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BUSINESS TRAVEL NEWS

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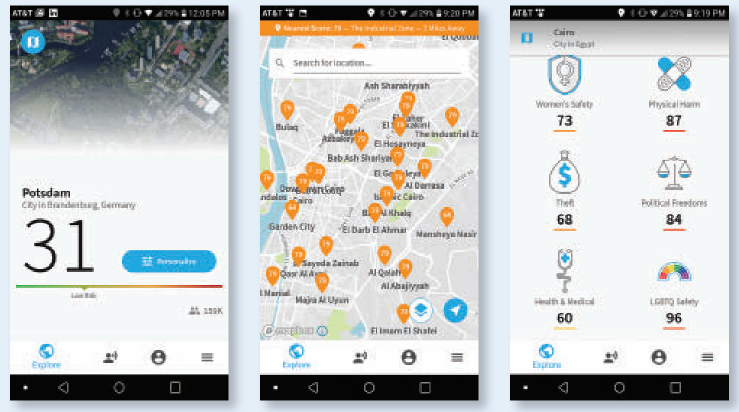

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TOP STORY

BY ADAM PERROTTA

BTN'S 2019 EXPENSE MANAGEMENT REPORT

Navigating from T&E to ROI

Travel & expense managers still seek a clearer view of travel ROI

Driven by innovations in expense management technology and evolving corporate philosophies around T&E spending, companies are recognizing the value of actionable intelligence gleaned from T&E data. But even as systems advance and T&E is viewed not as simply a cost to control, accurate ROIs for travel spending remain an elusive goal. Among more than 300 corporate travel managers surveyed recently by BCD Travel and the Association of Corporate Travel Executives, 81 percent said it is important to measure business travel ROI but just 13 percent actually did so. So what's holding companies back? It comes down to two main obstacles, experts noted, both

CONTINUED ON PAGE 8

Air Passengers Get Assurance in Case of No-Deal Brexit

BY DAWIT HABTEMARIAM

The British government declared March 7 that in the event of a no-deal Brexit, it will reciprocate the European Union's provisional agreement to let air travel rights between the U.K. and the EU continue. The announcement eased concerns for those who travel between the U.K. and EU member states each year. The U.K. Department for Transport pegs that number at 164 million passengers.

On Feb. 19, the Council of the European Union and the European Parliament provisionally approved a basic air connectivity regulation to continue air travel between the U.K. and the remaining EU member states through March 29, 2020, assuming the U.K. and EU don't nail down terms for the U.K.'s withdrawal from the EU, scheduled for March 29 of this year. The regulation is expected to be confirmed by both bodies, according to the U.K. government, but it also was contingent on the U.K. reciprocating air travel rights to EU carriers. The regulation is now on firmer footing because of the U.K.'s announcement.

The U.K. will allow EU airlines to fly passengers between the U.K. and any EU member state, with stops allowed for nontraffic purposes like refueling. Under the EU's regulation, U.K. airlines would have the same right, to fly passengers between the U.K. and any EU member state. The U.K. also will allow an EU carrier to fly to the U.K. even on a flight that did not originate in that carrier's home EU member state. The U.K. will require EU airlines to file their operational plans, programs and schedules to the U.K. Civil Aviation Authority for approval alongside their applications for foreign carrier permits.

For a longer version of this story that covers U.K.-EU terms of airline ownership and control, plane leasing, codesharing and regulation of competition, visit www.businesstravelnews.com and search Brexit at the top right.

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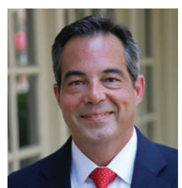

Global Business Travel Association's Shane Downey on airport fees, such as rental car taxes, that target out-of-towners

"It needed to be dealt with on the federal level. We're not opposed to increasing fees and taxation on business travel, but we want that to go back into business travel."

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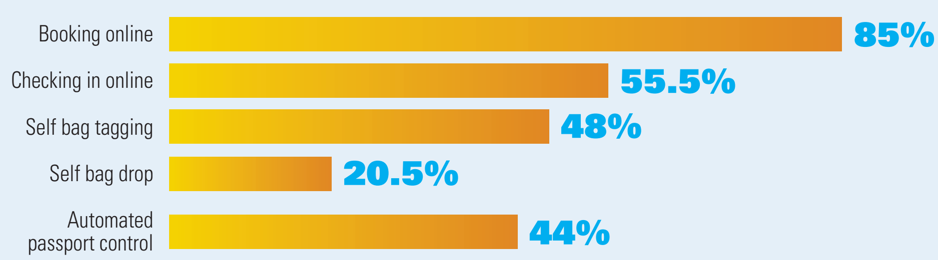

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On the Horizon

Why So Many New Hotel Brands?

BY JEREMY SILK SMITH

Alongside hotel companies' reporting on fourth-quarter and full-year 2018 performances came a wave of announcements about new brands, expanded footprints and new markets.

Hotel companies are using new brands to fill their portfolios' gaps between pricing and service levels, said Bjorn Hanson, industry consultant and adjunct professor at the New York University School of Professional Studies Jonathan M. Tisch Center of Hospitality. They also are trying to create brands that will attract Millennials but won't alienate previous generations.

Since the Starwood-Marriott merger, hotel companies have sought to compete not just on price and service but also on travelers' tastes, say for unique rather than prototype properties, he said. That goes for the property owners' tastes, too. Hanson said a hotel company might ask itself, "Is there a way of coming up with a new brand that is at the same price and service level but is more like a collection or soft brand that may appeal in a different way to different developers, not just guests?"

Still, all of that is classic supply and demand profiling. Something new is going on here, as well. STR SVP of lodging insights Jan Freitag said offering something for everyone casts a wide net from which a hotel company can "try to hook them with [its] loyalty program." Then, when those people travel again, "they don't need to leave the fold of that loyalty system because the hotel company offers them [a property] for every occasion and for every price point."

Baird senior research analyst Michael Bellisario told BTN big hotel chains are becoming less hotel companies and more booking/reservation platforms, making money through franchised brands rather than directly managing hotels. If a hotel company's combined portfolio offers enough choice, the company's direct booking channel can become a one-stop-shop for bookers, he said. "Half the battle is dots on the map. All of the brands, Marriott in particular after the Starwood acquisition, are much more focused on the bigger platform." Brand proliferation, he said, is a function of the stock market and how investors value growth. Freitag confirmed: "We will see either more brands created internally by the parent company" or they'll buy existing brands.

As brands proliferate, hotel companies seem to be trading in hotel brand recognition for parent company recognition. "The challenge with so many brands is ... it is very difficult to have this unaided recall of strength of a brand," Hanson said. It's worth noting that Marriott, the biggest hotel company of them all, aired a commercial during the Oscars geared toward name recognition. It wasn't for St. Regis or W Hotels or Aloft, though, but rather for its rebranded loyalty program, Marriott Bonvoy. And CEO Arne Sorenson noted on the company's earnings call a few days later that Bonvoy is the most important brand under the Marriott umbrella "because that's what binds our relationship with our customers across the entire portfolio." Bellisario backed up that strategy: "At the end of the day, I'm a Marriott customer. ... I don't care if I stay at a Residence Inn or a Spring Hill; I care about my points."

"At the end of the day, I'm a Marriott customer. ... I don't care if I stay at a Residence Inn or a Spring Hill; I care about my points."

—BAIRD'S MICHAEL BELLISARIO

How Hotel Companies Are Growing Their Footprints

Launching New Brands: InterContinental Hotels Group's midscale brand Avid has signed more than 170 hotels since its launch in September 2017, and its upscale brand Voco has added 16 since it launched in June. The company expects to open at least 200 Vocos worldwide over the next 10 years. IHG has enough rooms in its pipeline to surpass the 1 million mark, and it's still going. It plans an upper-midscale all-suites brand, a segment IHG said boasts demand from both guests and owners. Last fall, meanwhile, Best Western Hotels & Resorts added two brands, Sadie in the upscale segment and Aiden for the upper-midscale, complementing its relatively new Vib and Glo boutique brands.

Developing Super-Niche Brands: As hotel companies search for underserved segments to mold themselves into, STR SVP of lodging insights Jan Freitag said they may target subgroups. Hilton is following this model with the recently announced Signia, which will serve the meetings and events market with upper-upscale properties, advanced tech throughout each property and flexible meeting spaces for various sizes. And last fall, Hilton announced Motto, a moderately priced microhotel brand that provides a hostel-type experience with private accommodations.

Purchasing Competitors—& Their Loyalty Members: When Wyndham Worldwide Corp purchased La Quinta last year, it gained 900 hotels and 13 million new loyalty members. Wyndham CEO Geoff Ballotti said at the time that the midscale La Quinta would be a flagship brand. Indeed, La Quinta's 25,000-room pipeline makes up nearly 14 percent of the 180,000 rooms on the way across Wyndham's 19-brand portfolio.

Buying & Expanding Another Brand: This follows suit with Wyndham. Choice Hotels purchased extended-stay brand WoodSpring Suites last year. The brand won 75 franchise agreements and introduced 14 properties in 2018, and it just scored agreements for 14 properties in the Western U.S., where the brand is underrepresented, plus another 27 properties elsewhere the country. Choice's domestic pipeline shot up to 1,026 rooms in 2018, a 20 percent increase from a year prior and Choice's largest pipeline ever. IHG, meanwhile, bought luxury brand Six Senses and plans to grow it from 16 resorts to 60 over the next decade.

