



Ohio Valley
Business Travel Association

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Travel Management “Out of the Box”

How Technology Could Impact Your Travel Program

Tony D’Astolfo
Chief Sales Officer, GroundLink
June 14, 2012

Session Overview

Section 1: Have You Heard?

Section 2: Technology Primer

Section 3: The Rising Impact of Mobile

Section 4: Loyalty, Gaming, Social Networking, Offers....
.....how they'll make life more interesting for a travel manager

Section 5: Travel's Changing Supply Chain

Section 1:

Have You Heard?

Have You Heard...

“I’ll take Hangovers for \$15 Trillion Alex”



9M Jobs Lost during the recession
Unemployment still over 8%



Inflation rate at 26 year high



Home equity ownership
at a record low



Oil prices fluctuate wildly



And now, Uncle Sam is here to help

Have You Heard? Uncontrollable Costs on the Rise

Will Your Expense Account Cover Airline Fees?

“The extra fees airlines charge are rapidly multiplying: checked bags, flying standby, better seats, food...and could add 30% to the total cost of a trip”

USAToday 2/22/11

Airfares to Rise in 2012

“Carlson Wagonlit Travel is forecasting a 3.5 to 4.1 percent jump in North American airfares. Other experts say fares could climb higher”

Hotels Report Strong Corporate Demand, Rising Rates

“Advito's 2012 industry forecast, updated last month, showed U.S. hotel rates on average increased 5 percent to 6 percent, in line with what Hyatt Hotels Corp., Starwood Hotels & Resorts Worldwide and Marriott International reported during their most recent quarterly earnings calls.”

BusinessTravelNews.com 2/27/12

American Express Global Business Travel estimates that the amount spent on business travel worldwide will increase 7.9% this year; it fell 8.8% in 2009.

Have You Heard?



74% of Buyers said they use email to communicate policy

31% of Travelers said they get company policy via email

66% of Buyers said they use corporate intranet to communicate policy

25% of Travelers said they get travel policy via corporate intranet

67% of Buyers said email is used to provide itineraries to travelers

42% of Travelers said they receive itineraries via email

Have You Heard?

3% of Buyers said their company had no policy or preferred suppliers

18% Travelers said their company had no policy or preferred suppliers

Younger Travelers Less Likely To Comply*

2010 Transactions That Complied With Company Preferred Vendor And Booking Channel Policies, By Age Group

	<35	35-54	55+
Airlines	46%	63%	76%
Car rental	47%	64%	82%
Corporate card	46%	71%	78%
Hotels	43%	61%	76%
Booking channel	47%	67%	81%
Expense reporting tool	51%	75%	88%

* Traveler respondents only

Have You Heard?

[Hotel booking behaviour rapidly changing, says Expedia](#)

December 14, 2011 | Hotel Marketing

“The booking window is changing,” said Dhiren Fonseca, co-president of Expedia's Partner Services Group.

"We've seen a 28 percent growth in same day transactions. This speaks to the growth we've seen in our mobile business; 65 percent of mobile transactions are happening same day and travelers are taking shorter trips."

Have You Heard?



63% of Travel Managers believe Mobile technology can help the company reach its managed travel goals

25% of companies are realizing the benefits of Mobile today

67% of Travel Managers said that they were less than 50% compliant with online booking policies

Things to consider (according to BTN)

- There are more opportunities for corporate travelers to become both connected and disconnected from their managed travel programs than ever before.
- Advancing technology has brought new touchpoints to the travel cycle, providing new opportunity for program managers, suppliers and travelers themselves to exert influence.
- Smartphone use continues to explode and become the primary point of contact in the travel process.
- While it's obvious that an evolving mobile culture is affecting travel management, the trick is determining what to do about it.

Section 2:

Technology Primer

“In technology, whatever **CAN**
be done **WILL** be done”

Andy Grove, Former CEO, Intel

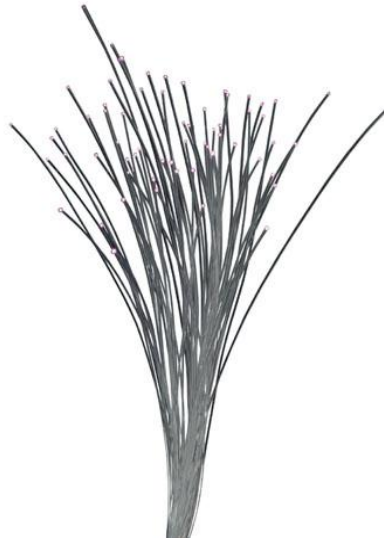
Computational Power — “The Cheap Revolution”



Computing

Moore's Law
Doubles every 18 months

x



Communication

Fiber Law
Doubles every 12 months

x



Storage

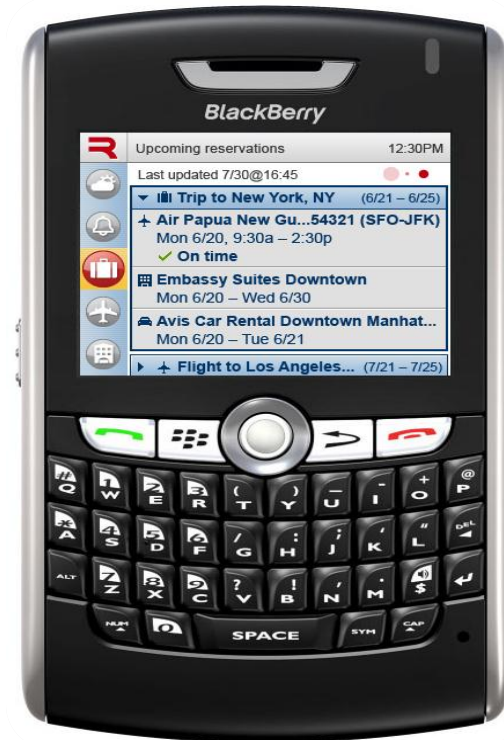
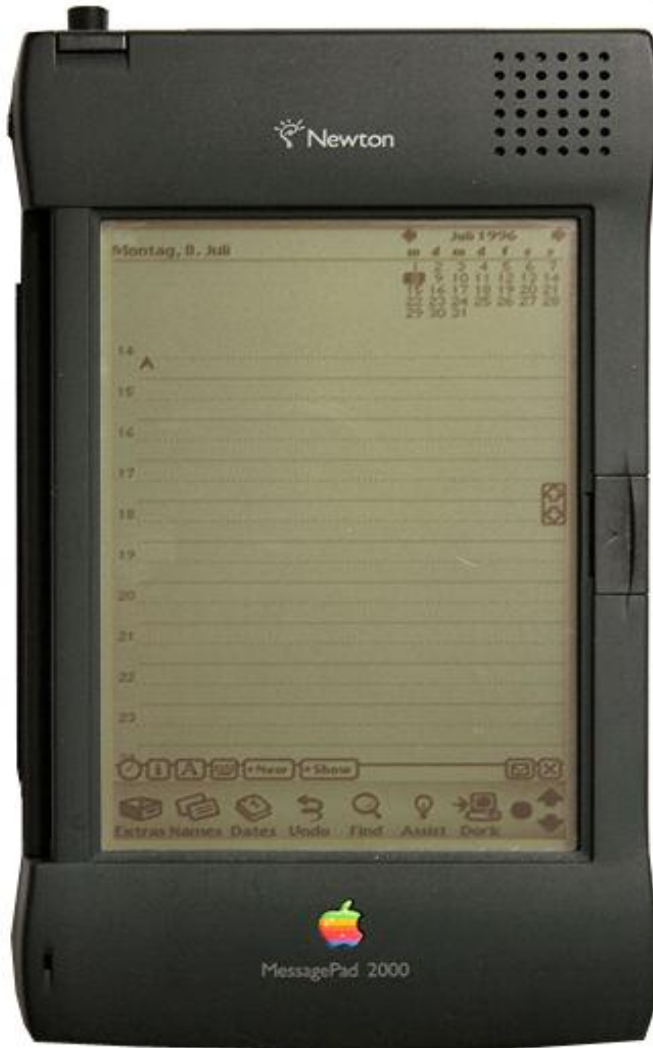
Disk Law
Doubles every 12 months

