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beat

RESEARCH REPORT

# TMC INVESTMENT PRIORITIES

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Dear Reader,

The travel industry is undergoing a transformation. With disruptions like New Distribution Capability (NDC), artificial intelligence and rapidly accelerating mobile capabilities, organizations throughout the travel landscape must be proactive and forward-thinking in their technology investments.

The business traveler's experience is becoming increasingly connected and automated. And as airlines offer more customization, travel management companies (TMCs) have an opportunity to maximize efficiency, foster productivity and enhance duty of care for their travelers—with the support of enhanced technology.

ARC is proud to sponsor this research report, as it provides our industry with a more comprehensive understanding of how TMCs are allocating their resources toward technology. By identifying key priorities and major transformations taking place in our industry, organizations like ARC will be better equipped to serve the global travel community with flexible, customizable distribution solutions, technology services and data products that ultimately benefit the traveler's experience.

Sincerely,



Michael J. Premo  
President & CEO  
ARC



Dear Reader,

The 30 travel management companies that participated in this study represent a wide range of sales volume, geographic reach, service configurations and tech stacks.

Yet, regardless of size, scope, identity, client makeup or niche, they share a common mission to enable, empower and enrich the business of travel for corporate clients. We hope that, taken in aggregate, the investment priorities among these TMCs shed light on where the business is now and where it is heading.

As with all editorial undertakings, *The Beat* developed, conducted and produced this research project with complete editorial independence. That does not mean we did it alone. We thank the TMC executives who took time to complete our survey and opened up about their business investments in interviews. Their participation and support are invaluable. And thanks to you, the reader, for taking a look. We hope you find it worthwhile.

Sincerely,



Jay Boehmer  
Editor-in-Chief  
*The Beat*

# TMC INVESTMENT PRIORITIES

**T**ravel management companies come in all shapes and sizes. Each has its own identity, specialties and mission. Ask 30 TMCs who they are and what they do best, and you'll probably get 30 different answers.

But all TMCs share core elements. Each functions as a pathway for client travelers to book trips, online and offline. Each helps travel program managers better understand travel spending, policy adherence and supplier relationships. Each negotiates and delivers special travel content, including negotiated hotel rates and fares. Each offers advisory support, both at the program level for managers and at the trip level for travelers. Each is a conduit for and enabler of the technologies that travelers and managers use. Each also runs a daily business operation that begs for efficiency and cost-effectiveness.

In the end, each TMC blends these ingredients into its own recipe, through a mix of people, technology and partnerships.

Identity dictates investment, and identities vary.

Before determining where they invest in their businesses, TMC operators first must decide who they are and where they're going. Is the TMC a high-touch service provider or a high-tech product developer? Does it compete on price or service? Is it a multinational business that answers phones in local languages in scores of countries? Is it a small boutique operator with a niche? Does it specialize in a vertical like government or

energy clients? Not all of these are mutually exclusive, of course, but they factor into investment priorities.

While TMC identities vary, many share commonalities in the focus of their near-term investments.

For all the talk of digital, most TMCs are hiring frontline travel agents and enhancing contact center technology. Indeed, contact center solutions, including support of chat, text messaging and telephony systems, was the most common area of investment: 25 of 30 TMCs polled by *The Beat* in April-May 2018 are increasing spending there.

Content also is a common bucket of investment. While global distribution systems continue to serve as a primary source, 23 of 30 TMCs surveyed are investing in non-GDS content aggregation.

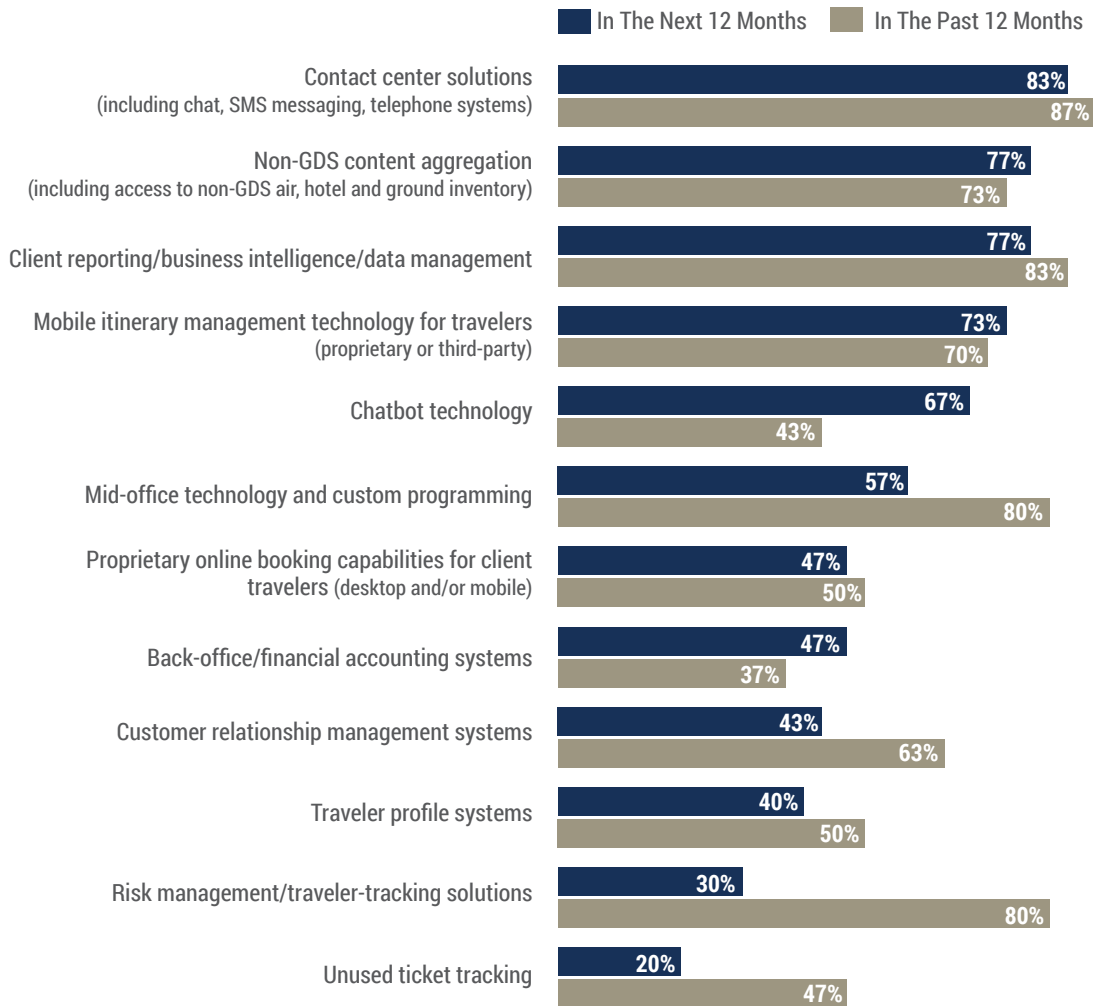
Data is a perennial area of TMC spending: 23 of 30 TMCs surveyed are steering capital into client reporting, business intelligence and data management—either through partners, proprietary wares or a blend.