Building Pipelines from Scratch: At the beginning of last year, Extended Stay America had zero hotels in its pipeline. A year later, it has 6,972 rooms. ESA also is shifting to an asset-light model, and 42 of the 57 properties coming will be franchised. The number of rooms in ESA's system has remained at 68,780 rooms, while the number the company owns has fallen to 61,486.

Entering New Markets: Hyatt is expanding into China to reach an underserved domestic travel segment. It has partnered with Homeinns Hotel Group to create an upper-midscale brand that will target young travelers in China. It also recently acquired Two Roads Hospitality, adding more than 85 lifestyle hotels and resorts to its global portfolio. Hilton also is expanding its geographic reach, planning to expand into an additional 35 countries and territories. Best Western, meanwhile, bought Sweden Hotels and its 135 properties there in 2017.

Climbing the Chainscale: Best Western also has leapt into the luxury segment. Last month, it bought the marketing consortium WorldHotels, which represents about 300 mostly independent luxury properties.

Creating Soft Brands/Collections: AccorHotels just announced that it will partner with SBE Entertainment Group to create a soft brand, The House of Originals, expanding Accor's lifestyle luxury portfolio with properties in London, Miami and Istanbul. The House of Originals has five more hotels in its pipeline.

GBTA Lobbyist Talks About Making Sure Business Travel Has Its Say

Global Business Travel Association VP of government relations Shane Downey said GBTA lobbying has focused on taxation and fees, as well as maintaining a healthy infrastructure and making business travel more comfortable and convenient. His latest focus was long-term funding for the FAA, and in October, the U.S. Congress passed the FAA Reauthorization Act of 2018. The legislation did more than fund the FAA for five years, though. It also included many other things GBTA lobbied for. Downey spoke with BTN assistant editor Dawit Habtemariam about lobbying efforts on behalf of the business travel industry.

GBTA's Shane Downey talks:

- Other items in the FAA reauthorization
- Issues to watch affecting business travelers
- The Business Travel PAC

THE FAA RECEIVED A FULL FIVE-YEAR REAUTHORIZATION IN OCTOBER FOR THE FIRST TIME SINCE 1982. WHY WAS THAT SUCH A BIG DEAL?

The passage of the FAA is set to come up every couple of years, and that's a good thing, to make sure everything is working the way it is, but as we've seen over the past years, short-term reauthorizations can turn into an extended time period with continuous resolutions. It was important to get the FAA reauthorized so they can continue toward upgrading our air infrastructure, which is critical for business travel.

WHAT OTHER ITEMS DID YOU LOBBY FOR THAT WERE INCLUDED IN THE FAA BILL?

We pushed for "Precheck is Precheck." Many [GBTA] members were raising concerns [that] people who were not enrolled in the program were using the Precheck lanes. Homeland Security and committees in the House raised concerns about the security aspects and the long-term future. We also got voice calls banned [on interstate and intrastate passenger flights]. Many members didn't like [calls on planes] because of the impact they could have on an overall flight, and it also raised a whole bunch of security concerns. Another item deals with an issue we've been working on for eight or nine years: localities using rental cars as a way to tax out-of-towners to pay for unrelated items like a button museum, a football stadium. It spread around the country until we felt it needed to be dealt with on the federal level. We're not opposed to increasing fees and taxation on business travel, but we want that to go back into business travel. We [worked on stand-alone bills and attachments and eventually] got language inserted into the final bill that said legislators couldn't put taxes on car rentals that they wouldn't put on any other purchase at airports. There were also several attempts to increase the passenger facility charge [added to airfares]. That is something we were not necessarily opposed to, but the proposals that have been put forth were too expensive. We worked against any inclusion of a passenger facility charge in the final bill.

> "There is conversation around a big infrastructure bill. [House Committee on Transportation & Infrastructure] chairman Peter DeFazio has not hidden the fact that he supports an increase for the passenger facility charge, and this could be an opportunity for him to increase it."

WHAT ARE YOU WORKING ON WITH THE NEW CONGRESS?

It's a diverse Congress with members with very different backgrounds. There are new chairmen and new ideas. We're excited to educate them on the importance of business travel. Facial recognition biometrics is a new technology, and it's moving fast. It would move people through the security lines faster and alleviate some national security concerns. We want to make sure we're following hearings to make sure the technology is working the way it's supposed to work, that it will be an opt-in/opt-out program and that there are ways you can address misidentifications. As a business traveler, the last thing you want is to have to get through security every week being misidentified by your facial recognition and not having a way to address that. Another area relates to the House Committee on Transportation & Infrastructure. There is conversation around a big infrastructure bill. Chairman Peter DeFazio has not hidden the fact that he supports an increase for the passenger facility charge, and this could be an opportunity for him to increase it. We'll continue to monitor it very closely and if it is not something we can support, we'll work to stop it from happening.

WHAT ELSE IS ON YOUR RADAR?

We've heard some conversation here in the U.S. about future air travel and air emissions, and there have been recent conversations about taxing air travel in the EU. The proposals put forth are using taxes but are not using the money to fight back against climate change. It seems more like a punitive tax to drive down demand. It's just an area we need to continue talking about: what the industry is doing to address climate change. We've long worked with the industry on sustainability programs, and I know the airlines and airplane manufacturers have worked on this. We all want to lower our carbon footprint. It will just be incumbent on us as an industry to make sure our efforts are being noticed. [Another] area is Visa Waiver. There are five countries in the EU that are not in the Visa Waiver program—Poland, Bulgaria, Cyprus, Romania and Croatia—because they don't meet the requirements the U.S. set forth. These countries argue EU laws say all member states must have the same benefits [and that] the other EU countries should pull out. This would throw a monkey wrench into international travel. The U.S. is talking with those countries and trying to work through the issues, to help them become compliant.

GBTA ALSO RUNS THE BUSINESS TRAVEL PAC, RIGHT?

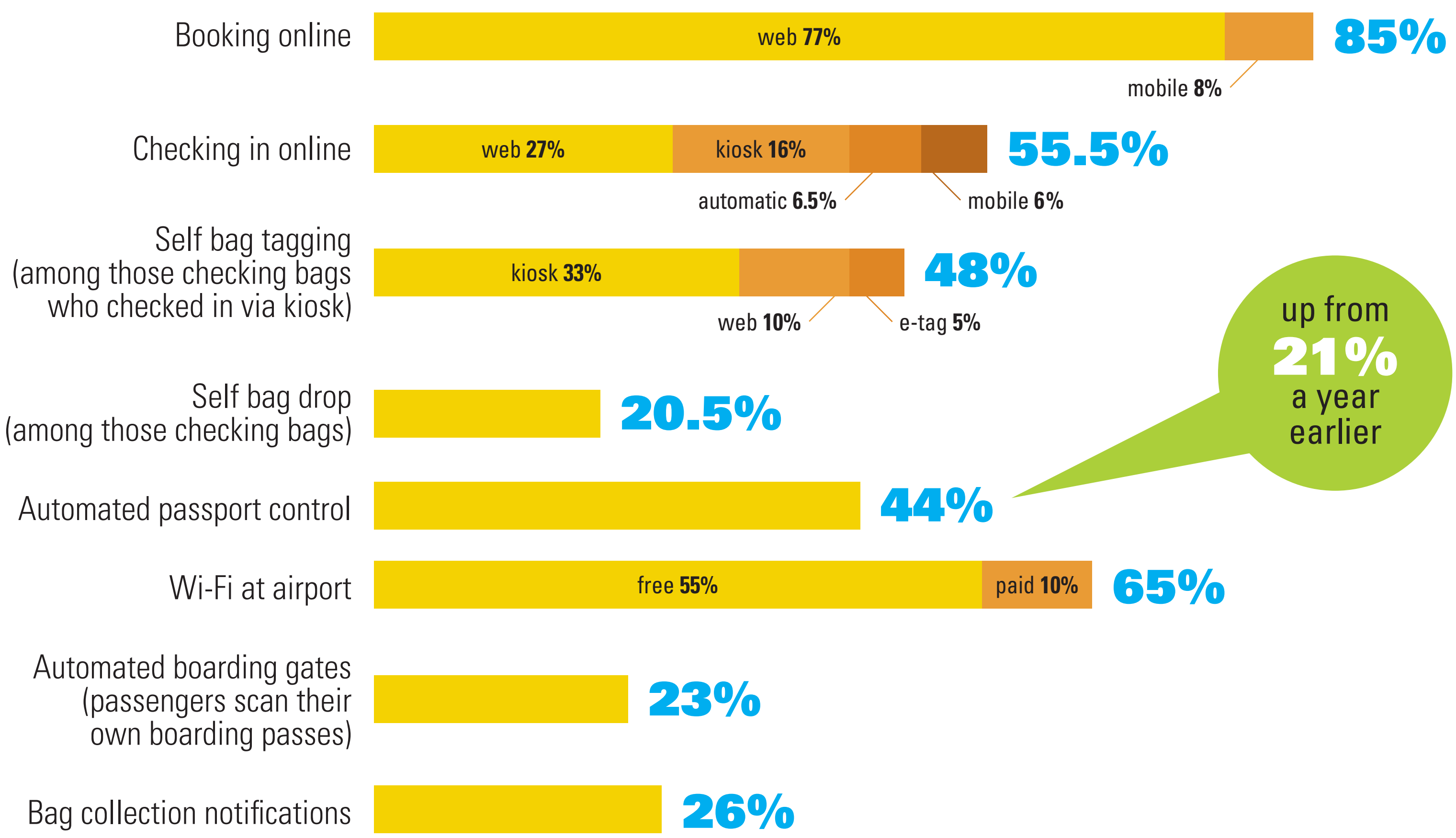
It's a trade association political action committee. We raise contributions from our U.S. members only. It's our opportunity as an industry to pull together resources and support members of Congress that have been helpful to the industry in the past, such as Sen. Ed Markey [D-Massachusetts], Rep. John Katko [R-New York], Rep. Sam Graves [R-Missouri] and Rep. Bonnie Watson Coleman [D-New Jersey].

