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BTN

BUSINESS TRAVEL NEWS

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BUSINESS TRAVEL NEWS

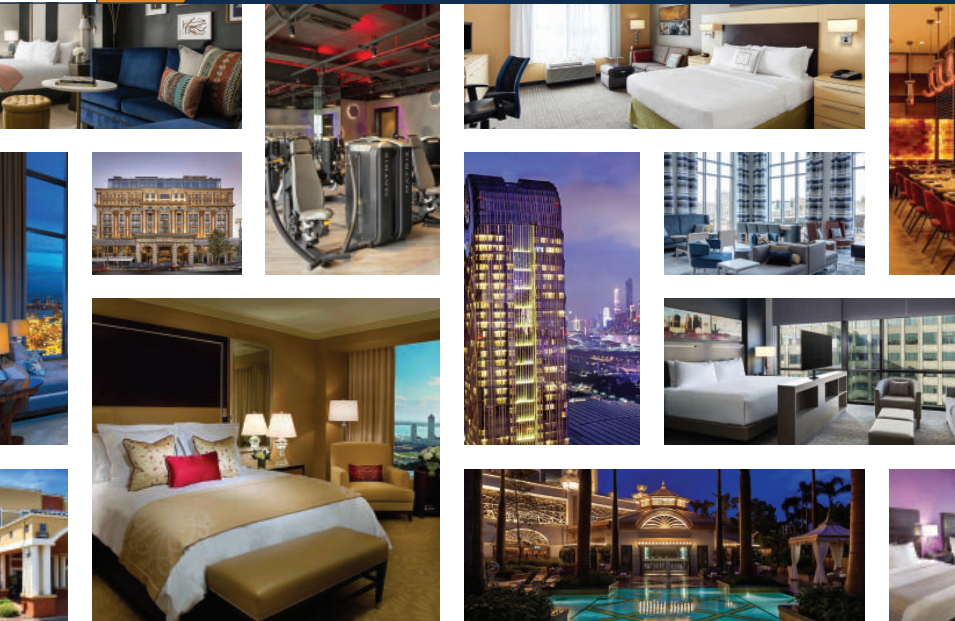


SME INSIDERS

BTN gathered two small and midsize enterprise travel managers to wade through the challenges of travel risk management for SMEs, then collected advice for those managers from TRM veterans. The results: plenty of take-home value for travel management programs of all sizes.

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TOP STORY



BY DONNA M. AIROLDI & CHRIS DAVIS

BTN'S 2019 HOTEL BRAND SURVEY

The Hotel Brands Travel Buyers Rated Highest

On a scale of 1 to 6

Luxury: Fairmont **5.17**

Upper-Upscale: Westin **5**

Upscale: DoubleTree **4.88**

Upper-Midscale: Fairfield by Marriott **4.74**

Midscale: Wingate by Wyndham **4.68**

Upscale Extended Stay: Home2 Suites by Hilton **4.88**

Midscale Extended Stay: TownPlace Suites by Marriott **4.59**

FULL STORY ON PAGE 12

This Risk Expert Expects Terrorist Attacks on Hotels to Rise



WORLDWARE'S BOB HOWELL

WorldAware director and senior advisor of critical operations, global assistance and response **Bob Howell** believes terrorist attacks on hotels will increase and become more sophisticated. He spoke with BTN lodging editor Donna M. Airolidi about what corporate travel managers can do to mitigate the risk.

Why are hotel terrorist attacks becoming more dangerous?

Over the past couple years, Al-Shabab—which is one of the more prolific terrorist organizations in Africa, based out of Mogadishu, Somalia—has perfected their hotel attack modus operandi. They breach the hotel's perimeter security with an explosive device—it could be an [improvised explosive device] or a suicide bomber—then follow with an assault team to cause as much death and destruction as possible. [The group has used this tactic multiple times in Mogadishu and in Nairobi in January 2019.] We fully expect to see the M.O. expand across the region and be adopted by other insurgent groups around the world.

Howell talks:

- Terrorists' hotel attack M.O.
- Hotel security assessments
- Mitigating risk

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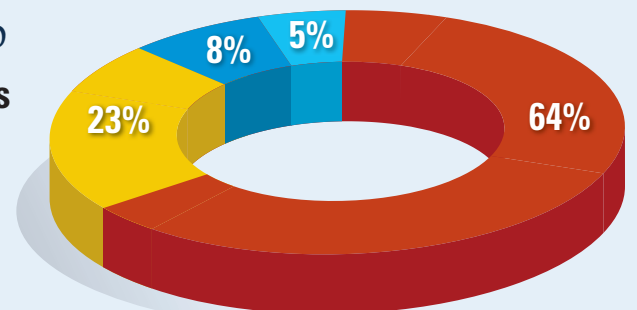


SAP Concur's Jim Lucier on what customers want

"We are hitting a tipping point [in travel management] where [buyers] have squeezed [out] most of the costs that can be squeezed, so experience is the next dynamic to work on."

6 | Data Hub

How Companies Pay for Mobile Workers to Get Around



■ Reimburse per mile

■ Company-owned vehicles

■ Vehicle allowances

■ Fixed & variable rate (fixed for things like insurance & variable for things like fuel)



The company covered **LOCAL RADIO**

You added on **SIRIUS XM**

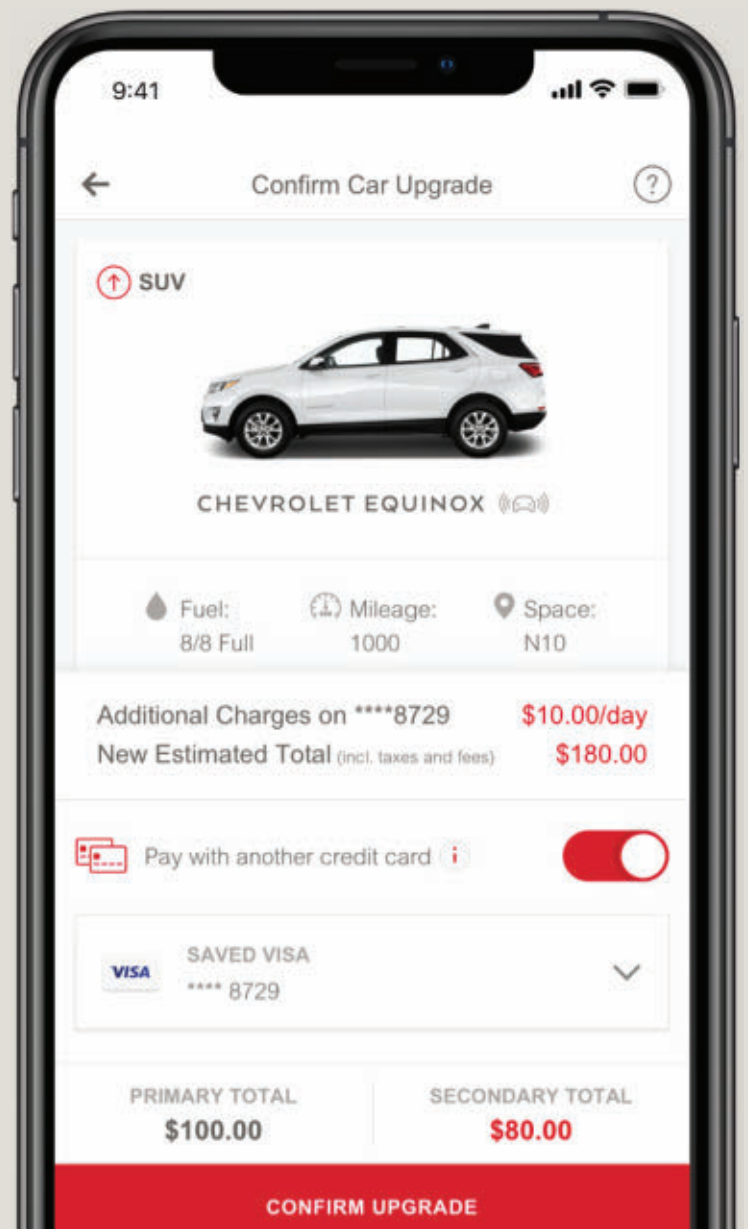
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Google Flights Eyes Corporate Fare Shopping

BY JAY BOEHMER

Google plans to enable corporate-relevant flight search through its Google Flights metasearch product, according to sources who indicate the function will open initially for Google's internal travel program and then for a wider market. How far Google chases the corporate travel sector remains to be seen. The search giant declined a request to elaborate on plans.

Yet, several sources familiar with the plans, each of whom spoke on the condition they not be named, said Google, as soon as this fall, will enable airlines and corporate clients to include corporate identifiers on Google Flights, thereby allowing business travelers to shop corporate negotiated fares on the metasearch site.

Google does not plan to function as a travel management company or a fulfillment shop, staying true to the metasearch model in which users shop on a comparison site, in this case Google Flights, and then drive the booking directly to a supplier site for ticketing.

On the user side, Google's own internal travel

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The Beat

program is the first adopter, according to a couple of sources. Googlers have used the term "dogfooding" or "eating your own dog food" to describe how the company adopts and tests products or features internally before releasing them to a wider market. "Millions of people, including our own employees, use Google Flights to help book their travel, and we're always looking for ways to improve the user experience," a Google spokesperson said.

According to a source outside the company, Google is likely to expand the user base for Google Flights' corporate-relevant flight search from internal testers to users of G Suite. The company's B2B product set includes services like email, calendars, document sharing and collaboration tools. Sources outside the company said Google's entry into corporate travel will start with flight shopping. It's unclear if it plans to incorporate other features for corporate users like back-end data capture, policy management, preferred-supplier preferencing and hotel shopping.

One way for corporate users to close the loop from front-end flight search to back-end data management could be for businesses to tap a data-capture system like Traxo or SAP Concur's TripLink, which funnel booking data from supplier websites into corporate travel information systems. After all, Google's internal employee travel program last year turned on TripLink to support data capture for American Airlines and United Airlines, according to a source. ■

JetBlue CEO Prepares to Fly to Europe

BY MICHAEL B. BAKER

JetBlue CEO Robin Hayes is ready to take on the "obscene" premium fares between the U.S. and London as the carrier prepares to launch its first European flights in 2021. At BTN Group's recent The Beat Live conference, Hayes called air service to London an incredible opportunity for JetBlue amid an "erosion of competition." He was referring to a decrease in competition on flights between London and the U.S. now that all major U.S. and European carriers are involved in joint ventures on such routes.

Fares between New York and London have been growing at a rate 8 to 9 percent higher than transcontinental fares, Hayes said. "[The fares] are really obscene compared with the true cost of providing the offering. Premium transcontinental fares are now about half of what they were before we came along, so we know we can win."

JetBlue has been considering opportunities in Europe "for a while," and long-range, narrowbody Airbus 321 aircraft enabled it to happen, Hayes said. In addition to the range, the aircraft has a unit cost similar to widebody aircraft; narrowbody aircraft typically have higher unit costs. The newer A321 is more efficient than other narrowbody planes, which provides the "cost advantage to offer significantly lower fares" on U.S.-London routes, he said.

The routes likely will attract sizable corporate

business, Hayes said. Many business travelers who do not have access to corporate fares fly the route, and a lot of companies like to add JetBlue to their portfolio simply to "have options," according to Hayes. The biggest challenge for the sales team would be "knowing which business to take because there will be a lot of interest," he said.

JetBlue still has some decisions to make, not the least of which is exactly which London airport or airports it will serve. The carrier also is deciding what its premium Mint product will look like on the routes. Hayes said it will be designed to "build on the Mint experience, taking it to the next level."

Over the next several years, JetBlue will build up a fleet of 26 of the long-range A321s and will look at additional routes to Europe, as well, Hayes said. In the meantime, he isn't concerned about the possibility of competing carriers ratcheting up their own London networks in response to JetBlue's entry. "When we did the Mint business case for [transcontinental flights], we assumed we wouldn't do any corporate business, but when you cut the fare as much as we did, you stimulate the market. People are flying that couldn't before, and the demand massively increases. When we're up to speed with 26 A321s, that's a pretty small part of the total market, and what will happen is that the market will get stimulated beyond the size of our additional capacity." ■

TravelBank Is Rolling Out a Trip Management Tool

BY ADAM PERROTTA

Booking and expense provider TravelBank is rolling out a suite of trip management tools that will serve as a central hub from which business travelers can manage their trips. Dubbed SuperItinerary and available through the TravelBank app, the service features a mobile itinerary tool, integrated trip budgeting and TravelBank Marketplace, a digital store featuring third-party services and apps commonly used by business travelers.

