

# The sharing economy and managed travel

Moving from passive responses to active decisions

September 2016



A research white paper from

**ACTE**  
GLOBAL | Association of  
Corporate  
Travel  
Executives

**citi**<sup>®</sup> **VISA**

# Foreword



**The sharing economy is the latest wave of disruption to hit travel. First, it rapidly transformed the possibilities for leisure travellers. Now, the great wave has impacted the world of managed travel.**

In the space of a year — as revealed by the research carried out for this white paper — the sharing economy has become a critical issue for corporations. They are asking themselves how they can best get to grips with a movement that appears to challenge the fundamental principles of managed travel, particularly around cost savings and the corporation's duty of care to its travellers.

In *The sharing economy and managed travel*, corporate travel buyers and managers share what they consider to be the advantages and issues around disruptor options for transportation and accommodation. The paper then offers recommendations for how corporations can best engage with the phenomenon.

*The sharing economy and managed travel* does not offer any prescriptions — but we hope it will give corporations solid considerations, based on consultation among their peers, which help guide them in their approach.

ACTE acknowledges the generous support of Visa and Citi in the research and development of this white paper. We would also like to thank the corporate buyers and travel managers who contributed to the quantitative research and shared their views in more than a dozen interviews.

**Greeley Koch**

Executive Director

Association of Corporate Travel Executives

# Introduction

**Pre the new millennium, our first experience of any new innovation usually came in the workplace. Mobile phones, personal computers and the Internet were all things that many of us tried at work and wanted at home. Then, about a decade ago, analysts began talking about the consumerisation of technology. New innovations, they said, would be adopted in the home before forcing their way into the workplace. In 2005, the research firm Gartner said that this would be the most significant trend affecting IT over the coming decade<sup>1</sup>.**

This consumerisation of technology did indeed have a big impact on corporate IT policies. Technology executives were forced to move on from the notion of trusted devices and secure networks, and began accommodating consumer devices and remote applications.

So, the question is, are we seeing something similar happen in corporate travel?

As leisure travellers, we are used to smartphone applications, most notably from sharing economy providers like Lyft, Uber and Airbnb. In less than a decade, Airbnb has become the world's largest accommodation provider, Uber has become the largest ground transportation company, and they participate in a global sector that is forecast to exceed US\$335 billion by 2025<sup>2</sup>.

Having enjoyed this leisure experience, many of us want it replicated in our business travel. As a result, the use of the services of such sharing economy providers among business travellers is growing rapidly. For example, Certify, the online expense management company said that, among its users, spending on Airbnb grew by 259% in 2015, while spending on Uber eclipsed the entire car rental sector<sup>3</sup>. Eying the trillion dollar business travel market, several of the leading sharing economy providers are crafting new business-ready services and even, like Airbnb, forging partnerships with the leading travel management companies (TMCs)<sup>4</sup>.

In this report, we take a sounding among more than 150 ACTE members and Citi clients. We find out where they are with the sharing economy, which other disruptors they are facing, how they are responding, and what they expect the future to bring. We also take a look at the corporate travel propositions that are being crafted by the main sharing economy providers and give recommendations on how you can assess sharing economy services in your own organisation.

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<sup>1</sup> Gartner Says Consumerization Will Be Most Significant Trend Affecting IT During Next 10 Years, October 2005

<sup>2</sup> PricewaterhouseCoopers, Consumer intelligence series, the sharing economy, 2014.

<sup>3</sup> Certify Releases its Third Annual SpendSmart™ Report on Current Business Travel Spending Trends, January 2016.

<sup>4</sup> Airbnb signs with American Express GBT, Carlson Wagonlit and BCD Travel, scoring a TMC trifecta, July 2016.

### Methodology and sample

ACTE conducted research among its global community of corporate travel managers and also among Citi clients during two weeks in April and May 2016. The study was conducted via an online survey and was supplemented by a series of in-depth interviews with a selection of globally-based travel managers from multinational companies.

### Our sample

**150+** corporate travel managers and/or buyers representing some of the biggest global organisations

**70%** based in North America, with the remainder in other world markets

**82%** describe their travel programme as mature

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If your company is turning a blind eye to the use of the sharing economy, it may be giving tacit approval, while potentially failing to address employee demand and monitor spending.

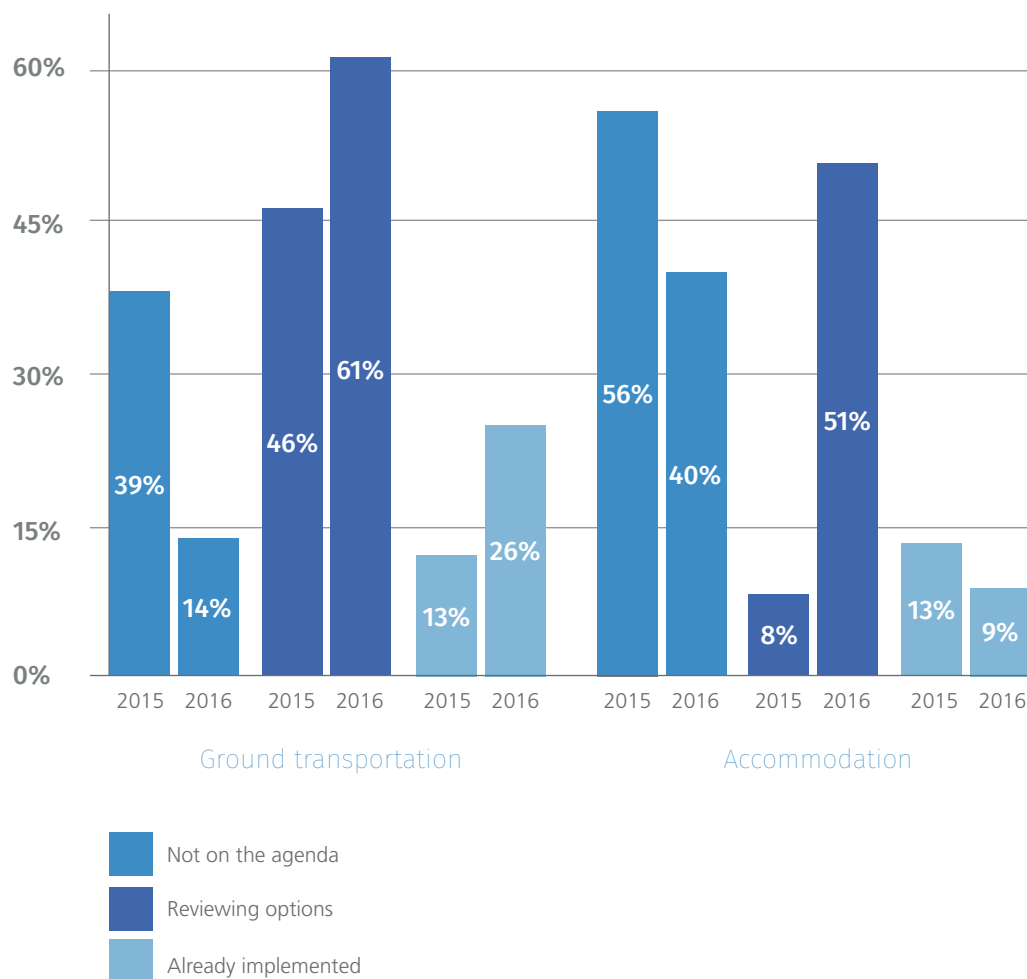
# What's the role for the sharing economy in today's corporate travel policies?

