



# Redefining Corporate Travel Management

Pillars for effective managed travel



January 2019



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# Forewords

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The dynamics of business travel have been changing around the world in sync with the new age corporate traveller. India continues to grow at a rapid pace with increasing contribution to global business travel spends. With an annual growth of more than 11%, we are expected to be in the top five by 2022, up from being at ten in 2015.

Millennials are playing an important role in re-defining business travel which is becoming increasingly value driven and tech savvy, and often seen as an indicator of professional growth.

This whitepaper analyses four pillars that make up a successful travel management programme; the focus is on delivering cost efficiencies while maintaining transparency, eventually fulfilling the goal of ensuring safety of employees and increasing their productivity through a seamless travel experience.

It presents businesses with a holistic approach towards business travel and helps them in setting benchmarks to evaluate the performance of their chosen travel partner. With our third edition, we aim to put forward our Duty of Care and present insight into emerging travel trends and solutions to challenges of business travel.



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**Managing Director**

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Corporate travel in India is being propelled by fast changing innovative technologies and an increasing number of millennials in business travel. As India strengthens its position in the global economy, the need to expand to new geographies and explore new regions for business has been growing in tandem.

With a rich demographic dividend, India is uniquely placed to capitalise on the emerging travel trends driven by tech savvy employees. These can be leveraged for driving adoption and implementation of new technological tools and techniques to drive efficiencies in travel.

An effective travel management programme can boost a company's performance by allowing organisations to focus on their core business and employees on their work. To address the many variables in play, corporate travel management can be organized broadly into four pillars: Safety of employees, Efficiency in terms of cost, Productivity of employees and Transparency within the programme.

With India's ample appetite for emerging technologies and collaboration between all players in the corporate travel ecosystem, India is poised to become one of the top five markets for business travel by 2022. Through robust corporate travel management, there is great potential for India to leapfrog to an even higher position.



**Jaideep Ghosh**  
**Partner and Head**

Transport, Leisure and Sports  
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A close-up photograph of a person's hands holding a dark blue folder or notebook. The person is wearing a light-colored shirt and a dark blue tie. The background is blurred, showing other people in a professional setting. A dark blue banner is overlaid on the right side of the image, containing the text "Executive Summary" in white.

# Executive Summary

The global business travel market is expected to grow steadily, with India as one of the fastest growing segments. To truly recognize benefits of business travel, corporates need to look at their travel management programme in a holistic way, taking many factors into consideration. These factors include employee safety and satisfaction, cost control, policy compliance and a transparent system.

Post an era of uncertainty, business travel spends have finally reached pre-recession levels. The two year period of 2017-2018 emerged as the strongest for business travel since 2010, driven by a boost in the global economy and a digitally inclined millennial workforce.

In India, the business travel spends stood at USD 37 billion in 2017<sup>1</sup>, and are expected to grow further as companies expand their businesses in an increasingly connected world. Almost 60% of Indians between 19-34 years of age<sup>3</sup> consider business travel an indicator of professional growth as well as a status symbol.<sup>3</sup>

Thus, to achieve further growth, organisations need to adopt a comprehensive travel programme that aims to integrate and fulfil the needs of all the stakeholders involved.

### Global Business Travel Market

Global business travel spend stood at **USD 1.33 trillion in 2017** and is estimated to have grown by 7.1% in 2018<sup>1</sup>.



India-China-Indonesia (ICI) travel spend is predicted to reach **USD 565 billion in 2022** and is projected to be the largest in the world by 2035<sup>1</sup>.



India is the **7<sup>th</sup> largest business travel market** globally and is projected to be amongst the top 5 travel markets by 2022<sup>1</sup>.



Expected business travel spends of up to **USD 46 billion in 2019** in India<sup>2</sup>, with a projected annual growth rate of 11.5%<sup>1</sup>.



### The Discerning Indian Business Traveller



**46%**

Spend their leisure time in exploring the destination while on their business trip<sup>4</sup>

In order to ensure getting 'value for money'

**91%**

use review sites<sup>5</sup>

**85%**

use price comparison sites<sup>5</sup>

Travel consumers spend

**49**

minutes spread over days, visiting as many as

**17**

different online touchpoints to plan, research, and make a booking<sup>5</sup>

**25%** of domestic business travellers are now women<sup>6</sup>

Source: 1: GBTA; 2. Industry Estimates; 3. 'Flying high, 92 per cent millennials look forward to their next business-trip', Economic Times, 2018; 4. FabHotel Consumer Survey 2018; 5. 'Demystifying the Indian Online Traveller ' report 2017; 6. 'Millennials are reshaping India's travel industry', dated 24th August 2014 published in CNBC



With a tech savvy and youthful workforce, organisations need to be well equipped to address the needs of their employees while maintaining their business objectives. Ranging from TMCs, third party vendors, and corporates to employees, each stakeholder has an important role to play towards creating integrated and

simplified policies and processes. This can be achieved through a comprehensive travel programme that aims to fulfil the needs of all the stakeholders involved. The four pillars of corporate travel management serve as a strong underlying foundation for developing such a programme.

## Four pillars of

### Safety

Rise in disruptions such as natural disasters, political unrest, etc. have created a need for organisations to have a comprehensive and structured safety programmes to ensure well-being of business travellers. With growth in women in the workforce, appropriate travel policies need to be in place to ensure their safety.

**71%**

**of female business travellers believe that they face greater safety risks<sup>7</sup>**

**75%**

**of all employees have security concerns when travelling domestically<sup>8</sup>**

**45%**

**of organisations want more support from their travel partners<sup>9</sup>**

Organisations need to take a proactive approach to safety and be prepared for emergencies at all times. Through a TMC partner, all potential risks can be monitored thoroughly, and employees and travel managers alike can be well-informed of any security risk while travelling on business.

### Efficiency

The cost of business travel is the second highest operational cost for most organisations. It is becoming imperative for corporates to drive higher levels of efficiency in their managed travel.

**31%**

**of companies spend INR 10 million or above on travel<sup>10</sup>**

**21%**

**of travel managers plan to integrate sharing economy options<sup>11</sup>**

**60%**

**cost reduction for organisations using advanced booking tools<sup>12</sup>**

To optimize costs, companies need to analyse expenses from all perspectives: front-end, back end and travel costs. Leveraging automated tools and platforms, corporate cards and forex cards present a huge opportunity for driving cost efficiency by increasing savings and providing better visibility of travel spends.

Source: 7. 'Women in Business Travel 2016', Maiden Voyage; 8. 75 percent of Indian business travellers have security concerns regarding domestic travel', dated 9th October 2018 published in NewsBaron; 9. ACTE-GBT Survey 2017; 10. Yatra Investor Presentation November 2018, KPMG Analysis; 11. PhocusWire report "What the sharing economy's success means for your travel business" 2017 12. 'Travel and Expense Management Report' 2016, Paystream Advisors Inc



Companies and their travel partners must collaborate to develop tools, policies and process suited to the needs of the Indian millennial business travellers such as self booking tool, etc.

These policies and processes need to be continuously re-evaluated to incorporate

emerging technologies and evolving employee needs.

Hence, a successful interplay of these pillars is key to fruitfully manage a corporate's travel management programme in the long run.

## successful travel management

### Productivity

To maximise the objective of a business trip, employees need to feel relaxed and refreshed, at all stages of travel. This allows them to focus solely on their work, leading to improved performance.

87%

of travellers feel that the quality of their business travel impacts their business results<sup>13</sup>

85%

of employees prefer to book flights through advanced booking tools or mobile applications<sup>14</sup>

32%

increase in company productivity through policies that account for travel stress<sup>15</sup>

Companies and their travel partners need to streamline the travel process to allow employees to focus on their work performance. Organisations should ensure that proper systems are in place for a seamless employee travel experience to improve performance.

### Transparency

Transparency with respect to supplier management (flow of incentives & commissions), data management (analytics & security) and traveller satisfaction is essential to create a successful travel management programme.



Many-to-many interactions in the travel ecosystem with no visibility on incentives & commissions



Lack of processes to balance choice and control, in a risk free manner



Lack of transparency in demand and supply management in the travel ecosystem

Maintaining transparency in the travel process and ecosystem enables companies to isolate leakages (expense and data) and identify any gaps existing in their managed travel programme. Thus, by highlighting strengths to be leveraged as well as gaps to be addressed, maximum value can be derived from all travel partners.

Source: 13. 'Business travel impacts overall job satisfaction', November 2017, Yourstory 14. 'Better Business, Smarter Travel', 2018, Amadeus 15. 'Hidden Cost of Business Travel', 2014, Carlson Wagonlit Travel



A man in a dark blue suit and glasses is seen in profile, looking out of a large window. The window reflects the interior of a modern building with a complex, geometric structure of white beams and glass panels. The lighting is bright and natural, suggesting a high-rise office environment.

# Corporate Travel Market Overview

Travel and tourism is an important sector as it makes a significant contribution to jobs and global trade. The contribution of this sector to GDP was 10.4% of total GDP (~USD 8 trillion) in 2017, and is estimated to have risen by 4% in 2018. It is projected to rise at a rate of 3.8% per annum, from 2018-2028, to reach 11.7% of total GDP in 2028<sup>1</sup>.

### Global Corporate Travel Market

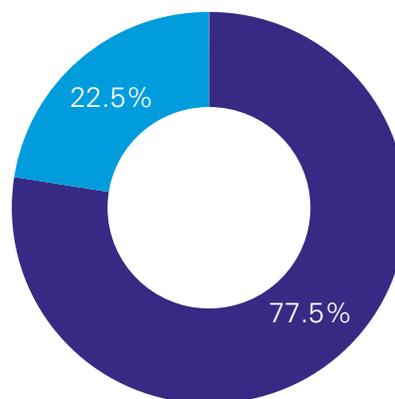
Business travel spending generated 22.5% of direct\* travel and tourism GDP in 2017. It is expected to grow by 7.1% in 2018 to reach USD 1.4 trillion and further expand to USD 1.7 trillion in 2022<sup>2</sup>.

This growth is being experienced post an era of uncertainty in business travel spending. Early 2000s witnessed an upswing in business travel expenditure but the great recession of 2008 saw many companies cutting their travel expenses. This period witnessed erratically changing travel spends by businesses. Between 2010 and 2016 there was moderate growth in business travel spending, which was roughly in the range 3-5% annually<sup>2</sup>.

Business travel spend has now been able to reach the pre-recession levels and it seems to have embarked on an unprecedented growth trajectory in recent years. This has predominantly been driven by strong growth in emerging markets and modest growth in North America and Europe.

The two-year period of 2017-2018 is estimated to be the strongest for business travel since the initial recovery from the Great Recession in 2010 and 2011. In 2018, eighteen out of the top twenty business travel markets are expected to outpace their growth average of the past five years. On an average, global business travel is projected to expand by 5.2% over the next five years<sup>2</sup>.

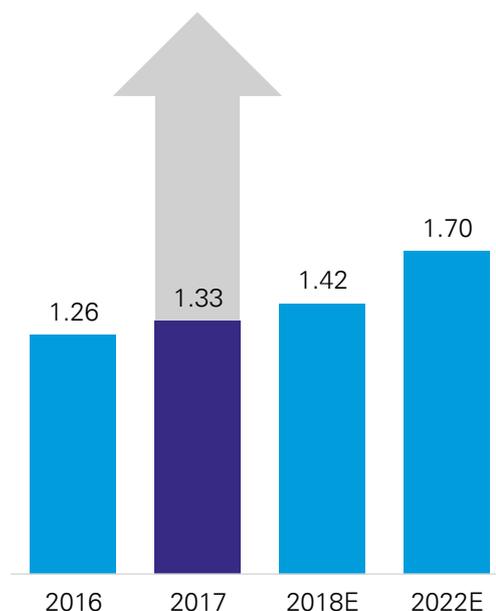
**Figure 1: Global Travel Market Business vs Leisure Spending 2017\***



■ Leisure Spend      ■ Business Spend

Source: WTTC

**Global Business Travel Spend USD Trillion**



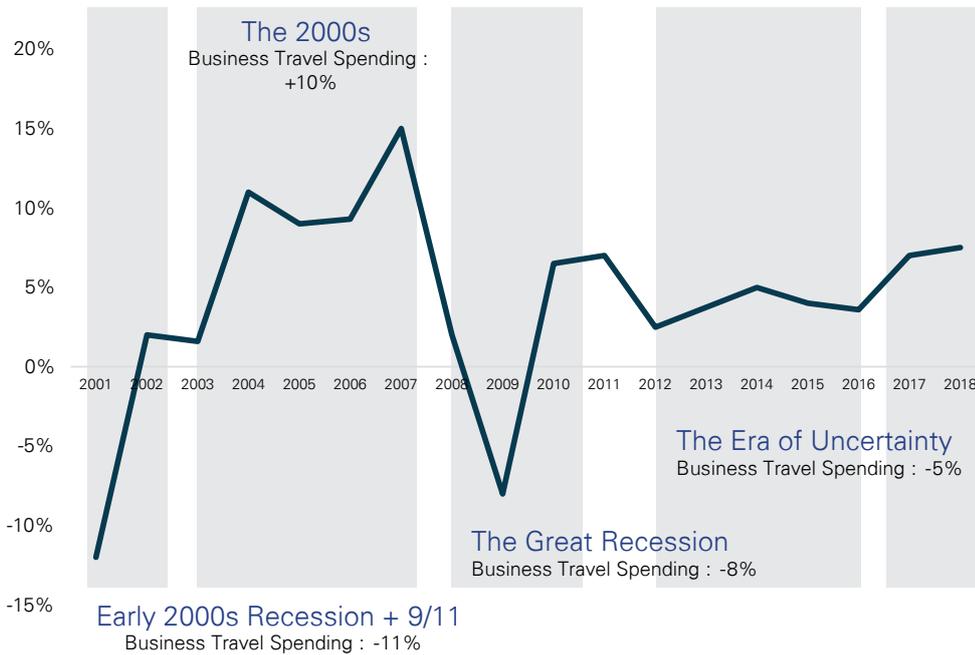
Source: GBTA

\*The direct contribution reflects the 'internal' spending on Travel & Tourism (total spending within a particular country by residents and non-residents for business and leisure purposes) as well as government 'individual' spending - spending by government on services directly linked to visitors, such as cultural (e.g. museums) or recreational (e.g. national parks).

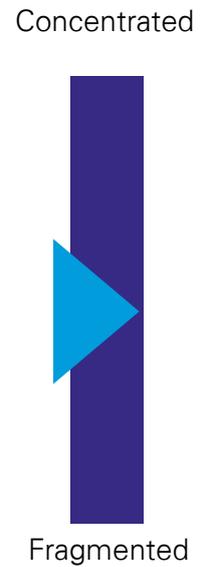
Source: 1: World Travel & Tourism Council – Economic Impact 2018 World, 2. GBTA



**Figure 2: Business Travel Timeline**  
Compound Annual Growth in Spending By Period



**Figure 3: Market Concentration**

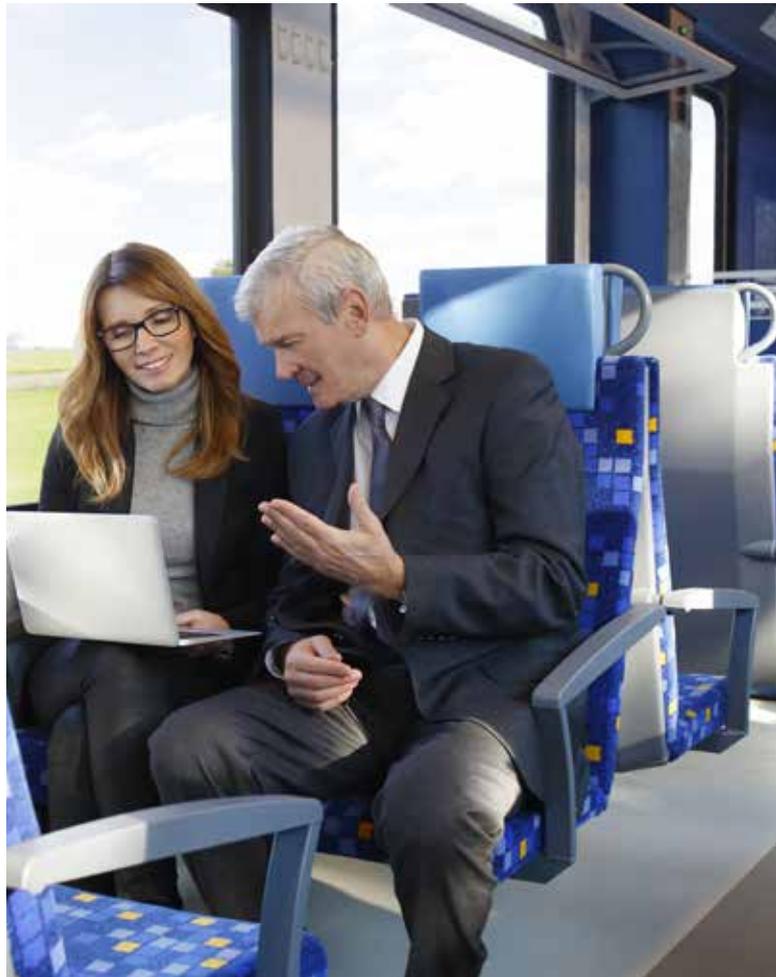


Source: Industry Reports, GBTA

However, a variety of headwinds might stifle growth in the coming years. Travellers in Asia will witness an increase in costs incurred due to a lack of hotel supply. The uncertainty surrounding Brexit will likely reduce traveller spending in Europe.