Helps Unleash a Torrent of Innovation

Laptops



PDA's



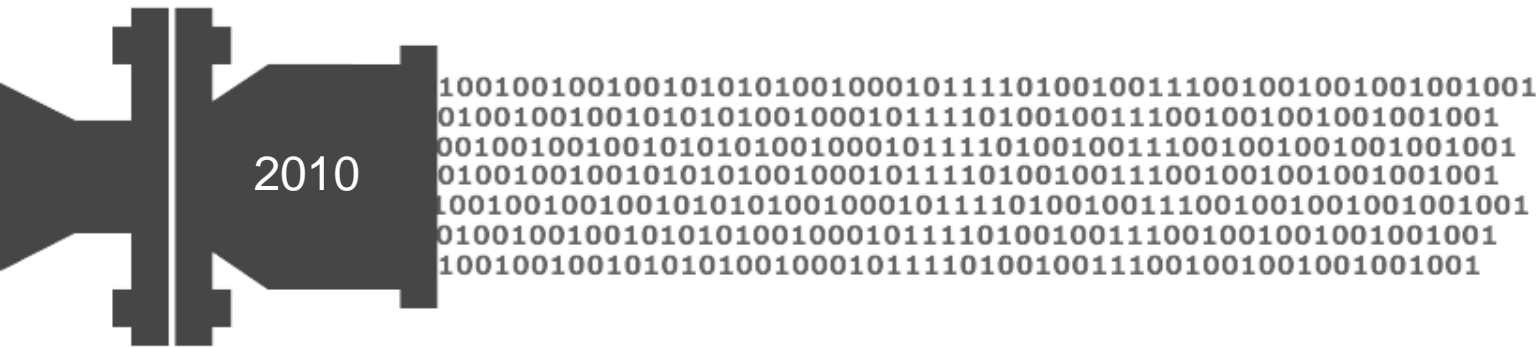
Mobile Phones



Today's laptops are more powerful than the systems that guided the '69 moon landing!



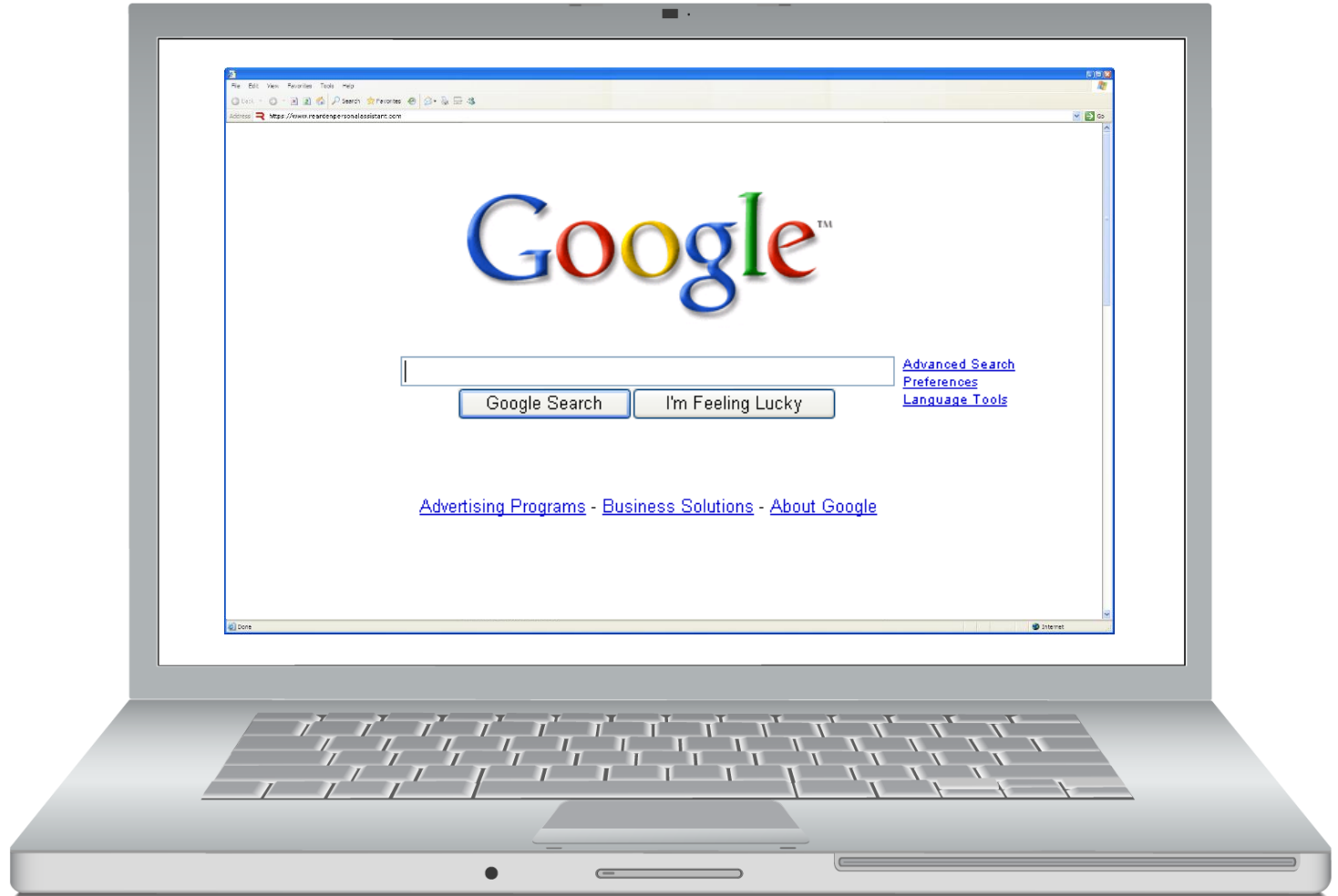
More data can now be sent over **one cable in one second** than was sent in **one month** over the **INTERNET** in 1997



End Users Are Getting Smarter and More Demanding



Employee Expectations Are High



Consumer Experience Shapes Their View of What's Possible



Travel managers are in are often in a
DIFFICULT POSITION



Business travel is COMPLICATED



Business travel is **PERSONAL**



You can't control
EVERYTHING



Trying to Solve for Two Very Different Problems



Travels 200 days a year
and doesn't have an admin.

