# A MOBILE EFFECT:
# SETTING A CLEAR MOBILE TRAVEL STRATEGY

AUGUST 2016

In partnership with:

**CARLSON FAMILY FOUNDATION**

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## METHODOLOGY

The GBTA Foundation with the support of The Carlson Family Foundation conducted a research study in 2016 to explore how mobile technology is being integrated into corporate travel programs. The study followed a mixed method approach that included the following:

- A short online survey of 10 questions was taken by 231 travel managers in the U.S.
- 16 in-depth interviews (IDIs) of travel managers in the U.S. and Europe were conducted

Survey results are presented throughout this report and qualitative findings are identified as such. All results from both the survey and the IDIs are presented in summary and organizations or individuals are not identified by name. Past GBTA Foundation research and other sources are cited to complement the findings.

## SURVEY RESPONDENT (ORGANIZATION) PROFILE

### Geographical Reach (n=231)

18%

29%

53%

- National   - Multi-national   - Global

### Travel Spend (n=231)

30%

38%

32%

- Less than $10 million
- $10 million to less than $50 million
- $50 million or more

### Travel Policy (n=231)

1%

30%

69%

- Mandates   - Guidelines   - No policy

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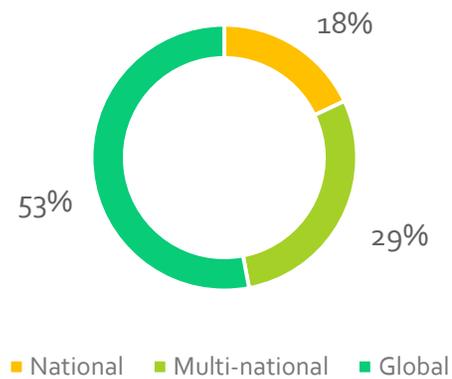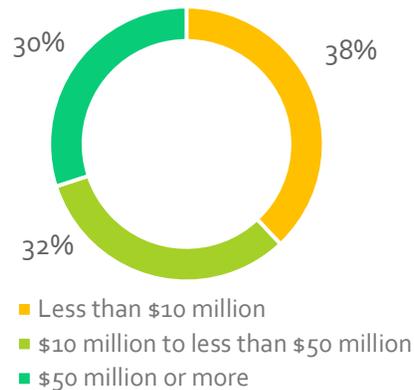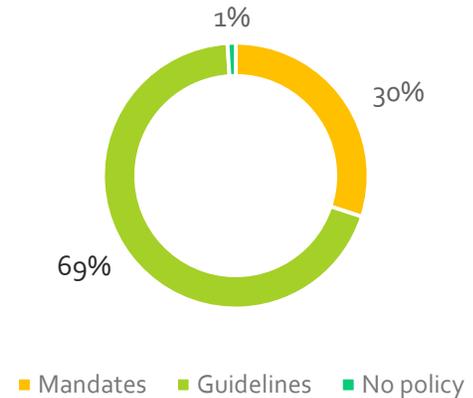
## INTRODUCTION

Since 2009, when the first travel apps came on the scene, traveler's dependency on the travel program began a swift movement toward dependency on mobile apps.  Just two years later, a survey found 60% of mobile phone users had downloaded and used a travel-related app[1]. Statistics like these are growing and spreading into every aspect of corporate travel management, from booking to communication to mobile wallets.  Yet the corporate travel industry has been understandably slow to respond to the growing disengagement of travelers from the program, as the reality is so much more information and value is had in mobile space.

Travel has influence in any size organization, and travel buyers can leverage their influence to act on this fast moving trend.  Many have started by incorporating some key travel apps into their program like TMC or expense apps, while others have gone further into communication platforms or custom built apps.  These are some of the necessary steps, and yet a clear and precise strategy is mostly missing from travel programs opening the door to challenges as more and more apps and technology come into the market.

