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## BUSINESS TRAVEL NEWS



### SME INSIDERS

A roundtable of travel buyers and booking tool providers delve into what small and midsize enterprises want in a booking tool.

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### MANAGEMENT

Amid Boeing 737 Max concerns, what's a managed travel program to do?

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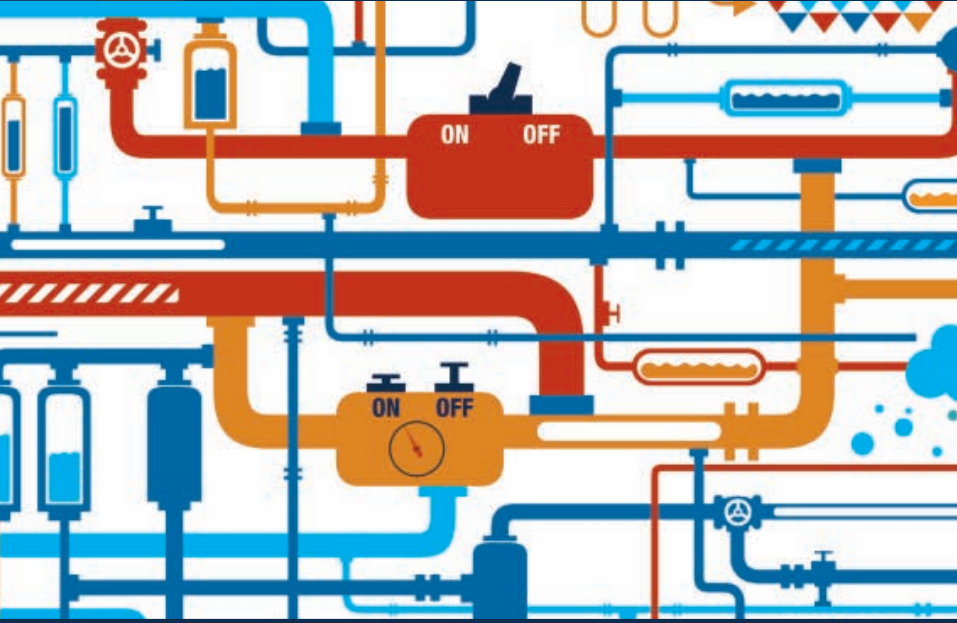


### LODGING

BCD Travel unveils a new global hotels division, headed by April Bridgeman, who also will continue to head BCD's consulting arm, Advito.

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## TOP STORY



BY MICHAEL B. BAKER

## NDC Testing in Progress

The International Air Transport Association, after shepherding the creation of New Distribution Capability, has promised that use of the standards will hit "critical mass" by next year. To reach that goal, IATA will have to certify more airlines, global distribution systems, travel management companies and others involved in piping content from airlines to corporate travelers. The industry also will have to move from testing and one-off live transactions to real use in real business environments. Only when all that is done will the potential of NDC start to unfold. Intended to help airlines distribute fares to corporate customers with a level of control similar to that on their own websites, NDC could move in many directions and enable personalization and negotiated bundles and even change how corporate travel programs negotiate with airlines altogether. Read inside for a comprehensive view of where we are now and what's coming around the bend.

FULL STORY ON PAGE 10

### TRAVEL BUYING & ETHICS: PART ONE

## Climate Change Villain: Can the Travel Industry Avoid a Bad Reputation?

BY MICHAEL B. BAKER

As scientists take on a more dire tone around climate change, it's becoming harder to sugarcoat the role the travel industry has in the larger environmental picture. When U.S. Rep. Alexandria Ocasio-Cortez introduced the Green New Deal earlier this year, co-sponsored by 89 Democratic colleagues, much of the criticism of it centered on the legislation's call to overhaul the nation's infrastructure, claiming the bill seeks to end air travel altogether. While the stimulus package itself made no mention of ending air travel, it was a clear sign that travel is front and center in the climate change debate.

The European Union, meanwhile, aims for carbon neutrality by 2050. At the International Air

Transport Association's Annual General Meeting in Seoul last month, EU Transport Commissioner Violeta Bulc said aviation emissions were twice as high today as they were in the 1990s. "We cannot continue to generate such high costs from aviation or indeed any other transport mode," she said. "We owe this to our planet and to future generations."

Airline executives said there already is talk in Europe of eliminating some short-haul flights—between Paris and Brussels, for example—that have plentiful options by rail. Lufthansa chairman and CEO Carsten Spohr also raised a few eyebrows when he said some

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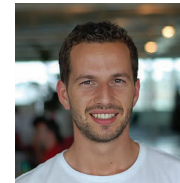
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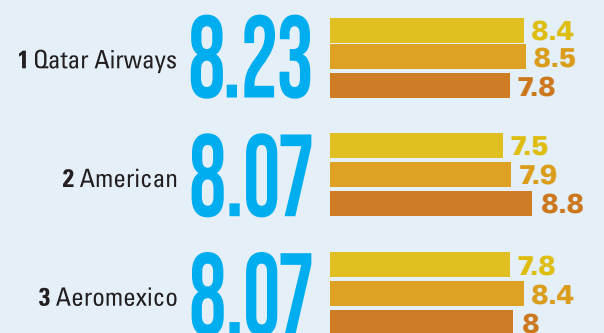
TravelPerk's Jean-Christophe Taunay-Bucalo on the company's target clients: small and midsize enterprises

"These businesses are not always aware of the cost and pain [that] having no travel solution can bring to their business and so don't see business travel as a priority."

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#### Best Airlines for Passenger Experience

AirHelp ranked airlines by on-time performance; food, comfort & crew; and flight disruption claim processing.

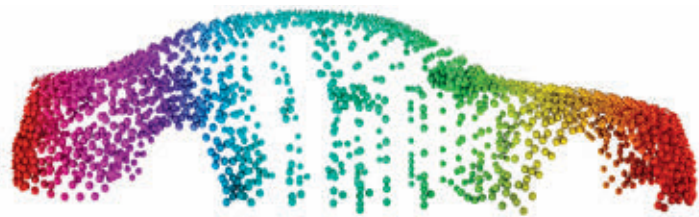


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## Is the Meetings Booking Pace Off for 2021?

BY DONNA M. AIROLDI

One of the buzzy bits shared at the NYU International Hospitality Industry Investment Conference last month was that the booking pace for group business for 2021 is down. During the Knowing the Customer and the Supremacy of Data session, all four panelists expressed concern about future group business, particularly from 2021 onward. “We’re hearing from our destination [management] clients that their 2019 and 2020 is looking good,” said STR SVP of global business development and marketing Vail Ross. “It’s 2021 and 2023 that there are really struggles of getting group business.”

In April, Cvent forecast that group business would be down 1 percent to 2 percent for the next eight quarters. “But 2021 looks the worst, to echo Vail’s points,” said Cvent senior director of analytics Jeffrey Emenecker, who confirmed that the downward trend looks as though it will get progressively more pronounced into the next 24 months. “Hotel owners are really anxious to get as much group business on the books for 2021 now as they can. [They] need to go deep on the data and do that now to try to find those groups because that is what all the big players are doing.”

While two years out might seem like a long time for booking a meeting, it’s usual for large events like conventions that have fewer destination and venue options.

It’s unclear what might be behind the slowdown. “Is it because of uncertainty now—people are not making decisions for the future—or is it just a fluke?” Ross wondered. Either way, the effect on hotels will reach beyond group business, she pointed out. “When you have a good group foundation of demand and of rate, it does allow a level of comfort to really revenue manage the transient consumer. That’s why it’s a little bit of a concern [for hotels] when we look further out from 2020.”

Trade issues and tariffs between the U.S., China and other countries may be influencing group booking. “When I was in Montreal [recently, I heard that] the impact of tariffs in Canada, if they go through, would cost 150,000 jobs” there, said TravelClick senior industry

### If Meetings Bookings Drop ...



#### TRANSIENT IMPACT

“When you have a good group foundation of demand and of rate, it does allow a level of comfort to really revenue manage the transient consumer. That’s why it’s a little bit of a concern [for hotels] when we look further out from 2020.”

—STR’s Vail Ross



#### BLEISURE IMPACT

“If group is gone in the city, the opportunity to have a joint stay, a couple extra personal nights—that goes, too.”

—TravelClick’s John Hach

analyst John Hach. “There’s a ripple effect. What does it do to groups? It crushes them. During the Great Recession in 2008, one of the first things we saw was large groups just evaporate. When groups start to go, you get more pressure on transient.” As for bleisure, “if group is gone in the city, the opportunity to have a joint stay, a couple extra personal nights—that goes, too,” he added.

And then next year is an election year, which always makes people hesitate to book future business.

Meanwhile, companies may be developing their own lodging. In January, for example, KPMG will open its own innovation and training center in Orlando with 800 guest rooms, 90 learning and innovation spaces and a 1,000-seat assembly hall, diverting from the market a lot of recurring group bookings.

### Is a Slowdown a Sure Thing?

Still, other meetings managers and planners BTN questioned have not seen any slowdown in their bookings. “This statement actually surprises me very much, as the conversation within the industry has been consistent growth in meeting bookings,” said Cardinal Health global manager of meetings and events Shannon Sprau. “The demand has not been declining or even flat for quite some time.” Her company, however, rarely books meetings more than 12 months in advance.

HB Hospitality posed this question to The Hive, its online community of 4,250 U.S. meeting and event planners and 750 hoteliers, and the responses supported Sprau’s statement. “We are definitely not delaying. ... We are planning 2021 already,” said Gen Re manager of travel, meetings and events Sonia Maldonado. PLAC senior director of operations Kimberly Condon replied, “My group tends to plan 12 to 18 months out, but for the first time, we’re actually looking out farther, through the end of 2021.”

So, there might not be a slowdown after all. Increased supply over the past decade also may have shortened the booking window for some meetings. So 2021 might actually turn out fine despite the current data trends, Cvent’s Emenecker said.

If a delay is what’s occurring, however, it could turn into an opportunity for companies to leverage better deals, at least in certain markets with certain types of meetings, he added. “There is a lot of competition out there, and with projected slowdowns like these, it could make it more of a buyer’s market. It will be interesting to see how hotels adjust their pricing and offerings to attract their share of the group business.”

## Indian Hotel Company OYO Will Invest \$300M in U.S.

India-based hospitality company OYO Hotels & Homes plans to invest \$300 million in the U.S. over the next few years. It said the funds would be used for property growth, headquarters talent, competency building and infrastructure development.

The company has more than 50 hotels in 35 cities across 10 U.S. states, including Dallas, Houston, Miami, Atlanta and Augusta, Ga., and will expand its OYO Hotels and OYO Townhouse brands to New York, Los Angeles, San Francisco and other cities. OYO’s current U.S. growth pace is opening one hotel a day,

on average. It is known for well-designed spaces at affordable prices. OYO Hotels & Homes global COO Abhinav Sinha said of the U.S., “We are in the largest country in the world when it comes to the hospitality industry, and there is a definite need here for chic and comfortable hospitality experiences at prices never thought of before.”

