Understanding the Digital Habits of Business Travelers

Business travel is showing post-recession resiliency, and opportunities to reach working travelers abound in the digital ecosystem. For brands, capturing a segment of what's estimated to be some $71 billion in business-travel revenue, however, means a balancing act between travelers' wants, corporate travel policies, and the emerging expectations of Millennials in the space.

By James O'Brien + Skift Team

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Executive summary

The business traveler is a digital traveler. Research shows that they are carrying more digital devices, more of the time, and that their expectations surrounding how, when, and where they use their smartphones, tablets, and laptops are developing apace.

Business travel spend is also up, in recent years. Capturing a portion of the $71.2 billion in annual revenue that these travelers represent now means reaching them in the ways that they move and work. There are, however, challenges inherent to that proposition.

As digital devices augment all levels of the trip for travelers, the business travelers and the brands that serve them are navigating a landscape both fueled and complicated by the increasing autonomy that mobile technology provides to the individual. On the one hand, brands seek to meet the business travelers' search for independence and flexibility during their journey – allowing them to interact with their itineraries and make changes via digital devices – but on the other hand they must also do this within the context of slower-to-change corporate travel policies. It is a balancing act on which travel management and verticals will increasingly depend.

Digitally savvy Millennial business travelers, it turns out, spend more in-trip than their colleagues among other demographics.

These changes are not not only technological. The shifting digital habits of the business traveler are also generational. As Millennials age into the workforce, they are shaping – and to an extent sharing – their demands within the business-travel space. As they compose more and more of the business-travel population, they bring with them even greater potential for growth: digitally savvy Millennial business travelers, it turns out, spend more in-trip than their colleagues among other demographics. Supplying them with the right digital tools at the right times means further financial rewards for the industry. Experts say the landscape, in this regard, is not yet claimed. And therein lies an opportunity: there is room for new leaders to emerge in the business-travel space.

Introduction
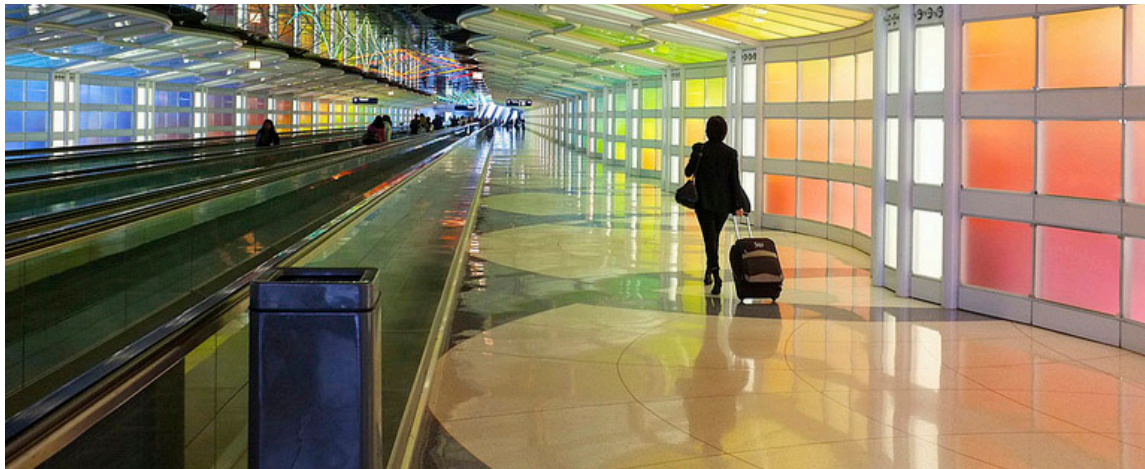
Change and adapt, or fall behind in a rapidly evolving marketplace: when it comes to how business travelers use their digital devices – and how they develop expectations regarding the role those devices play during a given trip – changing habits are driving innovation, reconfiguration, and disruption. Travelers want more autonomy, and that demand is creating pressure on long-established corporate policies. For business leaders, getting the balance right for their employees is about preserving productivity. For travel brands, striking that same balance is about capturing recently rebounding revenue from business consumers.

While the business-travel sector suffered the effects of recession in the United States – from 2007 to 2009 average annual spend per traveler in the sector crashed more than 51% from $10,000 to $4,897[1] – business travel, in early 2014, is on the grow. Trips originating in the United States alone accounted for a 7.6% increase in corporate outlay in Q1 2014, compared to Q1 2013, driving the total spent on business-related journeys to some $71.2 billion.[2]

DOMESTIC BUSINESS-TRAVEL GROWTH

No. of Domestic-Origin Business Trips (U.S., 2013)	468.8M
Individual Business-Travel Volume Percentage Increase (2012–13)	+4.7%
Group Business-Travel Volume Percentage Increase (2012–13)	+8.6%

SOURCE: GBTA (July 2014)

DOMESTIC BUSINESS-TRAVEL SPENDING (2011–2014)

Individual Annual Average Spend	2011: $7,812
	2012: $12,220
	2013: $13,000
Expected Total Spend (2014)	$292.3B
Expected Overall Percentage Spending Growth (2013–14)	+6.8%

SOURCE: The Business Journals (2014)

Internationally, the business traveler is also generating an uptick in volume. Outbound trips, globally, have been on the rise since mid-2013 and expectations point to a continuation of that trend.