Available later this year, the mobile itinerary will sync meetings, dinners and other scheduled events into a single time line view and will suggest services, such as ride pickup, based on the traveler's schedule. Offers from third-party services included in TravelBank Marketplace will appear within the itinerary, as well, to initiate and facilitate purchases on the go.

Travel Marketplace is now live, featuring more than 30 partners, including Uber, Lyft, Clear, GroundLink and Getaround.

Purchases made via Marketplace and the mobile itinerary will flow directly into TravelBank's expense solution. The integrated budgeting tool, set to roll out early next year, will enable travelers to see how prospective purchases align with trip budget and policy guidelines.

Trip management has become a point of emphasis among travel management providers seeking to expand their functionality beyond booking. Legacy travel management companies like BCD, through its TripSource app, as well as tech-forward travel management startups like TripActions, now offer in-trip management tools for use throughout an entire trip. ■



SAP Concur Talks Spend Management

BTN chief editor Elizabeth West sat with freshly minted SAP Concur CEO Jim Lucier and chief product strategy officer Mike Koetting.

YOU'VE BEEN WITH CONCUR FOR 11 YEARS. IN WHAT WAYS WILL YOU LEAD DIFFERENTLY FROM YOUR PREDECESSORS, CHANGE FOCUS OR BRIDGE AREAS WHERE YOU'VE FOUND GAPS?

Lucier: I don't think there are many gaps, in part because I've been on the executive team for a long time and so I would be indicting myself. I'm not coming in to change things dramatically. Our growth pillars remain our growth pillars, our culture remains our culture and we need to continue to invest in those things. That said, the timing of the announcement of the integrated spend group, our combination with Ariba and Fieldglass, is quite opportunistic. I do want to emphasize that we will continue to embrace SAP. [Concur has] been run as a stand-alone line of business for quite a while, but we have a lot to bring like a lot of cloud culture that complements SAP's incredible globalization capacity. There's a lot of cross-pollinating that can happen. And it's not that past leadership wasn't in favor of this, but it's now something we can talk about more openly, particularly as we combine under a comprehensive spend management business.

WHAT DO CUSTOMERS THINK?

Lucier: Customers are forever asking for new technologies around artificial intelligence and machine learning. That's something we've been doing for a number of years even before anyone called it by that name. But there's much more realization on the potential power of this, so the customers are asking for that dynamic. Traveler experience is another big one. We are hitting a tipping point [in travel management] where [buyers] have squeezed [out] most of the costs that can be squeezed, so experience is the next dynamic to work on. The focus on the traveler experience is in the heritage of our business and has been the magic of integrated travel and expense. From the company perspective, integrated travel and expense doesn't make that much sense: Travel rolls up to procurement and the metrics they're concerned about are cost savings, price and that sort of thing. Of course, expense goes in through accounts payable. They have a very different set of things they care about. It wasn't until you said, "Wait. From the business traveler's perspective, this is one process." Concur cleaned that up and delivered it as a single process for the business traveler. We were also very early into mobile, and we talk all the time about how Concur technology can help the traveler.

IT OCCURS TO ME THAT SAP CONCUR HAS BEEN TALKING ABOUT BROADER TRAVEL SPEND MANAGEMENT AND VISIBILITY SINCE THE ADVENT OF TRIPLINK. CAN ONE OF YOU TALK ABOUT THOSE PARALLELS AND INTERSECTIONS AND WHAT'S NEXT FOR CONCUR?



SAP Concur's Jim Lucier & Mike Koetting talk:

- Concur's strategic position within SAP's new Intelligent Spend Group, which includes SAP Ariba & Fieldglass
- Concur's product road map
- New Distribution Capability

Mike Koetting: The very foundation of our value proposition is spend management. We started this holistic view when we integrated travel and expense. Then, we took an honest look at what spend management was really going to require and made the investments and developed the technology to capture spend that was happening outside of just the one [agency] channel. That was eight years ago with Trip-Link, when it was heresy to even suggest [looking outside the channel]. But we just saw in a flash poll [that we conducted at the Global Business Travel Association conference] that fully 71 percent of travel buyers expect within the next 12 months to have a mechanism to capture off-channel spend. Collectively within SAP and the partnership with Ariba and Fieldglass, we all have this shared vision of delivering spend management in ways that are augmented by better analytics, machine learning, AI and customer experience. So I think you will see Concur continuing to elevate the experience and value of that core proposition of spend management and recognizing that as you evolve this idea of spend management, perhaps there's less magic in just automating a transaction. There may be more magic around the traveler experience around the breadth of transactions that you can capture and the number of channels that you can capture and the amount of content you can touch.

WHAT ABOUT NEW DISTRIBUTION CAPABILITY? CONCUR HAS INTEGRATED BRITISH AIRWAYS AND LUFTHANSA CONTENT FROM OUTSIDE THE GLOBAL DISTRIBUTION SYSTEM. HOW MUCH DEMAND ARE YOU SEEING FOR THAT?

Koetting: Part of our challenge and why it takes so long is our desire to integrate that with the TMC. So that is a non-GDS solution in Concur Travel that is designed and intended to enable integration with the TMC should the TMC be willing to pursue it. To the degree that you'd have clients who say it's less important that this [content] is integrated in the Concur Travel booking tool or the TMC, then we can point them to TripLink. BA has worked for a year now, and Lufthansa should be there very shortly.

Lucier: We are listening constantly to customers to understand where they want to go. I have anecdotal data from going out and talking to customers a lot. If you're impacted by a carrier that's moved [content out of the GDS], you're looking to access this content.

WHERE DO YOU SEE THE MOST GROWTH?

Lucier: We've grown more in the last four years than we grew in the first 21 [years]. Our international business has grown really quickly and continues to. Second is small business, which is also international, but small business has been a growth engine for five years. The awareness [around] AI and machine learning has fueled our [existing] client business. We are making investments into helping customers see the value we are providing, and as they see more value, they tend to want to buy more. That's a third pillar and it's great. The fourth is the public sector. Our foray into the U.S. civilian government taught us an awful lot about what you need to do for, actually, every central government, so we are making a huge push there and have set up a team to pursue central government business around the world. It's a huge opportunity for us. ■

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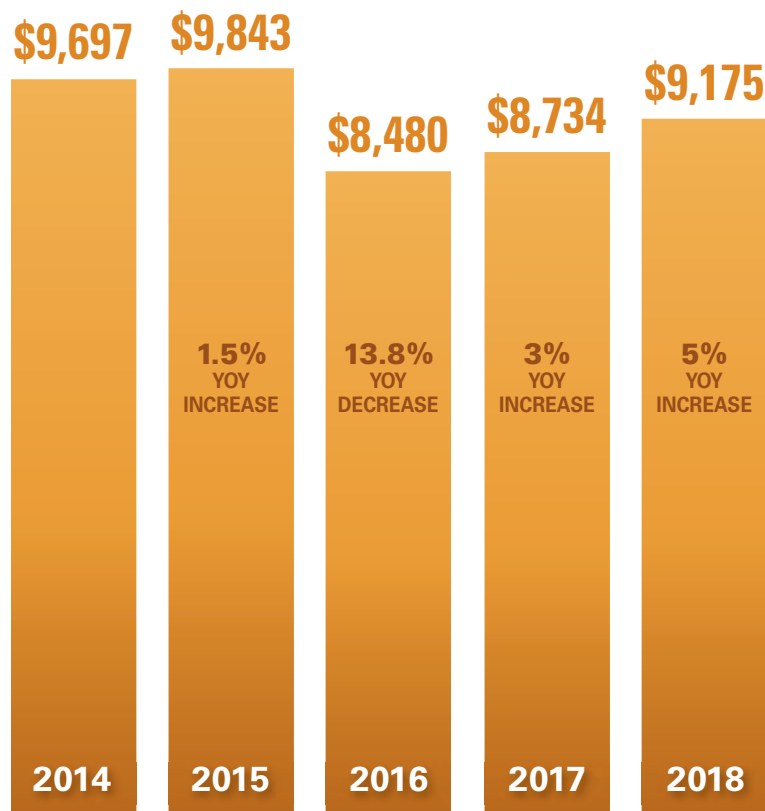




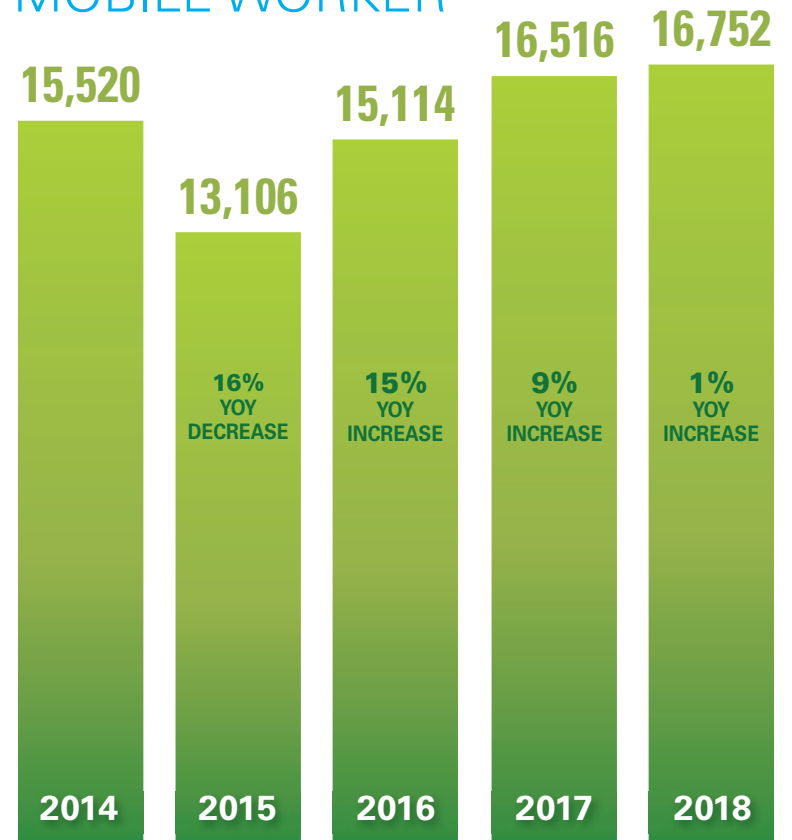
Costs & Mileage for Mobile Workforces Are Rising

Companies with mobile workers are seeing increases in both the average cost per worker and the average mileage traveled by their workforces, according to mobile workforce management company Motus' annual Mobile Workforce Benchmark Report. Most companies pay employees a cost per mile, though they usually also employ other reimbursement methods for those workers who travel the most, according to the study. The survey, conducted between January and May, collected responses from more than 2,000 companies that have mobile workforces.

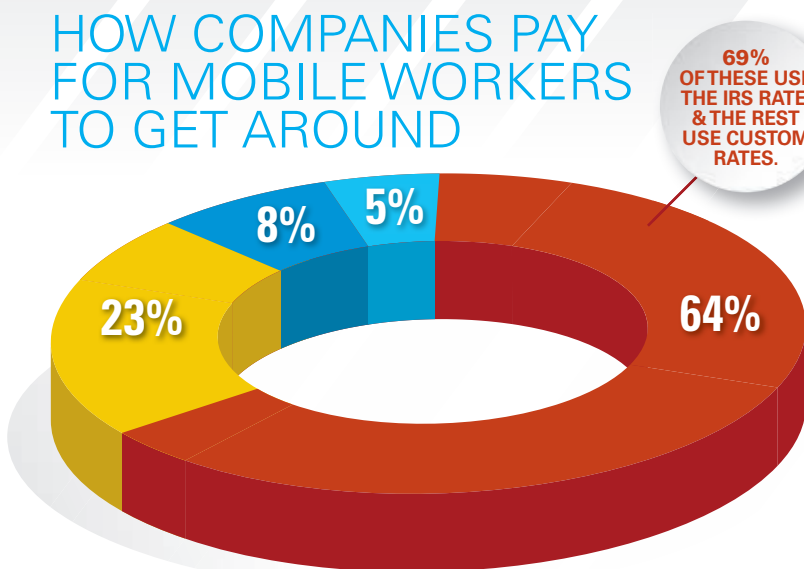
VEHICLE COST PER MOBILE WORKER



BUSINESS MILES PER MOBILE WORKER

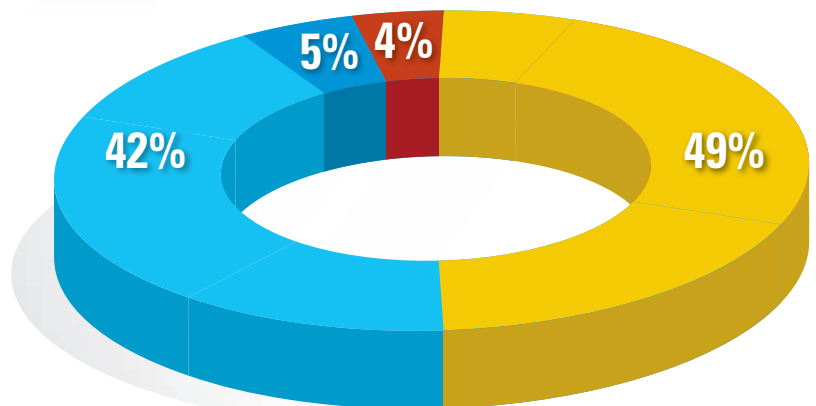


HOW COMPANIES PAY FOR MOBILE WORKERS TO GET AROUND



69% OF THESE USE THE IRS RATE, & THE REST USE CUSTOM RATES.

