

Phocuswright White Paper

Business Travelers and Their Demand for Ancillary Services

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Prepared for

iSeatz

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About Phocuswright

Phocuswright is the travel industry research authority on how travelers, suppliers and intermediaries connect. Independent, rigorous and unbiased, Phocuswright fosters smart strategic planning, tactical decision-making and organizational effectiveness.

Phocuswright delivers qualitative and quantitative research on the evolving dynamics that influence travel, tourism and hospitality distribution. Our marketplace intelligence is the industry standard for segmentation, sizing, forecasting, trends, analysis and consumer travel planning behavior. Every day around the world, senior executives, marketers, strategists and research professionals from all segments of the industry value chain use Phocuswright research for competitive advantage.

To complement its primary research in North and Latin America, Europe and Asia, Phocuswright produces several high-profile conferences in the United States, Europe and India, and partners with conferences in China and Singapore. Industry leaders and company analysts bring this intelligence to life by debating issues, sharing ideas and defining the ever-evolving reality of travel commerce.

The company is headquartered in the United States with Asia Pacific operations based in India and local analysts on five continents.

Phocuswright is a wholly owned subsidiary of Northstar Travel Media, LLC.

www.phocuswright.com

About iSeatz

Founded in 1999 and based in New Orleans, iSeatz is a leading travel commerce and ancillary merchandising technology company for travel, financial services and entertainment brands. Focused on customization and backed by proven deliverability, reliable advanced analytics and travel lifecycle expertise, iSeatz sets the bar for a superb travel journey from the very first search. The award-winning iSeatz OneView platform meets brands' exact requirements for delivering a highly personalized and engaging commerce experience that drives conversions, customer satisfaction and advocacy. iSeatz custom digital experiences allow prospective travelers to search, discover and book a spectrum of travel-related products. iSeatz travel technology solutions connect people to unique travel journeys, generating over \$2.5 billion in annual sales for our partners each year from more than three million annual bookings. The iSeatz partner portfolio includes brands such as American Express, Air Canada, Amtrak, Expedia, IHG and Marriott. Learn more at [iSeatz.com](https://www.iseatz.com).



An Introduction from iSeatz

Founded in 1999, iSeatz is a leading provider of booking solutions in the travel industry. Our first project was to enable hotel concierges to help their guests find and reserve seats at the great culinary establishments in our hometown of New Orleans. We now service some of the biggest brands in travel, creating solutions at scale that result in \$2 billion+ in annual bookings.

When hoteliers spoke to us about their desire to fully service their guests, we set out to help them offer nearly everything a hotel guest might need during their stay – dining options, local activities, live event tickets, air, car rental, and trip insurance. The iSeatz OneView Platform is a cost-efficient way for a hotel to offer these travel extras online, customized for their brand and loyalty program.

Data is critical to driving success in a hotel ancillary promotion strategy, so in June 2017, iSeatz jointly published research with Phocuswright, “[Hotel Ancillaries: An Unexplored Opportunity](#).” We welcome you to download this valuable publication at: bit.ly/hotel-ancillaries.

Our hotel partners then asked us for data that focused on travel extras for business travelers.

In this second phase of iSeatz-Phocuswright research, the objective is to understand the modern business traveler’s ancillary needs. It includes data on what travel extras are preferred depending on a variety of factors. These variables include the role of managed travel in decision making, when cross-selling is welcome, and at what point business travelers want to purchase travel products that enhance their trip.

I hope you find value in the research. It fits into of our mission of enabling our partners to provide beautiful travel shopping experiences for their customers’ remarkable journeys.



Kenneth Purcell,
Founder / CEO
iSeatz Inc.
iSeatz.com



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Business Travelers and Their Demand for Ancillary Services

Overview

While room revenue makes up the core of hotel sales, a wide range of complementary products and services are purchased or organized through the hotel property or with independent providers. Typically referred to as “ancillary revenues,” these include hotel provided products/services such as breakfast and other food and beverage items; parking; personal services such as spa or beauty treatments; and business services that enhance the guest’s stay. Other ancillaries include externally sourced items such as dining options, transportation or event/attraction tickets. Upselling and cross-selling ancillaries represents a comparatively easy way for properties to improve their top and bottom lines by capturing increased revenue per customer, enhancing the perception of product/service options provided by the hotel, and growing loyalty program membership with ancillary booking incentives.

Facing intense competition on their core flight product, airlines have been very successful at supplementing their revenue by promoting ancillaries. Recent estimates claim that the top 10 airlines earn more than US\$28 billion in ancillary revenue annually, up from \$2.1 billion a decade ago.¹ The hotel sector, in contrast, seems to have missed out on the opportunity, and for no good reason. Hotels have access to a wide selection of on- and off-property products and services to offer – and guests clearly want to access them.

A November 2017 study conducted by Phocuswright and sponsored by iSeatz explored the potential new market for hotel merchandising. The resulting white paper – “[Hotel Ancillaries: An Unexplored Opportunity](#)” – uncovered pent-up demand for the sale of ancillary goods and services to leisure travelers. Product and service preferences differed markedly with age, but all leisure travel segments indicated they were very receptive to such offers being presented at the time of the accommodation booking. For both in-destination and in-hotel ancillary goods and services, near half of consumers stated that it was helpful to receive offers from the hotel for supplemental travel products during the online booking process, as well as during hotel check-in. Younger consumers were especially open to receiving such offers, with nearly a third of millennials (18-34) rating them as “very helpful.”

¹Jay Sorensen, “[2017 CarTrawler Yearbook of Ancillary Revenue](#),” IdeaWorksCompany (2017).

While the study's results offered good news to hotels seeking to grow revenue from leisure travelers, the next question to be asked was what about the business traveler opportunity?

Business travelers represent huge potential for hotels to expand their offerings. Corporate travel accounts for 31% of the overall U.S. travel market, with business travelers both traveling more frequently, and consuming more travel-related products than leisure travelers.² Business travelers represent an interesting market that hotels could target to grow their ancillary sales and increase their share of customer spending.

In this latest paper, "Business Travelers and their Demand for Ancillary Services," Phocuswright examines the potential to sell a wide range of ancillary goods and services to the high-potential U.S. business travel segment. The focal point of this new research, sponsored by iSeatz, is to uncover the gaps between what business travelers want versus what hoteliers currently offer as ancillary products and services.

Phocuswright conducted a large-scale consumer survey to establish business travelers' attitudes toward the booking and consumption of ancillaries sold directly through hotels. The survey was supplemented by a series of in-depth qualitative interviews with hotel executives at both the property and the corporate level to establish current industry practices.

