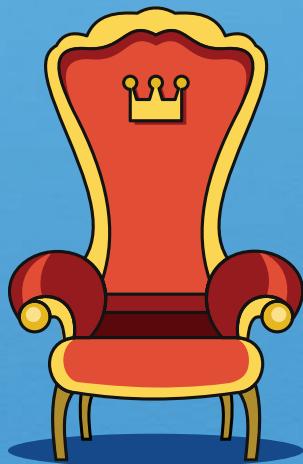
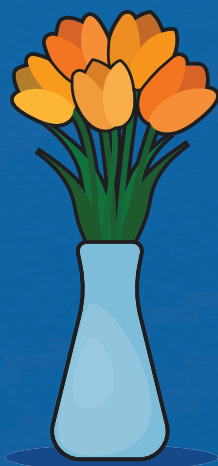


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# BTN

BUSINESS TRAVEL NEWS



## MEETINGS MAVENS

Meetings industry insiders chat about what 2019 will look like, from growing demand & small meetings to commissions & the employee experience.

PAGE 8



## PAYMENT & EXPENSE

Now that client entertainment tax deductions are over, will companies emphasize wining & dining over other entertainment?

PAGE 30



## BLUEPRINT

You just found out your supplier's data was breached. Now what? The Information Collective's Samantha Simms walks you through it.

PAGE 36

## TOP STORY



## BTN'S 2018 HOTEL BRAND SURVEY & REPORT

# Hotel Brands Buddy Up to Travel Buyers

As the U.S. hotel industry grapples with weak pricing power, despite ongoing high occupancy, hoteliers are turning their attention to corporate travel and, more specifically, to the growing small to midsize enterprise segment of the market like never before. 2018 already has seen multiple programs catering to SMEs launch, including Best Western Business Advantage, Hyatt Leverage and IHG Business Edge. Accordingly, the term "partner" is in vogue and the brands that came out on top in this year's BTN Hotel Brand Survey are those that embraced the idea of a partnership approach to working with corporate travel. This year, BTN reworked its survey to better fit today's travel manager, adding criteria around safety and security, support of traveler wellness and communication with travel buyers.

FULL STORY ON PAGE 14

## DHS Steps Up Real ID Education Efforts

BY MICHAEL B. BAKER

As deadlines for state Real ID compliance come and go, Department of Homeland Security officials hope travelers and traveler buyers start paying more attention to the "real" deadline looming just a bit farther in the distance.

### State Deadline

As of early October, 35 states—as well as Washington, D.C., and Puerto Rico—are issuing licenses and identification cards that meet Real ID standards and are certified by DHS. The 19 remaining states and territories have extensions ranging from Jan. 10, 2019 to Oct. 10, 2019 (see page 3).

Travelers from any state or territory that does not become compliant or get an extension as of those deadlines will not be able to use their driver's licenses

at TSA checkpoints in U.S. airports, but additional extensions are more of an "administrative exercise" so states and territories that need more time are not likely to run into trouble, said DHS director of identity and credentialing Steve Yonkers. Most already are on track to compliance. Some, such as California, actually issue compliant IDs but just have not completed paperwork to be marked as compliant. By July of next year, all but three states should be issuing compliant IDs, he said.

"States had to turn in their full project schedule last year, taking us through every quarter and confirming a go-live date," Yonkers said. "From what states have shown us, there really

CONTINUED ON PAGE 3

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Virgin Atlantic CEO Craig Kreeger on the airline's first flight using recycled fuel, which took off Oct. 3 from Orlando.

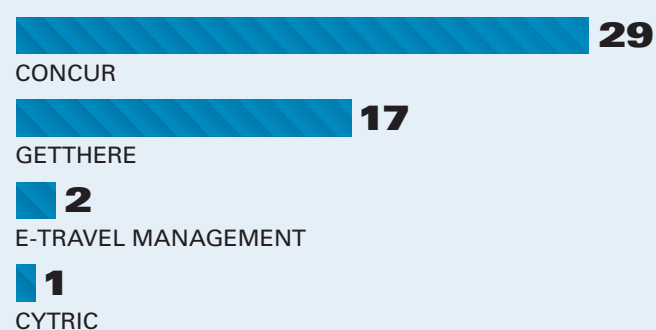
"We're simply taking carbon that was about to be put into the atmosphere as waste ... and converting it to be able to power an aircraft engine. That is cool recycling."

## 6 | Data Hub

### BTN's Corporate Travel 100 Supplier Breakdown

The primary booking tools, expense suppliers, TMCs, card networks & card issuers BTN CT 100 companies use in the U.S.

## PRIMARY U.S. BOOKING TOOLS



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## American Airlines Readies Corporate Management Portal for Widespread Launch

BY MICHAEL B. BAKER

American Airlines will launch SalesLink Insights next year. The data portal enables corporate travel buyers to monitor contract performance, spending and operational data.

The carrier, which released a new portal for agents earlier this year, already has been demoing SalesLink Insights for its corporate customers and plans to put it in the hands of a beta group of about 50 corporate accounts in November, said American Airlines managing director of sales operations Brett Berman. In the first quarter of next year, it will expand that to more than 2,000 corporate accounts globally.

The portal “provides the dynamic reporting we’ve always needed,” American Airlines SVP of global sales and distribution Alison Taylor said. “We do that through great visuals, great maps and market-level data, and you’re able to drill down as much as you need.”

Using Prism data as its basis, the portal shows buyers how well they are meeting contract terms as far as spending and revenue share, as well as data on savings, bag fees, Flex Funds and reports on operations like on-time performance and denied boarding instances, Taylor said. It also includes data from

American’s joint-venture partners—British Airways, Iberia, Finnair and Japan Airlines—and will be able to include other JV partners as they come aboard.

That data allows travel buyers not only to manage their programs but to have a resource to easily explain their programs when needed, Taylor said. “Sometimes, when going to their bosses, a travel manager needs to articulate what they are doing: the savings they get through ancillaries and travel expenses, the things we are waiving for them and the source of Flex Funds to help them out,” she said. “This provides that in a one-stop shop.”

Beyond the summary level, users can break down and get details by market, cabin and other filters, including “what-if” functionality to show potential savings, Berman said. For example, users could look at what is selling in Europe or in a specific country and see a color-coded map on which green shows areas where American is getting more than its expected share and red shows areas where it could improve. “People have liked the fact that they can see trends developing,” Berman said. “One [user] in particular didn’t realize how much travel they had to India. It helps travel managers

see things in a broader scope and be better at their role.”

Data is updated both weekly and monthly, so buyers will be more up-to-date than they are via standard quarterly reviews, Taylor said. With the agent portal, the capability already has “really changed the conversation we have with our agents,” she said. “It enables us to have the types of discussions that are more useful for the customer and us.”

PRA Health Sciences VP of finance and business operations David Sockolof is among the buyers who has participated in American’s demos. He said he found it to be “clearly, incredibly flexible” and, as he deals with multiple travel management companies, useful to see data consolidated in one place, down to booking patterns at a route level.

In addition, he said it could influence policy as well as contract strategy. “Depending on the company culture, when you identify ancillary spend, see seat assignments and who is buying upgrades, all those types of things that could inform policy—we tend to be fairly traveler-centric, so we could look at how to make it easier to negotiate these in the rates for travelers,” Sockolof said. “In a culture that’s more controlling, they could look at how to be more cost-conscious,” like allowing same-day changes only when done on standby.

The platform was designed to scale over time, so it can be enhanced as needed, Taylor said. The carrier already has been incorporating feedback from its demos, including from its corporate customer advisory board, which had its first meeting in May, she said. Eventually, as American comes out with tools related to the International Air Transport Association’s New Distribution Capability standards, the portal can be scaled to report on that, as well, Berman said.

Corporate customer reporting portals have emerged as a key focus for legacy U.S. carriers’ sales teams in recent years. United launched its Jetstream portal in 2017, and Delta launched its Edge portal in 2014. ■

CONTINUED FROM FRONT PAGE

## Real ID Education Efforts

should be no issues of granting an additional extension.”

### Traveler Deadline

The “real” deadline, though, is Oct. 1, 2020, Yonkers said. After that, all U.S. airline passengers will be required to present compliant IDs at TSA checkpoints, designated by a gold star in a circle in the upper right corner. While that’s more than two years away, it’s not too early for travel managers to educate and prepare travelers, he said.

Even among the states that are compliant, most still offer noncompliant IDs, as well, Yonkers said. In some cases, the noncompliant option is cheaper or comes with a less burdensome process. As such, only about 30 percent of people in those states are opting for the compliant option, meaning the remaining 70 percent are getting a form of identification that will not be acceptable for boarding commercial aircraft, he said.

As such, DHS is stepping up its efforts to inform travelers of the requirements. Signs will go up around TSA checkpoints by the end of October focusing on the 2020 deadline, Yonkers said. Some states are mounting aggressive campaigns to encourage their residents to get compliant IDs. DHS also is looking for ways to engage with the travel buyer community directly, including participating in a Global Business Travel Association earlier this month.

That effort is aimed at preventing travelers from facing long lines at their state bureau or department of motor vehicles or finding themselves in an airport unable to get through security. “We don’t want to create a panic, and states are trying to triage this as much as they can so everyone doesn’t come in at the same time,” Yonkers said. “But our big concern is: Does the American public have any idea this is coming up?” ■

### Issuing Compliant IDs

- Alabama
- Arizona
- Arkansas
- Colorado
- Connecticut
- Delaware
- District of Columbia
- Florida
- Georgia
- Hawaii
- Idaho
- Indiana
- Iowa
- Kansas
- Louisiana
- Maryland
- Michigan
- Mississippi
- Nebraska
- Nevada
- New Hampshire
- New Mexico
- New York
- North Carolina
- North Dakota
- Ohio
- Puerto Rico
- South Carolina
- South Dakota
- Tennessee
- Texas
- Utah
- Vermont
- Washington
- West Virginia
- Wisconsin
- Wyoming

### Extensions Granted

- |                            |                            |                            |
|----------------------------|----------------------------|----------------------------|
| <b>Until Jan. 10, 2019</b> | <b>Until April 1, 2019</b> | <b>Until Aug. 1, 2019</b>  |
| • California               | • Virgin Islands           | • Kentucky                 |
| • Guam                     |                            | • Missouri                 |
| • Massachusetts            | <b>Until May 1, 2019</b>   | • Pennsylvania             |
| • Virginia                 | • Rhode Island             |                            |
|                            |                            | <b>Until Oct. 10, 2019</b> |
| <b>Until March 1, 2019</b> | <b>Until June 1, 2019</b>  | • American Samoa           |
| • Minnesota                | • Alaska                   | • Maine                    |
|                            | • Illinois                 | • New Jersey               |
|                            | • Montana                  | • Oklahoma                 |
|                            | • North Mariana Islands    | • Oregon                   |

Questions?  
Email [realid@hq.dhs.gov](mailto:realid@hq.dhs.gov)

# Virgin Atlantic Launches First Flight with ‘Recycled’ Fuel

Virgin Atlantic on Oct. 3 had its first flight using sustainable fuel. It hopes its partner LanzaTech eventually will produce enough fuel that all the carrier’s outbound flights from the U.K. will run on a 50-50 mix of sustainable and traditional fuel.

LanzaTech’s jet fuel is based on ethanol created from industrial waste gases, such as those made during steel production. Barbara Bramble, VP of international conservation and corporate strategies for the National Wildlife Federation, called it “the poster child for the fuel we would like to see,” as opposed to certain biofuels that have lower emissions but require deforestation and other harmful environmental side effects.

Virgin Atlantic also is pushing the U.K. government to incentivize that approach, similar to what it does for biofuels, Virgin Atlantic CEO Craig Kreeger said. With such incentives, LanzaTech could establish three plants in the U.K. by 2025, which would provide sufficient fuel for all of Virgin Atlantic’s U.K. outbound flights. The corporate travel sector has played a role in the development and use of LanzaTech’s fuel. LanzaTech CEO Jennifer Holmgren said HSBC, which provided funding to LanzaTech, did so in part because the bank uses Virgin Atlantic for a significant portion of its travel.

Hours before the first Virgin Atlantic flight to use the fuel took off, from Orlando, Kreeger spoke with BTN transportation editor Michael B. Baker.