BY AMANDA METCALF

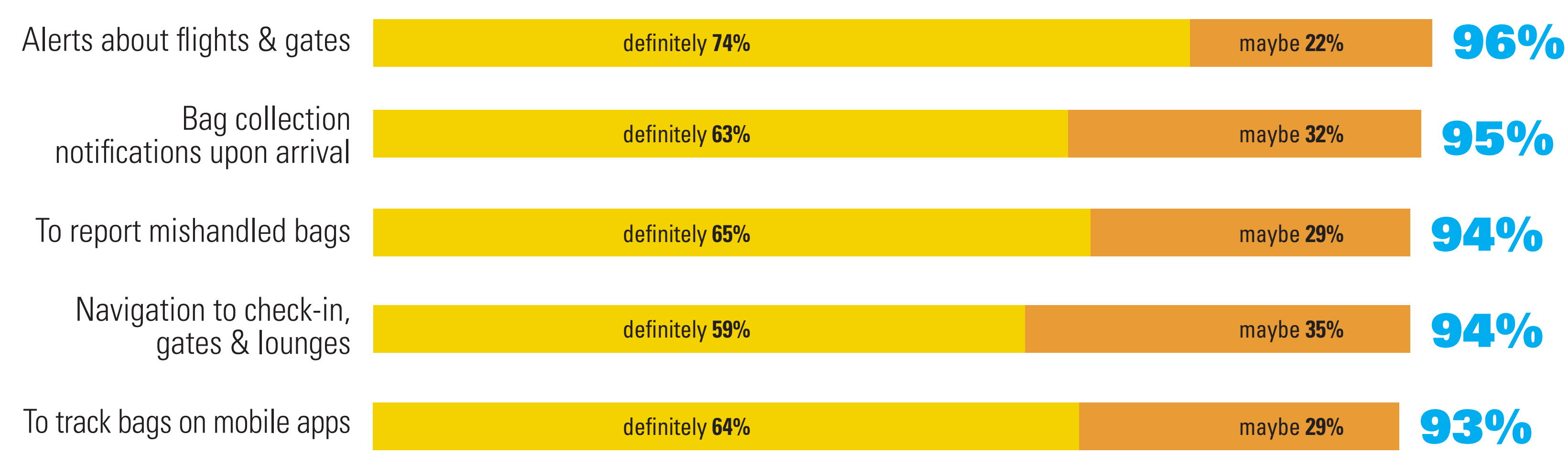
Air Travel Tech Adoption

Air travel technology is improving traveler satisfaction, according to SITA, an air transport IT and communicaions company owned by more than 400 airlines, airports and related companies. Real-time alerts about baggage collection, for example, drew 8.6 percent higher satisfaction than did display screens and public announcements, according to SITA's 2019 Passenger IT Insights report. The report notes that technology adoption is highest for the parts of the travel experience that are or can be done before arriving at the airport: booking and checking in. Those performing both these tasks on the web are the biggest adopters. "Uptake is considerably weaker when it comes to the use of self-service kiosks for check-in, where there is a reliance on the airline or airport's technology," SITA wrote. Thus, the report delves into passengers' willingness to use mobile tech at the airport but notes that the availability of onsite technology can limit real-life adoption. More from the report follows.

PASSENGERS WHO'VE ADOPTED AIR TRAVEL TECHNOLOGIES MEANT TO IMPROVE THE TRAVELER EXPERIENCE



PASSENGERS WILLING TO USE MOBILE TECHNOLOGIES AT THE AIRPORT



Source: SITA Passenger IT Insights survey, conducted in the second quarter of 2018, of 7,578 people from 20 countries who traveled at least once in the prior three months through a large or regioal airport

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NAVIGATING FROM T&E TO ROI

CONTINUED FROM FRONT PAGE

related to T&E data: how to get it and what to do with it.

BTN's 2019 Expense Management Survey pegged customized data and reporting as the most important deliverable for expense providers. Yet, it still can lack the clarity and specificity corporates would need to begin calculating travel ROI. "My biggest challenge is having a reliable source from which to draw data," said Mattie Yallaly, corporate T&E manager for digital consulting firm Perficient. "I can use my TMC's reporting, but that doesn't account for employees booking outside of the booking tool. I can use expense data, but the locations provided are not always an accurate reflection of the accommodation and can't determine the length of stay."

Cognizant of this challenge, expense management providers have emphasized integrations with travel booking systems and corporate credit cards to bring the three records of travel spend together and maximize the intelligence they can deliver to T&E managers and, ultimately, to corporate decision makers. A handful of these integrations have matured into best practice. BTN's survey showed 78 percent of implemented expense systems digest corporate card data and 63 percent pick up travel booking data. Seventy percent of respondents hook up their expense systems to feed data to the general ledger.

Just a fraction integrate expense data with a customer relationship management tool like Salesforce, but the 20 percent that do represent a sign that the motivation to connect travel spend to overall revenue is alive and well. A couple expense providers have introduced solutions.

Bridging the Gap

Chrome River, which merged with Certify this month *(see page 12 for details)*, is among the most vocal proponents of using expense management systems to increase insight into business travel ROI. "The biggest problem in determining ROI is that there isn't really a huge amount of analysis done after the fact," noted Chrome River chief marketing officer Julie Roy. "You have travel managers or finance teams looking at the overall cost of travel and other related expenses, and then you have sales teams focused on revenue, but there isn't a streamlined approach or tool to help with connecting the expenses to the impact on sales. If companies are analyzing the data, it's generally a pretty manual process."

To help break down those information silos, the company in late 2017 launched Prosper, a tool that integrates with Salesforce to present all the relevant data in one place so companies can match travel spending with revenue generated from an individual trip. Companies can use that data to determine the most efficient spending patterns and subsequently leverage those patterns for future budgeting allocations and other strategic decisions, Roy said.

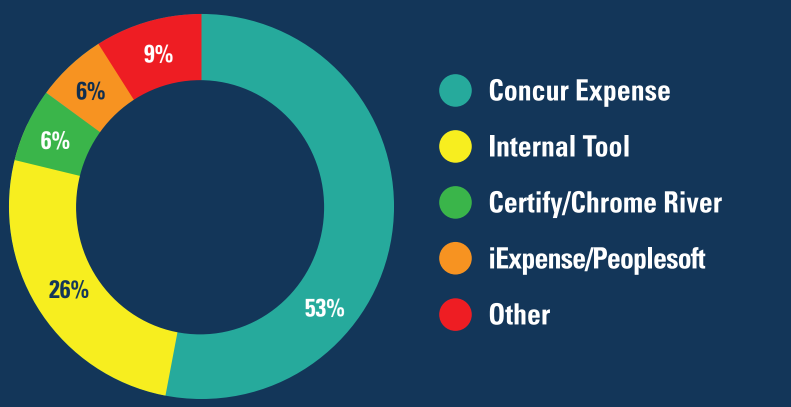
Formed in 2017, U.K.-headquartered T&E management startup SalesTrip rolled out its service through Salesforce in February, after two years of working with pilot clients. Like Prosper, SalesTrip's bread and butter is connecting travel spending with revenue to better gauge outcomes on a trip-by-trip basis and help guide future decision-making around spending. "Whether it's travel or meals or entertainment, whatever you're spending to try to win a sale, we put those expenditures right next to revenue opportunities, so you can see how much you had to spend to win that opportunity," said SalesTrip VP of product Eoin Landers.

That presentation makes that data more actionable, he added. "We're putting the spending right in front of sales directors at the same level as revenue, where they live and breathe. The amount a company spends is as important as the money they win, so it should be in the same system." Armed with granular data for specific revenue opportunities, companies can make more informed spending decisions, according to Landers. "If you're a firm based in New York City and you have a major client in Dallas, you'll

WHERE DOES YOUR PROGRAM LAND?

Follow the charts below and on the next page to compare your company's partnerships, policies and practices against BTN's online survey of expense managers.