## What are the challenges facing today's travel managers as they attempt to incorporate sharing economy services into their travel policies?

Having brought significant change to leisure travel, the sharing economy model is being rapidly adopted by many of the world's business travellers.

To give a sense of the scale of the change, the proportion of ACTE members and Citi clients who are either reviewing their sharing economy options, or have already incorporated sharing economy providers into their travel policy, surged from 61% to 86% in the space of just one year<sup>5</sup>.

### Are sharing economy options on the travel manager's agenda?



<sup>5</sup> 2015 data from The Evolution of Travel Policy: A Global View on the Future, ACTE, 2015.



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*Within the space of a year, the number of travel managers who are reviewing the sharing economy has surged ahead – and more than a quarter have already implemented some providers in their travel policy.*

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Although many commentators talk of the sharing economy as a single homogenous sector, the term masks significant complexity. From a business travel perspective, there are two main sub-sectors – ground transportation, dominated by Lyft and Uber, and accommodation, dominated by Airbnb. Then, below the surface, comes a wide range of other sharing economy services. Examples from mid-2016 include:

- Locally based equivalents – like mytaxi, which accounts for 40% of all taxi journeys in Germany and is active in several other European cities<sup>6</sup>, or China's Didi Chuxing, the recent recipient of a US\$1 billion investment from Apple<sup>7</sup>
- True car-sharing and car-pooling solutions – like France's BlaBlaCar and the UK's Liftshare which, from a business travel perspective, are primarily used in-house to organise transport among fellow employees
- Niche operators catering to the top-end of the market – like onefinestay, the upmarket apartment booking service, recently acquired by Accor
- Air travel solutions – like Jetsmarter and Blackjet, which emphasise the speed and convenience of using private and chartered jets
- Ad hoc office space solutions – like sharedesk, LiquidSpace and many other such operators

The interesting thing, however, is the diversity and fragmentation of sharing economy services in the market. Every single travel manager we spoke to was able to name at least one such service. But, aside from three global giants, it was rare for any other brand to be named by more than one travel manager.

The question facing travel managers is how, exactly, can the sharing economy fit into today's travel policies?

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<sup>6</sup> According to the mytaxi website.

<sup>7</sup> Apple Backs Didi With \$1 Billion in Blow to Uber in China, Bloomberg, 2016.

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*“We buy a lot of travel, particularly in Asia, where our busiest route is Hong Kong to Shanghai. And, right now, our big emphasis is to put some order around our travel policies, capture more data, and get more visibility and control over our costs.*

*We do get questions on the sharing economy from some travellers, particularly those who spend time in the US and Western Europe, and also our senior executives. But, for now, integrating it into travel policies is low down our list of priorities.*

*Yes, it’s likely to grow. Yes, it’s great for liberating latent capacity, or meeting needs of particular employees, such as those looking for short stays. But, since 50% of our travel is to the world’s more exotic locations, we are dealing with many other priorities and preoccupations.”*

**Chief Procurement Officer, Asia Pacific**

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Traditionally, the business travel sector has consisted of large, vertically integrated providers who either sell their own services or vouch for tightly governed franchisees. Sharing economy providers are fundamentally different. They are simply online and often real time marketplaces, existing typically outside the mandated travel booking channels, which put buyers in touch with individual sellers – such as Uber drivers and Airbnb hosts.

By their very nature, they raise questions about consistency and quality of service. They also introduce some duty of care considerations. If things do go wrong, a corporate may have to pursue its case, not with a large global brand, but with a private individual and/or marketplace. Some commentators have also suggested that, amidst a globally fragmented and rapidly evolving regulatory environment, advocating the sharing economy can also present some interesting compliance, accounting and corporate social responsibility (CSR) considerations.



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*“So far, there has been very little interest from our employees. For safety reasons the usage of sharing economy providers will be prohibited very soon in our travel policy. On top of this, employees would probably not have understood if we had promoted or advocated such practices because they would have perceived it as the company trying to save money at the expense of their comfort.*

*The questions we have had tend to come from younger employees. For example, our apprentices asked about using BlaBlaCar to travel to and from their college placements. And for security reasons we said no, we ask them to use the train and not to try to save money for the company in this way.*

*What is much more interesting and without risk is how to share resources within the company. For example, we have a lift-sharing tool at headquarters. So, if ten people are all going to the same place, there’s no need to take ten cars. Our employees are asking and waiting for such services and initiatives from the Group.”*

**Group Travel Manager, Europe**

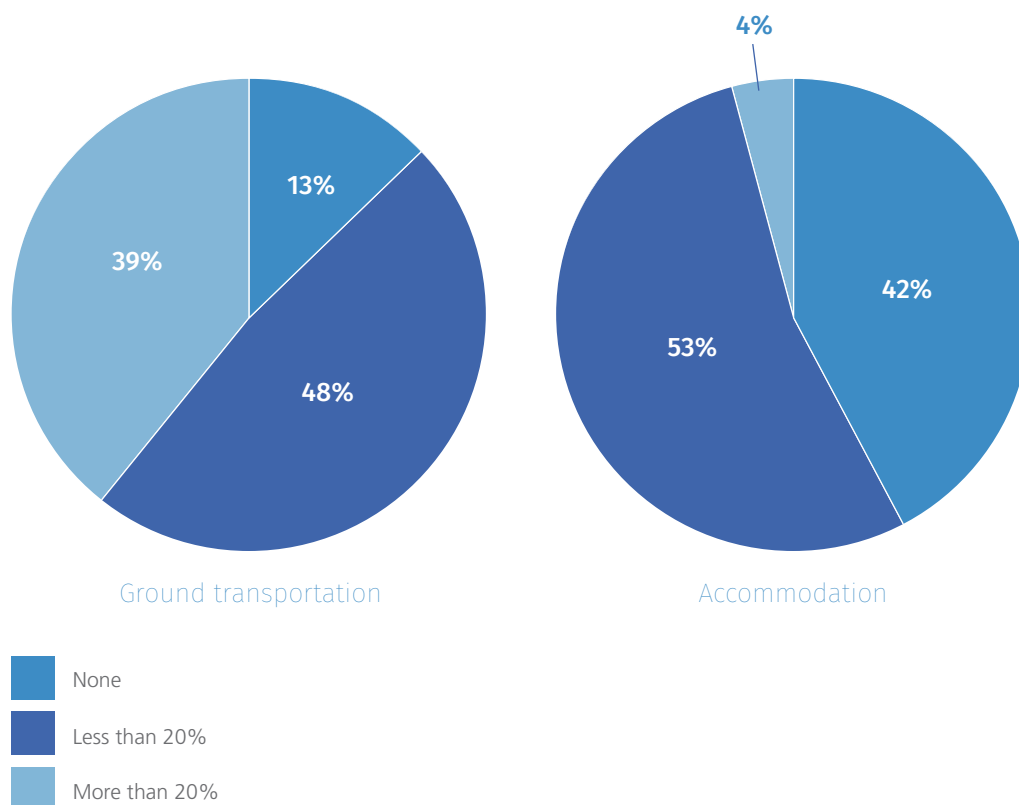
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# A picture of largely unmanaged, employee-led change

**Rather than making an active choice to review their policies, most travel managers are responding to demand from employees.**

From talking to travel managers, it becomes clear that the growth of the sharing economy for business travel is largely an employee-led phenomenon. It seems that some employees have tried it in their personal lives, like the experience, and see how it could enhance their business travel. As a consequence, more than three quarters of travel managers (76%) say they have received requests from employees, and a large majority concede that at least some employees are using sharing economy services – irrespective of what their travel policies may say.

