THE DEVELOPMENT OF A CONCEPTUAL MODEL FOR THE EFFECTIVE MANAGEMENT OF CORPORATE TRAVEL

by

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ABSTRACT

Corporate travel is that segment of the business travel market that can be described as travel undertaken by the employee of a particular organisation that has a substantial travel volume and where travel arrangements are generally consolidated into a centralized function.

The management of the corporate travel function is ideally the responsibility of the corporate travel manager. The corporate travel management programme cannot be successful without the support of the senior management of the organisation, the corporate travellers, the travel management company (TMC) and various suppliers. Each of these stakeholders (management, travellers, the corporate travel management companies and the suppliers) has certain motivations and aims and uses certain processes to manage corporate travel. These do not always coincide and this can lead to so-called value conflicts. When these value conflicts occur between the role players, the effectiveness of the corporate travel programme may be negatively influenced.

The overall purpose of the research study was to identify these value conflicts and propose a model, which incorporates a common goal. The common goal that all the role players should strive towards is the achievement of an effective corporate travel management programme that satisfies the needs of all the stakeholders involved in the process. To this end, specific research objectives were identified and included:

- The identification of the role players in the corporate travel management programme.
- The identification of the values and objectives of each party in the corporate travel management process.
- The identification of the value conflicts that exist between the respective parties involved in the corporate travel management process.
- The assessment of whether organisations in South Africa manage their corporate travel programmes effectively.
- The development of a conceptual model for the effective management of corporate travel.

A literature review as well as empirical research was conducted to achieve these objectives.

The literature review provided a demarcation of the broad concepts of business travel, corporate travel and components of the corporate travel management programme such as the travel policy, travel data, the travel expenditure procedure and the travel management process. Also discussed in the literature review were the roles of management and corporate travellers, the travel management company (TMC) and the suppliers. The literature review also identified the nature of the relationships between the stakeholders in the management process. Furthermore the actions required by stakeholders to ensure an effective management process were drawn from the study of the literature on the subject and discussed.

Finally, an appropriate model that could depict the components and process of effective corporate travel management were sought. The so-called 'Soft Value Management Model' was selected and conceptualised in terms of corporate travel management.

The empirical research was conducted as a formal, descriptive and explanatory study and based on the conceptual model for the effective management of corporate travel. In applying this model it was first necessary to describe the needs and values of the role players involved in the corporate travel market within South Africa, as it existed, without manipulation or control of any elements involved under the study.

The four stakeholders namely management, corporate travellers, TMCs and suppliers made up the target populations of the study. Management were represented by the individuals concerned with managing the corporate travel function of organisations in South Africa while corporate travellers were defined as all employees of a specific organisation within South Africa. TMCs were selected travel companies specialising in corporate travel, and suppliers included airlines, hotels and car rental companies. Due to the nature of the databases available, non-probability sampling methods, namely convenience and purposive sampling, were used in this study. The researcher used quantitative as well as qualitative methods to gather data. Quantitative methods used to collect data from corporate travellers and organisations included self-administered, structured questionnaires with no field workers, while in depth interviews and partially

unstructured questionnaires, a qualitative method; was used to collect data from TMCs and suppliers.

Quantitative data analysis primarily included the use of descriptive statistics and non-parametric tests, while qualitative data analysis involved content analysis through coding and categorisation to assess the needs, values and opinions of role players within the corporate travel market.

A limitation of the study within which data analysis occurred was the low response rate. However, this study shows a number of significant results and provides a valuable contribution to the corporate travel literature.

This study shows that the role players within the corporate travel market all have their own specific needs and opinions about technology, revenue agreements, and what constitutes an effective travel management programme to name but a few. Furthermore, the results show that value conflicts exist between corporations, corporate travellers, TMCs and suppliers. The results should enable role players to identify these value conflicts and by applying the process in the model, goal achievement could be ensured. The implementation of the proposed model could ultimately lead to a more successful, effective travel management programme to the equal benefit of all involved.

Keywords: Business travel, corporate travel, corporate travellers, travel management company, suppliers, corporate travel management, value conflicts, survey, South Africa

TABLE OF CONTENTS

CHAPTER 3: METHODOLOGY

CHAPTER 4: FINDINGS

CHAPTER 5: LIMITATIONS, CONCLUSIONS AND RECOMMENDATIONS

LIST OF FIGURES

LIST OF TABLES

APPENDICES

THE DEVELOPMENT OF A CONCEPTUAL MODEL FOR THE EFFECTIVE MANAGEMENT OF CORPORATE TRAVEL

CHAPTER 1: PROBLEM STATEMENT AND RESEARCH OBJECTIVES

1.1   INTRODUCTION

Business travel involves professionals travelling to a destination for business purposes. It covers those who travel in order to attend to business matters in countries or areas other than the physical location of their organisation. According to Davidson and Cope (2003) business travel comprises all trips whose purpose is linked with the traveller's employment or business interests. These trips may be necessary in order to enable the actual work to be carried out; enable the employee to learn how to do his / her job more effectively; or given by the employer as a reward for a job well done.

Those travelling for business purposes need a range of services including accommodation, from hotels and guesthouses to bed-and-breakfasts; transport such as taxis, rented cars and airlines to transport business travellers to their destinations and back; and other services such as restaurants and bars which often depend for their economic survival upon their business clientele's expense accounts (Davidson & Cope, 2003).

Business travel can be divided into two segments: the first segment is individual business travel normally undertaken by employees of small and medium business enterprises with a relatively small travel budget and the second segment can be termed corporate travel which is generally undertaken by employees of organisations with a substantial travel budget requiring management and control (Lubbe, 2000).

Approximately 40 % of the total travel market in South Africa can be classified as corporate or business related (Palapies, 2001). According to the 2003 Annual South African Tourism Report, 34 % of tourism arrivals into South Africa were business related.

Furthermore, South Africans made 3,066532 business trips in their own country (SATourism, 2004).

Travel is a company's second largest expenditure (Ravenall, 2000) and corporate travel spending for large organisations in South Africa can range between R5 million and R300 million per annum (Lubbe, 2003). An organisation that has such a substantial travel budget needs to manage its travel expenditure in order to achieve all the possible benefits, most important of which is cost savings.

The high cost of business travel today is forcing organisations to find new ways to reduce travel expenses. One popular method to reduce expenses is to decrease the amount of travel. This may reduce expenses but often will have a negative impact on a company's ability to service, sell or maintain a presence with their customer base. Therefore, this becomes a self-defeating initiative (Egan, 2002). The solution is proper planning and management of the travel programme.

The company depends heavily on numerous interactive relationships in facing the issues and achieving the goals of an effective corporate travel management programme. These include relationships between the travellers, top management, travel suppliers and the travel management companies. Travellers are expected to comply with travel policies generally set by management and top management must support the goals of the travel management programme for it to be effective. The travel supplier and travel management company need to understand the issues that face the corporate client so that they can maintain their position as an integral partner in the travel management process (Lubbe, 2003).

Management is thus faced with the dilemma of aligning conflicting values and goals of the various role players in corporate travel management in order to implement and maintain an effective programme.

In 2002, Lubbe conducted research on corporate travel management in South African organisations, and identified the need for further investigation into this aspect. She also conceptualised a management model for the effective management of corporate travel and stated the need for it to be tested.

This research study aims to expand on the research conducted by Lubbe (2003) by analysing the components of a generic corporate travel management programme and identifying the values and objectives of each party in the corporate travel management process. The study also aims to determine the value conflicts that exist between the respective parties involved in the corporate travel management process and to determine whether organisations in South Africa manage their corporate travel programmes effectively. Furthermore, the study intends to further develop the model for the effective management of corporate travel.

1.2   PROBLEM STATEMENT

Corporate travel management is an extremely complicated process. According to Campbell (2004), travel management operations are a cyclical process involving the following main steps:

1. Trip planning and authorisation.
2. Making reservations.
3. Optimising reservations in fulfilment through quality control and fare checking.
4. Pre-trip travel management or using information from bookings to identify potential savings opportunities and policy compliance.
5. Document distribution: electronic tickets / receipts versus delivery of paper tickets and travel itineraries.
6. Taking the trip.
7. Post-trip management information reporting to the travel office and to senior management.
8. Expense reporting and reimbursement.
9. Internal expense accounting, reconciliation and auditing.

A number of role players are involved in the steps mentioned above. These role players include: The organisation as represented by management, the corporate travellers, the travel management company and the travel suppliers. Each of these players has different needs that they want to satisfy and goals for becoming involved in the corporate travel management process. For example, management wants to lower the cost of corporate

travel by enforcing compliance of the company travel policy. It wants flexibility in its travel arrangements and loyalty from TMCs and suppliers. The corporate travellers on the other hand want comfort and flexibility. They expect preferential treatment from TMCs and suppliers. Suppliers expect high revenues (with no distribution costs) and low flexibility, while TMCs would like a consistent flow of business.

A problem exists when the goals of one player do not coincide with the goals of another player, because it can result in value and goal conflicts. When this problem exists, corporate travel cannot be managed effectively.

The main purpose of this study is therefore, to analyse the roles of the four main role players in achieving a successful corporate travel programme, and ultimately to further develop the model for the effective management of corporate travel.

1.3 RESEARCH OBJECTIVES

In the development of the model for the effective management of corporate travel, the following objectives must be achieved:

- To identify the role players involved the corporate travel management programme.
- To identify the values and objectives of each party in the corporate travel management process.
- To identify the value conflicts that exist between the respective parties involved in the corporate travel management process.
- To determine whether organisations in South Africa manage their corporate travel programmes effectively.
- To develop the model for the effective management of corporate travel.

In order to achieve these objectives a literature review and empirical research will be conducted.

1.4 THE RESEARCH DESIGN

The literature review will provide a relevant discussion on corporate travel management and the selection of the so-called soft value management model initially developed for application in the engineering field by Lui and Leung (2002). The literature review will establish a theoretical framework against which the empirical research can be done. The empirical research will follow both a qualitative and a quantitative approach. This is necessary for collecting data from each of the role players in the corporate travel management programme.

The type of information (such as the number of corporate travel managers reporting to the finance department or the percentage of non-compliance with the travel policy) required from the organisation and its corporate travellers can only be obtained using quantitative research techniques, such as questionnaires measuring nominal, ordinal, ratio and interval data.

On the other hand, the type of information required from the TMCs and the suppliers can only be obtained using qualitative research techniques. While measuring the needs and demands of TMCs and suppliers it is not the number of responses that matters but rather the detail and richness of the responses. By using qualitative techniques the researcher will not just investigate the actions of the TMCs and suppliers but also try to find out how the respondents represent their feelings and thoughts in these actions. Consequently, qualitative techniques are better implemented under certain conditions such as where the richness of information is important. Another factor that leads to the using of qualitative research techniques is that there are only a limited number of suppliers and travel agents involved in the corporate travel market. It is impossible to measure frequencies and other quantitative data with a small number of responses.

Therefore, in order to solve the research problem satisfactorily it is not only necessary to quantify some of the responses but also to have an in-depth look into the corporate travel market.

1.5   LAYOUT OF THE STUDY

This research script will commence with a discussion of the problem statement, explaining the management dilemma and the importance of resolving this dilemma. Next, the research objectives will be stated, followed by the literature review. The literature review will cover business travel, corporate travel and the origin and applicability of the soft value management model, which is used as the basis for the corporate travel management model. Also to be discussed in the literature review are the roles of the company (management) and corporate travellers, the travel management company (TMC) and the suppliers. Furthermore, the literature review will discuss the relationships between the players involved in the management process and explain the actions to be taken to make the management process more effective.

The methodology that was used in conducting the research will then be explained, this includes the research design, the sampling approach, the data collection methods, and the data analysis approach. The script will subsequently focus on the findings of the research, after which the limitations of the study will be highlighted. Recommendations on managerial action and future research will conclude this script.

The literature review will be conducted in chapter 2. As mentioned in the previous paragraphs, the literature review will provide a demarcation of the broad concepts of business travel, corporate travel and the components of the corporate travel management programme as well as the relationships that exist between the respective stakeholders.

CHAPTER 2: LITERATURE REVIEW

2.1   INTRODUCTION

Business travel is an important part of the tourism industry. Tourism can be defined as people taking trips away from home, and it embraces the entire range of transportation, lodging, food service, and other activities related to and serving the traveller. The officially accepted World Tourism Organisation (WTO) definition is: Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes (McIntosh, Goeldner & Ritchie, 1995:15).

According to McIntosh et al. (1995) travel is the action and activities of people taking trips to a place or places outside their home communities for any purpose except daily commuting to and from work. For the purpose of this research study the terms tourism and travel will be synonymous.

It is evident that people travel for different purposes. McIntosh et al. (1995) classify the primary purposes for travelling into four categories: Pleasure, visiting friends and relatives, other personal business, and business. Lubbe (2000) argues that tourists travel for two primary reasons: recreation and business. The focus of this study will be on travelling for business purposes.

2.2   BUSINESS TRAVEL

Business travel covers those who travel in order to attend to business matters in countries or areas other than the physical location of their organisation. The primary purpose of the business trip is usually to (1) make a sales call to a customer, (2) attend a company meeting, (3) attend a trade association meeting or convention, or (4) meet with other people inside or outside of the company (McCleary, Weaver & Hutchinson, 1993). In addition, Lubbe (2000) identified two secondary motivations for business travel. The first can be regarded as social or interpersonal motivators, which include the desire to meet

7

new people, forge new associations or strengthen existing relationships. The second can be regarded as status or prestige motivators, which include the desire for recognition, attention, appreciation, knowledge and a good reputation.

The International Trade Centre estimates that business travel accounts for approximately nine percent of all international travel (Intracen, N.d). As already mentioned in the introduction, approximately 40 % of the total travel market in South Africa is business related (Palapies, 2001) and according to Lubbe (2000) this market can be divided into two segments. In the first segment are individual business travellers that travel on behalf of their company, which may be small to medium sized with no specific travel department or corporate travel policy. The second segment can be termed corporate travellers who also travel on behalf of their company, which is generally a large corporation with a large travel account, has a separate travel department or function as well as an established corporate travel policy (Lubbe, 2000). It can be said that all corporate travel can be regarded as business travel, but not all business travel can be regarded as corporate travel. The emphasis of this study will be on corporate travel and the management thereof.

2.3   CORPORATE TRAVEL

Corporate travel is that segment of the business travel market that can be described as travel undertaken by the employees of a particular organisation that has a substantial travel volume and where travel arrangements are generally consolidated into a centralised function (Lubbe, 2003). An organisation or corporation that has a substantial travel budget needs to manage its travel expenditure in order to achieve all the possible benefits, such as cost savings and service improvement (Lubbe, 2000).

The travel industry is experiencing tremendous volatility, weathering challenges such as global terrorism, bankrupt airlines and political strife among nations. And yet, as economies become increasingly mobile and globally oriented, travel and travel management remain extremely important in conducting and expanding business (Ellenby, 2004).

Corporate travel used to be much simpler to manage, but because of the myriad changes taking place in the industry it has become a complex task in recent years. Change is a constant in the corporate travel industry. Recently, the pace of change, and its depth has quickened, and the corporate travel industry has seen dramatic shifts (NBTA, 2002).

2.4   THE HISTORY OF CORPORATE TRAVEL MANAGEMENT

In 1952 the first regional jet passenger service was introduced in Europe followed closely by transatlantic services in 1960. Airline routes and prices were government-regulated, effectively minimising customer choice and neutralising supplier competition. During this time, travel agents became key intermediaries between the suppliers and the travelling public. Reservation fulfilment was a paper-intensive, time-consuming, manual process, with supplier-specific inventories accessed via the telephone. Agents quickly became service and information experts for the customer and a critical distribution channel for suppliers. The agency commission structure was introduced as the primary form of agent compensation. The advent of a new industry and promising business opportunities prompted hundreds of travel agencies to open their doors (Tevalue, N.d.).

Up until the mid 1960's, corporate travel management was a relatively unknown discipline. The majority of corporations had no formal management function or structure to address business travel expenditures. Travel policies were limited in scope or existence. Business travellers purchased from a variety of sources, paying a range of prices. Corporations had limited access to information that would allow them to measure, leverage or manage their travel expenses (Tevalue, N.d.).

In 1965, GE Aircraft Engines became one of the first divisions of a large corporation to centralise the management and purchase of corporate travel when they awarded their business to Rosenbluth International. Other corporations were in the process of developing, or following GE's example. A central point of contact (the travel manager) was assigned to oversee agency and supplier relations. The idea of implementing financial controls through travel policies grew in popularity. Large corporations began to negotiate for a share of the commissions suppliers provided to agencies. The more volume the functional specialist (the travel manager) brought to an agency, the larger the amount of

commission they expected. The cost of doing business was not an integral part of negotiations, and customer and supplier input was minimal (Tevalue, N.d.).

Corporate travel departments functioned autonomously from the rest of the company and often relied on different technologies unique to travel. These departments excelled by driving service performance and increasing the use of preferred suppliers and the consolidation of company wide data. They were motivated to use preferred suppliers through upfront and backend incentives that optimised supplier yields and share movement. As a result, corporate travel became a revenue (vs. cost) centre in some corporations.

Inventory was primarily accessed by travel agents through a single source of data called the CRS (Computer Reservation System), now referred to as the GDS (Global Distribution System). While CRS competition existed, their airline ownership governed which CRS dominated which market. While inherently time consuming to use and cost intensive to operate, the CRS enabled a communication and inventory exchange between local, national and worldwide suppliers and travel agencies. The archaic language and code structure of CRSs forced channel players to rely on them for product enhancements (Phocuswright, 2002).

To the business traveller, consistency and availability of service was a key part of the travel value equation during this time. Airlines created value through the routes and destinations they served. They, in turn, valued travel agents for their influential role in the reservation process. An agent incentive, or "override" system emerged as a key supplier strategy to increase market share with agencies servicing both corporate and leisure customers (Tevalue, N.d.).

While technology improved corporate travel processes, United States (US) Government action changed the face of travel industry competition. In 1978, the Civil Aeronautics Board, led by Alfred Kahn, authored the proposal to lift US Government regulated controls on airline pricing and routes. For the first time in airline history, competition became part of the supplier landscape. New, low-priced airlines entered the marketplace. In response, major national airlines drastically lowered airfares as a way to thwart loss of market share (Tevalue, N.d.).

 As corporate travel increased, both nationally and globally, "managed" corporate travel programmes were becoming increasingly more common. Corporate travel policies overrode business travellers' personal preferences and became an important component in controlling costs. Data collection became a critical requirement, and larger travel agencies and third-party firms developed reporting systems to meet the needs of corporate clients. Service was still provided predominantly by telephone, although on-site agency locations began to appear in major corporations, offering travellers "walk-in" service (Tevalue, N.d.).

Corporate travel agencies were renamed "travel management firms" as their role expanded beyond reservation fulfilment to also include information management, supplier relations and technology development. The same key travel management firms dominated the market, and market share fluctuated as new accounts and other agencies were acquired. Corporate travel consolidation (first, nationally, and then, globally) awarded the top travel management companies "mega agency" status and greater buying power. This served to reduce travel management companies' costs, expand their reach and distance their capabilities from smaller, regional firms (Phocuswright, 2002).

Travel management firms differentiated themselves with proprietary technology, optimal service configurations and preferred relationships with suppliers. The travel management company controlled the relationship with the corporation and other industry players. Compensation came in the form of management fees and revenue share configurations, until tiered or value pricing was introduced in the mid-90s (e.g., American Airlines in 1992). This caused corporations to re-evaluate the cost and value relationship of the services provided by the travel management company, and added transaction fees and pay-for-performance models to the remuneration mix (Phocuswright, 2002).

Airlines needed to do something to reverse one of the darkest financial periods in their history. Aggressive, expensive expansion plans; increases in oil prices and poorly managed contracts with corporations drove their profits down. In April 1995, Delta Air Lines sent shock waves throughout the travel industry when they reduced domestic commissions paid to agencies from 10 % to 8 %. Other airlines quickly followed suit. Over the next five years, both domestic and international commissions and overrides further

declined for US and international airlines. British Airways led the way in Europe; Singapore Airlines in Asia (Tevalue, N.d.).

A major agency consolidation commenced. Small, locally owned or operated agencies were forced to cut costs, merge or close their doors. Mid-size agencies struggled, developed niche markets or merged with others. Large agencies went back to corporations to renegotiate management contracts (Tevalue, N.d.).

While this historical perspective appears complex, it is really rather simple in comparison to the corporate travel arena today. This is especially true considering the changes that have taken place since the popularising of the Internet in 1995. Business travel distribution has evolved into a maze of intermediaries and suppliers, each of whom contributes a significant amount of cost that is ultimately paid by the corporation and its travellers.

The rapid growth of the Internet has fuelled the development of electronic commerce. The Internet and Web-based applications have transformed corporate travel from a revenue-producing island to a cost-conscious enterprise. Corporate travel has evolved into a labyrinth of strategic partnerships, layered with a new breed of third-party technology providers and uncertain roles for existing channel members. Business models are changing to reflect profitable structures and remuneration exists at each point of interaction (Phocuswright, 2002).

The industry is on the brink of so many paradigm shifts that will dramatically reshape corporate travel and experts predict travel e-procurement will be as significant to corporate travel as de-regulation was to the industry in 1978 (Phocuswright, 2002).

Change will always be a part of the corporate travel industry, and it will always challenge managers in the industry. While the pace of change may be uncontrollable, how that change is handled can be controlled with the aid of an effective corporate travel management programme.

2.5   THE CORPORATE TRAVEL MANAGEMENT FUNCTION

Corporate travel management can concisely be defined as: The maximisation of travel services by a corporation to its employees and the minimisation of the cost of providing those services (Cohen, N.d.).

Corporate travel management is the means by which organisations exert guidance and discipline over the transportation, lodging, meal, entertainment, and related expenditures incurred by their employees when travelling on behalf of the organisation (Meyer, 2002). According to Nancy Holtzman, Association of Corporate Travel Executives' (ACTE) executive director, travel management is a science that can give a company an operational advantage (Bilodeau, 2002).

Travel management is a specialised business function that balances employee needs with corporate goals, financial and otherwise. Travel management ensures cost tracking and control, facilitates adherence to corporate travel policies, realises savings through negotiated discounts, and serves as a valuable information centre for employees and managers (Goodwin & Marble, 2003).

Travel and travel-related expenditure (T&E), in most companies, is now the second largest controllable expense behind salaries (Ravenall, 2002). Because of the complex and dynamic nature of travel, many companies are reluctant to manage it as a business process. Despite all the planning that may take place, ultimately T&E expenses are incurred not by purchasing professionals but by travellers whose pre-eminent concerns are often their own comfort and convenience while on the road. This situation is complicated by the fact that frequent travellers invariably consider themselves experts in making travel arrangements. Managing travel requires a great deal of internal communication, customer service and sensitivity. The challenge of effective travel management is to exert an appropriate level of control over each of the potentially thousands of individual transactions of a company's T&E budget (Ravenall, 2001). Smith (2001) argues that effective management can reduce the expense associated with travel and entertainment by 20-30 percent.

According to Ravenall (2002), a successful travel management programme consists of four core elements: the management of travel data and information, an effective travel expenditure management process, an appointed travel management company and a well formulated travel policy.

Travel data and information allows an understanding of the company's travel spend and allows a better focus of company travel (De Kruiff, 2002). Bunge (2001) suggests that an organisation uses this information to negotiate best buys from suppliers, such as airlines and hotels, and to channel corporate travellers to best buys.

For companies to capture travel data a central system is required. The *travel expenditure management process* generally represents a payment system, whereby the organisation is issued with a business travel credit card from a corporate bank. The corporate bank sends one consolidated statement, detailing all travel purchases made, to the company at the end of each month.

Besides the technical function of reservations, *travel management companies* provide a "total solution" to organisations, which includes management information systems on travel patterns and expenditure; travel policy adherence; negotiating client-focused preferred supplier agreements; cost containment and budgeting (Lubbe, 2002).

The major purpose of the *travel policy* is to keep the cost of corporate travel within predictable and realistic parameters and to save the organisation money. It also serves a secondary purpose of allowing travellers to understand exactly what the limitations are in terms of choices and alternatives. The corporate travel manager has the responsibility to prepare the policy in writing, as well as distributing it to all corporate travellers (Lubbe, 2000).

The pressure to implement changes in corporate travel management is increasing. This is due to the introduction and proliferation of online corporate booking tools; the increasing rate of adoption of corporate travel technology by companies (Chircu, Kauffman and Keskey, 2001); and the introduction of management fees by the travel management companies. These changes also mean that the role of the travel supplier and the travel

management company is changing fundamentally with traditional travel servicing making way for partnership agreements with corporate clients (Lubbe, 2003).

Furthermore, Lubbe (2003) argues that the corporate travel sector is faced with two main issues, the management and control of travel expenditure and the management of the travel process to increase service levels to an optimum cost – benefit ratio.

As a departure point, this research study proposes to suggest a model, which can be applied in the effective management of these two issues. The model is loosely based on the "soft value management model" developed by Liu and Leung (2002:341). The basic components of the model are described in the next section and then the model is discussed in the corporate travel management context.

2.6   THE SOFT VALUE MANAGEMENT MODEL

The soft value management model was specifically conceptualised in the context of construction procurement, within the framework of goal – setting theory. The model as depicted in figure 2.1, considers that value management is aimed at the economic and managerial aspects of project development. The project goals are obtained through the interaction between the client and the project team members.

2.6.1   INTERNAL INPUT

Liu and Leung (2002) say that value management is represented by the input of internal (personal / individual values) and external (environmental pressures) factors. The personal variable is viewed as consisting of those internal factors inherent in an individual, such as past experiences, future wishes and fears, and the present actual situation (which includes the individual's ability and knowledge, the intensity of the need, the hierarchy of the values and the difficulty of the tasks).

2.6.2 EXTERNAL INPUT

In the soft value management model the environmental variable consists of external factors including culture, society, politics, regulation and economics which influences the individual to internalise shared conceptions of the desirable.

2.6.3 VALUES

According to Liu and Leung (2002), there are two dimensions of value, an affective dimension and a cognitive dimension. The affective dimension of value involves three major components: person, object and environment. Since people are capable of representations and transformations of needs, values must be judged by individuals. Therefore subjectiveness is inevitable and related with human wants, needs, and interests.

The cognitive dimension of value involves rational analysis of value itself and the determination of the discrepancy between subjective value and that of the existing environment. This basic conscious action of the individual is the action of choice, or the process of choosing among alternatives.