## HOW ARE VIRGIN ATLANTIC’S SUSTAINABILITY INITIATIVES PROGRESSING?

If we think about sustainability in a dispassionate, objective way, the very biggest thing that we do that could affect our environmental footprint is all about emissions, and that’s all about fuel efficiency of your aircraft to start with. Over the course of the period from 2007 to 2022, we will have replaced all of our four-engine, older-generation aircraft with two-engine, newer-generation aircraft, and in doing so, we’ll have reduced our emissions by over 30 percent. We’re most of the way through that journey, and our emissions are down 24 percent since 2007. There are lots of other things that we have done that improve things on the margins—single-engine taxiing, better flight-planning systems to optimize for fuel, more recycling of onboard materials and a number of things that reduce emissions—but the biggest thing we do is fly airplanes and the most important thing we can do is find ways to do that more efficiently. There will continue to be incremental improvements in engine and aircraft technology. The 787 is a great example, with the lower weight of the airplane. Between engines and airframes, I have no doubt we will continue to see improvement in the years to come.

## WHAT ROLE WILL SUSTAINABLE FUEL HAVE IN MEETING THOSE GOALS?

Turning our attention to finding ways to source fuel more environmentally efficiently becomes a really



Virgin Atlantic’s Craig Kreeger talks:

- Sustainability’s importance for travel buyers
- Pending joint venture with Air France-KLM
- Plans for succession & retirement

**“The biggest thing we do is fly airplanes and the most important thing we can do is find ways to do that more efficiently.”**



Read more of BTN’s Q&A with Kreeger at [www.business-travel-news.com/interviews](http://www.business-travel-news.com/interviews)

logical next step. We became intrigued with LanzaTech about 10 years ago, before I was a part of Virgin Atlantic. We were intrigued because fundamentally, it’s the easiest thing to explain to anybody who doesn’t understand airframe and aircraft technology. We’re simply taking carbon that was about to be put into the atmosphere as waste [and instead putting it] through a manufacturing process and converting it to be able to power an aircraft engine. That is cool recycling. If your house is anything like mine, over the years we’ve gotten more and more religious about recycling the things we can recycle and as an airline, this feels like a nice step in that ecoconsciousness that many of us had made a part of our lives.

## IS YOUR PARTNERSHIP WITH AIR FRANCE-KLM STILL ON TRACK TO HAPPEN EARLY NEXT YEAR?

The Delta partnership has been a huge part of our business for the last few years. The fundamental way I would describe the expanded joint venture with Air France-KLM from Virgin’s perspective is to give us the opportunity to take more customers to more places and build a stronger frequent-flyer proposition for our U.K. customers. Those are the big elements of value. Where we are in the process is waiting for approval from the antitrust authority in the U.S. government. As soon as we have that, which we anticipate will be the first half of next year, we will be up and running.

## YOU’RE RETIRING AT THE END OF THE YEAR. HOW IS THE LEADERSHIP TRANSITION PROGRESSING?

It was announced in June that our chief commercial officer, Shai Weiss, would be taking on the CEO role in the first of 2019, and I’m really pleased with that. It’s a succession plan that the board and I have worked on for the last couple of years, and it positions the company to carry on the momentum that we’ve built over the last couple of years. Shai has been with Virgin Atlantic for four years. He ran our finance function for two of those years and has run the commercial function for the last two, and I’m thrilled to see him take over. I will not have any role with Virgin Atlantic except as an occasional free consultant, if anyone asks me questions. My plans otherwise are to retire from Virgin Atlantic, take some time off. And my intention is to consider what would come next in more detail after that time. It’s more likely to be in the space of teaching rather than an executive position.

## WHAT WERE YOUR PROUDEST ACHIEVEMENTS DURING YOUR TIME WITH VIRGIN ATLANTIC?

I began at Virgin Atlantic six years ago with a pretty simple mission statement: To create a stronger financial foundation for the company while retaining the magic that Virgin Atlantic is known for from a customer service and culture perspective. In those six years, we have fundamentally accomplished that. Many of the Virgin Atlantic team were a little nervous about the Delta partnership and an American CEO and what would the changes feel like and be like and would it impact what they’re so proud of to work at Virgin Atlantic? We demonstrated that what they’re proud of is what [each Delta and I are] proud of, too, and Virgin Atlantic remains as red as ever, which is our metaphor for describing ourselves. ■

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\*Based on the Department of Transportation Air Travel Consumer Report for calendar year 2017. On-time performance based on domestic flights flown and compared to U.S. Global Carriers: United Airlines and American Airlines.

# The Corporate Travel 100 Supplier Breakdown

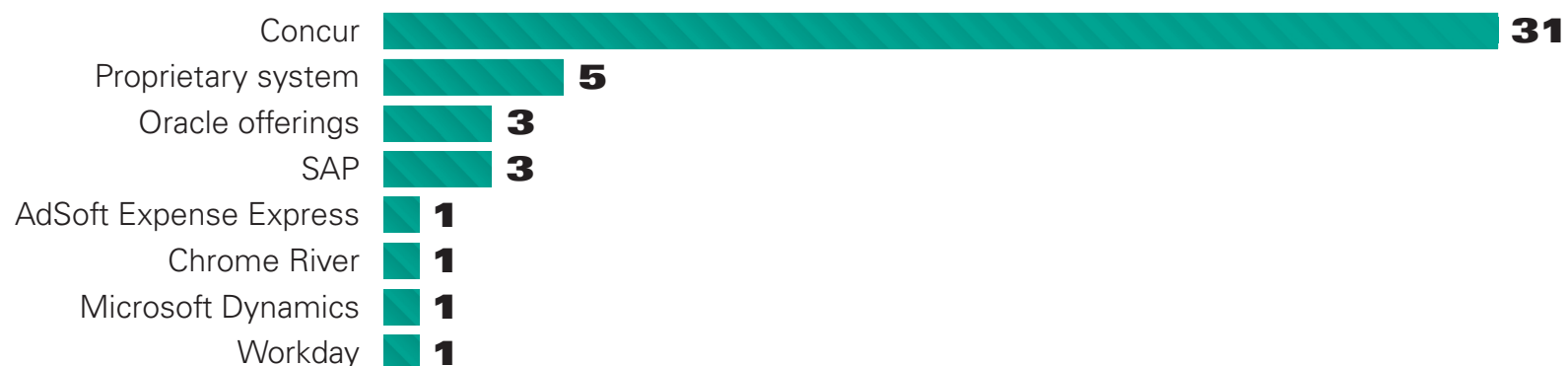


BTN's 31st annual Corporate Travel 100 report is out and available at [www.businesstravelnews.com/research](http://www.businesstravelnews.com/research). The issue lends insights into what the biggest corporate travel programs did in 2017 in terms of spend, policy and initiatives, as well as what they're working on this year. Below, BTN also has aggregated the primary U.S. suppliers for those companies for which information was available. Note that some have different suppliers that handle most of their business outside the U.S.

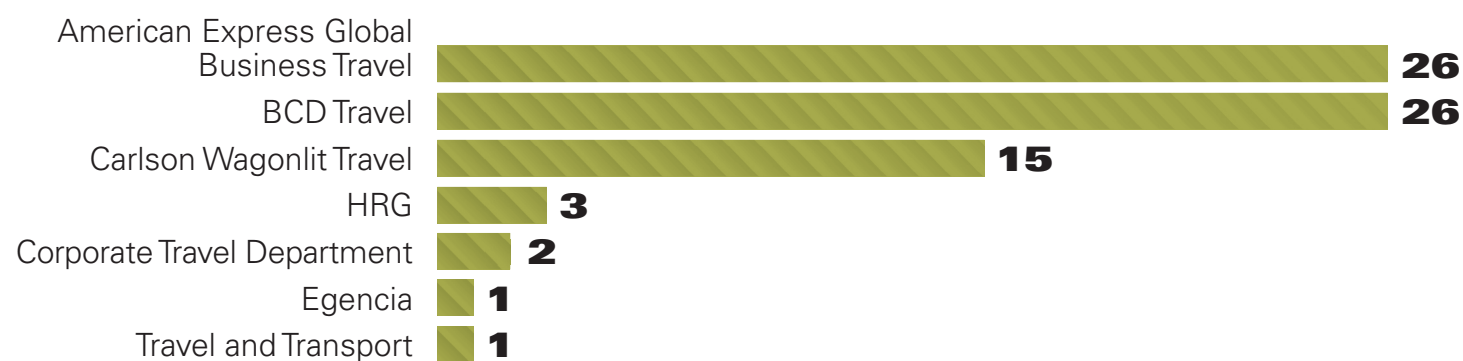
## PRIMARY U.S. BOOKING TOOLS



## PRIMARY U.S. EXPENSE SYSTEM SUPPLIERS



## CONSOLIDATED U.S. TMCs



## PRIMARY U.S. CORPORATE CARD NETWORKS



## PRIMARY U.S. CORPORATE CARD ISSUERS



\*American Express is both a network & an issuer



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# Meetings Mavens

## What to Expect for M&E in 2019



Illustration by Scott Pollack

Cvent SVP of enterprise sales & partnerships Anil Punyapu, CWT Meetings & Events VP of the Americas & South Pacific Tony Wagner & strategic meetings consultant Betsy Bondurant

It's that time of year. The big meetings agencies are starting to roll out their forecasts for 2019, and the future looks bright for group business. CWT Meetings & Events VP of the Americas and South Pacific Tony Wagner, strategic meetings consultant Betsy Bondurant and Cvent SVP of enterprise sales and partnerships Anil Punyapu spoke with BTN editor-in-chief Elizabeth West about what to expect in the coming year.

**Q** *Tony, tell us some of the general trends that CWT M&E forecasted for next year.*

**Tony Wagner:** Demand is up everywhere, even in economies that are still a bit challenged. Latin American markets like Brazil and Argentina, where the peso has dropped by 40-plus percent, are still seeing rising [group] demand. That's tied to broad, global economic activity. Here in North America, we're seeing demand up fairly consistently. It's not a huge spike, but it continues to grow year over year. [What we're seeing] more than we've seen in the past, though,

is an increase in average group size, and it's consistent across our segments.

**Q** *And that's tied to business confidence?*

**Wagner:** There's a general confidence in the economy, but I also think that corporates are viewing events as a growing share of their budget to drive topline revenue. That type of sentiment equates to more meetings demand.

**Anil Punyapu:** There has been a lot of RFP activity to place business ahead of the expiration date on 10 percent commissions. We agree that demand is rising overall, but at least part of it has been an artificial uptick that will begin to correct itself in the fourth quarter of 2018.

**Q** *The commission situation is key, but let's table that for a moment and follow Tony's lead for now: topline revenue associated with meetings. Are we going to see companies proving that out with metrics in 2019?*

### Meetings Mavens Talk Shop

MEETINGS DEMAND

COMMISSIONS

SMALL MEETINGS

TALENT & THE EMPLOYEE EXPERIENCE

**Betsy Bondurant:** Not all corporates are mature enough in their programs to have exact metrics, but more companies are looking at that and using technology to help gauge it. I see companies getting smarter about how they are using their money. They are using engagement measures in thoughtful ways to inform how they spend and how they interact with attendees.

**Punyapu:** We see companies maturing in this regard, particularly technology companies. [They] are designing data lakes and looking at information across all the events they care about and then using that data to relate to the rest of the marketing process.

The Hertz logo is displayed in the top left corner. It features the word "Hertz" in a bold, white, sans-serif font, with a registered trademark symbol (®) to the right. A thick yellow horizontal bar is positioned directly beneath the text.

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# Meetings Mavens

Pharmaceutical, financial and manufacturing companies will get into these practices in 2019, and they'll bring in that marketing operations person to start to relate this data to the rest of the cycle.

**Wagner:** We also see that. It's not necessarily the individual event they are looking for in the data. It is the life cycle of the customer. That event itself may not have a return; that may not be the best calculation. Clients are focusing [analytics] on their customer acquisition or retention cycle or their revenue growth setter.

**Q** *One challenge here is that the industry hasn't established standard metrics that can get at the impact of different kinds of events or different kinds of attendee interactions. Is that something Cvent is working on for 2019?*

**Punyapu:** We've invested a lot in analytics and have done some of that work, but it also has to be a fluid process. We continuously learn from our clients and what they need to learn from the data.

**Q** *Let's go back to Anil's assertion that impending commission cuts have precipitated at least part of the increase in meetings demand lately.*

**Wagner:** There was a phenomenon of trying to get ahead of the commission cuts. It increased acute demand but also influenced average lead times, [according to] our research. We [hadn't] seen movement in that regard in a long time. The commissions cut contributed to that trend.

**Bondurant:** With commissions cuts, there's a lot more scrutiny now around strategic meetings programs and being able to articulate the value of the meetings, especially those that are driving revenue. As an example, internal training is being done in alternate ways, online and a lot of pre- and post-work [to optimize] the face-to-face element and maybe reduce time onsite.

