



October 1, 2013

TRENDS IN MANAGED TRAVEL

What's changing & how to respond



Who am I?

- Intersection of corporate & leisure travel
- Founder of FlightCaster and Farely
- Ran travel at Next Jump
- Consultant to airlines, agencies, tech
- Advisor to dozen+ start-ups
- Write for tnooz, PhoCusWright Innovation Critic
- TheBeat contributor and speaker
- Formerly on ACTE board



Where we're headed

Three major trends

Optimization dilemma

Mobile as battlefield

Consumerization

Winds of Change



The Past



**Little change in
100 years**



Historic drivers of Managed Travel

- **1994:** Delta caps commissions, triggers TMC transaction fees and cost center approach
- **Late 90's:** Strategic sourcing, corporate online booking tools and Prism put travel management in spotlight
- **2007:** UK's Corporate Manslaughter Act makes duty of care – and data - a high priority

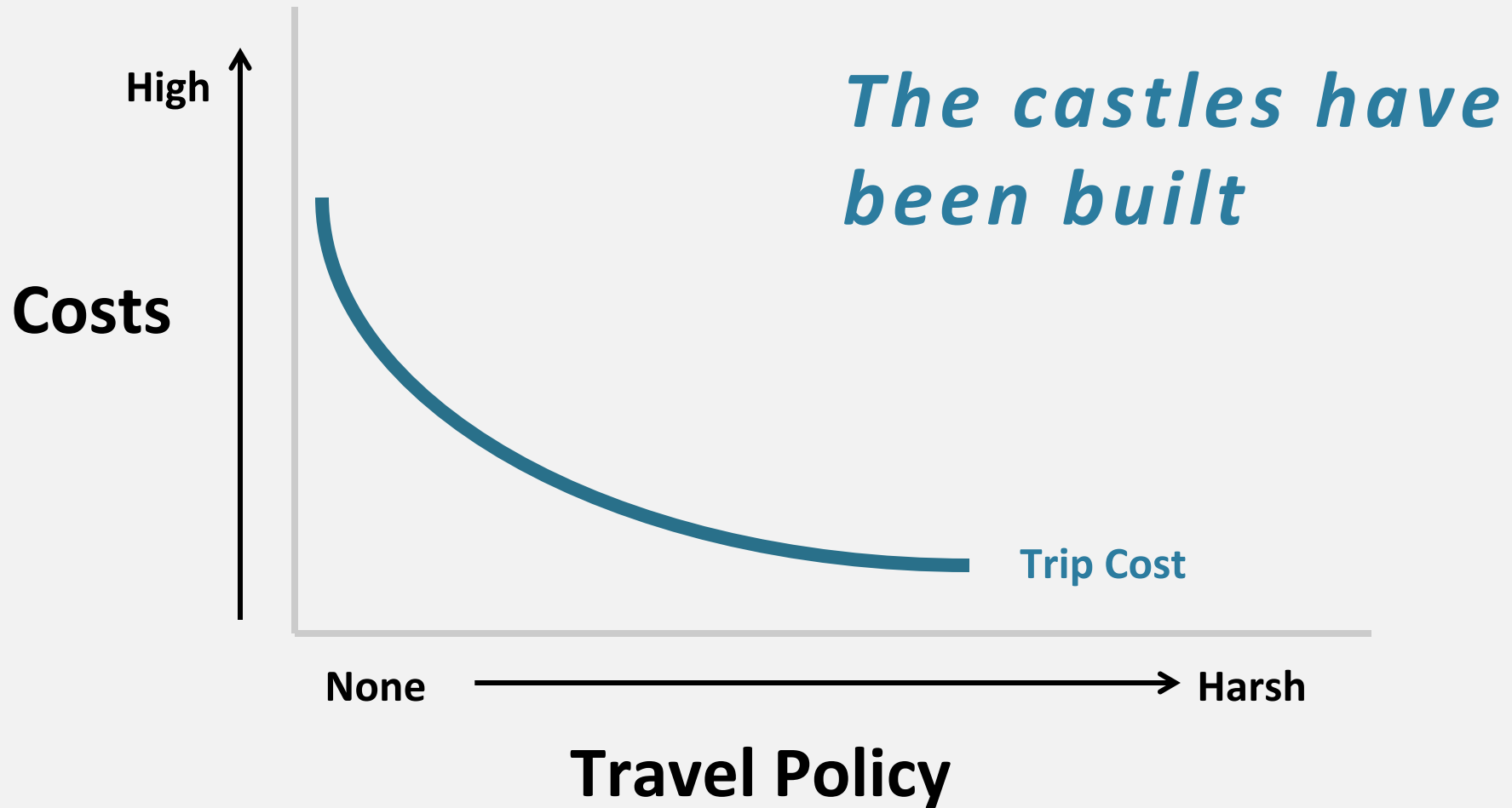


After 20 years, best practices are well known

- ✓ Consolidate TMCs
- ✓ Consolidate T&E card programs
- ✓ Consolidate travel data and reporting
- ✓ Comply with duty of care