At the NYU International Hospitality Industry Investment Conference last month, STR SVP of global business development and marketing Vail Ross told BTN to keep an eye on OYO. “I’m not an

expert on their business model, but they are going in and buying real estate and have complete control over the property and their main revenue strategy is occupancy and not rate,” she said. “So they are operating at an affordable rate. It is definitely going to be interesting to see what it does from a revenue management standpoint in certain markets they are in, especially in the mid-scale economy segments that they will be competing against.”

Airbnb invested between \$100 million and \$200 million in the company in April. Other investors include SoftBank Vision Fund, Greenoaks Capital, Sequoia and Hero Enterprise.

—Donna M. Airolidi



## TravelPerk's Smart Scaling Strategy

Amid the startups seeking to disrupt the travel booking and management space, TravelPerk has stood out for a several reasons, not the least of which is \$65 million in investor financing over the past year and change. TravelPerk's plans for deploying that capital also are drawing notice. It has earmarked the recent windfall to drive growth initiatives, including scaling up its workforce and increasing its presence in high-potential markets like London, while bolstering its platform with new booking integrations, including rail ticketing specialist Trainline. TravelPerk chief commercial officer Jean-Christophe Taunay-Bucalo spoke with BTN technology editor Adam Perrotta.

### HOW DOES TRAVELPERK DIFFERENTIATE ITSELF IN A COMPETITIVE TRAVEL MANAGEMENT SPACE?

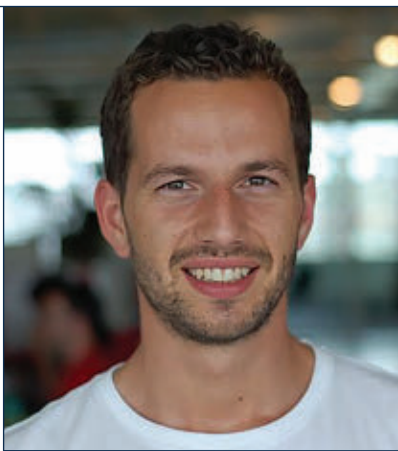
We want to help businesses and their travelers take ownership over the entire booking and management process, as simply as possible. We've created a seamless experience for booking and managing business travel end to end, like our favorite leisure travel tools, but one that has the power to support booking, reporting, expensing, customer care—everything. We offer the world's largest travel inventory ... alongside robust management features and a 24/7, 365 days a year human customer support. As a complete package, on one platform, it's something we haven't seen anywhere else, so it stands us apart from the competition. What's more, we've maintained a relentless focus on keeping seven-star customer care in-house, consistently investing in customer support. Currently, the TravelPerk team is about 260, and roughly half of that team is focused solely on supporting customers.

### THAT SOUNDS EXPENSIVE. WHY NOT OUTSOURCE OR USE AUTOMATED SUPPORT?

It's a huge expense for us. But providing amazing customer support is essential in business travel. For instance, I'm sure most people can remember a time when something's gone wrong on a trip and they've been connected to an automated system or chat function and felt like throwing their phone against the wall. We believe being able to talk to a person who wants to help takes away this anxiety, so we'll never outsource the customer-facing side of the company. We think a combination of the best self-serve tool with amazing 24/7 support from real humans is what will be the winning solution in the market.

### WHAT'S YOUR REVENUE MODEL?

Revenue currently comes from affiliate commissions ... but also, we've introduced a premium service option for customers who have special requirements. That being said, we're very strict in our processes. We will not promote specific content because it brings us more margin, and we will not mark up prices. Our commitment is that when you book on TravelPerk, it will be at least the same price, if not cheaper, than booking on a



TravelPerk's Jean-Christophe Taunay-Bucalo talks:

- The company's strategy to stand out from competition
- Data insights
- Serving clients new to managed travel

**"While our service is available globally, including covering travel in the U.S., our approach is to primarily serve European companies that travel globally."**



See more Q&As at [www.businesstravelnews.com/](http://www.businesstravelnews.com/) interviews, including Korean Air's Bo-Young (Daniel) Song.

consumer website. This trust is essential because travelers have been burned with overpricing from travel agencies. We'll go as far as booking any flight or hotel manually if the traveler finds it cheaper. That's how deeply we believe in the inventory we've built.

### TRAVEL BUYERS DESIRE A FULL PICTURE OF THEIR TRAVEL SPEND TO GUIDE BUDGETING DECISIONS AND CALCULATE ROI FOR TRAVEL SPEND. HOW DO YOU HELP YOUR CLIENTS ACCESS THESE TYPES OF DATA INSIGHTS?

Honestly, it's incredibly simple for TravelPerk customers. We have one platform for everything from booking to expensing to reporting. It means any CFO or travel budget manager can drop into the self-service trip and budget analytics anytime. It generates reports that look at everything from travel spend to trends across their travelers right down to the granularity of looking at what falls outside of their travel policy. What's more, administrators on TravelPerk can easily set their own travel policy parameters within the system, preventing employees from booking trips outside of policy and allowing businesses to quickly spot where tweaks need to be made.

### TRAVELPERK HAS RACKED UP QUITE A BIT OF FUNDING OVER THE PAST YEAR OR SO AND SEEMS TO BE IN EXPANSION MODE. WHAT'S YOUR STRATEGY FOR MANAGING GROWTH?

We've raised \$75 million dollars so far, with most of that coming last year. We're making a large investment in growing the team to keep pace with our growing customer base. Currently, we have a team of 260, and we'll probably finish the year with around 400. If we keep this pace, we'll be 1,000 in just a couple of years. Most of us are based out of the Barcelona HQ, but we now also have offices in London and Berlin with plans to expand our physical presence to new markets this year, both for sales and management support.

### ARE THERE ANY SPECIFIC MARKETS YOU'RE LOOKING TO ENTER/GROW?

We're experts in the complexities of operating across Europe, a typically fragmented market with many cultural nuances that have to be accounted for, so we'll definitely be opening more local offices in the region. While our service is available globally, including covering travel in the U.S., our approach is to primarily serve European companies that travel globally.

### YOU'RE MAINLY SERVING SMALL AND MIDSIZE ENTERPRISE CLIENTS. WHAT ARE THE CHALLENGES OF SERVING THAT SEGMENT?

We see our sweet spot as those companies with between 10 and 15,000 travelers because that's the segment TravelPerk can add the most value to. Actually, there are unique challenges when speaking to companies with no solution in place. These businesses are not always aware of the cost and pain [that] having no travel solution can bring to their business and so don't see business travel as a priority. However, usually, larger companies have an existing system in place with a traditional TMC. Our model is different, as most of the booking will be done online, so we need to educate the traveler about using the platform and support companies in rollout. It's not uncommon for them to have inherited negative preconceived notions. However, once they start using, the adoption is fantastic, at 97 percent for online booking. ■



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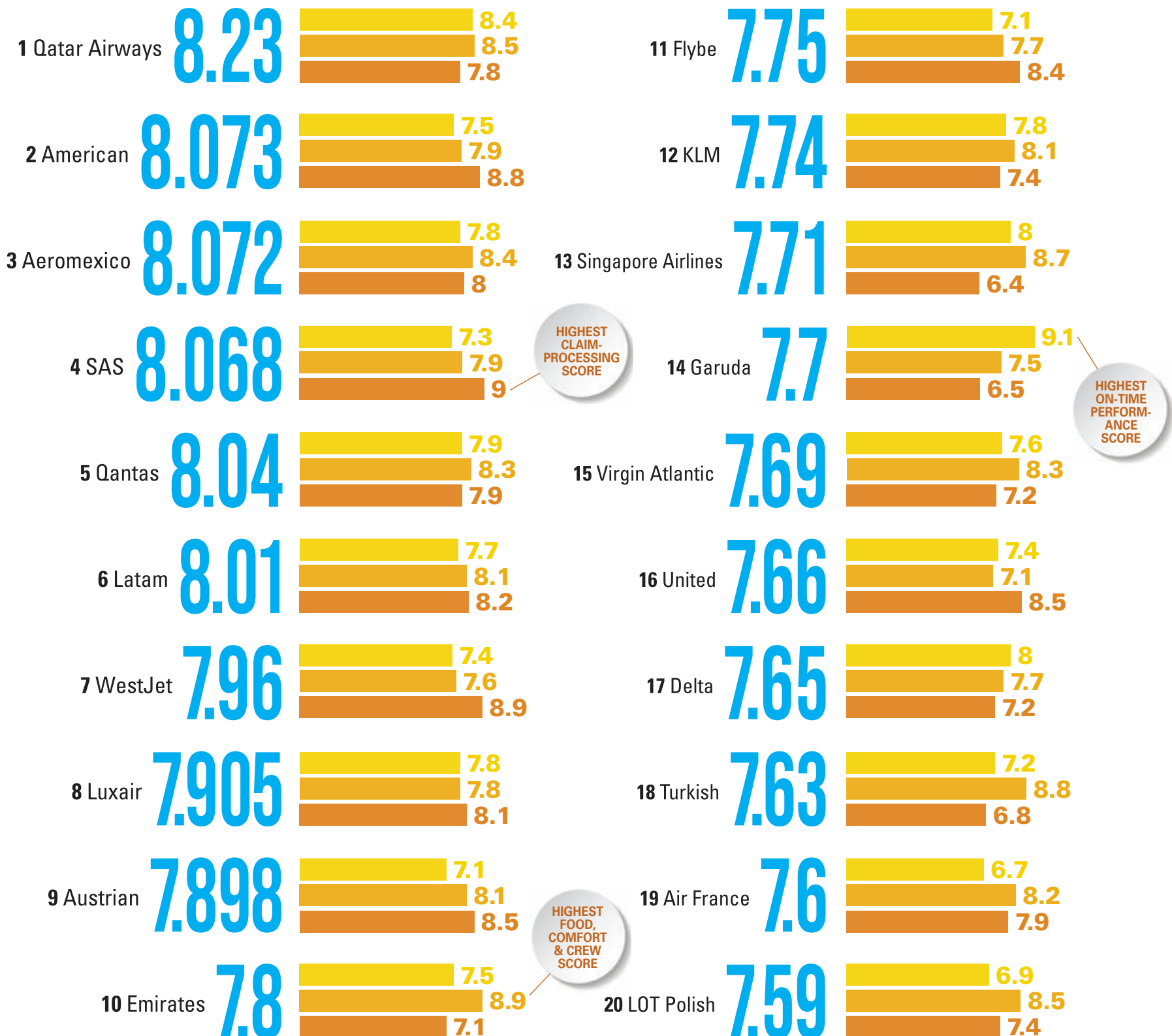
## Best Airlines for Passenger Experience

As corporations pay more attention to the employee experience, their travel programs are considering not just dollars and cents but also the cost of negative travel experiences on employee productivity and mind-set. Airlines are trending upward on the American Customer Satisfaction Index, released April 30 and based on data and interviews with 30,000 customers. Airlines collectively reached 74 on the 100-point ACSI scale, but they still rank below hotels' 75. Thus airlines present a prime opportunity for corporate travel programs to mine for improved travel experiences.

