

2016 TRAVEL TRENDS

Global price projections:



.5%+
AIR



.1%+
CAR



2.5%+
HOTEL

Compliance does not equal compromise.

COST SAVINGS

Industry wide, having insight into your spend in order to negotiate agreements is crucial to the success of your overall travel program.

TRAVELER EXPERIENCE

In general, road warriors are also the highest performers, and a positive travel experience goes a long way toward profit. Travelers want to feel like they have autonomy and are getting benefit for their hours spent on the road.

THE BALANCE

- Loyalty programs for the organization and individual traveler
- Airline small business programs
- Duty of Care (SafetoGo software)
- HR benefits such as complimentary leisure services, points for credit cards, entry into Known Traveler programs, etc.
- Resources and support

We got together with industry experts and travel managers. Here's what we learned.

By Leah Shader, Account Manager
Cadence Travel Management

The Cadence Beat: Travel Trends is a day to connect with our customers, industry partners and peers about current trends and changes in the business travel industry. This year, we held our second annual event at the stunning Estancia Hotel La Jolla. As our attendees filled the venue (and the venue filled with energy), we knew this was going to be an engaging group with a variety of expertise.

As a leader in the industry, our team at Cadence truly feels it is our responsibility to be a resource not only for our customers, but for anyone involved with business travel management in our community. On that note, we started off by sharing some general industry outlook facts to lay the base for the year ahead of us:

- Airfares are expected to increase .5% globally and in the U.S. This minimal increase is mostly attributed to low fuel prices.
- Hotel rates are projected to increase 2.5% globally but 4.3% domestically. The U.S. hotel supply is still below the demand, which results in hotels being able to drive rates.
- Car rates are staying fairly flat across the board.

From there, we turned to our panel for some additional insight: William Waldron of Delta Airlines representing the air industry, Kevin Kupka of National/Enterprise representing rental cars, Manda Post of Estancia Hotel La Jolla representing hotels and myself, Leah Shader, representing travel management companies.

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Our overlying theme was about “balance”. At Cadence, we believe in striking the perfect balance between cost savings and traveler experience.

It’s important to note that generally your road warriors are also your highest performers. This means that on average they deliver 40-70% more profit for the company than other employees. In addition, 56% of “high performers” stated freedom and autonomy as the most important in a job and, if key needs aren’t met, they are happy to leave. Unfortunately, replacing talent is expensive – approximately 50-200% of that position’s salary! Given all of this, traveler experience isn’t just a fluffy thought, it truly affects your bottom line!

(Cont'd).

RECAPPING 2016 TRAVEL TRENDS (Cont'd)

After a collaborative group discussion, we gathered some points that can help achieve cost savings, a better traveler experience and ultimately, a balance between the two. We agreed on best practices and reviewed some great suggestions for you to apply to your own travel program. Feel free to schedule a chat to discuss!

COST SAVINGS

BEST PRACTICES

- Knowledge is power: Knowing your spend and patterns is the first step in negotiating discounted agreements.
- Book in advance for the best rates and availability! Tip: Generally hotels and cars have no cost to cancel, so go ahead and book the cheap rate and cancel later if the trip doesn't happen.
- Loyalty loyalty loyalty. This manifests in cost savings in many ways:
 - Corporate level discounts based on volume
 - Airline small business programs where you get points towards free flights and upgrades
 - Individual loyalty programs where ancillary expenses can be minimized – baggage, wifi, breakfast, etc.

ADDITIONAL TIPS

- Super frequent traveler? Consider getting a Gogo wifi annual membership.
- Sign up with Dinova and get a rebate back on business travel meals.

TRAVELER EXPERIENCE

RESOURCES AND SUPPORT

- Duty of Care: Traveler safety is an important responsibility for your organization. The SafetoGo software allows you to know where your travelers are at all times but it also gives them peace of mind, up-to-date alerts and flight changes to efficiently manage their travel.
- Onlinehelp: At Cadence, we understand that the traveler experience starts at the time of booking and it is the goal of our tech assistance team to alleviate any frustration that may happen during this time. We have found Onlinehelp to be especially crucial during online booking tool adoption.
- 24/7 Support: As we all know, travel is never perfect. However, always having support while on the road can ensure your traveler gets where they need to go and stays productive.

PERSONAL PERKS

- Car rental programs like National's Emerald Club give the traveler free rental days.
- In most cases, your corporate negotiated rates with hotels and car companies can be used for personal travel.
- Allow travelers to keep the points from their corporate credit card.
- Cash out airline small business points to offer giveaways for those most compliant to your travel program.

ADDITIONAL TIPS:

- Offer to pay for Global Entry/TSA Pre check for your most frequent travelers. This is sure to make them happy and also expedite their travels... and we all know time = \$!
- Purchase AAA memberships. These rates are available via your agency and can save money. As an added perk, your key road warriors now have the use for their personal travel as well.