- ✓ Use KPIs and benchmarking
- ✓ 80+ % online adoption
- ✓ 90+ % travel policy compliance
- ✓ Optimize air, hotel and car programs



Trip costs have been mastered



**Solid, safe, enduring –
a valuable base**

**Immobile,
inflexible**



A close-up photograph of a dandelion seed head in the lower-left corner. The seeds are blowing away from the head, creating a sense of movement against a clear blue sky. The text is overlaid on this background.

The winds of change are here...

Consumer marketing advancing

Traveler expectations shifting

Supplier relationships evolving

Current State of IT: Changing Workforce

Veterans

(b. 1922 to 1945)



Company loyalty

Baby Boomers

(b. 1946 to 1964)

Generation X

(b. 1965 to 1979)



Financial success

Strongly independent

Gen Y-Millennials

(b. 1980 to 2000: IM, Mashups,
Web 2.0, Time Person Year)

Personalized work:
*Richer User Experience off-work

Resource: http://www.stephenibaraki.com/cips/v87/m_furdyk_podcast.html

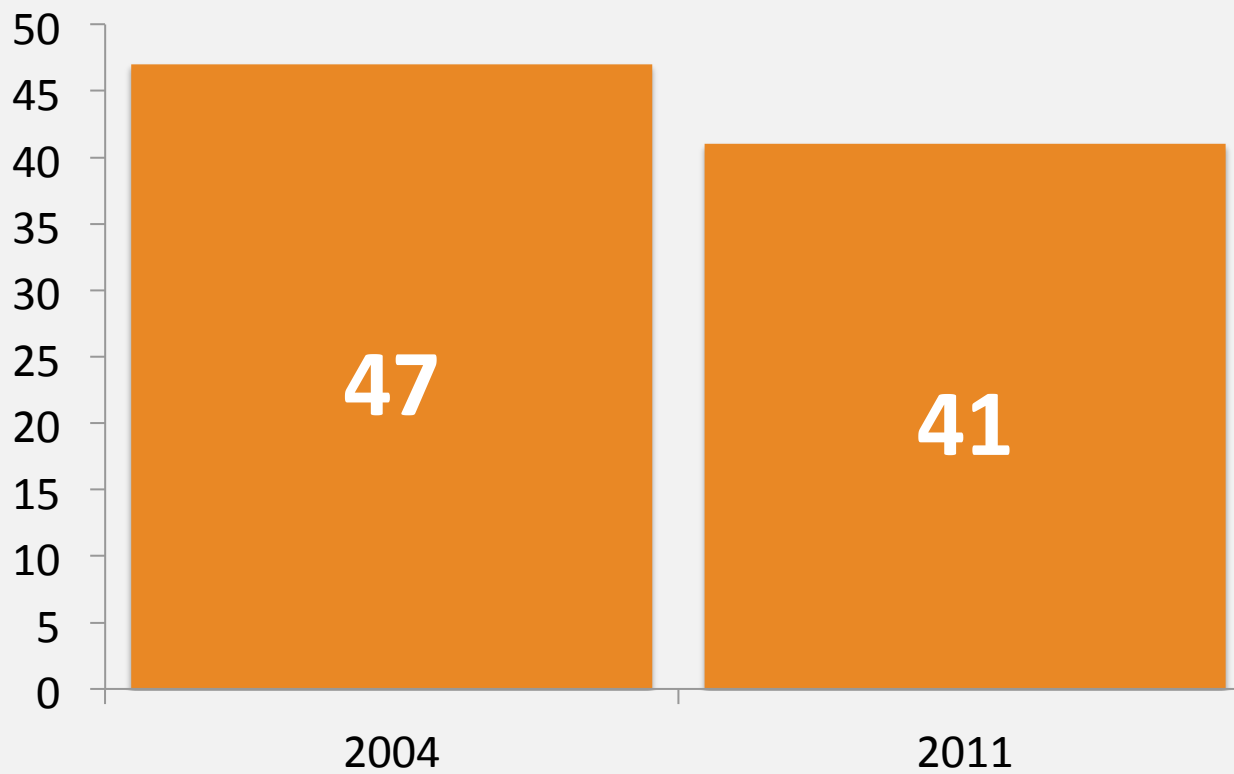
Source: "Get Ready: The Millennials Are Coming!", Forrester Research, Inc., September 2005

