

Better Business, Smarter Travel

Perspectives on the future of Managed Travel 3.0



Foreword

More connected, more integrated, more options for those who travel for business

When looking for a synonym for traveller, a range of options emerges: from globetrotter and jetsetter to excursionist. There is value in each term. Travel is about many different things: the journey, the experience, the destination, the purpose.

But what is common is that today's travellers want to be in control of their travel experience – whether travelling for leisure or business. They want choice and they expect services to be tailored to their needs.

In 2015, we published a paper on Managed Travel 3.0. We coined the term to capture how business travellers were becoming more connected; how the travel ecosystem was more integrated; and how many trends were driving greater empowerment for travellers. The dual trend towards increased personalisation and greater connectivity have continued to shape our experiences and expectations since.

The pace of change is swift. New entrants continue to disrupt the travel ecosystem. Many companies operating in the sector have demonstrated agility in responding, at speed. The prize is to add value in a way that delights and serves today's travellers in the virtual, digital and mobile marketplace.

The challenge for all of us is to understand, and act upon, the changes which are shaping our market. At the same time, we need to identify the opportunities that exist for corporations and Travel Management Companies (TMCs) in this changing environment.

At Amadeus, we are committed to working together to make the most of the opportunities present. This paper is a collection of perspectives from Amadeus experts. It offers new ideas about how business travel is changing and provides inspiration for thinking about how TMCs, as well as corporations, can approach travel programmes.

We developed this paper to help us all step away from our day-to-day work and think about the future. Our contributors have been selected due to the expertise and insight they bring from each of their areas of specialism.

We look forward to listening to your ideas and sharing many more conversations, as we work together to power smarter business travel.



Decius Valmorbidia

Senior Vice President, Travel Channels
Amadeus



Rajiv Rajian

Executive Vice President,
Business Travel, Amadeus

Executive summary

Managed Travel 3.0 can deliver loyalty, better experiences and meet traveller expectations

The journey from offline to mobile, from full to self-service, from rigid to flexible, has brought us to where we are today. However, the future comes with the marked difference of needing to bring together all aspects that are required to provide a true service to business travellers.

TMCs need to be able to provide booking options and excellent service; traditional travel content and user reviews and in-destination options; online and call centre support and social media interaction; existing technologies and new technologies. They also now need to consider how chat, blockchain, artificial intelligence and the Internet of things will impact their interactions.

The world is more complex today than ever before and is likely to be more complex tomorrow. Simplicity and transparency will be the new terms we will be using to deliver a personalised travel experience, moving beyond a one-size-fits-all.

Over the past year, we have seen corporations become more creative and flexible with travel policies. We have seen new elements introduced into travel policies around food and beverage; we have seen policy being more loosely applied in favour of duty of care and personalised offerings. We have seen more flexibility in supplier choice and more willingness to consider different types of lodging and ground transportation. For many corporations, travel policy has become a key differentiator when it comes to attracting talent. Travel has now become about the traveller, and human resources plays a greater role than ever before.

There is a widespread understanding that different types of travellers have different needs. There is recognition that digital natives have different needs to those who are not. There is also an understanding that each person has different needs to their colleagues. The audience of 'one', or 'me', is now becoming the dominant audience. Nothing is more personal than our use of mobile.

At the core of this change is the voice of the traveller. Traveller expectations, driven by their experiences, have shifted the needle to demand a more personalised business travel experience. Nonetheless, it isn't always the case that traveller expectations are being met or indeed can be met. But what we are seeing today is that the dots are joining up.

Beyond vision towards a new reality for corporate travel

And by the dots, we mean the corporate culture, the choice of services and content, connectivity, data and technology. All the elements that are needed to make for a truly personalised travel experience are coming together.

This collection of perspectives from experts and leaders from across Amadeus addresses key questions that relate to travel: from content, to new technologies, to the role of mobile, to strategic transformation, as well as focusing on the role of regions such as Asia Pacific and Latin America. The report offers new ideas about how business travel is changing. It provides inspiration for thinking about how TMCs and corporations can approach travel programmes. It offers insights into changing traveller expectations, technology evolution and new ways to manage corporate travel, focusing on how best to maximise the opportunities ahead.





Anna Kofoed

Global Head of Travel Content Sourcing
Amadeus

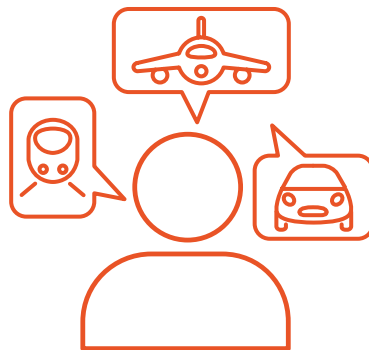
1. Rapid change is the only constant when it comes to travel content

January 1, 1914 was a historic day. It is the date of the first commercial flight. But progress after this date was slow.

When looking at our industry specifically, it was another 46 years before we saw the world's first reservation system. And within it, there was only one airline!

Luckily, for us as travellers, progress was rapid after that. Aggregation of different airlines was swift and the consumer had easy access to more and more choice of flights. Today, we live in an era where we expect travel to be personalised, relevant and easy to buy. At the same time, we all want to be able to choose how we shop. And this is why, despite the rise in direct bookings, travel agencies and TMCs are here to stay. They are a vital part of the mix.

as airlines, hotels and rail companies – offer expanded choice and options to personalise their offer. The sharing economy providers have transformed many people's experience of travel; for example, many travellers now choose to stay in private accommodation rather than hotels. All of this has required the integration of new types of content and services into managed business travel self-booking tools. As such, pilots are happening now.



using New Distribution Capability (NDC), will make consistent retail offers easier to create than ever before – and that is very exciting for us in the industry, and for us all as travellers.

Travellers expect the travel industry to behave like the retail industry

If we look at the retail industry, the most successful brands have a consistent image and offer a consistent service to their customers, whether it's online or offline. Consumers expect this, and get frustrated when it isn't the case. Consumer trust is about understanding and knowing that what you are going to purchase and that how you'll be treated will be the same, whether you're in a shop or on a website.

