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Technology in Focus

Two years ago, I received an email from a buyer who leads a large program. She had the following request, edited slightly:

Beth, I need to see if you can help me out with something. My company assigned a project manager to help with all my travel technology projects and to help create a travel technology strategy for our program. He doesn't have much travel industry experience, and I was searching for some type of article or documentation on the basics of travel and travel technology to help bring him up to speed on the general basics of travel technology. I'm looking for the types of technologies used in a travel program like global distribution systems, online booking tools, travel management company mid-office and back-office systems, expense integrations, etc.

I found a past BTN article from 2008 that has a travel industry glossary, which is helpful but am looking for something more current in the travel technology space. Is anything on file at BTN that would be helpful for him to read?

We all understand her pain, right? I remember my own experience of approaching the managed travel industry. There were few succinct

resources available to guide newcomers through the basics of travel management technology—and that was ages ago, maybe before programs legitimately needed a tech strategy.

Yet, we've all seen the tech landscape change fast in the past three years. This buyer's need for something "more current" is what struck me, and I wanted to provide it. BTN's Techbook is for travel managers keen to access today's fascinating managed travel technology market and understand how the tech is changing how they can manage programs.

Our editorial team has plumbed recent BTN technology news articles, interviewed innovators, dialed up consultants and drilled down with startup visionaries to offer a new perspective on how travel managers can equip their programs, explore innovation and support their travelers—both today and into the future.



Enjoy this issue,

Elizabeth A. West

Editor-in-Chief, The BTN Group

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Dear Travel Partner,

At TripActions, we believe there is nothing more important than the service and support that we deliver to you and your travelers every day. And we believe that business travel is on the cusp of technological innovation. Take instant gratification, in particular. The convenience of ordering an Uber ride is spreading across many industries—home loans (Rocket Mortgage), SMB insurance (Next Insurance), and even buying a car (Carvana). The recipe is simple: open an app, swipe left or right, and complete a task in 60 seconds. It was inevitable for consumers to expect the same speed and ease out of corporate travel.

Cue the emergence of artificial intelligence, and specifically machine learning, which personalizes a traveler's options based on their wants and needs. It presents a traveler's preferred flights and favorite style of hotels—in mere seconds. Airlines and suppliers, eager to get their unique offerings in front of the consumer, are engaging with new distribution capabilities and technologies as a result.

The experience goes past the booking. When a traveler faces challenges out of their control (like unexpected flight changes or a missed hotel reservation), their expectations around support are the same. They expect early, proactive notifications, on-the-go 24/7 care, and immediate help via chat, email or phone—at no cost to them—no matter where they are. A platform and the people behind it must be not only reliable and fast, but adaptable and responsive. One travelers can trust, globally.

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Sincerely,



Ariel Cohen
CEO and Co-Founder
TripActions

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Tech First: Equipping a Travel Program

It's a quarter century since the first online booking and expense management tools emerged with the dawn of the internet. Working with technology has formed an essential part of any travel manager's professional remit ever since.

As the 2020s approach, there is a strong argument that travel managers' relationship with technology is set to intensify. Thought leaders like Johnny Thorsen, Mezi VP of strategy and partnerships for American Express, believe the phrase "travel buyer" is losing validity as a synonym for "travel manager." Instead, they argue, technology will displace procurement as the primary focus of travel managers, who will become what Thorsen calls "program architects."

Three converging trends explain this profound shift. The first is the arguably dwindling ability of buyers to influence price through supplier negotiation, which Thorsen believes New Distribution Capability will accelerate as airlines potentially come to know more about the travelers to whom they are proposing a price.

The next factor is the trend toward traveler-centricity: a consensus that travel managers must find good tech tools to keep their travelers happy or those travelers will find tools they like for themselves. Finally, there is the unprecedented explosion in tech tools, for travel managers and their travelers alike. The market is proliferating with innovations, built in an age of much

"A LOT OF TRAVEL MANAGERS DON'T HAVE THE TIME OR MONEY. YOU'VE GOT TO BE WILLING TO INVEST. OTHERWISE YOU END UP DELEGATING YOUR PROGRAM TO YOUR TMC."

EAB'S STEVEN MANDELBAUM

lighter technology, in which development costs are low and ease of integration, geo-coding, artificial intelligence, the Internet of Things and many other advances are combining to maximize the speed and minimize the cost of coming to market. "The choices have never been greater than they are today, certainly not in the 25 years I've been in the business," said Louise Miller, Americas managing partner for Areka Consulting.

The consequence of these developments for travel managers, according to Thorsen, is that you "have to become much better at evaluating technology

products rather than just worrying about air or hotel prices. But you can decide how to make travelers much more efficient, so you need to become a program architect and be able to evaluate system value or appoint someone to do it."

Thorsen borrows a phrase from the IT world to describe the task of knitting together numerous apps and tools into a coherent strategy: microservice architecture. "It's a dramatic change of mind-set that doesn't mean just selecting a TMC and booking tool any more. You can no longer make just two choices every three years," he said. Thorsen invokes a fast-growing app called AtYourGate, through which travelers can order food to their airport departure gate. "Wouldn't it be great if [your travel program] could control it and get a 10 percent discount?" he asked.

But being a program architect—or tech "portfolio manager" or "curator," to quote terms others have used—isn't straightforward, and although it's the newest tech strategy in town, it's not the only one. Buying ready-assembled and -combined tools from travel management companies or dedicated corporate travel tech giants like Concur is still the way most travel managers go. There is also the much rarer option of building your own. All three of these routes are examined on page 6, but before any such decision, travel managers have to look within their own organizations to understand what they need from technology.

MATCHING TRAVEL TECHNOLOGY TO BUSINESS NEEDS

Pay heed to companywide strategy. There should be clear alignment between a travel technology strategy and overall company strategy. "Things being cool or helpful on their own is not a business case. You have to go back to return on investment and strategic goals," said Steven Mandelbaum, VP of business solutions, including travel, for

educational best practice advisory company EAB.

For most organizations, such goals include cost control and risk management, but some specificity is needed—knowing which risks need to be managed, for example, as well as how travel technology could help. “The most important thing is: What are the problems you are trying to solve?” said Ellen Trotochaud, travel channel global VP for SAP Concur. One example might be tracking where employees visit for tax liability reasons. Is there a tool to answer that challenge?

How the company is pursuing its wider strategic goals can help a travel manager develop a sense of proportion about where travel can and can't help. Mandelbaum takes a more skeptical view of traveler-centricity than many others. “When you think about traveler happiness, you have to think about other things that make them happy, like paying them more or hiring more employees to reduce their workload,” he said. “Employee engagement is important, but there are lots of ways to get to it. What we hear about traveler choice comes from high-margin businesses with heavy competition for employees. They are a small part of the market.”

Understand your company's wider tech strategy. “Your technology strategy needs to tie in with your wider company strategy,” said Michael McSperrin, global head of facilities and support services for talent acquisition and management provider Alexander Mann Solutions. “If your company is looking to move onto mobile platforms, for example, you have to tie into that too.”

Alignment is not just a question of strategic direction but also of practicalities. “Will it align with other technology already in use in your company?” asked InVision travel manager Jennie Robertson. Consider enterprise resource planning, finance, sales and HR systems.

Work with internal stakeholders. As travel manager, you likely are not the internal owner of all the technology connected with your program. At Alexander Mann Solutions, for example, the expense tool is part of the Workday HR platform deployed across the company. McSperrin works closely not only with HR but also with finance, compliance and business continuity colleagues. “You have to be connected and collective,” he said. “Often, I'm not the final decision maker, but I am an influencer.”

“AS SOON AS BUYERS RAISE THEIR VOICES [IN FAVOR OF A STARTUP], THAT GETS THE BALL ROLLING. DON'T UNDERESTIMATE THE POWER YOU HAVE AS A BUYER.”

CONICHI'S MAX WALDMANN

Understand your culture & demographics. The right technology for your workforce is essential for determining strategy. Consider:

- **Geography:** If you operate internationally, the tech options you choose must be fit for purpose outside the home country.
- **Demographics:** Is your workforce tech savvy? Don't underestimate the desire of older employees to have good technology.
- **Culture:** How compliant are employees? Will they be willing to accept a very tightly defined set of tech tools, or will they choose whatever apps they think will serve them best, whether found via the company or a consumer app store?

Does size matter? “The largest companies have more resources to invest in technology and will get greater leverage out of it,” said Mandelbaum. “A lot of travel managers don't have the time or money. You've got to be willing to invest. Otherwise you end up delegating your program to your TMC.” At the same time, Mandelbaum acknowledged that smaller companies have “less bureaucracy to deal with” and may find they can push innovations through faster.

German engineering and electronics company Robert Bosch has 100,000 travelers, which partly explains why it is developing a pioneering travel tech strategy. But Nadine Fauser—director and product owner for travel management digitization, strategy and innovation—told a Business Travel Show audience: “What's most important is the mind-set that technology is the key for the future. It doesn't matter how big your travel volume is. Everyone should be aware that digitization is already there.”

Some funding will be required, no matter what size the company, including for pursuing the microservice architecture strategy Thorsen advocated. “Most buyers don't even have \$5,000 in place, but you can do a lot with \$25,000,” he said.

BUILD, BUY OR CURATE?

Build. Companies tread the DIY route only when there is a rare confluence of circumstances. One of the few who has done so is Mandelbaum, who developed an expense system and fare-finding tool for his employer. “We had the scale and business case to do it, and there was nothing else on the market,” he said. “I made that business case and showed what the payback was, and I

had the technical know-how; I knew how to code.”

But technology is simpler today, and coding skills may not be necessary. Instead, “you need to be in tune with what your tech team is working on,” said McSperrin, who created a policy chatbot for Alexander Mann Solutions travelers even though he does not consider himself a technologist. “Is there something transferable we can develop? Can we be the test case internally? I built the bot off the back of our own work to look at bots for ourselves and our clients. I was thinking, ‘How can I grab onto the coattails of this?’ If something is also being done for clients, you are more likely to get investment for it.”

Buy. Many TMCs and a handful of major travel IT providers push tech stacks for clients. The provider may create the tools or may source them from elsewhere. They are integrated into coherent but sometimes closed platforms from which it can be difficult to extract data or to customize with additional apps.

Why do the overwhelming majority of travel managers effectively outsource their tech choices this way? “There is no point in reinventing the wheel,” Mandelbaum explained. But it’s important to consider potential disadvantages,

too. InVision uses TripActions, one of the new breed of hybrid TMCs/tech providers. “It gives us one contract and one point of service, but you are limited in what else you can integrate into your program,” she said. “TripActions is 90 percent of what I want, and user feedback is very, very high. If you are going to use a closed ecosystem, make sure it offers enough of what you need.”

Alexander Mann Solutions uses Egencia, arguably the original TMC/tech hybrid. McSperrin said that platform likewise provides most but not all the technology he needs. The trade-off is worthwhile in his view because a tech strategy has to be easy to manage. “Otherwise,

HOW TO WORK WITH TRAVEL TECH STARTUPS

One of the most daunting challenges for travel managers creating a technology strategy is engaging with the bewildering array of startup providers now competing in the business travel market. Hotel booking apps, meetings booking apps, reshopping tools, open booking itinerary collection, virtual payments, budget and reward tools, expense apps—the list of different services on offer is vast and expanding rapidly. Some services are very niche but no less useful for that. How about a tool that predicts the cheapest moment to book a hotel room—Waylo—or an app that lets passengers swap airline seats—Seatswap?

With so many new providers all clamoring for business, there’s no way they all can succeed. Are they financially sound? Do they provide adequate data protection? “Will they keep up when they have to adapt to more customers and to new countries?” asked Ellen Trotochaud, travel channel global VP for SAP Concur.

There are many compelling reasons to avoid startups, but, said Max Waldmann, co-founder and CEO of hotel digital check-in/check-out provider Conichi, there is an equally compelling reason they can’t be ignored. “Don’t underestimate the importance of innovation in your travel program,” he said. “Joiners expect innovation in the overall travel program and perceive travel as the No. 1 tool by which they judge the organization. It’s hugely powerful.”

Here are Waldmann’s tips on how to support the startup community:

- **Speak to a lot of startups.** Research and then meet the ones you think will make a difference. There are so many opportunities to improve your travel program that you could be overlooking.
- **Make some bets.** “Startups don’t have time,” said Waldmann. If you don’t invest in what looks like a good idea, it could die for lack of funding. Johnny Thorsen adds that travel managers need to reconsider the instinct to demand free startup technology in return for being a guinea pig. A few thousand dollars makes little difference to the corporate customer but could mean life or death for the startup serving it.
- **Give solutions time once you go in with them.** They need space to learn and develop. To reduce disruption while a startup rights early mistakes, use the technology for a limited group of travelers.
- **Leverage your power.** Conichi struggled to get hotel chains to adopt its technology until enthusiastic corporate clients championed its cause. “As soon as buyers raise their voice, that gets the ball rolling. Don’t underestimate the power you have as buyers.”

you have too many systems, platforms, log-ins and admin rights. I keep up to speed with the market, so I can lobby and pressure them to innovate.”

Curate. The newest tech strategy option available to travel managers is to become a microservice architect, to curate a unique portfolio of tech tools. That’s the path on which Fauser has embarked at Bosch. She and her colleagues have conceived a perfect trip for which technology assists travelers at every point of the journey, including not only booking and expense but also during the trip, which she found to be the thing missing most.