Global trade is a key driver for corporate travel and has grown in tandem with global economy. However, the rise of protectionist policies and stoking trade wars pose one of the key risks hampering recovery of global economy.

The global business travel market is highly fragmented. It is marked by the presence of a large number of small scale vendors. FCM Travel Solutions, American Express Global Business Travel, Carlson Wagonlit Travel, BCD Travel, are some of the top travel management companies, globally<sup>3</sup>.



Source: 2. GBTA, 3. World Travel Awards

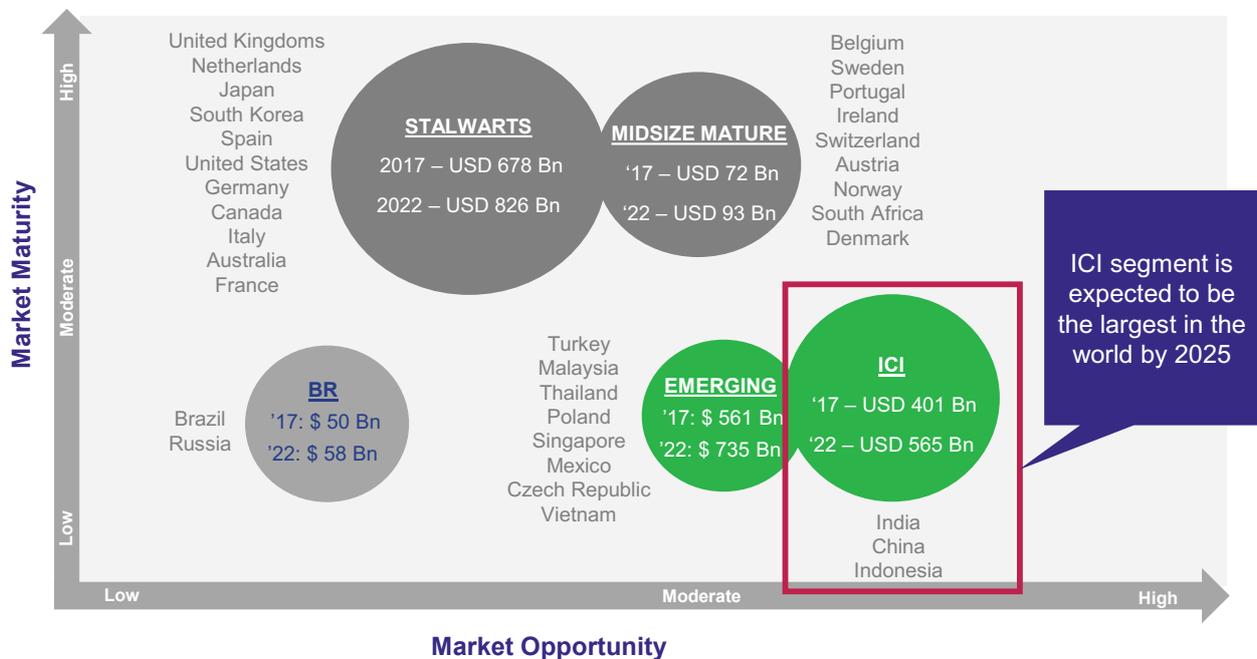


## Changing World Dynamics

Classifying the world's major business travel markets into segments reveals an impending shift in the dynamics of the global travel market. The Stalwarts constitute close to half of the global business travel spending market and comprise many of the world's major economies. India, China and Indonesia (ICI), which were once considered emerging markets, now form their own segment and continue to grow at an extremely rapid pace. It is estimated that by gaining USD 164 billion in annual spend by 2022, ICI segment will pick up ground on the Stalwarts over the next five years. This segment is projected to be the largest in the world by 2035<sup>4</sup>.

South Asia is expected to be the fastest-growing world region over the next ten by years, with average annual direct T&T GDP growth of 6.9% forecast, driven principally by strong growth in India (7.1%). In China, long term annual average growth of 6.7% is predicted. North East Asia overall is forecast to grow by an annual average of 5.6% per year, just ahead of South East Asia (5.5%). The next tier of sub-regions, with growth in the 3-5% bracket include Sub-Saharan Africa (4.4%), the Middle East (4.2%), Central Asia (4.2%), North Africa (3.6%), the Caribbean (3.6%), Latin America (3.2%) and Oceania (3.0%). Slower, yet robust growth is expected in North America (2.6%) and Europe (2.4%)<sup>5</sup>.

**Figure 4: Region Wise Business travel Market Opportunity**



Source: Industry Reports, GBTA



Source: 4. GBTA; 5. WTTC; 6. GBTA



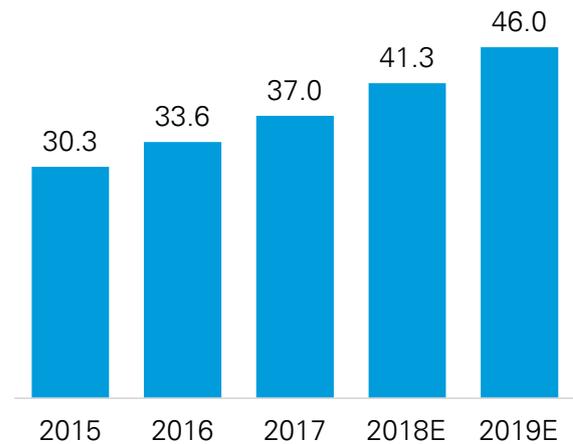
## Indian Corporate Travel Market

The total market for business travel in India has grown from USD 26 billion in 2014<sup>6</sup> to USD 37 billion in 2017<sup>7</sup>, with a projected annual growth rate of 11.5%<sup>6</sup> and projected spend of up to USD 46 billion in 2019<sup>7</sup>.

In the past year, rise in annual growth of business travel spend for India has been the highest among the top 15 business travel markets globally. Consequently, India surpassed South Korea to reach 7<sup>th</sup> position in the top 15 business travel markets (by spend) globally and is projected to be in the top 5 by 2022<sup>8</sup>. It is forecasted to be one of the fastest growing markets over the next five years, growing at the rate of 12.5%<sup>6</sup> over the forecasted period.

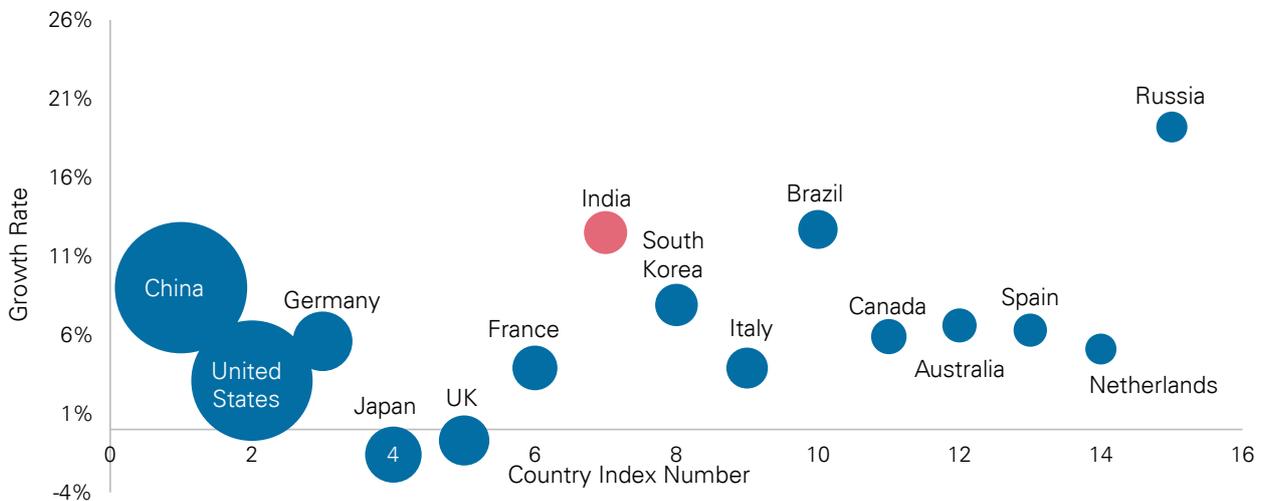
India is also witnessing a rise in MICE (meetings, incentives, conventions and exhibitions) tourism and has moved up to occupy the 31<sup>st</sup> position in 2017 from 35<sup>th</sup> rank in 2014 globally<sup>8</sup>. The current size of MICE sector in India is estimated to be USD 1.5 billion (0.5% of global MICE market) and

**Figure 5: India Business Travel Spend USD Billion**



has been growing at a rate of 15–20% annually. A MICE traveller, on an average, spends 150% more than an inbound leisure traveller during a four-day stay<sup>9</sup> thus presenting a large opportunity that can be tapped into. The Government of India (GoI) aims to capture up to 2% of the global MICE market share by 2025<sup>8</sup>.

**Figure 6: Top 15 Business Travel Market (Growth Rate)**



Source: GBTA

Note: Size of bubble indicates Business Travel Spend (2017)

Business travel in India is witnessing unprecedented growth due to a stable economy, growing number of SMEs (small and medium enterprises), growth of regional low cost carriers and a policy push for travel and tourism sector. The GoI has also initiated various measures, including the regional air connectivity scheme UDAN, to bolster the overall travel sector.

Moreover, the Indian airline industry is growing at a fast rate as demand for travel is being bolstered by favorable government policies, growing affluence, increased trade, and a maturing transportation infrastructure. International departures for business purposes are expected to increase by about 5.4% from over 157 million

Source: 6. GBTA; 7. Industry Estimates, KPMG Analysis; 8. International Congress and Convention Association; 9. "MICE sector on a rise in India" dated 26th October, 2017 published in Indian Express



in 2017 to reach ~166 million in 2018<sup>10</sup>. Increased connectivity through low cost carriers has also helped in increasing the number of people travelling for business.

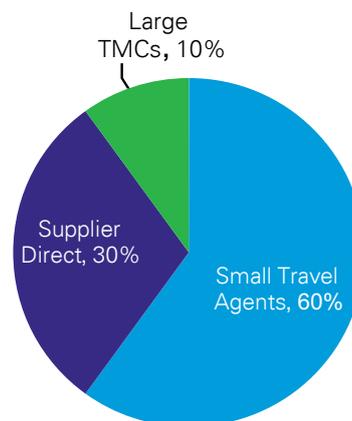
With business travel now being considered as an important aspect of the overall growth of any corporate/business, the average spending of a corporation for its travel needs has increased significantly over the past decade. For most organisations, travel and expense spending is now the second largest operational expense after payroll.

The small-and-medium-sized companies have also begun to realize the importance of corporate travel for the growth of their business. Out of the total business travel market in India, ~\$7 billion<sup>11</sup> comes from flights and hotels of corporate SMEs.

### Role of TMCs

Business travel often involves unplanned travel including last minute air tickets, hotel bookings. Without the services of a TMC, these can be hard to pull together on short notice. Frequent modification/ cancellation of flights can add to the already enormous travel costs of a company. The corporate travel management companies have the ability to streamline a corporate's travel by deploying user-friendly integrated solutions like digitized approval workflows and reporting system. They assist in optimizing planning, approval and booking processes. Free modifications for flights and hotels, reduced cancellation charges, complimentary in-flight meals and seat selection, are some of the other

**Figure 7: Corporate Travel Market – Type of Player (%) 2017**



Source: Yatra Investor Presentation November 2018

benefits that a TMC partner offers corporate houses. They are also helping corporates in shifting their traditionally offline processes like travel policies, approval matrices, expense management etc. online. This shift to digital process will increase visibility into travel spends and trends, enabling comprehensive MIS reporting.

Business travel management market in India is highly fragmented. ~10%<sup>12</sup> of this market is controlled by global TMCs which primarily serve large corporates. Thomas Cook, FCM Travel Solutions, American Express Global, Carlson Wagonlit Travel, BCD Travel are some of the key large TMCs operating in the Indian market.

Leading TMCs and OTAs have also developed dedicated programs to cater to SMEs, such as 'FCM Corporate Traveller', MakeMyTrip MyBiz, etc.



Source: 10: Report "The Changing Nature of Business Travel: Analysis of key trends and business opportunities for the industry" dated 9th April, 2018; 11. "On a new flight: Online travel agencies want to travel far with India's SMEs" dated 24th August, 2018 published in Economic Times; 12. Yatra Investor Presentation November 2018



# Growth Drivers for Business Travel in India



## TECH FIRMS DRIVING OUTBOUND BUSINESS TRAVEL

India has expanded from traditional outsourcing to advanced technology and product development, alongside many other areas of business. Thus, the top international destinations for India's business travellers are driven largely by the technology sector, with tech travel flows now stronger than those of financial services.

## RISE OF STARTUPS & SMEs

The rise in corporate travel can also be attributed to a parallel rise of the startups in the country. Growing expansion of organisations, rising income levels and the growing need to network are driving business travel further.



## RISE OF SHARED ECONOMY SERVICES

Sharing economy services such as Ola, Uber, OYO, Airbnb have introduced services that are more efficient, economic and convenient than traditional service providers. Companies are exploring this market to reduce costs and increase productivity.

## TECH ENHANCED TRAVEL

Corporates are now taking to new travel tools that drive savings, efficiencies, compliance and traveller safety. Travel booking tools are solving issues of multiple bookings from different vendors, reimbursement etc. by deploying technology. They are also driving efficiencies by minimizing the amount of time employees spend in travel management.



## BLEISURE

The average length of stay for business destinations that was 2.5 days some years ago is now 4 days<sup>13</sup>, which is indicative of how business travellers are extending their stay to explore various places around their work destination, thereby mixing work and leisure.

Source: 13. Euromonitor and KPMG Analysis



# Challenges for Business Travel in India

## Traveller Safety



Extreme weather events, terrorism, racial tensions, escalating geopolitical rhetoric along with increase in number of solo women travellers is making traveller safety the foremost concern for corporates today.

## Rising Hotel Costs



Hotel room occupancy across the country has recorded a nine-year high in FY18, touching 67%<sup>14</sup>.

This strong upswing in occupancy level is expected to increase average room rates significantly in the coming years.

## Data Security



Travel businesses are responsible for vast amounts of traveller information. As data passes from corporate client to TMC and onto suppliers and intermediaries - many of whom have storage centers – ensuring data security is becoming a challenge.

## Correlation Between Global Trade Volume and Business Travel Spend



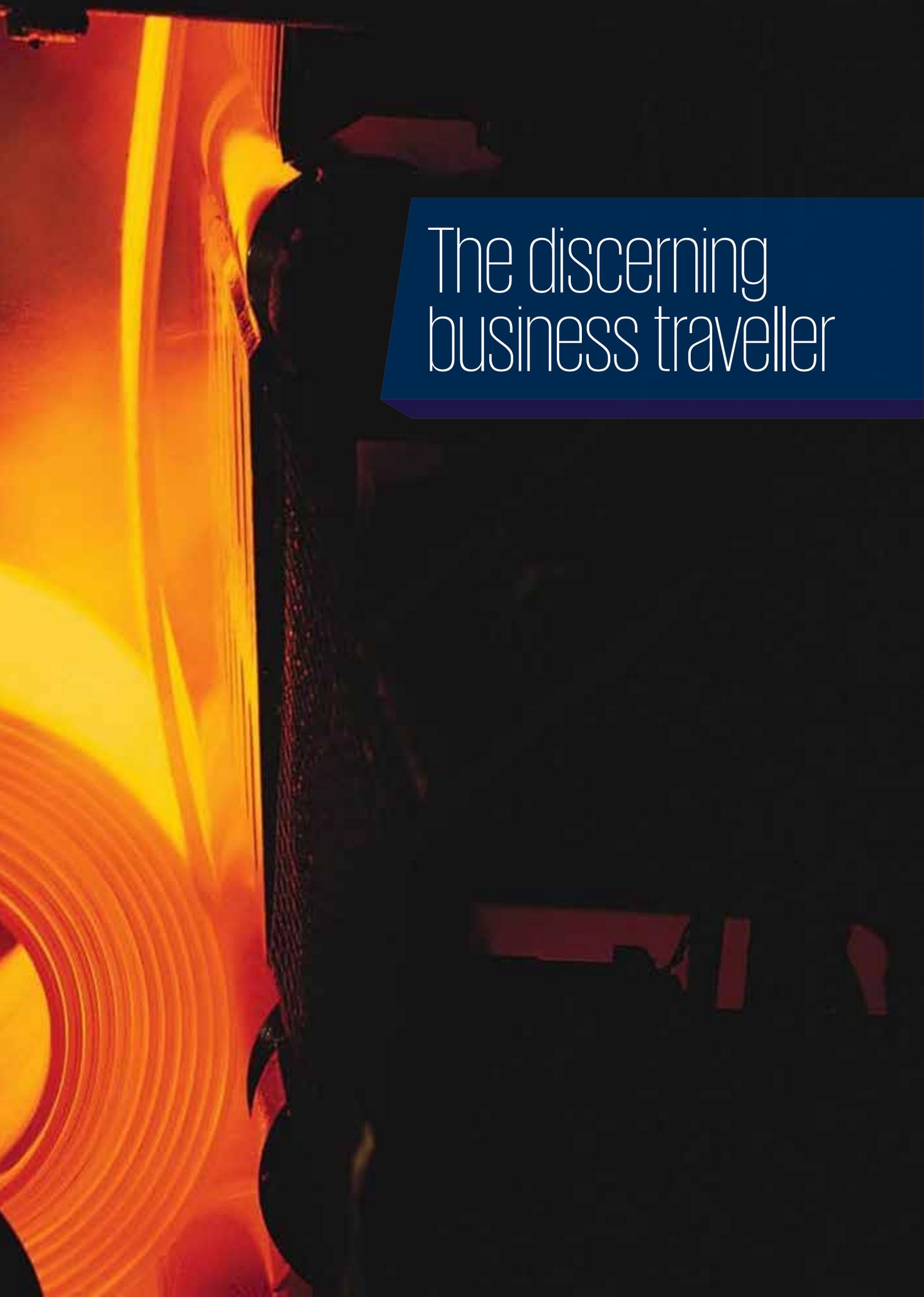
The potential for trade wars is the biggest challenge being faced by global business travel. Imposition of increased tariffs and associated retaliatory measures could severely impact the global economy and the global business travel market in tandem. An analysis of the mathematical correlation between the two shows that nearly 60%<sup>15</sup> of the variability in global business travel spend can be explained by global trade volumes.