AirHelp aims to help. It has studied 72 well-known and -flown airlines to find those that provide the best passenger experience, based on on-time performance from multiple sources; surveys of 40,000 people in 40 countries about the airlines' food, comfort and crew; and its own data on percentage of flight disruption compensation claims ignored or wrongfully rejected, the time it took for each airline to acknowledge and approve a claim and time to pay out. AirHelp weighted each of those variables equally, a methodological decision influenced by the flight disruption compensation company's own services, but it contends that how an airline treats passengers not just during regular operations but also when things go wrong says a lot about the airline's attitude toward its customers. "Airlines are dealing with a new type of traveler: educated, increasingly aware of her needs and rights, and able to choose between a broad range of air carriers," said AirHelp co-founder and CEO Henrik Zillmer. "It means that even those airlines which cannot keep their punctuality high have a chance to keep passengers connected to their brand by providing a positive after-flight service when their travel plans go wrong." See the results below.

### 2019 AIRHELP SCORE On a 10-point scale, each variable weighted equally

■ On-Time Performance ■ Food, Comfort & Crew ■ Flight Disruption Claim Processing



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35<sup>TH</sup> ANNUAL

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# Small-Scale NDC Tests Begin in Advance of ‘Critical Mass’ Promise for 2020

BY MICHAEL B. BAKER

Several airlines are now testing distribution of their fares to travel management companies using the International Air Transport Association’s New Distribution Capability standards, giving select users a taste of what IATA promises will hit “critical mass” next year.

Among the more recent announcements, TMC TripActions in June began testing the shopping and booking of NDC content for certain United flights. The TMC plans to spread that out across its full customer base and, over the next several months, to include other carriers. The test makes ancillaries like Wi-Fi, premium seating, United Club access and checked baggage available through the TripActions platform, either purchased as an individual item or bundled into a single fare.

TripActions will tap into its artificial intelligence and machine learning technology to personalize those bundles based on booking history and preferences. “It’s really a partnership with United, so we will be creating bundles together and will be creating richer and richer bundles as United’s offering and investment in their own NDC evolves,” TripActions head of product Anique Drumright told BTN. “We’re working with them to surface that rich content that they’re making available in our platform, but obviously, United is driving that road map and what bundles are available when and how.” For travel buyers who negotiated bundles directly with United, their travelers also can access that content through the TripActions platform.

American Airlines also has launched an NDC pilot program to test corporate bundles and determine how best to build them in the future. The test—which includes Amtrav in the U.S., Copastur in Brazil and Marplay in Mexico—enables corporate customers to get Preferred Seats in the main cabin and includes an extra bag and the ability to change the ticket.

And European business travel management platform TravelPerk has added content via Lufthansa Group Airlines’ NDC application programming interface. The connection will enable TravelPerk users to access Lufthansa’s NDC Smart Offer fares and to access the “widest range of ancillary options,” according to TravelPerk. Over the past few months, TravelPerk has run a beta test of the connection with a small group of its clients and reports that some have had savings as high as 37 percent on the cost of their flights within Europe.

NDC progress is happening outside the corporate space, as well. Lufthansa Group and Expedia Group are working to make Lufthansa airlines’ NDC Smart Offer fares, low fares currently available only through direct and NDC channels, also available through Expedia Group channels. They also are working to offer the same options through Expedia Group’s corporate platform, Egencia.

## The Journey Continues

It’s taken several years of discussion, reassurance and testing to reach this level of NDC in action. Still, there is much work ahead. “NDC is here, but is it here effectively and working?” Travelport global head of new distribution Ian Heywood broached at last month’s CAPA Centre for Aviation Airline CEOs summit. “No. Maybe by the end of 2020 it will be for a few airlines, but that’s all.”

That, at least, is what IATA is working toward with its 21 Leaderboard airlines, which together comprise more than 30 percent of IATA passenger volume. Those carriers are working to power at

least 20 percent of their indirect sales by an NDC API by next year. That’s the critical mass IATA has promised.

One of the bigger changes this year, according to Heywood, is that the travel agency community has gotten more deeply involved. Even as NDC accounts for a tiny percentage of overall transactions at present, a research report by BTN sister publication The Beat showed that almost half of TMCs had processed at least one live NDC transaction for a client as of March 15. TMCs in The Beat’s survey expect a third of their airline transactions to fall under NDC standards within two years, though that’s an average and individual agencies vary widely.

The NDC certification bar—which applies to airlines, aggre-

## A Quick NDC Primer

New Distribution Capability is a data-transmission standard based on extensible markup language, or XML, that’s designed to improve communication between airlines, buyers and everyone in between on the distribution chain. It enables airlines to sell their products via third parties in a more retail-like environment, as they already can do on their own websites. It is one step in the airline industry’s plan to become “digital retailers,” according to Eric Leopold, director of transformation for the International Air Transport Association, a trade association that represents about 290 airlines and that led the creation of the NDC standard. Other steps in that plan include One Order, IATA’s initiative to use a single reference number across a traveler’s journey, making the shopping, itinerary management and airport experience more seamless.

gators, IT providers and sellers—has risen in recent months. Until this year, the highest certification was Level 3, indicating that the entity’s API can connect to an airline system in a way that displays the airline’s pricing and availability in real time. The NDC model includes 49 messages; to reach Level 3, an entity has to adopt only four.

On March 1, IATA introduced Level 4 certification, which requires “extensive use of offer

# The Beat

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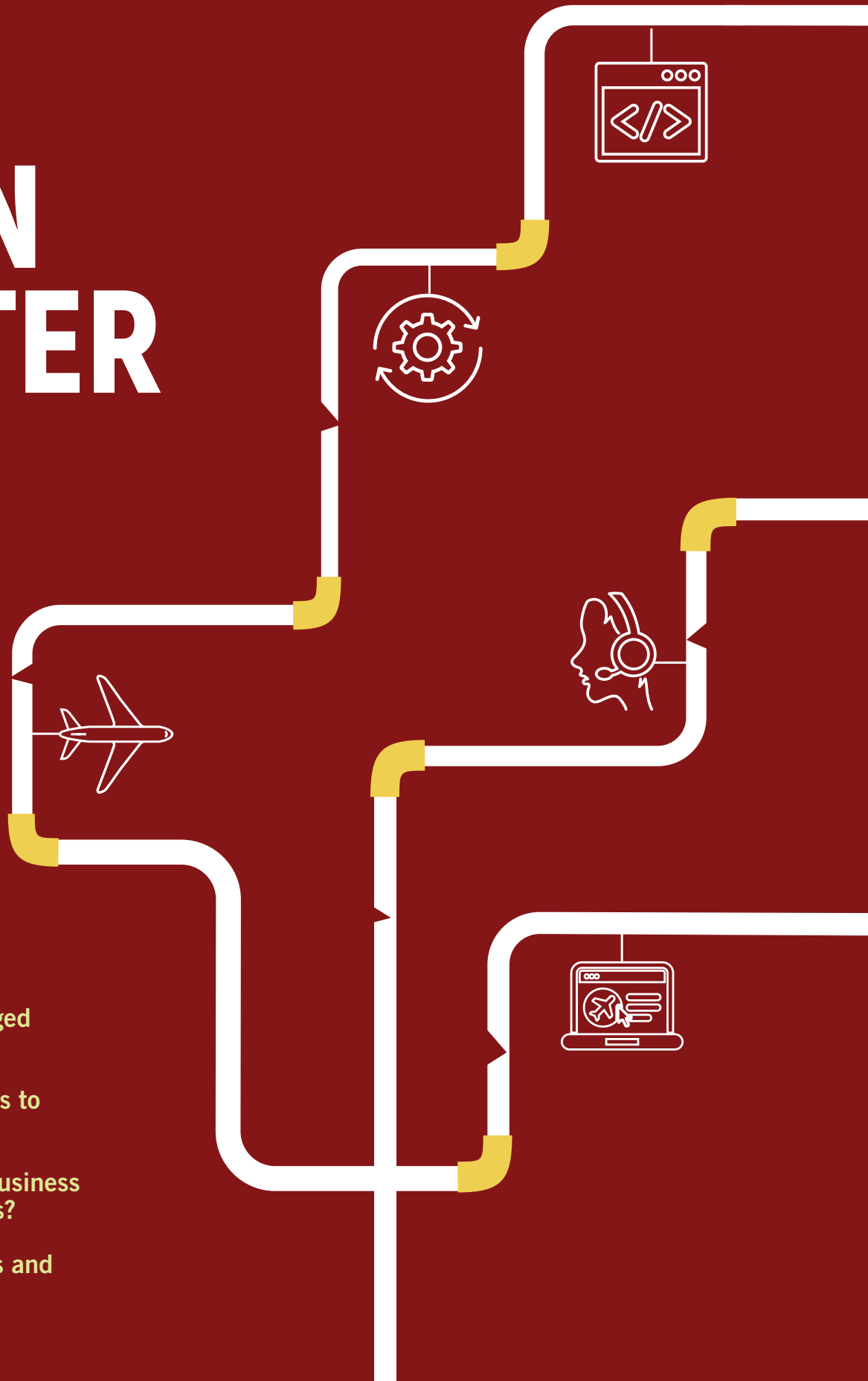
DELTA

# TMC NDC ADOPTION BAROMETER

The New Distribution Capability is a technology standard with a straightforward premise: to modernize airline distribution in the agency channel. But how do corporate travel agencies around the world view the NDC standard? How are they approaching adoption and enablement? *The Beat* surveyed 30 major corporate travel agencies and learned that to TMCs, NDC is anything but straightforward.

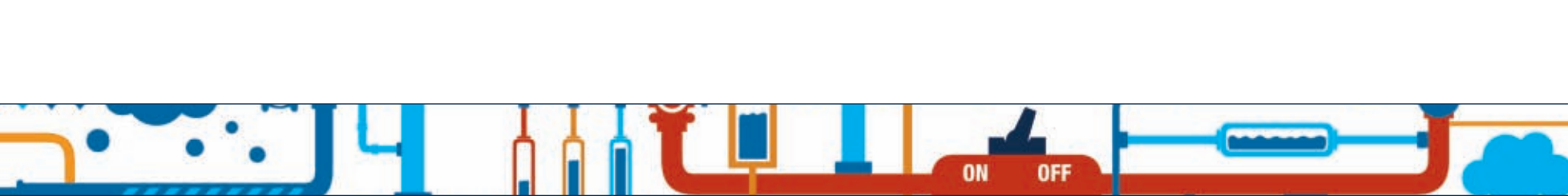
## THIS IN-DEPTH REPORT AND ACCOMPANYING WEBINAR EXAMINE:

- Where does adoption of NDC stand in managed corporate travel?
- How are TMCs investing in their tech systems to shop, book and service NDC-type content?
- What challenges does NDC pose to agency business models, airline content access and workflows?
- What are the pros and cons of NDC for TMCs and their corporate customers?



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and order management” APIs, as well as the use of servicing messages. As of now, nine airlines are certified at Level 4, including seven that are on IATA’s Leaderboard. And 12 IT providers and aggregators are certified at that level, as well, according to IATA director of industry distribution programs Yanik Hoyles.