“We want an end-to-end travel process from pre-trip to post-trip, but not with a monolithic solution,” Fauser said at the Business Travel Show. “We will have a more flexible solution that should be user-centric. What we had before was fitting Bosch processes and not really to the need of users, who were wasting time in the process flow. We see this as a chance to be a more attractive employer because Gen Y is expecting that. And for sure we are also looking at the need to generate savings. We see for the future a platform which is flexible. The core is travel planning and expense, but there is a lot more around it. We dream that we can plug in some new features like chatbots or artificial intelligence or robotic functionalities. We want to be able to plug in startups and not have to stick to a solution which is not really flexible. There are still a lot of companies which are not open to be part of our platform.”

Fauser admits this ambition faces many challenges, and there are plenty of deterrents. Mandelbuam also said, “Integrating apps is not that easy. There are user fees [and] moving data around. That’s a full-time job. You’ve got to be sure it’s worth it.” Concur’s Trotochaud said plenty of work goes into building the kind of ecosystem her company offers, so corporate clients don’t have to. “First and foremost is security: protecting user IDs, being able to adapt as bad people get more sophisticated,” she said. “The other side is regulation. Companies like Concur deal with regulatory requirement changes all the time. [Ask yourself:] ‘Do I have the IT support for that within my organization?’”

The travel microservice architecture practice is in early stages, but it clearly means more than app procurement. “You can source all these new narrow services one by one, but after a while, that gives you a problem

“WE SEE FOR THE FUTURE A PLATFORM WHICH IS FLEXIBLE. THE CORE IS TRAVEL PLANNING AND EXPENSE, BUT THERE IS A LOT MORE AROUND IT. ... WE WANT TO BE ABLE TO PLUG IN STARTUPS AND NOT HAVE TO STICK TO A SOLUTION WHICH IS NOT REALLY FLEXIBLE. THERE ARE STILL A LOT OF COMPANIES WHICH ARE NOT OPEN TO BE PART OF OUR PLATFORM.”

BOSCH’S NADINE FAUSER

with data management, like consistent profiles,” said Thorsen. “Therefore the next logical requirement is that your data system becomes more open. Existing systems must become more open and able to share data without needing approval.” The problem, he said, is that “we are not there today.” However, tech companies are creating tools to assist with this kind of open integration, such as an independent traveler profile manager.

KEEP YOUR OPTIONS “OPEN”

No matter what balance you strike between building, buying and curating, this question of open and closed platforms and tech providers—those who will and won’t integrate and share data—likely will become a major question for all travel managers as they develop their technology strategies.

Miller believes many travel managers will seek a hybrid between buying and curating. “There are two layers of suppliers,” she said. “You have to have core suppliers that will cooperate with each other and work on your behalf so you don’t have to build all this, and then there are add-ons. Consumer companies which have been around four or five years and made the leap into corporate are worth talking to first. They are plug and play.”

But that means the “core suppliers” Miller referred to will need to work more readily with each other and with startups, not only in their own environments but also in those of the corporate client’s choosing. A travel tech strategy suitable for the 2020s, therefore, arguably will include travel managers who are more assertive about securing the openness that will let them choose providers. “Customers should insist that whatever data is provided to them must be available via an open [application programming interface]. ‘I’m the customer. I paid you to do that work. It’s me feeding you data,’” said Thorsen.






For tech providers that don’t change their approach, McSperrin delivered a stark warning. “How open are my providers to allowing partnerships and integration?” he asked. “There is a growing requirement for providers to open up. I will increasingly look for collaborativeness because not doing so encourages travelers to go and find the technology themselves. If the industry doesn’t get itself together in terms of collaborativeness, Google will come along and do it for them.” ■



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TMC Tech: What You See & What You Don't

A relationship with a travel management company functions as the backbone of a traditional corporate travel program. TMCs go well beyond the role of booking trips. Many are doubling down on their technology investments and reworking their operations and services in an increasingly digitized world. That's a big change for some TMCs, and most aren't rebuilding platforms on their own. Instead, they partner with third parties to provide major components, and they may customize and build out some unique capabilities. TMCs also increasingly are working with startups to add value to their product offerings and services.

Travel managers—and travelers—are benefitting. There's better content flowing through the booking channels, more access to agents via messaging and chat platforms, better mobile tools and a move toward increased personalization supported by more powerful technologies.

At least as important as those highly visible features is the technology that runs behind the scenes to support modern TMC functionality and operations. While such internal systems aren't often visible to travelers or travel managers, they play a vital role in determining what a TMC can deliver. Buyers need to understand these technologies and how they are harmonized to support a great customer experience.

TMC INTERNAL SYSTEMS & OPERATIONS

Distribution Technology

In many ways the bedrock of a TMC's internal systems are its distribution relationships. Historically, that meant alliances with global distribution systems, the computerized reservation systems

through which many airlines and hotels sell their inventory of flights and rooms.

The GDS landscape has consolidated into three major providers: Sabre, Amadeus and Travelport. While these provide vital access to inventory, they're no longer the only content sources in town. The travel distribution landscape has grown much more complex, with the rise of online travel agencies like Expedia and Booking.com and aggregators like Travelfusion and Farelogix, all serving as additional sources of content.

New Distribution Capability for airlines has emerged, as well, fragmenting traditional ticket attributes like baggage, meals and boarding order and driving TMCs and travel managers to look for technologies that will pull that content together and recombine it in logical ways for their customers. GDSs, once the foes of NDC, have recognized the opportunity and are looking to provide solutions. Amadeus, Sabre and Travelport have endorsed and adopted the NDC standard and are working with airlines and TMCs to integrate NDC content. Those developments are still nascent, but buyers need to understand TMC content strategy and the technologies used to pull it together. Obvious content gaps affect traveler confidence in the program.

Traveler Profile Systems

Historically provided by and hosted within the GDS, traveler profile systems maintain key personal details and preferences for travelers. These systems have evolved significantly over the past decade, beginning with the unbundling of profiles from the GDS-hosted environment into standalone systems that enabled more robust data collection and transfer capabilities than did hosted models. Since then, some TMCs have separated from GDS-provided profile



- Global distribution systems—Amadeus, Sabre & Travelport
- Air content aggregators—e.g., Farelogix & Travelfusion
- Hotel content aggregators—e.g., Expedia & Booking.com
- Watch for fees imposed on bookings made outside the GDS channel



- GDS provided—Amadeus Customer Profiles, Sabre Profiles & Travelport Universal Profile
- Travel management company proprietary systems



- Concur Compleat
- Cornerstone Information Systems iQCX
- Tramada
- Troovo

systems altogether. American Express Global Business Travel, BCD Travel and CWT maintain their own systems, as do some smaller tech-forward agencies like AmTrav and WTMC, as well as platforms like TripActions.

TMC-built profile systems offer more flexibility in how and where traveler profile data can be leveraged. Storing profile data at the TMC level rather than within the GDS layer means it can be used when making bookings outside the GDS, including direct connections to air and hotel providers and online travel agencies. BCD is set to roll out its newest TripSource Profile Manager, which the TMC said will offer more robust data, including preference information streamed through third-party providers, and finer control over traveler consent in storing and sharing data.

Buyers should watch for an intense focus on profile system innovation moving forward, as the industry looks to personalize the business travel experience while at the same time ensuring traveler privacy. Some concepts would actually remove profile systems from the TMC purview and, perhaps, place them on blockchain technology. That is a future state, but an area of interest.

Mid-office systems

TMCs automate through mid-office technology the processes that compare traveler profile data with corporate policies and enable the correct bookings to be made without human oversight. For instance, a traveler's position in the corporate hierarchy can be compared to the price of a booking to ensure the cost is within the pre-set policy limit for that level of employee. Mid-office automation offers efficiencies for other behind-the-curtain processes that otherwise would have

to be performed manually, including quality control, file finishing, preparing and emailing traveler itineraries, and reshoppping for lower fares and rates within the rebooking window. The latter capability has been enhanced and further automated by new technology providers like Farefly, Trappit, Tripbam and Yapta and spun off as independent services. Many buyers are satisfied with the existing mid-office reshoppping function and rely on it. Another recent mid-office feature is virtual card generation (see page 20) for secure and controllable travel payments.

There are a handful of mid-office suppliers: larger ones like Concur Compleat and Cornerstone Information Systems and smaller providers like Troovo and Tramada. Most sell to both retail and corporate agencies and offer functions to support both environments. Some capabilities, such as airfare markups, are accepted in retail travel but conflict with corporate travel. Buyers should ask questions about markup and commissions processes in the mid-office to avoid conflicts with program objectives.

CUSTOMER-FACING SYSTEMS

While TMCs leverage plenty of under-the-hood technologies, the tools and services with which travelers and managers directly interact are evolving, as well. Indeed, tech-driven service automation and personalization of interactions are among the most effective ways TMCs can drive higher customer satisfaction and agency productivity.

Corporate Travel Booking Tools

When it comes to technology, the corporate travel booking tool looms large. Companies have options when accessing a booking technology, including direct relationships with booking tech providers and working through an existing expense management provider, several of which have integrated travel booking capabilities. Many corporates, however, opt to obtain booking tools through their TMCs. A TMC may offer a single booking tool choice or options. While the TMC approach offers



- TMC proprietary systems—e.g., AmTrav, Egencia, Short's Travel & TripActions
- Amadeus Cytric
- Deem
- KDS Neo
- Sabre GetThere
- SAP Concur
- Serko
- See Corporate Travel Booking Tools on page 14 for more



- TMC proprietary tools—e.g., Amex GBT Mobile, BCD TripSource & MyCWT
- Off-the-Shelf options—Amadeus CheckMyTrip, Sabre TripCase & SAP Concur Triplt
- Third-party developers—Mantic Point, mTrip, Roadmap, Sabre Studios & Travelport Digital

ALTERNATIVE DATA PATHWAYS

Data maturity is critical to travel program maturity. Organizations want to be able to look more holistically not only at what their travel expenses are and how to manage them but also at what is driving spending and the behavior of their business travelers. Travel management companies aren't the only game in town when it comes to travel program analysis, and while some have opened their platforms to digest additional data sets, most TMC reporting tools are still limited to their own. Many travel managers require a broader scope, and there are plenty of options.

When considering a travel data and intelligence strategy, data quality is a major concern. One advantage of working with specialized partners is their ability to cleanse and normalize the data. Many providers now use machine learning and natural language processing to interpret merchant names, match data and minimize duplicates. This can improve data accuracy vastly and, therefore, increase the value of the insights provided by these tools, but buyers should understand each provider's capabilities and, if possible, run sample data.

Domo, Power BI, Tableau—Many companies already use all-purpose data visualization platforms like these in their businesses. Working with internal IT departments or experienced data analysts, travel managers are leveraging these platforms to combine multiple data sources, set queries and design models to draw better insights and actionable information from their programs. Several consultancies also have used these platforms to power proprietary tools.

Prime Numbers Technology—Historically a midmarket TMC technology provider, Prime Numbers now sells direct to corporates and will incorporate credit card and expense data into its analytics tools. Its new solutions are in beta stages with select corporate clients.

Cornerstone Information Systems—Also a traditional TMC technology provider, Cornerstone offers its TravelOptix analytics tools for corporates, as well. The tool can accept any source of data, according to the company, and offers data cleansing and normalization within the tool. It also includes a presentation module that assists users in telling the data story.

DVI—Spun off from a TMC, DVI is no longer considered a TMC-driven analytics tool. It casts a wide net for data, bringing in TMC, card, expense and global distribution system data, but is extending beyond that to International Air Transport Association and STR hotel market data to enhance corporate sources and create new comparisons. DVI focuses first on data normalization and then on data modeling and analysis. It targets midmarket and larger travel programs.

PredictX—Exclusively targeting large enterprise clients with powerful travel analytics tools, PredictX incorporates machine learning and natural language processing, not only to crunch the numbers but also to serve analysis to stakeholders. For example, the company offers a new product it calls Story that goes beyond dashboards and visualizations. After the travel manager sets the queries desired for each stakeholder, the technology periodically pulls the data and literally writes a summary analysis based on the numbers. It can be set to distribute reports to designated recipients automatically. The company recently redesigned its user interface, as well.



- **TMC proprietary tools—e.g., Amex GBT Premier Insights, BCD DecisionSource, CWT Travel Consolidator or AnalytIQs, & Omegalytics**
- **All-purpose platforms—Domo, Information Builders, Microsoft Power BI & Tableau**
- **Travel intelligence specialists—Cornerstone TravelOptix, DVI, PredictX & Prime Numbers Technology**

CWT Brandon Balcom; DVI President Brian Beard; Edgewell Personal Care head of global travel, fleet and meetings Kelly Christner; Takeda head of global travel, meetings and events, fleet and aviation Michelle De Costa; Troovo CEO Kurt Knackstedt, SAP Concur EVP of travel management company and supplier services Mike Koetting; American Express Global Business Travel VP of marketing and product strategy Evan Konwiser; BCD Travel director of product planning Irina Matz; FINRA corporate travel services manager Carol McDowell; RoomIT by CWT marketing VP Peggy Studer; and Perficient corporate T&E manager Mattie Yallaly advised on this article.

advantages, including detail-rich and joint reporting of online and offline travel bookings, buyers must ensure a booking tool is optimized for the corporate's own needs and priorities rather than those of the TMC. (See page 14 for a full discussion of booking technologies).

