

A Multi-Channel Future: Are You Ready?



Introduction

“The secret of change is to focus all of your energy not on fighting the old, but on building the new” - Socrates



46% of global business travelers book their travel directly with suppliers



60% of spend data sources are invisible



The corporate travel landscape is changing, but some are fighting the current way things are done rather than adapting to a fundamental shift. The continuously increasing sophistication and connectedness of technology and tools is presenting great options for business travelers seeking empowerment while also introducing new challenges for travel managers to control their programs. With **46% of global business travelers booking their travel directly with suppliers¹ and 60% of spend data sources being invisible²**, programs need to consider whether travelers and programs can be limited to a single channel or if more choice should be provided.

Additionally, new distribution strategies from suppliers are forcing travel managers to utilize multiple channels to receive content, while continuing to apply program policy and consolidate data. As travel managers look to balance cost, customer experience, and care priorities, it's time for them to determine how a multi-channel future impacts their program goals and how suppliers in the ecosystem will support them.

But while multi-channel —which includes indirect Travel Management Company (TMC) agents, Online Booking Tools (OBTs), API direct connects, or even non-traditional indirect channels like Online Travel Agencies (OTAs), plus supplier direct booking sites and apps— has arrived, questions remain on the ability of travel buyers to continue to manage travel effectively while considering a new distribution landscape.

1 Global Business Travelers Report 2023
<https://www.concur.com/en-us/resource-center/reports/business-travelers-report-2023>

2 Global Business Travel Manager Report 2022
<https://www.concur.com/en-us/resource-center/whitepapers/global-business-travel-manager-report-2022>

So where does this leave travel managers? How do they manage travel spend in the new multi-channel reality?

SAP Concur has seen the opportunity that expanding travel management can bring through a multi-channel strategy. The company has commissioned independent, qualitative research conducted by consultancy FESTIVE ROAD, the results of which are shared in this assessment and will cover:



1. The changing multi-channel distribution landscape that is driving a multi-channel strategy

2. The myths, misconceptions, and objectives relative to multi-channel travel strategies

3. How travel management is expanding beyond the mandated program

4. Approaches to implementing a multi-channel strategy

Let's explore how travel managers can use their energy to build for the new, rather than be constrained by the limitations of legacy technologies.

Multi-Channel Travel Distribution – The Drivers

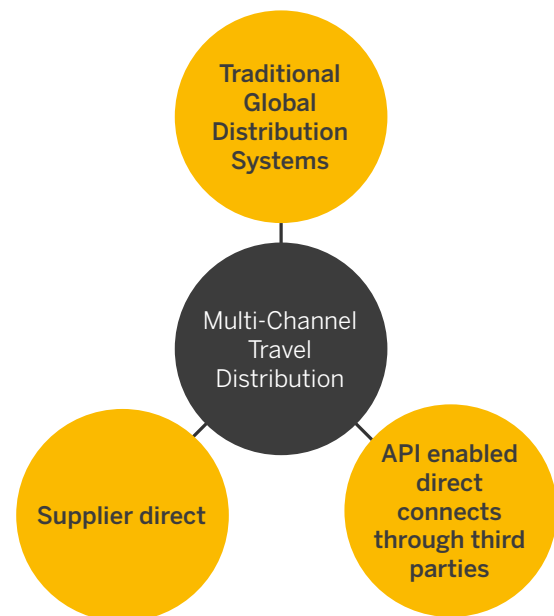
Shifts in business travel are bringing new opportunities to enhance traveler experience and expand travel program management. Conversely, these changes will result in reduced control and visibility as direct bookings rise if not managed appropriately.



There are three trends driving this change.

1. Pressure from All Sides

Airlines are distributing content through multiple channels:



Due to these evolving content offerings from airlines and even other travel suppliers, direct booking is increasingly attractive to corporate travelers. Enhanced booking and loyalty benefits, combined with increased personalization and flexibility are pulling travelers away from traditional booking routes, creating a requirement for multi-channel capabilities. Suppliers have their own drivers including increased sales of bundles and ancillaries, reduced intermediary fees, and higher conversion rates.