INTERNATIONAL OUTBOUND
BUSINESS TRAVEL

Expected Overall Int'l Business Trip Volume Growth (2013–14)	+6.6%
Expected Overall Int'l Business Trip Spend Growth (2013–14)	+10.3%

SOURCE: GBTA (July 2014)

In the midst of these predictions, the industry is recently finding a business traveler who brings new needs and wants to their journeys. The mobile device has established a primary role.[3]

• Approximately 95% of business travelers own a smartphone.

• 64% percent own a tablet.

• On a given trip, business travelers bring with them as many as four digital devices.

• 90% expect access to Wi-Fi in hotels.

• 86% expect Wi-Fi at airports.

The business traveler seeks a 21st-Century brand of autonomy through the lenses of their digital devices. They want to book, they want to reserve, and they want to dynamically interact with their itineraries and trip details. The challenge however, as industry experts tell us, is that this multi-layered experience does not always represent what have been classic models of corporate-travel policy.

Travel-management providers, especially those providing online and app-based platforms that connect the trip-originating compa-nies and their travelers to an increasing array of options, must navi-gate a set of permissions-based channels. They seek permeability in this space – wanting to please both the client and their traveling employee – but they also walk a fine line.

In the midst of all this, Millennials are entering the marketplace. Their expectations of what business-travel experiences can be are adding even more energy to the ecosystem. Notions of work-life balance, combined with a generationally seamless relationship with digital technology, means that brands, travel management, and corporations face yet another set of dynamics in the months and years to come.

In this report, we turn to these shifting digital demands and circumstances, considering the experience of the business traveler as evidenced by their actions and stated desires. With hundreds of billions of dollars flowing through the conduits of business-travel services, brands that can respond to the pressures and challenges inherent are poised to reap the rewards that their clientele present.

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About Skift

Skift is a travel intelligence company that offers news, data, and services to professionals in travel and professional travelers, to help them make smart decisions about travel.

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The business traveler and the digital device

Business travelers are committed to their smartphones, tablets, and laptops. Taking into account both apps and mobile web, the digitally equipped business traveler uses desktop computers less and less frequently.[4] When it comes to the mobile devices they use instead, functionality and efficiency drive decision-making.[5]

• 27% of business travelers have changed their airline of choice based on the ease-of-use when it comes to that brand's mobile presence.

• 74% will wait only five seconds for a mobile web page to load on their device, abandoning it if it does not appear in that span of time.

• 46% will not return to a mobile website that fails to work quickly.

BUSINESS TRAVELER:
DIGITAL EFFECTS

Average no. of times business traveler checks smartphone (daily)	34
% of business travelers feeling "disoriented, distraught, or lonely" w/o smartphone	59%
% of business travelers now getting 6+ hours sleep nightly due to increased tablet/smart-phone productivity	75%

SOURCE: PressReader (2014)

Mining further into how business travelers engage with digital devices, Skift conducted a survey in October 2014 to explore what choices members of the segment make during a given business trip. The results tell a story that occurs in stages, with differences in device-interaction from one part of a journey to another.

PRE-TRIP: DEVICES USED TO BOOK
BUSINESS TRAVEL (BY AGE GROUP)
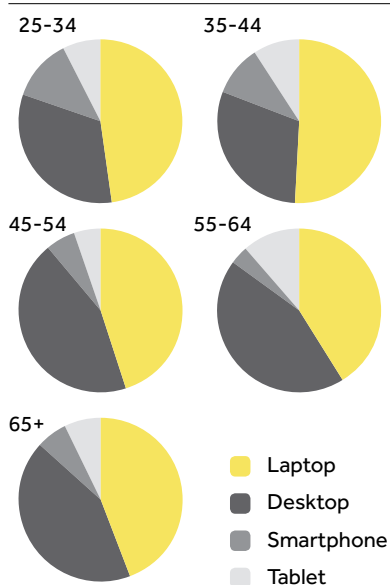
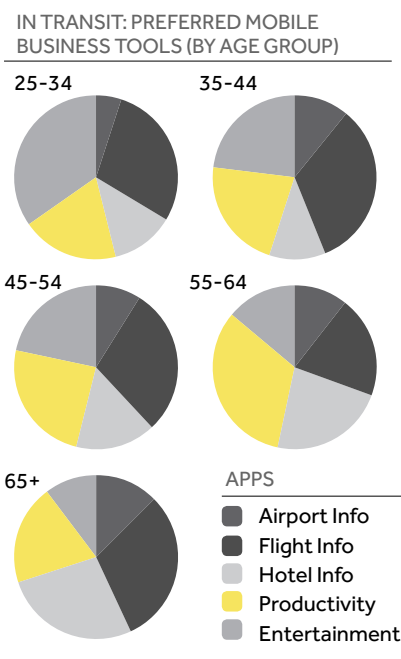SOURCE: Skift Survey (October 2014)

As shown in the chart above, the laptop is pulling away from the desktop as the primary choice for booking, especially in the

25–44-year-old segment. The survey data also tells us that the overall adoption rate of smartphones and tablets for use in pre-trip business bookings is most prevalent among female business travelers.

