

The real impact of
mobile
on the corporate travel program

A global research paper from Travelport and ACTE



Executive introduction

In most developed economies, more than 50% of the population now has a smartphone. And by 2014, there will be more smartphones in the world than people.¹

Mobile has never been more popular – and it's not hard to see why. Through mobile devices, people can make the most of every moment, wherever they are located.

'Generation Y' – those born between 1978 and 1994 – have grown up with the internet and mobile technology. Expected to make up 75% of the global workforce by 2025, these are the people driving the mobile boom, relying on this channel to stay connected everywhere they go.

That includes the workplace. For corporate travelers, mobile simply makes it easier to move from A to B. Travelers can book flights, hotels, reserve airport parking, study their itinerary and watch out for any last-minute changes. Once at their destination, they can check visa details, search for local street maps and pay for their hotel Wi-Fi. All from the palm of their hand.

But are all businesses giving travelers access to the mobile apps and services they need? Are they missing any opportunities? And what about the risks?

That's what this paper aims to uncover. Based on global research conducted by the Association of Corporate Travel Executives (ACTE), we shed light on how mobile is currently being used for corporate travel, exploring the risks it presents, and discussing how to change employee travel for the better.

About this survey

This survey was conducted by ACTE in June 2013. It was aimed at travel buyers or managers with responsibility for a corporate travel management program. 67% of respondents fall into this category.

39% of respondents spend less than \$15m a year on global transient travel. 29% spend between \$15m and \$50m.

Respondents work in organizations across all industries. The majority of those surveyed are from the United States (42%), Canada (14%), Australia (9%), Germany (5%), the United Kingdom (5%), India (4%) and China (4%).

Finding 1

The global impact of mobile on the corporate travel program

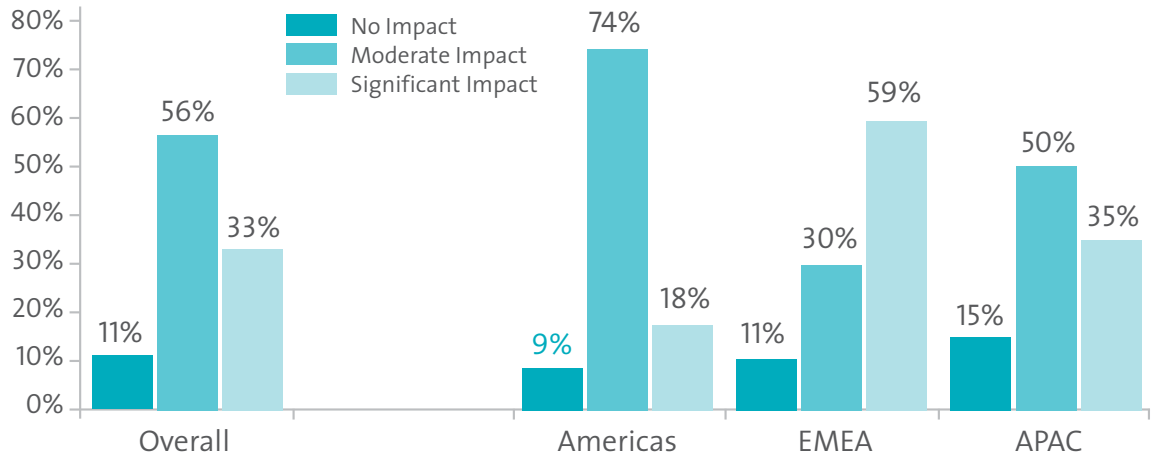


Fig 1: On a scale of 1-5 how much impact would you say mobile is having on your travel program? (5= significant impact, 1= no impact)

Globally, there's little doubt that mobile is making its mark on travel. As Fig 1 shows, 89% of respondents feel that mobile is having a moderate or significant impact on the corporate travel program. Break this down a little further, and you can see that most respondents are erring on the conservative side; in Asia Pacific and the Americas, the majority of respondents believe mobile has just a moderate impact on their travel program. In EMEA, however, the majority believe the impact is significant.