- Has to go to multiple sites to book travel, schedule meetings, client dinners, etc
- Hard to remember the corporate spend policies, different logins, and site navigation for each service
- Doesn't get real-time updates on itinerary changes
- Needs all of this from her mobile, since she is never in the office



Manages a highly fragmented
supplier network

- Difficult to enforce corporate spend policies
- Complex and inconsistent buying processes reduce employee productivity
- Impossible to get a holistic view into all spend data to optimize suppliers and manage expenses



If your travelers aren't **SATISFIED**

- Low adoption
- Lots of leakage
- Little spending power
- Lots of redundancies

Section 3:

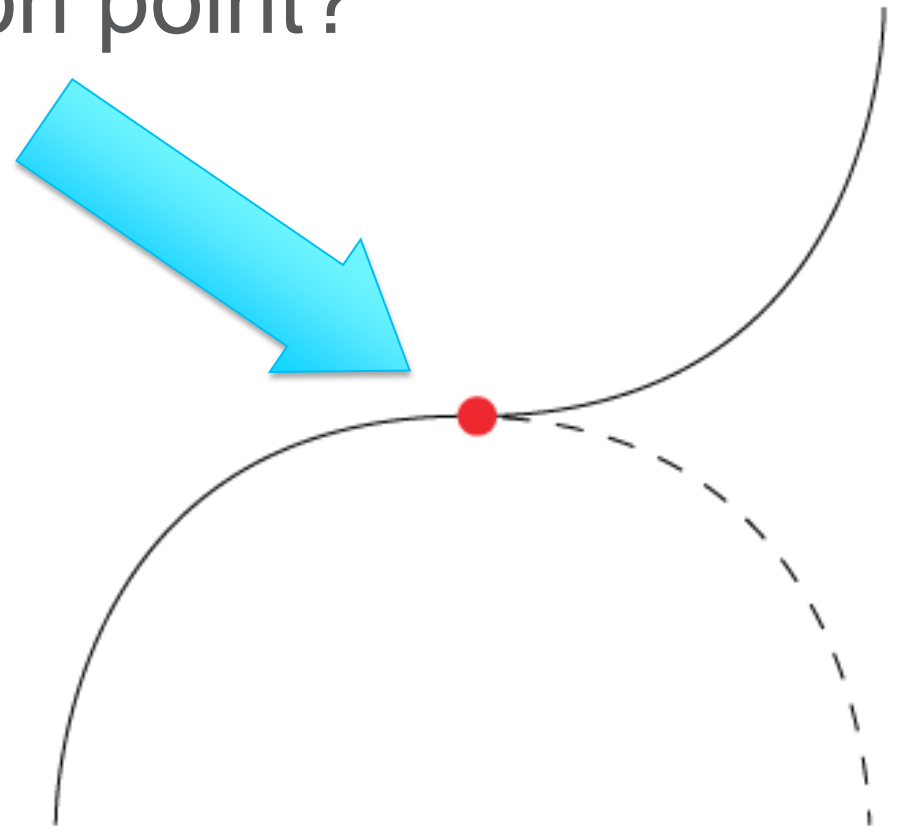
The Rising Impact of Mobile



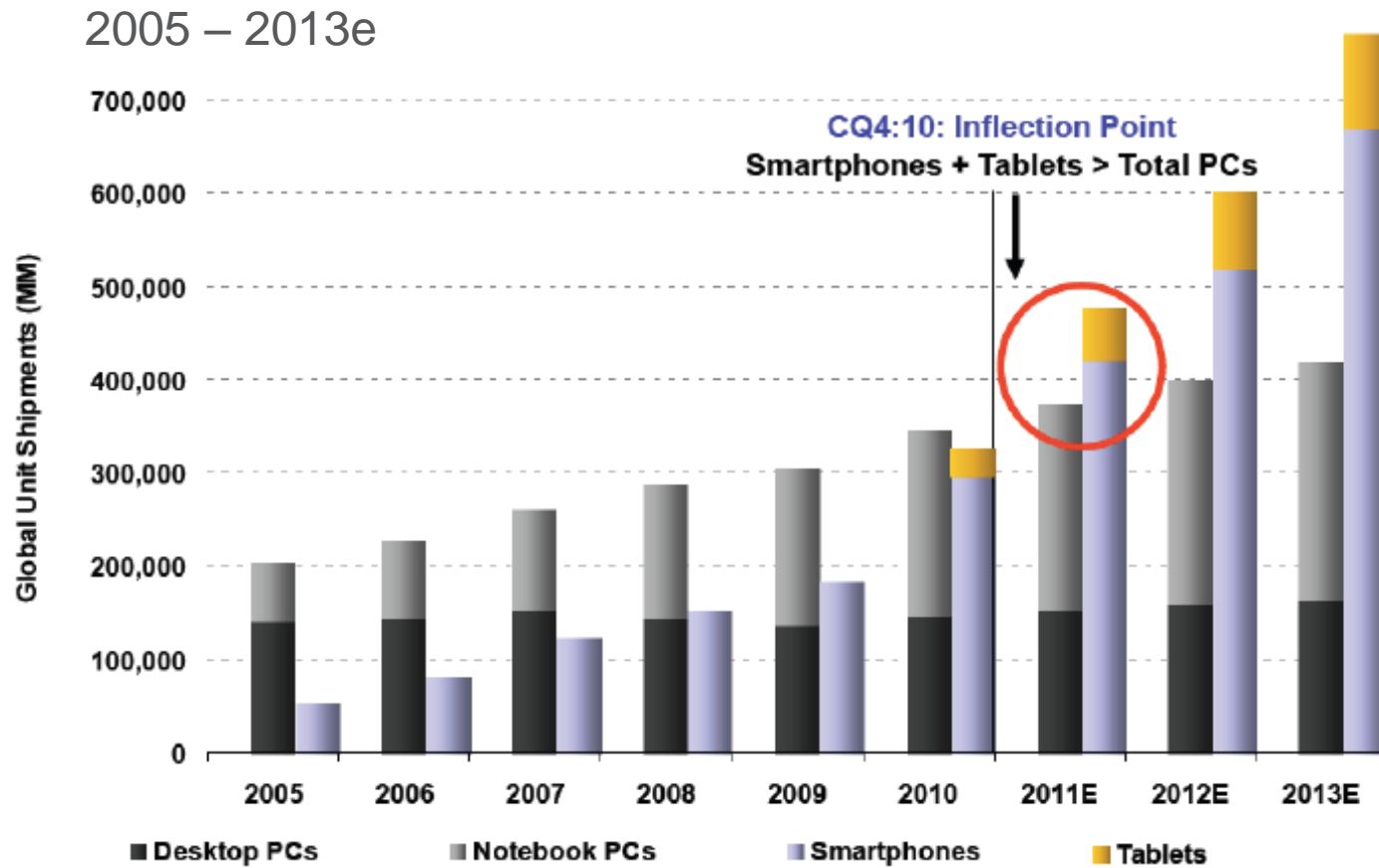
Mobile is Its Own Domain
We've come a loooooong way...

The impact of Mobile

When is the inflection point?