## Rise of Terrorism

With rise in political unrest and terrorism around the globe, businesses need to take into account the safety of their employees who travel for business. According to a survey ~56% of corporate buyers<sup>16</sup> have witnessed an increase in the number of business travellers reporting heightened personal safety concerns and a quarter witnessed more requests for security training in the last six months.

Source: 14. "Hoteliers see room rates growing to highest level in a decade" dated 10th April, 2018 published in Live Mint; 15. GBTA; 16. A survey of 236 corporate travel buyers, commissioned by American Express Global Business Travel



A person in a dark suit is seen from the side, looking out a window. The window shows a vibrant sunset or sunrise with bright orange and yellow light. The person's face is in shadow, and the background is dark. A blue banner is overlaid on the right side of the image.

The discerning  
business traveller

Millennials\* are expected to account for almost half the global workforce by 2020<sup>17</sup>. Over 50% of India's population is under the age of 25, with more than 65% below 35 years. Thus, India has one of the youngest workforce in the world. By 2021, 64% of the total Indian workforce will be below the age of 35<sup>18</sup>.

These millennials are intrinsically tech-savvy, socially and environmentally responsible, and nearly twice as likely to want more business related travel than previous generations. They desire to experience the world and are enabled by rising disposable income levels, a connected and globalized workforce and are influenced by social media. This is leading to emergence of trends such as bleisure, value driven and mobile friendly business travellers, and an increase in women travellers.

The advent of a millennial workforce amplifies the need for employers to understand the expectations, and habits of the next generation of employees. This is crucial for attracting and retaining talent.

With rapid globalization and technological advances, corporate travel is witnessing an upswing. There is an increased need for businesses to travel in order to maintain their business relationships, expand them and deliver enhanced customer experiences. Business travellers, in turn, are motivated by personal ambition and desire for recognition. They also see it as an opportunity to grow both personally and professionally. When they travel, they are looking for convenience, comfort and connectivity to stay productive. Almost 60% of Indian millennials consider travelling for business an upward movement in life<sup>19</sup>.

**Figure 8: Benefits of business travel to employees**



Source: Hyatt Place Business Traveller Survey, September 2018\*\*

\*Refers to people born between 1985 and 2000

\*\* This survey consisted of more than 1300 business travellers across India, US and China

Source: 17. 'Trends on Business Travel's Biggest Generation: Millennials', American Express GBT, 2017; 18. 'By 2020, India will have the largest young workforce', dated 12th March, 2016 published in Times of India; 19. 'Flying high, 92 per cent millennials look forward to their next business-trip', dated 10th September, 2018 published in Economic Times





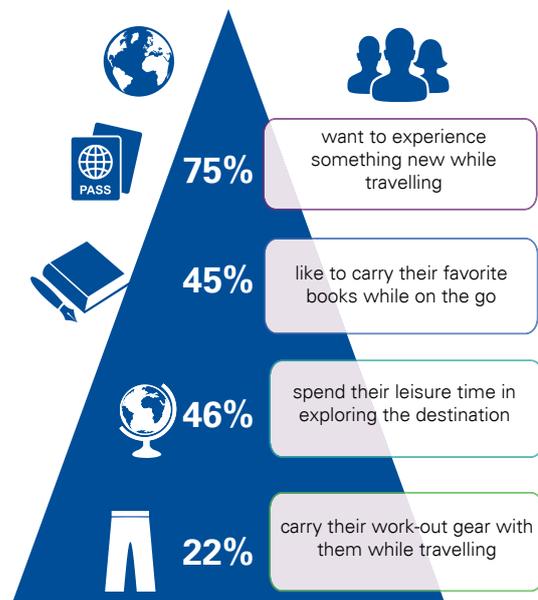
### Combining business with leisure

The modern work place is becoming more adaptable and flexible in nature. With corporates increasingly adopting ‘work from home’ policies and flexible working hours, the line between personal and professional lives is blurring. Millennials have embraced this flexibility and freedom, especially with respect to travel and often extend their business trips to include leisure days or experiences.

Bleisure is a commonly used term for when employees combine their business trips with leisure activities. Corporate houses are increasingly allowing flexibility in business trips to adapt to this rising trend. Thus, there has been a significant increase in number of bleisure trips, both domestically and internationally. 55% of millennial travellers<sup>20</sup> are willing to extend a trip for personal reasons. Younger travellers, aged 20 to 25<sup>21</sup>, are most likely to merge their business and leisure trips. These travellers tend to take one or two such trips a year, regardless of the demographic segment or travel frequency.

Destinations with longer flights tend to have a higher likelihood for bleisure. Financial and industrial hubs such as Singapore, Malaysia, Dubai, Hong Kong, Turkey and London are growing in popularity as bleisure destinations. Domestic destinations popular for such trips are Mumbai, Kolkata, Bangalore as well as Kochi. These locations typically offer excellent leisure facilities like top of the line restaurants, theatres, shopping opportunities, theme parks, etc. Senior executives of companies are sometimes accompanied by their spouses/ families for business trips to such locations.

Figure 9: Leisure time during business travel



Source FabHotel Consumer Survey 2018\*

These travellers often tend to extend their business trip over a weekend to relax.

92% of millennials nowadays eagerly look forward to their next business trip<sup>22</sup> and it is a coveted business perk in India. To ensure this trend has a positive impact, both employer and employee must be able to clearly articulate where their respective responsibilities lie with respect to policy and insurance. Providing such flexibility and potential downtime to employees results in them being more productive, engaged and loyal in the long term. According to GBTA Business Traveller Sentiment Index 2015, top talent often make career decisions around companies that offer flexible and favourable travel policies.

\*\* This survey consisted of more than 5000 business travellers across India

Source: 20. ‘Trends on Business Travel’s Biggest Generation: Millennials’, American Express GBT; 21. ‘Rising trend of bleisure trips gives boost to travel industry’, dated 4th January, 2018 published in Outlook India; 22. ‘Flying high, 92 per cent millennials look forward to their next business-trip’, dated 10th September, 2018 published in Economic Times



## Value for Money

From a corporate perspective, providing employees with some flexibility and freedom to make their own business travel choices, within specific parameters, can be beneficial. By pre-negotiating rates with a variety of airlines and hotels, there is greater scope for employees to select the option that best suits their needs while complying with company policy.

Millennials have a passion for unique experiences and are not confined to traditional transport and accommodation options. With the evolving landscape of the travel hospitality industry, options beyond traditional hotels have caught the attention of corporates and business travellers. This love for value and freedom of choice are two of the main drivers behind the growth of shared economy services.

A recent survey showed that travellers make informed decisions about their trips, with 91% of them using review sites and 85% using price comparison sites<sup>23</sup>. This highlights the fact that travellers not only want varied experiences but are also looking for 'value for money'. Thus, exploring sharing-economy services appeals to them.

The rise of sharing economy platforms such as Oyo, Airbnb, Ola, Uber, etc. benefits employees and organisations alike. They enable organisations to be more cost efficient, have access to a range of options and better locations. For business travellers, they help to satiate their craving for unique experiences while fulfilling their need for comfort.

Since its launch in 2008, Airbnb has hosted more than 100 million guest arrivals worldwide, with business travellers accounting for 10% of all bookings<sup>24</sup>. This is largely driven by travellers seeking accommodations that allow them to experience cities and neighborhoods they visit.

A survey of 1,650 travellers found that 74% of millennial business travellers had stayed in vacation rentals like Airbnb. Additionally, 44% of the millennial travellers surveyed prefer staying in these types of sharing-economy accommodations<sup>25</sup>.

Thus, travel managers all over the world are beginning to consider integrating sharing economy companies like Oyo into corporate travel programmes. Leading TMCs have already initiated partnerships with such platforms.

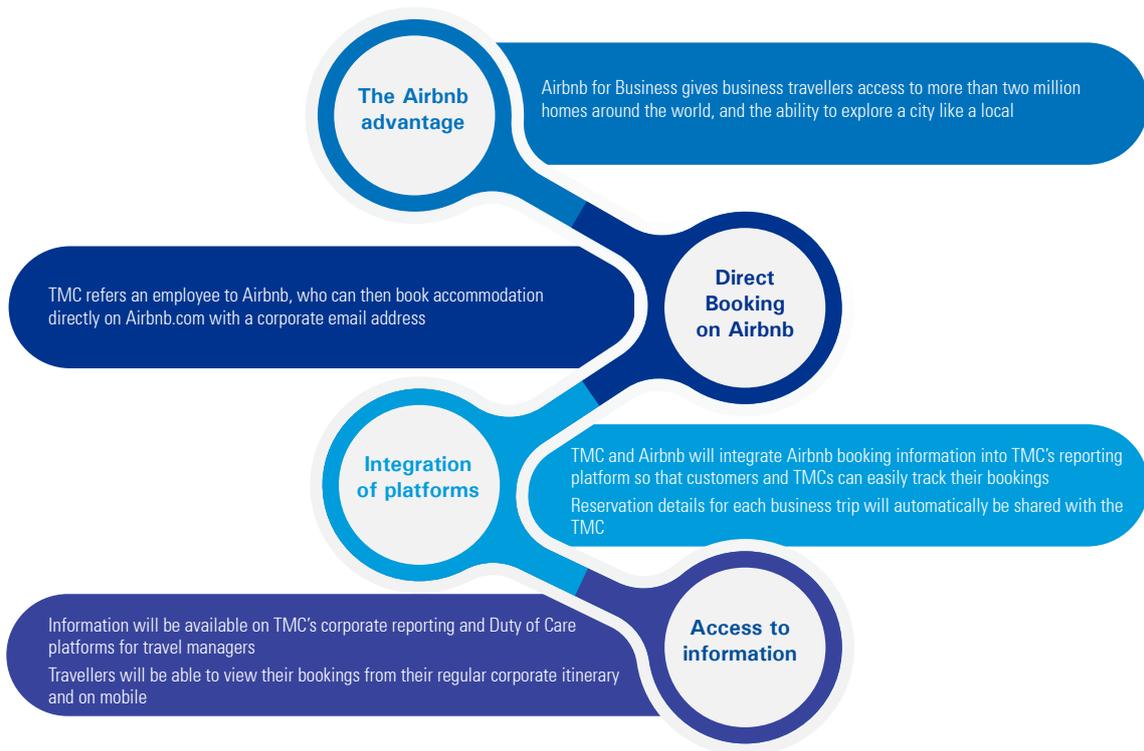
With the help of TMCs, corporates can further evolve their travel policies and offer their travellers the ability to book their preferred accommodations. However, there are many concerns around safety and security, cost, licensing and taxes, employment practices, and data security that need to be addressed before such platforms are incorporated into corporate travel programmes.



Source: 23. 'The Indian Digital Traveller Research' report, November 2017, Travelport; 24. AirBnB website; 25. 'Trends on Business Travel's Biggest Generation: Millennials', American Express Global Business Travel



**Figure 10: TMC partnership with Airbnb\***



Source: KPMG Analysis

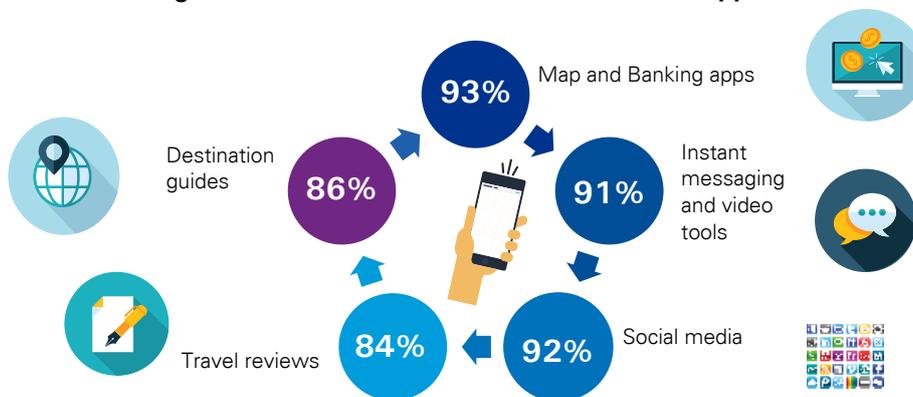
\*Partnership with Airbnb is cost effective in a global scenario. However, in India, local sharing economy service providers such as OYO are better suited for maximum comfort and savings for companies

**Mobile Friendly**

The overall Indian travel market is expected to reach USD 48 Bn by 2020. Online bookings are estimated to account for around 40%-50% of the total transactions by 2020<sup>26</sup>. With the increase in smartphone penetration and digital payments usage, India's online hotel market is estimated to be growing at a CAGR of 25% to reach USD 4 Bn by 2020 (from 2015). By 2020, one in three hotel rooms will be booked online<sup>26</sup>.

This is a clear indicator of the growing number of digital touchpoints in various phases of a business and leisure travellers journey. A travel consumer spends close to 49 minutes, visiting as many as 17 different online touchpoints to plan, research, and make a booking<sup>26</sup>. Indian business travellers use 20 different categories of apps throughout their trip<sup>27</sup>.

**Figure 11: Indian business traveller's use of apps<sup>27</sup>**



Source: Travelport survey of 11,000 travelers in 19 countries

Source: 26. 'Demystifying the Indian Online traveller' report, June 2017; 27. Independent study by Travelport, May 2018



The business travel industry lags behind leisure travel in terms of mobile booking technology. However, due to higher volumes of millennial travellers, there is a growing demand for mobile capabilities in business travel. These travellers prefer to research and book both flights and accommodations on mobile. When booking a trip themselves, 60% of India's millennial business travellers do so online through their desktop or laptop, with 47% of them booking through their smartphones<sup>28</sup>.

Millennial travellers rely on technology for the entire travel booking process – from online reviews to mobile booking and check-in to staying connected with colleagues in a new city. Majority of travellers prefer online methods of research as it provides greater information, occasionally better deals and higher level of convenience<sup>29</sup>.

Hence, providing a seamless and mobile friendly travel experience in a business ecosystem, can help improve an employee's overall travel experience.

Business and leisure travellers alike are demanding greater omni-channel support throughout their travel journey. This presents a significant opportunity for travel management companies, as well as other businesses that support them. Such companies need to provide digital processes and support to enhance their customer's experience.

Travellers today want relevant and timely content at their fingertips. The shifting trends among Indian business travellers, before and during their journeys, is pushing the business travel industry to adapt continually to provide responsive, relevant and timely services for customers.

**Figure 12: Generation wise traveller concerns<sup>29</sup>**



Concern	Millennial Business traveller	Gen X2 Business traveller	Baby Boomer Business traveller
Unable to access booking information on their devices 24/7	47%	40%	37%
Companies don't use analytics to provide personalized travel	56%	43%	41%
Ability to extend business trip for leisure	72%		44%

Source:28. Independent study by Travelport, May 2018; 29. 'Demystifying the Indian Online traveller' report, June 2017



# Women in Business Travel

Currently, women account for approximately 30% of the economically active workforce and nearly 25% of domestic business travellers. This number is expected to rise as women account for 41.6% of those enrolled in higher education and are entering high level positions in the professional hierarchy.

As the number of women in business travel increases, the industry will have to adapt to cater to this trend. In order to ensure safety of women travellers, certain adjustments will have to be made across all stages of travel such as cab booking, flights, hotels, etc.



Initiatives such as employee tracking when women take cabs, priority flight bookings, pocket guides with information for employee safety need to become more common to create a safe working environment for women. The hotel industry, starting with ITC Hotels, was the first in the travel value chain to recognize the importance of safety for the independent woman travellers and hence introduced women only floors.

Other hotels across India that have taken such measures for their women guests include the Leela Palace, New Delhi, which has a women-only floor called Kamal, the Hyatt Regency Chennai which has women-only bar and the iconic Imperial Hotel, New Delhi, which has a 12-room wing called Eliza specifically for women-only travellers.



## ITC Hotels

- Eva rooms that are exclusively for women
- Videophone for additional screening of visitors, restricted entry by key cards
- Women-only staff on all their Eva floors

## Lemon Tree Premier Hotels

- In addition to its Business rooms and Executive suites, Lemon Tree provides women-only floor for its female guests



## Taj Hotels

- Exclusive women-only rooms and floors
- Single women travellers get rooms near the elevator, each room being equipped with a video phone
- Dedicated female concierge, a women-only housekeeping staff and a "for your care" kit comprising women's personal products in the room

## Oberoi Hotels

- Women-only rooms and floors
- Lady chauffeurs and women guides for sightseeing



Source: 'Millennials are reshaping India's travel industry', dated 24th August 2014 published in CNBC; Company websites



# Four Pillars of Corporate Travel Management



Corporate travel management refers to the strategic management of a company's approach to travel. This includes vendor negotiations, daily operation of business's corporate travel programme, safety and security in the sky and on ground, travel-related expenses and appropriate credit-card management.

