

August 2012 - Cover Story

## Look! Up In The Sky...

**Travel 2.0 is creating a new breed of corporate traveler superheroes. And travel managers can make it work even better.**

By: Dave Falter

The corporate travel department is often depicted as resistant to the changes that technology is producing in the corporate travel space. In some respects, this is to be expected, since company travel programs are called upon to serve at least two masters – the road warrior and the bottom line. The interests of the one has often, but not always, been at odds with the goals of the other.

However, what was once a clear-cut line in the sand between the corporate traveler and the leisure traveler is increasingly blurred by technology. So business travelers, here's a message for you from your corporate travel manager: We're here to help make this transition work – for you the traveler, for our company's travel program and for the corporation.

Regardless of whether you travel frequently for business, leisure, or both – there's one undeniable truth: technology has had a tremendous impact on you as a traveler – from the way you shop and book flights, hotels and rental cars – to the way you plan and coordinate your travel schedule, manage airline awards points, and share insights about your trip.

In fact, some will argue that over the last 10 to 15 years, technology has actually conditioned business travelers like you to behave in a certain way – conforming either to the tools available to us as consumers, or those we use at the office.

Like most of today's savvy travelers, you've mastered the basic competencies of travel technology. You've perfected the art of the online search – deftly navigating all the online travel agencies, your corporate booking tool, and airline web sites to surface the best routes and narrow in on the best price. You strictly follow your own set of best practices – always booking at least 14 days in advance, never departing on any day but Tuesdays, Wednesdays or Saturdays – and making habitual use of alerts that watch for potential savings or possible upgrades. And you've learned to do it all while on the fly – from a mobile device.

### **The Mild-Mannered Consumer**

Most road warriors use a number of apps that make various travel activities incredibly easy to conduct from any web-enabled device. According to a study on mobile travel activities conducted earlier this year by comScore, 51 percent of US smartphone owners accessed travel content on their device. Nearly 1 in every 5 smartphone owners used their device to book air travel or hotel reservations – while another 21 percent used their device to check-in for a flight, and 10 percent to cancel a flight.

Yes, in what seems like a blink of an eye, technology has honed you into a finely-tuned traveling machine – faster than a speeding terabyte, more powerful than a local native, and able to leap tall buildings... well, you get the point.

So, if you're Superman or Wonder Woman of the travel world – why is your company still asking you to ignore your super powers and stick to using their methodology to conduct your business travel? Well, the truth is, your travel department doesn't want to be Lex Luthor. Frankly, they'd rather be more Alfred to your Batman when it comes to your use of travel technology for business.

The corporate travel manager position is one of the most difficult jobs in any organization. For most large enterprise organizations, business travel is second only to payroll in terms of expense – placing tremendous demand on both the travel manager and technology to streamline travel costs and find additional savings. It's a job that requires a blend of finance and procurement knowledge, as well as insight into the latest travel technology trends.

After years of wringing the towel, meaningful budget savings have become increasingly difficult to come by. Travel managers spend a tremendous amount of time and energy negotiating corporate discounts with suppliers – and then, in turn, leveraging technologies which are designed to police business travelers that attempt to book outside of company policy. After all, if flights, hotels or rental cars are frequently booked outside of preferred suppliers, those suppliers may be reluctant to negotiate again in the future – nullifying the effectiveness of the travel manager.

Good for the goose, perhaps, but what of the gander? From the savvy business traveler standpoint, the approach only feels very rigid and lends itself to be viewed as management by stick, rather than a carrot. It hasn't been until very recently that corporate travel managers have been able to meaningfully access the "Travel 2.0" technologies that business travel superheroes have learned to use as consumers. As a result, a shift is occurring where a new wave of technology originally built for consumer travel savings, but reconfigured for the enterprise, is becoming increasingly prolific.

These technologies – which were originally built to give the consumer traveler greater visibility into hotel and airfare prices, improve their travel experience (like booking the right seat, or finding an interesting attraction on a long layover), or to help them easily share all aspects of their itinerary – are now suddenly being embraced by the enterprise in an effort to improve business travel communication, provide greater business travel intelligence, and reduce travel costs.