THE TOOLS COMPANIES USE TO TRACK BUSINESS MILES



- Reimburse per mile
- Company-owned vehicles
- Vehicle allowances
- Fixed & variable rate (fixed for things like insurance & variable for things like fuel)

- Mobile apps
- Manual entry (spreadsheet, T&E system or web portal)
- Telematics/hardwired solution
- Vehicle plug-in device

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PRO ADVICE ON TRAVEL RISK MANAGEMENT

BTN assistant editor Dawit Habtemariam gathered two small and midsize enterprise travel managers—Mapfre Insurance travel buyer Curtis Cleaves and Diamond Offshore travel manager Renee Gannaway—to wade through the challenges of travel risk management for SMEs. He then collected advice for those managers from Informatica global travel manager Rick Wakida, a veteran in the industry, and Kevin Reagan, sales manager for travel risk management provider Anvil Group.

TRAVEL RISK MANAGEMENT SETUP

RENEE GANNAWAY: We have a travel management company, ATPI, who uses WorldAware. All our transactions go through their software. On my desktop, I can access wherever anyone is in the world. If there's an emergency, I can send out an email through WorldAware. [As a separate security service for our 20 most frequent travelers], we send all of their itineraries through to Global Guardian, and they are sent announcements on the countries they're traveling to; on their phone, they have an alert if there's an emergency, they have an SOS button they can push.

CURTIS CLEAVES: We do not have a risk management program, such as Gannaway with WorldAware. We have a very high percentage of our travel booked through our travel management company, and we have traveler tracking through there where it will give us their location, their hotel, what flights they're taking, limos and their mobile phone numbers so we can call anybody at any time. The travel management company will be proactive in rebooking travel if need be. And we also have emergency contacts for the people that travel.

VETERAN VIEW

RICK WAKIDA: Is it mandatory that travelers book through the designated booking channels? If not, then tools are only as good as the data that goes in, and even if it does mandate that, there are always exceptions and there are always people that don't follow policy. How is that addressed? [Also], relying on the TMC, unless they have their own tracking tool and communication tool, makes it a manual process any time there's

an incident for the travel manager to follow up. If you're following up with 50 people, that's very time consuming and not scalable. Providing itineraries to Global Guardian again sounds manual. Ideally you would have an automated system where, based on the bookings, there's a queue to both providers. I'm not saying one-provider-fits-all is better, but how are they integrated and coordinated. And if you have both giving you advice, you could get conflicting instructions where one says, "This is a risky place," and the other is like, "It's OK. Just exercise caution." Or worse yet, during an incident, one could be like, "Shelter in place," and the other could say, "Evacuate." What does the traveler do in that case?

KEVIN REAGAN: [If using] multiple sources [of risk management] and multiple dashboards, how is it communicated to travelers what they could expect as far as communications—continuity and messaging—coming from TMCs and Global Guardian.

COMMUNICATING WITH & TRAINING TRAVELERS

GANNAWAY: Global Guardian does send out information on certain countries for those travelers that are always traveling. We always have our [offshore drilling] crews escorted, so we've got somebody with them when they're going into places that may not be so safe. Say we'll be going into Myanmar. That'll be a new area for us, so we'll work with the ground agents there to facilitate and make sure our travelers get from the plane to wherever they're going and then back. Our [health, safety and environment] department will discuss with them the norms, the cultures of that country. There's just surrounding water on the ocean. They don't do much interaction on land except when they're transporting to and from

the airport. But they still try to inform them of the cultures, and that's handled by the agency.

CLEAVES: We have a monthly newsletter to our travelers, and we cover a variety of topics. One is safety: what to look for; safety in a hotel, airport; and what to do, what not to do [like] keeping low profiles and avoiding risky areas. We have started working with our security department. We now have a female security officer at one of our locations. So we're trying to get a program set up for our female travelers; about 40 percent of our travelers are female.

VETERAN VIEW

WAKIDA: You're mitigating risk to both travelers and the company: traveler safety and security while they are traveling, and then some catastrophic event that could happen to the executive team could impact the viability of the company as a whole. They can get a lot more leverage out of trying to address travelers as a whole, which would incorporate female travelers, and then carve out some female traveler-specific measures.

REAGAN: A general traveler awareness course would be essential for any company that is intending to send their employees internationally, conducting at a minimum annual refresher training to address any new risks that may have arisen in the past 12 months. There are a lot of things we take for granted in the United States as domestic travelers that really could expose us to some threats and risks when we go abroad, such as where to appropriately carry your cash or how to label your bags correctly or what logos to wear or not to wear. Then, if you do have the resources, identify particular employee populations [that] could pose a higher risk, such as a large contingent of lone female travelers. Or you could provide executive traveler training or LGBTQ community

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EVEN HOTELS

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Express

specific training. It would be best to focus on that as a second level, providing the general traveler training first for all employees.

PREPARING FOR THE UNKNOWN

GANNAWAY: For our company and our size, we think we're meeting the needs, but you really don't know what your need is until something serious happens, right? So we could be missing something that we aren't covered on, but we don't know that at this point.

CLEAVES: We have the traveler tracking. If I see anything that's happening anywhere, I notify our HR department, our security department; I work closely with our security department. We do not have an action plan if something should happen because everything would be situational, so it's hard to plan for. It's also part of a cultural shift. Our travel was pretty much unmanaged three years ago, and we're just bringing it up to speed.

VETERAN VIEW

REAGAN: You can never plan for everything, from top to bottom. However, if you do recognize that there could be gaps in the program or know that improvements could be made but we just don't know where, consult with a third-party provider that can come in with an unbiased view. Some of them may even have experience in that particular industry and really do a good, thorough gap analysis and make suggestions on where they can improve their program. More often than not, we hear, "Well, nothing's ever happened, so we don't feel that our risk is too great across the globe." Over the last five years, we have seen the regional risk of Western Europe, in particular, significantly change. Now, there are specific measures in place to mitigate risk when traveling to areas that historically would have been typically safe.

WAKIDA: As far as not knowing what you don't know, every company is in that position. However, from a duty of care perspective, you need to have some plans in place. I would suggest the two-by-two matrix of impact versus probability. The upper-right square—high probability, high impact to the company—you want to address those first. And then high impact, low probability or higher probability, lower impact. You don't really worry about low impact, low probability stuff, but you have to have the resources and programs in place to react. It's not like, "We have a specific plan the next time 9/11 happens or the next time a volcano erupts." It's not event specific; it's more about the type of event. If there's an event that shuts down all the airports in Europe,

how do we approach that? Who do we contact? Who do we notify in the company, and how do we address it? They may not have the resources of Fortune 1000-type companies. However that does not absolve their duty of care.

CLOSE CALLS & MAKING THE CASE

CLEAVES: We've had shootings at hotels, and I've contacted HR [and] security, let them know if we had anybody in the area. We've had weather situations where there were tornadoes. We just had flash flooding at one of our locations. I try and use those for leverage with HR and security to get something more substantial put into play.

GANNAWAY: I've been here 11 years [and] nothing has happened, but never say never. There's always something that'll happen. Right?

VETERAN VIEW

REAGAN: "Never say never." That's exactly the place we operate from: Craft a crisis-response plan, with the help of a third-party provider if the resources are not there, for any incident on a big level. And then drill down to: What do we do in an active shooter situation, what do we do in a weather situation. Understanding what your global footprint is will be able to help better prepare what type of weather situations you could run into.

WAKIDA: [A shooting at a hotel where the company's travelers are staying] would be the situation I would harp on to say, "Look, those people that got shot could have been our employees. We need to do something now. We need to invest in resources or a third-party solution to provide notifications, communications, security advice." If people die while they're traveling for your company, that's the ultimate leverage [to advocate for action], but that's too late. You want to use something that's close that they can relate to, when management can actually picture it: "Hey, that could have been us in the headlines. Right."

MOTIVATING STAKEHOLDERS

GANNAWAY: It would be nice if we could put some actual formal training in place for people going to new countries. You've got people that are on rigs that never even traveled out of the U.S. We have a big HSE department and they do a lot. They do concentrate a lot [on] offshore drilling—there are so many risks in that, just going to work everyday—but

I would like to find a stakeholder that would take on training people and being more aware of different countries, areas and what to do in those situations.

CLEAVES: I've looked at ISOS this year and it seems like domestically, we're OK, and in Spain, we have resources there that we can use. It doesn't look like we really have the budget at this time to do anything. I would like to use the new female security officer that we have to put together a program for our female travelers: Webex or newsletter or something and somebody they could call if they had an incident. It's been challenging. It's an afterthought: I talked to the risk people, the compliance people, the security people, and they all agreed that we need something. If we can't find a stakeholder that would want to run it or be responsible for it, then we have to come up with the funds.

VETERAN VIEW

WAKIDA: Make the case that reinvesting in a travel risk management program is reinvesting in your employees, who are part of the product offering. Unless the rigs can run themselves, you've got employees involved, and the duty of care to those employees could be a pretty high priority because without the employees to run it, [the company] can't provide whatever they are providing. One of the more successful ways of approaching engagement and budget is to partner with HR. They are more responsible for employees, whether they're travelers or not, so it's very logical to try to partner with them. Engage HR to include it in their benefits budget on a per-head-count basis. It's easier to get a budget on an item for traveler safety and security based on the number of travelers. If the budget and the pricing is on a per-person basis, the budget will naturally grow as the company expands and the travel base expands.

REAGAN: Calculate the risk of what it means when an offshore rig goes down. How many dollars per day are we losing by not having this site be operational? What if a C-suite executive is in an unfortunate accident and either can't return to work or perishes while traveling? Utilize some case studies from the marketplace. Consult with what some other energy and oil and gas companies are doing to mitigate their risk. What sort of major losses have they incurred in the past and how did they overcome that? Calculate that risk and put it into a monetary amount so that when bringing this up the chain to the C-suite, it'll have more of an impact. ■

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BTN'S 2019 HOTEL BRAND SURVEY

Strategic Partners Win Out as Travel Buyers Gain Power

BY DONNA M. AIROLDI

The hotel industry is in a holding pattern. The headwinds it faces are uncertainty in the marketplace, talk of the current economic expansion ending, trade wars and a coming election year. This puts pressure on brands to distinguish themselves, and there seem to be more brands than ever—about half a dozen were announced just this year so far—even as demand for apartment-style accommodations, a la Airbnb, continues to grow.

This year's BTN Hotel Brand Survey once again asked corporate travel buyers to list their go-to hotel brands across seven tiers of properties and to rate 13 attributes for each brand they used. Brands like Cambria Hotels garnered enough use to make BTN's list this year. The Choice Hotels brand debuted at No. 2 in the upscale segment, missing the top spot by only one-hundredth of a point.

Still, among multibrand hotel companies, Marriott International led the way with six brands placing in the top three spots of their respective segments, including top honors for upper-upscale hotels, the upper-midscale tier and midscale extended stay. In fact, the upper-upscale Westin is the only brand to retain its No. 1 position in its

tier from last year. Hyatt and Hilton each had four brands finish in the top three, while InterContinental Hotels Group and Wyndham each had two.

"I'm seeing in most programs Marriott and Hilton dominate the spend, but people are also looking to challenge that and play one off against the other," said GoldSpring Consulting partner Neil Hammond. Which means buyers are trying to get larger, more strategic deals done at the chain level rather than going through the property level, Hammond said. "Whichever of the major brands can offer buyers a more consistent, more encompassing strategic deal so they can get more work and more negotiating done for less effort—they'll start to win that battle."

Indeed, the brands that scored highest in partnership approach to negotiating rates and cancellation clauses, in flexibility in negotiating amenities and in effective communication with travel buyers typically finished first or second overall for their segments. But another category gained traction this year: safety and security standards. "We are seeing more and more in

our programs that people are bringing in their own vetting and inspection programs" for safety and security, Hammond noted.