More choice for travellers requires a joined-up approach to distribution

How travel is delivered has undergone significant change in the last five years alone. Traditional providers – such

When looking at the airline sector, change is also a constant. New entrants, new competitive threats and new geographic markets mean airlines need to continually review how they operate and how they merchandise their offer. Improved merchandising options, both through traditional distribution technology and

A simple comparison comes to mind with my smartphone. I choose the model based on my requirements, such as camera, storage and size. This could be viewed as the initial flight purchase when it comes to destination, class, schedule and meal. I can keep on personalising my phone with apps, in the same way I personalise my

travel with ancillary services, accommodation, activities and tours.

In this case, I can buy the phone that I want, where I want, at the same price. As for the apps, it's easy: I can download WhatsApp by going to whatsapp.com, getting a link to the App Store, or by going directly there on my phone. Either way, I get the same availability and price everywhere, and, as a consumer, I would expect the same when it comes to looking for my next flight.

The proliferation of travel content is exhilarating

Aside from personalisation, we are now also entering the era of content creation in the travel industry. Many travel players are sourcing their own user-generated content as an additional service for their customers, or even taking it a step further. What if you can find the best deal for flying between Madrid and New York by combining various carriers

that today don't work together or interline yet? Would you risk booking two separate flights and not being rebooked automatically if your first flight is delayed? Many people wouldn't.

This is a huge opportunity in the travel industry. There are many areas where the industry needs to collaborate more effectively to act in the traveller's best interest. And this is where the excitement lies when it comes to content creation.

It is up to every player to decide upon their best strategy to make sense of their market, their strengths and their customers. But what all players have in common is the traveller. We know that travellers will continue to want transparency, consistency and choice. And that is why travel agencies and TMCs will continue to need the ability to provide all relevant travel options at the lowest possible cost.

We are working on a virtual interlining set-up that uses machine learning to connect flights between carriers

who do not have interlining agreements, in order to find the best fare based on price and convenience for value-conscious travellers. I often refer to this as Content Creation 2.0: new content tailored to the traveller's needs, that seeks to overcome the fragmentation of the industry.

As for the introduction of new technology in the industry, we are committed to integrating NDC with the highest level of certification from IATA. We are already evolving our travel platform so that it will combine all relevant content from different sources, whether that is the traditional GDS, NDC, airline proprietary API or with aggregators.

It is only by bringing it all together that travellers will be able to benefit from the best travel options which provide them with choice and flexibility at the booking stage, as well as quality and consistent servicing beyond. It also provides TMCs with the ability to offer and create content that allows them to stay relevant and grow their business.





Michael Bayle

Global Head of Amadeus Mobile
Amadeus

2. Mobile matters in a personalised world

It is a fact that today's travellers want greater personalisation. Personalisation that delivers better offers; personalisation that delivers better service; personalisation that removes the pain points of travel.

Real traveller value and impact is happening now through better personalisation

We have seen significant progress in recent years when it comes to data-mining. Several brands are emerging that are able to 'assist' the

traveller with information which could lead to improved conversion or upsold amenities. For example, when using HotelTonight, a mobile-only travel company mainly for distressed last-minute bookings, the app recognises a query which hasn't matured into a sale. It will then send a regular push alert when prices decrease for that original query. This feature is focused solely on the one original query, meaning it is targeted and helpful as opposed to unsolicited messaging which is often seen as spam. SnapTravel, which has abandoned all channels other than Facebook Messenger,

goes one step further, but after the transaction. On the day of arrival at your hotel, it will send a customised message. This could indicate that your room has been upgraded, or you've been given a late check-out, all of which will be even more tailored over time as it learns your preferences.

These are just a couple of examples of how the much-talked-about trends towards personalisation are being brought to life. Better personalisation is also coming through greater 'identity sharing'. For example, logging on via Facebook provides many more data points than a generic email logon.



A retailing approach is key to unlocking opportunity

The travel sector, like the retailing sector, needs to build ongoing trusted relationships with its customers. With the examples detailed above, it is email that has been the golden ticket, allowing travel companies to profit from understanding travellers' itineraries. This blunts the advantage for many TMCs. However, there is a downside in that the data that travel companies can access is not always reliable. Unless they are monitoring emails or have some type of dialogue with the traveller, changes may well be missed or misinterpreted. Technology is such that applications, and soon even the messaging platforms such as Facebook and WeChat, are 'always on'. This means that they will be able to pull the relevant content to the traveller, in the format they prefer.

This is already happening. Take, for example, Nice airport in France. The primary way to use the fast track lines for frequent travellers at the airport is via

its app. Travellers looking for savings of 10% in store and at Duty Free use the app. And the one major benefit of apps versus browsers and currently messaging platforms is its location awareness.

Currently for the traveller, this remains a fragmented experience with no way to bring together these different retailing environments. It becomes more difficult when considering other types of content outside of geolocation, such as restaurant reservations, parking assistance, tours, activities and tickets. The task remains identifying a common protocol to unify the vast amount of in-destination content and services.

It is here that TMCs can play a major and valuable role in understanding what their travellers are doing - making intelligent records of it, and using it to their retail advantage. Just as online retailers will recognise you've finished a certain book and make suggestions of similar genres or titles, a TMC can harness the data they have, especially if they are also able to curate feedback and review.

Merchandising: balancing the needs of the corporation and the traveller

The position of the TMC has always been a challenging one. On the one hand, it must support the corporation in getting maximum value from their travel spend, and on the other hand it must ensure travellers have the best possible experience. At times, these two imperatives don't always align. The ambition must be to create shared value.

Travellers get frustrated when they don't understand the why. For example, a traveller might be encouraged by a better hotel rate he finds through HotelTonight, but he may not want to do so at the expense of his company's commitment to a particular hotel chain. Transparency can go a long way towards easing this frustration, and at the same time enabling merchandising opportunities 'within policy'. There is plenty of innovation in this space by new entrants not only exposing metrics and policies openly, but sharing a percentage of costs saved with the employee correctly booking with approved vendors and providers. Merchandising within this context can be complicated, but can be achieved with the right technology investment and liberal and targeted communication. Easy access to 'corporate codes' for travellers can encourage them to act in a way which is beneficial for all, as well as incentives such as airline discounts for personal travel. All of which can ease the occasional tension which might otherwise arise.



