales director Diana Loaces.

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HEAR WHAT PAST ATTENDEES HAVE SAID

BTN Innovate 2017 provided a new lens to see the entire ecosystem of corporate travel. Access to great minds with years of experience in one room = priceless. Worth every second of time of out of the office.

- Ariel Crohn, Corporate Meeting & Travel Manager, Coverys

BTN Innovate never fails to deliver insightful content and best practices about what really matters in our industry

- Martha Ferguson, SVP, Global Travel Manager, Lazard Freres

BTN Innovate 2017 was simply fantastic! Great presenters and amazing new ideas/apps/innovations. Even better than the year prior! GREAT JOB BTN and THANK YOU!"

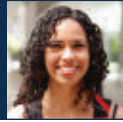
- Anna C. Bramante, Director Travel & Fleet, The Travelers Companies, inc.



Becca Rabinowitz, Co-Founder of SpotHero for Business, which took home 2017's Business Travel Innovator Award



Brian Beard, President of DVI, which took home 2017's People's Choice Business Travel Innovator Award



Airlines Surcharge Corporate Cards in Europe

BY AMON COHEN

Many airlines have introduced, or opted to retain, surcharges on corporate card payments in Europe. The European Union's Revised Payment Services Directive, or PSD2, which took effect on Jan. 13, outlawed surcharging of Visa and Mastercard consumer credit and debit cards.

The picture is highly fragmented, varying not only from airline to airline but market to market, depending partly on how each country in the European Economic Area—the EU plus Iceland, Liechtenstein and Norway—has interpreted the directive. For example, British Airways is surcharging corporate cards in the U.K. at 1 percent, up to 20 British pounds, but is not surcharging any cards in most other countries. Air France-KLM is surcharging corporate cards at 2 percent; Norwegian Air at 3 percent.

Lufthansa announced late last year that it would surcharge at 1.65 percent to a maximum of 25 euros for all cards not regulated by the Interchange Fee Regulation of 2015. The regulation effectively covers Visa and Mastercard consumer cards, including individual pay corporate cards, so central pay cards would be subject to the surcharge; American Express and Diners Club consumer cards are generally nonregulated and also continue to be surcharged by some airlines. However, German newspaper Die Welt reported that Lufthansa has postponed surcharging until mid-March, owing to "technical challenges." A well-placed travel source told BTN that Lufthansa's systems cannot yet identify with confidence whether cards presented for payment are consumer or corporate. Lufthansa did not respond to a request for comment.

Some airlines are not surcharging at all, a position some payment experts had expected all airlines to take, owing to the complexities of discriminating between card types. Carriers that have eliminated all surcharges include Ryanair and EasyJet, though

How Some Airlines Surcharge Corporate Cards

AIR FRANCE-KLM
2%

BRITISH AIRWAYS
In the U.K.
1%, up to 20 British pounds
Outside the U.K.
None

LUFTHANSA
1.65%, up to 25 euros; reportedly delayed until March

NORWEGIAN AIR
3%

RYANAIR
None

EasyJet has charged since 2012 an "administration fee" of 15 British pounds for all bookings.

The surcharging of corporate cards means that many companies in Europe effectively face some kind of additional fee no matter which card type they choose. The Interchange Fee Regulation treated individual pay corporate cards—which are billed to the cardholders, not their employers—as consumer cards. Therefore, airlines no longer can surcharge them under PSD2. However, issuers now earn very little from individual pay cards and consequently have scrapped them or introduced transaction fees for corporate clients that continue to use them.

Could the difficulty of avoiding additional fees of one stripe or another lead businesses to shun corporate travel payments in favor of other methods, such as asking travelers to use personal cards? Carlson Wagonlit Travel senior director of global card products Clive Cornelius thinks not. "Corporates are used to seeing a surcharge," he said, "and it is usually offset to some extent by the rebate they receive from the issuer." Because commercial cards give customers improved cash flow, because customers can control spend by restricting merchant category codes and because they can upload costs directly into expense tools, "the benefits still outweigh a surcharge," he said. ■

Amex Will Eliminate Signature Authorization Requirement for All Card Transactions

BY JOANN DELUNA

Beginning in April, American Express no longer will require Amex-accepting merchants globally to collect signatures for any purchases at the point of sale. Merchants, however, can continue to ask for signatures if they choose. Merchants must also continue to collect signatures should a law in a particular jurisdiction require them to do so, according to Amex.