Whichever way you look at it, it seems that the significance of mobile has at last expanded from the consumer space to the corporate world. For years, people have enjoyed a flexible booking and leisure travel experience thanks to mobile technology – and now they expect the same at work. However, it's vital to remember that corporate travel is a very different entity. Giving employees mobile access to corporate travel services means putting buying power directly into their hands. This must be done with care in order to control costs and ensure staff work within the company travel policy.

Finding 2

1 in 4 corporates already has a mobile policy for its travel program

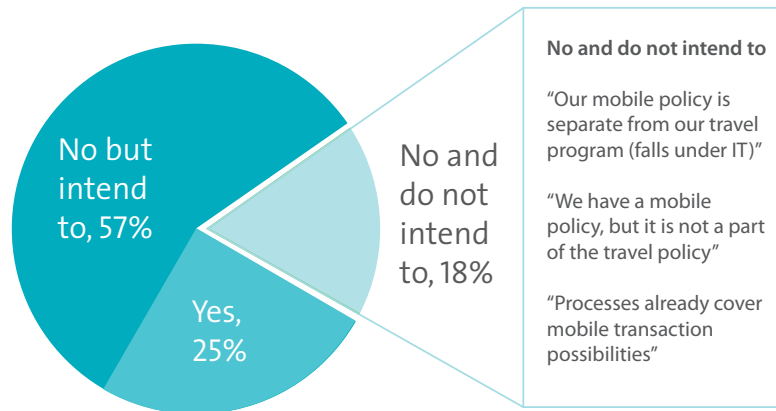


Fig 2: Do you have/intend to have a mobile policy as part of your travel program?

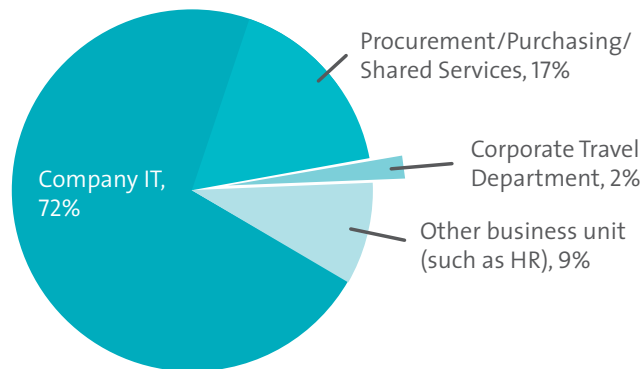


Fig 3: Who manages your mobile device program?

Given the perceived impact of mobile on the corporate travel program, it's not surprising to see that 25% of respondents already have a mobile policy. And the majority – 57% – intend to adopt one. Clearly, most companies surveyed think that right now is a good time to consider their mobile strategy and ensure they get it right.

But what should we make of the 18% that said they don't have a mobile policy for travel, and that they never intend to have one? While some respondents said they had no requirement for a policy, Fig 2 shows that the vast majority of this percentage already has a mobile policy elsewhere in the business, or at least processes that cover mobile transactions.

Clearly, most companies are taking mobile seriously.

Who manages the mobile device program?

For 72% of those surveyed, the company IT department manages the mobile device program. Only 2% of respondents have a mobile program that is actively managed by the corporate travel department.

This is not truly surprising. Given that this is mobile technology, it's perfectly natural for IT departments to have this responsibility. However, this finding does mean that in 98% of cases, corporate travel managers (CTMs) may find themselves distanced from how the mobile program is developed.

Although IT managers look after the mobile device program, it's vital CTMs take an advisory role in this process. Only by being involved can they ensure the company mobile strategy meets the needs of the department and corporate travelers.