Rounding out the top five investment areas measured by *The Beat* are mobile itinerary applications for travelers and chatbot technology, respectively.

It should be noted that not all TMC investments are related to technology, and not all the technology they invest in is customer-facing. Many TMCs continue to invest in robotics and automation to streamline their own operations, in an effort to make their employees more effective and automate mundane tasks. Plenty are investing in systems for mid-office routines, back-office accounting and traveler profile management.

Contact Centers, Content, Business Intelligence And Mobile Top TMC Investment Priorities

In which of the following areas is your TMC increasing year-over-year investment?



Source: Survey of 30 TMCs fielded in April and May by *The Beat*.

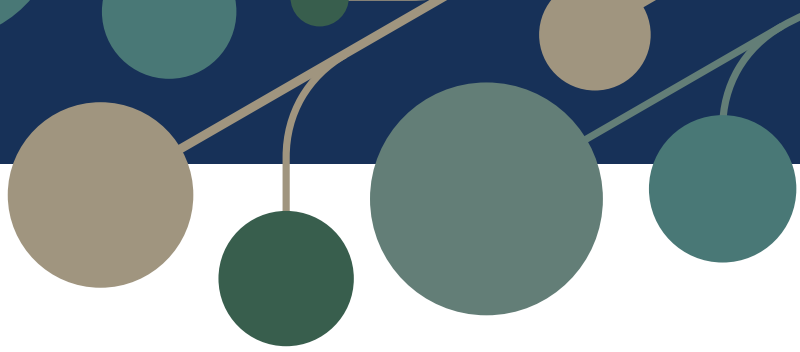
**WE'RE A TECH COMPANY**

These days, some of the largest TMCs identify themselves as technology companies.

Egencia, the corporate travel arm of online travel giant Expedia, says consumer-facing technology is in its DNA. The TMC owns and operates a proprietary online booking system, its own travel agent point-of-sale application and its own traveler-facing mobile application that includes

booking capabilities, in-trip support and itinerary guidance. In these regards, it supports its own core technology, while its platform approach incorporates others.

Of course, Egencia can answer phones for client travelers in plenty of countries, and service is always part of a TMC's calling, but technology—the "full stack," as Egencia calls it—is core to its identity and investment. Egencia president Rob Greyber sees others following.



“A lot of our competitors have pivoted in the last five years under new management teams with new investors to try to own their own technology again, to try to point that technology toward the direction of the traveler, but it’s a struggle,” he told *The Beat* this year. “We can deliver that, and that is a big part of what draws companies to us.”

He added: “When it comes to how we’re operating, in today’s world you have to innovate at the speed of the consumer.”

Carlson Wagonlit Travel is reinventing itself as a “digital TMC,” CEO Kurt Ekert said.

“We’ve brought in a lot of talent from e-commerce, consumer travel and technology,” he told *Business Travel News* in June. “Our entire product technology team is different, and we’ve massively upgraded our capital expenditure spending. We really are becoming more of a technology and e-commerce company.”

Mega TMC American Express Global Business Travel, which is bulking up through its acquisition of HRG, also pushes a tech-first view of its role. “Over the last 10 years, our place in our industry as a travel management company has evolved to us being a technology provider,” CEO Doug Anderson said in April during an Association of Corporate Travel Executives conference. While he highlighted the importance of service, “much of what we do and most of what we invest in is technology.”

Illustrating its technology bona fides, Amex GBT in 2016 bought online booking and expense tech operator KDS. “Our business has moved in the last 11 or 12 years that I’ve been around corporate travel from being 20 or 25 percent digital, online origination of transactions to today being somewhere [around] 50 percent, 55 percent globally, on its way to 75 or 80 percent,” Anderson said.

Of course, both CWT and Amex GBT support all manner of non-proprietary technology for customers, including booking systems. Both still answer phones and tout service quality.

But technology is moving front and center in their identities and investment priorities.

## NO, WAIT, WE’RE A SERVICE COMPANY

Not all TMCs have the wherewithal to spend on technology in the same way as Egencia, Amex GBT and CWT, nor have the interest in doing so. Not all fancy themselves tech companies.

The 30 TMCs represented in this study span the gamut on size and geographic reach—from multinational megas with billions of dollars in annual transaction volume to smaller domestic players with mere millions.

Smaller TMCs show less propensity to develop proprietary client-facing tech, according to analysis of responses. Several such agency operators acknowledge they simply don’t have the capital to build their own. There are great third-party tech providers, they say, so why bother?