"Our fraud capabilities have advanced so that signatures are no longer necessary to fight fraud," said Jaromir Divilek, EVP of Amex's Global Network Business division. Amex had already eliminated the signature requirement in certain countries for purchases under a certain amount—for example, under \$50 in the U.S., under \$100 in Canadian dollars and under 30 pounds in the U.K.

The card network said eliminating the need

for a signature will improve the speed of payment, thereby improving the merchant experience. Amex's continued investment in fraud prevention methods, data analytics and technologies, including machine learning algorithms, allows it to evaluate thousands of data points quickly to make a risk decision, said an Amex spokesperson. Amex also has partnered with merchants to develop "advanced" transaction authentication and deploy "advanced" fraud-detection techniques, the spokesperson added.

"Machine learning models allow us to delve much deeper in understanding the unique patterns of our customers and of fraudulent episodes. ... We can more precisely detect fraud while minimizing disruption of our customers' genuine spending," the spokesperson said. ■





Attendee Experience Goals Drive Changes in Meetings Spaces & Formats

The meetings professional's role is changing from educator/trainer/promoter to creator of immersive experiences that focus on personal development for delegates, on networking and on creativity. That's according to a survey of 180 corporate, association and third-party meeting planners in Australia, Canada, North America and the U.K. conducted by Meeting Professionals International and the International Association of Conference Centers.

The Meeting Room of the Future study found that in 2017, 80 percent of meeting organizers feel more responsibility to create impactful experiences for delegates than they did five years ago and feel that attendee engagement is now critical to meeting success. As primary drivers of this transformation, meeting organizers cited always-on technologies, younger delegates with shorter attention spans and immediate access to information. "Access has led youth to rely less on info they receive from teachers and parents," the study authors wrote. "Consequently, they are less interested in lectures and more interested in having their specific questions addressed. Indeed, helping delegates learn how to find answers will be much more valuable than what the answers are. Connecting them to the right subject matter experts, the right partners and the right peers will be far more valuable than delivering content that may or may not be valuable to them."

Survey respondents identified four key changes they made in 2017 to capture attendee attention:

- Integrating new technologies
- Offering more opportunities for interaction, collaboration and stimulation
- Designing shorter, quicker sessions to replace long-form presentations
- Providing more emphasis on creativity as opposed to productivity

Making Changes

Access to adequate broadband Internet connections, mobile apps and interactive onsite technologies has become *de rigueur* for meetings, and survey participants rated these as top requirements for creating immersive experiences. The demand for engagement and quality networking opportunities, however, has pushed meeting organizers to alter their choices of meeting spaces, session formats and even food-and-beverage formats, according to the survey.

Meeting organizers also reported an increase in smaller, daylong events, as opposed to multiday meetings that require delegates to spend extended time out of the office. While most respondents continue to use big-brand hotels and agree that branded properties play a major role in ensuring quality for their meetings, some have expanded searches to alternative, nonresidential venues.

Speaking on a recent BTN webinar, Tony Wagner, Carlson Wagonlit Meetings & Events VP for the Americas and South Pacific, and Linda McNairy, American Express Meetings & Events global VP, highlighted this trend as one to watch in 2018. "It's not [about] just running people through the meeting but creating an experience that changes behaviors and thought processes," McNairy said. "Rather than being in a traditional ballroom, [our customers] talk about finding the cabin in the woods where people could be thoughtful and creative and not be encumbered by traditional meeting space. You can create a different way of thinking."

Wagner said, "We see [customers] looking at unique venues, maybe a boutique hotel where you couldn't normally hold a meeting because of limited space, and then looking at an alternative venue [with] a warehouse orientation or a unique offsite experience to ideate and get



Meetings pros now are expected to put on a show, to plan and unveil immersive, engaging, impactful experiences for attendees.

away," Wagner said. He noted that such unique spaces don't require decor and that companies could invest the resulting savings back into the event. "[The trend] has implications for us in terms of lengthening the sourcing process; it might be two RFPs or food and beverage has to be brought in because [the event] isn't in the hotel. The end result is getting the attendees to have a great experience to drive business results. We see that around the world today, not just in the U.S."