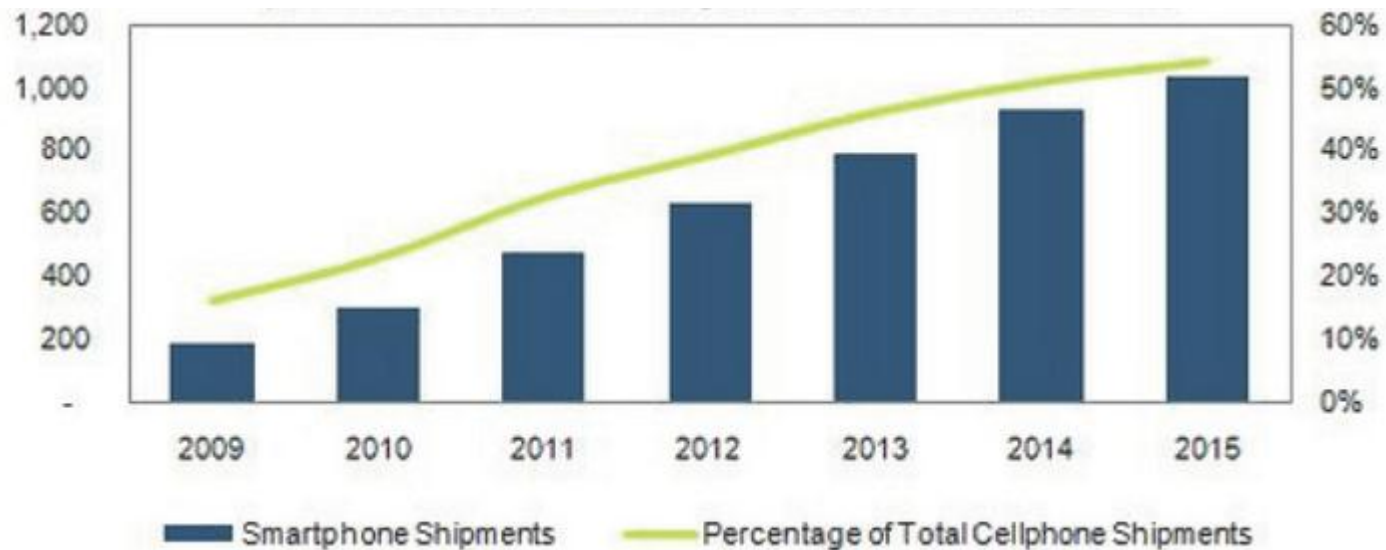
Mobile Surpasses PCs in 2011



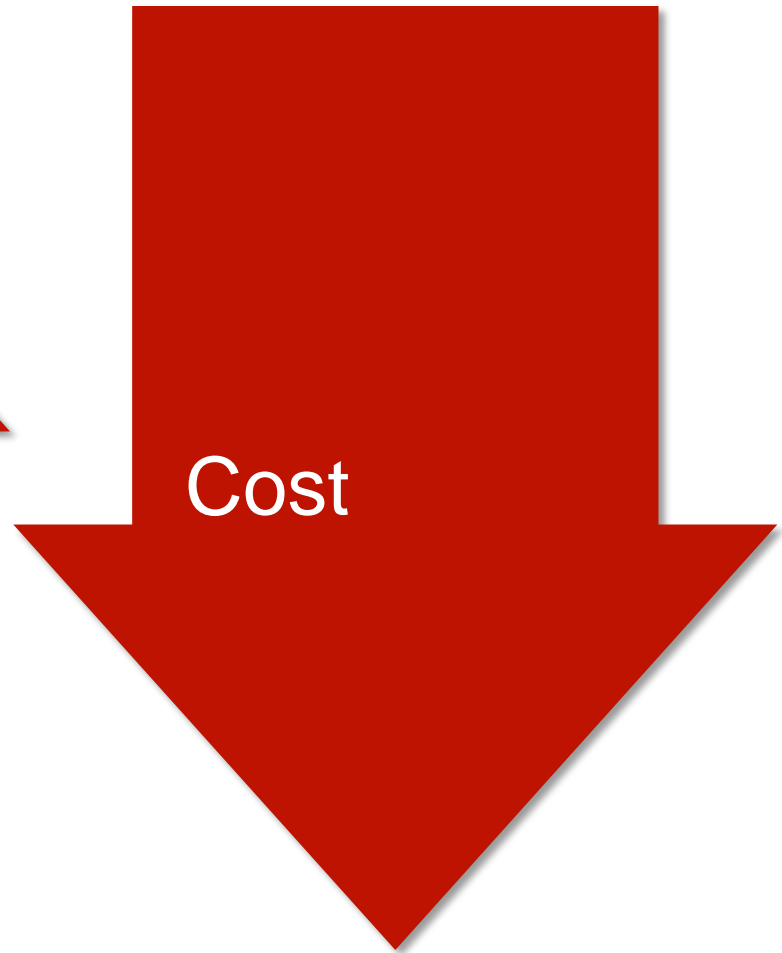
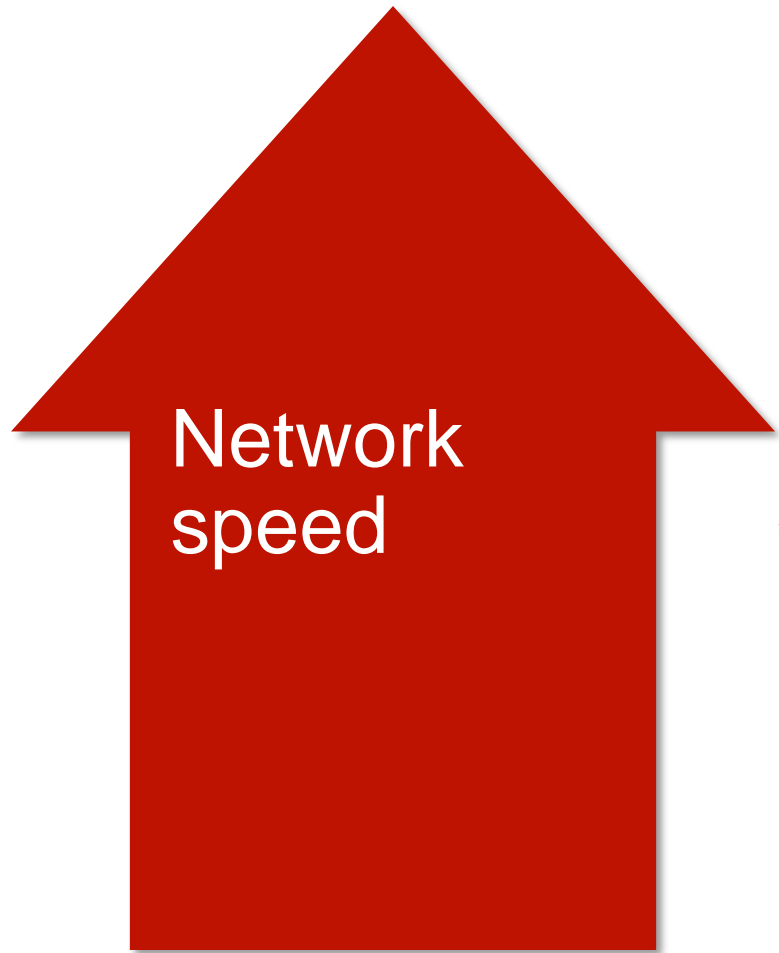
Source: KPCB Katy Huberty, Ehud Gelblum, Morgan Stanley Research 2011

A Billion Smartphones a year

Worldwide Forecast of Smart Phone Shipments
(Millions of Units and Percentage of Total Cell Phone Shipments)



Data processing has gone up,
while the cost have come down



On a Path of Continuous Improvement

1G

(Narrow Band Analog Wireless Network)

Max Speed 2.4Kbps*

- Voice Calls
- SMS Text Messaging
- “Brick” Phones were hard to lose

2G

(Narrow Band Digital Wireless Network)

Max Speed 6.4Kbps*

- All 1G Features plus:
- Better call clarity
- Limited Semi-Global Roaming

3G

(DSL Speeds)

Max Speed up to 3.1Mbps*

- All 2G and 2.5G Features plus:
- Real-time location-based services
- Full motion video
- Streaming music
- 3D gaming
- Faster Web browsing

4G

(Wired Network Speeds)

Max Speed up to 100+Mbps*

- All 3G Features plus:
- On-demand video
- Video conferencing
- High quality streaming video
- High quality Voice-over-IP (VoIP)
- Added security features

kilobyte = 1000 (or 1024) bytes

megabyte = 1000 (or 1024) kilobytes

gigabyte = 1000 (or 1024) megabytes

Source: Wireless Internet.org and Wikipedia

A quick review on Devices

The use case for devices will vary based on what you are using.