Ten key Gen Y characteristics

1. Continually connected
2. Speak their own language
3. Skeptical of authority
4. Influenced by peers
5. Seek recognition and fame
6. Enjoy absurdity and odd humor
7. Embrace a variety of subcultures
8. Skim text and information quickly
9. Easily bored
10. Expressive and digitally creative

In travel, age impact is big

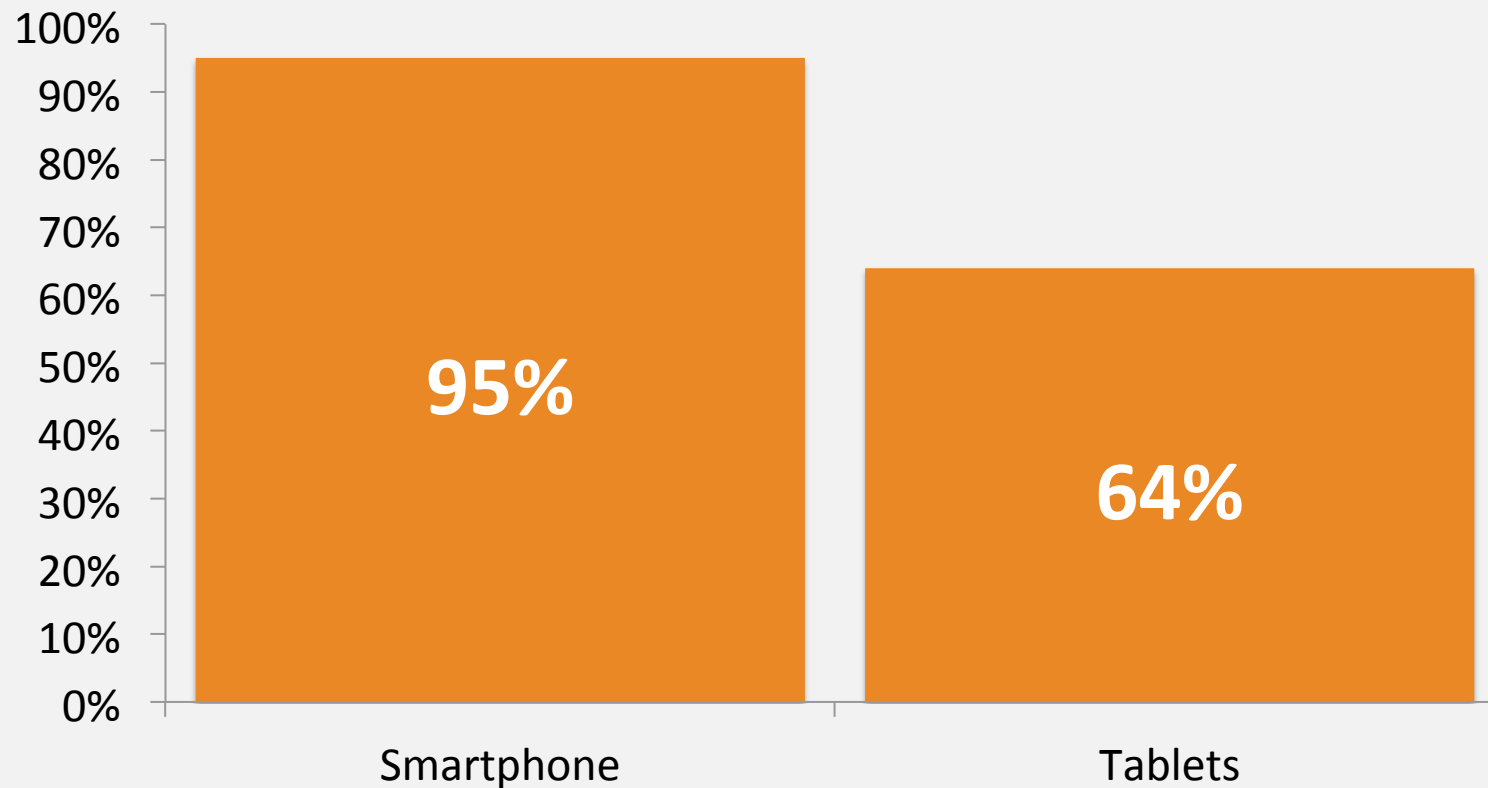