2.6.4 VALUE CONFLICTS

Conflict is inevitable in the decision – making process. It represents a state of disequilibria and can be destructive but, simultaneously, it provides an opportunity for the participants to think through ideas, produce higher quality solutions, better performance and improve organisational effectiveness. Therefore, conflict must not be avoided; eliminated or suppressed but be managed. In order to actively solve the manifest conflict and stimulate any latent conflict, specific personal values have to be clarified, because the core of conflict schema is the belief that the involved parties have incompatible goals which stem from individuals' incompatible personal concerns and values (Liu & Leung, 2002).

2.6.5 GOALS

Goals are underpinned by an individual's value system. What the person values affect the content and specificity of the goals set. People are more easily committed to performance

with specific goals. Vague goals have shown to have a deterrent effect on high performance (Liu & Leung, 2002).

2.6.6 ACTIONS

Project goals being set will initiate required actions towards project realisation; in other words, action comprises the aggregate behaviours of participants to produce the outcome (Liu & Leung, 2002).

2.6.7 OUTCOME

Value management is depicted as triggered by the internal and external input factors in the environment leading to a decision – making process, which produces decision outcome (s) to define the project goal (s). Output of this value management system becomes input to other systems (Liu & Leung, 2002).

The soft value management model was specifically described in the context of project management in the engineering field but the underlying elements inherent in this model are similar to those found in corporate travel management.

2.7   THE SOFT VALUE MANAGEMENT MODEL IN THE CORPORATE TRAVEL CONTEXT

In order for a company to successfully manage corporate travel, it needs the support of an effective corporate travel department and individuals in senior management as well as the co – operation of corporate travellers. The management of the company together with the corporate travellers (and their individual values) can be seen to represent the internal input in the model.

Effective corporate travel management is not only dependent on the management of corporate travellers and senior management values and goals, but also on the travel providers and the travel management companies. The travel providers with specific

reference to airlines and hotels and travel management companies can be seen to represent the external input in the model, in terms of their own economic agendas.

Each of the players involved in the corporate travel management programme has their own values (both affective and cognitive) that they deem important in the management process. The affective values are represented by the needs and vested interests of each party involved in corporate travel and the cognitive values are reflected in the preferred choices for effective corporate travel management. Simply put, the management of the company wants to keep expenses as low as possible while achieving business objectives. The corporate traveller has psychological needs (for example safety and comfort) while travelling on behalf of his company as well as specific functional needs with regard to technology, accommodation and transportation. The travel management company wants to be assured of a steady stream of business and revenue and the supplier wants the highest possible yield through exclusive use of its services.

A problem exists when the values (both affective and cognitive) of the different parties involved in the corporate travel management process are in conflict with each other. These conflicts need to be managed in order to reach the desired outcome of the management process.

Only when conflict has been properly managed can common goals be set. Ultimately, the role players in the corporate travel industry all strive to reach one common outcome: a successful, effective corporate travel management programme that will meet the need of each 'stakeholder' in the process.

Certain actions need to be taken for the goals to be achieved, which will eventually lead to the attainment of the desired outcome. Building on the four pillars of corporate travel management the actions necessary for an effective corporate travel management programme should include: the development of an effective corporate travel policy, streamlining business operations with the use of appropriate technology options (for data collection and managing the travel process), building successful, transparent relationships (between management, travellers, suppliers and TMCs) and finally choosing the proper method to process payment.

The desired outcome is a successful, effective corporate travel management programme, which will reflect equal benefit to all players involved.

But, as is evident, corporate travel management is not a once off process, but happens continuously. For this reason, effective feedback from all the role players is needed in order to adjust and tailor the management process to the benefit of all involved.

Figure 2.1: The soft value management model in the management of corporate travel context
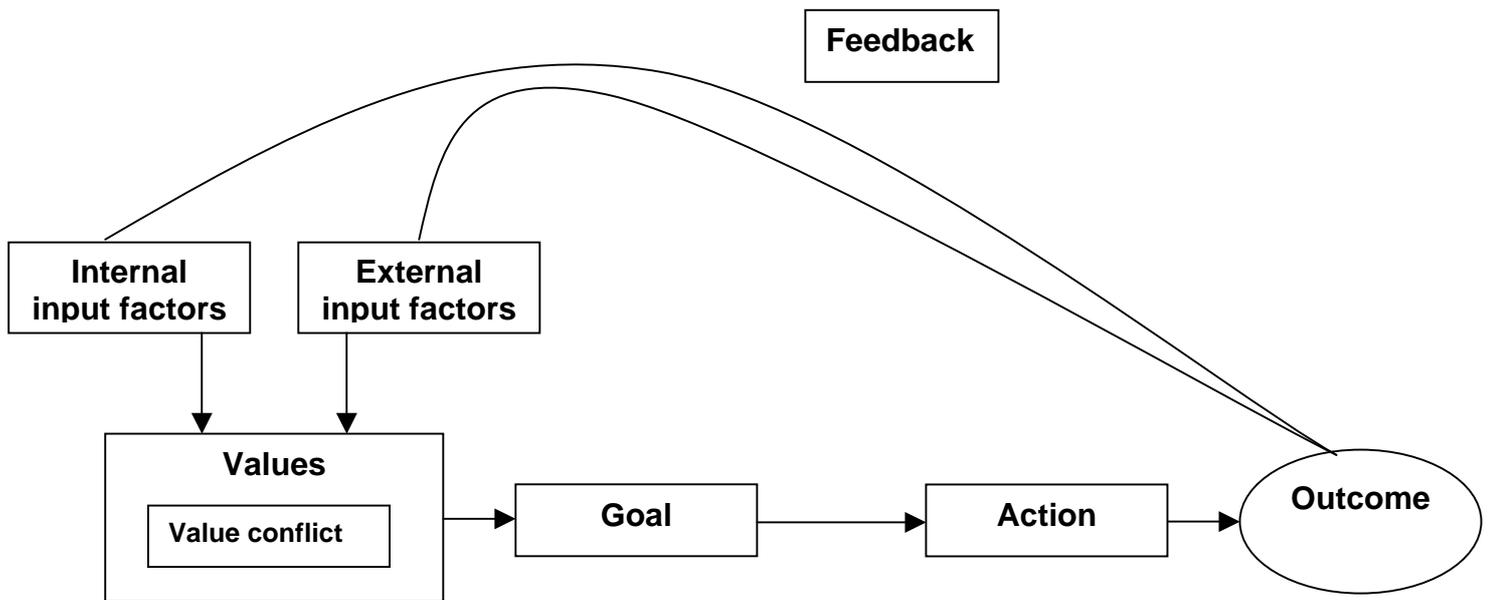
Source: Adapted from Liu, A.M.M., Leung, M. 2002. Developing a soft value management model. *International Journal of Project Management*, 20(5): 341 – 349.

An in-depth discussion derived from literature follows on of each of the elements mentioned in the model as it applies to corporate travel management. The discussion will start with the internal input factors (represented by organisations and corporate travellers) after which the external input factors (represented by suppliers and TMCs) will be explained. Thereafter, value conflicts that may exist will be discussed, and then the goals of the programme will be identified. Next, actions that may need to be taken and highlighted from various sources based on previous research will be stated.

2.8   THE COMPANY (ORGANISATION)

According to Ravenall (2002) travel is an organisation's second largest controllable expense and American Express (2002a) revealed that this expenditure is continuing to rise on a global basis. Corporate travel spending for large organisations can range between R5 million and R300 million per annum (Lubbe, 2003).

Being aware of the burdens of business travel is especially important in today's cost-conscious, cost-cutting workplace. According to a 2002 American Express Survey, Chief Financial Officers see managing indirect costs such as travel & entertainment expenses as one of the biggest challenges to improving their companies' overall financial health (American Express, 2002c). Travel management gives a company the ability to control its travel expenses (Jenkins, 1993), and involves the centralised management of all travel and, in many instances, the establishment of a corporate travel department that oversees the entire travel programme (Lubbe, 2000).

2.8.1   FUNCTIONS OF THE CORPORATE TRAVEL DEPARTMENT

Corporate travel departments vary in size from small departments consisting of one or two secretaries limited to making travel arrangements to a staff complement performing all the duties of an in-house travel agency. Making travel arrangements, either directly with airlines, hotels, car-rental and other suppliers or through a travel agency is the single most often performed function of the corporate travel department. Travel service functions constitute mainly air, hotel and car-rental services. The travel department also has a financial function that entails advising the corporation about expense levels, handling travel expense allocations, preparing travel budgets and reporting financial data (Lubbe, 2000).

Traditionally, the corporate travel department works with each department to determine its travel needs and develop its travel budget, based on current spending and planned development. Then, with the consolidated travel needs of the corporation, travel managers negotiate discounts and preferred rates with travel suppliers based on their company-wide travel needs. Corporate travel management professionals are the essential elements to

managing the negotiation and review of vendor relationships. By negotiating discounts up front with selected travel providers based on volume and price, companies can maximise the value of their travel spending by fulfilling more of their travel needs through these preferred vendors and negotiated agreements (Goodwin & Marble, 2003).

The corporate travel department may be at the same level as any other department in the company as is illustrated in figure 2.2, or it may form part of the financial department or any other department as is illustrated in figure 2.3.

Figure 2.2: The corporate travel department on the same level as other departments
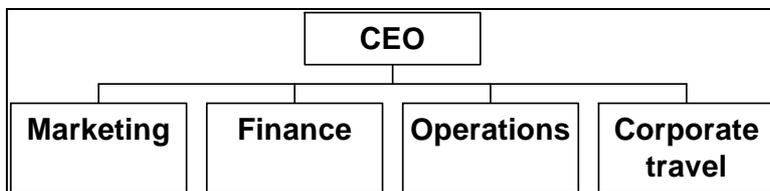
Source: Lubbe, B.A. 2002. Corporate travel management for South African organisations. *Presentation .* Pretoria 2002.

Figure 2.3: The corporate travel department as part of the financial function
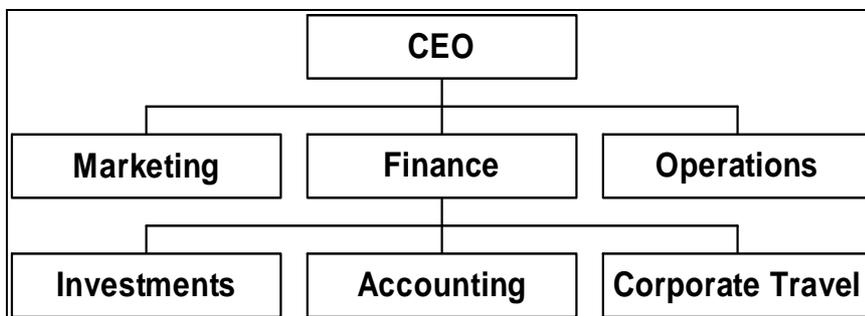
Source: Lubbe, B.A. 2002. Corporate travel management for South African organisations. *Presentation .* Pretoria 2002.

The results of a survey conducted on corporate travel management in selected South African organisations (Lubbe, 2003) indicated that the companies surveyed generally have a corporate travel strategy, and centralise the travel function under a specific department such as procurement or finance. Only 25 % of respondents indicated that there is a separate department for corporate travel management. In 2002, the Institute of Business Travel Management conducted a survey of nearly 250 travel management professionals throughout the United States. The survey found that 33 % of respondents reported to the Finance Department in their companies, illustrating how strategically important travel

management is to a corporation's overall financial strategy (Goodwin & Marble, 2003). Jenkins (1993) agrees by stating that travel and entertainment expenses constitute the second largest category of corporate expense and for this reason the corporate travel department should report to finance. In South Africa, 22 % of respondents report to the finance department.

The overall goal of the corporate travel department is to control travel related corporate spending (Anderson, Lewis & Parker, 1999). The findings of American Express (2002a) substantiate this by indicating that a major priority for 75 % of the Chief Financial Officers (CFOs) surveyed, is to contain or reduce indirect expenses, such as office supplies, express shipping, telecommunications, travel and entertainment (T&E), computer equipment, and other non-production services and goods.

Ravenall (2000) suggests four opportunities for organisations to control their travel and entertainment expenditure:

- Before the expense is incurred through the development and enforcement of a travel policy.
- At the time reservations are made (e.g. airline tickets et cetera) or at the point of sale (e.g. restaurants) through the use of effective purchasing practices.
- When comprehensive and efficient payment methods are used to verify actual costs and collect vendor data.
- When expense reports are prepared, audited or processed for reimbursement.

American Express found in its survey (2002a) that financial executives are using a variety of methods to improve overall expense management. These strategies include:

- Setting and enforcing indirect expense spending policies, such as issuing preferred supplier lists;
- Using technology to simplify expense management, such as using web-enabled reporting tools as a replacement for paper-based expense reports;
- Leveraging more accurate aggregated expense data in order to qualify for supplier discounts;

- Discontinuing cash advances and cheque reimbursement in favour of corporate cards;
- Integrating back-office systems to aid with information flow; and
- Improving supplier management.

Mr. Jim Georges, Head of American Express Consulting is of the opinion that T&E costs can be better managed through three channels: strategic purchasing that minimises the T&E expense; efficient processes that minimise the time spent on administrative tasks, and a formal policy that communicates a company's requirements and expectations on T&E (Asia-Pacific-News, 2001).

Successful travel management through a corporate travel department also has a substantial positive effect on employee satisfaction and increased productivity. A recent survey of 300 Internet business users in the USA revealed that an astounding 89.9 % of employees utilise the Internet for personal use, mainly to make travel arrangements. Bypassing the travel manager thus decreases employee productivity. In addition, providing good service to a company's travellers makes it more likely that those employees will book their travel through the travel department, increasing compliance with travel policies and ultimately allowing the corporation to realise greater financial savings (Goodwin & Marble, 2003).

The corporate travel manager heads the corporate travel department. Travel Managers are responsible for managing one of the corporate structure's most challenging and diverse functions. They focus on meeting corporate goals within three key areas: cost containment, traveller safety and meeting employee needs (Biztraveler, n.d.).

2.8.2 THE CORPORATE TRAVEL MANAGER

The Travel Manager is a valuable resource that can make a measurable difference to a company's bottom line. His or her judicious use of available technologies and careful management of the Travel and Entertainment (T&E) budget are critical to the success of a corporate travel programme.

The job of the corporate travel manager is management. The travel manager should be considered a middle- or upper- management position because of the vital role the manager plays in controlling a large corporate expense. According to Jenkins (1993) the corporate travel manager has five specific functions to perform:

- Control corporate travel expenses through the design, implementation, and control of the travel policy.

- Ensure that the relationship between the travel management company and the corporation complies with the agreement.

- Maintain the relationship with the various airline, hotel and car rental suppliers.

- Manage the payment of all travel expenses.

- Maintain accurate records through the proper use of management information systems, which ensure that the corporate travel policy is being followed and that exceptions are discovered and reported.

Poynter (1990:34) argues that corporate travel managers are found in so many different business settings and their duties vary to such a degree that a simple definition of the role of a travel manager is impossible. Nevertheless, it should include the following: management, technical, compliance, financial, negotiation and educational roles.

Runzheimer International, a consulting firm, did a global survey on the profile of the travel management professional and revealed the top four areas of a travel manager's job responsibilities. Table 2.1 illustrates these areas. The respondents reported that policy enforcement, more than any other area, is the most challenging area (TravelWeekly, 1995).

Table 2.1: The top four areas of a travel manager's job responsibilities (A global study)

Areas of job responsibility	Percentage
Supplier negotiations	94
All company travel	85
Policy enforcement	82
Reservations and ticketing	62

Source: TravelWeekly. 1995.   The incredible shrinking management division.   [Online] Available from: **www.travelweekly.com**. [Accessed: 2003-04-21].

A survey conducted in South Africa (Lubbe, 2003) revealed the top four areas of a travel manager's job responsibilities. These areas are illustrated in table 2.2.

Table 2.2: The top four areas of a travel manager's job responsibilities in South Africa

Areas of job responsibility	Percentage
Negotiations with suppliers and travel agencies	94
Monitoring the travel policy	89
Managing and coordinating the in house travel agency	78
Developing the travel policy	73

Source: Lubbe, B.A. 2003. Corporate travel management 2003: Report on the results of a survey conducted in South Africa in September 2002. Pretoria: University of Pretoria.

Other responsibilities of the travel manager include developing and maintaining the travel home page on the corporate intranet, meeting planning, as well as monthly reporting to the Chief Executive Officer on departmental financial performance (Yoursintravel, n.d.).

Each of the above mentioned responsibilities have a significant impact on the total business travel budget and the ability of corporations to meet its operational and financial goals.

With an increasing global corporate marketplace and the continued integration of technology, National Business Travel Association (NBTA) forecasts an expansion of travel management responsibilities. Companies are looking to travel managers to handle a variety of new spending categories including charter fleet management, fleet management, relocation, teleconferencing and videoconferencing (Biztraveler, n.d.).

The results of the 2002 study conducted by The Association of Corporate Travel Executives (ACTE) supported NBTAs forecasts. These 'new' responsibilities, identified in the study, are illustrated in table 2.3.

Table 2.3: Most common new job responsibilities (A global study)

New Areas of job responsibility	Percentage
Online booking	44
Risk / crisis management	36
Internal travel site	29
Electronic expense reporting	28
Identifying alternatives to travel	25
Videoconferencing	24

Source: Lubbe, B.A. 2003. Corporate travel management 2003: Report on the results of a survey conducted in South Africa in September 2002. Pretoria: University of Pretoria.

Statistically, travel managers are spending less time administering travel and are responding to their expanding role. The travel manager's role is expected to evolve as companies define new T&E expense categories and increase focus on cost containment opportunities (Biztraveler, n.d.).

Effective corporate travel managers must possess strong management skills, orientation to problem solving, diplomatic negotiating skills, and attention to detail with strong financial or accounting skills. In addition, travel managers are increasingly evaluating and integrating new technology into their operations (Biztraveler, n.d.).

According to Jeff Palmer, president of GetThere, there are four areas in which travel managers can continue to provide value to corporations (4hoteliers, 2003):

- Deliver convenience, service, and the best travel alternatives to employees, and take each employee's safety into consideration when he or she travels on business;
- Understand unique corporate requirements, and the ability to build and tailor a travel programme that fits each company, and its travel patterns;
- Act as financial manager responsible for managing one of a company's largest indirect expenses, and select travel policies that keep employees productive, while protecting the bottom line;
- Offer procurement expertise for one of the most complex purchases in a company -- travel.

Based on the foregoing discussion, the organisation's needs are summarised in table 2.4.

Table 2.4: The needs and demands of the organisation

Administrative needs	Financial needs	Technological needs	Management needs
Up to date travel policy and accurate travel data	Control travel and entertainment costs	Online systems that are integrated with the company's existing systems	Competent travel manager
A capable travel management company to manage corporate travel	To meet business objectives at the lowest prices	Reliable and efficient management information systems	Top management support

In this research study, the administrative needs, financial needs, technological needs and management needs of the organisation related to the internal input component of the model will be measured in the organisation questionnaire as presented in Annexure A.

In conclusion, the primary function of the corporate travel manager is to provide the most effective means of corporate travel, at the greatest economic advantage for the corporate consumer, taking into account every practical consideration for the safety, comfort, and convenience of the corporate traveller (Jenkins, 1993).

2.9   THE CORPORATE TRAVELLERS

Corporate travellers are also part of the internal input component of the model. Corporate travellers travel on behalf of their company, which is generally a large corporation with a large travel account and often has a separate travel department and an established travel policy (Lubbe, 2000). The American Express International Business Traveller Survey of 1,400 corporate travellers across the world revealed that the vast majority of respondents expect to maintain or increase their current business travel levels over the next years (American Express, 2002b). Corporate travellers have certain needs, expectations and demands when travelling, which differ from those of holiday or other categories of tourists.

2.9.1 THE NEEDS AND DEMANDS OF CORPORATE TRAVELLERS

As mentioned earlier, corporate travel is non-discretionary, because corporate travellers have little influence over where, when, and how long they travel (Lubbe, 2002). Corporate travellers generally exhibit the following needs, demands and preferences when travelling: Compared to the pleasure traveller, the corporate traveller is more time sensitive; service quality is more important than price; and he or she is more experienced and demanding. Because corporate travellers tend to make travel arrangements at short notice (Bennet, 1995; Mill & Morrison 1992) they demand efficient and accurate service. According to Roodt (2001), corporate travellers seek flexibility in their travel arrangements. They expect the travel department to be prepared for last minute changes and cancellations in their travel arrangements. The corporate traveller is probably less impressed by friendly, personal service and more so by speed, accuracy and professionalism. When using a TMC or travel agent, corporate travellers prefer to deal with the same travel consultant who is familiar with their preferences and dislikes (Lubbe, 2000).

Furthermore, the corporate traveller expects preferential treatment from airlines, hotels and other travel intermediaries. They exhibit unique needs at destinations, by tending to make use of car-rentals and requiring communication or administrative facilities such as facsimile machines, e-mail facilities, telephones and secretarial services.

The American Express survey revealed that access to email, while on a business trip, was considered very or quite important by 75 % of the travellers surveyed. Conversely, 25 % of the respondents said electronic communication was not very or not at all important. In another perspective on the value of technology for business travel, when asked which single amenity travellers would keep while in flight, 31 % of the respondents said a laptop. Only on-board entertainment, cited by 38 % polled, was more popular. Another 20 % chose on-board email or Internet access, while 7 % selected a telephone (American Express, 2002b).

Self-booking tools are another technological development that is becoming very popular amongst corporate travellers. According to a 1999 American Express Survey, 84 % of respondents said they were looking forward to self-booking tools to help them plan their travel and book accommodation. A quarter (25 %) of the respondents predicted that self-

booking technology would be the most important new technology of the future. Corporate travellers appreciate the flexibility and time saving benefits of self-booking technology. Nearly three fifths (59 %) said speed and the ability to book travel quickly are the main benefits of self-booking technology, while 15 % of the respondents appreciate the flexibility of 24-hour access and 13 % cited ease of use. Cost savings achieved through self booking technology are seen as secondary benefits - one in ten (9 %) of the respondents said purchase and process savings were the most important advantage of self-booking tools (American Express, 1999).

The American Express survey conducted in 2002 revealed more interesting facts with regard to corporate travellers' needs and demands. The survey found that the biggest concern international travellers have relates to the loss of productivity while on the road. In the survey, 54 % of travellers feel that travel delays are the worst aspect of business travel. In the next largest response, just over 16 % said falling behind in office work was their biggest complaint (American Express, 2002b). However, portable technology, such as laptops and cellular phones help many stay on top of their workload.

A survey done by Wainhouse Research in 2002 revealed that respondents believed that converting in-person meetings to travel alternatives using voice, web, and video conferencing would allow them to improve their business performance and personal lives. More than 60 % of the respondents believed that the use of conferencing technologies would allow them to get more work done (78 %), make faster decisions (66 %) and be more competitive (64 %) (Eyefortravel, 2002).

When asked whether technology will ever become a substitute for travel, respondents to the 2003 American Express Survey of 800 business travellers from eight countries had the following opinions: some business travellers use web meetings and teleconferencing in place of travel, but the majority clearly consider in-person meetings with clients or business associates superior.

More than 35 % say that they have used such technology - frequently or occasionally - instead of travelling. However, a combined 65 % say they do not do virtual meetings very much or at all.

Further, asked if teleconferencing or web facilities offer an adequate substitute to face-to-face meetings, nearly two-thirds (65 %) said no, while about 35 % differed. Mexican respondents were the only majority (51 %) to consider teleconferencing and web casts equal to being there in person, with those from Hong Kong following closely, at 50 %. Meanwhile, Germans were least inclined (16 %) to favour technology over personal contact.

Even among those who give equal consideration to virtual meetings and in-person meetings, 75 % said that telecommunication is only appropriate for conferring for an hour or less (American Express, 2003).

In some cases, technology is not an appropriate substitute for travel, and travellers are forced to travel to a destination. When travelling on behalf of their company for business purposes, corporate travellers exhibit the following needs:

According to Mason and Gray (1999) flight selection by a business traveller is influenced by both organisational and personal motives. Based on organisational motives, a business traveller may want:

- To arrive at the destination in good time to meet business objectives;
- To be able to work on the flight if necessary;
- Short check-in times so that working time can be maximised at the destination, particularly for one-day trips.

The traveller will also have a list of personal wants that do not relate to business objectives, including:

- To arrive home after the trip in good time to spend time with his / her family;
- To have perceived status (e.g. through use of business class);
- A high quality in-flight service;
- To earn points on his / her personal frequent flyer scheme of a regularly selected airline;
- A certain amount of leg room;

- Free drinks, newspapers, et cetera; and
- To buy duty free goods.

Meanwhile, more than 11 % of the American Express survey respondents cited airline service as the worst aspect of business travel, and another 10 % felt that jet lag was the greatest hardship (American Express, 2002b). As productivity becomes increasingly important for the mobile workforce, corporate travellers are demanding improved facilities at airports. Over a third (34 %) of the respondents would like airports to provide virtual offices or workstations, 16 % want meeting facilities and 9 % video / teleconferencing. Other corporate travellers appreciate time to relax and 16 % would like health and beauty facilities at the destination. Nearly a quarter (24 %) of those surveyed were strongly opposed to abolition of duty free facilities.

For 60 % of corporate travellers, speed of service is most important when checking in for their flight. Fourteen percent of the respondents would like a separate check-in desk for business travellers to speed up the process, while for a fifth (19 %) courteous customer service from check-in staff is crucial.

For the busy corporate traveller, wasted time at airports is a major frustration. A third (30%) of those surveyed complained about having to check-in early, while over a quarter (27 %) resented having to queue. Flight delays were cause for complaint for 26 % of those surveyed. Only 5 % of respondents complained about the time taken to go through security clearance / passport control, compared with 8 % in 2001 and 41 % in 2000 (American Express, 2002b).

While mobile working is clearly on the increase, many corporate travellers still consider flying to be a time to relax from the pressures of work. Over half (54 %) of respondents said they like to relax during the flight, while 18 % enjoy in-flight entertainment. Only a quarter (26 %) work during the flight, compared to a third (34 %) during the previous year. Only 2 % of the respondents took advantage of on-board telephone facilities (American Express, 1999).

In 2003, Douglas and Swart conducted research on the demands and needs of corporate travellers employed by an international firm with offices in South Africa. According to the study, the three most important factors for corporate travellers when travelling by air are on-time performance, comfort and service (Douglas & Swart, 2003).