• 11.4% of females used tablets to book business trips; 10.6% used smartphones.

• 10.8% of male respondents preferred smartphones for pre-trip business bookings; 9.7% went to tablets.

Turning to the next phase of the trip, the leg of the journey that finds business travelers in airports, on planes, and in hotel lobbies, information and modifications are largely made in the moment. What business travelers want from their digital devices in these environments differs in some key ways by age group.

Productivity, flight information, and to an extent the use of digital devices to access hotel information, are constants. Evident in the chart, however, is the drop-off of the digital device as a source of entertainment as the age of the business traveler surveyed increases. Playtime, in the digital space, appears to be a notion more specific to the Millennial demographic. In that segment, more than one third of the respondents indicated entertainment to be the most-often picked purpose for smartphones, tablets, and laptops.

Once in-destination, 41% of business travelers polled use smartphones as their primary device, and 33.3% use laptops. Adding to those responses, 12.3% use tablets as their primary device, displaying that nearly 87% of Skift's survey takers are digitally connected by mobile devices while on-site and making business-related decisions.
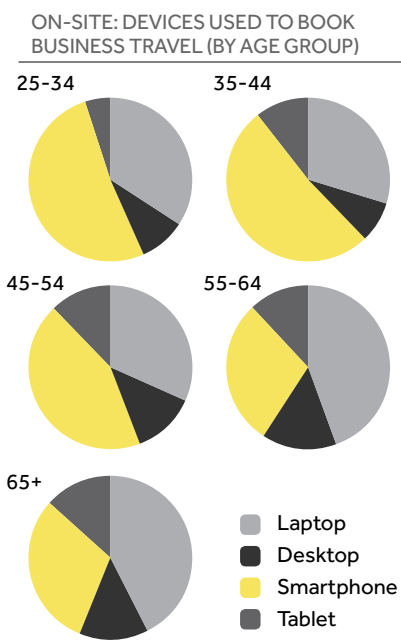
A FUTURE FOR TABLETS AND ONLINE BOOKING

In the United States, tablets stand to penetrate the travel-booking space in a way that could further change the landscape for brands and business travelers.

A recent PhoCusWright study found that, as of 2013, some 44% of U.S. travelers who book trips online also own a tablet.[6] The new percentage is up from 31%, in 2012. It is expected to increase to as much as 66% by the end of 2014. Meanwhile the percentage of travelers who own a laptop or desktop computer fell, in 2013.[7]

Among the quantity of these respondents who are business travelers, it is reasonable to suggest that their tablets will become part of their travel-device portfolio as well. In the business world, the number of employees who employ their own device for work-related purposes is expected to reach one billion by 2018.[8]

The study shows that tablets have begun to capture trip-related conversions. Respondents were 20% more likely to book travel on a tablet than on a smartphone. And depending on company size, 33%–49% of business travelers make their own business-travel arrangements.[9]

(Note: recent data also shows that tablet take-up could be reaching a plateau; in Q3 2014 shipments slowed, overall, to an 11% increase, worldwide, versus a 55% increase in Q3 2013). [10]

IN TRANSIT: PREFERRED MOBILE BUSINESS TOOLS (BY AGE GROUP)

25-34   35-44

45-54   55-64

65+

APPS
- Airport Info
- Flight Info
- Hotel Info
- Productivity
- Entertainment

SOURCE: Skift Survey (October 2014)

ON-SITE: DEVICES USED TO BOOK BUSINESS TRAVEL (BY AGE GROUP)

25-34   35-44

45-54   55-64

65+

- Laptop
- Desktop
- Smartphone
- Tablet

SOURCE: Skift Survey (October 2014)

Perspectives and policies: travel-management services and the digital business traveler

At smaller companies, up to 33%–49% of business travelers make their own work-related trip arrangements, but in larger corporations at least half — and as much as two thirds — of business travel is booked and managed either internally by a designated officer, an external travel-management service, or a combination of both.[11]

In this scenario, positioned as they are between the travelers, airlines, hotels, and other verticals, travel-management services are pursuing new ways to remain responsive to the digital business traveler and also open future-leaning dialogues with corporate travel-policy makers.

Corporate policy and approvals

"Right now, we are in the middle of it," said Philippe Chereque, chief technology officer at American Express Global Business Travel. "We have the channels and platforms on which you can prepare and plan your trip … now, a lot of what we are doing is intended to bring to that traveler more and more information."

The immediacy and the autonomy that the digitally connected business traveler enjoys via digital devices, however, comes with challenges for travel management.

"I don't want to have to call somebody from my hotel in India if I want to leave in the morning instead of the afternoon," said Chereque, speaking of business travelers and the rising opportunities for autonomy. "I want to be able to change it on my tablet or on my mobile phone."

That is, the business traveler is moving along an envelope that can at times strain older systems — policy structures that have traditionally ensured that business-travel decisions match established employer protocols and budgets. These financial and compliance considerations are driving new research and development on the travel-management side of the equation.

"We could say this: 'if the decision will affect less than 10% of the cost of the trip, do you agree that the traveler can change without new approval?'," Chereque said, regarding a traveler being able to change a flight, for example, via his or her mobile device.

The best argument for new flexibility may well be the same argument for rigid policies: cost savings.