Beyond Level 4, IATA also has an NDC@Scale level, which also will include a Business Travel Ready designation that indicates the capability to shop for flights, ancillaries, multicity or open-jaw itineraries and negotiated corporate fares. Open-jaw itineraries are those for which the return flight departs from a different city than the one where the originating trip landed. The first airlines to be certified at that level will be published at the end of the summer, Hoyles said.

Corporate travel requires distribution partners that can “deal with all the process work that travel agencies have, which today through the GDSs are working quite efficiently: applying policy, profiles and preference and negotiated deals,” Travelport president and CEO Gordon Wilson said at the CAPA event. “With NDC, we’re working out how to do all of that work so we don’t take away from the efficiency in the system today.”

In terms of the NDC journey, Wilson said Qantas “will be farther out than anyone else” when it launches the Qantas Channel on Aug. 1. It will source content from the carrier’s NDC-certified distribution platform. Global distribution system bookings outside that platform will carry a US\$12.50, or \$17.50 Australian, surcharge per segment, though Qantas already has distribution agreements with Sabre, Amadeus and Travelport to make the channel available sans surcharge. Many of Qantas’ agency partners also participate in the channel.

Even as industrywide progress continues, the time for an individual company to execute an NDC strategy remains long, Heywood said. An airline starting from scratch today still will take about a year to 18 months to even get its API into the market. Even then, it takes time to

**“NDC is here, but is it here effectively and working? No. Maybe by the end of 2020 it will be for a few airlines, but that’s all.”**

**—TRAVELPORT GLOBAL HEAD OF NEW DISTRIBUTION IAN HEYWOOD**

further build out the capabilities, not to mention the revenue strategy change required of airlines. “There is a long time on building the technical capacity and an even longer time learning how to use this new capability, whether by humans, machine learning or a mixture of the two,” Heywood said. “You also have revenue managers who suddenly have the ability to have a different price on every seat in the aircraft, and do they know how to do that? You have to retrain people, and there is a lot of learning.”

Beyond its “critical mass” vision, IATA projects that “mass adoption” of NDC will not happen until 2025.

### **What It Means for Travel Buyers & Travelers**

With NDC now on the market on a small scale, talk is evolving into what exactly the data-transmission standards will mean to travel buyers and travelers in the long run.

The American Airlines and the TripActions/United pilot programs demonstrate some of the promises long made about NDC’s potential for personalization and creation of corporate bundles. IATA director of transformation Eric Leopold said personalization will make shopping for airlines more like Netflix, which tailors films and shows to a subscriber’s preferences rather than displaying the same static list for all users. “I wouldn’t see that today on an airline, but in the future, it is going to happen,” he said. “If I was spending two days in Seoul, for example, they would know I would need Wi-Fi and no checked bags. That is personalizing the offer.”

As bookings move toward mobile and voice, personalized options, rather than the need to review all possibilities, will become critical, he added.

In corporate deals, buyers already are asking whether they could select different bundles of ancillaries based on the level of employee traveling: different packages for different layers of management, for example, said Japan Airlines regional VP of global and strategic sales Derek Ho. NDC makes that possible, he said.

Heywood said NDC also could change the way corporate air programs are negotiated altogether. For instance, a corporation could negotiate a rate for a certain number of “units” flying out of a location, with top executives who fly first class, mid-level executives who fly business class and standard employees who fly economy class all paying the same fare per unit. “Does that work for a corporation? Arguably yes, and the airline can deliver that now,” Heywood said. “Whether they want to deliver it is a discussion to have with the airline.”

Or, an airline could tailor deals for corporate travelers in general rather than negotiating directly with a corporation, he said. “You might find airlines cut fewer big deals and just say, ‘Hey, we’ll do these things for corporates,’ treated as one big pool,” which would be good for small and midsize enterprises, he said. “The way that corporate deals are put together is pretty boring—even if you are a big corporation, they are quite static—and it hasn’t changed for the last 20 or 30 years. Now, you can put something a lot more dynamic in place.”

Airlines also might target, more closely, to whom they sell certain fare types, Heywood said. An airline that has only a handful of business class seats left on a key route might close those off to a leisure travel agency and leave those seats for corporate agencies, he said.

How those possibilities play out will become clearer as NDC moves beyond the experimentation stages. “They’re capabilities. It doesn’t mean they’re going to be successfully used, and that’s what we’re going to find out,” Heywood said. “There’s a capability now, and how do you monetize it and grow it for the industry? That’s what’s going to be learned to do in the next few years.”

—Additional reporting by Amanda Metcalf



Tricia Mauldin

Craig Fichtelberg

## WHAT SMALL & MIDSIZE ENTERPRISES WANT IN A BOOKING TOOL

Online booking tools historically have been designed with large enterprise users in mind, leaving small and midsize enterprises to make do with systems that are more complex than many SMEs require. BTN managing editor Amanda Metcalf and technology editor Adam Perrotta convened a roundtable including two SME buyers—Wiley global travel manager Nichole Enchelmaier and Sonepar USA T&E administrator Tricia Mauldin—along with the heads of two travel management companies/online booking tool providers serving SMEs—TravelBank CEO Duke Chung and AmTrav president Craig Fichtelberg. BTN intends for this meeting of the minds to accelerate the development of tools that truly serve SMEs—and to promote understanding of the hurdles.

### BUYERS, WHAT DO YOU WANT OUT OF AN OBT?

**TRICIA MAULDIN:** Number one: We've got to find a tool that's going to attract and entice the traveler to use it rather than going directly to the airline or the hotel website. We have leakage, and that's because many of our people are finding it easier to go directly to the merchant to do the booking with fewer issues.

### DO YOU HAVE IDEAS OF WHAT IS DRIVING THEM TO BOOK OUTSIDE THE TOOL?

**MAULDIN:** What I find is our bookers will use the tool [to search], but then they go to direct sites to see if they can get better pricing, so the pricing is number one. And then, especially for air travel, our road warriors know what flight they want to take, so if the booking tool doesn't have it, that's a big issue.

### WHAT CAN ONLINE BOOKING TOOL PROVIDERS AND TRAVEL MANAGEMENT COMPANIES DO AS FAR AS GATHERING CONTENT?

**CRAIG FICHELBERG:** This is a huge issue, and for TMCs to remain relevant, they need to be able to provide content that is equivalent or better than what you can get from the suppliers. Too many TMCs right now are sitting back and waiting on the [global distribution system] companies to figure out these content issues through [New Distribution Capability]. TMCs that own their

own technology have the capability to work directly with suppliers. Even if [that means] bypassing the GDS relationship and a revenue stream from the GDS, the TMC's responsibility should be to provide the best content to the customer—and that's where these supplier relationships come in.

### TO THAT END, AMTRAV DEVELOPED ITS OWN BOOKING TOOL AND WORKS WITH SUPPLIERS TO GET THE CONTENT CLIENTS WANT. BUT IN GENERAL, WHY IS IT SO DIFFICULT FOR TMC BOOKING TOOLS TO PRESENT THE SAME CONTENT THAT A TRAVELER CAN FIND DIRECTLY ON A SUPPLIER'S SITE?

**FICHELBERG:** TMCs today are extremely dependent on the GDSs, and the problem is: Those systems were not set up for and aren't capable of supporting the type of merchandising the airlines would like to offer, like selecting a meal in advance, getting an Admirals Club pass before you fly or checking bags ahead of time. All those things are very difficult to do through the normal [corporate travel] distribution channels.

**MAULDIN:** It seems, especially where airlines are concerned, that we're dealing with antiquated systems and processes and there's such a lag in accuracy in airline booking, and that's why we find a lot of people going directly to the airlines' sites; they're guaranteed to get what they know to be accurate. There's often some accuracy lost when going through the

TMC, and that's where the frustration is because the traveler needs to minimize the time they spend booking.

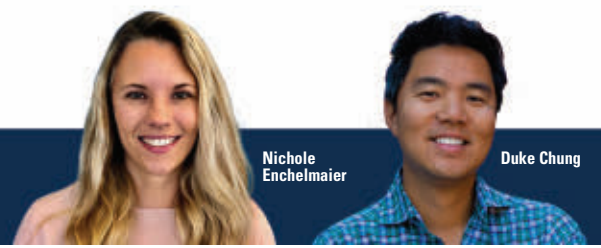
### IT'S INTERESTING YOU USE THE TERM "ACCURATE." WE'VE HEARD TERMS LIKE "TRANSPARENCY" TO REPRESENT THE IDEA THAT THERE ARE FARES THAT EXIST BUT DON'T APPEAR ON EVERY CHANNEL, BUT THE CONCEPT OF "ACCURACY" SEEMS TO DESCRIBE A TRUE SOURCE OF ALL FARES—THE AIRLINE—AS ACCURATE AND THE OPTIONS DISTRIBUTED TO CORPORATE TRAVELERS AS INCOMPLETE.

**MAULDIN:** It does, because what I find is a TMC will say, "If you couldn't find a flight [on our booking tool], it's not available or it's fully booked." But then, my traveler turns around and says, "Well, I went to Delta and got the flight." That's where the accuracy fails.

**DUKE CHUNG:** The issue of content being opaque plagues this entire industry. Everyone's message is, "We have the most content," but actually nobody knows what the content is or where it came from.

### IT'S CLEAR CONTENT IS A MAJOR ISSUE IN MOTIVATING TRAVELERS TO USE AN ONLINE BOOKING TOOL. WHAT ABOUT USER EXPERIENCE?

**CHUNG:** The industry really has an opportunity to begin to innovate a lot more by focusing on the traveler experience more than the administrative side. All of the booking products that



Nichole  
Enchelmaier

Duke Chung

have been around for more than five or 10 years have focused on the admin side, and none were focused as much on the traveler side. Current products in the booking market don't provide enough value for employees to want to use them, so therefore they go outside [preferred channels] to book in their favorite places. So focusing on why the traveler wants to book on a platform would really help with adoption.

## WHAT FEATURES DO BUYERS DREAM OF TO IMPROVE THE VALUE PROPOSITION TO TRAVELERS?

**NICHOLE ENCHELMAIER:** Some technologies that I would like to see would be more intuitive, possibly a "what if?" scenario for a traveler to influence behavior. For example, if I'm traveling from New York to London, what if I waited three days [to book]? Historically, what would that ticket price look like? What if I booked a week ago? How can I influence my travelers to make better decision using AI technology and historical data [to present] information the traveler could use to make better buying decisions? There's got to be a way to harness the data being put into the system to paint that picture for the traveler.

It would be great if there were a way to filter out search results that are against [traveler] preferences. For instance, if I only want to fly in an aisle seat, it could filter out flights where there are no aisle seats available. Things like that would take the guess work out of it for the traveler so they can see flights that would fill their needs. They're the ones that are traveling and travel is hard, so if there's a way to make them happy by getting exactly what they want at the beginning, that would be great.

**MAULDIN:** Another issue we have is when you can't sort out basic economy [fares], which would not work for most of our travelers. So we need clear markings that they're not accidentally booking basic economy, or filters so that basic economy doesn't appear in the search results.

**FICHTELBERG:** Or even Wi-Fi. If you're traveling for business, maybe you only want to search for flights that have fast Wi-Fi, as opposed to the standard speed.