**“We’re very true to our mission, which is service delivery.”**

TRAVEL LEADERS CORPORATE PRESIDENT GABE RIZZI

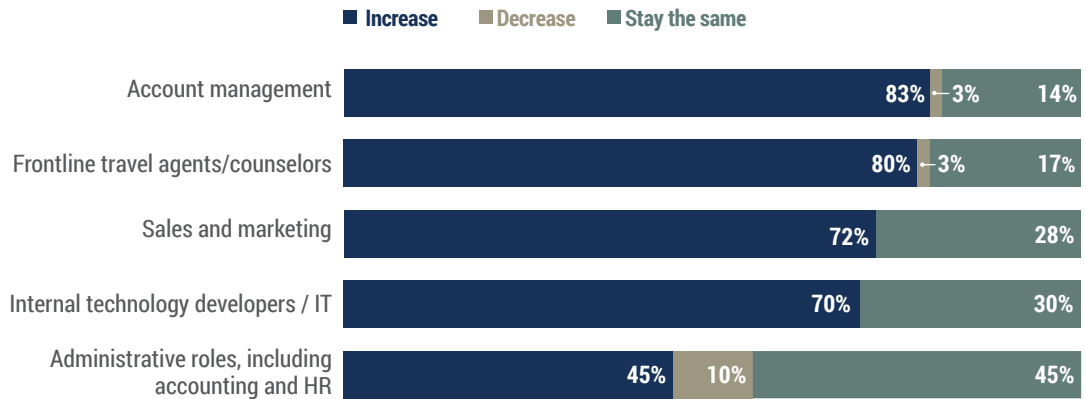
“Instead of us trying to be a technology company—I’ve seen a lot of TMCs voice lately that they’re technology companies—we’re really a technology integrator,” Travel Leaders Corporate president Gabe Rizzi this year told *The Beat*. “We’re very true to our mission, which is service delivery.”

Christopherson Business Travel invests in its own technology, but don’t expect this national midsize TMC to morph into a self-described e-commerce company.

“We have elected to focus our proprietary technology investments in tools that benefit the travel manager and partner with third-party companies for the tools that

Now Hiring: Account Managers And Frontline Agents

In the next 12 months, do you expect the number of full-time employees in the following areas at your TMC to increase, decrease or stay the same?



Source: Survey of 30 TMCs fielded in April and May by *The Beat*.

are used by the travelers—Concur specifically,” Christopherson CEO Mike Cameron said. “But we’ve invested money in the Concur relationship in that we have tried to be first to market with many of the tools they’re building and introducing. That’s a technology investment, just a different kind.”

Cameron likes to say Christopherson invests in technology for the “2 percent”—meaning managers, CFOs and budget holders, not so much the end traveler. And Christopherson prides itself on homegrown technology: its proprietary AirPortal suite includes for desktop and mobile a range of informational and administrative tools for travel buyers, administrators and budget holders.

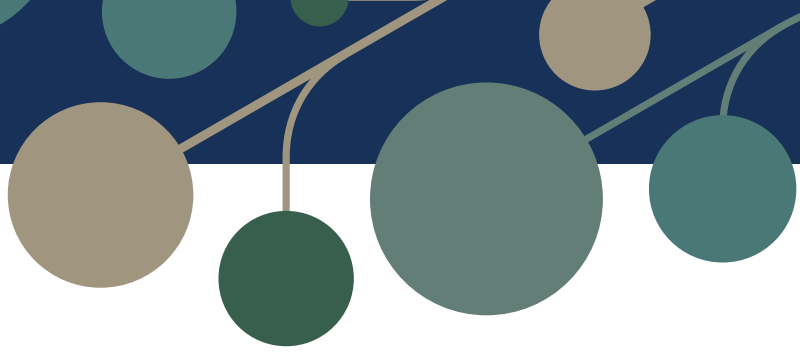
When it comes to technology, World Travel Inc. chief innovation officer Rock Blanco, who joined the TMC from Cornerstone Information Systems in June, suggested many TMCs seem to chase the latest trends to appear comprehensive.

“It’s not just about having a roster of products, which sometimes I feel a lot of TMCs do: Let me just go get

everything that’s out in the marketplace so I’ll look good when it comes to RFP time,” he said. “But if you really don’t understand how to deploy that, then you’re going to find it extremely challenging when it comes time to support it.”

Indeed, service and tech are not an either/or proposition. New York-based Ovation Corporate Travel offers its own branded mobile app for travelers, as many TMCs do, and it supports online booking technology, but service is core to identity and investment.

“At the end of the day, this is a service business, and you’re investing in people and not just technology,” said Ovation Travel Group CEO Paul Metselaar. Ovation in June picked up its first agency location outside the U.S. by way of acquiring London-based Chartwell Travel. Metselaar said the business was complementary and Chartwell’s service philosophy fits squarely with Ovation, which specializes in white-glove treatment for high-touch travelers in banking, entertainment and professional services. For this set, high-touch trumps high-tech.



### CALL ME (MAYBE)

In the next year, 25 of 30 TMCs polled by *The Beat* plan to invest in their contact center solutions. Omnichannel is in, and many TMCs are expanding or have expanded the channels client travelers can use to reach frontline travel agents.

Many agency execs note that many traveler/agent interactions still are conducted by phone, but additional modes are finding their places. They include email, Web chat and text messaging.

AmTrav Corporate Travel has opened up 24/7 access to its in-house agents via phone, email or chat. “Chats have become a pretty significant percentage,” president Craig Fichtelberg said. “It’s probably about 30 percent of our total calls. We now have people dedicated to that. The thinking is, it’s a lot cheaper of an avenue than phone because you can manage two to three chats at a time.”

AmTrav operates its own online booking system, and a chat window now appears within the tool. “It all comes up within the same agent interface,” said Fichtelberg. “The agents are logged into one website, so when the chat comes in, it works like the phone system and circles around to who’s available.” The company also has a dedicated number that clients can use for texting.

Christopherson this year went live with a multichannel system provided by RingCentral. “It’s a unified messaging platform that ties together voice, text, video, conferencing and all that in one platform, so that all of our employees and travel advisors have a unified communications system,” said Cameron.

Email communication is getting more efficient at Atlas Travel & Technology Group, too. This year, the TMC is upgrading its telephony and contact center tech to a Mitel Networks system, president Lea Cahill said. Along with that, automatic call distribution—a hallmark of call center technology that routes calls to an appropriate and available person—is coming to email servicing.

“Until now, our emails would come in, and we had a bunch of distribution lists, and the agent would go in and say, ‘I got this one.’ It was difficult to do a 24-hour

operation around email,” Cahill said.

Once the email distribution system is up and running, Atlas will look at other modes, perhaps text, she said.