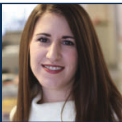
In terms of the features that organizers want to see in these alternative spaces, the MPI/IACC report called out the preference for flat-floor spaces with comfortable seating and, often, light furnishings that can be rearranged at will by delegates or meeting organizers. They specifically noted the declining interest in more rigid classroom-style setups or auditoriums that put a damper on delegate interactivity.

Meeting organizers also emphasized the importance of natural light to create openness and spur creativity. A majority of respondents would opt for natural light over screen/projection visibility for their meetings. It should be noted, though, that current projection technology should not require this trade-off. Organizers also said access to outdoor areas has become critical and would increase in importance over the next five years.

Changing food-and-beverage formats were also on the table: accommodating more dietary restrictions, preferring venues that can provide creative options and rethinking F&B overall. Some proposed longer meals and breaks to promote extended networking time, but a higher percentage said more but shorter meals and break times with less structure would be better.

Meetings consultant Scott Dart went farther. "The traditional plated meal is going away," he said. "Probably continuous breaks ... will become more popular, offering individual attendees the ability to [take a] break whenever they need/desire, rather than schedule time points for everyone to do it simultaneously."

All these changes point to flexibility for the delegate and offering experiences that can be personalized on demand. As the consumer world shifts toward these goals, so do meetings, according to the study authors: "The industry is moving into an environment where delegates and attendees are looking for a personal experience, personal service and content delivered based on personal preferences." ■



BridgeStreet Global's OTA-Like Platform Grows

One year after relaunching its website as an “online travel agency for business travel” focused on corporate housing and alternative accommodations, BridgeStreet Global Hospitality is reporting growth in both its volume of corporate clients and the number of units on the platform.

BridgeStreet.com, which went live in February 2017, aggregates supplier content from its own leased and managed properties and from other alternative accommodation providers and enables instant online booking, a divergence from how these products historically have been booked.

The platform launched with 65,000 properties across 60 countries. Today, there are approximately 120,000 properties or units on BridgeStreet.com, according to chief technology officer Aaron Turner. Another 240,000 units are in the pipeline to join in 2018. “It’s blown up because we made it easy for suppliers to list on our site ... allowing bookings and reservations to flow seamlessly to their central reservation systems,” Turner said.

BridgeStreet plans to increase its current sales and support staff by 20 percent, and over the coming year, it is opening additional regional offices in such markets as Dallas, Boston, Frankfurt, Hong Kong and Dublin.

On the corporate side, BridgeStreet’s client base has grown from about 4,000 companies to 5,000 in the year since the new site launched, and the company is on pace to sign on 500 new clients per quarter, according to CEO Sean Worker.

How It Works for Supplier Partners

BridgeStreet.com hosts alternative accommodation providers, which Worker defines as multifamily properties, extended-stay hotels, corporate housing, serviced apartments and home operators. The company struck a content-sharing deal with the AccorHotels-owned Onefinestay in late 2016. The content from such providers is available not only on BridgeStreet’s site, but also through global distribution systems via the code BX. Properties also are available via customized client portals that BridgeStreet has built out for a number of its clients.

Distribution has long been a thorn in the side of corporate housing and serviced apartment providers. According to the 2016-2017 Global Serviced Apartments Industry Report, published by The Apartment Service Worldwide, only 72 percent of providers had online-bookable inventory.

In addition to getting content on the GDS, BridgeStreet is working with booking channel managers like eRevMax’s RateTiger, Cubilis and SiteMinder to grow BridgeStreet’s supplier base and to open the company’s existing supplier partners up to additional distribution channels. “When we surveyed the different constituents on the supply side, they clearly indicated there was a need for what we wanted to build,” Worker said.

BridgeStreet charges 12 percent commissions to its supplier partners. According to the 2016-2017 GSAIR, GDSs and OTAs typically charge corporate housing and serviced apartment providers 15 to 24 percent.

How It Works for Corporates

In the early stages of building out BridgeStreet.com, the company spoke with corporate clients and travel managers. While there was demand for this type of platform, Worker also learned it needed to be “nothing special.” He said: “It had to be easy for them to book, and it had to be available in the way they access inventory, whether it be for car, for air, for train, even for hotels. So it had to be accessible across the GDSs, through Concur and even on a bespoke basis through their company app.”