## DUKE AND CRAIG, IS THIS FILTERING AND SORTING TECHNOLOGICALLY POSSIBLE FOR BOOKING TOOLS, BASED ON THE INFORMATION YOU HAVE AT YOUR FINGERTIPS?

**FICHTELBERG:** That's what a lot of NDC content is going to drive. It's going to differentiate one flight from the next, either by the amount of seat pitch or what kind of Wi-Fi it has. Or maybe I'm flying on a Sunday and I really want to watch this football game, and [I can compare] three flights that are similar in price but one has live TV. That's totally the direction this is moving, and it benefits the traveler and the corporate because the more enriching [booking tools] can make the process, the more employees are going to want to travel.

**CHUNG:** For business travelers, we know it's not always about price; it's about comfort, as well, since they're on the road so much. And being able to compare by comfort, as well as price, is a value-added benefit [a booking tool can offer].

## LET'S TALK IMPLEMENTATION OF THE OB. THAT'S ONE AREA IN WHICH SMES HAVE DIFFERENT NEEDS FROM LARGER ENTERPRISES.

**CHUNG:** Small businesses are really focused on having a solution they can get up and running really easily. They don't want to go through a drawn-out process to try something and see if it works. It's just too much friction for them.

**MAULDIN:** We're actually transitioning from one booking tool to another, and we've been delaying our rollout because during our pilot, we've found too many uncertainties and issues [around content and customer support]. We started a year ago in March, and we haven't gone live because we don't feel comfortable rolling it out to the associates.

## WHY DOES IMPLEMENTATION OFTEN TAKE SO LONG?

**FICHTELBERG:** It's because the traditional TMC is completely dysfunctional. You have a separate travel company, a separate expense company, different reporting coming from each. You've got different contracts, different pricing models and a separate after-hours service. And you're trying to manage this and appear as one company; that comes across when you get tested with an implementation. I don't think that model is sustainable in the long run.

## SO HOW CAN PROVIDERS OFFER QUICK, SIMPLE IMPLEMENTATION?

**CHUNG:** It has a lot to do with the product design and experience. It has to be simple for your employees to try it. When running a pilot, it used to be,

"Let's get everything scheduled and do a training and implementation and then collect feedback." That takes weeks and sometimes months. It should be something you can try in a matter of days by downloading an app and trying it out and seeing how it works. For TravelBank, we put a lot of energy into making the system easy to deploy to say, five people, and they can come back and tell you how they like it. Then as a travel manager, you can take that feedback to us as you continue to roll it out.

**FICHTELBERG:** We also offer a model where you can try it out quick. In the past, [implementation] has been so much of a process. Booking tools today were all built for enterprise companies and then stripped down for the SME space, whereas our booking tool was built from the ground up to the needs of the SME customer, and that eliminates a lot of the baggage that's really unnecessary for SMEs.

## WHAT ARE SOME EXAMPLES OF THINGS THAT MIGHT EXIST IN AN ENTERPRISE-SERVING BOOKING TOOL THAT WOULD JUST GET IN THE WAY FOR AN SME?

**FICHTELBERG:** One is in the travel policy. We have about seven levers under air, car and hotel. Other booking tools have pages of information and they're not all in the same place, so you often have to pay someone else to manage that process. The second is in reporting, where tools built for enterprises give you hundreds of reports, and [SMEs] don't want hundreds of reports. We want to give you the five or six reports that are going to be most useful to you to manage your business. ■

## WHAT'S ON YOUR BOOKING TOOL WISH LIST?

Do you manage travel booking for a small or midsize enterprise? What features or capabilities do you dream of—whether to benefit your travelers or yourself? Send us your "wish list" to keep the discussion going. Email payment and technology editor Adam Perrotta at [aperrotta@thebtngroup.com](mailto:aperrotta@thebtngroup.com).

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# TRAVEL BUYING & ETHICS: *A new series from BTN*

COMING UP IN FUTURE ISSUES: HUMAN TRAFFICKING & HUMAN RIGHTS

CONTINUED FROM FRONT PAGE

## Can the Travel Industry Avoid a Bad Climate Change Reputation?

ultra-low-cost carriers, offering short-haul flights for as little as 10 euros per segment, were being “environmentally irresponsible because we basically shouldn’t be taking advantage of the environment for that little money.”

Regulations aside, travel industry executives increasingly are becoming aware of their own image, not wanting to be known primarily as polluters. SAS CEO Rickard Gustafson, speaking on a sustainability panel hosted by Shell Aviation, said he saw a “real and tangible” image impact from the environmental perception of aviation. Over the previous six months, domestic aviation in Sweden had dropped 5 percent, presumably meaning year over year. And that did not just account for leisure travel. “The stigma against aviation has become so impactful that most corporates—they are changing their travel policies and dictating their policies so if there is a train alternative that will take three-and-a-half hours longer than the air service, they use rail service,” Gustafson said.

On the same panel, SATS president and CEO Alex Hungate said he was concerned the industry could “end up with a situation like the tobacco industry, where we can’t attract talent because we’re a pariah industry.” While Hungate was talking about airlines, it’s not a stretch to carry his comments over to corporate managed travel programs, to imagine an employee base less willing to travel if employees equated travel with environmental harm.

And though hotels are not under the same regulatory spotlight as airlines, they are not exempt from the scrutiny, either. Bjorn Hanson, industry consultant and adjunct professor at the NYU School of Professional Studies Jonathan M. Tisch Center of Hospitality, said surveys have shown that about 20 percent of travelers view environmental issues in lodging as “very important.” While that might not sound like an overwhelming percentage, that represents travelers who might alter travel plans if they have environmental concerns about properties. “Corporations and organizations that sponsor events and hold them in hotels might have their personal objectives or corporate objectives,” Hanson said, but they also want to avoid being called out by meeting attendees for using, for instance, plastic name badge holders.

The budding business of environmentalism awards also is a form of peer pressure on both travel suppliers and travel buyers, as some simply don’t want to be left out of the lovefest, Hanson said.

### Moving from Measurement to Action

Many travel buyers have been gathering data on their programs’ carbon footprints for years, though the degree to which that data is used has been shifting.

American Express Global Business Travel VP of risk and compliance Michelle Dyer said the travel management company has been refreshing its corporate social responsibility programs since acquiring HRG and that an increasing number of clients ask for data on greenhouse emissions from business travel. They also request consulting services to determine how to get those numbers under control through policies and other methods. “Is it as strong as cost in informing travel policies?” Dyer wondered. “Probably not yet, but it’s an influencer,

something they are taking into consideration.”

Margaret Brady, now a travel consultant, was one of the pioneers in measuring travel program emissions when she managed travel for A.T. Kearney more than a decade ago. The company set up a data warehouse to measure its footprint and set tangible goals for carbon reductions. As more companies look to set up similar programs, Brady said they must base sustainability claims on data and metrics, not just on vague sustainability designations by suppliers of “gold status” or such. Air travel emissions are easier to measure. TMCs often provide such data in ranges. While at A.T. Kearney, Brady worked with a third party that could measure emissions based on actual miles.

Estee Lauder Cos. executive director Jami Stapelmann works across more than 40 brands and partners closely with the organization’s environmental and safety groups. She gets reporting from both airlines and car rental suppliers. One opportunity that she noticed to make overall reductions is one-night trips, she said. “There’s a pop-up when booking through the online booking tool and agency, asking, ‘Could this be an online meeting or handled through Skype or Zoom?’” Stapelmann said. “Unlike the olden days, when you had to go, this is using technology to help you manage your business better, budget better and your health and well-being better.”

At the IATA meeting, airline executives said that consumer buy-in on the carbon offsets they offer remains low, partly because they are not widely understood. Shell New Energies VP Duncan van Bergen said his company surveyed 4,000 people across Western Europe and while half would pay a small amount to offset flight emissions, “60 percent said they didn’t feel they understood the part of the conversation well enough to be making an informed choice about participating in an airline program or some other program.” Some airlines are pushing awareness. For the month of June, for example, JetBlue paid off all passengers’ carbon offsets to better educate them, CEO Robin Hayes said. Gustafson said SAS started a program to offer the offsets for free to all who enroll in its frequent-flier program. “We felt that we needed to demonstrate that we really take this seriously and show that we are prepared to take some costs to this here and now, even in an extremely competitive landscape,” he said.

That also could translate to deeper discussions between buyers and their airline partners on carbon offsets. Years ago, Brady tried to include offsets in negotiations with airlines and met resistance, but she said some buyers are finding success on that front. At the June CAPA Centre for Airline CEOs Summit, Travelport global head of new distribution Ian Heywood said the New Distribution Capability standards also will open the door for carbon offsets to become part of bundled fares.

In the meantime, Brady said: “You have to determine what the goal is, what your path is and what the time line is to achieving that goal. Some



companies might just measure and pay [for offsets] internally, but we wanted the business units [at A.T. Kearney] to be engaged in the efforts.”

Hotels are more difficult to assess than airlines. Attempts to develop universal green scales to measure them have not caught on, Hanson said. Even so, the Global Business Travel Association’s RFP template addresses water, energy and waste production. “Organizations are requesting it as part of the RFP, but if you follow up and ask whether organizations have ever changed their mind with the environmental statement of Hotel A versus Hotel B, you didn’t get yeses,” Hanson said. “Putting pressure on them to be more environmentally friendly is the goal, more than [using it] to calculate something to choose one hotel over another.”

Organizations also can designate which hotels are environmentally friendly in booking tools, basing it on information like LEED building certification, Brady said, and for meetings, sustainability also can mean locally sourced food. Amex GBT’s Dyer added: “People are looking to engage with the local communities and do initiatives, such as partnering with local charities. On the environmental side, they’re looking to reduce waste—eliminate printed materials, single-use plastics and food waste—as well as the greenhouse gas reporting that would go on with those meetings.”

Stapelmann said Estee Lauder’s sustainability requests when sourcing meetings include glass water bottles rather than plastic. Some of the company’s more green-focused brands ask as many as six pages of questions on sustainability regarding meetings.

The commitment to reducing business travel emissions varies by company type, Brady said. For consultancies and similar businesses for which business travel makes up the vast majority of its carbon footprint, reducing travel emissions will be more of a focus than for a manufacturing company, which would concentrate on the carbon footprint of its regular business processes.

### Supplier Progress

Airline executives spoke on a common theme at the IATA meeting: While airlines need to continue to reduce their carbon footprints, they also need to better communicate those efforts to the traveling public. “We have not properly relayed to the public the good work that we are doing,” Qatar Airways CEO Akbar Al Baker said. “There are strides already being made and a lot of misinformation being given. It is easy to blame aviation without realizing there are other modes of travel that are bigger pollutants.”

The United Nations’ International Civil Aviation Organization in 2016 adopted the Carbon Offsetting and Reduction Scheme for International Aviation, which requires annual CO2 reporting from all airlines as of this year. The long-term plan is to reduce CO2 emission levels by the year 2050 to half of what they were in 2005. In addition to cutting emissions, the scheme also includes offset

requirements that begin in 2021 for nations that have agreed to be in its pilot phase, including the U.S., Canada and much of Europe. Steps toward that measure have included aircraft types that burn less fuel, lighter seats that reduce an aircraft’s weight and biofuels that emit less carbon. Airlines also are adding pre-order meals to reduce food waste and reducing single-use plastics, which have become a focus in recent months since a whale was found dead in Italy with 48 pounds of plastic in its stomach.