**What proportion of employees are using the sharing economy for business travel today (irrespective of whether it is covered by your travel policy)?**



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*87% of travel managers say that at least some employees are using sharing economy providers for business travel – irrespective of what their policy may say*

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### So, what is the appeal of these new disruptors?

**For ground transportation – ease and convenience seem to fuel the demand.** As one travel manager at a US-based consulting company puts it: *“No more trying to hail a cab in the rain, or at rush hour. You know when your car will arrive, who will be driving, how much it will cost and when you will reach your destination. Then the payment is invisible. After experiencing that level of convenience once, you want it for every trip.”*

**For accommodation – it’s about filling the gaps left by incumbents.** Here, the reasons are much more diverse. The main ones include:

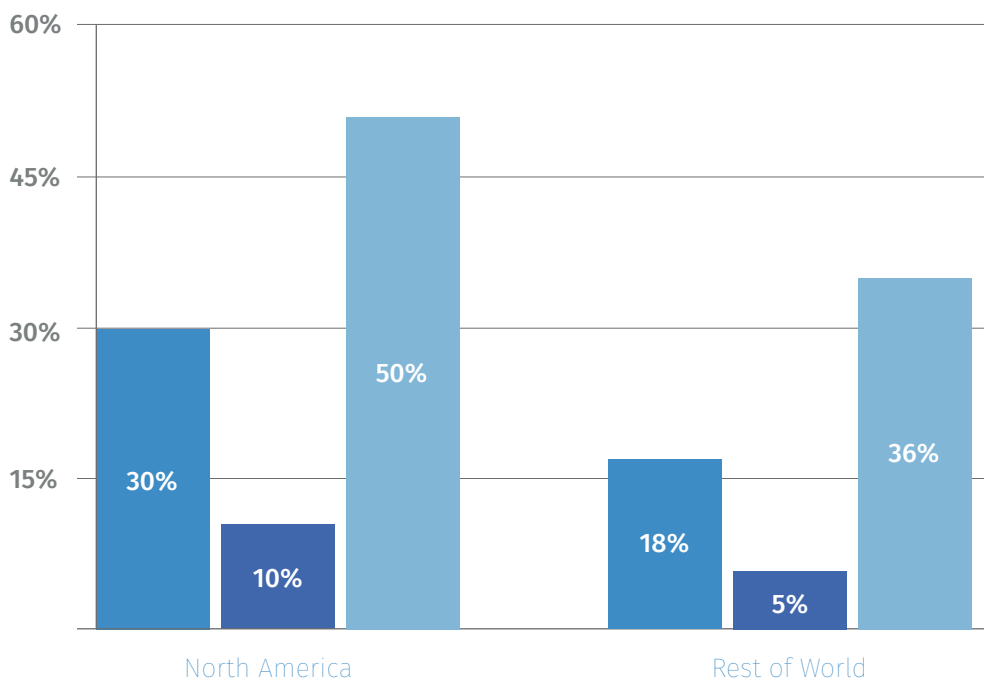
- **Availability issues** – often, the main reason that business travellers turn to Airbnb is because every other hotel room is sold, or prices are sky high and therefore out-of-policy. According to a travel manager at a US-based technology company *“Relieving compression is one of the main drivers, especially in locations that don’t have that many rooms, or are home to huge events. If you book late, you have three choices: pay thousands of dollars, stay way out of town, or book an Airbnb.”*
- **Frequent travel to the same destination** – if someone goes to the same location time-after-time, they may come to think of it as a home-from-home and want accommodation that reflects the fact.
- **Longer stays** – if people are staying for several days or even weeks, they often prefer the home comforts of an apartment to the impersonal feel of a hotel.
- **Off-grid travel** – when travelling outside of big towns and cities, the standard of conventional hotel accommodation can sometimes plummet, and an apartment may offer better quality.
- **Multi-person travel** – when several colleagues are travelling to the same place, they may decide that an apartment is more convivial and conducive to team working than a hotel.

### Some interesting geographic and demographic nuances

Although the phenomenon is everywhere, the level of demand is far from universal.

Certainly, the situation seems more advanced in North America, probably because the sharing economy sector is more mature and less fragmented, and perhaps because travel management tends to be more sophisticated. For example, compared to their peers in the rest of the world, a much larger proportion of North American travel managers have accommodated sharing economy providers in their travel policies. Similarly, a much larger proportion say they are well aware of the business travel pitches from the bigger sharing economy providers.

### North America leads the way



- Sharing economy ground transportation already in policy
- Sharing economy accommodation already in policy
- Travel manager well aware of main sharing economy solutions for business

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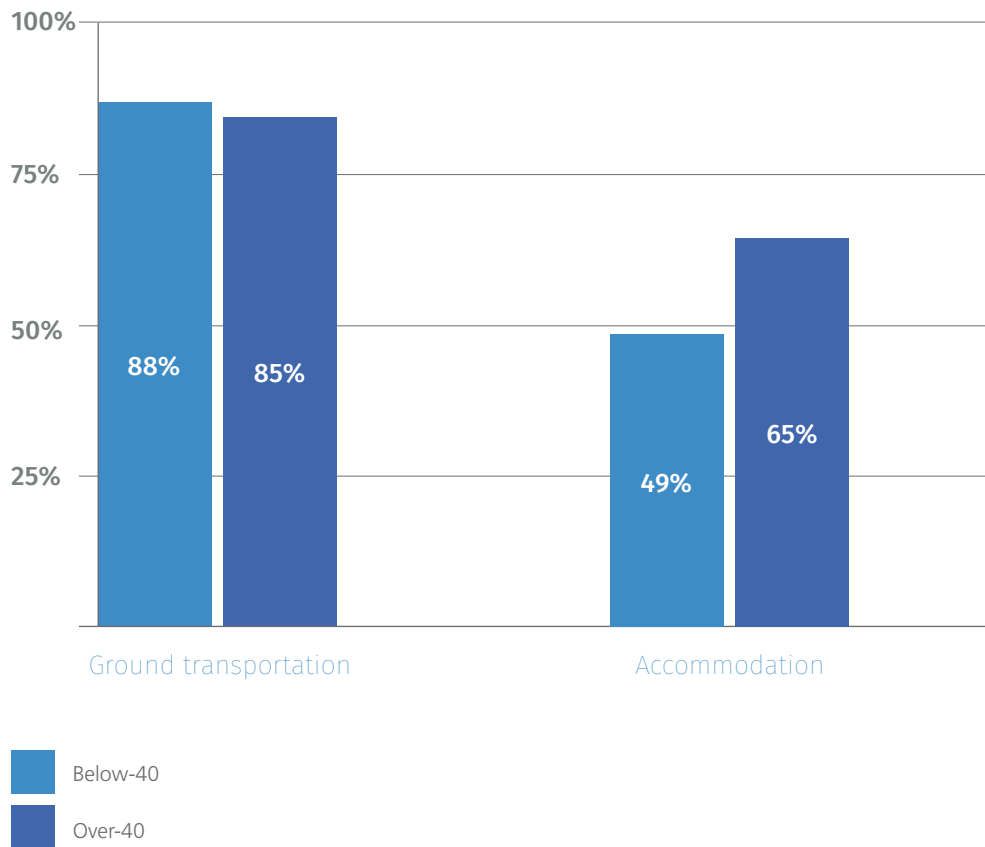
*Travel managers in North America are almost twice as likely to have accommodated the sharing economy than their peers in the rest of the world – and are much better aware of their respective business travel propositions*

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For disruptive ground transportation, the demand and uptake appear to be equally spread across all age groups. The average age of a company's travellers has no real influence on the use of ground transportation services (at 85% for the above 40-years age group, and 88% for the below 40-years age group).