## Sourcing Meetings in 2019

**Meetings negotiations will focus heavily on terms & conditions.**

**Optimum lead time for booking is 30-plus days for small meetings & 75 or more for large meetings.**

**Hotel sleeping room rates will increase 3.7% globally.**

**Companies with best-in-class strategic meetings programs save 22% on personnel hours & 19% on hotel room rates.**

Source: CWT Meetings & Events' 2019 Meetings & Events Future Trends Report

## Meetings Demand in 2019

**Meetings demand will grow 5% globally.**

**Average group size will increase 14%.**

**Construction of "big-box" hotels with meeting space is not keeping pace with demand.**

**More meetings activity is pushing into luxury properties as demand outpaces supply & because meeting location matters.**

Source: CWT Meetings & Events' 2019 Meetings & Events Future Trends Report

[This reserves] face-to-face resources for revenue-generating events that can more directly justify costs.

**Q** *Do you think more brands will join them in lowering commissions in 2019?*

**Bondurant:** My personal thought is that eventually commissions may go to more of a dynamic pricing. I don't know why any hotel in New York City is giving commission when they get so many RFPs and they have such high occupancy. I would be shocked if more chains are not [moving to] lower commissions.

**Wagner:** I definitely agree with that. And I think that other brands are looking to be opportunistic, and they may experience a lift for the short term.

**Q** *What other trends are you seeing going into 2019?*

**Wagner:** There's actually a piece missing in this discussion about commissions. Hotels have treated all meetings the same way when it comes to commissions—from huge association deals to small meetings with 25 people. It's hard to get value out of those 25-person meetings. It's hard for an agency to add value; it's hard for the hotel. At this point, there is a need for much greater inventory access and automation versus the kind of system [workarounds] we do right now to try to make this work.

I know there are small meetings tools emerging, but they are basically simplified RFP systems. We need to see more attention given to small meetings automation with the major brands.

**Q** *Anil, this sounds similar to what your CEO, Reggie Aggarwal, was talking about at the Cvent Connect conference in July.*

**Punyapu:** Simple events like field marketing events or seminars are an area where our competitors are challenging us to expand our solution and we welcome that. It's definitely an area Cvent is exploring.

**Q** *Betsy, what keeps you up thinking about next year?*

**Bondurant:** I was going to say the war for talent. I think we're looking at 3 percent unemployment, and hotels continue to struggle. You go to a hotel and they ask you if you want to take a pass on housekeeping for your stay. I've got a love-hate relationship with that. I love the idea, but I also don't want to put a housekeeper out of business. On the sales side, there are a lot of hotel sales folks onboard who have never been in a buyer's market. If this changes, will these representatives know how to keep a preferred partner and will they understand how important the corporate group business is?

**Punyapu:** I also think about the employment issue but from a different perspective that centers around employee engagement and loyalty. Unemployment is at its lowest rate. Productivity is high. Every company is trying to engage employees and drive productivity and retention. They have to start practicing some of the same marketing and engagement tactics for their internal meetings. They need to digitize the employee journey in the meetings environment, see what engages them and for how long. I think some companies in 2019 will start to correlate internal meeting experience and engagement to employee retention rates. ■

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# Global Sales & Distribution



# BTN'S 2018 HOTEL BRAND SURVEY



## Hotel Brands' New Rapport with the Corporate Travel Market BY JULIE SICKEL

The hotel industry is at a tricky point in its history, as occupancy in North America continues to hold at record levels while the power of hotels to drive rates higher each year remains constrained. At the same time, brands within this industry have to work harder than ever to stand out from an ever-crowding field of competitors in order to stick in the minds of customers, whose expectations are getting higher and whose voices are getting louder.

BTN's 2018 Hotel Brand Survey saw some brands maintain their top spot year over year, such as Marriott's Ritz-Carlton, Hyatt Hotels Corp.'s Hyatt Place, InterContinental Hotels Group's Candlewood Suites and Best Western Hotels & Resort brands Best Western and Best Western Plus. Others overtook last year's victors to claim the No. 1 slots in their segments, including Marriott's Westin and Hyatt's Hyatt House.

The biggest change in the survey this year, however, is the survey itself. BTN reworked the criteria of previous years to better account for how today's travel managers and travel buyers evaluate hotel brands.

As a result, brands garnered acclaim in new areas like safety and security standards, communication with travel buyers and support of traveler wellness.

Among the multibrand hotel companies, Hilton had the strongest overall performance, as five of its brands finished in the top three of their respective tiers. Marriott, Hyatt and IHG each had three brands finish in the top three and Best Western had two.

### The Partnership Approach

This year already has seen the rollout of a number of initiatives like Hyatt Leverage, IHG Business Edge and Best Western Business Advantage that provide discounts to and support for small to midsize corporate travel programs. The initiatives take a partnership approach to working with travel buyers and managers because, as leaders of these initiatives have said, it's what corporates expect in order for hotel companies to win their business.

Indeed, for five of the seven hotel tiers in which BTN ranked hotel brands, the No. 1 brand was also the brand that earned the highest marks for exhibiting a partnership approach to negotiating rate and penalties. To be fair, the partnership idea isn't exactly new—Best Western VP of worldwide sales Wendy Ferrill emphasized its importance in this same report back in 2016—but with more brands rolling out dedicated programs with that idea at its core, there seems to be a new force driving the need to work with buyers.

It's possible the seemingly anticorporate practices in recent years—such as 48- to 72-hour-cancellation penalties, as well as commissions cuts to meetings planners and intermediaries—have stirred up bad

blood that has given hotel sales organizations reason to extend a different kind of olive branch to travel buyers.

However, Bjorn Hanson, industry consultant and adjunct professor at the New York University School of Professional Studies Jonathan M. Tisch Center for Hospitality and Tourism, has a different theory. "I think what's happening in part is driven by all of the brands' approaches to revenue management," Hanson said. Revenue management philosophy goes that hotels should build a strong base of demand or occupied rooms because doing so makes it easier to drive a higher rate in the remaining rooms. With hotel occupancy the highest it's been since 1981, Hanson said, these new programs could be a way for hotels to try to attract business travel as a base and then drive rate on leisure and non-negotiated rates, a shift from the practices of, say, a decade ago.

Those familiar with the revenue management philosophy of the airline industry will recognize the similarity. "It's a commoditization in a way because although it appears on the surface like corporate demand is a priority, it's actually a declining share of occupied room nights," Hanson said, citing his findings for a report to be released in late October.

STR forecasts for 2019 U.S. hotel demand growth, at 2.1 percent, will continue to outpace the 1.9 percent supply growth. Occupancy is expected to increase 0.2 percent year over year, and average daily rate to grow 2.4 percent, which STR still considers slow, given the continued high occupancy.

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## LUXURY

# Competition Heats Up in Luxury

BY AMON COHEN

In last year's BTN Hotel Brand Survey, the gap between first place and last place was 0.31 points on a six-point scale. This year, the distance has narrowed to a mere 0.09 points between Ritz-Carlton at the top of the list with 5.15 and its Marriott International stablemate JW Marriott at the bottom with 5.06 points.

Also notable is that Ritz-Carlton last year earned the highest marks for almost every brand criterion. Following a revision of the survey (see page 14), travel buyers spread the plaudits far more evenly in 2018. Ritz-Carlton topped two criteria and shared the top spot for another, and it came in first overall while Four Seasons topped five criteria and placed second overall. Despite coming in last, JW Marriott ranked No. 1 for locations and meeting facilities.

Ritz-Carlton also topped the luxury segment in the J.D. Power 2018 North America Hotel Guest Satisfaction Index Study. The brand scored highest among its cohorts in BTN's survey for sales staff, an achievement Marriott International global luxury sales VP John Harper attributed in part to a revamp it conducted of its sales training program earlier this year. "One thing we really spend a lot of time on is that this isn't a transactional approach," Harper explained. "It's very service oriented. The travelers who stay at our hotels are very important to their travel managers. We want to make sure they are satisfied."

Ritz-Carlton shared the top spot for data and reporting in BTN's survey with Grand Hyatt. Harper said Ritz-Carlton is working on analytics to better understand which services corporate guests actually use during their stay. "If we offer a complimentary service to an account, they want to know how often their travelers use it because if it's not really used, they don't want to fight for it in the

LUXURY ON A SCALE FROM 1 TO 6	Ritz-Carlton	Four Seasons	Fairmont	Grand Hyatt	Inter-Continental	JW Marriott	Average
Strategically located properties in terms of business needs	4.82	4.98	4.65	4.9	5.1	<b>5.17</b>	<b>4.94</b>
Clean, attractive & well-maintained hotels & facilities	5.51	<b>5.63</b>	5.46	5.17	5.41	5.35	<b>5.42</b>
Meeting facilities	5.29	5.2	5.04	5.08	5.28	<b>5.3</b>	<b>5.2</b>
On-property service staff	5.51	<b>5.63</b>	5.46	5.23	5.38	5.24	<b>5.41</b>
Healthy food & fitness options to support traveler wellness	<b>5.37</b>	5.16	4.92	5.02	5.13	5.02	<b>5.1</b>
Safety & security standards	5.51	<b>5.53</b>	5.38	5.38	5.41	5.26	<b>5.41</b>
Brand consistency	5.35	<b>5.53</b>	5.46	5.31	5.03	5.46	<b>5.36</b>
Sales staff (national, regional & local)	<b>5.45</b>	5.06	5.27	5.13	4.95	5.26	<b>5.19</b>
Approach to negotiating rates & penalties like cancellation terms	4.86	4.76	<b>5.15</b>	5.02	4.95	4.72	<b>4.91</b>
Flexibility in negotiating amenities like breakfast, parking, Wi-Fi & upgrades	4.61	4.65	<b>4.96</b>	4.88	4.95	4.48	<b>4.75</b>
Communication with travel buyers	4.75	4.71	<b>5</b>	4.96	4.67	4.78	<b>4.81</b>
Data & reporting	<b>5</b>	4.71	4.73	<b>5</b>	4.74	4.91	<b>4.85</b>
Price-to-value relationship	4.96	<b>5.04</b>	4.85	4.92	4.9	4.83	<b>4.91</b>
<b>TOTAL</b>	<b>5.15</b>	<b>5.12</b>	<b>5.1</b>	<b>5.08</b>	<b>5.07</b>	<b>5.06</b>	<b>5.1</b>

negotiation," he said. One example, said Harper, would be enhanced Wi-Fi.

Ritz-Carlton also emerged as a clear winner for its support of traveler wellness via healthy food and fitness options, an area where, Harper said, the brand has worked hard to show more flexibility. "Wellness used to be about whether we had a gym, and then it was about food. Today, you have to give a lot of options and it's not just physical but mental and emotional health. In New York, it could be about offering yoga classes in Central Park at 6:30 in the morning."

Second place Four Seasons was admired for its well-maintained facilities, on-property service staff, safety and security standards, brand consistency and price-to-value relationship.

Bjorn Hanson, industry consultant and adjunct professor at the New York University School of Professional Studies Jonathan M. Tisch Center for Hospitality and Tourism, said the brand's strategy sets it apart from others in the seg-

ment. "It's just taking a position of being a single-focus brand," he said, "maximizing its performance to demand generators and demand segments that are looking for a luxury brand."

Third place Fairmont emerged as a firm friend of the travel buyer. It garnered the highest marks for a partnership approach to negotiations; for flexibility in negotiating amenities; and for communication with buyers. Accor-Hotels bought the Fairmont brand in 2016, and then the corporate sales teams merged. "What we have focused on in the last year has been customization, trust and data," said Accor VP of global sales for business travel Christine Kerr.

According to Kerr, AccorHotels salespeople play the role of brokers, mediating the interests of two other parties, the corporate travel buyers and the hotels. "Our team spends a lot of time on the phone between travel managers and our hotels," she said. "We have built that bond of trust with our travel manag-

ers. When we speak to hotels as a global brand, they are listening to us a lot closer. They understand who our largest buyers are in the corporate space." Pre-acquisition, Fairmont offered chainwide discounts to 50 corporate customers. Now, chainwide discounts also reach 800 Accor customers, minus some Accor/Fairmont overlap.

Kerr said dynamic pricing is "definitely where the trend is going in the market." She cited it as the perfect example of customization, trust and data in action. Clients are increasingly demanding it, she said, so her salespeople are "working with our hotels to understand if they have the technology to go there," as it's not so simple a task when hotels deploy different property management systems.