Payments and 'social identity': the next frontier in corporate travel

Embedding of the payment process alongside the travel experience could allow TMCs to stay ahead of the game and enable a much easier travel experience. There is significant value for TMCs in providing a single wallet experience, allowing transactions on both corporate and personal cards alike - given the likely leisure dimension of any given business trip. However, this isn't a trivial task and no one appears to have the answer yet. But here lies a major opportunity, because at

the heart of increased retailing conversion is ease of payment.

Apple Pay has had mixed reviews, but as it expands internationally it is gaining momentum. And the reality is it's easy to use. The messaging platforms are similarly investing in this ease. In markets such as China, WeChat has launched a payment solution to make life easy for its users.

And while not all of the answers are here when it comes to a fully integrated, single wallet experience, TMCs should make a start. For example, knowing the 'social identity' of the client is a good place to begin. While email and phone numbers may be important, they are not especially helpful in today's world. It is just as - and in

some cases more - important to go to where travellers keep in touch with loved ones and friends. So staying in touch with travellers via WhatsApp, WeChat, Facebook Messenger and Instagram will be essential if TMCs are to maximise commercial opportunities, as well as deliver value, now and into the future.

Ultimately, the more touchpoints TMCs can own, or be part of, that connect with the traveller, the better the traveller's experience will be. By taking a fully integrated approach to the traveller; by ensuring that servicing and merchandising is more personal; and by overcoming the challenges of payment, TMCs can demonstrate their value.





Katherine Grass

Global Head of Innovation & Ventures
Amadeus

3. How chatbots and blockchain could transform corporate travel

The introduction of technology and mobile capabilities into the booking and travel process means the corporate traveller now has freedom and control in the palm of its hand. Should anything go wrong, or changes need to be made as flights are delayed or cancelled, the traveller expects the freedom to make changes to their booking on the go.

In our previous paper, Managed Travel 3.0, we provided insight into how we plan to address the trends shaping the corporate travel sector and an improved experience for travellers.

In order to keep corporate travellers moving and deliver on the vision outlined in Managed Travel 3.0, both the provision of advanced messaging platforms and the use of blockchain technology present significant potential.

More intuitive messaging platforms could drive greater responsiveness

Clear, consistent and easily available communication channels are important for corporate travellers. Companies

are driving innovation in messaging platforms to help improve interaction with business travellers throughout the trip, enhancing both duty of care and productivity.

In the industry today, messaging platforms are hitting the market and enabling a new type of experience for travellers. Chatbots can deliver recommendations, facilitate shopping and serve customers through new chat interfaces. Such chatbots can drastically improve response times, the customer experience and reduce customer service costs.

Chatbots are well suited to provide flight information, local hotel information and make personalised onward recommendations. No queuing at the airport desk and no waiting on hold at the call centre: this is ideal if a flight is delayed and a traveller needs information quickly to plan a rebooking.

For corporations and TMCs, these capabilities offer huge potential. Amadeus is currently working on an advanced pilot based on the corporate chat app Slack. Part of our Payments innovation initiative, the first

version of the bot contains features to book, pay and add or request expense payments.

Finally, corporations or TMCs could offer a messaging app where travellers could pose natural language questions to help plan, book and take care of expenses all through a simple conversation. To make the most of these new ways of interacting, we are partnering with Natural Language Processing Platforms such as Google, IBM and Microsoft.



Blockchain could enable more frictionless travel

Another area that has potential for managed travel is blockchain, a secure public and distributed digital ledger which records information. Famed for its use with cryptocurrency Bitcoin, it has significant potential to change managed travel and the experience of the business traveller in the future.



Baggage tracking is a complex challenge involving multiple decentralised players, such as airlines, ground handlers and airports. Blockchain can offer a single view of where a bag is, and a shared Blockchain-based system could improve the accuracy and efficiency of tracking and managing bags across the industry, accessed through a mobile application.

Another use of blockchain could be to enable quicker transit. Currently, travellers must have their ID on them at all times: at booking, when changing a booking, at security, the boarding gate, duty-free shopping and the hotel. The nature of blockchain, particularly when developed alongside other pioneering technologies such as biometrics, makes it ideal for improving the way travellers are identified during their journey.

Rather than demanding travellers to use their passport at all of these points in their journey to prove their identity, blockchain could be used to enable a smoother experience. To support developments in this area, we have signed a partnership with Civic, a US-based start-up working in the field of ID management verification. The partnership's objective is to test very specific use cases linked to ID verification that can help us understand step by step the potential value and application of blockchain in an end-to-end travel ID verification process.

Finally, we recognise that points accrued from membership and loyalty programmes,

which are popular among corporate travellers, are often stored in disparate locations. Blockchain databases will offer the potential for them to be recorded in a single digital blockchain wallet. This would mean that points were available and interchangeable across different programmes and from different airlines. This will allow for easy redemption as well as better communication between colleagues and teams. The use of blockchain to manage and administer points will also make points more universal, acting more like cash does today, and therefore more likely to be redeemed. Despite the benefits of rolling out these kind of initiatives, the real value of blockchain requires collaboration across a wide network of partners.

Innovation that benefits all

I believe in focusing innovation in key areas. While active in a number of areas, using developments in blockchain and messaging platforms we can put the corporate traveller first and bring about the traveller centricity highlighted in Managed Travel 3.0.

The good thing is that everyone wins. Corporate travellers become empowered by new tools to have greater control of their experience. At the same time, TMCs are able to demonstrate their value and relevance by offering support that is fit-for-purpose for today's traveller, as well as driving greater cost efficiency across their business.