"Not having that kind of trip approval can cost a company money," said Chereque. "If they

spend one extra day in India instead of coming back one day early to the office, they've been doing nothing in India when he or she could have been doing work in the office.

"And we are working on it," he said. "We will provide it, but we need to do a lot of work in the corporate system ... where you have a lot of features like traveler profile, corporate profile, corporate travel policy and compliance — all of these things that we need to integrate so that we can ensure that each change is possible."

BUSINESS-TRAVEL TECH: OPTIONS APPROVED/PROVIDED BY COMPANIES (BY TYPE)

|	
No Business-Travel Websites/ Apps Approved/Provided	46%
Booking Tools (Apps/Mobile Web)	30%
Travel-Management Company Tools (Apps/Mobile Web)	30%
Expense Vendor Tools (Apps/Mobile Web)	24%
Meeting Registration (Apps/Mobile Web)	6%
Meeting Attendee Tools (Apps/Mobile Web)	6%
Internally Developed Travel App	6%

SOURCE: Business Travel News (2013)

Mitigating disruption

Business travel-management services are also focusing on the options that digital devices present in the face of system-wide disruptions. Smartphones and tablets,

BUSINESS TRAVELERS: CORPORATE MOBILE TRAVEL TECH (POLICY SATISFACTION)

Respondents rated their companies on a scale of 1–6 (not satisfied to very satisfied). The average rating was 3.3.

- 6: 6%
- 1: 13%
- 2: 16%
- 3: 24%
- 4: 26%
- 5: 14%
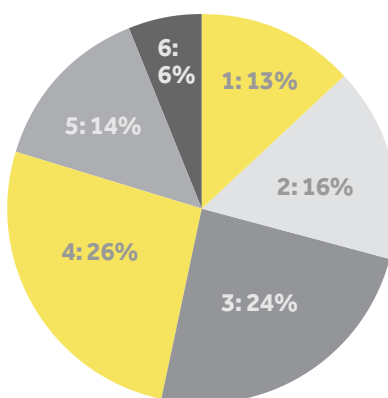
SOURCE: Business Travel News (2013)

especially, are a conduit for them to push the needed information to a client when a trip is altered by external events.

"Without a doubt, the biggest moving piece is around disruption management," said Jay Richmond, head of Corporate Product and Innovation at Amadeus. "Disruption being anything from a gate change, or a delay, all the way up to a full disruption of airline traffic because a volcano has gone off."

Richmond is working to reduce the uncertainties that come with how these kinds of events can impact a business trip. A key word in this effort: *proactive*. And close on the

heels of that concept comes *prediction*, and also *interaction*. In terms of implementation, Richmond described potential approaches.

• App-based predictions: Meeting the demand for time-sensitive information about in-the-moment alternatives, sent with attendant cost differences to acknowledge travel-policy considerations, is a key goal for Richmond's team. "Just knowing that you've got an app that's surveying ahead in your travel plans and saying if there's a threat," he said, emphasizing the value to the traveler of knowing that "the threat has reached a point that I think you need to know there are alternatives, costs, and time impacts — and you need to make a decision."

• Vendor-neutral information: A fundamental issue within the business-travel space involves corporations assigning the right level of trust to the individual traveling employee, allowing them to make business-trip changes on their own. The approach that Richmond envisions means not only giving business travelers predictive capacity, but then showing them vendor-neutral options. "Our job is to put all the choices on the table," he said. "It may not be your preferred carrier. But, that's where the corporation and traveler have to make a decision: is it more important to support the preferred carrier or is it more important to be at a meeting with my number-one customer, on time?"

• Travel management and brands : As the business traveler wants data to make better decisions, so do brands. "They want to be able to personalize and contextualize the conversation," Richmond said. In other words, brands want to not only better serve the business traveler via digital devices, they also want the chance to win new conversions and ancillary sales. Similar to the way business travelers' choices will increasingly depend on an evolving view of policy rules, this too depends on

a revision of how tightly companies hold the reins on in-trip digital autonomy.

Augmenting productivity

"The productivity of the business traveler is increasing," said Angie Licea, senior vice president of Business Operations, Technology Development, and Meetings at Travel Leaders Corporate, discussing one impact of the digitally savvy client. "They're working a lot more. It causes us to take a step back and think about how do we approach these travelers differently?"

Business-travel management wants to increase what the individual can get done while on a given trip. That's a value add for traveler and corporate client, and it drives satisfaction with the service. Building technologies and services that meet that demand for all parties is a recipe that Licea said her team is seeking to perfect on several fronts, including the following:

• Mobile meeting/conference options: Minute-to-minute changes regarding events — delivered as push messages, not e-mails — are the kind of data that business travelers want on their smartphones. Beyond that, Licea said, "there are people en route who can't get there; so, how do we help them to participate?" Virtual mobile-conference capability is additionally part of the new impetus when it comes to digital tools in travel-management support, she said.

• Multi-device functionality: For the business traveler, the trip is not a single-device ecosystem. Smartphones, tablets, and laptops — all are of significance to service providers, said Licea. "They want the same functionality, regardless of the device," she said. "If they can do it on their laptop, they want to be able to do it on their phone."