And of course, New Distribution Capability (NDC) which leverages APIs that enable modern retailing creates yet another distribution channel for airlines. While NDC is ultimately designed to enable airlines to offer the same levels of personalization to customers through third-party tools as they can when booking direct, usage is still in the early stages.

A Global Business Travel Association poll in April 2023 of 300+ travel buyers showed that 48% have not yet started to implement NDC³. With widely differing levels of adoption through the entire supply chain, the progress of NDC will result in a changing content environment across various channels for the foreseeable future.

But it's not just the suppliers who are accelerating this change. Travelers themselves are pushing the agenda too. Flexibility, empowerment, and freedom of choice are increasingly important to business travelers, making supplier-direct booking increasingly attractive. According to a travel manager at a large pharmaceutical company, "We surveyed over 500 travelers and their number one priority was points. The travelers' top priority was to choose a supplier they were loyal to."

If the gap between traveler requirements and NDC capabilities remains open, the trend toward supplier direct booking will continue to grow. According to the 2023 SAP Concur Global Business Travel Survey, 91% of travelers at companies with a corporate travel policy expect to be allowed to make travel choices outside of company policy for reasons like safety, work-life balance, and sustainability.⁴

This pressure on all sides shows that if a multi-channel strategy is not addressed, travel managers can face significant challenges including:

-  Content fragmentation
-  Lack of visibility to different fares
-  Accessing corporate negotiated discounts
-  Managing and consolidating data, especially for non-GDS (Global Distribution System) bookings
-  Policy compliance
-  Duty of care challenges if trips are unknown

48% travel buyers have not yet started to implement NDC

"We don't currently allow supplier direct bookings, unless technology can capture it. I'm a huge fan of buying in multiple places, so we can get the best of everything, but it is hard to implement. We need to bridge the gap between in policy and out of policy, with consistent reporting." Director, Travel, Meetings and Fleet - Moderna

³ GBTA Industry Poll Reveals Key Drivers Poised to Shape the Path Ahead for Global Business Travel <https://www.gbta.org/gbta-industry-poll-reveals-key-drivers-poised-to-shape-the-path-ahead-for-global-business-travel/>

⁴ Global Business Travelers Report 2023 <https://www.concur.com/en-us/resource-center/reports/business-travelers-report-2023>

2. Evolving Technology Capabilities

Technology, particularly APIs, is facilitating multiple linkages across different players in the business travel ecosystem and presenting more opportunities to travel programs, including different ways to access content and pull data back into a program to be managed and utilized. Some supplier tech stacks have not yet caught up sufficiently to offer multi-channel, but the move from one source of content to multiple sources is already impacting the ecosystem.

Like all technological advancements, once the genie is out of the bottle, it is impossible to go back to how things were before. Travelers are aware of the options outside of traditional booking methods and are seeking to bring the same personalization and ease to business travel.

“Our travelers are happy to only see one particular airline, especially high frequency travelers. I think the talk track might change in the future as people speak to the end users and understand what they really want. There are different ways to book and there is a myth out there that if you allow someone to go direct, you lose your data. That’s not accurate. There is technology to bring that in. We have a duty to look at different ways to deliver to what our travelers want to see.”
Travel, Meetings & Events Services Leader - EY

A Business Travel News article shared that “Much of the development and marketing around corporate booking tools has sought to emphasize bringing a more consumer-like experience to the tools, mimicking the experience travelers have when booking for their leisure travel.”⁵

New advancements are not limited to the traveler. New technology solutions aimed at automatically capturing supplier direct bookings and enabling NDC connections through APIs are increasing, giving travel managers end-to-end transparency and visibility of previously unknown trips and expenditure.

“We use a tool to capture outside bookings as it’s one of the channels going into the funnel and then I end up with one view of my data and spend from which I can make a multitude of decisions.” Senior Travel Manager, Salesforce



⁵ Travel Professionals Accept Direct Booking is Here to Stay, Work to Gain Visibility into Cost Savings and Risk Management <https://www.gbta.org/travel-professionals-accept-direct-booking-is-here-to-stay-work-to-gain-visibility-into-cost-savings-and-risk-management/>

3. Differing Definitions of Travel Manager Control Over Content

Control over a travel program used to simply mean mandated policies, consolidation of suppliers, and strict enforcement of where to book. But an increase in employee empowerment in organizations, the explosion of suppliers offering new solutions in business travel in a microservices approach, and the evolving role of the travel manager to be more strategic have led to different ways to control a travel program.