Average age of a business traveler





In travel, mobile impact is big

Percent of business travelers that have device



Mobile is disrupting many industries

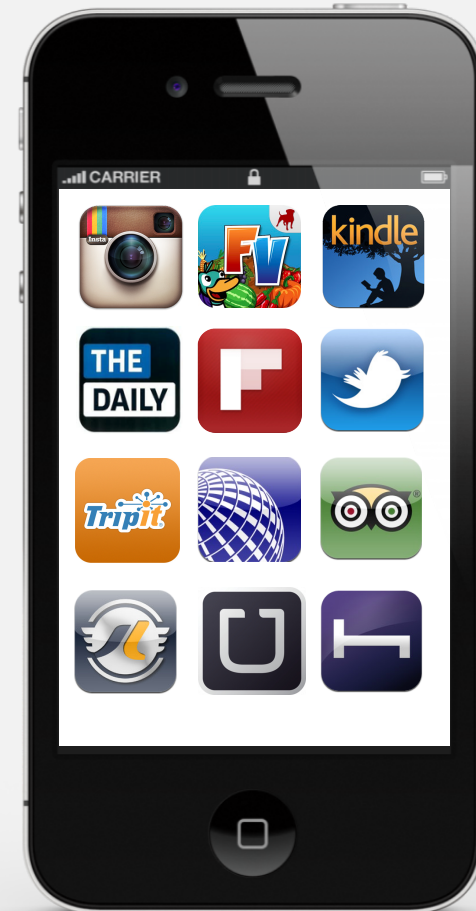
Photography

Games

Books

News

Travel



Progression of mobile

In 1995, we thought of the web as extension to brick-and-mortar stores
-**By 2000**, we knew web-only was the future for many