TMC Mobile Apps

Meanwhile, the proliferation of a mobile-centric mind-set among corporate travelers has pushed TMCs to offer apps that deliver user experience and functionality akin to those on the consumer side. Mobile-first travel management challengers have pushed legacy TMCs in this area. Egencia was the first, enabling global mobile booking for hotel, car and air by 2015. Newcomers like TravelPerk and TripActions are the latest, with machine learning muscle underneath slick interfaces. Established TMCs have met this challenge with robust apps of their own, including MyCWT, Amex GBT's eponymous app, BCD's TripSource and Omega World Travel's Omega Go. TMCs are increasingly enhancing their mobile apps with artificial intelligence-driven chatbots designed to service user requests; some chatbots support mobile bookings. (See Mobile Travel App: Feature 411 at right).

Business Intelligence Tools

TMCs also are improving reporting capabilities. Advanced analytics platforms have allowed TMCs to deliver more detailed reports on travel activity and spend, to benchmark that activity against other anonymized client data and to give finer data modeling and visualization.

Aside from offering more advanced analysis and visualization of their own data, some TMCs are widening the mouth of the funnel to accept data from external sources. This adds value to what many consider to be incomplete TMC data, which cannot account for changes made after travel is booked. TMCs have taken a variety of approaches in this area, including developing in-house products like CWT's proprietary Travel Consolidator and AnalytIQs tools. Amex GBT's Premier

Insights platform can accept American Express corporate card data. And some TMCs have enlisted third-party analytics specialists like Prime Numbers Technology and Cornerstone Information Systems, which provide a more data source-agnostic approach. They specialize in agency data but also bring in card and expense data, GDS data and other sources. Cornerstone brings in off-channel bookings through a relationship with Traxo.

On the other end of the data funnel, corporate travel buyers gain access to dynamic reporting with interactive dashboards that constantly track critical key performance indicators against industry benchmarks and budget goals. Travel managers can use scenario modeling with near real-time data to examine savings opportunities based on things like policy, vendor and changes in cabin class. Such tools enable corporates to correct course on the fly rather than waiting for a monthly or quarterly report based on old data.

TMC Startup Partnerships: A New Frontier

TMCs have doubled down on innovation and traveler engagement, and many are looking to startups and other tech innovators, which are emerging at an increasing pace, to expand the TMC value proposition. Mega TMCs have established business units to identify partners and manage the growth of startup alliances. National and regional TMCs are getting in on the game, as well. Several have invested in promising technologies and actively integrate their capabilities.

BCD's relationships with third-party tech providers center around a marketplace platform, dubbed SolutionSource, through which the TMC offers clients access to service provider partners. The marketplace model gives BCD clients flexibility to choose providers without having to take on information security vetting or the risk that comes with investing in a small provider.

Meanwhile, CWT gets involved early with promising tech partners. A deal with startup accelerator Plug and

Play gives CWT access to early-stage companies in the travel space. Once CWT decides to work with a startup, a dedicated CWT innovation team shepherds the firm as it develops its offering and tailors it for the managed travel market. CWT clients enter the innovation lab to pick services they'd like to pilot. BCD also incorporates buyer input when fine-tuning a startup.

Amex GBT made a tech partnership splash in November, when it announced a five-year exclusive tie-up with mobile travel booking and concierge startup Lola. Direct partnerships are a major prong of Amex GBT's tech strategy, but the TMC also sometimes looks to advance those initial partnerships by adding proprietary features and integrations specifically designed to serve its own clients.

FCM goes the investment route. It has taken a 10 percent stake in 30SecondstoFly and has incorporated that company's chatbot-based travel booking capability into its own Sam mobile assistant. The company also has acquired a 25 percent stake in Upside, which makes a play for the unmanaged business traveler with perks and loyalty rewards. Whether FCM will integrate those capabilities in its managed offerings remains to be seen.

When serving as a matchmaker between startup partners and corporate clients, TMCs must be careful not to get squeezed out. To avoid it, the TMC must add value that's greater than what a buyer would get from a direct relationship with the startup. TMCs may not be the most unbiased judges of innovation for corporates looking beyond tradition. The TMC does, however, understand what fits well within existing ecosystems and how programs can derive quick benefits.

For buyers looking to architect unique solutions for their travel programs, it likely will pay to look beyond the confines of TMC innovation and it might be as easy as establishing a direct relationship with a given technology provider and exploring customizations. On the other hand, looking for solid innovation that works within an established framework is a low-risk way to improve an existing program. ■

MOBILE TRAVEL APPS: FUNCTIONALITY 411

Edited from a 2018 research report from The Beat: TMC Investment Priorities. Read the full report at www.thebeat.travel/research.

Having a mobile presence is a minimum requirement for travel management companies, and corporate travel agencies have several ways to tick this box for clients. They can build their own, buy, partner or refer for a solution. Most TMCs either have built their own proprietary mobile app or have deployed a white-labeled third-party solution with custom development. This suggests TMCs like to have an element of uniqueness in their mobile offering. Others steer client travelers to a mobile itinerary management app provided and branded by a third party, such as Sabre's TripCase or TripIt, owned by SAP Concur.

TMCs have options for app builders: Mantic Point customizes white-label mobile apps for such TMC clients as Acendas, Direct Travel and Ovation. In the past 18 months, Fox World Travel and Atlas Travel rolled out mobile itinerary apps powered by app builder mTrip, which constructs customized white-label mobile offerings for travel agencies. BCD Travel and American Express Global Business Travel built bespoke applications with Travelport Digital, known as MTT before the global distribution system operator acquired it. GBT has since brought its mobile development in house. CWT in 2012 purchased WorldMate, which remains the originator of some of its proprietary mobile technology.

A couple of Frosch executives co-founded Obex, a startup that provides mobile itinerary management technology for TMCs to support travelers in-trip, whether the travelers transact with the agency or book off-channel. Obex's technology is the foundation for Frosch's own branded mobile app. Not all managed-travel apps can accommodate off-channel segments like Obex does, though third-party apps TripIt and TripCase both will parse and manage emailed travel confirmations, if the traveler will forward them. That can be a big if.

WHAT CAN TRAVEL MANAGERS EXPECT FROM MOBILE?

Basic Features—It's widely accepted that TMC apps will include basic itinerary management. They should house reservation details on past, current and upcoming trips, show flight statuses and push disruption notifications to travelers. A TMC mobile app also should support single sign-on to a client's preferred booking tool and serve as a vehicle to reach agents either via chat, text or click-to-call—and perhaps all of these.

Relevant Messaging—Some TMCs incorporate messaging into their mobile offerings relevant to the location, itinerary and profile of a traveler. For example, FCM calls its Sam mobile app a "24-hour travel assistant" that pushes messages to travelers with timely and itinerary-relevant prompts: the destination's weather forecast as of the night

before departure, prompts for ground transportation, alerts for the appropriate baggage carousel or to consider requesting a visa for an upcoming trip. The chatbot also can address simple questions when typed in natural language. Through Travel and Transport's proprietary mobile offering, meanwhile, travel managers can integrate messaging and configurable notifications that alert the traveler to certain policy details like eating breakfast at the hotel because it is included with the rate or taking the approved ground transportation.

Less Talk, More Action—TMC-provided mobile apps are becoming more transactional, not just informational. Egenzia long has offered the ability to book air, car and hotel on its mobile app. CWT plans this year to roll out flight booking capabilities on its small and midsize-oriented offering, MyCWT, using GetThere application programming interfaces and other tech partnerships to enable the native app capability. Like Amex GBT and BCD Travel, CWT already offered hotel bookings in-app. FCM, which holds a 10 percent stake in 30SecondstoFly, integrated the latter's artificial intelligence-powered chatbot Claire into Sam last year to bring in booking capability. Mobile-first TMC TripActions is incorporating profiles, machine learning, all distribution pipes and booking capability into its mobile app; however, it is not yet managing complex, global programs.

WHAT ABOUT NON-TMC APPS?

Options outside TMC-provided mobile apps may be limited to programs that have dollars to spend. One option is to work directly with an app builder, similar to how a TMC would customize a third-party app to resell to its corporate clients. Mantic Point and mTrip market directly to corporates, as well as to TMCs, for their mobile tech services. Roadmap, a mobile travel engagement platform that has gained traction with companies like Anthem, Microsoft, Nike and Tommy Hilfiger, works only with corporates. It offers many of the features provided by TMC mobile apps but adds social messaging between traveling colleagues, automates traveler feedback on suppliers, integrates supplier messaging for relevant offers to the traveler, folds in local content for restaurants or downtime recreation and local ground transportation information, including walking maps, public transport and Uber and Lyft integrations. While the advanced features have garnered industry accolades for Roadmap and gained it fans among major buyers, smaller programs have cited the financial investment, as well as the risk of working with a startup, as two factors that ultimately drive them toward TMC apps. What are the benefits? Users cite better adoption and more loyalty from travelers to stay in the program.

Corporate Travel Booking Tools

The first commercially available online booking tools for corporate travel developed in the 1990s. They trailed consumer online booking tools by three or four years but by the early 2000s were recognized as the inevitable future for corporate travel booking, as they focused on driving down costs and shopping/booking time.

A technology-enabled, traveler-booked reservation in 2010 cost a corporation \$4 to \$8 in agency fees, compared with \$15 to \$65 for an agent-assisted booking through a call center. This comparison is the most recent these writers could find. It wasn't completely fair at the time, and still would not be today, considering that self-service online bookings generally are simple point-to-point bookings. Those higher-fee agent bookings were complex and likely still would need agent intervention today.

The potential for savings from online booking should be calculated not based on total booking volume but according to a company's travel patterns and what can be shifted to an online tool realistically. For most companies, however, at least 80 percent of bookings are eligible for online booking, which makes the business case for adopting such a tool clear. Implementation of online booking tools now is the norm rather than the exception for corporate travel programs.

That's not to say OBT adoption has been a straight shot. There has been resistance particularly in high-touch environments like law firms and consulting firms, in

which personal agent assistance remains highly valued. The idea that self-booking creates a productivity vacuum is well-trodden turf. Yet reductions in agency fees and "visual guilt"—the idea that employees opt for lower airfares or hotel rates when they see them in booking displays—have proven compelling to corporates looking to reduce costs.

On the agency side, the shifting landscape for fees upended financial models. While some travel management companies tried to stand their ground with personal service, future-minded agencies adapted to become partners with technology providers like Sabre's GetThere; Concur Cliqbook, now SAP Concur Travel; and others to become resellers and implementation experts. They also recalibrated agent services and redesigned fee structures to align with new market realities.

The relationship between online booking capabilities and TMC services and fees is complex and ongoing. As booking tools evolve with mobile platforms and more powerful technology like artificial intelligence and machine learning, the value of the human travel agent and agency services changes, as well.

BEYOND BOOKING TRAVEL *Policy Configuration*

Unlike consumer booking tools, corporate travel booking tools do more than enable shopping, reservations and transactions. They also automate corporate travel policy. Connected to a traveler profile system, the booking tool can register the traveler type and, therefore, which policies to apply

(see *Knowing the Traveler at right*). From there, booking tool settings automate what air, hotel and car rental content is displayed to the traveler, as well as how it is prioritized—potentially by price but also by preferred suppliers if the company has contracts in place. Less common but also possible is to block certain classes of travel like luxury or basic economy, often based on the employee's level in the company. A booking tool also could block any content above a certain price, such as airfare over \$500 for a domestic trip, as well as certain locations for traveler safety reasons.

The simplest booking tools—or the simplest settings within a more sophisticated platform—may incorporate just rate caps; travelers either cannot book more expensive rates or have to justify the expense to their managers. All corporate booking tools should make clear in the booking path which of the rates or suppliers displayed are in and out of policy, regardless of the rate. Some methods are to color-code, tag or display a corporate's preferred rates next to the rack rates.

Corporate travel booking tools also must include some mechanism to alert travelers to out-of-policy bookings. A few employers block such bookings. Most tools automate out-of-policy-booking justifications by providing "reason codes" for travelers to choose from or prompting them to enter their own reason for requiring that specific travel accommodation. Justifications can be pro forma and



- Amadeus Cytric
- Egencia
- Deem
- KDS Neo
- SAP Concur Travel
- Sabre GetThere



- 30SecondsToFly
- AmTrav
- Lola
- Serko Zeno
- TravelBank
- TravelPerk
- TripActions
- WhereTo

TripActions

TripActions is unlike any travel management partner you've worked with, with always available high-end service and support, making global business travel as easy as possible for enterprises and their road warriors. Built with the latest technologies, our platform is one that travelers and travel managers love.

"We selected TripActions for several reasons: customer service capabilities, flexible accommodations for an organization's unique set of travel policies, and its user-first experience, which leads to high adoption rates (and savings!)."

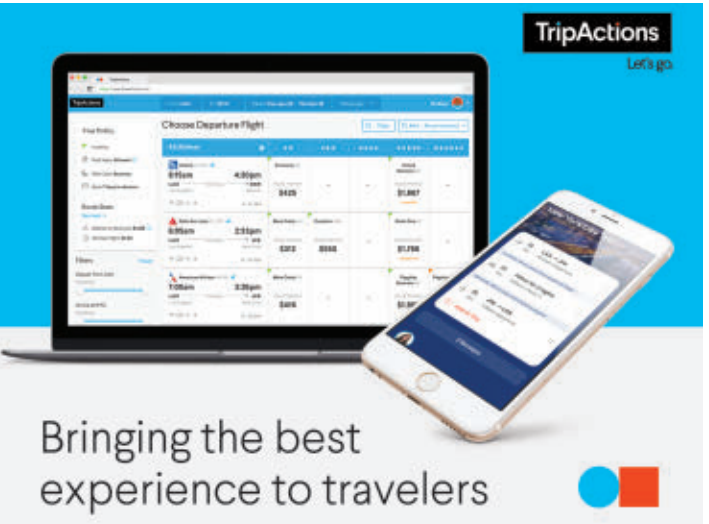
—Omar Ghani, Group Procurement Manager, Lyft

We're a trusted partner you can rely on 24x7, 365 days a year. By providing road warriors with a best-in-class experience where everyone is a VIP, our customers see more than 90% adoption—resulting in effective cost-control, compliance, and duty-of-care. That's why leading companies such as Dropbox, Lyft, WeWork and Sara Lee Frozen Bakery trust TripActions for their travel.