A September report by industry consultant Bjorn Hanson showed that buyers may be starting to gain back some negotiating power with hotels. He notes that "we are in a different environment" than he's seen in the past. "When occupancy gets high, rate growth is high, but we're not having it this time," he said. "Shame on the brands for letting that happen. How can we be at decades worth of record-high occupancy and not keep pace with inflation?" That's something that corporate buyers, however, probably don't mind.

And though average daily rate, occupancy and revenue per available room each grew somewhere between just 0.5 and 1.5 percent year over year for the period of January through August, they are not dipping into negative territory. Still, STR lowered its 2019 forecast twice this year and as of August predicts year-over-year 2019 RevPAR growth of 1.6 percent, occupancy growth of 0.2 percent and a 1.4 percent rise in ADR.

METHODOLOGY: BTN emailed readers who are responsible for corporate hotel buying decisions, and 336 participated in an online survey between Aug. 8 and Sept. 12 to rate the hotels with which they have conducted business in the past year. They rated each brand on 13 attributes on an ascending scale from one to six. BTN reported results only for tiers and brands with significant respondent usage. The survey bases hotel-tier divisions on price-point data provided by STR. STR periodically moves hotel brands to different tiers. The brands in the following charts are placed in their respective tiers based on STR's chain scale segments as of summer 2018, as respondents' answered survey questions based on summer 2018-to-summer 2019 usage.



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Fairmont Is Buyers' New Top Pick in Luxury

BY DONNA M. AIROLDI

Competition was tight for the luxury category once again. After several years at No. 1, Marriott International's Ritz-Carlton brand fell to the second position. Accor's Fairmont stepped up to the top spot for 2019. Still, the difference between the two was just 0.11 points, as graded by travel buyers on a scale of 1 to 6. Grand Hyatt trailed by a mere 0.04 points more. In addition, this year Loews made the cut, based on usage, coming in seventh but still just one-third of a point behind the leader.

Since becoming part of Accor in 2016, Fairmont has been able to reach a wider audience, said Meenaz Diamond, Accor SVP of global sales for North and Central America. "Some buyers limit their program to two or three major [hotel] companies, and Fairmont on its own would not have been considered a major company. But now, as part of Accor, we were able to get into a couple of programs that may not have been open to us before. It's been a big benefit for some of our properties."

Accor also has been able to expand its sales team focused on business travel and meetings and events to more than 30 people, working for all its brands. Prior to being bought by Accor, Fairmont had about eight people on business travel, Meenaz added. Accor also has invested in the Fairmont brand by opening new properties and renovating existing ones. "Accor is a company on the move," said hospitality industry consultant Bjorn Hanson. "Its regional sale activities, promotions and customer relationship management initiatives over time are having an effect. I don't think Ritz-Carlton or Grand Hyatt is doing a bad job. Just all these things are new and adding a level of energy and positive messaging for Fairmont."

Fairmont scored top marks for clean and attractive facilities, meeting facilities, a partnership approach to negotiating

LUXURY ON A SCALE FROM 1 TO 6	Fairmont	Ritz-Carlton	Grand Hyatt	Four Seasons	InterContinental	JW Marriott	Loews	AVERAGE
Strategic locations for business needs	4.88	5.03	5.19	4.73	4.91	4.84	4.67	4.89
Clean, attractive & well-maintained hotels & facilities	5.64	5.56	5.27	5.59	5.25	5.25	5.21	5.4
Meeting facilities	5.28	5.08	5.05	4.98	4.84	5.02	5.08	5.05
On-property service staff	5.4	5.56	4.97	5.55	5.23	4.98	5.04	5.25
Healthy food & fitness options to support traveler wellness	5.2	5.28	5.14	5.08	4.98	4.95	5	5.09
Safety & security standards	5.52	5.59	5.35	5.53	5.3	5.17	5.04	5.36
Brand consistency	5.36	5.33	5.11	5.41	5	5.19	5.17	5.22
Sales staff (national, regional & local)	5.12	5.1	5.19	4.92	5.2	4.88	4.71	5.02
Partnership approach to negotiating rates & penalties like cancellation terms	5.16	4.64	4.84	4.84	4.86	4.64	4.54	4.79
Flexibility in negotiating amenities like breakfast, parking, Wi-Fi, loyalty status & upgrades	4.8	4.41	4.81	4.47	4.84	4.5	4.54	4.62
Communication with travel buyers	5.12	4.82	5.05	4.47	4.75	4.72	4.5	4.78
Data & reporting	4.56	4.69	4.51	4.22	4.41	4.36	4.42	4.45
Price-to-value relationship	5.12	4.72	4.78	4.8	4.91	4.64	4.79	4.82
TOTAL	5.17	5.06	5.02	4.97	4.96	4.86	4.82	4.98

rates and penalties, communication with travel buyers and price-to-value relationship. "The thing really concerning buyers is not just rate anymore, said GoldSpring Consulting partner Neil Hammond. "It's being flexible on the cancellation terms, which we know have been an issue. It's being strategic, and the amenities are very important. And if you look at the key things that moved [Fairmont], their focus on being flexible, which they were leading on last year, put them in top place."

Meenaz said that even though Accor is larger, it still takes a personal approach to talking and listening to customers' needs to tailor programs to their requirements. "We're holding more roundtables and think tanks that bring buyers together where it helps them communicate," she said. "It's an opportunity for us to hear from them and help us to understand more deeply and then push internally for what we need to meet buyers' requirements."

No. 2 Ritz-Carlton, which still topped the luxury category in the J.D. Power 2019 North

America Hotel Guest Satisfaction Index Study, scored high for on-property service staff, traveler wellness, safety and security standards, and data and reporting. "Safety and security continue to be a top priority for our corporate travel buyers that book our hotels globally," said Marriott global brand officer and luxury portfolio leader Tina Edmundson, calling it a trend for the overall luxury category. "Ritz-Carlton hotels in particular are in high demand due to the level of security that corporate travel buyers know is in place at these hotels." Edmundson also has seen an increased interest in sustainability from guests. The brand also is "laser-focused" on "unique and exceptional experiences, wellness offerings and using technology to enhance the guest experience."

Edmundson noted that Ritz-Carlton Rewards transitioned to Marriott Bonvoy, Marriott's unified loyalty program, this year. "This transition has been very positive overall for both our corporate travel partners and their travelers, but it did represent a

change," she said. "However, our guests now get more benefits and have greater options."

Third-place Grand Hyatt scored in the top spot for strategic locations for business needs, and it placed second for sales staff, flexibility in negotiating amenities and communication with travel buyers. "Grand Hyatt is a special brand in our portfolio," said Hyatt VP of global sales Gus Vonderheide. "It has been known as a group hotel, but based on these hotels being located in many big cities, they are also very highly popular destinations for business travelers. And the brand has done a great job of welcoming the business traveler and not making them feel as if they could get lost in the midst of a convention if there was one on property." One way is a special check-in for loyalty members.

Grand Hyatt also has invested in the user experience, including mobile room keys and mobile app access to past folios for expense purposes, Vonderheide said. "We are working with virtual pay solutions in order to make that easier for our customers, as well."

A photograph of two women on a balcony. The woman on the left is wearing a red dress and is looking at a smartphone held by the woman on the right, who is wearing a blue and white patterned dress. They are both smiling. In the background, there is a city skyline with a bridge and a river. Two balloons, one white and one red, are tied to the balcony railing. A white paper bag is on the balcony ledge.

2019

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Westin Tops Upper-Upscale for Second Year & Cambria Makes Impressive Debut

BY DONNA M. AIROLDI

A bit of a shake-up occurred in the BTN Hotel Survey upscale categories this year, as fewer upper-upscale brands qualified for the survey, based on usage. Hilton's Embassy Suites vaulted from eighth place in the upper-upscale segment last year to second this year, as the brand improved its scores in nine of the 13 categories. Meanwhile, Choice Hotels' Cambria Hotels debuted on the survey within a hair's breadth of the upscale segment's top spot.

The wellness trend from 2018 continued into 2019, but with more personalization and mindfulness options for guests. Westin, long a leader in wellness hospitality, introduced a culinary program that increased the number of responsibly sourced and organic items offered where possible and increased choices for guests to better meet their dietary needs and preferences. M Clubs at Marriott Hotels introduced the Mind Menu, with snacks like the Brain Booster or the Slumbershot that use "active ingredients to enhance the mind and body," according to the company.

Upper-Upscale

Westin carried away this segment, earning top marks for 12 of the 13 categories. It also is the only brand across the entire BTN Hotel Brand Survey to repeat its No. 1 position in its segment from last year. Westin's competition wasn't nearly as close as in 2018, either. The only category where the brand didn't dominate was in strategic locations for business needs, which went to its sister brand, Marriott Hotels.

Two things made the difference this year, according to Marriott International global brand officer and luxury portfolio leader Tina Edmundson: "We are doubling down and doing a fair amount of work to refresh the core pillars for the brand, which is all about wellness." She added that Westin has enhanced its healthy menu items and by early 2020, all Westin hotels

in North America will have Peloton bikes. "With the strength of the combined portfolio, the education with our salespeople with corporate buyers has increased."

Westin has 49 hotels in the pipeline globally, most of its growth in Asia, though Europe is doing well, too, Edmundson added. The Westin London City opening in late 2020 will be the brand's first London hotel, and the 618-room Westin Anaheim Resort in California is due to open next summer and will be adjacent to the Anaheim Convention Center.

Embassy Suites came in at No. 2. Though it didn't win any categories, it scored well in strategic locations for business needs, clean and attractive hotel facilities, on-property service staff, brand consistency and sales staff. "We've been reenergizing the lobby space with an atrium refresh program," said Hilton SVP of sales, customer engagement and industry relations Kelly Phillips. That initiative launched in 2014 but is ongoing. "The lobby space is a point of entry and welcome for guests. There also have been innovations around

the food and beverage experience, specifically the new dining concept of Brickstones Kitchen & Bar," a full-service restaurant launched in early 2018 at select Embassy Suites properties.

Embassy Suites also is expanding globally; 253 properties are open and 43 are in the pipeline, according to Phillips, who called attention to Latin America and the Middle East. "We are expanding in areas that are helpful and necessary for business travel. Our customers who are used to staying [with us] in the U.S. are looking for the same brands in other parts of the world."

Tied for third place this year are Hyatt and Marriott Hotels, but each scored just three-hundredths of a point behind Embassy Suites. Marriott Hotels scored highest for strategic locations. It also did well with sales staff and safety and security standards. "Marriott Hotels is often a first choice in markets for both booking on the sales side and for safety and security for our customers," said Edmundson. "Additionally, the global appeal of the brand allows the customer to

know exactly what they are getting no matter what the location may be."

Marriott Hotels has 155 properties in the pipeline, including Austin and the brand's first hotels in each Tunisia, Albania, and Bosnia and Herzegovina. Edmundson added that the Marriott Hotels brand is also "deeply entrenched in the convention network, and with so many new brands to sell, many of our customers stay with the brand that they have been with over the years. Because of this, much of our business is repeat business."

Hyatt scored well on brand consistency, sales staff and clean and attractive facilities. "We are successfully personalizing our guest experience to have [guests] be comfortable coming back, and the Hyatt brand does that very well," said global sales VP Gus Vonderheide. "Personalization is a big buzzword with us right now, and I like the comment, 'You win an account one traveler at a time.' Getting an organization to choose your hotel in their program doesn't guarantee you a room night. We need to make sure

UPPER-UPSCALE ON A SCALE FROM 1 TO 6	Westin	Embassy Suites	Hyatt	Marriott Hotels	Hilton	Sheraton	AVERAGE
Strategic locations for business needs	5.04	5.18	4.58	5.27	5.19	4.78	5.01
Clean, attractive & well-maintained hotels & facilities	5.22	5	4.94	4.94	4.96	4.59	4.94
Meeting facilities	5.13	4.68	4.74	4.76	4.76	4.81	4.81
On-property service staff	5.17	5.05	4.85	4.85	4.72	4.89	4.92
Healthy food & fitness options to support traveler wellness	5.09	4.59	4.83	4.66	4.49	4.85	4.75
Safety & security standards	5.17	4.82	4.94	5.02	5	4.89	4.97
Brand consistency	5.22	5.05	5	4.79	4.76	4.63	4.91
Sales staff (national, regional & local)	5.04	5	4.96	5	4.94	4.96	4.99
Partnership approach to negotiating rates & penalties like cancellation terms	4.87	4.55	4.75	4.43	4.51	4.3	4.57
Flexibility in negotiating amenities like breakfast, parking, Wi-Fi, loyalty status & upgrades	4.74	4.55	4.57	4.41	4.5	4.37	4.52
Communication with travel buyers	4.91	4.41	4.58	4.6	4.52	4.52	4.59
Data & reporting	4.7	4.41	4.21	4.38	4.17	4.19	4.34
Price-to-value relationship	4.87	4.86	4.75	4.64	4.63	4.56	4.72
TOTAL	5	4.78	4.75	4.75	4.7	4.64	4.77



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we are addressing each individual guest and finding a way to attract them and connect with them, and that's how you win an account."