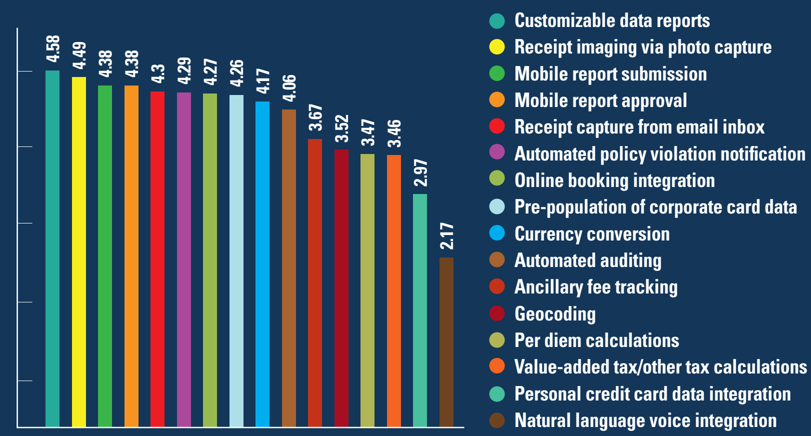
Concur's Biggest Competitor: Internally Built Tools *Companies that use each (104 respondents)*



Expense industry consolidation continues as smaller providers join forces to compete against market juggernaut Concur. For now, Concur's largest competitor is the corporate itself, given the number of internally built products still in use. Respondents both praised and poo-pooed internal tools, depending on their company's commitment to keeping the sytems maintained and up to date.

Must-Haves: Data Intelligence & Mobility

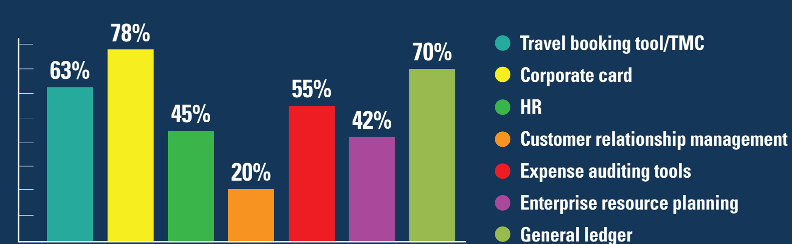
On scale of 1 (least important) to 5 (most important) (105 respondents)



Expense data is valued for its "completeness," and the fact that it can be sliced and diced into customized reports has become the most important functionality among the many that expense providers need to deliver. Beyond that, user-friendliness and mobile process support are essential for successful expense technology adoption.

Are ERP, HR & CRM System Integrations Set to Mature?

Companies that integrate expense with other enterprise systems (respondents per system vary from 103 to 108)



Corporate card data and general ledger integrations have matured. Could the next integration frontier be focused on HR and customer relationship management? Will emerging expense tools that link travel spend to customer conversion and ROI gain traction?


A STAR ALLIANCE MEMBER

know just how much it costs to make that client happy, and you may decide you should hire somebody in Dallas," he said.

Is Travel ROI a Bridge Too Far?

But some experts argue that, while data granularity and trip-specific measurement have their merits, the connection between T&E spend and revenue is essentially a black box, the precise inner workings of which are inherently unknowable. GoldSpring Consulting partner Will Tate called a tried-and-true method of determining ROI the holy grail, for which he's been searching for nearly 20 years. In the case of a prospective client, "If I decide to go meet with that company—say it's a $1,000 trip—and then I win their business, can I definitively say that $1,000 of travel was what won it? Or could I still have won it with just a phone call?"

On behalf of clients, Tate has gone back over several years of T&E and revenue data to try to find a consistent connection. "It was all over the place," he said. "We couldn't find any correlation," he recalled. "There are too many other variables, including the economy and existing relationships, where if a client already loves you, you're going to win their business whether you go see them or not."

Complicating matters further: Often, the trips that really seal the deal for winning new business from existing clients aren't classified as sales trips, Tate observed. Instead, an emergency repair or other warranty-required trip could be what makes the impression that counts. "If a customer has an emergency and you do a good job fixing the problem quickly, that could turn into another sale, but the trip wouldn't be classified as a sales trip," he noted. "Ultimately, there are so many touch points with a client that it's very difficult to correlate a one-to-one relationship between a given trip and resulting sales."

For more charts from BTN's 2019 Expense Management Survey, check out www.businesstravelnews.com/research

However, there are metrics that can be used to capture customer satisfaction on a more holistic level, according to Roy. Any customer interaction that has some kind of key performance indicator could measure the ROI of travel, she said, noting that net promoter scores often are used to measure customer service and success of teams. Using NPS data, Roy said, providers can home in on answers to a variety of questions about overall travel spending. "Do customers who receive more frequent visits from the team or have more money spent on them in terms of corporate hospitality have a higher NPS? How well does it correlate? Is there an optimum level of in-person interaction or some kind of threshold above which NPS doesn't improve?"

And it's not just client-facing travel. Companies also can use KPIs to correlate intracompany trips with positive returns. Perhaps retention and morale among employees in remote offices improve when they receive frequent visits from executive team members, for example. "While there are obviously several factors at play in terms of both of these scenarios, organizations can see what role, if any, travel frequency and spend has on these outcomes," Roy said.

Asking the Right Questions

When industrial manufacturing giant Siemens pushed to optimize its travel spend, it leaned hard on its data for answers on how best to invest the company's travel dollars. It came up short in terms of cracking the ROI code. "We couldn't come up with a good enough formula to measure ROI," said Steven Schoen, Siemens senior director of mobility services for the Americas and BTN's 2017 Travel Manager of the Year. Siemens' often-lengthy lag time between receiving an order and realizing the associated revenue, as much as two years, provided another wrinkle. Instead, Siemens initially landed on limiting travel for non-client-facing purposes but has since extended that practice to additional trip types.

"We turned many in-office internal meetings into virtual collaborations or had some people travel and some attend virtually," Schoen said, adding that Siemens even has partially virtualized many service calls, reducing the number of technicians required to travel to a call location. "We've been able to reduce the number of people required for service, so we no longer just think automatically in terms of getting on an airplane," he said.

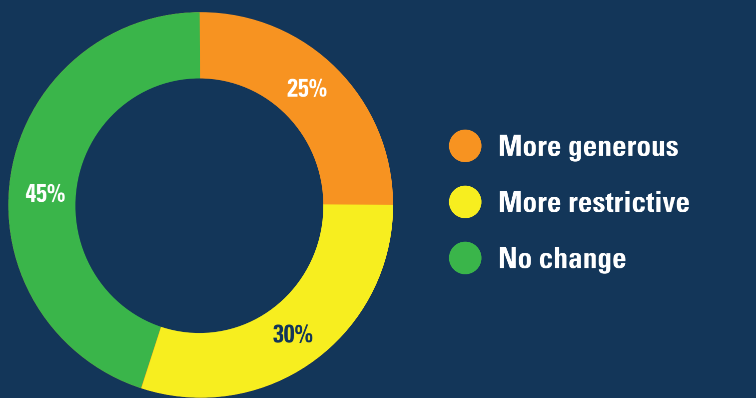
While there may not yet be a perfect method to calculate business travel ROI, there's no doubt that companies are working toward a clearer picture, and that progress should continue as technology and evaluation strategies keep advancing, predicted Tate: "Travel ROI is a very valuable measure, so even if there's no perfect answer yet, we're asking the right questions and we're getting closer by asking those questions." ◀

WHERE DOES YOUR PROGRAM LAND?

Follow the charts below and on the previous page to compare your company's partnerships, policies and practices against BTN's online survey of expense managers.

Reimbursement Policies Get a Bit Stingier

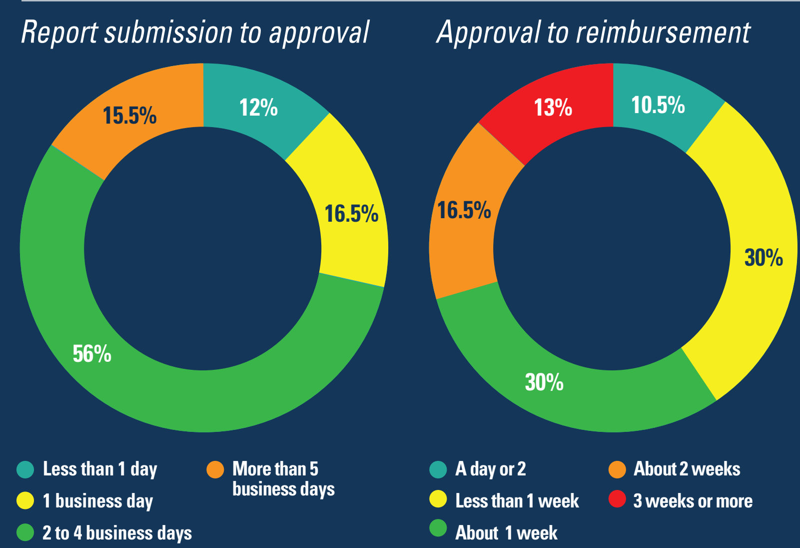
How companies' report their expense polices have changed over the past three years (108 respondents)



Respondents said policies have expanded in terms of allowable airline seats, indicating the market for "premium economy" is no longer niche. Respondents also focused on daily meal per diems and allowable hotel rates, but similar numbers have raised and reduced them. For those getting more generous, in-flight Wi-Fi on all flights, not just lengthy ones, is trending. Expanded access to airline lounges is another "extra" providing enough value for companies to approve reimbursement.