United Airlines director of environmental policy, programs and sustainability Maria Race said the carrier is looking to its own employee base for more ideas. “We’re going through training this year with every flight attendant, and we’ve had a lot of great suggestions for how you eliminate food waste and some of these plastics,” she said. “They’re living it every day, so it’s really important for us to work with people who might have some fantastic ideas and [to] get out of the echo chamber.”

Airline executives, however, said governments play just as crucial a role in helping to reduce emissions as do the airlines themselves. The airline executives encouraged travel buyer organizations to throw their weight behind such policy changes. Biofuels, for example, need the support of governments in R&D to be successful, IATA director general and CEO Alexandre de Juniac said.

Air traffic control modernization plays a critical role, as it lets airlines take more direct paths to destinations and spend less time in holding patterns, wasting fuel. “Governments are keen to talk about emissions and CO2 issues, but they are doing very little investment in improving air traffic management,” Al Baker said. “They are still operating the airspace as if we were three decades behind.”

Hotels are doing their own work, Hanson said. This includes offering bonuses to guests for reduced housekeeping services; replacing tubs with shower units; putting forth designs without wall-to-wall carpeting, which requires less energy for vacuuming; and using more environmentally friendly cleaning suppliers.

### In a recent column in BTN sister brand Business Travel iQ, AMM Consulting senior partner Ole Mortensen said travel buyers should consider the following to reduce business travel-related pollution:

- Look for opportunities to replace physical conferences with virtual conferences. One Danish medical company recently made its commercial strategy summit completely virtual. More than 350 colleagues across the globe participated in virtual workshops and live sessions.
- Increase use of virtual technology to replace internal meetings.
- Pay offsets and advocate that travel taxes be used for funds that finance science and sustainability projects like protecting rain forests and developing solar energy.

A challenge, however, is that hotels, by design, must pursue certain practices that are not ecological, Hanson said. HVAC use always will be high because guests do not want to enter hot or cold rooms. Hot water systems must be designed for peak use. Lighting in public areas has to be on whether one or 100 guests are in the hotel. And even if guests are willing to forego housekeeping during their stays, they would never use the same linens as previous guests.

That circles back to the original conundrum: Travel with zero environmental impact is impossible. When the industry works together to mitigate that as much as possible, however, it also can emphasize the higher purpose of travel, Dyer said. “Travel is important; it helps band society’s fabrics together, especially business travel, as no one is just doing it for their own entertainment. We need to do it for a purpose, and we need to think about how we can be part of the collective leadership around sustainability.” ■



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*- Ruth O'Brien, Travel Manager - The Americas, Firmenich*

”



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## Canada's New Flight Disruption Compensation Regulations

Canada now requires carriers to compensate passengers for flight disruptions within the carriers' control. The Canadian Transportation Agency's Air Passenger Protection Regulations are similar to the European Union's Flight Compensation Regulation EC 261/2004 and follow months of drafting and public consultations.

They apply to all flights to, from and within Canada, including connecting flights. Compensation for denied boardings will begin July 15. The regulation requires compensation of up to \$2,400, based on how late the traveler reaches his or her destination. Compensation for delays and cancellations begin Dec. 15, though airlines are exempt if the delay or cancellation is meant to ensure passenger safety. Under the regulation, passengers can choose between money or an alternative form of compensation, such as a voucher, though the alternative must be of higher value than the required monetary compensation and must not expire.

A contentious issue had been whether airlines should be exempt from compensation for delays and cancellations due to mechanical malfunctions. AirHelp chief legal officer Christian Nielsen, whose firm helps travelers reclaim flight disruption compensation, opposed the exemption, worrying that airlines would exploit it. Ultimately, the exemption made its way into the regulations, which define a mechanical malfunction as "a mechanical problem that reduces the safety of passengers, but not one identified during scheduled maintenance." This puts mechanical malfunctions within airlines' control but exempts them from compensation in the name of passenger safety.

—Dawit Habtemariam

### COMPENSATION FOR DELAYS & CANCELLATIONS

Airlines That Transported at Least 2 Million Passengers in Each of the Past Two Years	
<i>Delay of Arrival to Final Destination</i>	
3 to 6 hours	400 Canadian dollars
6 to 9 hours	700 Canadian dollars
More than 9 hours	1,000 Canadian dollars
Smaller Airlines	
<i>Delay of Arrival to Final Destination</i>	
3 to 6 hours	125 Canadian dollars
6 to 9 hours	250 Canadian dollars
More than 9 hours	500 Canadian dollars

Source: Canadian Transportation Agency

## The Fastest-Growing & Busiest Airports BY DAWIT HABTEMARIAM

Florida hosts the three fastest-growing airports among those that handled more than 1 percent of North America's scheduled departing seat capacity each between June 2018 and May 2019, according to OAG. Seat capacity grew by at least 6.7 percent year over year for that period in Orlando, Tampa and Fort Lauderdale, all led by Spirit.

	Most Departing Seats		Biggest YOY Changes in Departing Seats		Most Routes Added YOY	
<b>Among Airports That Handled Over 1% of the Continent's Departing Seat Capacity from June 2018 Through May 2019</b>	Atlanta	62,644,729	Orlando	7%	Orlando	22
	Los Angeles	51,818,960	Tampa	6.7%	Denver	17
	Chicago O'Hare	50,113,124	Fort Lauderdale	6.7%	Dallas/Fort Worth	15
	Dallas/Fort Worth	41,402,481	Philadelphia	6.6%	Chicago O'Hare	15
	New York JFK	38,175,455	Denver	6.4%	Philadelphia	11
<b>Among Airports That Handled Between 0.25% &amp; 0.99%</b>	Portland, Ore.	11,962,913	Jacksonville	20.2%	Raleigh/Durham	10
	Calgary	10,743,519	Nashville	14.6%	Austin	10
	Dallas Love Field	10,469,710	San Jose	12.3%	San Jose	9
	Nashville	10,468,752	Austin	10.9%	Nashville	8
	Austin	9,959,917	Edmonton	10.7%	Oakland	8
<b>Among Airports That Handled Between 0.05% &amp; 0.24%</b>	Winnipeg	2,956,392	Toronto John C. Munro Hamilton	54%	Destin	7
	Memphis	2,917,205	Abbotsford, British Columbia	43%	Toronto John C. Munro Hamilton	7
	Charleston, S.C.	2,870,631	Sarasota	36%	Syracuse	5
	Halifax	2,748,460	Asheville	35%	Madison	5
	Richmond	2,735,460	Missoula	26%	Myrtle Beach	5

Source: OAG

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BCD TRAVEL'S  
APRIL BRIDGEMAN

BCD Travel has created a global hotel division and branded service, Stay by BCD Travel, for managing hotel programs. It will be led by April Bridgeman, who assumed the newly created role of SVP of hotel solutions in April while retaining oversight of the travel management company's consulting arm, Advito. She spoke with BTN lodging editor Donna M. Airolti.

### You say companies need to go “beyond sourcing,” to achieve their program goals. What did you mean?

There have been decreasing incremental returns for years around sourcing. And the data tell us that our clients have an opportunity to reduce the size of their negotiated programs. They're negotiating rates and markets where they just don't have enough spend or leverage to achieve a competitive rate. They end up sending travelers to hotels that are not really giving them anything in return. [This sets] what we call an anchor price in a market, [where] the hotel that appears first on the list of search results is not competitive. The traveler then thinks, “Hey, it's OK for me to spend this amount. This is what the company has negotiated.” It can have all sorts of unintended consequences. Our mantra around negotiated programs is consolidating and reducing the number of hotels you have per market and diversification. It's really important to not use the same hotels and negotiate with the same hotels over and over again each year. It's important to create some competition and leverage by changing those hotels. Also, to diversify the types of rates you negotiate. There's a time and a place where static last room available rates are great, and there are circumstances where dynamic rates are more appropriate or dynamic rates with a cap.

### What other spend management strategies do you recommend?

Managing rate availability, holding suppliers accountable to making rates available and price assurance, applying market-level rate targets. People very much are impacted by the first price they see or the expectation that is set when they're going to make a purchase. When we use rate caps in the industry, you're setting the max that someone should spend, so they buy up to that max. It's human nature. For one client, we implemented market rate targets. This client saved more than double in the markets where there was no preferred hotel or no rate target tied to a preferred rate. She saved 4.9 percent just from manipulating rate caps and turning them into rate targets. She saved only 1.9 percent in preferred markets with the target at the top, the negotiated rate. It can be a very effective strategy.

Another strategy is to increase content, to make sure you are making available not just traditional [global distribution system] content but also hotel booking aggregator content. Online travel agencies will negotiate rates with hotels, and they also include a lot of hotels that do not sell to the GDS and they have different pricing structures than you often see in the GDS. There's no rate parity across any of those sources. The GDS may win at 1 p.m. that day, but when you look at 5 p.m. Booking.com may win.

### BCD Travel's April Bridgeman talks:

- “Beyond sourcing” & strategies to achieve hotel program objectives
- Market caps versus market target rates
- Availability of booking content

It's really important to bring not just more properties—some of those independent hotels, but also the different rates you get from different sources—into the booking path for travelers. If they don't see the kinds of prices and hotels they might see when they go out and shop the other consumer channels, they will not have confidence that the [company's] hotel program is guiding them to a good purchasing decision.

### It sounds like BCD's position is that there is too much formal hotel sourcing going on and other strategies can accomplish a lot of a company's objectives.

We want to deemphasize sourcing, the amount of time and resources we spend on sourcing. You still need to do it, [but] you need to do less of it and need to be more diversified in your approach. But companies can get more value by spending the time on the other strategies: rate availability management, price assurance, setting market-level rate targets and not caps and keeping them fresh, adding content, and merchandising.

### How will you address rate, location and availability gaps?

Our technology platform has very strong content aggregation capabilities. It's very easy for us to bring in more content, whether it is by integrating another hotel booking aggregator or OTA content or by negotiating directly with properties ourselves. We have more content right now than any other managed travel platform because of what we are bringing together on TripSource Hotels. One other thing: We measure and actively manage the availability of negotiated rates. For a typical client, 35 percent of the time, the negotiated rate is not available. Not only does that hotel become a cost issue, it also becomes a traveler confidence issue. We have to push the different booking platforms to help us manage more effectively, perhaps [by] not giving the hotel space at the top of the list when the rate is not available.