Research Methodology

As with the previous study, this research was approached from two complementary angles. Initially, to understand the demand side, Phocuswright fielded an online consumer survey in November 2017 through SSI, targeting the general U.S. adult traveling population that plans travel online. To qualify for participation, respondents had to have taken at least one trip at least 75 miles from home in the past 12 months that included paid lodging and/or air travel; have used the Internet to select their destination, compare and choose travel products, book travel or share travel experiences; and have played an active role in the actual planning of their trip. An additional screener question was used to identify Online Business Travelers, defined as online travelers who took at least one business trip in the last 12 months. Phocuswright received 2,102 qualified responses, and the respondent pool can be projected with confidence onto the U.S. online traveler population. The error interval for analysis is +/-2.2% at a 95% confidence level.

To complement this quantitative data and better understand the demand side of the ancillary market, Phocuswright also conducted a series of in-depth, 30-minute telephone interviews with key personnel within the U.S. hotel sector. Respondents comprised representatives of both chains and independent properties, and included a mix of e-commerce, sales & marketing and operations functions, at both the individual property and the corporate level.

²Phocuswright Inc.

The Business Travel Landscape

Although leisure still predominates, business travel makes up a significant proportion of the online travel market. An estimated 42% of U.S. online travelers took a business trip in 2017.³ The majority of this group (56%) are in the 25-45 age bracket (see Figure 1). Online business travelers are also more likely to be male (65% as opposed to 51% for the overall population), have an undergraduate degree or higher level of education and a significantly higher income (\$97,500 vs. \$81,600 for travelers overall). Business travelers are also more loyal than leisure travelers: 59% belong to one or more hotel loyalty programs.

Figure 1:
The Business Travel Landscape



BUSINESS TRAVEL

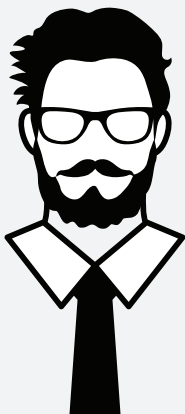
MAKES UP A SIGNIFICANT PROPORTION
OF THE ONLINE TRAVEL MARKET

AN ESTIMATED

42%

OF U.S. ONLINE TRAVELERS
TOOK A BUSINESS TRIP IN 2017

ONLINE BUSINESS TRAVELERS



65% ARE MALE



72% HAVE A BACHELOR'S DEGREE OR HIGHER



34% HAVE A HOUSEHOLD INCOME OF \$100,000+

56%

ARE IN THE 25-45
AGE BRACKET

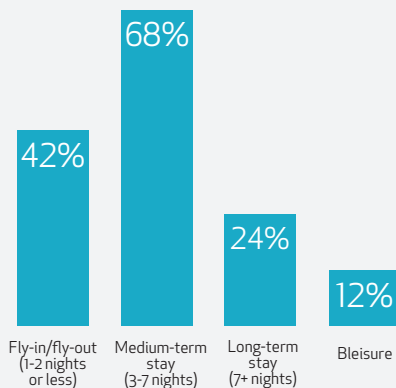
59%

BELONG TO A HOTEL
LOYALTY PROGRAM

 Source: Phocuswright's U.S. Traveler Technology Survey Eighth Edition

³Phocuswright's U.S. Traveler Technology Survey Eighth Edition (March 2018).

Figure 2:
Types of Business Trips Taken

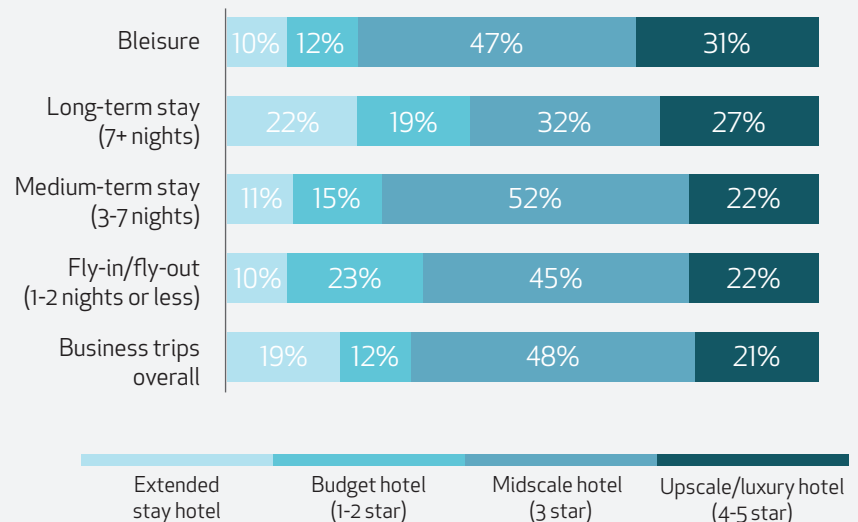


Source: Phocuswright's U.S. Traveler Technology Survey Eighth Edition

Although medium-term stays (3-7 nights) are the most common – over two thirds of business travelers have taken a trip of this length in the previous 12 months – there is considerable variety in terms of the length of business trips taken (see Figure 2). More than four out of 10 business travelers (42%) have taken a shorter “fly-in/fly-out” (two nights or less) trip during the same period, while nearly a quarter (24%) have taken a longer trip of seven nights or more. One interesting finding relates to bleisure – combining business and leisure travel in one trip. Overall (and despite current press hype), few respondents (12%) indicated that they had combined these two activities in the past 12 months.

In terms of type of accommodation used, there was significant variation depending on the length of the respondent's trip (see Figure 3). Not surprisingly, extended stay category properties, with their more adapted product offering, were used most frequently (22%) by those staying seven nights or more. However, this segment also made extensive use of other property types, particularly midscale (32%) and upscale/luxury (27%). Midscale properties were popular for both medium-term stay (3-7 nights) and fly-in/fly-out (two nights or less) travelers, representing 52% and 45% of stays, respectively. Budget hotels were also widely used by fly-in/fly-out travelers, representing 23% of stays. Midscale was also most popular with bleisure customers (47%), but here a significant proportion (31%) also made use of upscale/luxury hotels, perhaps reflecting the higher proportion of executive leadership type travelers with the seniority to stay in properties of this type.