Hyatt connects with travel buyers with flexibility in pricing models and willingness "to create a variety of different programs that work for each organization based on their culture and their needs," Vonderheide said. "One size does not fit all. We believe a hybrid pricing model is probably the best approach we can help create from the ground up, and we like to partner with our customers in doing so."

The company also holds a Transient Sales Workshop, training corporate sellers on trends in the marketplace and what to do at the property level to attract more business and show Hyatt off as the brand of choice. "This is a very important segment for us," Vonderheide added, "and we just continue through regional and corporate-sponsored training opportunities to recognize the value of these Hyatt sellers on property and above property to make sure they are best in class."

Upscale

The top three brands in this segment were so close that only five-hundredths of a point separated No. 1 DoubleTree from No. 3 Hyatt Place. No. 2 Cambria took top honors in seven of the 13 categories.

DoubleTree by Hilton garnered top honors for its meeting facilities, on-property service staff, supporting traveler wellness with healthy food and fitness options, and sales staff.

Sales, customer engagement and industry relations SVP Kelly Phillips said DoubleTree is community focused and that this resonated with buyers and business travelers over the past year. "Customers want to spend money with brands that share their values," she said, and each DoubleTree has a Care Committee of team members from all departments and levels seeking ways to improve. Beyond that, relationships matter, and she said consistency is crucial. She stressed that it's Hilton's "connections with our customers that make the biggest difference, not just our sales professionals to our buyers but also our hotels delivering on that promise with each traveler that

UPSCALE ON A SCALE FROM 1 TO 6	Double-Tree	Cambria Hotels	Hyatt Place	Courtyard by Marriott	Hilton Garden Inn	Crowne Plaza	AVERAGE
Strategic locations for business needs	5.03	4.43	4.84	5.2	5.06	4.36	4.82
Clean, attractive & well-maintained hotels & facilities	5.03	5.3	5.09	4.92	4.8	4.48	4.94
Meeting facilities	4.74	4.17	4.14	4.23	4.08	4.6	4.33
On-property service staff	5.17	4.96	4.91	4.82	4.57	4.68	4.85
Healthy food & fitness options to support traveler wellness	4.66	4.39	4.5	4.39	4.37	4.24	4.43
Safety & security standards	4.89	4.96	4.89	4.77	4.63	4.84	4.83
Brand consistency	4.91	5.17	5.16	5.04	4.8	4.52	4.94
Sales staff (national, regional & local)	5.2	5.13	5	4.83	4.59	4.76	4.92
Partnership approach to negotiating rates & penalties like cancellation terms	4.8	5.17	5.07	4.59	4.49	4.6	4.79
Flexibility in negotiating amenities like breakfast, parking, Wi-Fi, loyalty status & upgrades	4.8	4.87	5.02	4.41	4.37	4.6	4.68
Communication with travel buyers	4.74	4.87	4.7	4.49	4.29	4.52	4.6
Data & reporting	4.49	4.57	4.43	4.37	4.16	4.16	4.36
Price-to-value relationship	5.03	5.26	5	4.79	4.75	4.52	4.89
TOTAL	4.88	4.87	4.83	4.68	4.54	4.53	4.72

walks through our doors."

Enough travel programs used Cambria over the past year for the Choice Hotels brand to debut on the survey this year, and it very nearly took top honors in the upscale segment in the process. It scored highest in seven of the 13 categories rated, including many that are important to travel buyers, such as a partnership approach to negotiating rates and penalties, communication with travel buyers, data and reporting, and price-value relationship.

"We've been making a concerted push [toward] corporate travel buyers for the past several years," said Choice chief commercial officer Robert McDowell. While Choice has traditional global and regional sellers, it also has Cambria field sellers dedicated to the brand's hotels and serving as a link between the property and the corporate travel buyer. "We worked closely to get Cambria noticed by corporate travel buyers who might not be aware of the brand as [its properties] opened in their markets."

Choice also has an advisory council of buyers. "We go to them before we launch programs to really understand how the business is evolving, what tools they are using, what are their issues and opportunities," said Choice SVP of upscale brands Janis Cannon. "They play a big role in helping us with our overall strategy."

Two other factors may have played a role in Cambria's placement in the survey this year: meetings and its loyalty program. "When some companies were reducing commissions, we went the other way and enhanced our groups and meetings offer," Cannon said, adding that the brand specializes in meetings with as many as 25 attendees. "That's been really appreciated by corporate travel buyers who also do meetings."

Choice Privileges offers a "status jump" program: "No matter what level you are at with a competitor, after your first stay at a Cambria, you go to our highest level," Diamond status, Cannon said. In addition, Choice Privileges members who stay at a Cambria get a \$10 credit they can use on property for food and beverage. And the company recently doubled the instant rewards at check-in to a \$10 Starbucks card, \$5 for Uber and \$5 for Amazon. "We've been working closely to understand what it is corporate travel buyers are really looking for from a brand perspective and to differentiate Cambria and also add value," Cannon said. "It's starting to pay off." The brand has more than 45 U.S. locations open and will reach 50 by the end of 2019.

Hyatt Place dominated the upscale segment in last year's survey, taking top honors in 11 of the 13 categories. This year, the brand fell to third, though barely. It scored

on top only for flexibility in negotiating amenities, which is a key point for buyers. It also scored well in other important categories, including a partnership approach to negotiating rates and penalties, as well as price-value relationship. "The Hyatt Place product is growing rapidly and is a very special brand for us that is giving us the opportunity to expose the Hyatt name in new markets," said Vonderheide. "[It] has been consistently scoring well in both room product and F&B offerings, and we continue to attract the traveler who is looking for a really well-appointed product at a good price point in places where they need us to be."

The brand falls into the select-service category, he said, but "it punches above its weight." He added that its rooms are good sizes, "the breakfast is phenomenal, and there are nice gathering spaces in the galleries and lobbies."

World of Hyatt members are entitled to free breakfast at the brand's properties. They can sign up for the loyalty program at check-in and get the meal the next morning. "It really gives you a nice advantage and product," Vonderheide added. He also said: "It's a consistent product in the right places ... and we are keeping the product fresh. We make sure we've got many of these properties near transportation around the area. It's a home away from home."

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Midscale Takes Cues from Upscale

BY DONNA M. AIROLDI

As new hotel brands have crowded the market over the past few years, traditional brands have associated themselves more closely with their parent companies. Fairfield Inn & Suites is now Fairfield by Marriott. Hampton Inn is now Hampton by Hilton. Also at play is the increasing importance of hotel rewards programs, which hotel companies use to encourage direct bookings over online travel agency bookings and to build loyalty, especially across a company's myriad brands. Best Western has seen business from loyalty members increase from 5 percent when David Kong stepped in as CEO in 2004 to 48 percent today.

Another trend in midscale comes from the upscale playbook. "No longer are guests willing to accept that just because they are not paying \$500 per night doesn't mean they'll accept poor design," said Marriott International global brand officer and luxury portfolio leader Tina Edmundson. "And customers expect it when they are going to their hotel and spending \$100 a night; they still want a high-design sensibility." Best Western chief marketing officer and SVP Dorothy Dowling agreed: "What the traveler wants today—including breakfast, a fitness center, a loyalty program, value creation—transcends different categories. What has transpired in the upper-upscale and upscale segments has become common place in the midscale brands."

Upper-Midscale

Fairfield went from fifth place last year to first this year and earned top marks for seven of the 13 categories, including brand consistency, price-value relationship, on-property service staff and clean and attractive facilities. "We have a very keen focus on operations and service elements, and we have an excellent training program that was refreshed and re-rolled out," Edmundson said. "Second-most important is that we've had a ton of new openings. The brand passed 1,000 hotels

UPPER-MIDSCALE ON A SCALE FROM 1 TO 6	Fairfield by Marriott	Hampton by Hilton	Holiday Inn Express	Best Western Plus	Holiday Inn	AVERAGE
Strategic locations for business needs	5.09	5.15	5.18	4.13	4.72	4.86
Clean, attractive & well-maintained hotels & facilities	4.91	4.68	4.82	4.53	4.17	4.62
Meeting facilities	3.91	3.74	3.69	3.87	3.89	3.82
On-property service staff	4.84	4.66	4.56	4.4	4.24	4.54
Healthy food & fitness options to support traveler wellness	4.5	3.92	3.9	4	4.02	4.07
Safety & security standards	4.81	4.48	4.46	4.27	4.33	4.47
Brand consistency	4.97	4.75	4.67	4.33	4.15	4.57
Sales staff (national, regional & local)	4.78	4.8	4.56	4.53	4.52	4.64
Partnership approach to negotiating rates & penalties like cancellation terms	4.84	4.71	4.64	5.13	4.48	4.76
Flexibility in negotiating amenities like breakfast, parking, Wi-Fi, loyalty status & upgrades	4.75	4.63	4.77	5	4.28	4.69
Communication with travel buyers	4.63	4.43	4.41	4.67	4.15	4.46
Data & reporting	4.59	4.17	4.18	4.6	3.85	4.28
Price-to-value relationship	4.97	4.77	4.87	4.73	4.57	4.78
TOTAL	4.74	4.53	4.52	4.48	4.26	4.5

MIDSCALE ON A SCALE FROM 1 TO 6	Wingate by Wyndham	La Quinta Inns & Suites	Best Western	AVERAGE
Strategic locations for business needs	5.09	4.32	4.57	4.66
Clean, attractive & well-maintained hotels & facilities	4.55	4.42	4.1	4.35
Meeting facilities	4.55	3.37	3.19	3.7
On-property service staff	4.64	4.63	4.38	4.55
Healthy food & fitness options to support traveler wellness	4.36	3.68	3.62	3.89
Safety & security standards	4.09	4.21	3.95	4.08
Brand consistency	4.73	4.11	3.86	4.23
Sales staff (national, regional & local)	4.91	4.42	4.67	4.67
Partnership approach to negotiating rates & penalties like cancellation terms	4.91	4.47	4.33	4.57
Flexibility in negotiating amenities like breakfast, parking, Wi-Fi, loyalty status & upgrades	4.82	4.26	4.29	4.46
Communication with travel buyers	4.91	4.05	4.14	4.37
Data & reporting	4.36	3.95	4	4.1
Price-to-value relationship	4.91	4.68	4.52	4.71
TOTAL	4.68	4.2	4.12	4.33

this past year ... which is a huge benefit for the corporate buyer." Fairfield has another 408 properties in its development pipeline.

Coming in second was Hampton by Hilton, up from third last year. It earned top marks for its sales staff. "Hampton was the first to introduce complimentary hot breakfast and on-the-go breakfast bags, and that has resonated with the business travel market," said sales, customer

engagement and industry relations SVP Kelly Phillips. "It also has a wide footprint and is at a great price point, adding value for our business travelers."

Improving this year in both score and placement, InterContinental Hotels Group's Holiday Inn Express took the top spot for strategic locations and scored second for clean and attractive facilities, flexibility in negotiating amenities and price-value re-

lationship. "Holiday Inn Express is in the midst of a transformation that has been in the works for the past six or seven years," said IHG SVP of global marketing Heather Balsley. "It started with the launch of a new design program that is really reaching scale in the market, and we're absolutely seeing really positive feedback from business travelers." Over the past 18 months, the brand also has rolled out new

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sleep and breakfast experiences. Breakfast is free for all guests. Updating “that offer to ensure it’s also really high quality has been an important investment for us, and we are very confident that those investments are resonating with business travelers,” she said.

The global sales team also has expanded its coverage of key vertical markets for business travel, Balsley added, and it’s been more than a year since the company introduced IHG Business Edge for small and midsize enterprises. “Across IHG, we are very focused on relationships with corporate travel buyers and delivering an outstanding buying experience ... and we continue to invest in how we lean into the power of the IHG Rewards Club to complement our corporate travel managers’ travel programs.”

Though it placed fourth, Best Western Plus finished first in categories important to travel buyers, including communication with travel buyers, negotiating and data and reporting.

Midscale

Only three brands garnered enough use by corporate travel programs to place this year, compared with four last year. Wingate by Wyndham took the lead, while La Quinta Inns & Suites improved from fourth place to second. Since being purchased by Wyndham, the company has rebranded as La Quinta by Wyndham and has moved from midscale to upper-midscale. Based on the dates for which BTN asked respondents to rate hotel brands, however, it will remain in the midscale segment for this year’s survey.

