
Opportunities in Travel Management Cost Savings That You Need to Know

Booking.com business



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As travel manager, you want to cut costs without sacrificing the productivity of your business travellers. It is not an easy task, but not impossible, either.

Even though fierce competition and online business models have driven down the cost of air travel and hotels, the increasing risk and disruption in global travel pose difficulties in cost-savings practice. More digital tools mean business travellers have more freedom of choice. Without appropriate strategic management, travel managers might have to deal with more “out-of-policy” expenses. In a world where customer experience is taking centre stage, you need different strategies to navigate the cost-savings sphere while keeping the business travel experience pleasant for all.

Amid growing challenges, there are opportunities to reduce travel expenses, optimise procurement procedures, and establish efficient management practices. This ebook outlines four areas with high potentials for cost savings in travel management. Dive in and start saving more money for your company.



Adoption of technology

Artificial Intelligence (AI) in predictive analytics

The head-spinning development of AI technology and its usage in predictive analytics offer many opportunities for cost saving. Here are the two most prominent ones:

Recommendation engines and the most valuable travel options

AI enables highly personalised travel experience. With data from personal browsing history and patterns as well as past bookings, a powerful recommendation algorithm can offer preferred deals in the blink of an eye. You can find preferred travel options with the best value for money effortlessly.

Well-tuned recommendation engines not only save time but also predict user needs to enrich the experience of travelling. In travel management, using predictive analytics means filling

the information gaps created by various systems and bringing new capabilities to an integrated management centre.

Price alerts and the cheapest deals available

As flight fares and hotel prices change dramatically depending on the provider, the season, and even the time of the week, an AI-powered system can take care of the impossible manual-tracking task. Smart systems monitor and send out timely alerts when there is a significant change in a flight that a traveller search for or a hotel that he or she stays in the past, for example. Hot deals like those can help to save a lot of money for your company.

Read more about how AI can help travellers get the best value for their money in our ebook on 2018 top trends in travel data.

Automation

Automation is a big saver because it can help to reduce processing cost and headcount, capture reliable spending data to support with vendor negotiations and forecasting, reliably gather travel

data for accessibility and increase productivity for business travellers and travel managers.

Here are some areas that automation plays a significant role in travel management cost savings.

Workflow

Automating the entire workflow of travel planning and reporting, from submitting an expense request to getting approval, sending an expense report and getting reimbursed, can increase the capabilities of travel management. An automatic engine can, for example, provide feedback to travellers instantly when an expense submission is approved or paid. Such alerts come in an email or a mobile message if you have the engine integrated with your company's email platform or communication tools.

Credit card integration

Payment automation means the instant download of expense transactions from major company credit cards and computer-generated individual expense reports.

As a travel booking often happens before the travel date, credit authorisation to secure reservation and actual payment can be

automated to help save time and maintain favourable cash flow for the company.

Electronic receipts from such automated solutions eliminate the need for copying, filing and storing as well as reduce the time needed for reclaiming VAT and other tax declarations. Costly human errors in payment transitions can also be avoidable.

Organisation-wide integration

A travel management automation solution can help further savings if it is compatible with other administrative applications within the company. You can start by integrating it with payroll, HR, and project management.

Online and mobile travel booking and tracking

Digital solutions help to reduce paper processes, a substantial hidden cost in travel management. The ability to book, track and make travel reports online or via mobile applications results in efficiency and cost savings for companies. Furthermore, the millennials among business travellers find such travel conveniences like push notifications, real-time alerts

and online tracking a decisive factor that encourages them to stay within travel policy. [Read more about millennial business travellers](#) in our latest report.

[Booking.com for Business](#) is an all-in-one platform for hotel bookings. Your business travellers can switch between computer, smartphone and tablet at ease while booking, checking and changing their hotel reservations. No paper trail. The mobile apps are designed to assist travellers at every step of their stay: from offering a user-friendly map to find a hotel and offline confirmations at check-in to enabling plan changes on the road.