Still, Kerr is optimistic that a solution can be found through goodwill and dialogue. "Communication and collaboration with corporate customers and our key hotels are the reasons we have been successful," she said.

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## UPSCALE

# Traveler Wellness Wins Upscale

BY JULIE SICKEL

Wellness won the day among the upscale segments, as Marriott International's Westin brand and Hyatt Hotels Corp.'s Hyatt Place brand both earned the highest scores in their segments for support of traveler wellness and led their segments overall.

But what does wellness mean to today's travelers? According to Steven Dominguez, VP of global brands for Hyatt Place and Hyatt House, it's more holistic than simply ensuring that a property has a fitness center. More brands, Hyatt Place included, are providing programming around not just fitness but also mindfulness and are finding new ways to support healthy sleep and dining experiences.

### Upper-Upscale

Westin, which placed first in the upper-upscale segment, has long been synonymous with wellness. Its Wellness at Westin program features signature offerings like the Westin Heavenly Bed; a workout gear lending program; fitness studios featuring Peloton bikes; fresh juices and smoothies; and SuperFoodsRx dining.

This year, the brand took the idea of wellness to new levels

by introducing sustainability and charitable giving initiatives, such as a partnership with Charitable Miles for Global Running Day and the launch of Thread-Forward to upcycle bed linens into children's pajamas.

The brand also scored highest for its clean, attractive and well-maintained hotels/facilities; on-property service staff; safety and security standards; and brand consistency.

As of June 30, Westin had 219 properties in its portfolio, 91 of which were in international markets. Marriott intends to debut the Westin brand in the U.K. in 2020.

Hyatt Hotels' Hyatt Regency benefits from the strength of its global sales organization, as the brand earned top marks for flexibility in negotiating amenities and for communication with travel buyers. It also scored the highest within the upper-upscale segment for meeting facilities.

Bjorn Hanson, industry consultant and adjunct professor at the New York University School of Professional Studies Jonathan M. Tisch Center for Hospitality and Tourism, said

the unique architecture of each Hyatt Regency property helps drive satisfaction with the brand, as both guests and on-property associates feel they're "at a really special hotel." Signature features include versatile properties and meeting venues, 24/7 dining with on-property restaurants and grab-and-go items, and premium fitness and spa facilities. As of June 30, the brand had 185 properties in its portfolio globally.

Another boon for the Hyatt Regency brand is its parent company's ventures in the wellness space. Hyatt Hotels acquired well-being brands Miraval and Exhale last year and is learning from their expertise and infusing a wellness mind-set across its portfolio of brands. The company announced in early October it would integrate Exhale into the World of Hyatt loyalty program, allowing members to earn and redeem points for spa therapies and fitness classes.

InterContinental Hotels Group acquired Kimpton Hotels & Restaurants back in 2015, and since that time, the pioneer of the boutique hotel concept has remained somewhat autonomous while

providing the IHG portfolio with a certain flare, even sparking IHG competitors to launch their own boutique and lifestyle brands. This year, however, IHG brought Kimpton into the fold like never before—Kimpton Karma Rewards became one with IHG Rewards on Jan. 1, and Kimpton's global business program merged with IHG Business Edge, which fully launched in August. The result is that this year's survey respondents scored No. 3 finisher Kimpton highest in the upper-upscale segment for its partnership approach to negotiating rates and penalties, as well as overall price/value relationship.

Kimpton Hotels & Restaurants VP of sales Telesa Via said its deeper connection to IHG has made the brand more accessible to a larger and more diverse audience of travel managers and business travelers. The brand's footprint also is growing, particularly internationally. It opened its first property outside North America in May 2017 and has openings coming up in Barcelona, Taipei and Bangkok, plus four new properties in the U.K. and a recently announced Paris property set to

UPPER-UPSCALE ON A SCALE FROM 1 TO 6	Westin	Hyatt Regency	Kimpton	Marriott	Omni	Hilton	Sheraton	Embassy Suites	Average
Strategically located properties in terms of business needs	5.29	5.14	4.83	<b>5.39</b>	4.39	5.25	4.84	4.76	<b>4.99</b>
Clean, attractive & well-maintained hotels & facilities	<b>5.39</b>	5.15	5.33	5.2	5.21	4.92	4.87	5	<b>5.13</b>
Meeting facilities	5.13	<b>5.17</b>	4.56	5.1	5.09	4.79	4.68	4.4	<b>4.86</b>
On-property service staff	<b>5.35</b>	5.15	5.19	5.05	5.3	4.92	5.03	5	<b>5.13</b>
Healthy food & fitness options to support traveler wellness	<b>5.29</b>	4.95	4.97	4.98	4.88	4.62	4.68	4.64	<b>4.88</b>
Safety & security standards	<b>5.32</b>	5.31	5.25	5.22	5.09	4.92	5.06	5.04	<b>5.15</b>
Brand consistency	<b>5.48</b>	5.12	5.11	5.22	5.18	4.93	4.77	5.12	<b>5.12</b>
Sales staff (national, regional & local)	5.23	5.2	5.25	5.07	<b>5.36</b>	4.92	4.84	4.88	<b>5.09</b>
Approach to negotiating rates & penalties like cancellation terms	4.81	5.02	<b>5.11</b>	4.63	5.06	4.58	4.61	4.56	<b>4.8</b>
Flexibility in negotiating amenities like breakfast, parking, Wi-Fi & upgrades	4.65	<b>4.92</b>	4.89	4.44	4.85	4.42	4.55	4.8	<b>4.69</b>
Communication with travel buyers	4.77	<b>4.93</b>	4.92	4.89	4.67	4.63	4.65	4.28	<b>4.72</b>
Data & reporting	4.55	4.73	4.5	<b>4.74</b>	4.61	4.66	4.52	4.04	<b>4.54</b>
Price-to-value relationship	4.94	4.98	<b>5.11</b>	4.82	5.03	4.71	4.9	4.68	<b>4.9</b>
<b>TOTAL</b>	<b>5.09</b>	<b>5.06</b>	<b>5</b>	<b>4.981</b>	<b>4.979</b>	<b>4.79</b>	<b>4.77</b>	<b>4.71</b>	<b>4.92</b>



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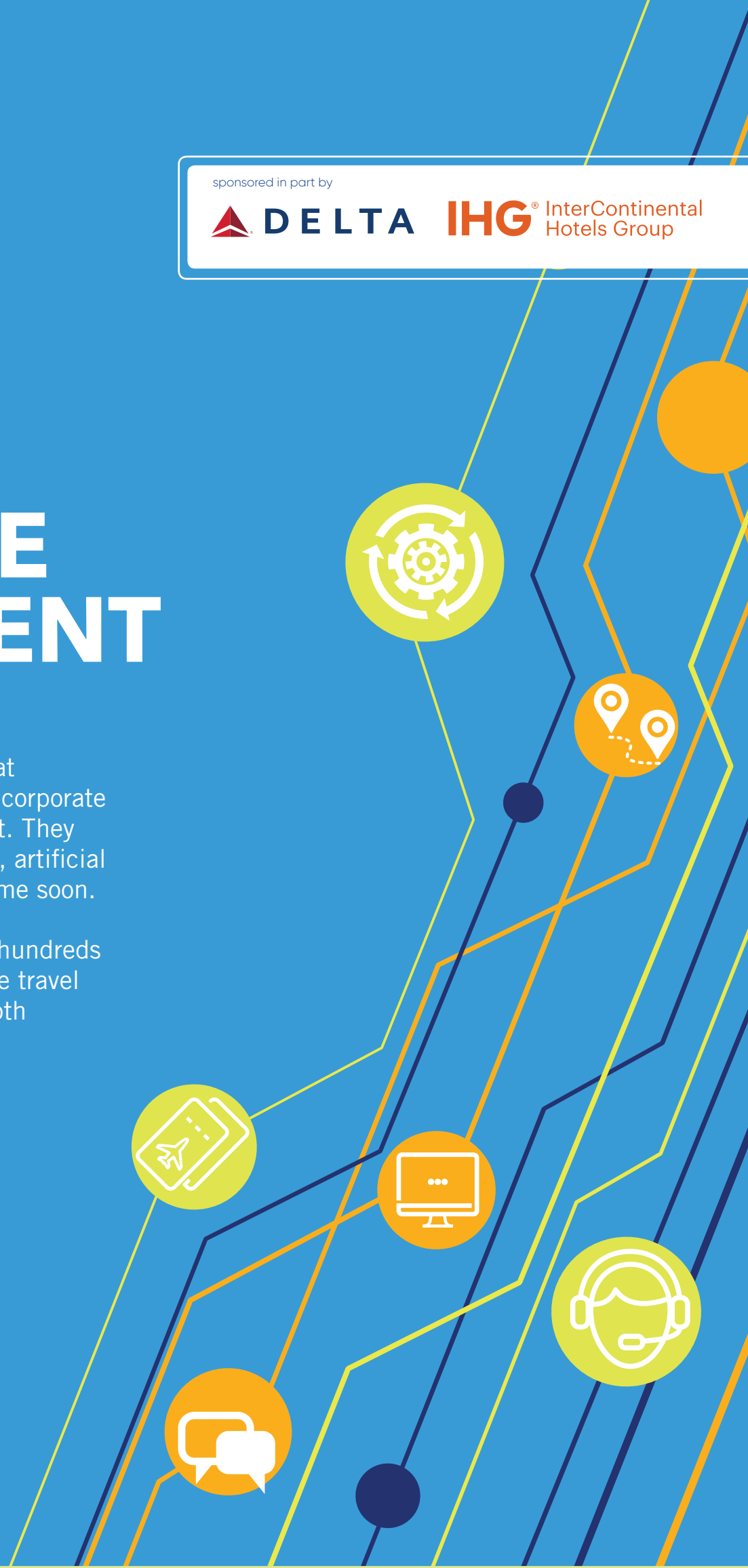
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open in 2020. “We pride ourselves in creating unique hotel experiences, living by the motto that there is no ‘Kimpton in a box,’” Via said. “Each hotel is design-led and concepted from a blank slate, standing as a ‘brand of one.’ While no two hotels look the same, they feel the same because they share a common thread of heartfelt hospitality anchored by Kimpton’s devotion to its guests and desire to create uniquely memorable experiences.”

From January to August, the average daily rate for the upper-upscale segment increased 2.3 percent year over year to \$178.48, according to STR. Occupancy increased 1 percent to 76.7 percent. Demand growth for the segment, 3.3 percent, outpaced the 2.3 percent supply growth.

## Upscale

Hyatt Place won the upscale segment by a significant margin and repeated its victory from 2017. It earned the highest scores in 11 of the 13 criteria for which the brands are ranked, including meeting facilities; on-property service staff; safety and security standards; sales staff; a partnership approach to negotiating rate and penalties; and communication with travel buyers.

The select-service brand stands out for its fresh design, larger guest rooms, 24/7 dining options with an elevated breakfast experience and its versatile meeting spaces. But key to pushing the brand to the top of the rankings, in Hyatt Place & Hyatt House VP of sales Kevin Kelly’s mind, is the superior training for brand associates across marketing, operations, revenue management and sales, as well as its philosophy in working with corporate customers.

“We do not want to be a transactional seller; we want to be consultative seller,” Kelly said. “We want our customers to know that we are here to help them solve whatever problems or challenges they have.” That messaging is in line with Hyatt’s launch this year of Hyatt Leverage, which provides tools and rate discounts to small and mid-size enterprises and connects travelers to The World of Hyatt

UPSCALE ON A SCALE FROM 1 TO 6	Hyatt Place	Double-Tree	Hilton Garden Inn	Courtyard by Marriott	Crowne Plaza	Average
Strategically located properties in terms of business needs	4.79	4.84	<b>5.17</b>	5.13	4.71	<b>4.93</b>
Clean, attractive & well-maintained hotels & facilities	<b>5.17</b>	4.83	5.02	4.84	4.52	<b>4.87</b>
Meeting facilities	4.1	4.41	4.11	4.17	<b>4.48</b>	<b>4.26</b>
On-property service staff	<b>4.86</b>	4.74	4.77	4.66	4.58	<b>4.72</b>
Healthy food & fitness options to support traveler wellness	<b>4.69</b>	4.62	4.36	4.38	4.29	<b>4.47</b>
Safety & security standards	<b>4.94</b>	4.88	4.77	4.77	4.9	<b>4.85</b>
Brand consistency	<b>5.29</b>	4.71	5.06	4.93	4.48	<b>4.89</b>
Sales staff (national, regional & local)	<b>5.05</b>	4.86	4.83	4.8	4.55	<b>4.82</b>
Approach to negotiating rates & penalties like cancellation terms	<b>5</b>	4.71	4.56	4.32	4.52	<b>4.62</b>
Flexibility in negotiating amenities like breakfast, parking, Wi-Fi & upgrades	<b>4.86</b>	4.74	4.63	4.19	4.42	<b>4.57</b>
Communication with travel buyers	<b>4.76</b>	4.64	4.48	4.55	4.42	<b>4.57</b>
Data & reporting	<b>4.68</b>	4.57	4.51	4.38	4.19	<b>4.47</b>
Price-to-value relationship	<b>4.99</b>	4.81	4.86	4.7	4.45	<b>4.76</b>
<b>TOTAL</b>	<b>4.86</b>	<b>4.72</b>	<b>4.7</b>	<b>4.6</b>	<b>4.5</b>	<b>4.68</b>

loyalty program. Kelly believes that when corporates can get travelers within their hotel programs aligned with World of Hyatt, two main benefits emerge: Hyatt can better serve business travelers because it knows them better, and travel managers can strengthen compliance within their hotel program.