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- **Apply consumer technologies to the enterprise.** Booking should be intuitive and simple: open the app, swipe left or right, and book a flight in minutes.
- **Use AI and machine learning to book trips fast.** Our platform understands an individual travelers' wants and needs, presenting their preferred flights and hotels—in seconds.
- **Receive responsive, trusted support.** We understand travel hap-



Bringing the best experience to travelers

pens at all hours of the day, all around the world, so travelers have access to support whenever and wherever they need it - 24/7 over chat, email and phone.

Deep Industry Partnerships for Unparalleled Choice in Inventory

We've built meaningful relationships with our partners, so that together we may bring deeper value and extensive inventory to our customers and their travelers.

- **The new gold standard:** TripActions, in collaboration with leading airlines and industry association ATPCO, launched the first-of-its-kind, next-generation flight booking experience that offers the most extensive inventory options and details in one interface.
- **Single source of truth:** With inventory sourced directly from an unrivaled network of supplier partners and popular consumer sites, there's no need to waste time comparison shopping.

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- **Save 30% or more on hotel spend:** The TripActions Rewards Program incentivizes travelers to choose budget-friendly hotels by giving them a share of the savings so they pick options within policy.
- **Effective duty-of-care:** With a live traveler map, companies know where their road warriors are headed, if they're en route, and when they've safely arrived at their destinations.

We'd love to help you upgrade your travel program. Learn more at TripActions.com.



end up in a monthly report, or a company may configure a booking tool to route approval for an out-of-policy booking to the traveler's manager or another designated approver. Some companies route all travel bookings for approval, whether they are in or out of policy. Mobile tools and the ability to support complex approval hierarchies have reduced approval wait times. Corporate travel booking tools also should accommodate corporate travel arrangers who book travel on behalf of other employees.

Knowing the Traveler. Traveler profile systems store travelers' personal information like their legal first and last names, addresses, birthdates, passport information, emergency contacts and frequent-flyer program memberships. Traditional profile systems reside in the GDS and are closely integrated with agent desktop tools and with self-booking tools. Fundamentally, they provide information that suppliers and regulators require to enable travel, but HR tools may feed additional corporate information like department and cost center. They also mean users do not have to enter personal and corporate information each time they book.

These profiles provide business travel technology providers an opportunity to drive corporate travel personalization. A new breed of machine learning tools like TripActions, Lola and 30SecondsToFly are blurring the lines between profile systems and corporate travel booking tools. They require users to register upfront their personal info, preferences and memberships, and they build on that with "revealed preferences," i.e., the booking behaviors and preferences exhibited through actual bookings made in the tools.

TMCs are hot for profile innovation, as well. FCM just acquired 30SecondstoFly, and American Express Global Business Travel

purchased KDS two years ago, including the Neo booking tool, which the mega TMC is both refining and using as an engine to power traveler recommendations across its entire platform. BCD Travel has invested in a cloud-based SAP customer relationship management tool to power its profile system and drive toward personalization within a framework of data security and consent. Profile system builders must concern themselves with all those issues, whether the system lies within a booking tool or is integrated with one.

Contracting for a Booking

Tool. Travel buyers have choices when contracting for corporate travel booking tools. They can deal directly with technology providers, often bundled with expense products, or go through agency partners reselling the tools. At first glance, it's cheaper to buy a booking tool directly. However, the tech provider may not provide the immediate support the travel manager or travelers need, and the TMC will charge a fee for stepping in. When buying a booking tool through a TMC relationship, the TMC typically bundles the tool with other services, provides support and maintenance, and charges a minimal fee per booking made through the online channel. Such package deals come with some restrictions, but most travel buyers are happy to accept them.

Content Strategy

When buying a booking tool directly from the supplier, the travel manager determines the content that should be piped into the tool. That means the buyer chooses the GDS, connects directly to suppliers like Southwest and Lufthansa and brings in air content from aggregators like Travelfusion. The travel buyer also may pipe content in from

lodging solutions providers like HRS, Booking.com or Airbnb that may not be available through their preferred TMCs. Some booking tool providers have relationships with content providers like Airbnb and Travelfusion and can turn their connections to these content sources on or off at the client's request. An organization with an ARC ID, typically a TMC, still is needed to complete air reservations made through corporate booking tools.

Planning and implementing an effective travel content strategy may fall beyond the expertise of most travel managers, particularly if travel management forms just a part of their jobs. As content becomes more fragmented, however, understand what is available via the contracted TMC and what is not—and how that compares with consumer channels, particularly for the corporate's most important air and hotel suppliers. TMCs have become more able and willing to aggregate sources and are offering more options to clients. As more airlines remove content from traditional distribution channels, these issues have become both more common and more challenging.

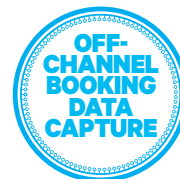
It's more difficult for a TMC, in the event of a change or a travel disruption, to manage and service a booking a traveler made directly with a supplier, as the TMC isn't associated with the booking from the supplier's point of view.

Configuring Policy

A booking tool's ability to specify corporate travel policy also may affect a corporate's decision to contract directly for the booking tool or work through a TMC. Typically, a booking tool comes with a policy administration panel. Configuration options may include travel vertical categories, specific suppliers, pricing, spend threshold, geography, time zone and employee type. The



- Rocketrip
- TripKicks
- TravelBank



- Concur TripLink
- Traxo
- Shep
- CapTrav

settings may be as simple as on/off buttons, or they may take the form of boxes to fill in codes, drop-down menus, places to upload documents like supplier contracts or even algorithms with adjustable weights for each factor.

Depending on how complex the policy is, some travel managers may find that configuring the booking tool requires a lot of time and effort, and those inexperienced with its processes and nuances may produce content displays that contradict policy. Further, the tool needs to be maintained and updated to make sure preferred suppliers and negotiated rates continue to be shown correctly and reflect policy changes. Some travel managers have this technical expertise; others employ third-party consultants that specialize in travel policy configuration. Even if a corporate buys the tool direct from the tech provider, it's fair game for the buyer to lean on the preferred TMC to configure the tool. As with a third-party consultant, this likely will come with a fee.

For clients buying booking tools through their TMCs, the agencies almost always have "master" booking tools with standard settings and will provide clones with settings tweaked for clients. TMCs have standard settings that display their own negotiated rates, as well as the suppliers that pay incentives and commissions back to the TMCs. TMCs also can suppress nonrefundable hotels and basic economy airfares, eliminate unknown car rental companies and block bookings outside regular business hours.

These "master" settings make sense for a lot of programs. For example, when a corporate doesn't have a negotiated rate on a certain air route or in a certain business market, it can rely on its TMC's negotiated rates. However, content that a travel manager doesn't want travelers to book

may remain in the booking tool if settings aren't precise and, in some cases, that content may be promoted to traveler. Whether that content is prioritized in the booking tool purposefully or left as an artifact of imprecise configuration, it may not be in the corporate's best interest. It does, however, benefit the TMC, which receives compensation from those suppliers based on the number of bookings.

Best practice for a travel manager is to conduct an annual audit with the TMC and the booking tool provider. There, the three constituents should make sure the tool is configured correctly and continues to meet the travel program's unique requirements.

THE BIG QUESTION: COMPLIANCE

Travelers book outside formal corporate channels for multiple reasons. Those attending conferences may book through the conference sites into designated room blocks. The traveler may get a better value, at a nonpreferred hotel, through status benefits. The hotels displayed in the corporate booking tool may not be close enough to the meeting location, or the traveler simply may dislike the corporate booking tool. The lost data gives travel managers an incomplete picture of their program and a significant duty of care challenge.

Booking tool providers are working to solve a number of those issues. Personalized recommendations and simplified, sexier user interfaces are part of that transformation. Policy integration complicates matters, but tech providers are pushing through that pain. Booking tool providers are hooking up more content pipes like Airbnb, HRS and airline direct connects to help travel managers bridge the gaps caused by content frag-

mentation. They also are working on better ways to display that content efficiently.

Incentivization Tools

A new category of tech providers is looking at the "loyalty gap" and mechanizing behavioral economics within the booking tool path. Rocketrip and Tripkicks are two. They are not booking tools per se but rather act as booking tool boosters by rewarding a traveler who books through the corporate tool when he or she beats an estimated trip budget. These technologies calculate and present these budgets to travelers as they initiate the bookings. Both integrate with established booking tools like Concur and GetThere and have relationships with TMCs. TravelBank, on the other hand, is a booking tool for small and midsize companies that has incorporated a budget-to-beat capability that's based on flight origin and destination, current hotel market rates, policy guidelines and number of nights.

For all three providers, the traveler's reward for beating the budget is a share in the savings that can be redeemed in, depending on the provider, gift cards, charitable donations or cash. There are tax implications for the recipient, and rewarding travelers for complying with requirements is controversial. There's also a question of whether it is equitable to provide incentives for traveling employees and not for those who do not travel. Even so, some corporates report positive compliance results.

Are Corporate Booking Tools a Full Solution?

Until corporate booking tools have full content and the right user experience to keep travelers in the booking tool, some travel programs need the ability to capture supplier direct bookings.



WHAT BOOKING TOOLS ARE WORKING ON

A shake-up is shaping up among booking providers. Established players are challenged by mobile-first providers whose machine learning and application programming interface-enabled content connectivity isn't retrofitted on legacy tech stacks but rather is part of their DNA. Established players, meanwhile, have the engines under their hoods to deal with large travel programs' complexities.

TRADITIONAL MARKET LEADERS

Adopted more widely in Europe than in the U.S., **Amadeus Cytric** is investing in better search algorithms to display results that both comply with a company's travel policy and meet traveler preferences. The company will add an artificial intelligence-powered virtual assistant to its mobile app and to other messaging apps that integrate with calendars. The assistant will initiate a booking recommendation when an employee accepts a meeting invitation that indicates travel. The booking will include flight, hotel and transportation details; the assistant also will aid itinerary changes and/or rebooking.

Deem is upgrading its mobile app, optimizing airfare search capabilities, bringing in additional air content and expanding expense management integrations. The company will expand global content this year by integrating with the Amadeus global distribution system and hotel aggregator HRS. It also will partner with virtual payment provider Conferma. The tool's hotel shopping interface soon will include a mapping feature, and Deem will add advance scheduling for ridehailing.

Egencia recently added air and hotel booking features that leverage AI. It's adding features in areas like payment, customer service and predictive analytics to improve savings, policy compliance and the traveler experience.

Before American Express Global Business Travel acquired KDS in 2016, **KDS Neo** gained traction in Europe with its door-to-door booking concept. The brand has been quiet since then but plans to expand from 33 to 50 markets in 2019 while building out geographically specific content and functionality. The provider is fine-tuning its workflows, algorithms and interface to increase speed and simplicity. GBT also is using Neo's machine learning technology to power recommendations in other parts of its platform.

Sabre GetThere is focused on air content connectivity going into 2019. The booking tool will connect to Lufthansa's lowest fares via GetThere's Air Connect; as Lufthansa has pulled some of its value offerings off the global distribution system. GetThere also will make its workflow for travel budget and incentivization tool Rocketrip more seamless. And clients using Travelport's branded fares will be able to access those fares through GetThere.

SAP Concur Travel recently introduced a one-click air booking process, added Airbnb content and integrated with BCD Travel itinerary management tool TripSource and the CWT RoomIt sourcing tool. Concur added American Airlines, British Airways, Hertz, Hyatt and HRS to TripLink, and Delta and Singapore Airlines are coming soon. Concur now enables SeatFinder for users, in which travel agency automation tool Compleat monitors for better plane seats based on traveler preferences. In addition, the

Concur app now enables messaging between companies and their travelers. It is expanding its air search from display of a single low fare to include a secondary low-fare offer. It also aims for easier comparisons between itineraries and plans to display the same air and hotel content on the desktop and mobile apps, with the same user interface and support for travel policy and rules. Concur also invested in an API that allows clients to share real-time search information with Concur App Center partners so they can provide travelers with services as they shop and book.

SMALLER & EMERGING PLAYERS

AmTrav, a travel management company dedicated to the small and midmarket buyer, has been a first mover in adding direct New Distribution Capability connections with its airline partners. The goal is to support negotiated corporate bundles, expanded ancillary options and enhanced servicing capabilities post-ticketing. The company continues to develop its integrated expense management solution so travelers can create expense reports without leaving the platform. In addition, AmTrav is adding more hotel inventory and expanding the number of airline upgrades it can process. In addition, AmTrav is adding more hotel inventory and expanding the number of its paid airline seat integrations, which allow travelers who don't have status with a carrier to book and pay for seat upgrades.

Booking and "mobile concierge" startup **Lola** continues to build relationships with airlines, hotels, car rental providers and others. The company is enhancing the speed and performance of its travel search. It will invest in more customizable profiles and options for travelers. The company also is working on itinerary sharing and trip collaboration, such as in-app recommendations from fellow employees.

New Zealand-based **Serko Zeno** entered the North American market last year. Targeted to small and midsize enterprises that have simple travel policies and prize fast onboarding, Zeno debuted NDC configurations last year, and Serko continues to enhance personalization and AI for its chatbot and for customized trip recommendations that incorporate policy and travelers' personal preferences. Serko also is working on chatbot-generated recommendations prompted by travelers' calendars.

