



**AirPlus** UK Travel Management  
Study 2014, Volume 2 of 3.  
Travel Management Micro-trends.

AIRPLUS. WHAT TRAVEL PAYMENT IS ALL ABOUT.

# Overview

## The UK blazes a trail

We asked 958 travel managers in 24 countries (including 70 in the UK) to categorise 14 different micro-trends as one of the following:

- > Already established in their company
- > Will become relevant in their company
- > Will not become relevant in their company

The micro-trends we asked them about could broadly be divided into three groups, (see table below for breakdown).

In two of the groups – the Three Ss and Procurement – the UK is consistently and significantly ahead of its Western European peer group in having already established these micro-trends. There are also four micro-trends for which the UK records the highest score in Western Europe. For three of these trends (CSR, benchmarking and policy), the UK is nearly 20 per cent above average – a very large margin.

Overall, the figures tell a story that the UK is at the forefront of travel management in Western Europe – and that UK companies manage travel in a rounded and strategic way. The higher Procurement figures confirm cost control is essential; but the even higher figures for the Three Ss prove financial savings are not the be-all-and-end-all for UK travel managers.



Table 1: 14 micro-trends were split into the following three groups

Safety, security, sustainability (The Three Ss)	Procurement	Technology
Traveller safety	Benchmarking costs	Use of social media
Data security	Tightening travel policy	Mobile payments
Traveller comfort	Consolidating additional costs	Travel management mobile apps
Introduction of CSR	Global/regional consolidation of travel management	Corporate booking tools
Less travel due to virtual meetings	Integrating fleet management	-

## Risk management dominates thinking worldwide

Taken together, the underlying theme of the Three Ss is arguably risk management: protecting human assets (traveller safety and comfort and virtual meetings), protecting intellectual and financial assets (data security) and protecting reputation (CSR and virtual meetings again). The consistently high figures here suggest risk management has become a major, established strategic priority of corporate travel programmes.

The Three Ss are the dominant group of issues not only in the UK but also in Western Europe, and indeed all other countries in the study. The top-ranked trend of all in the UK is traveller safety (71 per cent). Safety has been a key priority globally at least as far back as 9/11 but the issue is perhaps even more prominent because of the Corporate Manslaughter and Corporate Homicide Acts (see more detailed discussion below).

However, Safety is by no means the only one of the Three Ss to make a very strong showing. The high score for data security (69 per cent) shows Security in the widest sense is also considered very important, and likewise the introduction of CSR (64 per cent) puts Sustainability close to the top of the agenda as well.

## Understanding new technologies

The average scores for the technology group of micro-trends are much lower. And, in contrast to the other two micro-trends groups, the UK figures are similar to (and, in one case, much lower than) the Western European averages. Based on these findings, UK travel managers do not emerge as leaders in technology, even though they do for other aspects of travel management.

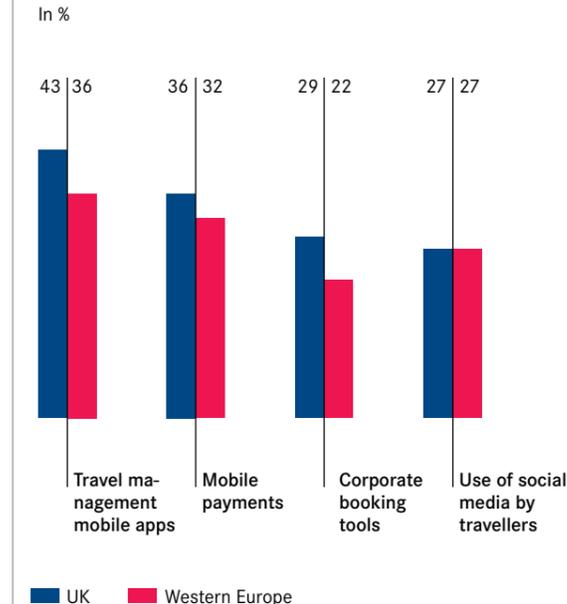
By their very nature, new tech tools take time to establish themselves, so most of the figures are, if anything, higher than might be expected at this early stage of their development. The exception to this rule

is corporate booking tools, which have now been in the marketplace for nearly two decades. The low figure for establishment of booking tools in Western Europe (33 per cent) is one of the biggest surprises among the micro-trends, and the significantly lower figure for the UK (only 23 per cent) is an even bigger surprise.

## More technology to come

However, UK travel managers are not Luddites. Even if they have not embraced a technology yet, they are not necessarily resistant to it. The four micro-trends they most expect to become relevant in future are all in the Technology group.