Hyatt Place serves as a key growth brand for Hyatt, as it and extended-stay counterpart Hyatt House comprise 40 percent of Hyatt’s global development pipeline. As of June 30, the brand’s portfolio was comprised of 314 properties.

Second-place DoubleTree by Hilton has in recent years invested in its meetings programming, working to make its meeting spaces more dynamic with flexible setups and the latest built-in technology.

The full-service brand is marrying wellness and sustainability with meetings and events through parent company Hilton’s Meet with Purpose offerings. DoubleTree global head and SVP Shawn McAteer said the program reinvigorates essential business activities to boost meeting outcomes, exceed client goals and meet the needs of attendees. An example is the Yoga & Yogurt package, which features an expert-led yoga class for attendees and then a yo-

gurt parfait bar for a wellness-focused breakfast.

DoubleTree is the fastest-growing brand for Hilton, with more than 535 properties in its portfolio and more than 200 hotels in its pipeline. Ten years ago, McAteer said, DoubleTree had 160 hotels in one country. Now, the brand is present in 43 countries and almost half the hotels in its pipeline are slated for the Asia/Pacific region.

Hilton Garden Inn may be third among BTN survey respondents, but the brand finished first in the upscale segment in J.D. Power’s 2018 North America Hotel Guest Satisfaction Index Study. BTN readers ranked the brand No. 1 for strategic locations for business needs. Hilton Garden Inn global head John Greenleaf said the brand boasts almost 790 hotels across 38 countries and territories. Its pipeline stands at 316 hotels worldwide, more than half of those pegged for development outside the U.S. With each development and opening, the brand is “building on its commitment to anticipate and cater to the evolving needs of today’s modern traveler, providing ‘simple things on another level’ at every corner of the world,” Greenleaf said.

The brand revamped its dining menu as part of a compre-

hensive global brand refresh in 2017, and launched a Sophisticated Bites campaign this summer to crowdsource new menu items. The new food and beverage offerings across Hilton Garden Inn’s portfolio address shifting customer preferences toward healthier, more organic menu choices, new flavors with a local slant, availability 24/7 and more social settings for restaurant and bar service.

With its brand refresh, Hilton Garden Inn is also enhancing its hotel designs and its brand culture, deploying prototypes that marry consistency with local-market customization. “This approach to design provides owners with the ability to tailor the property to meet their needs and drive guest loyalty by creating attractive guest room designs, food and beverage offerings, redefined meeting spaces and guest-centric social spaces while maintaining the light, bright and airy atmosphere of Hilton Garden Inn,” Greenleaf said.

From January to August, ADR for the upscale segment increased 2.1 percent year over year to \$142.41, according to STR. Occupancy increased 0.3 percent to 77.7 percent. Demand growth for the segment, at 5.2 percent, continues to outpace supply growth, which stands at 4.9 percent.



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## MIDSCALE

# Established Brands Maintain Power

BY JULIE SICKEL

Midscale is quickly becoming the segment to watch as multibrand companies launch more and more midscale product into the market to meet developers' appetites for cost-effective properties and to attract the growing, travel-hungry middle class. The upper-midscale segment in particular is seeing an imbalance between supply growth, at 4.3 percent, and demand growth, at 4 percent, according to STR.

Nevertheless, the established players in this space operate from positions of power, with large footprints and knowledge of how to deliver superior experiences within the midscale price ranges. Leading the charge is Best Western Hotels & Resorts, whose midscale brands swept their segments for the second consecutive year.

### Upper-Midscale

Best Western Plus earned top marks among upper-midscale brands for sales staff; partnership approach to negotiating rate and penalties; flexibility negotiating amenities; communication with travel buyers; data and reporting; and price/value relationship.

Parent company Best Western Hotels & Resorts has deployed its own programs for engaging with the corporate travel market, such as BW Business Advantage for small and midsize enterprises and its BW Groups RFP Tool. Yet, VP of worldwide sales Wendy Ferrill said the company continues to emphasize the individualistic approach it's long used with corporate clients: "We really try to do a deep dive with each buyer to understand their goals and to talk about ours—really individualize that program in terms of what the offer is, how we market it to the travelers and how we get our hoteliers engaged."

Best Western Plus also scored highest among upper-midscale companies for meeting facilities. The brand and its members have invested in recent years to ensure the facilities are freshly designed and up to date. Beyond that, though, the Best Western team has worked to communicate its meetings product to buyers. "It's really communicating that we are engaged in that market because people did not realize

previously that it was something that would be a sweet spot for us," Ferrill said. "Meetings are getting smaller, not bigger. With that in mind, it's become a perfect place for Best Western overall as a brand to step in and cap-

ture that market share and be able to provide a solution to planners."

Holiday Inn scored highest for locations for business needs and healthy food and fitness options. InterContinental Hotels Group SVP of

global marketing for mainstream brands Heather Balsley said supporting business traveler wellbeing has been a focus across IHG's brands.

"Wellness is not just about healthy eating or a great gym; it's really about

UPPER-MIDSCALE ON A SCALE FROM 1 TO 6	Best Western Plus	Holiday Inn	Hampton Inn	Holiday Inn Express	Fairfield Inn	Average
Strategically located properties in terms of business needs	4.78	<b>5.04</b>	4.88	4.96	4.77	<b>4.88</b>
Clean, attractive & well-maintained hotels & facilities	4.54	4.62	<b>4.81</b>	4.54	4.51	<b>4.6</b>
Meeting facilities	<b>4.27</b>	4.07	3.67	3.87	3.38	<b>3.85</b>
On-property service staff	4.46	4.5	<b>4.51</b>	4.47	4.31	<b>4.45</b>
Healthy food & fitness options to support traveler wellness	4.07	<b>4.27</b>	4.123	4.118	3.97	<b>4.11</b>
Safety & security standards	4.39	4.5	<b>4.529</b>	4.526	4.38	<b>4.46</b>
Brand consistency	4.51	4.5	<b>4.88</b>	4.66	4.82	<b>4.67</b>
Sales staff (national, regional & local)	<b>4.83</b>	4.59	4.52	4.57	4.33	<b>4.57</b>
Approach to negotiating rates & penalties like cancellation terms	<b>4.66</b>	4.45	4.41	4.26	4.11	<b>4.38</b>
Flexibility in negotiating amenities like breakfast, parking, Wi-Fi & upgrades	<b>4.68</b>	4.39	4.4	4.29	4.08	<b>4.37</b>
Communication with travel buyers	<b>4.46</b>	4.35	4.27	4.28	3.95	<b>4.26</b>
Data & reporting	<b>4.44</b>	4.32	4.28	4.11	3.98	<b>4.23</b>
Price-to-value relationship	<b>4.9</b>	4.66	4.61	4.61	4.57	<b>4.67</b>
<b>TOTAL</b>	<b>4.54</b>	<b>4.48</b>	<b>4.45</b>	<b>4.4</b>	<b>4.24</b>	<b>4.42</b>

MIDSCALE ON A SCALE FROM 1 TO 6	Best Western	Wingate by Wyndham	Quality Inn & Suites	La Quinta Inns & Suites	Average
Strategically located properties in terms of business needs	<b>4.46</b>	4.26	4.04	4.14	<b>4.23</b>
Clean, attractive & well-maintained hotels & facilities	4.26	<b>4.41</b>	3.96	3.92	<b>4.14</b>
Meeting facilities	3.79	<b>3.97</b>	3.37	3.38	<b>3.63</b>
On-property service staff	4.26	<b>4.29</b>	4.07	4.04	<b>4.17</b>
Healthy food & fitness options to support traveler wellness	3.89	<b>4.18</b>	3.81	3.57	<b>3.86</b>
Safety & security standards	4.37	<b>4.41</b>	4.07	3.92	<b>4.19</b>
Brand consistency	4.345	<b>4.353</b>	3.74	3.99	<b>4.11</b>
Sales staff (national, regional & local)	<b>4.57</b>	4.15	4.22	4.16	<b>4.28</b>
Approach to negotiating rates & penalties like cancellation terms	<b>4.58</b>	4.06	4.19	4.16	<b>4.25</b>
Flexibility in negotiating amenities like breakfast, parking, Wi-F & upgrades	<b>4.4</b>	4.32	4.11	4.11	<b>4.24</b>
Communication with travel buyers	<b>4.26</b>	4.03	3.96	3.85	<b>4.03</b>
Data & reporting	<b>4.2</b>	3.76	3.93	3.63	<b>3.88</b>
Price-to-value relationship	<b>4.56</b>	4.26	4.3	4.25	<b>4.34</b>
<b>TOTAL</b>	<b>4.3</b>	<b>4.19</b>	<b>3.98</b>	<b>3.93</b>	<b>4.1</b>

# THANK YOU BTN

BUSINESS TRAVEL NEWS



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a holistic experience,” she said. “How do we ensure that every hotel has an exceptional sleep experience, and how do we design our guest rooms to reinforce that need for our guests to stay rested and refreshed?” The brand’s renovation programs and prototypes for new construction have added space and higher-quality equipment to its fitness centers. Its dining program, too, is more consistent and balances indulgent options with healthier fare to help business travelers “stay on top of their game on the road,” Balsley said.

Holiday Inn is the largest full-service brand in the upper-midscale segment, with 1,243 properties in its portfolio as of June 30 and 279 in its pipeline. As the brand has grown in recent years, Balsley said, it’s optimized its locations, particularly across urban and suburban markets.

Hampton by Hilton received the highest scores for clean, attractive and well-maintained facilities; on-property service staff; safety and security standards; and brand consistency. Respondents noted Hampton’s status as an innovator. Global brand head Shruti Gandhi Buckley said, “We’re not afraid to try new things and adapt to the changing needs of travelers ... as recently seen in its evolving lobby design with multifunctional spaces and the new prototype unveiled earlier this year.” The prototype features modern decor with flexible public meeting spaces and design signatures customizable to the local market. Most Hamptons under development have incorporated the design, Buckley said, and hundreds of existing hotels have undertaken renovations or soon will. As of June 30, Hampton had 2,163 properties in the U.S. and 218 elsewhere in the world.

From January to August, upper-midscale’s average daily rate rose 1.4 percent year over year to \$118.85, according to STR. Occupancy decreased 0.2 percent to 73.2 percent.

## Midscale

Best Western scored highest in areas relating to its sales team’s work with corporate travel managers, including a partnership approach to negotiating rate and penalties; flexibility in negotiating amenities; and data quality.

The brand also tied Wingate by Wyndham for the highest score for brand consistency. That’s an accomplishment, given that less than a decade ago, all Best Western Hotels & Resorts properties fell under that one brand. Bjorn Hanson, industry

consultant and adjunct professor at the New York University School of Professional Studies Jonathan M. Tisch Center for Hospitality and Tourism, said brand fine-tuning, including sub-brands and new brands, has “put kind of a halo effect on the traditional core Best Western brand.” Greater clarity on the guest experience, he said, is resulting in higher guest satisfaction.

“We obviously don’t have a cookie-cutter product,” said Best Western chief marketing officer and SVP Dorothy Dowling. “We’ve always celebrated the experience in terms of people leaning into their local markets to create that flavor, but what we have invested enormously in is deconstructing the customer experience,” meaning touch points like breakfast, sleep, shower; areas important to business travelers and where hotels can deliver consistently.

Wingate by Wyndham came in second in BTN’s survey but remained the top midscale brand in J.D. Power’s 2018 North America Hotel Guest Satisfaction Index Study for the fourth consecutive year. In BTN’s survey, it scored highest for clean, attractive and well-maintained hotels; meeting facilities; on-property service staff; traveler wellness; and safety and security.