BridgeStreet can integrate with online booking tools and also offers an open application programming interface. The company also has built approximately 200 client portals that allow corporate travel programs to customize content and overlay travel policy guidelines to guide bookings.

All the properties on BridgeStreet.com have been vetted and inspected for safety and quality. “Travel managers don’t have to worry about duty of care,” Turner said, “and business travelers don’t have to worry about not mapping to their corporate travel policy.”

Though BridgeStreet struck a content-sharing deal with Airbnb in 2015, Worker said Airbnb inventory is not available through the platform for instant bookings. ■

BridgeStreet's Growth Trajectory

January 2018

- 120,000 properties
- 5,000 client companies

February 2017

- 65,000 properties
- 4,000 client companies

The platform's housing inventory “has blown up because we made it easy for suppliers to list on our site ... allowing bookings and reservations to flow seamlessly to their central reservations systems.”

—BRIDGESTREET'S AARON TURNER

Choice Hotels Will Buy WoodSpring Suites

Choice Hotels International will acquire extended-stay brand WoodSpring Suites for \$251 million. The transaction fills a relative gap in Choice’s portfolio in the extended-stay space, adding 240 properties across 35 states. The new WoodSpring properties plus Choice’s existing MainStay Suites and Suburban Extended Stay Hotel brands will bring its extended-stay portfolio to 350 properties.

WoodSpring Suites launched in 2015 as a rebranding of Value Place, a move aimed at attracting more franchise deals and a new clientele. The company reported it was on track to open 21 hotels in 2017 and an additional 45 hotels in 2018.

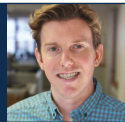
“Extended-stay is a fast-growing segment, reporting some of the strongest gains in demand, and has led the hospitality industry in annual [revenue per available room] growth,” said Choice president and CEO Patrick Pacious. “The addition of the WoodSpring Suites brand will allow us to strengthen our scale within the attractive extended-stay segment, expand our runway for growth and continue to create value for our customers, franchisees and shareholders.”

Choice will acquire WoodSpring’s franchise operations, marketing and development, and the company intends to hire WoodSpring’s franchise business employees. The transaction is expected to close during the first quarter of 2018, subject to regulatory approval. ■

CONTINUED FROM FRONT PAGE

estate assets into a publicly traded company, and it intends to complete the spinoff in advance of the sale to Wyndham, forming a publicly traded investment trust called CorePoint Lodging.

Wyndham Worldwide in August announced it would spin off its hotel business from its time-share business to create two publicly traded companies. As of Wyndham’s most recent earnings call, in late October, the spinoff is expected to occur during the second quarter of 2018 and Ballotti will stay on as head executive for the new hotel company. ■



Should You Worry About Real ID?

BY AMANDA METCALF

By Oct. 1, 2020, individual travelers must possess a Real ID to pass through TSA checkpoints at U.S. airports. However, the Department of Homeland Security deadline for states to begin issuing Real IDs, rather than the previous version of driver's licenses they'd issued, was Jan. 22, 2018. So what does that mean for travel managers and travelers headed to the airport? The short answer is nothing, except for residents of American Samoa. First of all, 27 states, as well as the District of Columbia, already are compliant; people in those states can use their old IDs until Oct. 1, 2020, or can use their new Real IDs as they're issued.

The remaining 23 states, as well as four territories, have received extensions, meaning they must start issuing Real IDs, as certified by the DHS, by Oct. 10, 2018. What's made travelers nervous about the Jan. 22 deadline, and now the Oct. 10 extension, is whether existing IDs from those states will get travelers through TSA checkpoints. DHS's website says, "Starting January 22, 2018, travelers who do not have a license from a compliant state or a state that has been granted an extension ... will be asked to provide alternate acceptable identification. If the traveler cannot provide an acceptable form of identification, they will not be permitted through the security checkpoint."

