



GEN X AND Y JOIN BOOMERS

Managing Multi-Gen Traveler Needs

The reality of a multi-generational workforce has begun to emerge at many companies and with it pressures to adapt corporate travel policies and practices. About half of 139 travel managers surveyed earlier this year by The BTN Group and Travel and Transport said they were concerned about the impact of younger travelers over the next three years. Just a handful said they were concerned about an immediate impact and 17 percent expect the brunt of the changes to occur in the next 18 months.

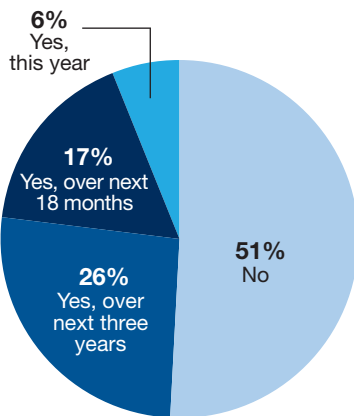
The other half of survey respondents said they were not concerned about impending demographic changes.

This BTN Group white paper, sponsored by Travel and Transport, highlights the realities and forecasts of workforce transformation and issues that could emerge in managed travel as a result. With multiple generations in traveler bases, some corporate travel executives are looking at every aspect of their travel programs, from how they communicate policies to the technologies used to book travel and manage en route.

Warned of the shifting demographics for more than a decade, corporations only in the past couple years have begun to notice the shifting profiles of their traveler population. If the latest projections are correct, the workforce will dramatically change by 2020 as more Baby Boomers retire and the next generation, Gen X born between 1965 and 1980, begins to dominate the employee and traveler bases.

In The BTN Group / Travel and Transport survey, more than 80 percent of respondents pegged the bulk of their travelers ages 31 to 60. Instead of Baby Boomers, the largest percentage at 45 percent, were in the 31-to-45-years-old category, according to respondents. Nine percent of respondents said they didn't know their travelers' age demographics. As understanding the audi-

CONCERN ABOUT IMPACT YOUNGER TRAVELERS WILL HAVE ON YOUR TRAVEL PROGRAM?



Source: The BTN Group/Travel and Transport survey of 139 travel managers/buyers, February-March 2013

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FOUR GENERATIONS IN WORKFORCE				
GENERATION	World War II	Baby Boom	Gen X	Millennial
BORN	Before 1945	1946-1964	1965-1980	1981-2000
PERCENT/NUMBER	2011: 5%/7M	2011: 38%/60M	2011: 32%/51M	2011:25%/40M
IN WORKFORCE	2006: 8%/12.5M	2006: 44%/66M	2006: 33%/50M	2006:15%/22M

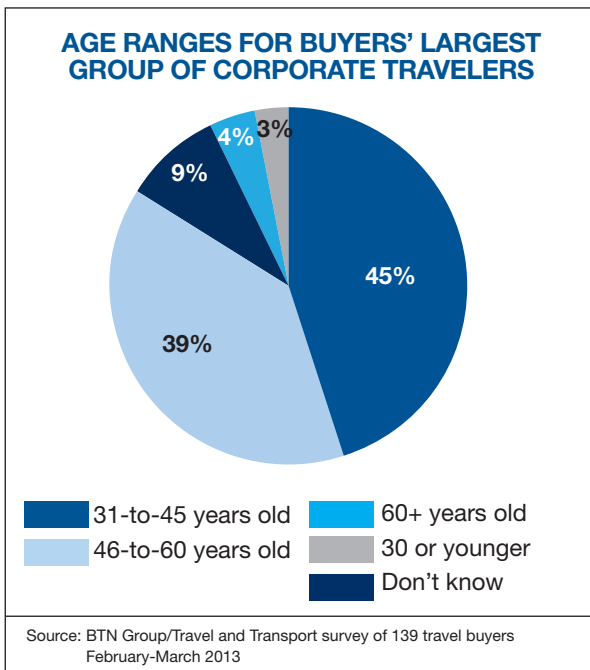
Source: AARP "Leading A Multigenerational Workforce" study, based on U.S. Bureau of Labor Statistics age-segmented labor force projections

ence is a key component to developing or adapting travel programs, buyers who don't know answers to key demographic questions might want to start by gaining such insights through traveler polls, profile analysis or other means.