Wingate cleaned up in the midscale segment, earning top marks for 12 of the 13 categories. It came in second to La Quinta only for safety and security standards. “The brand has been very consistent and earned, five straight years in a row, the J.D. Power guest satisfaction award,” said Wyndham group VP of global sales Carol Lynch. “It’s very guest-centric and delivering the best services available. We’re also expanding the brand into different regions around the world.” The

first Wingate in China opened in mid-2018, and Asia is Wyndham’s fastest-growing development region, Lynch said.

The La Quinta acquisition and integration finished in April, and Wyndham thus doubled the number of sellers for Wingate, La Quinta and its other brands, said Lynch. “With that increase in sellers, we were able to create three different teams of sellers that focus on different segments within business travel.” She noted industries like finance, IT, manufacturing and oil and gas. “We’re able to really focus on different types of buyers and what their needs are and what amenities their travelers are looking for. [The sellers] are able to become experts in their specific segments of business.”

Lynch also noted that Wyndham is upgrading the free Wi-Fi at many of its brands, a popular move among business travelers, and the company is piloting in-room casting technology that will allow guests to use their phones to watch TV. Wyndham also is introducing a dual-brand prototype for La Quinta and extended-stay brand Hawthorne Suites.

Best Western placed third this year and earned strong marks for strategic locations and for sales staff. Companywide, Best Western’s business travel room nights have increased 10.8 percent year to date compared with 2018. Dowling credits the maturation of the organization’s team. “The relationship value creation compounds over time,” she said. “There are different individuals and components of the branding strategy and team that have been building in terms of value proposition, and we have tenured individuals with us for a number of years.” She also credits the commitments that property owners have made to the company’s product and design evolution and their work with the rewards program. “It’s also about delivering top-notch service to guests. It’s a combination of all of those things ... that puts our team at a high level in terms of business outcomes delivered to be able to win that business.” The core Best Western brand operates 1,983 properties globally and has 147 in its pipeline.

Extended Stay Gains Steam

BY CHRIS DAVIS

Amid a year of mixed business demand and financial performance indicators for the extended-stay segment, travel buyers generally rated extended-stay suppliers higher than last year. They also spread the love. Every brand included in the extended-stay segments led or tied for the lead in at least one category.

Buyers appear to be gaining comfort with the sales staffs and the negotiating strategies at extended-stay hotels. 2019 aggregate marks for flexibility in negotiating amenities, a partnership approach to negotiating rates and penalties, and sales staff were notably higher than in 2018. That doesn’t mean buyers simply are extracting more concessions: Extended-stay average daily rate increased 1.2 percent year over year for the first half of 2019, according to The Highland Group. The extended-stay pipeline, meanwhile, is contracting. Upscale extended-stay rooms under construction as of June 30 declined 21.3 percent from a year earlier, and midprice rooms declined 3.3 percent. Still, respondents seem satisfied with recent expansions, as scores for brands’ strategic locations increased sharply from 2018.

Upscale Extended Stay

Home2 Suites by Hilton, in its second year in the survey, tops the tightly packed upscale extended-stay category. Only 21-hundredths of a point separated the overall scores of the five brands included. Still, Home2 Suites took over first place on the strength of top scores in five categories, including price-value relationship and communication with buyers. Home2 Suites’ overall score increased from 4.77 last year to 4.88.

“We had a tremendous expansion focus. [The brand] is really growing exponentially,” said sales, customer engagement and industry relations SVP Kelly Phillips, adding that Home2 Suites has opened more than 332 hotels and has another 435 in its pipeline, representing one of Hilton’s fastest-growing brands. “As a sales organization, we are leaning into the extended-stay busi-

ness and how we approach housing accounts and project business. It has been making a difference.”

The brand led the upscale extended-stay segment in on-property service staff, as well as standard room size/in-room kitchen; each kitchen includes place settings for six with a refrigerator and freezer, dishwasher, microwave oven and coffee maker, according to Hilton.

Last year’s top upscale extended-stay brand, Hyatt House, placed second this year, six-hundredths of a point behind Home2 Suites. Hyatt House also led in five categories, including brand consistency; clean facilities; flexibility in negotiating amenities; and safety and security standards. “Hyatt House is a major player in the business transient market, and the market is essential to the brand’s success,” said Hyatt Place and Hyatt House VP of sales Kevin Kelly. “[These] hotels serve the extended-stay guest ... and these hotels have also been designed to cater to those staying for shorter periods. Hyatt House hotels offer den guest rooms without kitchens, as well as studios and one-bedroom suites, both of which offer full kitchens. With varying room types, our hotels can provide the flexibility to serve guests with different needs.”

During the past 12 months Hyatt House has added properties in Kuala Lumpur, Malaysia, and Jeddah, Saudi Arabia, its first hotels in Southeast Asia and the Middle East. More than 90 Hyatt Houses are open globally, and more than 400 are in the pipeline, according to Hyatt.

Marriott International’s Residence Inn rounded out the top three, finishing first among respondents for strategic locations and for data and reporting. Residence Inn’s rating of 4.78 represents a year-over-year gain of a quarter point. Marriott global brand officer and luxury portfolio leader Tina Edmundson cited changes to the brand’s service and amenities. “Residence Inn debuted Marriott Classic Select brands’ innovative proprietary service training platform around two years ago, and

it has allowed us to maintain and even grow our service strength,” Edmundson said. “We released a new decor prototype in 2017 that started coming online in 2018. And between renovations and around 50 openings a year, that means a lot of great new product in the system.”

Edmundson also noted Residence Inn’s “highly differentiated amenities.” Every room is a suite and is on average 35 percent larger than same-tier hotel rooms. The brand also offers a free grocery shopping service and outdoor fire pit and barbecue grills, among other amenities.

Homewood Suites by Hilton led the upscale extended-stay segment in sales staff, and InterContinental Hotels Group’s Staybridge Suites tied Home2 Suites as the top brands for flexibility in negotiating amenities.

Midscale Extended Stay

Marriott International’s TownePlace Suites notched the highest rating in the midscale extended-stay tier by a healthy margin, leading nine of the 13 categories—including clean facilities, data and reporting, and price-value relationship. The brand improved its overall rating by nearly six-tenths of a point over last year, TownePlace’s first time as the segment’s leader since 2013. “We have a separate extended-stay sales effort ... we have a renewed focus on our training programs ... and we see that occupancies are pretty good in this segment,” Edmundson said. “We also doubled down on our partnership with The Container Store. We have this innovative organization system that helps [guests] settle in and feel at home while on the road. [It’s] this feeling of familiarity and the personal connection they make with our associates that sets [TownePlace] apart from the rest.”

The rapidly growing brand has more than 400 properties in the U.S. and Canada and offers studios, one-bedroom suites and two-bedroom suites. The brand allows travelers to borrow games, grilling tools from its partnership with Weber and other items and offers guests a cookbook co-branded with Tastemade.

Extended Stay America’s rating increased about 15-hundredths of a point versus 2018, enough to land the brand in second place. Last year, it launched its Extended Stay America Works program of volume-based services for corporate travel buyers, including preferred partner pricing,

UPSCALE EXTENDED STAY ON A SCALE FROM 1 TO 6	Home2 Suites by Hilton	Hyatt House	Residence Inn by Marriott	Homewood Suites by Hilton	Staybridge Suites	AVERAGE
Strategic locations for business needs	4.56	4.56	5.13	4.72	4.5	4.69
Clean, attractive & well-maintained hotels & facilities	5.13	5.17	4.92	5.03	5	5.05
In-room kitchen & standard room size	5	4.61	4.96	4.91	4.8	4.86
On-property service staff	4.88	4.67	4.77	4.69	4.5	4.7
Healthy food & fitness options to support traveler wellness	4.56	4.67	4.56	4.44	4.35	4.52
Safety & security standards	5.13	5.17	4.77	4.56	4.65	4.86
Brand consistency	5.06	5.11	5.06	5.06	4.8	5.02
Sales staff (national, regional & local)	4.88	4.89	4.75	4.94	4.75	4.84
Partnership approach to negotiating rates & penalties like cancellation terms	5	4.78	4.6	4.63	5	4.8
Flexibility in negotiating amenities like breakfast, parking, Wi-Fi, loyalty status &	5	5.06	4.6	4.69	4.85	4.84
Communication with travel buyers	4.69	4.56	4.6	4.31	4.5	4.53
Data & reporting	4.5	4.56	4.6	4.25	4	4.38
Price-to-value relationship	5.06	4.89	4.81	4.78	4.95	4.9
TOTAL	4.88	4.82	4.78	4.69	4.67	4.77

MIDSCALE EXTENDED STAY ON A SCALE FROM 1 TO 6	TownePlace Suites by Marriott	Extended Stay America	Candlewood Suites	AVERAGE
Strategic locations for business needs	4.78	5.07	4	4.62
Clean, attractive & well-maintained hotels & facilities	4.72	3.71	3.89	4.11
In-room kitchen & standard room size	4.5	3.93	4	4.14
On-property service staff	4.72	4.07	4.33	4.38
Healthy food & fitness options to support traveler wellness	4.17	3.5	3.89	3.85
Safety & security standards	4.56	3.86	4.67	4.36
Brand consistency	5	4	4.44	4.48
Sales staff (national, regional & local)	4.89	4.64	4.67	4.73
Partnership approach to negotiating rates & penalties like cancellation terms	4.5	4.79	4.44	4.58
Flexibility in negotiating amenities like breakfast, parking, Wi-Fi, loyalty status & upgrades	4.44	4.64	4	4.36
Communication with travel buyers	4.56	3.86	3.78	4.06
Data & reporting	4.33	3.5	3.56	3.8
Price-to-value relationship	4.44	4.43	4	4.29
TOTAL	4.59	4.15	4.13	4.29

dedicated account managers and central direct billing, among others.

EVP of revenue Tom Buoy told BTN that ESA Works set the stage for the brand’s top finishes in the segment’s partnership approach to negotiating and flexibility in negotiating amenities categories. “Our buyers place great emphasis on having a highly competent sales staff on partnering and on having flexibility, so they can buy the way they choose to buy [to] help them achieve their goals,” Buoy said. “We’ve changed our overall sales strategy and spent a lot of time listening to the travel buying community. We designed

ESA Works around meeting their needs. We have a greater focus on our team’s engagement and creating a more professional salesperson.”

InterContinental Hotels Group’s Candlewood Suites rounded out the segment, leading in safety and security standards. “For all of our brands, but specifically for Candlewood Suites, this is a holistic approach to safety and security,” IHG SVP of mainstream category global marketing Heather Balsley told BTN. “Rigorous brand safety standards, ongoing monitoring and management from our global risk specialists, risk guidance, training [and] tool kits.

We are also very conscious of where we place our hotels.”

Candlewood, which has 401 hotels open and 94 in the pipeline, is set to launch new-build prototype Beacon 4.0 later this year. “The choices we’ve made in that design program were very much informed by both our guests as well as our corporate travel managers and B2B customers,” Balsley said. “Through that process, we enhanced kitchens [and will add] larger TVs and enhanced public space [for guests] to use as an extension of their suite.”

—Additional reporting by
Donna M. Airolti



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Concur Rolls Out Full NDC Access for British Airways & Lufthansa

BY ADAM PERROTTA & MICHAEL B. BAKER

After a successful pilot this year, SAP Concur has made New Distribution Capability content from British Airways and Lufthansa Group available to all Concur Travel corporate customers and their travel management companies. Clients can configure Concur Travel to enable NDC content from BA and Lufthansa. Travelers booking that content will bypass the global distribution system and thereby avoid any carrier-imposed GDS distribution fees, Concur said. NDC content also ensures travelers have access to the widest range of choices, as some airlines have removed content and fares from the GDS channel entirely, the company added.

Speaking at BTN Group's recent The Beat Live conference, Concur president Jim Lucier said GDS surcharges from both carriers were a large driver in getting those airlines fully rolled out first. "It not a coincidence that it happened with two European carriers first," he said. "We have



customers coming to us saying they want access to that content and are not particularly excited about surcharges."

Under the initiative, NDC content arrives in Concur's booking tool via the Concur Select Access feature, which has for the past 15 years offered direct bookings with low-cost carriers and access to other non-GDS content through a partnership with aggregator Travelfusion. Concur Select Access does come with its own fees that are lower than GDS fees, Lucier said.

Content from American Airlines and a few other carriers currently in beta also will be available "pretty shortly," according to Concur SVP of global supplier and content strategy Charlie Sultan.

Lucier added that he would like to see NDC content delivered via GDSs through TMCs as the predominant model. Concur began piloting NDC connections with BA and Lufthansa on June 1 with six TMC partners, including Business Travel Direct and Travel and Transport Statesman, both based in the U.K. Concur was motivated to explore ways to offer NDC content after many TMCs expressed a desire to access such content in the near term rather than waiting for GDSs to integrate NDC offerings.