Figure 3:
Types of Hotels Used



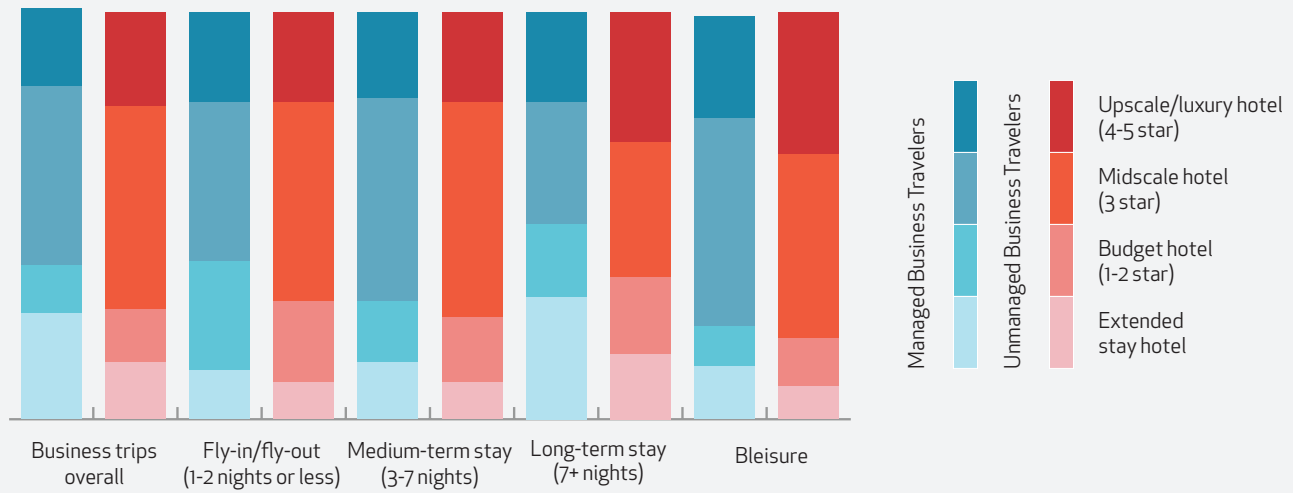
Source: Phocuswright's U.S. Traveler Technology Survey Eighth Edition

Irrespective of management level, business travelers can be divided into two distinct groups depending on whether or not they have to comply with a corporate travel policy. With travel as a major expense, many companies have instigated formal corporate travel policies that dictate what travel products can be purchased; how much can be spent; and often even how travel can be booked, by their employees. Although restrictions often vary by seniority, the growth of such policies means that these managed travelers are often limited as to what products and services they can purchase on their company's account. Based on responses to the current survey, 39% of U.S. online business travelers are currently subject to a managed travel policy.

In addition to having formal policies regarding what can and cannot be purchased, some companies also mandate the use of preferred partners with whom they have negotiated corporate rates, discounts or other specific terms and conditions. In practically all cases, managed corporate travel policies are enforced using technology-based systems that ensure employee compliance at both the travel booking and/or the travel expense reimbursement stage. Unmanaged business travelers, in contrast, have more freedom in terms of what and how they book and what they can buy. They typically reserve through mainstream distribution channels and book publicly available, rather than corporate rates.

Managed travel policies are usually more common in companies with 1,000 or more employees. According to the survey, 70% of respondents who worked for companies with 10,000 or more employees are governed by a policy. This makes sense, as travel expenses become more difficult to control as company size increases. Therefore, the biggest savings can be realized in very large companies, where the expense of implementing and running a formal system can be more easily justified.

Being subject to a formal policy certainly seems to have an effect. For example, in terms of the type of accommodation used, fly-in/fly-out (two nights or less) travelers subjected to a corporate travel policy were much more likely to stay in budget properties compared to their unmanaged peers (see Figure 4). For medium-stay travelers (3-7 nights) the difference is less dramatic (15% vs. 16%), but here managed travelers are more likely to make use of extended stay type properties (14% vs. 9%), thus reducing usage of the more expensive midscale and upscale/luxury properties. The effect of managed corporate policies is particularly noticeable in the long-stay segment (7+ nights) where nearly double (30% vs. 16%) the number of respondents indicated that they had stayed in extended stay properties compared to their unmanaged peers, whom in contrast stayed in upmarket properties. A similar, but less pronounced trend is evident in the bleisure segment, where more respondents used extended stay and fewer used upmarket/luxury properties when subject to a formal managed corporate travel policy. Preferences by type of property also impact the level of interest in paying for supplemental hotel services (see Figure 6).

Figure 4:**Types of Accommodation Used (Managed vs. Unmanaged Business Travelers)**

Source: Phocuswright's U.S. Traveler Technology Survey Eighth Edition

Business Travelers' Demand for Ancillary Services

As indicated in the previous white paper, "Hotel Ancillaries: An Unexplored Opportunity," selling ancillary products and services represents a potentially untapped and underexploited market for hotels. The "raw" accommodation product is no longer enough for today's demanding traveler. When looking solely at business travelers, this appears to be particularly true. The majority (>70% in all prompted cases) indicated that they were willing to purchase additional goods and services over and above the basic accommodation product (see Figure 5).

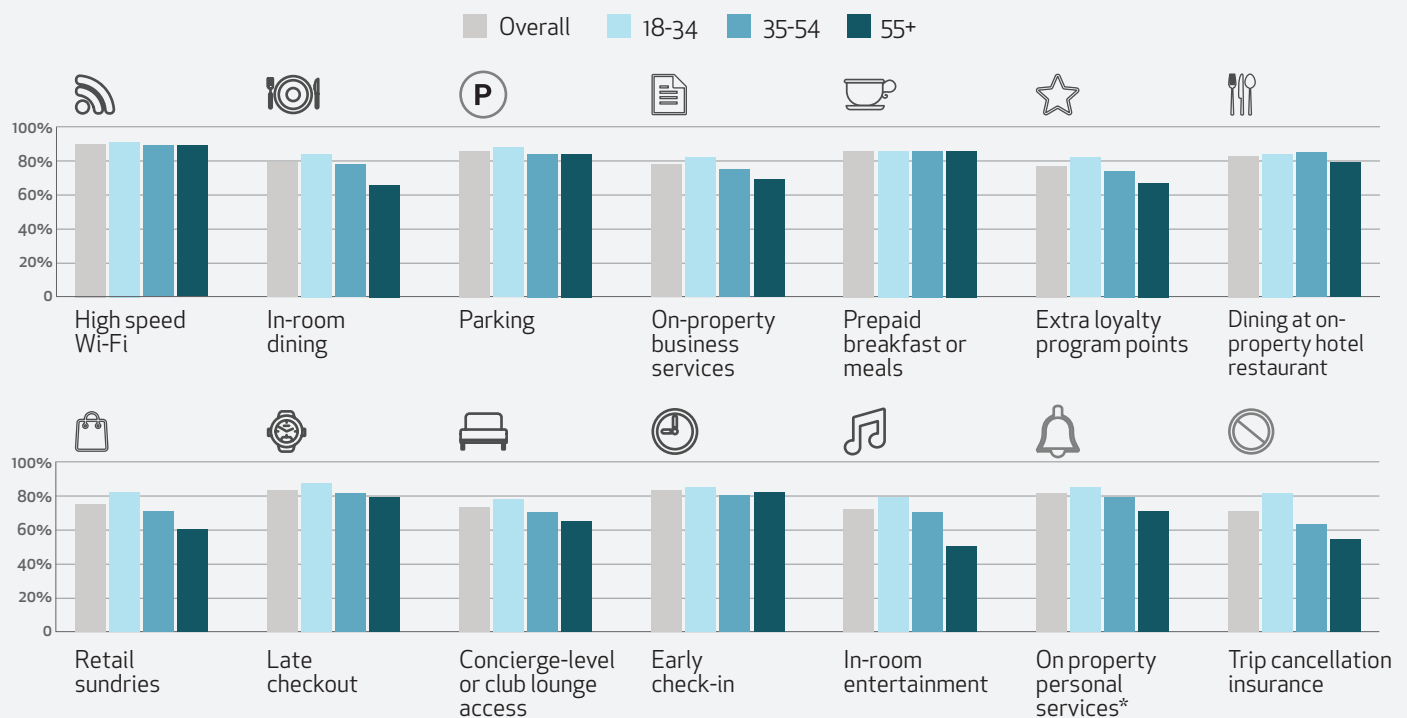
The most frequently mentioned add-on products that respondents would be interested in purchasing include standard on-property offerings such as high-speed Wi-Fi (90%) and parking (83%). Food and beverage, stay extensions and access to the concierge level or club lounge were also frequently mentioned. More than four out of five (83%) were interested in early check-in or late checkout.