It may not fit with the perception many have of a comfort loving, time zone-crossing business traveller, but an American Express poll of 800 business travellers from eight countries reveals that travellers are more interested in saving money than seeking comfort while on the road doing company business.

In the survey, a majority of respondents indicated that, in future they would book more economy fares. At the same time, the majority indicated they would not book more travel in first- or business-class. Significant numbers of travellers around the world also plan to book further in advance of their trips and use leisure-style, non-refundable airfares to cut costs.

While global business travellers want to save money for their firms, they are not willing to suffer to achieve that end, the survey indicates. For instance, respondents are not eager to spend additional time away from home to economise, as 59 % said they do not plan to travel on weekends next year in order to save on airfares. Nearly 39 % said they would, and 2 % were undecided.

Business travellers also want to keep trip times short, the survey says. Almost three-quarters of respondents, 73 %, said that they would not book more flights with connections in future, often another way to reduce air ticket costs in many markets. About 25 % said they would, while 3 % were unsure (American Express, 2003).

According to Pam Arway, Executive Vice President and General Manager, American Express Corporate Travel, North America, the survey reveals that international business travellers are firmly behind their companies' cost control efforts. She added that because of the long hours they spend travelling, international business travellers have traditionally been more focused than other travellers on comfort, for example, first-class airplane seats. But, with the economic slump, business travellers have become more price-sensitive, and that focus is likely to continue even as they increase their travel (American Express, 2003).

No frills airlines are becoming increasingly popular with cost conscious corporate travellers. According to the American Express Corporate Travel Barometer (1999), two fifths (40 %) of corporate travellers have used no-frills airlines in the preceding 12 months and over half (56 %) planned to use them in the following year.

This trend does not seem to have surfaced in South Africa yet. The study conducted by Douglas and Swart (2003) at an international company in South Africa, revealed that low cost carriers are corporate travellers least preferred airlines when travelling for business purposes.

The 2002 American Express survey revealed that the smallest proportion of those polled, over 8 % said poor accommodation was the most unpleasant factor when travelling (American Express, 2002b). According to the 1999 survey, the quality of the hotel is more important than cost for most corporate travellers. The quality of the service was the most important factor in choosing a hotel for nearly half (43 %) of those surveyed, compared to only 14 % who cited cost as the crucial factor. Convenience was the second most important reason for selecting a hotel. Over a third (37 %) considered the distance of the hotel from the business venue before deciding where to stay. Research into hotel selection criteria indicates that the most important attributes influencing the corporate traveller's hotel choice are cleanliness and location, security, service quality, and room / bath furnishings (McCleary, Weaver & Hutchinson, 1993).

For South African corporate travellers, the most important factors when making use of accommodation establishments are location, facilities and service. Furthermore, these travellers prefer to stay in chain hotels when travelling domestically or internationally on behalf of their company (Douglas & Swart, 2003).

Corporate travellers' main complaint about hotels is lack of flexibility. Nearly half (46 %) resented the inconvenience of having fixed check out times, while 12 % wanted facilities to be available 24 hours a day. While cost seems to be a lower priority than service for corporate travellers; 21 % complained that telephone and facsimile charges are excessive. Not being treated like an individual was cited by 13 % of mobile workers who wanted a more personalised service (American Express, 1999).

The study conducted by Douglas & Swart (2003) supports these results. According to the results, 45.6 % of respondents indicated that they have a problem with the establishment's fixed check out times. Forty five percent of respondents cited the lack of business facilities as a problem when using accommodation establishments.

Eighty seven percent of business executives in New Zealand believe it is essential for hotel rooms to contain a modem, facsimile and Internet connections. They are also of the opinion that an express checkout system allowing guests to check and pay their account by credit card from their room and sign for it at reception is necessary (Businesstobusiness, 2003).

Asked what they would like to see included as part of their company's corporate travel policy, over a third (38 %) suggested allowing partners to join them on their trips. Loyalty schemes were popular with 26 % of those surveyed and 20 % wanted weekend stopovers (American Express, 1999).

Added to the corporate travellers' special needs with regard to technology, airlines and accommodation are the psychological needs travellers have. These needs will be discussed next.

Almost two thirds of respondents to a 2002 Sales and Marketing Management Business Travel survey describe business travel as having a "very negative" or "somewhat negative" effect on their personal lives. Approximately 95 % of the respondents to the survey who describe their personal life as negatively affected by business travel complain that it diminishes their time with family and friends. Nearly 13 % of respondents worry that they drink too much on the road, and more that 60 % fret over the effects that travel has on diet and exercise.

But, surprisingly a high 33 % of the respondents to the survey believe that business travel actually has a positive effect. Eighty four percent of executives who said business travel had a positive effect on their personal life said they enjoy visiting places they would not otherwise see (76 %), eating the local cuisine (41 %), and getting away from home for short periods of time (67 %), which helps them to appreciate it more when they return (Weinreb, 2002).

Business travel can be stimulating and rewarding, but it can also be stressful to the point of jeopardising one's health. In fact, a study by the Hyatt Hotels Corporation found that business travel lasting more than 5.2 days interfered significantly with a traveller's personal life (Travmed, 2001). The problem is more than just chronic jet lag. Frequent departures on short notice, high-pressure work schedules, job-performance anxiety, living in hotels and motels, travelling alone and feeling isolated, eating calorie-dense restaurant and airline food, and not exercising at all take their toll.

A study by the World Bank reports that the bank's employees who travel frequently see physicians and other health-care professionals about three times as often as a matched group of employees who do not travel (Travmed, 2001). Travelling males are 80 % more likely to see a health-care professional than matched non-travelling males; while for women, those who travel are 18 % more likely to see a health-care professional than matched females who do not travel. Although many of the complaints deal with known travel-related health hazards (e.g., infectious diseases), there are a striking number of psychological complaints. The number of psychological complaints increases as the number of business trips per year increase, and the increase is steeper for female travellers than for male travellers (Travmed, 2001).

The World Bank study also found, somewhat surprisingly, that many factors are **not** important determinants of stress, including geographic areas of the world visited, number of time zones crossed, having children at home under the age of 18, satisfaction with work and the length of the business trip. Yet in spite of the frequent complaints raised by business travellers, few business trips end in total failure, meaning that it is very rare for a business traveller to return home prematurely because of stress-related problems. But stress does seem to cause many hard-to-quantify, less-than-optimum work performances (Travmed, 2001).

International business travellers experience travel-related stress because of the following reasons (Travmed, 2001):

- The routine discomforts and annoyances that all long-distance travellers encounter, such as planning the trip; hassles of getting to and through airports; altered eating and sleeping patterns; changes in climate and other safety concerns.

- Challenges unique to frequent, long-distance business travellers. These fall into two general categories:

    - Concerns about the effects of frequent and extended travel on one's physical and psychological well-being, the effects of jetlag, loneliness, and fear of dangerous ground transportation in many developing countries and the effects on one's family of repeatedly being away from home. Career counsellor Richard Leider believes that frequent business travel can cause undue stress on the family life of business people. He notes that chronic travellers are constantly torn between their professional duties and their family obligations. Leider says that this conflict frequently leads to the repression of emotional needs, a process that is often self-destructive in the long-term, as the restrained emotions often tend to be expressed in a negative manner (Szwergold, 1991).

    - The workload that business travellers are expected to accomplish on each mission and the amount of work awaiting them upon their return to the office, are frequently perceived as "unreasonable." During the business trip, stressful activities may include having to make decisions away from the office without the usual office support system, communicating in foreign languages, operating in an unfamiliar business culture, and spending long hours in negotiations.

Richard Leider also provides some practical guidelines for keeping business travel in its proper perspective, including eliminating unnecessary trips and avoiding travel on weekends and special occasions. He also believes that business travel needs have wrongly taken priority over many other needs in employee lives, causing undue stress within the family circle. Although quantity of travel and the pressure to do business can be seen as causes, Leider stated, "pressed communication is the main culprit of most travel-related stress" (Szwergold, 1991).

From the above discussion on the psychological needs of corporate travellers, it is clear that companies need to take these needs into consideration when developing their corporate travel policy. Only if the psychological needs of travellers are satisfied, will they be able to voluntarily comply with the travel policy.

From the above discussion the needs and demands of corporate travellers can be condensed as set out in table 2.5.

Table 2.5: The needs and demands of corporate travellers

Technology needs	Airline needs	Accommodation needs	Psychological needs
Access to email	Improved facilities at airports	Quality service	Eliminate unnecessary trips
Laptop on-board	Speed of service when checking in	Location of hotel	Avoid travel on weekends
Self booking tools	Flexibility	Flexibility	Reasonable workload

In this research study the technological needs, accommodation needs, air travel needs and psychological needs of the corporate traveller will be measured in the corporate traveller questionnaire as presented in Annexure B.

Since corporate travellers not only have special needs with regard to airlines, accommodation and technology but also with regard to special psychological needs, the company should take these into account when formulating the policy.

By enforcing compliance, the corporate travel department controls travel related corporate spending – their overall goal. But, in the pursuit of this goal, the corporate travel department is not only dependent upon the support of individuals in senior management and the co-operation of corporate travellers (internal input), but also on the support of travel providers and the travel management company (external input).

2.10 THE TRAVEL MANAGEMENT COMPANY (TMC)

Bringing together the buyers of corporate travel and suppliers are the intermediaries, who play a key role in the corporate travel market. The role of the travel agencies includes three key tasks. First, to perform the function of information broker, passing information between buyers and suppliers. Second, to process transactions, including printing tickets

and forwarding money to suppliers and third, to advise travellers. Travel consultants are presumed to have specialised knowledge and a specialised technology infrastructure namely the Computerised Reservations System (CRS). Equipped with these tools, travel consultants have in the past been able to justify their position as experts by integrating the needs of travellers with the suppliers of travel (Lewis, Semeijn & Talalayevsky, 1998).

Not all companies use an intermediary; corporate travel arrangements can be made directly with suppliers. More often, however, organisations outsource the purchasing and negotiating functions to a specialist business / corporate travel agency or travel management company (Davidson & Cope, 2003). An effective corporate travel management programme requires the services of a travel management company rather than a travel agency.

The results from the study conducted in South Africa, revealed the following interesting results with regard to the future of travel agencies: while the majority of organisations see a role for travel agents in some form or other in future, most respondents foresee that travel agencies should become travel management companies (Lubbe, 2003).

TMCs are travel agencies whose primary or sole business is providing booking facilities, customer service, data and information management, supplier contracts, technology customisation and operational support for business travel. They also function as a broker in that they link suppliers and customers, and do not take title to travel inventory (Online Corporate Travel, 2002).

Corporations continue to rely on the appointed TMC for more than just "travel services." Many corporations prefer travel management companies that act as a support tool for their travel managers, offering consultative expertise and a partnership approach to business, which includes joint business planning and programme execution (Yoursintravel, n.d.).

Organisations outsource travel management processes to a TMC for the same reason they outsource any other business process - an outsourcing arrangement allows them to focus on core activities. The TMC handles transaction-intensive travel management processes, supplying specialised skills and maintaining systems. This allows the travel

department to focus on negotiating with airlines, shaping policies and helping the organisation to maximise the outcome of its travel budget (Haapaniemi, 2000).

Jim Georges supports this idea by stating that having a single designated travel management company for employee travel enables companies to capture travel data that is vital to evaluate and direct the travel management programme. It further helps the company to negotiate preferred rates and implement programmes for air travel, hotel accommodation, and car rental, thus achieving cost savings (Asia-Pacific-News, 2001).

There are several other advantages associated with having a TMC managing a company's corporate travel (businesstravellerindia, 2001):

- Offers total quality service by employing motivated dedicated professionals who use state-of-the-art technology to implement innovative and cost effective travel management programmes.
- Offers expert assistance in costing, planning, travel and lodging, food and beverage, meeting place requirements, selection of event site, theme ideas, off site tour and events, et cetera.
- Offers a full range of resources throughout the world, which gives them the ability to offer their clients an unlimited number of ideas and concepts.
- The TMC are under contractual obligation to deliver what they promise and at the time they promise.
- The TMC are known to arrange for special discounts.
- The TMC analyse corporate travel policy and build a comprehensive travel planning system around the way the client's business already operates.

Such a TMC may handle the company's account in several ways (Davidson & Cope, 2003):

- Through an implant operation (a satellite branch of the agency based directly on the premises of the corporate client);
- Through a main branch where specific members of staff are assigned to particular accounts (outplants);

- Through a main branch where there is a pool of staff to handle a range of different accounts;
- Through an online booking service.

Kathy Harris, Travel Services Director Rennies Travel, is of the opinion that Travel Management Companies face three challenges (Harris, 2004):

- The shift to fee – based remuneration from commissions, and the determination of value for which fees are viable.
- To determine sustainable value provided for suppliers, and a remuneration model that is mutually beneficial.
- To effectively manage the needs of client and supplier to the benefit of all three parties into the future.

2.10.1 THE FUNCTIONS OF A TMC

According to Alamdari (2002) the role of agents has been changing from reservations to the provision of advice and consultancy for corporations. The travel agency has had to re-evaluate the nature of its service and move from being an 'order – taker' mainly receiving and processing bookings, to also providing value added services such as management information systems on travel patterns and expenditure; travel policy adherence; negotiating client – focussed preferred supplier agreements, cost containment and budgeting. Travel agencies have therefore evolved into travel management companies (Lubbe, 2003).

According to Jonathan Gerber of American Express Travel Services, a travel management company should offer the following services:

- Service – level agreements; service levels, travel policy, cost savings, measurable deliverables
- Customer satisfaction surveys
- Policy and agreement compliance; monitoring, channelling, pre- / post-trip end exception reporting

- Managed quality control

- Traveller profiles maintained

- Efficient account implementation process

- Deliveries and collections

- Passport and visa services

- Administrative support

- Frequent – flyer programme management

- Online reservations

- Tailored customer solutions

- Response to new trends

- Objectivity

- Detailed management information support

- Benchmark supplier agreements

- Tailored corporate and leisure options (Marx, 2003)

Smith (2001) adds the following services that TMCs should offer:

- Reporting: Qualified travel management companies can provide detailed reporting that looks at traveller performance on both a macro and micro basis. The ability to understand patterns and behaviours and, more importantly, the costs associated with them is critical to the management of travel.

- Software: The emergence of powerful reporting software has become prevalent among the leading agencies. Cost-conscious corporate customers need to understand the value of automated programming as they create a series of redundancies to ensure that lowest fares are being secured. These agency-based programmes work on behalf of the traveller 24 hours a day, searching for more favourable fares, preferred seats, wait lists and frequent-flier upgrades.

    There are even programmes that allow corporations to track their market performance with specific travel vendors, most frequently used airlines and car rental firms, to ensure that they are reaching the required thresholds for upfront and backend discounts. These software investments, which are made by the travel agencies, bring real and immediate value to customers.

- Negotiated Discounts: Everything is negotiable. Knowledgeable travel agencies take a proactive approach in negotiating added value discounts for clients. Discounts can range from 8 % to 28 % with different vendors, based on market share and volume commitments.

Furthermore, corporate travellers now require their agents to be even more resourceful than before and not just provide information that they themselves can find via the Internet. Travel managers surveyed in research conducted by Business Travel News (BTN) in 2004, indicated that travel agents were by far their major source of travel advice (63.4 %) (BTN, 2004).

According to the 2003 NFO Plog American Traveller Survey, when compared to 2001, more agents say that business clients are seeking advice on selecting airlines (77 % in 2002 vs. 59 % in 2001), hotels (64 % in 2002 vs. 57 % in 2001) and car rental companies (59 % in 2002 vs. 50 % in 2001) (Travel Weekly, 2003).

The majority of these recommendations are resulting in bookings. Eight in ten (80 %) of airline recommendations result in a booking, 74 % of hotel recommendations and 73 % of car rental recommendations (Travel Weekly, 2003).

The 2003 NFO Plog American Traveller Survey also revealed the following statistics with regard to the functions of TMCs (Travel Weekly, 2003):

- In 2002, the proportion of agencies that booked group convention trips increased to 56 %, almost reaching the 10-year high of 60 % in 1995.
- The proportion of agencies booking incentive trips also increased substantially, reaching a 10-year high of 53 %, a 17-percentage point increase from 1999 (36 %).
- The percentage of agencies booking business meetings (62 %) remained constant, maintaining a 10-year high.
- Travel agents are performing meeting planning functions to a greater extent than they were two years ago. Agents today are far more likely to be used for their recommendation and selection of air travel arrangements (85 % in 2002 vs. 71 % in 2001), followed by their recommendation of the hotel or facility (83 % in 2002 vs. 70

% in 2001) and their recommendation of the destination or location (66 % in 2002 vs. 47% in 2001).

- Somewhat fewer agents today - although still more than in 2001 - are involved in such decisions as planning entertainment or social functions (37 %) or selecting the destination or location (43 %).

At the corporate travel level, the services offered by top agents are repeatedly enhanced – and in doing this the convenience / reliability factor of agencies taking responsibility for complex requirements carries great weight with many companies. The larger agency networks are in the position of being able to offer good prices and top service – for which companies are very willing to pay fees (BTN, 2004).

2.10.2 REMUNERATION

Revenue earned by the TMC is not as simple as that of the retail travel agency earning commission or service fees from independent leisure or business clients. A TMC must negotiate with their corporate client, as part of their partnership agreement on how they will be paid. The revenue earned can range from commissions paid by suppliers, to a negotiated fixed management fee paid by the organisation or profit sharing between the organisation and the agent based on the savings achieved on travel expenditure (Lubbe, 2003).

It can be said that industry developments have led to changes in the financial arrangement between TMCs and their clients (Alamdari, 2002). In the past, travel agencies provided their services to the customer for free, with commissions paid by the travel suppliers. Financial stress and a desire to reclaim the distribution process within the major airlines generally eliminated commissions to travel agencies; meaning customers are charged a fee for service, transactions and general management. This can be done through a retainer arrangement, a management fee programme, or on a per-transaction basis (Ellenby, 2004). Agreements on fees are based on the types of services required by the organisation and are generally negotiated on a contractual basis (Lubbe, 2003).

While this change has brought about the need to educate consumers about the new fee system, it also results in a higher level of service for those customers. Since the travel management companies are being compensated by the actual users of the services, rather than by the providers of those services, there is an even greater incentive to provide excellent service (Ellenby, 2004).

Clearly, for much of the corporate world it is more advantageous to select and pay for services that travellers actually need rather than tying the agency compensation to the revenue received from airline commissions, which is beyond their control (Fairfield County Business Journal, 2003).

Olivier Sauser, European vice president of consulting services at American Express, agrees that it is advantageous for clients to pay for services they actually receive and adds that it provides transparent costing information for purchasing (Hayward, 2001).

While some clients prefer a straight management fee, others opt for a transaction fee at point of sale, relieving them of the process of allocating the fee to different divisions, cost centres or individuals.

The results from the study conducted in South Africa, revealed that almost a third of respondents (32 %) have negotiated transaction fees as their revenue agreement with the travel management company. Almost identical numbers of respondents use volume fees (2 %) and a savings incentive scheme (5 %) as basis for their revenue agreements. Eighteen percent (18 %) of organisations use a negotiated management fee (Lubbe, 2003).

According to the 10th biennial American Express Survey of Business Travel Management 2000-2001, the most common arrangement is a transaction-fee contract, which 29 % of respondents reported having. Another 21 % have management fee contracts, while only 12 % have a rebate or commission-sharing arrangement (Fairfield County Business Journal, 2003).

By receiving remuneration from the corporate client, the TMC now becomes an agent, acting on behalf of the corporate client instead of the supplier.

From the above discussion, the needs and demands of the travel management company can be summarised as in table 2.6.

Table 2.6: The needs and demands of the Travel Management Company

Needs concerning the relationship with the corporate client	Needs concerning the relationship with the supplier	Technological needs	Financial needs
Loyalty, willing to pay for services rendered	Loyal, stable relationship	To aid in delivering a better service to the client	Remunerated for services rendered
Appropriate service level agreements	Not approaching the client directly	Technology must not threaten the position of the agent	Some agents still expect commission from suppliers

In this research study, the needs of the TMC (as part of the external input component in the model) concerning its relationships with the corporate client and suppliers as well as technological and financial needs will be measured in the TMC questionnaire as presented in Annexure C.

2.11 SUPPLIERS

A great number of different suppliers are involved in providing services for the corporate travel market. Those travelling for business purposes need a range of different forms of accommodation, from hotels and guesthouses to bed-and-breakfasts. Taxis, rented cars and airlines transport business travellers to their destinations and back. Many city centre restaurants and bars depend for their economic survival upon their business clientele's expense accounts (Davidson & Cope, 2003). This research, however, will concentrate on two types of suppliers closely associated with the business travel market: airlines and hotels.

2.11.1 AIRLINES

Recently, the pace of change has quickened, and the corporate travel industry has seen dramatic shifts. One of the key players in the corporate travel industry, the airlines, has been deliberate in recognising these changes.

The inability of airlines to distribute their products' cost effectively created the demand for agency relationships. However, in recent years the relationship between the parties has changed, firstly in the US, and latterly within Europe. The causes of such a change have included: airlines' drive to reduce costs; airlines wishing to have more direct contact with their clients; technology providing the possibility of a direct channel between airlines and its customers and large corporates becoming more professional in the way they purchase travel products (Alamdari, 2002). The most important factor though is the airlines' drive to reduce distribution costs through lowering commission rates.

Airlines can utilise many channels to sell their tickets. They can sell directly through their sales offices, call centres, own website and to corporates. According to Juan van Rensburg (2004), Emirates Regional Manager Southern Africa, the advantages of direct sales for the airline include the following: The customer becomes aware of the airline experience and benefits, it gives the airline the opportunity to establish loyalty, it gives the airline control over the expensive reservation process (it is of utmost importance for the airline's profitability to control its inventory) and finally direct sales are more cost effective for the airline.

The indirect channels, which are open to airlines, are traditional travel agents; online travel agents; online travel portals; tour operators and consolidators. As much as 75 % of airline tickets are sold through conventional travel agents. While travel agents are still the airlines' main channel of distribution, it is the most expensive method of ticket distribution (Alamdari, 2002).

This prompted the airlines to deal directly with their corporate customers, bypassing the travel agency (TMC) entirely. In these arrangements, carriers bypass the corporation's agency entirely, paying it no commission. The agency then is left to derive its income from travel management service fees it charges the corporation (Alamdari, 2002).

Van Rensburg (2004) feels that because of their invaluable infrastructure, travel agents have a vital role to establish a vibrant and robust South African travel environment. He furthermore believes that an agent's role should be to assist and advise its client, to aid in direction and planning, to find the best alternative for a travel arrangement, to provide client assistance en-route (lost tickets, lost currency / travellers cheques; stolen hotel or car rental vouchers) and to reassure clients.

South Africa's national carrier, South African Airways (SAA), is redefining the way it does business with the corporate market, which makes up 28 % of the airline's domestic business, and amounts to 40 % of total revenue. To maintain its reign as ruler of the skies in SA, SAA aims to be the best carrier with which to work in the context of a managed corporate travel programme. By realigning structures and processes to suit corporate needs SAA hopes to negotiate more effective contracts that suit client profiles and satisfy needs (Cochrane, 2003a).

Siza Mzimela, Executive Vice President: global sales and Voyager of SAA, further indicated that the airline will continue to compete domestically through direct sales channels, over and above relying on distribution through the retail travel trade. Before selling its online products more aggressively, the airline is revisiting their website to enhance effectiveness and user friendliness (Cochrane, 2003a).

As a result of these ongoing changes, the value of the long-established partnership between corporations and airlines has diminished. Volume alone was formerly considered enough leverage for a travel buyer to secure a good deal from an airline - regardless of how much incremental share that programme actually delivered in return. But in today's negotiating environment, that has changed. Airlines are becoming more demanding in defining what constitutes a good programme for an account (Koetting & Gillespie, 2004).

The ability to move market share is fundamentally more important than size of spend. Therefore, a programme with the clear ability to move business away from or toward a given airline has more leverage and can secure better pricing than a larger programme that cannot move its market share (Koetting & Gillespie, 2004).

This move of market share tactic is an attempt to lure business travellers and revenue from a competitor. The airlines all use the same common tactics to support this marketing strategy (Swartz, 2002):

- Frequent flyer promotions to individual travellers.

- Travel agency override and bonuses that provide monetary incentives to travel agencies who steer business travellers away from competing airlines and book higher business tariffs to one airline.

- Corporate contract market share agreements that provide companies with a corporate discount based on volume, but also primarily on the company's ability to continuously shift more travel away from competing airlines.

- Business airfare sales are usually a desperate tactic used only in the most troubling of economic times and only implemented once the airlines have failed to generate new revenue from consumer sales, or only in a particular market where the airlines have an ulterior motive of running a new low fare competitor out of business (e.g., predatory pricing).

Airlines are increasingly looking towards attracting business travellers with more offers and better products such as sleeper beds and Internet access. However, this product innovation is leading to higher fares in most markets, which raises the question of whether corporate travellers will pay those fares. Booked fare trends indicate that it is unlikely, particularly for short-haul, domestic travel in regions where the economy is soft, as many companies scrutinise travel policies such as class of service usage (BtbTravel, 2004).

Travellers and their companies, of course, have differing needs and wants when it comes to airline service. Frequent travellers, for example, place a higher degree of importance than infrequent travellers on newer planes, automatic upgrades and onboard laptop power. Less-frequent travellers are more concerned with efficient baggage delivery at their destination (Jonas, 2003).

Travel managers also have specific service needs and are most interested in favourable transient pricing discounts, effective rate loading and responsive airline sales staff. Increasingly, they are exploring opportunities to combine their corporate contracting and

preferred supplier relationships with customer service elements by negotiating service level agreements (Jonas, 2004).

According to the 2003 BTN survey results, travel managers deemed as most important flexibility in offering negotiated corporate rates, followed by availability of all fare types in global distribution systems and timely, accurate negotiated rate loading in GDSs. Indeed, fare availability is becoming an exasperating topic for corporate travel managers, as airlines eliminate discounts from certain fare buckets and closely manage inventory (Jonas, 2004).

Other buyer respondents called for simplified contracts, onsite visits a few weeks after contract implementation, account familiarity among sales representatives and open lines of communication, especially when airlines plan to make schedule changes (Jonas, 2004).

According to travellers and travel managers, airlines also need to provide benefits for premium travellers, by offering automatic upgrades and priority on waitlists, for example. Corporate travellers and travel managers equally feel that if loyalty is shown in reaching platinum status, there should be reciprocity shown toward those customers (Jonas, 2004).