Lydie Charpin

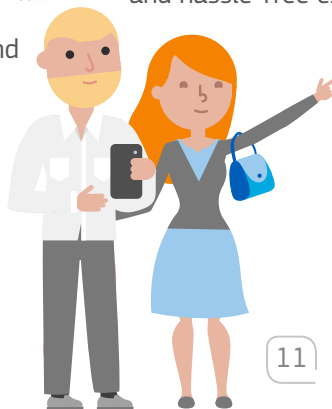
Global Head of Corporation Solutions
Amadeus

4. New technologies can unlock greater joy and inspiration

When context is everything, offering relevant information at the right time and place to the traveller is fundamental. When consumers are more empowered than ever before, travel technology needs to speak to the traveller in the simplest way. Technology should bring together the TMC, corporation and the traveller, and aim to serve the best interest of all three parties. The reality is that new technologies enable a win-win for all.

Conversational interfaces offer opportunities for a more integrated traveller experience

It remains true, even more so today, that for some travellers the mobile phone is the main point of contact with their TMCs. Mobile is also a vital tool for travellers too when in-destination, and as a result it offers a significant opportunity for TMCs.



Thanks to mobile, instant messaging platforms like Slack, Skype, Facebook Messenger, WhatsApp and WeChat have emerged as being a main touchpoint for many travellers throughout their journey. Instant messaging has become the world's number one communication tool. In 2017, there were more than 5 billion users on messaging apps¹.

TMCs need to grasp this opportunity as a way to cross-sell, upsell, service and interact with the traveller at each step of the journey. Travel & Expense (T&E) will no longer be separate but instead will be integrated throughout the business traveller's touchpoints (Salesforce, Outlook, Slack and more). When combined with the power of artificial intelligence (AI), they can remove the hassle of logging into a self-booking or expense tool and offer travellers a more personalised and hassle-free experience.

“In 2017, there were more than **5 billion users on messaging apps**”

Artificial intelligence and bots – from travel companion to travel assistant to travel essential

TMCs sit on a massive amount of data and should leverage this data as a way to build predictive analysis and benchmarks, and to offer relevant and instant information to travellers. Leveraging user location, past activities, network recommendations and/or preferences, AI should inspire and support travellers at every step of their journey.

1 Hubspot 2017

An example of AI is natural language processing (NLP) where machines are able to understand speech or text. Thanks to platforms such as Google Home, Alexa (Amazon), Siri (Apple), Lola and more, NLP has become more relevant in the AI space and will soon reshape corporate travel. As AI-based bots improve their performance, they will in turn increase traveller productivity.

AI will enable further automation of the self-booking and expense management experience, not only improving traveller productivity but also increasing compliance with corporate and legal policies and helping to avoid fraud. When we know that the average cost of a manually processed expense report is €23.48, whilst the average cost for a fully integrated T&E solution is €6.05², it is easy to see the benefits of this automation. The increased relevancy of AI ensures better personalisation for the business traveller. Intelligent virtual assistants that leverage data gathered can significantly reduce the business traveller's need to contribute throughout the booking and expense process. This does not only increase productivity, but also ensures the traveller's trip is as delightful and enjoyable as possible.



Virtual and augmented reality, along with geo-localisation, could enhance traveller confidence

Virtual and augmented reality are very likely to be game changers for the travel industry. In 2016, over 11 million virtual reality (VR) headsets were sold worldwide³. VR is expected to reach as much as \$70bn by 2020, therefore now is arguably the time to get on board with virtual and augmented reality in the corporate travel space⁴.

Some leading travel players are already developing interesting solutions. In 2017, we have seen the first VR booking thanks to Navitaire, where travellers can purchase a flight and go through the entire booking process from shopping to payment thanks to their VR headset. We can imagine VR being the next generation of advanced user interface with rich content enhancing the corporate traveller's experience, particularly at the booking stage. One can imagine self-booking tools being integrated with VR, giving people greater reassurance about where they maybe visiting and staying while away on business. In addition, in the meetings and events space, VR can be used as a way for meeting organisers to pick and choose a venue without having to go there beforehand.

In Managed Travel 3.0, we have seen that offering the right information at the right time to travellers is key for an improved customer service. Progress in geolocation technology allows TMCs to view more precisely than ever before where a traveller is located, be it inside or outside. This offers a large amount of possibilities for upselling or duty of care. By putting together behavioural data and the geographical position of a person, TMCs can offer specific information in a delimited perimeter thanks to geofencing.

Lifting the challenges of business travel today

As technology advances, so do the options to better connect, serve and inspire travellers. Connecting the entire travel ecosystem and powering smarter business travel at every stage of the journey is key for TMCs to stay relevant. By delivering more options and greater integration from search and booking to expense reconciliation; from airport parking, lounge access, hotel and meeting rooms; to departure control systems and baggage check-in, travellers can be freed from the challenges they face today.

² According to a 2015 Paystream advisors report

³ Statista

⁴ TrendForce



Arlene Coyle

Global Head of Corporation Sales
Amadeus

5. Balancing priorities to deliver greater return and a better traveller experience

Business travel is a continual balancing act. The corporation is looking for a greater return on investment (ROI) and assurance that employees will be cared for; the traveller is looking for a personalised and responsive travel experience. At times, it has appeared that balancing the two isn't possible, or certainly isn't easy.

But there is a way forward where the interests of the corporation and the traveller coincide. Managed Travel 3.0 will go beyond personalisation for the traveller, to an interactive holistic management of Travel & Expense (T&E) for corporations, travellers and TMCs alike.

When the driver for business travel is business growth, relationship building and the exploration of new opportunities, there are good reasons as to why effective T&E management becomes

elevated to a boardroom discussion. Bring to that the understanding that travel programmes play a key role in securing and retaining talent, managing costs and mitigating risk, it is not surprising to see that managing travel has gone beyond the remit of travel managers to extend to Chief Human Resources Officer (CHRO), procurement and financial decision-makers too.

Yet our experience is that effectively managing business travel is often held back by an over-reliance on managing the process through expenses alone or via a non-adopted policy or clunky technology.

These things when brought together are a good recipe for employees to go 'off plan' and become disillusioned when travelling for the company. It also means for an organisation that they no longer control the T&E process.