Business travelers are looking to hotels to enhance their stay beyond the expected or "core" on-property offerings. A significant proportion of respondents indicated that they are ready to pay for non-breakfast dining options, both at the hotel restaurant and as room service. Many also indicated their willingness to pay extra for non-food and beverage items such as business services, personal services, retail and in-room entertainment, with separate charges appearing on the guest folio based on consumption. Very significant opportunities also exist to package services together with the accommodation charge

into a single (higher) inclusive rate during the booking process. Trip cancellation insurance, breakfast, late checkout and extra loyalty club points represent the greatest potential here.

Younger travelers (18-34) in particular demonstrate significantly higher demand for certain ancillaries, most notably in-room entertainment, retail sundries, on-property personal and business services and club level access. Given that this segment makes up nearly half of all business travelers,⁴ being able to identify and target the younger business traveler with appropriate ancillary offers represents an important and yet untapped opportunity.

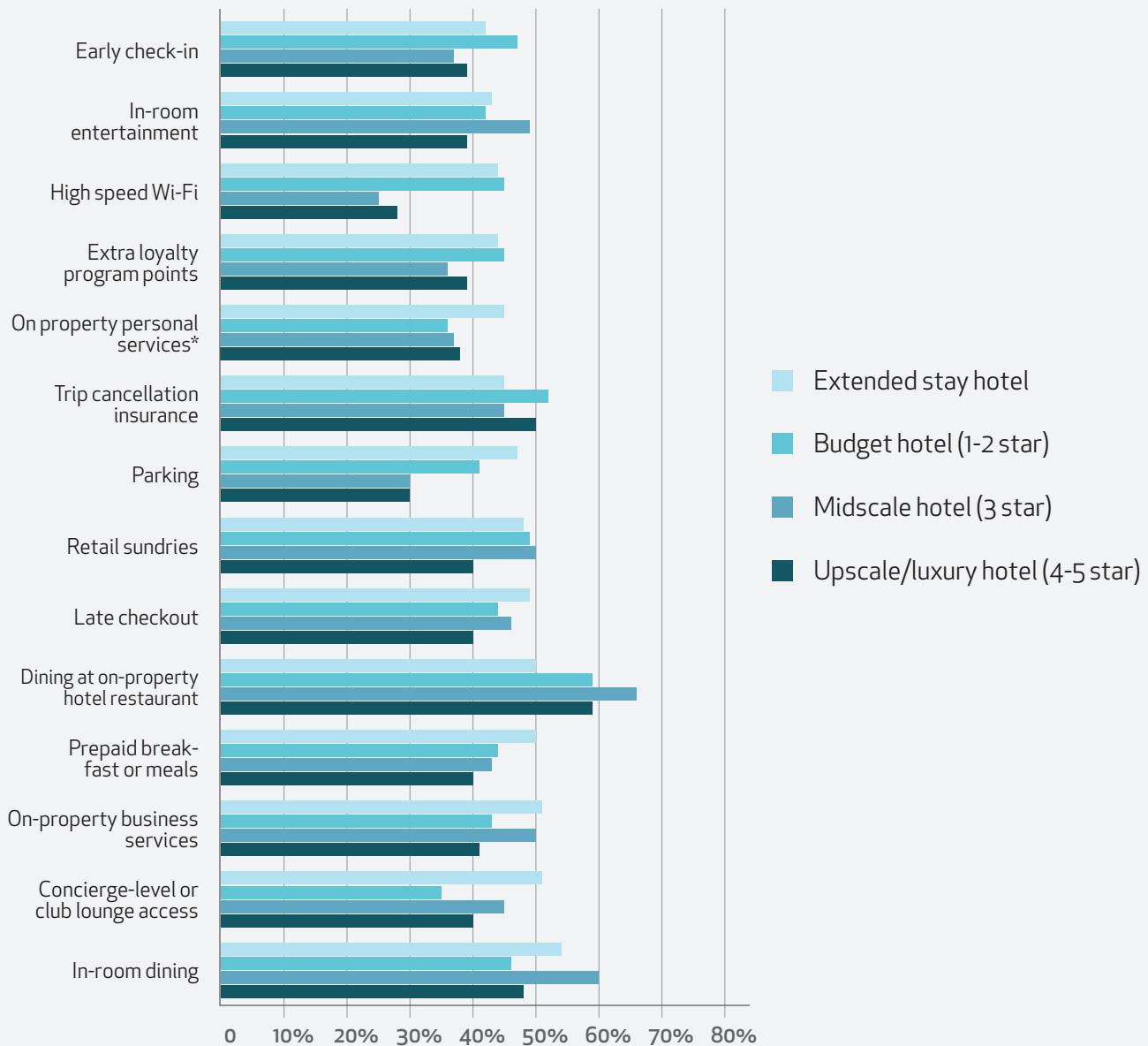
Figure 5:
Interest in Purchasing Add-On Services (Business Travelers, by Age)



Note: *On-property personal services include golf, spa services, cabana, etc.
Interest is measured as anyone who did not select NA/unsure or Would not pay/not interested.
Source: Phocuswright's U.S. Traveler Technology Survey Eighth Edition

There are also several notable differences based on type of stay (see Figure 6). Dining at an on-property hotel restaurant is a valued service for most travelers, but especially for those who typically stayed in midscale hotels (66%). Those midscale guests also value in-room dining (60%) more than other guests, especially budget stayers (45%). Interestingly, those who stayed in extended stay or budget hotels are more willing to pay for services such as high-speed Wi-Fi or early check-in, perhaps because other travelers expect those offerings to be included in the basic rate.