Finding 3

BlackBerry and iPhone are the most approved mobile devices

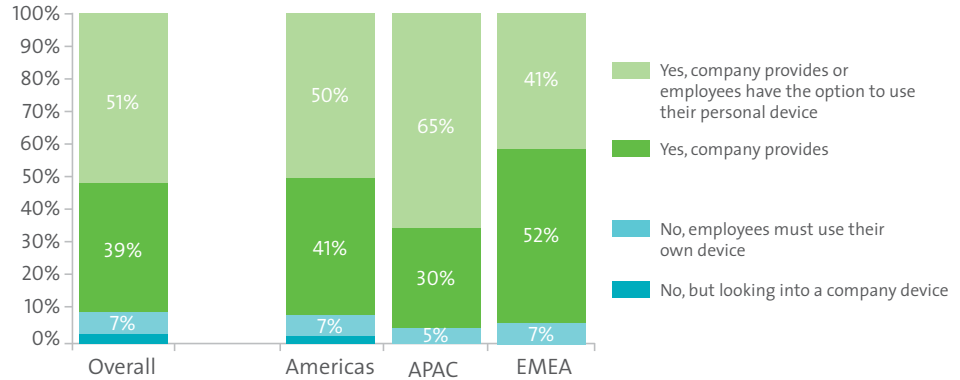


Fig 4: Does your company provide employees with a mobile device or can they use their own device?

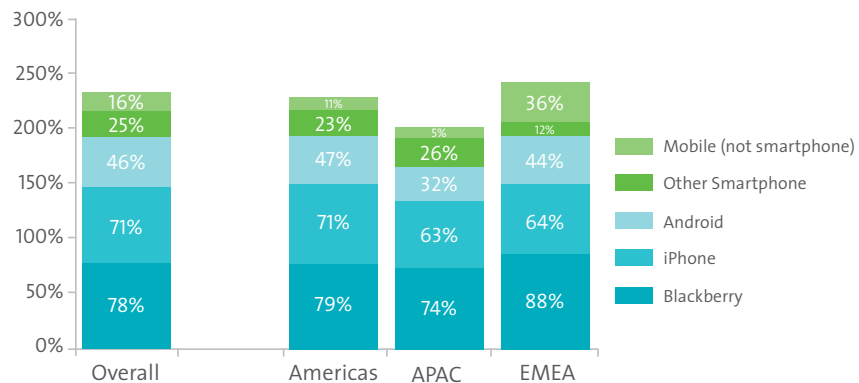


Fig 5: Which of the below devices are approved by your company for use by your employees? (Android, BlackBerry, iPhone, other smartphone, mobile – not smartphone)

In spite of reports that bring your own device (BYOD) is becoming more popular, our research highlights that many companies still prefer to provide employees with mobile devices for business use. Overall, 39% of companies provide employees with a mobile device, while 51% either provide a device or give employees the choice to bring their own.

Unsurprisingly, most company-provided devices are BlackBerrys – the number one corporate choice for many years. However, iPhones are gaining in popularity, as are Android smartphones. Are preferences changing based on feedback from the consumer space? It certainly looks that way.

One particularly unexpected finding, however, is the number of non-smartphone mobile devices being given to employees. Globally, 16% of company-provided mobile phones fall into this category, while in EMEA that figure is a surprisingly high 36%.

As the mobile channel starts to take hold in corporate travel, this is something that corporate travel managers may wish to address. Employees would like fast, responsive data services if they are to take full advantage of the travel services available to them on the move. By not providing employees with a smartphone, they have no means to access the internet or travel apps – making it much harder for them to manage their travel experience.

Finding 4

Is the use of travel-related mobile apps allowed? It's not clear cut...



Fig 6: Do you allow travelers to use travel-related mobile apps?

Mobile apps constitute one of the main ways in which employees can access travel services and information on the move. Given that the majority of companies are embracing the mobile channel, it should follow that the use of mobile travel apps is encouraged.

However, the reality is not that clear cut.

What we can see from Figure 6 is:

- Only 24% of companies actively encourage the use of travel apps.
- 37% of companies do not actively encourage the use of unauthorized travel apps.
- Just under 7% of companies do not allow their travelers to use travel-related apps at all.
- Nearly 32% of companies don't have a policy for mobile app use.