By contrast, the average age of a company's travellers has an influence on the use of sharing economy accommodation services (at 49% for the above 40-years age group, and 65% for the below 40-years age group). This could be part of the millennial effect but the travel management community seems to put it down to traveller age and experience. As a travel manager from a US-based technology company puts it: *"The majority of our people are regular travellers. They just want to check-in, sleep, pick-up their points and go. For them, travel is not an adventure. It's a routine."*

#### Age and traveller views on sharing economy options



# Weighing up the options – and reaching the right conclusions

**There are many things that travel managers say they like about the sharing economy. There are also many things that worry them, and the main providers are addressing many of their concerns.**

What challenges do travel managers face when incorporating these services into their travel policies? And what changes are they looking for?

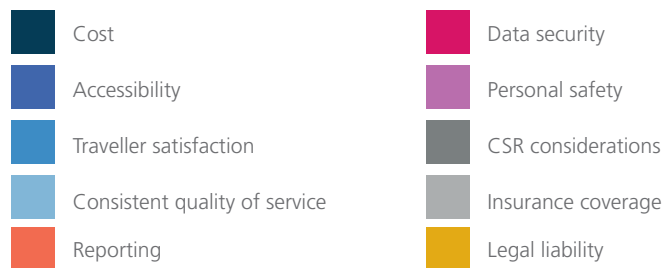
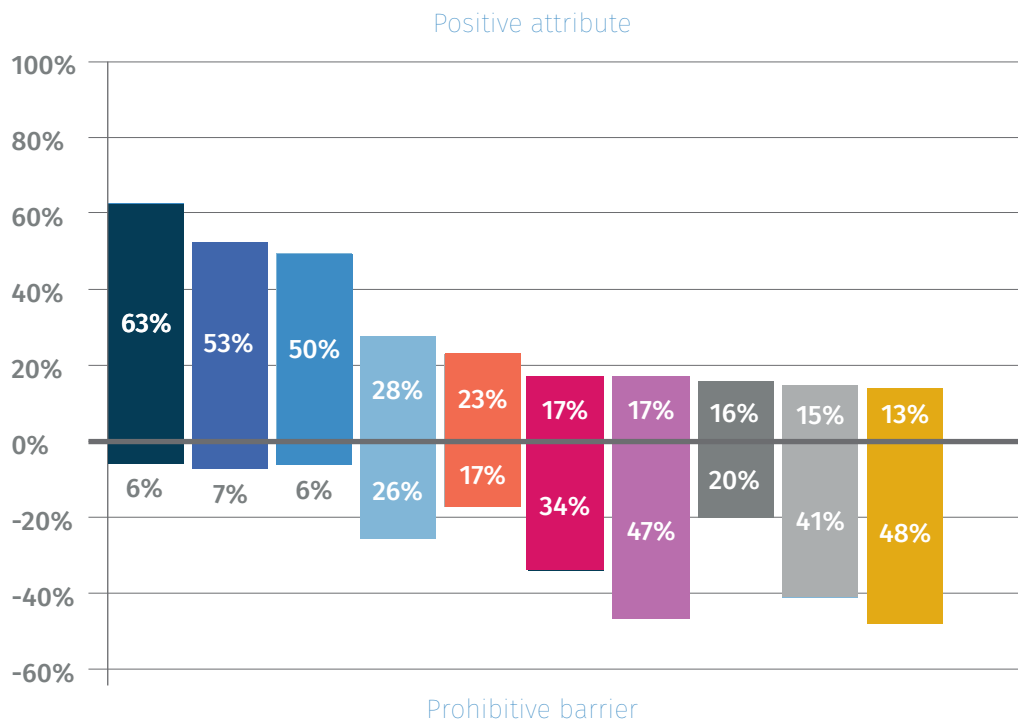
## **Ground transportation – an attitude of acceptance**

Still, there are some enduring concerns about personal safety, data protection and legal liability. Surge pricing – which is not readily expensable – is another factor that attracts comment. However, in our study, cost was the most frequently cited positive attribute (at 63%) of ground transportation sharing economy providers.

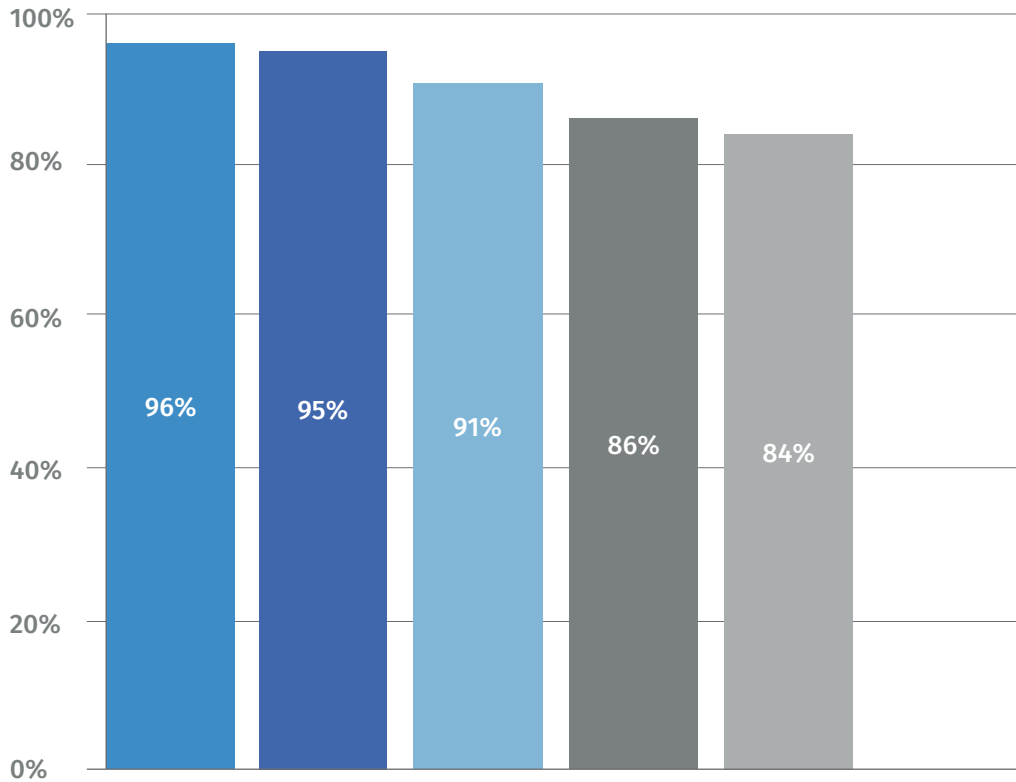
Providers are also highly rated on attributes like convenience and traveller satisfaction, and it seems that, for those travel managers who are more familiar with the services, personal safety can be a positive attribute. As one travel manager at a US-based consulting company puts it: *“Suddenly, everything is trackable. We know who is travelling where. If necessary, the driver can be identified. If someone leaves a bag in a car it can be traced. It gives us a whole new level of visibility and comfort.”*