Mobility's IQ is Rising



- Geo-location
- E-dentity
- Machine-learning
- Contextual service
- Biometrics
- HTML5

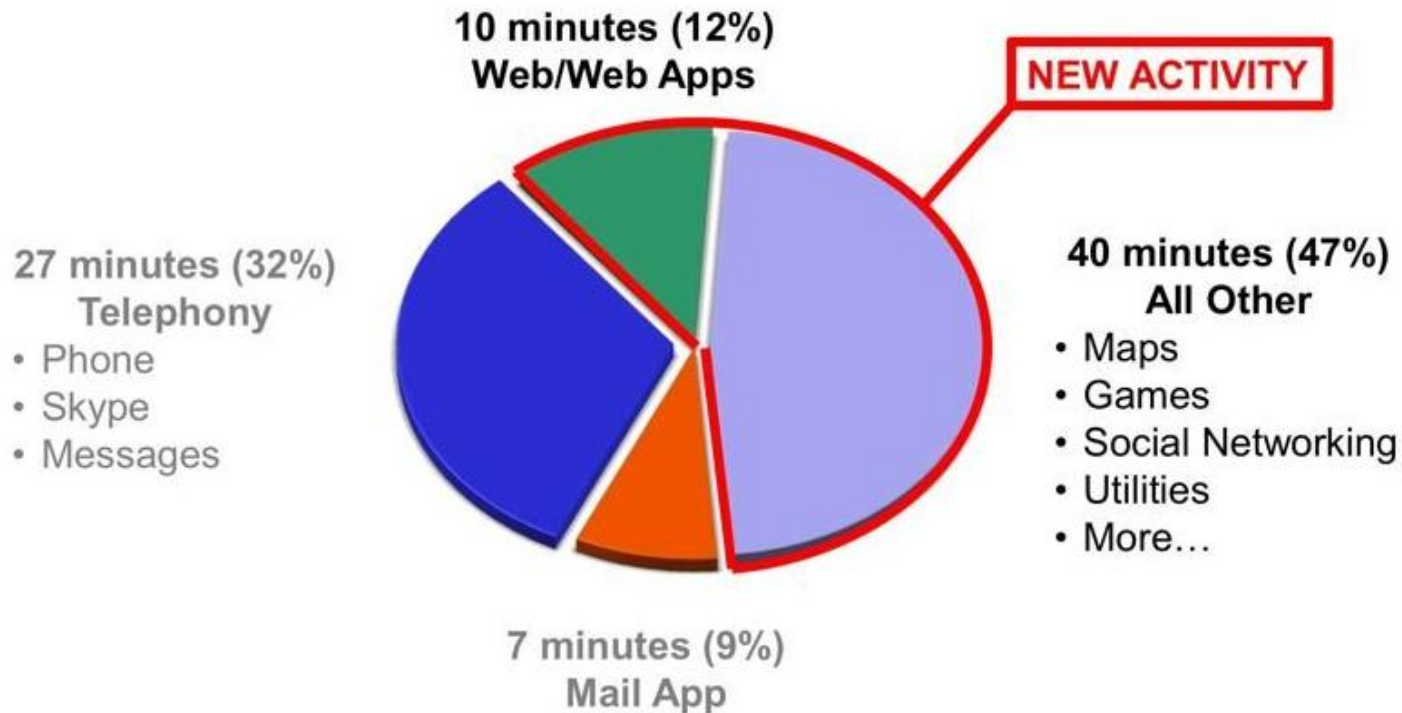
Mobility's Utility is Maturing



- Air/hotel booking
- Bar code scanning
- Credit purchases
- Calendar integration
- Contextual offers
- Video and camera

Smartphone Use Cases

Average Time Spent on Various Mobile Functions, 1/11





Ally D'Astolfo

Age: 18

Occupation: Student

2,087 text messages (month)

11 phone calls (month)

Christina D'Astolfo

Age: 21

Occupation: Student

Added Verizon VZ Navigator to mobile plan

Cost: \$9.99 (month)

Reason : Lost Dad's GPS

The Tech Savvy C-Level Executive has Emerged

Contrary to popular belief, C-level executives and small business owners have become more tech savvy as they embrace location-based apps and find themselves more in tune with location than ever before.

- 70% of C-level execs use location-based apps on a weekly or daily basis
- 73% of small business owners use location-based apps daily (57%) or on a weekly basis (16%)
- Over half of business executives use apps on a daily basis regardless of position or company size.
- When traveling for business, the top three most-used app categories are travel, weather, and social networking.

*Source: JiWire's Mobile Audience Insights Report: for Q1, 2012

Based on data from approximately 315,000 public Wi-Fi locations in North America

Computer



- Tends to be a “Lean Forward” situation
- Complex Tasks
- User is focused and engaged

Tablet



- “Lean Back” entertainment
- Exploration and planning
- User is passive

Smartphone



- Away from main computer
- Inquiry or email
- Quick focused tasks

Anatomy of a Trip



Before – planning phase

- Plan, book, board, share

During

- At the airport - issues
- On board the plane - movie
- At the destination - explore

After

- Social media, rating
- Expense reports

Why Push Mobile Adoption?



Traveller Satisfaction:

- Informed travelers = relaxed travelers
- Lower travel incidents
- Use of preferred vendors

Productivity for TM

- Fewer nuisance calls
- Time for new bookings
- Duty of Care

Addiction to Adoption



Why Push Mobile Adoption?

Cost Savings



Control



Adoption



Addiction

Summary

- Mobile is the ecosystems of the future, particularly for travel
- Think about how different devices are used while traveling; and make informed choices on mobile travel partners
- Pushing mobile adoption is not a nice to do, but a must do!

Section 4: Loyalty, Gaming, Social Networking, Offers, and how they'll make life more interesting for a travel manager

Question

Will the proliferation of “distractions”; Loyalty and direct to traveler marketing; Gamification; Social Networking; Offers; cause an increase in Business Travelers going rogue?