Don't ring the alarm bells just yet, though. Of the 23 states and five territories that are not yet compliant, all but American Samoa have extensions until Oct. 10, 2018. That means existing IDs will work until then. And DHS Real ID Program director Steve Yonkers told BTN that 15 of those states likely will become compliant by Oct. 10. As for

those that still are not compliant as of Oct. 10, 2018, "DHS will likely provide another grace period for three months to process those extension requests," he said. Existing IDs would work through that extension period, as well.

For any state or territory that still is not issuing Real IDs when their extensions run out, travelers at TSA checkpoints will need to present certain alternative forms of identification like U.S. passports, trusted traveler cards or permanent resident cards.

American Samoa is the only U.S. entity that, as of Jan. 23, is not compliant and does not have an extension beyond the Jan. 22 deadline. Starting Feb. 5, residents of that territory must show alternative identification to pass through TSA airport checkpoints, according to DHS's website. Similarly, beginning Oct. 1, 2020, any traveler without a Real ID must present an acceptable alternative form of identification.

—Additional reporting by Michael B. Baker

Compliant

- Arkansas
- Nebraska
- Colorado
- Nevada
- Connecticut
- New Mexico
- Delaware
- North Carolina
- District of Columbia
- Ohio
- Florida
- South Dakota
- Georgia
- Tennessee
- Hawaii
- Texas
- Indiana
- Utah
- Iowa
- Vermont
- Kansas
- West Virginia
- Maryland
- Wisconsin
- Mississippi
- Wyoming

Extensions Until Oct. 10, 2018

- Alaska
- New Jersey
- California
- New York
- Guam
- North Dakota
- Idaho
- Northern Mariana Islands
- Illinois
- Oklahoma
- Kentucky
- Oregon
- Louisiana
- Pennsylvania
- Maine
- Puerto Rico
- Massachusetts
- Rhode Island
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- Missouri
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Amadeus Is Ready to Migrate E-Travel Users to Cytric

BY AMON COHEN

Amadeus aims to transition its original e-Travel Management corporate booking tool customers to the Amadeus Cytric Travel & Expense platform this year. Amadeus bought a majority stake in Cytric owner i:FAO in 2014 and announced in early 2016 that all development work would subsequently be devoted to Cytric.

Now, after expanding and evolving Cytric, including integrating features from e-Travel, Amadeus is ready for its mass migration. “2017 was the year of planning and building the ability to transfer profiles, preferences, policies and so on to Cytric,” said Arlene Coyle, Amadeus chief commercial officer for sales and marketing to corporations. “2018 is the year when the big shifts happen.” Asked when Amadeus will sunset e-Travel, a spokesperson added, “We are on track to complete the transition by end 2018.”

Coyle said the upgraded Cytric is “a platform, not a booking tool,” offering “multiple access points rather than being tied to a single interface.” In addition to what she described as the “classic booking tool,” Amadeus launched Smart Trip in 2017, a version of the three-click booking technology it developed for client Daimler’s FiveStar project. Cytric also debuted on Salesforce in July and, according to a spokesperson, will go live in Microsoft Outlook imminently.

By February, Amadeus also plans to roll out a trip assistant that offers booking options in response to e-mails from travelers that



state the desired point of departure, point of arrival and dates. “The key use case is a human resources department running lots of interviews,” said Coyle. “You send [a proposed itinerary by e-mail] to the interviewee, asking if it’s fine; they say yes, and you forward it to the booking tool.”

2017 also has seen the expansion of Cytric’s geographic reach and content. It launched in Japan and Singapore, but Australia and New Zealand have been delayed until 2018 because of what Coyle said is an unconventional, matrix-led approach to fare filing by Air New Zealand.

Non-global distribution system content additions include Spanish national rail operator Renfe, Italian train operator Trenitalia, Swedish Rail and Swedish airport taxi service Flygtaxi, as well as low-cost carriers in Latin America.

Expense tool improvements include machine learning technology that improves the accuracy of optical character recognition of scanned receipts from 60 percent to 90 percent, Coyle said. Amadeus also is working to allow travelers to scan multiple receipts in one go by recording video of them. ■

Omega World Travel Is Ready to Debut AI Duty of Care Tools Once Amazon Approves Alexa Tool

BY JOANN DELUNA

A month after Amazon launched Alexa for Business, Omega World Travel is ready to debut a pair of tools to help travel managers pull up traveler location information: its chatbot for smartphones and an Alexa-based voice chat. They will go live once Amazon approves the Alexa functionality, and the travel management company expects that to occur by the end of January.