Taken as a whole, and considering all customer service elements, the airline industry barely obtained passing grades from the 2003 BTN survey respondents. The mean score from travellers regarding overall satisfaction with service from their primary airline was 7.4. Those who travel less frequently gave slightly higher scores than more frequent travellers (Jonas, 2004).

Meanwhile, the mean score from travel managers for overall satisfaction with service provided by their primary airline was 6.8 out of 10. The mean from those at larger companies, with at least $12 million in 2002 U.S. booked air volume, was 7.3, compared to 6.8 among mid - market respondents and 6.4 from the small-market segment (Jonas, 2004).

According to the National Business Travel Association (NBTA) it is incumbent for the airline to foster a relationship with travel buyers that benefit both parties. The following actions can be considered (NBTA, 2002):

- Identify and define who the customer is.
- Listen to what the most valuable customers are saying and take note of what they are doing.
- Consider the impact that unilateral decisions will have on the corporate client.
- Better communicate policy decisions to the corporate client.
- Understand that removing a cost from one's system does not always eliminate this cost from the process.

Apart from the trends mentioned above, another major trend identified in the American Express Study of 2004 is that of No Frills / low-fare carriers. The No Frills sector has changed the air travel market dramatically. According to the study they are still getting stronger and gaining further market share from the flag carriers. In Europe, 11 No Frills carriers enjoyed a 28.7 % market share, a substantial increase on the 13.6 % share held in 2002. The International Air Transport Association (IATA) projects that the No Frills carriers' market share in the U.K. will rise to 35.7% by 2010 (BtbTravel, 2004).

The needs and demands of airlines can be summarised as follows in table 2.7:

Table 2.7: The needs and demands of airlines

Needs concerning the relationship with the corporate client	Needs concerning the relationship with the TMC	Technological needs	Financial needs
Build a direct relationship with the client	Still relies on the travel agent for ticket sales but seeks preferred supplier agreement	To streamline administrative processes	Volume sales
Expects volume sales and loyalty from corporate client	Want to cut distribution costs by bypassing the agent	Use technology to make direct contact with client possible	Cut distribution costs

2.11.2 HOTELS

As with airlines, accommodation providers, notably hotel chains, are providing an increasing variety of facilities to attract the business tourist, from free and / or high speed internet access (BtbTravel, 2004) and in room computer access, to business centres and a wide variety of meeting rooms. For many hotels, business tourism, of all types, is the source of the majority of their revenue (Swarbrooke & Horner, 2001).

Like the airlines, the hotel sector has had to adapt to the changing needs of business travellers, with the optimum balance between cost, convenience and comfort constantly being sought by the corporate customer. Wishing – or needing – to be more industrious and productive while travelling on company business, many business guests in hotels have come to require much more than a quiet room. They increasingly want hotels to be not so much home from home but offices away from the office (Davidson & Cope, 2003).

However, the need to drive down travel budgets has meant that many companies are seeking the hotel equivalent of the no – frills airline. This has assisted the growth of low – cost hotel brands. These brands are successfully serving the growing cost – conscious market segment of the business travel market (Davidson & Cope, 2003).

The American Express Survey of 2004 supports the above statement. According to the survey, the cost of a room in upper-range hotels in all markets fell in 2003; with North America showing a significant 17.5 % drop. Interestingly, low-range hotels in North America showed an increase of 6.9 %, reflecting the fact that business travellers are trading down on hotels in the same way that they are flying with no-frills carriers (BtbTravel, 2004).

Like the airlines, hotels are also increasingly trying to sell their product direct to the customer. The most important reason for doing this is the high cost of distribution (6 % – 18 % of the cost of the product). According to Don Elliot (2004), Area Manager Starwood hotels and Resorts and General Manager, Sheraton Hotel, Pretoria, hotels motivate online bookings by: providing guests extra frequent flyer miles, offering upgraded rooms, and by giving lowest rate guarantees.

Yet, raising room rates remains the industry's objective. "Our goal is to generate higher room rates," said A.F. Petrocelli, chairman and CEO of Prime Hospitality Corporation. Petrocelli noted that progress had been made in this regard through better yield management and less reliance on discount distribution channels. Moreover, he is counting on further increases in business travel demand to have a positive effect (Serlen, 2004).

Hotels no longer can rely on the room night volumes they traditionally obtained from their best corporate clients, so instead they are increasingly focusing on market share. For hotels, the appeal of market share gains is twofold. Not only do they benefit from a greater share of whatever business exists in the market, but they also steal share from the competition. One caveat remains for buyers, however: they still have to demonstrate they can drive compliance and deliver the market share promised. As a result, buyers have to show that their corporate travel policies directs travellers to book only preferred hotels whenever possible. Many are doing this by narrowing the number of properties used in each city (Serlen, 2003).

Increases in the rate of supply growth remain a cause for concern to the industry since a flood of new properties coming on the market would dilute the effect of strengthening demand (Serlen, 2004).

Nevertheless, corporate clients say higher levels of service and better amenities are worth any difference in price if they allow for a more productive stay (Lewers, 2003).

Since the travel manager must seek a balance between meeting the dual corporate goals of cost reduction and effective execution of business activities, trade – offs are clearly present in the hotel selection process. Hotel companies should know about the trade – offs so that they can determine what features to offer corporate accounts (Bell & Morey, 1997). According to Bell and Morey (1997) the following attributes constitute the bare minimum definition of an acceptable hotel product: clean rooms, an accessible reservation system, unquestionable reservations, an appropriately trained staff, a reasonable location, and availability of smoke free guest rooms.

Tim Worthington, president of General Hotels Corporation, Indianapolis, says business travellers increasingly insist on high speed Internet access to boost their productivity. His

properties, are not newcomers in this field, but have found the demand especially strong lately (Lewers, 2003).

The experience has been the same for Eric Murphy, vice president of sales and marketing at Murphy / Reader associates. Among other things, Murphy is in charge of information technology, and he says rooms are all wired, with wireless access available in first-floor public areas and the on-premises restaurant. A related service of primary importance is the hotel business centre, with PCs for those tired of the increasing security hassles that go along with taking laptops on planes (Lewers, 2003).

Business travellers will also be willing to pay a bit more if it means more comfortable and business-friendly accommodations within the room. Worthington cites his hotels' work-oriented rooms that feature a large desk with a side table suitable for dining or spreading out files. Other hotel properties are adding fitness centres to better serve the health-conscious business traveller (Lewers, 2003).

The needs and demands of accommodation providers are summarised in table 2.8:

Table 2.8: The needs and demands of accommodation providers

Needs concerning the relationship with the corporate client	Needs concerning the relationship with the TMC	Technological needs	Financial needs
Building a direct relationship with the client	Still relies on the travel agent for ticket sales but seeks preferred supplier agreements	To streamline administrative processes	Volume sales
Expects volume sales and loyalty from corporate client	Want to cut distribution costs by bypassing the agent	Use technology to make direct contact with client possible	Cut distribution costs

As is evident from the above discussion, the needs and demands of airlines and hotels (as part of the external input component of the model) coincide. In this research study the

needs of suppliers concerning their relationships with the corporate client and TMCs as well as their financial and technological needs are measured in the supplier questionnaire as presented in Annexure D.

The previous sections described and identified the needs and demands of the role players involved in the corporate travel management process. A problem exists when the needs of one role player does not agree with the needs of another role player, because it can result in value conflicts.

2.12 VALUE CONFLICTS

The discussion on the needs of each role player has shown that they do not always coincide and value conflicts can occur between corporate clients, suppliers and travel management companies. Typically as Roodt (2001) says corporate clients want flexibility in their travel arrangements; airlines and other travel suppliers want to maximise yields by optimising revenue and travel management companies want to service client needs at the lowest cost. Value conflicts also occur:

- Between management and travellers due to cost containment actions versus traveller comfort and "self – esteem" (Gilbert & Morris, 1995). The company's objective is to make travel expenses as cost-effective as possible. The traveller, on the other hand, is looking at creature comfort and rewards programmes of one sort or another (Gross, 1996).

- Between suppliers, travel management companies and the corporate client in optimising the travel management process, particularly in the area of technology application, where the client often faces both a traditional channel partner and an electronic commerce channel partner. There is often confusion about which channel they should support because it is not clear whether the electronic commerce partner will be successful in the long term or if the traditional channel partner will be able to re – establish itself (Lubbe, 2003). According to Subramani and Walden (2000) having both a traditional and an electronic commerce partner allows the firm to play one off against the other, with the result that the new partner will not have the same level of incentive to invest in the relationship as he would otherwise.

- Between management and travellers in policy monitoring and compliance (Gilbert & Morris, 1995).

- Between suppliers and travel management companies. Suppliers want to cut the commissions paid to TMCs, but TMCs feel that they provide a valuable service for their suppliers and expect to be remunerated for it (Gray, 2002).

- Again, between suppliers and TMCs. Suppliers are developing websites that provide a full agency service online, which makes TMCs redundant.

- Between corporate clients and TMCs. Travel has always been regarded as a service facilitated for free by TMCs and as such there is reluctance for corporate clients to pay fees for their transactions (Cochrane, 2003c).

When these value conflicts occur, the corporate travel management programme cannot be managed effectively. It is necessary for the role players to resolve the conflict and together work towards the realisation of common goals.

2.13 GOALS

With continuing technological advances in the use of the Internet and systems such as mobile technologies, travel management companies increasingly have to compete with suppliers who have far greater direct access to the client than ever before. Under these conditions Jonathan Gerber, managing director of Seekers Travel South Africa, says that the future of travel management lies in a partnership approach (illustrated in figure 2.4) between the TMC and the corporate client on the one hand - where they share a common goal, seek value for money, share in achieving a desired level of service, managing costs and jointly negotiating best deals - and preferred suppliers on the other hand (Lubbe, 2003).

Figure 2.4: The relationship between suppliers, travel agencies and corporate clients: the partnership approach
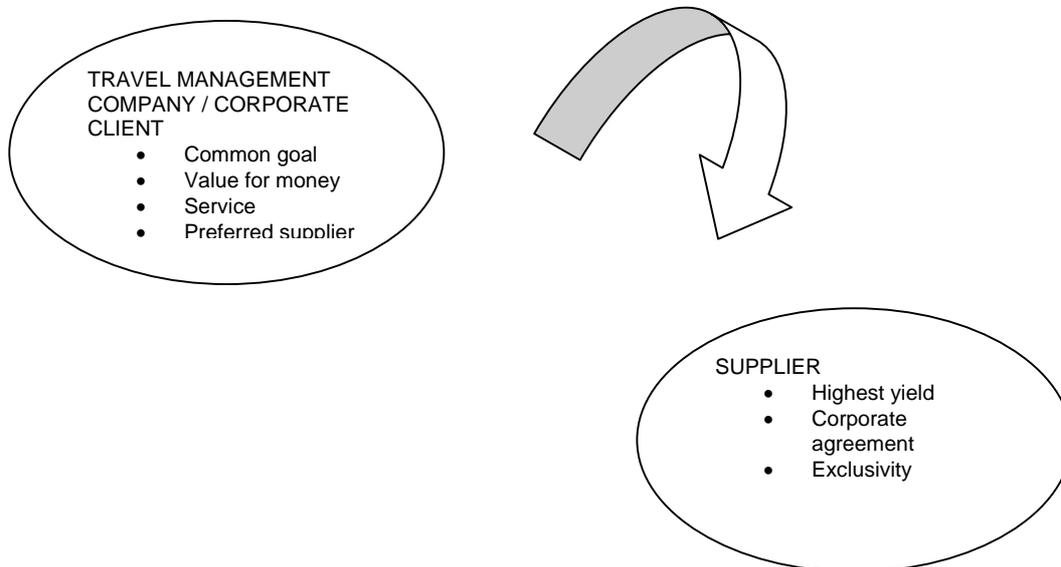
Source: Lubbe, B.A. 2003. Corporate travel management 2003: Report on the results of a survey conducted in South Africa in September 2002. Pretoria: University of Pretoria.

Ultimately, the role players in the corporate travel industry all strive to reach one common goal: an effective corporate travel management programme to the benefit of all the parties involved. The results from the South African survey conducted by Lubbe (2003) revealed that respondents indicated the following factors as being critical for effective corporate travel management:

- Negotiated agreements with suppliers
- Travel expenditure control
- Top management support
- Comprehensive and accurate travel data
- Consolidation / centralisation of corporate travel
- Traveller education on corporate travel

When a common goal has been decided on, certain actions can be taken to ensure the achievement of the goal and to direct the corporate travel management process towards the desired outcome.

2.14 ACTIONS

After agreeing on specific goals, certain actions need to be taken to ensure the attainment of the desired outcome, which in this case is an effective corporate travel management programme. These actions include: the development of a travel policy that saves costs while at the same time considers the needs of travellers, the use of technology to enhance the efficiency of business operations, the establishment of supportive relationships and the utilisation of an effective payment method.

2.14.1 TRAVEL POLICY

A formal written policy is a roadmap to a company's travel management programme. It is the audible, visible and – most important – measurable embodiment of all the controls, contracts, practices and senior management expectations that comprise the corporate travel management agenda (Lang, 1993).

According to American Express Consulting, there are three guiding principles that can help create a travel policy that satisfies business and cultural needs. The three guiding principles for any travel policy are: (1) maximising savings to the organisation, while simultaneously improving (or at least maintaining) both traveller (2) satisfaction and (3) productivity. Organisations must determine the appropriate mix to satisfy their business requirements and corporate culture, as changes in any one of these areas will have an immediate impact on the others (Wint & Avish, 2003).

The objective of an organisation in formulating a travel policy does not only include controlling the organisation's travel expenditure, but also include quality assurance and to aid in purchasing services (Meyer, 2002).

American Express Consulting (AEC) studies have shown that travel policy-related measures taken in an attempt to hold down travel and entertainment (T&E) costs are reported to be among the most highly effective cost-control steps taken by many organisations. The single most important step organisations can undertake is to develop more explicit travel policies and implement more consistent enforcement measures.

Organisations have only four chances to exercise control over any given T&E expenditure. The first opportunity, which occurs before the expense has been incurred, involves the development of a travel policy. This is simply a matter of exercising control by letting travellers know the ground rules. The second control opportunity is the point at which prices are determined. This can occur at the time reservations are made (airline tickets, hotel rooms, car rentals) or at the point of sale (restaurants). The third control opportunity involves the usage of comprehensive and efficient payment methods that verify actual costs and collect vendor data. The fourth, and last chance an organisation has to control and reduce travel expenses is at the time expense reports are audited and processed for payment.

Developing a comprehensive travel policy is the first opportunity a company has to control travel expenditures. A travel policy should be the cornerstone of any T&E programme as it sets the tone for the entire programme by clearly outlining the policies and procedures for business travel-related expenditures (Wint & Avish, 2003).

According to Kobus Meyer, Telkom National Travel Manager (2002), controlling travel expenditure through a corporate travel policy requires a four-phase approach:

- Policy development
- Communication
- Compliance monitoring
- Enforcement

Communication in relation to a company's corporate travel policy goes beyond simply distributing the policy document itself and include such strategies as publishing periodic newsletters and ticket inserts, conducting seminars for travellers and travel arrangers.

Because the travel manager is the recipient of pre- and post trip compliance reports as well as reports from the corporate payment system, the travel manager can provide data to those charged with enforcing the policy.

The final phase of the policy related activity is enforcement. In this stage the travel manager typically reverts to the role of an influencer without actual authority. The role is limited to assisting in the development of written enforcement principles as stated in the policy (Meyer, 2002).

According to Wint & Avish (2003) there are six elements that form the foundation of a strong travel policy. The six elements of a travel policy are:

(a) Culture

An organisation's culture is reflected in all of its operating policies and procedures, including its corporate travel policy. The corporate culture is a critical link to each of the other five key elements. Decision makers in travel management are required to have an intuitive grasp of their company's culture.

Corporate culture determines the travelling lifestyles of employees; can be considered relaxed (employee oriented) or restrictive (business oriented) and is influenced by management goals, the industry, the economic climate, and the corporate history.

(b) Content

The success of a travel policy hinges on the travel policy topics addressed, such as air travel, accommodation, car rental, methods of making travel reservations, meals & entertainment and payment methods. Critical travel policy topics need to be included in order to maximise a policy's effectiveness. Content is measured on the number of topics addressed in the travel policy and is incomplete if the travel policy is missing any of these essential topics.

(c) Comprehensiveness

Even if the essential topics are addressed, a corporate travel policy is incomplete without extensive coverage of each topic. The success of an organisation's travel policy hinges not only on the actual topics included, but also on the level of comprehensiveness within each

topic. If all details are not clearly defined in the travel policy, travellers will not understand the organisation's expectations.

Comprehensiveness is the degree of detail provided under each of the policy components, it gives travellers and expense approvers the information needed to follow the travel policy and control expenses and it also ensures a tangible record of all ongoing travel management objectives.

(d) Communication

It is critical to improve communication methods and obtain senior management support. Even a meticulously crafted policy cannot deliver savings if travellers are not familiar with it or its contents.

Policy communication includes the extent of the travel policy's distribution, how the travel policy is distributed, how often the travel policy is updated and traveller awareness and knowledge of the travel policy.

(e) Control

Methods and enforcement strategies should be in place for monitoring compliance and dealing with non – compliance.

(f) Compliance

Once an organisation has developed and communicated its travel policy the key question still remains whether travellers are complying with it. All imposed restrictions must be monitored for traveller compliance as non-compliance results in higher than necessary costs.

Compliance measures how well travellers are following the travel policy, ensures that the company achieves the financial and administrative benefits expected with a travel policy, and is the ultimate measure of a travel policy's overall success.

In a survey conducted by Runzheimer International in 2002, it was found that 84 % of respondents have a formal written policy. The study conducted on corporate travel in

South Africa in 2002 found that 92 % of the respondent organisations have a formal written policy in place, while 8 % of the organisations have informal guidelines (Lubbe, 2003).

According to Uniglobe (2004), most companies have some form of travel policy in place, but the majority of travel policies have been found to be less than effective and enforceable. Furthermore, Uniglobe reports that a recent worldwide study on travel policy issues, encompassing a variety of different sized companies, revealed the following:

- Only 49 % of policies require pre-trip authorisation.
- Less than 45 % of policies require the use of the lowest convenient fare.
- Less than 35 % of policies address the use of discounted hotels and car rentals.
- Over 60 % of companies have no policy prohibiting higher priced flights to accumulate frequent flyer miles.
- Corporate executives reported a perceived compliance level of 98 %.
- Post travel audits revealed actual compliance of only 73 % (Uniglobe, 2004).

Jenkins (1993) identified three categories of a travel policy: areas to cover, expense reporting, and distribution of the policy. Lubbe (2003) also identified three categories of information that a travel policy should include: the procedure and guidelines for making travel arrangements; reporting procedures for expenses incurred; and the way in which the policy should be distributed to employees for easy reference.

Although the principle objective of a policy is to ensure value for money, cost control has to be reconciled with a respect for the business traveller's comfort and well-being. After all, these employees may well be putting up with a degree of disruption for the good of their business. Moreover, the companies that secure the highest level of compliance with the travel policies are likely those, which acknowledge the need for an element of flexibility but also let it be known that a watchful eye is being kept to notice any obvious abuses. Furthermore, employees are always more likely to support arrangements they have helped create. Care should be taken to ensure that the stipulated suppliers and classes of travel are realistic and perceived by travellers as being reasonable and in line with their expectations. Particular attention should also be paid to employee's feedback on the quality of service received from the supplier (SureTravel, N.d.).

While travel policy compliance is the key to effective travel expense management, many companies do not realise the importance of implementing and enforcing a travel policy.

(i) Compliance or Non-Compliance with the Travel Policy

A recent global survey by flight schedule publisher OAG Worldwide showed that, on average, employees breach corporate travel policy on one trip in six (Cohen, 2000). A survey on corporate travel management in selected South African organisations found that only 22 % of organisations surveyed, reported that travellers comply with the travel policy all the time. Most (73 %) reported compliance most of the time, which shows there is also a compliance problem within South African companies (Lubbe, 2003).

The global survey revealed that the most frequent deviation from policy is in the choice of airlines (43 %). Next comes class of travel (21 %), followed by choice of hotels (16 %). Others believe inconvenient schedules are the greatest culprit of non-compliance (Cohen, 2000).

The South African survey found that 57 % of organisations reported non-compliance in the area of meals and entertainment expenditure, while 50 % and 51 % of the organisations reported non-compliance in accommodation and airline expenditure respectively. Car rental and travel approval procedures were the two areas where the least number of organisations experienced non-compliance (Lubbe, 2003).

The study conducted by Douglas & Swart (2003) revealed that employees experienced problems in non – compliance most frequently in the areas of meals and entertainment, airlines, and car rental.

Soren Schodt, Danish Travel Pool (DTP) managing director, is of the opinion that the most common cause of avoidance is a poorly written policy. Many policies are written with too many grey areas, if the traveller can argue that the policy is wrong, it can be difficult to enforce (Cohen, 2000).

Companies also fail to communicate universally to employees. An American Express survey in the US found that 50 % of travellers did not understand their company travel

policy, and only 43 % actually had access to it. This problem can be easily rectified these days by disseminating policy via the company intranet, especially as this medium allows details to be updated regularly (American Express, 2002c).

The survey done in South Africa reported that 78 % of organisations are of the opinion that last minute bookings are a reason for non-compliance, 69 % agreed that unknowing infringement by travellers is a reason for non-compliance, while 54 % indicated personal loyalty cards as being a reason for non-compliance (Lubbe, 2003).

The survey done by Douglas & Swart (2003) supports these results, with 61.9 % of respondents agreeing that last minute bookings is a reason for non – compliance.

Others believe inconvenient schedules are the greatest culprit of non-compliance. The OAG survey supports their view - seven out of ten travellers claimed this was why they broke policy. Sometimes a meeting finishes late and the traveller decides to fly with a non-preferred carrier rather than wait several hours for the next departure with one on the approved list.

Along with these practical reasons, there are also several psychological explanations for policy avoidance. Some travellers break the rules by flying business class because they find it demeaning to sit in economy (Cohen, 2000).

No doubt a small number of travellers also break the rules simply to be wayward. The travel policy is an ideal opportunity to express rebelliousness through relatively trivial transgressions of company rules (Cohen, 2000). This was substantiated by the South African survey, where 42 % of the organisations agreed that the travel policy was deliberately infringed (Lubbe, 2003).

The potential for savings is greatly affected by company employees' cooperation with a travel department's efforts to apply travel policy, but employees can always make excuses for not following guidelines on the basis of their specific needs on a business trip (Amster, 1986).

Travel managers and consultants are of the opinion that including employees in travel policy-making is crucial to ensuring maximum compliance. Tactics such as involving a wide range of employees, making travel policies available online, and enlisting senior management in introducing a new policy can help boost compliance. Making sure that workers follow travel guidelines is essential since most businesses sign contracts with preferred vendors that guarantee a certain amount of traffic. When employees don't adhere to the company's policy, they may undermine negotiated discounts and may bring utilisation below the level at which the company will continue to enjoy those discounts. Corporations do have a great amount of leverage in terms of getting employees to comply: They can simply refuse to reimburse them (Gross, 1996).

Many travel managers and consultants agree that making policies more traveller-friendly helps boost acceptance. That includes allowing employees to keep frequent-flyer miles, not forcing them to take the lowest rates, and sometimes allowing more expensive direct flights (Gross, 1996).

The company can save travel expenditure only when corporate travellers comply with the travel policy. If the travel policy does not address their needs, corporate travellers are not likely to comply with the travel policy.

Apart from the corporate travel policy, technology options can also aid in the effective management of corporate travel.

2.14.2 TECHNOLOGY

Customer demands are constantly changing the way corporate travel suppliers and intermediaries develop and deliver their products to the marketplace. The travel technology segment in particular is rapidly evolving. Right now, the Internet, mobile technologies and various other market segments like the growth of technology based partnerships, increased security measures, and globally integrated solutions are changing the face of the travel technology industry. As the industry evolves, less focus is being placed on traditional distribution technologies like the Global Distribution System (GDS). Distribution channels for travel are being transformed by streamlined, low-cost

alternatives, including electronic ticketing, automated ticket kiosks, online travel planning and reservations, and web-based corporate travel management services (BTI, 2004).

The development of electronic commerce (e-commerce), defined as the secure trading of goods, information and services using Internet technologies, enables consumers to communicate directly with tourism organisations in order to request information and purchase products, as well as to interact with principals. The development of the Internet is therefore introducing changes in the way that companies in the tourism industry plan, control, operate and integrate a significant portion of its activities (Kasavana, Knuston, & Polonowski, 1997).

One of the main reasons for the changes taking place in travel distribution is the remarkable growth in a variety of technology options that can be used. The purpose of technology partnerships between travel agencies, suppliers, and corporate clients is to allow organisations to streamline their operations and to become more cost-effective (Lubbe, 2003).

All players in the industry – including corporate travel buyers, travel services providers, and travel intermediaries – are attempting to implement technologies in a desire to streamline processes and reduce their costs. However, as is often the case, not all industry players benefit from the same technology innovations in the same way. The technology options available to each player will be explained next.

(i) The organisation and its corporate travellers

Despite the wide array of e-connections - and in many cases, because of them - travel is still very much a part of business. Technology makes it possible to conduct business on a global scale. That, in turn, drives the need for travel on the same scale. Today, many organisations are finding that this increase in travel requires an equivalent increase in technology solutions to handle that travel (Haapaniemi, 2000).

Organisations are finding that using technology to coordinate and track travel, and streamline operations can result in a significant payoff. Bruce Berkey, finance manager at Ingersoll-Rand (Woodcliff, New Jersey), a maker of industrial equipment, estimates that

the use of new technology will save his company $2 million a year in areas such as employee reimbursements and supplier contract negotiations (Haapaniemi, 2000).

The South African study revealed the following advantages of using technology when making travel arrangements: cost-effectiveness of systems, fast response times by suppliers, access to information, travel expenditure control and low airfare searching (Lubbe, 2003).

But, despite these visible advantages and benefits of using technology, the survey conducted in South Africa (2003) determined that only forty-seven percent (47 %) of South African companies use various technology options when making travel arrangements (Lubbe, 2003).

One of the fastest growing trends in travel management is the use of videoconferencing, which is growing in popularity as the technology improves and participants become more comfortable with the medium (Businessweek, 2002).

The rapid growth of the Internet allows the business traveller to log onto a specific supplier's website or homepage and make a booking with that supplier. The Internet works on real-time; therefore, any booking made or inquiry sent, is immediately received by the supplier and can be confirmed or answered directly (Lubbe, 2000). Furthermore, online booking tools give a company a way of reaching its employees in real-time, 24 hours a day, seven days a week, wherever they are - on the road or at home (Haapaniemi, 2000).