Which trends will become relevant that aren't today (top four percentages)?



In all four cases the UK is ahead of, or the same as, the Western European average.

## Micro-trends in detail

### Safety, Security, Sustainability

#### Traveller safety

It is no surprise to see traveller safety as the biggest of all micro-trends (71 per cent say it is already established – the highest figure in Western Europe) for travel managers in the country which introduced the Corporate Manslaughter and Corporate Homicide Act (2007). The legislation made senior management directly culpable for gross negligence contributing to employee deaths. The Act applies not only in the normal workplace but also when travelling (though not outside the UK).

#### Data security

Companies don't just want to keep their travellers safe. The same goes for their data, and data security seems to be rising fast up corporate agendas, explaining why it is the second most established of all micro-trends (69 per cent) in the study. The high figure may have been spurred by numerous media stories of hacking by everyone from political activists to commercial rivals to government agencies. As an example of the response, travel management companies are reporting increasingly detailed questioning from corporate clients about their data security procedures. A related concern is the vulnerability of corporate data carried by travellers on their laptops and mobile devices. Companies are waking up to this highly portable risk and introducing measures to mitigate it.

#### Traveller comfort

Travel management has never only been about cost, even in tough economic times. The bigger picture is that employees need to travel in reasonable comfort if they are to work productively during their trip and avoid burning out in the longer term. Comfort is also crucial for talent recruitment and retention, which is why a very high 67 per cent of UK travel managers identify it as a micro-trend. Perhaps the only surprise is that the figure is not even higher. The reason may be that, in answer to another question in the study, 56 per cent of UK respondents find it increasingly hard to balance cost and traveller support priorities.

#### Introduction of corporate social responsibility

CSR is now a mainstream concern in UK-based travel management: 64 per cent of respondents say it is



already established in their programme. That figure is way ahead of the Western European average of 44 per cent. Environmental awareness is one major aspect of CSR, but there were questions about whether sustainability issues might be killed off by the economic problems of recent years. The high figure here for CSR suggests the issue is still very much on the agenda for UK travel managers.

#### Less travel due to more virtual meetings

As a vivid example of sustainability in action, almost half (49 per cent) of UK travel managers say their company travels less than would otherwise be the case owing to greater use of virtual meetings. Virtual meetings also improve work/life balance for employees and reduce financial costs. It is striking, however, that virtual meetings is the only micro-trend in the Three Ss group where the UK is not ahead of the Western European average, reflecting another general trend for the UK to be more in line with the rest of the region when it comes to technology innovation. Another 20 per cent of UK travel managers say virtual meetings will eventually become relevant.

## Procurement

#### Benchmarking costs

The UK (64 per cent) is considerably ahead of the rest of Western Europe (45 per cent) when it comes to benchmarking costs. Many companies find it useful to compare pricing with other businesses in their sector or with similar travel patterns. Internal benchmarking is also a growing trend, allowing different departments or subsidiaries to compare not only average prices but other important measurements such as number of days booked in advance, or percentage of trips booked online.

#### Tightening travel policy

The UK appears to be much stricter about compliance than other countries. No fewer than 64 per cent of British travel managers say tightened travel policy is an established trend, compared with a Western European average of 46 per cent. Only 11 per cent of UK travel managers say tightening policy won't become a trend, so there is little sign of a shift predicted by some industry commentators towards companies loosening their rules in line with principles of "consumerisation".

