



FCM INSIGHT

Rise of the Robots

How Artificial Intelligence
and robotics are already
powering business travel

MEGA TREND

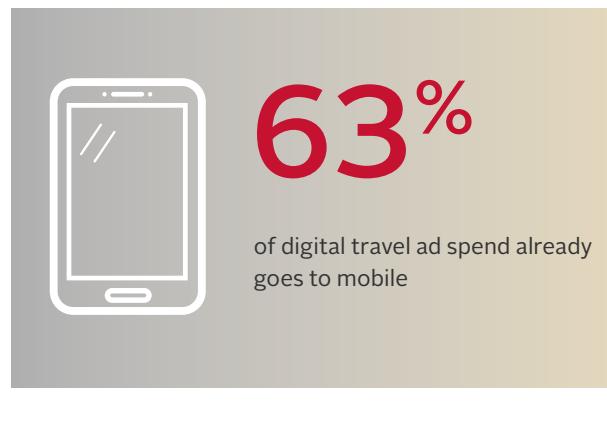
Mobile was the last 'big thing' in business travel. 60% of travel searches start on a mobile device¹ whilst the smartphone is the number one travel accessory for 76% of all travellers²

However, a new phenomenon has permeated into the travel sector, initially with leisure travel but inevitably into business travel too. Artificial Intelligence (AI) is driving the journey onwards from mobile to the chatbots, epitomised by Marvin the Robot from Hitch Hikers Guide, and Sam, FCM's chat bot.

Mobile technology has been the cradle of innovation in the last decade, giving rise to wearable tech, apps and predictions that online transactions will reach 32% of travel sales by 2020³. According to the latest figures from eMarketer, 63% of digital travel ad spend already goes to mobile, and that share is climbing rapidly. It's not surprising really. Nowadays the traveller doesn't have to wait until being seated by a desktop; you just pull out the smartphone and book, there and then.

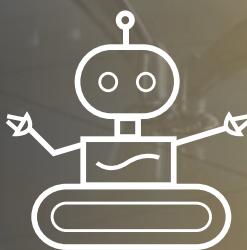
The growth of mobile is slowing however. 4.7 billion people globally are estimated to be subscribers, expected to reach 5.6 billion people by 2020 - over 70% of the world's population, according to GSMA. Smartphones represent 80% of all mobiles now sold⁴.

Today, mobile is an integral part of most corporate travel programmes. The more time business travellers spend on the road, the greater their reliance on mobile booking tools. 85% of business travellers rely on smartphones and 89% use their tablets to complete purchases⁵.



Business travellers

Business travellers conduct more research before booking flights or hotels than leisure travellers; 84% of business travellers use smart phones for business use during travel.



80%

of travellers expect robots to play a part in many aspects of life by 2020.



Globally, 42% of people have booked a hotel on mobile, rising to 53% for under 30s⁶ and 42% go online using their mobile devices to perform tasks that they wouldn't ordinarily do on their desktops – including tracking their travel spending⁷.

The volume of data held by travel providers, including TMCs, such as traveller profiles, transaction history and personal preferences make travel and AI ideal bedfellows. Many are already using AI to interact with travellers before, during and after their trips.

According to India-based Tata Consultancy Services, 85% of travel and hospitality professionals already use AI in their businesses, mainly in IT functions, with 46% using AI to process bookings and credit-card transactions. Within four years, 60% of sector companies plan to use AI as a marketing tool⁸. A 2017 PricewaterhouseCoopers survey of consumer and business attitudes toward AI found that during the next five years, 56% would be willing to embrace an artificial travel agent.

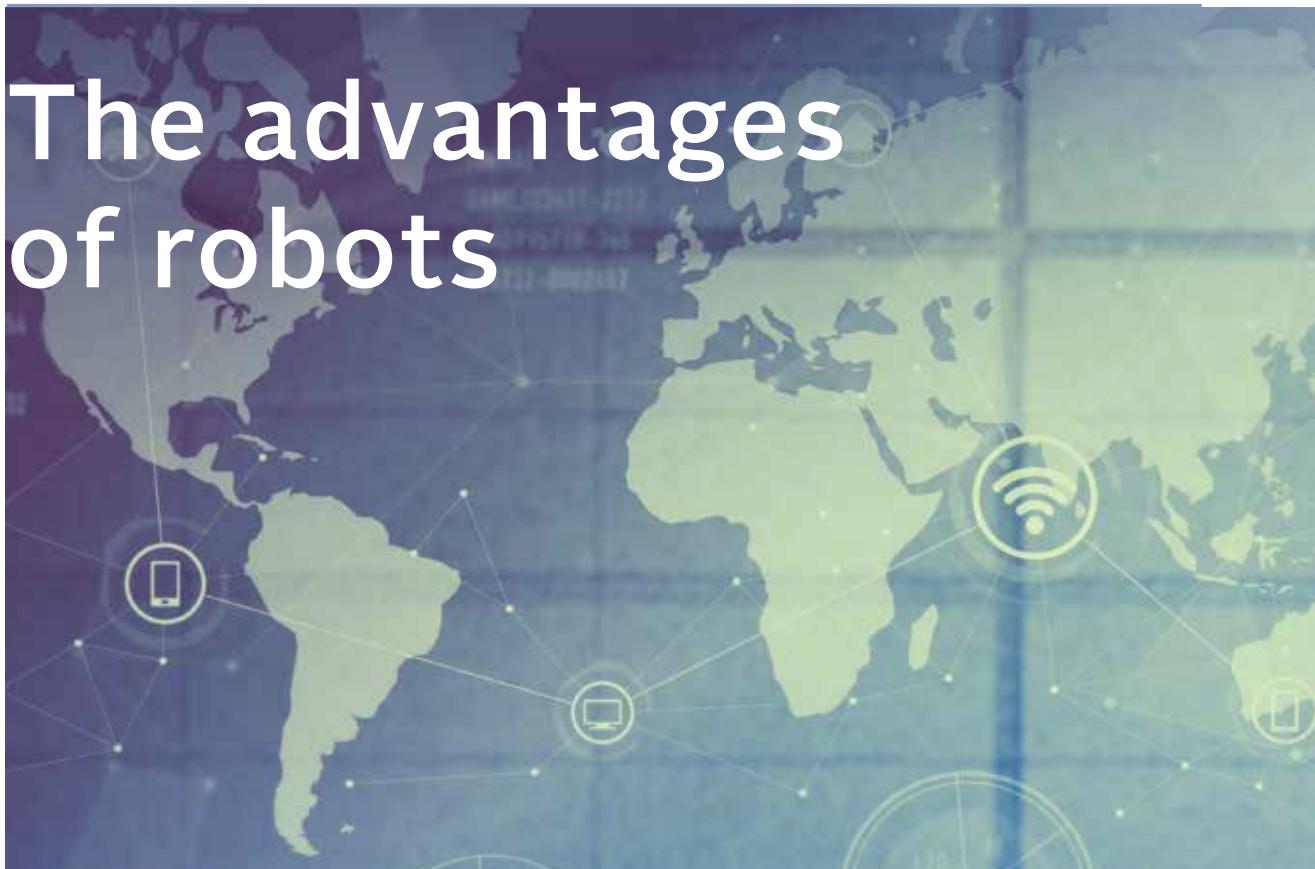
Arguably, the pace of technological progress is mitigating any resistance to the introduction of AI.