⁴ Phocuswright's U.S. Traveler Technology Survey Eighth Edition (March 2018).

Figure 6:**Willingness to Pay for Hotel Services and/or Amenity Add-Ons**

Note: *On-property personal services include golf, spa services, cabana, etc.
 Source: Phocuswright's U.S. Traveler Technology Survey Eighth Edition

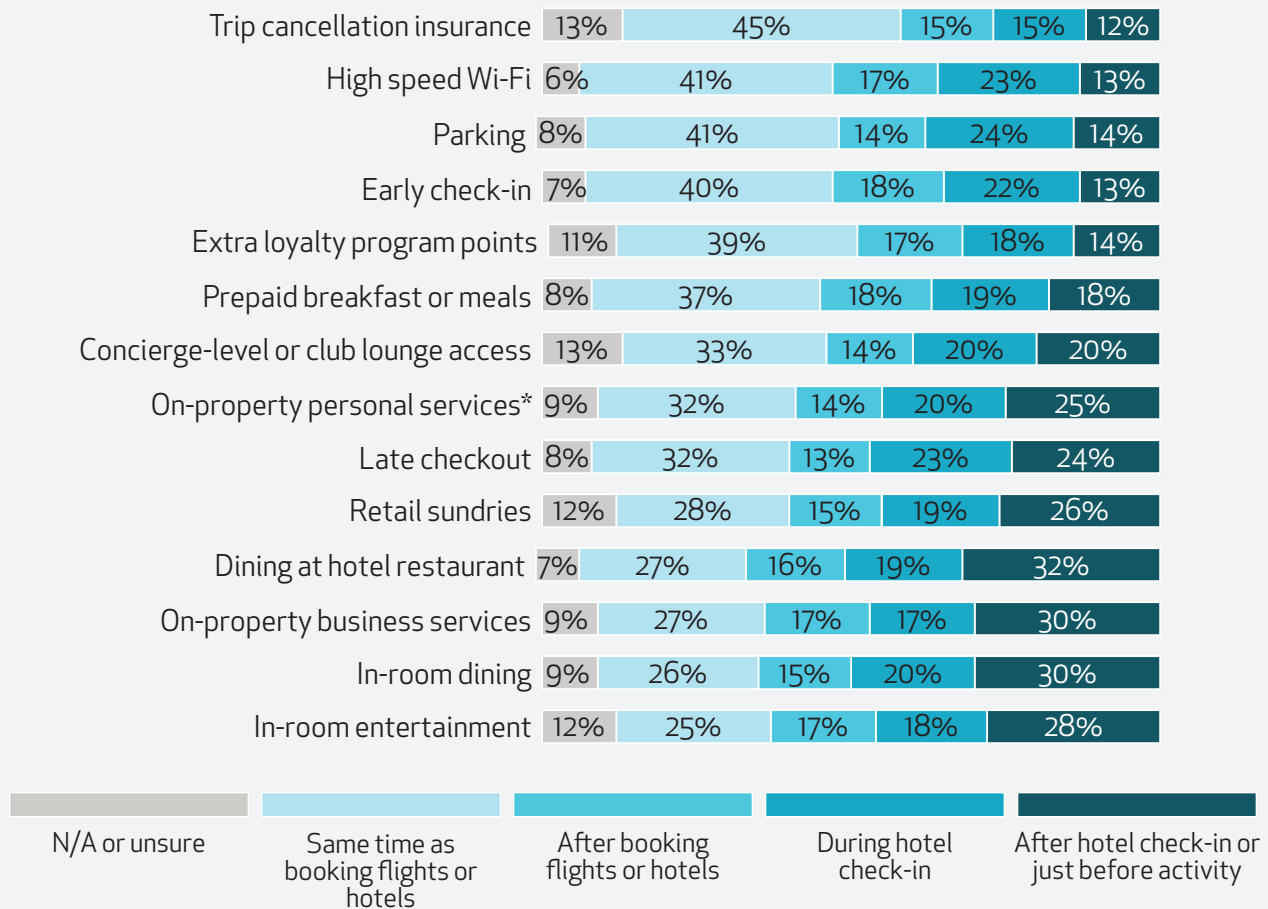
When the Timing is Right

While demand is evident, what is less clear is when business travelers would like to see hotel-provided ancillary goods and services offered to them (see Figure 7). Services that travelers would like to secure at the time of booking include high-speed Wi-Fi (41%), parking (41%), early check-in (40%), and prepaid breakfast (37%). Trip cancellation insurance and extra loyalty club points in particular represent low-hanging fruit, with a relatively high proportion of

online business travelers interested in booking these services pre-trip (45% and 39%, respectively). Such services are easy to add virtually within the hotel chain's online booking process. For other ancillary goods and services, online business travelers clearly stated they prefer to book later in the trip, typically when on-property as they consume the product/service. These services include non-breakfast dining (32%), in-room dining (30%), on-property business services (30%) and in-room entertainment (28%). From the pattern of responses, it's clear that matching the appropriate offer to the correct stage of the trip cycle is vitally important in terms of driving sales of additional ancillary goods and services.