In March, **TravelBank** introduced the Next Generation Storefront flight shopping experience based on ATPCO star ratings. The T&E platform added hotel content last year, as well as LodgingX for Airbnb, VRBO and HomeAway content. This year, it plans to provide its own discounts and special supplier rates and to expand its ground transportation offerings.

TravelPerk has gained traction in Spain, France, Germany and the U.K. and is expanding elsewhere. It has made attaching a TSA Precheck number to a booking easier and expanded train content. **TripActions** was the first to introduce the Next Generation Storefront shopping display. The company is expanding to additional countries as its clients grow and is increasing the personalization of its booking options. The company aims to reduce to one minute the median time users spend booking a business travel itinerary.

Several technology providers supply nets beneath booking tools to capture corporate travel itineraries booked on consumer sites.

Concur introduced the most controversial solution in 2013. TripLink enables corporate negotiated rates on supplier websites and captures those bookings. Participating suppliers build their application programming interface connections into the TripLink network, and the supplier roster has not grown as quickly as expected. That impeded adoption by corporates, as did the idea of enabling travelers to book outside the corporate channel. Even so, Concur estimated in March that 8.5 million travelers have access to TripLink, whose suppliers now number 28, including air, hotel, car rental and other ground transportation providers.

Traxo, rather, parses booking confirmations, receipts and invoices into data that corporates can consume. Each traveler may send confirmations to a central email address for his or her company, or Traxo Filter can connect to a corporate email server and identify incoming travel details. The parsing capability also applies to hotel folio detail, which has proven difficult to manage even in expense reports. Concur TripLink also can parse itineraries forwarded by travelers, through Triplt. The extra step, though, creates a gap too wide for many programs to achieve full visibility. Another emerging player, Cap-Trav, works similarly to Traxo.

Then there's Shep, a browser extension that identifies when a traveler lands on a consumer travel website and then applies a very simple policy as the traveler books, keeping him or her within spend guidelines. Shep pushes that off-channel data back to the corporation.

Reporting from these suppliers provides visibility into where

travelers are booking, as well as insight into whether those travelers booking outside the preferred tools are booking responsibly and whether their practices should drive changes. The travel program could tap new hotel partners or identify a market where the company needs to manage travel. There's an argument that for small companies, only tools like these are needed, but that certainly depends on company culture and total travel volume.

THE ENDGAME: BOOKING DATA & REPORTING

At face value, the purpose of a corporate travel booking tool is to guide traveler choices through the booking process. In most cases, it guides the traveler through the preferred TMC. The policy configuration and mechanisms for alerts guide travelers toward preferred suppliers and toward cost optimization. Yet, it's the data captured through that process that provides the travel manager the power to control the travel program.

The travel manager wants to understand traveler booking behaviors like advanced purchases of airfares, the percent of itineraries that book hotel at the same time as air and whether travelers are buying within cost thresholds and with corporate preferred suppliers. If travelers do not comply with these guidelines, it may be time for the travel manager to figure out why. Are costs too restrictive? Has the program sufficiently sourced for the volume on certain routes or in particular markets? Do travelers have to go outside the program to access more conveniently located suppliers? On the other hand, travel volume data gleaned from the booking tool also empowers program managers when they sit down to negotiate with suppliers. If travel programs can prove their ability to hit volume targets or shift share to

certain suppliers, travel managers can garner better deals for their companies. Those deals often form how travel managers' success is measured.

Yet the proliferation of off-channel booking tools underscores the deficiencies of booking tool data. On-channel booking data provides a narrow view of travel, in that it doesn't account for offline purchases like changes made at the airline kiosk or hotel front desk and it doesn't account for purchases made completely outside the tool.

These issues are becoming more pronounced as airlines unbundle traditional ticket attributes and as booking tools struggle to keep up. Even purchasing discounted checked baggage or accessing some common seat classes like premium economy is impossible on most corporate travel booking tools today, including the market leaders. The reasons largely reside behind the corporate booking tools, in global travel distribution technology; thus corporate travelers must book on their companies' preferred booking tools and then go to the airlines' websites to take advantage of premium economy or to prepay for bags. Booking data just can't be considered complete.

AI-powered booking tools show potential to improve those deficiencies, and travel managers should keep an eye on how they transform the business travel experience. In the meantime, however, is it enough to control only the bookings that go through the managed channel? More corporates look to partners like Traxo and Shep to support a holistic view of the travel program. TMCs are getting onboard, as well. The more data travel managers have, whether from on-channel or off-channel sources, the better equipped they are to serve their travelers and their companies. ■

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What's Next in Corporate Payment Technology?

A managed payment strategy is one of the three technology pillars of a traditional corporate travel program. Along with a booking tool and expense technology, the payment mechanism clearly enables transactions but also delivers critical data to the travel manager. Feeding credit card data directly into expense systems, for example, has become a clear best practice over the past decade, reducing human error—and human effort—in expense reporting. So-called Level 3 card data also has improved payment detail for travel managers looking to double down on business travel intelligence.

Even so, the industry has not always considered payment products in terms of technology and, until quite recently, they have not been an area of intense innovation. The U.S., in particular, and other markets have relied intensely on plastic cards for travel payment. How such programs are set up—in terms of how they are billed, who pays and who is ultimately liable—can vary. Risk-averse companies often lean toward individual bill/individual pay programs, whereas other companies may set up an individual bill/corporate pay program or the company may fully take on the payment and reconciliation

responsibility with a corporate bill/corporate pay program. Along with decisions about setting up a corporate card program, many companies also consider lodge cards, particularly for airfare payments but also for prepaid hotel reservations, where the corporate authorizes its travel management company partners to charge central accounts for travel expenses. This can also be referred to as a business travel account, and some version of it is offered by all the major travel card brands and issuing banks.

All these payment mechanisms operate on traditional banking rails, with merchant fees, interchange fees and card networks and schemes like Mastercard, Visa and American Express in play. Immediate innovations in travel payment do so, as well. There is some movement to disintermediate traditional players and the payment fees that go along with them. In terms of corporate travel payment, however, truly disruptive efforts are still nascent.

WHAT'S DRIVING INNOVATION

Three major trends are driving innovation in the payment space. Perhaps the most pervasive at this moment is payment security. Widespread data security breaches at major retailers and hotel chains—and even hitting

home at travel distribution and technology provider Sabre in 2017—have shined a harsh light on the problems of recording and storing active payment card details.

Related to that but broader is the desire to reduce payment fraud, which for corporate card administrators can extend from smaller-scale card theft to employee misuse of corporate payment vehicles. For many corporates, reducing fraud may be partially synonymous with reducing the number of corporate cards in force. Lodge cards and business travel accounts have been the traditional answer to this issue, but those accounts not only remain vulnerable to security hacks but also present reconciliation complexities for finance and accounting teams—and for many travel managers who administer travel payment programs.

The third trend is quite different. It pivots on the payment experience and the idea of “frictionless” payment that we also see on the consumer side with tap-and-go functionality at the point of sale and mobile wallets that make it unnecessary for users ever to present a plastic card or fob at all. While initially this trend may seem to run counter to the others—increasing payment security and reducing fraud, while at the



- Airplus
- American Express
- Mastercard
- UATP
- Visa



- Conferma
- Corporate Spending Innovations
- Wex
- Industry products—Gant Strategic Pay & GraspPay

same time making it easier to pay—it may not be as conflicted as it seems.

VIRTUAL CARDS: OLD TECHNOLOGY ON THE RISE

Virtual card, which is really not a card at all but often a single-use payment number that is tied to a master account, isn't new technology. It has moved to the mainstream for corporate payments, however, as more vendors are now paid online. That's long been the case for travel, thanks to online booking systems and web-based agency desktop tech, but travel payments and processes have only recently caught up with the technology capability.

Virtual card specialists like Conferma, Corporate Spending Innovations and Wex have variously integrated with major global distribution systems and TMC mid-office provider Concur Compleat, enabling agencies to generate virtual cards and transact payments on behalf of their clients. Australian middleware provider Troovo recently launched modular robotics process automation tools that allow TMCs to digest what can be complex corporate policy and configuration rules around virtual card generation and automatically traffic bookings to the appropriate payment solution, including virtual card. GraspPay, which partners with both Wex and Corporate Spending Innovations, has integrated with major booking tools Concur and GetThere by tunneling through traveler profile systems. Regardless of their entry points, advancements in virtual card automation are significant for a host of reasons.



- Bento for Business
- Divvy
- Troovo



- Mobile wallet adoption
- Alipay & WeChat Pay penetration



- ARC
- Blocksky

First, there is broad belief that virtual card tokenization, the process of generating the “disposable” card number, is the next-generation solution to lodge cards and business travel accounts. Major suppliers from Mastercard and Visa to Airplus and UATP are looking to virtual cards to grow their businesses. From a security standpoint, virtual card numbers expire quickly. They are configured either for a single use or for multiple uses over the duration of, perhaps, a week or a month. After that time, the virtual card number becomes inactive and any stored record of the transaction becomes useless to would-be bad actors who might access it.

Virtual card configurability also protects against employee misuse. Multi-use cards are set to a specific dollar amount and can include limitations on the merchant codes—down to a single merchant code, if needed—restricting the virtual card funds to the intended use case only. At the end of the day, each virtual card number is associated with an individual user and likely a single travel event, which minimizes the intensive reconciliation effort often associated with lodge cards and business travel accounts.

These benefits are compelling, but for all their potential, virtual cards do present some practical challenges. Airfare payments on virtual cards are less common but more straightforward in that the transaction happens at the time of booking. The major use case for virtual cards, right now, is hotel booking and payment, which is not as simple. The reservation is made online and the card number is authorized, but the payment happens at the

time of travel. As a result, the agency is required to fax an authorization to the front desk. Yes, you read that right: The TMC must fax the authorization because a fax is Payment Card Industry compliant, whereas an email generally is not. If the hotel participates in Conferma Connect, authorization may be transmitted in a secure email. At this point, faxes remain a mainstay for this process.

For travelers, the painful issues may arise at the front desk where hotel check-in and payment protocols don't yet jibe with the reality of virtual card. The traveler may be asked for authorization details if the front desk has misplaced the paper fax. The front desk may charge a nominal amount to a virtual card number as a confirmation that the account is live, thus, expiring a single-use card and leaving the traveler without a payment solution. The traveler may be asked to present the card, but the card does not exist.

MOBILE WALLET ENABLERS

Numerous virtual card providers, from major players like Conferma and Corporate Spending Innovations to emerging providers like Divvy and Bento for Business, have mitigated such issues with proprietary mobile apps that can refax a booking authorization from the traveler's phone, present a digital image of a card and, in the case of an accidental charge, send an SOS to the program administrator to either reopen the card number or issue another. With the right authorizations, some mobile tools enable the traveler to self-serve this function. Without that, remote manual intervention may be a bridge too far for a company with hundreds or thousands of travelers. It might not be an

issue for a smaller organization.

But solutions need to be scalable, and corporate-oriented virtual card providers may have a workable solution. Conferma and Visa are working to tap into consumer mobile wallets as a landing place for virtual cards that will reduce payment friction and increase customer satisfaction.

Mobile wallets have become more widely accepted, both by consumers and by retailers. More than 20 percent of American consumers used a mobile wallet for payment in 2018, and more than half of retailers have point-of-sale systems that support them, according to eMarketer. The latter number may matter more for corporate payment managers and virtual card technology providers than the former if virtual card providers ultimately shift their focus to mobile wallets as a path forward, rather than stumbling through hotel protocols and efforts to train constantly churning staff at the hotel front desk to recognize a virtual card booking. Corporate travelers will likely be glad to adopt a tech-forward solution, like they embraced mobile travel booking prior to the general consumer, as long as it is supported in the marketplace.

One concern with such technology, which for North and South America, as well as Europe, relies in near field communication at the point of sale, is that Asia uses a “quick response” or QR code system. Creating a global solution will be critical for travel and payment managers.

WHAT ABOUT ALIPAY & WECHAT PAY?

The Chinese market is the bedrock for QR code-based Alipay and WeChat Pay. While

these players aren't on the radar for most corporate travel managers at the moment, the travel industry at large—likely including the agencies that corporates work with most—are considering these payment platforms very seriously.

That's because the outbound Chinese tourism market is booming and the mobile pay user base is enormous. Ant Financial CEO Eric Jing claimed Alipay had more than 700 million active users as of September, while Tencent's WeChat Pay active users were estimated at 900 million as of October.

UATP struck a deal with Alipay in 2013. Marriott International launched a joint venture with the company in 2017 and expanded it in 2018. The hotel company already accepts Alipay at more than a quarter of its hotels globally. ARC inked a deal with Alipay in July, thus enabling its accredited agency partners to settle Alipay transactions through the platform. Air Canada began accepting Alipay and WeChat Pay in August. Also last year, Bank of America enabled WeChat Pay for corporate cards, but it limited use to users with mobile phone numbers and bank accounts from China, Hong Kong, Macau or Taiwan.

Alipay and WeChat Pay users can link credit and debit cards to their accounts, but because credit cards aren't popular in the region, users tend to transfer money from their Chinese bank accounts into the platforms, where the money is held in escrow. By charging a percentage fee for transferring the funds back into users' bank accounts, the apps encourage users to keep the money within the platforms. Used in more traditional banking markets, the platforms have the potential

to disrupt established revenue streams from interchange and merchant fees.