A strategy means thinking bigger than just apps, and looking broader into how to take the pieces of your travel program and bring them into the mobile environment to drive engagement, compliance and savings.  It means strategizing on how to leverage supplier apps to drive supplier compliance, ensuring communication is clear and easy, and collaborating with internal stakeholders on guidelines of mobile phone usage.  The focus of a mobile travel program strategy should be centered on how to make a traveler's experience so simple within the managed program, that there is more value there than outside the program.

This may be the last hold out for a travel program where control will not be possible, only the ability to influence the travelers experience and in such a way that will allow for greater gains in engagement and compliance.

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[1] Tnooz - *Six out of ten mobile users now downloading travel apps* – May 27th, 2011

## CURRENT AND FUTURE ADOPTION

**Travel programs have largely addressed mobile technology in an ad-hoc fashion.** While more than half (54%) of travel managers have endorsed a mobile app in the past year (see figure 1), a large majority (69%) indicate their travel program does not have a "mobile strategy" in place (see figure 2).

A similar finding emerges in interviews. "We don't have one [mobile strategy] in place, [have] not thought about it in that sense, although we have given some thought on what capabilities we would like our employees to have through their phones," says one travel manager, who oversees a travel program at a health care organization. Other travel managers give similar explanations. "There are probably many elements in place, but I would not say we have a plan on how they all work together," says one who works for a consulting firm. Even though many do not have a coherent mobile strategy, all of those interviewed agree that mobile technology is already part of their programs either in a structured (strategy in place) or unstructured way. Most travel managers say their travelers already use mobile devices such as smart phones or tablets that are provided by their organizations or by the travelers themselves.

Figure 1. Have you endorsed a travel app in the past year? (n=231)



46%  54%

■ Yes ■ No
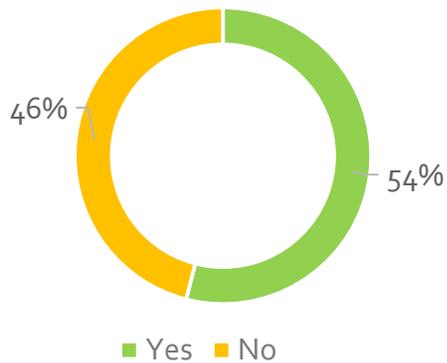
Figure 2. Has your organization's travel program implemented a mobile travel strategy? (n=214)



31%  69%

■ Yes ■ No

5
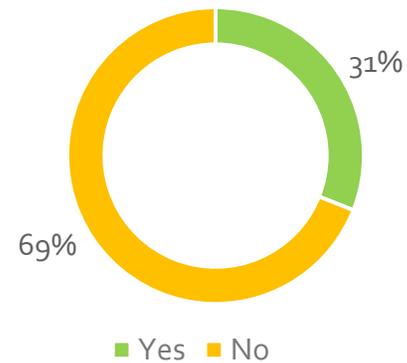
**Adoption of a mobile strategy will soon rise substantially.** Of the travel programs that have not adopted one, almost one half (45%) will do so in the next two years, according to travel managers surveyed. "Currently looking into this with help from our agency [TMC]. How we can best integrate the different technologies and also how we are communicating with our travelers. We have rolled out a mobile app supported by our TMC, have expense and travel booking already integrated mobile. Next comes safety and communication. It's a long process, but we are getting there," says a 25+ year travel industry veteran, explaining why her travel program has considered implementing a mobile strategy.

Figure 3. When, if ever does your organization plan to implement a mobile travel strategy? (n=146)