Concur also announced today that Lufthansa's integration with Concur TripLink will go live in the fourth quarter of 2019, enabling travelers to book directly on Lufthansa's website and have booking data flow back to their corporate travel programs. BA connected with TripLink in April 2018. ■

Delta & Latam Announce Partnership

BY MICHAEL B. BAKER

Delta and Latam have agreed to form a strategic partnership. As part of the deal, Delta will take a 20 percent stake in Latam and Latam will exit the Oneworld alliance. The partnership will build upon Delta's joint venture with Aeromexico and "will bring together our leading global brands, enabling us to provide the very best service and reliability for travelers to, from and throughout the Americas," Delta CEO Ed Bastian said. Latam CEO Enrique Cueto Plaza said the partnership "strengthens our company and enhances our leadership in Latin America by providing the best connectivity through our highly complementary route networks."

Delta plans to invest \$1.9 billion to acquire the Latam stake through a public tender offer of \$16 per share, plus \$350 million to help establish the partnership. In addition, Delta plans to acquire four Airbus A350 aircraft from Latam and to assume Latam's commitment to buy 10 additional A350s through 2025. The investment also will get Delta a seat on Latam's board of directors.

Delta SVP of global sales Bob Somers called the move "the biggest investment since our merger with Northwest 10 years ago" and, networkwise, a move akin to Delta's acquisition of Pan Am's transatlantic routes in 1991, which "changed us overnight." South America was Delta's biggest gap in global coverage, he said.

"[Corporate customers] had been asking us, and this move absolutely fills that one gap," Somers said. "We've been making hundreds of calls to our customers in North and South America—big global corporates, agencies and tour operators—and we've been getting overwhelmingly positive feedback."

Latam had been establishing a joint venture with longtime Oneworld partner American Airlines. A recent ruling by Chile's Supreme Court blocked the JV even after Chile's antitrust tribunal had approved it. American stated: "We understand Latam's decision to partner with a U.S. carrier that isn't burdened by the ruling. American Airlines

remains the largest U.S. carrier to both Latin and South America, and we look forward to competing and growing in this region of the world." American added that it will not experience a large financial impact on American, as the joint business "without Chile would have provided limited upside."

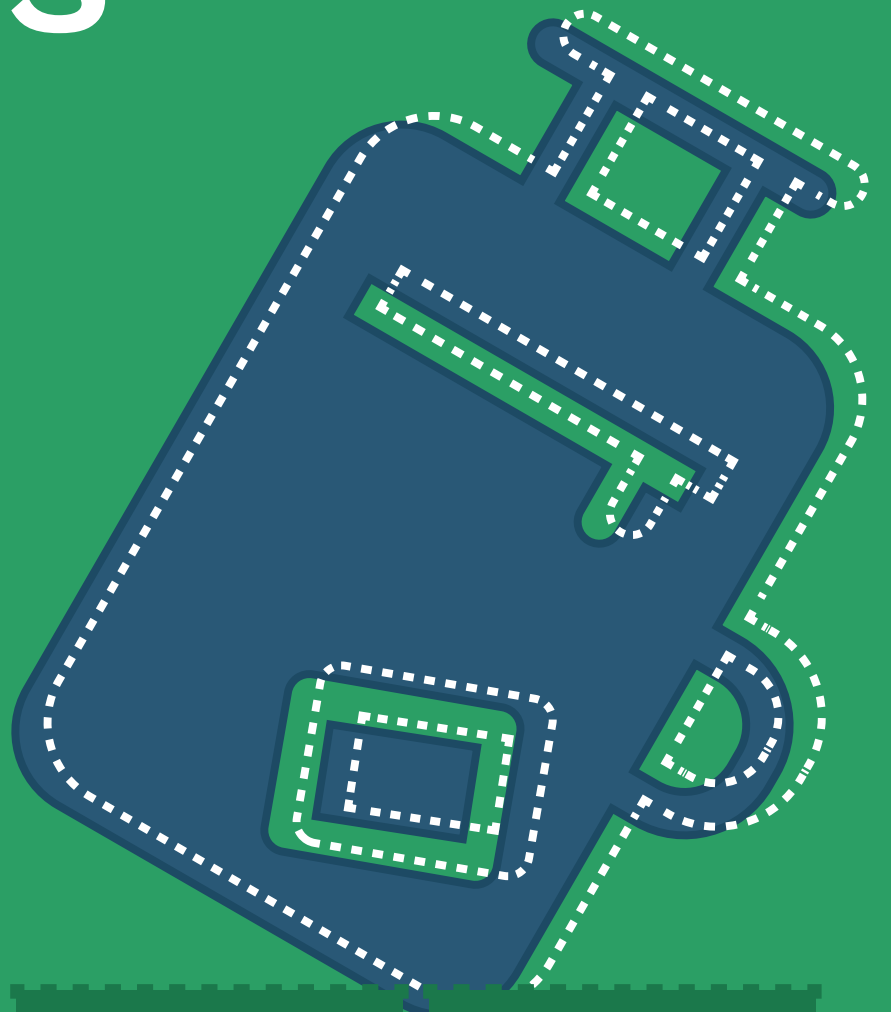
Latam executives said the company plans to operate as an independent group rather than join the SkyTeam alliance alongside Delta and Aeromexico. The agreement with Delta does not have exclusivity requirements, and Latam can keep its bilateral agreements with other carriers in Oneworld, said Latam chief commercial officer Roberto Alvo Milosawlewitsch, who will take over as CEO next year.

Both the partnership between Delta and Latam and Delta's investment require regulatory approvals, including antitrust approvals, which Delta estimates will take one to two years. Delta does not anticipate the challenges that American faced. "Our networks are complementary and together are going to generate consumer benefits," Delta EVP and chief legal officer Peter Carter said. "American and Latam had a number of overlaps that created issues with the Chilean regulators, and we just don't have that here." Delta and Latam have only one overlapping route, between New York and Sao Paulo, Latam CFO Ramiro Diego Alfonsin Balza said.

Codesharing between Delta and Latam could begin by the end of this year, Bastian said. Latam executives said codeshare agreements with American would continue for a few more months to smooth the transition. ■

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Hotel Terrorist Attacks

So it's a matter of time before other terrorist organizations follow the path Al-Shabab has laid out. To me, the more success they have, the more likely it is they will be repeated.

Correct. It's very high profile and gets a lot of media attention. It also tends to be very successful in causing quite a bit of death and destruction. It's going to be appealing to other insurgent terrorist organizations around the world. And getting that kind of media attention of what is going on also impacts how much funding and support they get as an organization.

How soon do you expect to see this type of attack escalate?

We've seen hotel attacks increase over the past couple of decades. You can't predict them because it's a terrorist event. They're not going to give us a warning.

What can travel managers and corporate travelers do to mitigate their risk?

They need to be looking at [their] hotel stays. If they've got prolonged projects or prolonged stays, we recommend that for low- to medium-risk countries, they have a hotel desktop assessment done.

Clients can't afford to have a physical security assessment done for every hotel they go to, and that is understandable. But if you can do a desktop hotel assessment with available open source information and maybe even with a phone call to ask a few questions, that gives some kind of comfort factor on what the security posture is of that hotel. At WorldAware, we have Country Security Assessment Ratings for countries and cities. The ratings go from one to five. One is safest and five is the highest-risk environment. We recommend that clients do a desktop hotel assessment for ratings of one to three. If four or five, we send in a local security professional to conduct a site survey and validate the security posture of that hotel.

There's something about hotel assessments we have to make clear: Clients may think if they've done a hotel desktop or physical assessment, that hotel is safe. All a hotel assessment does for you is tell you that at that day, this is what the situation is. It could change tomorrow. [It] tells you what the general security posture is for that particular hotel to give you a comfort factor. A hotel assessment [also] will tell you what hotels you will not use because their security posture is not even close to meeting the standard.

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f. Total Distribution (Sum of 15c and e)	33,356	32,933
g. Copies Not Distributed (see Instructions to Publishers #4 (page 3))	639	470
h. Total (Sum of 15f and g)	33,995	33,403
i. Percent Paid and/or Requested Circulation (15c divided by f times 100)	96.24%	97.20%
16. Electronic Copy Circulation	Average No. Copies each Issue During Previous 12 Months	No. Copies of Single Issues Published Nearest to Filing Date
a. Requested and Paid Electronic Copies	14,232	12,564
b. Total Requested and Paid Print Copies (Line 15c) + Requested/Paid Electronic Copies	46,335	44,576
c. Total Requested Copy distribution (Line 15f) + Requested/Paid Electronic copies (Line 16a)	47,588	45,497
d. Percent Paid and/or Requested Circulation (Both Print & Electronic Copies) (16b divided by 16c x 100)	97.37%	97.98%

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18. Signature and Title of Editor, Publisher, Business Manager or Owner: Louis Magliaro, Vice President/Group Publisher, 10/1/19.

I certify that all information furnished on this form is true and complete. I understand that anyone who furnishes false or misleading information on this form or who omits material or information requested on the form may be subject to criminal sanctions (including fines and imprisonment) and/or civil sanctions (including civil penalties).

What do these assessments entail?

It's a physical validation: What is the setback distance, access control, fire suppression. [For] onsite security, is it 24-hour presence? What are the capabilities and response time of local emergency services? Then there is some background on the hotel with respect to previous incidents and activities and how long the management staff and security staff have been assigned to that hotel. There are quite a few things that go into the physical security assessment of a hotel.

Do you recommend travelers stay away from Western hotels in certain locations?

That is country specific. If in a well-developed nation—Germany, France—Western hotels are pretty safe. Generally, they have good security, as well. But if you are in Nigeria or Egypt, that is another concern. We need to take a look at what your hotel selection process is. If you have long-term projects—consulting clients going in and out on a weekly basis to support a client—then we need to rotate hotels and not stay in the same hotel all the time. That makes you a high-profile target. One of the biggest things we are pushing our clients on now is reviewing situational awareness with their travelers. In today's world, it's important that we become familiar with what is normal around our hotel, what's normal around our job site, around any convenient services we are using so we can

recognize when something doesn't look normal and remove ourselves from a potential situation.

We need to vary our departure and arrival times. We need to vary our routes to and from [locations]. All these things serve to make you a harder target. Any sophisticated criminal or terrorist attack will involve surveillance first so they know where the best place is to take you down or commit the activity. If we keep them guessing, keep them off kilter by changing our routes, changing arrival/departure times, they'll look for an easier target. We are really pushing clients now, even more today than before, to train their people and impress upon them the importance of good situational awareness. It's better if something doesn't look normal and you remove yourself and something doesn't happen than to not remove yourself and something does happen.

Do you feel companies are becoming more aware of this? How ready are they?

That goes the full gamut, too. We're seeing an increase in awareness of the issues. Clients are looking to implement additional risk mitigation strategies to help limit their exposure. Definitely. There's renewed concern in the industry about protecting people. Of course, companies are worried about brand reputation, but it's really focused around protecting their people. In the past, it was wrapped around travel risk management. Today, it's people risk management—not just your travelers, but what about your local employees, as well? ■

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How CRM Is Transforming Corporate Travel Buyer/Supplier Relationships

BY AMON COHEN

Customer relationship management tools are conquering the corporate world, and the implications for managed travel are profound. Service providers like travel management companies and suppliers like airlines and hotels are using CRM to decide whether to respond to buyer RFPs, determine pricing and track the performance of accounts they win. Better information about customers and prospects alike is making suppliers more discriminating about whether to bid or not, based in large part on how much they know about the client. As a result, buyers are coming under pressure to engage more continuously with the marketplace and to disclose more data about their programs to attract bids.

But that's just the beginning. CRM technology also is starting to manage traveler profiles and to power bots that serve travelers. There is even speculation CRMs could become business travel booking portals.

Total spend on CRM software grew 13.7 percent to \$48.2 billion in 2018, according to Gartner. Investment is accelerating not just because more companies are adopting CRM but because they are doing so much more with it.

By far, the largest CRM is Salesforce, which has 150,000 corporate customers. Gartner estimates Salesforce's market share in 2018 was 19.5 percent, more than double its next closest rival, SAP, with 8.3 percent. "Salesforce was originally introduced as a sales administration tool to register leads and prospects, send proposals and close deals," said SalesTrip founder and CEO Manoj Ganapathy. "Then they realized they had accidentally built a digital platform which could be extended in a similar way to the Apple App Store or Google. Salesforce has become the primary tech hub for many companies, providing sales, financial and operational data about customers all on one platform. Previously, businesses had no real information about how much they were spending on servicing a customer." As a result, said Ganapathy, businesses can assess profitability per customer "and try to understand: Am I spending money in the right place to win a customer?"