In 2003, the ACTE international study revealed that fourteen percent (14 %) of respondents were using online corporate booking technology. The South African study showed that only twelve percent (12 %) of organisations were using self-booking systems (Lubbe, 2003).

According to a recent survey conducted by Business Week Research Services on behalf of GetThere and the Association of Corporate Travel Executives (ACTE), there is a significant surge in the use of online booking, with nearly 40 % of respondents saying their company has deployed an online system, and 80 % of those companies seeing cost-savings as a result. The survey shows a significant increase in companies using online

technology strategically to reduce costs. The survey further indicated that 84 % of respondents are considering changes in how online technology is used to plan and manage corporate travel (BtbTravel, 2003a).

American Express claims self-booking can save between 10 % and 20 % on average air fares and 50 % to 70 % on agency costs, with transactions completed in as little as nine seconds (Coulter, 2004).

Company Barclaycard's latest Travel in Business Survey confirms the trend, revealing that 98 % of business travellers who booked online would do so again, and 63 % who have not booked online would consider doing so (Coulter, 2004).

In the American Express poll of 800 business travellers from eight countries respondents said they are attracted to online booking mainly for convenience. About 59 % cited this reason - with the French most enthusiastic about this benefit (more than 90 %), and Germans least convinced (just over 37 %). Travellers also cite the savings benefit as another enticement. Over 27 % polled cited cheaper fares as a benefit. Again, the French, at almost 43 %, are the most appreciative of this benefit (BtbTravel, 2003b).

According to Stone (2004) the key benefits of adopting self-booking tools and online booking solutions are a reduction in costs, improvement in service options for travellers and better control for the corporation and travel managers, as well as stronger policy compliance and enhanced contract performance. Other benefits go directly to the travel manager such as enhanced analysis of service level agreements, access to management information on demand as well as pre- and post trip policy checks.

At the same time, web technology makes it easier for a company to track travel, because each employee's travel information - in electronic form - is funnelled through the corporate travel department. Web-based systems save time by allowing employees to take care of unique and changing travel needs, rather than trade phone calls with corporate travel agents. The agent is relieved of doing a lot of mundane things. Even if the employee just looks for schedules and pricing, it saves time. Of the three or four phone calls it takes on average to complete one reservation, online booking will take away at least two, which are usually about basic information. This will give the agent more time to do what an agent is

trained to do, which is find alternatives, deal with complex itineraries, be creative in pricing - thus, to act as a consultant rather than an order taker (Haapaniemi, 2000).

But, although online booking sites lessen the need for a traditional agent working in the corporate travel office, it leaves executives without as much access to an experienced travel agent to solve problems, badger airlines for upgrades or rebook travellers when problems arise (Trottman, 2003).

Added to this is the fact that online transactions are impersonal and this has its own drawbacks. Digital representation denotes this absence of physical contact (i.e., the inability to touch and feel the product, to visit a physical storefront and to have human interaction) (Zott, Amit, & Donlevy, 2000). This feature of virtual markets is considered as the major inhibitor to online purchases, since customers must overcome the mistrust of not having human contact and the perceived lack of transaction and payment reliability. In the context of travel, where the product is totally intangible, digital representation creates even more constraints (Sigala, 2002).

This tendency is confirmed in the South African study conducted by Lubbe (2003). More than 70 % of respondents agreed to the fact that travellers prefer personal contact when making their travel arrangements as a factor hampering the use of technology.

According to Cohen (N.d.) there are some excellent information sites on the Internet for corporate travellers. Yet despite its apparent advantages - easy access, choice, ability to update inventory rapidly - the Internet has not yet proven itself as a vehicle for buying corporate travel either for the individual traveller or the companies they work for. Some of the disadvantages of the Internet for the corporate traveller are:

- The Internet can still be painfully slow to navigate and isolate an appropriate website, then choose and book an appropriate flight.
- Fares on offer tend either to be full fare or burdened with prohibitive restrictions (such as minimum Saturday night stay).

Furthermore, the Internet also holds some disadvantages for the company such as (Cohen, N.d):

- The wider, undisciplined Internet offers corporations no chance to control their travel purchasing. Employees can book travel without any attention to the corporate travel policy. Even if fares are apparently lower than through preferred suppliers, tickets booked through the Internet do not contribute to volume or market-share agreements with preferred suppliers and are not captured in all-important management information data that is used for supplier negotiations.
- Employees waste valuable work time surfing the Internet.

The results from the South African study conducted in 2002, revealed that 76 % of respondent organisations do not encourage their corporate travellers to use technology options themselves (Lubbe, 2003).

Furthermore, assistants (PDAs) and cellular phones will, in the future, enable business travellers to access important information while in transit. For example, based on destination and other travel details, travellers will receive all the necessary planning and scheduling information that might influence their trip like traffic reports, weather conditions, delays, airline schedules and booking updates in real time. By supporting access to information during the course of the trip, travel expenses can be significantly reduced. Today, business travellers are usually disconnected from their company's travel management services and information, and only make contact by phone when able. Similarly, the travel manager is unable to provide travellers with information while en route. Though some of these services are already available to people connected to a network, to date, the processes are inhibited by slow network connections and are provided separately. In addition, many services are not yet adapted to travel planning or they do not take into account the current location of the traveller and the relevant time of day (BTI, 2004).

A key part of IT-driven travel management is the corporate intranet. Such a solution allows employees to make their own reservations and file their own expenses online - at their convenience - but under the control of the organisation's travel office (Haapaniemi, 2000).

The principal functions of a corporate travel intranet are to provide useful information to the traveller, support relationships with preferred suppliers and possibly to act as a platform for self-service reservations (Cohen, N.d.).

According to Robinson of Unisys, the use of the Internet and an intranet allow the travel department to have more control and to communicate with employees easily and inexpensively. This approach also encourages high levels of usage by employees, because so many people are already familiar with browser software. This is important, because if systems are not simple to use, it can reduce adoption rates and employees will tend to fall back on the familiar paper-based methods, or go outside the company to make their own reservations over the Internet (Haapaniemi, 2000).

Robinson is of the opinion that the use of an intranet also increases "speed to market" when travel programmes change. For example, if a company switches preferred airlines, the travel page can inform employees of the switch. The system can easily be changed so that the new airline appears first when reservations are made (Haapaniemi, 2000).

According to Cohen (n.d.) the benefits of a corporate travel intranet include:

- The ability to filter out unwanted external information while at the same time freely circulating internal information.
- Reduces information requests to appointed travel agents, saving employee time and agency manpower.
- Information needs only be loaded once.
- Unique opportunity to present information from external and internal sources in a co-ordinated medium. Technophile travellers will in any case be seeking web solutions for their travel needs so it is better for a company to meet and control this demand through an internal site.

Technology can also assist in ensuring that travelling employees are doing things the right way. Sophisticated programmes allow travel departments to incorporate rules about policies and preferred suppliers into their web pages in order to guide and prompt employees to make appropriate choices.

Although technology offers countless opportunities to streamline business, there are still some factors impeding the use of technology. The South African survey found that the majority of organisations cited a variety of factors that hampered the use of technology for travel processing. Some of the factors included that travellers preferred personal contact when making their travel arrangements, organisations did not believe that the systems were suitable for complex travel reservations, some respondents did not use technology because they felt that they have less control of travel expenditure, while others mentioned the fact that there were no direct travel benefits to use technology (Lubbe, 2003).

(ii) Travel Management Companies

Despite increasing automation, travel agencies are not going away. Automation is a tool - or tools - that can save time on some discrete aspects of purchasing and managing travel. Automation cannot "manage" anything, especially the complex set of interrelated processes involved in corporate travel (Wilkinsom, 2001).

While travel websites have been perceived as a threat to traditional travel practice, the growth of online booking is actually good news for travel agents, says Asata (Association of South African Travel Agents) president Marco Clocchetti. Online booking is an even more powerful tool in the hands of travel consultants than consumers, as consultants have more comprehensive knowledge of the products on offer. What is more, travel consultants are availing themselves of the convenience of the Internet and taking advantage of the opportunity to deliver value – added services to their clients (Noik, 2003).

"Agencies as a rule have had to reinvent the value they bring to the table," says Bob Joselyn, owner of Joselyn, Topper & Associates, a travel marketing and consulting firm based in Phoenix, Arizona. "As the importance of airline reservations has waned, agencies are becoming true travel management companies, capturing and analysing data for clients" (Woods, 2003).

The convergence of web booking capabilities with the new economic realities has resulted in major challenges for travel agencies, whose bread and butter for many decades was booking air tickets for business travellers. To survive and prosper in the business travel sector in the midst of break-neck change, many agencies are "morphing" into sophisticated

71

information services utilising the latest innovations in web technology. Balancing cost savings and convenience with comprehensive data collecting servicing is what sets travel management companies apart (Woods, 2003).

According to the 2003 NFO Plog American Traveller Survey, while Internet usage continues to erode brick-and-mortar travel agent influence as an information resource, travel agents remain the information resource on which most (71 %) travel agent users rely (Travel Weekly, 2003).

Agencies are taking steps to leverage web-based technologies to be pro-active in bringing information to the business traveller, and hence reduce the "hassles of life on the road in an increasingly frenzied and uncertain travel environment." Indeed, while Travelocity, Expedia, and Orbitz make it easier than ever for individuals to arrange their own travel, making the booking is only part of the story. Factors such as changes in how airlines structure fares and reductions in flight schedules have led to unprecedented confusion and surprises. Utilising electronic technology has become key to providing crucial information to business travellers in an expeditious manner (Woods, 2003).

Many agencies utilise email to the maximum to communicate with travellers on a timely basis. For example, some companies automatically send an email to the traveller once an airline ticket has been booked with information about that particular airline's policy on ticket restrictions. It tracks unused e-tickets for its corporate clients, and if a traveller's flight has been booked, the agency will send a list of alternative flights available within the next two hours to that person's wireless Internet device, laptop or desktop (Woods, 2003).

(iii) Airlines

Airlines have in the past sold their tickets direct to the public and via travel agents, where they have traditionally paid a commission. During the 1980s as the airline industry became truly global, various airlines grouped together and expanded their in - house computer reservation systems (CRSs) by creating new companies that would act as GDSs (Global Distribution Systems). These GDSs charge the airlines a fee per sector booked. Airlines are, not surprisingly, embracing the new opportunities afforded by the Internet to reduce these costs.

In 1998, the major airlines started to focus on "online disintermediation" removing the intermediaries between themselves and the passenger. The major carriers have been rushing to upgrade their own websites. Several airline websites now offer not just their own airline tickets, but also tickets on other airlines as well as hotels and car rentals (Tyler, 2000).

By providing flight information online, carriers can reduce calls to their toll – free numbers and in turn decrease their telephone reservations staff. If passengers book and buy tickets direct from the airline website, there is no travel agent commission and GDS fees are also saved. It is estimated that on average airlines can cut their distribution costs by around 50% by developing online booking (Tyler, 2000).

Another technological advance is electronic tickets (e-tickets). Electronic tickets look set to almost entirely replace paper tickets by the end of the decade. E-ticketing has seen rapid expansion since it was first recognised as a major opportunity by the airline industry in 1995. It allows airlines to realise significant savings in ticket distribution costs, revenue accounting and billing processes and reduce the handling costs associated with paper tickets (Tyler, 2000).

For the passenger there are various potential benefits. Airlines argue that e-tickets allow passengers more flexibility and can save them time. Flights can be booked at the last minute and there is no waiting for tickets to be issued and no need to pick them up. E-tickets can also result in faster check-in procedures for passengers. Self-service check-in for passengers without luggage means that there is no need to queue at the check-in desk (Tyler, 2000).

Business travellers with many flights over numerous days like e-tickets because they are easy to change over the phone and eliminate searching for the correct paper ticket (Tyler, 2000).

According to Galileo executive manager for sales and marketing, Sara Ross, domestic e-ticketing in South Africa has become so popular that South African Airways' domestic travel ticket was defaulted to e-ticketing from the beginning of January 2004. She added

that the implementation of dedicated e-ticketing terminals has dramatically increased ticket processing times and significantly reduced delays for passengers (Noik, 2004).

Self-service check-in units have been in use by leading airlines at some airports for several years now. Travellers with e-tickets can use these to check themselves in, rather than queuing at a check-in desk, by inserting their airline frequent flyer card or in some cases the credit card used to make the booking (Tyler, 2000).

E-ticketing offers a foundation for streamlining airline distribution as well as airport check-in and immigration clearance processes. Ticketless travel, coupled with the use of new multi-functional smartcards, makes for a powerful combination. Smartcards, which incorporate a computer chip can hold ticket information, frequent flyer information, personal identification information and can also be used to make financial transactions. They look set to become the new standard credit card-ticket-passport all rolled out in one (Tyler, 2000).

(iv) Hotels

Over the years, the hotel industry has developed a dependency on IT - so much so that today, it is an important and visible element of nearly every facet of the business, from reservations and check-in to guest services, property maintenance, and security. IT plays both strategic enabling and support roles, creating competitive advantage while also tending to the day-to-day business operations. This is true regardless of property (or company) size or industry segment. IT must, therefore be integrated with all business decisions (htmagazine, 2003).

According to a survey done by HT magazine, approximately 60 % of respondents said that their organisations are using IT as a means to differentiate themselves, while another third of respondents suggested that IT is not a means of competitive differentiation in their companies.

Although hotel companies are using different types of technology within their organisations they seem to agree that simplifying, centralising, and integrating systems is crucial to running more efficient operations. Streamlining hotel operations from the front desk to the

back of the house is a critical way to help reduce overhead and enhance revenue (Taylor Parets, 2004).

Distribution of hotel inventory via today's main distribution channels, GDS / travel agent and call centre / reservation office, is inefficient and expensive. Focusing only on the traditional distribution channels will result in lower occupancy rates, higher distribution and operational costs (Starkov, 2004).

Hoteliers are beginning to see advantages such as that online distribution cuts costs, attracts affluent customers and lessens the dependency on more traditional and expensive channels (Starkov, 2004).

Hoteliers are slowly beginning to realise that online distribution is changing the "classic" distribution spectrum. In 2003, 8 % - 10 % of all revenues in hospitality were generated from the Internet. Four years from now the Internet will contribute 16 % - 18 % of all hotel bookings. Jupiter estimates that while online travel will grow at an annual rate of 23 % from 2000 through 2006, online revenues specific to lodging will grow over 26 % annually during the same period, from $3.8 billion to $15.5 billion (Starkov, 2004).

With regard to technology that satisfies customer needs, the hospitality industry has an endemic problem with so-called "feature creep". This is the tendency to continuously introduce amenities that become inevitably an expected customer benefit folded into the room rate. While this is true of any industry, where market forces and competition at work stimulate competing firms to improve their products and ultimately benefit customers, this trend can be controlled. As with website investments, it is believed that hotel companies would be best served by a relentless investment discipline with continuous focus on what the firm's unique value proposition is, and a continuous attention to how the many IT innovations available in the market fit with the firm's unique brand identity (Htmagazine, 2003).

The point to be stressed is that when an IT innovation cannot be protected from imitation, being selective with respect to what to adopt and not to adopt can help a firm's profitability. With IT, knowing when not to invest is as important, if not more important, than knowing

when to invest. Brand identity driven focus and fit should be the primary drivers of this decision (Htmagazine, 2003).

Although technology plays an enormous role in the management of corporate travel, it should remain a tool to enhance the processes for each role player as described above and their relationships.

2.14.3 RELATIONSHIPS

Corporate travel management appears to be all about partnerships. According to Duncan McCallum - Anglo American senior vice president: management accounts - corporates, suppliers and travel management companies need to negotiate win – win deals (Cochrane, 2003b).

Wilkinsom (2001) agrees and states that travel management has never been for the faint of heart. It requires staying on top of numerous interactive working relationships. It is designed to reconcile a company's policies and travellers' preferences and to process that purchasing dynamic through a series of suppliers.

An effective corporate travel management programme requires mutually beneficial relationships between the corporate client, the travel management company and the suppliers.

According to Lubbe (2003) the evolution of retail travel agencies to travel management companies has been swift. The major shift has been to become agents acting on behalf of the client rather than agents acting on behalf of the supplier. In the past the travel agency earned commission on airfares. Many travel agencies had agreements in place with preferred suppliers for overriding commissions when pre – set sales levels were achieved by the agencies. Thus, agents were the main channel for suppliers to reach corporate clients. In these circumstances, the relationship between suppliers, travel agencies and corporate clients could be described as linear as depicted in Figure 2.5.

Figure 2.5: The relationship between suppliers, travel agencies and corporate clients: a linear relationship.

CORPORATE CLIENT	→	TRAVEL AGENCY	→	SUPPLIER

Source: Lubbe, B.A. 2003. Corporate travel management 2003: Report on the results of a survey conducted in South Africa in September 2002. Pretoria: University of Pretoria.

Lately, with technological advances such as the Internet and commission cutting, the relationship has had to change. The traditional travel agent is evolving into becoming a true travel consultant and not merely an order taker. Travel management companies are becoming increasingly responsible for managing a company's travel programme, and will have to perform a number of value adding services. New developments and changes pertaining to corporate travel management companies and their relationship with the corporate travel department include the following (Navigant, 2001):

Expansion of services

Travel management companies are increasingly performing the following tasks:

- Retooling their travel industry knowledge into new technology and consulting services aimed at helping companies manage travel administration and control increasing travel costs.
- Beginning to align with credit card companies and branding their own card.
- Being asked to play a role in web-based communications links.

Added value

To survive; travel management companies need to offer the following extra services:

- Introduction and fulfilment of more customised value-added services.
- Operational fulfilment through performance-based relationships and agreements.

The revenue structure of this evolving travel management company has also had to change. The focus has shifted from the supplier as the only source of revenue; to the client

who, on the basis of the value added service provided by the travel management company negotiates a management fee where the client as well as the TMC can benefit.

In this changing relationship the supplier is seeking the highest possible yield, reducing its distribution costs by cutting commission to the agents and seeking exclusivity in the use of its services by negotiating corporate agreements with clients. The relationship under these circumstances can be described as depicted in Figure 2.6.

Figure 2.6: The relationship between suppliers, travel agencies and corporate clients: a circular relationship.
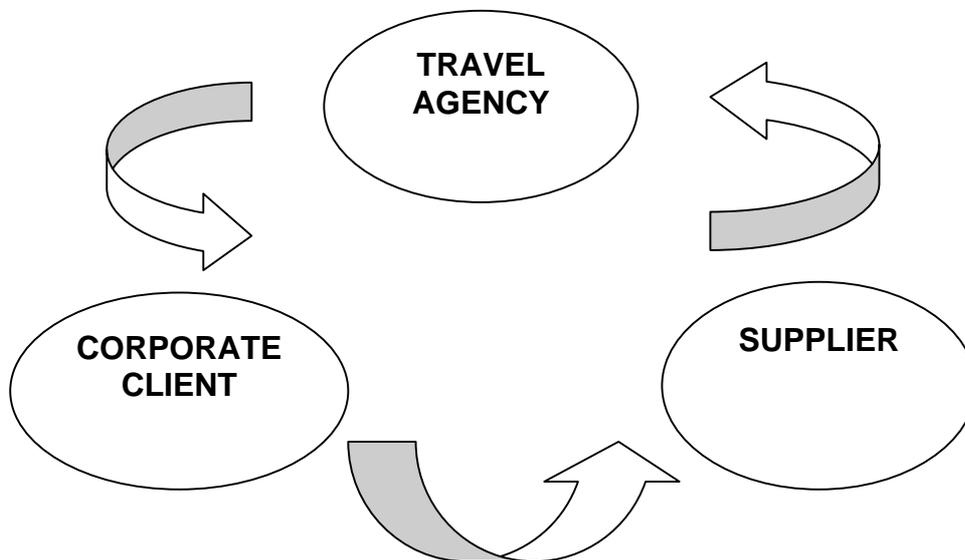
Source: Lubbe, B.A. 2003. Corporate travel management 2003: Report on the results of a survey conducted in South Africa in September 2002. Pretoria: University of Pretoria.

In the past, it was not unusual for clients to prefer dealing with a large number of suppliers, with less regard for commitment or long-term relationships. As companies become better informed and more aware of the advantages available by streamlining their list of suppliers, however, they are opting for the benefits that result from limiting their associations to just a few strategic sources.

A number of subtle, and not so subtle, changes have occurred in the corporate travel industry - particularly pertaining to and affecting client / supplier relationships. The impact these changes may have on a company's T&E budget, and its management, are worth considering (Navigant, 2001):

Selection and evaluation

- Sophistication and expansion of services now available through travel providers enable clients to choose suppliers more closely aligned to company culture, philosophies, goals, objectives and vision.
- Increases in supplier mergers and strategic alliances have decreased the number of industry players, narrowing the playing field for corporate negotiations.
- Introduction of performance metrics / indicators for providers of travel services allows clients to keep tabs on the value they are getting for their money.

Supplier capacity

- The capacity of some suppliers to negotiate global supplier arrangements can translate into better rates and increased savings for travellers.
- Global alliances allow suppliers to offer net fares or rates to clients of varying sizes and volume.

Client driven changes

- Introduction of strategic sourcing departments and examination of procurement initiatives has changed the style of supplier negotiations.
- Greater demand for compliance and yield management.
- Increased focus on percentage or volume-based market share fulfilment.
- More concentrated marketing of frequent flyer programmes with an increase in strategic alignment of suppliers.

In the dynamics that now define the environment of corporate travel management, more corporations have developed preferred relationships with travel suppliers and have moved to negotiate direct discounts with airlines based on volume. Over 90 % of NBTA members have negotiated agreements with one or more air carriers and over 87 % of NBTA member companies have sought to negotiate with major airlines as a means to address rising airfares (Goodwin & Marble, 2003). According to the results of the 10th American Express Survey of Business Travel Management 2000-2001, companies are getting more aggressive in negotiating with airlines and encouraging use of non-refundable fares.

According to the survey, 63 % of companies negotiate discounts with airlines, compared with 44 % in 1998. Of firms with negotiated air deals, the largest group (28 %) has discounts with more than three airlines (Fairfield Business County Journal, 2003).

The South African survey conducted by Lubbe (2003) found that 86 % of respondents had agreements in place with airlines, while 94 % and 84 % of respondents had agreements with car rental companies and hotels respectively.

From the above discussion it is evident that relationships are key to successful travel management and that partnerships are driving cost savings and revenue. The relationship between suppliers, travel management companies and corporate clients has evolved into the partnership approach as shown in figure 2.4. Another action that is crucial in ensuring an effective corporate travel management programme is the selection of a proficient method of payment.

2.14.4 METHOD OF PAYMENT

Organisations differ in their approach to centralising their travel expenditure processing. From the South African survey conducted by Lubbe (2003) it is evident that most of the respondent organisations (69 %) use the bill back system where agreements with suppliers have been made. Some companies use a central corporate credit card placed in the office of the travel management company for airline tickets (51 %), while other companies issue corporate travellers with company credit cards (36 %).

Lucy Beckett, reservations manger at the Hilton Sandton, South Africa; says credit and charge cards are the most frequently used payment methods at Hilton International in SA. She says while the bill – back is convenient for most companies using its hotels regularly; it creates extra administration for companies, as it is subject to credit approval as well as confirmation in writing for each reservation made. She adds that bill – backs can cause huge delays in payment of hotel bills if strict credit control is not maintained (Marx, 2004).

Kananelo Makhetha, managing director of Connex Travel South Africa, says bill – backs place unreasonable responsibility on travel agents. In his opinion, the role of the travel agent is to add value trough advice and the negotiation of better deals for clients, not to

extend credit. He says the ideal system is for clients to pay for air travel through an agency lodge card while settling their car and hotel bookings direct (Marx, 2004).

But many corporates like the bill – back system because they receive a single account from their travel agent for all expenses and only have to process one payment. It also allows the agent to monitor their clients' corporate travel spend and provide management reporting solutions (Marx, 2004).

However, according to Nolan Burris, managing director of Visionistics, a North American based travel industry education and consulting company, bill – backs are a cash flow killer for TMCs and hotels. He says the corporate credit card is the most common settlement method in North America and Europe today (Marx, 2004).

The study conducted by Douglas and Swart (2003) showed that the majority of corporate travellers prefer to pay by corporate credit card for meals and entertainment expenses.

Card programme management may account for 10 % of the processing time for the accounting manager. Companies can save programme administration time by mandating a single corporate card programme for use on all T&E transactions versus the use of an employee's personal credit card. Capturing all T&E data through a single card programme also gives a company greater control and power when negotiating the financial aspects of the issuer relationship, and when negotiating rate reductions with T&E vendors (MasterCard, 1998).

Corporate charge cards are important tools for the business travel manager to use in controlling expenses. The corporate credit card offers travel managers several benefits (Jenkins, 1993):

- A corporate credit –card programme can provide the means for tracking spending patterns. The information gathered from credit cards can be used in vendor negotiations.
- The issuance of corporate cards to travelling employees can lead to the elimination of cash advances, thereby increasing cash flow for the company. Selecting a card programme with individual billing will encourage the prompt filing of expense reports

by employees, as they become responsible for payments. Finally, eliminating centralised billings for travel and expense will streamline accounting procedures by eliminating the need for reconciliation.

- A corporate card programme can benefit travelling employees by providing increased insurance coverage, emergency services, an easy way to separate business from personal card charges, and the detailed monthly documentation necessary for the preparation of their expense reports.

MasterCard Corporate Payment Solutions identified other benefits of having one corporate card programme: It simplifies administration and maximises financial benefits of the programme, it increase process efficiency in reporting and billing, it captures valuable T&E purchase data for all employees and it maximises the size of the programme (MasterCard, 1998).

Also, one of the most effective ways to better manage expenses is through pre-negotiated rates with vendors whom the corporation conducts significant business with. By placing all T&E spending on one corporate card, all data is captured in one depository for use in negotiations (MasterCard, 1998).

According to an American Express Survey conducted in 2003, companies that do not use the most comprehensive corporate card management information for negotiations and expense processing are potentially missing out on a savings opportunity of up to 9 % of their total travel and entertainment (T&E) spending. That figure is made up of an additional 7.2 % in price savings, above and beyond the deals they already have with airlines, hotels, and car rental companies, as well as an additional 1.8 % in savings on processing and paying for T&E. For a large company with $25 million in annual T&E spending, this equates to $2.25 million in savings (AmericanExpress, 2004).