49% — Not sure
5% — Within three years
24% — Within the next two years
21% — Within the next year
Never
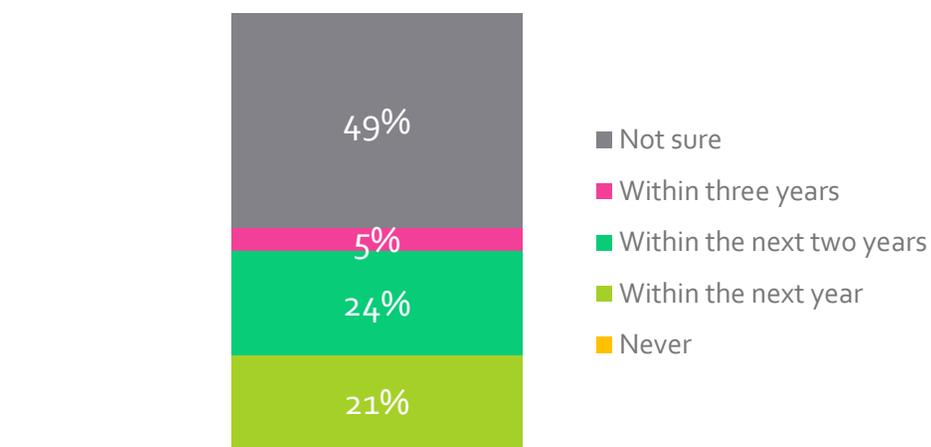
## THE ROLE OF THE TRAVEL MANAGER

**Travel managers play a significant role in implementing a mobile strategy for travel.** While the process can potentially involve a range of actors in a variety of departments—spanning HR, legal, IT, and others—travel managers play a significant role. Almost two-thirds (64%) of travel managers surveyed believe they have "high" (39%) or "very high" (25%) influence on implementing a mobile strategy for their travel

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program. This includes 78% who already have one in place. This influence could afford travel managers an opportunity to align the mobile strategy with their own goals – such as promoting policy compliance and leveraging spend with preferred suppliers.

Potentially complicating these efforts, however, is that Travel managers often do not have primary control of their company's mobile device policy. When asked about ownership of the mobile device policy, most of those interviewed state their IT or Human Resource departments own that piece[2]. Yet this does not mean that travel managers do not have any input. Several of those interviewed have a say on how it affects their travel program, even when an official strategy is not in place.
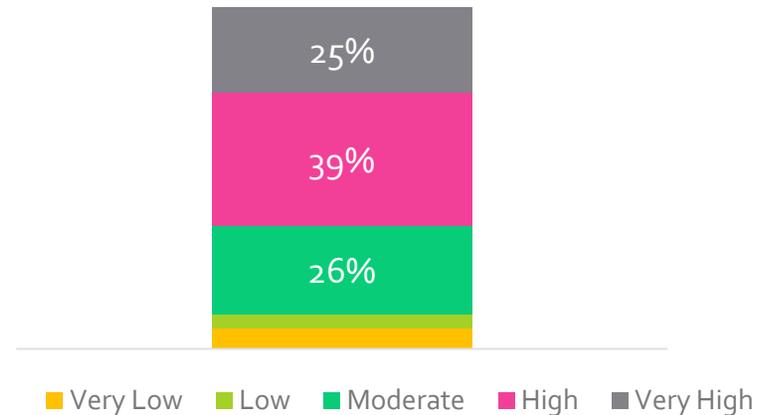
## OPPORTUNITIES AND CHALLENGES

**Travel Managers see a number of opportunities when implementing a mobile strategy.** The most common are *increased traveler engagement into the program* (78%) and *increased compliance* (55%), according to survey respondents. In interviews, some Travel managers elaborate on these opportunities to advance managed travel. "The communication piece of a mobile strategy is key if you want travelers to be more engaged with the program's initiatives," says one travel manager. "We have different touch points through the [traveler] experience that allow us to gather feedback or support them. They receive alerts on their mobile [phones], pre-trip destination information, [and] know

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[2] When asked what level of control their organizations have over the traveler's phones, most mentioned privacy policies. These usually state that content on an employee owned device used for work purposes should not be assume private. Those who issue devices to employees, mentioned greater control over privacy, and have policies around usage. When it comes to mobile apps, most said their organization's leave it up to the employee to add and use them as they see fit.

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someone will respond in real-time if needed. It takes resources, and if you go this route, you have to be willing to invest in those resources, otherwise it won't work, you'll lose engagement."

