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EVENT RECAP

# MULTINATIONAL CONSOLIDATION IN THE TRAVEL INDUSTRY

# BATM

BELGIAN ASSOCIATION OF TRAVEL MANAGEMENT

# How global can you go? — Multinational consolidation in the travel industry

Business travel is one of the key requirements for any global business to perform optimally. Isn't it ironic, then, that business travel itself is reluctant to consolidation on a global scale? Despite many efforts from all parties involved – hotels, airlines, travel agencies and trade associations – travel management on a global scale will not become a reality anytime soon. BATM gathered over a hundred travel managers and organizations to share insights and engage in lively debates on this topic. The most remarkable and valuable insights from this inspiring day are summarized below.

One of the most widely discussed attempts to consolidate business travel on a global scale is NDC, short for: New Distribution Capability. A powerful and profound innovation, but still far from generally known or acknowledged. Here's why.

## #1

### NDC : LARGELY UNKNOWN AND NOWHERE NEAR GENERAL ACCEPTANCE

A recent study by corporate travel association ACTE has highlighted a huge knowledge gap: over 80% of travel managers are not fully confident about their NDC knowledge. As a result, they do believe NDC will bring some benefits, such as improved traveler experience (64% of respondents) and better airline negotiations (56%), but these are overshadowed by the perceived threats to their travel program: reduced functionality (90%), higher costs (89%), less fare transparency and data availability (88%). “NDC will take years to be adopted”, concludes [Bruce Hanna](#), regional director at ACTE EMEA, “but that's the case with every profound technological innovation. E-ticketing took 15 years to become mainstream.”

## #2

### THE JOURNEY TO NDC (AND CONSOLIDATION) REQUIRES LOTS OF PREPARATIONS

“For NDC to be successful, travel managers not only need to understand what NDC is, they also need to help define how it evolves”, said Bruce Hanna “and that can only be realized by preparing for change right now.” Some of the items you can work on include: reviewing your travel policy, and your policy on airline ancillaries (based on an exact insight in the ancillary cost today) and – not to forget – ask as many questions on NDC as possible and voice your concerns. NDC is an organic program, based on evolving technology, and any feedback may lead to an even better result.



# #3

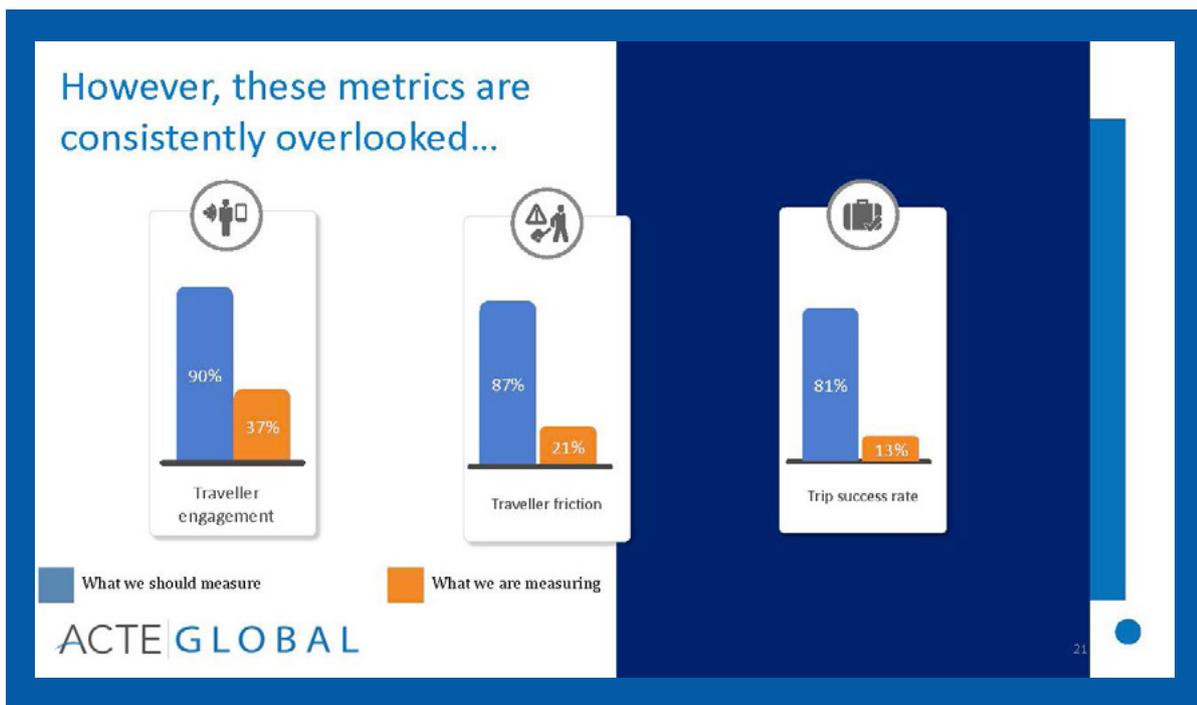
## NON-COMPLIANCE ISN'T (ALWAYS) CAUSED BY STUBBORNNESS...

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# #4

## ... AND CAN BE AVOIDED BY GAUGING THE RIGHT TRAVELER FEEDBACK

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YOU SHOULD NOT JUST LOOK AT THE COMPLIANCE FIGURES BUT ALSO AT OFTEN OVERLOOKED METRICS SUCH AS TRAVELER ENGAGEMENT, TRAVELER FRICTION AND TRIP SUCCESS RATE.