A comprehensive travel management programme aims to integrate and fulfil the needs of various stakeholders. While travel management companies (TMCs) can provide the basic day-to-day travel services to corporates, there are other aspects that also need to be accounted for.

For employees, it plays a role in keeping them safe and productive while travelling on business, and equipping them to make necessary choices through assimilation of relevant information.

For travel and procurement managers, it centers around advising them on how to optimize their business travel programme, through in depth analysis of travel spends and traveller behavior.

For senior executives, it ensures that the corporate travel programme supports company objectives, by allowing them to focus on their core business.

There are four key pillars that sustain a good travel management programme; ensuring safety of employees, increasing cost effectiveness of the programme, increasing productivity of employees while travelling for business and increasing transparency within the programme. Going forward, each of these pillars should be considered while selecting a TMC, instead on focusing solely on price.

**Figure 13: Successful Corporate Travel Management**



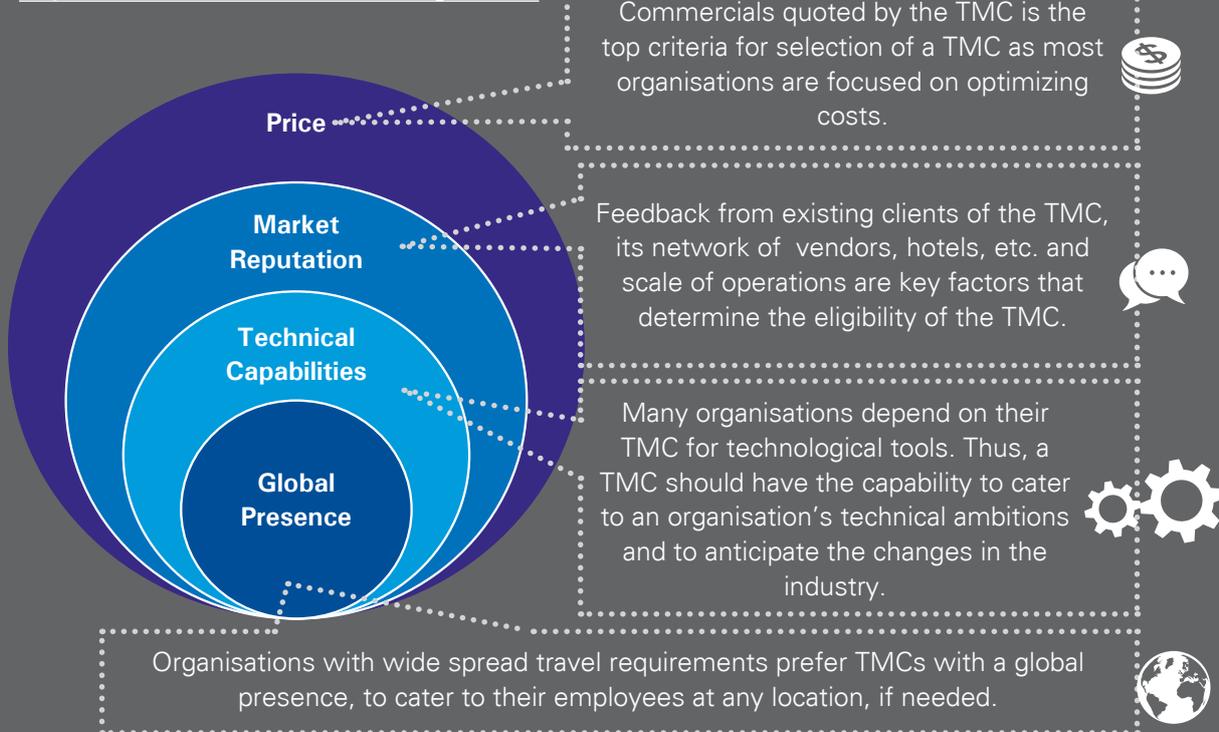
Source: KPMG Analysis



Basing the selection criteria for TMC partners around the said four pillars can help organisations to reduce costs and deliver enhanced employee satisfaction.

Steps to selecting a TMC			
Detailing the requirements of TMC	Identifying key selection criteria	Evaluating offers	Contract signing
<ul style="list-style-type: none"> <li>Define objective of TMC appointment</li> <li>Internal survey, feedback and inputs on travel needs, perceptions and requirements</li> <li>Technology requirements</li> <li>Learnings from existing TMC</li> <li>Travel budgeting</li> <li>Monthly MIS reports</li> </ul>	<ul style="list-style-type: none"> <li>Cost/ commercials quoted</li> <li>Reputation/ existing client feedback</li> <li>Current technology deployment and capabilities</li> <li>Front end and back end support</li> <li>Data analytics</li> <li>Value added services</li> </ul>	<ul style="list-style-type: none"> <li>Bidding rules and weightage to respective criteria</li> <li>TMC profiling, network, capacity and capabilities</li> <li>Prior experience &amp; expertise</li> <li>Account management</li> <li>Quality control</li> <li>Risk management and security review</li> </ul>	<ul style="list-style-type: none"> <li>Contract documentation</li> <li>Agreement on terms and conditions</li> <li>Finalizing the service level agreements</li> <li>Dispute resolution mechanism</li> <li>Critical success factors and quarterly reviews</li> <li>Average contract period of 2-4 years</li> </ul>

**Key Selection Criteria for selecting a TMC**



Source: Industry Interactions by KPMG in India, KPMG Analysis



# Safety



Ensuring employee safety during business travel is the top concern for most organisations irrespective of the sector they operate in or the scale of their operations. Rise in business travel volumes and disruptions due to numerous factors such as climatic changes, natural disasters, terrorist activities, accidents, political unrest, etc. have created a high need for organisations to have a comprehensive and structured safety programme.

Companies need to ensure that business objectives do not overshadow other important factors such as providing all members of the organisation with appropriate security and support at all times.

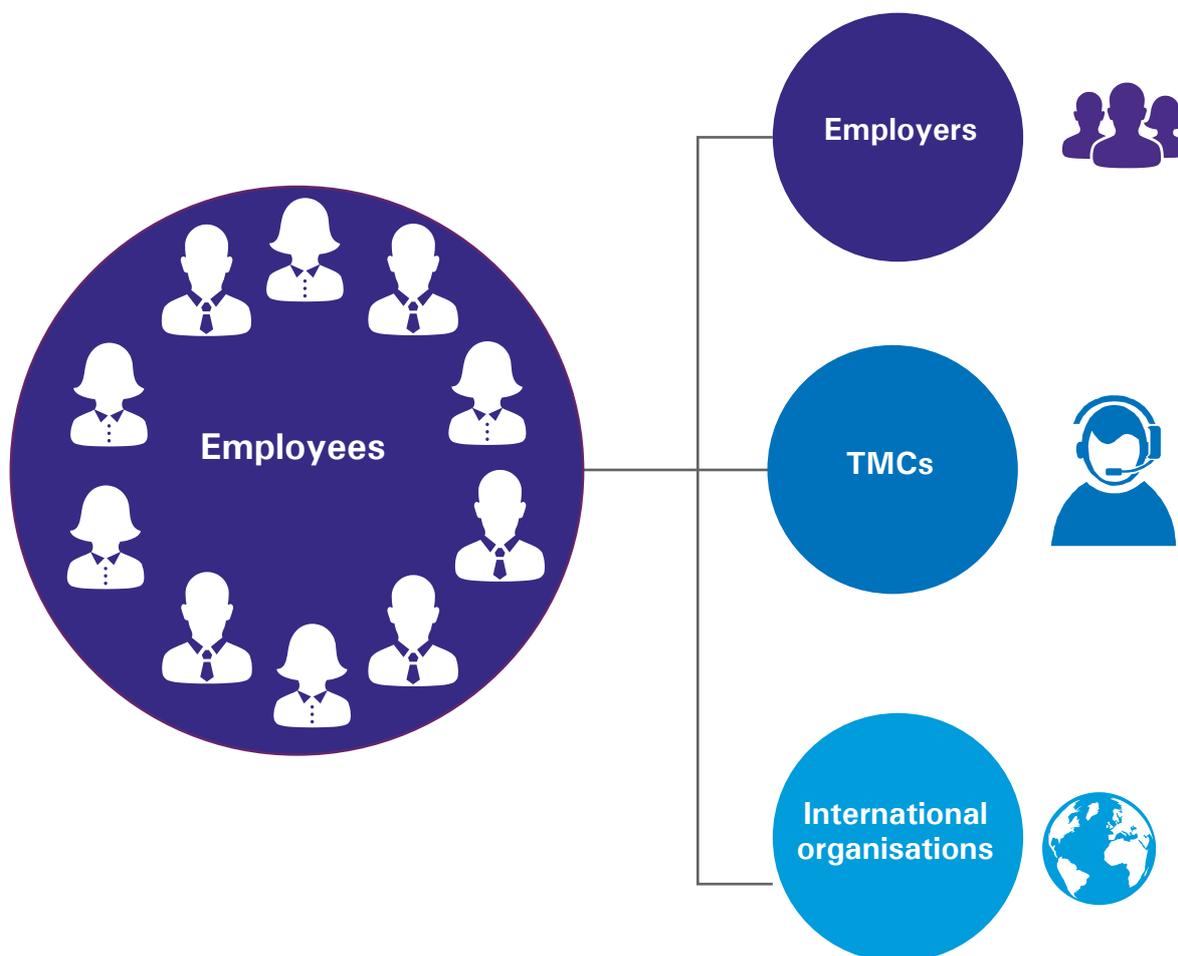
As the importance of safety in travel gains momentum, corporate travel managers are well-positioned to fill travel policy gaps, as well as prepare their organisations for future safety challenges. Proactive initiatives to support and

protect employees such as safety briefings, trainings, pre-trip documents, etc. can instill a sense of security in employees. This may, in turn, result in increased productivity and loyalty among employees, thereby boosting the business.

Globally, travel managers struggle to implement adequate safety precautions for employees. In some cases, TMCs provide services such as insurance and employee tracking to ensure employee safety. Thus, through their TMC partner, companies can ensure that all potential risks are monitored thoroughly, and that employees and travel managers alike are well-informed of any security risk while travelling on business.

In case of emergencies that require extreme actions such as hospitalization or evacuations, most corporates turn to specialized international organisations for immediate and efficient response.

**Figure 14: Players involved in ensuring employee safety**



Source: KPMG Analysis



## Role of corporates in Duty of Care

Duty of Care refers to the moral and legal obligations of employers towards their employees, contractors, volunteers, etc. in maintaining their well-being, security and safety, especially during travel.

This concept has evolved over the years, with an increasing relevance in business travel. Earlier, safety was a primary concern only for organisations operating in high risk industries such as energy and shipping. For other organisations, 'Duty of Care' was limited to managing emergency situations. It now extends beyond this to ensuring safety of employees in all travel scenarios, applicable across small, medium and large enterprises.

As companies expand their businesses and explore new geographies, 'Duty of Care' has gradually become a significant component of

any corporate travel programme. Under this programme, employers have the responsibility to develop and deploy appropriate travel policies and travel risk management approaches to protect their employees from possible harm.

Every organisation has unique needs when it comes to ensuring employee safety during travel. These needs depend on factors such as business travel volumes, scale of operations and destinations of travel, etc. There is no one-size-fits-all solution for employee safety.

Hence, various tie ups with specialized organisations such as ISOS for medical and travel security services, iJet for travel risk management services, and TMCs with robust safety features are essential to ensure safety requirements of the business are met efficiently.

**Figure 15: Elements of structured Duty of Care programme**



Source: KPMG Analysis



**Figure 16: Action steps to ensure Duty of Care in Travel**



Source: KPMG Analysis

**Travel Safety concerns of Employees**

Most organisations have high emphasis on ‘Duty of Care’ processes, travel risk management and technology-enabled safety features for international business travellers. However, there is an equal need to consider the aforementioned factors for domestic traveller.

Travelling to unfamiliar destinations and tier II/ III cities, even within India can cause uneasiness for employees. For example, hotels within the allocated budget may not be located in a good area, leading to safety concerns for employees.

Despite rising security concerns, business travel volumes have not been affected as 98% of employees are confident in receiving safety support from their employers<sup>30</sup>. With robust systems and technologies in place to ensure safety, employers and organisations can assuage the travel centric concerns of employees.

**Travel Safety concerns of travel managers**

Over the years, there has been an accelerated rate of change in business travel. However, the corresponding change in corporate travel policies has been gradual.



Many travel managers have taken initial steps to introduce or enhance several measures intended to alleviate the anxieties faced by employees during business travel. Few travel managers have begun leveraging traveller locating technology and provide proactive safety communication to employees. Safety training, emergency check-in technology, safety and security services from their travel management company (TMC) and detailed emergency action plans are some additional tools used by most travel managers. However, travel managers still face some gaps in the travel management programme.

Source: 30. ‘75 percent of Indian business travellers have security concerns regarding domestic travel’, dated 9th October 2018 published in News Baron



**Figure 17: Concerns for travel managers**



Source: ACTE-GBT Survey 2017, KPMG Analysis

The high cost associated with increased safety support from TMCs and implementing emergency check-in systems is one of the key hindrances for corporates. Some organisations may also lack the required knowledge of innovative safety products and services available in the market.

At times, corporations have their own independent tie ups with organisations such as ISOS and iJet for international travel support. This reduces their dependency on TMCs and provides an extra layer of safety for employees travelling internationally.

Firms such as International SOS and iJet provide travel security solutions and travel risk management services around the world. They assist companies in preparing their workforce for travel to unfamiliar and remote locations across the globe, and provide training and guidance on travel risk management to help keep workers healthy and safe.

These organisations are critical when situations require a more active response. In cases of

emergencies, ISOS’s highly trained teams step in to provide global medical assistance and additional security measures such as evacuation of travelling employees, etc.

**Figure 18: Benefits of International SOS**



Source: Company Website

Hence, collaboration and discussions between all stakeholders, including travel managers, TMCs, employees and other parties is crucial to mitigate or overcome all challenges that may arise during the course of employee travel.



## Travel Risk Management

A travel risk management programme is a well-rehearsed plan that provides Duty of Care to employees. Various situations can arise while employees are on their business trip, ranging from natural disasters to civic unrest. A robust travel risk management programme properly equips employees to handle such situations and complete their travel safely. It does not eliminate risks, it highlights them and mitigates them to some extent.

For an effective travel safety course, all aspects of travel risks, how to mitigate them, and how to react if they do happen must be understood by employers and conveyed to all employees.

**Figure 19- Steps for Travel Risk Management**



To ensure all travel associated risks are covered, organisations can follow certain principles or guidelines such as GEBIR principles of travel risk management. With the right travel risk management solutions and travel security services in place, an employer’s ability to uphold their Duty of Care can become much easier.

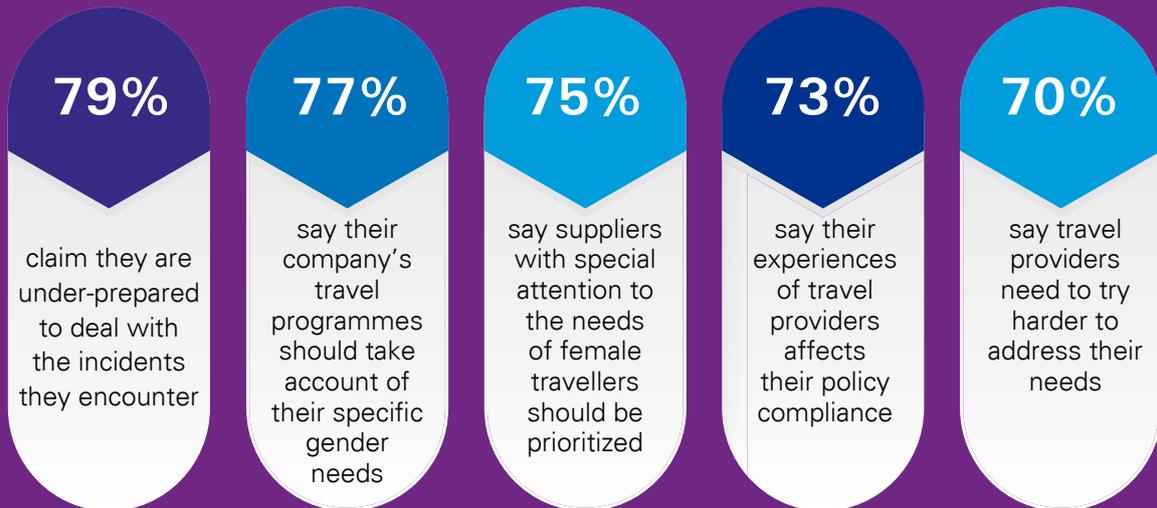
**Figure 20: GEBIR Principles of Travel Risk Management**



## Women's Safety in Corporate Travel

As the number of women travellers in business increases, there are certain necessary adjustments that need to be made to travel policies, in terms of safety, to accommodate to their needs. Currently, 71% of female business travellers believe that they face greater safety risks than their male counterparts. With these growing safety concerns, corporates travel managers need to revamp travel policies and take significant steps to ensure women's safety in business travel.

