

The Wire...from AirPlus

April 2011: Managed Travel Innovation Receives Mixed Reviews

AIRPLUS. WHAT TRAVEL PAYMENT IS ALL ABOUT.



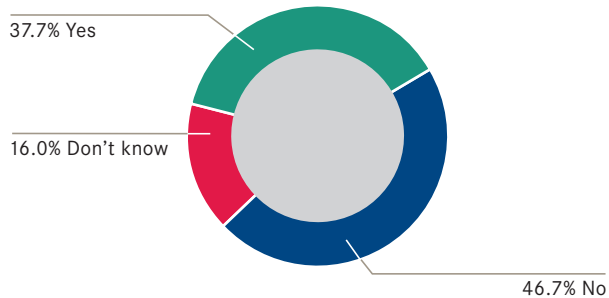
Majority of travel buyers and half of suppliers critical of current rate of industry innovations to address ongoing pain points for managed programs.

Ancillary fee solutions, better mobile technologies, and data consolidation—these are the areas where travel buyers and suppliers see the need for more innovation in the managed travel space, according to a new survey released by AirPlus International.

Among 130 respondents—79 percent travel buyers and 21 percent suppliers—fewer than 38 percent felt that the managed travel players were keeping pace with changes in the travel industry overall. More than 46 percent felt the managed travel space has failed to bring effective products and services to market to address changing supplier strategies, traveler technology demands and pressure from company management to optimize travel programs .

Suppliers responding to the survey, expressed fewer concerns than buyers with the rate of managed travel innovation, but were still critical. Among suppliers, 50 percent said the industry was effectively keeping pace with changing needs, while 36 percent said no. Those numbers were ostensibly flipped for travel buyers: 34 percent said innovation was on track, while 48 percent wanted more.

Do you think managed travel is innovating at the pace of change in the travel industry?



Note: Total does not add to 100% due to rounding

Asked where they would like to see more innovation, 29 survey respondents replied to an open-ended question with answers that fell clearly into three major categories.

- > Ancillary Airline Fees – Many companies are still struggling with this and it remains unclear what percent of an individual company's airline spend is directed to ancillary fees. Several industry initiatives have formed around this issue. There are separate, ongoing efforts by International Air Transport Association and ATPCo to establish standards around how ancillary fees are recorded, ticketed and reported through global distribution systems.
- > Mobile Technologies – The proliferation of consumer travel applications for mobile devices

What THREE entities are the most important drivers of innovation in the managed travel space?

Mobile technology providers	52.4%
Booking technology providers	50.5%
TMC	37.1%
Travelers	34.4%
Expense technology providers	27.6%
Consumer trends	27.6%
Airlines	22.9%
Travel managers	14.3%
Consumer social media sites	13.3%
GDS	8.6%
Hotels	7.6%
Other (please specify)	2.9%

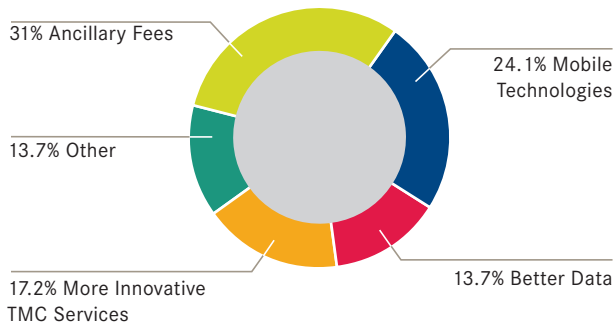
has proven a major challenge for travel managers, with experienced travelers adopting technology habits that take them outside the program to search and book travel on the go. The app environment offers slick services to travelers that travel managers need to understand—and often embrace—and they are looking for partners that can help them create travel programs that incorporate relevant technologies while keeping their travelers within policy.

> Better Data – This is a perennial pain point for travel managers and procurement executives charged with negotiating and buying travel. Responding buyers cited the need for better consolidation of data from multiple sources and more detailed data from hotels and airlines as areas ripe for more innovation.

Mobile technology providers and booking technology providers were in the top two spots, with more than half of respondents citing those suppliers as important drivers of innovation. TMCs were pegged at a distant third place with 37 percent of respondents citing them as an important driver for innovation. Perhaps unsurprisingly, travelers themselves were rated fourth in importance—their growing demands for a “traveler-centric” experience has been well documented in trade publications and at industry conferences.

Where do travel managers fit into the innovation picture? According to survey respondents, this group is languishing in the bottom half of the list. Given their

Please comment on where you would like to see more innovation develop for travel managers and/or business travelers.



Note: Total does not add to 100% due to rounding

buying power and their apparent desire for innovation—at least among survey respondents—this position seems counterintuitive. To drive the innovations they want for the industry, travel managers must engage in the issues, continue to vocalize their needs and press suppliers to meet them with better solutions.

Additional Resource:

Killer Apps & Mobile Menaces

<http://www.businesstravelnews.com/Business-Travel/Travel-Technology/Articles/Killer-Apps—Mobile-Menaces—Mobile-Air-Booking-Now-In-Crosshairs/>

Survey Methodology: For this issue of *The Wire*, AirPlus International surveyed 130 managed travel professionals from February 24 to March 30, 2011 .

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