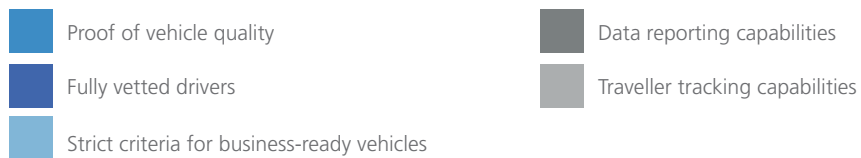
## Ground transportation – issues and considerations voiced by travel managers



## Ground transportation – how the travel managers' concerns could be overcome



Large importance

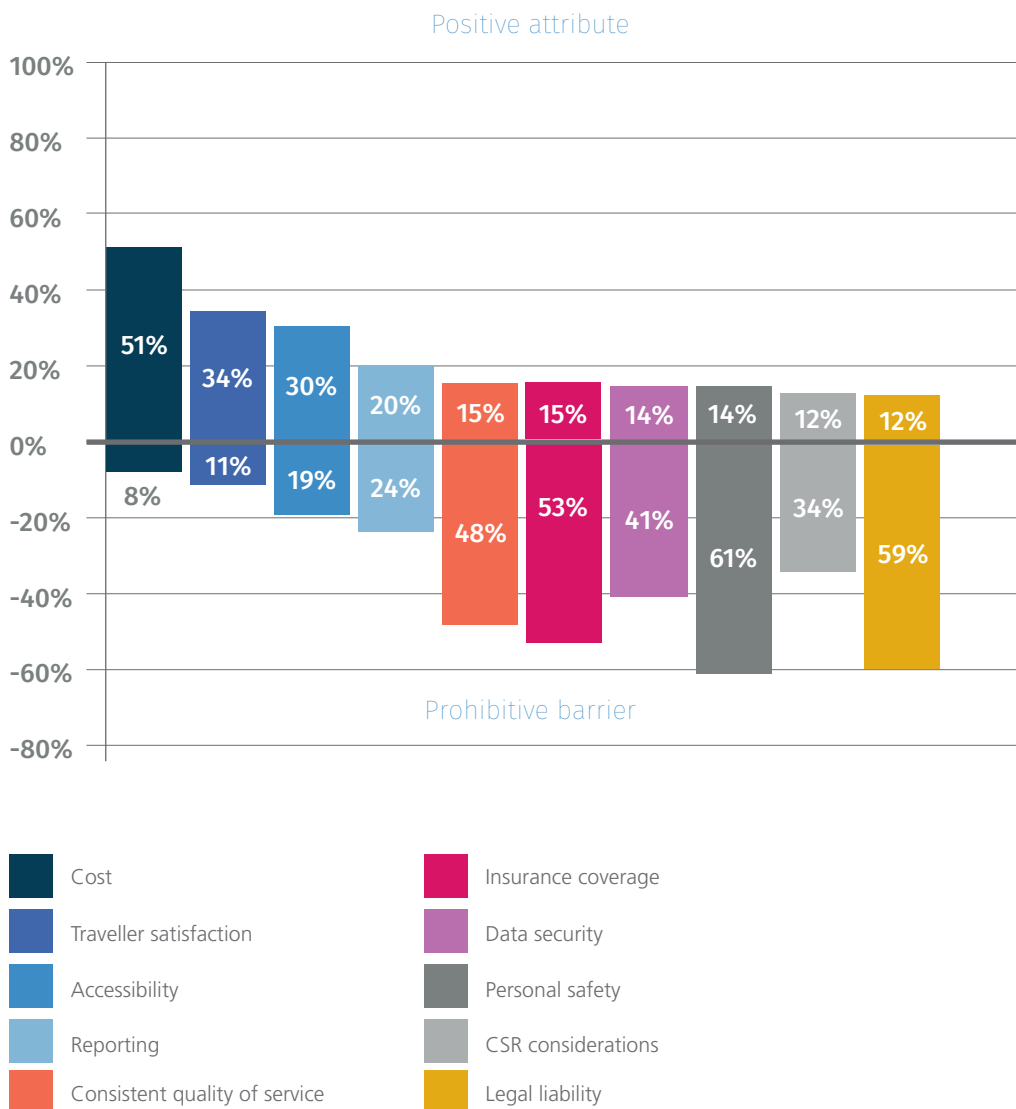


### Accommodation – some deep misgivings

So long as accommodation owners are left to self-certify the quality and safety of their own properties, it appears that many travel managers remain deeply sceptical. Many travel managers stated that they are accustomed to disciplined procurement programs, and their RFPs may ask large suppliers to guarantee every last detail of the service on offer.

Travel managers also often feel more comfortable if their employees have the safety-net of a hotel’s facilities around them. For example, concerns were voiced about the physical security of private accommodation – including the risks, however small they may be, of hidden cameras, strangers with keys and non-secure WiFi networks.