Some TMCs are bringing more automation to what heretofore required an agent touch.

CWT chief technology officer Andrew Jordan said about half the traffic going into the TMC’s contact centers are emails. “That in and of itself presents a few possibilities, certainly around robotics. We’ve got a lot of active work going on in how we roboticize responses to emails.”

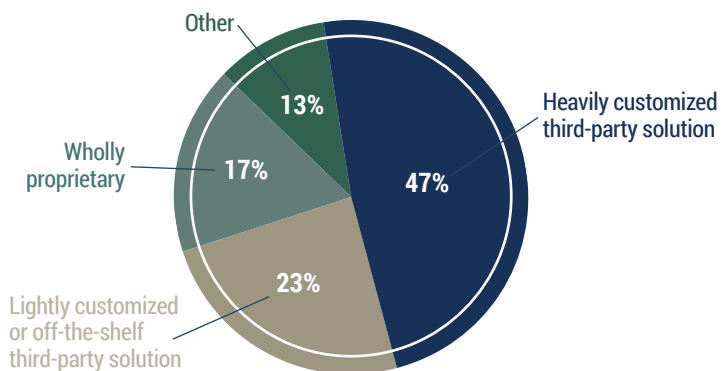
Several TMC executives noted that a well-oiled contact center operation requires harmony among the TMC’s voice-over-Internet-protocol telephony platform, its automated call distribution system, the traveler profile system, customer relationship management modules and other systems—all backed by capable frontline agents.

Christopherson’s new system is rolling out in stages and eventually will incorporate CRM data, live itineraries and profiles, “which is going to give us all the CRM information you need as a travel advisor: the customer’s history will come up as part of the call,” said Cameron.

At least for some TMCs, multichannel lines of contact also open a door to chatbot services.

### Build Or Buy? Most TMCs Customize Agent Desktops

Which best describes your TMC’s approach for its primary point-of-sale agent desktop solution?



Source: Survey of 30 TMCs fielded in April and May by *The Beat*.



**“One of our important roles as a TMC is to maintain access to full, relevant content.”**

AMERICAN EXPRESS GLOBAL BUSINESS TRAVEL CEO  
DOUG ANDERSON

#### IT'S ALL ABOUT THE CONTENT

Asked to address his biggest concern about the TMC business, Amex GBT's Anderson said: “One of our important roles as a TMC is to maintain access to full, relevant content and to distribute that content in a way that meets the needs of our clients' travel programs and their travelers' needs. Those are big things that we'll always worry about.”

While GDSs furnish the majority of air, hotel and ground content that TMCs sell and support, fragmentation persists.

Outliers include low-cost carriers or other airlines that don't participate fully in the GDS. European airlines, including British Airways and Lufthansa, have opted out of full-content GDS deals and withheld some of their lowest fares from GDSs. In lodging, there remains a long tail of independent hotel operators, special online travel agency rates and a new generation of outfits like Airbnb that expand lodging options beyond hotels. Consider transportation network firms like Uber or Lyft, and content fragmentation exists in all three major buckets of air, hotel and ground.

Add to these the International Air Transport Association's New Distribution Capability initiative, and it's no wonder that supporting non-GDS content access is a hot spot of TMC investment. Of 30 TMCs polled by *The Beat*, 23 are increasing year-over-year investment in accessing and aggregating non-GDS content.

IATA's NDC initiative, which some of the largest airlines in the world now are beginning to adopt and scale, promises improved corporate perks and recognition, access to additional non-GDS content and a more dynamic and personalized retailing experience.

TMCs have three options to access NDC: build their own direct connections, which is costly and requires technical know-how; work with a non-GDS aggregator such as Travelfusion, which reverses entrenched economic models by charging users for content; or just wait for the GDSs to complete their ongoing work to deliver NDC content to subscribers.

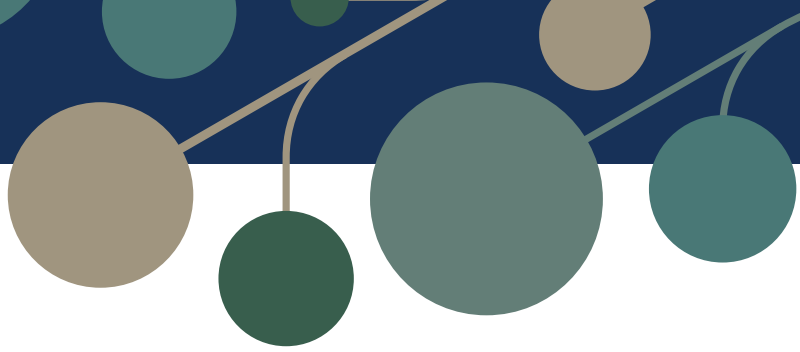
Australia-based multinational Corporate Travel Management, U.K.'s Click Travel and New York-based WTMC, formerly W Travel, have become certified by IATA at the highest level as NDC-capable travel agencies. They're making their own investments to enable airline retailing in accordance with the NDC standard.

Inking an NDC deal with home-market carrier Qantas Airways this year, CTM managing director Jamie Pherous told *The Beat* that CTM's proprietary booking tool and agent desktop will deliver NDC content to users. CTM is “working closely” with its primary GDS, Sabre, but Pherous said: “There's still going to be a big gap between when the GDSs are going to be fully compliant. We took the choice that we can't sit back and wait. We'd rather be on the front foot.”

This year, WTMC is taking several measures to increase its independence from GDSs. It is building its own traveler profiles system, a “super PNR” data warehouse and a “core engine” that applies business logic and rules, such as corporate policy, to content piped in through any source, including the GDS, NDC and others.

Whereas many TMCs rely on GDSs for some or all of these functions, “We want to use the GDS only for content,” said CEO Sarosh Waghmar. As for NDC, Waghmar said of the direct-connect model: “I have no interest in building out NDC pipes for 280 airlines. I want to focus on United, BA, American, Lufthansa, Delta—the big





boys, the top 25—and then use the GDS for the rest and bring it all in a beautiful global data warehouse, and then push it out to the client.” WTMC is a relative newcomer in the TMC space, having been founded five years ago, but its core investment focus is content.