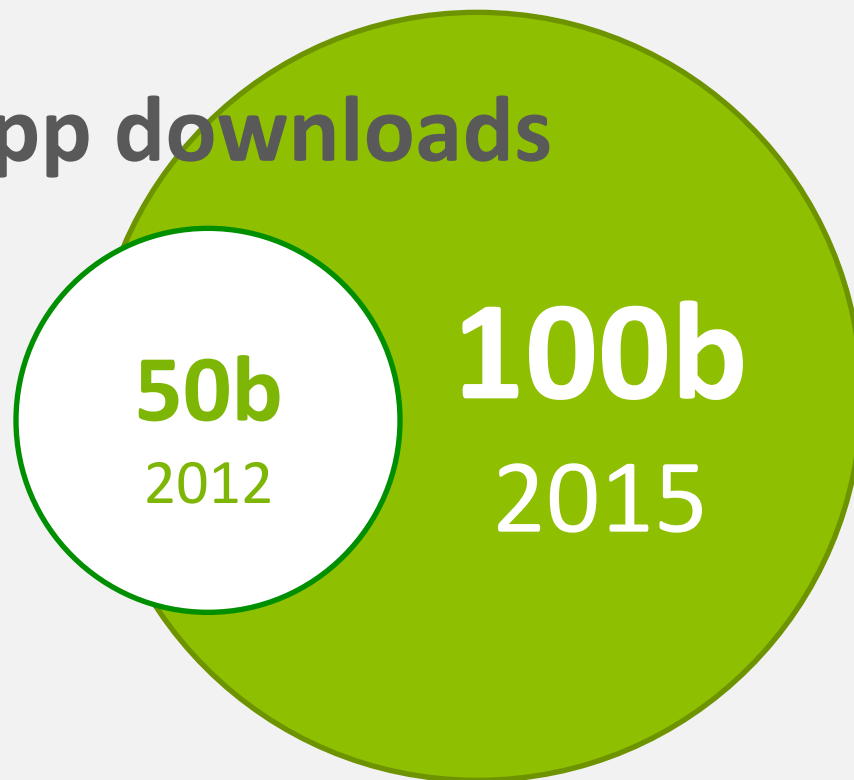
In 2007, we thought of mobile as extension to web-based businesses
-**By 2010**, we knew mobile was mandatory

In 2012, we recognized mobile-only as viable, if not preferred
-**Now in 2013**, we also see that mobile-led design and development is preferred. We'll adapt desktop to fit mobile design imperatives, not vice versa.



Staggering statistics

App downloads



30% more time spent on mobile than desktop

Only device with faster adoption than iPhone:

iPad



New Apple iPhone 5S, 5C draw lines around the world

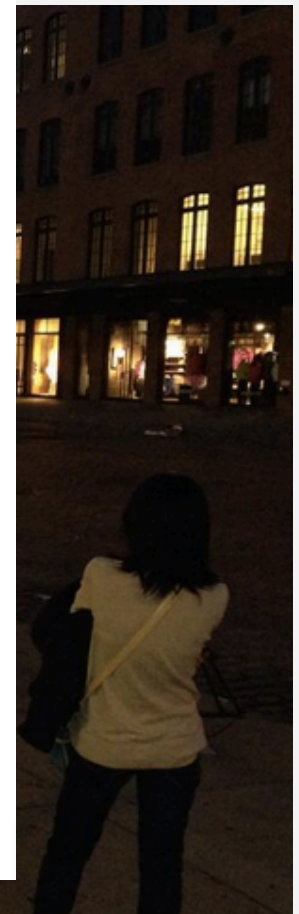
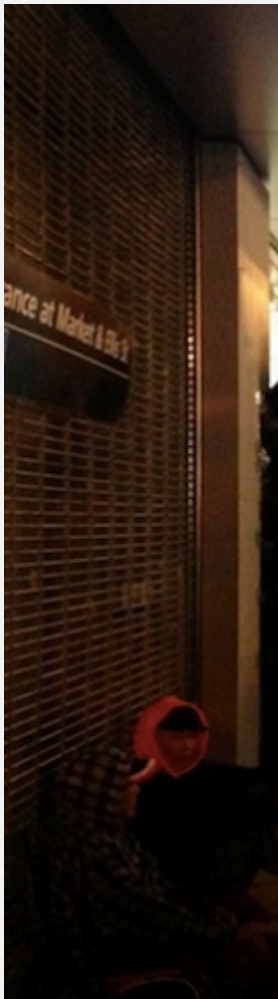
Originally published: September 20, 2013 8:46 AM

