

AirPlus International Travel Management Study 2016

Part 3

Trends for travel managers and business travelers

AIRPLUS. WHAT TRAVEL PAYMENT IS ALL ABOUT.

Sharing economy – a good option for travelers?

For quite some time it has been widely talked about: the sharing economy. Sharing economy means organized sharing of things or the provision of rooms mostly by private individuals. The idea of joint use has also found its way into travel management as an easy, quick and cost-effective way of booking for everyone. But shooting stars like Airbnb, Uber, or Lyft have proved major disruptors for established travel operators and companies' travel management.

New suppliers: Interference factor or money-making?

The sharing economy divides travel managers and business travelers into two camps. Planners of business trips have concerns regarding the duty of care; furthermore, private providers undermine the relationships with existing hotels, rental car companies, and suppliers of ground transportation.

However, business travelers are quite attracted to the opportunities offered by the sharing economy. Two thirds of the interviewees are currently allowed to use sharing economy providers by their company, and the overwhelming majority would even like to increase the use of sharing economy services.

What business travelers value about sharing providers



82%
Costs



78%
Safety



84%
Traveler satisfaction



About the study: The survey was conducted from between September and October 2015 by the international market research company 2hm on behalf of AirPlus International. A total of 847 individuals responsible for travel management within their company and 1,158 business travelers were interviewed in 24 countries around the globe. Our aim: Deriving trends from the current market situation and providing a basis for important decisions.

Boon or bane for travel managers?

Companies are of two minds about what to make of sharing economy services. They are well aware of the advantages; however, they also see some risks that may arise, amongst others, from compliance requirements. Who is for example liable when an employee is victim of a car accident while sitting in an Uber car, or is injured while sharing a flat of a private individual on a business trip?

The dilemma for business trip managers

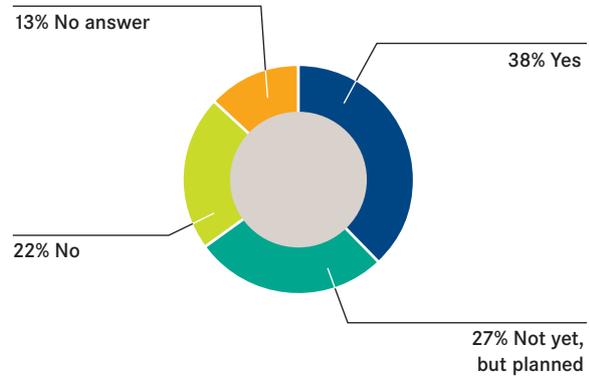
As our study shows, the number of business travelers who want to use sharing economy providers is growing constantly as they see them as cheaper, better and safer alternatives to traditional suppliers. If travel managers refuse to book via sharing suppliers, they will risk that travelers just book them themselves which will make it much harder to track costs and the travellers' whereabouts.

However, if planners of business trips include sharing supplier in their portfolio, they might come into conflict with compliance because the travelers' safety is not supported by licences or quality checks. Moreover, the travel reports are rarely compatible with the companies' digital processes.

Finding solutions together

The pie chart on the right shows that most companies are preparing for collaboration with suppliers of the sharing economy. In return, sharing economy providers adapt to companies' needs and therefore

As business traveler, are you allowed to use sharing offers?

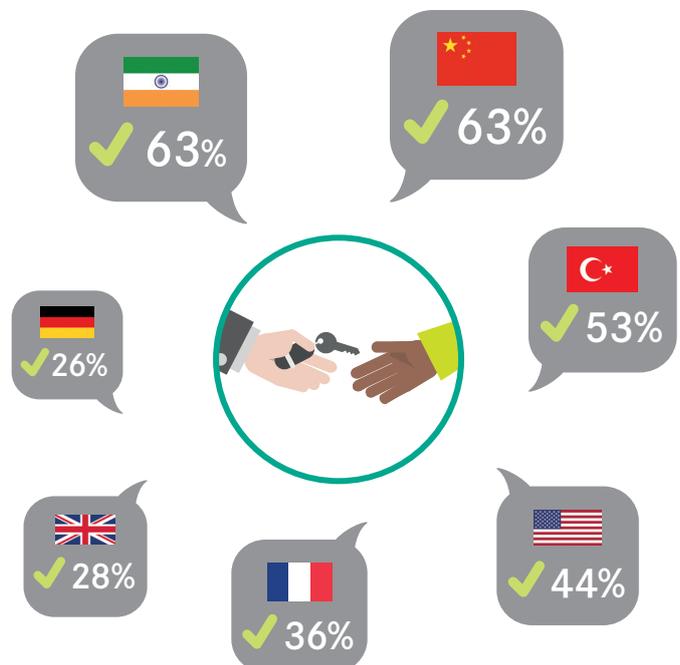


establish separate online portals for businesses. It is also worth noting that 13 percent of the interviewees did not answer the question whether they are allowed to use sharing economy providers, suggesting some companies need to communicate their position on the use of sharing economy providers more clearly to travelers.