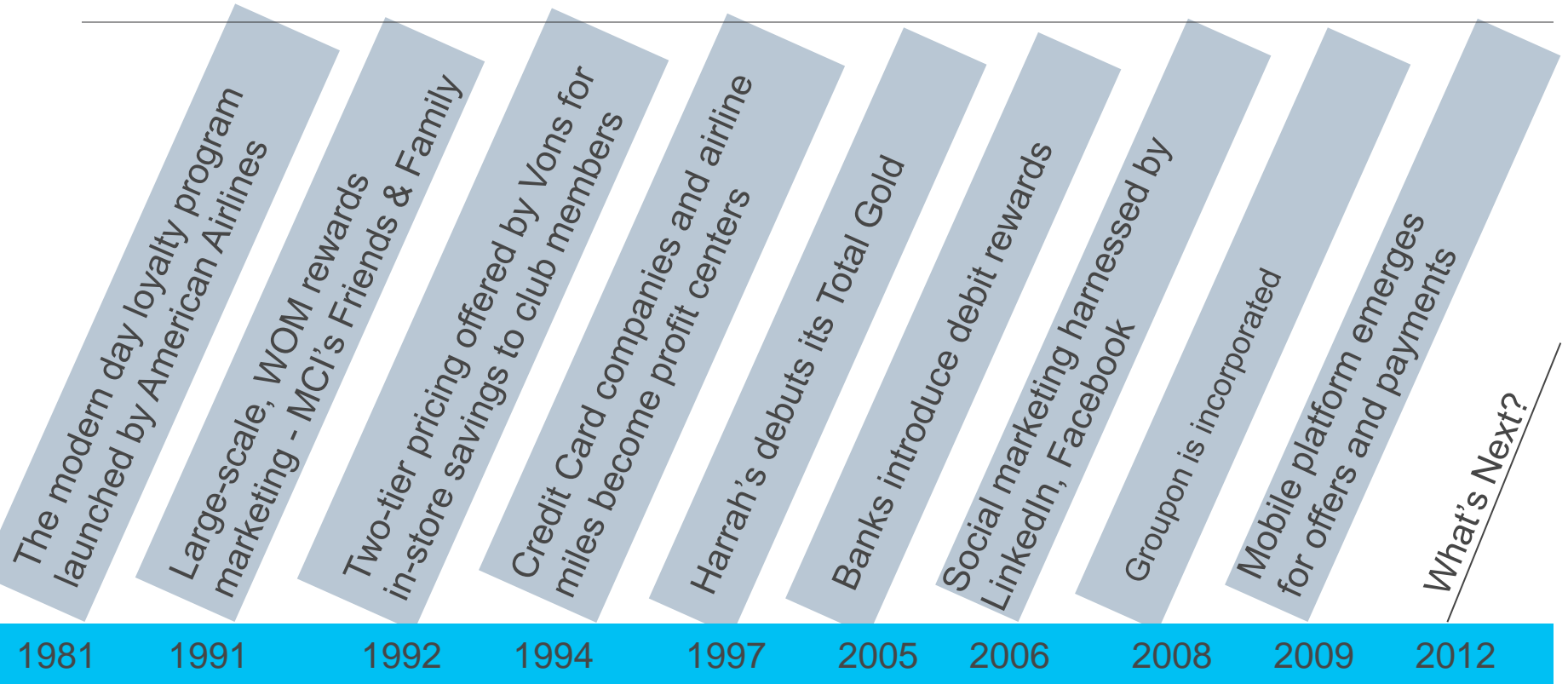
Is this “the beginning of the end” of Managed Travel as we know it?

What is Loyalty: The History of Loyalty

- Since 1896 (!)
- More Stamps than Post Office
- Catalog was biggest US Publication



(Modern) History of Loyalty



Where are Loyalties formed?

Suppliers

Retailers

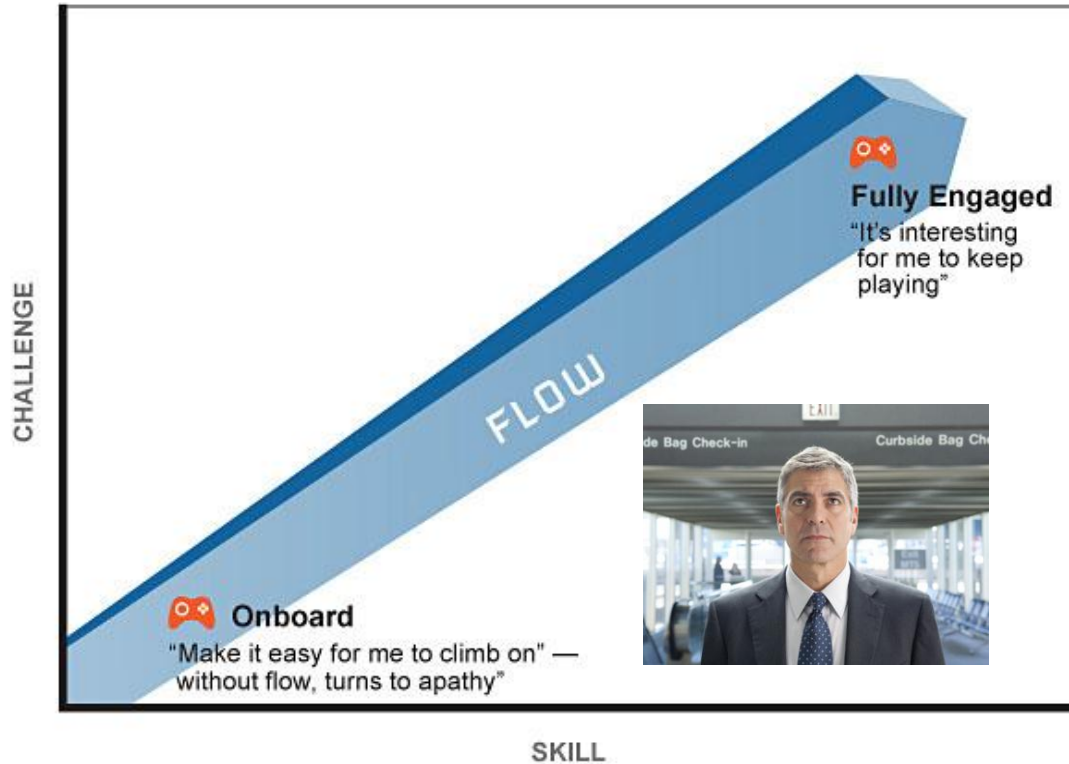
Devices

Associations and Organizations

Social and Professional Communities

Anywhere and everywhere!!!

Supplier to Traveler Loyalty



**Status, Access,
Power, Stuff**

They've figured out that it
isn't just about the free
ticket anymore

What is Gamification?

“Gamification is the process of using game thinking and game mechanics to solve problems and engage audiences.”

Why talk about Gamification?

Avg 21 year old
has spent 10,000
hours gaming



By 2015, 70% of
Global 2000
companies
(Gartner)

70%

By 2015, Over 1
Billion USD to be
spent by
corporations (M2)



Gamification at Work



Archive for the 'Gamification Theory' Category



5 GAME MECHANICS GEN Y NOW DEMANDS FROM EVERY MARKETER

 October 21st, 2011  Toby Beresford

Game Mechanics, those intrinsic elements of the best games, are something Gen Y has grown up with. Now they are consumers they simply expect the same quality from every product, service and brand they subscribe to. In this post I'll be using stories from the Weight Watchers web site as illustrations of the principle in [...]

Gamification Used to Change Behavior

October 25, 2011

[support public radio >](#)



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News > Technology > Digital Life

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'Gamifying' The System To Create Better Behavior

by NPR STAFF



Listen to the Story

Weekend Edition Sunday

[4 min 35 sec]