Travel managers also mention opportunities to increase compliance when the travel policy is integrated into a TMC or customized travel app, or simply by offering the right tools for travelers to follow policy. "Travelers want to book on their [mobile] phones, they want to solve problems they encounter while traveling, [and] they already have an infinite amount of information at a click of a button," says one travel manager at a non-profit organization. "How they go about it can be up to us [Travel managers]. We can help them leverage all these tools and technology."

**Yet implementing a mobile strategy also poses challenges.** Out of seven challenges measured, survey respondents most commonly identify *IT security* (41%), *travelers (owning) their own device* (32%), *and the number of decision makers* (21%). Many of these issues also came up in interviews. Travel managers recognize they need the buy-in from others in their organization which can translate into a well-orchestrated effort to make sure everyone is on the same page. Others see it as an opportunity to influence and tailor the mobile strategy to include travel from the start.

## Opportunitites
### Figure 5. What are the biggest opportunities you see when implementing some kind of mobile travel strategy? (n=216)

| | % |
|---|---|
| Increased traveler engagement | 78 |
| Increased compliance | 55 |
| Reduced off-program bookings | 43 |
| Lower transaction costs | 34 |
| Other | 8 |
| Don't see any opportunity | 7 |
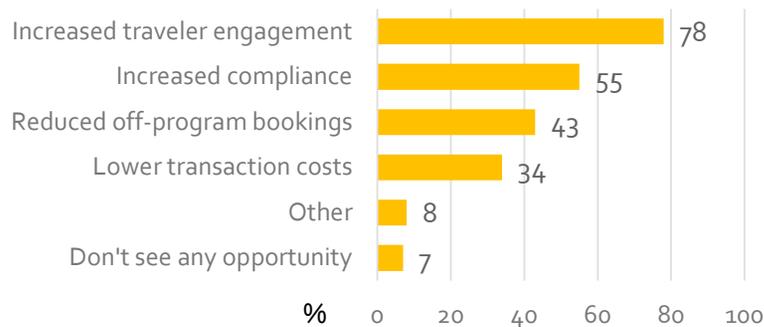
## Challenges
### Figure 6. What are the biggest challenges you see when implementing some kind of mobile travel strategy? (n=216)

| | % |
|---|---|
| IT security | 41 |
| Traveler owns their own device | 32 |
| There are too many decision… | 21 |
| I don't own it | 16 |
| Lack of resources | 15 |
| None of the above | 18 |

8
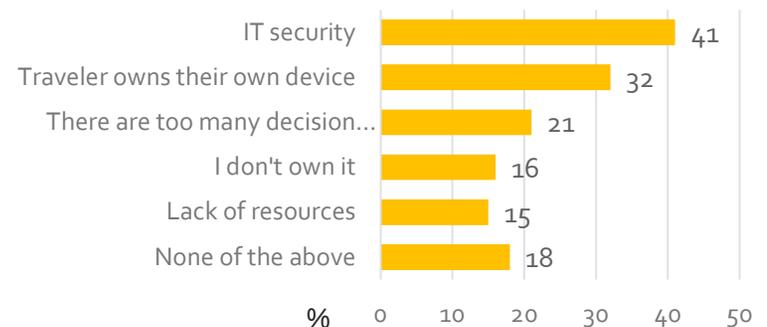
Travel managers have seen the shift from a non-mobile world for travelers to having all kinds of information at their fingertips. They recognize the challenge they face when travelers embrace channels they see as more convenient, and as a result, book travel outside the program.

*78% of Business travelers prefer using self-service technology to manage their business travel.*

When travel managers lose visibility into their traveler's trip information, they know there are many implications including duty of care and incomplete data, and this can impact the goals in place for the travel program in terms of negotiated rates and cost savings.