So what conclusions can we draw from this? First of all, it seems there is real confusion over how best to handle employee app use. While very few companies prevent travelers from using travel-related apps entirely, the viewpoints of the majority are spread quite evenly. Some encourage app use, some don't – and some have no mobile app policy at all.

However, the data does suggest that EMEA focuses more on mobile than other regions do; only 16% of those companies with no mobile policy are from EMEA. This reinforces the earlier finding in this report – that companies in EMEA regard the impact of mobile on the corporate travel program as significant. What's more, the majority of companies that prohibit travel app use are based in EMEA, also reinforcing that they understand the impact of mobile and are taking it seriously.

It's also worth noting that there is a slight peak in the number of companies who do not actively encourage the use of unauthorized mobile apps. This suggests that a number of organizations are not happy to let their employees use mobile in any way they choose. While some companies restrict

app use because of the nature of their business – perhaps they are a higher risk organization, such as a bank or financial institution – it makes good sense for all companies to be similarly cautious. Not monitoring employee app usage at all can potentially result in non-compliance with company travel policy and increased costs.

While not every business may want to adopt a strict policy, a more formalized set of app usage guidelines should be hugely beneficial in all cases.

Fig 7: How do you actively encourage travelers to use travel-related mobile apps? Please be as specific as possible.

The power of social media

Our survey also showed that corporate travel managers often use the web and social media to promote authorized mobile applications to employees. What's more, many Corporate Travel Managers use the apps themselves to communicate with travelers, sending reminders about travel policy and processing expenses.

"I have a social media site where we share good travel app ideas"

"Reminders through travel policy and travel blog"

"Updates with suggested apps, travel manager message on travel portal"

Finding 5

Mobile: just one part of a much bigger picture

	Air tickets	Car	Hotel	Rail	Transfers	Ancillary services
Online Booking Tool (via PC)	98%	79%	85%	59%	24%	19%
Online Booking Tool (mobile app)	77%	69%	77%	23%	9%	20%
Phone agency	89%	82%	87%	71%	51%	50%
Email agency	89%	75%	82%	62%	49%	49%
Direct with supplier (via PC)	44%	53%	69%	50%	36%	44%
Direct with supplier (mobile app)	21%	46%	58%	42%	33%	38%

Fig 8: How do your travelers book the following business travel? Please select all that apply.

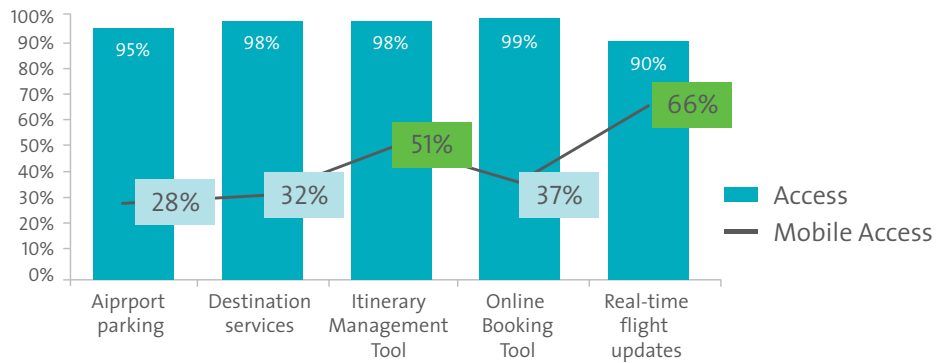


Fig 9: Which of the following travel services do you give your travelers access to? Please select all that apply and tick if they are mobile-enabled.

While mobile is undoubtedly a very popular tool for employees on the move, it's only one part of a much broader suite of channels that employees use to manage their travel activities – as our research shows.

When it comes to booking air tickets, Figure 8 shows that the more traditional methods of using a PC and phoning or emailing the travel desk/ travel management company are preferred over mobile apps. In fact, phoning and emailing are generally preferred across the board for all travel booking activities. Nevertheless, the mobile app versions of online booking tools are still used by a significant percentage of travelers.