Ganapathy's own career illustrates the radically widening remit of CRM. In 2014, he sold a billing software app, Invoice IT, to Salesforce, where it is now branded as Salesforce Billing. This year, he launched SalesTrip, a booking and expense tool/TMC hybrid that is built and operates inside Salesforce. SalesTrip aims to help clients understand the relationship between sales revenue and travel spend and therefore assess the ROI in travel.

FCM Travel U.K. general manager Graham Ross, a customer of Salesforce for the past seven years, agreed with Ganapathy's assessment. "Over the past two years, it has grown arms and legs for us because we have realized the capabilities of using Salesforce are pretty vast," said Ross. His team has offsite consultation days with Salesforce management to focus on how FCM can better leverage Salesforce, "which isn't something we do with, say, Microsoft," he said.

At its most basic level, CRM provides what IHG global accounts VP Nick Grandvoinet calls "hit by the bus" security. His company white-labels Salesforce as IHG Javelin. "If one of our people gets hit by a bus, you've got all their customer info in the CRM."

What Is CRM?

A technology for managing all your company's relationships and interactions with customers and potential customers.

—Salesforce

With a CRM system, you can automate and integrate your customer-facing activities: sales, marketing, customer service and e-commerce. Best-in-class CRM software also offers tools for customer analytics, personalization, social media, collaboration and more.

—SAP Concur

The principles, practices and guidelines that an organization follows when interacting with its customers. From the organization's point of view, this entire relationship encompasses direct interactions with customers, such as sales and service-related processes, and forecasting and analysis of customer trends and behaviors. Ultimately, CRM serves to enhance the customer's overall experience.

—Investopedia

The combination of practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer life cycle, with the goal of improving customer service relationships and assisting in customer retention and driving sales growth. CRM systems compile customer data across different channels, or points of contact between the customer and the company, which could include the company's website, telephone, live chat, direct mail, marketing materials and social media. CRM systems can also give customer-facing staff detailed information on customers' personal information, purchase history, buying preferences and concerns.

—Tech Target

The information Salesforce logs includes details of all interactions with prospects and customers. "Historically, what I got out of Salesforce was only what I put in there myself," said Ross, but FCM users now also channel external data about companies, such as employees, turnover, competitors, press releases, news feeds and, through a LinkedIn feed, who has responsibility for travel. Consequently, "suppliers have better visibility of their customers," said Ganapathy. "For example, Brexit might mean a company opens a second office in Europe, which means there is more travel that could produce a bigger contract."

Breadth and depth of knowledge enable travel sales teams to refine their strategies. "We look at verticals which are doing well, like consulting," said Grandvoinet. "We can ask ourselves questions like whether we need to win more accounts in a particular vertical as we go into a global economic slowdown. Our work has always been a combination of science and art, but CRM makes it more of a science now."

Suppliers also load into the CRM everything they know about businesses' travel programs. Intelligence on spend, market share, destinations, supplier choices and class of travel are all grist for the CRM mill. When FCM receives an RFP, it uploads information from the tender, such as existing technology and tech requirements for the future, plus invoicing requirements. The TMC then creates what it calls a Know Your Prospect score based on all this information and on the extent and quality of previous engagements with the company. The system even takes into account highly granular information, such as how many people at the prospect have clicked on e-mails sent by FCM and how many have downloaded its white papers. Based on this score, and the views of FCM salespeople around the world, the TMC arrives at a determination on what it calls BNB, which stands for Bid/No Bid. Salesforce-driven decision-making has changed the ratio for FCM. "We're definitely no-bidding more than we used to, and as a result, we have a higher conversion rate," Ross said. "Salesforce gives us a more educated ability to say yea or nay."

Grandvoinet concurred. “You can only have so many salespeople. You have to make sure you focus on the opportunities that will have the biggest benefit to the business,” he said. “It enables you as a manager within sales to much more clearly get an objective of which accounts you should focus your effort on: the ones which will deliver more market share and be a good fit with where we are.”

CRM also influences supplier pricing. Einstein, Salesforce’s artificial intelligence-driven business analysis tool, “tracks all RFPs and the price points for different customers,” said Ganapathy. “It gives pricing predictions based on all the information in the system. It will look at the data and say pretty accurately, ‘This is 20 percent more than you are charging other clients in this sector or country.’”

Once an account is up and running, CRM monitors performance. IHG uses Salesforce insights to judge whether the amount and spread of spend by a corporate client corresponds to the sales support it receives. IHG could move those spending less than scheduled to a less bespoke sales service.

Salesforce travel, transportation and hospitality VP Taimur Khan believes CRM also is shifting suppliers and buyers to more dynamic management of their agreements. “CRM provides that insight on: How far ahead or behind am I in the plan?” Khan said. “You can take actions as they are needed and not wait until the quarterly review.”

The question for travel buyers is how they should respond to this brave new CRM-led world, which makes suppliers far better informed. The consequences are nothing to be scared of, in the view of GoldSpring Consulting associate Chris Pouney, who also is Midlands branch chair of the U.K.’s Chartered Institute of Procurement & Supply. “The quality of sales has increased immeasurably over the last few years, either through better salespeople or more likely through companies deploying this kind of technology,” Pouney said. “I can think of global bids in the past where the TMC did not know it was serving me elsewhere. I am seeing a lot more joined-up thinking.”

Pouney believes travel buyers need to respond by providing in

“In many ways, CRM and supplier relationship management are two sides of the same coin. They both talk to understanding the full breadth of the relationship along with needs and wants. You may not be wanting to beat up an airline to get a better deal if another part of your business is lending it the money to buy new engines.”

**—GOLDSRING CONSULTING’S
CHRIS POUNEY**

the RFP the data that suppliers check for in their CRMs. But buyers also must arm themselves with similar levels of intelligence. “In many ways, CRM and supplier relationship management are two sides of the same coin,” said Pouney. “They both talk to understanding the full breadth of the relationship along with needs and wants. You may not be wanting to beat up an airline to get a better deal if another part of your business is lending it the money to buy new engines.”

He added: “Having better information and trust on all sides leads to better procurement outcomes and a reduction in TMCs conducting a ‘quote by rote’ exercise or not bidding at all, both of which infuriate buyers. On the buyer side, there’s no worse place to be than if everyone no-bids you. You need a good number of suppliers to bid. Otherwise you are giving a license to the incumbent to push up its prices.”

Grandvoinet supports full disclosure. “Be open about what you want us to deliver and how you view where the hotel company fits into your program,” he said. “CRM enables us to objectively measure that in a way we couldn’t before. The companies we have the best relationships with are the ones prepared to be transparent.”

If CRM is reshaping suppliers’ sales and account management strategies, it’s also evolving in new directions, including helping businesses improve and personalize the customer experience. One such application is profile management, or, in Salesforce-speak, “the customer 360-degree view.” According to Khan, this view includes “my preferences, my level within the organization and my sentiments. My last five experiences—were they good or bad?”

FCM will introduce traveler profile management powered by Salesforce over the next few months. “When you call our team, your profile will come up on their screen,” said Ross. “It will get to a level where we can see that, if you fly to New York every month, we know your favorite restaurant there and can ask if we should book it again for you.”

In a recent interview with PhocusWire, which like BTN is owned by Northstar Travel Group, BCD Travel SVP of product strategy and development Yannis Karmis referred to this concept as a “digital travel identity, [which] is not the same as a traditional profile. It’s a suite of capabilities which include traveler identification and access management, travel consent management and traveler personalization.”

BCD has signed a deal to build digital travel identities on SAP’s data cloud platform. Karmis said this will allow his company to stitch identities “across multiple silos of data within our systems so we can create new levels of intelligence for not only our human agents but the countless bots automating tasks for travelers and travel agents.”

Where next? Ganapathy predicts Salesforce within five years will become a seller of corporate travel or at least some aspects of it, allowing suppliers to connect directly to their corporate customers. “Suppliers will be able to use the platform as a marketplace for corporate travel.” He added: “If an airline supplier knows a customer always buys Wi-Fi on a particular flight, there could be an opportunity through the platform to upsell to selected travelers. Other technologies like New Distribution Capability are trying to get there, but they are reactive. Nothing happens after the transaction is completed. [Global distribution systems] lack context: why a traveler is going somewhere, sales budget and so on. There is only visibility at the time of shopping. Once the transaction happens, on a CRM you can proactively analyze the data and make further offers. A platform like Salesforce could become the next big thing for the travel industry.”

Salesforce’s Khan, however, downplays that prediction. “A lot of technology is needed to be successful with this: reservation systems, [airline] passenger service systems, GDS, [hotel] property management systems. Today, a lot of them are part of our ecosystem to connect information, but we’re not in the distribution business ourselves. That’s not part of our road map.” ■

Facial Recognition May Become Our Passports

BY ALEX HILL & HELENA BONONI

If flying domestically in the U.S., a traveler needs a driver's license or acceptable photo ID. Internationally, he or she needs a passport. Passengers also need boarding passes. But what if they didn't? What if a person's face, eyes, or thumbprint could get him or her on an airplane? Traveling would be easier and a lot safer. A passport or driver's license can be forged, but it's difficult to fool biometric technology, such as facial recognition, retinal scans and fingerprints.

The travel industry's vision of the future replaces current documentation with verified biometrics. This would involve more than substituting biometrics for passports and boarding passes. Biometrics could negate air and rail tickets, as well as IDs for hotel check-in and car rental. Biometrics essentially would serve as a traveler's identification and documentation through all stages of a journey.

It's already beginning at a few of the world's most congested airports, where high volume is prompting a search for more efficiencies. In the U.S., for instance, airlines at John F. Kennedy International can leverage U.S. Customs and Border Protection facial recognition technology to expedite passenger check-in, baggage drop and boarding. Delta opened the nation's first curb-to-gate biometric terminal last year at Hartsfield-Jackson Atlanta International, offering optional facial recognition from check-in to baggage claim.

Until recently, nations have used biometrics to keep terrorists and others out. The U.S.'s facial recognition system analyzes more than 100 points of reference on each face. The Traveler Verification Service has become the aspirational standard for dozens of countries that screen people as they cross borders.

While groups like the International Air Transport Association see biometrics as an airport tool, the broader travel industry, through organizations like the World Travel & Tourism Council, wants to integrate biometrics, particularly facial recognition, across the entire travel experience, from booking through arrival, whether picking up a car, getting a hotel room or boarding a plane, train or boat. The innovation likely would encourage more people to travel while avoiding a significant increase in resources to accommodate the growth. But it also would make more efficient a system that currently emphasizes security over ease of travel.

Enhanced Encryption

The travel experience requires people to flash travel documents constantly, and the industry is investigating



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Oliver Wyman partners Mike Matheis & Scot Hornick contributed insights & research to this article.

whether this information could instead be stored on travelers' smartphones. The traveler would be free to share his or her biometric markers with the travel suppliers they choose and no longer would worry about losing IDs and tickets.

Of course, there's the challenge of keeping information safe and limiting access to authorized users while enabling interoperability across suppliers. Increasingly sophisticated encryption systems are being developed to protect against hacks of biometric data. Encrypted tools also can act as repositories for travelers' preferences, encouraging suppliers to customize offerings. These tools also can monitor for delays. For instance, the system could alert a hotel and rental car agency of an airport delay affecting a trip.

Beyond Airports

Digital identity verification would become an enhanced safety net. Rental car agencies, hotels, trains, buses and cruise ships now have to verify travelers' identities on their own. A rental car agency, for example, must verify manually that the license presented at the counter is valid.

Yet, fears around data privacy and safety prompt officials and executives to move cautiously, despite the availability of the technology. The TSA recently announced it would not make biometric identity verification mandatory, though the agency has developed pilot projects to help make the technology more efficient. The announcement may be connected to the theft of almost 100,000 photos of travelers and license plates collected by Customs and Border Protection and stored on a contractor's database.

Public Versus Private

How will digital identity verification evolve? Some envision a government-controlled or government-driven model, and others see a private, subscription model. Every model will have to recognize that not all travelers will be willing to share personal information and will have to allow travelers to deny access.

The WTTC has identified 53 efforts already in play to implement biometrics. Deployed systems exist primarily to facilitate border control, in airports in the U.S., the EU, Southeast Asia and the Caribbean. Pilot projects at a select few of those enable baggage processing, lounge access and boarding. Meanwhile, several suppliers plan trials to test whether existing systems could expand to integrate nonairport suppliers, as well. The goal is solidifying the business case for end-to-end, seamless travel and jump-starting global adoption.

No consensus exists around a particular one-size-fits-all solution, but the travel industry is pushing for collaboration across borders and among companies and governments to reduce the iterations travelers will have to deal with moving forward. The good news: Travelers already are getting sneak peeks of the benefits of biometrics-enabled seamless travel, and as they become more comfortable with it, so too may authorities. ■

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