Brand operations VP Larry Hambro said it has evaluated its wellness offerings with an eye to road warriors who spend “dozens or hundreds of nights” in hotels each year. “We’re improving our free breakfast and items available for purchase in our marts, adding healthier foods, higher-quality items and dietary-specific options like gluten-free,” Hambro said. Men’s Fitness and Muscle & Fitness Hers magazines provide in-room and fitness center workout guides. Many Wingates also offer free access to local health clubs beyond the on-property fitness centers.

The brand plans to enable guests to interact with associates via text during their stays and to stream content from their mobile devices. “These offerings tie back to our brand promises, deliver modern hospitality and address how guests are traveling today,” Hambro said.

From January to August, upper-midscale ADR increased 2 percent year over year to \$93.67 and occupancy increased 0.6 percent to 65.8 percent. Demand growth, at 1.6 percent, continues to outpace 1 percent supply growth.

## EXTENDED STAY

# Extended Stay Pulls Up a Seat at the Table

BY JULIE SICKEL

Extended-stay hotels have until recently been somewhat of a black sheep within the corporate travel lodging landscape, used more for relocations and project work, which traditionally fell outside the “travel” purview. However, factors like the rise of Airbnb, improved internal data around traveler stays, record industry occupancy and improved communication from extended-stay brands have prompted corporates to look to extended-stay like never before. And the brands are responding in kind. Representatives for the first-place brands in both the upscale and midscale extended-stay segments cited education and communication as key to their efforts in working with today’s corporate travel managers and buyers.

## Upscale Extended Stay

This year marks the first time in the history of this survey that Hyatt Hotels Corp.’s Hyatt House brand has led its segment. That milestone speaks less to an uptick in quality at Hyatt House—the brand placed first or above average during the past three annual J.D. Power North America Hotel Guest Satisfaction Index studies—and speaks more to the growth of the brand, both in actual footprint and in its penetration of the corporate travel market.

Hyatt Place & Hyatt House VP of sales Kevin Kelly put the brand’s global portfolio at about 85 hotels, with another 35 in development, and said that together the select-service brands of Hyatt Place and Hyatt House comprise 40 percent of Hyatt’s current pipeline. In BTN’s 2018 Hotel Brand Survey, Hyatt House earned top marks in nearly every criteria in its segment. Hyatt Place & Hyatt House VP of global brands Steven Dominguez said Hyatt House stands out among its competitors for spacious units that offer an urban residential feel, such as one might expect from a condo or furnished apartment.

The brand is alleviating the pain

points procurement professionals have faced with extended-stay hotels. In April, the brand rolled out the HyStay Portal, an automated sourcing platform for third-party, temporary housing providers and relocation management companies. The platform streamlines clients’ sourcing experience and shortens properties’ response time to leads. Kelly said the brand also is rolling out to its client partners a “best-in-class” centralized billing system, which has already received positive feedback from users.

Second-place Home2 Suites by Hilton makes its inaugural appearance on BTN’s survey this year. The brand, which was first in its category in J.D. Power’s 2018 North America Hotel Guest Satisfaction Index Study, is one of the fastest growing in Hilton’s portfolio, according to Home2 global head Adrian Kurre. Key to its growth is its flexible, easy-to-build prototype that allows developers to bring the brand to suburban and urban markets. “Home2 Suites by Hilton was created due to surging demand from value-conscious extended-stay travelers in markets where extended stay hadn’t previously flourished,” Kurre said. “Developers have leveraged the flexibility of Home2 Suites by Hilton to enter these new predominantly urban or suburban markets and found strong success by meeting that demand.”

The properties are comprised of both new builds and conversions. Some guest-facing standouts for the brand include its Inspired Table customizable breakfast offering; its Spin2 Cycle dual-purpose laundry and gym area; modular room furniture; and its in-suite flexible working/media space.

Rounding out BTN’s top three upscale extended-stay tier is Homewood Suites by Hilton. The brand is nearing the end of its Take Flight renovation program and expects to have finished more than 230 of its properties by year’s end. As of June 30, Homewood Suites’ portfolio to-

<b>UPSCALE EXTENDED STAY</b> ON A SCALE FROM 1 TO 6	<b>Hyatt House</b>	<b>Home2Suites by Hilton</b>	<b>Homewood Suites</b>	<b>Residence Inn</b>	<b>Staybridge Suites</b>	<b>Average</b>
Strategically located properties in terms of business needs	4.62	4.05	4.53	<b>4.74</b>	4.39	<b>4.47</b>
Clean, attractive & well-maintained hotels & facilities	<b>5.34</b>	4.8	4.81	4.79	4.67	<b>4.88</b>
In-room kitchen & standard room size	<b>5.21</b>	4.5	4.63	4.77	4.61	<b>4.74</b>
On-property service staff	<b>5.07</b>	4.85	4.69	4.6	4.61	<b>4.76</b>
Healthy food & fitness options to support traveler wellness	<b>4.97</b>	4.7	4.31	4.42	4.33	<b>4.55</b>
Safety & security standards	<b>5.14</b>	4.65	4.5	4.63	4.56	<b>4.69</b>
Brand consistency	<b>5.45</b>	5.2	4.97	4.95	4.78	<b>5.07</b>
Sales staff (national, regional & local)	<b>5.31</b>	5.05	4.59	4.67	4.22	<b>4.77</b>
Approach to negotiating rates & penalties like cancellation terms	<b>5.1</b>	4.85	4.47	4.28	4.17	<b>4.57</b>
Flexibility in negotiating amenities like breakfast, parking, Wi-Fi & upgrades	<b>5.14</b>	4.6	4.34	4.16	4	<b>4.45</b>
Communication with travel buyers	<b>4.93</b>	4.8	4.41	4.19	4.17	<b>4.5</b>
Data & reporting	<b>4.76</b>	4.6	4.16	4.07	3.89	<b>4.29</b>
Price-to-value relationship	<b>5.38</b>	5.3	4.81	4.47	4.5	<b>4.89</b>
<b>TOTAL</b>	<b>5.11</b>	<b>4.77</b>	<b>4.56</b>	<b>4.52</b>	<b>4.38</b>	<b>4.66</b>

<b>MIDSCALE EXTENDED STAY</b> ON A SCALE FROM 1 TO 6	<b>Candlewood Suites</b>	<b>TownePlace Suites</b>	<b>Extended Stay America</b>	<b>Average</b>
Strategically located properties in terms of business needs	<b>4.32</b>	4	4.21	<b>4.18</b>
Clean, attractive & well-maintained hotels & facilities	<b>4.32</b>	4	3.76	<b>4.03</b>
In-room kitchen & standard room size	<b>4.29</b>	3.93	4.06	<b>4.09</b>
On-property service staff	<b>4.35</b>	3.86	4	<b>4.07</b>
Healthy food & fitness options to support traveler wellness	<b>4.32</b>	3.57	3.68	<b>3.86</b>
Safety & security standards	<b>4.41</b>	4.11	3.94	<b>4.15</b>
Brand consistency	<b>4.53</b>	4.32	4.15	<b>4.33</b>
Sales staff (national, regional & local)	<b>4.53</b>	4.32	4.29	<b>4.38</b>
Approach to negotiating rates & penalties like cancellation terms	<b>4.56</b>	3.82	4.12	<b>4.17</b>
Flexibility in negotiating amenities like breakfast, parking, Wi-Fi & upgrades	<b>4.44</b>	3.93	4.03	<b>4.13</b>
Communication with travel buyers	<b>4.35</b>	4.04	3.79	<b>4.06</b>
Data & reporting	<b>4.35</b>	3.96	3.71	<b>4.01</b>
Price-to-value relationship	<b>4.65</b>	4.07	4.18	<b>4.3</b>
<b>TOTAL</b>	<b>4.42</b>	<b>3.995</b>	<b>3.993</b>	<b>4.14</b>

taled 468 properties in the Americas. In recent years, the brand has been revitalizing and activating its public spaces to meet changing consumer preferences. “Feedback revealed that extended-stay guests had a desire to spend more time out of the suites,” said Homewood Suites global head Rick Colling. “Our focus has been to create flexible shared spaces that enable those who want to socialize

to do so but also provide intimate nooks for those guests who prefer solo time to work or read while others interact nearby.”

### Midscale Extended Stay

InterContinental Hotels Group’s Candlewood Suites topped the midscale extended-stay segment for the second consecutive year, earning the highest scores in every category.

Key to Candlewood’s brand promise, according to IHG SVP of global marketing for mainstream brands Heather Balsley, is spaces that allow guests, particularly business travelers, to feel comfortable and settled via features like easy-to-rearrange guest room furniture, lots of storage space and quality bedding.

In BTN’s survey, Candlewood earned particularly high marks com-

pared with its competitors in categories that directly touch the travel buyer, such as data, a partnership approach to negotiation, and communication with travel buyers. Balsley said much of the brand’s success stems from its marketing and communications efforts to engage with the corporate travel community. Additionally, the brand provides its local teams “the collateral and the strategies to educate travel managers and buyers around the unique benefit of this offering for their guests.”

As of June 30, Candlewood’s portfolio totaled 383 properties in the Americas, with 104 properties in the pipeline. The brand also earned the highest marks for safety and security standards. Balsley said that begins with the locations of Candlewood’s properties. “For the midmarket extended-stay business traveler, safety and security is a big part of what they’re looking for in the experience,” she said. “It’s been front of mind for us with this brand for many years.”

Marriott International’s TownePlace Suite inched past Extended Stay America to claim second place. TownePlace properties feature a robust borrowing program for everything from grilling equipment to board games; in-room work stations; full kitchens; and closets from The Container Store. It’s a rapidly growing brand for Marriott, with 354 properties in North America as of June 30.

Extended Stay America is a brand in transition as the company, fresh off years of portfolio-wide renovations, works to become more asset light and grow its portfolio through franchise deals for the first time ever. As of June 30, ESA’s pipeline stood at 34 hotels, or 4,200 rooms, more than half of which are franchised properties. The company in August launched a suite of business travel products and services for corporate travel managers called Works, which includes customized client landing pages for booking, reporting on bookings/stays; tools to manage spend and reservations; preferred partner pricing; a 24/7 customer assistance line; dedicated account managers for assistance with bookings, billing and reporting; and central direct billing. ■

**BTN’S 2018 HOTEL BRAND SURVEY METHODOLOGY:** For its annual Hotel Brand Survey, Business Travel News emailed readers who are responsible for corporate hotel-buying decisions, and 328 participated in an online survey between July 18 and Sept. 6 to rate the hotels with which they have conducted business in the past year. They rated each brand on 13 attributes on an ascending scale from one to six. BTN reported results only for hotel tiers and brands with significant respondent usage. The survey bases hotel-tier divisions on price-point data provided by STR Global.



## FAA Reauthorized for Five Years

BY MICHAEL B. BAKER & JAY BOEHMER

On Oct. 5, President Donald Trump signed into law a five-year FAA reauthorization, the first of that length since 1982. The reauthorization funds the Next Generation Air Transportation modernization initiative and the TSA but omits many changes that had been under discussion over the past several years. Among the biggest omissions: It makes no provisions for a proposal that Trump had backed to remove air traffic control from the FAA and put it under a nonprofit corporation governed by a board that would include airline representatives. U.S. Senate opposition pulled that proposal from the bill last year, and it remained off the table this year.

The law also leaves out a proposal to regulate change fees, baggage fees and other ancillary charges to ensure they are “reasonable.” That had been included in a previous Senate version of the bill. American Airlines CEO Doug Parker had said a change fee cap could spur airlines to prevent travelers from changing nonrefundable tickets altogether. Additionally, the bill does not increase the passenger facility charge. Global Business Travel Association executive director and COO Michael McCormick praised that omission, saying the charge “is essentially a tax on the cost of doing business.”

### Provisions That Are in the Bill

**Seat sizes:** Calls on the FAA within the next year to set minimums on seat pitch, length and width “necessary for the health and safety of passengers.”

**Disruption communication:** Requires airlines, when facing widespread disruptions related to computer system failures, to publish “via a prominent link on [its] public internet website” a statement detailing whether it will offer such arrangements as hotel accommodations, ground transportation or meal vouchers.

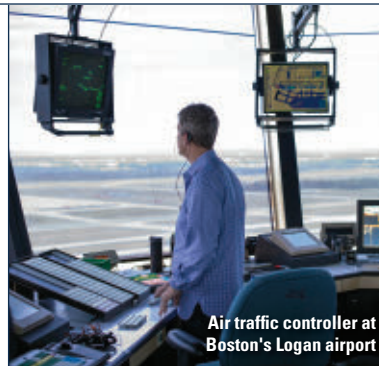
**Passenger removals:** Bans the involuntary bumping of passengers from aircraft after they have boarded.

