

Tap into mobile service: managed travel in the digital economy



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Travel





Research by the CWT Travel Management Institute

The CWT Travel Management Institute conducts in-depth research and publishes timely reports on managed travel best practices to help companies get the most from their travel programs.

Tap into mobile service: managed travel in the digital economy is the latest in-depth research report in a series that also includes:

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- *Mastering the maze: a practical guide to air and ground savings* (2012)
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Introduction

By nature, travelers are mobile and often early adopters of new technology. But how fast are they adopting mobile travel apps, and how well are their expectations being met? What impact are the latest solutions having on managed travel programs, and how can companies best manage the risks and opportunities? These are some of the questions answered in this in-depth research.

The market is ready and waiting for specific mobile technology to enhance the travel experience, by providing travelers with continuous access to service, as well as adding to the services available at every stage of the travel process.

While the sky may be the limit in terms of potential new features, some of the services travelers and travel managers consider most useful are already on the market, especially flight status updates and itinerary information apps. Other services will follow soon, including much-awaited corporate mobile booking.

As suppliers further develop their offerings to better satisfy emerging demands, travel managers need to act fast to guide travelers toward the right devices and tools, playing a key role in the decision-making process for mobile policy in their companies. Most of surveyed travel managers say they plan to introduce guidelines in the next two years to help their travelers make the most of mobile technology in a managed travel environment.

Above all, this research highlights a striking consensus between travelers and travel managers about the positive impact mobile can have. With the right approach, mobile services can clearly complement the solutions already in place and boost the objectives of any managed travel program.



About this research

A global study on mobile travel solutions and the managed travel program

Objectives

- ▣ Provide a clear overview of the mobile travel solutions market today and anticipate developments
- ▣ Understand the value offered to managed travel programs while identifying the risks
- ▣ Share best practices and advice to help companies successfully integrate mobile solutions into their managed travel programs

Date: December 2013 to May 2014

Scope: a wide range of companies worldwide in terms of size and industry (Figures 1-2)

Methodology

CWT combined several research techniques for this report:

■ Surveys

- ▣ An online survey of 1,804 travelers from seven global companies on mobile policy, their expectations, use of mobile services for travel, and satisfaction
- ▣ A detailed questionnaire of 173 travel managers worldwide on their company's use of mobile devices and apps, policy and expectations

- ▣ Focus groups on traveler perceptions and preferences in three countries (Germany, United Kingdom and United States)

■ In-depth interviews

- ▣ Input from more than 50 experts, including travel managers, representatives of business travel associations, business travel journalists, travel management companies, travel suppliers, mobile operators and solutions providers, travel supply chain consultants and GDS companies

■ Quantitative analyses

- ▣ A mobile market forecast
- ▣ An analysis of the average time travelers book hotels in advance of their trips via mobile compared to other corporate channels

■ Industry white papers and media articles

- ▣ (See list on Pages 93-94)

Figure 1: Breakdown of surveyed travel managers

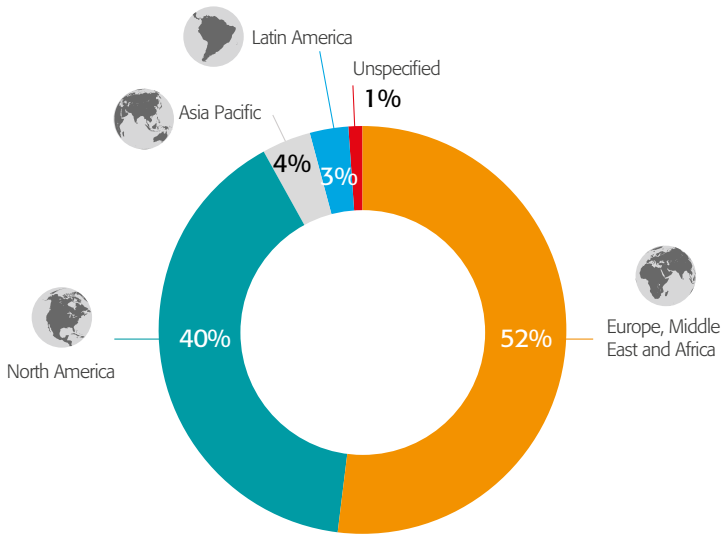
Industry



* Includes aerospace and defense, healthcare, life sciences, pharmaceutical companies and other sectors

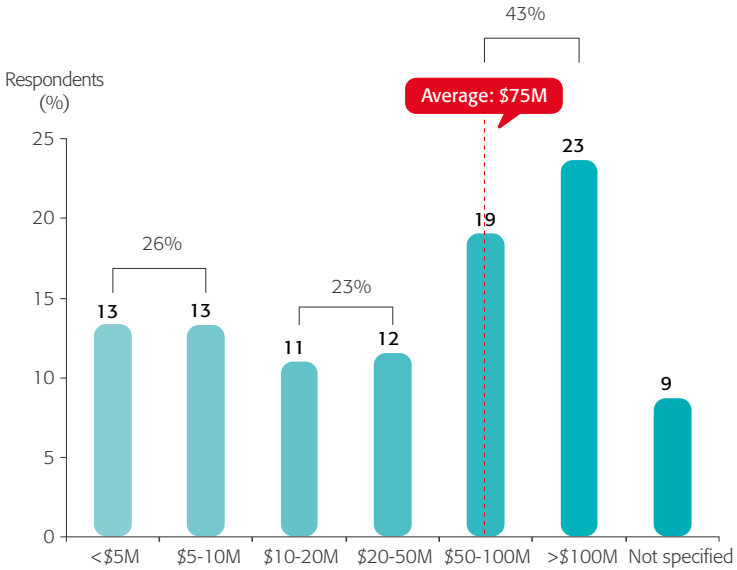
Source: CWT Travel Management Institute
Based on a global survey of corporate travel managers (166 respondents), 2014

Company headquarters



Source: CWT Travel Management Institute
Based on a global survey of corporate travel managers (168 respondents), 2014

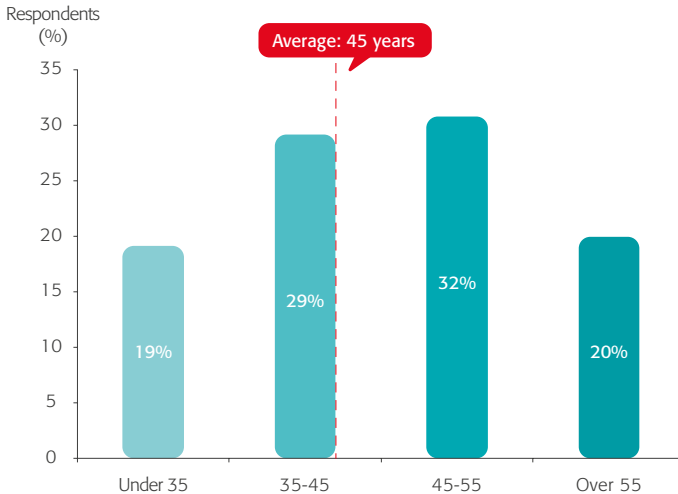
Company size (annual travel spend)



Source: CWT Travel Management Institute
Based on a global survey of corporate travel managers (173 respondents), 2014

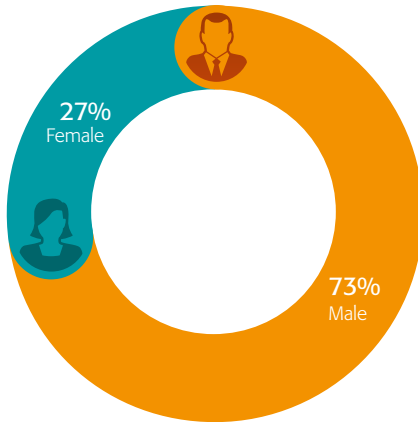
Figure 2: Breakdown of surveyed travelers

Age



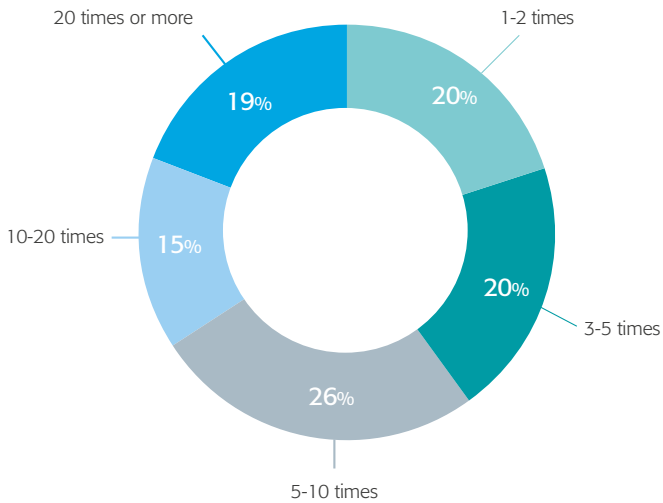
Source: CWT Travel Management Institute
Based on a global survey of business travelers (1,632 respondents), 2014

Gender



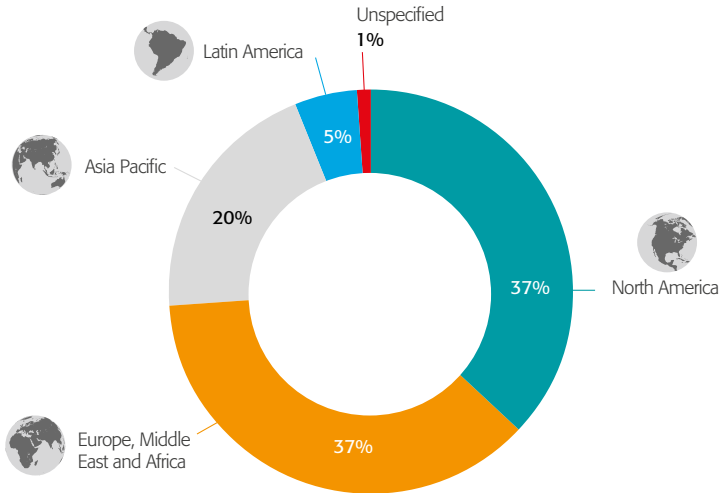
Source: CWT Travel Management Institute
Based on a global survey of business travelers (1,628 respondents), 2014

Frequency of travel (number of round trips per year)



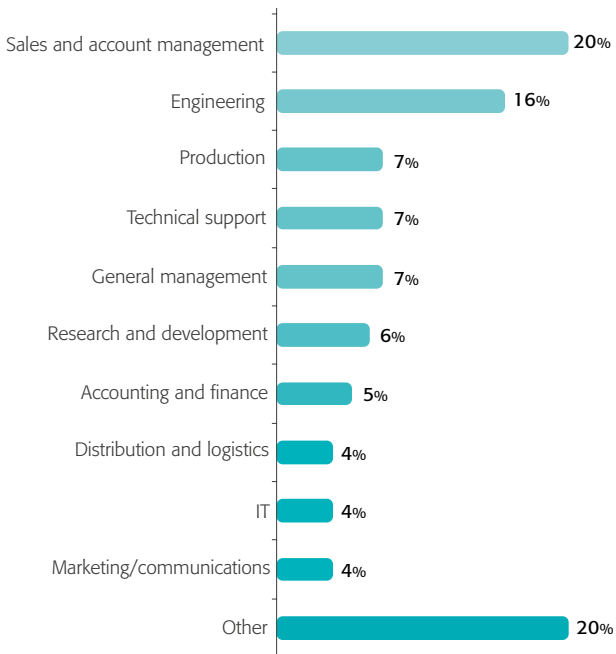
Source: CWT Travel Management Institute
Based on a global survey of business travelers (1,665 respondents), 2014

Home region



Source: CWT Travel Management Institute
Based on a global survey of business travelers (1,665 respondents), 2014

Function



Source: CWT Travel Management Institute
Based on a global survey of business travelers (1,612 respondents), 2014



Who's equipped for mobile services?

Most surveyed business travelers now carry smartphones and a growing trend for corporate "bring your own device" policies is driving adoption of the brands compatible with the most apps. Tablet use has also increased dramatically. While penetration figures vary considerably between countries, the general picture is of a global market that is largely ready for the latest mobile services.



Key takeaways

- On average, 62 percent of business travelers carry company smartphones.
- Massive growth in available apps underlines a strong appetite for mobile services.
- Tablet penetration has reached more than 40 percent in the United States and around 30 percent in Europe.

→ Smartphones are the norm for travelers in more than half of all surveyed companies

Business travelers are largely equipped for the latest services the mobile market has to offer. According to the CWT survey of travel

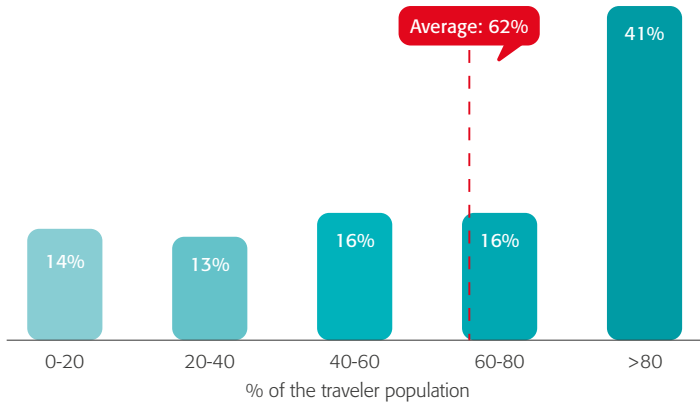
managers, 62 percent of travelers carry company smartphones, rising to at least 80 percent in 41 percent of organizations.

Age is irrelevant: mobile solutions address all traveler age groups since employees under 50 are used to new technologies now.

Associate partner, global consulting company

Figure 3: An estimated 62 percent of travelers carry company smartphones

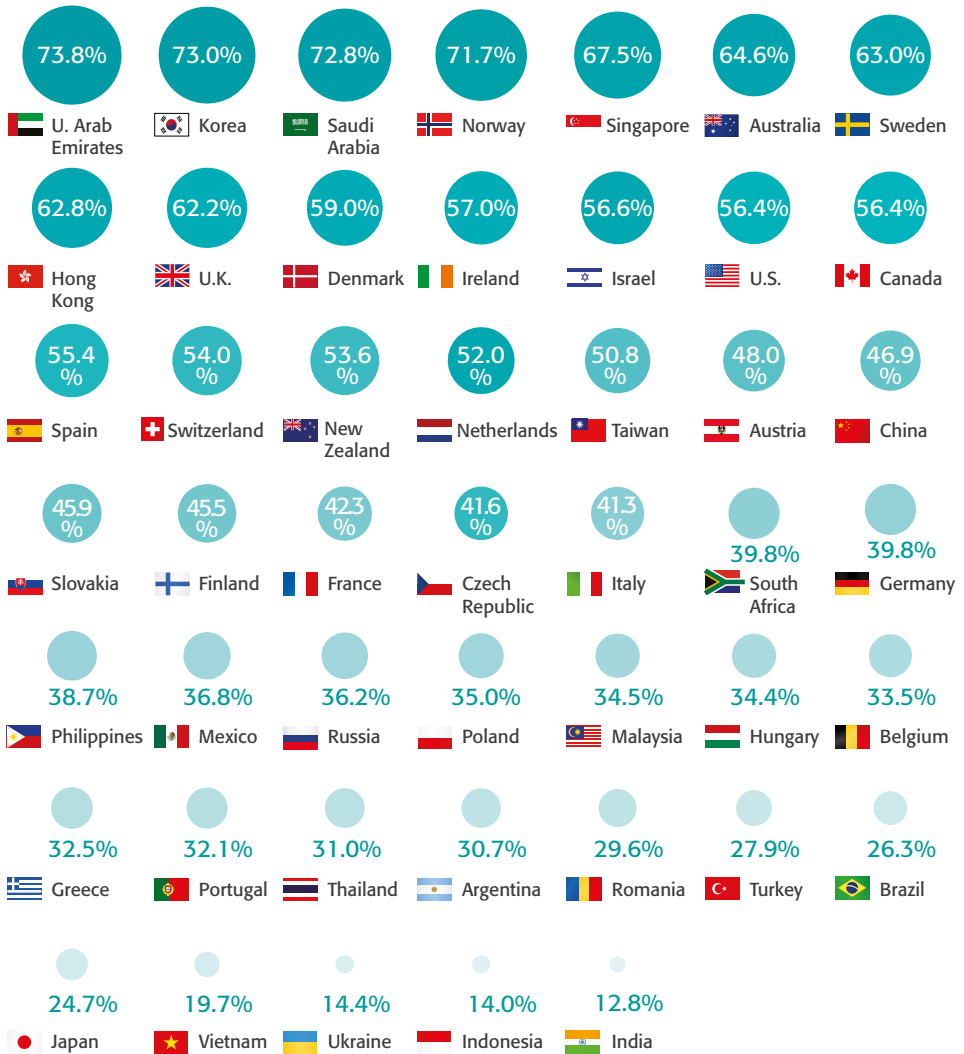
What percentage of your travelers have company smartphones?



Source: CWT Travel Management Institute
Based on a global survey of corporate travel managers (173 respondents), 2014

Smartphone usage by business travelers may be higher still, given that many also carry a personal phone. Looking at the general population, smartphone penetration exceeded 70 percent in four countries (United Arab Emirates, Korea, Saudi Arabia and Singapore) at the beginning of 2013. (See Figure 4.)

Figure 4: Smartphone penetration in the general population



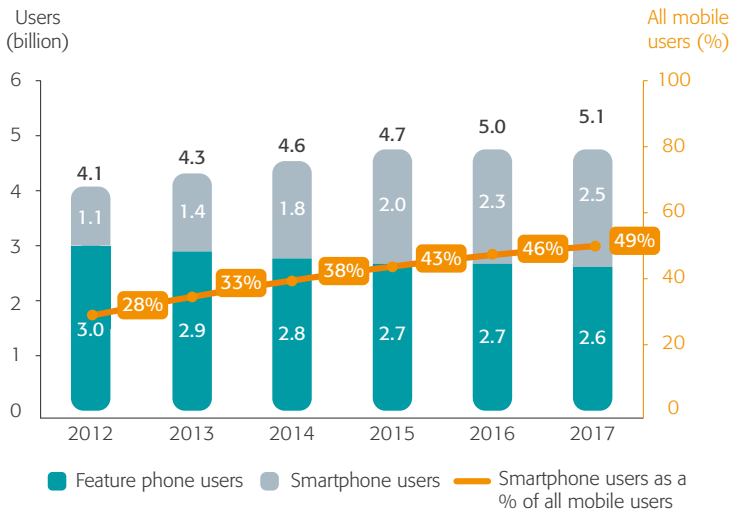
Source: Google, *Our Mobile Planet*, Q1 2013

According to eMarketer,¹ the number of smartphone users worldwide surpassed 1 billion in 2012 and should reach 1.75 billion in 2014. This fast growth, around 15 percent a year, should continue to 2017, when penetration is expected to reach about 50 percent of all global mobile users (compared to about 33 percent in 2013).

The remaining 50 percent will be using feature phones, in part because of the cost of devices

and gaps in high-speed (3G and 4G) coverage in some regions. For the moment, an estimated 4.6 billion people worldwide are expected to use mobile phones in 2014, according to eMarketer. Although global growth in mobile adoption is slowing, new users in developing countries will drive further increases, and mobile phone penetration worldwide should rise from 61 percent in 2013 to 69 percent by 2017.

Figure 5: Around half of all mobile phone users will carry smartphones by 2017


















Source: eMarketer, December 2013

¹ eMarketer, *Worldwide Mobile Phone Users: H1 2014 Forecast and Comparative Estimates*, summary published on emarketer.com, January 2014

As Figure 6 shows, some of the world's largest mobile markets are developing economies, not simply because of the size of their populations but often because mobile phone infrastructure has leapfrogged over landline development. Smartphone use in these leading markets varies

quite significantly, as indicated by 3G and 4G penetration figures. Penetration starts as low as 3 percent in India and only exceeds 50 percent in Brazil (55 percent). Germany (56 percent), Japan (85 percent) and the United States (92 percent).

Figure 6: The world's largest mobile markets (feature phones and smartphones)

	Mobile subscriptions (million)	Mobile subscriptions (% population)	3G/4G subscriptions (% population)
 World	6,587.4	93	27
 China	1,246.3	92	33
 India	772.6	62	3
 United States	345.2	110	92
 Indonesia	285.0	115	18
 Brazil	272.6	137	55
 Russia	237.1	165	29
 Japan	137.1	108	85
 Nigeria	128.6	76	8
 Vietnam	127.7	144	20
 Pakistan	126.1	70	-
 Bangladesh	116.0	75	22
 Germany	113.6	139	56
 Philippines	109.5	113	17
 Mexico	102.7	95	16

Source: National telecoms regulators (2013)

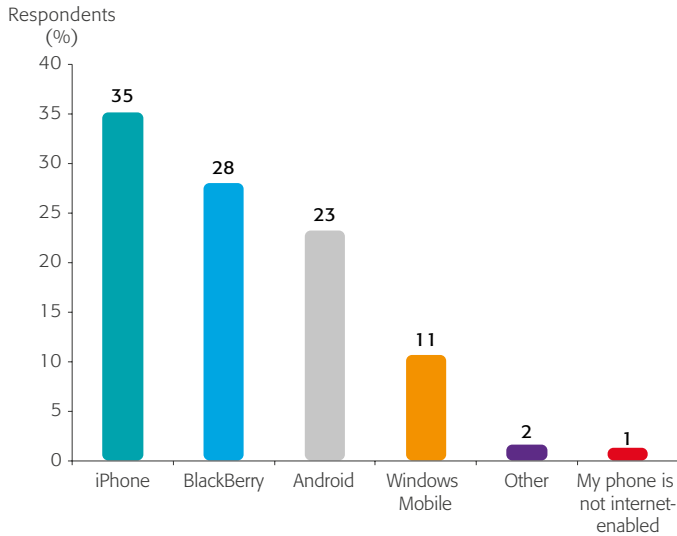
→ Work phones are shifting toward the most app-friendly devices

The previous corporate favorite, BlackBerry, has retained a significant share (28 percent, according to surveyed travel managers), largely due to its strong security features. However,

other devices are capturing an increasing share of the market, as reflected in the CWT survey. An estimated 4-5 percent of all apps are travel-related, based on app store statistics.