Online booking tools also help companies save in other ways. As travellers can book the trip themselves, they can see all the options. If any savings is missed out, their conscience and their travel manager would know. Besides, central booking tools often cost a lower transaction fee compared to booking over the phone with several travel agents.

Adoption of strategic approach

Travel managers who look at the big picture and take on a strategic approach benefit more from saving opportunities.

A tie between cost-savings and business strategy

You need to understand how your business is growing. Is your company looking to expand to new markets or to increase sales in the current ones? Such understanding enables you to fit business travel expense planning into the overall strategy. You avoid the risks of ill-allocating resources among departments with different performance levels and growing needs.

If expanding is the growth focus of your company in the next few years, business development and their market research trips should have the priority in the budget. Market knowledge is also vital

for strategic budget allocation. For example, if China is the focus market, your travellers should be able to spend more on business meals. On the other hand, if the US is a frequent destination, ground travelling by car can take up a big part of transportation expenses.

On the other hand, if your company looks for increased sales in the current markets, customer service might be the team that needs a more significant part of the overall travel budget. A focus on the present markets means you might already have valuable data from previous trips. Analyse them, calculate the return on investment (ROI) and find the gaps to cut costs.

Read more about the link between business strategy and travel cost-savings [here](#).

A customised budget plan based on the demographics of business travellers

There are cost-saving opportunities in customising travel policy and expense

approval process according to the spending behaviour of your travellers. Different groups of travellers tend to go rogue for various reasons.

Understanding your most influential travellers can help increase policy compliance and reduce extra costs. For example, if the majority of your travellers are [millennials](#), you can improve savings by integrating secured online booking system into your travel policy.

There are several ways to find out the wants and needs, which dictate the spending behaviour, specific to your business travellers. You can analyse data from previous trips across different departments, offices, and regions. You can also ask your frequent travellers directly in focus group sessions or through feedback forms ([use Booking.com pre-made travel feedback form at your convenience](#)). Another approach is to treat your travellers like your customers and look into each step of their journey from planning and booking to actual spending and reporting. Analyse the patterns and find opportunities to reduce costs.

Centralisation

Centralisation offers cost-saving opportunities in reducing processing time and balancing different practices across the company. Building a centralisation system requires a substantial investment of capital and time, but you can also employ other alternatives.

Engage suppliers with one platform for booking, tracking and reporting

Suppliers like Booking.com offer one platform for all your travel booking, tracking and reporting, which make travel management much less hassling. No time wasted on moving between applications and dealing with missing data coming from different sources.

Integrated booking tools that give prices, instead of convenience, the priority, take away the guesswork for business travellers and make cost control a lot more manageable for travel managers. With features like pre-trip approval and lowest fare availability, these tools provide the exact cost of

travel aspects like accommodation and transportation at the time of booking. Travel managers don't have to wait for the expense reports that come much later and might contain human errors.

Outsource to a one-stop Travel Management Company (TMC)

A travel management company (TMC) provides various services from arranging travel by air, rail, road, and sea to preparing travel documents such as visas or insurance cards. They can also help with booking accommodation, offering destination advice, and supporting with travel delay and disruption and everything in between. Outsourcing to a travel management company that caters to all your corporate travel needs has many cost-saving advantages. When the number of your road warriors increases faster than your managing capacity or your company moves to unknown travel destinations, you can benefit from one or all of the following:

Centralised information management

As your travel data come into and out of one source, it can bring total transparency to intelligence regarding business trips. You no longer have to deal with overlapping or missing data. Analytics become more reliable, and you have more of a chance to make positive changes in your corporate travel programme than when using multiple suppliers.

Many TMCs offer a comprehensive data management solution that you can access in real-time, 24/7 and from anywhere in the world. Information like hotel rates or airline fare fluctuation can come in the form of raw numbers as well as reports tailored to the needs of your company. You can see the big picture as well as focus on one aspect of your corporate travel programme. TMCs can also provide objective analytics and consultation on areas where you can save money or increase efficiency.