#### Consolidating additional costs (e.g. taxis, dining)

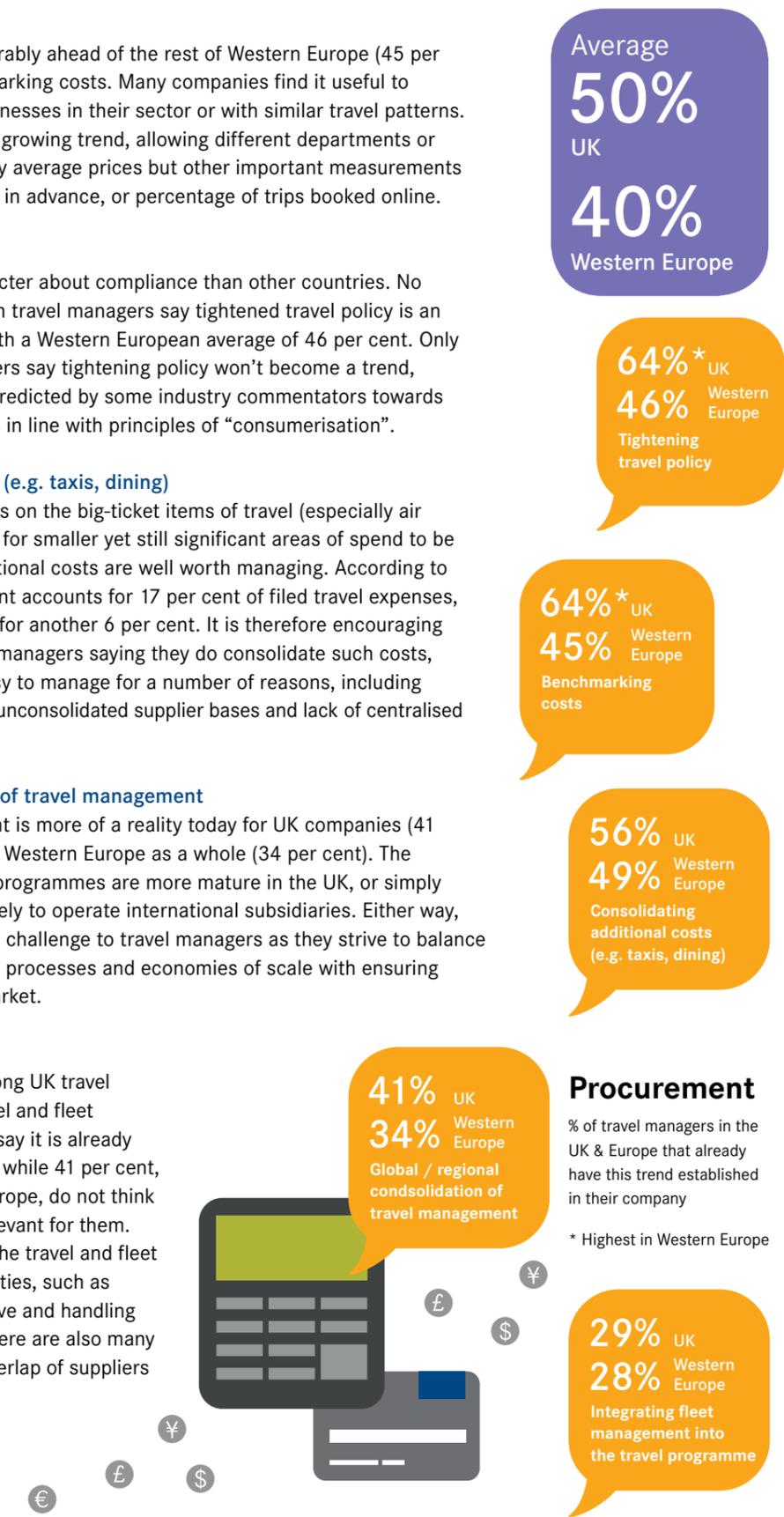
Companies put a lot of emphasis on the big-ticket items of travel (especially air and hotel), leaving the potential for smaller yet still significant areas of spend to be neglected. However, these additional costs are well worth managing. According to Concur, dining and entertainment accounts for 17 per cent of filed travel expenses, and ground transport accounts for another 6 per cent. It is therefore encouraging to see 56 per cent of UK travel managers saying they do consolidate such costs, which have not always been easy to manage for a number of reasons, including inconsistent payment methods, unconsolidated supplier bases and lack of centralised booking systems.