> **BOOMERS WORKING LONGER**

The recession and dramatically slowed job growth in recent years skewed some of the workforce progressions as more Baby Boomers continued to work far longer than predecessors.

As of 2011, more than 60 million Baby Boomers comprised 38 percent of the U.S. workforce and pushed the median work age to the oldest in U.S.



history at more than 40. Today the median age is 42.3 years.

By 2020, when Boomers will be 56 to 74 years of age, that generation will make up just 25 percent of the U.S. workforce while those aged 25 to 54 will comprise 64 percent, according to U.S. Bureau of Labor Statistics projections.

> **AGE NOT ONLY CHANGE**

Compared to prior demographics, analysts and statisticians note that the workforce of the future will be "more racially and ethnically diverse and composed of more women," according to the "Employment Outlook 2010-2020" article published in the BLS Monthly Labor Review in January 2012.

By 2020, analysts say the workforce will be more:

- Global
- Contingent as one in two workers will be contingent with talent deployed and redeployed around the world
- Knowledge and skill-based with three of four jobs requiring higher entry-level qualifications
- Technology-driven as one-third of all data will live or pass through data clouds

With such dramatic changes, companies likely will need not only new policies, but forms of communication and technologies to book and expense travel in managed travel programs. Instead of printed policy guidebooks, some companies have already moved travel guidelines online or simply embedded them in booking and expense tools.



TRAINING THE NEXT GENERATION OF TMC EMPLOYEES

Travel and Transport, the fifth largest travel management company in the United States, specializes in corporate travel management along with group, meeting and leisure travel services. A leader in online travel technology, Travel and Transport provides companies with innovative data solutions and reporting tools, including web-based, pre- and post-trip reporting and mobile access to data. Travel and Transport's Jim Winterscheid, vice president-finance, and human resources director Diane Stein shared their views on the topic and how the TMC is preparing the next generation of workers.

As a TMC, what concerns you about the generational shift?

Winterscheid: Across our employees, the average tenure is 11 years and average age is 49 years old. Over the next 15 years if those numbers hold true, we are looking at a huge turnover in our workforce as people retire or leave for one reason or another. We had to start training the next generation of our workforce and that's why in early 2011 we created our new Travel Academy. We built the infrastructure in 2012 and in June of this year started our first class with 12 students and 30-to-35 expected in the coming year. The first three classes are online and the remaining four are classes or practicums.

Stein: In partnership with Metro Community College, located in Omaha, students will earn an associates' degree. For those who work for Travel and Transport for three years, we'll reimburse their tuition paid to MCC.

Is the academy teaching new ways to communicate to younger generations?

Stein: Our focus is on business communications and customer service skills, both verbal and written, but we're also spending quite a bit of time on practical knowledge of global distribution systems.

Winterscheid: By having the online classes, they're going to Web boards to discuss assignments, using instant messaging, blogging and sending messages to other students and instructors. We're also trying to give them a better understanding of all the components of travel management: how we make money from the GDS, hotel and car sectors? What's a preferred?

How will the academy meet your staffing needs?

Winterscheid: Right now it's all about finding good people. We obviously want to pick the cream of the crop, but if all graduates are superstars we hope we can find room for all of them.

Others use email and internal social media tools to communicate policy changes, supplier enhancements or cost-saving tips to travelers.

Some contend that technology is driving many of the conflicts in managed travel programs today. While some blame Gen Y for driving the open booking discussion and label the generation as less compliant than older peers, Travel and Transport Executive Vice President Tim Fleming counters, "That's not always the case. They seem to be more compliant." As for "rouge travelers," Fleming said, the problem has existed as long as he has been in the business with meeting attendees, sales and marketing "out of compliance for years—long before we ever got into this discussion about Gen X and Y."