### Safety concerns of women business travellers



### Policies to ensure women's safety in business travel



Source: 'Women in Business Travel 2016', Maiden Voyage; Industry Interactions by KPMG in India



## Voices of the industry

“

We have specific women safety policy that includes calling them to ensure they are safe when they travelling late at night or alone.



**- General Manger**  
at a leading FMCG company

“

We have to travel to all sorts of locations to deliver services but employee safety is our top priority and hence, we have to occasionally refuse travel to some places with high risk of terrorist activities.



**- Head of Finance**  
at a leading healthcare service provider

“

We have a tie up with ISOS for international travel and we leverage our own pan India presence for domestic situations.



**- Head of Admin**  
at a leading equipment manufacturer

“

We provide a pre-departure checklist to all employees, along with travel information on the destination.



**- Head of Admin**  
at a leading telecom service provider

“

We leverage our own pan-India presence to ensure employee safety, instead of tie-ups.

”

**- Head of Admin**  
at a leading telecom service provider

“

We recommend that our employees stay in our guest houses or hotels that we have tie-ups with in order to ensure good quality and safety.

”

**- Head of Admin**  
at a leading appliance manufacturer



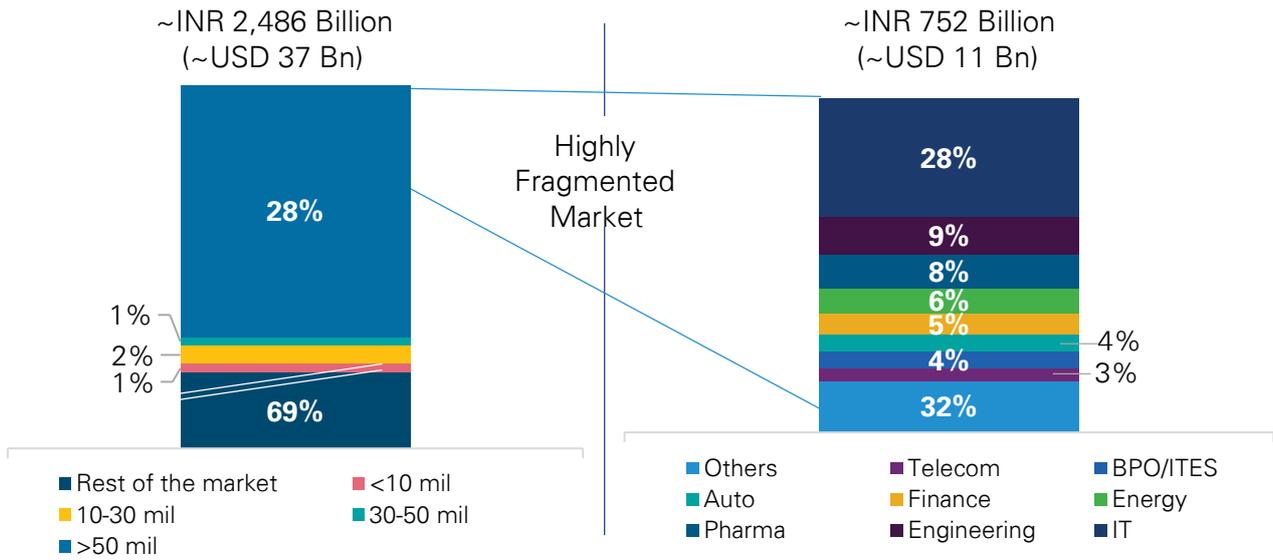
# Efficiency



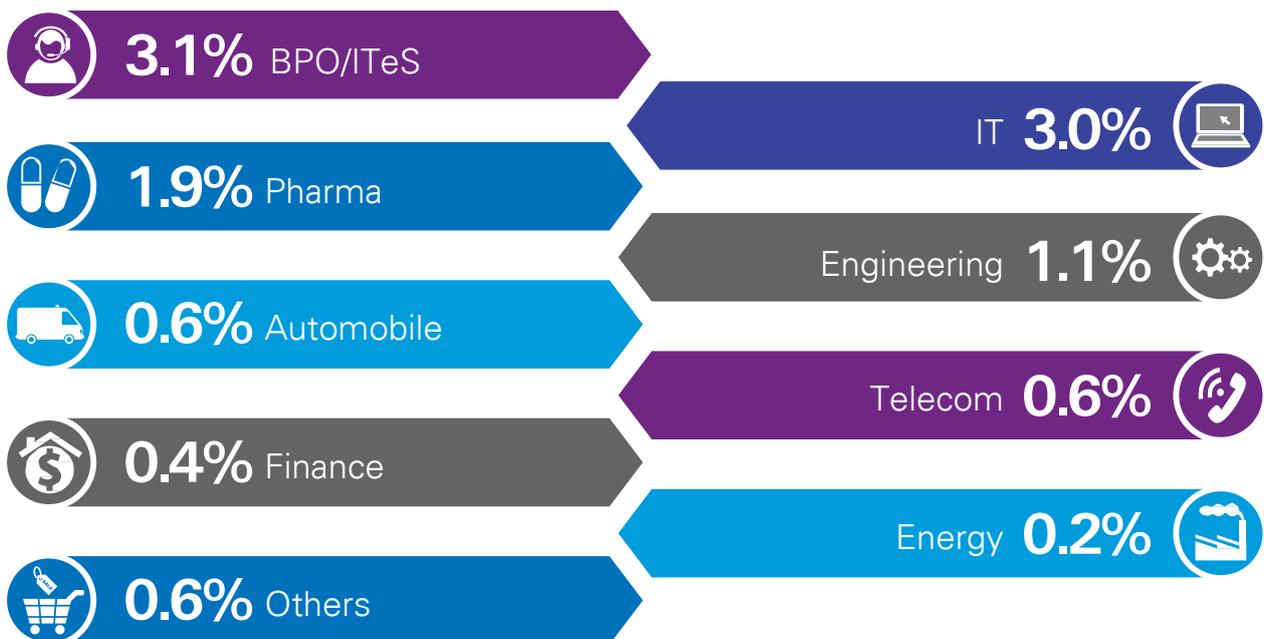
Indian business travel market is highly fragmented, with ~70% of corporates spending less than INR 10 million<sup>31</sup>. IT companies have the highest share amongst those spending more than INR 10 million followed by engineering and pharmaceutical companies. IT, BPO/ITeS and pharmaceutical industries have higher travel spends as a percentage of their revenue.

The cost incurred while travelling for business is the second highest operational cost for most organisations. Business travel is central to both maintaining business as well as expanding it and due to rising cost of travel, it is becoming imperative for corporates to drive higher levels of efficiency in their managed travel programme.

**Figure 21: Corporate Travel Market – Travel Spend >INR 10 million**



**Figure 22: Industry-wise Travel Spend (as % of revenue)**



Source: Yatra Investor Presentation November 2018

Source: 31. Yatra Investor Presentation November 2018



The cost of travel for an organisation encompasses much more than just the cost of air tickets. To account for the total financial impact, organisations need to consider all the costs associated with the procurement, management and use of travel. These include:

**Front end costs** - costs surrounding Duty of Care, travel management administration, procurement, supplier and contract management fees

**Travel costs and expenses** – cost of travel including ticket purchase, parking fees, lease or hire costs of vehicles, or maintenance and fuel costs. Additional costs may also come from accommodation fees, travel expenses and insurance claims

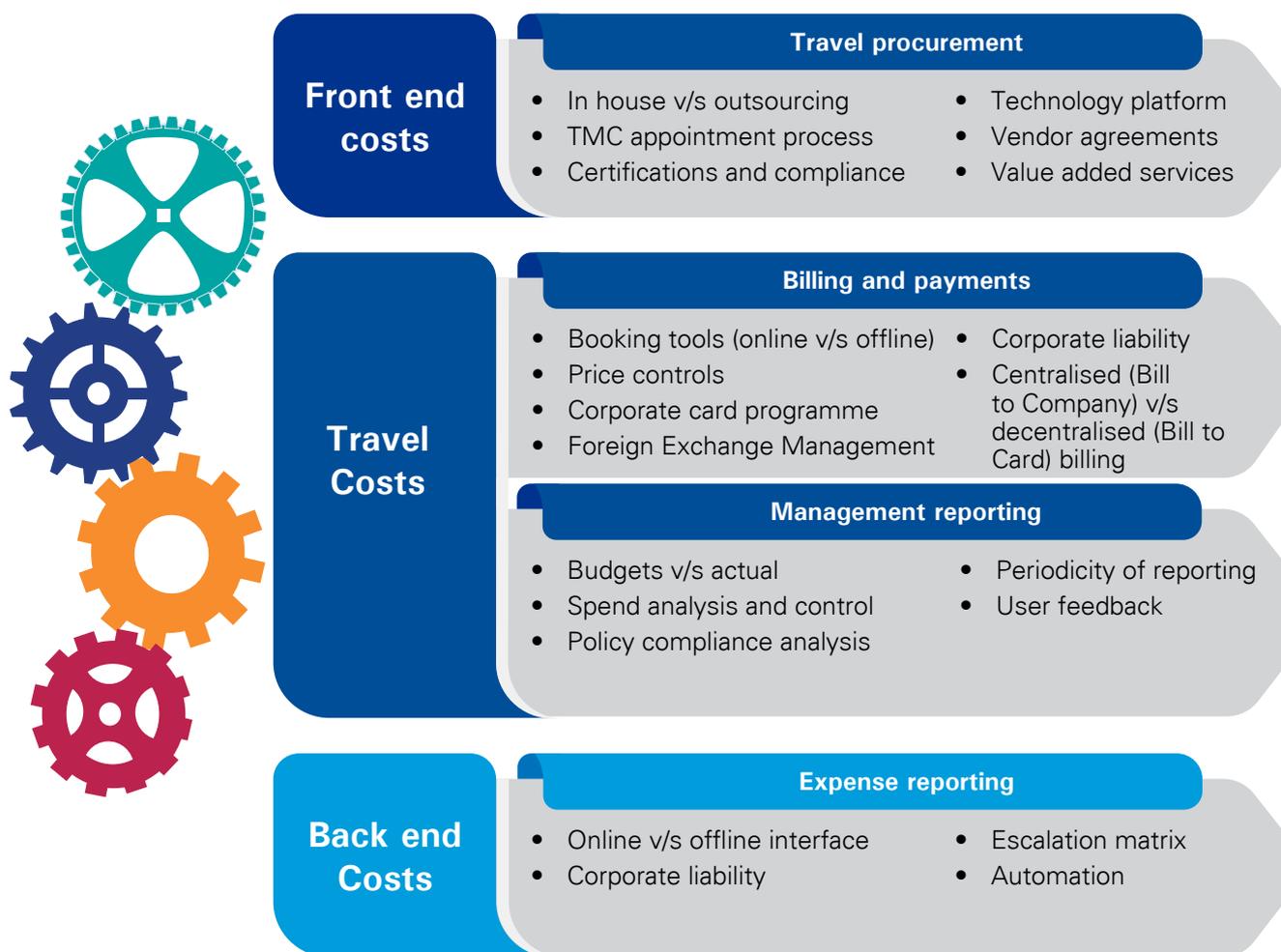
**Back end costs** – costs associated with invoicing and expense processing, management and reporting, and possibly litigation costs.

Foreign exchange spending is another major cost incurred while travelling internationally – especially due to the volatility in the exchange rates.

There are four main levers that require constant coordinated interaction with each in order to control the afore mentioned complex travel and entertainment costs of an organisation:

- Procurement
- Billing & payments
- Expense reporting
- Management reporting

**Figure 23: Levers to control T&E expenses**



Source: KPMG Analysis



## Back-end Costs

Expense reporting is central to managing back end costs. This varies from one organisation to another and is dependent on the scale of operations, amount and nature of business travel involved as well as the sector in which the company is operational. There are broadly five stages of travel and expense management maturity. Each stage correlates to the life-cycle stage of a given company. As organisations grow, their needs change. Expense management solutions initially drive efficiency by introducing a certain level of automation but need to be ramped up with time. As a company diversifies, adding additional product lines, sales staff, and geographic operational territories, the business complexity rises. Hence, there is an increasing need to utilize analytics in order to drive a consistent level of cost efficiency.

Most Indian corporates identify mobility, visibility and control as major challenges while managing travel and expenses of their employees. Most of these organisations are in the first two stages of the T&E maturity cycle and are now looking to include technology driven

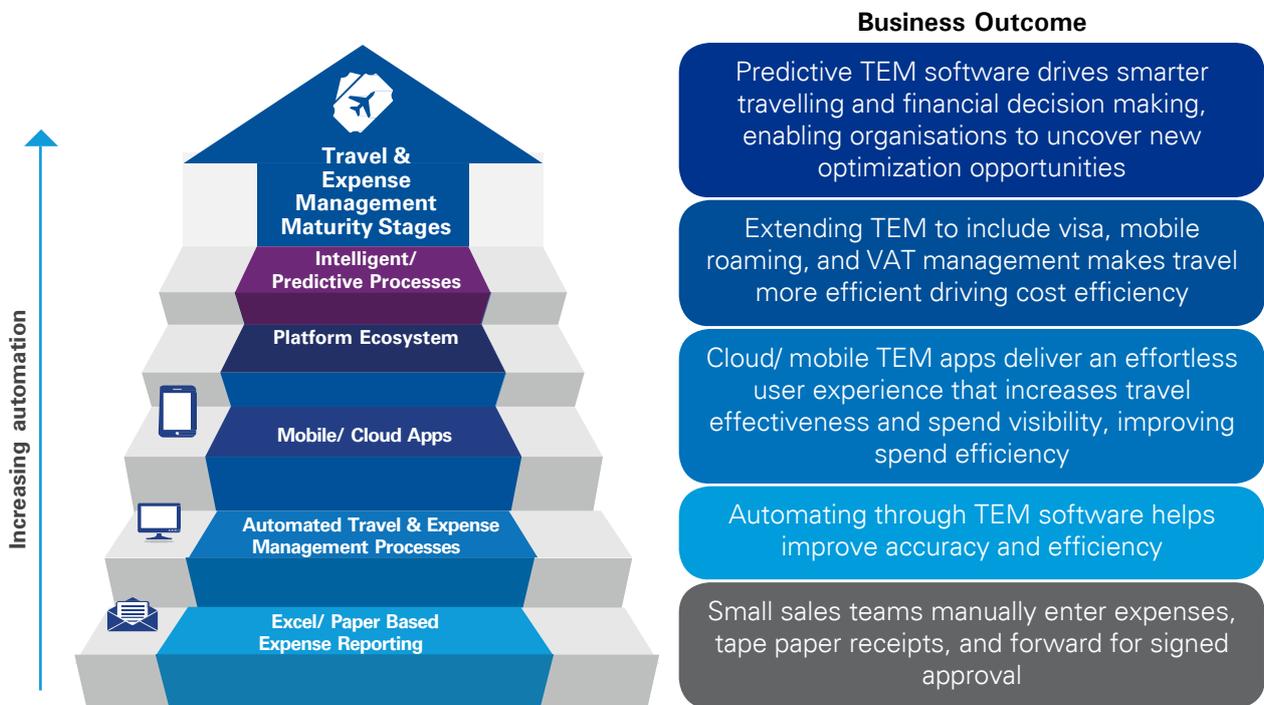
**Figure 25 : Expense Management in Indian Firms**



Source: Happay survey\*

expense management systems. Having a partner that is driving innovation in the TEM space enables organisations to focus on what matters most — their own revenue-generating business initiatives.

**Figure 24: Travel & Expense Management Maturity Cycle**



Source: Concur, KPMG Analysis

\* Over 200 companies covered in the survey included 26% with revenue of over INR 5,000 crore, 17% in the range of INR 2,500-5,000, 25% in range of INR 1,000 to INR 2,500, 31% in range of INR 250-500 crore and 1% below INR 250 crore revenue





Travel expense management process is data heavy. Information flows from different sources – employee reimbursement, accounts department, vendor invoices, credit card statements, travel desks, etc. Thus automation in expense management systems has the ability to reduce report processing costs, provide more visibility into the expense data (spending, compliance rates etc.), derive useful insights through improved MIS reports and also reduce employee reimbursement time.

**Figure 26: Benefits of Outsourced Expense Management System**



Source: Industry Interactions by KPMG in India, KPMG Analysis

### Travel Costs & Expenses

Air tickets and lodging form the biggest components (86% combined<sup>32</sup>) of travel expenses of companies. Lodging, airlines, and local activities represent the core of the travel industry, however, ground transportation including car rental, ride-hailing, etc. is another major cost head. Items such as spending for internal meetings, baggage fees, parking, and taxi services also contribute significantly to overall travel expenses. These expenses, if managed correctly, could save hundreds of thousands of dollars per year.

The Indian business travel market is highly fragmented. Approximately 10% of this market is controlled by large TMCs or B2B aggregators<sup>33</sup> primarily serving large corporates by providing them complete travel solutions. In the past, the Indian corporate travel market was characterized by lengthy manual offline processes. However, most large corporate houses are now moving to online booking portals with some of them launching self booking tools for their employees. These tools have in-built functionalities to ensure adherence to travel policy. These businesses look towards their TMC partner to make best prices of airfares available to their employees.

Most of these business houses, however, also have an internal travel desk that independently checks prices of air tickets to ensure their TMC/ travel agent is giving them the best price available.

An important lever for controlling the cost is the billing structure followed- i.e. centralised billing (bill to company) vs decentralised billing (bill to

Source: 32. Euromonitor “Intermediaries corporate business sale India”; 33. Yatra Investor Presentation November 2018



card). The former is prevalent in the industry as of now. However, the latter model seems to hold greater value for corporates. The bill to card model effectively increases the credit period from a week to 30-35 days thereby significantly reducing the working capital requirements. It also enhances the control that organisations wield over policy compliance as well as expense management while also smoothing the booking and reimbursement processes.