Timing Is Everything

Companies' turnaround times (109 respondents)



Leading programs are turning around expense approvals within 24 hours and reimbursing the employee within a couple days after than. A more manageable time frame for most companies is about a week from approval to reimbursement. If it's taking your company longer than that, it might be time to look at processes or tools that can help.

Should Artificial Intelligence Automate Expense Approval, Reimbursement & Audit? *(112 respondents)*

Machine learning and artificial intelligence may ultimately close the expense approval and auditing gap with tools that can detect abuse patterns among large data sets, but BTN's survey indicates such tools may have an uphill battle when it comes to adoption. While the majority look forward to such capabilities, a large chunk of expense management professionals have trust issues with a hands-off approach.

United Debuts Meetings Portal

In yet another sign that meetings are driving major business to travel suppliers, United Airlines debuted a meetings portal as part of its Jetstream web offering. The move follows a Delta Air Lines meetings push in 2016 that allowed corporate clients to associate or separate their meetings air spend from transient spend and to avail meeting attendees of corporate transient discounts and preferred benefits. United executives told BTN their platform allows for all that, plus. "United Meetings goes beyond what our competitors are doing," said SVP of worldwide sales Jake Cefolia.

Among the selling points of the portal is what United refers to as the "discount in a day" feature, which allows a meeting organizer to register a meeting within the United portal and receive discount offers within 24 hours. "We now have the ability to make these discounts flexible," said Cefolia. "The more information we have [about the account] and the more we know about the nature of the meeting and demand on our flights, we are willing to offer flexible discounts." Once a meeting organizer accepts a discount offer, he or she will receive a promo code to distribute to meetings attendees.

If the user already has a corporate transient agreement with the airline, United will connect that information to the meeting behind the scenes to realize the transient discount. The airline will also take the onus of capturing all the corporate bookings in the date range and with likely city pairs to credit to the meeting account for reward purposes, without collecting additional information or requiring any special forms from the meeting organizer. Travelers under the meetings code will also receive United's Corporate Preferred benefits. "Is it possible that one or two [transient bookings] will get in there when they aren't technically tied to the meeting?" posed Cefolia. "Yes, but we think that will be pretty rare."

The meetings portal will offer users meeting accounts and dashboard capabilities that will show active and historical meetings, as well as air booking activity on each discount promo code, and it will credit spend volume to the user's account as attendee segments are flown. That volume credit translates into what United calls "amenity funds," which have been a feature of the Jetstream portal for corporate accounts since it launched in 2017.

Amenity funds are the basis for United's self-service upgrades and benefits. "Rather than contracting those benefits upfront, the value is loaded and people can choose what they want in real time," explained United managing director of sales effectiveness Karen Catlin. She cited beverage coupons, seat upgrades, travel certificates, United Club passes and MileagePlus status as examples of what users can "purchase" with those soft-dollar accounts. "That flexibility has been a huge benefit," she added, and one that is now extended to meeting organizers.

United has structured a couple account configurations to get visibility into enterprise meetings activity. An enterprise account can have multiple users with several levels of permissions. Currently, only the person who signs the meetings portal agreement has access to the amenity funds, though others may or may not be able to see the accrued value, depending on their permissions levels. United can bulk upload user names and assign permissions to them. Catlin said United was accustomed to this because Jetstream is also designed for agencies that have many users on a single account. On the other hand, corporate clients may want to give departments or individuals oversight of their own meetings activity within their own meetings portal account. "We want the corporation to be able to choose how to set it up," she said.

Flexible rewards and account configuration are the vision for the entire Jetstream portal and all products and services United plans to hang off that self-service hub. It's not a vision that is entirely achieved at this point, according to director of sales systems Marlene Garcia. In Jetstream's current state, corporate and meeting amenity accounts are separate. "We had a meeting [last] week to talk about a future state," said Garcia. "We have added meetings now, and what we want to design is the ability [for customers] to earn separately and track separately but have one [amenity] bank with different accounts so they can transfer funds to different types of accounts and access what they need when they need it." Rather than rolling more products into Jetstream now, Garcia said, United will focus on architecting the tools to achieve that more holistic fund management vision. ◾

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Certify & Chrome River Merge & Eye Competition with Concur

Certify and Chrome River are joining forces in a merger that could significantly alter the competitive landscape of the expense management market. Effective immediately, the merger involves the creation of a new holding company, with a majority stake held by Certify parent company K1 Investment Management. Additional shareholders include Certify and Chrome River's founders, and Bain Capital Ventures also holds an interest.

Combining with Chrome River enables Certify to expand its business offering to large and enterprise clients, an audience that previously hadn't been a major focus area, noted Certify CEO and co-founder Bob Neveu. "The midmarket and SMB clients have really been the sweet spot for us," he said. "We didn't really have a presence in the larger enterprise area, and Chrome River has done a fantastic job executing in that space."

Portland, Me.-based Certify and Los Angeles-headquartered Chrome River will continue to operate independently with separate management teams but will combine efforts to accelerate investments in technologies like machine learning, artificial intelligence and analytics. The combined company will serve more than 11,000 corporate customers across more than 100 countries.

Maintaining existing brands has been a hallmark of Certify's expansion strategy since K1 Investment acquired a majority stake in the company for $125 million in 2017. That deal merged Certify with three other expense management firms. Since landing that capital infusion, Certify has been on something of a buying spree, including acquiring expense management specialists Abacus and Spain-based Captio, both of which continue to operate under their own brands while being supported by a larger ownership entity.

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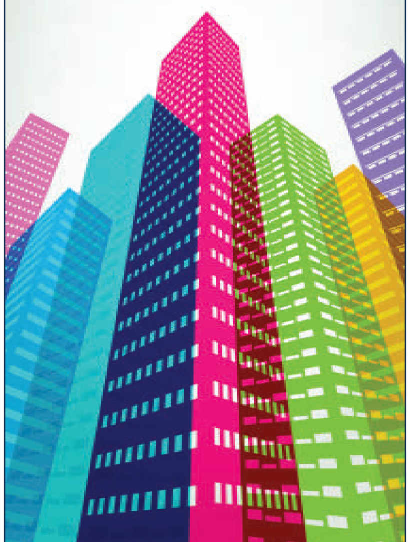
11,000

corporate customers



across more than

100

countries.

Abacus, meanwhile, has expanded into booking *(see Expense Platform Abacus Launches Booking Tool below)*.

Neveu said that strategy enables the company to offer an alternative proposition to that of industry giant Concur, which offers a more one-size-fits-all approach, he said. "We see the opportunity to offer a distinct solution for clients in particular market segments and leverage that capability to grow and compete against Concur and others," he noted.

Chrome River CEO and co-founder Alan Rich echoed that sentiment. "I see the analogy in accounting software, where you have SAP, Microsoft Dynamics and QuickBooks, all addressing a particular kind of customer," he noted. "That's what we think we can do, combining strong scale and common technology to offer solutions that will meet all customers' needs."

> **"The midmarket and SMB clients have really been the sweet spot for us. We didn't really have a presence in the larger enterprise area, and Chrome River has done a fantastic job executing in that space."**
>
> —CERTIFY'S BOB NEVEU

The cloud-based expense management software market is growing by 11 percent per year and is projected to be a $2.7 billion industry by 2022, according to analyst IDC—and K1 is betting on a wide-scope strategy to capitalize on that market opportunity. "It's rare to have the opportunity to combine the two largest independent companies in such an attractive market, said K1 managing partner Hasan Askari. "We've created the leading global organization covering the full scope of integrated travel, expense and invoice management software that is able to serve the broadest range of companies in the market."

Expense Platform Abacus Launches Booking Tool

Expense management provider Abacus is bolstering its platform with a travel booking tool, adding to the growing list of end-to-end booking and expense providers on the market. The new Abacus Travel booking service is based on online booking technology that Abacus parent company Certify purchased from NuTravel in 2017. Certify subsequently acquired Abacus in 2018, and Abacus Travel is the first significant product launch for Abacus since coming under the Certify umbrella, the company said.

Abacus Travel offers flight, hotel, car rental and rail content. Travel managers can set pre-booking controls to show only in-policy travel options for a particular traveler. After a booking is complete, the itinerary flows into Abacus' expense management system, which tracks all travel-related expenses in one dashboard. Abacus doesn't batch expenses into reports but rather submits them on a running basis, and employees are reimbursed as soon as the next day, Abacus said.

A growing number of providers have combined booking and expense management under one roof. Industry titan Concur began the boom when it acquired Outtask in 2006. Since then, companies like Egencia and Abacus parent Certify have expanded their capabilities to encompass both functions. Meanwhile, end-to-end platforms like AmTrav have been designed and built from the ground up to offer both booking and expense. And travel management startup TripActions is believed to be exploring the addition of expense functionality after quietly teaming up with payment and expense provider Divvy late last year.