Of the top three categories, hotel negotiations provides the greatest incremental savings opportunity, nearly 22 %, which translates into savings of $1.15 million for a company that spends $25 million in total T&E. The total savings opportunity of 7.2 % (or about $1.8 million in this example) is a weighted calculation based on the percentage each category represents in the average company's overall T&E budget (AmericanExpress, 2004).

Furthermore, by selecting central billing (receiving one bill online for all employees' charges) and central payment (sending one payment via electronic funds transfer to the credit card issuer for all employee charges) methods, companies can greatly reduces post-trip processing procedures for corporate travel managers. The rewards of central payment lie in two areas – processing efficiency and financial management savings. In regards to the processing efficiency, the company only needs to send one payment to its card issuer instead of the huge amount of reimbursement payments sent to individual cardholders to forward to the issuer. The financial management savings are derived from the flexibility the corporation has in sending the payment. The corporation now has the ability to manage the float of funds and ensure prompt payments, eliminating or minimising late fees and finance charges. This can result in significant savings for the corporation. In addition, employees' satisfaction increases due to the ease of central payment. Employees need only to account for their expenses and the company does the rest (MasterCard, 1998).

Moves by large companies to optimise business travel spend has brought the issue of travel card payment systems into the spotlight. For companies with sizeable travel volumes, certain cards are chosen for their ability to process multiple payments speedily and deliver detailed reports on those transactions. Other attractive features include links to loyalty programmes, the issuance of subsidiary individual cards (with credit limits), seamless access to foreign exchange and insurance (Marx & Collins, 2004).

The following are important when considering a travel payment card (Marx & Collins, 2004):

- Reporting capability (electronic formats compatible with accounting systems)
- International acceptance
- Rebates (discounts and incentives)
- Support (fast, friendly service)
- Lost card replacement (speed of delivery)
- Online tools (web based access to account information)
- Insurance (competitive rates for comprehensive travel cover)
- Overdraft facility (flexible credit limits)
- Emergency services

In conclusion, no matter the payment method chosen, corporates must ensure these can be consolidated into effective reporting.

2.15 OUTCOME

All the role players involved in the corporate travel industry strive for one common outcome: an effective, seamless travel management programme. The desired outcome will not only lead to financial success but also to a more harmonious industry where stakeholders can work together and can benefit from professional, transparent relationships.

2.16 FEEDBACK

As mentioned earlier, managing corporate travel is not a once off process, but a continuous one. Feedback can take on many forms, such as management reports, regular industry meetings and industry reports to name but a few. The purpose of feedback is to alter the management process to satisfy the needs of all the parties involved in the process.

2.17 FROM MODEL TO METHODOLOGY

As a departure point, this research study proposed to suggest a model, which can be applied in the effective management of corporate travel. The model is loosely based on the "soft value management model" developed by Liu and Leung (2002:341). The model comprises of the following elements: internal input factors, external input factors, values and value conflicts, goals, actions, an outcome and feedback, each of which were described comprehensively in the preceding sections. As a conclusion to the literature and introduction to the methodology, the components of the model are drawn together in the ensuing summary and presented in figure 2.7.

In order for a company to successfully manage corporate travel, it needs the support of an effective corporate travel department and individuals in senior management as well as the

co – operation of corporate travellers. The company together with the corporate travellers represent the internal input in the model for effective corporate travel management.

Effective corporate travel management is not only dependent on the support of corporate travellers and senior management, but also on the travel providers and the travel management companies. The travel providers with specific reference to airlines and hotels and travel management companies represent the external input in the model.

Each of the players involved in the corporate travel management programme has their own values that they deem important in the management process. Broadly speaking, the company wants to keep expenses as low as possible while achieving business objectives. The corporate traveller has psychological needs while travelling on behalf of his company as well as specific needs with regard to technology, accommodation and transportation. The travel management company wants to remain in the loop and be assured of a steady stream of business and loyalty, and the supplier wants the highest possible yield and volume through preferred agreements.

A problem exists when the values of the different parties involved in the corporate travel management process are in conflict with each other. These conflicts need to be managed in order to reach the desired outcome of the management process.

Only when conflict has been managed can a common goal be achieved. Ultimately, the role players in the corporate travel industry all strive to reach one common goal: a successful, effective corporate travel management programme that will meet the need of each stakeholder in the process.

Certain actions need to be taken for the goals to be achieved, which will eventually lead to the attainment of the desired outcome. The actions necessary for an effective successful corporate travel management programme include: the development of an effective corporate travel policy, streamlining business operations with the use of appropriate technology options, building successful, transparent relationships and finally choosing the appropriate method to process payment.

The desired outcome is a successful, effective corporate travel management programme, to the equal benefit of all players involved.

But, as is evident, corporate travel management is not a once off process, but happens continuously. For this reason, effective feedback from all the role players is needed in order to adjust and tailor the management process to the benefit of all involved.

Figure 2.7: The soft value management model in the management of corporate travel context
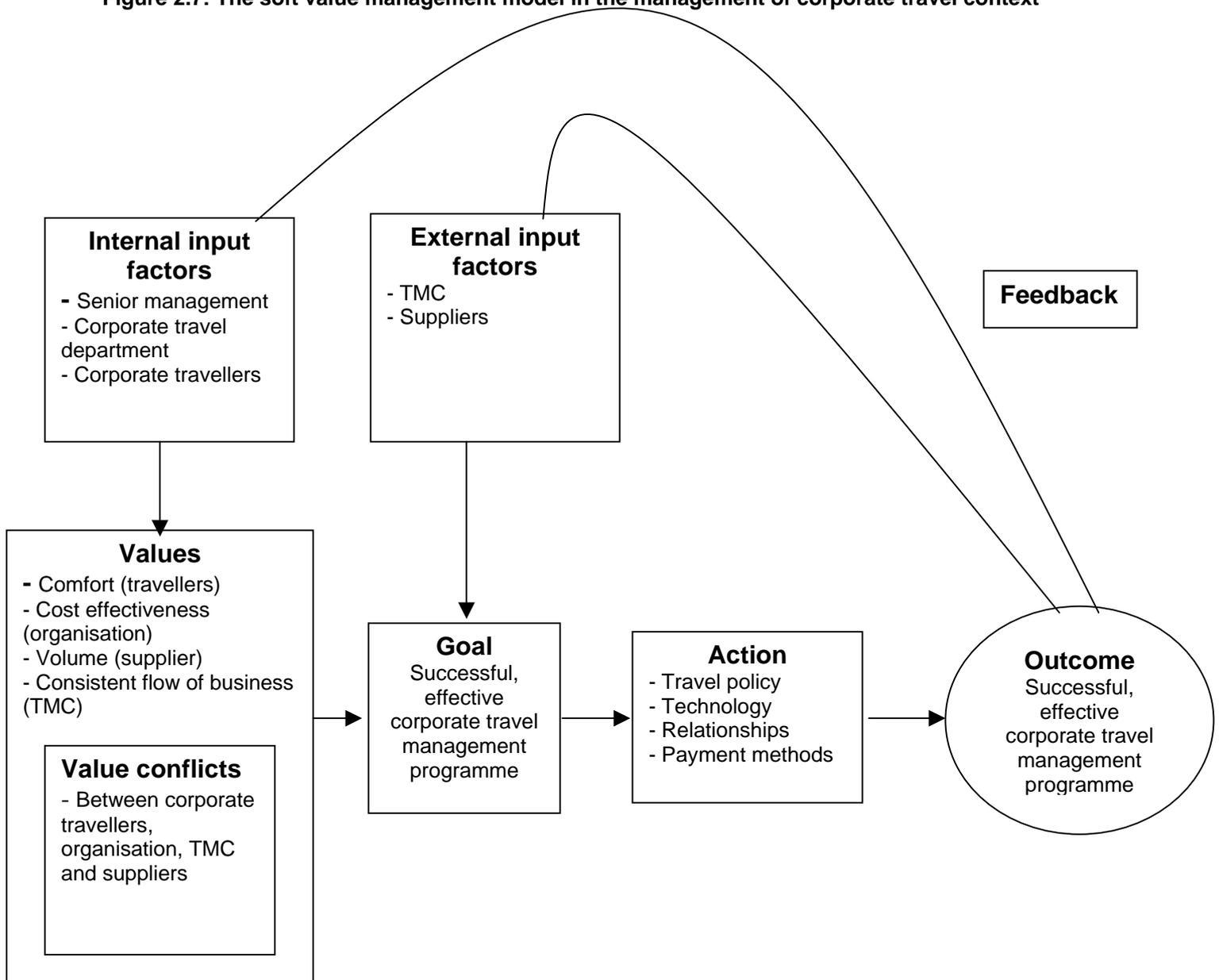
Source: Adapted from Liu, A.M.M., Leung, M. 2002. Developing a soft value management model. *International Journal of Project Management*, 20(5): 341 – 349.

From the above discussion and the literature review, it is evident that the core problem this research study will address is that the values of the different role players in the corporate travel management process often do not coincide with each other. The result is numerous value conflicts.

The overall purpose of the empirical study will thus be to analyse these value conflicts against a common goal. This common goal that all the role players will strive towards is a successful, effective corporate travel management programme that will satisfy the needs of all the stakeholders involved in the process.

To achieve this purpose the following research objectives have been set: To identify the role players in the corporate travel management programme, to identify the values and objectives of each party in the corporate travel management process, to identify the value conflicts that exist between the respective parties involved in the corporate travel management process, to determine whether organisations in South Africa manage their corporate travel programmes effectively and finally to further develop the model for the effective management of corporate travel.

In seeking to accomplish these objectives the empirical research will require both qualitative and quantitative methodologies, which will allow for the recognition of any relationships between the elements identified in the model as well as an in-depth understanding of the quality of these relationships.

2.18 CONCLUSION

Corporate travel is that segment of the business travel market that can be described as travel undertaken by the employees of a particular organisation that has a substantial travel volume and where travel arrangements are generally consolidated into a centralised function. The management of corporate travel is a complex task and can only be done with the support of a travel management company and suppliers. Each of these role players has their own reasons for becoming involved in the corporate travel management process. Role players are sometimes in disagreement with one another due to conflicting values. When value conflicts occur, certain actions need to be taken to resolve these conflicts.

The research problem as well as the purpose of the research was identified in the literature review. To solve the problem and to achieve the purpose certain research objectives were set. These objectives will be accomplished by developing measurement instruments. The measurement instruments will be used to identify the needs and values of the respective role players involved in the corporate travel management process. It is furthermore essential to recognise what the role players feel are important for a successful travel management process. In the next chapter, the methods followed to measure the values and needs and other concepts and constructs will be discussed.

CHAPTER 3: METHODOLOGY

3.1   INTRODUCTION

Bogdam and Taylor (1975:1) define methodology as follows: The term methodology in a broad sense refers to the processes, principles, and procedures by which we approach problems and seek answers. As in everything we do, our assumptions, interests, and goals greatly influence which methodological procedures we choose.

The purposes of research include exploration, description, and explanation. Exploration is an attempt to develop an initial, rough understanding of some phenomenon. Exploratory studies are useful in generating new research questions and problems. Description is the precise measurement and reporting of the characteristics of some phenomenon under study. Explanation is the discovery and reporting of relationships among different aspects of a phenomenon under study (Du Plooy, 1995:32). Research involves both quantitative and qualitative research. Quantitative research seeks to find how variables are related whereas qualitative research seeks in-depth information. In this study both quantitative and qualitative research methods are used. Four target populations have been identified in this research study namely the organisation, the corporate travellers, the travel management company and the supplier. Different methodologies will be used to measure the needs and demands of each of these target populations.

3.1.1   QUANTITATIVE RESEARCH

Quantitative research is largely empirical or experimental and, as its name suggests, is based on the measurement of quantity or amount. Quantitative methodologies manipulate variables and attempt to control natural phenomena. They construct research questions or hypothesis and "test" them against the facts of "reality" (Du Plooy, 1995:32).

In a quantitative study the variables will be controlled and the study will be guided with an acute focus on how variables are related. Respondents are usually not free to express data that cannot be captured by the predetermined instruments (Henning 2004:3).

In this research study the needs and demands of the organisation and its corporate travellers will be measured using quantitative research techniques. The needs and demands of the travel management company and the supplier will be measured using qualitative research techniques.

3.1.2 QUALITATIVE RESEARCH

Qualitative research differs markedly from quantitative research. Qualitative researchers believe that there is no one objective reality, which can be observed and neutrally quantified. Nor do they believe that human beings are homogeneous and that they can be simply categorised. Qualitative inquiry is analytic and interpretive. It attempts to examine phenomena in a holistic manner. No attempt is made to control events or extraneous variables. On the contrary, qualitative researchers prefer to conduct their studies in the field in an attempt to capture the normal flow of events. According to Henning (2004:3) qualitative research aims not only to find out what happened but also how it happened and more importantly, why it happened the way it did. In a qualitative study the 'variables' are usually not controlled because it is exactly this freedom and natural development of action and representation that the researcher wishes to capture.

When undertaking qualitative research, the respondents have a more open-ended way of giving their views and demonstrating their actions. Thus, qualitative inquiry denotes the type of inquiry in which the qualities, the characteristics or the properties of a phenomenon are examined for better understanding and explanation (Henning 2004:5).

Leedy (1993:139) distinguishes between qualitative and quantitative research by saying that if the data is numerical, the methodology is quantitative; if the data is verbal, the methodology is qualitative. Henning (2004:3) argues that the distinction between the qualitative paradigm and the quantitative paradigm lies in the quest for understanding and for in-depth inquiry.

One author creates a verbal picture to differentiate quantitative and qualitative techniques: quality is the essential character or nature of something; quantity is the amount. Quality is the what; quantity the how much. Qualitative refers to the meaning, the definition or

analogy or model or metaphor characterising something, while quantitative assumes the meaning and refers to a measure of it (Van Maanen, Dabbs & Faulkner, 1982).

The type of information (such as the number of corporate travel managers reporting to the finance department or the percentage of non-compliance with the travel policy) required from the organisation and its corporate travellers could only be obtained using quantitative research techniques, such as questionnaires measuring nominal, ordinal, ratio and interval data.

On the other hand, the type of information required from the TMCs and the suppliers could only be obtained using qualitative research techniques. While measuring the needs and demands of TMCs and suppliers it was not the number of responses that mattered but rather the detail and richness of the responses. By using qualitative techniques the researcher did not just investigate the actions of the TMCs and suppliers but also tried to find out how the respondents represent their feelings and thoughts in these actions. Consequently, qualitative techniques are better implemented under certain conditions such as where the richness of information is important. Another factor that led to the using of qualitative research techniques was that there are only a limited number of suppliers and travel agents involved in the corporate travel market. It is impossible to measure frequencies and other quantitative data with a small number of responses.

Therefore, in order to solve the research problem satisfactorily it is not only necessary to quantify some of the responses but also to have an in-depth look into the corporate travel market.

3.2   THE RESEARCH DESIGN

The research design represents the "blueprint" for the collection, measurement and analysis of data. It is also the plan and structure of investigation so conceived as to obtain answers to research questions (Cooper & Schindler, 2001:134). Guy, Edgley, Arafat & Allen (1987:92) defines the research design as the "plan of procedures for data collection and analysis that are undertaken to evaluate a particular theoretical perspective". The theoretical framework provides the boundaries within which the empirical research is to be

conducted. Table 3.1 as suggested by Cooper et al (2001) provides a summary of the broad research design followed.

Table 3.1: The research design

Descriptor	Option	Motivation
Degree of Crystallisation	Formal Study	The study was conducted as a formal study, because it followed precise procedures and data source specifications (Cooper et al, 2001).
Data Collection Method	Interrogation / Communication	The researchers questioned the subjects and collected their responses by impersonal (questionnaire) and personal (telephone interview) means (Cooper et al, 2001).
Researcher Control of Variables	Ex post facto	The researchers had no control over the variables in the sense of being able to manipulate them and could only report on what happened during the study (Cooper et al, 2001).
Purpose of the Study	Descriptive and explanatory study[1]	The study was aimed at discovering the answers to the questions who, what, where, how and why (Cooper et al, 2001) in terms of the needs and demands of the role players in the corporate travel market.
Time Dimension	Cross-sectional study	Studies that are carried out only once and that represent a snapshot of one point in time are defined as cross-sectional studies (Cooper et al, 2001). It is clear from the nature of this particular study that it falls within this category.

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[1] The quantitative and qualitative methodologies used achieved this purpose.

The Topical Scope	Statistical and qualitative study	This study was designed for breadth and depth. An attempt was made to capture a population's characteristics by making inferences from a sample's characteristics, as well as interpret this information. In qualitative studies the emphasis is on detail, this detail provides valuable insight for problem solving, evaluation and strategy (Cooper et al, 2001).
The Research Environment	Field conditions	The study occurred under actual environmental conditions (Cooper et al, 2001) and the corporate travel market within South Africa represented this environment.
Type of Research	Non-experimental	The study did not measure effects directly by manipulating controlled variables, but sought relationships that could be found to exist between uncontrolled variables (Page & Meyer, 2000).
Research Strategy	Descriptive and explanatory study	This study set out to describe the needs and demands of suppliers, companies, corporate travellers and travel management companies within South Africa, as it existed, without manipulation or control of any elements involved under the study. With this approach, hypotheses were not formulated (Page et al, 2000).

3.3   SAMPLING

The following steps were followed in order to secure a representative sample of the target population and also meet the objectives of the study.

3.3.1   THE RELEVANT TARGET POPULATION

The population of the study can be defined as the role players involved in the corporate travel market within South Africa. Four target populations were identified from the corporate travel management model, for data collection. The target populations included organisations, corporate travellers, suppliers and travel management companies.

The first target population was represented by the individual concerned with managing the corporate travel function at each of the 520 South African corporations registered on the Association of Corporate Travel Executives (ACTE) South African database. Founded in 1988, the Association of Corporate Travel Executives is a highly recognised and respected member-driven organisation, wholly dedicated to the science of business travel management, with an international constituency. ACTE comprise of over 2,500 Business Travel Professionals working together to advance the corporate travel industry, including business travel executives in Asia-Pacific, Canada, Europe, Middle East, Africa, Latin America and the United States. The organisation is headquartered in Alexandria, Vancouver with regional offices located in Brussels, and Singapore. ACTE's core purpose is to advance the development and growth of the business travel professional worldwide. Furthermore, ACTE's strategic intent is to be the leading worldwide network of business travel professionals (ACTE, 2005). This population was selected because membership of and participation in ACTE forums indicate awareness (and willingness) by these organisations to effectively manage corporate travel.

The second target population comprised of all corporate travellers of Price Waterhouse Coopers (PWC) within South Africa. Every company uses its own travel policy to manage corporate travel. This makes comparisons between companies very difficult and for this reason only one company's corporate travellers was chosen. However, results should show what travellers want when they travel. The reason for selecting only those

employees that have already travelled on behalf of PWC on a previous occasion was because the purpose of the study was to determine the needs and demands of corporate travellers. For this to be possible past experience was necessary.

In addition, the needs and demands of the suppliers of corporate travel products were also considered in the study. Thus, the third target population included suppliers, either South African organisations, or international organisations with branches in South Africa. Questionnaires were sent out to selected accommodation establishments as well as car rental companies and airlines registered on the Association of South African Travel Agents (ASATA) database. ASATA was formed on 4 September 1956. Its founders created a representative forum in the industry to promote professional service with security for both members and their clients. ASATA's emphasis is on free trade without violating rules and regulations. Accordingly a constitution and code of conduct have been entrenched that self-regulate the industry and provide the consumer with protection and peace of mind. ASATA have a membership base of approximately 620, of which the majority represents Retail Travel Agents, Wholesale Tour Operators and Incoming Tour Operators. ASATA is the only national affiliated member of UFTAA, the Universal Federation of Travel Agents' Associations, which has its headquarters in Geneva (ASATA, 2004).

The fourth and final population included travel management companies within South Africa. Once again, these TMCs were either South African organisations, or international organisations with branches in South Africa. The ASATA management database was once again used to identify appropriate respondents.

3.3.2 TYPE OF SAMPLING METHOD

A non-probability sampling method, namely convenience sampling, was used for collecting data from the organisation and the corporate travellers. This method was chosen because it has the advantage of being unrestricted, cost effective and time friendly. Subjects were selected on the basis of availability. Questionnaires were distributed to the individual concerned with managing the corporate travel function and those employees on the employee database who have travelled previously on behalf of PWC for business purposes. The subjects had the choice of completing the questionnaire or not.

The disadvantage of a non-probability sample, with specific reference to convenience sampling, is that there is no real control on the sample selection process. This means that samples may be unrepresentative of the population. Although the sampling method itself might be unrepresentative of the population, the study limited this disadvantage by using an existent database of the organisations registered with ACTE and corporate travellers on the database of PWC in South Africa. These databases included all travel managers and corporate travellers in the corporate travel market as selected from different sectors, geographic areas and positions, whether male or female.

A non-probability sampling method, namely purposive sampling, was used to collect data from TMCs and suppliers. This method was chosen because it has the advantage that the units selected are especially qualified to assist in the investigations. One of the main characteristics of a non-probability sample is that the sample does not represent the population, because each unit in the population does not have an equal chance of being included in the sample. Subjects were selected on the basis of availability.

To begin with, a questionnaire was sent to the individual concerned with managing the corporate travel function at each of the 520 South African corporations registered on the Association of Corporate Travel Executives (ACTE) South African database. Once again as explained in the previous section, this population was selected because membership of and participation in ACTE forums indicate awareness (and willingness) by these organisations to effectively manage corporate travel.

A second questionnaire was distributed to all those employees on the employee database who have travelled previously on behalf of PWC for business purposes. The subjects had the choice of completing the questionnaire or not. For confidentiality reasons and to increase the response rate, the questionnaires were distributed to the employees via the directors of PWC.

A third questionnaire was distributed to selected TMCs recorded on the Association of South Africa Travel Agents (ASATA) database.

A difficulty encountered by using the ASATA database, was the fact that the database was not divided into corporate and leisure travel agents. For this reason the TMC questionnaire

(Annexure C) had to do some sifting. After the first few questions the respondent would soon have realised whether he would be qualified to compete the questionnaire or not.

Finally, a fourth questionnaire was distributed to suppliers, including selected accommodation establishments, car rental companies and airlines registered on the ASATA management database. By using the management database it was easier to track down the individual concerned with managing the corporate travel function in the organisation.

Once again the difficulty with using the ASATA management database was the fact that it was not divided into corporate and leisure suppliers. All airlines and car rental companies deal with the corporate travel market, but not all accommodation establishments accommodate corporate travellers. Again the questionnaire had to provide some sifting. Additionally, accommodation establishments dealing specifically in the corporate travel market were identified. Selection criteria for inclusion in the sample included: the geographic location of the establishment, the size of the establishment and whether the establishment accommodate corporate travellers.

3.3.3 SAMPLE SIZE

A sample can never really reflect the population for certain, but it is up to the researcher to determine the size of the sample that will fit in with the requirements of the study.

There are approximately 520 organisations registered on the ACTE database and questionnaires were distributed to all subjects on the database. The target was to receive 100 responses. To entice and encourage corporate travel executives to respond, Galileo and South African Airways sponsored an incentive prize of two international airline tickets. Despite the incentive prize and extensive follow up by means of numerous reminder emails, personal phone calls and distributing more questionnaires, this target was not reached. Only 63 responses were received, resulting in a 12 % response rate. Possible reasons for the low response rate may include the following: respondents' demanding business schedules, a similar survey was done two years ago and many respondents did not see the need in responding to the questionnaire again, and respondents' possible non

interest in the questionnaire (some might not have realised how they could benefit from the questionnaire).

The second questionnaire that was distributed involved the corporate travellers of PWC. Currently there are about 600 active travellers that travel on behalf of PWC in South Africa. The target was to receive as many responses as possible, but a minimum of 50 questionnaires. Eighty-seven responses were received, resulting in a 13 % response rate. Possible reasons for the low response rate may include the following: no incentive, such as a prize had been offered to the respondents; respondents' demanding business schedules; and respondents' possible non-interest in the questionnaire (some might not have realised how they could benefit from the questionnaire).

The third questionnaire was distributed to TMCs in South Africa. Because this questionnaire involved more qualitative results, the target was to receive 20 questionnaires. Twenty-six responses were received.

The final questionnaire was distributed to suppliers of tourism products within South Africa. Once again the results obtained from this questionnaire were more qualitative in nature and for this reason the target was to receive only 20 questionnaires. Despite extensive follow up by means of numerous reminder emails, personal phone calls and distributing more questionnaires, this target was not reached. Only 14 responses were received. Possible reasons for the low response rate may include the following: no incentive, such as a prize had been offered to the respondents; respondents' demanding business schedules; and respondents' possible non-interest in the questionnaire (some might not have realised how they could benefit from the questionnaire). The time of year that the questionnaire was distributed might also have had an influence on the low response rate. The questionnaire was distributed towards the end of 2004. This is a very busy time for most suppliers and they might not have had the time to complete the questionnaire.

3.4   DATA COLLECTION

The researcher used quantitative as well as qualitative methods to gather data for the study. Quantitative, ex post facto questionnaires were used to gather primary data from

organisations and corporate travellers. Non-interactive procedures were used to distribute and collect self-administered questionnaires. Questionnaires were distributed via e-mail and respondents were requested to return the completed questionnaires by facsimile.

A number of qualitative in-depth telephone interviews were used to gather information, for the purpose of understanding the needs and demands of suppliers and TMCs in the management of corporate travel.

In compiling the questionnaires and interview schedules instruments used in previous studies in South Africa were analysed. Lubbe (2003) conducted a study amongst organisations on the status of corporate travel management in South Africa and the questionnaire used in this study was evaluated for its effectiveness and modified where necessary. In 2003, Douglas and Swart conducted a study on the needs and demands of corporate travellers in an organisation in South Africa; the questionnaire was analysed and tailored for this study. With regard to the questionnaires distributed to the TMCs and suppliers the researcher is not aware of previous studies, therefore there are no established instruments or measurement scales available to support the current study. New instruments were developed to measure the following: the values and objectives of each party in the corporate travel management process, the value conflicts that exist between the respective parties involved in the corporate travel management process and whether organisations in South Africa manage their corporate travel programmes effectively.

While conducting the literature review, it became apparent that certain elements are crucial for the effective management of corporate travel. To ascertain whether these elements are also relevant in the South African corporate travel market all four questionnaires included sections on the following elements: the use of technology, the travel policy and the management thereof, critical success factors for an effective travel management programme, and the management of relationships between role players in the corporate travel industry.

