

THE SHARED ECONOMY OF BUSINESS TRAVEL

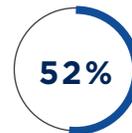
Ask today's business traveler to describe life on the road, and many might say things have never been easier. That's in part due to the internet and the ubiquity of shared services apps. At the touch of a mobile device, business travelers can pay for a room in any number of hotels or alternative lodging arrangements, order on-demand transportation, or have food delivered from any surrounding restaurant.

This is known as the sharing economy, an economic system in which assets and services are shared between private individuals for, typically, a fee, all by the means of the internet. Whereas the shared economy is typically thought of within the realm of personal travel, it has taken hold within business travel too—bucking traditional corporate travel methods.

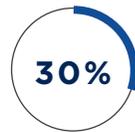
Based on business travelers whose primary residence are located in Australia, Canada, Germany, Hong Kong, Mexico, the UK and the US:



50% of corporate travel policies allow their employees to use ride-sharing services, a jump from 44% in mid-2016¹



52% of total ground transportation business travel expenses in the US were ride-sharing services by the end of 2016²



30% of business travel policies allow employees to use home-sharing services for lodging¹



Use of Airbnb lodging during business travel in the US has doubled its share of transactions each year since 2014²

It's easy to see how the shared economy offers business travelers new benefits of convenience. But what does this mean for corporate travel agents? And how are they evolving to accommodate and track data in the new business travel frontier? Taking a closer look, the shared economy cons become apparent.

Take the executive who books lodging through an online market place, for example. First, the executive must take limited time out of the workday to scour listings, to look at countless photos and to make sure it has the necessary amenities—including WiFi and a workspace. For corporate travel managers, the risks are many, including duty of care issues such as the ability to track employees, controlling shared accommodation use and spend, and overall traveler safety. These issues make the reliance on a corporate travel agent (CTA) important, and a robust T & E policy a must—both of which can help keep costs at bay through negotiations with vendors and monitoring and analyzing travel expenses. As well, using employee tracking and emergency assistance, CTAs can also help mitigate potential on-the-road issues by reducing safety risks.

WHAT'S NEXT

The sharing economy is around to stay, making it necessary for CTAs to evolve to meet the needs of its workforce. One way this is happening is through the use of virtual card numbers for reconciliation. By working as unique identifiers for corporate bookings, they allow for the easy management of payments, provide useful data and can act as controls against the amount paid to vendors.

Access more information on virtual card numbers and how it can help with your business travel accounts.

¹ Global Business Travel Association, January 2017.

² "Certify SpendSmart Report 2016," Certify, January 2017.