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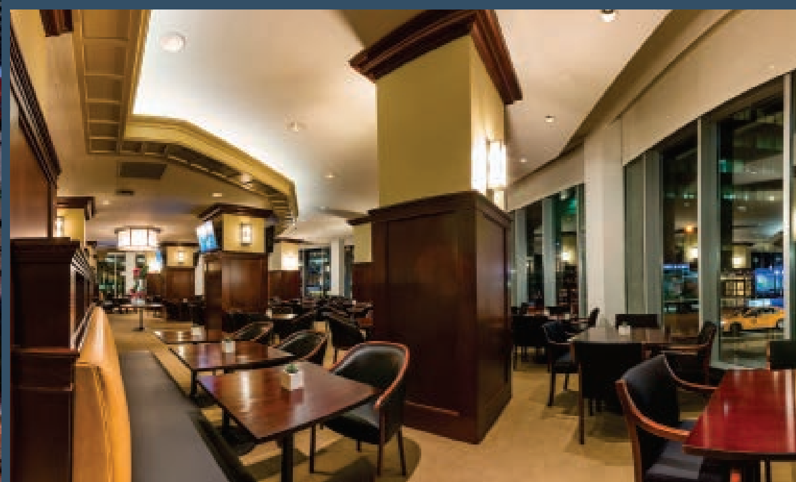

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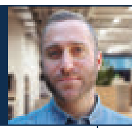


California Data Privacy Laws Take Shape

BY DAWIT HABTEMARIAM

Two California lawmakers, each with the support of California Attorney General Xavier Becerra, late last month introduced bills to strengthen individuals' data privacy.

State California Assemblymember Marc Levine introduced a bill that would require businesses to notify consumers of compromised passport numbers and biometric information. California requires businesses that own, license or maintain personal information to disclose to California residents if their personal information is accessed without authorization or is reasonably believed to have been accessed. Personal information includes Social Security, driver's license, bank account, debit card and credit card numbers and medical and health insurance information. Levine's bill would expand the notification requirement to include government issued IDs, such as passports, and biometric information, such as iris, fingerprint and retina scans.

He said the Starwood data breach that Marriott disclosed on Nov. 30 prompted his bill. The breach occurred on Starwood's guest reservation database from 2014 until it was discovered in September 2018. Marriott estimates that as many as 383 million customers may have been affected. Among the data exposed were personal and payment card information and passport numbers.

Matt Aldridge, a senior solutions architect at cybersecurity firm Webroot, said companies will need strong auditing to track the use of passport and biometric data and to detect and report when something goes wrong. He also added that companies should take steps to protect such data. "Companies dealing with the storage and/or processing of consumer data need to ensure they have adequate controls to protect this data and that they have significant justification for having the data at all."

California State Senator Hannah-Beth Jackson, meanwhile, introduced a bill to expand the California Consumer Privacy Act of 2018, which Governor Jerry Brown signed in June. Before CCPA goes into effect Jan. 1, the state government is sorting out details and making changes via follow-up legislation like Jackson's, according to Joseph Lazzarotti, who leads the data, privacy and cybersecurity arm for law firm Jackson Lewis.

Currently, the law requires businesses to comply with consumer requests to disclose the business' practices around personal information collection and sharing, requests to delete the consumer's personal information and requests to opt out of the sale or sharing of personal information. A consumer can sue a business for damages if his or her nonencrypted or nonredacted personal information is accessed, taken or disclosed because the business did not meet reasonable security procedures.

The California Consumer Privacy Act of 2018 goes into effect

The law is passed, though legislators are still adjusting it via amendments. It's not simply California's version of GDPR, but companies that are GDPR compliant have a head start on CCPA compliance, according to Joseph Lazzarotti of law firm Jackson Lewis.

Jackson's amendments significantly expand the basis on which a consumer can sue, Lazzarotti said. "Under one of the amendments, a consumer can sue for a violation of any of their rights under the law, not just a breach where the company failed to have reasonable safeguards in place," he said. For example, he noted, it appears that a consumer now could sue a company that denies a request to delete his or her personal information, though CCPA does provide for some exceptions that allow businesses to deny such requests. Jackson's bill also removes language that allows businesses to seek compliance guidance from the attorney general, a move meant to save taxpayer money by removing the attorney general's availability as counsel, according to California Attorney General Becerra.

Additionally, Jackson proposes to remove from the law's language, "A business shall be in violation of this title if it fails to cure any alleged violation within 30 days after being notified of alleged noncompliance," leaving in place: "Any business, service provider, or other person that violates this title shall be subject to an injunction and liable for a civil penalty of not more than two thousand five hundred dollars ($2,500) for each violation or seven thousand five hundred dollars ($7,500) for each intentional violation, which shall be exclusively assessed and recovered in a civil action brought in the name of the people of the State of California by the Attorney General." The change would remove the 30-day opportunity for businesses to resolve compliance issues.

"These amendments will ensure that the most significant privacy protections in the nation are robustly enforced," Becerra said. Because California has the largest population and economy in the U.S. and fifth largest economy in the world, a lot of companies could fall under the bill's purview. Likened to the European Union's General Data Protection Regulation for its expansiveness, CCPA applies to any entity that does business in California and satisfies any one of the following:

- annual gross revenue over $25 million
- 50 percent or more of its annual revenue from selling California residents' personal information
- buys, sells or shares the personal information of 50,000 or more California residents

Because Jackson's amendments heighten their legal exposure, companies will to need to take action, said Aldridge. "Any increase in corporate risk associated with this legal exposure should lead to heavier investment in data security and privacy controls to reduce the probability of actions being brought against a company."

CCPA is similar to GDPR for its broad consumer privacy protections, but the two laws are structurally different. Still, companies that are GDPR compliant have a head start on CCPA compliance, according to Lazzarotti.

In the coming months, the two bills will move to their respective legislative chambers' policy committees. ◾

Amex GBT Launches New Benchmarking Tool for Buyers

BY AMANDA METCALF

American Express Global Business Travel has launched, among other tech upgrades that benefit from its large collection of data, a benchmarking tool for buyers that enables comparisons against different peer groups and that considers traveler well-being. The mega travel management company labeled the wave of updates as the latest products of a technology investment program running since 2015, shortly after investment firm Certares injected $900 million into GBT, which spun off from American Express as a 50/50 joint venture.

Redefining Peer Groups for Benchmarking ...

Thanks to the vast amount of traveler information and bookings it collects—Travel Weekly's 2018 Power List ranks GBT as the largest purely corporate travel agency, with $32.7 billion in sales in 2017—GBT's analytics capabilities have a lot of data to work with. (Travel Weekly, like BTN, is owned by Northstar Travel Group.) GBT said it holds more than six years of such information in its data lake. The new benchmarking tool, Peer Travel Insights, enables travel programs to develop peer groups not only by industry—agriculture, forestry and fishing; mining; construction; manufacturing, transportation, communications, electric, gas and sanitary service; wholesale trade; retail trade; finance; insurance and real estate; services; and public administration—but also by five other characteristics:

- number of employees
- air spend
- percentage of online bookings
- point-of-sale country
- percentage of domestic economy fares

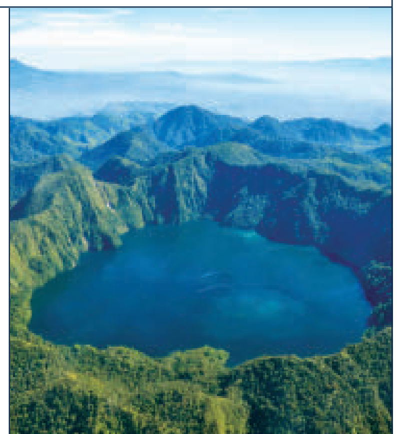
The system guides users to develop a peer group of at least five and no more than 20 companies and can tell the user his or her company's rank on 40 key performance indicators. Peer Travel Insights complements the Premier Insights data visualization tool GBT launched in 2016 and offers the following dashboards: Air Supplier Optimization, which compares fares by carrier and by origin and destination; Air Online Adoption; Air Advance Purchase; Air Class of Service; Air Same Day Trips; Hotel Supplier Optimization; Hotel Tier Usage; Car Supplier Optimization; Car Class of Service; and Traveler Well-Being.

... Plus Traveler Well-Being Benchmarking

Peer Travel Insights adds a modern-day layer to travel program benchmarking with the last in that list: traveler well-being. For that category, GBT considers positive factors like use of nonstop flights and, on international trips, use of business class seats, plus friction factors like use of red-eye flights and time spent away from home. All form a traveler well-being score for each company, and the Traveler Well-Being dashboard benchmarks that against peers, as well. The idea is to inform travel managers who may want to change their travel policies. Chief technology officer David Thompson said the dashboard allows travel managers "to better understand the relationship between cost containment, travel policy and employee productivity."

Booking Recommendations Coming to North America ...

Having acquired KDS in October 2016, GBT already uses artificial intelligence to analyze travelers' previous travel behavior, the patterns of similar travelers and company policy to develop booking suggestions in the KDS Neo booking tool. "Neo's smart search and booking engine can deliver a complete itinerary in seconds, combining air/rail, accommodations and ground transport in an intuitive, interactive, web and mobile interface," according to GBT. The Neo recommendation engine is available to GBT customers in EMEA and will launch in May for clients in North America.



All the bookings that make up Amex GBT's annual sales—$32.7 billion in 2017, according to Travel Weekly's 2018 Power List—form a vast data lake that GBT can tap into to help clients benchmark.