AmTrav, meanwhile, has dabbled in direct connects, worked with non-GDS airline aggregators and has “pilot-tested some GDS NDC projects,” CEO Jeff Klee last year said at *The Beat* Live. He prefers the GDS route, but prioritizes speed.

“It would be great if we could snap our fingers and all this content could be perfectly in the GDS,” he said. “That would be everyone’s preferred route. My concern is speed to market. We want this content yesterday.”

Hotels are yet another TMC content focus. Given the persistently lower rate of hotel bookings TMCs process relative to air bookings, there’s big opportunity to increase revenue.

Megas in particular have built out systems to aggregate sundry lodging options beyond what the GDS provides to incorporate online travel agency rates via Expedia Affiliate Network and/or Booking.com, aggregators like HRS and bed banks. Hooking in an API to bring in content is just part of the solution. TMCs also must apply policy and business logic to bring the most relevant content to corporate users and serve it up in customers’ preferred channels, be they online or offline. They must de-duplicate like-for-like hotel rates and filter away irrelevant content, which could include prepaid rates, whose no-refund restrictions may not appeal to road warriors who change plans at a moment’s notice.

BCD Travel in 2014 bought hotel aggregation and selling portal GetGoing to build out TripSource Hotels. Amex GBT’s KDS acquisition not only gave it a booking tool but also brought on “what we call a Content Hub, or connectivity to non-GDS content. And we are using the KDS teams to enhance this content,” which included Booking.com hotel content, president Philippe Chereque last summer told *The Beat*. Last year, CWT went as far as to spin off its own lodging content aggregation and selling

platform, RoomIt, which feeds multi-source hotel content to the TMC and also to standalone corporate clients.

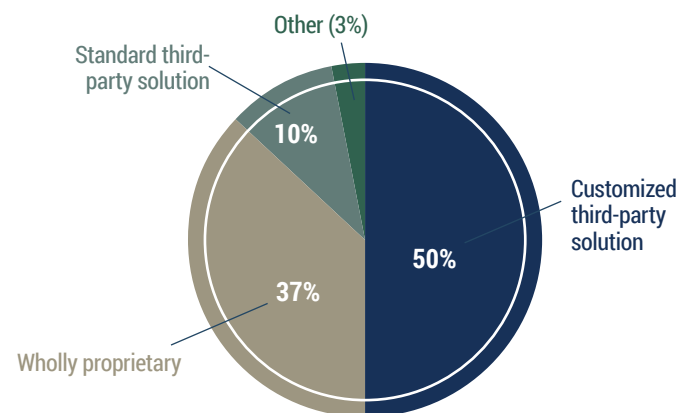
Even GDS operators have gotten in on the action. Recognizing the demand from travel agencies to expand lodging content and knowing well the limitations many TMCs have in building capabilities themselves, Sabre’s Content Services for Lodging, prepping for launch this year, “enables some of the smaller agencies who don’t have the money, means or finances to go out and build their own platform to do it through the GDS,” said Sabre SVP of global lodging, ground and sea Traci Mercer. “For those who have already made investments in this area, what we’re finding is they’re realizing the technical investment, the management and the challenges that go along with being, in essence, a platform on their own.”

#### TMCs ENRICH DATA OFFERINGS

“Data is the foundation of any travel program today,” BCD Travel senior director of product strategy and analytics

#### Most TMCs Go For Customized Or Proprietary Reporting Systems

Which best describes your TMC’s approach for its client-facing reporting/business intelligence system?



Source: Survey of 30 TMCs fielded in April and May by *The Beat*.

Charuta Fadnis told a crowd of corporate travel buyers at a recent BTN Group event. “You use it to make decisions. You use it to gauge performance. You use it to look at traveler behavior and compliance. It’s a No. 1 priority for most of you.”

No surprise, then, that it’s a top priority for TMCs, which for many corporate clients play the principal role in delivering travel information through reports, Web-based dashboards and other means.

“I remember back in 1993 when Excel had 4,000 rows, and that was business intelligence,” Travel Leaders Corporate SVP of corporate sales Michael Boulton said at the BTN Group event.

How far the space has come.

Many TMCs have their own branded data management and reporting products, including Amex GBT’s Premier Insights, BCD’s DecisionSource and CWT’s AnalytIQs, to name a few.

A few TMCs are tapping into business intelligence and data visualization platforms like Domo or Tableau, which can accept various inputs and present data through slick, visually rich interfaces. Christopherson Business Travel

last year became the first TMC to launch several applications for clients on Domo. Travel Leaders Corporate is using Tableau.

“We see lots of direct investment in tools like Domo, Tableau and Qlik,” Cornerstone Information Systems cofounder and CEO Mat Orrego said of the TMC set. “Cornerstone is seeing our largest growth in these areas and less in standard reporting and more data services.”

A few TMCs are exploring new modes of interaction so corporate users—from travel managers to budget holders and other administrators—can use natural language to ask questions and get answers.

Travel Inc.’s proprietary data reporting system for clients is called Evolution, and the TMC has been developing its Evolution Voice Assistant, Eva for short. It’s initially compatible with Amazon Alexa, though the company is exploring other interfaces, said Travel Inc. platform engineer Eric Almond.

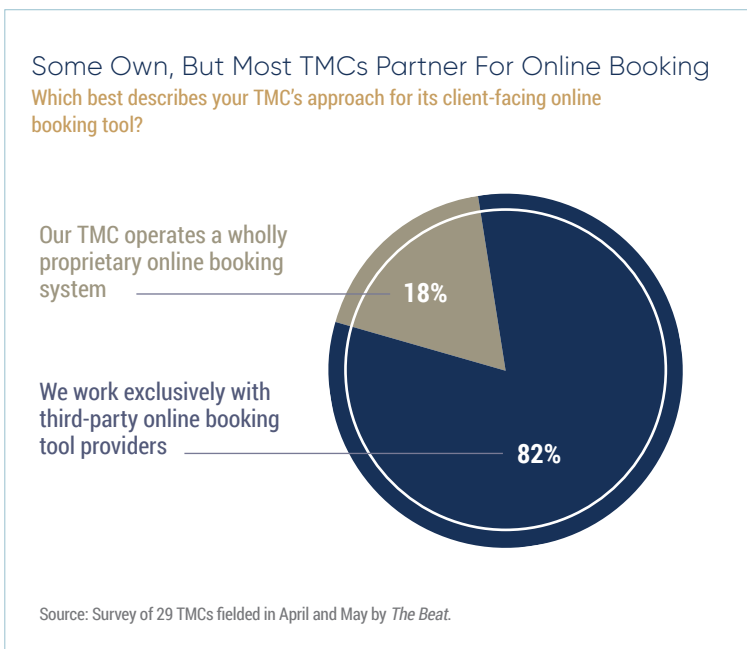
Eva supports more than 60 voice commands. Almond said users could ask about year-to-date travel spend, hotel night volume and citypair information, among other data points. Based on responses, a user then can compare metrics to prior-year data.