To collect qualitative data from the TMCs and suppliers, interview schedules were developed. Firstly, themes for the questions were identified. Next, the themes were converted into questions.

To collect quantitative data from organisations and corporate travellers, certain measurement scales were used. Phillips (1971) defines scaling as a procedure for the assignment of numbers (or other symbols) to a property of objects in order to impart some of the characteristics of numbers to the properties in question.

Measurement scales are of three types: rating, ranking and categorisation. A rating scale is used when respondents score an object or indicant without making a direct comparison to another object or attitude. Ranking scales constrain the study participant to make comparisons among two or more indicants or objects. Categorisation asks respondents to put themselves or property indicants in groups or categories (Cooper et al, 2001).

The following types of rating scales were used in the organisation and corporate traveller questionnaires: simple category scales, multiple choice single response scales, multiple choice multiple response scales and likert scales. Furthermore, forced ranking scales were also used. The rating and ranking scales provided nominal, ordinal, interval and ratio data.

The Department of Statistics at the University of Pretoria ensured that the design of the four questionnaires were suitable for comparison of the results.

Copies of the final questionnaires that were distributed to the organisation, corporate travellers of PWC, suppliers and TMCs are attached as appendices (see Appendix A - D). The questionnaires were distributed during the period of 1 August – 30 November 2004.

3.5   DATA ANALYSIS

The measuring instruments that were designed for the study produced quantitative as well as qualitative data.

Quantitative data analysis involves the processing of the accumulated data into manageable sizes, looking for patterns, developing summaries, and applying statistical techniques and interpreting findings (Cooper et al, 2001).

With qualitative data a researcher has many options on how to convert the 'raw' data to final patterns of meaning. Due to the methodological frame of inquiry and the corresponding aim of the analysis procedure, qualitative coding and categorisation will be used in this study. This means that the data are divided into small units of meaning, which are then systematically 'named' per unit and then grouped together in categories that contain related codes. Each category will therefore contain codes that are semantically related (Henning, 2004).

As far as the quantitative data analysis is concerned descriptive statistics were used. Descriptive statistics provide statistical summaries of data. The purpose of these statistics is to provide an overall, coherent and straightforward picture of a large amount of data (Struwig & Stead, 2001). Descriptive statistics were used as follows:

3.5.1 FREQUENCY ANALYSIS

Frequency analysis was done by means of frequency tables. A frequency table is a simple device for arraying data. It arrays data by assigned numerical value, with columns for percent, percent adjusted for missing values and cumulative percent (Cooper et al, 2001).

3.5.2 MEASURES OF CENTRAL TENDENCY AND DISPERSION

Measures of central tendency include the mode, median, and mean. The mode is the most frequently occurring score, the median is the score that has an equal number of scores above and below it, and the mean is the average score.

Measures of dispersion or variability indicate the degree to which the scores are spread out. Measures of dispersion include the range, standard deviation and variance. The range refers to the difference between the highest and lowest scores from a distribution. The standard deviation measures the deviation of each score from the mean and then averages the deviations. The variance is the square of the standard deviation (Struwig & Stead, 2001).

The mode, which can be used as a measure of central tendency when the measuring scale is nominal, was calculated together with the range / index of diversity to display the

measure of variability. Ordinal measurement scales were also used of which the median and range (measure of variability) were calculated. Interval and Ratio measurement scales both calculated the mean, as a measure of central tendency, while the measure of variability included the standard deviation.

3.5.3 CROSS-TABULATION

Cross-tabulation makes the comparison of two classification variables possible. This technique makes use of tables that have rows and columns that correspond to the values of each variable's categories (Cooper et al, 2001). Due to the fact that the researcher received only 63 responses from corporate travel executives and 78 responses from corporate travellers only a limited number of cross-tabulations proved to be statistically significant using chi-square tests.

Because of the limited responses received it was not possible to do factor analyses.

3.5.4 HYPOTHESES TESTING

Due to the nature of this study and the fact that qualitative data had to be interpreted, no hypotheses were tested. The study was a descriptive and explanatory study with the aim of developing a model for the effective management of corporate travel. In order to do this, it was necessary to identify the needs and demands of the role players involved in the corporate travel market as well as potential value conflicts that may exist between the respective role players. The results / findings of this study did not lend itself to hypothesis testing.

As far as the qualitative data is concerned, content analysis was used to analyse the data. Content analysis is a research method for the objective, systematic and quantitative description of the manifest content of communication (Berelson, 1952). According to Struwig and Stead (2001) content analysis refers to the gathering and analysis of textual content. The content refers to messages. The text can refer to that which is written, spoken, or visualised. The central idea in content analysis is that the many words of the text are classified into considerably fewer content categories. There are two basic types of

content analysis: quantitative and qualitative. In this research study qualitative content analysis will be used.

3.5.5 QUALITATIVE CONTENT ANALYSIS

Qualitative content analysis tends to be more critical in nature and can be used when the researcher needs to penetrate the deeper layers of a message. Qualitative content analysis is preferred for analysing latent messages (Du Plooy, 1995).

3.6   CONCLUSION

Two quantitative ex post facto surveys and two qualitative in depth interviews were developed. The first survey was sent to the individual concerned with managing the corporate travel function at each of the 520 South African corporations registered on the Association of Corporate Travel Executives (ACTE) South African database. A second survey was sent out to the corporate travellers of Price Waterhouse Coopers in South Africa. In-depth interviews were undertaken amongst travel management companies registered on the ASATA database while final interviews were conducted amongst suppliers dealing in the corporate travel market in South Africa. Quantitative data analysis primarily included the use of descriptive statistics of variables to assess the current state of travel related activities in the South African corporate travel market. Cross-tabulation was used for comparisons. Tests were done to establish correlation between variables and the statistical significance of results, where applicable. Due to the limited number of responses received, it was not statistically possible to do more tests. Qualitative data analysis included content analysis. In the next chapter the results from the various surveys will be revealed and discussed.

CHAPTER 4: FINDINGS

4.1   INTRODUCTION

In the following section, the actual findings that resulted from the research conducted will be reported and discussed. The objective will be to explain the data and to identify the various role players involved in the corporate travel management programme. Furthermore the research will endeavour to identify the values and objectives of each party involved in the corporate travel management process. The research will attempt to determine whether value conflicts exist between the respective parties concerned in the corporate travel management process. Furthermore, the research will test whether organisations in South Africa manage their corporate travel programmes effectively. Resulting conclusions and answers will be drawn from the results.

Each of the questionnaires will be discussed separately to provide a comprehensive view. In the next chapter, comparisons will be made between the different populations.

4.2   DESCRIPTIVE STATISTICS

The data discussed in this section is quantitative and qualitative by nature, and the use of charts, graphics and tables, will enable a simplified reporting of the findings. All the relevant data will be included and discussed in this section.

Four questionnaires were sent out, and the results will be discussed according to each questionnaire. Firstly the results from the questionnaire sent out to South African organisations will be discussed. Secondly the results from the questionnaire sent out to the corporate travellers of PWC will be discussed. Next, the results from the questionnaire distributed to TMCs will be considered and finally the results from the supplier questionnaire will be mentioned.

4.2.1   ORGANISATION QUESTIONNAIRE

The first section of the questionnaire (questions 1 to 5) dealt with the corporate profile of the company. The second section (questions 6 to 11) of the questionnaire dealt with the travel management function, while the third section (questions 12 to 14) of the questionnaire dealt with matters concerning the role of the travel manager. The fourth section (questions 15 to 26) of this questionnaire dealt with aspects regarding travel data and the corporate travel policy. Section five (questions 27 to 35) assessed matters concerning suppliers and travel management companies and the final section (questions 36 to 45) considered the technology used in the management of corporate travel.

(i) Corporate Profile

More South African owned organisations were surveyed than international organisations with offices in South Africa. The two main types of organisations surveyed were public companies and private companies with a small number being parastatals. It was found that the organisations were spread over a diverse number of industries with the majority being found in the manufacturing and financial services industries.

Figure 4.1: Corporate Profile: SA owned and internationally owned
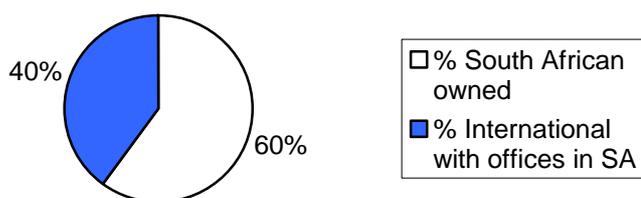
Figure 4.2: Corporate Profile: Type of organisation
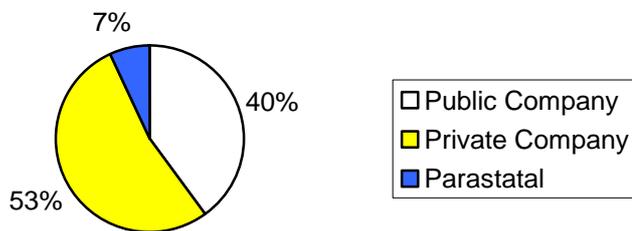
Figure 4.3: Corporate Profile: Type of industry
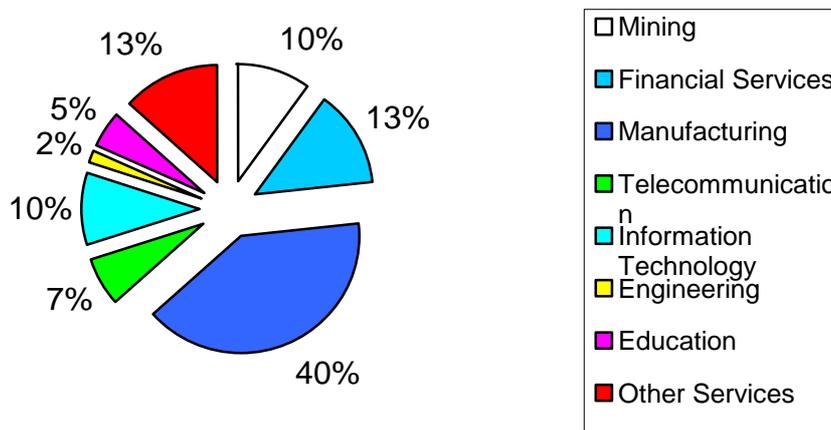
(ii) The Travel Management Function

The results show that the companies surveyed generally have a corporate travel strategy (figure 4.5) and centralise the travel function under a specific department. Thirty nine percent of respondents specified that travel management is part of the procurement function while 24 % indicated that travel management is part of the finance function. Almost a third of respondents indicated that there is a separate department for corporate travel management (figure 4.6). Furthermore, the departmental secretary is responsible for making the travel reservations in the majority of organisations (56 %), while 39 % of

respondents indicated that their central travel department has the responsibility of making travel reservations (figure 4.7).

Figure 4.4: Percentage of companies where travel management is a consolidated function
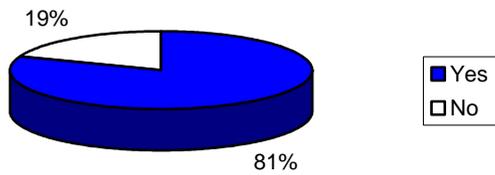
Figure 4.5: Percentage of companies that have a corporate travel management strategy
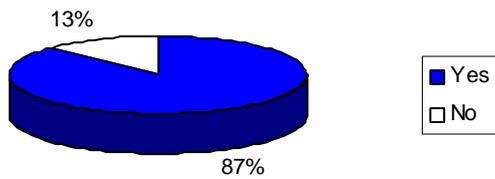
Figure 4.6: Organisational placement of corporate travel management
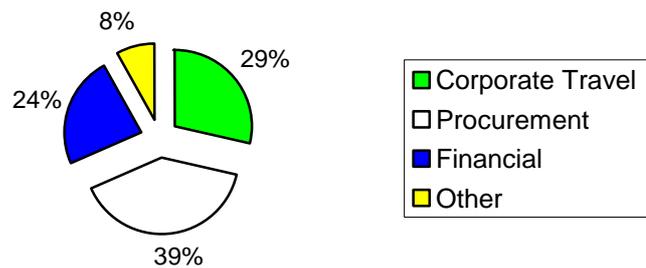
Figure 4.7: Responsibility for making travel reservations
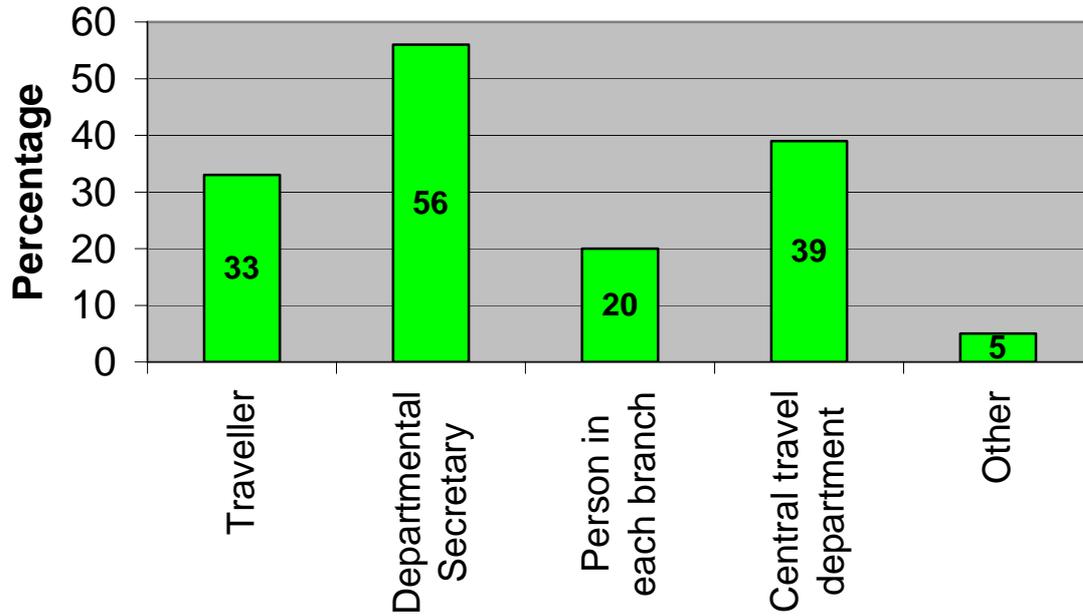
Figure 4.8: Problems experienced when managing corporate travel
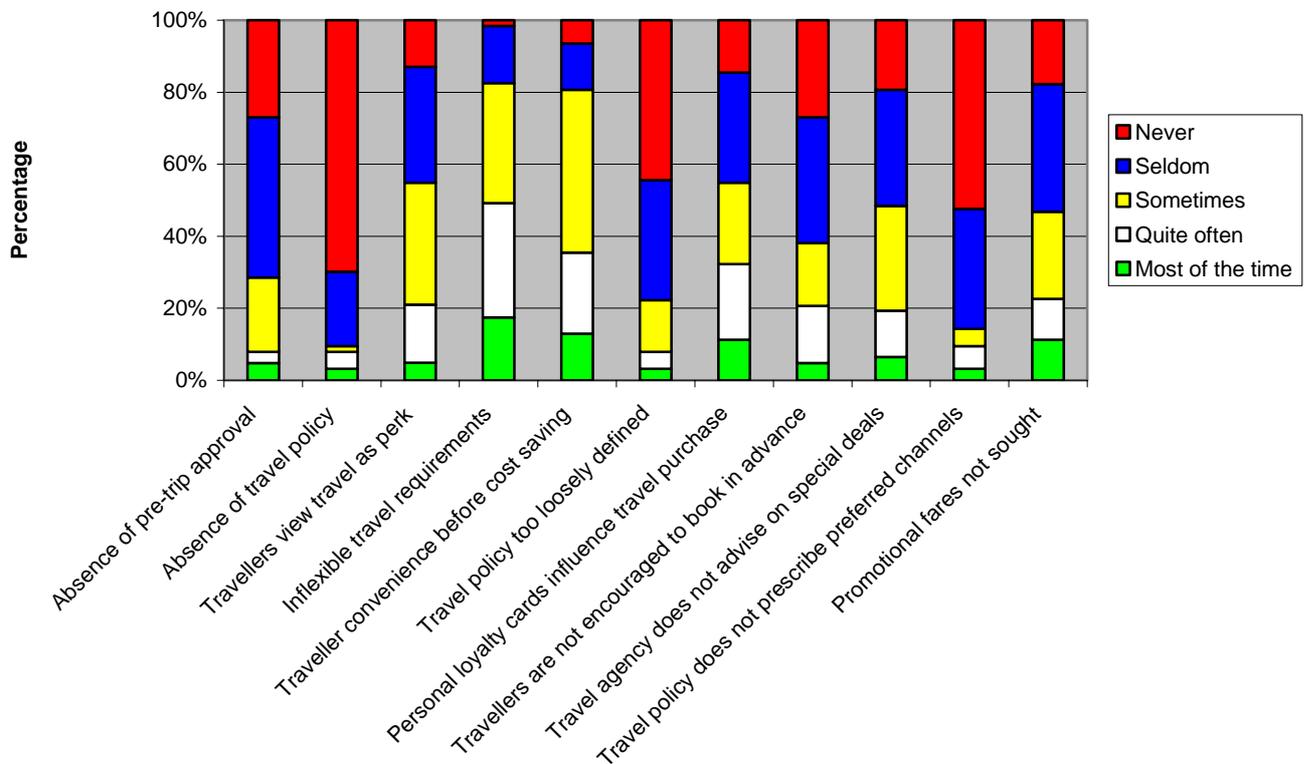
Furthermore, figure 4.8 shows that the problems most frequently experienced when managing corporate travel are:

1.   Inflexible travel requirements that increase travel cost.

2.   Traveller convenience comes before cost saving.

3.   Travellers generally view business travel as a perk.

4.   Personal loyalty cards / programmes are allowed to influence travel purchasing decisions.

5.   The travel agency does not advise on special deals.

(iii) The role of the travel manager

It would appear that while centralisation does occur and strategies are in place, the time spent by the manager designated to travel management is in most instances not the major part of his task. In 2004, 17 % of corporate travel managers spent 'all of their time' on corporate travel. The majority of respondents indicated that their responsibilities entail negotiating with suppliers and travel agencies as well as monitoring the travel policy. Other important responsibilities included: developing the travel policy, measuring compliance, and managing travel expenses (figure 4.9).

Figure 4.9: Responsibilities of corporate travel managers
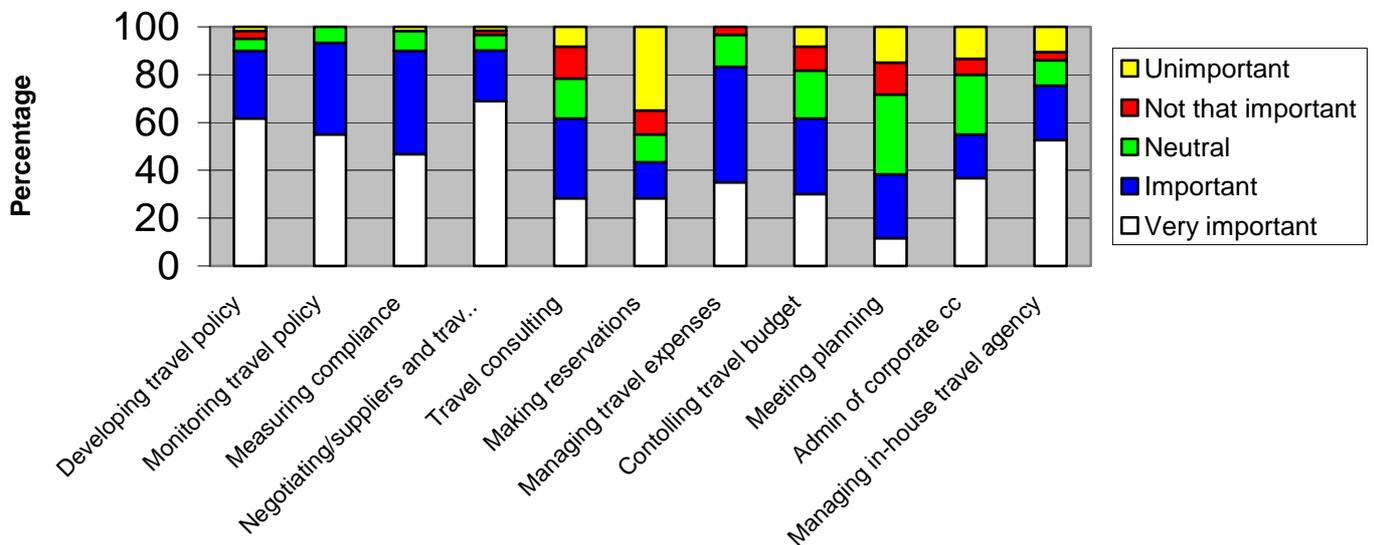
(iv) Travel Data

From Table 4.1 it is evident that most organisations believe the objective of travel data is to control travel expenditure.

Table 4.1: Objectives for having travel data

OBJECTIVE	MEAN	STANDARD DEVIATION	VARIANCE	MEDIAN	RANKING ORDER
To control travel expenditure	1.636	0.865	0.748	1.000	1
To increase negotiating power with suppliers	1.758	0.783	0.613	2.000	2
To understand employee travel	3.000	0.909	0.826	3.000	3
To redirect travel spend to fulfil supplier agreements	3.208	0.922	0.849	3.000	4

(v) Travel policy and compliance

The majority of organisations have a formal, written policy, which has been in place for more than two years.

Figure 4.10: Percentage of companies that have a travel policy
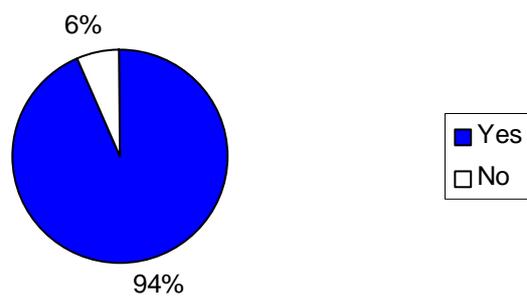
Figure 4.11: Number of years that travel policy has been in place
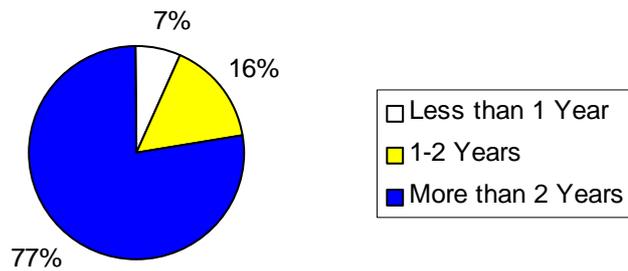
Figure 4.12: Format of the travel policy
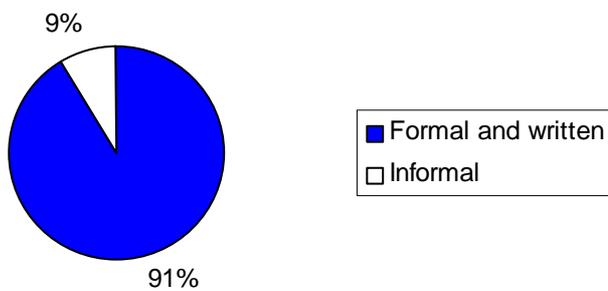
More than half of the respondents indicated that their local corporate headquarters are involved in setting the travel policy. Another half of the respondents identified their corporate travel department as being highly involved in setting the policy. An alarming result was that only two percent of corporate travellers are highly involved when the travel policy is set (figure 4.13).

Figure 4.13: Responsibility for setting the travel policy (High involvement)
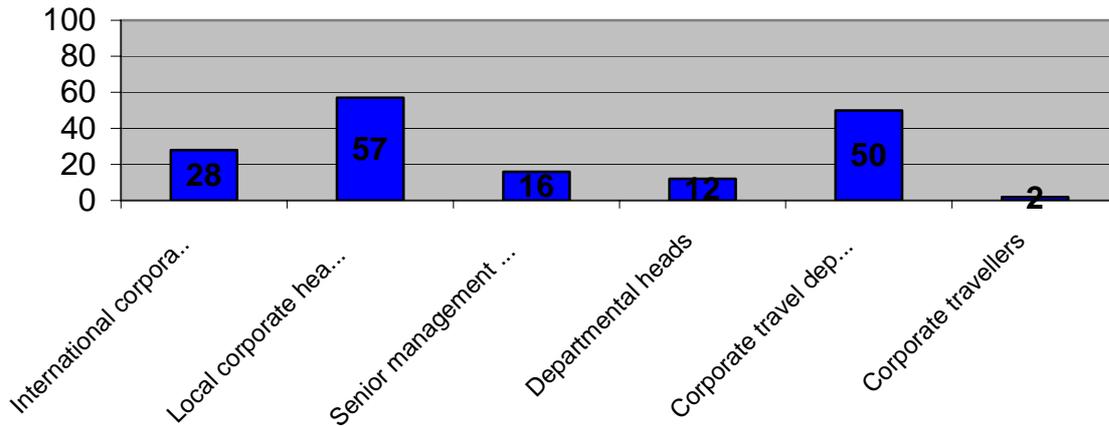
The majority of respondents indicated that they mainly communicate their travel policy online, and distribute it when updated.