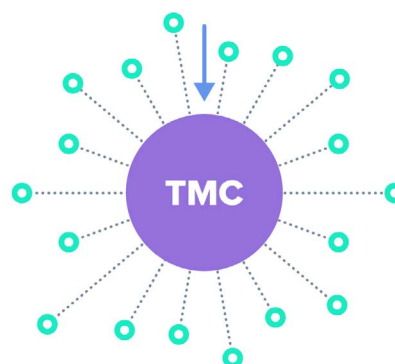
One of those ways is for the travel manager to take on technology control, as the architect of their program, determining the right solutions to satisfy travelers that result in increased compliance and visibility. In this approach, the travel manager takes the lead and harnesses technology to build an array of content options, ultimately giving travelers flexibility to choose their experience without sacrificing data, duty of care, and corporate policy. FESTIVE ROAD has found that the degree of travel manager control varies based on one of the following four travel program models.



a. Closed Shop

In this model, the entire travel program – from booking, to analytics, to duty of care – is controlled through the TMC and its technology. This is a one-stop shop for the travel manager and travelers, with everything from policy configurations to even some supplier negotiations managed by the TMC.

- + Pro: One-stop shop and reduced supplier management.
- + Con: Limited control over content access.

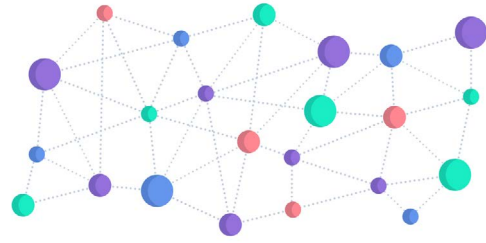
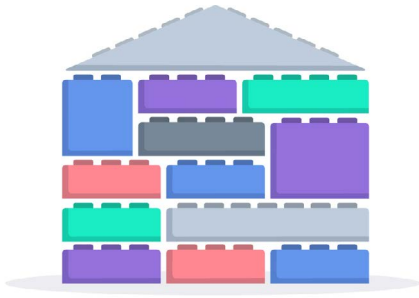


b. Open Shop

Displaying more flexibility than the Closed Shop model, in Open Shop the travel manager uses the TMC for content, but can access additional microservices that are contracted, offered, and controlled by the TMC.

- + Pro: Still one-stop shop with added access to microservices through TMC contract.
- + Con: Content access still reliant upon TMC and its chosen solutions.

Figure a. and b. - Four Evolving Program Models © FESTIVE ROAD 2023



c. Department Store

By selecting and directly contracting with chosen suppliers and microservices from across the corporate travel ecosystem, in the Department Store model, travel managers can create a program made up of multiple providers that meet the needs of stakeholders, travelers, and travel management teams combined.

- + Pro: More control to access content from a wide variety of channels and providers.
- + Con: More time to manage the different partnerships and a strong supplier strategy.

d. Build Your Own (BYO)

Giving complete ownership and control, the BYO model is exactly that. Building a travel model that meets the exact needs and strategic direction of the corporation allows for not only best-in-market microservices but gives complete ownership over the program and its direction.

- + Pro: Solutions to issues of content, flexibility, traveler experience, and visibility – if all services can be integrated and managed seamlessly.
- + Con: Sourcing the right technology to meet all program requirements and resource management.