To explore these topics further, we commissioned a research study from the London School of Economics and Political Science (LSE).

We wanted to understand how businesses could secure greater value and return from T&E programmes. We also wanted to understand how technology could play a role in facilitating a better process for managing travel from the corporation's perspective, but also to improve the traveller experience and adoption.

When the reality of T&E programmes falls short of best practice

In an ideal world, employees would happily conform to a T&E policy, with checks and balances in place that measure a variety of different types of ROI possible from travel. In reality, effectively managing business travel is often held back by an overreliance on managing the process through expenses alone, an inappropriate policy and clunky technology. These things come together to mean that employees end up going 'off



plan', become disillusioned with travelling for the company and the organisation loses control of the process.

The LSE report, *Managing Every Mile*, outlines a five-step framework for how organisations can drive a more holistic approach to T&E. The report details how most corporations could achieve greater ROI but they need guidance and structure to capture it.

Encouraging compliance to policy

The framework covers the five stages of travel management: T&E strategic sourcing, T&E buying, traveller duty of care, expense management and analytics and feedback. By following it, travel buyers and companies could see a significant increase in ROI from travel.

The first two steps to address are the strategic sourcing and buying phases.

The most essential tool for maintaining efficient T&E control is a travel policy that includes clear direction on approved but also relevant travel suppliers. We found that where companies achieve compliance rates of over 80%, they could realise around 23% lower total indirect costs per traveller.

We found that travel buying is often sub-optimal due to a failure to enforce a managed-buying channel that consolidates spending. Doing so would allow managers to reap the benefits of volume discounts, as well as capturing valuable data. Feeding into this, corporate cards were found to be offered by two thirds of our interviewees, yet uptake remained as low as 10%.

T&E sourcing and buying were often found to have a degree of out-of-programme spending that would be considered out of the question in other corporate processes, and which can reduce ROI. Best practices in this area requires the enforcement of online booking with mobile capability, ensuring compliance and seamlessness through the use of smart approvals, and the consolidation of spending through corporate card use and a managed buying channel.

Focusing on the traveller experience

The third step advocated in the framework relates to duty of care and the traveller experience. The high requirement for on-trip changes, taking place in a volatile world, mean that corporations need sophisticated tracking and support for their travelling employees.



The fourth step requires tackling overcomplicated expense management systems, which were a source of aggravation for two thirds of those interviewees. The submission and review of expenses remains a manual and sluggish process for many firms, frustrating travellers and managers alike. CFOs in particular highlighted the need for granular expense reporting that would illuminate target areas for improvement.

80% of executives felt they did not have the necessary information to tighten their T&E strategy. This is caused by lack of data capture that comprises the fifth step in our framework. Managed channels for sourcing and buying must be created to integrate invaluable data, analytics and feedback loops. Compliancy can be measured and new sourcing opportunities identified.

Technology is an enabler of smarter business travel

Legacy technology represents a tangible obstacle for any firm looking to streamline their processes. For T&E optimisation, information technology is the underlying enabler and all steps of the process depend on it. Also, mobile capability has evolved from a 'luxury' to an expected necessity in T&E. 94% of interviewees placed mobile booking as the top IT-enabled booking priority. Only 11% of travellers book via phone yet 85% use mobile itinerary management, showing a cultural shift is within reach. And finally, best practice analytics utilise an integrated, automated chain that captures costs and behaviour at each T&E stage.

T&E management is not a single process, nor is it the sole responsibility of a single department. Achieving ROI is an iterative process that relies upon different parts of organisations coming together to set objectives, provide the right technology and continually adjust the process to make sure it is working.

Ultimately though, if T&E is designed with the traveller in mind, there will be much greater compliance with policy, and the investment made in employee satisfaction, employee safety and the overall investment in travel will be maximised.

So the next time you think of your travellers, or an expense report which considers out of policy spend, or when you have an incident where you need to track your travellers, it is worth thinking about the five step framework.

Managing Every Mile: How corporations gain greater ROI from T&E for business travellers





Albert Pozo

President of Amadeus Asia Pacific
Amadeus

6. Mobile and personalisation defines the Asia Pacific traveller

Asia today accounts for more than a third of the world's corporate travel spending. Between China and India, the region includes both the world's largest business travel market by spend, as well as its fastest growing⁵. There is little doubt about Asia's significance as a corporate travel market today, and in the future. However, despite the explosive growth of travel and technology in this part of the world, online travel and expense adoption rates are abysmal - or, alternatively, a huge opportunity.

In Asia, 'mobile first' is an expectation

Wherever you look in this part of the world, people have their heads buried in their mobile phones, trying to extract value - whether it's work, games or social capital - from their daily lives. Markets such as China, India and Indonesia have led

the leapfrog of PC straight to mobile. So it makes sense that here, in Asia, managed travel takes a mobile-first approach, and where every part of the process, from approval to Travel & Expense, can be managed from the palm of the traveller's hand.

The good news is that Asia as a whole is driving technology adoption in all areas. In mature markets such as Japan and South Korea, a corporation typically starts by adopting a self-booking tool, followed by an expense management solution, and then finally explores how to make it all available through mobile. Compliance tends to take top priority in these markets when mapping out a technology strategy.