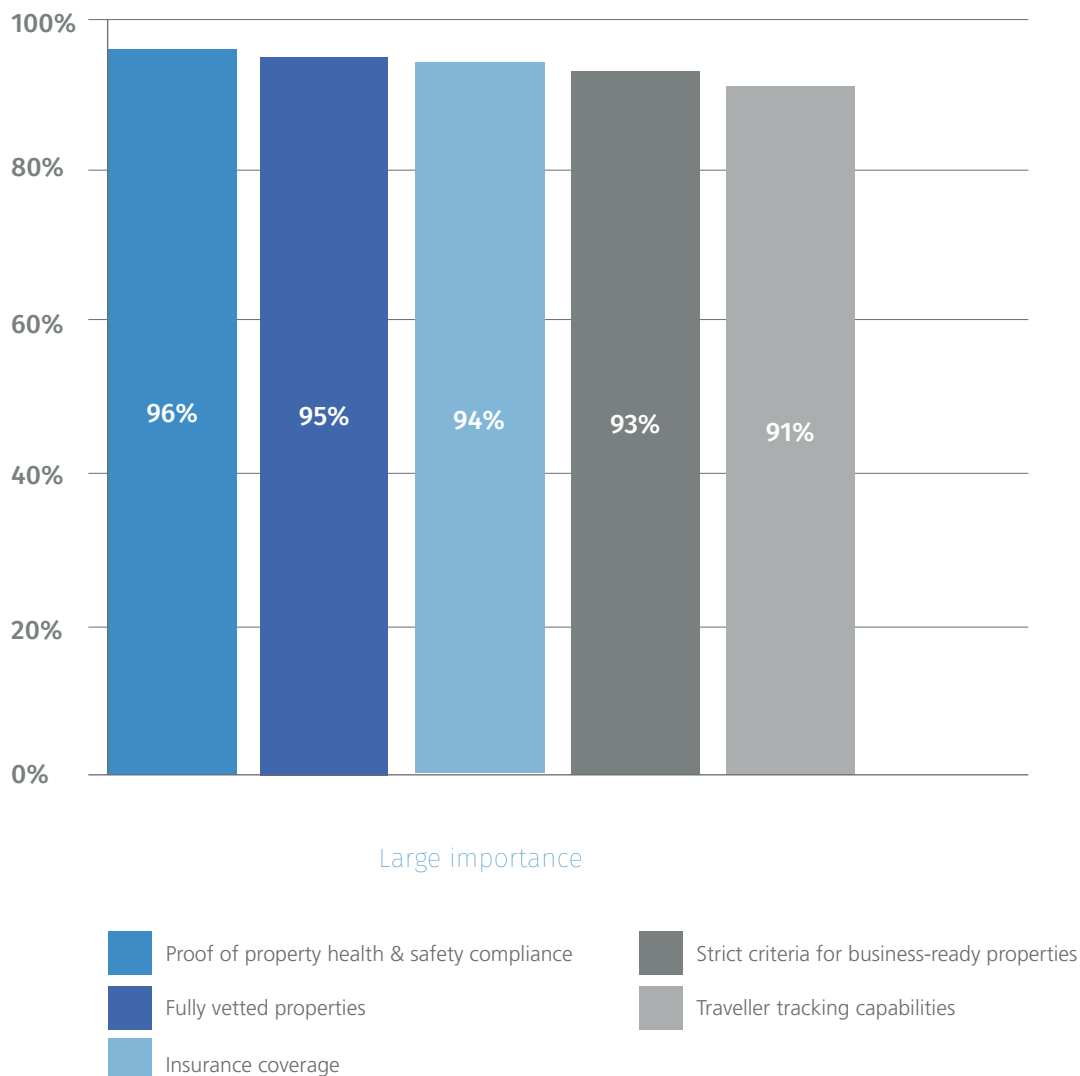
### Accommodation – issues and considerations voiced by travel managers



Although these concerns are common, they are by no means universal. As one travel manager with a global technology company puts it, *“We start from the premise that people will do the right thing, both for themselves and for the company”*. A number of companies make policy provisions. Others give clear guidelines to those employees who want to use the sharing economy.

Once again, cost comes out as a positive attribute, and travel managers offer a clear wish list of additional attributes that would win them over, including independently vetted properties and proof of health and safety compliance.

### Accommodation – how the travel managers’ concerns could be overcome



## The position of the providers

The main sharing economy providers are actively seeking to woo the business travel community. They have all introduced specific solutions and propositions and tend to be highly visible at industry events. As part of our analysis, we looked at the solutions from the main providers. We also quizzed them on the details of their offer, and what they are doing to overcome the main objections.

### Weighing up the position of the ground transportation providers

Although there are many locally based equivalents, along with a number of true car-sharing and car-pooling applications, the two names that dominate the ground transportation sector are Lyft and Uber. Both of them have created sophisticated business travel solutions; both allow travellers to access either business or leisure travel from the same application; and both say they are developing more features and functionality.

- **Lyft**

Operating in the USA and through a number of international partnerships, Lyft has created a specific division, Lyft Mobility Solutions, to develop its enterprise offer.

Naming Airbnb, Hewlett Packard Enterprise and Intuit among its corporate clients, Lyft Mobility Solutions says that its approach is to build custom solutions that meet the unique needs of clients. Specific features of its business travel offer include:

- Business profiles – a way for travellers to separate out their business and leisure rides
- Scheduled rides – a way to book rides up to 24 hours in advance
- Automatic expensing – via integrations with expense management systems like Concur
- Concierge – a dashboard for travel organisers to request rides on behalf of passengers

Amongst its strengths, Lyft promotes its emphasis on safety, its affordability, its data insights, and its ability to work with clients to create custom solutions.

- **Uber**

Probably the best-known name in the entire sharing economy, Uber is active in over 400 cities across over 70 countries.

Uber for Business was first launched in 2014, and names Goldman Sachs, Salesforce and Tripadvisor among its clients. It emphasises the fact that, since many employees are likely to be using Uber in any case, it makes sense to integrate its solutions within travel policies.

Specific features of its business travel offer include:

- Policy compliance – a way to ensure that only trips which follow policy are charged to a company account
- Account automation – seamless integration of an Uber for Business account with a company's existing employee and expense management systems

Uber emphasises its leadership position, its safety standards, its affordability, and the way that it helps companies to set policies, ensure compliance and simplify travel management.

- **Addressing the concerns of travel managers**

Both companies are adamant that their biggest perceived weakness – traveller safety – is in fact their greatest strength.

They emphasise the way that they screen drivers, check cars, and provide ample insurance coverage. This, they say, often goes further than the equivalent measures from more conventional ground transportation companies.

Then, of course, there is the level of visibility and real-time reporting that comes as part of the proposition. This digital protection includes two-way ratings (to quickly identify and weed-out rogue drivers), driver and vehicle information (so that passengers know they are getting into the right car), GPS tracking (to deliver real-time route visibility), route sharing features (enabling passengers to tell colleagues when they will arrive), ride history details (so that all drivers and all journeys leave a full audit trail, and belongings left in cars can be traced). Also, with an on-demand service and quick pick-up times, both companies would suggest that employees are never left wandering the streets trying to hail a cab.

### **Weighing up the position of the accommodation providers**

Although there are some locally-based equivalents, along with a few niche providers targeting specific segments (such as upmarket apartments), the name that dominates the global sector is Airbnb – and it too has created a business travel solution.

- **Airbnb**

In 2015, it formally launched its Airbnb for Business solution and announced that more than 1,000 companies from 35 countries had signed-up – including the likes of Google, Salesforce and Soundcloud.

Airbnb for Business comprises a global listing of business-ready properties that meet certain criteria, such as:

- Highly rated properties – including 5 stars for at least 60% of reviews, an entire home, with no smoking and no pets
- Business facilities – including WiFi, a laptop-friendly workspace and smoke and CO2 detectors
- 24 hour check-in – including via key-less entry, doorman or lockbox



Meanwhile, for travel managers, the solution has the option for centralised billing, along with a dashboard giving access to several administration and management tools:

- Activity – to see details of current and forthcoming employee trips
- Reporting – to view and export details of spending, trip nights, destinations and so on
- People – to view and manage employee accounts
- Settings – to edit company information, update payment details, and so on

Airbnb emphasises the convenience of its locations, the comfort of its properties, and its value and affordability.

- **Addressing the concerns of travel managers**

Airbnb is keen to emphasise that its business travel solution was created in direct response to requests from corporate users. The company then worked collaboratively with its clients, primarily Salesforce and Facebook, to design and develop Airbnb for Business.

With regards to those duty of care issues, the company seem very much alive to the concerns, and feel they have been largely addressed. The Airbnb platform incorporates a range of checks and balances that, Airbnb says, should compel both hosts and travellers to behave with integrity – building mutual trust between them.