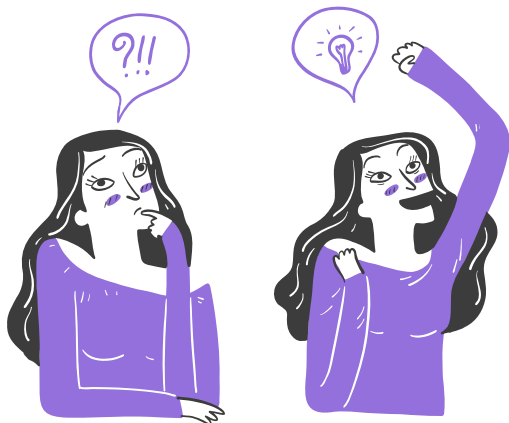
Figure c. and d. - Four Evolving Program Models © FESTIVE ROAD 2023

Multi-Channel – Myth vs. Reality

Multi-channel strategy is not a new concept. Back in 2016, GBTA found that “multi-channel behavior is a well-entrenched reality”⁶ after interviewing travel managers throughout the U.S. and Europe. Fast-forward to the present day and there are still a number of misunderstandings related to multi-channel. But the trends shared above are driving the need to see if these myths are holding back adoption or not. Let’s look at the myths and the realities.

myth: I don’t need to address blind spend; it’s minimal.

Reality: Like it or not, bookings made direct and outside of the travel program are highly likely to account for an increasing amount of travel spend. Being able to accurately account for this spend gives travel managers more control over their budgets and a greater understanding of the entirety of their program – not just the percent booked through mandated channels.



myth: Multi-channel is the ability to move from one channel to another to continue the booking process, and this is some way off.

Reality: There’s lots of evolving terminology. We consider the ability to switch channels and continue where you left off as “omni-channel” not multi-channel, and while it’s a high ideal for the industry to be able to allow the traveler to jump between channels to continue where they left off (like watching Netflix on a phone and then TV), it is some way off. On the other hand, multi-channel – booking with agents, OBTs, aggregator sites through NDC APIs and supplier direct – has arrived.

⁶ Travel Professionals Accept Direct Booking is Here to Stay, Work to Gain Visibility into Cost Savings and Risk Management
<https://www.gbta.org/travel-professionals-accept-direct-booking-is-here-to-stay-work-to-gain-visibility-into-cost-savings-and-risk-management/>

myth: You can't apply policy to supplier direct bookings.

Reality: The technology is here to link direct bookings to corporate travel policies. There are tools that allow a booking to be made directly on a supplier's website or app, but still have the travel policy applied, creating a win-win situation for travelers and travel managers.

myth: Booking direct with suppliers means there's no duty of care.

Reality: Being able to capture itineraries across multiple channels means that duty of care provisions can still be in place for travelers booking directly with suppliers. Data from the itineraries can flow through to the duty of care provider and the TMC so organizations can locate and support the safety of travelers if needed.

myth: Capturing corporate travel leakage is too challenging.

Reality: With the right tools, companies can access leakage data that will help inform policy, capture missed savings opportunities and improve supplier negotiations.

myth: The traveler won't have service support if they book direct with suppliers.

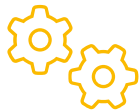
Reality: The servicing landscape is evolving. Airline app advancements that enable self-service are reducing the need for third-party assistance, and TMC business models will likely evolve to allow for the managing of bookings created outside of traditional, managed channels. In fact, 56% of business travelers make changes or cancel with the airline directly¹. Travelers who have booked directly with the airline will have full access to their tools and updates, empowering them to self-serve and find solutions that meet their needs.

myth: The traveler won't have access to negotiated fares and rates.

Reality: Negotiated rates and fares are a key selling point for travel managers attempting to gain control of travel budgets and costs and demonstrate value to their business. But increasingly, travelers can still gain access to preferred rates through integration tools that match up the supplier with the internally negotiated rates, meaning no one misses out from booking in different channels.

Multi-Channel - Building a Strategy

With supplier and traveler forces driving multi-channel distribution, and the technology in place to complete and manage those bookings, now is the right time for travel managers to create a strategy to determine the right approach for their organization and expand their travel management outlook.



framework to implement a multi-channel approach



Here is how to build a framework to implement a multi-channel approach.

Step 1: Understand the current state

internally: Start by looking at your program and organization to answer these questions:

How?

- + How often is supplier direct booking happening and in what categories?
- + How is this impacting your ability to manage your travel program effectively?
- + How are your demand patterns influencing the type of content needed?
- + How does your company culture relate to direct booking vs. travelers accepting mandated channels?

What?