Figure 7: Breakdown of devices carried by travelers, according to travel managers

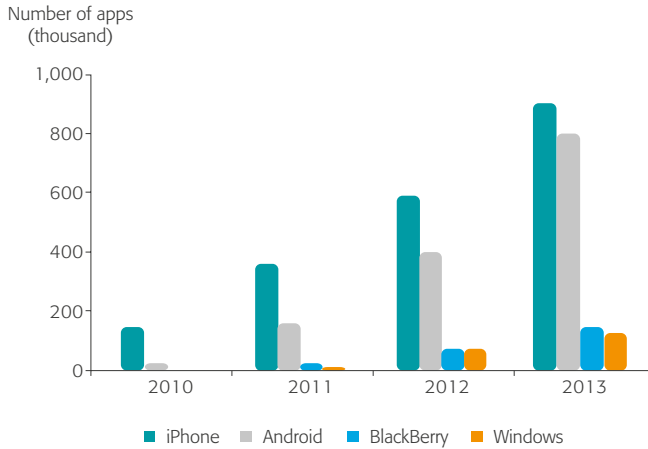
What type of mobile devices do your travelers use (multiple answers possible)?



Source: CWT Travel Management Institute
Based on a global survey of corporate travel managers (375 respondents), 2014

iPhone and Android devices are clearly ahead of the market in terms of the number of apps available to users, according to app store statistics (Figure 8).

Figure 8: iPhone and Android users can access the most apps



Source: CWT Travel Management Institute
Based on various app store metrics

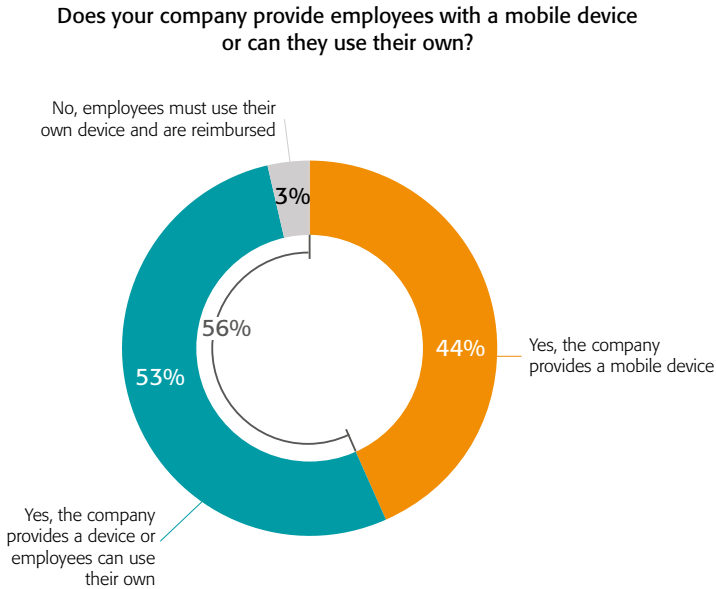
Mobile adoption will be faster than online thanks to the rapid development of high-speed mobile technologies (3G and 4G).

Editor, business travel publication

One of the reasons for this trend toward app-friendly phones is more companies introducing a “bring your own device” (BYOD) policy. Currently, 56 percent let employees choose their own devices, according to

surveyed travel managers. Approximately 198 million devices were involved in BYOD programs in 2013, and this figure is expected to double to 405 million by 2016.²

Figure 9: 56 percent of companies have a “bring your own device” policy



Source: CWT Travel Management Institute
Based on a global survey of corporate travel managers (173 respondents), 2014

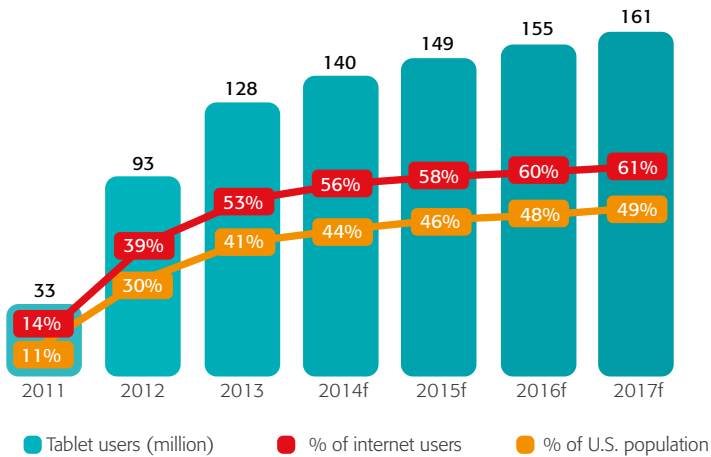
² Source: PhoCusWright, *Mobile Hits the Mainstream: Leisure and Business Traveler Trends*, January 2012

→ Tablet usage has increased dramatically

While lagging behind smartphones, tablet usage has increased dramatically over the past few years and is expected to reach nearly 50 percent of the general population of the United States, the most mature market,

by 2017, up from an already impressive 41 percent in 2013. In numbers of users, these figures represent 160 million in 2017, compared with 128 million in 2013.

Figure 10: U.S. tablet users* and penetration (2011-17f)

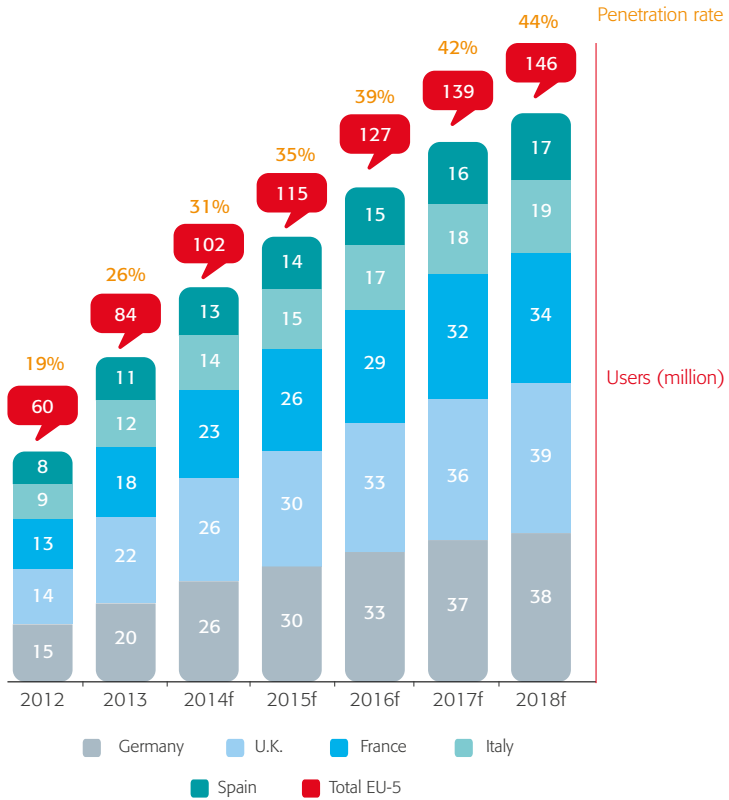


* Individuals of any age who use a tablet at least once per month
Source: eMarketer, September 2013

In Europe, tablet penetration in the five largest markets (United Kingdom, Germany, France, Spain and Italy) is slightly lower, expected to reach 42 percent by 2017, compared with 26 percent in 2013. The number of users is

forecast to almost double from 102 million in 2014 to 146 million by the end of 2018. (See Figures 11-12.)

Figure 11: Tablet users* and penetration in the EU-5 by country (2012-18f)

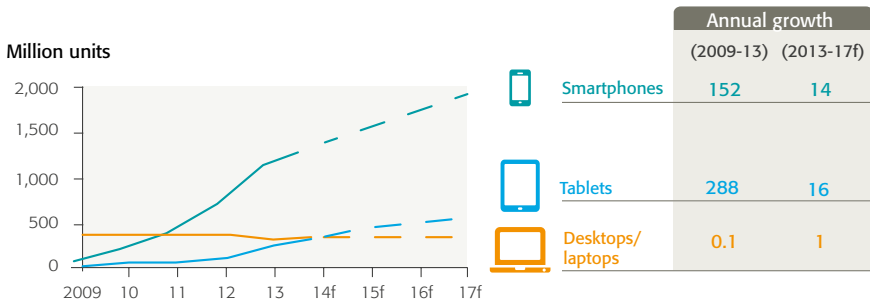


*Individuals of any age who use a tablet at least once per month; numbers may not add up to total due to rounding
 Source: eMarketer, May 2014

Tablet sales in the global retail market are now comparable with desktop/laptop sales and expected to overtake them in the next few years. (See Figure 12.) Not featured in this chart but

another trend worth watching is “phablets,” or larger smartphones offering an experience closer to tablets.

Figure 12: Sales of smartphones, tablets and desktops/laptops worldwide (2009-2017f)



Source: CWT Travel Management Institute, Gartner and IDS



What impact do travel managers expect?

Travel managers expect mobile services to make a significant, positive impact on their travel programs in the next two years.



Key takeaways

- Travel managers consider the potential impact to be high, rating it 6.8 overall on a scale of 1 to 10, while 48 percent rate it at least 8.
- When asked to rate the impact on five key program objectives, travel managers put emphasis on both facilitating travelers' experience and supporting the travel program.

→ Travel managers expect mobile services to make a significant impact

When asked to assess the expected impact of mobile services on their corporate travel program in the next two years, travel managers rate it 6.8 on average on a scale of 1 to 10,

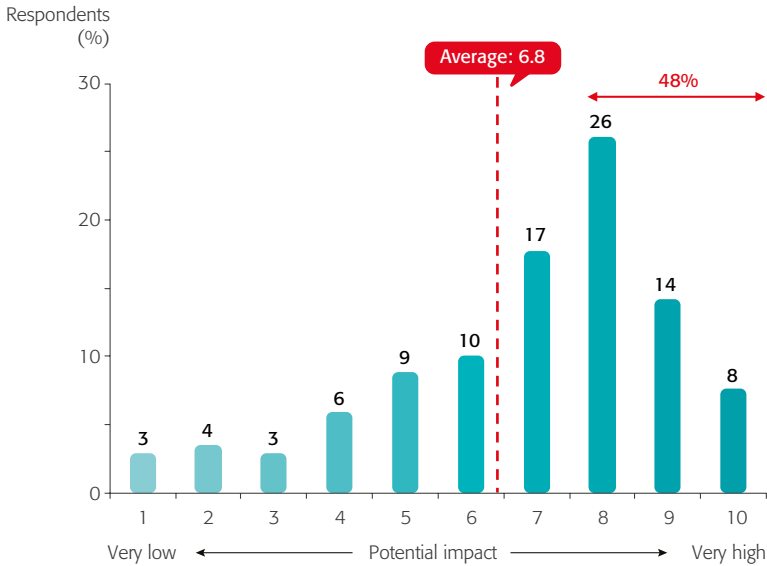
indicating that the topic is top of mind. Almost half of them (48 percent) rate the impact 8 or above, while only 16 percent rate it 4 or below. (See Figure 13.)

Most travel managers are ready to embrace the mobility evolution and set up a mobile policy. They are increasingly aware it is a necessary step.

Editor, business travel publication

Figure 13: Travel managers consider the potential impact of mobile services to be high

On a scale of 1 to 10, how would you rate the expected impact of mobile services on the corporate travel program in the next two years?



Source: CWT Travel Management Institute
Based on a global survey of corporate travel managers (170 respondents), 2014

North American travel managers place it even further up the agenda, compared to their peers in Europe, Middle East and Africa, rating the impact 7.1 (vs. 6.7), while 29 percent of them rate it 9 or 10 (vs. 18 percent for Europe).

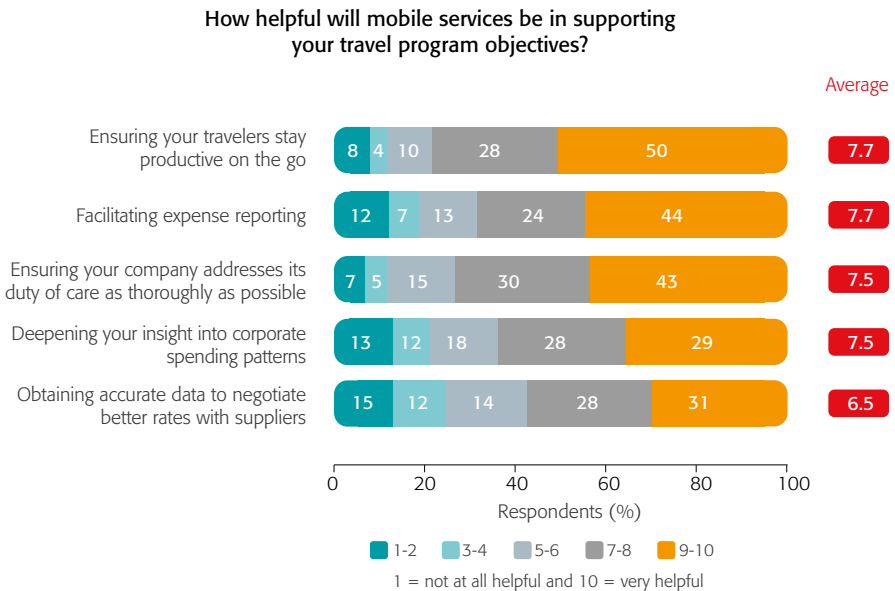
Likewise, a greater impact is expected by travel managers whose companies have the largest travel budgets (above \$50 million), rating it 7.1 (vs. 6.7 for smaller budgets).

→ The impact is expected to be positive

This impact is expected to be positive across the board. When asked how mobile services will help them achieve their program objectives, travel managers rate five different ways rather uniformly, with a noticeably lower score only

for “obtaining current, accurate data” (6.5 out of 10). The other four ways, relating to traveler productivity, expense reporting, safety and security, and insight into travel spend, are rated 7.5 to 7.7 out of 10. (See Figure 14.)

Figure 14: Travel managers expect the impact of mobile services to be positive



Source: CWT Travel Management Institute
Based on a global survey of corporate travel managers (165 respondents), 2014



Which benefits and features are in demand?

Travelers and travel managers generally agree on the most important services with some variations. On the whole, they consider mobile services important at every stage of the travel process but rate “on-the-go” features most highly.



Key takeaways

- For travelers and travel managers alike, the key benefits of mobile features concern ease of doing business, productivity and well-being.
- Expectations are high for both populations, who consider the importance of mobile services to be high across the entire travel process or “trip continuum.”
- Currently, flight status updates and itinerary information are universally considered the most important features.
- Travel managers also place travel alerts in the “critical” category, as do travelers in Asia Pacific and North America, who are most impacted by flight disruptions.

→ Travel managers’ needs remain the same in a changing service environment

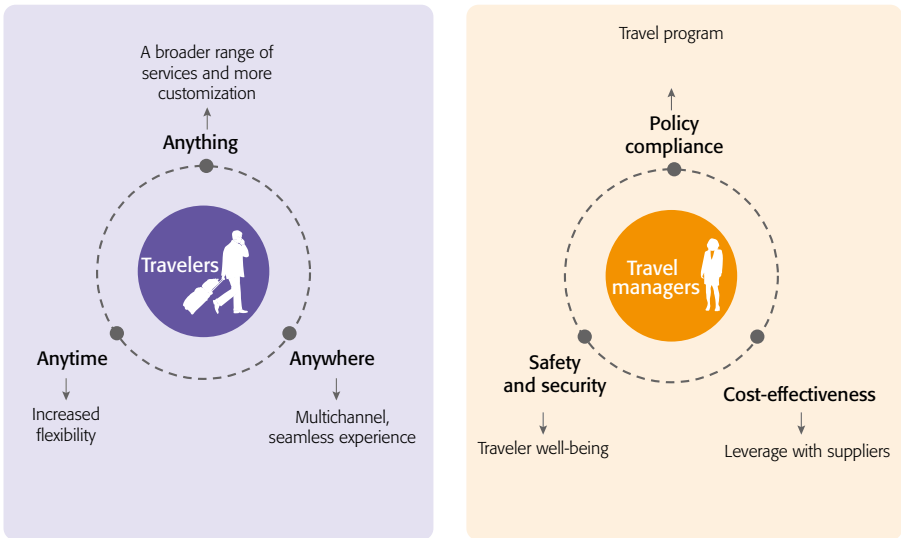
Travelers expectations have evolved with the “consumerization” of business travel and mobile services potentially enabling any service required, anywhere, anytime. Meanwhile,

travel managers remain focused on ensuring compliance with the travel program and providing safety and security for travelers in a cost-effective manner.

Mobile is a key channel for ensuring traveler security and assisting them in emergencies. We are already using mobile today to communicate with our travelers via SMS and notify them of safety issues. Mobile geolocation services could also help us better track our travelers.

Editor, business travel publication

Figure 15: While travelers' expectations have evolved, travel managers remain focused on policy compliance, safety and security, and cost



Source: CWT Travel Management Institute

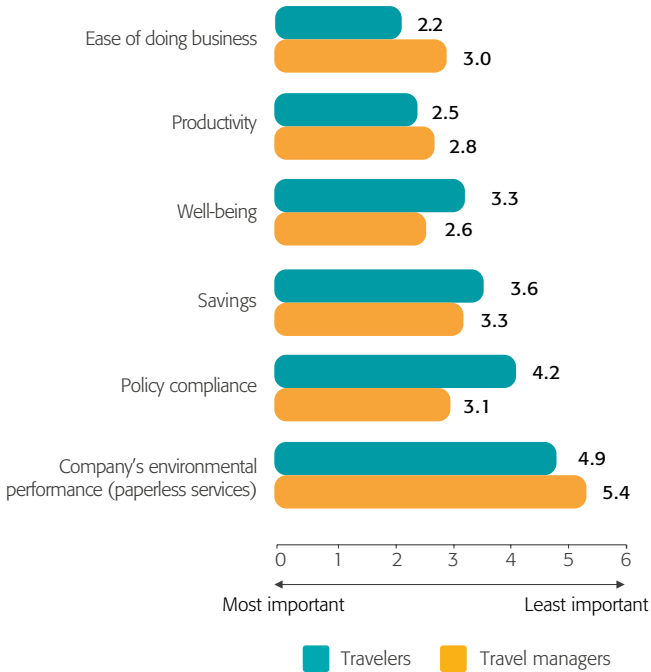
➔ **Ease of doing business, productivity and well-being come first**

When asked to rank the main benefits of enhanced mobile services, travelers and travel managers identify the same top three, although in a different order. While travelers put ease of doing business first, travel managers consider

traveler well-being the most important benefit. Both rank productivity second and environmental performance (e.g., through paperless boarding passes and itineraries) last. (See Figure 16.)

Figure 16: Ease of doing business, productivity and well-being come first for travelers and travel managers considering mobile services

Please rank the following benefits of mobile services:



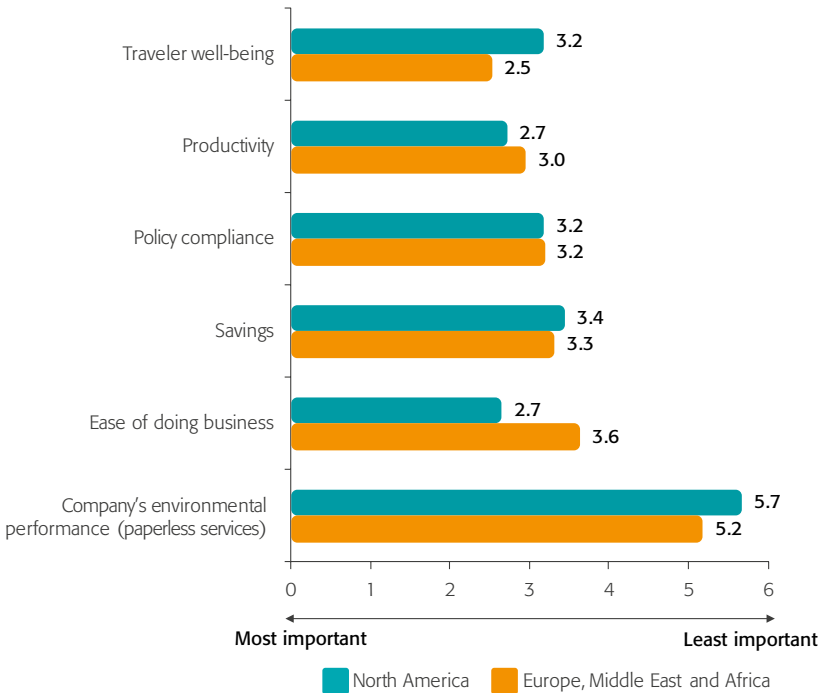
Source: CWT Travel Management Institute
Based on a global survey of business travelers (1,698 respondents) and travel managers (163 respondents), 2014

These results are similar across all regions for travelers, although some strong regional differences emerge in travel managers' priorities: while North American travel managers follow travelers in considering ease of doing business,

productivity and well-being most important (in that order), European travel managers emphasize well-being, productivity and then compliance with travel policy. (See Figure 17.)