But travel managers also recognize what they have gained with mobility and know that traveler preference has shifted to a self-service approach. In a recent study of U.S. business travelers, it was found that 78% of them prefer to manage their travel using self-service technology, while 22% would rather work directly with their organization's travel program or TMC.[3]

Identifying those opportunities and challenges is a place to start, but having solid vision to obtain leadership support is just as important. When Travel managers address potential savings that can be achieved by implementing a mobile travel strategy, they can leverage this to obtain buy-in from their leadership and thus have the support needed to implement such a strategy. Savings objectives can take many forms. There could be **distribution savings** when measuring the distribution costs of booking through mobile vs the corporate online booking tool (OBT) or even offline. There can also be **program savings** to increase compliance. For example by implementing technology to alert travelers with pre-trip notifications or best rate available, this can drive advance purchase and even improve lowest logical fare usage among other benefits. Last but not least, **productivity savings** can be obtained when travelers are given access to functionalities that saves them time and can increase their overall travel experience. These can be implemented throughout the course of the travel cycle: from pre-trip communications meant to educate, inform and increase engagement in the program, to during-trip tools to increase productivity (mobile wallet, navigation, risk/safety, etc.) to post-trip tools such as expense reporting apps and channels to share trip experience feedback.

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[3] GBTA Foundation, *The Digital Business Traveler: A Survey of Business Travelers in North America, Germany, Italy, Spain, and the Nordic Countries* (Alexandria, VA: GBTA Foundation, 2016), 7.

## WHAT'S IN PLACE?

The interviews conducted with travel managers and other industry experts concentrated on discussing what is in place in terms of mobility and what is planned for the future. A majority of those interviewed are using mobile technology within their programs, though the extent to which they use it—and the purposes for which they use it—vary substantially.

Travel managers commonly mention using TMC and expense reporting apps. They less commonly mention leveraging mobile technology to communicate with travelers in real-time or through social media.

Many travel programs have not fully capitalized on the potential of mobile technology to advance managed travel. For instance, a great majority of those interviewed say their travelers cannot easily view their travel policy on a mobile device. "The travel policy is posted on our intranet, and I guess travelers can access it through their smart phones, but I don't think it is designed to be accessed that way," said one Travel manager, who works at a service goods organization.

Another challenge many programs face is the limited booking capabilities of managed travel apps. For instance, TMC apps rarely match the booking capabilities of corporate OBTs. As a result, a mobile device could make travelers more likely to book outside of the program. This could be especially relevant when travelers are rebooking a trip while they are on the road. In the past, when faced with this situation, they might have called a travel manager or agent. If they use a mobile device instead—and do not have easy access to managed booking channels—they could turn to supplier apps, resulting in higher cost and reduced visibility. "We have not implemented a mobile booking tool, our TMC app does not support booking, but the travelers all have the airline apps when they travel and it is easier to rebook there than to contact us or the TMC," says one travel manager who voiced concern about this issue.

These shortcomings largely reflect the nascent development of many TMC apps and the cost or logistical challenge of building customized, company-specific apps. These challenges will likely diminish over time, however, as the mobile revolution expands.

Travel managers sometimes recommend mobile apps to their travelers. In interviews, many mention recommending TMC or their own customized travel apps, expense reporting apps, and travel risk apps. Many promote their preferred suppliers' apps, while others leave it up to the discretion of the traveler. Some of them also suggest apps that can help travelers have a better experience while on the road outside the corporate apps, everything from navigation apps, to restaurant reviews, to traveler tips and ground transportation. As mentioned previously, 54% of survey respondents have endorsed an app in the past 12 months (figure 1.)

## TMC APPS

TMC apps primarily serve itinerary management functions, according to travel managers interviewed. They consolidate reservations and allow travelers to keep an organized itinerary. In addition, many can provide directions and general information about the travel program, and can send push notifications about flights and hotel reservations, among other functions.