**Voice calls:** Bars passengers from making voice calls on mobile devices during flights. No U.S. carrier currently allows this, anyway.

**Supersonic potential:** Calls on the FAA over the next few years to reexamine regulations on supersonic aircraft, including noise standards. Currently, aircraft are not allowed to exceed the speed of sound while over U.S. soil.

### Impact on Travel Management Companies

The law excludes language in earlier House and Senate drafts that would have required travel agencies to make additional disclosures to ticket purchasers when booking air travel. It also exempts corporate travel agencies from new customer service standards that apply to travel agencies with more than \$100 million in annual revenue. The law instructs the U.S.



Air traffic controller at Boston's Logan airport

### What's Left Out of the New Law

- Removal of air traffic control from under the FAA's umbrella
- Regulations of change fees, baggage fees & other ancillary charges
- An increase in the passenger facility charge

Secretary of Transportation to issue a rule within 180 days of passage to “require large ticket agents to adopt minimum customer service standards,” but the bill clearly exempts agencies when “the sale of air transportation is made by a large ticket agent pursuant to a specific corporate or government fare management contract.”

While the text of the final rule will fall to the DOT, the department has floated similar proposals since 2011. In 2014, it issued a notice of proposed rules to require large agencies to reply promptly to customer complaints; remit “prompt refunds” when due, including for nonfare ancillary purchases; and provide options to hold reservations “at the quoted fare without payment, or to cancel without penalty, for 24 hours.” At the time, the DOT also considered requiring large agencies to “maintain and display lists of carriers whose tickets they market and sell.” The DOT also had considered requirements for large agencies to disclose “cancellation policies, seating configurations and lavatory availability on flights” and to alert customers “in a timely manner of itinerary changes.”

Airlines for America for years has championed the customer service proposals on agencies, while agencies and affiliated groups have opposed them. When the DOT sought public comment on some draft rules in 2014, American Express Global Business Travel, BCD Travel and Carlson Wagonlit Travel asked the DOT to either block the rules entirely or exempt corporate agencies. “We believe a distinction should be made between consumer-facing online ticket agencies and agencies that primarily focus on business travel,” BCD wrote. “As a corporate travel agency, we are bound by strict service-level commitments to our corporate customers that are driven by market competition.”

## Uber & Lyft Seek Broadening Business Opportunities

BY MICHAEL B. BAKER

As corporate travel programs accept—and, in many cases, embrace—ridehailing leaders Uber and Lyft more and more, both companies are exploring ways to serve corporate customers beyond transient travel.

Ronnie Gurion, the former president of Orbitz Partner Network who began leading Uber for Business about seven months ago, said investment and growth in his division has “been highlighted as one of the top priorities for the company.” That growth, however, also includes services that “have less to do with business travel but can facilitate key parts of a business or operations,” he said, “Uber as a platform that can be used for a whole host of efficiency purposes.” This year, for example, Uber launched Uber Health, a dashboard

specifically for healthcare professionals who need to arrange rides for patients, even if those patients do not have the Uber app themselves.

Similarly, Lyft chief business officer David Baga sees a “real evolution” as business customers use the platform for other employee services like late-night rides home from the office. Airbnb, for example, uses Lyft for meetings and events to help participants avoid hassles with traffic and parking. Slack uses it as a commuter benefit program, letting employees use Lyft credits to continue their commutes where public transportation ends. Another client uses Lyft credits in its recruiting program. “For their interview day, they receive Lyft credits with all of their

instructions,” Baga said. “What looked like a straight line of sight into supporting road warriors at sales meetings, training and customer visits—now we've got a lot of travel managers who are stewards of transportation inside the organization.”

These expanding use cases do not mean Uber and Lyft are stalling on development for the business travel side. In August, for example, Uber for Business added features to improve rider classifications of trips as business or leisure and broadened its integrations with expense suppliers. Lyft, meanwhile, added a rewards program in which a rider earns \$5 in personal credits for every five business rides he or she takes. Baga said that is “something customers have been asking for since Day One.”

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## Client Entertainment Tax Deductions Are Over

After December's tax code revision, businesses have been wondering if the deductions allowed related to client entertainment expenses had changed. The IRS delivered welcome clarity on Oct. 3, but the tighter restrictions also could change how some companies interact with existing clients and how they try to win new business.

The IRS's new guidance explained that companies still are allowed to deduct 50 percent of most client meal costs under the Tax Cuts and Jobs Act, the wide-ranging tax code revision signed into law in December 2017. However, costs for client entertainment like sporting events, which were also 50 percent deductible before TCJA, no longer can be deducted.

Tax professionals and corporate accountants asked the IRS to clarify language in the new law; the legislation could have been interpreted to be removing the long-standing 50 percent meal deduction allowance if the meals were categorized under client "entertainment."

**Will companies wine & dine clients more now instead?**



The IRS's guidance preserves the 50 percent meal deduction while also detailing how meal expenses should be broken out from entertainment costs for tax accounting purposes.

The end of the entertainment deduction may cause companies to lean more toward meals when interacting with existing clients or trying to woo new ones. Smaller companies, for whom tax deductions may make more difference to the bottom line, are especially likely to be affected, noted GoldSpring Consulting partner Will Tate. "Small or midsize firms will have to think more about whether [an entertainment event] is really worth the expense, so in more cases, they'll opt for client meals" over entertainment, he said.

But for the most part, the new deduction rules simply will change the numbers within the cost-benefit equation for any given client interaction rather than leading to wholesale policy revamps, especially when it comes to important clients and events, Tate predicted. "For a high-value client or event or when there's a large deal to be made, I'd imagine the tax deduction will be of secondary importance," he said. And for large companies, Tate noted, many client entertainment costs, such as the lease for a corporate suite at a baseball stadium, are paid ahead of time, so the marginal cost of each individual client interaction is relatively low. ■

## Certify Acquires European T&E Company

Fresh off its June purchase of expense management service Abacus, Certify has acquired Spain-based T&E specialist Captio. The deal is Certify's first acquisition outside North America and marks the firm's "most significant" international foray to date, according to the company.

The purchase brings into the Certify fold more than 500 Captio corporate clients in European markets including France, Italy, Germany, Spain and Portugal. European markets offer, along with access to that user base, potential for growth in the small and midsize enterprise segment, said Certify CEO Bob Neveu. "In Europe, 65 to 75 percent of companies with fewer than 1,000 employees are still doing expense reports with Excel spreadsheets or some other manual process, so the opportunity is massive."

But it wasn't only the chance to grow Certify's footprint that made Captio an attractive buy, according to Neveu. Captio's expertise in unique local and country-based tax requirements also was key. For instance, in Spain and Portugal, Captio is authorized to process electronic versions of receipts without needing to maintain the original paper copies as proof of purchase, as otherwise would be required by law, he said.

Such solutions tailored for specific markets will help differentiate Certify's platform from those of larger competitors like Concur, which

tend to offer more one-size-fits all service, according to Neveu. "That strategy may work, but we don't think it's the only way," he said. "What we hear from people is that they want the operationality and functionality that's important to them."

Now, under the Certify umbrella, Captio will maintain its branding, and co-founders Joel Vicient and Lluís Claramonte will join Certify's leadership team.

The Captio deal is the latest in a spate of expansion moves Certify has made since the company in June 2017 landed a \$125 million majority-stake investment from K1 Investment Management, which merged Certify with three other expense management firms. Certify used that funding to nab NuTravel's corporate online booking tool in September 2017. And in July 2018, the company acquired expense management provider Abacus.

On the international front, Certify in 2017 expanded its relationship with U.K.-based software company Sage to provide enhanced product integrations. And this year, Certify integrated with Western Union to offer large-scale international business payment capability to Certify customers with operations outside the U.S.

### END-TO-END EFFORTS

Last month, Nexonia, one of the expense companies that merged with Certify, launched the

Nexonia Travel platform, which was built on NuTravel's booking technology. The Nexonia Travel mobile and desktop app enables business travelers and managers to book airfare, hotels, car rental and rail within specific parameters to ensure compliance with a company's travel policies. Travelers attempting to make bookings that fall outside policy limits receive automatic email and mobile alerts, freeing up corporate travel managers to focus on higher-value tasks, according to the company.

Along with increased efficiency, the travel booking tool offers corporate clients greater control over travel costs, which can lead to significant savings, according to Neveu. "With an online booking tool, you can control the prices and do comparisons before you buy, which you have to do if you really want to control your [travel] spend," Neveu said.

For travelers, the service offers personalization features like saved preferences and frequent-flyer information, as well as the ability to modify travel plans on the fly via the mobile app. Travelers also can make direct bookings with suppliers like Southwest Airlines, Air Canada, Amtrak and Via Rail Canada.

Nexonia Travel can integrate with Nexonia's existing expense program or serve as a standalone product. Certify also has integrated the booking technology it acquired from NuTravel with the Certify-branded expense solution. And offering combined expense management and travel booking is a major facet of Certify's strategy to gain market traction among larger corporate clients, according to Neveu.

"There are very few providers that own both the travel and the expense technology. We now own the [travel booking] technology, and that means we can do lots of things that are helpful to customers of all sizes," Neveu said. "Travel and expense go together, and now we have a true T&E offering through both Certify and Nexonia as we continue to move up to serve larger customers." ■

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# Groupize Gets into Corporate Guest Travel

BY ELIZABETH WEST

Simple meetings solution Groupize is leveraging existing pathways to solve an adjacent challenge for clients: guest travel. Contractors, consultants, recruits, interns ... a host of travelers fall outside the formal “employee.” A corporation may not have or need travel profiles or ongoing payment methods for these travelers, but it does want them to benefit from managed supplier relationships and be able to count guest travel toward contract thresholds.

Several Groupize clients recognized overlap between the simple meetings solution’s functionality and what they’d like to see in a guest travel tool, particularly the integration with Concur, the leading managed travel booking tool in the market. “Many organizations have a lot of travel spend that looks like a meeting, smells like a meeting but isn’t exactly a meeting,” said Groupize CEO Charles de Gaspé Beaubien. “Our latest enhancements enable our customers to extract additional value out of SAP Concur and scale their use of Groupize.”

The tool takes advantage of the companies’ previous work to integrate Groupize registration sites and Concur booking sessions. For guest travel, the integration allows users to create shell profiles and single sign-on to SAP Concur. Guests can book within Concur Travel via a link provided by the host organization and thus gain access to negotiated air and hotel rates. An integrated ghost card can be used for air, while hosts could leverage Groupize’s virtual card integrations for hotel, which would pre-authorize and limit hotel spend to defined parameters. The guest receives a mobile version of the virtual card for check-in at the property and an integrated itinerary via Concur. The Groupize platform offers a communications engine for invitations, confirmation and dialogue with the guest traveler.

**“Many organizations have a lot of travel spend that looks like a meeting, smells like a meeting but isn’t exactly a meeting.”**

—GROUPIZE’S CHARLES DE GASPE BEAUBIEN

The platform obviously works for groups of guests, as well as for combined lists of employees and guests who may need to gather for an event, but it also works for single travelers in a space that has attracted more attention of late, particularly among high-growth companies that are managing a lot of recruits and contractors.

Pana is another technology provider taking on the guest travel space. The company, which provides its own chat-based booking experience and started its life as more of a leisure travel booking and concierge platform, pivoted to this niche just over a year ago. It has gained traction with travel management companies like BCD Travel as part of the SolutionSource platform and has additional TMC relationships on the horizon, according to CEO Devon Tivona. Groupize has signed 25 TMC partners this year to mark 45 total. Like Pana already has done, Groupize is signing on to the SolutionSource platform. Both companies also sell direct to corporates.

Groupize’s ace may come in the form of its partnership with Concur, a tool that already is built into the workflow of many corporates and TMCs. On the other hand, Pana specializes in the mobile experience, with more of a concierge-style strategy that could appeal to companies that are in fierce competition for talent. ■

# Upside Adds Tools & Perks for the Employer

BY JAY BOEHMER

Ever since it launched, Jay Walker’s business travel startup Upside has gone directly after the end-user business traveler. More recently, the company has added a few tools and perks for the employer, including employee onboarding support, reports on spending and a cashback rewards program for participating companies.