“Even before they announced Alexa for Business, I knew it was going to be leveraged for the business environment,” said Omega VP of IT and data analytics Nadim Hajje. Alexa has nearly 170 travel and transportation functions, which Amazon calls “skills,” but they’re mostly currency guides and converters, flight and hotel finders, navigation tools and trip planners and public transportation, taxi and ridesharing tools. Concur was among the first to develop a business travel skill; it allows Concur subscribers to inquire about upcoming business trips. Hajje noticed “there was nothing really around duty of care. ... You can never really check where your travelers are, where they’re going to be or who’s in what city. That’s why we built our own skill.”

The chatbot allows a travel manager to use Web-based chat on his or her smartphone to request a view of travelers’ locations. The travel manager also can

ask for information on travelers by destination or flight number. Travel managers can request the same information by speaking to Alexa and can log on to Alexa on their computers to see Alexa cards that display more detailed information like airline, origin, destination, departure time and arrival time.

A sample Alexa conversation:

Travel manager: Alexa, ask Omega to tell me where my travelers are.

Alexa: You have 17 travelers across 17 locations.

Travel manager: Alexa, who is in London?

Alexa: There are two travelers in London. [States traveler names]

Travel manager: Get locators in London.

Alexa: There are two unique record locators at the airport. Please view the details in the Alexa card.

Travel manager: Alexa, what are the record locator details for [Passenger Name Record] YVROZA?

Alexa: Record locator details can be found in the Alexa card.

The chatbot and Alexa both access traveler tracking data from the existing OmegaCare duty of care

platform, which pulls booking data from Concur, Cytric and GetThere, as well as off-channel bookings for which travelers forward itineraries.

Ironing Out the Kinks

Omega’s Alexa skill is not perfect. As with other voice-activated products, the system doesn’t always hear the user correctly, so it may not retrieve the desired information. But Omega is working on it. The TMC has been piloting the chatbot and Alexa skill internally but will continue to fine-tune them once Omega begins beta testing with more clients, Hajje said.

Omega also is looking at other ways to retrieve the content. Travel managers could receive a menu of options, for example, rather than spelling out record locators, which are prime opportunities for Alexa to misinterpret.

And duty of care is only the beginning, Hajje said. Omega plans to build more functionality into the Alexa skill, such as year-over-year spend comparisons, which travel managers can access through Omega’s data analytics product, Omegalytics. “Whatever we do with Alexa, the same thing will get surfaced in the chatbot, as well,” Hajje said. “Now we have the knowledge in terms of what it will take to do all these things.” ■

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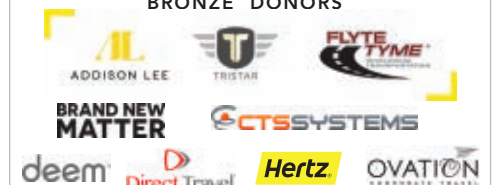
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U.S. State Department Launches Travel Advisory System