Figure 17: Regional differences emerge in how important travel managers consider different mobile benefits

Please rank the following benefits of mobile services:



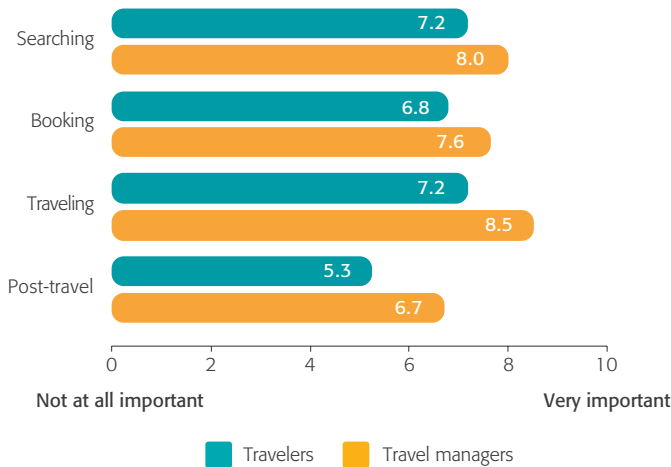
Source: CWT Travel Management Institute
Based on a global survey of corporate travel managers (150 respondents), 2014

→ Mobile services are important at every stage of the travel process

Expectations are high for both travelers and travel managers, who consider mobile services especially during actual travel, but also when booking and back in the office (e.g., for expense reporting). (See Figure 18.)

Figure 18: Mobile services should offer continuous support throughout the travel process, according to the CWT survey

How important is a travel app for each of the following stages of travel?



Source: CWT Travel Management Institute
Based on a global survey of business travelers (1,708 respondents) and travel managers (166 respondents), 2014

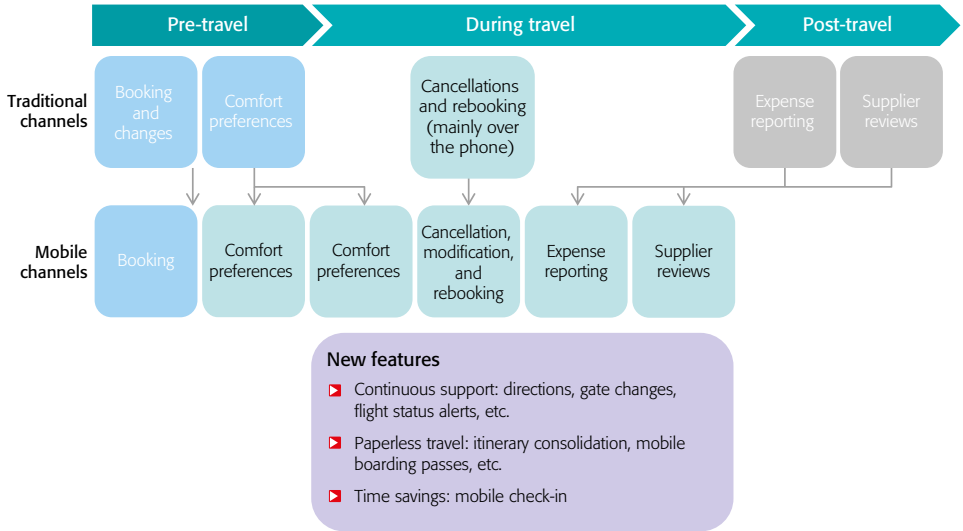
For travelers, the results are the same in terms of the order of importance regardless of their region or how often they travel.

Effectively, beyond offering more features, mobile services can facilitate travelers' access to information and services when they are away

from the office and provide more choice as to when and how certain tasks are carried out. (See Figure 19.) According to Google, 49 percent of travel-related searches result in bookings, and 57 percent of these are made on desktop or laptop computers.

Figure 19: Mobile services should offer continuous support throughout the trip continuum, according to the CWT survey

Key stages of business travel in traditional and mobile channels



Source: CWT Travel Management Institute

Travelers are looking for apps that provide continuous support during trips, especially because of travel disruption.

Travel manager, global consulting company

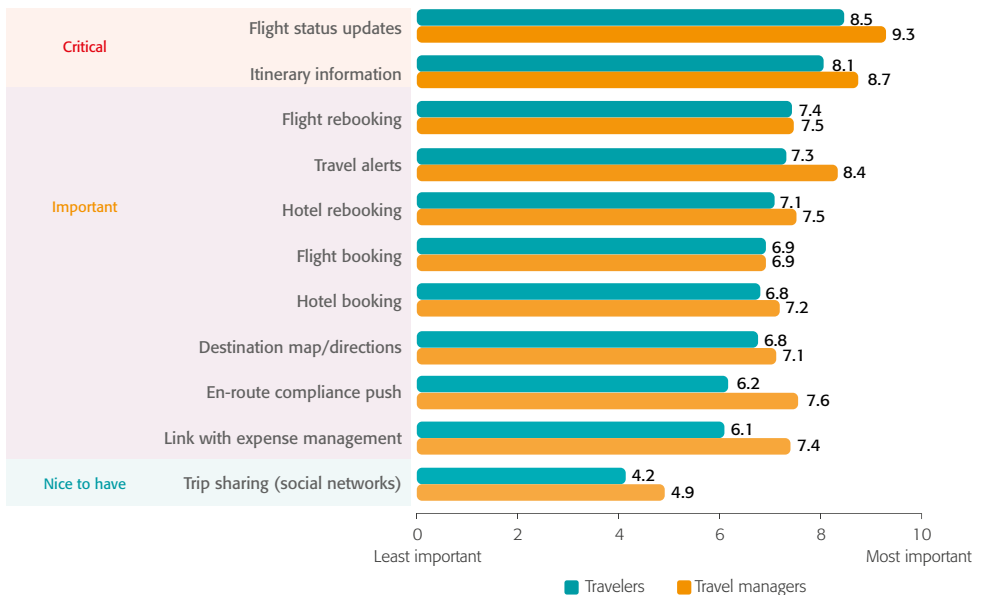
→ Travelers and travel managers rank the same two “on-the-go” features above the rest

Travelers’ and travel managers’ expectations for mobile support are largely reflected in the particular features they find critical or important. “On-the-go” services such as flight status updates and itinerary information are rated highest. The ability to book or rebook travel also scores

highly, whereas less time-sensitive services such as information sharing on social networks are considered least important. In general, travel managers rate all features more highly than travelers do, and there are some differences in ranking, as shown on the following pages.

Figure 20: Rating of mobile service features by travelers and travel managers

On a scale of 1-10, how would you rate the importance of the following mobile services?



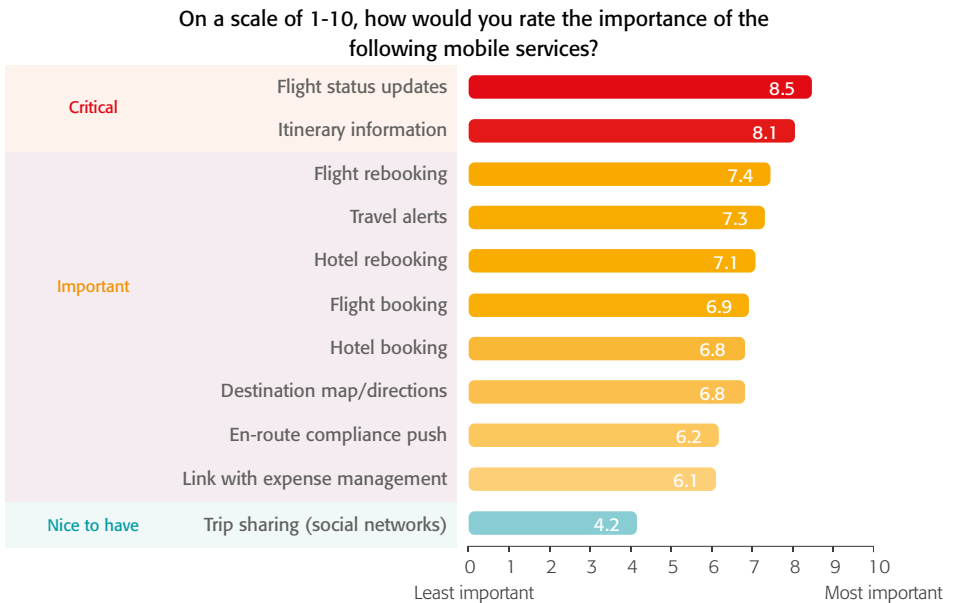
Source: CWT Travel Management Institute
Based on a global survey of business travelers (1,804 respondents) and travel managers (173 respondents), 2014

→ Travelers value flight status updates and itinerary information above all

Looking at the survey results in more detail, travelers distinguish between three tiers of features: those that are critical, important or simply nice to have. The most highly valued or "critical" services help travelers get to the right place at the right time: flight status updates and

itinerary information. In the "important" category are rebooking and booking features, along with other travel information, while the "nice to have" includes compliance information, expense management and social sharing features. (See Figure 21.)

Figure 21: Travelers distinguish between three categories of mobile features



Source: CWT Travel Management Institute
Based on a global survey of business travelers (1,804 respondents), 2014

Travelers are very interested in itinerary apps. All the information is in one place so you don't forget anything.
Travel manager, global consulting company

Any feature that speeds up service is highly valued. For example, some hotels send you a message with your room number, check-in information and so on when you are 5 km away.

Travel manager, global energy company

This general picture holds true across all regions, where flight status updates and itinerary information emerge universally as the most important or second-most important features, although a few differences do stand out. In particular, travel alerts are very important to travelers in Asia Pacific and North America, where they are rated third, but they are much less so to travelers in Europe, Middle East and Africa, where they are rated fifth and Latin America (eighth). This result can be linked to the impact of extreme weather on delays, which are more common in Asia Pacific (180,000 delays from April 20 to May 20, 2014) and North America (165,000 over the same period) than in Europe, Middle East and Africa (99,000).³

Most likely for the same reason, the ability to rebook or update bookings is considered

most important for air travel by travelers in Asia Pacific and North America, and for hotel rooms by travelers in Europe, Middle East and Africa, and Latin America. An estimated 75 percent of travelers worldwide encounter disruption at least once a year due to poor weather, delayed departure, airplane mechanical issues or missed connections, according to a 2014 GBTA report.⁴

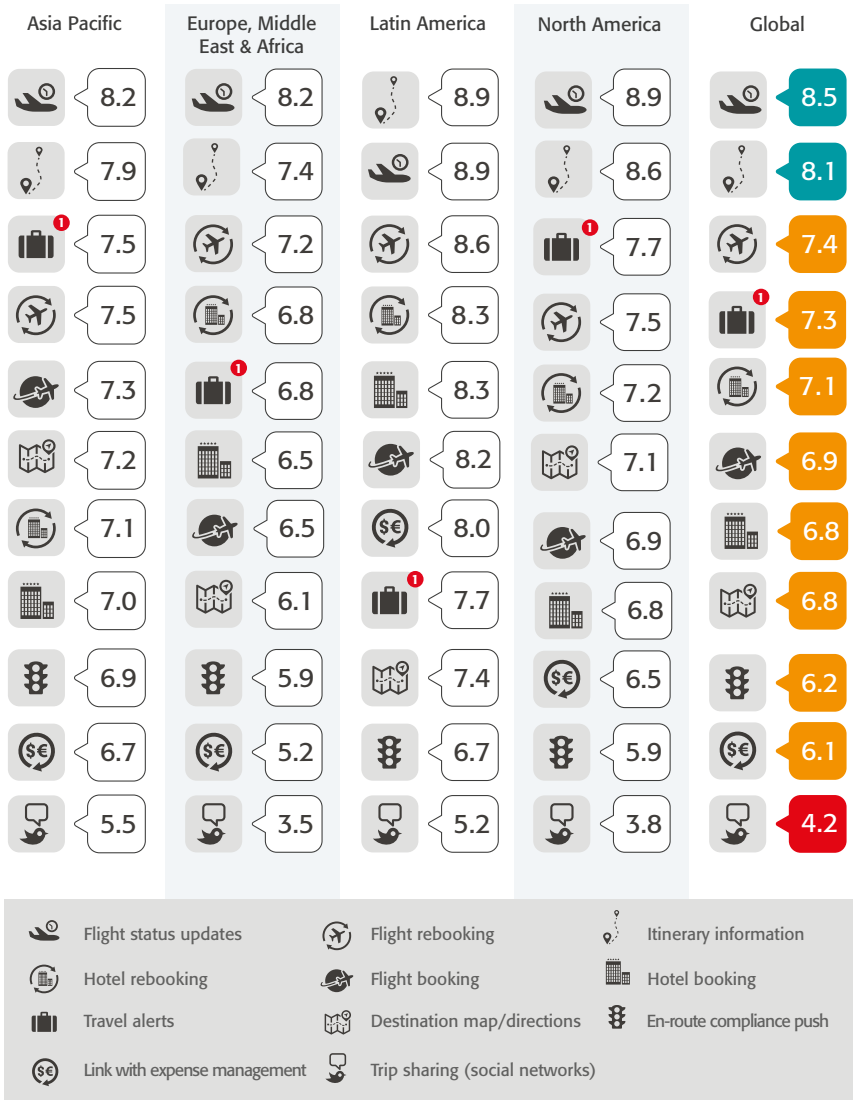
A number of differences also emerge between different traveler segments in terms of trip frequency. While the same two features (flight status updates and itinerary information) are rated most important for all kinds of travelers, those who travel the least often consider travel alerts slightly more important, ranking them third (vs. fourth for other travelers, who prefer to be able to rebook flights). (See Figure 22.)

³ FlightStats, 2014

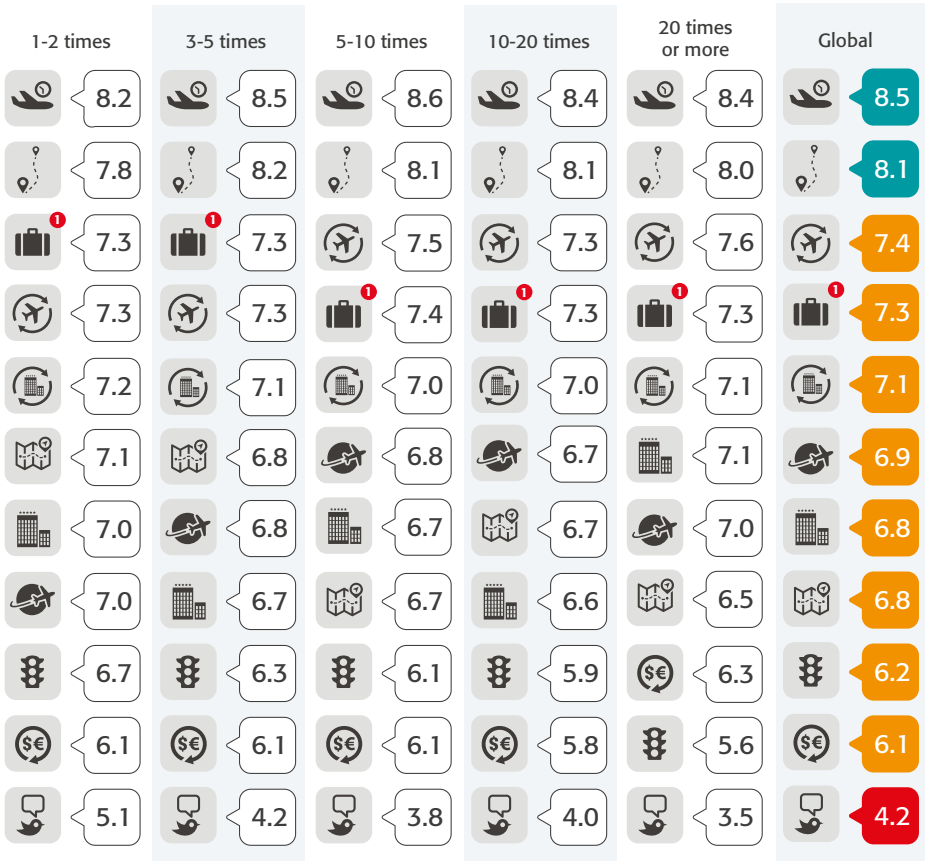
⁴ GBTA, *Business Travel Mishap Report*, February 2014

Figure 22: How mobile service features are rated by travelers

Breakdown by region



Breakdown by profile (frequency of travel)



Source: CWT Travel Management Institute

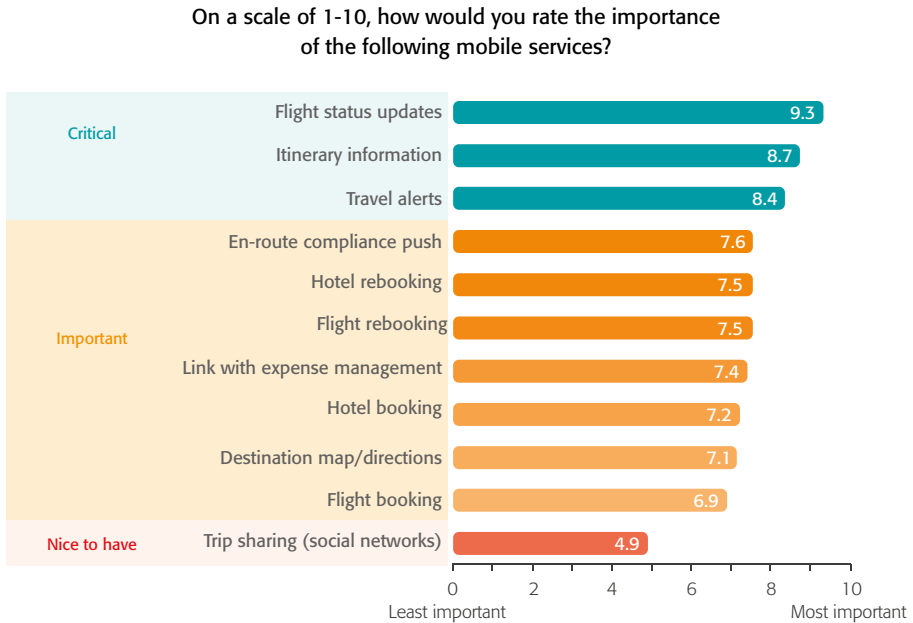
Based on a global survey of business travelers (1,804 respondents), 2014

→ Travel managers also consider travel alerts highly important

Travel managers also differentiate between three tiers of service features, and while the general pattern is similar, a number of differences are worth noting. Like travelers, they consider flight status updates and itinerary information most important, but they also include travel alerts in the “critical” category, recognizing their utility in helping travel to run smoothly. For obvious

reasons, travel managers rate program-related features such as compliance and expense management as important, unlike travelers, who consider them simply nice to have. Like travelers, travel managers consider rebooking to be more important than booking in general, and they give their lowest ratings to social sharing. (See Figure 23.)

Figure 23: Travel managers’ rating of mobile features



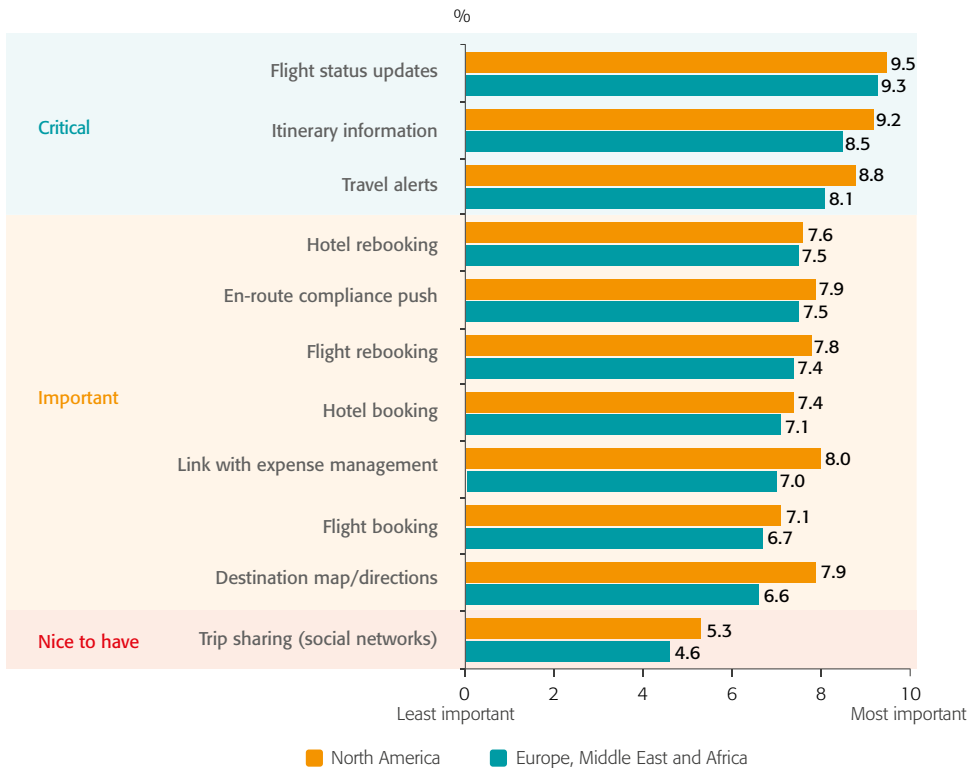
Source: CWT Travel Management Institute
Based on a global survey of corporate travel managers (170 respondents), 2014

A few differences in opinion emerge by region. For North America and Europe, Middle East and Africa, the top three features are identical, but North America places more importance

on expense management (ranked fourth vs. eighth in Europe, Middle East and Africa) and destination/direction mapping (ranked fifth vs. 10th). (See Figure 24.)