Foreign exchange purchased while travelling internationally is another major cost head for corporates. Conventionally, employees carry cash along with their corporate cards while travelling abroad. However, this practice comes with its own set of challenges. Using corporate cards while travelling abroad adds significant amount of foreign currency mark-up fee, foreign transaction fee, and cash withdrawal charges thus adding to the travel costs. And since there is an upper limit to the amount of cash one can carry while travelling internationally, the additional cost incurred due to extensive usage of corporate cards is significant.

Foreign exchange cards hold the potential to not only address the aforementioned challenges but also mitigate the volatility of differential exchange rates. They allow travel to multiple destinations for longer periods at lower cost.

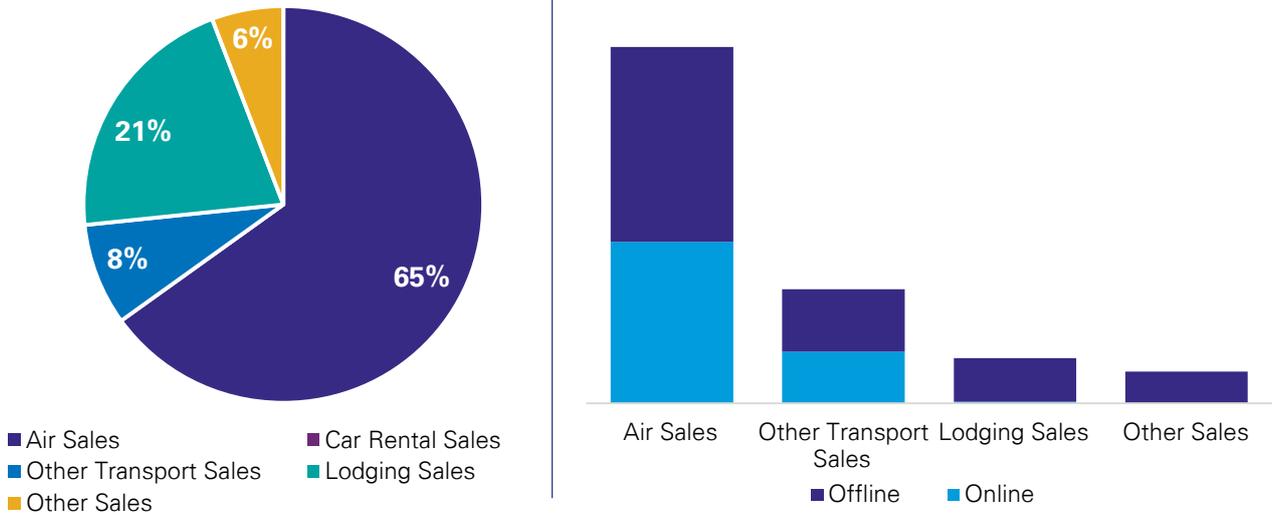
According to FCM Travel Solutions, ~80% of forex spend (billed through them) is through forex cards. These can thus be increasingly used by corporates to drive cost efficiencies in international travel.

Using cards as a primary mode of payment facilitates auto capturing of transactions being made. The data can thus be used to generate customised reports (MIS) and provide higher visibility to corporates around the spending patterns of employees. This in turn enables them to drive higher level of cost efficiencies.

Business travel is also witnessing a behavioural shift to shared economy services. These may redefine the future of lodging and ground transportation within the business travel industry.



**Figure 27: Composition of Business Travel 2018**



Source: Euromonitor "Intermediaries corporate business sale India"

Ride-hailing and car-sharing platforms have completely changed how consumers get around. Autonomous ride-sharing is emerging as the trend to watch as it will bring about a change to the ground transportation industry already in flux.

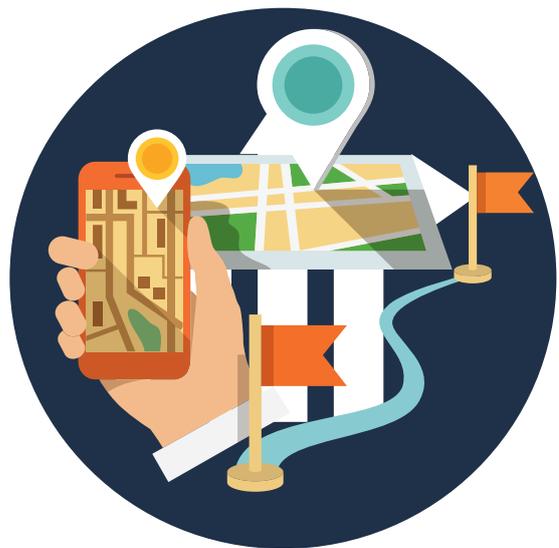
A few organisations have started using shared economy services mainly due to their widespread availability and cost effectiveness. However, one main concern for businesses that are considering sharing economy travel options is Duty of Care. From a business perspective, ensuring that employees are safe while travelling is the main priority. When companies employ the services of sharing economy travel options, this becomes much more complicated as there is a lack of a screening process. Thus, a lot of Indian corporate houses have not widely started using these lodging shared economy services until they can verify the safety aspect of them.

**26%** of travel managers have planned or implemented a policy in regards to sharing economy ground transportation<sup>34</sup>

**21%** of travel managers say that they plan to introduce sharing economy accommodation options within two years<sup>34</sup>



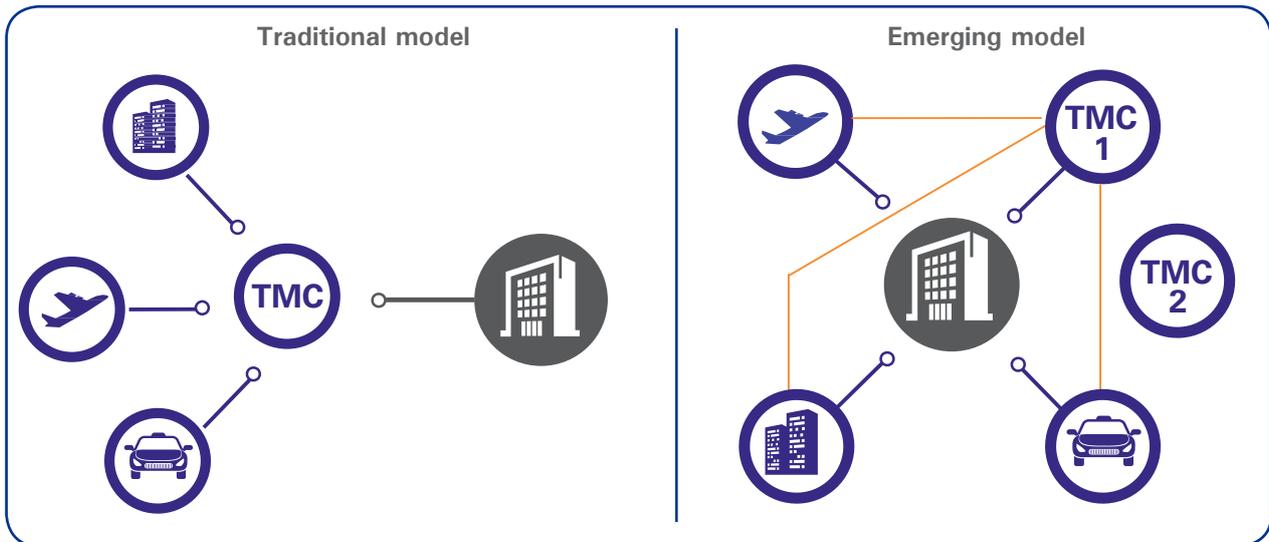
The rise of OYO and Airbnb lodging options, has the potential to drive cost savings for corporates. Airbnb plans to give some hosts a "business traveller ready badge." Earning this badge means that the accommodation will have Wi-Fi, workspace, an iron, and also strict cancellation policies. Thus, making it much easier for business travellers to identify which accommodations are suitable for them.



Source: 34. PhocusWire report "What the sharing economy's success means for your travel business" 2017



**Figure 28: Traditional vs Emerging model for vendor management**



Source: Industry Interactions by KPMG in India, KPMG Analysis

### Front-end Costs

Cost effectiveness is a major pillar for managed corporate travel in India. The major chunk of the front end costs involved in the corporate travel management programme include procurement costs and, supplier and contract management fees.

Most major Indian corporate houses that have significant travel spends outsource their travel management to TMCs. The financials quoted, airline and hotel tie ups, value added services and analytics provided by the TMCs are some of the selection criteria for Indian organisations.

Traditionally, corporates outsourced all the services to their respective TMCs which were re-evaluated only when a major problem was encountered. Nowadays, companies have become more aware and continuously evaluate their TMC partner on a long list of key performance indicators which include (but are not limited to) turn around time, cost savings delivered, cost per trip, etc. Some companies are capturing traveller feedback which is

factored into contract negotiations and supplier measurements.

Large companies with significant travel spends have now started entering into agreements with airlines and hotels directly. They then pass on the discount codes to their TMCs. They continuously monitor the prices of air tickets and accommodations from their end to ensure their TMC partner is providing them with the best prices available. This is not only adding to the redundancy in managed travel but also increasing the cost incurred.

To conclude, corporates need to partner with TMCs who can help them use the four levers to manage front-end, travel and back-end costs. They need to manage these costs simultaneously in order to drive efficiency in their travel programme. If any of these is left unchecked, there will be expense leakages and the corporate will not be able to fully optimize the cost of their travel.



## Voices of the industry

“ We allow our employees to book from a variety of preferred accommodation options such as OYO rooms, through our booking portal. ”

- **Head of HR**  
at a leading home appliances company

“ We ensure all travel is essential and purposeful. We also encourage our employees to book their travel in advance. We audit our travel desk periodically in order to ensure company issued guidelines are being followed. ”

- **Admin Head**  
leading medical devices company

“ We have two TMC partners as well as our own vendor tie-ups. This allows us to keep a close eye on the travel spends and hence drive efficiency in our managed travel programme. ”

- **Senior Manager Admin**  
leading diversified natural resources company

“ We optimize travel costs by reducing turn around time for ticket booking as prices are dynamic. Prices are monitored till 24 hours before travel to ensure best fare. ”

- **Senior Manager Admin**  
leading diversified natural resources company

“ A little less than half our travel is to tier 2 and tier 3 cities. Thus options for flights as well as lodging are few, making it difficult for us to optimize our costs. ”

- **Admin/HR head**  
at a leading multiplex chain

“ Combined packages for MICE and private travel should also be included, making it easier for management. ”

- **Admin Head CXO**  
leading consumer electrical equipment manufacturing company

“ We plan to continually detect our travel volumes and areas with scope of re-negotiation through analytics provided by our TMC in order to optimize our travel costs. ”

- **Manager Admin**, at a leading FMCG company



A photograph showing a group of people in a meeting. In the foreground, a person's hands are seen holding a tablet. To the right, another person is holding a smartphone. In the background, a laptop is open on a table, and other people are partially visible, some looking at their devices. The scene is brightly lit, suggesting an indoor office or meeting space.

# Productivity

In the high pressure work environment of today, approximately 46% of the workforce in India<sup>35</sup> suffers from some form of stress due to various reasons such as tight deadlines, conflict among colleagues, long work hours, etc. High stress in employees adversely affects their performance. This is visible through lower engagement with their work, decline in productivity and higher absenteeism levels<sup>36</sup>.

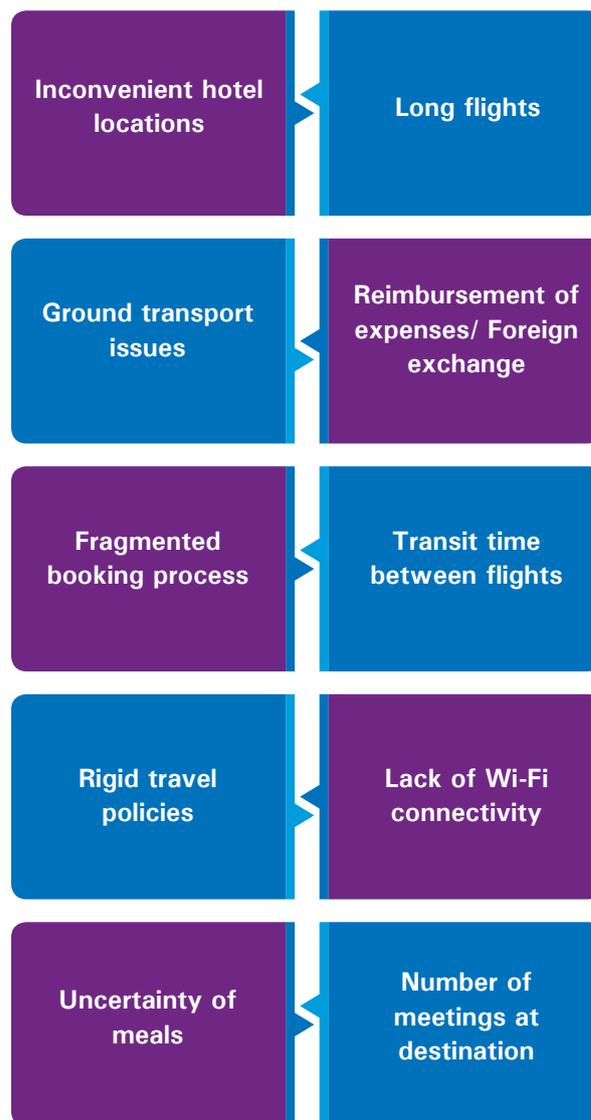
Travelling for business purposes can expose employees to variables that are out of their control such as flight delays, thereby increasing the likelihood of stress.

In 2018, it was observed that 87% of travellers<sup>37</sup> feel that the quality of their business travel impacts their business results. For the modern business traveller, access to certain facilities and Wi-Fi connectivity are crucial for a successful business trip. Other factors that cause stress in a business traveller include long transit times, hostile work environment while travelling, inconvenient hotel locations, and meals, among others. For international travellers, availability of foreign exchange is a key concern due to the restrictions on the amount of forex that can be carried. This is especially accurate for long haul trips that span across multiple destinations. At times, business travellers also have to carry multiple currencies for such trips, which can be stressful. Having a forex travel card can mitigate these concerns to a high degree.

These stress-inducing elements can lead to a decrease in productivity for employees by disturbing their peace of mind and distracting them from business objectives.

To maximize the purpose of a business trip, employees need to feel relaxed and refreshed, at all stages of travel. This allows them to focus solely on their work, leading to improved performance. Over 90% of these travellers<sup>37</sup> agreed that business travel impacts their overall job satisfaction and performance. This is especially accurate amongst millennials, who believe that business and pleasure have to go together to be productive.

**Figure 29: Key triggers of stress while travelling**

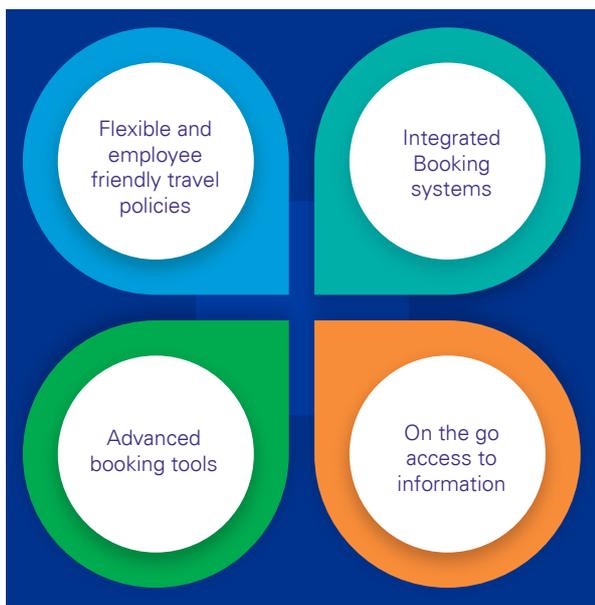


Traveller-focused policies, which take into account the impact of trip-related stress, could help companies increase corporate productivity by up to 32%<sup>38</sup>, while also improving traveller performance and well-being. Thus, organisations need to ensure proper systems are in place for a seamless employee travel experience.

Source: 35. '46% of workforce in firms in India suffer from some or the other form of stress' dated 11<sup>th</sup> June 2016 published in Economic Times, 2016; 36. 'Workplace Stress Leads To Less Productive Employees' dated 11<sup>th</sup> September 2014 published in Forbes; 37. 'Business travel impacts overall job satisfaction', dated 24<sup>th</sup> November 2017 published in Yourstory; 38. 'Hidden Cost of Business Travel', 2014, Carlson Wagonlit Travel



**Figure 30: Elements affecting employee productivity**



Source: KPMG Analysis, Industry Interactions by KPMG in India

### Role of travel policies

Companies can boost productivity of employees by developing a travel programme that enhances traveller experience and reduces stress. Policies that allow travellers to extend their business trip for some leisure time, can have a positive impact on employee productivity. Incorporating the growing desire for bleisure trips into a structured travel policy can benefit both employees and organisations.

Another major source of stress for employees is the lack of visibility into the booking process. Some organisations do not allow employees to choose their bookings, due to cost constraints. This leads to high levels of insecurity for employees. Flying at odd hours and staying in inconvenient locations are the most common outcomes of such rigid travel policies. This may also lead to non-compliance, with employees booking their own travel to get better deals.