Figure 7

Ideal Booking Time for Add-On Hotel Services and/or Amenities



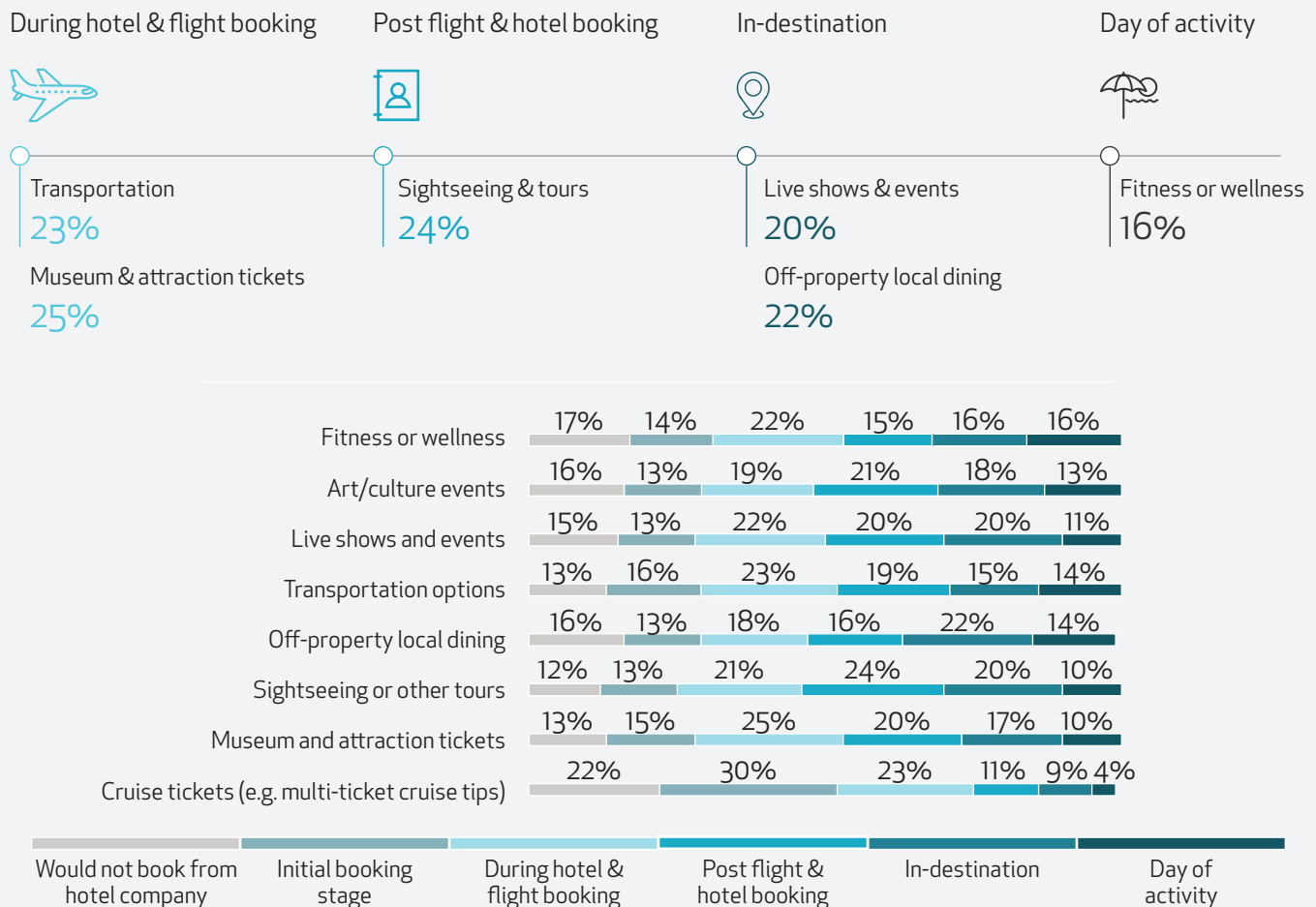
Source: Phocuswright's U.S. Traveler Technology Survey Eighth Edition

The Off-Property Opportunity

Demand also exists for booking non-hotel-provided ancillary travel products or services from the property (see Figure 8). However, there are mixed results as to when in the trip cycle these products should be purchased. Potential exists at each stage, with the majority indicating some interest overall. Museum and attraction tickets (25%), and transportation (23%) have the highest potential during the flight and hotel booking stage, while sightseeing or other tours offer the highest potential for pre-arrival upselling. Off-property local dining (22%) and live shows and events (20%) represent the highest potential for hotel involvement post-arrival, with fitness or wellness bookings (16%) a likely target for last-minute sales.