Figure 24: Ratings by travel managers in North America vs. Europe, Middle East and Africa

On a scale of 1-10, how would you rate the importance of the following mobile services?

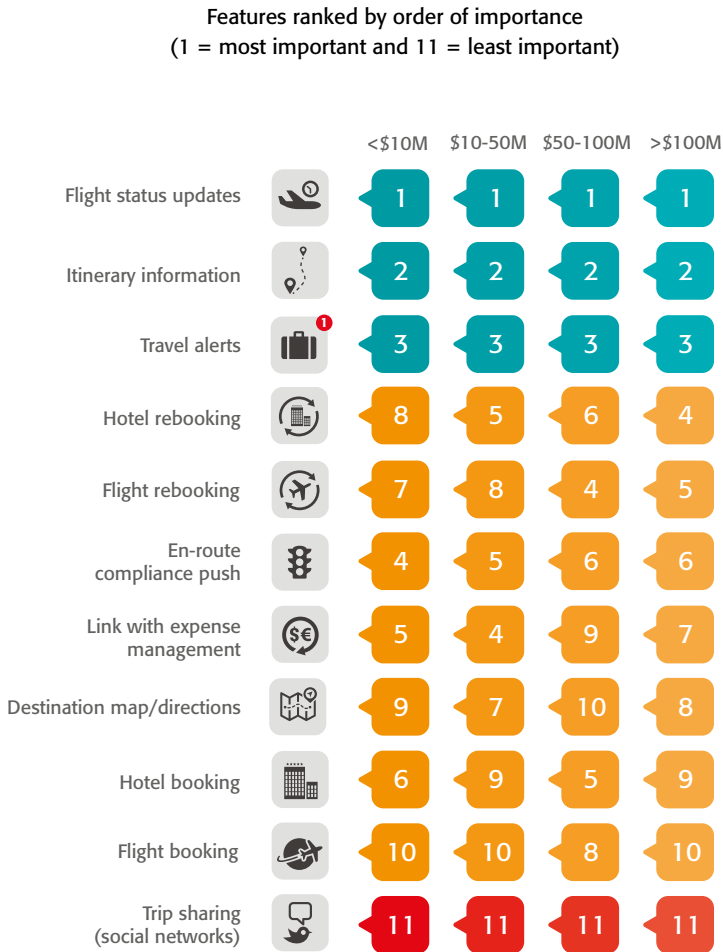


Source: CWT Travel Management Institute
Based on a global survey of corporate travel managers (150 respondents), 2014

Interestingly, some differences also appear when looking at the size of travel managers' budgets. Rebooking is considered much more important for companies that spend more

(over \$50 million annually), while integration with expense management is considered more important for those with smaller budgets. The top three features, however, remain the same.

Figure 25: Breakdown of rated features by size of annual travel budget



Source: CWT Travel Management Institute
Based on a global survey of corporate travel managers (173 respondents), 2014



How critical is mobile booking?

Mobile booking is considered important and expected to grow fast, complementing, rather than replacing, other service channels.



Key takeaways

- Most surveyed travelers and travel managers consider on-the-go mobile booking important (54 percent and 65 percent respectively).
- Both populations predict that the number of mobile booking transactions will more than double between 2014 and 2016 in the three main travel categories (air, hotel and car rental).
- Fast growth is also confirmed by CWT forecasts, with mobile representing around 25 percent of all online bookings in 2017, compared to 7 percent in 2014.
- Neither travelers nor travel managers expect booking to shift completely to mobile devices, considering the initial offerings less convenient and easy to use than other channels. Rather, mobile is currently considered complementary to these channels.

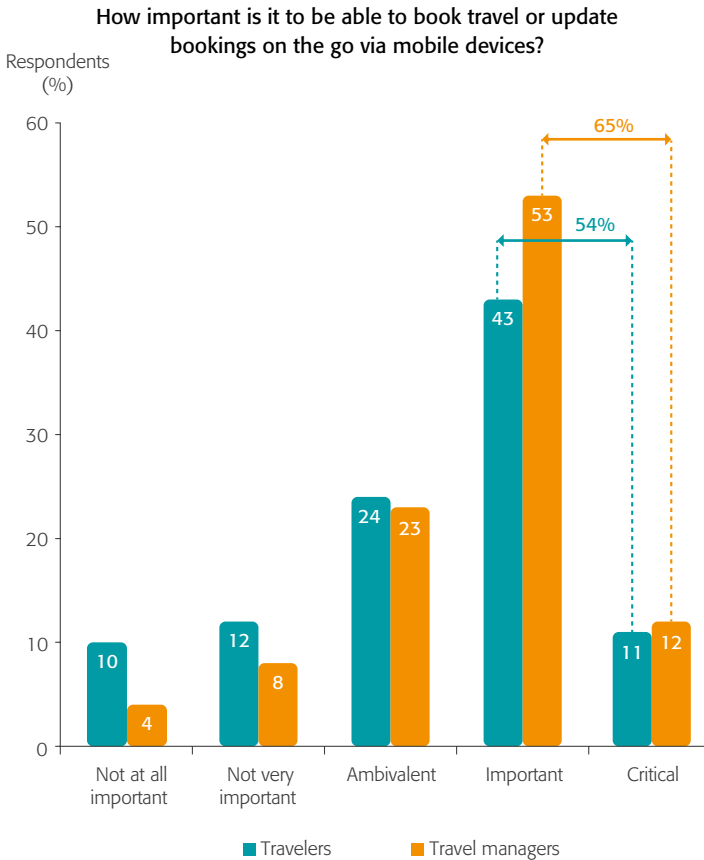
→ Travelers and travel managers consider mobile booking important

Just over half of all travelers (54 percent) and nearly two-thirds of travel managers (65 percent) consider the ability to book by mobile while on the go “important” or “critical.” (See Figure 26.)

Travelers expect all desktop features to be available on mobile, even if some are easier to use on desktops.

Integration director, global travel management company

Figure 26: Most travelers and travel managers consider mobile booking on the go to be an important or critical feature



Source: CWT Travel Management Institute
 Based on a global survey of business travelers (1,748 respondents) and travel managers (168 respondents), 2014

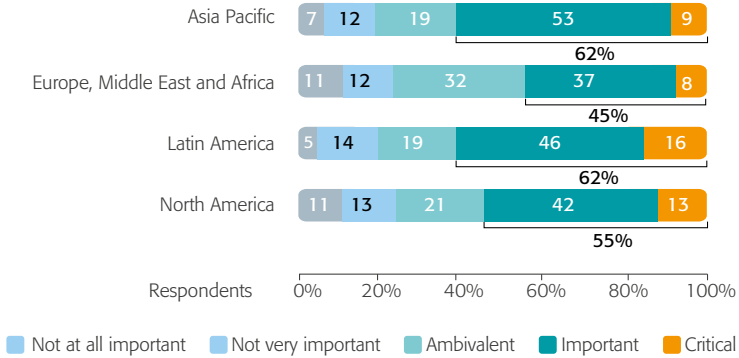
There are some differences, however, between regions and traveler profiles. Travelers in Asia Pacific and Latin America place more importance on mobile booking on the go (62 percent considering this feature “important” or “critical”)

compared with in North America (55 percent) and Europe, Middle East and Africa (45 percent). Employees who travel most often consider on-the-go booking to be the most important. (See Figure 27.)

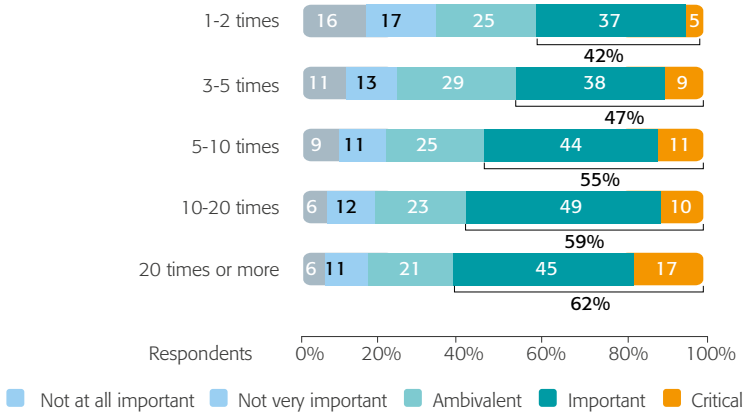
Figure 27: Travelers in Asia Pacific and Latin America, as well as frequent travelers, consider on-the-go mobile booking an important or critical feature

How important is it to be able to book travel or update bookings on the go via mobile devices?

Breakdown by region



Breakdown by profile (frequency of travel)

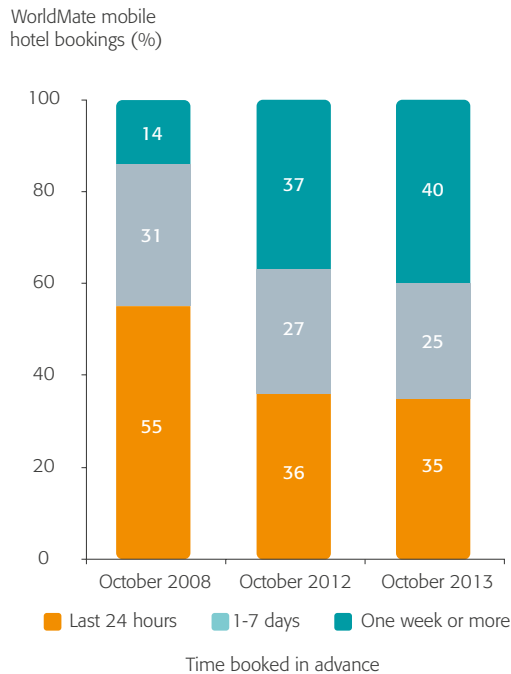


Source: CWT Travel Management Institute
Based on a global survey of business travelers (1,748 respondents), 2014

Travelers do not necessarily use their mobiles to book or change bookings at the last minute while traveling. Data provided by consumer app WorldMate shows that only about a third of its mobile hotel bookings are made in the 24 hours before checking in, and this figure has decreased over the years, from 55 percent in

October 2008 to 36 percent in October 2012. On the other hand, more and more mobile hotel bookings are made at least a week in advance: 40 percent in October 2013 and 37 percent in 2012, compared to 14 percent in 2008. (See Figure 28.)

Figure 28: Mobile hotel bookings are being made longer in advance



Source: WorldMate data

For comparison, corporate travel bookings made through traditional channels (online booking tools or travel counselor) in October 2013 involve a dramatically smaller share of last-minute bookings (only 1 percent in the last 24 hours, according to CWT global transaction data) and a higher share of bookings made at least

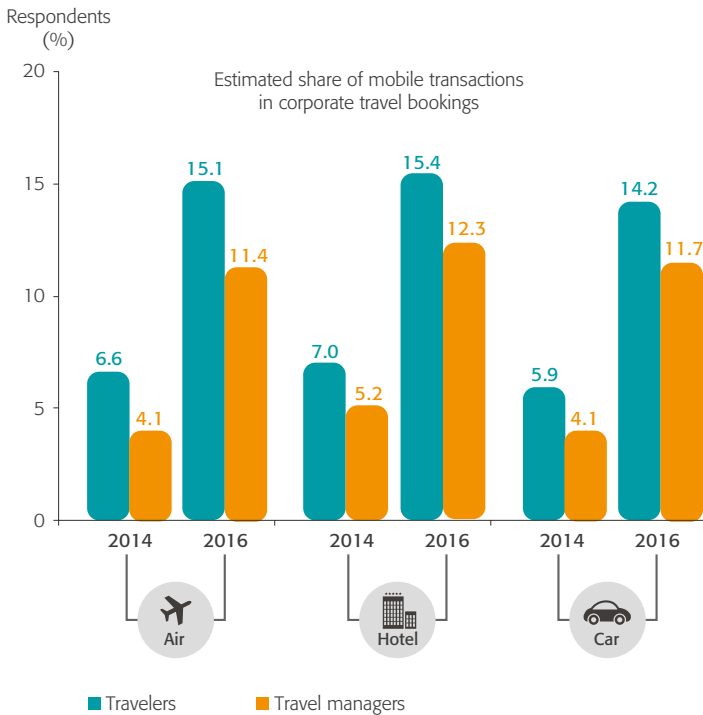
one week in advance (62 percent). **Corporate travel bookings made via mobile devices are expected to come somewhere in between, with a higher share of last-minute bookings compared to traditional channels but a lower share compared to consumer mobile apps.**

→ Travelers and travel managers expect mobile booking to grow fast

Travelers and travel managers alike expect mobile booking to grow fast, predicting that the number of mobile transactions will more than double overall in the next two years. Travelers are the most optimistic, estimating 6-7 percent

of all bookings in the three main categories (air, hotel and car) in 2014 and 14-15 percent in 2016, compared to the 4-5 percent and 11-12 percent estimated by travel managers. (See Figure 29.)

Figure 29: Travelers and travel managers expect mobile booking to grow fast



Source: CWT Travel Management Institute

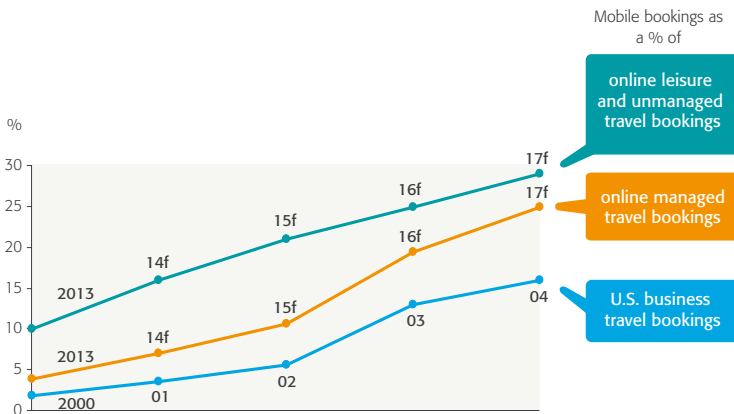
Based on a global survey of business travelers (1,757 respondents) and travel managers (160 respondents), 2014

→ CWT also forecasts fast mobile growth

CWT forecasts show that mobile booking will rapidly outpace the kind of growth seen in online booking in the early 2000s, given the market readiness discussed earlier, combined with companies' experience in integrating new service channels. Using the U.S. online market penetration as a minimum and the expected mobile penetration in online leisure and unmanaged travel as a maximum, CWT estimates

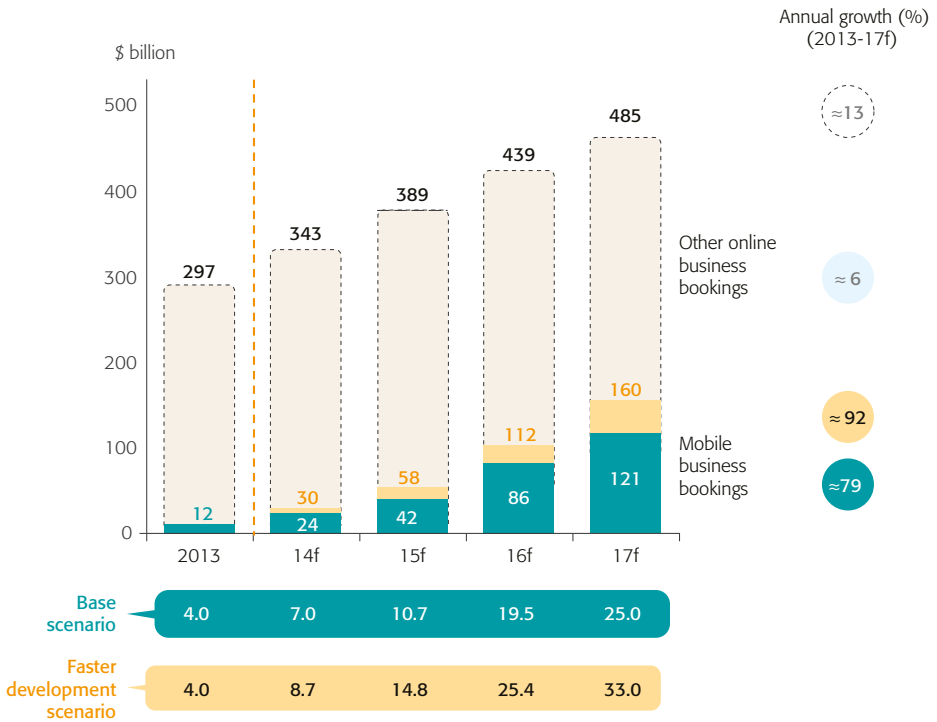
that mobile could represent 25 percent of online bookings by 2017. Growth in usage could be even faster if more user-friendly, policy-compliant booking apps are launched sooner and adoption is encouraged by corporate travel managers by way of efficient communication with travelers. In a faster development scenario, mobile bookings could reach 33 percent of online bookings by 2017. (See Figures 30-31.)

Figure 30: Mobile booking in business travel will grow faster than online booking did in the early 2000s (U.S. market example)



Sources: eMarketer, CWT Travel Management Institute, HeBS, IHS and Jupiter Research

Figure 31: Two scenarios for mobile and online booking growth (2013-17f)



Source: CWT Travel Management Institute, GBTA, PhoCusWright and WTTC

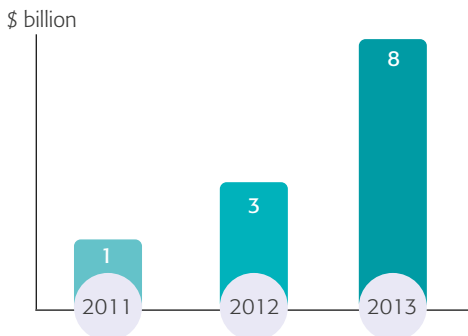
Some major differences between countries can be expected due to varying levels of smartphone or tablet penetration, as well as cultural differences. For example, adoption of mobile booking apps could be influenced

by the self-service booking culture, which is widespread in North America and Europe, but less so in Asia Pacific (e.g., travelers more often delegate this task to assistants in markets such as Singapore and Hong Kong).

In the hotel leisure market, bookings have nearly tripled annually each year since 2011, based on booking.com data. (See Figure 32.) In 2012, mobile booking represented 20 percent of online travel agent Expedia's hotel

bookings, and 7 percent of hotel-owned website bookings in the United States (vs. 0.6 percent in 2010), according to PhoCusWright, which in 2013 predicted a rise to 20 percent by 2014.⁵

Figure 32: Growth in the transaction value of mobile accommodation bookings through booking.com (2011-2013)



Source: Booking.com data

→ Mobile is seen as complementing existing booking channels

Even though they expect mobile booking to grow fast, neither travelers nor travel managers expect mobile to replace other channels in the near future.

When asked how realistic they expected a complete shift away from desktop or laptop computers to smartphones or tablets to be, the

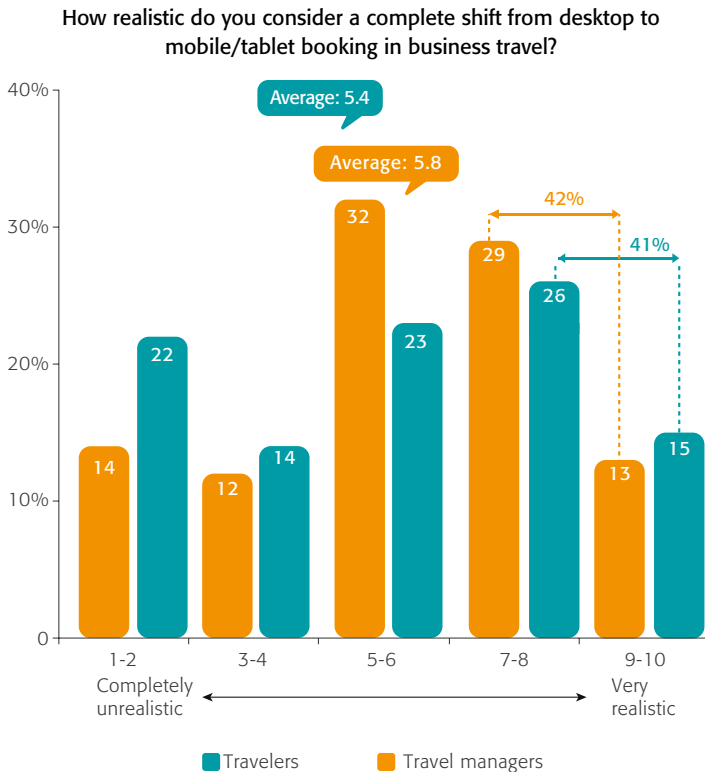
answer is only just positive: on a scale of 1 to 10 (1 = completely unrealistic, 10 = very realistic), the average rating for travelers is 5.4 and for travel managers 5.8. Within these scores, however, it emerges that many survey respondents consider the shift realistic: 41 percent of travelers and 42 percent of travel managers give a score of 7 or above. (See Figure 33.)

Desktops still have some advantages, like a large screen that enables you to consult different websites at the same time.