... With Hotel Attachment

Now, GBT has added a hotel attachment feature to solve for travelers who book flights first but not the hotel portions of their trips. Trip Recommender, which is online booking tool agnostic but powered by the same AI in Neo, emails those travelers with hotel suggestions—again based on policy, traveler history and the patterns of similar travelers—and a click-to-book option.

Mobile App Upgrades

GBT has added real-time messaging with live agents globally, available via app and web. The app also now includes click-to-call, face or fingerprint login with compatible iOS and Android devices and one-click booking from the booking recommendation engine. Client-based hotel reviews, a flight-boarding-countdown timer and embedded corporate messaging also are on the way. A spokesperson said GBT will explain the embedded corporate messaging in detail when the product comes out.

In-House Hotel Reshop

GBT has launched a proprietary Hotel Re-shop Expert to reshop booked hotel rates and recommend cheaper rates for hotels with similar amenities and the same room type. It's available in the U.S., U.K. and Canada and will be available in "key proprietary GBT countries" like Australia, Mexico, France and Germany this year. "TMCs now need their own technology that helps companies manage the entire travel ecosystem," said Evan Konwiser, GBT VP of product strategy and marketing. "Some may opt for more proprietary tools and others may look for third parties." However, Yapta still powers GBT's Air Re-shop Expert.

Core Technology Platform

All the new data capabilities stem from GBT's new Core Technology Platform, a three-legged stool: a Global Trip Record across agent, online and mobile traveler touches; a single master traveler-managed profile called Connect Profile; and a Supply Management Platform to assemble rich inventory and content from all channels, including global distribution systems, aggregators, online travel agencies and direct connections.

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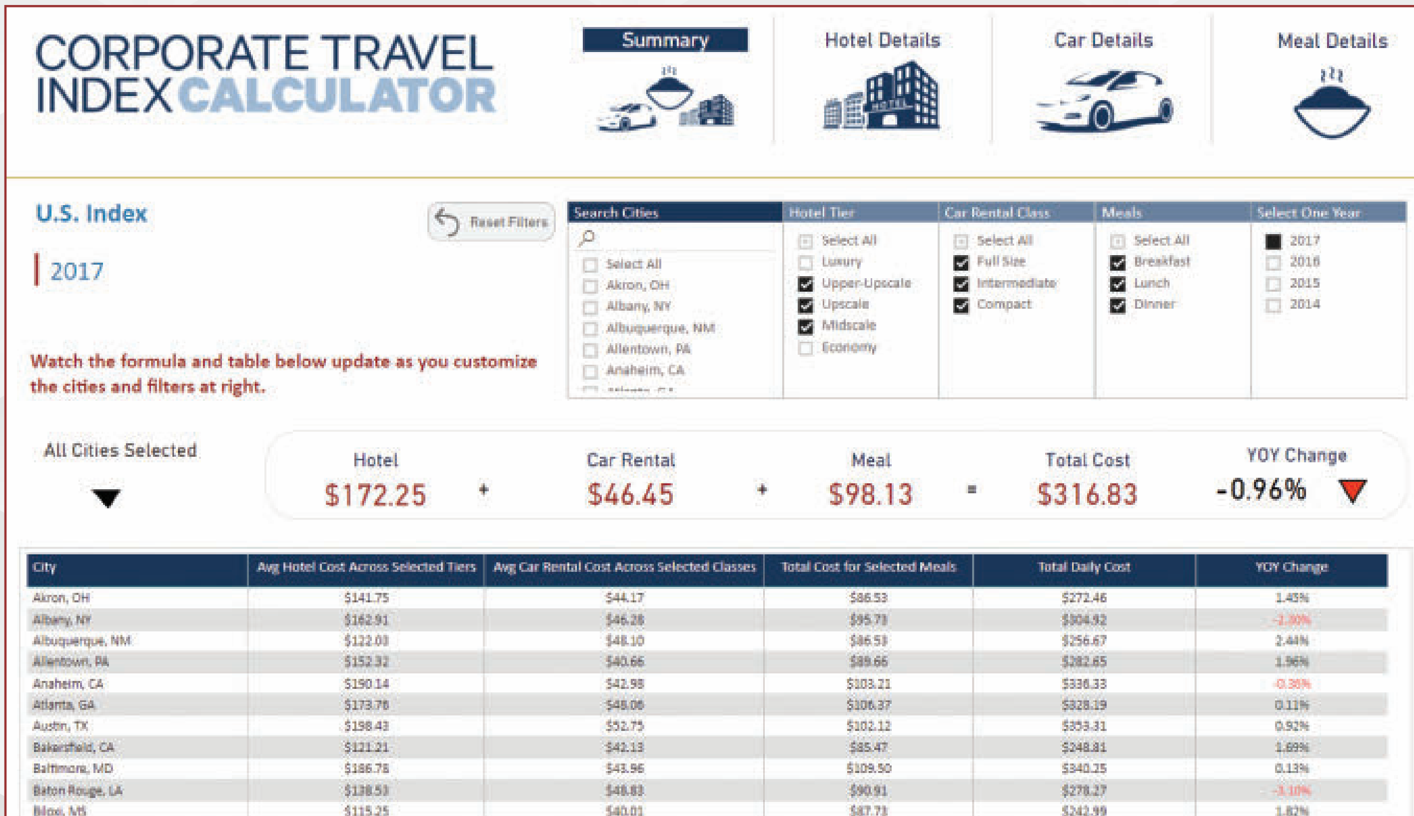

CORPORATE TRAVEL INDEX CALCULATOR

Summary | Hotel Details | Car Details | Meal Details

U.S. Index

2017

Reset Filters

Watch the formula and table below update as you customize the cities and filters at right.

Search Cities	Hotel Tier	Car Rental Class	Meals	Select One Year
Select All	Select All	Select All	Select All	2017
Akron, OH	Luxury	Full Size	Breakfast	2016
Albany, NY	Upper-Upscale	Intermediate	Lunch	2015
Albuquerque, NM	Upscale	Compact	Dinner	2014
Allentown, PA	Midscale			
Anaheim, CA	Economy			

All Cities Selected

Hotel $172.25 + Car Rental $46.45 + Meal $98.13 = Total Cost $316.83 | YOY Change -0.96%

City	Avg Hotel Cost Across Selected Tiers	Avg Car Rental Cost Across Selected Classes	Total Cost for Selected Meals	Total Daily Cost	YOY Change
Akron, OH	$141.75	$44.17	$86.53	$272.46	1.45%
Albany, NY	$162.91	$46.28	$95.73	$304.92	-1.30%
Albuquerque, NM	$122.03	$48.10	$86.53	$256.67	2.44%
Allentown, PA	$152.32	$40.66	$89.66	$282.65	1.96%
Anaheim, CA	$190.14	$42.98	$103.21	$336.33	-0.38%
Atlanta, GA	$173.76	$48.06	$106.37	$328.19	0.11%
Austin, TX	$198.43	$52.75	$102.12	$353.31	0.92%
Bakersfield, CA	$121.21	$42.13	$85.47	$248.81	1.69%
Baltimore, MD	$186.78	$43.96	$109.50	$340.25	0.13%
Baton Rouge, LA	$138.53	$48.83	$90.91	$278.27	-3.10%
Biloxi, MS	$115.25	$40.01	$87.73	$242.99	1.82%

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Egencia Debuts New Travel Management & Booking Features

BY ELIZABETH WEST & ADAM PERROTTA

Egencia has unveiled a trio of features for its global business travel platform. COO Mark Hollyhead told BTN each feature is the product of Egencia's overarching digital strategy, which has focused on data integrations to provide solutions that not only will benefit the corporate client but also will provide more business value to Egencia's supplier partners.

Egencia Hotel Conversations

Hotel Conversations enables business travelers to communicate with booked hotels via messaging embedded in the Egencia mobile app. A traveler can ask questions, confirm details and update travel plans at any stage of the trip—for example, requesting later check-in when a flight is delayed. Meanwhile, hotels can use the system to send guests welcome messages or offer additional services ahead of arrival or during the travelers' stays.

The capability leverages both live human interactions and automated chatbot exchanges built on machine learning and algorithms, according to Hollyhead. The goal, of course, is to move toward more automation rather than less. Egencia tracks patterns in the data to determine what business travelers most need from their hotel suppliers. "It's early days still, but we are learning about the questions asked by corporate travelers on, say, the day before the travel takes place," he said. As Egencia finds those patterns, hotel partners can refine the volume and nuances of automated responses to deliver more personalized support. "We want to present [our hotel partners] with the best chance at serving that customer," said Hollyhead. That's a win for the supplier and for the corporate client.

Success will depend largely on how much content and effort hoteliers are willing to put into the capability. But Hollyhead said most hotel operators are motivated by more than happy customers; they also are looking at the dollars and cents: "We are looking to see how the messaging can reduce calls into the hotel. That's a cost for owners and a big issue," Hollyhead offered as an example. "We have enough data to start to help the hotel in these ways and begin to show that a relationship with Egencia is less about the economics in the margins and more about how we can help our partners run a smart business."