Figure 8

Ideal Booking Time for Off-Property Travel Products Offered by Hotel

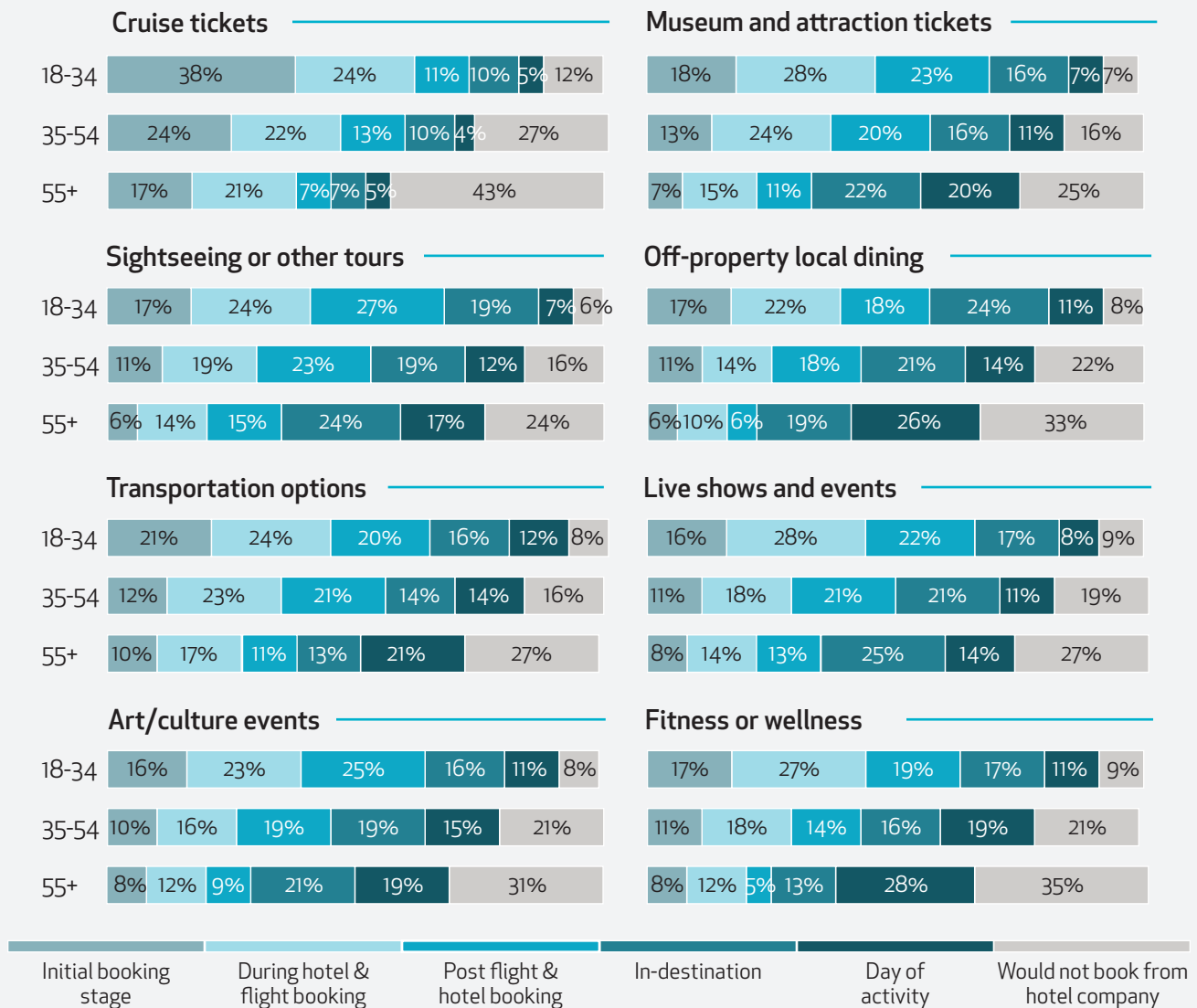


Source: Phocuswright's U.S. Traveler Technology Survey Eighth Edition

Digging deeper into this analysis, a distinct relationship can be seen between willingness to book and the age of the traveler. As can be seen in Figure 9, in every category, younger business travelers are more willing to book ancillary products and services through the hotel before, at the same time, and following their airline/hotel booking. Over 60% of business travelers in the 18-34-year-old category indicated their willingness to pre-book each of ancillaries proposed before their arrival at the destination – a significant opportunity that hotel chains need to leverage. Although business travelers in the 35-54-year-old category were slightly less enthusiastic, potential exists there as well; transportation, cruise tickets, as well as tickets to live shows, museums and sightseeing stand out as offering the most potential among this market segment.

Figure 9

Ideal Booking Times for Off-Property Travel Products Offered by Hotel, by Age



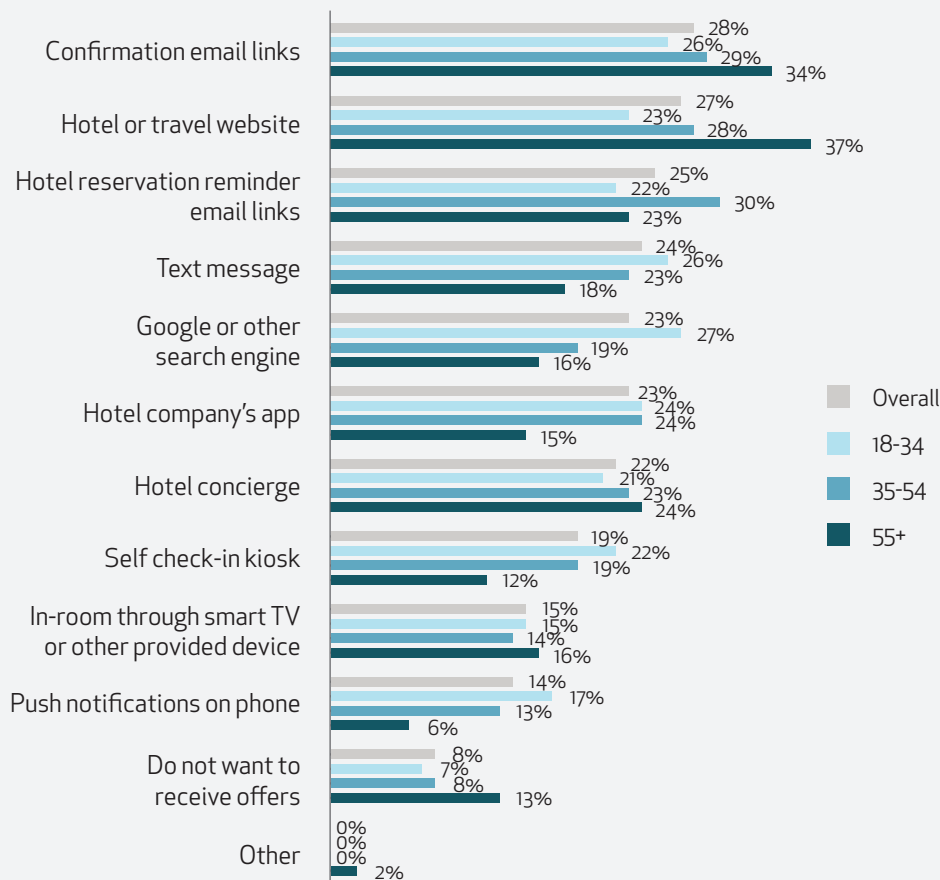
Source: Phocuswright's U.S. Traveler Technology Survey Eighth Edition

How Travelers Are Most Open to Offers

Overall, the vast majority of online business travelers are open to receiving upselling offers for ancillary goods and services from their hotels. Only a small percentage (8%) indicated they did not want to receive such offers at all (see Figure 10). Over one quarter (27%) were open to receiving offers during the hotel booking process, with a slightly higher percentage (28%) accepting links in the confirmation email. Post-reservation, online business travelers remain open to receiving promotional messages, with a quarter (25%) preferring links in a pre-arrival email; 24% in pre-arrival text messages; and 23% through the hotel company app. Opportunities to upsell still exist on arrival, with many online business travelers preferring to receive such offers from the hotel concierge (22%) or during self check-in (19%). It should be noted, however, that more proactive promotion, for example through in-room devices or using push notifications, was less popular (15% and 14%, respectively). It is also interesting to note that younger business travelers differ significantly from the general population, preferring to receive offers during the trip, be it at check-in or through push messages to in-room or personal mobile devices.

Figure 10

Preference on How to Receive Offers for Additional Travel Services, by Age



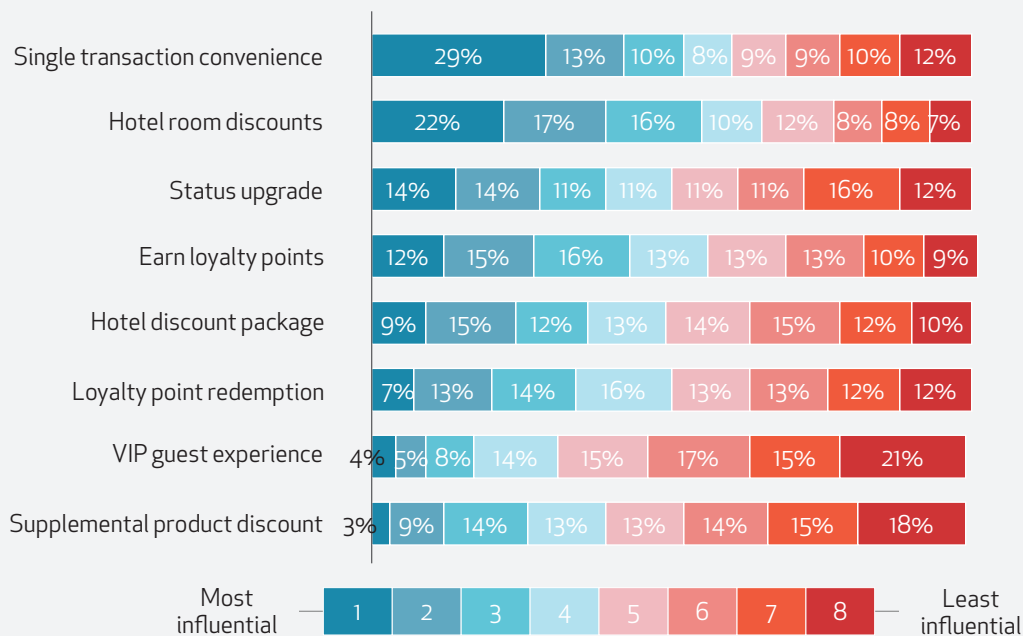
Source: Phocuswright's U.S. Traveler Technology Survey Eighth Edition