Innovation in the service space

"The challenge is that business travelers want all the personalization they can get and the corporations want all the corporate control they can get," said Will Tate, senior vice president at Management Alternatives, consultant to corporate travel buyers. Within that push and pull, innovation is still emerging.

• **Holistic trip planning:** "One company that's doing innovative work is KDS Neo," Tate said. "They're offering options for holistic trip planning ... holistic through the lifecycle of the trip — from planning all the way up to trip expensing. Business travelers want to enter information one time and one time only. Holistic procurement of travel is what corporations want, too, because they negotiate segment pricing — they get rates based on certain routes that influence everything from hotel rates to the cost of a rental car."

• **Calendar triggered trip booking:** Along with holistic planning, Tate described the increasing interest in calendar-triggered booking. "I put into my calendar that I'm traveling to New York on Monday at 10 a.m. and I finish my business at 5 p.m." he said. "Behind the scenes, it automatically launches a trip plan for me. It knows how far I live from the airport and how much time it takes to get there. It knows what hotel I prefer, and it knows I like black-car service. What I get back is a suggested itinerary." And what corporate gets is a full picture of expenses to check against the the travel policy that's in place.

In these regards, innovation in the digital space can be a win-win instead of a tug-of-war.

"It's important to pay attention to the whole travel experience," Tate said, "and there could be a real shift in corporate buying mentality, away from cost management as a primary driver. What's now becoming a driver is the employee's travel experience ... caring about the business traveler having a pleasant experience, accomplishing their mission — and you get employees who are more productive."
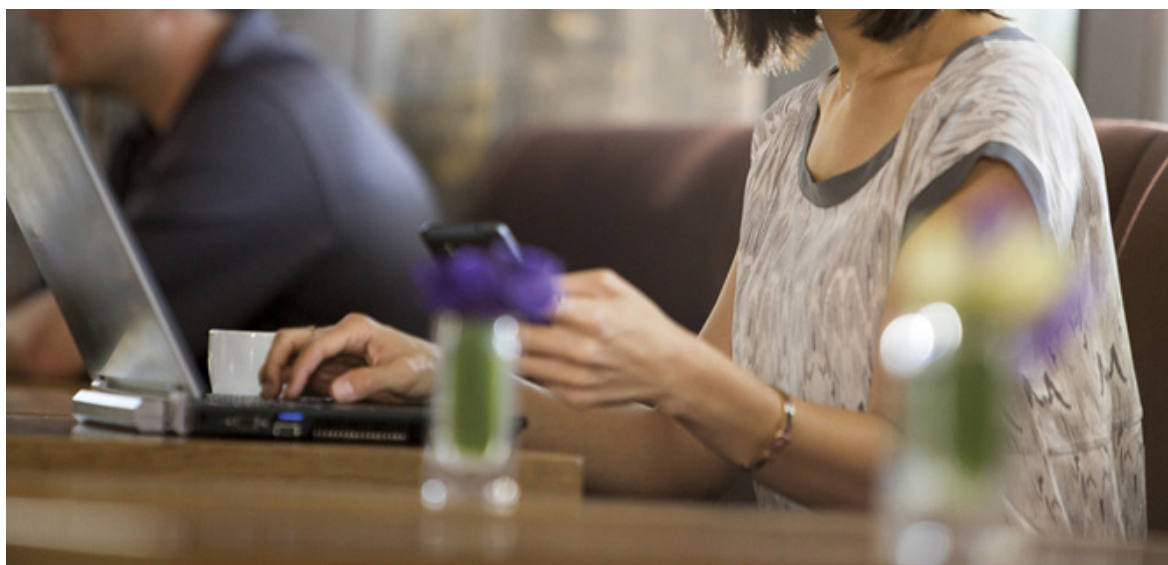
Travel brands and the digital business traveler

Transportation, lodging, and in-destination resources — airlines, hotels, and other verticals — all have a stake in the digital future of business travel.

From how business travelers' relationships with digital devices change the trip experience to travel-management companies seeking to sew those customers into a data-rich relationship with their employers and their journeys, the narrative of business on the road is deeply connected to the brands that supply the components of each journey.

Airlines and digital outreach

"There's absolutely no doubt that the vast majority of airlines are putting mobile as their number-one investment area in IT," said Nigel Pickford, market insight director at SITA, in a recent report.[12]

Given that context, e-commerce is a key component of the future for mobile airline apps. And, although mobile ticket purchases can be limited by business-travel polices, ancillary opportunities do exist. For example, business travelers find themselves presented with digital-device driven seat selection and

baggage-related choices. Meanwhile, in a recent iPass survey, 51% of business-travel respondents said they'd pay their airline for inflight Wi-Fi.[13]

Brands are also opening doors onto new vistas: what journalist Lark Gould refers to as the digital elite. "Catering to, and frequently ahead of, their über-connected, socially savvy customers," he wrote, in Business Traveler, "these best-in-social-media class airlines, hotels, car rental companies and other travel suppliers are the champions of the digital democracy."[14]

Among airlines, the concept of digital elite manifests in examples such as the following:

• Turkish Airlines recently used LinkedIn to reach business travelers with pitches from startups. The Invest on Board campaign contributed to a business-specific impression of the "airline's culture, personality and travel philosophy," said Ali Genç, senior vice president of media relations for Turkish Airlines, in Gould's report.[15]

• American Airlines implemented Plusgrade — a first-class upgrade option for travelers in late

STARTUPS IN THE BUSINESS AIR-TRAVEL SPACE

One of the most significant elements of competition for startups in the air-travel milieu is that well-funded airlines are already leading a large part of the charge for innovation.