Approximately 66%<sup>39</sup> of employees book outside of policy believing that they are saving costs for their organisations.

Source: 39. '66% Of Indian Business Travelers Not Booking Within Policy' dated 17th May 2018 published in Travel Trends Today; 40. 'Reinventing Business Travel Report, 2018, Atlas Travel



However, this leads to many complications for the employees such as lengthy reimbursement processes and approvals needed. These time-consuming process have significant implications for organisations as well.

**Figure 31: Implications of non compliance**



Source: KPMG Analysis, Industry Interactions by KPMG in India

### Advanced booking tools

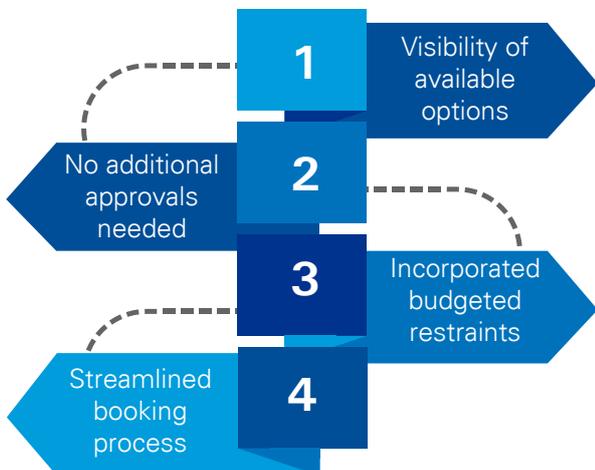
A quick and efficient booking process can save cost and time. Most TMCs and travel managers are constantly aiming to reduce turn-around time of the booking process. However, due to the layers of approval needed and the dynamic nature of air fare, there is a lag between the generation of travel request and when issuing of the tickets.

The travel booking process is one of the more time-consuming aspects of travel for employees. From evaluating the options provided to the back and forth communication with the travel desk, the average time spend by employees on bookings can range from 90 minutes to 2.5 hours<sup>40</sup>.



Higher automation can lead to less employee time spent on the booking process and higher productivity levels. Thus, many organisations have begun implementing advanced booking tools such as online booking tool and self booking tool.

**Figure 32: Benefits of Advanced Booking Tools**



Source: KPMG Analysis

By allowing employees to book their own travel, in a pre-approved and policy compliant manner, the turn-around time for booking can reduce significantly.

One of the key innovations in this domain is the Self Booking Tool (SBT). This tool serves as an integrated user friendly travel management system. It can enable reduction in travel costs, and enhance compliance and decision making with minimal management oversight. Through integration with travel service options through the global distribution system (GDS), allowing employees to select their travel preferences and make bookings. These bookings are automatically checked for policy compliance and then, the details are auto updated in the corporate MIS. With SBT, companies can reduce travel processing costs by 60-70%<sup>41</sup>.

Source: 41. 'Travel and Expense Management Report' 2016, Paystream Advisors Inc.; 42. 'Better Business, Smarter Travel', 2018, Amadeus

### On the go access

Indian business travellers have the strongest appetite for digital services in the APAC region<sup>42</sup>. These travellers act as a driving force for services such as mobile capabilities and on-the-go access to travel information. With growing reliance on technology in everyday life, the same level of connectivity and ease of access is expected when it comes to business travel.



Some companies have attempted to simplify this process by granting access to travel expense mobile applications that allow employees to record expenses with ease. However, there is significant room for improvement.



## Integrated Booking systems

While smaller organisations outsource all their travel requirements to a single TMC, larger organisations have multiple vendors. Thus, every employee has to book air tickets, lodging, surface transport, etc. on separate systems.

In most organisations, travel booking and expense management are handled in separate systems. After the completion of the business trip, employees must go through a lengthy reimbursement process, involving receipts and approvals for all travel expenses.

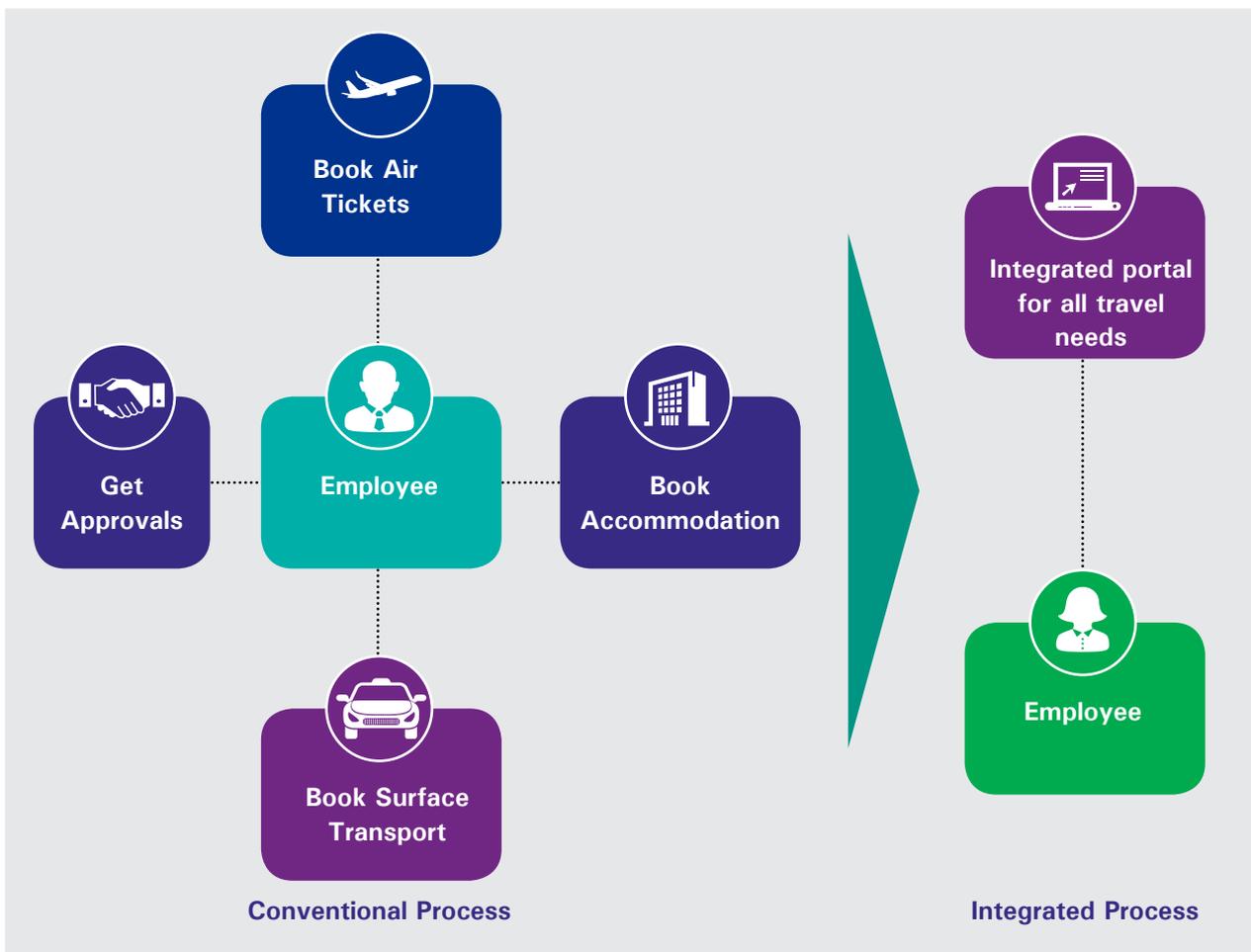
Thus, centralization of all travel related processes and information can lead to an enhanced traveller experience. It can also increase transparency in the system and provide real time information for quick and efficient decision making in case of modifications or cancellations.

Many organisations depend on their TMCs for automation tools and enhancements in the travel booking process. With the high cost of implementing new technologies, some companies prefer to involve their TMCs in decisions involving such innovations due to their domain expertise.

However, currently there is more focus on following restrictive travel policies and compliance than on tools to enhance employee productivity during travel.

The rise of a distinct and diverse generation of Indian business travellers means companies must learn how best to serve their needs. Going forward, companies need to adopt a more systematic approach to travel management that evolves with employee behavior, driven by technology.

**Figure 33: Booking process for employees**



Source: Industry Interactions

Source: Industry Interactions by KPMG in India



## Voices of the industry

“

For international travel, we send our employees a day earlier to allow them to recuperate from their long flight.

- **General Manger**, at a leading electric company



“

We are continuously improving our travel booking process. After implementing Self Booking Tool, we are looking at Blockchain technology to integrate multiple booking systems.

- **Head of Finance**, at a leading construction and engineering company



“

In the future, we will have virtual assistants to make travel arrangements for employees.

- **Head of Travel**, at a leading conglomerate



“

We allow our employees to choose from a variety of preferred accommodation options such as OYO rooms, through our booking portal.

- **Head of Admin**, at a leading electronics company



“

Over the years, the time spent by employee in booking travel has reduced. With the help of technology, this process can be further simplified.



“

In the next few years, there will be no need for implants at the client site and all travel management will be entirely outsourced or done by employee through robust technologically superior systems.

- **Head of Admin**, at a leading oil and gas company



Source: Industry Interactions by KPMG in India



A photograph showing a group of people in a meeting. In the foreground, a person's hands are seen holding a tablet. To the right, another person is holding a smartphone. In the background, a white laptop is open on a table. A person in a pink shirt is visible on the left, and another person in a patterned jacket is on the right. The scene is brightly lit, suggesting an indoor office or meeting room environment.

# Transparency

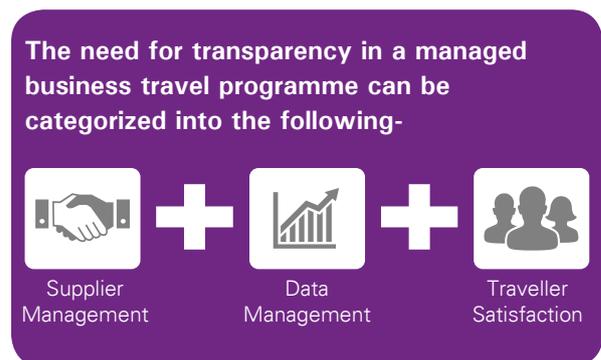


The business travel industry, like any other industry, has buyers and sellers and a network of partners who ease the pain points between supply and demand. But a travel buyer's supply chain is very complex with multiple stakeholders like airlines, hotels, transportation providers, technology companies, payment providers, global distribution systems, travel management companies and others. These suppliers and partners don't just have contracts just with buyers but also with each other thus adding to the complexity of the supply chain. Airlines and hotels have agreements with GDSs, GDSs have agreements with TMCs and TMCs have agreements with airlines and hotels— independent from each party's agreement with the buyer. These stakeholders are engaged in a many-to-many interaction web.

Consequently, there is a complex and invisible stream of payments, incentives, commissions, bonuses, overrides, discounts, waivers and favors flowing within the value chain. This poses a challenge to travel managers.

With the advent of online booking combined with the rising importance of securing personal data, there is an increased need to ensure no leakages in terms of data of employees who are travelling for business. Although agreements between third parties always contain confidentiality and nondisclosure clauses, corporates need to ensure its efficacy. Additionally, insightful data from

**Figure 34: Transparency levers**



*Source: Industry Interactions by KPMG in India, KPMG Analysis*

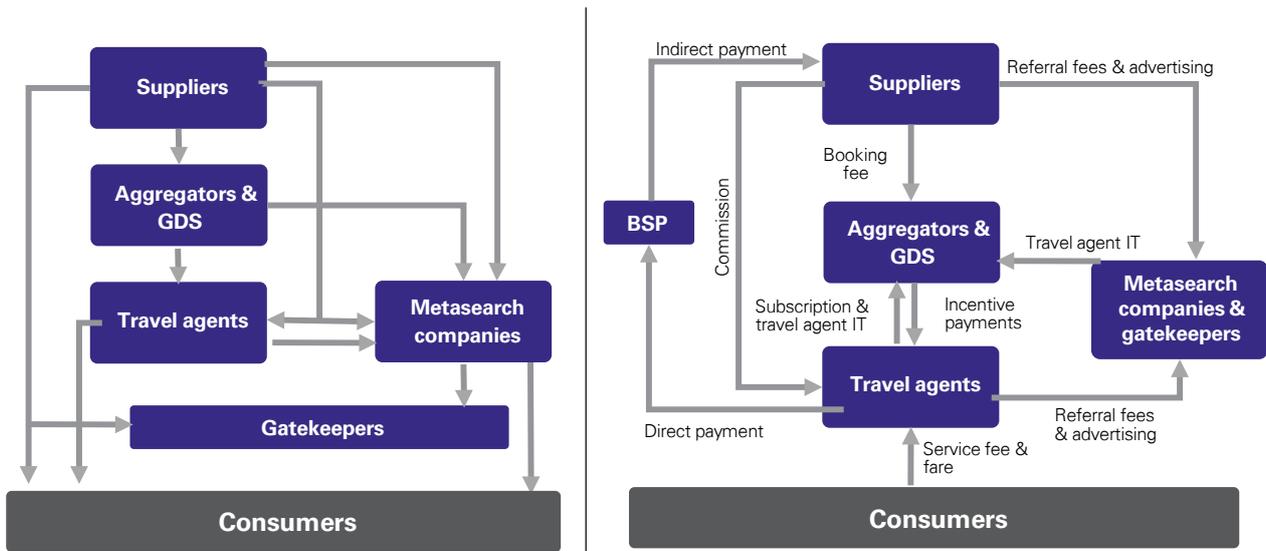
booking systems such as number of employees booking out of policy, flouting the advanced booking guidelines, cancelling/ modifying travel arrangements can help travel managers become savvier and maximize the return on trips for the corporation, while eliminating unnecessary travel costs.

Transparency with respect to traveller satisfaction can help corporates in not only attracting and retaining talent, but also in improving the ROI of the travel being undertaken.

Travel managers can improve the effectiveness of their company's travel by bringing in transparency in the aforementioned areas.



**Figure 35: Travel Distribution Industry**



Source: Amadeus/LSE

### Supplier Management

The flow of incentives, commissions and fees in the corporate travel distribution network is complex and with the advent of internet and online travel agencies, it is becoming more so. Corporates have limited visibility of the markups levied in the distribution system. Hence, a lot of the large corporate houses have direct tie ups with hotels and airlines (that they pass on to their travel management partner) and an internal team that checks various platforms/ sources to ensure bookings are being made at the lowest possible fares.

Airline booking is more streamlined in the Indian corporate travel market as there are a select number of air carriers and companies can easily aggregate their demand to negotiate bulk discounts.

Hotel booking, however, is whole different game altogether. Hotels form the second largest cost head of corporate travel and with a highly fragmented hotel market, negotiations with the hotel industry are very costly and time-consuming. Most Indian corporates are facing a challenge in optimizing this cost head. Although there is high saving potential for hotel purchasing, companies they need more market expertise and cost transparency to do so.

Thus, travel managers need to revise their negotiating strategy by looking into their travel volumes and cross referencing them with their most frequently visited destinations as well as employee spending and booking patterns. They need to adopt the concept of continuous sourcing under which they need to review prices and demand all year round based on the changes in their company's business.

TMCs on the other hand need to bring in meta data, reviews and other marketplace data to give full transparency on quality being delivered to their clients. They need to ensure that all the data is made available on a single source in real time, to enable their partner in making the best decision against a certain quality target and a savings target.

New agreements are being crafted, new terms and conditions are emerging and efficiencies are beginning to flow in new ways. By forcing transparency throughout the RFP process, having proper representation during negotiations and introducing disclosure and right-to-audit terms and conditions into final contracts, corporate travel managers could find hidden benefits in the travel value chain.



## Data Management

With growing digitization, data has emerged as the cornerstone for accurate, reliable and timely decision making. To drive transparency in corporate travel, managers need to look at data from the following two aspects:

- Predictive Data Analytics
- Data privacy and security

Corporate houses should leverage the analytics value added services offered by their travel management partner to improve the effectiveness of their business travel. Analytics can not only be used to analyse expense data (by providing insights into how many employees are booking out of the prescribed policy) but to also

**Figure 36: Predictive Data Analytics**



predict travel volumes and patterns. The former enables corporates to minimize leakages while the latter allows them to leverage their position to negotiate with their suppliers. Predicting traveller behaviour can assist organisations to plan ahead. For example, if a company finds that most of their travel is booked 10 days in advance, they can negotiate with their supplier to monitor costs and rebook the tickets in case lower fares are made available.

Data privacy and security is another aspect that corporates need pay close attention to. Transparency in terms of what data their partners have access to, how they are using that data and where they are storing the said data are of great importance, especially in light of the revised data protection bill.

Data has become a prerequisite for any decision making. Consequently, there has been a sharp rise in the number of cyber attacks and hacking activities. In light of these, comprehensive data protection laws are needed to safeguard the interests of all stakeholders involved in any online transaction. The Indian data protection draft bill draws inspirations from the EU General Data Protection Regulation (GDPR) and is aimed at establishing a regulatory framework to safeguard businesses and consumers alike.

Driving transparency in data management can enable organisations to optimize their travel cost, drive effectiveness and minimize leakages in their corporate travel programme.