Clearly, it's important to remember that mobile is not a definitive solution. It has a definite place within a broader, multi-channel strategy for travel.

Figure 9, meanwhile, shows that virtually all employees have the ability to book a range of travel activities themselves, from air tickets to airport parking. But not all are mobile-enabled within all companies. Itinerary management and real-time flight updates are more likely to be offered via mobile, suggesting that some companies recognize the value of mobile for delivering real-time information; however, the data does imply that a number of companies may not be thinking broadly enough.

Mobile is ideal for last-minute booking and checking details, which makes it valuable for a wide range of travel services, from reserving airport parking to checking the weather. For those who have or are considering a mobile policy, it's vital to consider the real-time power of mobile, ensuring the policy enables this, and that it can evolve as new real-time mobile capabilities emerge.

Finding 6

Visas and immunization: what employees need to know once they've made their booking

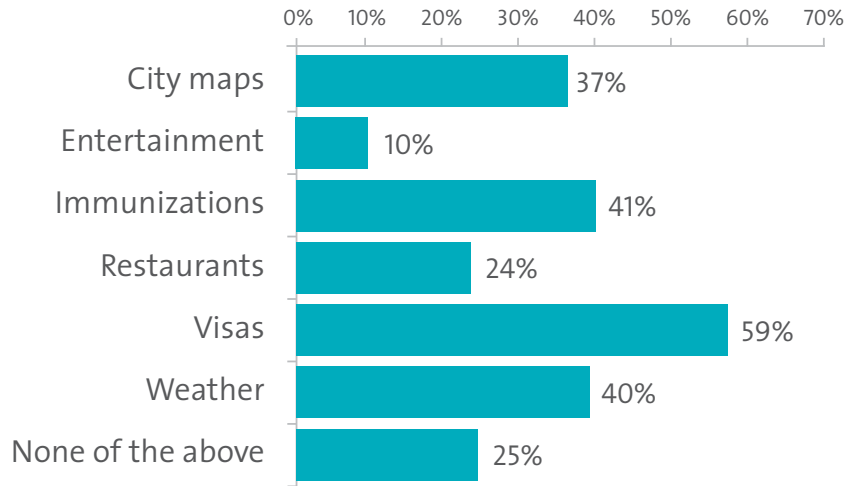


Fig 10: Which destination services do you offer to your travelers?

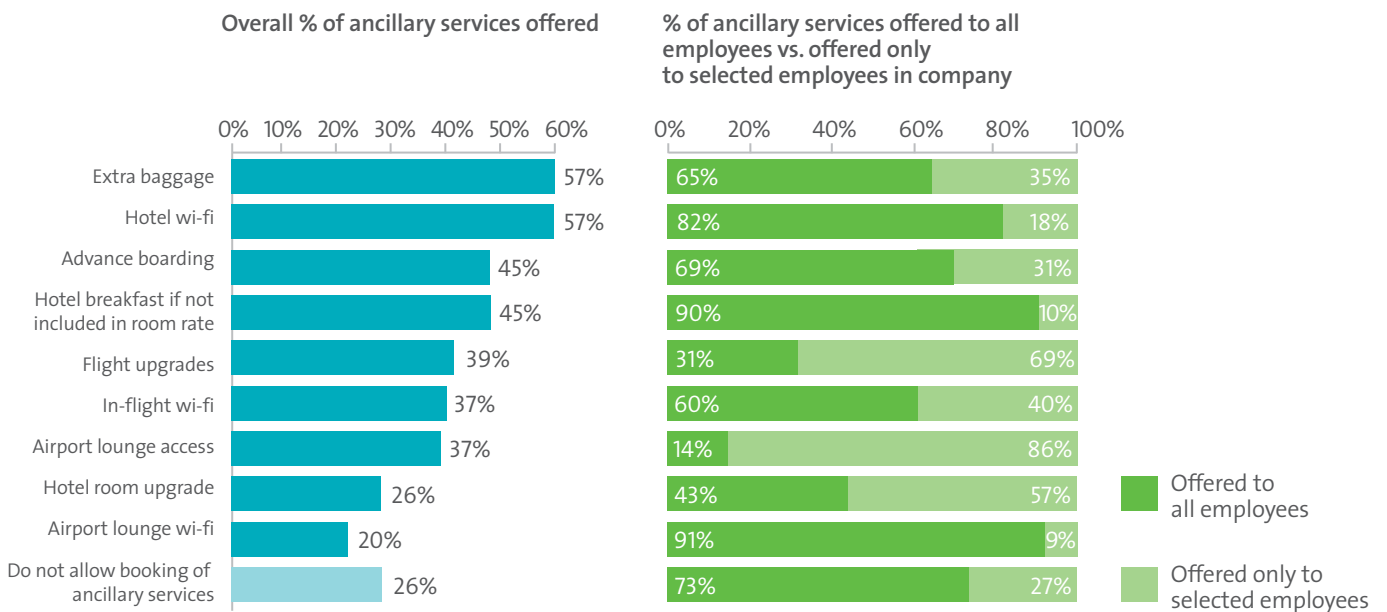
So what information do companies provide to employees once they've made their booking? Visa information is at the top of the list, shortly followed by immunization information, weather details and city maps.