Updated: September 20, 2013 2:14 PM

By BLOOMBERG NEWS



Photo credit: Howard Schnapp | Chelsea Grippe shows off her new iPhone 5S outside the Apple Store in Manhasset. Grippe says she joined the line at 7:30 last night. (Sept 18, 2013)



Impact in the workplace also

70%

Employees use personally owned devices
to access company data and systems

Source: IDC

**Bring Your Own Device
(BYOD)**



Bring Your Own Travel Tools (BYOTT)



Pent up demand for tools

Travelers Most Interested In Mobile Alerts On Disruptions

Buyers' Assessment Of Corporate Traveler Interest In Mobile Functions
Average Scores On Scale Of 1 (No Interest) To 5 (Most Interest)

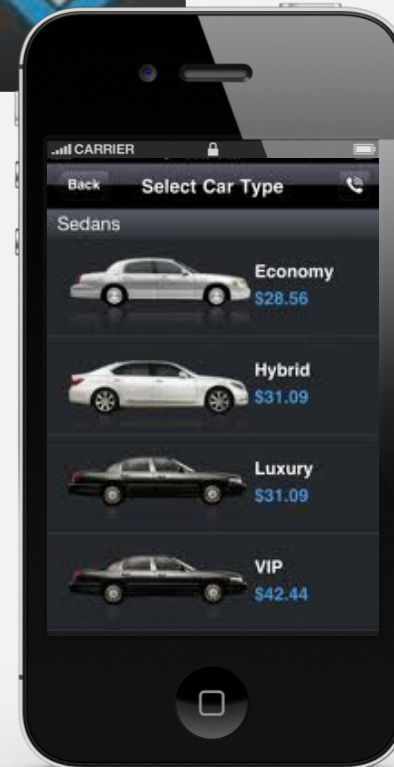
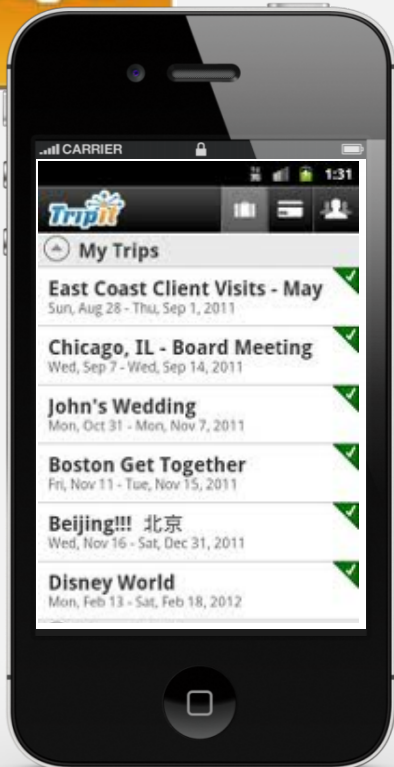


Many of these tools already available via popular consumer and supplier tools

Source: BTN December 2011-February 2012 survey of 183 travel buyers



Corporate travel tools have competition



Ship has sailed, regardless of age

Travelers of all ages already doing many things on mobile

Travelers: Which Of The Following Do You Use While Traveling?
 Respondents Were Asked To Select All That Apply