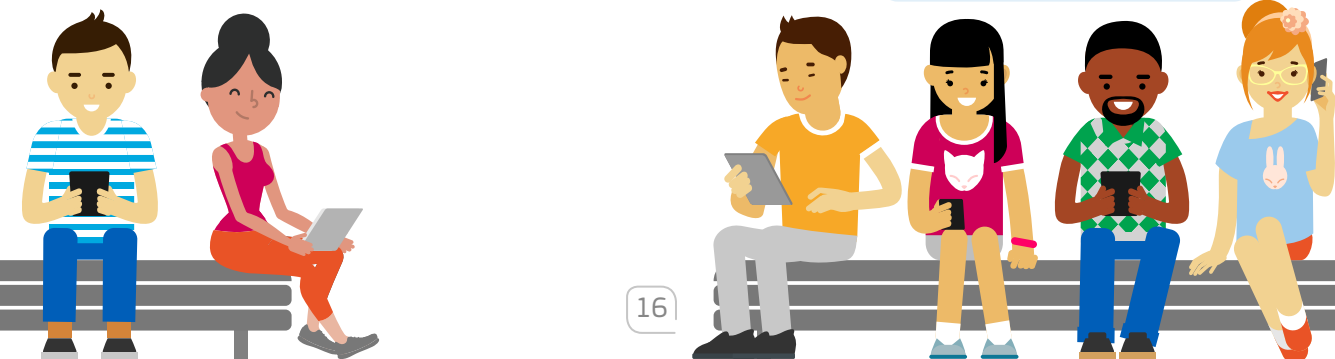
However, in markets such as China or India, things are different. Here, mobility is king. Our research finds that Indian business travellers have the strongest appetite for things

to be available digitally, similar to the Chinese, with 85% preferring digital processing for flights and 64% for hotels. They are also the most willing to use online and mobile booking tools. Perhaps unsurprisingly for a country with a booming smartphone market, Chinese business travellers were consistently the most likely to opt for mobile processes. 37% of them prefer to check in for a flight via their mobile device, compared with 26% of Asian business travellers on average.

It is likely that mobile-first solutions will see a faster adoption here than in many other markets and regions. In fact, I would argue that very soon mobile-first will become the default expectation.

But what does 'mobile-first' actually entail? In the retail

5 GBTA BTI™ Outlook – Annual Global Report & Forecast, 2016 - 2020



world, many companies take their website and water it down for mobile, meaning that customers don't get the full experience. It is time to stop thinking about mobile as being web on a smaller screen, and think about leading with mobile. All functionalities - from booking to approval, trip management, expense integration, and even duty of care plus local information and support - are available through a single app in the palm of the hand. It is the 'one app that rules them all' model that has made WeChat so popular in China and beyond. From texting to booking a taxi, ordering food, paying bills, and even booking a doctor's appointment - a WeChat user doesn't have to exit the interface to do different things. It's right there in the app.

Beyond China and India

While not nearly the size of China and India, it is important that we also keep an eye on emerging markets in Asia Pacific like Indonesia, Thailand, the Philippines, and also Myanmar and Cambodia. In the coming years, we expect top markets for corporate travel spending to shift from more traditional markets like Australia and Japan to these emerging economies.

Asia's mix of industries is diverse, and diversifying. Agriculture, electronics,

fast-moving consumer goods and infrastructure projects have now been complemented by financial services and mining as two of the fastest-growing sectors. The huge growth and evolving mix of markets and industries brings a greater complexity to corporate travel.

Organisations of all shapes and sizes must rethink corporate travel and build robust programmes to manage it. And they must do so, because how they approach it can be a differentiator, a driver of value and a contributor to the bottom line.

The modern Asia Pacific traveller

Above all, the rise of a more distinct, diverse and autonomous generation of Asia Pacific business travellers means that corporations and travel companies must grapple with how best to understand them and serve their needs. The irony of the 'Asia Pacific traveller' is that it doesn't exist - there are many Asias within Asia, and there are vast differences in the behaviours, preferences and needs of its travellers.

With personalisation becoming the default expectation, using data analytics to understand the traveller and deliver what they need is no longer optional. It must also be done in a timely, intuitive and seamless manner, and through the channels that the traveller prefers.

I sometimes hear the argument that the Asian sense of traditional customer service and hospitality demands a human touch and online booking tools will never gain traction. I understand the thinking here. However, I would argue that technology is enabling more personal, tailored interaction and experiences. The developments we are seeing in artificial intelligence and machine learning, combined with the Internet of things, is opening up possibilities in personalisation and serving the market-of-one that we never imagined before. And despite privacy concerns, 65% of business travellers in Asia Pacific say they would be open to sharing personal information with travel service providers for more relevant offers or personalised services.

As we welcome the next billion travellers in Asia Pacific, shaping one-of-a kind travel experiences remains its biggest challenge as well as its greatest opportunity.

“65% of business travellers in Asia Pacific would be open to sharing personal information with travel services providers”



León Herce Mira

Vice President Corporations
Amadeus

7. Transparency and economic diversity fuelling growth in Latin America

In light of recent political crises, recessions and economic downturns, countries in Latin America are turning a new page, with reforms to foster greater, transparency, innovation and economic diversity. After a 0.7% fall in GDP last year, LatinFocus Consensus Forecast analysts expect that the region will return to growth in 2017, projecting an increase of 1.4%.

Leading this growth is Brazil, which saw its GDP rise in the second quarter of 2017 for the first time in three years, driven mainly by increasing private consumption due to lower inflation and a looser monetary policy. In Mexico, the region's second largest economy, the landscape also remains upbeat, with NAFTA talks progressing and showing signs of only minor changes.

In the travel sector, the ongoing rise of low-cost carriers (LCCs) is creating opportunity for business travellers. Although today's LCCs operate mainly in the Brazilian and Mexican domestic markets (with a growing presence in Chile and Colombia), the trend is for broader expansion of intra-regional traffic. This dynamic will increase demand for content aggregation as

carriers are integrated into the technology ecosystem.

Other forces driving advances in the managed travel space include: a young, tech-savvy population; an expanding middle class; a growing SME sector; and a resilient, diverse workforce.

Innovation leads to a more collaborative society

Latin Americans are heavy users of new technologies, and those that provide transparency and traceability are especially popular. This explains the success of both Uber and Airbnb in Mexico City, a market where personal safety concerns are not uncommon. In fact, Uber grew ten-fold in ride volume across the region from 2015 to 2016. And improvements in access and security to e-commerce platforms have resulted in a per-year growth of 20%.

Latin Americans also eagerly consume innovations that keep them connected and informed. The most populous countries in the region - Brazil, Mexico and Argentina - are among the highest-ranked markets

globally for total weekly hours spent on the internet, much of it on mobile devices. And people spend more of their time on social media than do their counterparts anywhere else in the world. In fact, the time Latin Americans devote to social media is more than double that of North Americans, and Latin American social media users eclipsed their Asia Pacific counterparts by an even higher percentage⁶.

