



FCM INSIGHT

# More room on top?

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Just how much headroom is there in any mature travel programme?

# THREE Cs

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Your travel programme is mature. Compliance levels are high; preferred suppliers won't give any more ground on rate, terms or availability and traveller feedback is generally positive. So what can you do to drive more savings, make processes more efficient and keep stakeholders happy?

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*It's all about the three Cs – compliance, content and communication, and how they collectively deliver the necessary control required to find those extra savings.*

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# 1. Compliance

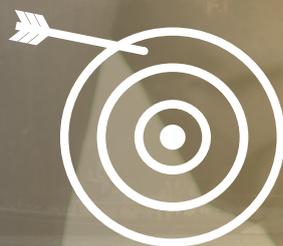
Let's start with compliance itself. How good is yours? In 2015, industry research found that 72%<sup>1</sup> of travel managers had not achieved their target compliance levels.

***Compliance is the cornerstone of optimal savings.***

Despite investing time and energy compiling preferred supplier programmes that leverage savings by consolidating bookings, according to a 2016 survey of British, German and French business travellers<sup>2</sup>, at least one-third of travellers admitted booking outside policy in the past year. Just 20 – 25% used a corporate online booking tool (OBT),

although this percentage rose to 50% and 60% respectively amongst travellers who knew they had the option to use an OBT in the UK/ Germany and in France.

An OBT on its own is not enough to guarantee compliance. Programmes with the option to use an OBT still saw as many as 50% of bookings made direct with a supplier or via an OTA. Based on anecdotal estimates of 75% average corporate travel policy-compliant spending, the chances are that your compliance levels have plenty of room for improvement too. If they didn't, there'd be no need to personalise travel policies to meet the needs and tastes of the millennials...



# 72%

**2015**  
of travel managers had not achieved their target compliance levels

## 2. Content

The second C is Content. To answer all the questions a traveller or booker may have, any booking channel must provide the right breadth of information and depth of supplier choice. Millennial travellers know more about, and are therefore more demanding of, travel choices than previous generations. They also expect the same quality of booking experience as the OTAs provide for their leisure travel. In the social media age, traveller feedback can be more powerful than a cheap rate.

***Good content stops the buyer from looking elsewhere and benefits every stakeholder.***

The supplier's product is presented in the most compelling way; the booker or traveller has the reassurance of information that enables informed purchasing decisions to be made, whilst the travel manager drives greater policy compliance.

So what does good content look like. After ensuring that the choice of preferred suppliers meet travellers' needs in terms of location, amenities and personal security, the essentials include images that reflect the personality and features of a hotel and its different room types; professionally-translated descriptions (where required),

plus detailed information about facilities, services and location, room availability and cancellation policy.

Content also includes NDC (New Distribution Capability)<sup>3</sup>, the IATA-sponsored supported programme for the industry adoption of a new, XML-based data transmission standard to enable TMCs and OBTS tools to access ancillary services and, eventually more dynamic airline pricing. IATA expects the application of NDC to enter mainstream airline distribution during 2017 with over 75% of the major airlines having stated their intent to adopt it.

For travel managers, NDC brings opportunities to improve traveller services by ensuring their programmes benefit from the changes. TMCs that adopt the NDC standard will be able to offer a better booking experience, break down exactly what's included in flight fares and offer more choice.

## 3. Communication

*Frequent travellers are least likely to comply with travel policy, thereby increasing overall spend.*

They - and their PAs - need constant education to become compliant, so travel managers need to tailor their messages for different audiences.

Mass e-mails aren't enough. When was the last time you sat down with your travel bookers to explain the importance of compliance? Evidence shows that communications initiatives aimed at re-educating travel bookers can improve compliance by as much as 11%. By ensuring that travellers and bookers understand the reasons for travel policy inclusions and exclusions; the risks associated with non-compliant behaviour and the implications of booking outside of policy, compliance increases, thereby creating that extra headroom you never thought you had.

Communicating the benefits of compliance at the point of sale directly influences traveller decision-making. 64% of managed travellers confirm this<sup>4</sup>. 50% of these travellers' experiences would be significantly improved by the knowledge of negotiated benefits. And whilst 75% believe improvements to traveller service improve compliance by changing behaviour, improving traveller satisfaction does not necessarily mean higher costs.



11%

Communications initiatives aimed at re-educating travel bookers can improve compliance by as much as 11%

# MANAGED TRAVEL

is changing

Door-to-door itineraries, Amazon-style predictive recommendations together with the traveller experience are all part of the travel manager's focus. In recent times, travel managers have been placing greater importance on service levels and more-personalised experiences that keep travellers happier (and more productive) on the road and more engaged in their travel programmes.

What buyers now want is smarter online booking tools that can access traveller history, make more informed recommendations to travellers and provide richer content during booking. They want seamless integrations and mobile platforms so they can support their travellers before, during and post trip.

## *But is it worth the effort?*

According to Business Travel News' *Traveller Happiness Index*<sup>5</sup> whilst some commentators claim there has been a backlash against mature travel programmes, citing travellers scoring programme effectiveness down on supplier choices and flexibility to up-grade, others argue that this is how a programme should work and that mature travel programmes instead support productivity. According to the Index, 75% of travellers in mature programs are reimbursed for hotel internet charges, and 50% for in-flight WiFi<sup>6</sup>.



*Here's our guide to finding that extra headroom in your mature travel programme*

## 1. Think

beyond the discount. There are other benefits that will add value to your programme, such as an OBТ that answers your travellers' questions and enables them to make informed choices.

## 2. Review

your preferred suppliers annually. Travel needs may have changed, leaving some preferred suppliers no longer best place to meet them.

## 3. Quality-check

your content. It's not just about having the right products but the right level of information about those products.

## 4. Look at the data

TMC data will identify new savings opportunities and benchmark your programme against similar-size spends and organisations so you know you've got the best possible deals.

## 5. Educate your travellers

Explain why they need to comply with travel policy. Most employees actually want to be good corporate citizens.

## 6. Pick the right OBТ

In 2017, travel tools should support faster, safer and more productive travel through a single-sign-on travel management platform which puts everything you and your travellers need in one place.

## 7. Keep your data secure

Your company's reputation, and financial stability could be at real risk if you don't.



**75%**

of travellers in mature programs are reimbursed for hotel internet charges

## 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.