Egencia Air and Hotel

Egencia's Air and Hotel capability is focused on running smarter hotel programs. The corporate travel agency has leveraged parent company Expedia Group's hotelier relationships to offer packaged air and hotel deals. The packages offer access to hotels whose prices otherwise could push them out of certain travel policies. The spot-buying deals put the costs in range. "We are looking at supply and demand in the marketplace," said Hollyhead. Once the flight is booked, "we market that [flight] out to hotel suppliers, providing a channel through which they can discern whether to make an offer to the business traveler." The offer is available to book immediately or within 10 days of booking the airfare. Asked whether such offers incentivized corporate travelers to book away from contracted preferred properties, Hollyhead said, "We haven't navigated that with this particular product."

He argued, however, that hotel programs have been notoriously difficult to manage. "The truth is, most programs are not that robust," he said, adding that achieving a better attachment rate could be a strong win for the buyer.

Even so, the capability is configurable to turn on or off, and the Egencia platform always can be set to indicate whether any hotel being offered is out of policy or, further, to restrict any hotel that is out of policy. "That's a larger debate and one that we have within Egencia," he said about offering nonpreferred content within the channel. "But we are pretty rigid in the belief that you need to offer expanded content," he said, adding that buyers could gain some important knowledge from the data kicked back from the new feature. "If you abstract it all out into data, preferred hotels or not, we may be able to provide the customer with some compelling market intelligence in terms of what they should expect to pay in the markets where they travel." Travel programs without the leverage to negotiate preferred hotels would seem to benefit with no caveats.

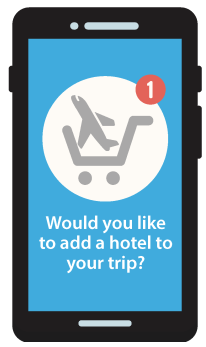
Egencia Traveler Tracker

The online corporate travel agency's final update in the trio is a more straightforward duty-of-care improvement. Egencia launched Traveler Tracker last year, enabling travel managers to monitor employee locations city by city and provide support during emergencies. The revamp includes the option to search a more general geographic area through the region search tool. Managers trace a circle or square over an online map to define the region: a city, pair of cities, general area around the site of a crisis, etc. The tool returns the profiles of all travelers with booked itineraries in that area. The capability works on both the mobile travel manager app and desktop. Hollyhead said the improvement in tracking and the rollout of mobile is a direct response to travel manager feedback to offer a simpler, more accessible tool that delivers information more quickly. "If we can't do that," he said, "the travel manager's reputation and authority could be compromised."

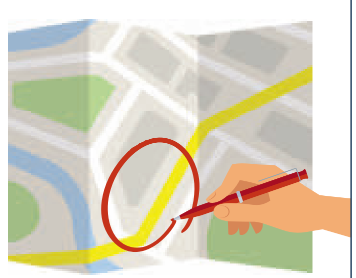
The updates are the latest move by Egencia to bolster its platform with travel management functions beyond planning and booking travel. In October, the company added managed travel features like trip change and cancellation functions.

Hotel Conversations

Air and Hotel



Traveler Tracker



Business Travel News (USPS 0728-870, ISSN 8750-3670) March 18, 2019 Issue 850 Vol. 36, No. 3. Business Travel News is published monthly except thrice-monthly in April and semi-monthly in June, August, September, and November by Northstar Travel Media, LLC, 100 Lighting Way, Secaucus, NJ 07094 (201) 902-2000, and is distributed free of charge to qualified corporate travel buyers and travel agents specializing in business travel in the United States and Canada. The cost of a print subscription to non-qualified subscribers is $129 in the U.S.; $142 in Canada and Mexico; and $210 in other foreign locations; the cost of a digital edition subscription is $65; payable in advance in U.S. dollars. Registered for GST as Northstar Travel Media USA GST No. 264513185. Canadian GST #123397457. Periodicals postage paid at Newark, NJ, and additional mailing offices. Business Travel News is a trademark owned exclusively by Northstar Travel Media. Editorial and advertising offices: 100 Lighting Way, Secaucus, NJ 07094. For all circulation inquiries, including new subscriptions, renewals, cancellations, changes of address and problems with missed deliveries, contact customer service by mail at Business Travel News, P.O. Box 2007, Skokie, IL 60076; by phone at (800) 248-0588; fax at (847) 291-4816; e-mail at btn@omeda.com; or www.businesstravelnews.com/subscribe. POSTMASTER: Send change of address to Business Travel News, P.O. Box 2007, Skokie, IL 60076. Printed in the USA.

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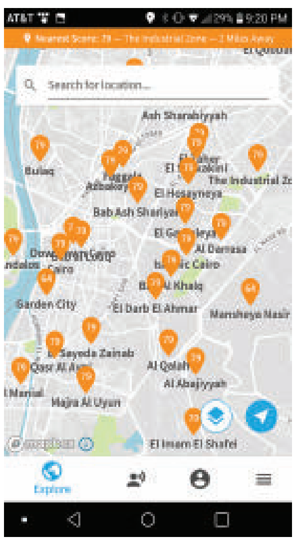
BY DAWIT HABTEMARIAM

GeoSure: Location Safety Ratings

The GeoSure mobile app, free and available on Google Play and the Apple Store, rates the safety of thousands of cities and neighborhoods, each in six categories, plus an overall score. GeoSure uses Big Data and proprietary algorithms to develop a global standard for scoring that enables travelers to compare the safety of different locations. A traveler can, for example, compare two neighborhoods in Sao Paulo or compare Addis Ababa to Capetown. The traveler also can choose to view personalized location safety scores. The company offers a free app and GeoSure Pro, a subscription mobile app designed specifically for organizations, with more advanced features. GeoSure also provides subscription-based access to its location scores via application programming interface, and its safety scores are available on Concur's TripIt app. The information on this page covers the free app.

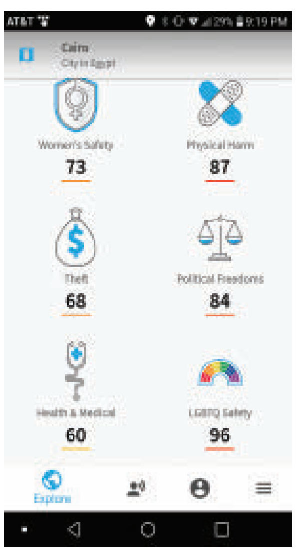
User Interface

The opening screen displays nearby rated locations, each with a color coded GeoSafe-Score between 1 and 100, as for Cairo, below.



Travelers can:

- Explore those average scores
- Move the map
- Search for a location
- Click on a score to see the breakdown into safety categories:



The Lower the Score, the Safer the Location

1-20	21-40	41-60	61-80	81-100
extremely safe	very safe	safe	less safe, more risky	very dangerous

GeoSure harvests the data from hundreds of sources, and proprietary algorithms calculate scores.

Sustained changes like the economic degradation and political instability in Venezuela will cause a location's score to change.

Force majeure events like hurricanes and terrorist attacks do not drive the score unless they become part of a pattern.

Hundreds of Data Sources, Including ...

- United Nations
- Centers for Disease Control and Prevention
- World Health Organization
- CIA World Factbook
- Southern Poverty Law Center
- International Gay and Lesbian Travel Association
- Tourism boards
- Wikipedia
- Traveler reports submitted through the app

"We're looking at anything relevant that contributes to safety and risk. We take all of that data. It's hundreds of sources you've heard of and many sources that no one would have heard of." —GEOSURE CEO MICHAEL BECKER

More Than 35,000 Cities & Neighborhoods

Nearly every city in the world that has a population **>200,000**

In certain areas: every city with a population **>100,000**

In the U.S.: many cities with populations **<100,000**

In every major business travel city: neighborhood-level scores, including, for example

90 neighborhoods in Denver

63 neighborhoods in Rome

"We cover every country in the world, each capital or major port of entry." —MICHAEL BECKER

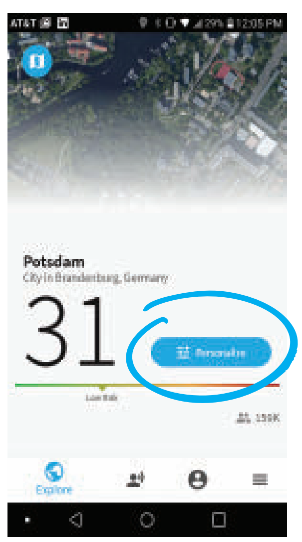
7 Safety Categories

- Likelihood of inappropriate behavior or assault against **women**
- Likelihood of harm or discrimination against **LGBTQ** people or groups and level of caution required
- Likelihood of **injury** or violence
- Likelihood of **theft**
- Potential for infringement of **political rights** or political unrest
- Likelihood of **illness or disease**, assessment of water and air quality and access to reliable medical care
- An **average** of the subcategories

Personalized Scores

Travelers can view a score for a location that's personalized using trip and profile data like:

- The traveler's familiarity with the location
- Whether the person is traveling alone, with a companion or in a group
- Gender
- Nationality
- Age
- Primary language
- Secondary language



"If you are a 25-year-old, female, French-speaking Canadian in northern India, you are going to have a very different safety environment than if you are 40-year-old, male local language speaker." —MICHAEL BECKER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