# Data Protection Bill (draft), 2018

The government, acting through the Ministry of Electronics and Information Technology, appointed a Committee of Experts headed by former Supreme Court Justice B N Srikrishna to draft a law for the Indian context, namely the Data Protection Bill, 2018 ("Draft Bill")

## Why is the Data Protection Bill needed?

Ubiquity of the internet



Digitization



Privacy-Conscious Consumers



Jurisdictional Disputes



## Impact on travel

Citizen Rights



Absolute localization of data



Data Fiduciary Obligations



Financial Penalties



Establishment of Regulatory Authority



## Impact on travel

This bill will affect the use of web analytics tools, data collection and tracking that is being used by many companies for personalization of services and retargeted advertisements.



Shaping future booking on the basis of stored client preferences is an integral part of the streamlined service that TMCs' offer to travellers. In light of the data protection bill, TMCs will need to find innovative ways to customize travel itineraries, while minimizing client risk through methods of storing personal data.

Corporates are accountable for their travelling employees' data and must do their own due diligence in order to understand how their TMC partners and suppliers are handling the data. They need to verify if the bill requirements are being met and implement strict compliance regimes to ensure it.



Under the new bill, companies will also need robust supplier risk management processes in place for managing third-party relationships and assessing the associated risks to which they might be exposed as a part of these relationships.



## Traveller Satisfaction

Indian corporate travellers are more motivated than ever by personal ambition and desire for recognition, as well as opportunities to grow. When they travel, they are looking for experiences that offer convenience, comfort and connectivity to stay productive.



Thus, transparency in terms of traveller satisfaction can not only help companies improve the effectiveness of business travel but also to retain and attract talent. Travel managers thus face the task of striking a balance between offering a holistic experience for their travellers while maintaining a robust program that deters off-channel bookings and rewards conscientious budgeting.

A two-way dialogue that addresses both employee and employer requirements can enable all parties meet their objectives.

The entire business travel experience inherently takes people outside of their comfort zones by forcing travellers to relinquish some control, especially when compared to how people travel for leisure. This reinforces the importance of travel managers having frequent interaction and communication with travellers to address company expectations and tools available, mitigating the risk of poor experiences and out-of-policy bookings.

**Figure 37: Four ways to find balance between cost incurred and traveller satisfaction**



Focusing on traveller satisfaction doesn't mean that travellers can do whatever they want or that travel policies will become so flexible that they become detrimental to the bottom line. It centers around creating policies and deploying tools that improve traveller experience. The compliance then comes naturally, as will the savings.

To conclude, maintaining transparency in the travel process and ecosystem enables companies to isolate leakages (expense and data) and identify any existing gaps in their managed travel programme. Thus, by highlighting strengths to be leveraged as well as gaps to be addressed, maximum value can be derived from all travel partners.

Source: 43. Business Traveller Survey, conducted by The Harris Poll More than 1,300 adults across India, the United States and China who have traveled for business in the last 12 months (international business travellers) were interviewed



## Voices of the industry

“

If a TMC is giving me a guaranteed price-value ratio, I'm willing to commit to that partner.

- **Head Admin**, at a leading telecom tower company



“

We have iron clad NDAs with our travel management partner who have access to select heads of our employee data for a period of six months post which they are to erase all data they have had access to in the course of their business with us.

- **Admin Head CXO**, leading consumer electrical equipment manufacturing company



“

For us, transparency is key. It ensures people get the best deals in terms of both price and services. Employees should have the flexibility to chose (irrespective of who the preferred vendor is) what they find best as long as it lies within the policy.

- **Admin Head CXO**, leading consumer electrical equipment manufacturing company

“

Having direct tie-ups with hotels and airlines gives us better rates as there is no middle man mark up involved.

- **Head Admin**, at a leading telecom tower company

“

We would like our TMC to provide better deals for smaller cities and unfamiliar travel destinations.

- **Senior Manager Admin**, leading diversified natural resources company

“

Company does not have bandwidth to monitor all locations in India. This is where TMCs can leverage their pan India network and provide additional assistance to companies.

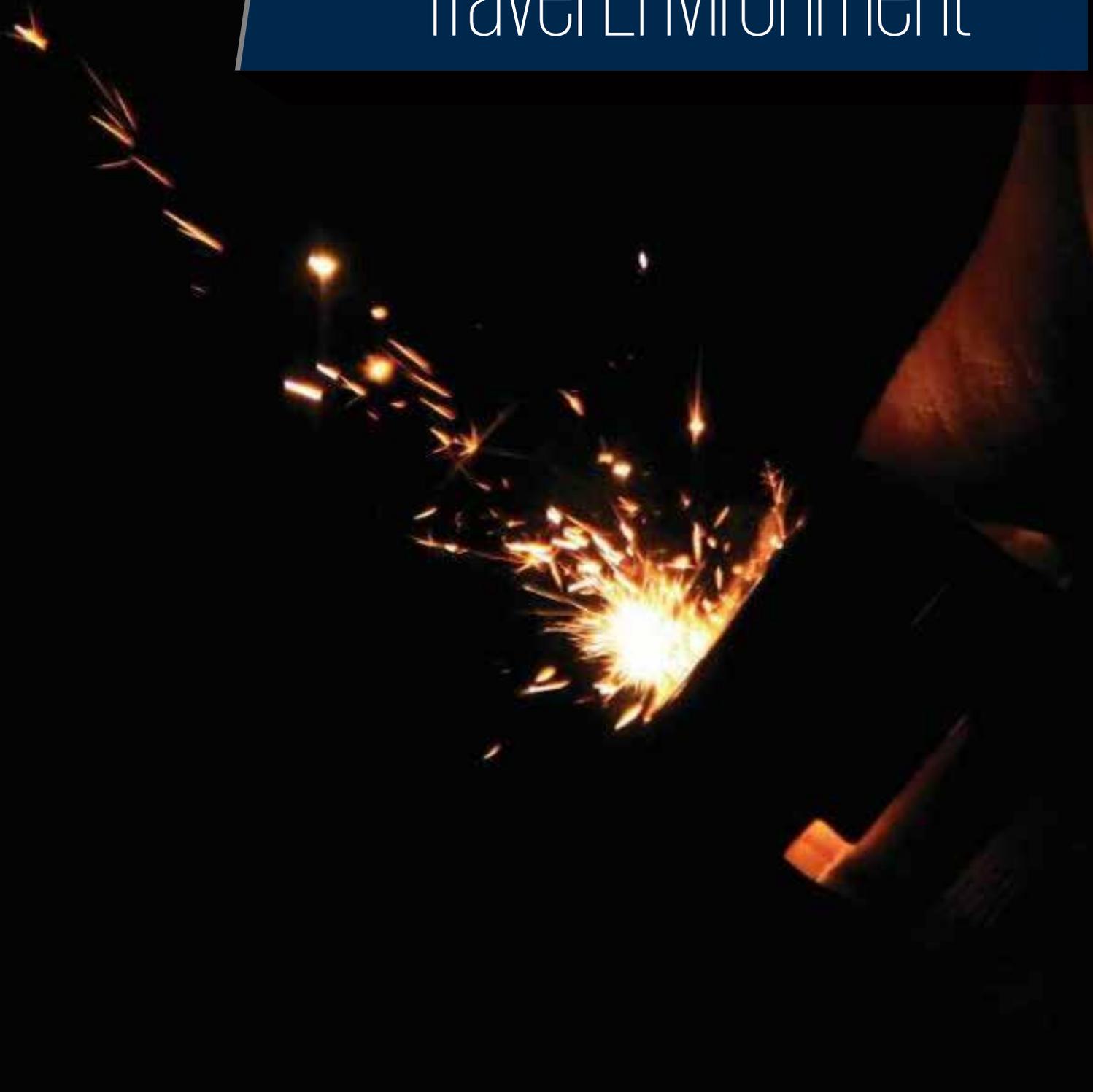
- **Manager Admin**, at a leading FMCG company



Source: Industry Interactions by KPMG in India



# Towards a more effective Corporate Travel Environment



## Way Forward

The Indian business travel market has grown significantly over the years, making India the 7th largest business travel market. The volume of travel is expected to grow further as companies expand their businesses in an increasingly connected world.

With a tech savvy and digitally inclined workforce, organisations need to be well equipped to address the needs of their employees while

maintaining their business objectives. Thus, collaboration between companies and their travel partners is more important than ever.

The four pillars of corporate travel management serve as an underlying foundation for developing a comprehensive travel program that aims to integrate and fulfil the needs of all the stakeholders involved.

Key Trends	Implications	Recommendations
<ul style="list-style-type: none"> <li>Evolving profile of the Indian business traveller</li> </ul>	<ul style="list-style-type: none"> <li>As the needs and preferences of the Indian business traveller evolve, organisations need to evolve at the same pace</li> </ul>	<ul style="list-style-type: none"> <li>Organisations need to constantly update or replace outdated systems such as offline booking of tickets</li> <li>Frequent re-evaluation of travel policies and processes to suit the needs of the current millennial generation</li> </ul>
<ul style="list-style-type: none"> <li>Growing employee preference for sharing economy services</li> </ul>	<ul style="list-style-type: none"> <li>Incorporating non traditional options into company policies to ensure that a variety of options are available to employees and hence facilitate policy compliance</li> </ul>	<ul style="list-style-type: none"> <li>Companies should take steps to integrate sharing economy accommodation options such as Airbnb and OYO into their booking process</li> <li>Flexible booking policies could allow employees to choose the accommodation/ service of their choice in a safe and monitored manner</li> </ul>
<ul style="list-style-type: none"> <li>Employees are becoming increasing mobile-friendly</li> </ul>	<ul style="list-style-type: none"> <li>Organisations need to understand and adapt to the behavioral changes in their travellers</li> <li>Providing services as per the needs of the new travellers should be a key aspect of corporate travel management</li> </ul>	<ul style="list-style-type: none"> <li>With the growing demand for online/ mobile services, TMCs and organisations must collaborate to develop tools suited to the needs of the company's employees</li> <li>Depending on the volume of business travel and employee adaptability, investment should be made in technological tools for travel process</li> </ul>
<ul style="list-style-type: none"> <li>Rise in women travellers</li> </ul>	<ul style="list-style-type: none"> <li>Companies need to be aware of the rising share of women travellers and the implications of this trend on their operations and policies</li> </ul>	<ul style="list-style-type: none"> <li>Systems need to be in place ensure safety of women travellers</li> <li>Selection of various vendors should take into account the needs of women travellers</li> <li>Women employees should be made aware of all policies in place for them</li> </ul>



	Key Trends	Implications	Recommendations
Safety	<ul style="list-style-type: none"> <li>Rising security concerns of employees when travelling</li> </ul>	<ul style="list-style-type: none"> <li>Employers must take proper precautions to address employee concerns for international as well as domestic travel</li> </ul>	<ul style="list-style-type: none"> <li>Employers must take a proactive approach to employee safety such as periodic communication regarding the safety policies, regular alerts for travel and pre-trip guides</li> <li>Selected vendors should be properly vetted and regularly audited to ensure quality of service</li> </ul>
	<ul style="list-style-type: none"> <li>Travel managers struggle to meet safety needs of their organisation</li> </ul>	<ul style="list-style-type: none"> <li>Companies to have safety infrastructure in place that is suited to their business needs</li> </ul>	<ul style="list-style-type: none"> <li>As per their requirement, companies should tie-up with international organisations or dedicated TMCs to provide an extra layer of safety to employees</li> <li>Companies should be updated on the various new technologies or systems that ensure employee safety such as employee tracking systems and emergency check-in technology</li> <li>Cost and scope of additional security services by TMCs should be considered carefully</li> </ul>
	<ul style="list-style-type: none"> <li>Most organisations don't have contingency plans</li> </ul>	<ul style="list-style-type: none"> <li>Organisations should be prepared for emergencies at all times</li> </ul>	<ul style="list-style-type: none"> <li>Travel risks should be pre-identified through travel risk management assessment</li> <li>Employees should be aware of the steps that they need to take when uncertain situations arise</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>Optimizing costs is one of the top concerns for organisations</li> </ul>	<ul style="list-style-type: none"> <li>Companies need to analyse costs from all perspectives: front-end, back end and travel costs</li> </ul>	<ul style="list-style-type: none"> <li>Companies with large travel volumes often get better rates with hotels and airlines when dealing directly with them as compared to prices offered through TMCs</li> <li>TMCs need to ensure that they offer competitively priced services to clients through their partnership with various hotels and airlines.</li> </ul>
	<ul style="list-style-type: none"> <li>Tendency of employees to book outside the policy purview</li> </ul>	<ul style="list-style-type: none"> <li>Flexible and traveller friendly policies will lead to higher levels of compliance</li> <li>Adopting 'Bill to Card' model will provide higher visibility into travel spend patterns</li> </ul>	<ul style="list-style-type: none"> <li>Automated tools and platforms, corporate cards and forex cards can be leveraged to drive cost efficiency by increasing savings and providing better visibility of travel spends</li> </ul>
	<ul style="list-style-type: none"> <li>Cost benefits of sharing economy services are significant</li> </ul>	<ul style="list-style-type: none"> <li>Rising demand for better lodging options available on other platforms should be taken into account</li> </ul>	<ul style="list-style-type: none"> <li>Integration of such services into company portal to ensure proper systems are in place</li> <li>Robust screening process before onboarding these services onto company booking portal</li> </ul>



	Key Trends	Implications	Recommendations
Productivity	<ul style="list-style-type: none"> <li>Reduced employee time in the booking process</li> </ul>	<ul style="list-style-type: none"> <li>Companies and their travel partners need to streamline their travel process to allow employees to focus on their work and improve their performance</li> </ul>	<ul style="list-style-type: none"> <li>Integration of multiple booking systems to create a one stop portal for all employee travel needs</li> <li>Implementation of advanced booking tools and mobile apps that give on the go access to travel information to employees</li> </ul>
	<ul style="list-style-type: none"> <li>Low emphasis on traveller satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>A flexible and transparent process can increase traveller satisfaction and hence overall job satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of technology tools suited to travel needs</li> <li>Collaboration with TMCs to create a seamless traveller experience</li> <li>Educate employees on benefits of business travel such as loyalty points, without flouting policy</li> <li>Benchmark industry practices to balance choice and control, in a risk free manner</li> </ul>
Transparency	<ul style="list-style-type: none"> <li>Many-to-many interactions amongst stakeholders with no visibility on flow of incentives &amp; commissions</li> </ul>	<ul style="list-style-type: none"> <li>A transparent model for demand and supply management of the travel ecosystem</li> </ul>	<ul style="list-style-type: none"> <li>There should be transparency in pricing of the products/services for companies to get a better price value ratio</li> <li>When buying a product or services, companies should be aware of the commissions and mark ups involved to ensure the best price</li> </ul>
	<ul style="list-style-type: none"> <li>Guidelines to ensure data safety and security should be in place</li> </ul>	<ul style="list-style-type: none"> <li>As TMCs and other vendors have access to employee information, employers should ensure there is no misuse of such information</li> </ul>	<ul style="list-style-type: none"> <li>Strong NDAs and data confidentiality agreements should be signed by all involved parties</li> <li>Implications of Data Protection bill should be understood and carried out as relevant</li> </ul>
	<ul style="list-style-type: none"> <li>Identification of expense leakages</li> </ul>	<ul style="list-style-type: none"> <li>Companies need to analyse loose ends in the travel booking process and address them</li> </ul>	<ul style="list-style-type: none"> <li>Predictive analysis through monthly/ quarterly reports provided by TMCs can be leveraged to make bookings in advance and carry out negotiations</li> <li>Identifying gaps in services and changing traveller behaviors and adapting to them</li> </ul>
	<ul style="list-style-type: none"> <li>Most TMCs are selected on the basis of price</li> </ul>	<ul style="list-style-type: none"> <li>Most companies pick their travel service provider based on price and market reputation</li> </ul>	<ul style="list-style-type: none"> <li>TMCs should focus on developing differentiating factors such as superior technological capabilities or structured Duty of Care programmes, robust MIS reporting, etc. in order to compensate for higher price</li> <li>TMCs should maintain strong relations with existing clients as market reputation is a key parameter for TMC selection</li> </ul>



## Conclusion

With a deep understanding of traveller needs, corporations and TMCs can deliver the type of service that employees expect. As each corporation has different requirements and each traveller has his/her personal preferences, there is greater need for flexibility and agility in adapting to the needs of them all. Communication and connectivity is essential for today's traveller. Business travellers want control over their travel without hampering business objectives.

This creates an opportunity for corporates and TMCs to collectively transform how people travel for business. A successful travel management programme combines the interests of travellers, corporations, travel agents and travel providers and fulfils their needs.

Thus, by working on and building upon the four pillars, TMCs can continue to demonstrate the value they provide while corporations can embrace changes in their managed travel programs.



# Glossary

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ACTE	Association of Corporate Travel Executives
APAC	Asia Pacific
B2B	Business to Business
Bn	Billion
BPO	Business Process Outsourcing
CAGR	Compounded Annual Growth Rate
EU	European Union
GBTA	Global Business Travel Association
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
GDS	Global Distribution System
Gol	Government of India
INR	Indian Rupee
IT	Information Technology
ITes	Information Technology Enabled Services
MICE	Meetings, Incentives, Conferences and Events
MIS	Management Information System
MMT	Make My Trip
NDA	Non-disclosure Agreement
OTA	Online Travel Agency
RFP	Request for Proposal
ROI	Return on Investment
SBT	Self Booking Tool
SME	Small and Medium Enterprises
T&E	Travel and Entertainment
T&T	Travel and Tourism
TEM	Travel and Expense Management
TMC	Travel Management Company
USD	United States Dollar











# FCM Travel Solutions

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