Still, there are examples that represent niches, and vendor-neutral opportunities, that the bigger guns aren't already filling.

• **Mileways:** An air travel app that stores information on future flights, alerts users to changes in flight departures, tracks mileage points across airlines, and allows users to follow friends' trips. The iTunes app launched in late 2013.[16]

• **BlackJet:** Like an Uber for private jets, BlackJet connects fliers capable of paying higher ticket prices with aircraft that have anywhere from six to 14 seats. Departure and arrival points include Boston, Chicago, Dallas, Florida, Las Vegas, Los Angeles, New York, San Francisco, and Seattle.[17]

Two widely different functions, but both resources for business travelers looking to augment their in-trip options.

2013. "It's simple," according to the airline's online literature.[18] "Make us an offer starting six days prior to departure and we will e-mail you before check-in to let you know whether your offer was accepted."

While some business travelers will not be able to take advantage of that kind of op-tion, based on travel policies, there is still a component of the sector that will spend its own money on such opportunities. The business traveler's outlay is not always an expense-only scenario.

Once on the plane, the digital-device equipped business traveler's expectations start out at a kind of root level.

"This may sound very simple, but one of the critical demands we are dealing with inside our aircraft is power," said Dave Bulman, director of technology at Virgin Atlantic. "Today's devices consume power beyond the time of most long-haul flights. Making sure we have power in formats useable by modern devices, to the right wattage, is a

real modern challenge."

Beyond the electricity that fuels the laptops, smartphones and tablets in question, Virgin Atlantic is developing along other fronts, too.

High-bandwidth Wi-Fi and sufficient satellite Internet connectivity aboard planes is a focus point, according to Bulman. "We plan to have our entire fleet outfitted by 2017," he said.

"Business passengers expect the best in customer service, " said Bulman. "We're looking at how devices can improve customer service in everything from taking meal orders in real-time to improving turnaround times, to being able to deal with ground requests such as luggage locations, connection changes, ground transportation, perhaps even hotel or restaurant reservations. With a connected aircraft, and appropriately enabled crew, anything is possible."

BUSINESS-TRAVEL: TOP 5 MOST-EXPENSED AIRLINES (Q2 2014)

AIRLINE	% OF TOTAL (Q2 EXPENSES)	AVERAGE SPEND
Delta	46%	$419.56
United	46%	$432.01
American Airlines	46%	$376.60
Southwest	46%	$314.78
US Airways	46%	$300.80

SOURCE: Skift (2014)

Business-accommodation facing start-ups

Business travelers may not enjoy every flexibility of the leisure traveler, when it comes to making changes to the rooms they've booked. One avenue for alterations that stand to please travel-policy managers, however, is a route that leads to cost savings.

Consider tripBAM. Its roots are in leisure travel but its applications have reached the business world as well.

"You book a hotel and then you tell it you like that hotel and you pick a cluster of alternate choices as well," said Will Tate, senior vice president at Management Alternatives. "It'll then ping hotels, looking for any lower hotel rates that pop up within your cluster. So, if someone runs a special for $99 and you're paying $149, it's chasing that constantly, looking for better rates."

The digital hotel

By the end of 2014, PhoCusWright estimates that some 20% of hotel bookings will happen in the mobile space.[19] Already, according to the same report, some 36% of hotel research is conducted via mobile devices.

These are significant details for brands such as Hyatt, which has recently seen business travel help drive new revenue to the tune of a 10% increase (lifting returns to some $56 million in North America, in Q1 2014).[20]

It may be that infrastructure within the properties that business travelers do access will be a primary focus of of new developments within the space. For example, in a recent survey, iPass found that 82% of business travelers polled want better Wi-Fi in the hotels at which they stay.[21] And they're willing to pay for it, the report noted — business travelers prioritize a strong and reliable Internet connection, on the expense side, ahead of other amenities, even bars, gyms, and TVs. Again, some of this stated willingness

to pay may well mean an outlay apart from the corporate-expense scenario.

Hotel room stock and business-travel demand

One way to frame the hotel vertical in relation to other components of business travel is to consider supply and demand.

While some brands, Hyatt for example, have seen revenue increases that are at least in part attributable to renewed business-travel activity, business' spend on lodging, overall, has fallen since the onset of the 2007–9 recession. That is, business travelers spent some $4,800 on hotels — as an average per individual — in 2007, but that fell to about $4,400 in 2013.[22] The reason for that change may be related to an expansion of properties.

"Car-rental firms offer fewer vehicles now compared to 2007 and airlines have sharply reduced the number of seats they offer since the Great Recession," wrote Joe Brancatelli, earlier this year. "That allowed them to raise prices as business-travel demand rebounded. But hotels never stopped building new lodgings and nightly rates have lagged. About four in 10 rooms remain empty on an average night in America."[23]

In-destination resources

For the business traveler, concepts of digital infrastructure aren't confined to bookings, changes, and connectivity. Specific offerings that open up an in-destination space to greater business purposing are also part of the changing digital demands in the sector. Take for example, the corporate meeting and the business conference, where the emergence and evolution of apps areaugmenting the business-event experience.