Chief editor, travel publication

⁵ PhoCusWright, *U.S. Mobile Travel Report: Market Sizing and Consumer Trends*, February 2013

Figure 33: Most travelers and travel managers do not consider a complete shift to mobile booking realistic



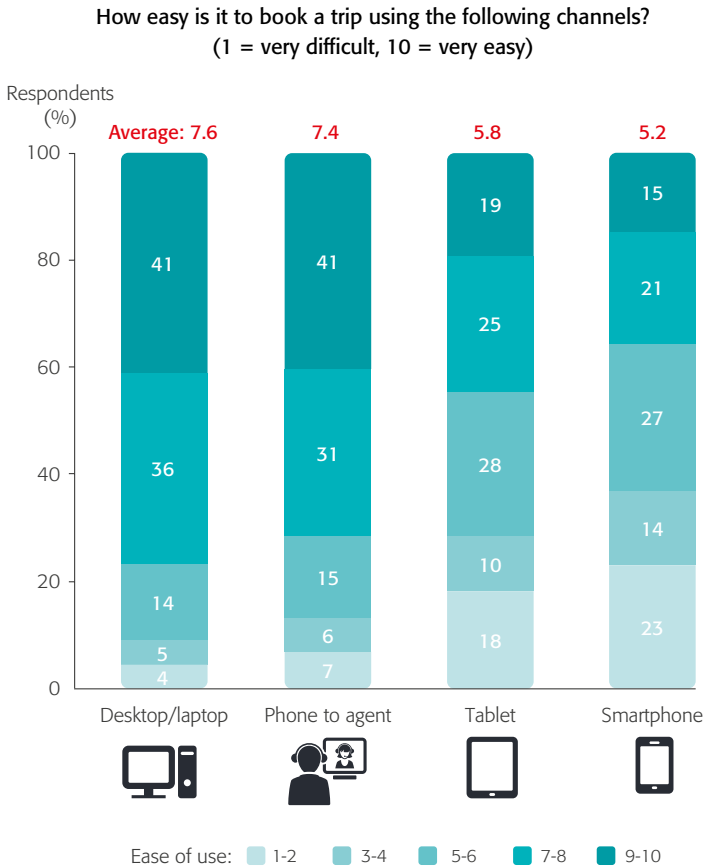
Source: CWT Travel Management Institute
 Based on a global survey of business travelers (1,700 respondents) and travel managers (170 respondents), 2014

➔ Currently, mobile channels are considered the least convenient and most difficult for booking

When asked to rate the ease of booking through different channels, travelers give the lowest scores to mobile booking by tablet and especially smartphone (5.8 and 5.2 out of 10 respectively). The highest scores go to desktop/laptop booking through an online booking tool (7.6),

followed by calling a travel counselor (7.4). While 77 percent of travelers consider OBTs very easy to use, giving a score of 7 or above, and 71 percent consider agents very easy to book through, only 44 percent say the same of tablets and 36 percent of smartphones. (See Figure 34.)

Figure 34: Travelers consider mobile booking channels the most difficult to use



Source: CWT Travel Management Institute
Based on a global survey of business travelers (1,698 respondents), 2014

Further, when asked to rate the most convenient ways of booking travel for different travel categories, travelers and travel managers all rated mobile rather low. While travelers considered the least convenient method to be booking

through a mobile corporate online booking tool, perhaps reflecting the early maturity of the market offering, travel managers considered it to be booking directly with suppliers through their apps. (See Figure 35.)

Figure 35: Mobile booking channels are currently considered the least convenient

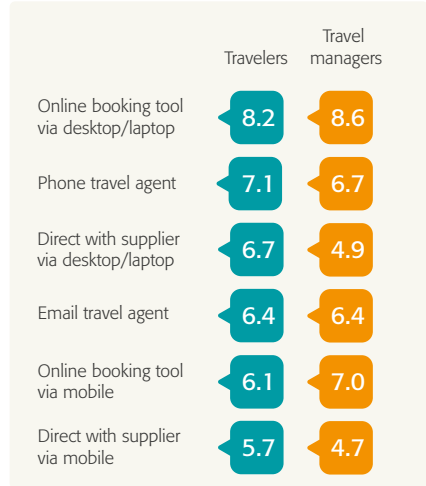
What are the most convenient ways of booking business travel?
(1 = least convenient, 10 = most convenient)



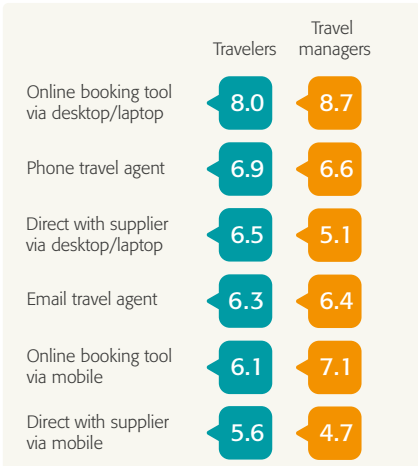
AIR



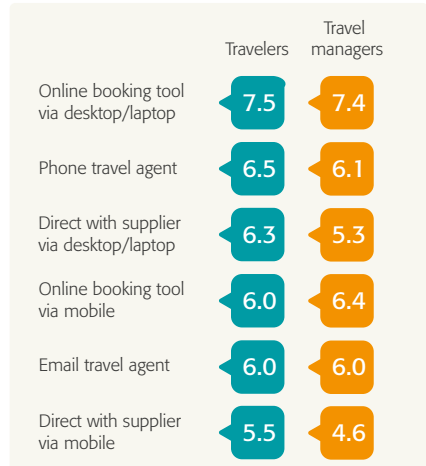
HOTEL



CAR



RAIL



Source: CWT Travel Management Institute

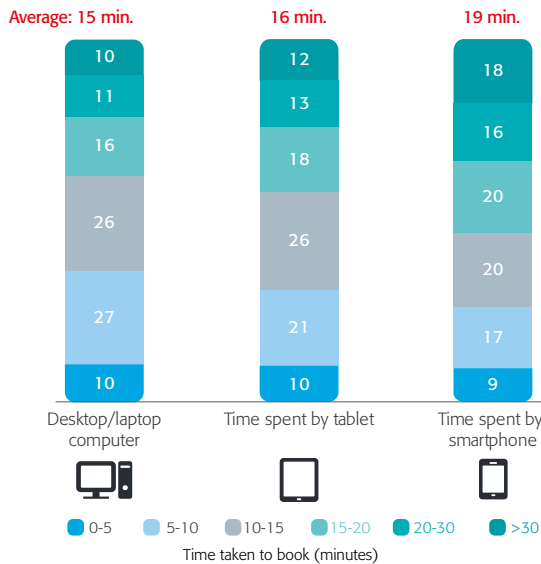
Based on a global survey of business travelers (1,722 respondents) and travel managers (169 respondents), 2014

These results are reflected in the time taken to complete a booking using different devices, which is longer for smartphones (19 minutes), than desktop computers (15 minutes) with a more comfortable user experience in terms of screen

and keyboard size, as well as more established booking technology. Surprisingly perhaps, tablet performance is closest to desktops or laptops (16 minutes). (See Figure 36.)

Figure 36: Travelers say they take longer to book on phones vs. desktop computers

On average, how long does it take you to book using the following devices?



Source: CWT Travel Management Institute
Based on a global survey of business travelers (1,729 respondents), 2014

Clearly, mobile is a booking channel that may be most useful in specific circumstances; e.g., for last-minute reservations or changes while on the road.

CWT expects improved applications, user interfaces and ease of booking to continue boosting mobile booking.



Which services are currently available?

Providers across the market are developing services relevant to business travelers. For the moment, only a select number of key features are available specifically for managed travel, but this situation is changing fast. In time, the offering is likely to move toward a single “power app” or one-stop shop.



Key takeaways

- Corporate travelers needs are currently being served by a variety of apps from five types of providers: TMCs, technology companies, travel suppliers, niche app providers and social media networks.
- Acquisitions and deep partnerships are enabling players to move faster and extend their offerings across the travel value chain (from pre-trip to post-trip).
- As one of the first apps designed for the managed travel market, *CWT To Go™* is the most downloaded and most positively rated by travelers.

→ Mobile services can bring value to every step of the travel process

As mentioned earlier, although travelers and travel managers tend to consider pre-trip and on-the-go features the most valuable, mobile apps can potentially bring value to every step of the travel process. (See Figure 37 for examples.)

Travelers have more flexibility thanks to mobile devices, information about their trips, along with the ability to better manage waiting times and possibly change tickets on the go.

Regional director of a global travel management association

→ Five main types of providers offer mobile travel services to business travelers

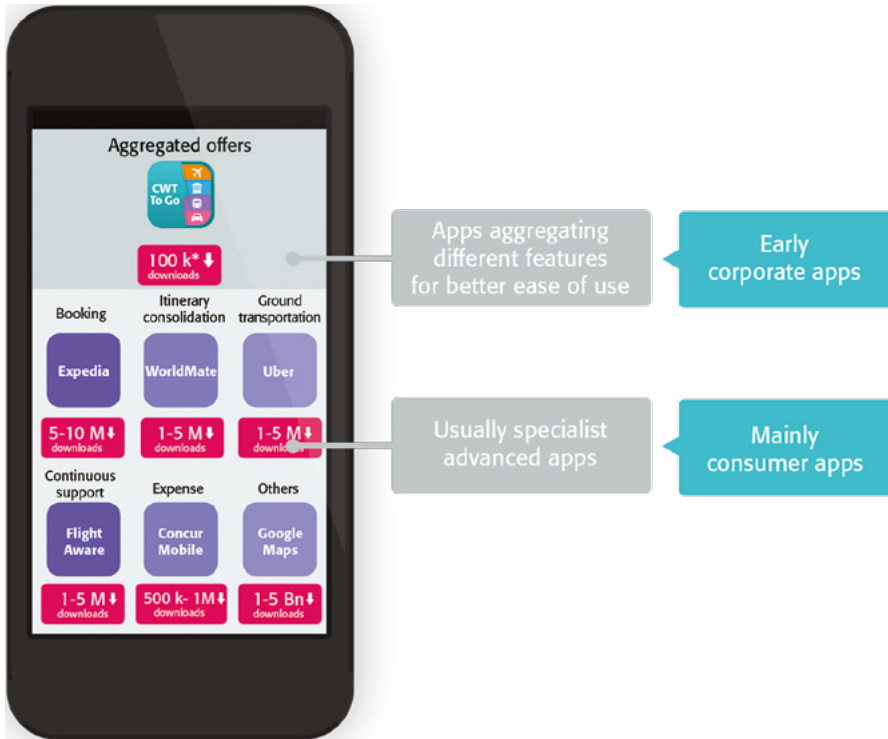
A huge variety of travel apps are on the market, helping travelers with anything from planning their trips and keeping track of itineraries to finding local taxis and handling expense management. Although few dedicated managed travel apps with selected features are currently available, the corporate offering is fast developing.

Five main categories of suppliers provide mobile travel services relevant to business travelers:

- **Travel management companies** offer a growing suite of services, with the ultimate aim of providing corporate travelers with a one-stop shop. Key features such as itineraries, flight status updates and destination information are already available, while booking features are due to come on the market soon. (For example, *CWT To Go™* will integrate hotel booking in the second half of 2014, as well as air and ground booking from 2015.)
- **Technology providers** with established corporate expense management or online booking tool offerings have launched mobile apps, expanding their presence in the value chain from pre-travel (booking) or post-travel (expense management). Examples include KDS and Concur.
- **Travel suppliers** (airlines, hotel chains and car rental companies) have been on the app market longest, enabling travelers to book directly, receive flight status/gate updates, view loyalty points, and so on. On the downside, travelers need to have as many apps as the suppliers they use.
- **Niche app providers** focus on specific services for all travelers (e.g., SeatGuru's advice on seating for flights, The Weather Channel for forecasts, etc.).
- **Social media networks** enable travelers to connect and share reviews. In addition to ubiquitous networks such as Facebook, Twitter and LinkedIn, a number of apps specifically target the travel market (e.g., TripAdvisor).

For the moment, no single provider is able to cover every need met by a variety of different apps. (See Figure 38.)

Figure 38: Business travelers are currently served by a variety of apps rather than a single provider



* 355,000 downloads on all app stores
Source: CWT Travel Management Institute
Based on data from Google Play app store data, May 2014

Effective solutions for corporate mobile booking should be developed within a year because TMCs and other business travel players are considering investing in this area and the market is moving fast.

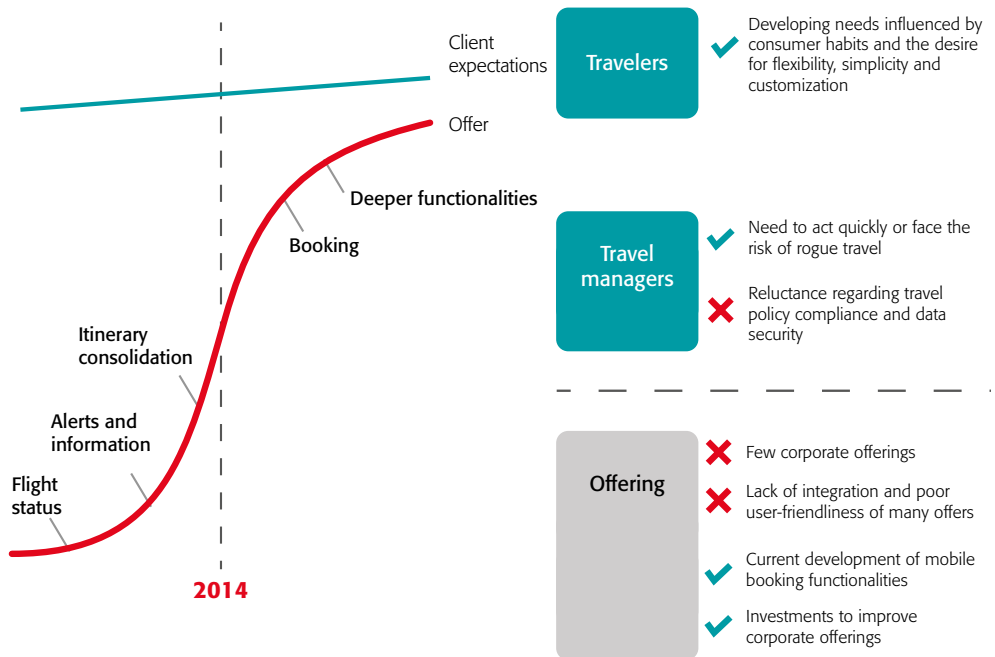
Chief editor, U.K. business travel publication

→ Toward a “power app”?

While there are currently a limited number of apps and features designed specifically for managed business travel, these are likely to develop significantly over the next few years. TMCs and technology providers in particular are integrating features such as booking that rank highly for

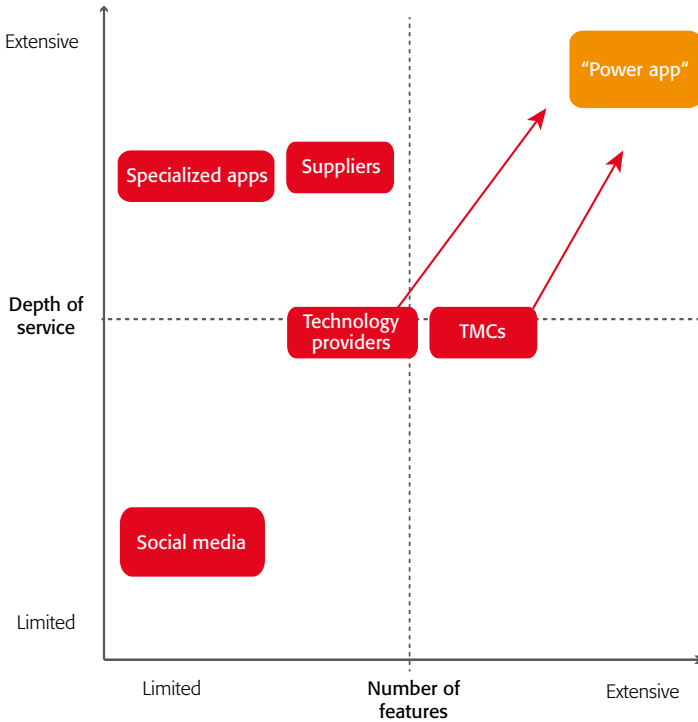
this market, while their improved interfaces are enhancing the user experience. The ultimate goal is a “power app” that would provide a one-stop shop for all business travel needs, from the viewpoint of both travelers and travel managers. (See Figures 39-40.)

Figure 39: The managed travel mobile offering will develop significantly in the coming years



Source: CWT Travel Management Institute

Figure 40: A “power app” would combine extensive features with depth of service



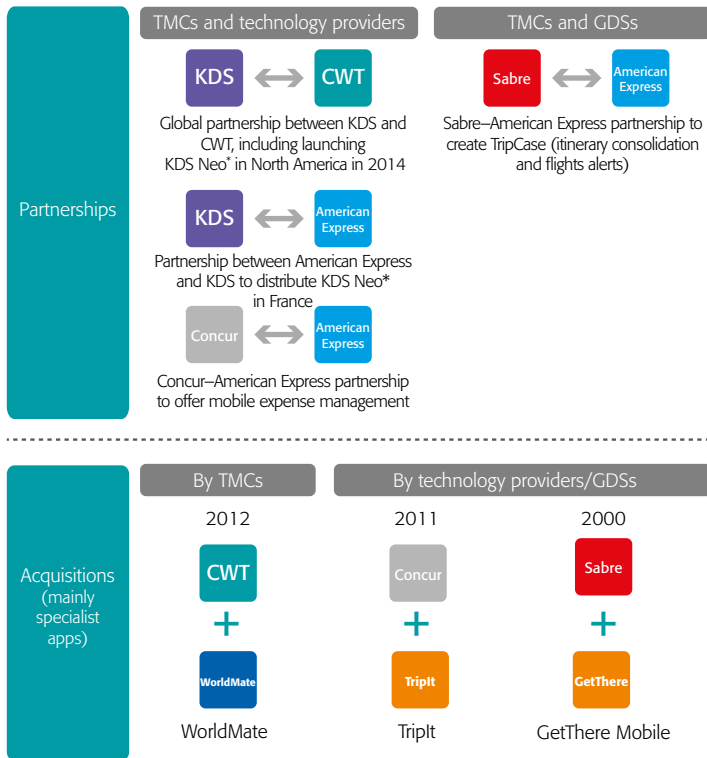
Relative positioning of groups of providers, not specific companies
Source: CWT Travel Management Institute

All business travel solutions providers are thinking mobile:
it's at the heart of their strategy.
Marketing director, travel technology provider

Developing a “power app” involves a number of challenges. First, significant investment is required in development resources and server technology. Second, for a truly global offering, agreements need to be reached with a very large number of suppliers, given that they vary by country and city, especially for hotels and car

rental. Third, those suppliers may be reluctant to cooperate fully and risk driving traffic away from their own apps. For this reason, the leading companies in this market have either built deep partnerships or made strategic acquisitions. (See Figure 41.)

Figure 41: Key partnerships or acquisitions aimed at providing more powerful mobile offerings



* KDS Neo is a new door-to-door booking engine designed for mobile devices.

Source: CWT Travel Management Institute

→ How does *CWT To Go™* compare with other apps on the market?

CWT To Go™ is an app available exclusively to CWT clients worldwide via iPhone, iPad, Android, Windows Phone, Blackberry and Kindle Fire devices. As one of the first TMC apps on the market, its first features include itinerary management, flight status alerts, mobile check-in and destination information.

Among TMC apps, *CWT To Go™* is the most downloaded (based on Google Play statistics) and enjoys the most positive ratings in both the Apple and Google Play app stores.

Figure 42: *CWT To Go™* is the most downloaded TMC app

TMC	Downloads	Ratings* (June 3, 2014)	
	Android	Android	iOS
<i>CWT To Go™</i>	50-100 k**	4.4 4,268 reviews	4.0 859 reviews
Egencia TripNavigator	10-50 k	2.6 106 reviews	2.5 76 reviews
American Express MobilExtend***	5-10 k	2.7 29 reviews	2.0 13 reviews
BCD TripSource	—	N/A	2.5 32 reviews
HRG Mobile****	5-10 k	1.4 78 reviews	Not enough ratings

* On a scale of 0 (poor) to 5 (very good)

** 355,000 total downloads on all app stores.

*** American Express announced an agreement with Sabre to deliver an integration with TripCase in May 2014.

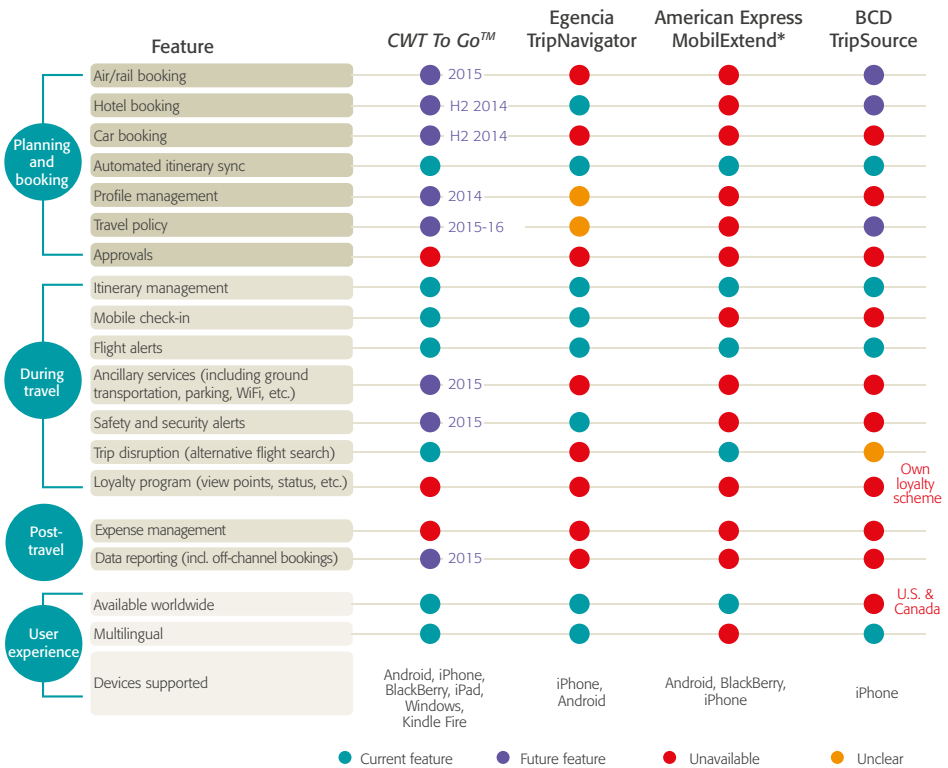
**** HRG also offers OnTrack (available in Germany only): 100-500 downloads from the Android store and a 4.0 rating based on 4 reviews.