This summer, Upside’s website began promoting Upside Corporate, which incorporates those company-focused features and supports Upside’s core product for travelers. “The product is exactly the same for the traveler,” said Upside SVP and general manager of travel Jason Wynn. “It’s just a new commercial offer for the company.” The traveler tool includes mobile and Web-based air, car and hotel shopping and booking, which can net individuals rewards in the form of gift cards. The traveler app also includes itinerary management, trip alerts and offline agent support by phone, email or in-app chat “at no extra cost,” according to the company.

Upside has been testing some company-focused concepts this year but only recently began promoting them. “There are a couple other things that we’re playing around with” as part of the Upside Corporate program, Wynn said. Upside’s website called Upside Corporate “a free service designed specifically for small to midsize companies.” Other no-fee services are around, but Upside is sweetening the pot with cashback rewards for the company. “With an Upside Corporate account your company will also earn 3 percent cash back on every trip booked through Upside,” the company’s site states.

The pitch for companies also includes “free custom reports that give a unified view of company-wide travel spending,” as well as benchmark reports to “see how your company’s spending compares to similar companies.” For more than a year, Upside has been considering simple, “lightweight” reporting on organizational spend and usage. Meanwhile in August, it launched

“team” bookings to enable employees to share and book plans with colleagues.

Upside’s website directs interested company administrators to sign up. From there, Upside works directly with companies on employee onboarding and product messaging to selected employees. “We’re trying to make it as simple of a process as possible,” Wynn said. “With these smaller companies, getting them to say yes is one challenge. Then, getting the travelers to start using you is the second because these are not the type of companies that will enforce a policy.”

Upside is hardly the only company refining its pitch for the small, unmanaged or lightly managed sector. The growing list includes travel management tech firms, startups and established corporate agencies. Among them, Lola this year launched Lola Works, which includes administrator tools, a reporting dashboard and simple policy management tools for small and midsize companies. ■

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# Advito Develops Tool to Analyze Future Airfare Trends

BY MICHAEL B. BAKER

BCD Travel consultancy group Advito has developed an airfare prediction tool to help clients negotiate with airlines and manage policy. Advito built Air Predictor with airline business intelligence firm Air Cube and has been testing it with pilot clients since early August. The tool collects and analyzes airfares six months into the future.

The data breaks the fares into four components—base fare, surcharges, taxes and booking class availability—to provide a comprehensive view of why overall costs go up or down, said Advito global air practice leader and senior director Olivier Benoit. “It’s been an industry challenge to find a way to get this kind of intelligence,” he said. “Today, you could go into a [global distribution system] or online booking tool and make hundreds of queries, but that’s a very cumbersome process.”

With that data, Advito can better analyze potential airline partners during negotiations, Benoit said. For example, one carrier might offer a more attractive discount than another, but if the tool shows that the better discount will be less available in the future, the carrier with the smaller discount might be the better choice.

Additionally, Advito can use the tool to fine-tune a client’s travel policy, particularly advance purchase requirements, Benoit said. If a client requires travelers to book long-haul flights 21 days in advance and seven days ahead for short-haul flights, for instance, Advito can look at the data for those policies on key routes to determine whether Asia flights and Europe flights merit differing requirements.

The data also can help companies plan events, such as selecting a region or the timing that has the

best fares, Benoit said. “They can decide whether they are going to make their convention in the U.S., Mexico or Europe or know whether they need to do it in May or June,” he said.

For now, Advito has not designed Air Predictor to be a self-service dashboard, though it might eventually give clients direct access to the data, Benoit said. Rather, the tool is meant to help the firm’s analysts and consultants serve clients. “Our goal is not to overload travel buyers, who are already pretty busy, with more data points,” he said. “Consultants and analysts are gathering this data and know where they need to look to give actionable insights.”

Advito is integrating the data with its Dynamic Performance Management and Traveler Engagement services. Applying the data for a client’s top markets will be part of its standard service, according to Benoit. Clients who want more extensive data—analyzing 50 or 100 markets, for example—will pay a premium. ■

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# Will eSIM Cards Relieve Roaming Charges?

BY AMON COHEN

A feature in the iPhones that Apple unveiled last month could drastically reduce high international mobile roaming charges, a major hidden cost of business travel. The Apple XS, XS Max and XR phones include embedded subscriber identification modules, or eSIMs. Price per minute of talk time on foreign trips typically is measured in dollars rather than cents, but an eSIM allows the traveler to download a local calling plan when he or she arrives.

Stories are legend among travel managers of travelers racking up thousands of dollars in mobile fees on a single foreign business trip. At one time, international travelers were accruing such significant charges that procurement departments began negotiating with their service providers," said Madia Sargent, a former travel manager and now Chicago-based VP and managing director of consulting services for travel management company Direct Travel. Businesses resorted instead to negotiating "corporate plans that as long as you purchase in advance you avoid high roaming charges," Sargent added. Alternatively, some travelers take an additional, local phone with them or take just one phone but remove the normal SIM card and replace it with one purchased in the destination country. Either option means operating a second phone number and therefore potentially missing calls and messages to the user's regular number.

Sargent believes eSIM has great potential. "The ability not

to have to plan ahead when travelers go internationally is a huge advantage. This will automate some of the more manual processes companies have put in place to mitigate high roaming costs, although trying to get a traveler to do something that involves even one or two steps can be challenging."

Truphone—which sells pools of discounted minutes to corporations, as well as data that any of those corporations' employees can draw on around the world—has welcomed the advent of eSIM. "You will be able to download an app and that will take you through a really simple purchase path that involves selecting a plan for a group of countries and then checking out with ApplePay or a credit card," said Truphone chief business development officer Steve Alder. "Operators will have to become more competitive, so the whole industry's prices will come down."

Asked exactly how much cheaper roaming will become, Alder said: "Our pricing won't be going live until the end of October. We're trying to get this as close as possible to what you pay at home. There will be a little bit of a premium, but it should feel like you are paying domestic rates for your traveling."

Sargent added: "I do think it's going to reduce the cost of roaming, but the mobile carriers are going to try to make it up somehow. They aren't going to take a hit just because Apple innovated." In Sargent's view, "some larger organizations are probably not auditing their phone

expenses as much as they should."

Alder also predicted that eSIM will change the way multinational corporations purchase roaming. "Companies will look for solutions beyond their local carriers. Generally, they look to well-known brands within their own country. This might open people's eyes that there are some global companies which can give something a little more creative. Each office around the world is quite protective of its mobile phone service, which often results in decentralized procurement for mobile. This gives an opportunity for centralized purchasing."

Apple is not the first company to offer eSIM. It already has appeared in a couple Google models. But Alder believes adoption by Apple "is the turning point for eSIM." Apple has adopted a standard set by GSMA, a global trade organization of mobile network operators. However, the technology is not yet universal. To date, eSIM is offered by operators in 10 countries but is not supported by all operators in those markets. In the U.S., for example, AT&T, Verizon and T-Mobile offer eSIM but not Sprint. "I think that will very quickly change over the next few weeks and months," said Alder.

Truphone said it will be one of two operators to offer multinational data plans on the iPhone eSIM, with the service available in 33 countries. ■

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## You Just Found Out One of Your Suppliers' Data Was Breached. Now What?

BY SAMANTHA SIMMS, THE INFORMATION COLLECTIVE  
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After the recent British Airways data breach, travel managers received a flurry of enquiries from anxious travelers wanting to know how their company would handle it. If you're asking yourself the same question, here's what to do.

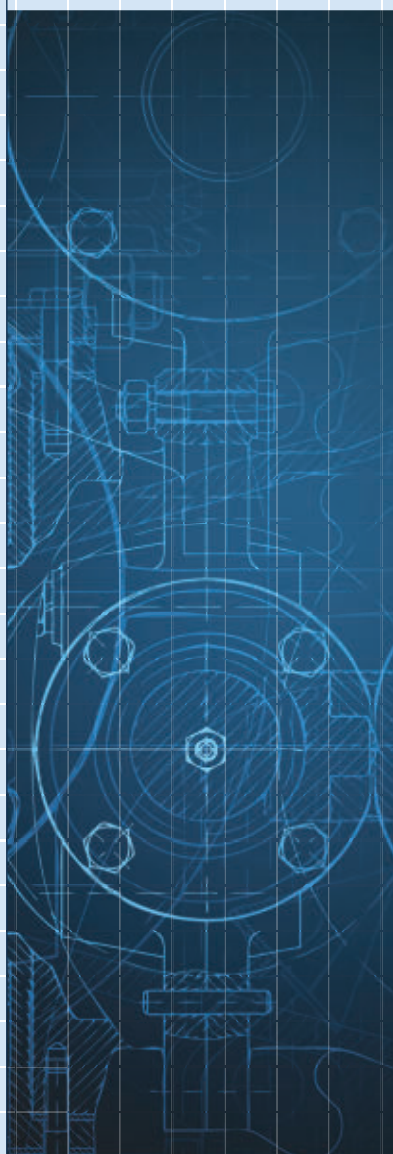
**Do not panic:** My first words to every client dealing with the fallout from the BA incident was, "No good decision is ever made in a panic." Experiencing a data breach is almost inevitable in today's business travel world, as hackers are targeting the travel and hospitality industries at an alarming rate. Since 2016, we also have seen large-scale data breaches at Hyatt Hotels Corp., Sabre Hospitality Solutions, Orbitz, Air Canada, Uber and Great Western Railways, to name a few. Hackers are not our only concern, either. As we rely on multiple data exchanges and transactions to complete a single booking—think travel management companies, online booking tools, global distribution systems, airlines, hotels, car and rail companies—the travel industry is ripe for accidental data losses or exposures. It will happen. Don't panic.

**Communicate with your supplier:** Ideally, your supplier will send you a notification informing you of the data breach. Often, however, you will hear of the incident in the press or along the travel buyer grapevine. Aim to speak with the supplier immediately to get answers to the following questions:

- What happened and why?
- What and whose data was compromised?
- How many records have been affected in total?
- Over what window of time?
- Has the supplier isolated the breach?
- Where has the data gone?
- What is the supplier's remediation plan?
- What comfort can the supplier offer your company and your travelers?

If you are a smaller customer, you may not land a one-on-one phone call with the supplier. Seek to communicate via email with a senior representative and ask questions via that channel, or request a group informational call with a number of other affected customers.

**Do not make decisions alone:** Assemble your team of subject matter experts from your company's security, privacy, legal, communications and HR departments and liaise regularly until you are sure the incident is under



control. Responding to a breach requires people with various skill sets. IT security will understand the technical details causing the breach and the supplier's proposed mitigation plan. Privacy specialists can assess the need to make any formal notifications to the authorities and/or affected travelers. Commercial lawyers will seek to understand if there have been any contractual violations by your supplier. HR will make sure you are meeting your employer's duty to protect staff. Communications will help to communicate clear and transparent messages to affected travelers. For large-scale breaches, update executive leadership at critical points in the investigation, especially if you plan to notify authorities.

**Communicate with your travelers:** News of a data breach can cause travelers to worry about their travel plans, travel documentation and banking information. An initial note informing travelers that you are aware of the incident and that you are in touch with the supplier to understand more will help to put their minds at ease.

Using BA's recent data breach as an example, travelers may say, "I just booked a ticket with BA. What do I do?" Information you gather from your conversation with the supplier will help you produce detailed FAQs to place on your company intranet, alongside a dedicated channel like an email address to which travelers can send questions. Remember to find a communication channel for those travelers who sit outside your company or those who do not have access to IT equipment, such as field- or manufacturing plant-based teams. Depending on the severity of the breach, you may wish to advise travelers to:

- Change passwords and not use the same password on multiple sites.
- Check bank statements for suspicious activity.
- Look out for phishing attempts.
- Check their email addresses on [www.haveIbeenpwned.com](http://www.haveIbeenpwned.com).
- Sign up to a credit monitoring and/or ID theft service.

**Review your suppliers' privacy & security controls:** After the incident, you and your security and privacy teams should continue to monitor the supplier to ensure it has followed through on the agreed-upon mitigation plan. Your supplier may have changed the plan or had difficulty making the security improvements it originally planned.

**To be prepared is to be forearmed.** Often corporation's data breach plans focus on what to do when your company is targeted. If the next supplier breach serves as a wakeup call, conduct a post-incident debrief and then regroup with your team of internal subject matter experts to produce document templates, such as communications with travelers, and plans to use for supplier breaches.

**Tech innovations in travel mean increased data breach risk:** Business travel is headed toward increased connectivity, personalization and richer data analytics. Supplier due diligence and ongoing assessments are an excellent way to work with your suppliers to make improvements to their privacy and security frameworks. After all, working together can only make travel data safer. ■

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