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March 27, 2011

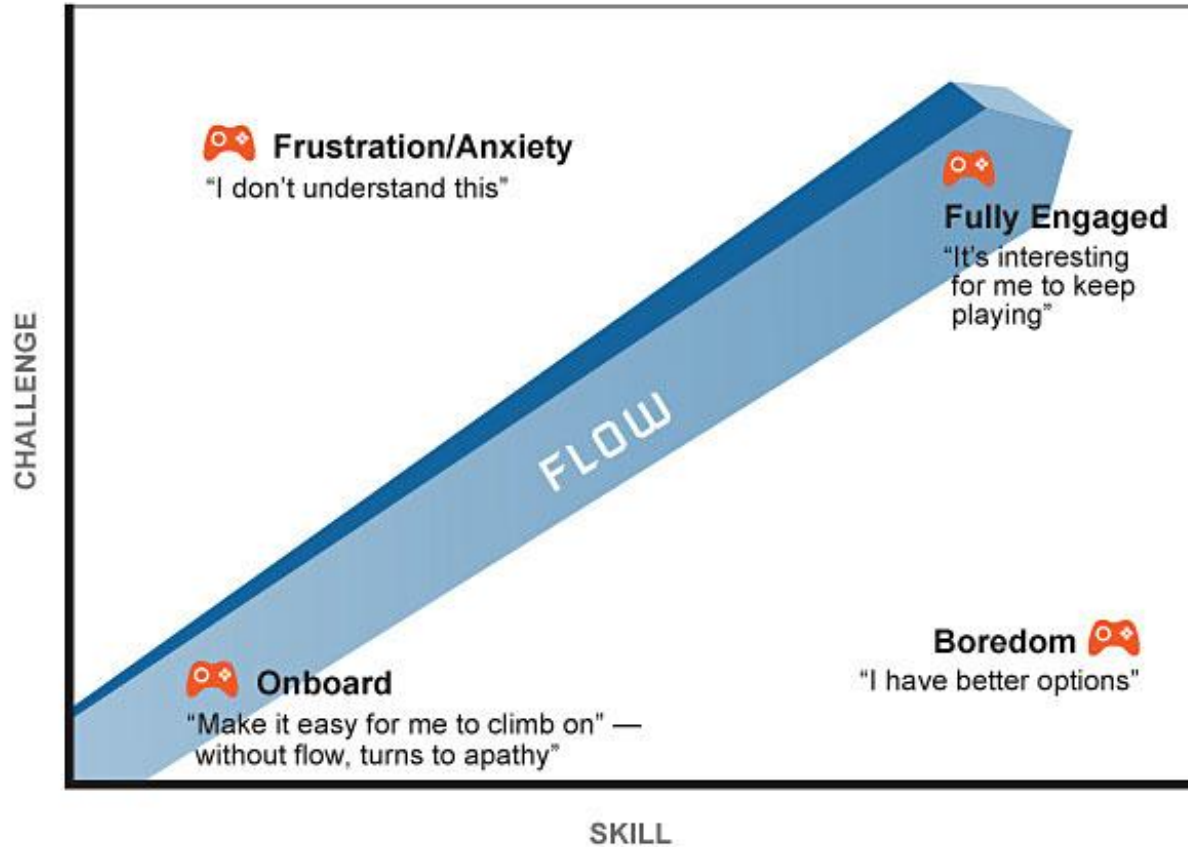
text size **A** **A** **A**

Say you're zooming down the highway, when you spot one of those speed-limit enforcement cameras from the corner of your eye. You hit the brakes, but not before the camera's flash catches you breaking the law. A speeding ticket is surely on its way to your mailbox.

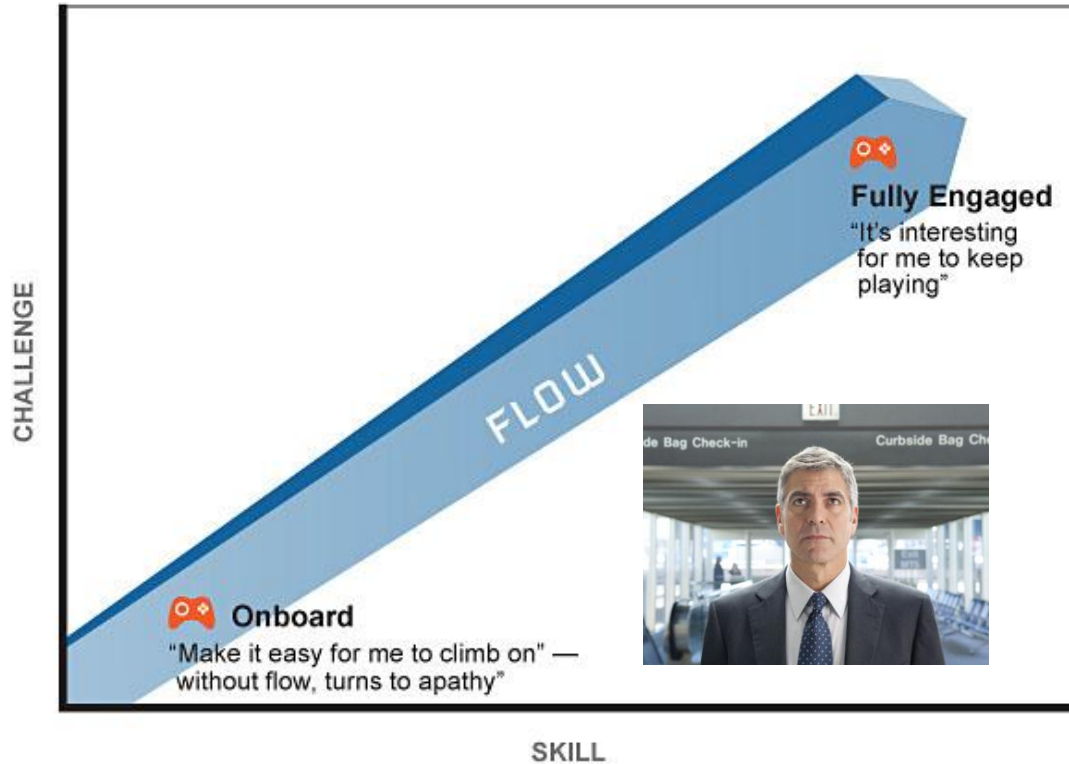


Now, imagine that same camera also snaps a photo of your car when you are driving *at* or *under* the speed limit. For your safe driving, you are entered into a lottery to win a portion of

What makes a good game?



The Supplier to Traveler “Game”



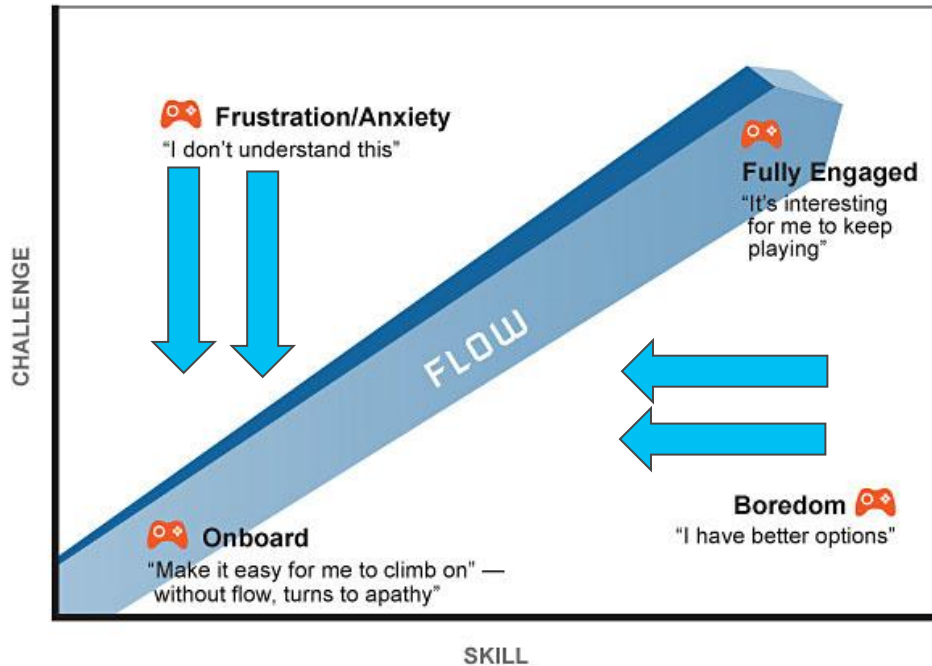
**Status, Access,
Power, Stuff**

They've figured out that it isn't just about the free ticket anymore

Corporation to Traveler; What's Missing?

- Only time I hear from travel program is exception/negative
 - Corporations haven't made the Travel story compelling. We spit information and policy
 - How does my compliance help the company?
- Would I join the travel program if it was optional?
- Employees were never onboarded or empowered

So what might change things?