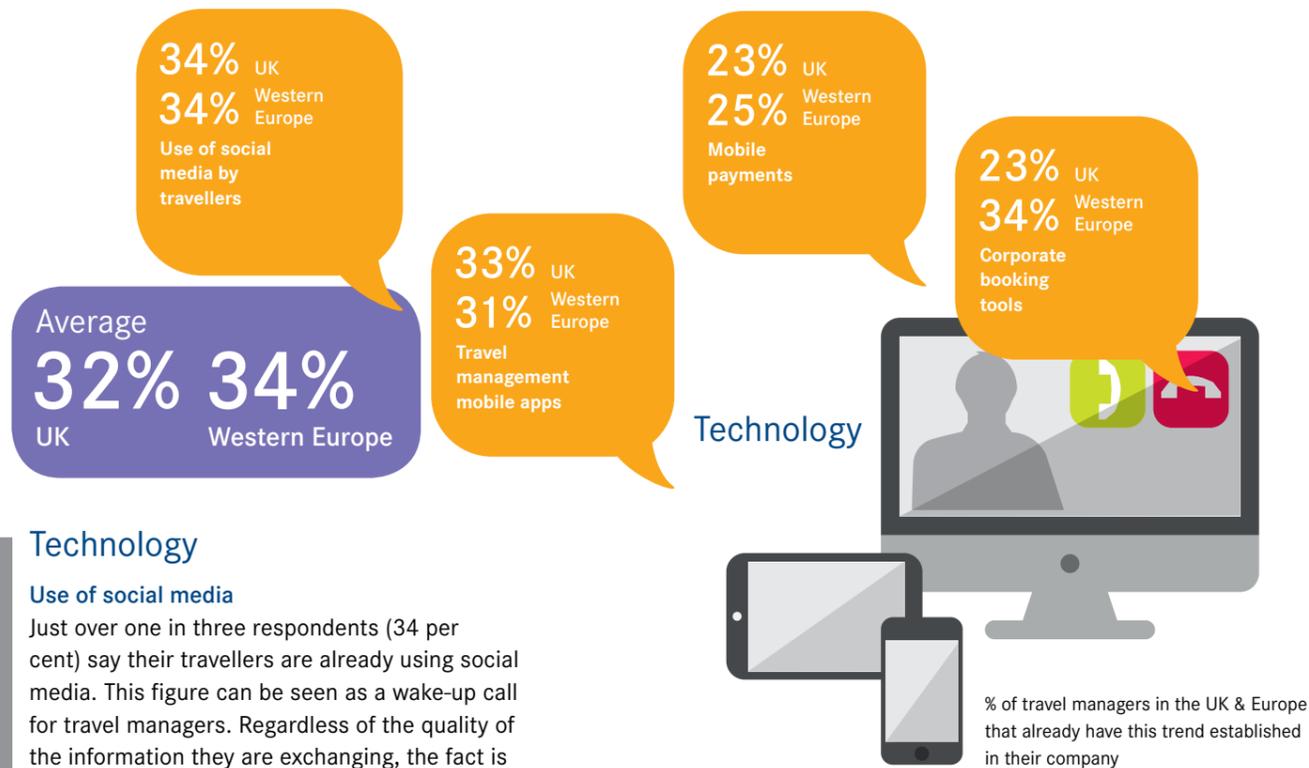
#### Global/regional consolidation of travel management

Multinational travel management is more of a reality today for UK companies (41 per cent) than for businesses in Western Europe as a whole (34 per cent). The figures could reveal that travel programmes are more mature in the UK, or simply that UK companies are more likely to operate international subsidiaries. Either way, consolidation always presents a challenge to travel managers as they strive to balance centralised control, streamlined processes and economies of scale with ensuring best-in-class service in each market.

#### Integrating fleet management

There is limited enthusiasm among UK travel managers for consolidating travel and fleet management. Only 29 per cent say it is already established in their programme, while 41 per cent, the highest figure in Western Europe, do not think this micro-trend will become relevant for them. The case for integration is that the travel and fleet categories share several similarities, such as managing employees on the move and handling emotive purchases. However, there are also many differences, including limited overlap of suppliers and service providers.





## Technology

### Use of social media

Just over one in three respondents (34 per cent) say their travellers are already using social media. This figure can be seen as a wake-up call for travel managers. Regardless of the quality of the information they are exchanging, the fact is that travellers are communicating about their corporate travel. As a result, a small but growing number of travel managers are starting to use social media themselves to engage with their travellers. The evidence so far is encouraging, with travel managers finding they can influence travellers more effectively, correct misinformation and listen properly to what the traveller wants.

### Mobile payments

Paying by mobile phone is already an established micro-trend in 33 per cent of UK respondent companies – a surprisingly high figure for a very new technology. Another 37 per cent believe the trend will become relevant, so mobile payments appear to have a bright future. Using a mobile device that they have to carry anyway is a very convenient option for travellers. For travel managers, the attraction lies in control, because strict limitations can be placed on how the number is used, such as the merchant, the date or the amount.

### Travel management mobile apps

The same number, 33 per cent, say their company is deploying mobile phone apps for travel management purposes, and a further 43 per cent – a very high figure – say the trend is on its way. Examples of travel management apps include mobile expense reporting, itinerary sharing and pushing information about the travel programme such as policy. Even though, as

with the other technology mini-trends, uptake is not as significant as for the the Three Ss and Procurement, it is an impressively high figure for a technology still in its infancy.