> *"It would be great if the TMC app could handle booking or at least integrate the mobile version of the OBT."*
>
> - **Travel manager for consulting firm**

TMC apps do not commonly offer booking or rebooking capabilities, something all travel managers wish they could do. Most conversations touched on the desire to have booking capabilities within the TMC app. A few travel programs have mobile versions of their OBTs and say their travelers use these occasionally. The main reason why travel managers value mobile booking is to promote policy compliance. If travelers need to book or rebook using their mobile device, they could be more likely to use supplier or online travel agency (OTA) apps when managed channels are not readily available. When discussing hotel bookings, travel managers see the potential for higher compliance especially if travelers can have access to preferred hotels on their mobile app.

The majority of travel managers do not know with precision the adoption rate of TMC apps, with most estimating an adoption rate between 15- 30%. When asked why they thought adoption rate was not higher, many stated lack of awareness, and use of other apps that serve the same or similar purpose. From a previous GBTA Foundation study, business travelers indicated a significantly higher use of supplier apps compared to TMC apps[4] that would support this idea.

> *18% of U.S. Business travelers frequently use a mobile expense management app while on a business trip.*

Most would like more sophisticated customization from TMC apps where the travel policy is incorporated into the tool. They see this as an opportunity to increase traveler engagement and duty of loyalty to the program.

## EXPENSE REPORTING APPS

When discussing expense reporting apps, most travel managers interviewed say travelers commonly use these apps to capture their receipts in digital form and submit or approve expense reports on the go. Another recent GBTA Foundation study, based on a survey of business travelers,

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[4] Ibid, 15.

found that only 18% of U.S.-based business travelers frequently use a mobile expense management system.[5] This represents a large increase, however, from single digit adoption back in 2008 when 3% of travelers in the U.S. mentioned using one.[6]

In a different GBTA Foundation study that looked at generational differences on the importance of a mobile expense management system, it was found that Baby Boomers (52%) are less likely than Millennials (73%) and Gen X travelers (66%) to find it important to be able to access their itineraries or expenses while on the road via a mobile device.[7] In interviews, travel managers mentioned seeing generational differences as well, but also said these differences fade with the frequency with which a traveler is on the road.

## TRAVEL RISK APPS

Travel risk apps were also mentioned. These are used to track travelers if needed or to send information pre-trip and during trip about a destination. Travelers can also request assistance via these apps or simply check-in to keep their location current with their organizations. Travel Risk Management should be an important component of any travel program. Keeping travelers safe regardless of the nature of their trips (domestic or international) should be a priority for travel managers and through mobile technologies now they can stay connected with their travelers like never before. When travelers know they can easily connect back with their organizations, their feeling of being taken care of increases and with it should also their travel experience satisfaction.

## OTHER APPS

A few travel managers mention customized travel apps developed specifically for their programs that work very similarly to TMC apps, but because of their customization, can be tailored to the travel program's needs. This include integration to other apps (booking and expense), ground transportation information and booking, restaurant location and safety and security among others.

Other apps are mentioned, with supplier apps topping the list. The use of these mostly concentrates on flight, hotel or car rental check-in, flight status alerts, ground transportation, navigation and customer reviews.

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[5] Ibid, 15.
[6] Amadeus, *Upwardly mobile: The next steps for travel management* (2008), 8.
[7] GBTA Foundation, *GBTA Business Traveler Sentiment Index™* (Alexandria, VA: GBTA Foundation, 2016), 11.

## COMMUNICATION

Apart from apps, several travel managers mention communicating with their travelers via text messages or a company internal messaging system. Those using this method indicate the usefulness of having two-way communication where they can reach out to their travelers with important information as well as giving the travelers a means to reach back to them in real-time if needed. It was pointed out that having dedicated resources for this is essential for the success of this type of communication, as the traveler expects someone on the other end to respond in real-time.

There are other more traditional methods of communication, such as email or online newsletters, but many of those interviewed agree these can get lost and not reach the traveler as intended. Most interviewed mention the use of an intranet to pass on important and useful information to their travelers, but only a few say this intranet is mobile friendly. In most instances, accessing a travel policy on the go is not easy to do. Without this capability the majority say the traveler has to contact the travel team in case of a travel policy question.