### How will BCD's new division help drive compliance?

One of the biggest issues is the experience travelers have when they start to go through the shopping and booking process for hotels. Is the way your online booking tool configured going to give them confidence that you are bringing competitive rates to the table? If you go into an OBT of many corporations, the sort default is to have the preferred properties at the top, whether or not those preferred properties actually are offering competitive rates at the time of shopping and whether or not those preferred properties actually have relation to where the traveler [needs to be located] in a particular market. Those [relevancy issues] can encourage travelers to move on [to other shopping platforms]. Making sure travelers know about the price assurance program, that they know the strategy you've taken and the value of the negotiated rates you do have in the program are all ways to boost confidence. Our team can help with that through digital marketing campaigns and other strategies. The last piece is enhancing the experience. One of the key things we offer is virtual payment and digital invoice management, and it's about so much more than a lot of other tangible benefits. Virtual payment decreases financial risk, fraud for a company. Digital invoice automation makes it easier to reclaim value-added tax, particularly in Europe, but what it really does is: It reduces the number of items on expense reports for travelers. It takes out so much friction in the payment and expense process today for travelers. It can easily boost adoption for a program by 20 to 40 points. ■



## Cvent Acquires DoubleDutch

Cvent's shopping spree continues, as it acquired mobile event app provider DoubleDutch. This purchase follows the meetings, events and hospitality technology provider's acquisition of Wedding Spot in May. Cvent also has bought three other companies since May 2018, according to Crunchbase: another mobile event app, QuickMobile; venue booking platform Kapow; and event planning platform Social Tables. The company also had picked up event mobile app CrowdCompass back in 2012.

Cvent CEO and founder Reggie Aggarwal said the DoubleDutch acquisition represents an acceleration of Cvent's investment in mobile event technology. In October 2017, DoubleDutch was in its own expansion mode, having acquired meetings and event registration and management technology company Eventgrid. That put the company in play for enterprise clients and in direct competition with Cvent.

Perhaps it was only a matter of time before Cvent scooped up DoubleDutch, which has more than 500 global clients. Aggarwal told BTN at the turn

of the year that technology/engineering and client services were two of his company's growth areas. And after adding 1,000 employees in 2018, Cvent aims to add nearly another 1,000 in 2019. Still, a Cvent spokesperson had no comment on DoubleDutch's headcount or potential role changes. DoubleDutch founder and CEO Lawrence Coburn will transition out of his role in the coming months. ■

## Peerspace App Now Allows for Instant Meeting Room Bookings

Peerspace has relaunched its iPhone app, which offers meeting and event spaces for rent by the hour. New functionality employs Google Places to enable users to search spaces by city, street or region, such as SoHo or the Mission District. Previously, Peerspace presented spaces in just seven cities and in list format. The app now displays more than 10,000 venues throughout major metropolitan cities and regions but still is limited to the U.S. The company plans to add more locations this year. There's also the improved ability to filter by guest capacity, price and amenities; new date and time filters; filtering by features like fireplace or kitchen; and an expanded list of categories. Previous category options were off-site, event and production; added options include meeting, corporate event, board meeting and retreat. Venues include but are not limited to ballrooms, lofts, galleries, offices and bars and restaurants. The app relaunch also enables instant bookings rather than waiting for host approval, provided the space is available and the host has enabled this feature. ■



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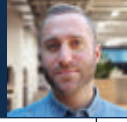
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## The Fight Against Out-of-Channel Bookings

Despite widespread adoption of online corporate travel booking tools, driving traveler use of those channels remains a struggle for many organizations. A new study indicates that simplified and streamlined booking processes may move the needle.

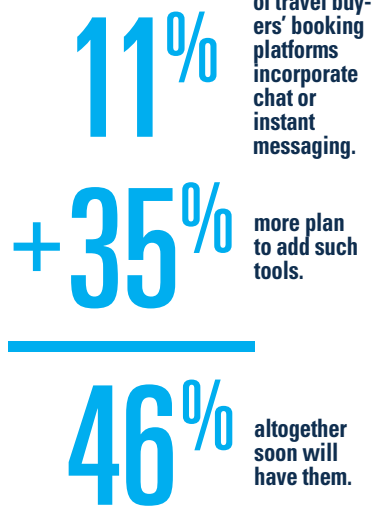
Of the 202 corporate travel buyers that the Association of Corporate Travel Executives and American Express Global Business Travel surveyed globally, 92 percent have adopted online booking tools, while 81 percent mandate that travelers book through the such platforms. However, less than 5 percent of those surveyed reported full adoption of the OBT, and just 59 percent reported more than 70 percent adoption. Meanwhile, 5 percent of travel buyers reported less than 10 percent adoption.

Prominent among the main hurdles is employee education about the importance of in-channel booking, according to the study. Just 47 percent of buyers communicate regularly with employees about their companies' preferred booking tools, and 8 percent said their companies never had such communication with employees, even during the onboarding process. Employees also tend to think they can get better prices through other booking services, a factor that 39 percent of travel buyers cited as the primary reason for out-of-channel bookings.

To drive compliance, many companies plan to make the OBT experience mirror online retail shopping more closely, the report found. Eighty percent said the ability to access one booking platform via both mobile and desktop is important for adoption. And while only 11 percent said their companies' booking platforms incorporate chat or instant messaging, more than 35 percent plan to add such features in the future. "The booking experience needs to be highly flexible and should look and feel like it does when they book personal travel," said ACTE director of research Fitzgerald Draper. "Travel managers should look for ways to market the selected tool to their travelers, including all the benefits that come with it."

American Express GBT VP of marketing and product strategy Evan Konwiser echoed that sentiment: "For a travel program to work, companies need to implement tools that are intuitive and delightful to use while deploying a marketing tool kit to reinforce why the program is good for them and the business." ■

### Rising Popularity of Booking Tools That Have Chat



## Deem Will Sunset Its Expense System

Corporate travel booking and management provider Deem plans to discontinue Deem Expense in 17 months. Clients of the system will transition to Certify, one of the expense systems participating in Deem's Open Expense Alliance. Deem said the company's "intense focus" on travel meant it couldn't dedicate the necessary resources to develop its own expense solution.

Deem chose Certify from among the expense systems that integrate with its Work Fource travel booking and management platform because Certify's features overlapped most completely with Deem Expense, making it the easiest transition for customers, said Deem SVP of business development Todd Kaiser.

Deem will provide customer service and support for Deem Expense until customers have transitioned from it, the company said. Work Fource will remain in use and will continue to integrate with Certify and other expense providers in its Open Expense Alliance, including Appticity, Chrome River, Expensify, Infor Expense Management and Oracle.

Earlier this year, Deem was acquired by Enterprise Holdings, an existing investor, in a deal that enables Deem to continue operating autonomously. Certify also was party to a major deal this year, announcing in March a \$1 billion-plus merger with Chrome River. Some said that deal could alter the expense management competitive landscape by challenging Concur's longtime market dominance. ■

## Ypsilon Enables TMCs to Use Virtual Payment

Travel management companies booking through aggregator Ypsilon now can book on behalf of clients using virtual cards, thanks to an integration with the Amadeus B2B Wallet virtual card platform. The integration will offer Germany-based Ypsilon's agency customers the flexibility to pay with virtual credit cards—and then pass the billings along to the clients—to optimize cash flow. They also can use virtual prepaid cards to take advantage of airline rebates offered for prepaid bookings. Aggregators like Ypsilon help get low-cost carrier content to corporate travelers, as LCCs typically don't participate in global distribution systems, and LCCs comprise about 25 percent of seats in Ypsilon's key European markets, according to the company. ■

## CWT: Travelers Don't Need Human Touch

A significant majority of global business travelers prefer to book trips digitally—via app or browser—rather than interacting with human agents, a CWT study found. A poll of more than 2,700 business travelers across the Americas, Europe and Asia/Pacific found that the preference for nonhuman channels holds across booking types and geographic areas.

Sixty-nine percent of business travelers prefer to book flights digitally rather than interact with humans, while 78 percent prefer digital booking for hotels and 71 percent for ground transportation.

The desire for digital booking over personal contact is most pronounced in Asia/Pacific, where 73 percent prefer to book their flights digitally.

Americas travelers follow closely at 71 percent, while 61 percent of Europeans prefer digital. Meanwhile, 84 percent of Asia/Pacific travelers, 77 percent Americas travelers and 70 percent of European travelers prefer to book hotels digitally.

Travelers also prefer digital when it comes to travel disruptions, though by a smaller margin; 33 percent say a mobile app is the best method of dealing with disruptions, compared with 21 percent who favor calling an agent.

The study also revealed that eight out of 10 surveyed business travelers have used technology instead of traveling for business in the past year, a quarter doing so five or more times. ■



# Amid Boeing 737 Max Concerns, What's a Managed Travel Program to Do?

BY JAY BOEHMER

The Boeing 737 Max has been grounded since mid-March, pending software updates and regulatory reviews. Even after service is restored, traveler sensitivity may linger. A Global Business Travel Association poll last month put those sensitivities into focus. A majority of 155 U.S.-based travel buyers were themselves “very concerned,” 38 percent, or “somewhat concerned,” 43 percent, about flying on a 737 Max. That apprehension extends to travelers, according to the survey, as 19 percent of buyers gauged “a lot” of concern among travelers and 40 percent gauged “some” concern about flying in the aircraft. “Anecdotally, we had a lot of concerned clients before the aircraft was grounded,” said one travel management company official, asking not to be quoted by name. “Since then, it has been very quiet. I assume we’ll start to hear noise once any decisions are made on the future of the aircraft.”

Yet, even as the aircraft remains grounded worldwide, travelers can book flights scheduled on Boeing 737 Max 8 and Max 9 aircraft for travel later this year. A majority of the travel buyers GBTA surveyed viewed travelers as “very likely,” 19 percent, or “somewhat likely,” 48 percent, to change plans to avoid the aircraft. So, what’s a travel program to do?

## Point-of-Sale Disclosures

Here’s good news for travelers who want to know which aircraft a flight is scheduled on: The information is readily accessible at the time of booking in various points of sale. American Airlines has extended cancellations on 737 Max 8 aircraft through early September. Yet, a search on its website—for a Miami-New York LaGuardia flight—in mid-October showed flights on the aircraft available for booking. Another U.S.-based major, United Airlines, has flights available on 737 Max 9 aircraft for October departures, based on a search for flights between Houston and Los Angeles. On their websites, American discloses aircraft type in flight listings, and United discloses aircraft type when a user expands a “details” tab.

Aircraft information similarly is available in corporate channels. One TMC official said, “Generally speaking, it’s possible to know the aircraft type at the point of sale,” both in agent desktop applications and through online booking tools, though “there may be some gaps in some countries on some platforms.” Atlas Travel president Lea Cahill said flight equipment information resides in the global distribution system data that TMCs and booking tools tap.

The presentation of this information varies by corporate booking tool interfaces. In some, aircraft type is accessible without much digging. In others, it takes a few clicks to see aircraft type while shopping for flights. Concur Travel includes aircraft type in shopping displays, a spokesperson said. Another online booking tool provider, Deem, shared a screenshot of its user interface, showing how a user hovering over an airplane icon within flight search options would see equipment type.

There are other avenues booking interfaces could pursue. As concerns about the 737 Max mounted this year, consumer metasearch site Kayak introduced a flight-search filter that gave users the ability to omit flight results based on a selected aircraft type. One CWT official said excluding aircraft type in searches “is not a functionality that clients have typically asked for but you can see the aircraft type when you book.”

