



GLOBAL BUSINESS TRAVEL



Client Successfully Boosts Hotel Bookings with Trip Recommender

Solution from American Express Global Business Travel (GBT) helps international corporation rein in costs of its hotel program.

CHALLENGE

An Italian/Argentine mining, construction, and engineering conglomerate, with nearly 60,000 traveling employees across six subsidiaries, was seeking to gain greater oversight of its global hotel program in order to maximize its negotiating abilities with preferred suppliers and boost its duty of care governance.

The company, a client of American Express GBT since 2011, has a formal travel policy in place, but beyond the pre-trip approval process it has in place with our Expert Auditor™ solution, it does not strictly enforce policy guidelines and has more of a trust-based approach toward compliance.

The fact that compliance and reporting are handled separately by each subsidiary at the local level also seemed to have an adverse influence on its hotel program. Even after dedicating significant resources to encourage travelers to book rooms at properties with its two primary suppliers, IHG and Hilton, the company still had a fairly low hotel attachment rate — just 58%.

AT A GLANCE

- Headquarters: Milan/Buenos Aires
- Revenue: \$23.5 million (2018)
- Number of Employees/Travelers: 57,000+
- Annual Global Travel Spend: US
 - \$4.7 million, air
 - \$1.3 million, hotel
- Geographies Covered: Global

OPPORTUNITY

When American Express GBT was gearing up to launch Trip Recommender™, a complimentary booking service that encourages travelers to make compliant choices, we invited the company to participate in our early adopter program.

Once presented with reporting that demonstrated its high noncompliance rate, the company was eager to give Trip Recommender a try to see if it could help motivate hotel program participation and facilitate cost savings. It also viewed the solution as a nice complement to its preferred style of policy enforcement: nudging travelers to make the right choice instead of mandating them.

SOLUTION

Trip Recommender, which uses robust data analytics technology, identifies traveling employees who have not booked a hotel room along with their air reservation and delivers via email and the Amex GBT Mobile app up to three personalized hotel recommendations based on an employee's travel preferences, colleague travel patterns, and company preferences. With advanced rate logic and one-click booking capability, Trip Recommender makes it super simple for employees to book company-approved options at the lowest price. And even if the traveler chooses none of the hotels Trip Recommender sends their way, the messages still serve as a reminder that employees should make in-policy bookings, and provide the phone number of our customer support team in case they prefer to reserve a room via a travel counselor.

RESULTS

Trip Recommender proved to be a big success. Because the client's travel program is fairly light-touch when it comes to compliance, Trip Recommender's emails were a welcome addition to its program and efforts to improve hotel attachment. After implementing the tool late in 2017, the company saw a spike in the number of compliant hotel bookings.

In 2018, Trip Recommender sent the client's travelers a total of 3,710 personalized hotel recommendations, of which 3.3% resulted in hotel bookings. While this conversion rate may seem small, it had a substantial impact on the client's hotel program.

According to internal reports generated by Trip Recommender, by the end of 2018, travelers had spent, on average, \$26 less per booking when they opted to book via the tool than they would have had they booked a room on their own. This alone translated into an 18% cost reduction for the hotel program.

In addition, the client's hotel attachment rate jumped to 66%, an 8% increase from the year prior. Because of increasing compliance and the growing amount of travel data being captured, the company is now in a stronger position when it comes to their supplier negotiations and duty of care support.

Other than the few days it took to set up Trip Recommender, the client did not have to invest time, money, or energy into achieving major results!