So, for example, Airbnb advises that the identities of hosts and travellers alike are thoroughly checked. Airbnb also suggests that the ratings and reviews of properties and travellers enable the system to be self-policing. There are clear disincentives for hosts to misrepresent the quality of their properties. The platform puts a big emphasis on safety and responsible hosting. If things do go wrong, additional protections come into play – such as 24x7 support and liability insurance.

Also, to help hosts meet the criteria for business-ready properties, Airbnb says it offers free smoke alarms and CO2 detectors, on request, to hosts. It is also investigating keyless entry systems to enable convenient, 24-hour check-in. As for the future, Airbnb says it is actively working with other members of the business travel ecosystem, particularly travel management companies, but also expense management systems and emergency assistance providers.

A clear message from Airbnb to travel managers is for more of them to get personal experience of the service. Without actually setting up a profile and going through the booking process, it can be difficult to appreciate how those checks and balances actually work.

## **Disruptors and data**

It is important to recognise the importance of data delivery within the disruptor offerings for business. Traditionally data has been provided directly by travel management companies (TMCs) to a travel buyer as part of their value added services or to a card scheme for integration.

Where the transaction is made directly with a provider, there is still a requirement to capture and import this data into the corporate expense and enterprise resource planning (ERP) platforms; to date this has been a manual, time-consuming process. To deal with this, disruptors are developing application programming interfaces (APIs) and capabilities to provide businesses with real time access to this data in their end systems.

Card schemes are involved in provisioning new, meaningful sources of data to support disruptors and the areas of largest growth in market with leading players like Airbnb, Lyft and Uber. This process can enable a seamless business traveller experience regardless of provider.

**Is the message just not getting through? Or are the concerns more fundamental?**

Clearly, the judgement as to whether the providers have successfully overcome the objections varies from company to company. This generally depends, not just on the opinion of individual travel managers, but also on the considered conclusions of security, legal, human resources and CSR teams. Factors may include a company's attitude to duty of care, whether it uses a travel management company, and the nature of its existing travel policy – for example, those companies with an “open booking” approach are likely to be more accommodating.

There is also a sense of some cultural tensions emerging.

Travel managers in technology companies seem to have a strong sense of affinity with the providers. For example, one travel manager at a US-based technology company said: *“They have done a very good job of coming to their customers, listening to us, finding out what we need, and building out their products accordingly.”*

Those in other types of companies took a very different view. For example, a travel manager at a US-based consumer goods company said, *“Your employees are already using us, isn't a sales strategy in my opinion,”* while a travel manager at a US-based financial services business said, *“Until we can negotiate on cost, or at least get some certainty on cost, we're not interested.”*

# The state of play among corporate travel buyers

## Across the world, travel managers are moving quickly to reach a position on the sharing economy options.

When speaking to travel managers about the sharing economy, what is most striking is the speed of change. In this survey, conducted in April and May 2016, ACTE repeated some of the questions that had been asked to the same audience in an earlier study in August 2015<sup>8</sup>. For ground transportation, the global corporate travel community appears to be moving ahead en masse:

- The proportion of companies to have already implemented travel policy changes has doubled – to 26%
- The proportion of companies who say this is not on their agenda has tumbled by more than a half – to just 14%
- The proportion of companies that are actively reviewing their options has leapt by a third – to 61%

Also, those companies who have incorporated ground transportation providers within their travel policies say the take-up has been dramatic. As one early-adopting travel manager from a US-based consulting company says: *“Our spend with Uber has gone from next to nothing to several million dollars within just 18 months.”*

For accommodation, the changes are more muted but nonetheless significant. Within the year, the proportion of companies to have implemented travel policy changes remained relatively constant, at 9%. However, those who said it was not on their agenda had fallen from 56% to 40%.

### A live issue, but not a burning platform

However, it is important to keep things in proportion. This may be a live issue for many, but as yet it tends not to be regarded as a deep or urgent concern. For example, the use of sharing economy services tends to be heavily concentrated in the big metropolitan centres of the USA and Western Europe.

Some companies that had incorporated accommodation providers in their travel policy said that this still accounted for a small proportion of spending. One such travel manager said it was less than 1% of total spend and another, who actively endorsed Airbnb as their preferred supplier, expected it to remain below 20% of total spend.

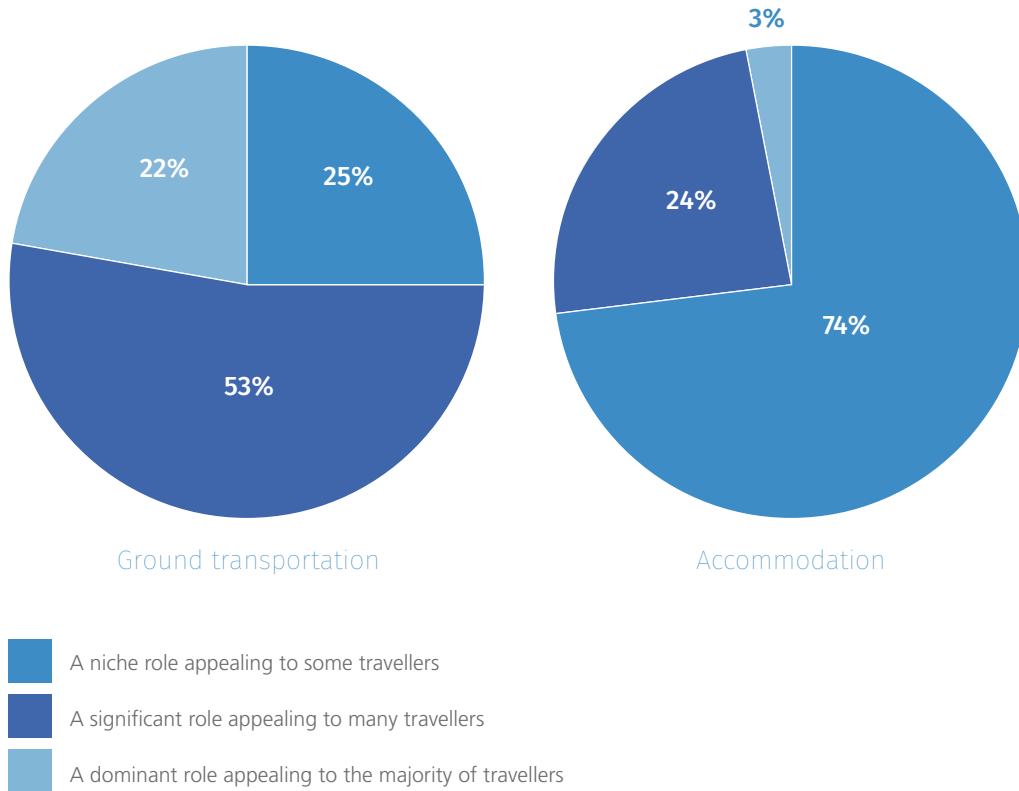
### Looking twelve months into the future

When travel managers are asked to make 12-month predictions for the future significance of the sharing economy providers, big differences between the two sub-sectors emerge once again. Three quarters of travel managers expect that ground transportation providers will play a significant or even a dominant role in business travel. Exactly the same proportion expects accommodation providers to play only a niche role.