Based on their culture, industry, average employee age or other factors, some customers are more focused on generational concerns than others. "One of our larger customers has an average workforce age of 28. They're obviously a lot more focused on this than a more traditional business where the average workforce age might be 52," he added.

As for the survey results that indicate only half of the respondent base is concerned about generational issues, Fleming said, the results mirror those from the TMC's advisory board.

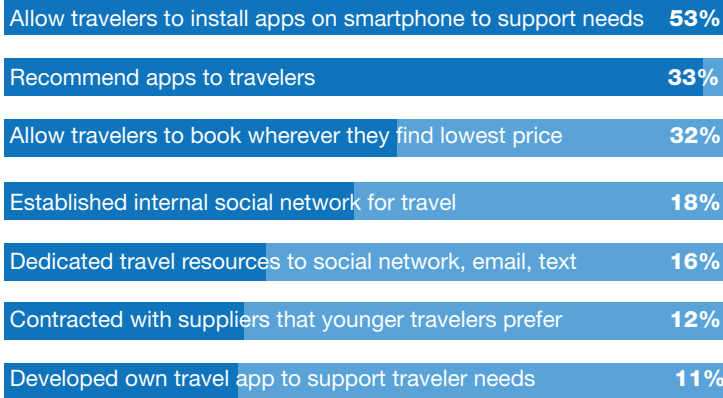
> THE RIGHT TOOLS

More than age and demographic characteristics, Fleming said, is that the "next generation of travelers needs the right tools. Unfortunately, a lot of the tools historically in our business are not the tools that next generations of business travelers are interested in using. We're starting at Travel and Transport to build technology around mobile devices and the things that will appeal to this generation."

"It's important to have access on tablets, iPhones, Droids and other types of devices," Fleming said. "We have to get more information out to travelers in a mobile way, a different way. This generation is



CHANGES MADE IN PAST YEAR TO ACCOMMODATE YOUNGER TRAVELERS



Note: Respondents could check all that apply.
 Source: The BTN Group/Travel and Transport survey of 139 travel managers/buyers, February-March 2013

not a wait generation. They want it right now and are used to getting it right now. A lot of our technology builds have been around the mobile platform.”

To ensure it can best communicate with travelers, Travel and Transport built its own mobile app called eTTek Dash to allow travelers to push a button on their mobile phones 24/7 to be connected to agency staff, a booked hotel or other supplier, according to the TMC’s senior vice president and CIO Mike Kubasik. Travelers can even subscribe to alerts about flight delays, airport issues, travel warnings and other duty of care-type issues.

“We think we’re ahead of the game in terms of mobile technology. That’s where a lot of our success lies in keeping connected with our travelers 24/7 and putting information at their fingertips to empower them,” he added.

While few companies claim they have adopted comprehensive mobile travel strategies, many have taken some steps to incorporate mobile into their travel programs. In The BTN Group/Travel and Transport survey conducted this spring, 53 percent of respondents said they have allowed travelers to install apps on their smartphones to support travel

needs and 11 percent said they had even developed their own travel apps to support their travelers.

> WHICH APPS USED?

Travel managers often note that with thousands of travel applications available, selecting just a few for their travelers to use is a daunting task. In its research report “The Frequent Traveler,” Oct. 22, 2012, BTN reported that more than half of 400 traveler respondents said they used flight status updates while traveling, 46 percent used mobile online booking tools and 37 percent used mobile expense reporting. About one-third of respondents said they also used itinerary management and concierge services. That research was based on responses from 400 frequent travelers who had taken an average of 11 domestic and seven international trips during the preceding 12 months. Among travelers 55 and older, 69 percent said they used flight status updates, 46 percent cited mobile booking and 34 percent noted itinerary management.

Short of asking travelers for their app preferences or assembling a committee to evaluate options to include in a travel program, some companies have allowed other travelers, through social media threads, to recommend apps.

No matter what the medium, corporate travel executives must learn more about their travelers, communication preferences and motivators as they review policies, technology, preferred suppliers and program objectives for their mix of travelers.



For more information about how Travel and Transport can help you evaluate your travel program, visit www.travelandtransport.com.