### **The Fantastic Four**

Take for example four interesting cross-over technologies which were originally a phenomenon among consumers, but are now advancing the state of the art in corporate travel.

The first is the use of gamification and badging. Travel managers are beginning to recognize that their corporate travelers have the ability to apply their consumer-savvy to purchase more wisely outside of their preferred program than within. Leveraging consumer platforms and behaviors found in travel applications like Traxo ([www.traxo.com](http://www.traxo.com)), modern corporate travel solutions are starting to employ gamification dynamics that spur business travelers to play an active role in saving their company money.

For example, employees who earn high scores for following the company travel policy may see that score incorporated into their next performance review. Travel managers are also migrating away from the "visual guilt" tactic often used in the mid-2000's to shame the traveler into complying with company policy - and instead are now taking a more positive approach by instituting badging strategies as a means of identifying particularly savvy corporate travelers.

Other companies are also encouraging smart travel by openly allowing their employees to keep frequent flyer miles or hotel points as a reward for saving the company money on travel.

The second cross-over technology is the intelligent tracking of airline fares, hotel rates and refund policies. For years, companies like Yapta have assisted consumers in the often byzantine and opaque world of airfare price reduction and ticket refunds. Using this technology, consumers have been able to save money by gaining greater visibility into the inefficiencies between airline revenue management systems and the GDSs.

Now Yapta has released a corporate version of this technology, called FareIQ ([getfareiq.com](http://getfareiq.com)), which brings the same visibility to corporate travel managers and their agencies. For the consumer traveler, one refund a year would seem like a huge win “against the system,” but for corporations with significant itinerary volumes, the opportunity to get a fare refund becomes a statistical probability that they can now take advantage of – either by creating opportunities to include employees in the cost savings (in the form of a share gain), or by recouping the savings to the company as a means of lower aggregate airfare costs.

A third consumer phenomenon that has made the leap to the corporate travel arena is the intersection of social media, couponing and event planning. One of the greatest challenges for the do-it-yourself consumer travel planner is “what to do once you arrive.” Local knowledge is always helpful, but many opportunities for entertainment are calendar-driven, so on one weekend a destination may be pulsing with activity and on another, things are relatively dead.

From a supplier perspective, the peaks and valleys of travel volumes may also create opportunities to market distressed inventory, like spas tables, rounds of golf, or tickets to the circus. Corporate travelers are really no different. Although their travel tends to be more “mission driven,” there is nonetheless often a need to entertain clients or contacts, or fill personal downtime when the traveler would like to be the one entertained. But a lack of local knowledge may well keep them confined to their hotel. Companies like Gtrot, from the makers of Groupon, ([gtrot.com](http://gtrot.com)) are well-positioned to help corporate travelers, travel planners and event planners become more savvy about travel spend both from a quality of experience and cost savings perspective.

The final example of cross-over technology is the automated parsing of disparate itinerary information and the ability to bring together all of the pieces of a traveler’s trip, regardless of where they book. Triplt ([tripit.com](http://tripit.com)) was the first company to elegantly cobble together a “Super PNR” for consumer travelers – a technological feat that would quickly be embraced by the enterprise. Concur recognized that Triplt was more than just a useful traveler tool; it’s a hub for open data exchange. Thus Concur purchased the company in early 2011. Today Triplt’s technology is used by thousands of business travelers as part of Concur’s Web-based and mobile integrated travel and expense management solutions.

## **A Never-Ending Battle**

The good news for corporate travel is that entrepreneurs will continue to find inefficiencies in the travel infrastructure and create new technologies and business models to improve consumer travel and to lower costs to the consumer. The additional good news is that the ubiquity of the Web, from home to office to mobile device, socializes these technologies in a way which blurs the distinction between a user who is a leisure traveler one moment and a corporate traveler the next.

Corporate travel managers, wanting to play that Alfred to your Batman, have figured out that letting corporate travelers use the savvy they’ve acquired as leisure travelers is a good thing. There is power in numbers and at the end of the day, allowing individual corporate travelers to use their consumer behaviors to produce enterprise cost savings is a great outcome. Expect to see more of these “cross-overs” in the months to come.