• QuickMobile raised approximately $3 million, last year, to release SnapApp, which allows companies to build custom mobile tools for different events.[24]

• SmartConnect is an app that allows event hosts to provide attendees with interest- and intent-specific mobile outreach — think, pitches from appropriate exhibitors, or pitches based on panel attendance, for example.[25]

The future, according to QuickMobile in a recent report, is about expanding these services to encompass more of each business traveler's trip: "users will be able to create and modify travel plans, personalize and coordinate pre- and post-event activities, and coordinate with other attendees, travel suppliers, hotels, airlines and car rental companies from the mobile app."[26]

Mobile-optimized websites and apps are also driving new efficiencies when it comes to expensing the trip — from pre-departure estimates to in-destination reporting. All of them are simplifying receipt capture and cost-recording. Some of them are bringing travel managers into the process.

• KDS Neo tools allow for pre-trip managerial approval on estimated expenses such as meals, hotel costs, and flight-related spending.[27]

• Fusion Express, by Oracle, allows the business traveler to add work-dinner attendees from a mobile device's contact list and then coordinates the details of that meetup across calendars.[28]

And, as Wi-Fi plays a motivating role in business travelers' perceptions of hotels, so too is it driving them to certain kinds of restaurants. According to a recent Certify report, among fast-food restaurants — which draw the largest share of expensed meals on an individual basis — reliable Wi-Fi is a powerful attractor.[29] Business travelers, perhaps unsurprisingly, take opportunities to work while they eat.

BUSINESS-TRAVEL: MOST-EXPENSED HOTELS (Q2 2014)

AIRLINE	% OF TOTAL (Q2 EXPENSES)	AVERAGE SPEND
Marriott	8.66%	$240.74
Hampton Inn	7.94%	$205.44
Courtyard by Marriott	5.63%	$171.08
Hilton	4.37%	$211.94
Holiday Inn	4.05%	$163.04
Doubletree	3.80%	$176.41
Holiday Inn Express	3.42%	$204.51
Hilton Garden Inn	3.40%	$202.34
Hyatt	2.75%	$228.07
Sheraton	1.84%	$224.23
Fairfield Inn	1.62%	$193.59
Comfort Inn	1.57%	$155.94
Embassy Suites	1.24%	$236.43
Westin Hotels	0.94%	$252.80
Residence Inn	0.86%	$309.22
Miscellaneous	48.00%	N/A

SOURCE: Skift (2014)

The Millennial business traveler

Image Source:
Flickr / JFXie

Key to almost any consideration of the business traveler and changing in-trip habits surrounding the use of digital devices is the advent of the Millennial within the sector. It is a demographic already aging into business travel, a phenomenon that will continue (and increase) between now and 2025.

THE MILLENNIAL
BUSINESS SEGMENT

Percentage of business travelers for which Millennials are expected to account, by 2020	50%
Percentage of business flights for which Millennials are expected to account, by 2025	54%
No. of Business Trips Per Year (Ages 18–30)	4.2
No. of Business Trips Per Year (Ages 31–45)	2.9
No. of Business Trips Per Year (46–65)	3.2

SOURCES: CNBC (2013)

When Millennials travel for business, they use mobile devices more often than their other colleagues. In a recent survey, among the 75% of travelers (representing multiple age groups) who indicated that they use smartphones for business and personal reasons during travel, respondents 18–30 years old were the most likely to do so.[30]

Other highlights of their influence and impact include the following points:[31]

• 32% of business travelers younger than 30 book their trips via smartphone.

• Millennials are four times more likely to pay for onboard Wi-Fi on their planes.

• The demographic is twice as likely to download and watch in-flight entertainment. Travel leaders are taking notice. The right information — and the right kinds of digital access to provide it — will be key to attracting the burgeoning segment.

"Business travelers are early adopters of technology — Millennial travelers even faster — and are on the move from device-to-device, from online to offline and back again," said Rob Greyber, president of Egencia, in a press release. "We realize that keeping pace with Millennials and future generations of corporate travelers demands significant focus on mobile in order to sustainably engage them with the right information."[32]

Additionally, what Millennials want, to a significant extent, based on recent reporting by Teresa Lee on the subject, is a digital experience that removes extra steps and includes every option for resolving trip-related queries. For example, Lee described one perceived gap in the search function of

Southwest's website.

"The most common route I book with them is New York City to the San Francisco Bay Area," she wrote, in early 2014.[33] "Southwest operates at Newark and La-Guardia for NYC and out of San Francisco, San Jose, and Oakland for the Bay Area. That means I have to perform individual searches for each possible combination as they do not have an 'All New York City Airports' or 'All San Francisco Bay Area Airports' option. This is extremely frustrating when my dates are flexible as well."

If brands can provide the right options to capture business among the demographic, then the following chart suggests that Millennial business travelers will spend money more freely, in-trip, than their Baby Boomer and Gen X counterparts.