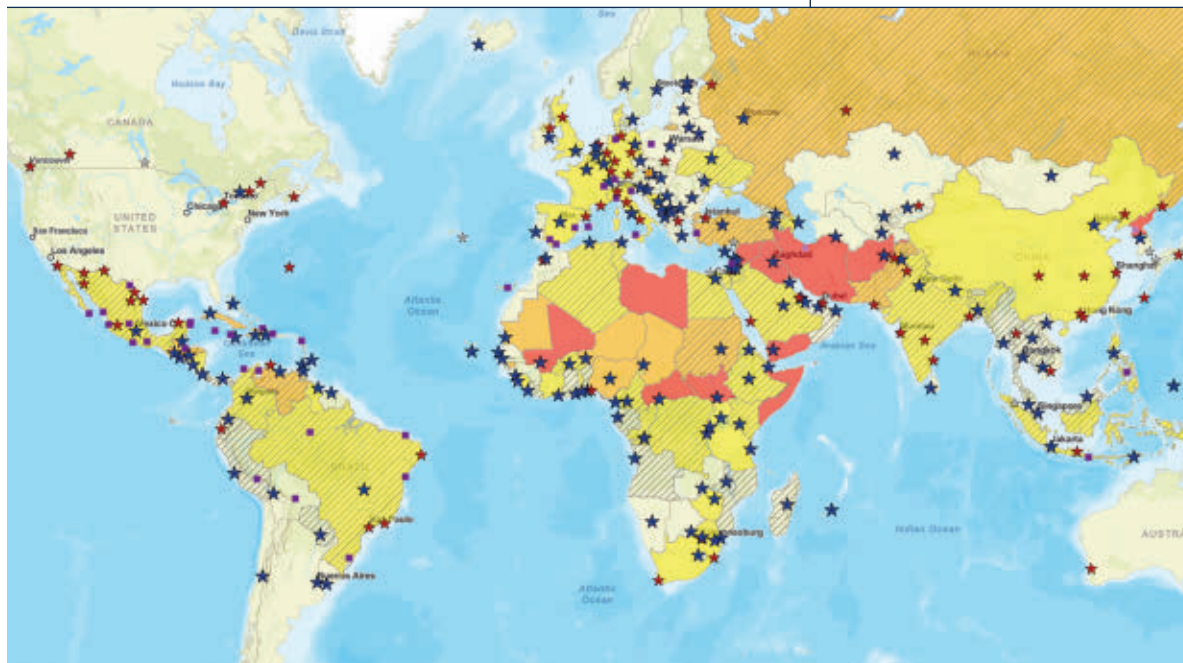
BY DAWIT HABTEMARIAM

The State Department launched a travel advisory system that informs and advises U.S. travelers about the level of risk in each country around the world. The department assigns each country a risk level:

- Level 1: Exercise normal precautions.
- Level 2: Exercise increased caution.
- Level 3: Reconsider travel.
- Level 4: Do not travel (greater likelihood of life-threatening risks and limited ability of the U.S. government to provide assistance during an emergency).

It bases those ratings on civil unrest; crime; natural disasters; health risks; short-term events that pose risks, such as elections; terrorism risks; and other risks. The State Department will update travel advisories as needed, including reasons for the assessment and advice for travelers heading to those areas. Risk levels and advisories for areas within a country may differ

The State Department's travel risk map as of Jan. 23



from those for the overall country.

The department's new system also provides a mobile-friendly map that color-codes risk levels and displays the locations and contact information of U.S. embassies and consulates. Travelers can access the system at travel.state.gov, follow @travelgov on Twitter and follow [facebook.com/travelgov](https://www.facebook.com/travelgov). They also can receive alerts directly by entering their travel plans in the Smart Traveler Enrollment Program, which makes embassies and consulates aware of U.S. residents traveling in their areas.

"There will be a learning curve for travel managers as they make the transition from the [old] State Department warnings system to this new system," said Matt Bradley, Americas regional security director for International SOS. "Eventually, [travel managers] will have to take these levels and reassess their own travel restrictions and policies according to the new system."

Bradley noted that ISOS, which offers a travel risk map, offers advice designed to aid corporations, while the State Department's map serves individual travelers. "In general, the State Department advisories will be more restrictive—'Reconsider travel' or 'Defer travel'—than a travel risk management supplier's advice," he said. "TRM suppliers recommend mitigation that enables the trip to proceed." The conflicting information may cause business travelers to become concerned. "State Department warnings in the past have caused travelers to back out of trips before consulting us," he said, but "once we are consulted, we can explain to the traveler how their travel is possible with the mitigation measures we recommend." ■

Yatra Launches Booking Tool for Small & Midsize Enterprises in India

BY DAWIT HABTEMARIAM

Indian online travel agency Yatra has launched a self-booking platform for small and midsize enterprises. It offers flight and hotel options based on companies' travel policies, negotiated corporate rates and terms, trip approval,

spend reports and Yatra's expense management system.

Yatra already offers a customizable booking and expense platform for its 650 large-company clients. "The SME platform was rolled out for smaller

companies where a fully customized platform doesn't make economic sense for them," investor relations head Manish Hemrajani said.

In October, the International Air Transport Association predicted India will become the third-largest aviation market in 2025. That aligns with the forecast the Global Business Travel Association issued in February that India will become the sixth-largest business travel market in 2019. ■

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