BLOCKCHAIN & BITCOIN

Some corporates and travel suppliers are looking to do exactly that. In short, they are looking to reduce the cost of payment by removing the middleman. Gant Travel and U.K.-based Corporate Traveller have both announced that they will accept bitcoin for payment. That's a bold move that likely will not be widespread anytime soon. More interesting, however, is the blockchain distributed ledger technology that underscores bitcoin. Large corporate programs and a few payment innovators are experimenting with suppliers on nascent solutions.

The above-mentioned ARC, which has enabled Alipay, partnered with United Airlines and an unnamed corporate account to perform feasibility testing with blockchain-based inventory booking and transaction management supplier Blocksky. In the test, United tickets were reported, tracked and settled through an ARC private blockchain, allowing the group to demonstrate how such technology could simplify the payment and booking process for corporate travelers and their employers, and remove payment costs from the equation. Travel suppliers, particularly airlines, are keenly interested in reducing payment costs. Corporates willing to explore those possibilities could be rewarded with more flexible negotiations. For its own part, ARC made its first-ever venture capital investment this month. It took an abiding financial interest in blockchain technology developer Blocksky, so this will be a space worth watching. ■

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Expense Management Systems

As corporate travel comprises a major segment of expenses for many organizations, the links between T&E management are clear. But not all expenses are incurred by travel, and expense systems aren't always within the purview of corporate travel managers. Ideally, however, a travel manager will have at least some involvement in selecting and implementing a company's expense management tool, one of the most frequently used systems by many employees, especially those who spend significant time on the road, such as sales teams.

Dominated by SAP Concur, the expense management sector has over the past several years seen new challengers enter the fray, many of which emphasize tech-forward features like robust mobile functionality, optical character recognition and machine learning.

For decades, expense reporting was a tedious and cumbersome process, requiring employees to save receipts, tape them to sheets of paper, photocopy those and submit them physically. The next, "advanced" model relied on Excel spreadsheets but was essentially just as inefficient. But about a dozen years ago, a revolution enabled companies to remove paper and spreadsheets from the process. And while plenty still run old-fashioned expense reporting programs, many have recognized the benefits of digitizing and automating the process. Those benefits include happier employees and a more efficient approval process, freeing up managers to work on more directly profitable tasks.

Eliminating paper receipts and forms in favor of digital and automated

processes offered another major advantage: data—and lots of it. Corporations now configure policies within their reporting tools, map employee expenses to specific units and cost codes, enforce policy-driven time frames for submitting reports and set up automated data feeds directly from corporate credit cards into the expense tools.

All that functionality comes at a lower cost than the paper-centric model. While figures vary, processing an automated expense report cost less than \$7 on average, compared with more than \$25 for a manual report. That's significant savings for a company of any size; for organizations processing thousands of reports annually, automation is a no-brainer.

Corporations shopping for expense tools should consider the level of automation they need. Those jumping on the bandwagon from "manual" Excel processes will get a big boost from simple automation. Others may be searching for more controls, more automation or more bells and whistles. Also consider what systems a given expense tool can hook into and how: general ledger, for sure, but also enterprise resource planning systems—remember that T&E is broader than just travel—booking tools, travel management companies, third-party vendors like Uber and Lyft and payment providers. Application programming interfaces are on the way to becoming the most common way for systems to communicate, though encrypted file transmission systems still are in play.

Once it's time to implement, back-office colleagues in tax; finance; payroll; accounting, including reps from all relevant world regions; legal; ERP; IT; and travel, as well as partners from the expense system, all should be in the room together to make sure the data

feeds align as needed. Finance or the travel department may own the expense tool internally, but a project manager from the expense system supplier typically runs point, running through a list of questions so he or she can configure the system; unmanaged or lightly managed T&E programs likely are part of companies that don't have ERP systems, and setup for these more likely can be handled within the tool by someone at the client company. A few among the many questions a project manager for a more sophisticated expense tool will ask:

Who handles the general ledger and ERP? Is it SAP, Oracle, proprietary? And how are they structured?

What does the approval hierarchy look like? Employees' managers might approve expenses, a project manager might, or, for hands-off corporations, an expense tool's software might automate approvals.

Who will reimburse employees once expenses are approved? Payroll or accounts payable could manage the payout internally, or the expense tool might disperse the money on behalf of the corporation, using bulk funds it receives from that company. Concur, for example, does this through Expense Pay using profile information provided by the employees in their Concur profiles.

Implementing an expense tool is a major task, and all the players need to agree on the system architecture before jumping in.

Any travel policy rules the stakeholders enter into the expense tool can't directly control traveler and employee behavior, as the expense system comes into play after transactions have happened and money has been spent. The expense system



- AmTrav
- Certify, which owns Abacus, Captio, Chrome River, Nexonia & Tallie
- Coupa
- Divvy
- Egencia
- Expensify
- KDS Neo
- Microsoft Dynamics
- Oracle
- Rydoo
- SAP Concur
- TravelBank
- Zeno
- Corporate proprietary systems



- AppZen
- Oversight Systems

WHAT EXPENSE MANAGEMENT SYSTEMS ARE UP TO

In 2013, **Certify** launched ReportExecutive, which can automatically submit complete and compliant expenses according to a set schedule. In 2017, K1 Investment Management took a majority stake in Certify, merging it with ExpenseWatch, Nexonia and Tallie. The ExpenseWatch and Nexonia brands have merged. Also in 2017, Certify acquired NuTravel's online booking tool, and in 2018, it acquired Abacus and Captio, which operate under their own brands. Abacus is credited with starting the push to eliminate the expense report. In 2013, it began treating each charge as an individual transaction and filling in expense details using optical character recognition on receipts, as well as geolocation and machine learning, to categorize expense and pair receipts with corporate card charges. Abacus also has experimented with a chatbot for entering expenses. In March 2019, Certify merged with Chrome River, gaining access to large and enterprise clients, as well as Chrome River's Prosper, which links up with Salesforce to help corporations determine ROI for business trips. (Another company, SalesTrip, similarly hooks up with Salesforce for travel ROI.)

This year, **Coupa** has enabled managers to set "spend tolerances" that amount to preapproval if employees stay within those bounds. That means automatic reimbursement without managers approving each report. The company also enables employees to manage their spend from Slack and allows managers to approve and reject expenses in Slack, as well. A year ago, Coupa completed its integration with AppZen for automatic expense auditing, and Coupa acquired fraud-detection company Deep Relevance in 2017. It also can import bookings from travel management company/booking tool TripActions.

In 2015, **Expensify** launched automatic expense submission and reimbursement capabilities like Certify's, though they work in real time rather than on a set schedule. In 2016, Expensify made its Realtime Expense Reports its default setting, though established companies tended to turn it off in favor of batched reports, CEO David Barrett said last year. Now, he says, "tens of thousands" of companies use real time reporting. Expensify has explored using chatbots for customer service.

It also integrates with value-added tax reclamation companies Global VaTax and Taxback International. In April, the company integrated with Southeast Asia ridehailing company Grab to import transactions automatically. It has similar integrations with Uber and Lyft, as well as with the TripActions booking tool.

KDS Neo in April added machine learning power to its OCR receipt-scanning technology, which is now available on desktop, as well as mobile. It also has allowed users to save favorite driving itineraries to make mileage expenses easier to file.

After acquiring expense management tool Xpenditure and booking tool Maya in 2017, employee services firm Sodexo launched T&E solution **Rydo** in 2018. Bookings flow into the expense tool, which also can populate line items from receipt images. Artificial intelligence and predictive analytics flag duplicate expenses and noncompliant expenses. It integrated to accept receipt feeds from Uber in October.

SAP Concur—which controls 50 percent of the expense management market, according to market intelligence firm IDC—has rolled out a bevy of tech tools of its own and is moving its thousands of corporate clients over to its "next generation" expense interface, with a mandatory migration deadline of 2020. The company said it designed the revamp to make the experience more intuitive for infrequent users and more efficient for frequent users. Concur's Slack-based chatbot, meanwhile, enables users to enter expenses by typing them in Slack messages—"expense \$15 for Lyft"—and uploading the receipt images within the messaging system. Users can also request summaries of their expenses in Slack, while managers receive Slack notifications when they need to review and approve expenses.

Serko booking and expense tool **Zeno** has been building up its TMC partnerships of late: ATPI is the exclusive pilot partner in Europe, and both CWT and Direct Travel, which owns Vision Travel, resell the tool in the U.S. and Canada. Custom Travel Solutions and Voyages Encore Travel also resell it in Canada. Zeno also acquired U.S. expense management software Interpix in December and integrated with Uber earlier last year.

can require employees to input explanations for unusual or out-of-policy expenditures, or the system can delay or block reimbursement or notify approvers of unusual or out-of-policy expenditures.

INTEGRATED BOOKING & EXPENSE: MUST-HAVE OR HYPE?

Since SAP Concur acquired booking specialist Outtask in 2006, observers have touted the advantages of providing an expense and booking tool under one roof. That integrated model enables bookings to flow directly into the expense system and offers clients a single relationship to negotiate and manage. Employees also gain a consistent user interface across both booking and expense, and travel managers gain the same for reporting; the latter is significant only if the travel manager also owns the corporation's expense program. A supplier that offers both a booking and an expense tool also has a prime cross-selling opportunity, as it can win corporate clients for expense through the corporate's finance department and subsequently leverage that foothold to add booking services.

For years after the Outtask buy, Concur was the only player that truly could offer both booking and expense, but others have followed suit. Certify acquired a booking tool from NuTravel in 2017 and has since added the service to its own-branded expense system and to its affiliated Abacus and Nexonia expense brands. Certify's recent merger with expense provider Chrome River represents yet another opportunity to apply booking capability to an existing expense management system.

Meanwhile, a new crop of travel management companies are combining booking and expense. Those include AmTrav, which added expense capability in late 2018, as well as TripActions, which is believed to be exploring the addition of expense functionality after quietly teaming up with payment and expense provider Divvy. Small and midsize enterprise-focused travel bookings specialist

Lola also has tabbed launching its own expense management tool as a goal. Then there's KDS Neo. KDS launched its door-to-door booking tool in 2013 and revamped its expense solution in 2014. Two years later, American Express Global Business Travel acquired KDS, bringing the booking-and-expense stack under the umbrella of one of the industry's legacy service providers.

But while integrated expense and booking does have some clear potential benefits, dissenting voices have argued that those advantages have been overstated. According to those skeptics, Concur pushed the integration hype to justify its expenditure to acquire Outtask, and Concur's market dominance drove the narrative of integration as a "must-have."

Those observers have noted that, while it is indeed easier to deal with a single provider for expense and booking, it's more important to ensure that a corporate's specific needs are met in both expense and booking, even if it means tapping separate providers for each service.

Plenty of booking suppliers, such as Deem and Zeno, have opted to leave expense management to the expense experts, and they integrate with expense providers instead, something Concur does not do.

And while streamlined data flows are always a plus, booking tool integration on its own won't solve the problem of out-of-channel booking, a challenge better met by tools specifically designed to capture outside bookings, as well as by corporate card integrations that automatically populate spending on a linked card, no matter where it happens.

MOBILE & MACHINE LEARNING CAPABILITIES

The more recent mobile revolution has brought additional functions. OCR enables employees to upload receipt images so the system can populate an expense report's fields automatically. Integrations with third-party service providers like Uber

and Lyft also stream travel expenses directly to expense tools.

As innovations in artificial intelligence, machine learning and OCR whittle down the human involvement required to create and approve an expense report, it's easier to envision a world in which expense line items not only are submitted but also are approved in a steady, automated flow, rather than batched by trip or by time period.

While many corporate expense managers remain cautious about ceding approval and reimbursement control to automation, several of the leading expense management providers have made significant strides toward the next generation of expense management. (See *What Expense Management Systems Are Up To* on page 25). They leverage machine learning, meaning that the more receipts and data go through their systems, the more accurately the system can categorize future transactions based on what it has "learned." Meanwhile, rules engines embedded into those systems enable travel managers to set policy guidelines for spending, such as disallowing certain types of merchants, and to analyze expenses against that policy. Machine learning auditing technology like AppZen and Oversight Systems also can identify expenses that are abnormal for the traveler, the job description or the kind of trip and can detect fraud.

The ability to set rules and to fine-tune rules-based systems leads to greater compliance in the long run, proponents of full automation have argued. Human approvers tend to approve reports quickly and thus to let policy violations slip through the cracks. Managers also may not review previous expenses that would help identify patterns of behavior. A computer can accomplish this in seconds.

Expense reporting capabilities have evolved from paper to Excel to automated software, making expense reports easier for both reporter and approver, the ultimate goal may be to eliminate expense reports altogether. ■

Edgewell Personal Care head of global travel, fleet and meetings Kelly Christner; GoldSpring Consulting senior consultant Jennifer Donnelly and partner Will Tate; AmTrav Corporate Travel president Craig Fichtelberg; SalesTrip VP of product Eoin Landers; Certify CEO Bob Neveu; and Chrome River CEO Alan Rich advised on this article.