Innovation and new technologies in managed travel are therefore key to adoption. Today, it is common for business travellers to search for chatbots, virtual assistance and personalisation functions to improve their individual travel experience.



6 eMarketer 2016

Changing demographics, consumption patterns and duty of care

As Latin America's corporate demographics change, so do preferences and consumption patterns when it comes to managed travel; this, at a time when travellers are increasingly empowered and informed to make their own decisions.

In particular, female empowerment in Latin America and the Caribbean has led to more women joining the workforce. Although female participation in the global workforce has fallen 2% since 1990, in Latin America and the Caribbean it has jumped 14%. The region has seen women join the workforce at a faster pace than anywhere else in the world: upwards of 80 million additional female workers since the 1960s.

And these women are increasingly choosing to travel solo as they now have more money and opportunities to do so. As a result, organisations wishing to

retain these workers more and more are catering to their specific needs. As a result, the manner in which duty of care is managed by corporations plays an important role in meeting the expectations of women in the workplace.

As for millennials in Latin America and the Caribbean, the line between leisure and business has never has been so blurred. This increasingly growing workforce is seeking more flexible work terms, as well as the power to make individual choices of accommodation when travelling for business. Similar to millennials in North America, they actively participate in the shared economy and have a preference for experiences over material consumerism.

Each of these trends creates a unique opportunity for corporations and managed travel when it comes to duty of care, as choices expand and expectations rise for greater personalised service. The trends also create the challenge of balancing the desire of travellers for more flexibility with the need for policy controls within corporations.

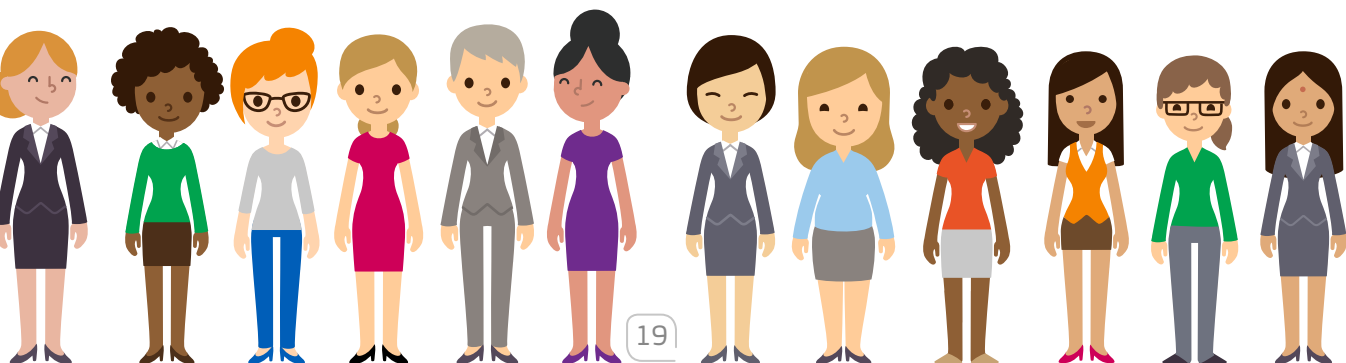
Balancing compliance with traveller flexibility and personalisation

As more Latin American and Caribbean companies embrace digital transformation, there is growing emphasis on technology investments that add flexibility and personalisation for corporate travellers, many of whom increasingly desire to participate in the shared economy.

The ultimate aim, of course, is to provide greater choice, while maintaining adherence to corporate policies. The introduction and adoption of travel booking tools that track itineraries and expenses can significantly help here.

The demographic, technological and economic changes we have seen in the region are just the beginning of what will be an exciting decade ahead. And innovations that promote transparency, security and personalisation continue to fuel further change in Latin America.

“Upwards of **80 million** additional female workers since the 1960s in Latin America and the Caribbean”





Aki Kettunen

Global Head of Commercial Operations, Business Travel
Amadeus

8. Technology: a strategic tool towards transformation

Business travellers expect consumer-grade user experiences and are keen to experience the option to live like a local while away on business.

Corporations are understanding that travel is also a means to attract and retain talent. Travel is increasingly taking an active role in shaping an employee's business travel experience, from the content which is offered to the technology choices in place. New entrants - whether online TMCs, metasearches or start-ups - are pushing into corporate travel, bringing with them both technology, such as chatbots and artificial intelligence, and business model innovation.

However, these types of challenges are not unique to corporate travel. We live in a world where practically every business is having to become a technology company, regardless if they are a bank or a fast food chain. There's great opportunity for those who are successful in this transformation.

McDonald's: a study in successful transformation

To understand the required transformation, let's look at one of the successful examples: McDonald's. The first cornerstone of McDonald's success was being, at the same time, very clear about their core activity, but also ambitious to stay ahead of the technology curve. The mission of McDonald's remained "to be our customers' favourite place and way to eat and drink". But McDonald's incorporated transformation into its vision: "Become a modern, progressive burger company delivering a contemporary customer experience."

The second success factor was that McDonald's used technology as an amplifier, a means rather than an

end. Their value proposition remained fundamentally unchanged, but it applied technology to improve the customer experience significantly. Customers can now walk up to a touchscreen, browse the menu, place their order, pay by card and pick up their order. And yes - almost as a side benefit - McDonald's improved throughput, increased sales and reduced costs.

The third element was finding its own way to becoming a technology company. It doesn't have to mean developing technology from scratch. Rather it can simply mean applying technology to significantly improve the value you deliver to your customers. The technology itself could be developed internally, acquired or developed by a third party.



Define your value proposition and the role of technology becomes clear

TMCs can also apply this same formula. The first step is to affirm your core activity and value proposition, while simultaneously setting the ambition to take that to the next level through technology. Here, different TMCs are likely to come up with different answers: some leaning more

to service, some opting for the online TMC route, and others choosing vertical specialisation.