Webcasts are mentioned as a more dynamic means to communicate with their travelers about new policies or information needed by travelers, but travel managers recognize the traveler's need to be proactive to take advantage of this resource.

Finally in terms of communication, internal social media is used in some programs where a corporate social platform is in place to allow socialization of topics including travel. Those using this communication channel say it helps travel programs receive feedback about suppliers or process that might not be working. It also allows travelers to share information among them creating a sense of community.

Traditional social media like Facebook or Twitter is not normally used as it is deemed public, with most travel managers saying social media policies are in place at their organizations to account for this. Regardless, travel managers say their travelers do use social media to engage with suppliers when there is an issue while they are in transit.

## MOBILE WALLET

In interviews, travel managers rarely mention allowing travelers to use mobile payment or wallets. This is hardly surprising given that these technologies are in their infancy. Most say they are not responsible for driving this initiative, but would certainly support it and feel travelers would benefit as well.

It was found in a previous study of U.S. business travelers that one in five (20%) are aware of mobile wallet being allowed in their travel policy, while 34% say it is not allowed with another 30% not knowing if it is allowed or not.[8]

However when business travelers in the U.S. were asked which would be their preferred method of payment while traveling for work (if given a choice) only 7% said they would use a mobile wallet connected to their personal credit card and 12% would if it is connected to their corporate credit card.[9]

Some travel managers mention security concerns when discussing this topic. For those who are planning to roll out this service to their travelers, they have engaged in conversations with multiple departments including Human Resources, Information Technology, Legal and Finance.

Awareness of Mobile Wallet Permissibility (n=804)

16%        20%

30%        34%

- Yes, my company allows use of mobile wallets
- No, my company does not allow use of mobile wallets
- I don't know if it's allowed
- Cannot answer (company does not have travel policy)

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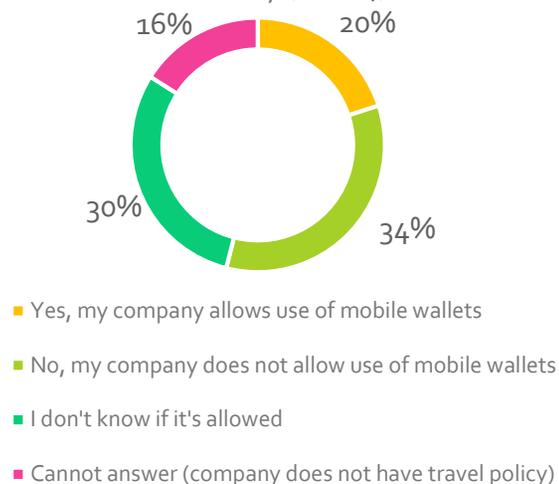
[8] *GBTA Business Traveler Sentiment Index™*, 15.
[9] Ibid, 17

Having a mobile travel strategy will help a travel program address the use of mobile technology already in place and leverage it to their advantage to increase compliance and traveler engagement among other benefits. Knowing how to address this and how to effectively implement a mobile travel strategy will enable travel managers to better serve their travelers and the management of their programs.

## WHERE TO START?

**1.** **Think what you would like to accomplish if you had an overall mobile travel strategy:**
- o Increased traveler engagement with the travel program
- o Increased compliance of travel policy
- o Improve travelers' experience with mobile tools
- o Identify possible savings (distribution, program and productivity) that can help support your need for a mobile strategy to your leadership.

**2.** **Identify which tools or processes are already in use:**
- o Mobile technology (smart phones, tablets)
- o 2-way communications (text messages, email, social media, etc.)
- o Mobile ready intranet / Travel Policy easily accessible through mobile device
- o Company "app store"
- o TMC or company travel app
- o Booking, expense report and safety and security apps
- o Supplier apps and other apps (navigation, search, reviews, etc.)

**3.** **Identify who owns the mobile policy and which departments are involved in decision making:**
- o Know what is your level of involvement
- o Understand level of stakeholder support
- o Maintain open communication channels with those who own the policy if is not under your responsibilities

**4.** **Review mobile policy to know what is allowed and know what the limitations are:**
- o Company owns the device vs. employee uses own device or combination of both
- o Privacy clauses (mobile device use, allowed content, etc.)