In addition to NDC, this event also focused on other ways of maximizing your business travel consolidation efforts. Valuable tips which, when combined, may lead to the desired result of cost-efficiency and increased traveler satisfaction.



#5

#### KEY TO CONSOLIDATION SUCCESS # 1: GATHER INSIGHTFUL DATA

Most of the experts and experienced travel managers agree on this one piece of advice: the more reliable data you have available, the better your travel program consolidation will be. “We have offices in 90 countries, all together they generate a lot of insightful travel data”, said [Ann-Sofie Van Wouterghem](#), Global Procurement Manager at Barco, “they have definitely helped shape our global travel program and provided some valuable lessons. One of the lessons being that there is no one single package that can deal with all offices’ travel needs.”

ANN-SOFIE VAN WOUTERGHM, GLOBAL PROCUREMENT MANAGER AT BARCO

“Involve your travelers, for instance by creating pilot teams for new programs.”

You don’t have to restrict yourself to the corporate travel data, by the way: there are lots of data generated by external parties that may be interesting as well. Travel agencies and other industry players, for instance, are gathering tons of data and insights as they go. “It would be useful if these could be shared with other parties”, remarked [Judith Huisman](#), founder of MeetingSelect, “even sharing between competitors should be an acceptable practice in order to promote NDC and consolidation. Why wouldn’t you? If you’re strong in what you do, sharing data will only make you stronger.”



JUDITH HUISMAN, FOUNDER OF MEETINGSELECT

“Sharing between competitors should be an acceptable practice in order to promote NDC and consolidation. If you’re strong in what you do, sharing data will only make you stronger.”

## #6

**KEY TO CONSOLIDATION SUCCESS # 2 :  
STRIVE FOR 'GLOCALIZATION'**

As Barco had already indicated earlier, there is no one solution that fits all needs. Local travel needs may vary significantly, due to culture, travel service availability or local legislation. “Countries such as China, Turkey and Japan will always have to be treated differently, because they have their own set of policies and technologies”, it was observed in one of the breakout sessions. For a consolidation program to succeed, you therefore need to resist the urge to apply the same set of rules in every office. Going global while respecting local, or – as Tom Jansen, Head of Client Management at American Express Belgium, put it - “incorporate regional nuances in your global program”: that’s what is meant with ‘glocalization’.

## #7

**KEY TO CONSOLIDATION SUCCESS # 3:  
GET BUY-IN (X 2)**

“Your consolidated program may be as well-thought as you want, and it may lead to millions of savings when executed consistently, but it will generally still fail without the right buy-in”, warned Jean-François Demol, Senior Director Inside Sales and Client Retention at BCD EMEA. You will not only need the buy-in from top management, in order to enforce the program globally, but also from your business travelers. “Even when you are providing company tools for business travel and explaining that they are the preferred corporate tools, you still need to show them that they not only benefit the organization but also their own well-being and safety”, Ann-Sofie Van Wontergem advised. She added that there are other ways of gaining travelers’ buy-in: “Involve your travelers, for instance by creating pilot teams for new programs. When they can experience the advantages first-hand and enjoyed the experience, they will become strong ambassadors.” This close collaboration and tight feedback loops will also contribute to traveler satisfaction, and employee satisfaction in general. An important asset in this era of talent shortage.



Last but not least, the audience was served an excellent example of how a huge amount of highly divergent data can lead to sometimes surprising but always rewarding insights.

## #8

### DATA LEADING TO INSIGHT: TROOP TRAVEL AS A CONCRETE EXAMPLE

Everybody agreed on the high value of data in any consolidation effort. They equally agreed on the importance of data being put to use intelligently. Data should be context-driven, for instance: when you compare Brussels hotel prices with other destinations, you should bear in mind that these will be considerably higher when for instance a European Summit is taking place. Ignoring such important information can lead to entirely wrong conclusions and decisions.

A fine example of data being put to good use is the organization Troop Travel, who created an award-winning corporate group travel, meetings & event platform. This platform is an excellent example of data and AI being put to work for the benefit of organizations. In a nutshell, their business model is to provide customers with the best possible location for an international event, based on the location of all participants, the period and other significant data. The ultimate goal is to save huge costs and valuable time by making the best possible informed decisions based on the available data.

Their example more specifically illustrated that sometimes the more counterintuitive decisions are the best, because organization-specific policies may influence the end result,

explained [Dennis Vilovic](#), founder of Troop Travel: “Take for instance a meeting requiring, among others, 60 Chicago-based employees. The obvious choice seemed Chicago, but eventually Boston turned out to be cheaper. Why? Because for many attendees, travelling to Boston instead of Chicago would mean that the flight time was less than six hours, while Chicago would have been more than six hours. Not only does that mean a valuable time savings, but also a huge cost saving. As it turned out, this organization had a policy that any flight exceeding 6 hours could be booked in business class instead of economy. By keeping the flight time slightly below 6 hours, they avoided the extra costs of business class tickets for a huge group of attendees.”

The example illustrated the power of analytics, but also the importance of gathering and analyzing a wide variety of data: they can all contribute to better traveler experiences and to considerable savings in the travel budget. These data include more recent phenomena such as alliances offering discounts for such projects. “And increasingly, we have customers asking us for calculations including the carbon footprint factor or even based merely on the carbon footprint calculation”, Vilovic added.



DENNIS VILOVIC, FOUNDER OF TROOP TRAVEL

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