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BUSINESS TRAVEL NEWS

CORPORATE TRAVEL INDEX CALCULATOR

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CORPORATE TRAVEL INDEX CALCULATOR

Summary | Hotel Details | Car Details | Meal Details

U.S. Index | 2017

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

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
Aaron, OH	\$141.75	\$44.17	\$66.53	\$272.46	1.45%
Albany, NY	\$162.91	\$46.28	\$95.73	\$304.92	-3.30%
Albuquerque, NM	\$122.03	\$48.10	\$66.53	\$256.67	2.44%
Allentown, PA	\$152.32	\$40.88	\$89.98	\$283.03	1.98%
Anaheim, CA	\$190.14	\$42.99	\$103.21	\$336.33	-0.36%
Atlanta, GA	\$173.78	\$48.09	\$108.37	\$328.19	0.11%
Austin, TX	\$198.43	\$52.75	\$102.12	\$353.31	0.82%
Bakersfield, CA	\$121.21	\$42.13	\$65.47	\$248.81	1.69%
Baltimore, MD	\$185.78	\$43.98	\$109.50	\$340.23	0.13%
Baton Rouge, LA	\$138.53	\$48.83	\$90.91	\$278.27	-5.10%
Bloom, MS	\$115.25	\$40.01	\$87.73	\$242.99	1.62%

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Air Program Management Tools

Corporate air program management require cobbling together best-of-breed apps throughout the purchasing cycle. Technology offerings for the actual sourcing of air programs remain limited. Home-built offerings, as well as those from travel management companies and consultants are still the dominant choices. In recent years, technology for managing costs, improving the traveler experience and staying on top of air contracts—from airlines themselves and from third-party developers—has become more prevalent. A few impending technology developments, however, could transform the process.

SOURCING TECHNOLOGY

No major technology suppliers focus solely on sourcing air programs, as occurs for hotel sourcing. While air programs tend to be the largest area of spend for a company, they are less complex than hotel programs—on the surface, at least. Buyers deal with fewer air suppliers, and those contracts usually last for several years, while one-year hotel contracts still rule.

Even so, air sourcing is quite complex. Contracts can contain hundreds or even thousands of lines of discounts that can vary by point of sale, route and inventory class. As such, proper tools are paramount. For starters, the Global Business Travel Association has an RFP tool kit to start the process. In technology terms, the tool kit is fairly basic. It includes an Excel workbook for timing and planning the process and a document to help buyers launch the RFP in customized language that's easy for airlines to respond to.

With no standard product on the market, some companies have built

their own contract management tools in-house. Those without the resources or know-how to do so often can rely on their TMCs to manage or provide the technology. The level of attention a company gets from suppliers, however, is proportionate to their size. Smaller companies, therefore, might benefit from a third-party consultant to support sourcing. When issuing RFPs for consultants, companies should focus on what benefits they will get at what cost and what data the corporate will need to provide the consultant. Consultants' technology can validate city pairs where the company is traveling and make sure the travel program's air agreements produce the right level of coverage at the right level of discount in those markets. A contract with a single airline is rarely going to provide sufficient coverage, especially for midsize and large programs, so technology can help discover gaps and develop a strategy to fill them.

Heavy reliance on the TMC in sourcing will not always provide optimal results. TMCs have their own contracts with airlines. Some TMCs offer "contract optimization tools," but they could focus more on maximizing revenue for the TMC than on maximizing savings for the buyer. Buyers should press for more details when offered such technology from a TMC.

Disruptions are on the horizon for airline sourcing. Most immediate is the New Distribution Capability data transmission standard, designed to improve communication between airlines and every party in the distribution chain. It enables airlines to create a more retail-like environment—offering not only fares but also ancillary products like upgrades, bag allowances, Wi-Fi and more—through any distribution channel. Airlines could create dynamically bundled fares for

their corporate customers that include perks and amenities based on a traveler's needs and status and then push those through online booking tools.

As this becomes more prevalent, it will become more imperative for buyers to ask TMCs about their content strategies, as the savings offered by those that have aggressive NDC strategies will become more significant.

Additionally, blockchain technology could enable smart contracts that can negotiate and enforce contract performance digitally. Smart contracts could even negate expense reports by enabling direct deductions from corporate accounts at the time of booking. How exactly this all will change the process remains to be seen, but buyers should be talking to airlines, TMCs, OBTs and global distribution systems about their plans.



SOURCING

- GBTA Airline RFP Excel format
- Travel management company/consulting firm proprietary tools
- Blockchain-based smart contracts

MANAGEMENT

- American: Sales-Link Insights
- Delta: Delta Edge
- JetBlue: Blue Inc.
- Southwest: Swabiz
- United: Jetstream

PROGRAM MANAGEMENT

Airlines have been introducing and fine-tuning their own portals in recent years to help corporate travel buyers manage contracts, service travelers and access data.

Delta was the first out of the gate among the Big Three U.S. airlines, launching Edge in 2014 for buyers to access on-demand reporting. Later additions included Delta Edge Wallet, which enables upgrade and voucher management; a meetings management portal; and a communication tool through which companies can add their names to messaging that Delta pushes out to corporate travelers.

United's Jetstream product hit the market in 2017, offering reporting on contract performance, forecasts and self-service for penalty waivers. It's adding a meetings portal this year.

American recently released its

SalesLink Insights data portal after testing among select corporate buyers in 2018. The portal lets buyers check in on contract performance. Buyers can break data down by market, cabin and other filters to target areas for potential savings.

These portals house contract data, fueled by Prism, plus such data as airlines' operational performance and air program savings that buyers can use for their own reporting to travelers and management. The airlines increasingly are bringing in data from their joint-venture partners, which can be exceptionally useful to buyers who are using multiple TMCs. However, buyers likely need third-party data sources, especially if they have multiple airline partners. Even if they don't, the airline portals largely do not track corporate contracts, such as whether buyers are getting their negotiated fares as opposed to the fares the TMCs contracted with the airlines.

Carriers outside the Big Three have introduced corporate booking portals that can ease management for companies that use them frequently. Southwest has recently enhanced its Swabiz corporate booking portal. Those include reporting on available travel funds and hotel booking via a partnership with Booking.com. JetBlue's Blue Inc. booking tool helps buyers manage policy and payment within a single source. Buyers using airline booking portals should watch what offerings their travelers are getting there, as these portals sometimes provide offers that fly in the face of travel policies.

RATE MANAGEMENT

Airlines are becoming more sophisticated with revenue management technology, and long-running travel management standards like advanced booking policies do not always produce the best fares. Airfare management technology of the past several years enables travel buyers to keep advance purchase policies but also benefit when airfares go down over time.

After a booking, Yapta monitors airfares on similar itineraries and is-

sues alerts when airfare has dropped and savings thus are available. Trapit, based in Europe, offers a similar service and expanded into North America in 2018. FairFly connects with GDSs to audit fares post-booking to look for savings; it's customizable to a travel program's policy.

Airfares do not need to be refundable for these tools to find savings. In case studies, corporations have found savings on nonrefundable fares, as well, taking the rebooking penalty into consideration. That goes for both negotiated fares and non-negotiated fares. As a bonus, these tools serve as an additional source of data for travel buyers, showing booking patterns and the effectiveness of negotiated airfares.

A travel buyer can deploy these tools directly, or a TMC can offer the service. Buyers need to determine whether a direct relationship with one of these tools will serve them. Buyers can decide what level of control they want—for example, whether travelers should OK rebookings or whether travel managers or agents should rebook without asking. One tactic might be to ease in travelers, first giving them control and then making it automatic once they are used to the tools.

Rebooking without human intervention remains a work in progress. Buyers also need to assess the impact to travelers and how it jibes with their company cultures. For example, rebooking could cost a traveler a seat assignment, so buyers need to determine what level of disruption is acceptable and how to deal with potentially angry travelers. Tools generally enable buyers to set a savings threshold so they can put a price on what a disruption is worth.

EXPERIENCE MANAGEMENT

Technology designed to improve the traveler experience, particularly in times of travel disruption and irregular operations, has emerged over the past several years.

For the front end of the booking process, data provider RouteHappy created a rating system for the flight experience based on seat quality,

entertainment options, availability of Wi-Fi and in-seat electrical outlets, as well as actual trip duration for that particular flight. Egencia was the first corporate agency to partner with RouteHappy to display flight ratings, in 2015; it expanded that relationship in 2017 to list amenities and display rich content like product pictures in the booking tool. ATPCO acquired the company in 2018, which enabled RouteHappy to pull in more data from more airlines and integrate with more tools. With its richer content and its data reservoirs, ATPCO helps a new display standard the airline industry has christened the Next Generation Storefront. It's still in early days and is the source of discord among airlines in terms of how to execute the display. For now, NGS uses a star-rating system in the booking display to compare different carriers' various offerings. Emerging booking providers like TripActions and TravelPerks have launched NGS displays.

While flight ratings provide some insight into historic performance on the route, travel disruptions are always possible. For their own part, airlines have become more proactive in managing delays, offering fee-free waivers so travelers can change their flights when events like severe thunderstorms, blizzards, hurricanes and volcanic eruptions are poised to cause delays or cancellations. However, these waivers can be difficult to track, as the various airlines publish them multiple times per day. TMCs receive the information, but travelers also likely receive them directly through email, airline apps and other communication lines from carriers.

Flight disruption management tools like KnowDelay and FlightStats are geared toward the passenger. Lumo uses predictive analytics to alert travelers ahead of flight delays and offers a dashboard so travel managers can spot predicted disruptions across their travel populations and can explore flight alternatives for those at risk. Freebird handles rebookings; travel managers determine which travelers need protection, and when those travelers experience disruptions, the service offers



RATE MANAGEMENT

- FairFly
- Trappit
- Yapta

TRIP MANAGEMENT

- ATPCO/RouteHappy
- FlightStats
- Freebird
- KnowDelay
- Lumo

FLIGHT DISRUPTION COMPENSATION

- PaxFour
- AirHelp
- Service

flight alternatives and lets travelers rebook. TMCs increasingly are partnering with these providers and might offer them as an extra service.

WRANGLING THE DATA

To determine a buyer's performance against an airline contract, airlines largely rely on Prism, which is a part of Sabre Airline Solutions. Prism essentially collects airline reservation information across booking sources. It enables airline sales managers to see their performances against other carriers, by cabin and by fare for each origin and destination. Most major full-service carriers participate, though some low-cost carriers like Southwest do not.

Prism strips out personalized traveler information, but airlines can determine a client's market share via International Air Transport Association numbers assigned to each of a TMC's customers. As such, bookings made outside TMC channels will not count toward corporate market share.

Because airlines rely on this data for contract performance, travel buyers should stay on top of it so they can adjust to meet marketshare goals ahead of scheduled reviews with airlines, or at least so they can be prepared to say why they are not hitting their agreed-to shares. Reasons might be that the preferred carrier is publishing higher fares or that the carrier's schedule is incompatible with the travelers' needs.

The aforementioned dashboards that airlines provide for travel buyers rely on Prism data, so they are one window into performance. Travel buyers also can request reports from their TMCs, which receive raw Prism data if authorized by the corporate, or they can get the data from Prism themselves. However, Prism has discontinued its Prism Avion air contract management tool for buyers. In its absence, corporate travel analytics organization Prime Numbers Technology has put out Prime Sourcing, a tool that can monitor contract performance and report on market share and spending. ■

IS AIRLINE DISRUPTION COMPENSATION WORTH PURSUING?

Flight disruption compensation is a relatively untapped area in travel management that technology can make more accessible, but companies will need to decide whether it's worth the effort.

EU law mandates flight disruption compensation when disruptions are caused by conditions within the airline's control. Factors outside airlines' control include weather and civil unrest. This applies to any passenger on any carrier taking off from an EU nation or any EU-based carrier arriving in the EU. Compensation can be as much as 600 euros per passenger on delays of three hours or more.

Many travelers, however, are unaware of this law, and others don't want to go through the trouble of applying for compensation. The process entails filing a form with the airline, but processing delays and pushback from the airline can stretch out the process for months.

Some travel management companies manage this process for travel buyers, and some third-party suppliers can handle it. First, however, buyers need to decide who is getting compensated. One argument is that delayed flight compensation during business travel should go to the company because the business traveler already is paid in wages and the company is suffering the effects of the delay in the form of missed meetings. On the other hand, the traveler is paying the price in terms of getting home late and lost leisure time.

PaxFour takes the position that the company should receive the compensation. It analyzes a company's travel data against its database of past delays and cancellations, and when it finds a flight eligible for compensation, it reaches out to the affected employee to request power of attorney. That lets PaxFour take over the process and return the compensation directly to the company. AirHelp and some TMCs return the compensation directly to the travelers. While this won't provide any financial benefit to travel buyers, it does improve traveler satisfaction.

In the U.S., the compensation process is murkier because it is not regulated by law other than instances of involuntary denied boarding. However, airlines often offer compensation to travelers in the form of vouchers or frequent-flier miles. One supplier, Service, monitors travel plans and negotiates with airlines to get compensation on behalf of travelers. Vouchers can go back to the company for future business travel use, while miles would go to the traveler. For companies that pay an annual fee, Service turns over all compensation negotiated on behalf of the traveler or travel program. Companies that hire Service via a commission structure pay it a percentage of the cash value of miles awarded.

TravelCast Consulting principal and founder Kim Castro, Microsoft global travel sourcing manager Diane Lundeen Smith, corporate travel consultant Shari Meisner and United Airlines director of distribution Tye Radcliffe advised on this article.

Hotel Program Management Tools

Hotel sourcing and management is one of the most complex processes travel buyers must wrap their heads around, especially for global programs using thousands of properties in dozens, if not hundreds, of countries. The sourcing aspect traditionally has been a grueling annual RFP process that lasts, on average, four to six months.

Managing it can be just as challenging, even with technological assistance, but it's better than in the old days when fax, email, phone and spreadsheet resulted in printed directories—of preferred hotels, locations, negotiated rates, inclusive amenities and nearby attractions—for the use of admins, travel departments and frequent travelers.