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<sup>8</sup>The Evolution of Travel Policy: A Global View on the Future, ACTE, 2015.

**Significance of the sharing economy providers to the business travel industry over the next 12 months**

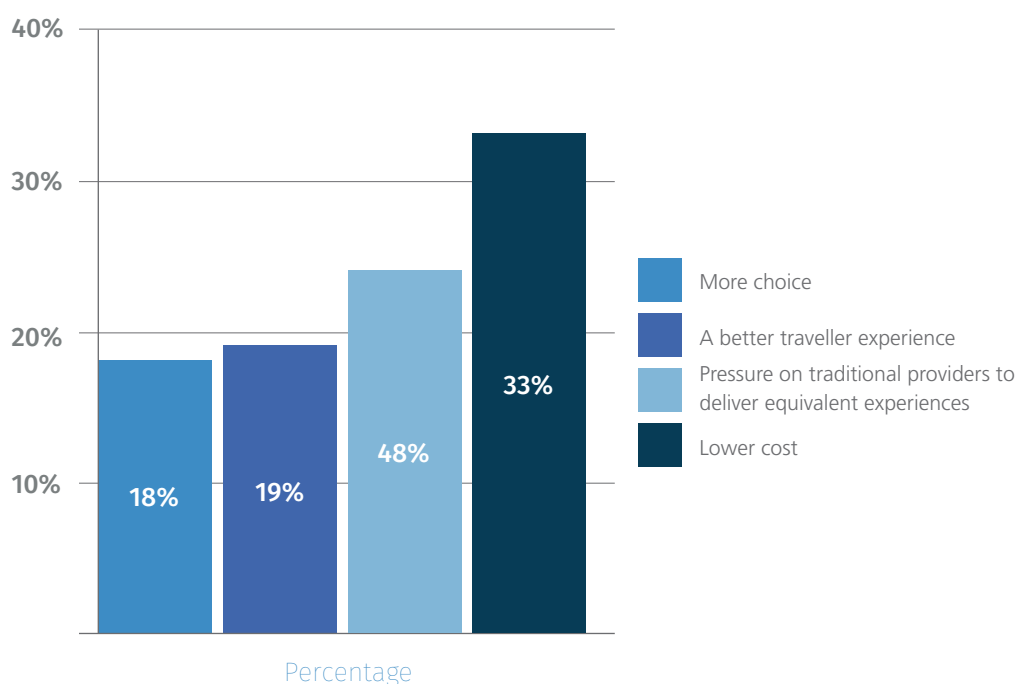


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*In general, travel managers believe the sharing economy is here to stay – and has a positive contribution to make – if only by forcing the incumbents to up their game*

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## What is the most positive contribution of the sharing economy for the business travel scene?



There was also a clear feeling that the success of the sharing economy is encouraging the wider industry to innovate. As one travel manager from a US-based consulting company says: *“Competitive pressure is a good thing. It forces traditional providers to up their game, and it challenges travel management companies to re-evaluate their role.”*

### Many travel managers lack sharing economy experience

It is perhaps worth noting that a large proportion of travel managers have no direct experience of ever using sharing economy services for either business or personal travel. For example, 40% had never even used a ground transportation service, and more than two thirds (67%) had never used an accommodation service. Also, there was relatively limited awareness of the business travel solutions now being promoted by the main providers. Globally, 41% of travel managers said they were only slightly aware of these propositions, and 5% said they were not at all aware.

Given that so many travel managers have limited direct experience of the sharing economy, the level of understanding is probably not that high – and this manifests itself through an extreme diversity of opinion.

# Four ways to move from passive responses to active decisions

**If your company is like most others, it is probably overlooking or ignoring the use of the sharing economy. We offer four recommendations.**

Most of the travel managers we spoke to would probably characterise their existing position on the sharing economy as a passive response to employee demand. Many would probably go on to say they are very uncomfortable with this state of affairs – just overwhelmed by so many other priorities.

But, the fact is, this issue is not going to go away. If the consumerisation of business travel picks up further momentum, travel managers may need to re-think their policies if they want their related spending to be compliant.

Clearly there are some enduring concerns around sharing economy providers. But, to what extent are these real? To what extent are they perceived? To what extent do they in fact exist with traditional providers? And to what extent can they be overcome?

Based on the survey results and our discussions with some of the world's most sophisticated travel managers, we offer four recommendations:

## **1. Find out what's happening – and how deep in you already are**

The first priority is to take a good look at your employees' existing behaviour – and understand the extent to which your company is already using the sharing economy.

Your corporate card programme, expense management reports and accounts payable files are likely to be among your best sources of intelligence. So scrutinise your spending, develop tailored reports, and track the trajectory.

Armed with this data, you should be able to draw some initial conclusions – for example, whether the use of the sharing economy is linked to certain demographics, departments or destinations, as well as the extent to which it is already being used within your organisation.

Also, make price comparisons. This is likely to vary widely from company to company and destination to destination. And you should remember to factor in the total cost of travel (to include ancillaries like meals, transfers, parking and even the time spent on bookings).

## **2. Understand what appeals – and why**

The next step is to find out why people are using the sharing economy – rather than following the detail of your existing travel policy or sticking with your preferred suppliers.

You can do this informally and selectively, by talking to a wide enough group of diverse people. Or you can do it more formally and inclusively via an online questionnaire.



The important thing is not to jump to any conclusions, but to find out the real reasons. For example, is there a problem with your existing provisions? Is it because of lack of availability? Is it tied up with a particular destination? Is it simply because the experience is more convenient?

Armed with this data, you can identify those needs that your existing policy needs to meet, and begin to develop new strategies accordingly.

### **3. Raise it as an issue – and share the responsibility**

This is one decision that you shouldn't be taking in isolation.

Those travel managers we surveyed who were in the process of reviewing their policy emphasised that they were involving colleagues from right across the organisation – including human resources, legal, risk, finance, PR and security.

Again, the issues and considerations are wide-ranging. The conclusions that you jointly reach may be as much about your ethos as a corporation as your duty of care.

Also, if safety and duty of care are a concern, you could think about whether your existing policies truly address them (for example, some supporters of the sharing economy cite the frequency of crime in hotels). Some companies talked of using additional precautions like security applications, partnerships with international assistance providers and mandatory training for all employees.

### **4. Don't ignore it – make a stand and make it known**

The important thing is to reach a decision – even if it's only an interim decision – and ensure your organisation does not turn a blind eye.

All too often, travel managers know that employees are using sharing economy providers. They know that travel policy is being contravened or undermined. They have no guidelines in place. Yet they choose to say nothing and continue to reimburse expenses. If compliance, security and duty of care are your priorities, then this tacit approval, which offers no guidance to anyone, is perhaps the worst possible course open to you.

Many travel managers say that, in lieu of a complete policy review, they have reached a stopgap position, by drawing up and publicising a series of interim guidelines. For example, some have introduced some specific prohibitions, whereas others have passed the responsibility to employees to select what they believe to be the safest and most cost-effective solutions available.

Whatever position you take on the sharing economy, you will be in good company. Through our study, we encountered the full spectrum of responses – from outright prohibition, to enlightened tolerance, to unequivocal advocacy. The important thing to do is to reach a position (even an interim position) then make it known.

# For more information

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### About Citi®

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