

The Wire...from AirPlus

April 2010: Leading Edge Travel Programs Take On Mobile

AIRPLUS. WHAT TRAVEL PAYMENT IS ALL ABOUT.

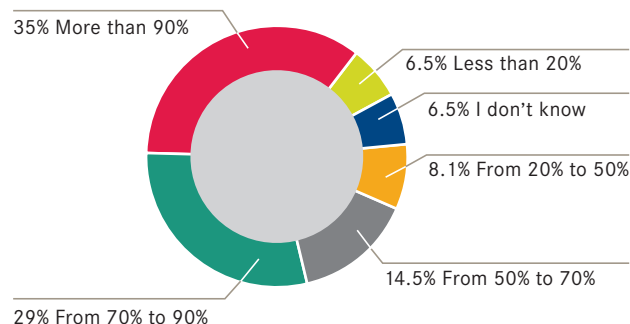


The Yen and Yang of mobile tools is challenging the boundaries of travel programs. Leading edge companies are incorporating options; for many, however, decision-making falls outside of travel management.

The buzz about mobile travel tools and applications is reaching a fever pitch. From online booking to payment and expense management, suppliers are rolling out mobile travel management tools one after another—even opening technology platforms that were previously closed in order to capture more share of this emerging market opportunity. In a recent online survey, AirPlus International asked travel stakeholders about their current mobile travel management strategies and found widely divergent attitudes and practices. While this is clearly an indication of a segment in its infancy, fast-paced changes and easy access will necessitate the development of best practices.

While mobile travel management tools have held promise for some time, development of the space lagged for several years, waiting for mobile operating systems that could handle robust technologies. Recent advances and a spike in adoption of smart

Please estimate the percent of your company's travelers that currently carry a smart phone or other wireless-enabled mobile device (either personally owned or provided by your company).



phones—especially among the corporate population—has brought mobile travel management tools out of development and into the leading edge corporations. Among survey respondents, 35 percent estimated that more than 90 percent of their travelers carry a smart phone or other wireless-enabled device that allows them to access web-based travel tools on demand. Another 29 percent pegged smart phone usage at 70 percent to 90 percent among their travelers.

Technology adoption like that doesn't happen overnight; corporate travelers have been using smart phones for a few years and they are likely a few steps ahead of their companies when it comes to mobile travel tools.

What responsibilities does your company's travel management function have in relation to mobile travel tools/apps? (check all that apply)

Contribute to strategic plans for using mobile travel tools/applications	26.3%
Source, negotiate and purchase mobile travel tools	14%
Research/recommend mobile travel tools for possible purchase	17.5%
Implement and manage use of sanctioned mobile tools	12.3%
Educate self/company about low-cost mobile apps and how travelers are using them	17.5%
Damage control	7%
Travel management has no responsibility for mobile travel tools/apps	54.4%

Availability in the marketplace bears this out: While there are probably under 75 mobile tools that are built for companies to manage their corporate travel programs (booking, expense, etc.) there are more than 2,000 traveler-oriented applications currently available for the iPhone alone. There are plenty of free and low-cost services targeted specifically to the corporate traveler as well, from itinerary aggregators and sharing sites to mobile services offered by airlines and other travel suppliers. Such sites as Kayak and Yapta, with email alerts about low-cost flights and hotels for traveler-defined trip parameters, have literally put alternative sourcing channels into the hands of managed travelers.

As managed travelers are empowered with robust mobile information and services, the credibility of a status quo travel program may suffer. The reaction to this issue among companies responding to the AirPlus survey was mixed. More than 36 percent (the highest percentage) believed their travelers used only the mobile tools and applications sanctioned by the company. Just over 34 percent saw a mix of company sanctioned mobile travel tools as well as personally sourced tools. Almost 10 percent of respondents said their companies left the entire matter up to the traveler, while about 7 percent tried to minimize the use of mobile travel tools overall.

A interesting statistic that emerged from the research was how few travel stakeholders had any influence over their company's mobile travel management strategy. More than 54 percent of respondents said they had no involvement in mobile. There are risks associated with turning a blind eye to the changes underway. As on-demand technologies and services permeate the

How are your travelers currently using mobile tools/applications on their devices to facilitate business travel?

They use company sanctioned mobile tools/apps only	36.1%
They personally source their own tools/apps	9.8%
Company sanctions some tools/apps, but travelers also source their own	34.4%
Company does not provide or sanction mobile tools/apps; tries to minimize personal use	6.6%
I don't know	13.1%

consumer space, managed travelers are likely to migrate away from old-school tools, often with the best intentions that 1) they are finding better deals through their own sources and 2) they can be more productive when supported by technologies that fall outside the universe of corporate sanctions.

Leading edge companies are working to match consumer capabilities in the corporate space and maintain control over traveler behaviors. About one-quarter of travel stakeholders surveyed said they were involved in developing corporate strategy surrounding mobile travel tools and applications, while 14 percent sourced and purchased these tools and more than 17 percent were busy researching possibilities for the mobile travel future.

Additional Resources:

Will Travel-Centric Future Lessen Corporate Travel Control

<http://www.management.travel/news.php?cid=Traveler-Centric-Future-Gregg-Brockway.Oct-09.08>

5Q With BCD Travel's April Bridgeman

<http://www.management.travel/news.php?cid=April-Bridgeman-BCD-Travel.Oct-09.08>

Survey Methodology: For this issue of *The Wire*, AirPlus International in cooperation with ProMedia.travel surveyed 71 travel management professionals in North American and Europe from March 9-March 19, 2010.

AirPlus International, Inc.

225 Reinekers Lane, Suite 500

Alexandria, VA 22314 USA

T +1 (703) 373-0940

F +1 (703) 373-0941

usa@airplus.com

www.airplus.com

www.airpluscommunity.com