Source: CWT Travel Management Institute, based on publicly available information (company websites and press articles) in March 2014. All information is subject to change. For the most up-to date details, contact suppliers directly.

In fact, a comparison of features offered by the main TMC apps indicates that, along with Egencia, *CWT To Go™* currently offers the widest range of features. More will follow shortly; for example, *CWT To Go™* will soon launch booking capabilities: hotels in second

half 2014 and then air by early 2015. Other key features are also in the pipeline, such as traveler profile management with the same degree of control and integration as other channels (July 2014) and travel policy (2015-16).

Figure 43: *CWT To Go™* and other major TMC apps



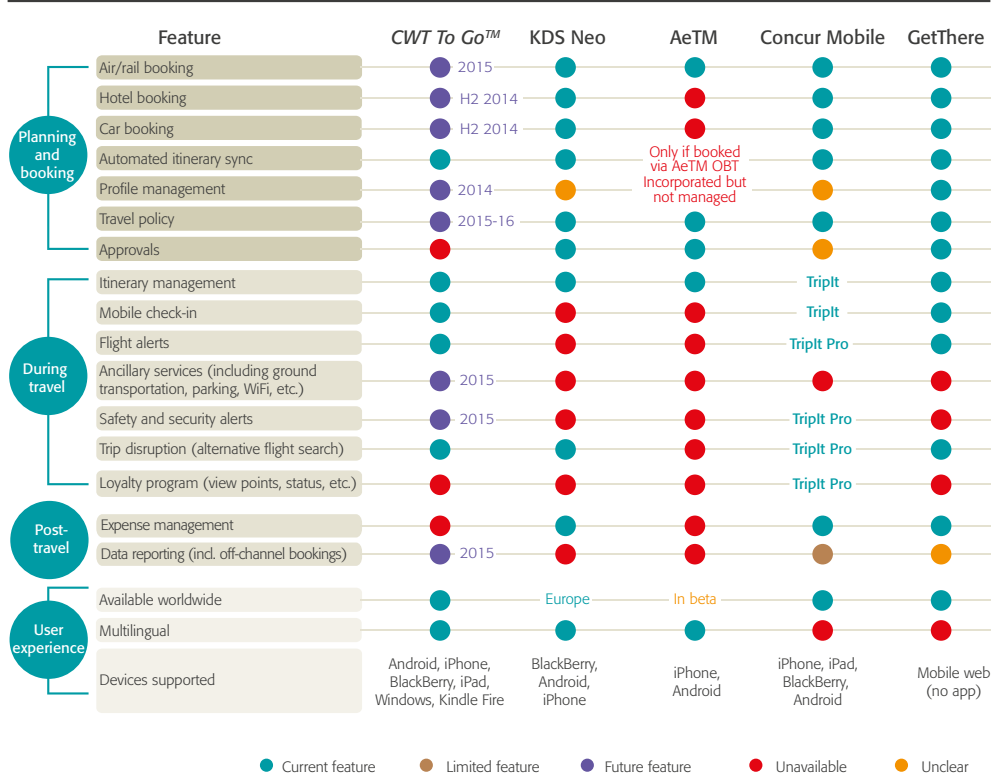
* American Express announced an agreement with Sabre to deliver an integration with TripCase in May 2014.

Source: CWT Travel Management Institute, based on publicly available information (company websites and press articles) in March 2014. All information is subject to change. For the most up-to date details, contact suppliers directly.

CWT To Go™ currently lacks some of the planning and booking features available on competing OBТ and consumer apps. This

gap will close, particularly when CWT To Go™ integrates booking features later in 2014.

Figure 44: CWT To Go™ and major OBТ apps

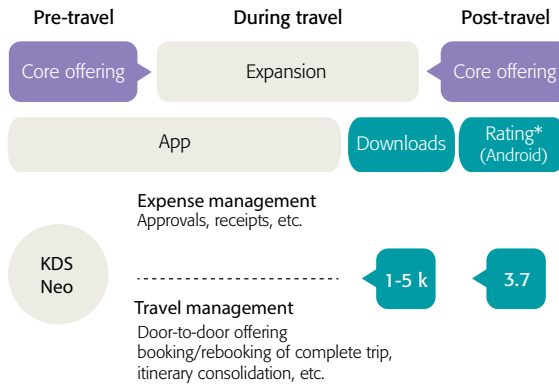


Source: CWT Travel Management Institute, based on publicly available information (company websites and press articles) in March 2014. All information is subject to change. For the most up-to date details, contact suppliers directly.

Each of the providers mentioned has particular strengths linked to their historic activity:

- **KDS** has branched out from expense management technology to offer integrated travel and expense management solutions. Its mobile offering, KDS Neo, enables travelers to book pre-approved travel from door to door (including hotels, air, rail and car rental), with each search producing a selection of options, including the cheapest, fastest and greenest. Among the other features provided, the app provides a preliminary estimation of the total trip cost.

Figure 45: KDS Neo



* On a scale of 0 (poor) to 5 (very good)

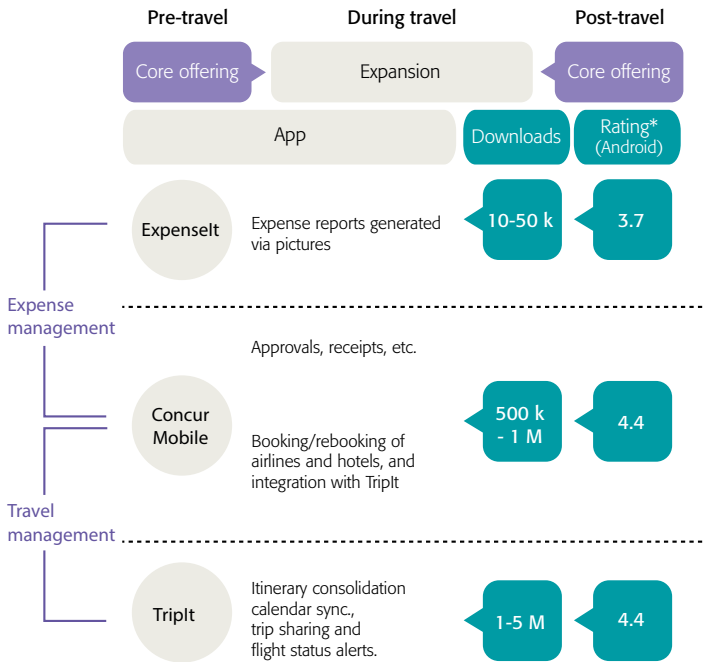
Source: CWT Travel Management Institute, based on publicly available information (company websites and press articles) in March 2014. All information is subject to change. For the most up-to date details, contact suppliers directly.

If you want to deliver the best service, you have to be good at mobile. It is the only channel that can be used on the go. Whereas TMCs' role used to be mainly before and after travel, now they need to be more present during travel.

Sales director, global travel management company

- Another technology provider that has extended its offering to integrated travel and expense management solutions is **Concur**. This provider's apps provide mobile access to Concur tools such as Triplt, an itinerary management tool acquired by Concur in 2011, and Concur Expense, allowing travelers to book, manage their itineraries and make changes, capture receipts and submit expense reports electronically.

Figure 46: Concur mobile apps



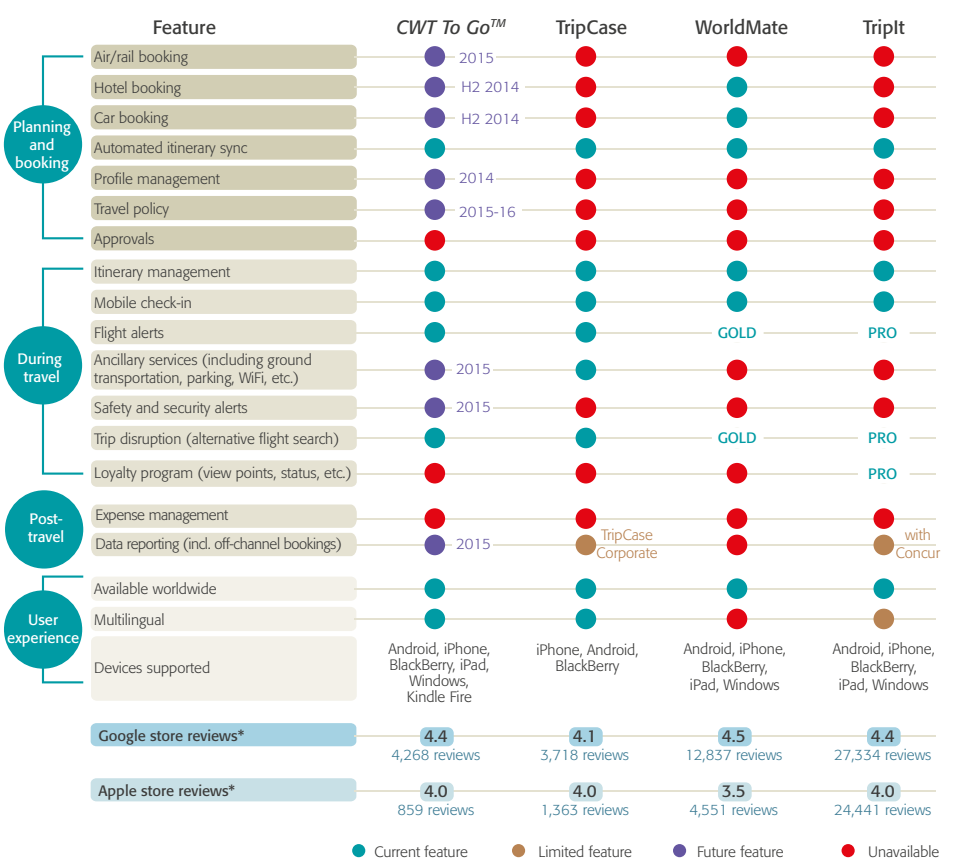
* On a scale of 0 (poor) to 5 (very good)

Source: CWT Travel Management Institute, based on publicly available information (company websites and press articles) in March 2014. All information is subject to change. For the most up-to date details, contact suppliers directly.

- As a global distribution system provider, **Amadeus** has naturally launched an online booking tool with mobile access, known as Amadeus e-Travel Management (AeTM). This allows travelers to plan, book and purchase air and rail trips that comply with their companies' policies.
- As an online booking tool provider, **GetThere** has developed mobile web access for its users, providing a consistent look and feel with its internet interface. This service is not provided through an app.

The gap between consumer and business travel apps is closing, as providers continue adapting features to support managed business travel. While the main consumer travel apps currently offer extensive features and enjoy positive reviews, they lack some of the necessary features to support managed travel programs (compliance with policy, integration with preferred suppliers, profile management, safety and security, etc.).

Figure 47: CWT To Go™ and key consumer travel apps



* On a scale of 0 (poor) to 5 (very good)

Source: CWT Travel Management Institute, based on publicly available information (company websites and press articles) in March 2014. All information is subject to change. For the most up-to date details, contact suppliers directly.

The above table compares the main global apps but does not take into account apps that have launched a strong offering in specific regions. In China, for example, CTrip has gained a strong following for domestic fares, while India's MakeMyTrip has been extremely successful, driving many users directly from an offline environment to mobile booking. These remain consumer-focused apps rather than specifically adapted to the corporate market.



How popular are travel apps today?

Contrary to popular belief, travelers' phones are not overloaded with travel apps. The vast majority download only a handful and use one or two. A slight variation is seen between different traveler segments.



Key takeaways

- Among surveyed travelers, 70 percent use two travel apps at most.
- The most frequent travelers download and use slightly more apps than other travelers (4.3 and 2.8 for travelers taking at least 20 round trips a year, compared to 2.1 and 1.7 for those taking fewer than two).
- The penetration of TMC apps is low for the moment as mobile managed travel offerings are still young on the market, while companies are just starting to address mobile travel management. TMC app penetration currently stands at 5-21 percent in the top 15 companies downloading *CWT To Go™*.

→ Most travelers use only a few travel apps

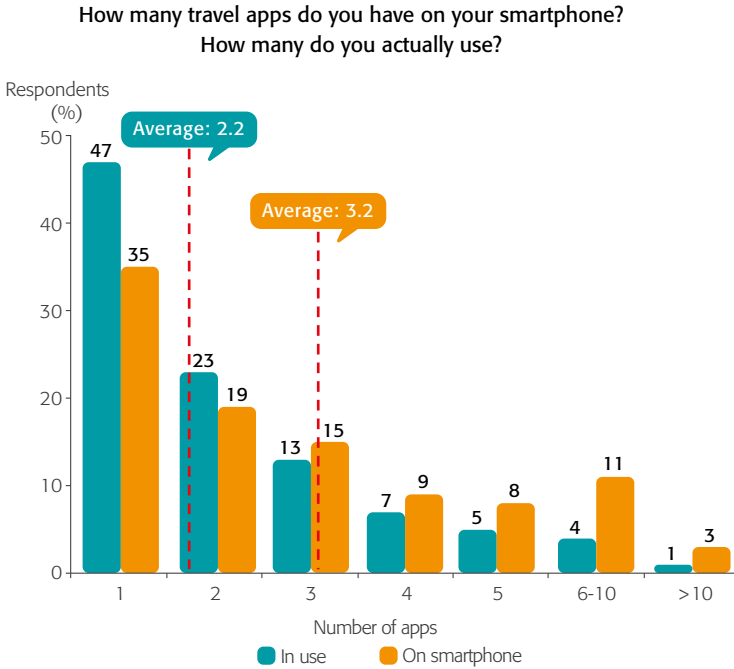
Surveyed travelers download on average just over three travel apps and use only two. Only 14 percent of travelers have more than five travel apps, compared to 54 percent who have two at most. The contrast is even greater in

terms of usage: only 5 percent use more than five travel apps, while 70 percent use two at most. Clearly, travelers are not yet overwhelmed with travel apps.

Travelers want any feature that will make their lives easier and provide useful information during their trips. They want to know where to go, which gate and where to get a cab...

Chief editor, business travel publication

Figure 48: Surveyed travelers download and use only a few travel apps on average



Source: CWT Travel Management Institute
Based on a global survey of business travelers (1,360 respondents), 2014

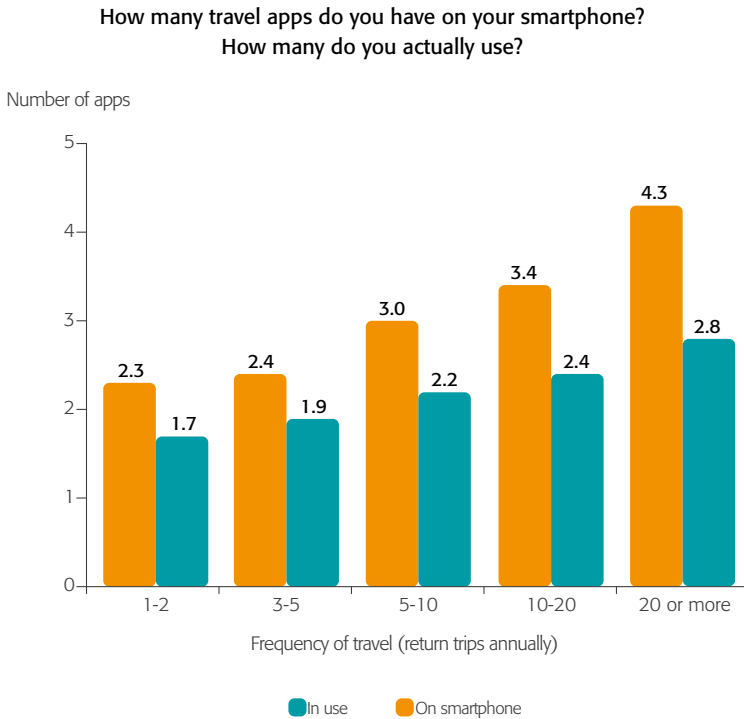
➔ Road warriors use slightly more apps than other travelers

However, these results hide some noticeable differences between types of travelers. “Road warriors” who take more than 20 round trips a year tend to have and use more travel apps, downloading more than four and using nearly three on average. (See Figure 49.) This is important to note, given that these travelers represent proportionately more spend in the travel budget (the 10 percent of employees

who travel most often account for 50 percent of travel spend, according to previous CWT research).⁶ Companies can take this into account, targeting road warriors specifically when launching and communicating about a corporate mobile offering.

⁶ CWT Travel Management Institute, *Mastering the Maze: A Practical Guide to Air and Ground Savings*, 2012

Figure 49: Road warriors have around four apps and use around three on average



Source: CWT Travel Management Institute
Based on a global survey of business travelers (1,407 respondents), 2014

Frequent flyers are looking for comfort: they have their routine and know exactly where they are and what to do, but occasional flyers want to be reassured and be told what to do and where to go.

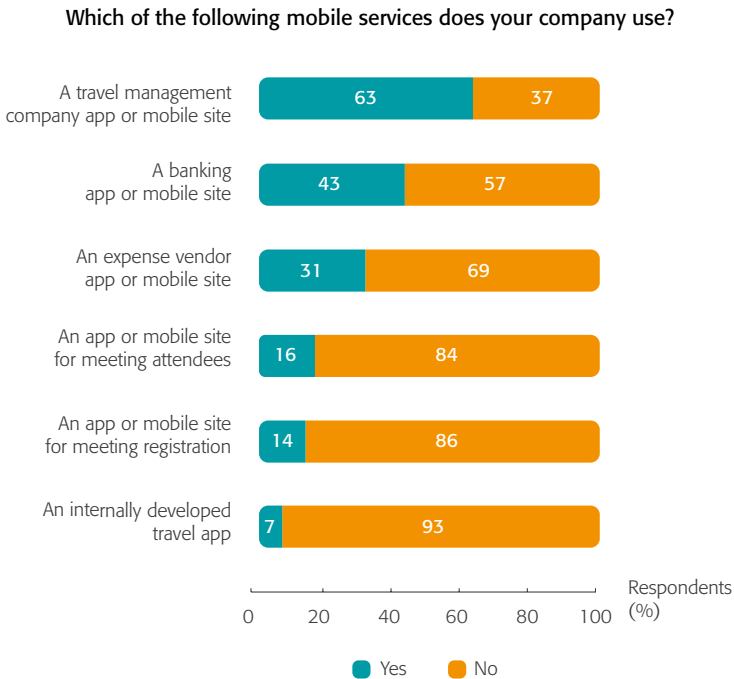
Associate partner, global consulting company

→ Adoption of managed travel apps is limited

Looking at managed travel apps specifically, adoption is limited for the moment. Most surveyed travel managers (63 percent) say their companies use a TMC app, while fewer

have apps for a mobile online booking, expense management or other more specialized business functions. (See Figure 50.)

Figure 50: More companies have TMC apps than other mobile business travel services



Source: CWT Travel Management Institute
Based on a global survey of travel managers (165 respondents), 2014

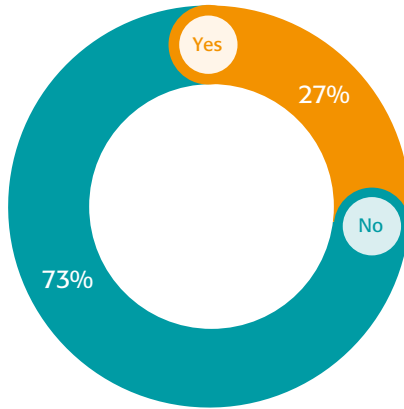
For now, only 27 percent of surveyed travelers say their companies provide them with a TMC app, while travel managers say that on average

18 percent of travelers are equipped in this way. These low figures reflect the gradual rollout in many global companies.

Figure 51: An estimated 18-27 percent of travelers on average have a TMC app on their mobile device

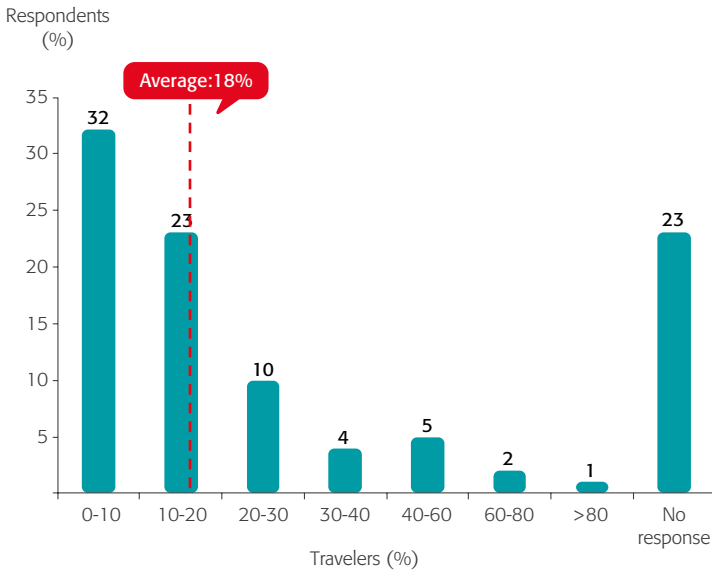
Travelers

Do you have a TMC app on your mobile device?