Mobile is an excellent channel for getting this vital information right into users' hands. When putting together the company mobile strategy, corporate travel managers should therefore consider the whole end-to-end travel experience – not just the transport itself.

Finding 7

Managing the added extras

Fig 11: Which of the following ancillary services are your travelers authorized to book before their trip? Please tick all that apply.



The majority of respondents to our survey allow their employees to book selected extras themselves. This is mostly extra baggage and hotel wi-fi, followed by advance boarding options and a hotel breakfast where it's not already included.

However, the costs of these ancillary services can often add up to a significant amount. To better control these costs, it's understandable why 26% of those surveyed do not give employees permission to book these services themselves, as Figure 11 shows.

Indeed, where employee booking is allowed, it's important to bear in mind that travelers are highly likely to use their mobile devices to book such services on an ad-hoc basis. This can make it difficult to keep track of spending and ensure bookings are within company travel policy guidelines. Corporate travel managers must therefore find a way to manage booking of ancillaries, in order to enforce mobile travel policy and control costs effectively.

Final word

If you haven't done so already, right now could be an ideal time to consider implementing a mobile travel policy. And if you do have a policy, it's a good time to get actively involved in its development and use.

As more employees use smartphones to manage their leisure time, the demand for mobile in business travel is higher than ever. By participating in policy development, you can ensure mobile use does not become excessively costly or unwieldy to manage. Governed by a well-developed policy, mobile can then become a hugely valuable asset to your business, keeping your employees informed and giving them unparalleled flexibility when travelling to and within their destination.

Travelport offers a range of travel solutions to help you manage your travel program, and understands the impact that mobile technologies can have on your travelers. For more information about Travelport and how we can help you make the most of the mobile opportunity, please visit www.travelport.com/corporations or email: travelportmarketing@travelport.com.



About Travelport

Your business operates within a world that is changing at an unprecedented pace. The landscape around it alters every day: technology is continuously evolving and converging; globalization is erasing borders; travelers are more knowledgeable and demanding, applications are increasingly mobile.

Travelport is embarking upon a new kind of relationship with corporate travel customers – one that breaks with convention to deliver thinking, innovation and technology that give you the answers you need, no matter where you want to go.

Your business journey is unique. Our approach is to partner with you to embrace and navigate these challenges.

About ACTE

The Association of Corporate Travel Executives (ACTE) has a 25-year reputation for leading the way corporate travel is conducted. As a global association, comprised of executive-level members in more than 100 countries, ACTE pioneers educational and technological advances that make business travel productive, cost-effective and straightforward. ACTE advocacy and initiatives continue to support impactful changes in safety and security, privacy, duty of care and compliance along with traveler productivity that supports global commerce.



For more information about **Travelport** and how we can help you optimize your travel program and procurement, please visit www.travelport.com

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