Start thinking like a game designer:

- Strategic re-onboards and re-training
- Fewer and better Metrics: measure the right things to get the result, not just the result
- Help write and participate in the partnership narrative
- Help the traveler see and experience the greater good of the travel program

Social Collaboration at Work

Opinions in 144 characters

Open APIs

Contextual recommendations

In real time

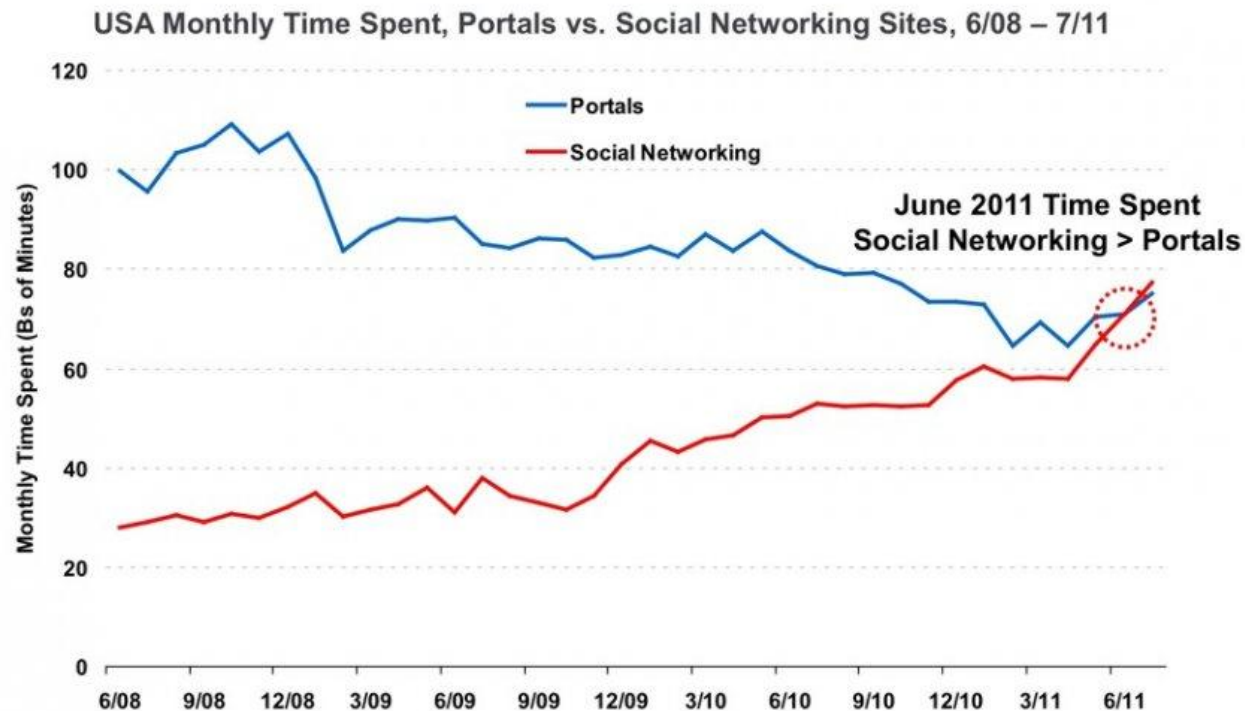
Who cares in business?

- Arrangers & assistants
- Executives and guests
- Groups and meetings attendees
- Co-workers



Where are People Hanging Out?

KP CB Time Spent on Social Networking Sites Surpassed Portals, June 2011, USA



Source: comScore Media Matrix USA panel-only data

Social Networks and Travel

Are Facebook and Travel a Good Match?

Today, travel brands use Facebook to drive brand awareness and audience engagement and ultimately increase visits and bookings on their sites.

Some brands encourage visitors to book directly via their Facebook brand pages.

CEO Customer Forum on Facebook

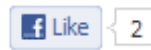
In line with its growing presence in social media, Star Alliance will for the first time ever hold a live customer forum on Facebook.

As part of the CEO thank you message, Mark Schwab will be responding to customers' feedback, comments and suggestions on the Star Alliance Facebook page.

Offers: Distraction or Attraction?

Groupon Flies In To The Travel Market

NIALL HARBISON TECHNOLOGY JUNE 1, 2011 NO COMMENTS



[Ads by Google](#)

[Holiday Deals](#)

[Egypt Deals](#)

[Travel Deals](#)

[Late Deals](#)



In an interesting move the deals site Groupon that is best known for offering cheap local deals for food, hotels, beauty treatment and the likes has launched a new side of the business that will target the travel sector. Groupon have team up with Expedia to offer Getaways which the second you think about it makes complete and utter sense. The travel industry is one that is traditionally sold in bulk with package or charter holidays being especially popular at the lower end of the market. With billions of people

Where are Offers coming from?

Suppliers, both known and affiliated

Credit Card

Associations

Daily Offer Companies

Retailers

Device Makers

From anybody with your email address!!!

Summary

Loyalties are being formed every day, consider how it impacts your program and get in the game with your own Loyalty scheme.

Social Networking is a way to communicate; start leveraging its attributes.

Gamification concepts are at least worth checking out; and at best worth incorporating into your program.

Offers are everywhere: figure out how to make them accretive vs. distracting to your Travel program.

Section 5:

Travel's Changing Supply Chain

Distribution Supply Chain

Traditional Supply Chain Definition:

The supply chain represents the flow of materials, information, and finances as they move in a process from supplier to manufacturer to wholesaler to retailer to consumer.

Components in the Travel Distribution Supply Chain:

Vendors

Airlines
Hotels
Rental Cars

Service Providers

TMC
OBT

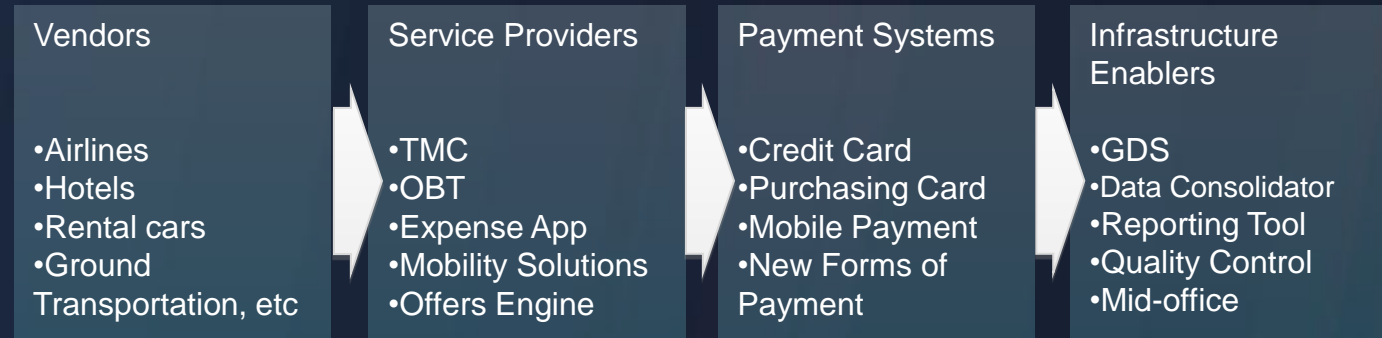
Payment Systems

Credit Card



The travel and entertainment supply chain is changing.

New Suppliers; Svc Pvdrs; Delivery Vehicles; Infrastructure



Are you controlling it?

To drive savings and add value, the extended T&E Supply Chain needs to be controlled using the same best practices you've used in the past!

- Vendor sourcing and management
- Service provider sourcing and management
- Identifying the right infrastructure components
- Finding the right technology



Thank You!

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Blog: www.carryingon.net