Another disclosure option in corporate travel is point-of-sale messaging, available through TMCs or self-booking tools. “In Concur, you can do notifications in the tool,” said Cahill. “Maybe they don’t want to make it a policy but they want to let people know that if there’s two choices



A photo of 737 Max planes parked at Boeing Field made the rounds on Instagram recently.

and one choice is more expensive, the policy will allow you, within reason, to be on the equipment that you prefer.” Is it possible to include a special message for flights on a specific aircraft? Sure, said Cahill. “Agencies will do it differently and online booking tools will do it differently, but fundamentally, you’re talking about creating a rule that is looking for a piece of data and doing something. That is completely possible,” she said. Still, Cahill warned that overuse of messaging, rules and alerts in self-booking tools can slow down the system and tarnish user experience.

Further, point-of-sale disclosures only go so far for travelers who want to avoid the aircraft. Several TMC representatives cautioned that airlines can change aircraft on a scheduled flight up to and including the day of departure. That means the equipment a traveler books isn’t necessarily the one he or she will fly. One TMC representative noted: “Even if you, the traveler, have explicitly checked to make sure you’re not booking the 737 Max, the airlines may be able to put you inside one anyway.”

## Profile Preferences

Max-wary travelers also can include notes in their profiles. “Plenty of travelers are concerned over the equipment,” said Cahill, “and not just from a safety perspective. Some are concerned from a comfort-level perspective.” Traveler preferences on aircraft type predate the two fatal crashes that ultimately grounded the 737 Max. Some travelers just prefer one type of aircraft over another—larger mainline planes over regional jets, for example. “Yes, agents do get asked,” Cahill said of aircraft types.

## Policy Considerations

“Different companies will have different approaches in terms of how they manage this issue if and when the Max 8 comes back online,” said one TMC representative. “At one end, companies might say that they’re happy for travelers to fly if the authorities say it’s safe. On the other, some people could prevent travelers from boarding the aircraft. The latter is less likely.”

While taking a 737 Max “might be stressful for some travelers,” as one TMC official acknowledged, companies take different tacks on the alternatives they could use. If a flight on another aircraft is in policy and reasonably priced, it should be fine, the TMC rep said. “If it’s double the price, it might not be.” ■

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# The U.S. Is Rising as a Major Market for TAP Air Portugal



TAP AIR PORTUGAL SHAREHOLDERR  
**DAVID NEELEMAN**

TAP Air Portugal is growing its U.S. service. Last month, the carrier launched service between Lisbon and each Chicago, San Francisco and Washington Dulles. Speaking at the launch of the San Francisco flight, chair Miguel Frاسquilho said the carrier's passengers to the U.S. have grown faster than any other European airline over the past four years. The U.S. is now TAP Air Portugal's third most important market in

terms of revenue, up from ninth in 2015, and he said TAP plans to grow even more. TAP was the launch customer for Airbus A330neo aircraft and uses them for its new U.S. routes. The carrier now operates more than 100 aircraft and has 71 more on order through 2025. Entrepreneur David Neeleman, who founded JetBlue and Azul Brazilian Airlines and co-founded WestJet, is a major shareholder in TAP and is helping drive its growth. He spoke to BTN transportation editor Michael B. Baker at the San Francisco flight launch.

### What led to the establishment of a route from San Francisco?

It's something I've wanted to do since the day we privatized the airline. I always thought it would work perfectly. The first flight is full, going in and out, so: So far, so good.

TAP Air Portugal shareholder David Neeleman talks:

- The addition of a San Francisco-Lisbon route
- Business travel on that route
- Demand between the U.S. & Portugal

### Do you expect much business traffic on this route?

I do. There's a really developing tech community in Portugal. It has a really educated workforce and salaries aren't that high, so people are doing outsourced stuff there and there are entrepreneurs there developing tech enterprises. We have the Web Summit over there, which has 80,000 people. Plus, anyone who is leaving from here and going to Spain—other than Madrid, there's not a lot of nonstop service—we serve 11 cities in Spain and also into southern France.

### What about Washington, D.C.?

The beautiful thing about Washington: They have all this summer service, and the winter service either goes away or is greatly diminished. Because we have the [Airbus A321neo long-range aircraft] with 16 lay-flat business seats, we can fly year-round. [TAP will switch to a smaller aircraft on the route in October for the winter but will maintain frequency.]

### What are your fleet plans?

We have 34 airplanes this year coming in. Every plane we fly will either be a reconfigured airplane or a brand-new airplane.

### Is demand growing between the U.S. and Portugal?

It's kind of a hidden gem. People haven't discovered Portugal, and it wasn't on anyone's radar. It's the place you always wanted to go but never really made it there. Now, we've got it, and a lot of business conferences are there now because it's all about access. ■

## American Airlines-Qantas Joint Venture Gets DOT Approval at Long Last

After nearly five years of trying, American Airlines and Qantas have received tentative approval from the U.S. Department of Transportation for a joint venture between the U.S. and Australia/New Zealand carriers.

The longtime partners first filed for the JV, which will enable revenue sharing and coordinating pricing and schedules, in 2015, but the DOT rejected the application in 2016, saying the scale of the joint business could create "a potentially uncompetitive environment." The carrier refiled in 2018, and the DOT in its recent tentative approval said, "Market conditions have evolved since 2016 to mitigate any competitive harm that an American/Qantas joint venture could cause."

For one, the DOT noted, "the market has grown substantially" since the previous application, including new service from United, Air Canada, Virgin Australia and Air New Zealand.

The tentative approval includes a requirement that both American and Qantas give an annual progress report and a more detailed assessment after seven years, including on pledges to increase service between the two regions. American and Qantas will launch "several new routes within the first two years of the proposed joint business," including two new Qantas routes—Brisbane to both Chicago and San Francisco—once the JV gets final approval, according to American. Other plans include deeper integration of frequent-flyer programs, airport co-location and investing in lounges that serve joint business customers.

Both of American's chief competitors already have JVs in the region: Delta with Virgin Australia and United with Air New Zealand.

The DOT is accepting commentary on the tentative decision.

—Michael B. Baker

## Three Airline CEOs Resign

South African Airways group CEO Vuyani Jarana will resign as of Aug. 31. The carrier's board will search for a replacement, SAA board chair JB Magwaza said. Jarana joined SAA in November 2017 and had been working to reduce costs at the financially struggling airline. According to Reuters, his resignation letter to the board said the state was not providing sufficient funding for the turnaround strategy. Jarana's resignation is one of several chief executive departures announced in recent days. Kenya Airways CEO Sebastian Mikosz, who joined the carrier in June 2017 from LOT Polish Airlines, will leave at the end of this year, and Flybe CEO Christine Ourmieres-Widener will leave her role July 15, in advance of the carrier being sold to a consortium that includes Virgin Atlantic.

—Michael B. Baker



## Lichtenstein & Roseman Launch Consulting Firm DigiTravel

BY ELIZABETH WEST

Former Cisco global travel manager Susan Lichtenstein has launched consulting firm DigiTravel with fellow managing partner Jay Roseman, a long-time executive for American Express, now American Express Global Business Travel, and American Express Meetings & Events, now GBT M&E. The duo is focused on digitizing and simplifying the managed travel ecosystem, working with direct connections between buyers and suppliers where it makes sense and mediating through service channels where there is a business need to do so.

Lichtenstein, who was inducted into the BTN Group Business Travel Hall of Fame in 2017 for consistently pushing technology to the front of managed travel processes, told BTN that both buyers and suppliers are ready for the next wave. "For the past year, I have beta-tested some concepts just to figure out: What could it be like if we could do this, if we could peel off all these layers of booking tools, expense processes," she said. "We have the ability to direct connect and pass the data through. So why don't we?"

Both Lichtenstein and Roseman said the firm has clients in

consultation and involved in active projects. Neither was at liberty to disclose specific names. Asked theoretically about the clients they are looking for, Roseman responded, "Companies that are ready to think differently about how their managed travel is transacted. Companies with CEOs and CFOs and travel managers who want to know why they are paying so much for travel and who want to unstack the technology and unclog the pipes. We have the capability to do that

**"Companies that are ready to think differently about how their managed travel is transacted. Companies with CEOs and CFOs and travel managers who want to ... unstack the technology and unclog the pipes."**

—DIGITRAVEL'S JAY ROSEMAN DISCUSSING TARGET CLIENTS

now. It's not just a vision. And once it starts, I think it will go fast because there's money to save." ■

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## Are We Overlooking One of the Biggest Threats to Business Travelers?

BY MATTHEW JUDGE

The biggest threat to personal safety on the world's roads often goes unreported. Every year, the lives of almost 1.3 million people are cut short as a result of road traffic accidents and up to 50 million more are injured or disabled. Although it's easy for travelers to become blasé about road safety, the statistics are staggering and show just how dangerous the roads can be. Poor infrastructure and general road conditions, unsafe vehicles, a lack of observance of basic road laws and inadequate emergency services all heighten the risk for the corporate traveler.

Yet despite the obvious risks and despite almost every business journey involving some form of road travel, corporate policies relating to ground transportation remain an afterthought at best in many travel programs. It's not enough for organizations to assume travelers will be safe. Whether an employee is driving to a meeting across town, choosing a taxi or ridehail or using an authorized transport provider in another time zone, that person's organization has a duty of care to ensure that everything possible has been done to ensure the employee's safety throughout that journey.

Although the risks are everywhere, they obviously are heightened in some regions of the world. The World Health Organization's Global Status Report on Road Safety makes sombre reading in parts, but it does provide focus areas of which it's well worth travel managers being aware.



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### Some Basic Guidelines

It's vital that organizations are aware of the risks in the areas where their people may be traveling and to factor these risks into their travel policies and procedures. The stark differences in both legislation and driver behavior in different regions make it impossible for corporates to implement blanket policies, but there are things that can be done to better protect travelers.

In countries deemed low risk, it may be perfectly acceptable to allow a traveler to make his or her own decisions—whether to self-drive, arrange a taxi or use a ridehailing service. Companies should undertake the necessary due diligence, outline the authorized options within their policies and provide travelers with the necessary pre-travel training so they can make educated decisions. Travel

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risk management companies should be able to provide further advice, and the WHO publishes details relating to road conditions.

For higher-risk countries, organizations need to be far more prescriptive and take the responsibility out of their travelers' hands. Prescribing against self-driving and ordering travelers to book ground transportation through approved providers means travelers will be served by pre-vetted and highly skilled drivers in specified vehicles. These drivers are used to local conditions, and they're trained in how to deal with incidents, should they occur.

Despite ground transportation's often low or even nonexistent profile in travel risk management discussions, it poses the greatest threat to business travelers and is something that organizations need to address. It's both their legal and moral duty to protect their people wherever they may be and however they may be traveling. ■

### The Stark Facts About Road Traffic Safety

- 90 percent of road traffic deaths occur in low- and middle-income countries with poor road infrastructure.
- Only 34 countries, representing 29 percent of the world's population, have drunk-driving laws that meet World Health Organization-recommended best practices.
- Only 47 countries, representing 13 percent of the world's population, have laws that meet WHO-recommended best practices for urban speed limits.
- Vehicles sold in 80 percent of all countries worldwide fail to meet basic vehicle safety standards.
- Only 109 countries have a telephone number that covers the nation and that can activate any kind of emergency care.

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