Emerging economies are trendsetters

In China and India it is already quite common to organize business trips via sharing services. In Turkey, more than half of the interviewees are using sharing economy services. Surprisingly, the US, where the largest sharing economy providers are based, rank only somewhere in the middle.

How many companies in other countries allow the use of sharing economy services?



More sharing services for business travelers? Yes, please!

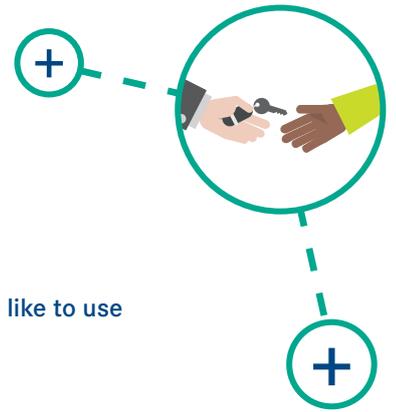
Where travel managers still have reservations, travelers have already made their decision. The overwhelming majority wants to increase use of sharing economy providers. The primary reasons for this are the ease of use (booking done quickly with smartphone) and invisibility of pay (no cash or credit card needed at time of service and proper tipping is already included). It is easy to understand why travelers have a higher comfort factor with sharing economy providers compared with traditional travel suppliers.

Chinese and Indians are most avid for sharing

Once again, the greatest enthusiasm can be found in emerging markets. Even though most travelers in these countries are already allowed to use sharing economy providers, high numbers are calling for more.

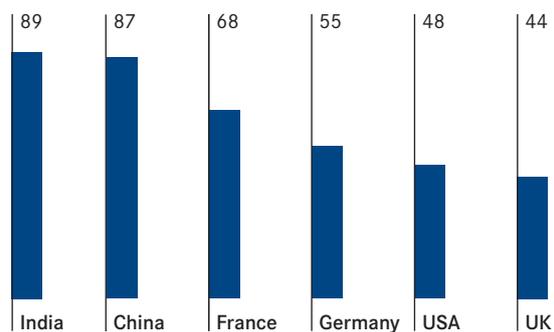
Huge advantages - small disadvantages

Most business travelers are convinced that sharing economy services are cheaper and traveling is much more comfortable with them. In contrast to travel managers, they have no concerns regarding safety and digital reporting issues. They only expect some struggles with their companies' compliance.

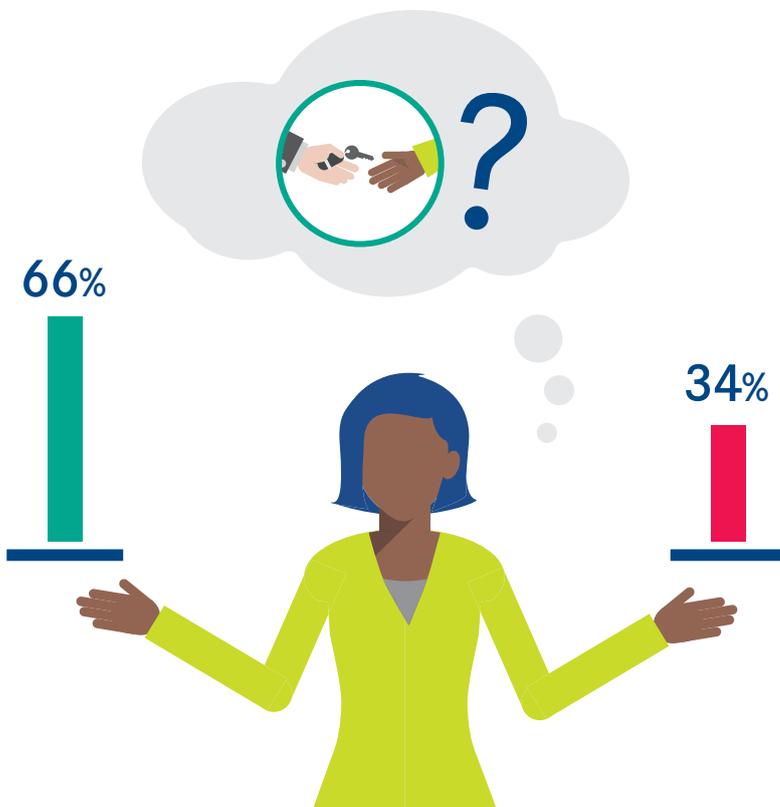


Emerging economies would like to use more sharing services

yes in %



Would you like to use sharing services more often?



Pro and con of sharing economy