MILLENNIAL BUSINESS SPEND

% Business Travelers Primarily Expensing Pricey Meals	18-30: 42%
	46-65: 26%
% Business Travelers Primarily Expensing Room Service	18-30: 37%
	46-65: 21%
% Business Travelers Likely to Extend Business Trip into Vacation	18-30: 62%
	31-45: 51%
	46-65: 37%

SOURCE: CNBC (2013)

One other note, Millennials' loyalty to particular travel suppliers is not yet won, according to a recent MMGY Global/Harrison Group study. But when it is earned — or not earned — the Millennials will tell us.

Research shows that they tend to announce positive and negative experiences through social media — with 90% of the demographic interacting with their network, the public, and, ultimately, brands in this way.[34]

With so much potential revenue on the line, and their spending habits positioned to create new income streams for the business-travel industry, reaching Millennials effectively in the digital space has never been more important.

Startups in the business-travel space

It is not only seasoned brands with decades of marketplace experience behind them that are reacting to the newer wants and needs of business travelers. Startups are also emerging in the digital business-travel space, creating products that, at times, sit right at the overlap of corporate travel policy and business travelers' demands for digital tools.

For example, KnowRoaming recently announced a corporate portal for its SIM Sticker add-on for cell phones. A small sticker that overlays a device's SIM card, KnowRoaming connects users automatically to a local mobile network, wherever they may be. The idea is to reduce voice, text, and data charges — and the company says the SIM Sticker does so by some 85%, in 200 countries.

At the end of its beta cycle, and on the verge of introducing its corporate portal, according to David Barkoe, co-founder and partner at KnowRoaming, the same functionality is set to be deployable — and capable of being controlled — in compliance with a company's travel policy.

"IT, accounting, or any other manager within an organization can create and manage post- or pre-paid accounts for employees," Barkoe said, "which streamlines roaming charges and alleviates strain on the accounting department."

Other startups are leaning in to meet what might be characterized as a more Millennial-specific approach to business travel: the desire to sync the personal with the professional, in-trip.

"Business travelers often find themselves in foreign cities with little time to research what they can do in their downtime," said Kevin Jochelson, founder and chief events officer at Fiestafy.

"Outside of my banking life I have a passion for art," he continued, describing business trips he's taken, "and I often found myself traveling around a region trying to work out what art exhibitions were taking place, and beyond this problem, trying to determine what was a major art gallery and what was a small private gallery in each city."

It's that level of distinction that he said prompted concepts around the business-travel potential for Fiestafy. As a curated platform, the app provides only "world-class" events to the searching user, Jochelson said, and further eliminates other variables.

"We only feature available or accessible events," he said. "If an event is sold out, cancelled, or happened in the past, it drops from the platform."

As it enters its public beta phase, Jochelson said that Fiestafy stands to serve not just the business executive seeking to ensure that an invitation to a client results in only a great night out, but also the personal assistant or personal concierge accompanying business travelers on important trips.

Insights and strategies

• **In-trip recommendations are shifting.** In the main, according to Jay Richmond, head of Corporate Product and Innovation at Amadeus, older business travelers are looking to established apps and services for in-trip information. "But the Millennials, the first thing they do is go to their social network … that to me is the shift," he said. "The older crowd is about the institution of recommendation; the younger crowd is about the network of recommendation."

• **Device evolution is still a moving target for brands and providers.** A year ago, or two years ago, tablets seemed a certainty when it came to what device would dominate the future for mobile users. Recent slowdowns in consumer uptake of tablets, however, might indicate that many within this wave of adopters have already acquired their instrument of choice. How exactly business travelers will emphasize smartphones, tablets, phablets, and laptops is still a factor in play.

• **It's not only Millennials who want always-on digital access.** While Millennials are helping to shape a business-travel environment that increasingly emphasizes always-on, dynamic, and quickly accessible digital resources, in 2014 it's also a near-universal demand. "People on the road want convenience," said Angie Licea, senior vice president of Business Operations, Technology Development, and Meetings at Travel Leaders Corporate. "The last thing they want to do is wait for a connection. The Millennials may be driving some of it, but that doesn't mean that other more senior travelers don't want the same thing."

• **Business travelers are on the verge of more personalized experiences.** If travel-management brands can get to even greater levels of granular detail about the digital business traveler, every trip could become a more personalized journey. "Based on my digital footprint, my online footprint," Richmond said, describing that scenario, "when I show up in Munich I have access to events and activities and locations in that city that are meaningful to me." Dynamic itineraries would be a key result, he said, opening new vistas onto the potential of the business trip in all of its aspects.

• **Startups and smaller firms stand to provide options to larger brands.**
Business-travel brands with deep resources have the ability to not only
develop in-house functionality within the digital space, they also have
the capacity to partner with – and even acquire – startups and small firms
pointed in their direction. "We will partner," said Philippe Chereque, chief
technology officer at American Express Global Business Travel. "We will buy.
We are at a point that we can decide what we are making ourself, or do we
buy companies that are already involved in this area?"

About Skift

Skift is a business information company focused on travel intelligence and offers news, data, and services to professionals in travel and professional travelers, to help them make smart decisions about travel.

Founded in 2012 by media entrepreneur Rafat Ali, Skift is based in New York City and backed by Lerer Ventures, Advancit Capital and other marquee media-tech investors.

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Endnotes & further reading

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