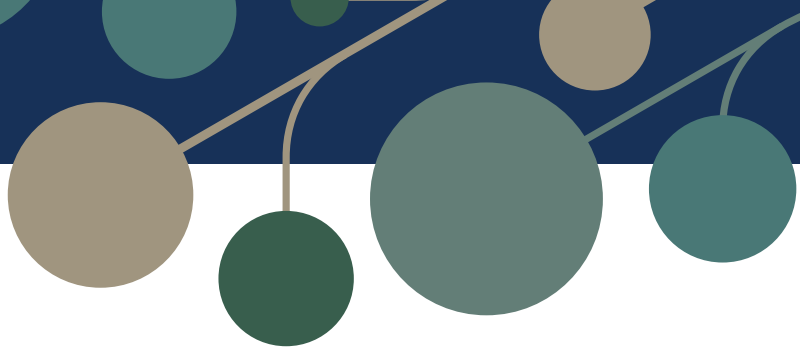
Travel Inc. lets users configure the system to have reports or data visualizations sent via their preferred channels. Users can “say: ‘Who are my top 100 travelers?’ Then, the next command is, ‘Can you send that to me?’ That gets routed based on whether you configured it for mobile or email,” said Almond.

Omega World Travel has developed an Alexa skill to support its Omegalytics reporting system, said VP of IT and data analytics Nadim Hajje.

Omega’s first published Alexa skill supports risk management and traveler tracking: Users can ask, “Alexa, where are my travelers?” Other skills commingle Alexa with Omegalytics to focus on airline-related data queries, such as top carriers and city pairs. Hotel-related queries are next, Hajje noted.

Meanwhile, Prime Analytics, which provides data





services to several TMCs, also is prepping its own Alexa release for corporate users to mine data.

Carlson Wagonlit Travel also is playing with natural language inputs.

In May, CWT launched with a few clients the first iteration of its Google-like search interface, with which users of its AnalytIQs reporting suite can pose questions in free text and get data visualizations in return.

“People were coming to us saying, ‘Can we have a report that does this?’ or, ‘Your report doesn’t quite do this,’” said CWT’s Jordan. CWT’s solution: “Give them one box and use natural language,” he said.

“You can effectively type a query in natural language and say: ‘Show me all my travelers that are flying on Tuesday to Tokyo who didn’t adhere to policy,’” Jordan said. “As you’re typing those terms into the search bar, it builds these dynamic dashboards in real time beneath. It’s a completely different way of thinking about accessing data.”

CWT also is playing with policy and supplier-management modeling. As examples Jordan cited: “What would’ve been my program performance if I had had this rate with Hilton instead of this rate?” or how specific policy changes would move the needle on travel spending.

“We’re trying to think of data in a completely different way than how it’s been used historically,” said Jordan. “We’ve done a really good job at our rearview mirror: to look back on program performance and policy adherence and that sort of thing. We should be looking forward in data as well and doing simulations and predictive analytics and thinking about what may happen or what should happen.” That applies to examining price fluctuations, predicting the right time to book and giving policy recommendations.

Other TMCs, too, are talking big about incorporating more predictive analysis.

BCD’s Fadnis said data in travel management is “moving from the ‘what is’—the transactional data, historical data—to ‘what if’: You can look at cabin class, at online adoption, at advance purchase and really see how mov-



**“We’re trying to think of data in a completely different way than how it’s been used historically.”**

CWT CHIEF TECHNOLOGY OFFICER ANDREW JORDAN

ing the needle on policy and compliance can generate real dollar savings. Say you want to change your policy to 75 percent economy. What is going to be the impact on savings? You can do that through our predictive analytics tool. We also have a prescriptive analytics tool, and that gives you recommendations on how you can optimize your program.”

Whether data looks forward or backward, and whether associated insights are delivered by voice bot, natural language search, canned reports, visually rich dashboards or even Excel, many TMCs continue to expand the data sources they access. Booked data from the agency is a given, but many TMCs have incorporated other streams, or are in the process of doing so.

“We grab data from travel, we grab data from expense management, from any credit card, from any agency and HR feeds to bring all that together,” said Travel Leaders Corporate’s Boulton. “Travel data is kind of useless. With card data it’s better. With expense management data it’s best. That’s hard to do—and expensive to do.”

Fadnis said BCD can bring in “over 200 sources of travel data.” That includes data from other TMCs for clients that have a multi-agency framework.

“We’re constantly adding to them,” said Omega’s Hajje of data sources. He rattled off a dozen or so that the TMC supports: expense data, event management data, back-office data, email parsing, corporate financial hierarchy data and HR data.

Grasp Technologies is a travel data management specialist and counts many TMCs as clients. CEO Erik Mueller said, “They’re starting to combine a lot of different sources of data because the picture is fragmented. There are still areas that are untapped. A lot are bringing in credit card, expense, TMC travel data. If they’re ... a large TMC, then they’re going to have a lot of partners overseas. That’s the big thing: that ability to pull all these different threads together to paint a fuller picture for the corporate customer.”

#### A DECADE LATER, MOBILE IS STILL IN

In the decade since the launch of the iPhone, having a mobile presence has become a minimum requirement for TMCs. Corporate travel agencies have several ways to tick this box for clients, including building, buying, partnering or referring for a solution.

