

## The Wire...from AirPlus.

### Open Booking: A Mixed Bag.

**AIRPLUS.** WHAT TRAVEL PAYMENT IS ALL ABOUT.



Despite the chatter about Open Booking as the next wave for travel management, the majority of travel managers don't see it as a viable approach for their companies.

The past six months have seen a flurry of discussions about a new approach to a growing problem—how to keep travelers within policy given the exponential growth of new and easy booking options outside of standard preferred corporate channels. The concept of open booking—which gives travelers the option to book through any channel they want, including supplier direct channels—purports to address this issue.

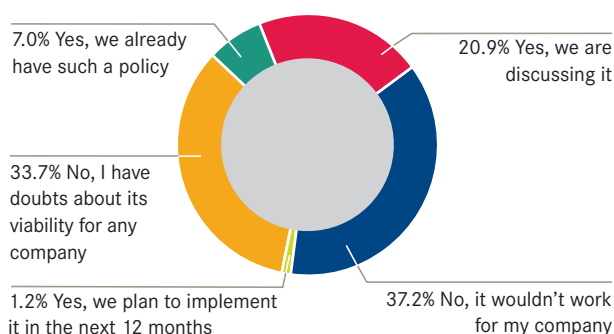
Proponents also point to potential cost savings, namely in the elimination of GDS distribution fees and TMC transaction fees when travelers book directly through supplier websites. Nay-sayers, however, count multiple potential issues with such an approach, including the two largest: the ability for the travel program to capture data and to track travelers for safety and security purposes.

To gauge interest in this controversial new approach to managing travel, AirPlus International surveyed nearly 100 corporate travel managers in late 2012 about their views on the advantages and disadvantages of open booking and their interest in pursuing open booking at their own companies.

It's clear that open booking, in the way it's conceived at this time, holds appeal for a minority of travel managers but not the larger population. Nearly three-quarters (71 percent) of those surveyed had no interest in adopting such an approach: 37 percent said, "No, it wouldn't work for my company," and another 34 percent said, "No, I have doubts about its viability for any company."

Still, 21 percent are open to the concept, responding that their companies are currently discussing the possibility of adopting open booking. A handful are already on board, with 7 percent saying they already have an open booking policy, and another 1 percent stating they plan to implement one within the next 12 months.

**Open Booking allows travelers to book through any channel they want, primarily supplier direct channels. Have you considered adopting an open booking policy at your company?**



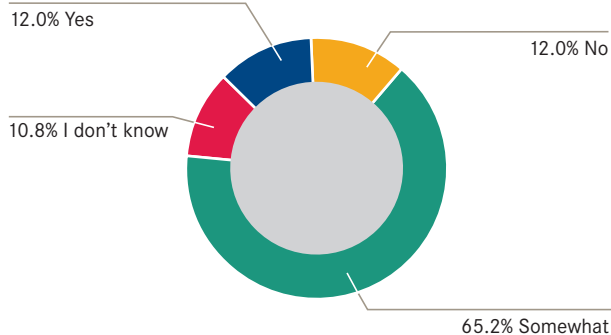
When asked to indicate which of several statements—both positive and negative—characterized their own attitudes about open booking, the majority of the travel professionals indicated concerns about capturing data (79 percent) and the ability to track travelers for safety and security purposes (73 percent). Well over half (61 percent) said they would not be able to support their supplier relationships.

In the area of potential pitfalls, 39 percent also said they don't trust their travelers to make good decisions, as opposed to 17 percent who do trust their travelers to make good decisions.

The number-one positive attribute, at 35 percent, was the thought that open booking increases traveler satisfaction. Only 12 percent thought it would bring the potential to better control the travel budget and even fewer, 4 percent, thought it would boost compliance to policy.

On the whole, however, travel professionals were willing to concede that there might be some merits to open booking, even if it's not right for their particular company at this point in time. When asked if they expected open booking to catch on industry-wide, nearly two-thirds (65 percent) said it might catch on to a certain extent—that it might work for some companies but not the majority. Eleven percent simply didn't know and the remaining respondents were evenly split between, "No, it's not practical," and, "Yes, it addresses the new realities of technology and traveler needs," each with 12 percent.

#### Do you expect Open Booking to catch on industry-wide?



It's that last thought—that open booking might be able to address the large numbers of under-35 travelers who already book outside the preferred channels for at least some of their travel—that gives open booking its greatest potential. According to traveler responses to

#### Which of the following attitudes characterizes your thoughts about open booking? (check all that apply)

I have concerns about data capture	79.3%
I could not support my supplier relationships	60.9%
I don't know how I'd track travelers for safety and security purposes	72.8%
I don't trust my travelers to make good decisions	39.1%
I trust my travelers to make good decisions	17.4%
It increases traveler satisfaction	34.8%
There is potential to better control budget	12.0%
I believe it would boost compliance	4.3%

the 2011 study "Connecting with Managed Travelers," from the BTN Group, only 43 percent of those under 35 complied with company preferred vendor and booking channels for hotels, for example, compared to 61 percent in the 35 to 54 age group and 76 percent for those over 55. As corporate travel managers seek to stem this growing leakage, open booking, either alone or as part of a hybrid managed travel program, might prove an opportunity worth exploring.

#### Additional Resources

##### C-Level Execs Opine on Open Booking Policies

<http://www.businesstravelnews.com/Travel-Management/C-Level-Execs-Opine-On-Open-Booking-Policies/?a=mgmt>

##### Fixed Budget: The Model of the Future? (The Wire from AirPlus, July 2012)

[https://www.airplus.com/us/en/page\\_131408\\_131415/](https://www.airplus.com/us/en/page_131408_131415/)

##### The Future of Compliance: Should Travel Managers Loose or Tighten Policy? (AirPlus/ACTE white paper)

[https://www.airplus.com/CMS/file\\_view.aspx?id=132406](https://www.airplus.com/CMS/file_view.aspx?id=132406)

Survey Methodology: For this issue of *The Wire*, AirPlus International surveyed 97 corporate travel buyers in North America and Europe from October 22 to November 15, 2012.

#### AirPlus International, Inc.

225 Reinekers Lane, Suite 500

Alexandria, VA 22314 USA

T +1 (703) 373-0940

F +1 (703) 373-0941

[usa@airplus.com](mailto:usa@airplus.com)

[www.airplus.com](http://www.airplus.com)

[www.airpluscommunity.com](http://www.airpluscommunity.com)