Travel managers

What percentage of your travelers have a TMC app on their mobile devices?



Source: CWT Travel Management Institute
Based on a global survey of business travelers (1,788 respondents) and travel managers (171 respondents), 2014

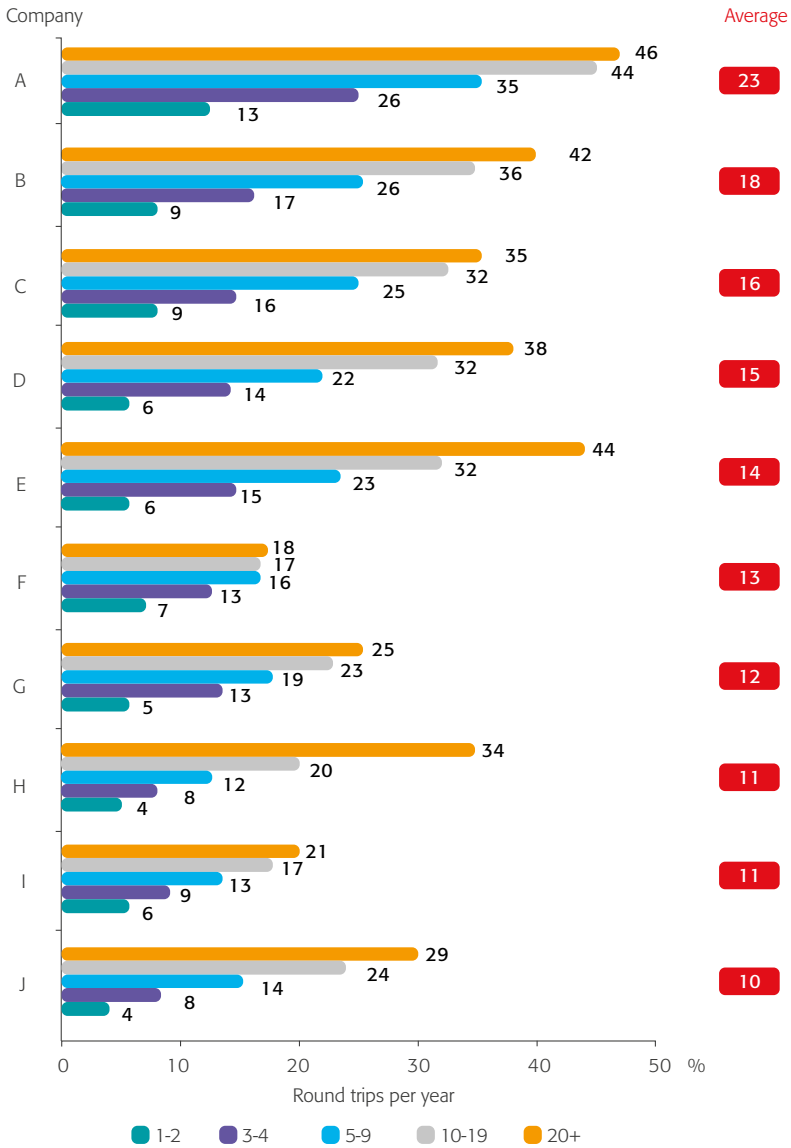
Actual figures are even lower, according to an analysis of *CWT To Go™* downloads by travelers at the 10 companies with the most users of this app, underlining the early stage at which many companies are in terms of their mobile managed travel strategy.

(See Figure 52.) When the figures are broken down by traveler profile, however, penetration is significantly higher among frequent travelers, reaching 46 percent in one company (for travelers taking 20 or more round trips a year).

There is a small percentage of frequent travelers who often visit different places. They want comfort but also need to know where to go and when.

Chief editor, business travel publication

Figure 52: Penetration rate of the *CWT To Go™* app in the 10 companies with the most users



Source: CWT global transaction data, 2014

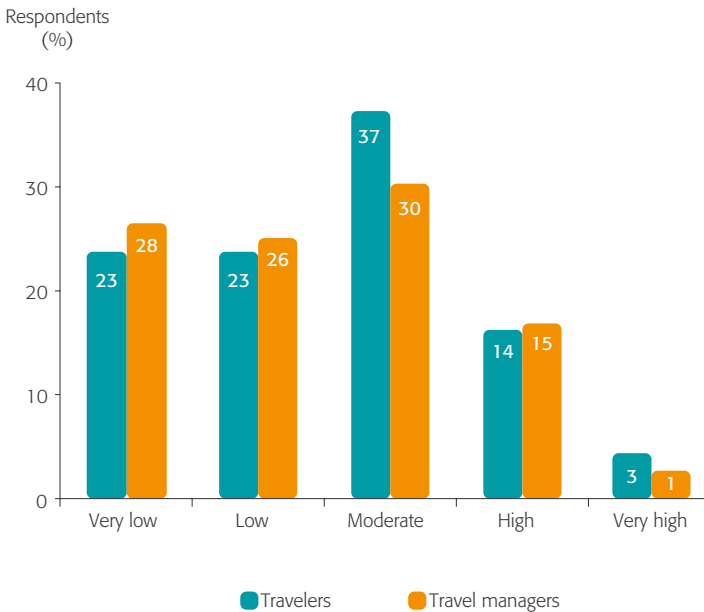
→ Usage of managed travel apps is low to moderate for the time being

When downloaded, usage of managed travel apps is also limited, according to this survey. Most travelers (83 percent) and travel managers (84 percent) estimate very low to moderate usage,

an average (Figure 53), although this no doubt varies between different traveler segments, with higher usage among frequent travelers.

Figure 53: Most surveyed travelers and travel managers consider TMC app usage very low to moderate

If you or your travelers have a TMC app, how do you estimate the level of usage?



Source: CWT Travel Management Institute

Based on a global survey of business travelers (406 respondents) and travel managers (156 respondents), 2014



How satisfied are travelers so far?

This latest research counters the idea that consumer apps offer a better user experience than corporate apps. According to surveyed travelers, the gap in satisfaction between business and leisure mobile services is surprisingly small.



Key takeaways

- Overall, 57 percent of travelers say their mobile experience is similar for business and leisure travel, although satisfaction is slightly lower for the most frequent travelers.
- Satisfaction scores are slightly higher for travelers than travel managers regarding TMC mobile services and the way mobile technology and communications are managed by companies.

→ Traveler satisfaction with mobile apps is similar for business and leisure travel

Because of their earlier development, consumer travel apps could be expected to offer a better user experience. Yet most surveyed travelers (57 percent) consider their experience with mobile services to be similar for business and leisure travel, while 18 percent of travelers say their experience is better for business travel.

When the results are broken down by region, most travelers report a similar experience, except in Latin America, where this is the case for only 41 percent. However, frequent travelers, who use more apps, note a larger difference in quality, with greater room for improvement in corporate apps. (See Figure 54.)

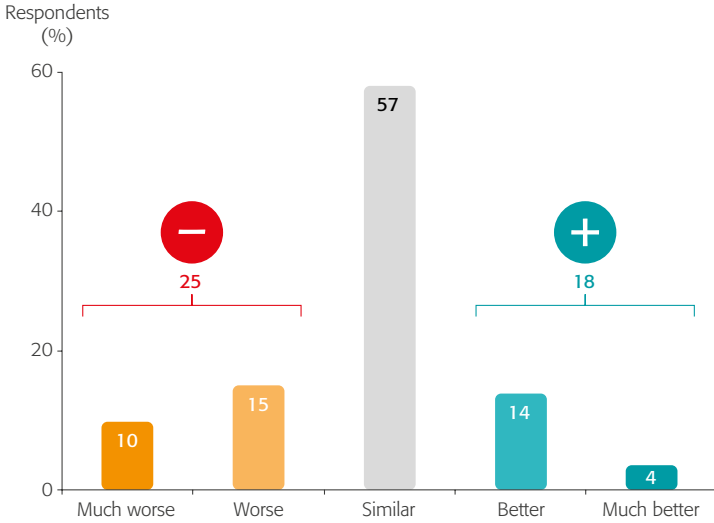
With mobile, travelers enjoy a better trip experience thanks to all the new features, like mobile boarding passes, etc.

CEO, specialized business intelligence company

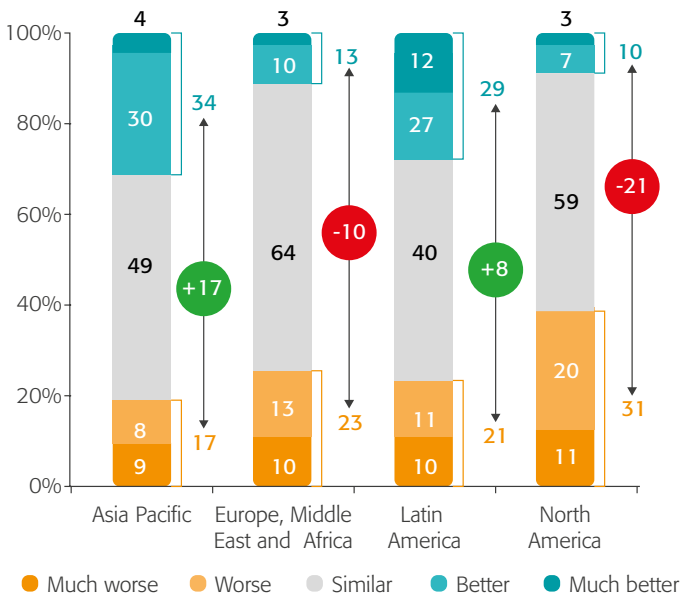
Figure 54: Most travelers consider their mobile experience similar for business and leisure travel

All travelers

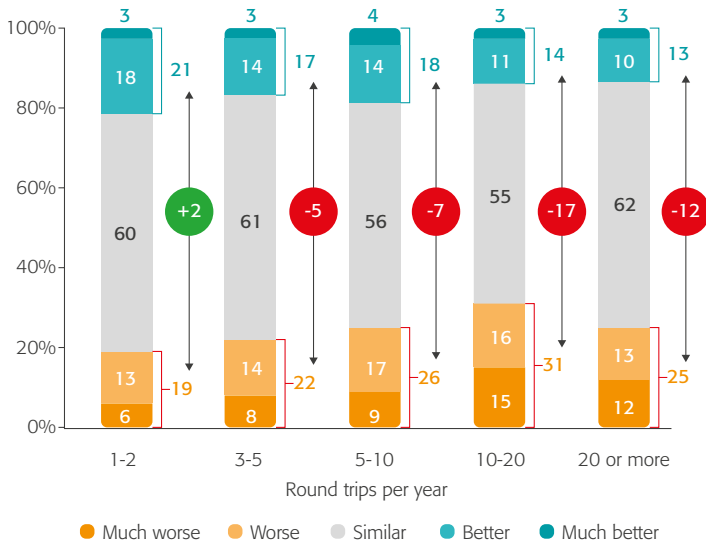
How would you rate your mobile experience for business vs. leisure travel?



Breakdown by region



Breakdown by frequency of travel



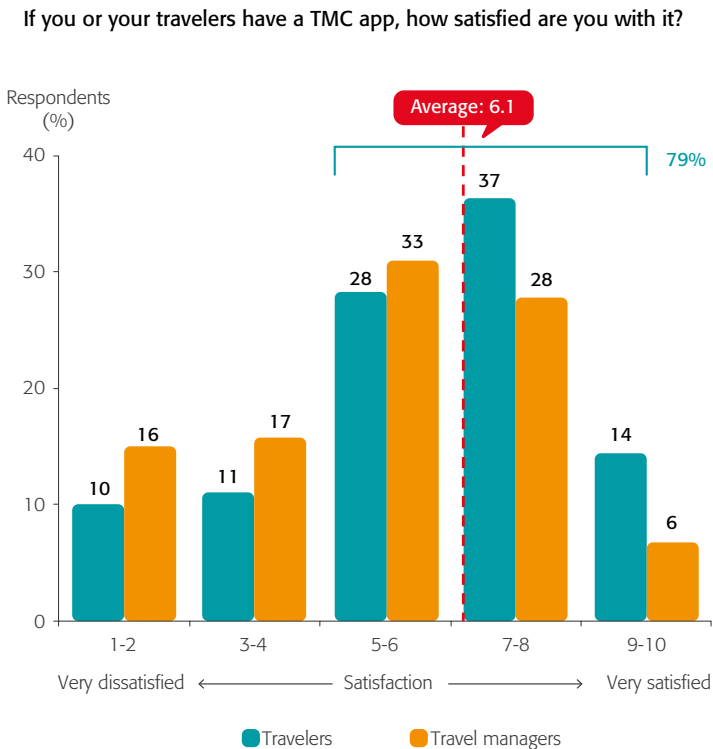
Source: CWT Travel Management Institute
 Based on a global survey of business travelers (1,804 respondents), 2014

→ Travelers are slightly more satisfied than travel managers with their TMC mobile services

When asked specifically about the mobile services provided by their travel management company, travelers say they are generally satisfied: 79 percent of travelers who have a TMC app rate their satisfaction at 5 or above out of 10, and 51 percent at 7 or above, producing an average score of 6.1 out of 10. The average

score is lower for travel managers at 5.3 out of 10. When the results are broken down by the size of travel budgets, this figure rises slightly to 5.7 for annual budgets over \$100 million and drops slightly to 4.7 for those under \$10 million. (See Figure 55.)

Figure 55: Satisfaction scores for TMC mobile services



Source: CWT Travel Management Institute

Based on a global survey of business travelers (406 respondents) and travel managers (148 respondents), 2014

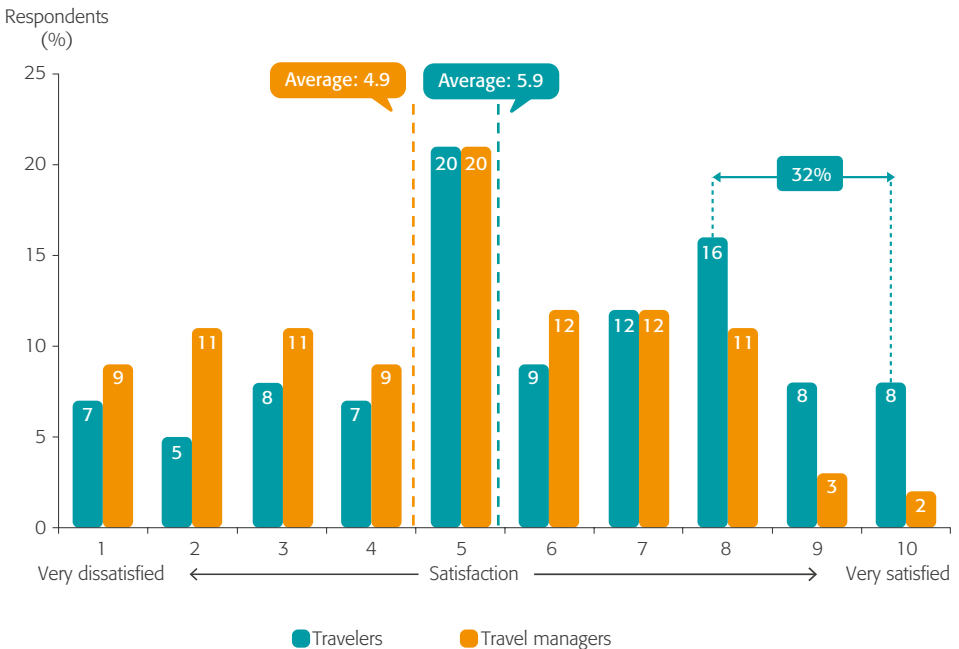
→ Travelers also tend to be more satisfied with the way mobile technology and communications are managed in their companies

Travelers are satisfied overall with the way mobile travel technology is managed in their companies, rating their satisfaction at 5.9 out of 10 on average, while nearly one third (32 percent) give a high satisfaction score (8 or above). Only 27 percent give a very

low score (4 or under). Meanwhile, the score for travel managers is lower: 4.9 on average, with 40 percent rating it 4 or under. Only 28 percent give a high satisfaction score of 7 or higher.

Figure 56: Travelers are more satisfied than travel managers with the way mobile technology is managed by their companies

How satisfied are you with the way your company manages mobile technology?



Source: CWT Travel Management Institute

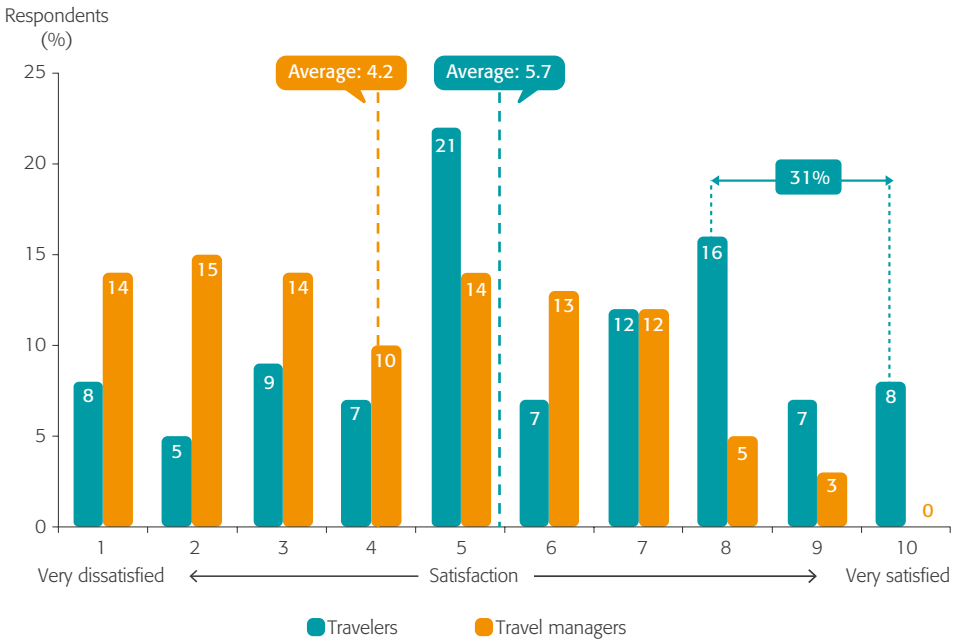
Based on a global survey of business travelers (1,804 respondents) and travel managers (173 respondents), 2014

A similar pattern appears for communications on mobile travel solutions, with travelers satisfied overall (an average score of 5.7 out of 10) and travel managers less so (a 4.9 average score).

While 73 percent of travelers are at least somewhat satisfied (a score of 5 or above), only 60 percent of travel managers are. (See Figure 57.)

Figure 57: Travelers are slightly more satisfied than travel managers with their companies' communications on mobile solutions

How would you rate your company's communication on mobile travel solutions?



Source: CWT Travel Management Institute
 Based on a global survey of business travelers (1,804 respondents) and travel managers (173 respondents), 2014



What are the main barriers to mobile use in the travel program?

Travel managers consider security to be the main barrier to mobile use in their companies, although they also acknowledge other areas bringing potential challenges



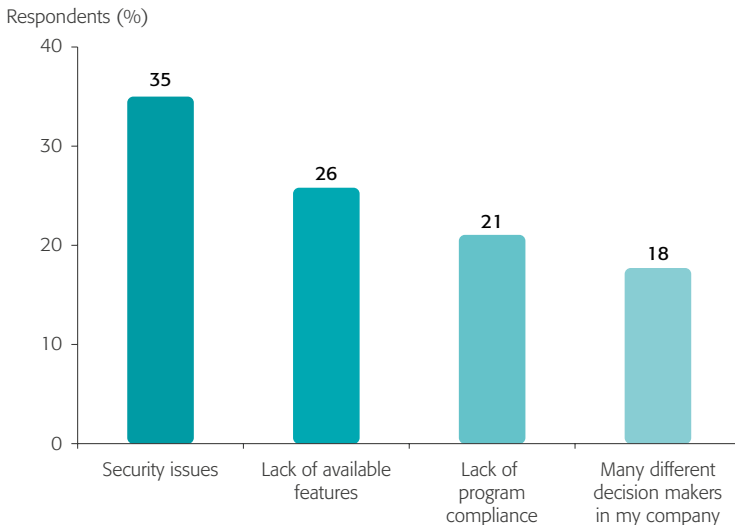
Key takeaways

- Travel managers consider security issues and a lack of available features to be the main barriers to mobile app use in the travel program (vs. compliance and the involvement of numerous decision-makers in mobile issues).
- The experience of a global IT company interviewed by CWT confirms awareness of these difficulties.

→ Four main barriers

Although travel managers expect mobile services to take off in the travel program over the next few years, a number of issues could slow their development.