Among TMC respondents, most have either built



**TMC-offered mobile apps are becoming more transactional, not just informational.**

their own proprietary mobile application or deployed a white-labeled third-party solution with custom development. This suggests TMCs like to have an element of uniqueness in their mobile offering. Others steer client travelers to a mobile itinerary management application provided and branded by a third party, such as Sabre’s TripCase or Triplt, owned by SAP Concur.

Many TMCs offer a branded mobile app that delivers a live itinerary to client travelers. Common features

include real-time itinerary information on booked hotels, flights and ground transportation, flight alerts and check-in capabilities and destination information.

TMCs have options for app-builders: Mantic Point customizes white-label mobile applications for such TMC clients as Acendas, Direct Travel and Ovation.

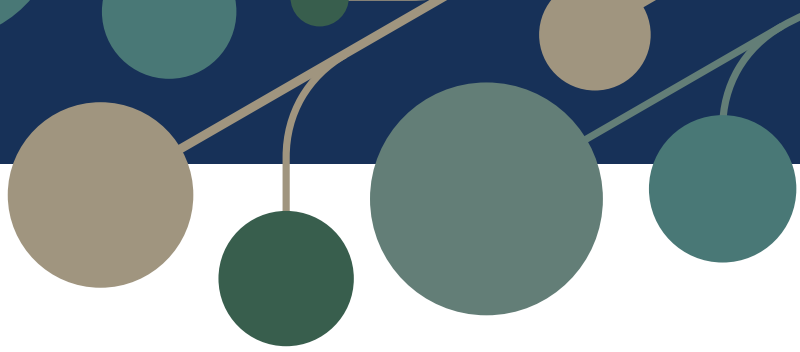
In the past year, Fox World Travel and Atlas Travel rolled out mobile itinerary applications powered by app-builder mTrip, which constructs customized white-label mobile offerings for travel agencies. BCD Travel and American Express Global Business Travel have built bespoke applications with Travelport Digital, known as MTT before the GDS operator acquired it. CWT in 2012 purchased WorldMate, which remains the originator of some of its proprietary mobile technology.

A couple of Frosch executives co-founded Obex, a startup that provides mobile itinerary management technology for TMCs to support travelers in-trip whether they transact with the agency or book off-channel. Obex’s technology is the foundation for Frosch’s own branded mobile app.

As is widely expected of TMC mobile apps, it includes basic itinerary management features. It houses reservation details on past, current and upcoming trips; it shows flight statuses and pushes disruption notifications to travelers. It also supports single-sign on to a client’s preferred booking tool and serves as a vehicle to reach agents via chat, text or click-to-call. Obex also is premised on capturing and supporting off-channel bookings as well as those booked through the TMC.

Housing an itinerary is one thing, but TMCs also are incorporating messaging into their mobile offerings that is relevant to the location, itinerary and profile of a traveler.

For example, FCM calls its Sam mobile application a “24-hour travel assistant” that pushes messages to travelers with timely and itinerary-relevant prompts: the weather forecast for his or her destination the night



before departure, prompts for ground transportation, alerts for the appropriate baggage carousel or when to consider requesting a visa for an upcoming trip. The Sam chatbot can address simple questions when typed in natural language.

Relevant messaging is in for Travel and Transport, too. Chief information officer Mike Kubasik said the TMC has been doing some similar stuff through its own proprietary mobile offering.

“The travel manager can do things like messaging and configurable notifications,” Kubasik last year told *The Beat*. “When you arrive, you get a push notification from a travel manager saying, ‘Hey, remember the policy is to stay at this hotel, to eat at this restaurant next to the hotel and take this limo. When you get back, please remember to send in your expense report by this date.’ We’ve had travel managers want to do some things. For example, 72 hours before your trip, get a push notification of the weather at the destination. We can all go look at a weather app, but if that type of information is served up and you don’t have to think about it, it makes it easy to pack and prepare.”

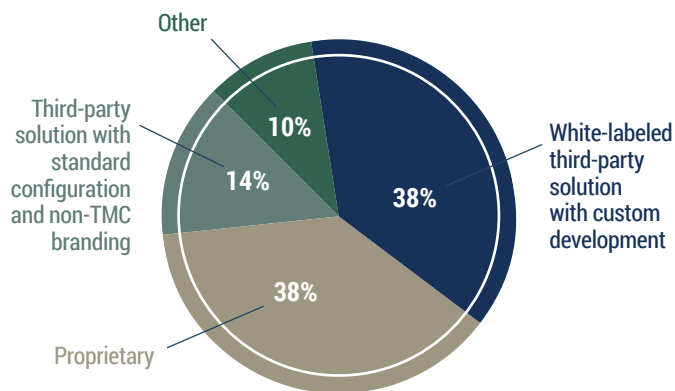
TMC-offered mobile apps also are becoming more transactional, not just informational. Egencia long has offered the ability to book air, car and hotel on its mobile app. CWT plans to roll out flight booking capabilities on CWT To Go in the second half of this year, using GetThere APIs and other tech partnerships to enable the native app capability. Like Amex GBT and BCD Travel, CWT already offered hotel bookings in-app.

Others shun the native app experience, citing app fatigue, and favor a mobile Web offering or, perhaps, confine their mobile offerings to messaging-based services.

“The biggest problem with apps is adoption,” said Travel Leaders Corporate’s Rizzi. “Think of how many apps you have on your phone that you don’t use. We didn’t want to fall into that trap. What we really liked

### Mixed Methods: TMC Mobile Tools Range From Bespoke To Off-The-Shelf

Which best describes your TMC’s approach for the primary mobile itinerary management application endorsed for client travelers?



Source: Survey of 29 TMCs fielded in April and May by *The Beat*.

and what our clients liked most is that it looks like an app if you shortcut it to your home screen on your phone. It functions like an app, but you don’t have to update it. It’s pervasive. It’s both chat and text. It functions like an app without the shortcomings of an app. In the short term, I don’t see us rethinking that app or non-app. They dubbed it the anti-app originally; that is what we were calling it at one point. The feedback has been good, and we’ll continue to innovate on the course we’re on.”

