

Expert insights. Tapping into TMC intelligence.



During 2011, it is expected that businesses will increasingly leverage the unique strengths and abilities of their travel managers to boost bottom line savings. As a result, travel management data on client purchasing patterns, supplier consolidation, benchmarking and ROI (return on investment) as well as a travel manager's ability to negotiate competitive supplier deals and provide best-in-class technology, will be high on the priority list for small-to-medium sized enterprises (SMEs).

For the travel buyer negotiating the road ahead, having access to in-depth travel management reporting and information will ensure your organisation can effectively drive time, cost and resource efficiencies across all aspects of your travel program as market conditions rebound.

Travel management priorities

Benchmarking

Corporate Traveller predicts that during 2011, businesses will make more use of travel management company (TMC)-provided benchmarking for comparative purposes and for gaining a greater

understanding of which hotel rates and airfares are best suited to their specific needs. Clients with access to TMC benchmarking will be better placed to evaluate the effectiveness of their travel programs and to set goals for the future.

TMCs will also continue to benchmark low cost carrier (LCC) fares against full-service airline fares to ensure clients receive the most up to date airfare guidance available. As the visibility and service offering of LCCs increase, businesses need access to timely data on what the best procurement strategies are for their air travel. For business travellers that require more than just a basic seat and some level of flexibility, a 'no-frills' fare on an LCC may not be the most cost effective option.

Airfare and hotel rate expertise

Corporate Traveller believes more clients will be looking to optimise their travel spend with the help of expert data including airfare analysis and comparison studies, benchmarking and supplier consolidation.

TMCs will be helping businesses maximise trip savings with more effective

A travel manager's ability to provide the right rate or fare for certain trips will be crucial for cost saving.

use of rates, from fixed last minute rates (distressed availability) to flexible corporate rates. A travel manager's ability to provide and match the right rate for certain trips will be crucial for getting the best price (eg. fixed rates for planned trips such as internal meetings and training versus customer or prospect meetings that may need to be changed and require flexible rates.)

Outsourcing supplier negotiations

It is predicted more organisations will look at outsourcing their supplier negotiations to TMCs that have strong supplier relations, industry knowledge and negotiating skills. With many businesses eager to generate more time and operational efficiencies within their organisation, outsourcing will play a major role in aiding this process.

Consolidation

During 2011, there will be further consolidation of corporate travel programs as companies realise the major financial and servicing benefits of having a consistent approach to travel management. For customers trading with

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Corporate Traveller in multiple markets, this means having access to the best rates around the world, irrespective of their departure port.

Key industry suppliers are also expected to announce new alliances as they seek to aggressively extend networks and share their cost base. Current examples include the Virgin Group and Etihad in Australia, British Airways and Iberia in Europe. The benefit for customers will be the ability to interline with multiple suppliers and achieve better rates by negotiating unique deals under these circumstances. Corporate Traveller believes it's crucial that TMCs are advising customers of these and other supplier updates for travel buyers to stay ahead of market trends and capitalize on industry changes.

Technology

There's no doubt technology is set to play a major role in the future of business travel with travellers gravitating

towards online services that are increasingly mobile, informative and easy-to-use. From iPhone applications (currently considered to be the hottest trend in travel technology) to mobile phone technology, online booking and reporting tools, iPads, self-service check in and biometric advancements in passport identification, the rapid and ongoing development of technology in 2011 will see today's gadget become tomorrow's standard, with TMCs playing a key role in the development, ownership and implementation of a number of these innovations.

Safety and security

The focus on safety and security is set to continue as businesses ensure their duty of care and risk management plans are capable of mitigating the risks faced by the modern day business traveller. The role of the TMC to advise on best practice, help facilitate risk management strategies and provide a central point



of contact on all travel bookings will continue to develop.

Cost saving measures

Businesses eager to achieve maximum savings on travel in 2011 will be focused on evolving their cost control strategies to suit the changing market conditions. Corporate Traveller has highlighted five main focus areas for corporate travel programs including:

ROI

SMEs will be more closely monitoring the spending habits of individual travellers to gain a better understanding of how, when, where and why their travel dollars are being spent. As part of this, businesses will be reviewing the return on investment (ROI) of individual traveller costs and asking if the business outcomes produced by a travelling employee are generating sufficient ROI for the outlay.

Traveller policy and compliance

We expect updated travel policies will include mandates around booking procedures and purchasing practices. SMEs will be asking their TMCs to drill deeper on data to obtain actionable intelligence that will help to drive policy hard and realise savings faster. Divisional or cost centre managers receiving summary reporting and drill down data, will be taking action on non-compliant bookings immediately. There will be tighter control over the types of air tickets travellers are purchasing and how far in advance tickets are being purchased.

Online booking tools

This year we'll see wider interest in online booking tools provided by a TMC rather than online bookings made over the internet. The cost saving benefits as well as the additional traveller safety and security of an online booking tool have been major drawcards for businesses

that want to continue booking online but that want the travel policy management, reporting and compliance functions of a TMC operated online system.

Airfares

Corporates will be looking to their TMCs for specialised airfare data and analysis to drive savings on air travel. Corporate Traveller expects broader interest in ROI investment data on aspects such as best fare of day policy versus negotiating with airlines, how advance purchase is impacting travel cost savings and how the use of flexible fares and or low-cost options affect their bottom line.

Accommodation

Current trending indicates businesses are now more focused on consolidation and policy compliance to secure the best contracted rate. SMEs are looking closely at how many hotel suppliers they are working with, which hotels

their travellers are staying at and what their booking channels are. SMEs will continue to reign in the number of hotels they're using to better leverage their total room night volume.

Expanding role of the TMC

The evolution of the TMC's role into an all encompassing travel and expense manager, advisor, facilitator, educator and gatekeeper will continue to gain momentum in 2011. At Corporate Traveller however, our specialists have long been fulfilling these roles and you can be assured that as Corporate Traveller client, your business is in the best position to adapt to this next year and decade of corporate travel.



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about corporate traveller.

Corporate Traveller is a leading travel management specialist for the SME market. We offer a unique combination of expert advice, local personal service and global negotiating strength to maximise your savings.

The Corporate Traveller team is the best in the business. Our travel experts are highly experienced and have exceptional product knowledge to deliver airfare and accommodation options that will have an immediate and positive impact on your bottom line. Our flexible business model is shaped to match the distinctive needs of SMEs, enabling us to better understand your travel requirements, offer tailored solutions and build long-term partnerships.

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