Today, all that information and more is gathered via technology and stored in online booking tools that offer travelers more flexibility and that capture data to provide managers insight into how their programs are actually being used. But there's room for improvement, both in how the RFP is carried out and in what reporting is available for managing programs once sourced. There are grumblings that the RFP process should be abandoned. Will more companies move toward a dynamic pricing model? Will blockchain introduce smart contracts? Third-party suppliers are stepping up their offerings to answer these questions and to make the sourcing process more transparent and easier.

SOURCING

Sourcing technology came on the scene at least two decades ago and has advanced significantly since then, though some buyers complain that providers haven't kept up with innovations. These products generally automate functions for soliciting hotels, receiving bids and negotiating.

In addition, HRS and a few travel management companies and consultants have built their own hotel solutions divisions and offer market-modeling tools. For TMCs and third-party consultants, these tools often sit on top of a Cvent Lanyon or Lodging Logistics product but can capture more data to bring fuller reporting and analytical capabilities to clients.

Each of the major hotel RFP tools are built around a Global Business Travel Association template designed to cut costs and standardize the RFP process. Buyers can negotiate established fixed rates, including amenities, at their top-volume hotels; chainwide rates, usually a percentage off the best available rate; and dynamic pricing for select hotels, which also is a percentage off the best available rate. Depending on the agreement, the dynamic discount could exceed the chainwide discount.

Automating parts of the sourcing process saves time and money, and auditing to ensure hotels are offering the rates and amenities negotiated can ensure money savings. But not all tools provide the same services or have the same interfaces, so ask a few questions when looking for providers: How extensive is the solution's hotel

reach, particularly if your travel program is global or reaches remote locations? In what languages is the content available? Can you send unlimited RFPs, or is there a cap? Is reporting included in the base price, or is it extra? Can the provider also source meetings and group travel? Does the provider include market intelligence for the hotels in the system, giving transparency on the mid, lowest and highest rates and amenities offered across all clients by property?

Once the RFP process is completed, hotel partners load the negotiated rates into the global distribution system. Then, a corporate's online booking tool uses the corporate's GDS code to pull and display negotiated rates for the properties with which a corporate contracted. A corporate can limit the hotels displayed in its OBT to those properties. A travel manager also can add custom messaging for each property in the OBT, such as calling out the amenities or services included in the negotiated rate like free Wi-Fi or access to the property's executive lounge. The travel manager can add or remove preferred properties throughout the year.

Many corporates start the RFP process between July and September, solicit hotels, get bids, go back and forth negotiating rates and amenities and finalize the agreements in November or December. The hotels then are responsible for loading the rates into the GDS the client uses. End of process, right? Not quite.



SOURCING & AUDITING

- GBTA Hotel RFP Excel template
- Cvent Lanyon
- Lodging Logistics
- Sabre Hotel RFP
- HRS Rate Protector
- HRS, consultants & travel management companies

POST-SOURCING PROBLEMS

Travel buyers and third-parties alike complain that rate loading is still the purview of the hotels and instead would like technology that allows RFP providers, TMCs or consultants to populate the GDSs on behalf of their clients.

That's because hotels are doing an imperfect job. For starters, they may not get around to loading a corporate's rates right away. Hotels tend to load rates for large companies in the beginning of the year, pushing smaller companies down the line as much as a few months. By March, then, smaller companies would have lost 25 percent of the opportunities for travelers to take advantage of their negotiated rates.

Hotels also might load a corporate's rates incorrectly. RFP providers usually conduct rate audits, comparing rates from in-program searches to the contracted rates. According to buyers and RFP companies, 70 to 80 percent of rates are loaded incorrectly. Auditing software then emails a hotel to correct the rate in the GDS. By the third audit, 95 percent to 99 percent of rates are correct, but this could be months after the program started. This process also flags hotels that still aren't correct and that a travel buyer could consider removing from the program.

Another issue is that negotiated rates at high occupancy properties rarely, if ever, are available. In this instance, the property might be sold out, but some say the rates go away when a property management system sells out of the negotiated rate or turns off the discounts whenever occupancy hits a certain level, even if a corporate is contracted for the last available room.



RATE MANAGEMENT

- HRS Rate Filter
- TMC midoffice
- Tripbam
- Yapta

EXPERIENCE MANAGEMENT

- TrustYou
- Deem, Lola & other booking tools with integrated sentiment data
- Tripism
- Conichi



SMART CONTRACTS

- Ansero
- Blocksky

Squatter rates also dilute the power of a corporation's hotel program. These occur when hotels find out a corporate's code in the GDS, load rates and thus appear in the corporate's booking tool; travelers don't know these properties actually aren't in the program. Some tools run audits to identify squatters, and corporates can have these hotels removed, ask their travelers not to book them, or, if the properties are capturing business with good rates, add them to the program.

For all that work to get accurate displays in the OBT, 55 percent of travelers on average book outside preferred channels, whether booking direct with a hotel company to earn loyalty points or booking a better deal elsewhere.

RATE MANAGEMENT TOOLS

The HRS Rate Protector suite includes a rate-filtering service that can keep incorrect rates from reaching the traveler in the OBT, even if the traveler's company does not use the HRS booking tool. It can improve compliance, as well as create savings.

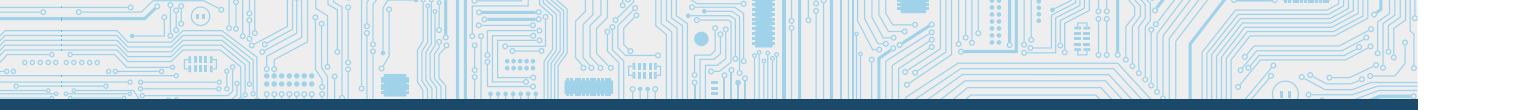
Some buyers say it's imperative to invest in reshopping tools like Tripbam and Yapta, especially for large programs. These tools continuously look for better rates on rooms booked, and then either automatically rebook or alert the traveler, travel manager or TMC, depending on how the program is set up. In the latter case, the person notified accepts or declines the discount. The travel manager decides whether the tool rebooks or the corporate's own channel, usually its TMC, handles the rebooking.

The corporate's hotel program manager should determine the parameters around use of such tools. For instance, at least with

Yapta, a buyer can't turn it on or off. So if a program manager didn't want a certain booking reshopped, say for an international trip arranged far in advance that could be canceled, the corporate would receive notifications but decline the rebooking until, say, a week before travel. The travel manager also can set thresholds for what savings prompt rebookings or notifications.

HRS also reshops among GDS content, online travel agencies, its direct connects to hotels and among its own negotiated rates. If it finds a cheaper rate for the same room with the same amenities and restrictions, it rebooks automatically, unless the corporate requests that notifications occur first. Yapta reshops rooms only within the hotel booked. Tripbam can reshop for comparable rooms within the same hotel and within nearby hotels. HRS does not charge clients for this service. Other companies keep a portion of the savings, the percentage of which is negotiable. Sources told BTN they saved between 2 and 8 percent using reshopping tools. Even the lower range can add up to significant savings when applied to large programs.

Increasingly, companies are using reshopping tools to move toward hybrid hotel programs, negotiating fixed rates for their largest-volume properties, which could number as few as 10 or 20. Then for other properties, they let the reshopping tool find the best rates, more of a dynamic pricing model. These tools' reporting also gives buyers average daily rate information, among other insights; if a property's actual ADR is lower than the negotiated ADR, the corporate can ask the hotel for an explanation. As a result of this increased transparency, some hotels, in anticipation of that question, proactively lower the negotiated rates for hotel programs



that provide a lot of business.

Not all buyers are convinced this is the way to go. Some noted that TMCs can reshopper and rebook, potentially for a fee, through the agency mid-office but don't take much credit for it. Others pointed out that as hotels have expanded their cancellation windows from 48 hours to 72, corporates don't want to risk cancellation fees that reshopping could set off. Also, a rebooking that moves a traveler to another hotel doesn't take into consideration people traveling together, perhaps sharing a car, and employees meeting clients at the originally booked property.

EXPERIENCE MANAGEMENT TOOLS

Traveler satisfaction is now the first or second consideration, after

cost, for many hotel programs. Experience management tools—which capture the traveler experience and, ideally, improve upon it—also can increase compliance and diminish leakage. Some also ensure travelers receive ancillaries that were already negotiated so they don't pay extra.

Some corporate travel managers are incorporating Big Data service TrustYou in their RFPs. TrustYou collects sentiment data from across the internet, not specific to corporate programs, and creates a TrustScore on a scale of 1 to 100. Buyers set experience thresholds—80, for example—below which hotels do not make it into the corporates' programs. TrustYou also can alert travel managers when hotels fall below the threshold. The corporate can

reach out to properties to understand the issues or remove them from the program.

Some newer booking tools leverage hotel sentiment data to preference hotels in the booking path. In 2016, Deem acquired Orset, which scours the internet for hotel sentiment data. Deem crunches this data to determine the order in which to display hotel choices—after accounting for corporate preferred status. Lola, a booking tool targeted to small and midsize enterprises, has a recommendation engine that functions similarly. More corporate booking tools are integrating this type of technology. While it automates a "quality" metric into the program, however, there's no specific data output to drive hotel program decisions.

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Tripism offers similar recommendations, minus the Big Data approach. The platform relies on the client's employees to populate the platform with recommendations, including hotel experiences; it shares recommendations from within a traveler's company, as well as across the Tripism platform. Some corporates have built internal recommendation systems that resemble TripAdvisor. Data from these can inform RFP solicitations and help manage hotel partner performance.

It can be difficult to track whether travelers are receiving and accessing the benefits travel buyers have negotiated on their behalf. Some companies are getting in front of the issue with mobile messaging to encourage certain behaviors. If a traveler's GPS is on, for example, the corporate could push a notification when he or she arrives at the hotel that the hotel rate includes Wi-Fi. In the morning, a traveler could receive a notification that only continental breakfast, not the *à la carte* menu, is included in the rate. (See page 13 for more on mobile travel capabilities).

Products like HRS Filter, can see if the rate offered included all the amenities that were negotiated with it, such as breakfast, Wi-Fi and parking. But there's no way to determine whether travelers take advantage of them. Capturing detailed hotel folio data continues to challenge the industry, so unless a travel manager audits expense reports versus negotiated amenities, there's no visibility. The traveler is unlikely to itemize the hotel expenses in the expense management system, anyway, so the whole process is a bridge too far. Hotel folio itemizations additionally raise privacy considerations.

Smart hotel technology pro-

vider Conichi is looking to solve that issue, including the privacy piece, through a digital payment solution, an Uber-style payment process that matches corporate bookings to preferred corporate payment instruments, then automates the payment process. It removes the need for the traveler to present a card. Conichi notifies the hotel that a card has been charged, and the hotel passes the key to the customer. The traveler then uses the Conichi mobile tool to check out, splitting any in-room items consumed onto a personal card. The traveler can do this anywhere—in the hotel room, in a meeting room, in a taxi on the way to the airport. The credit card details are encrypted, and the hotel never sees them, which cuts down on fraud. The travel manager then can see the breakdown of the charges to the corporate card, while charges on the traveler's personal card appear as a single ancillary spend line item. Reach is limited to Conichi's "smart hotel" partners.

CAN TECHNOLOGY JUST MAKE ALL THIS EASIER?

From the protracted RFP process to supplier performance management and contract utilization, hotel program management is complicated. Suppliers and buyers have talked for years about how to simplify it. In the meantime, multiple technologies have been grafted into the process to address challenges in a piecemeal fashion.

Blockchain-based smart contracts may provide the beginnings of a broader solution. While no companies currently offer hotel smart contracts for corporate travel, Ansero and Blocksky expect to test them. Ansero is about to launch a forerunner, Smart Hotel Rate. Using a spreadsheet of a client's negotiated rates and ameni-

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HRS chief product officer **Martin Biermann**, Lockheed Martin corporate travel manager and global hotel program manager **Joe D'Abate**, Yapta president and CEO **James Filsinger**, GoldSpring Consulting partners **Neil Hammond** and **Will Tate**, DHL T&E regional category manager **Michelle Hunt**, EY global supplier leader **Tim Nichols**, Ansero co-founder **John Packer**, HRS CEO **Tobias Ragge**, Tripbam founder and CEO **Steve Reynolds**, Cvent senior principal account manager of enterprise solutions **Jean Squires**, Mezi VP of strategy and partnerships for American Express **Johnny Thorsen** and Conichi co-founder and CEO **Max Waldmann** advised on this article.

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ties, as well as the company's hotel bookings provided by the GDS with permission from the corporate, Smart Hotel Rate algorithms will determine if the rate offered was correct. It factors in all rates available, from the negotiated rate and TMC's rate to the seasonal rate, as well as blackout dates, room type and so forth. Moving that functionality to the blockchain would automate rate calculations based on contract terms and could adjust those terms dynamically based on volume thresholds. For example, if a company commits to 500 room nights at a property at \$199 a night, the contract could dictate that the rate will drop to \$169 a night when the client hits, say, 600 room nights. The change would happen automatically.

A smart contract cannot be altered unless agreed to by both parties, and changes take effect globally and immediately. The smart contract also could automate the payment piece and deliver hotel folio data.

This environment likely would initiate changes to hotel policy and to how programs are managed, perhaps moving from a focus on rate to a focus on service level, as the rate would be automated. Booking displays might then be prioritized on properties where the program needs to reach volume commitments. That's done today but is inexact because data isn't delivered in real time.

A blockchain-based smart contract environment doesn't solve every hotel program issue. It does, however, offer hope that much of the turmoil could be removed from the equation, freeing travel managers to focus on supplier performance and the traveler experience—or something other than the hotel program entirely. ■

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