The lesson is clear. Once your value proposition is clear, decide how technology can amplify it best. Perhaps it's by offering a personalised search and book experience powered by artificial intelligence; or a mobile application that supports and guides travellers while on trip; or an automated disruption management system that helps travellers avoid queuing at the airport.

Finally, find your own way to become a technology company. It's important to define what you are going to do yourself, and how you secure those capabilities, whether through hiring, acquisition or outsourcing.

So, on top of all the changes in the travel industry, the challenge is clear: become a technology company. If you get the transformation right, you will - like McDonald's - secure future relevance, sell better, sell more and reduce costs.

“On top of all the changes in the travel industry, **the challenge** is clear: **become a technology company**”



Conclusion

This collection of perspectives provides much to consider by all players in the corporate travel space looking to plan for the future.

It is only by understanding traveller needs that corporations and TMCs can deliver the type of personalised service they expect. Each corporation, each traveller and each trip is different. This requires greater flexibility and agility in adapting to the needs of each. All of the chapters in this report highlight how important this shift is.

Travellers want control. But they don't want control at the expense of the corporation. And this is where the opportunity lies to transform how people travel for business. Through a joined-up approach where the interests of travellers, corporations, travel agents and travel providers collide is where the most fertile ground lies.

TMCs must continue to demonstrate the value they provide. Corporations must embrace changes to how employees want to travel. By doing so, the true potential of Managed Travel 3.0 can be realised.

There are many steps on the journey towards the vision of Managed Travel 3.0. However, there are some obvious actions to take.

Content is crucial. New content - both bookable and non-bookable - is required to deliver a truly personalised experience. User reviews and destination content is just as important as the

flight and the hotel. It's incumbent upon all those in the industry to work out how to make this available to the traveller, in a way that works for them.

Communication and connectivity is essential to today's traveller. No longer is an email, a web interface or a call centre enough. People are using messaging platforms and social media to connect with brands, as well as friends and family. It's important we are open to new methods of communication so that we can connect to travellers in a relevant and native way.

Emerging technologies - such as blockchain, artificial intelligence and the Internet of things - all have the power to further transform corporate travel. It is incumbent upon those in the sector to experiment and explore these new technologies and the promise they hold. Disruption in the travel sector is often unexpected, and rapid. That's why having an eye on the future allows us to adapt quickly. We need to do so, as travellers do.

Signposts to the future are always visible in the present. Whether it is looking to Asia Pacific, to new emerging technologies or to new traveller trends, being alert and agile are key to success. In 2015, the term Managed Travel 3.0 was coined, now is the time to deliver it.

By doing so, anyone who travels for business will be more informed, more reassured and more inspired.



More on our experts:



Anna Kofoed

Global Head of Travel Content Sourcing
Amadeus

Anna's role with her team of experts is to understand and deliver the content that travel companies need today and in the future. This covers everything, from airline content to hotel, rail, car rentals, transfers and other destination services to come. Their ambition is to build the preferred travel platform that will enable travel companies to access any content from any provider, via multiple technologies.



Katherine Grass

Global Head of Innovation & Ventures
Amadeus

With over 20 years' experience in IT, Katherine has been on all sides of commercial deals, as an entrepreneur, business angel and venture capitalist. Her role at Amadeus is to be at the forefront of innovation to help shape the future of travel. In 2013, Katherine founded the venture fund at Amadeus, the portfolio of which now has investments all over the globe.



Arlene Coyle

Global Head of Corporation Sales
Amadeus

Arlene has held various management and leadership positions in the areas of commercial and marketing functions, leading global teams and working with clients around the world. Previously, she held management and client facing roles at Hogg Robinson Group (HRG) and at Carlson Wagonlit Travel (CWT).



León Herce Mira

Vice President Corporations
Amadeus

In his previous role as Vice President for Latin America and the Caribbean, León focused on encouraging a close relationship between Latin America and the Amadeus Central organisation, while adding value to the union of the markets and boosting the client services in the region. Previously, León was Director of Commercial Distribution for Asia Pacific and, in this role, managed the marketing and commercial aspects of the Amadeus distribution business for that region.



Michael Bayle

Global Head of Amadeus Mobile
Amadeus

Michael has spent over two decades helping digital organisations launch and scale new ventures. Since joining Amadeus, Michael transformed the development of Amadeus' earliest mobile product into a world-class marketing and monetisation platform called Amadeus Mobile. He now leads the commercialisation and innovation strategies for an extensive portfolio of mobile capabilities for customers, including airlines, travel agencies, airports and hotels.



Lydie Charpin

Global Head of Corporation Solutions
Amadeus

Lydie's vast experience in product management, payments, R&D environment and start-up creation helps provides insight on how technology can bring together TMCs, corporations and travellers in order to better serve the travel industry.



Albert Pozo

President of Amadeus Asia Pacific
Amadeus

Albert is responsible for the region's 39 markets and more than 4,000 employees. His leadership focus is to ensure all travel players in the region continue to have access to the latest technology, content and insights, so as to cater to the changing demands of Asia Pacific travellers. Albert is also driven by his passion for customer service, innovation and diversity.

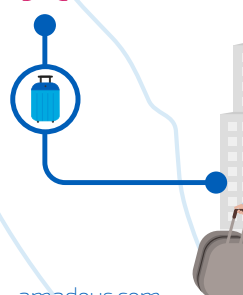
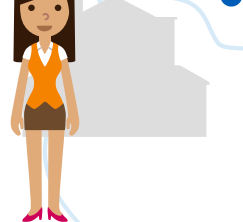
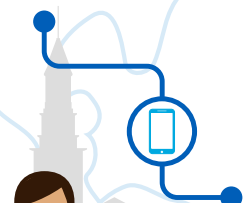


Aki Kettunen

Global Head of Commercial Operations, Business Travel
Amadeus

Aki has been working with Amadeus in Corporate Strategy, including Product and Business strategy. Since 2015, Aki has worked exclusively on Business Travel, first driving the Corporate Solutions transformation, and then the overall Business Travel transformation including both Corporate Solutions and Business Travel Agencies.

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