Ancillary Drivers

While travelers in general are open to receiving offers for ancillary products and services, what can hotels do to drive the actual booking? Receiving a discount on the published hotel rate was clearly the most influential factor, with nearly two thirds of respondents highlighting it as a motivator (see Figure 11). Being able to reserve all travel components in a single transaction, with a single merchant of record, was also influential, with six out of 10 respondents identifying it as a driver and nearly one in three ranking it as most influential. Loyalty programs also have a major effect, with the ability to earn additional loyalty points (56%), to burn loyalty points (50%) and to upgrade status level (50%) all featuring highly in terms of motivation to book ancillary products and services. Discounts on additional products or services that are consumed during the stay were less popular, with only 39% of online business travelers ranking this benefit as influencing when they would purchase. For online business travelers, it seems that instant gratification is key.

Figure 11

Influential in Decision to Purchase Ancillary Travel Products and Services Through Hotel



Source: Phocuswright's U.S. Traveler Technology Survey Eighth Edition

Research findings reveal that a potential market does exist to expand the portfolio of goods and services that hotels offer to business customers. Exactly what should be offered to the customer, and at what stage in the trip cycle, is less clear. Why this has not occurred to date is explored in the next section.

What Needs to Happen: The Hotel View

Interviews with key hotel chain executives revealed that many hotels are not prepared to offer a wide range of on-property ancillaries to guests. Despite strong interest from consumers, there is a disconnect between what is being offered by hotels and what is being sought by business travelers. Although several hoteliers recognized the potential to upsell products and services to business clients, most have not yet implemented facilities to do so in their on-line distribution systems. Many noted challenges with their central reservation systems (CRS) or property management systems (PMS) in handling the booking of ancillaries. With an eye to the future, several were considering, or in the process of adding such capabilities, either as they introduce new technology-based systems or carry out major enhancements to existing ones.

Successful distribution of hotel ancillaries certainly is not without its challenges. The most prominent concern from hoteliers centered around the tri-partite industry structure that characterizes the U.S. hotel sector, in which varying combinations of hotel brands, management companies and real estate owners cooperate to run each property.

The challenge with this type of structure is that, due to the complexity of the relationships, consistent end-to-end processes are difficult to ensure across hotel brands. This complexity makes it difficult to implement change.

Due to the operational challenges of on-property offerings, many chains are looking outside of the hotel property for revenue opportunities. For this reason, off-property products and services such as event and attraction tickets, sightseeing tours and access to external fitness or dining facilities offer much potential. Although traditionally difficult to book electronically, suppliers have more recently introduced online reservation systems, potentially making it easier for hotels to integrate third-party offerings into their booking paths.

Hotel chains also have an opportunity to more intensively leverage their loyalty programs. Previous studies show that loyalty is an important driver in terms of what business travelers book.⁵ Several respondents highlighted the importance of loyalty points for business travelers, both in terms of the quantity of points earned and the opportunity to purchase bonus points as part of the reservation. As loyalty point economics rest firmly within the control of the brand, manipulating the points awarded per reservation represents an effective way for chains to push ancillary sales at the reservation and pre-arrival stages.

However, hotel executives also noted that many guests still are not mindful of purchasing outside activities directly from hotels, and need to be made aware of these offerings throughout the trip process, not just on-site. Transportation is an exception, with many business travelers requesting such services from the hotel. Many guests, especially business travelers who prefer flexibility,

⁵ Douglas Quinby, Norm Rose and Bing Liu, "Inside the Mind of the Modern Road Warrior," Phocuswright (August 2017).

still prefer to arrange most off-property activities on arrival, typically through personal contact with the hotel concierge or front desk.

Property-level hotel executives also questioned the utility of packaging (for example, breakfast or other in-hotel services), citing the business traveler's need for flexibility as the main limiting factor. Coupled with the fact that for most business travelers it is their company rather than themselves footing the bill, any potential savings associated with buying a package is subjugated by the business travelers' need to keep their options open.

Conclusion

Online business travelers are interested in, and ready to purchase, a wide variety of ancillary travel products and services at all stages of the trip cycle. However, the path for a hotel to provide such services to business travelers is still evolving. Hotels must acknowledge their customer base and provide services based on traveler needs, both on-property and within the destination. Products and services will vary based on traveler demographics, trip types and property location. Emphasis should be placed on younger travelers who are most open to receiving supplemental offers during their trip.

There are several strategic reasons to add ancillary functionality to hotel reservations platforms and in-house guest service apps. Competition within the U.S. lodging sector in general is intensifying; more hotel properties are coming on stream, and a variety of additional disruptive players are all actively targeting what they see as the lucrative frequent business traveler segment. Airbnb, for example, has introduced Business Travel Ready listings, while Booking.com has developed Booking.com for Business, with a suite of facilities previously only available to companies through corporate travel agencies.

Hotel companies may be forced to bite the bullet, overcome their technical and operational challenges, and introduce ancillary booking facilities if they want to avoid being displaced. More intensively leveraging their extensive loyalty programs through customer relationship management (CRM) techniques to better understand and more precisely target business travelers with timely offers for relevant ancillary goods and services will become critical to future success.

While financially the revenue margin may be small, the risk in not providing a more comprehensive product offering to the customer could be enormous. Instead of ignoring this threat, hotel companies may be forced to act and facilitate the sale of a much wider range of travel products and services than just the hotel room. After all, if you can't beat them, join them.

Understanding this dynamic will enable hotels to offer more relevant product/service options to the business traveler at the time that he/she prefers to receive it, through their preferred channel, and with content and inventory that best resonates with their willingness to buy. This way, the direct booking

experience can be made more personalized and valuable to the guest, ultimately helping to differentiate the hotel brand from its competitors. To make the investment in providing ancillaries to business travelers justifiable, hotels should focus on outcomes that might not lead to immediate revenue gains. In the longer term, the effort to connect with guests, enhance customer service and differentiate the hotel's offerings from the sea of same will prove worthwhile.