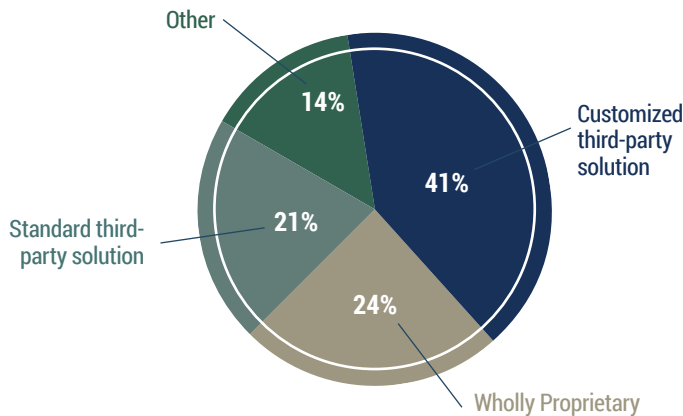
### TO BOT OR NOT

Coming to market with names like Ella, Eva, Marco and Sam, TMC chatbots have arrived. Tapping into advancements in natural language processing and artificial intelligence, bots open up an automated channel of communication and servicing for client travelers to inquire about policy, get real-time details on their trips and even make travel transactions—all through text- or voice-based systems such as Amazon Alexa, Facebook Messenger, Slack, SMS text and a TMC’s own channels.

Two-thirds of TMCs surveyed by *The Beat* are boosting

Custom, Proprietary Rule The Day For Traveler Profile Management

Which best describes your TMC's approach for a traveler profile system?



Source: Survey of 29 TMCs fielded in April and May by The Beat.

investments in chatbot technology in the coming year.

Many see bots as a logical extension of the TMC service offering. Especially as TMCs open up lines of communication to their agents, artificially intelligent robotics that can process natural language can field queries and requests that heretofore required a human touch.

FCM's Sam offering, core to its mobile play, was early to market. During the past year, the multinational TMC has expanded features and brought Sam to additional markets. Sam's capabilities primarily had been extended to travelers through FCM's own mobile app. This year, FCM is trialing Sam integrations with Facebook Messenger and Amazon Alexa. FCM also is developing WeChat compatibility for the Chinese market.

There has been plenty more action in the TMC bot sector since Sam landed. Before it was acquired by payments company American Express in January, bot-builder and virtual assistant technology provider Mezi gained a few TMC clients in Adelman Travel, Casto Travel and WTMC to create for each a white-label messaging-based user experience to extend to corporate travelers.

While it since has stopped supporting TMCs to focus on American Express-related projects, others are looking to fill the void.

Initially targeted at small and midsize corporate clients, 30SecondsToFly this year pivoted its technology to serve the corporate agency segment with a white-label chat offering. Sabre, too, is getting in on the action, testing white-label bot tech with Casto Travel and Travel Solutions International USA. Yet another startup, Destygo, lists CWT as a user of its own AI-powered bot. CWT's Jordan said the TMC has "had a number of different trials of bot technology."

Previously supported by Mezi, Casto Travel in June turned on its Sabre-powered Marco chatbot for its entire client base in Facebook Messenger and its own Web channel. TSI similarly is piloting Sabre's tech for its Ella chatbot, which went into live testing with its corporate clients in February.

For now, Sabre's bot functionality addresses five traveler uses related to existing air reservations: Travelers can select and pay for seats, request special meals on applicable flights and ask flight-related questions, such as on-time status and on which carousel a bag will arrive. Users also can request copies of their itineraries and make changes to flight reservations.

Casto Travel CEO Marc Casto said that clients were more interested in changing flights and accessing itinerary information than in shopping for and booking initial travel reservations through bot technology. Mezi had supported shopping and booking interactions.

Following pilot tests, Sabre this year will determine whether to make its bot technology more widely available for other travel agencies and incorporate additional capabilities. For now, head of the Sabre Studios incubation team Chad Callaghan said he sees healthy demand from the TMC set for bot tech.

Several TMCs said bots address two major areas: One, they provide automated self-service for client travelers in their preferred channels, and two, they automate ser-

ving that previously required a human touch, making a TMC's operations more cost-effective and its agents more efficient.

Using the example of flight changes, which Sabre's Callaghan called "a routine request that a bot can handle," the bot technology can "free up agents to handle more complex interactions and allow them to serve in a more consultative capacity." Instead of a 10-minute phone call, the bot handles flight changes "with a few clicks," he said.

Felicia Schneiderhan, CEO of bot-builder 30SecondsToFly, this year told *The Beat*, "We consistently get the feedback that a very large percent of TMC client interactions are what they call standard interactions. It's really just a regular flight booking or a simple inquiry. This is something we can completely automate.



**"We consistently get the feedback that a very large percent of TMC client interactions are what they call standard interactions."**

30SECONDTOSTOFLY CEO FELICIA SCHNEIDERHAN

We can automate both the dialogue—the conversation of extracting the parameters from the user—[and] the personalized flight curation that is optimized for the traveler preferences within the travel policy boundary." ■

## Methodology

*The Beat* invited dozens of travel management companies to complete an online questionnaire to better understand where corporate agencies are investing in their businesses. Respondents to an online survey, fielded in April and May 2018, include a wide mix of agencies, from some of the largest mega travel management companies and multinational TMCs to national and regional operators. *The Beat* supplemented information captured through this survey through interviews with TMC executives, technology companies and consultants.

*The Beat* would like to thank the TMCs that completed the questionnaire upon which the research is based: Acendas Travel, Adelman Travel Group, AdTrav, Altour, American Express Global Business Travel, AmTrav, Atlas Travel, Balboa Travel, Cain Travel, Carlson Wagonlit Travel, Casto Travel, Christopherson Business Travel, Corporate Travel Management, Egencia, Executive Travel, FCM Travel Solutions, Fox World Travel, Frosch Travel, Gant Travel, Hess Corporate Travel, Omega World Travel, Safe Harbors Business Travel, Short's Travel Management, Teplis Travel, Travel and Transport Inc., Travel Edge, Travel Leaders Group, TravelStore, World Travel Inc. and WTMC.

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