It isn't causing as much of a stir as mobile did in the noughties⁹. The attention span of Generation Z is estimated to be around eight seconds¹⁰, an all-time low, so things must happen quickly for the 21st century business traveller. Content is engaged and assessed in a flash. Generation Z demands instant results and reactions, as illustrated by the growth in Snapchat, built upon memes and blink-and-you'll-miss-it video content.

One survey has found that two thirds of respondents would be comfortable with robots being used in the travel industry and 80% of travellers expect robots to play a part in many aspects of life by 2020. Another, by US-based Oversight Systems' found that Artificial Intelligence can improve travel and expense compliance by 70%.

Already a hotel in Japan is staffed entirely by robots, with check-in and room service powered by AI, leaving humans to offer more personalised customer services¹¹. By contrast, United Airlines could have avoided unwanted media attention when a passenger was hauled off a flight because seats were needed to accommodate crew and no volunteers came forward. AI could have warned of a potential problem, giving the carrier time to prevent it arising.

The advantages of robots



The advantages of robots relate to process efficiency, data retention and recall. 81% of travellers believe robots would be better than humans at handling data; 76% believe robots have better memories whilst 81% pinpoint their untiring energy as an advantage. At the highest level, AI has the capability to improve customer service, to make that service more personal and improve travel planning.

FCM's Sam chat bot is already a feature of the traveller experience.

When a traveller lands at the airport, Sam will message the carousel number for collecting baggage and ask if the user needs to arrange transport from the airport to their hotel. The more a traveller uses Sam, the more intelligent the chatbot becomes, so that information delivered to the user is even more personalized.

Some predict that AI-powered technology will make the TMC redundant. We think that's unlikely because AI enables agents to add value. For example, Sam doesn't replace the human touch entirely and cannot do so because business travel is about people.

Our approach is about blending the latest technology with personal service. Users of Sam can call or message their consultant at any time for live assistance on the go.

However, there's no doubt that Artificial Intelligence is here to stay in business travel. It is the key to tackling the challenges of Big Data analytics; combining AI tools with travel data enables suppliers to transform the traveller experience.

Sam:] your pocket travel assistant



As the chatbots and Natural Language Processing (NLP) evolve, the level of trip and program complexity to which they can be deployed will grow too.

But in the short, and even medium term, the challenge for the bots is to enable travellers to make decisions that are right for the business, and themselves, within the context of travel policy.

The next wave of travel bots is likely to be increasingly self-sufficient, drawing on advanced AI to predict travellers' booking requirements, build traveller profiles, assist with disruption avoidance and increase the uptake of loyalty programmes.

This should result in a super-fast booking process and travel arrangements that are hassle-free for the employee - delivering tangible cost savings for the business and increasing employee satisfaction.

Where leisure travel goes, business travel often follows – although it usually takes a little longer. There are issues around data privacy and travel managers allowing their bookings to take place in one of the mega-interfaces Amazon Echo and Facebook Messenger. But as such services become more commonplace, consumer adoption will surely spill over into business travel.

If an AI bot can help travel managers to tweak policy and enable travellers to access their programmes by just asking their home-based Google Echo a question, why wouldn't corporates permit access? In five years' time we expect that question to be long-since answered.

Sources

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About FCM

FCM is a single global brand providing a comprehensive range of corporate travel and expense management solutions. We have a presence in more than 95 countries and are regarded as one of the top five travel management companies in the world. FCM is responsible for the travel programmes of some of the world's most successful corporate brands.

It has always been personalised service that sets FCM apart from the rest and we blend this with innovative technology and unrivalled access to content to drive the optimum performance of your travel programme.

Contact us today to find out how FCM can elevate the performance of your corporate travel programme.