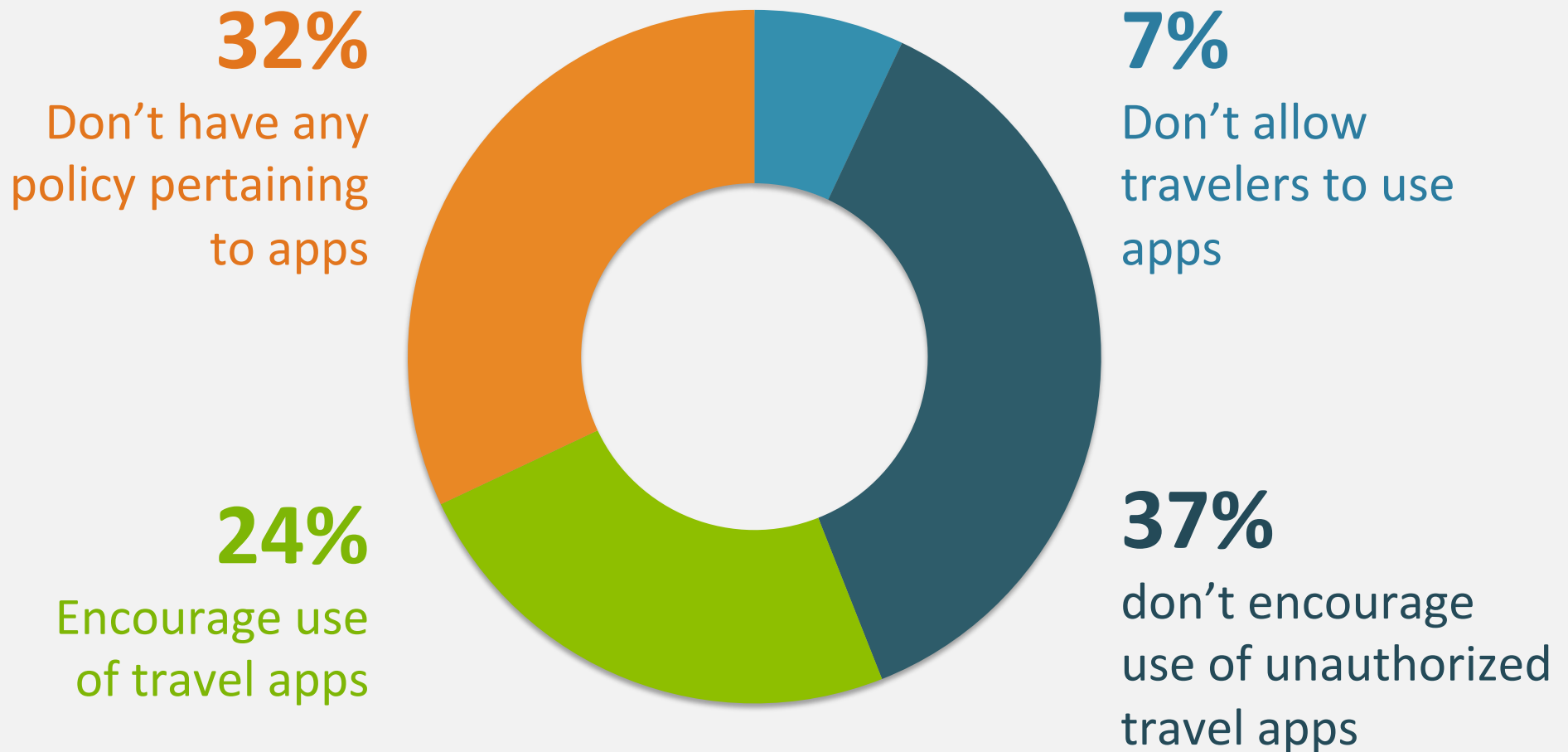
All	By Age			
	<35	35-44	45-54	>55
Flight status updates				
54%	54%	52%	46%	69%
Mobile online booking				
46%	53%	48%	36%	46%
Mobile expense reporting				
37%	44%	38%	33%	28%
Itinerary management services				
32%	37%	33%	21%	34%
Concierge services				
31%	34%	38%	22%	26%
None of the above				
18%	12%	15%	28%	18%