Figure 58: Security issues rank top of the barriers to mobile use in the travel program, according to travel managers



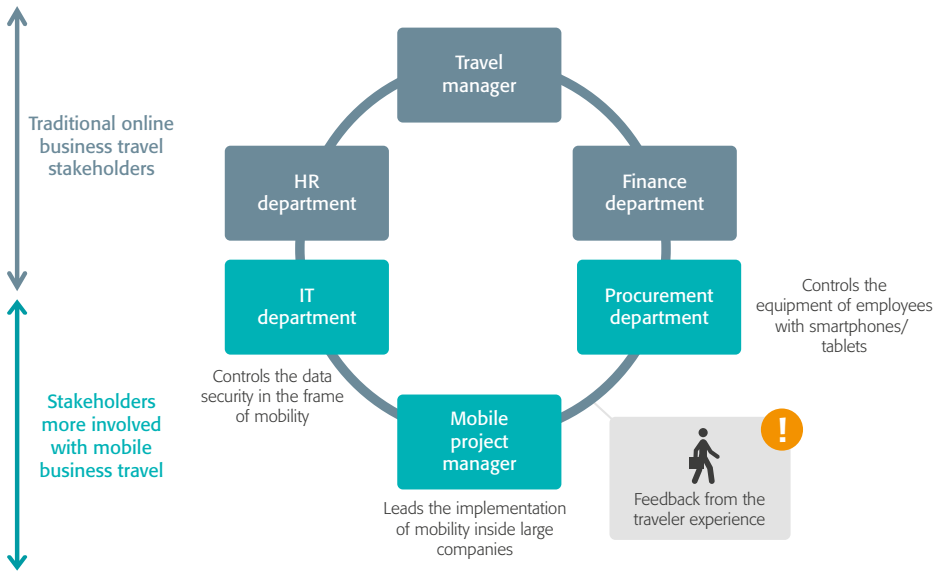
Source: CWT Travel Management Institute

- **Security issues** come top of the list—quite rightly, since smartphones and tablets have surpassed laptops as the devices most likely to be targeted by thieves or hackers. Apart from being smaller and easier to lose or have stolen, mobile devices tend to be less well protected by passwords and IT security policies. Yet these mini-computers offer access to key data and corporate networks, and any security breach can create chaos on both individual devices and networks. Downloaded apps in particular can weaken security by containing malicious code, but attacks can come in all shapes and sizes. These include phishing (where users are tricked into giving their passcodes to third parties), spyware (where user activity is tracked without consent), trojans (programs that cause harm to the user's device) and worms (malware that spreads to other devices).
- The **service offering** comes next (26 percent of travel managers). First, the right services need to be available on the devices that travelers use, which is not yet a given. Just as importantly, travelers will not want to use mobile services unless they are user friendly and do what they promise, effectively and efficiently. As discussed, the managed travel offering still lags behind the leisure offering in some areas, such as booking, although providers are fast introducing new features.
- Travelers' potential lack of **compliance** with the travel program comes third. If travelers use apps that have not been designed specifically to support the corporate travel program, there is a real risk of travelers booking with non-preferred suppliers and being harder to track, as well as important spend data being lost. A separate CWT report, *Where now for managed travel? "Rogue" spend, new technologies and the future of travel programs*, provides an overview of this particular risk, with the pros and cons of a selection of early apps targeting the corporate market.
- Finally, another important barrier is the involvement of many **different decision makers** in mobile services (for 18 percent of travel managers).

So far, compliance with travel policy is not fully addressed by mobile services. This is an important question mark for us.

Travel manager, global consulting company

Figure 59: Many departments are potentially decision makers on mobile services



Source: CWT Travel Management Institute

New roles will emerge, like in-house change managers or change management consultants (e.g., provided by TMCs). If changes are not implemented correctly, travelers may be deterred from using mobile corporate solutions and prefer their own solutions.

Travel manager, global consulting company

Different stakes are involved, with potential benefits for all concerned. (See Figure 60.)

Figure 60: The benefits and risks of mobile services for different stakeholders

	Benefits		Risks	
Travel manager	Higher connectivity with travelers and increased control over trips - Can redirect travelers toward preferred suppliers via push actions - Better tracking to avoid security issues	+++	Diluted power to choose suppliers vs. IT managers and procurement managers	-
	Ability to leverage traveler reviews during supplier negotiations	++	Higher risk of missed savings due to non-compliant traveler behavior	--
	Higher well-being/comfort of travelers and better perception of business trips		Increased workload to stay aware of new mobile solutions and educate business travelers on new mobile possibilities	-
IT department	Increasing role due to a stronger orientation toward IT tools	+	Increased workload to protect company data	-
Procurement department	Increasing role due to increasing use of work smartphones and tablets	+	N/A	N/A
Other stakeholders	Limited impact on finance department	0/+	Need for finance department to control amount of contracts with travel suppliers	-/0
	HR managers should benefit from increased traveler well-being		Limited risk for HR department	

Source: CWT Travel Management Institute

However, all of these barriers can be overcome with the right approach. (See pages 83-91.)



Case study: Global IT company gets a “village around the table” for mobile security

Interviewed by CWT at the end of 2013, the global travel manager of an IT giant pointed out issues her company was looking into before setting up a mobile policy. These included the importance of safety and security, and the need to consult and work closely with stakeholders from across the company. As she put it, “It takes a village to make sure people are safe in travel and it’s that same village that has to be consulted around mobile.”

The company had just undertaken a companywide survey into mobile usage to understand which tools travelers were already using, the potential risks involved and the best ways to get people the information they need.

Here are some of the points she made:

- **Employees should treat their phones and tablets with as much care as their laptops.** Not only are they easily stolen, but company data may be vulnerable if users do not set up passwords on all their devices. Stolen data can also put employee security at risk; for example, if itinerary information falls into the wrong hands.
- **Travel is just one element to consider in a corporate mobile strategy.** Close collaboration is required with different teams, from IT, telephony and security to HR and social networking.
- **Mobile tools complement, not replace, the solutions already in use.** When employees are allowed to choose their own devices and operating systems, not all of them may be compatible with smartphone apps.
- **When steering travelers toward the best mobile apps, guidelines may work better than rules.** The market is changing so quickly that travel managers are not necessarily aware of the latest offerings, and the company may not want to endorse specific apps if it means paying for travelers to install them.
- **A well-defined mobile policy is a high priority for 2014.** After analyzing the results of its audit, the company intended to find ways to fully exploit mobile services within its travel program.



How to overcome the barriers and successfully implement mobile managed travel solutions?

All of the barriers to mobile service implementation can be overcome with the right approach.



Key takeaways

- CWT suggest seven points to consider when implementing managed mobile services:
 - ▶ Take action now to avoid program leakage.
 - ▶ Seek the right external partners.
 - ▶ Avoid app overload.
 - ▶ Keep up with fast-changing supply and demand.
 - ▶ Work closely with IT experts on data security issues.
 - ▶ Get buy-in from other departments.
 - ▶ Educate and communicate with travelers.

- Five key steps are involved in boosting mobile app use: devices, awareness, downloads, registration and active usage.

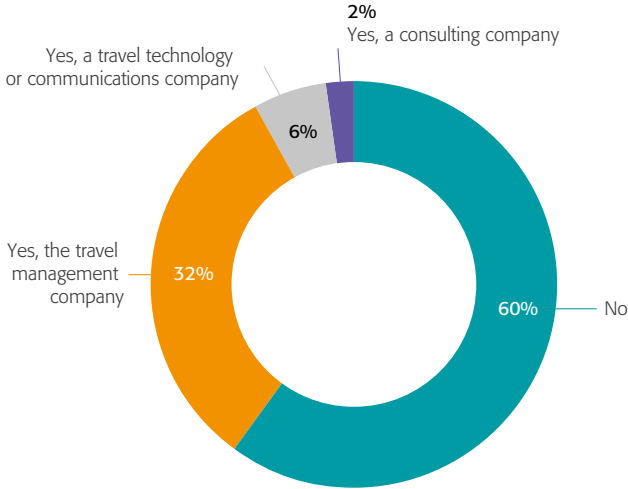
→ Seven points to consider

- **Take action now to avoid program leakage.** Managed travel apps are specifically designed to support corporate travel programs, and are companies' best bet to keep travelers booking within policy when on the go, rather than booking directly through suppliers' apps.

- **Seek the right external partners.** Most travel managers (60 percent) do not get outside support for their mobile strategy, but when they do, they tend to ask their TMC for help (32 percent, compared to 6 percent who work with a travel or communication company and 2 percent with a consulting company). (See Figure 61.) Introducing tools from a current partner that support the company's existing technology platforms often enables a faster, easier rollout and more integration of features into a limited number of apps.

Figure 61: When travel managers work with a partner for mobile strategy, most say their partner is a TMC

Does your company use a third party to support its mobile strategy?

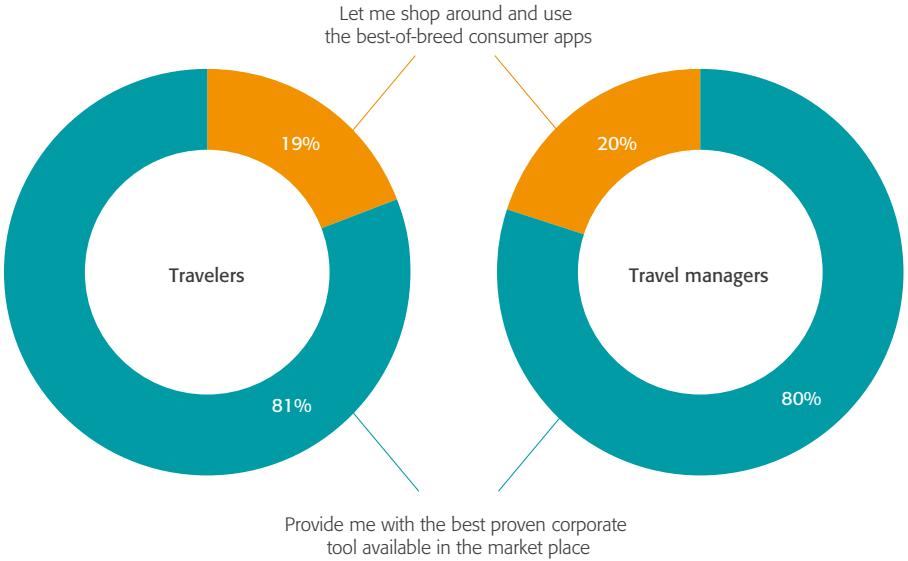


Source: CWT Travel Management Institute
Based on a global survey of travel managers (173 respondents), 2014

- **Avoid app overload.** When asked what the best mobile strategy for their company would be, both travelers and travel managers are clear that they do not want an overload of consumer apps and services but would prefer to have access to a single best-in-class corporate tool. (See Figure 62.)

Figure 62: More than 80 percent of surveyed travelers and travel managers would prefer a single corporate mobile tool to a variety of consumer apps

In your opinion, what would be the best mobile strategy for your company?



Source: CWT Travel Management Institute
Based on a global survey of business travelers (1,804 respondents) and travel managers (173 respondents), 2014

The core offering should include data security. It is an essential requirement of all our customers, both travelers and their companies.

Technology director, global travel management company

The ultimate TMC app would offer all the key functions expected by travelers and travel managers, combined with an easy-to-use, attractive interface. (See Figure 63.)

Figure 63: Ideal features of the TMC “power app”

Program compliance	<ul style="list-style-type: none"> ▶ Designed specifically for managed business travel
Safety and security	<ul style="list-style-type: none"> ▶ Geolocation services ▶ Continuous support with push/pull alerts ▶ Trip disruption services
Booking	<ul style="list-style-type: none"> ▶ Ability to make bookings, cancellations and changes ▶ Alerts on gaps in traveler’s itinerary to decrease program leakage (e.g., no hotel booked on overnight trip) ▶ Repeat booking option for simple recurrent trips
Other services	<ul style="list-style-type: none"> ▶ Exhaustive information on authorized travel suppliers ▶ Consolidated itinerary information ▶ Integrated expense management
Ease of use	<ul style="list-style-type: none"> ▶ Best-in-class one-stop shop ▶ Intuitive user interface with a limited number of steps for registration and booking ▶ Positively rated user experience ▶ Peer reviews

Source: CWT Travel Management Institute

Although this kind of app is not yet available, companies can implement a scalable TMC app that offers critical features now and other important capabilities, such as booking, in the near future.



Case study: cooperation and communication for a successful mobile app rollout

For the senior sourcing manager of a global communications and IT company, cooperation and communication have been integral to the successful rollout of its chosen TMC app. Since being available on Windows, the company's preferred mobile operating system, starting in January 2014, ***CWT To Go™*** has received an enthusiastic welcome from travelers and was ranked top of the "5 must-have Windows phone apps for business travel."

As the CWT client explained, "Our travelers are very tech savvy and they were telling us they expected our global TMC to provide an app that would make their lives easier. That was the starting point for our discussions with CWT last year: we wanted to make sure *CWT To Go™* would be available on Windows as well as the other platforms on their roadmap."

In-house, the global travel management team did not have to convince other stakeholders but simply went to their technical development team, whose role is to facilitate technology processes both internally and externally, cooperating with providers such as CWT. Likewise, the travel management team did not consider IT security a barrier, since this aspect is very strong at the company.

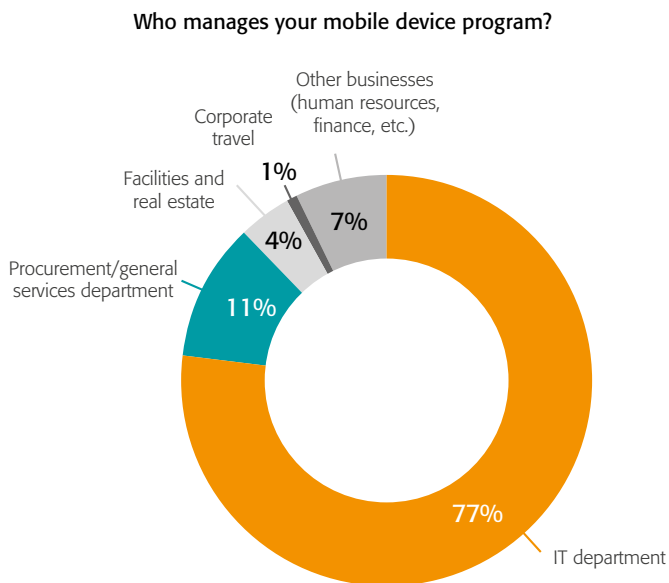
The main challenge has been reaching all the company's travelers and ensuring they download the app. The travel management team has therefore focused on two-way communications, making sure that travelers hear about the app and want to try it. In particular, travelers can share their feedback socially through their Intranet or address their travel managers directly by email. The company has also boosted word of mouth through editorial content highlighting the benefits and features of the app. In addition, *CWT To Go™* is now included in the company's internal offering, a selection of preferred apps that are distributed automatically to employees' devices.

For the client, travelers above all want mobile access to essential information on their itinerary and any changes (e.g., flight delays), which are among the features currently available on *CWT To Go™*. But they would also like to be able to book anywhere and from any device, which they will soon be able to do through the app. In her opinion, travelers want to access the maximum of services from a single app, and this is also a strong expectation from the technical development and travel management teams. This explains why the company has not promoted apps by online booking tool providers, since it works with different providers in each major region.

As the client put it, "Not all apps will suit the company's needs. **The most important thing is to truly meet needs, bringing value to travelers and the organization.** Joining forces with suppliers is a very powerful way to make that happen."

- **Keep up with fast-changing supply and demand.** New apps and features are coming onto the market constantly, and the best consumer apps in particular are influencing travelers' expectations. Companies might want to conduct a formal survey of traveler needs, and also encourage ad-hoc ideas and feedback through more informal channels such as social media or a corporate social network.
- **Work closely with IT experts on security issues.** When it comes to mobile devices and services, data security is a critical, but often overlooked, issue. Travel managers should work in close partnership with their IT experts and TMC or other technology provider to ensure that the right protection is in place. This can range from approving or banning certain apps and installing security apps, to requiring users to take precautions such as setting up passwords, locking their SIMs, turning off Bluetooth, and avoiding the use of certain apps over public WiFi connections.
- **Get buy-in from other departments.** Travel managers can play a strong advisory role in the company's policy on mobile devices or in travelers' choice if the rule is "bring your own device." According to the CWT survey, only 1 percent of mobile device programs are handled by travel management teams, compared with 77 percent by the IT department. (See Figure 64.) Other departments from across the company may have a stake in other elements of a policy; for example, human resources and legal issues may arise regarding usage.

Figure 64: Most mobile device programs are handled by IT

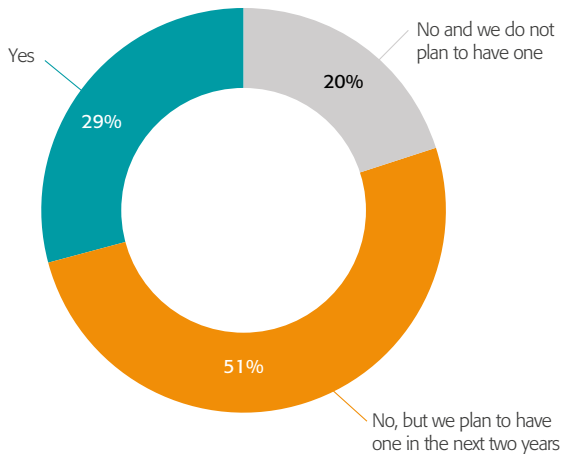


Source: CWT Travel Management Institute
Based on a global survey of travel managers (173 respondents), 2014

■ **Educate and communicate with travelers.** Most travelers want to do the right thing but can be easily misguided; for example, when they book outside the policy simply because they have found what appears to be a cheaper up-front price (not taking into account the cost of changes, negotiated corporate rebates and the importance of booking through preferred channels for tracking purposes). As always, communicating the company's policy clearly, simply and regularly makes a critical difference. According to the CWT survey, only 29 percent of surveyed companies have included mobile rules or guidelines in their travel policies so far, but the majority (51 percent) intend to do so over the next two years. (See Figure 65.)

Figure 65: Most companies intend to have a mobile travel policy in the next two years

Does your company have a mobile policy for the travel program?

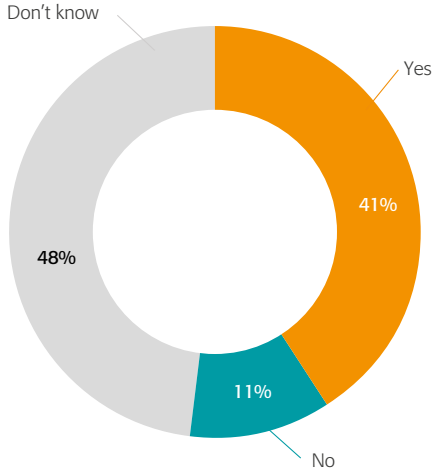


Source: CWT Travel Management Institute
Based on a global survey of travel managers (173 respondents), 2014

The remaining 20 percent may have a mobile policy under the responsibility of another department, such as IT, which would not necessarily cover mobile solutions for managed travel.

Figure 66: Most travelers say their company does not have a mobile travel policy or they are unaware of one

Does your company have a section on mobility in the travel policy?



Source: CWT Travel Management Institute
Based on a global survey of travelers (1,804 respondents), 2014

Travel managers are at a crossroads, having to apply travel policy, implement a mobile policy and evolve toward mobile services. They have to own the change inside their companies.

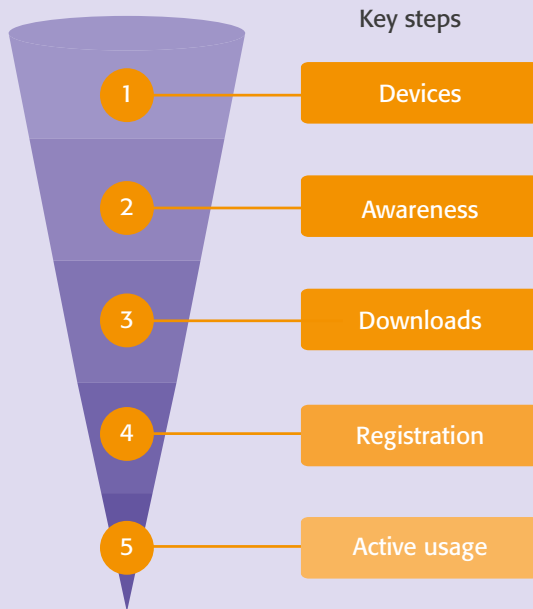
Global travel manager, telecommunications leader



Five key steps for boosting mobile app use

Getting travelers to use the right managed mobile travel apps does not have to be complicated but it does involve at least five key steps:

- **Devices.** Travelers need to have a smartphone or tablet that is compatible with the app and secure to use for work.
- **Awareness.** Once the company has identified a suitable app, travelers need to know what it is and what it can do for them.
- **Downloads.** A pilot can be run with a sample of travelers to gather feedback and find out what works and what could be improved and communicated to the provider.
- **Registration.** The process here should be easy to avoid travelers abandoning the app before even trying it out.
- **Active usage.** The company needs to monitor usage and troubleshoot if it is low; e.g., compared to downloads.





Conclusion

This CWT research shows that the majority of travelers are now equipped with smartphones and have high expectations of mobile apps, just like travel managers. The most valued features (itinerary information and flight status alerts) are already available to business travelers, while other key features such as mobile booking are fast emerging on the managed travel market. Some, such as trip disruption (including alternative travel options pushed to travelers) could well be considered critical once available. Providers are tailoring services to corporate needs across the travel continuum, and eventually all the essential features may be offered in a single "power app."

In the meantime, travel managers can implement a scalable TMC app such as *CWT To Go™*, which is fast integrating new features for business travelers and their companies worldwide. TMCs can also help travel managers to navigate the available technology and overcome any barriers to travelers using the desired mobile apps, such as device compatibility or data security concerns. The time to act is now: by exploiting mobile technology, companies can maintain control over their travel programs while giving travelers more freedom over when and how to organize their travel, thanks to mobile access to service wherever they go.



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