## WHERE TO GO NEXT?

Once you have identified what your travel program's goals are, which tools and processes are available and in place, know who owns the mobile policy and understand what it allows and what its limitations are, you are ready to plan your strategy.

**1.** **Begin by conferring with departments in your organization that own / are involved in the mobile policy decision and execution.**
- o Stakeholder support is key (share your goals and objectives, present potential savings)
- o You need to have the right mobile technology in place

**2.** **Create a suite of recommended apps**
- o This should include:
  - TMC or company travel app
  - Booking (if not included in TMC or company travel app)
  - Expense report app
  - Safety and Security app (if not provided by TMC or company travel app)
  - Preferred suppliers (with noted use in travel policy) and other useful travel apps (Navigation, productivity, culture, search, reviews, etc.)

**3.** **Include clear guidance in your travel policy of mobile app use for travel purposes.**
- o Review restructuring the travel policy to keep it simple and mobile friendly (accessible via a mobile device)
- o Communicate and educate travelers on these guidelines
- o Understand your organization's culture and what their needs are in terms of travel

**4.** **Have a means to provide fairly instant 2-way communication with your travelers. This can be achieved through:**
- o SMS or text messages
- o Corporate social media platform

**5.** **Measure traveler experience and savings (distribution, program and productivity)**
- o Encourage travelers to share their experiences (good and bad) and act on feedback and adjust your strategy when needed
- o Set a system to measure savings in all areas measured. This can help justify your vision and expand the program

**6.** **Stay current**
- o Draw from your own experience as well as traveler feedback
- o Follow industry experts to know what the latest mobile technology can do

## CONCLUSION

Mobile technology is change that everyone has seen coming for almost a decade and even though its effects on the corporate travel industry were imminent, the industry has not kept up with the fast adoption of this technology. This has created an environment where travelers have become less and less bought into the value of corporate travel programs, believing they can handle it all on their own. Yet, by strategically inserting the program into the mobile environment in a way that improves their experience, travel programs can create a new kind of value for travelers.

In the leisure travel arena, mobile technology has made many more strides, and now business travelers expect the same level of quality and efficiency for the tools they get to use for business travel. When travelers don't get what they expect through corporate travel apps, they look outside and rely on proven mobile tools that work and satisfied their needs. This has created a challenge for travel managers as they try to keep their travelers from operating outside the travel program. Embracing mobile apps that were not developed with only the business traveler in mind can still be advantageous to a travel program, it just needs to be addressed through a well thought out mobile travel strategy.

Most corporate travel mobile apps have some catching up to do with leisure travel apps, but they are getting there. There are many more layers of complexity that need to be taken into account for a corporate travel mobile app to do what both travelers and travel managers alike expect from it.

Travel managers have been reacting to the use of mobile technology by business travelers mostly in an unstructured way. By taking common tasks like rebooking, troubleshooting and finding information and putting them at the hands of travelers, travel managers have freed up time to concentrate in other areas of their jobs that require them. They see the benefits mobile technology provides travelers as well. Convenience, increase in productivity and more direct channels of communications with their travel program are just a few of the many benefits travelers have gained.

Most organizations already have the technology in place (mobile devices on the hands of travelers) and the willingness from travelers to embrace it. The missing piece would be to develop a strategy that takes into account the organization's culture and the travelers' needs, as well as the organization's goals which should include the travel program's objectives by which its success is measured.

Travel managers should know what their programs already have in place and set forth a plan to implement their mobile travel vision with the support of their organization. They should leverage the technology already in place and adopt new mobile tools and processes to complete the mobile experience for the traveler. They should then measure its success and keep the communication open with travelers and decision makers alike to know how to keep moving in this new digital world.

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Tnooz - *Six out of ten mobile users now downloading travel apps* – May 27th, 2011

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