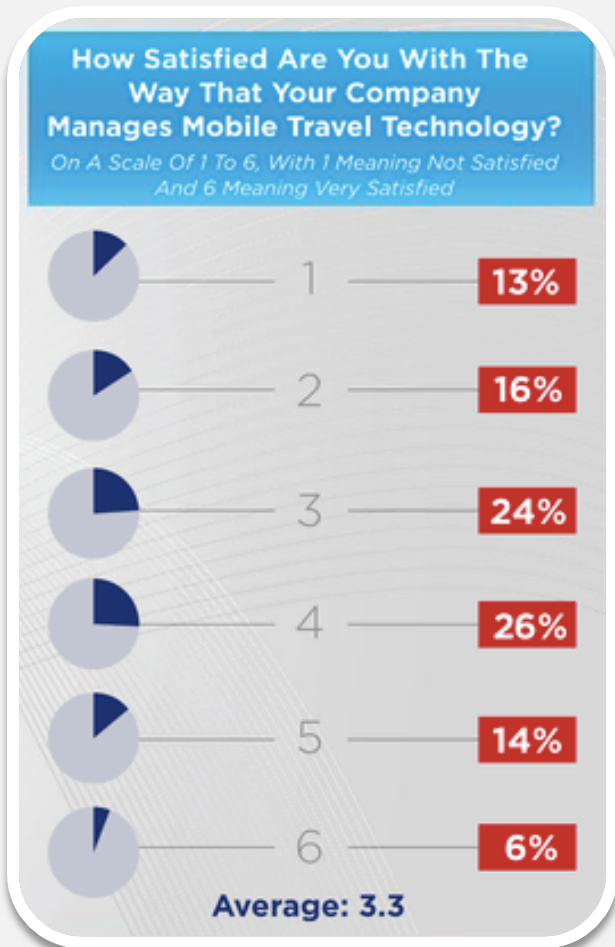
And if we don't get what we want...



Little guidance from travel programs



Little guidance means unhappy travelers



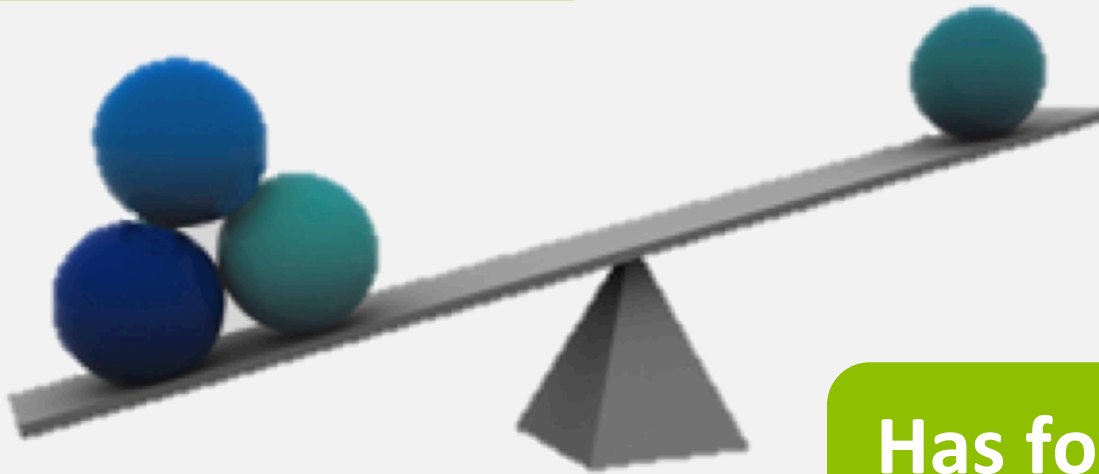
**Majority of
travelers are
dissatisfied**

**Only 6% are
“Very Satisfied”**



Online booking started this trend

**Pushing hard on
online adoption**



**Has forced our hand
in self-dependence**



Mobile is the new battlefield



**Full company oversight
More planned decisions**



**Little company oversight
More impulsive action**