- + What percent of your spend is supplier direct?
- + What are the trends among traveler types?
- + What do your reason codes tell you about the motivation behind direct booking?
- + What does traveler survey and interview information tell you about the reasons behind direct booking behavior?
- + What travel program models referenced earlier do you currently have and what are you planning for the future?

The answers to these questions will vary by each company and there will be different approaches to multi-channel depending on these answers.

Step 2: Explore the external options

Having understood your internal viewpoint on multi-channel, it's now time to consider what solutions are offered.

Existing: Start by talking with your current suppliers about content access. This can include your OBT, TMC, airlines, hotel, car vendors, and possibly even GDS if you have a direct contract.

There are three key questions to ask:

1. What is their roadmap to solve distribution changes?
2. Will there be any fee implications due to changes in content access?
3. What reporting is offered to capture the cost impact by which channels are booked?

New: Then consider what new technology and servicing channels are appearing. There are a number of new aggregators entering the sector, seizing the opportunity created by supplier multi-channel approaches and modern technology. There are also tools that utilize APIs to capture NDC content.

In addition to considering the technology and servicing available in indirect and direct channels, review the technology options that can capture direct bookings, so you capture the data and can apply policy no matter what happens. Determine how they apply policy, allow for booking of contracted rates, ensure duty of care can be executed, support loyalty benefits, and provide data insights that can be used to expand travel management.

Step 3: Craft your multi-channel strategy

You can now take your internal insights and your externally gathered information to determine your multi-channel strategy. Your strategy should state your overarching approach to multi-channel, the goals you would like to achieve, and the specific actions you plan to take to achieve those.

Consider how your policy might need to adjust to factor in additional booking channels, how you will capture and use ancillary information and how new corporate bundles from airlines might be part of your contracts to bring savings and traveler satisfaction.

"As an employee-owned consulting firm, we've always taken a 'Guidance vs. Policy' approach meaning people booked how they preferred. We still access negotiated contracts, have a strong duty of care provision, and people happily self-service." - Corporate Travel and Expense Manager, West Monroe

While strategies will vary by company, interviews conducted by FESTIVE ROAD with travel managers showed the following emerging program types of multi-channel strategies.



The Pioneer

- + **Headline:** Multi-channel innovators.
- + **Multi-Channel Status:** Already in place and using tools to capture direct and NDC bookings.
- + **Objectives:** Traveler empowerment, choice, intelligent insights, architecting their program to maximize value for the business.
- + **Example Activity:** Use the expanded data captured to discuss amenity and loyalty options and savings with supplier partners.



Early Adopter

- + **Headline:** Taking tentative steps to a multi-channel strategy.
- + **Multi-Channel Status:** Actively in the market for tools and technology but have hesitations around how to show the value of making the transition and are seeking proof points.
- + **Objectives:** Traveler satisfaction, Proven traveler benefits, savings results.
- + **Example Activity:** Test multi-channel tools to build a case study on the outcomes.



Capture and Control

- + **Headline:** Multi-channel tools utilized but specific channels mandated.
- + **Multi-Channel Status:** Have tools in place to capture direct bookings but then take steps to bring travelers back to booking with an agent or OBT.
- + **Objectives:** Maximizing visibility, booking experience control, servicing of travelers by TMC.
- + **Example Activity:** Report on increased bookings through the agent and OBT by using a direct booking capture tool.



Focused Mandate

- + **Headline:** Remain focused on agents and OBTs.
- + **Multi-Channel Status:** Do not have tools to capture direct bookings and instead focus on communication policy and program benefits to encourage booking with an agent or OBT.
- + **Objectives:** Complete control of booking, compliant travelers, content from the OBT and TMC, simplified channel management.
- + **Example Activity:** Develop communications that specify the value of booking through an OBT and TMC.

Where will multi-channel lead us next?