Centralised payment and invoice management

You no longer have to process invoices from many service providers and make payment

using different methods and on various platforms containing their own versions of hidden fees. Using a TMC for all your travel spending means a single invoice, which can be paid through one portal or even automatically. Travel managers can save a lot of time thanks to the transparency in travel items and platform fees they pay for and the reduced number of invoices.

Centralised account management

Managing and optimising the relationship with different business travel providers also take time. You need to keep track of your spending with each provider because it might open more doors for saving. Using one TMC means merging all accounts into one lead, which helps to reduce managing time and increase the chance of better preferential corporate rates. For example, if you work with a TMC instead of five different agencies, you will have one service contract (rather than five) to review, revise and renew periodically. Contact points also reduce to the minimum and you can simplify day-to-day relationship management.

Savings from supplier competition

The free market rules say that competition drives the price down. Thus a thorough understanding of the game in the market you are operating opens up several saving opportunities.

Value-added services from frequently-used providers

Most providers will offer discounts when you use more of their service. It could mean total money spent, total accounts registered or total trips booked.

By analysing the spending patterns within your company, you can pinpoint vendors who get the most of your money and use that information to leverage better deals.

If you are using a travel management company, they can help you with the negotiation. The value of TMC experts often comes in the form of advice and recommendation when opportunities arise for more

favourable rates with frequently-used suppliers or during specific periods. Some TMCs offer access to all travel distribution channels, both online and offline. It brings more flexibility, options and favourable service packages or lower corporate rates.

Another cost-saving opportunity is to look at your top destinations. Who are the most prominent players in those markets? Can you get a deal with one of them, which is better than what you have with your current supplier? You can make use of [Booking.com's benchmarking tool](#) which gives you the rates in different cities, at different times of the year. The tool empowers travel managers to negotiate better rates, and you can read more about it [here](#).

Price matching

Thanks to search engines, you can easily find out if your vendor asks for a higher price than the rest of the market. Consider working only with providers offering competitive pricing. Booking.com, for example, offers price matching when booking business trips.

Corporate loyalty schemes

Corporate schemes are the old things with new cloaks. Instead of saving loyalty points for discounts on the same products, many service providers have started to offer new rewards like credits for related travel products which offer more values and enrich travel experience. Using company cards to save points, for example, is one the best saving opportunities. By moving to a corporate card, a company can acquire signing bonus and collect points faster. By being in the know, you and your business travellers can save a lot of money for the company.

Most loyalty schemes promise to help consumers save up to 5% of their spending, but repayment can come after various lengths of time and in different forms. Thus, it is not always easy to keep track of the financial rewards. A solution is to have your TMC monitor these schemes and make sure you get the most savings.

Even though travel expenses tend to go down thanks to digital disruption in the industry, the worldwide political unrest, the frequent threats of natural disasters and the booming of travel for both business and leisure purposes are

making travel management more challenging and costly. Unhidden costs from travel risks, delays and disruptions are difficult to avoid and calculate.

Reducing travel expenses is always an essential task of travel manager, but with the changing landscape, your strategy and techniques need to adapt. By adopting automation, AI-powered predictive analytics and online booking tools, travel managers can enjoy a significant drop in total travel expenses and operational costs. Other cost-saving opportunities lie in a strategic travel management approach with the company's growth strategy and business travellers at the centre. Your travel budget allocation should go hand-in-hand with the growing needs of the whole company. As your travelling workforce increases in size and eminence, you might benefit from centralisation not only in planning and reporting but also in management assets like information, account and invoicing. Last but not least, you don't want to miss out on savings driven by competition among service providers in the travel industry.

Want to reduce expenses of your corporate travel programme? Take these new cost-saving opportunities and ace the next budget planning sessions.

About Booking.com Business

As the world leader in online accommodation with over 1 million properties worldwide, Booking.com is bringing years of experience to the world of business travel with Booking.com for Business. We make booking and travel management easy, offering smooth integrations into your existing solutions plus access to our customer service - available 24/7 and in 43 languages. With no service costs or implementation fees, and even special company rates, Booking.com for Business is designed to meet the specific needs of corporate travel.



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