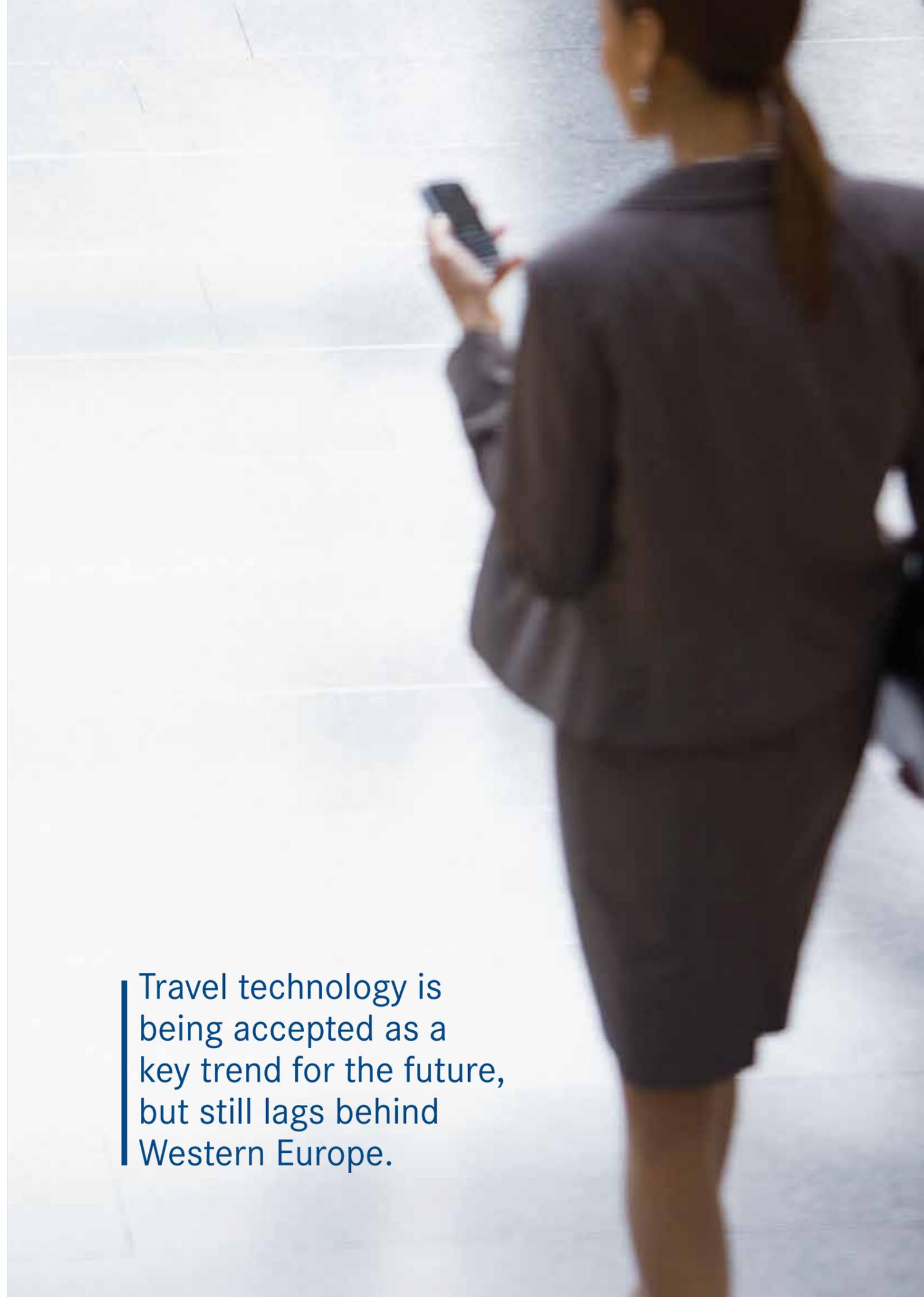
### Corporate booking tools

Given the promising figures for the social media and mobile micro-trends, it is a big surprise to find that corporate booking tools, a 20-year-old technology, are only established in 23 per cent of UK companies. There is no obvious reason why the UK figure is significantly lower than the Western European average of 34 per cent. However, even the Western European average is lower than might have been anticipated. Booking tools are claimed to reduce travel management company transaction fees, reduce average fares and hotel rates, and improve compliance control. The figure suggests booking tool providers have not yet fully won the argument.

## About The Study

This survey was conducted from September to November 2013 by the international market research company 2hm on behalf of AirPlus International. A total of 958 individuals (including 70 from the UK) responsible for travel management within their company were surveyed in 24 countries around the globe.

Travel technology is being accepted as a key trend for the future, but still lags behind Western Europe.



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