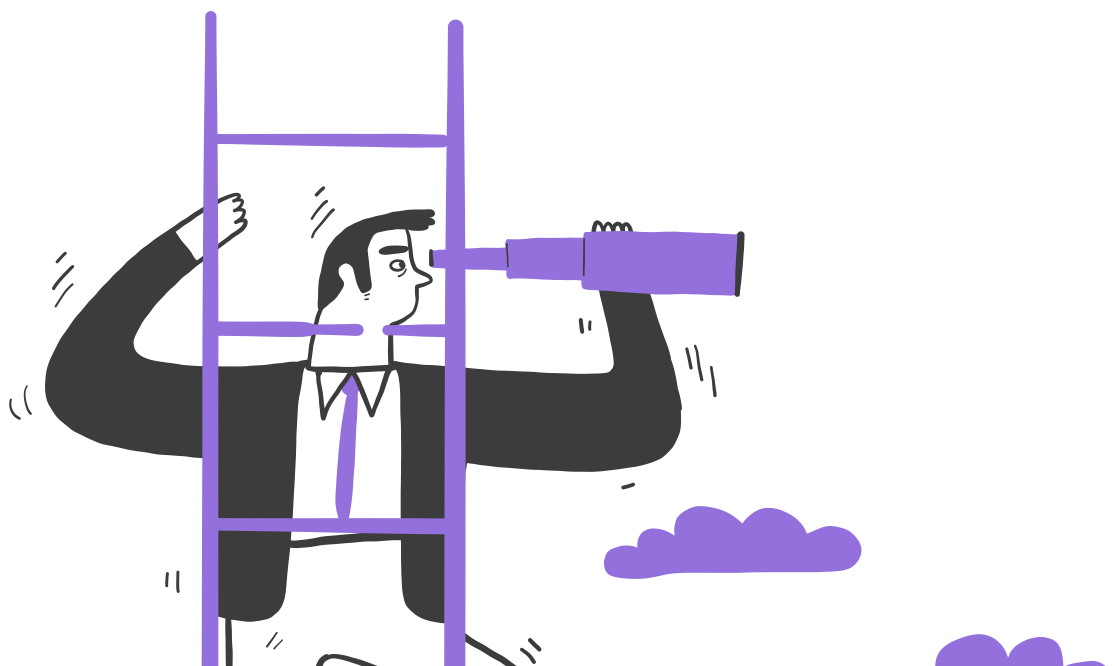
Multi-channel and supplier distribution changes are taking hold. Whether this is being forced upon travel managers through supplier technology, NDC, or by changes in traveler behavior, the fact of the matter is it will only grow, and we are finding ourselves in a world where content is vastly different across multiple channels.



Once undertaken, a strategic review will provide more clarity around which approach will best serve travel managers, their companies, and their travelers. It will help determine the right suppliers and tools to utilize. And from here, coupling the right approach with the right communication is critical. Regardless of the strategy and the execution methods, clear communication with all stakeholders, at all levels, will be key to success.

The way forward may look complex as announcement after announcement emerges, and distribution, traveler needs, and technology changes occur. But an expanded travel program that fully considers a multi-channel world brings true travel program ownership and intelligent insights to drive strategic decision making.

Are you ready to build a new future with a multi-channel strategy?



About SAP Concur

SAP® Concur® is the world's leading brand for integrated travel, expense, and invoice management solutions, driven by a relentless pursuit to simplify and automate these everyday processes. The highly-rated SAP Concur mobile app guides employees through business trips, charges are directly populated into expense reports, and invoice approvals are automated. By integrating near real-time data and using AI to analyze transactions, businesses can see what they're spending, improve compliance, and avoid possible blind spots in the budget. SAP Concur solutions help eliminate yesterday's tedious tasks, make today's work easier, and support businesses to run at their best. Learn more at www.concur.com or the SAP Concur blog.

About FESTIVE ROAD

Independent insights and external perspectives for this paper were provided by FESTIVE ROAD.

FESTIVE ROAD is unlike any other travel and meetings management consultancy. We are the consultancy on a mission to create better travel and meetings management.

We provide insights, strategy, sourcing, delivery, and engagement services to the whole ecosystem. We deliver redesigned travel, meeting and expense programs, effective sourcing/ outsourcing for the buyer and new perspectives for the supplier, underpinned by the right engagement with the right audience.

We are driven by purpose, at a company level and a personal level. Our mission isn't just a statement, it's a belief.

Visit www.festive-road.com for more information, including the [Purposeful Travel Model](#) and [The Macroscope Report](#).