Figure 4.14: Main form of communication of the travel policy
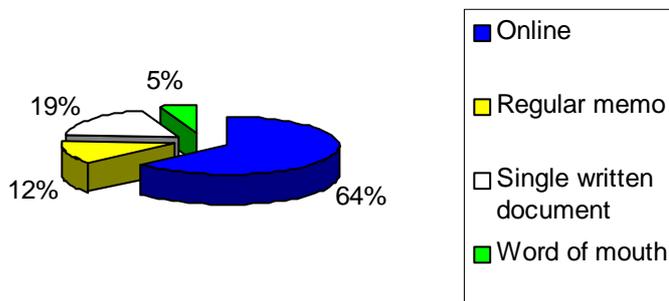
Figure 4.15: Frequency with which travel policy is distributed

112
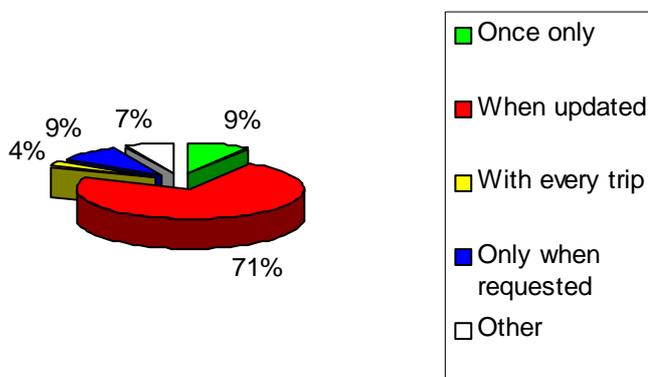
Figure 4.16: Compliance with the travel policy
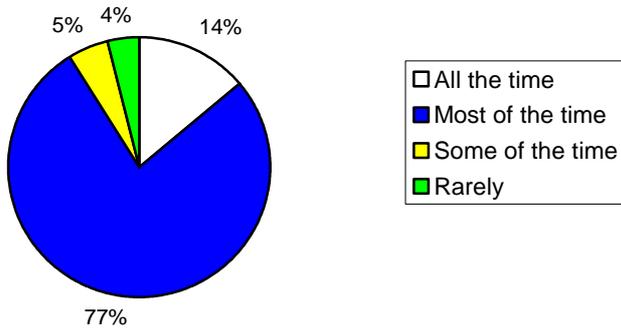
The results show that only 14 % of travellers comply with the travel policy all of the time (figure 4.16), while the average rate of non-compliance is 13 %. Moreover, non-compliance with the travel policy most frequently occurs in the areas of airline expenditure, accommodation expenditure and meals & entertainment expenditure (figure 4.17). The most popular reason for non-compliance with the travel policy is last minute bookings by travellers, followed by personal loyalty cards held by travellers. The third most provided reason for non-compliance with the travel policy is unknowing infringement by travellers (figure 4.18).

Figure 4.17: Areas of non-compliance with the travel policy

113
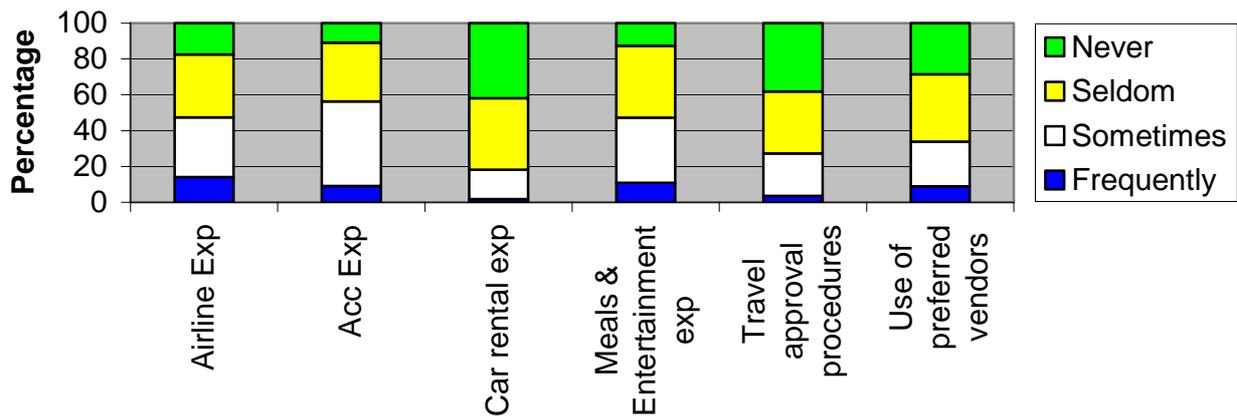
Figure 4.18: Reasons for non-compliance with the travel policy
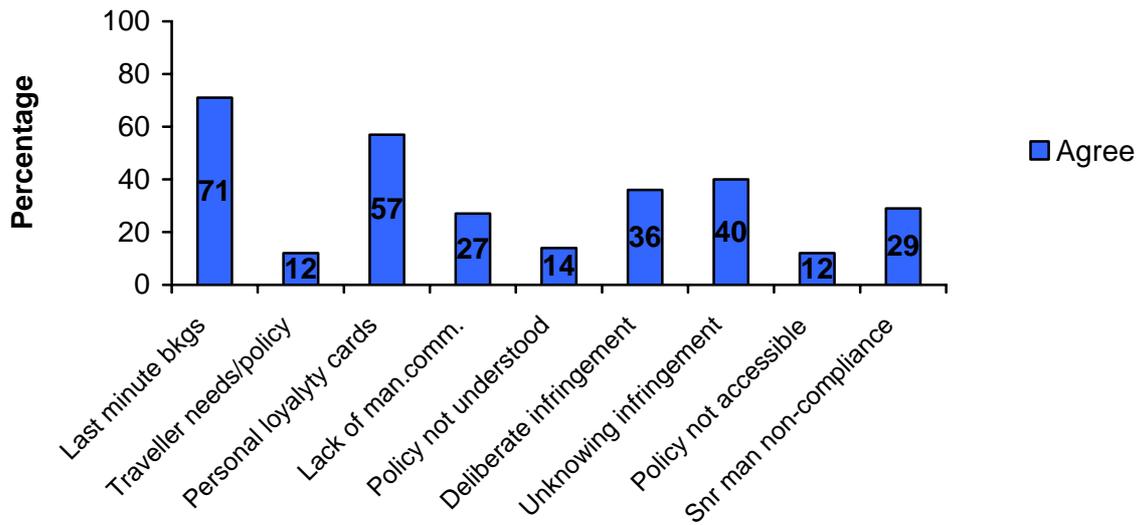
(vi) Suppliers and Travel Management Company / ies

As can be seen from figure 4.19, the bulk of respondents prefer to have agreements with airlines, hotels, car rental companies and travel agencies. Furthermore, respondents indicated that the company representative and the designated travel agency together negotiate travel deals with suppliers (figure 4.20).

Figure 4.19: Preferred Supplier agreements
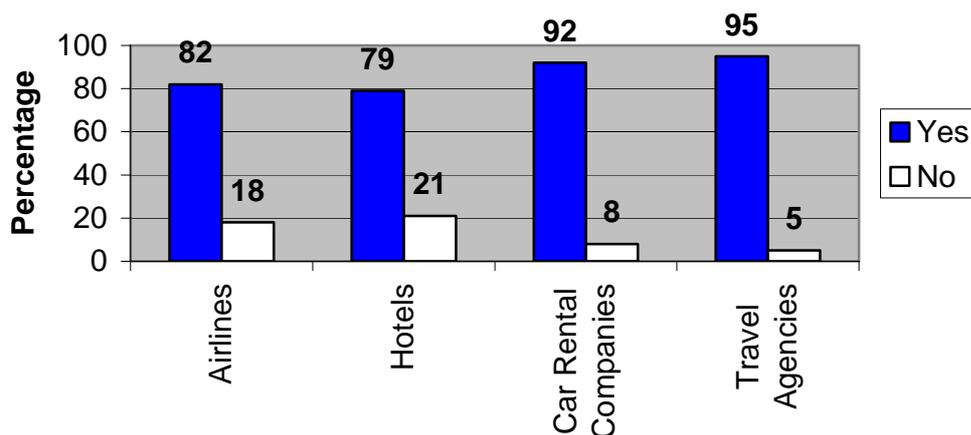
Figure 4.20: Person responsible for negotiating travel deals
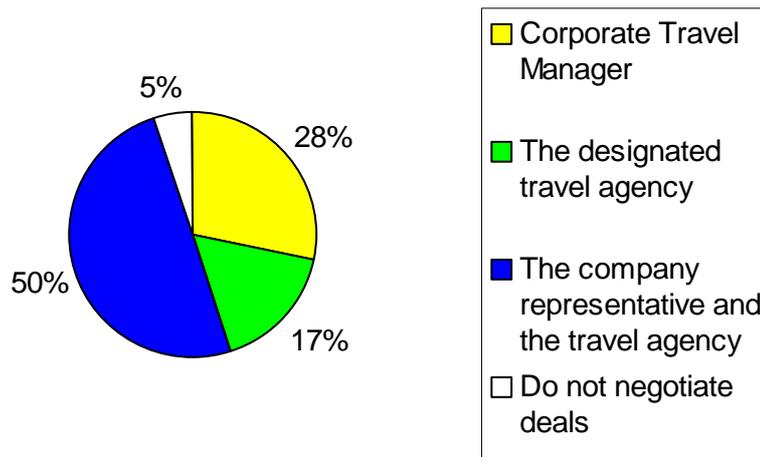
The majority of organisations prefer to pay by consolidated credit card for air travel expenses. When paying for accommodation expenses, the majority of organisations prefer to issue individual corporate credit cards. Once again, a consolidated credit card is the preferred method to pay for car rental expenditure, while most organisations prefer their travellers to pay for meals and entertainment expenses personally and then claim it back from the company afterwards (figure 4.21).

Figure 4.21: Travel expenditure processing
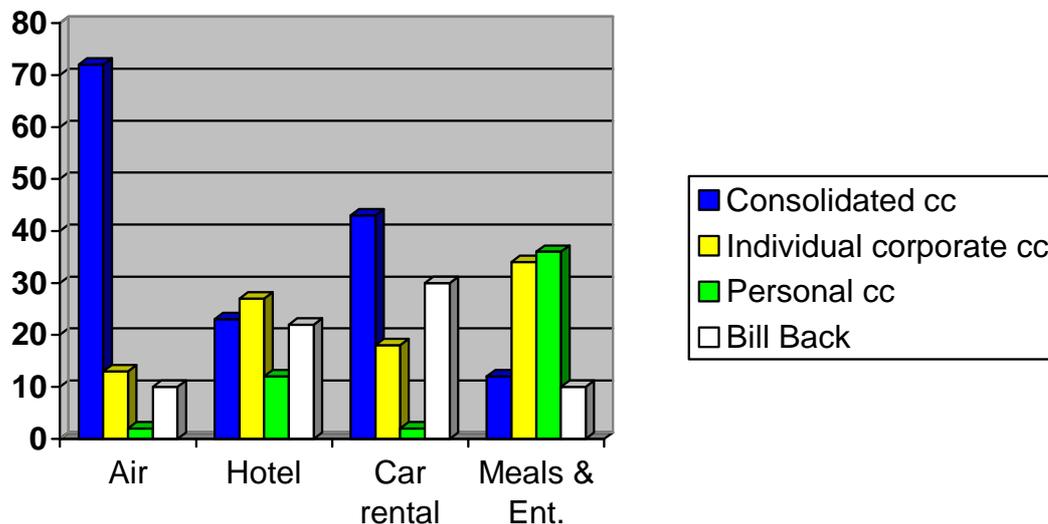
Currently the majority of organisations use travel agencies / travel management companies (either in-house or outside) for travel arrangements and other travel-related services. Of the remaining organisations only a few work through suppliers and through both travel agencies and suppliers (figure 4.22).

Figure 4.22: Most used distribution channel
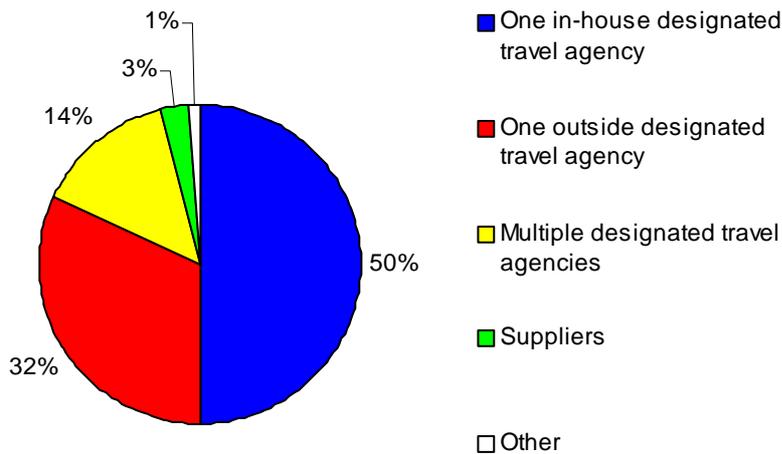
The majority of companies have a negotiated fixed management fee as revenue agreement with their primary travel agency. Twenty five percent of companies pay their travel agencies transaction fees for services rendered. It is also interesting to note that 18% of companies have no agreement with their travel agency (figure 4.23).

Figure 4.23: Revenue agreements with travel agencies
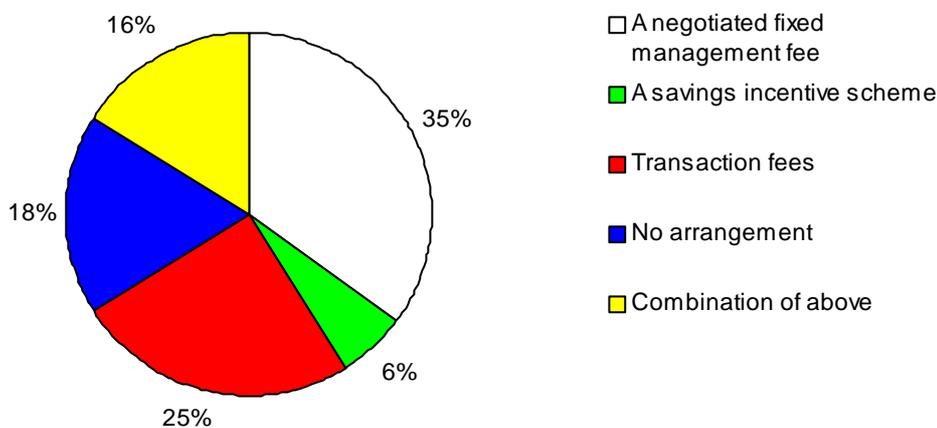
As can be seen in figure 4.24, respondents indicated that they believe that the revenue agreement they have with the travel agency is to the equal benefit of both parties (78 %). In addition, when these results were cross tabulated with the type of revenue agreement more interesting results were revealed (figure 4.25). The majority of respondents who have either management or transaction fees agreements with their TMCs believe that these agreements are to the equal benefit of both parties. Table 4.2 reveals the results. The chi-

square test for this cross tabulation gave a probability of 0.0155, which shows that this result can be regarded as statistically significant.

Figure 4.24: Benefit of revenue agreements to organisation versus travel agency
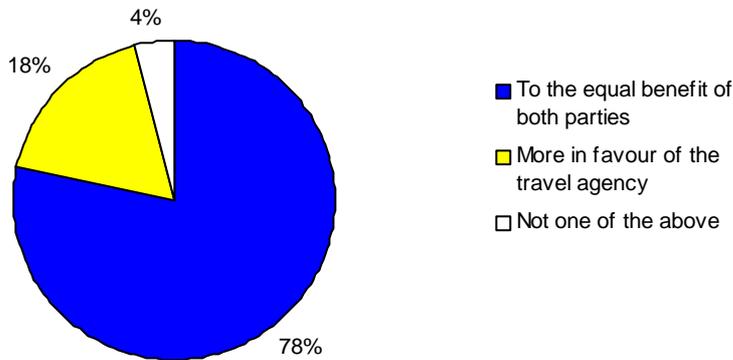
Table 4.2: Perception of benefit of agreement by type of revenue agreement

	To the equal benefit of both parties	More in favour of the travel agent
Management fee		
Frequency count	19	3
Percent	33.93	5.36
Row percent	86.36	13.64
Column percent	43.18	30.00
Transaction fee		
Frequency count	12	2
Percent	21.43	3.57
Row percent	85.71	14.29
Column percent	27.27	20.00

Figure 4.25: Perception of benefit of agreement by type of revenue agreement
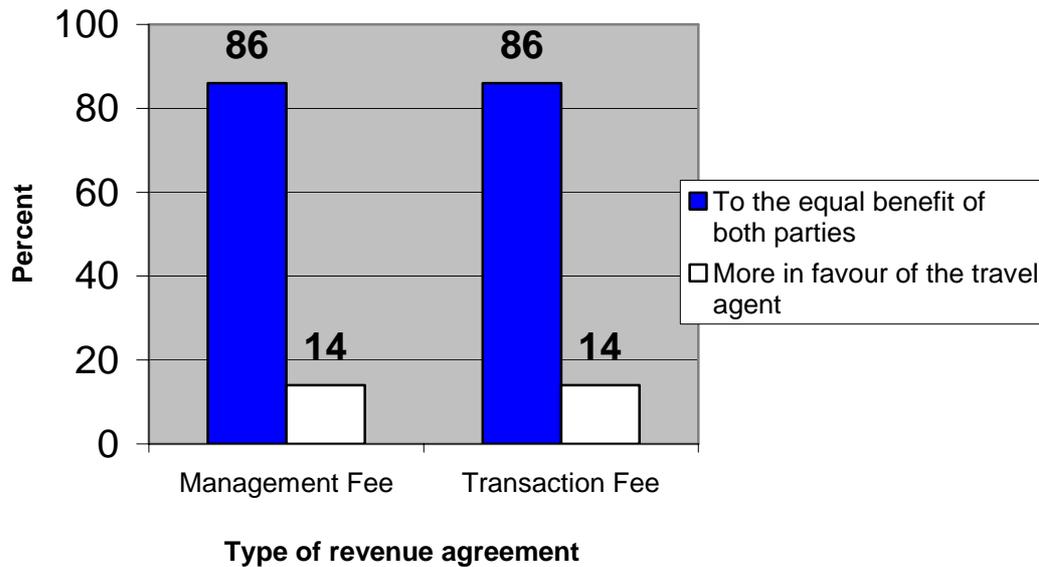
Figure 4.26 indicates how organisations perceive the level of service provided by their travel agencies. The service level of travel reservations is considered to be good or acceptable, with other services such as travel advice, policy development and supplier negotiations showing more diversity of opinion. In a number of instances the travel agencies do not provide the service at all, for example, summary of car rental expenditure, policy development, compliance and monitoring and technology support and access. As far as technology support and access is concerned, 10 % of respondents rated the service as excellent, 39 % of organisations rated the service as good with 29 % rating it as acceptable and only 2 % as unacceptable. In 15 % of the cases the service is not provided at all.

Figure 4.26: Service levels of designated travel agency
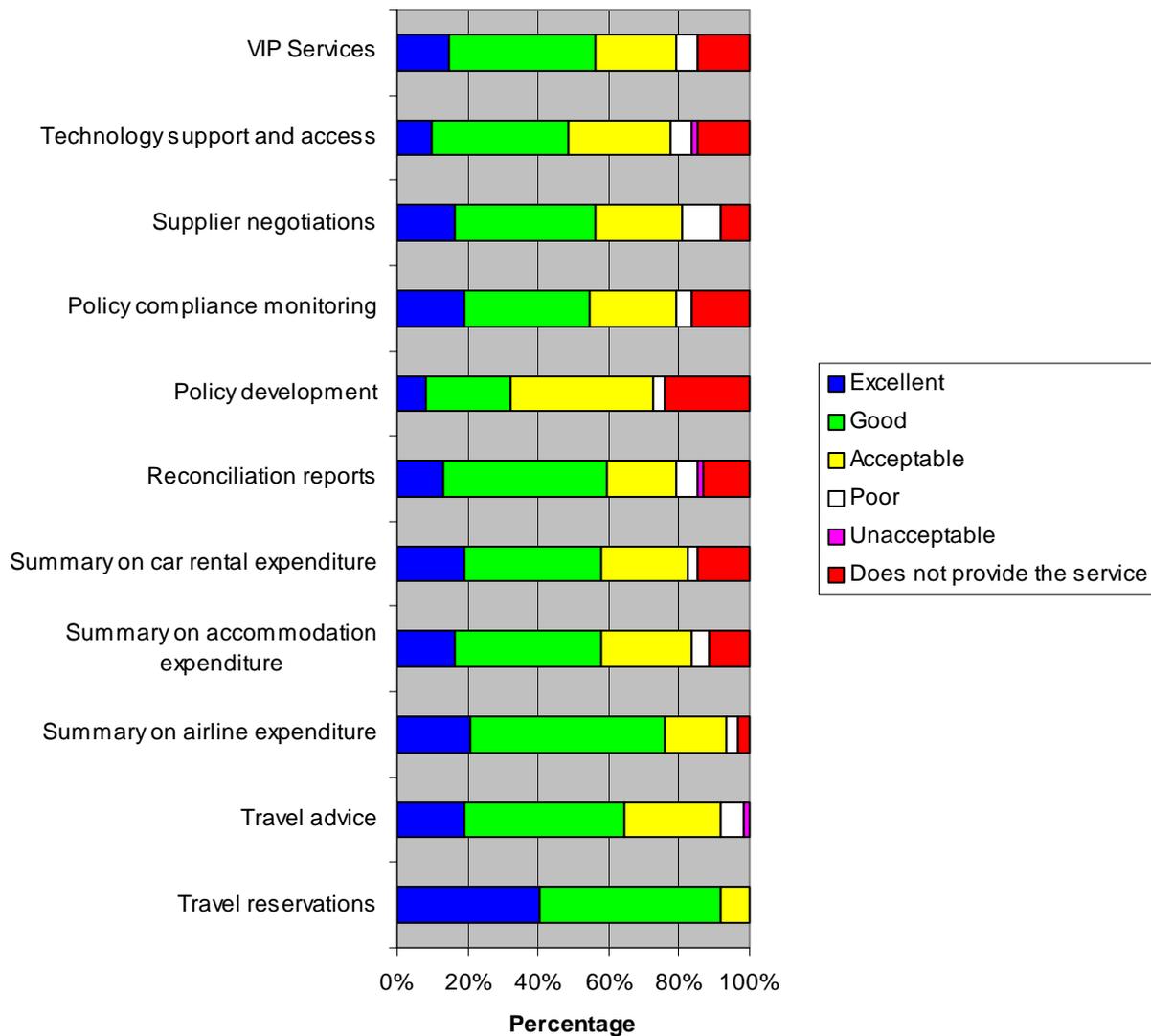
Organisations' opinions were also asked on various statements regarding travel agents. As shown in figure 4.27, corporates are of the opinion that travel agents must become travel management companies to survive in future. Corporates also seem to think that travel agents will become irrelevant in future. Fifty two percent of corporates believe that travel agents must earn their revenue through service fees charged to clients.

Figure 4.27: Statements on the future of travel agencies
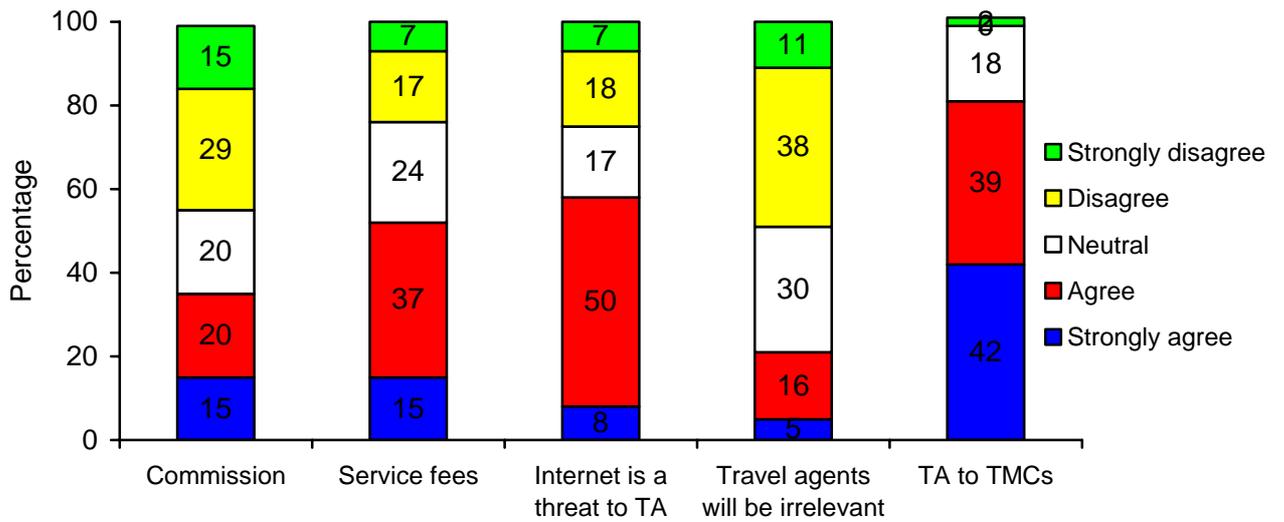
(vii) Technology used in the management of corporate travel

The results revealed that technology options are still not a major threat to traditional travel agents as the minority of respondents used these channels to make bookings. More respondents used the channels for information and enquiries (figure 4.28).

Figure 4.28: Online channel use by corporates

120
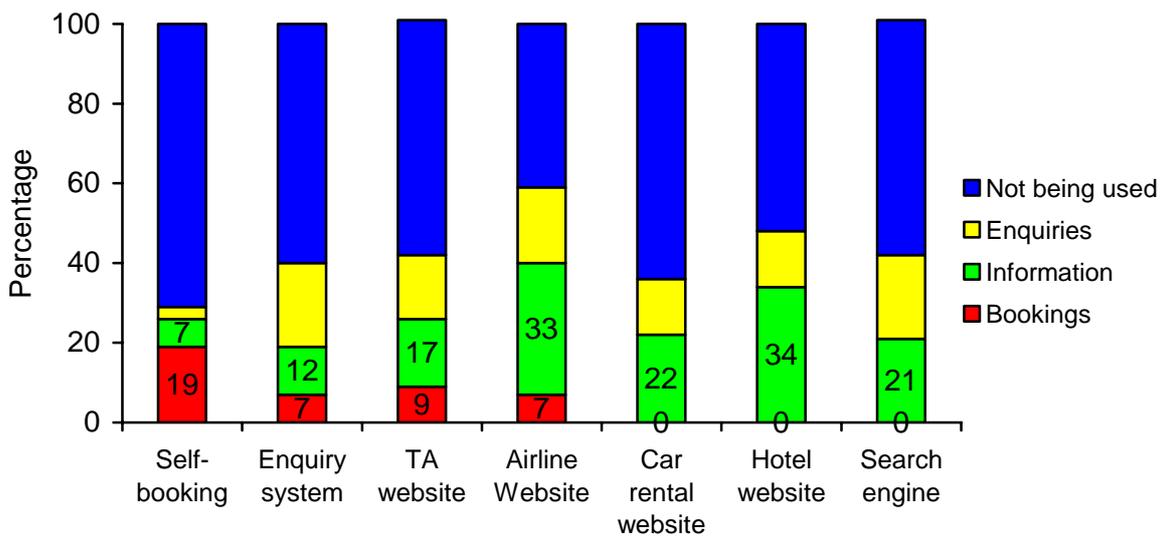
The results also reveal that access to information; fast response times from suppliers, and the cost effectiveness of the system are the most important advantages that an online system offers (figure 4.29).

Figure 4.29: Advantages of online system
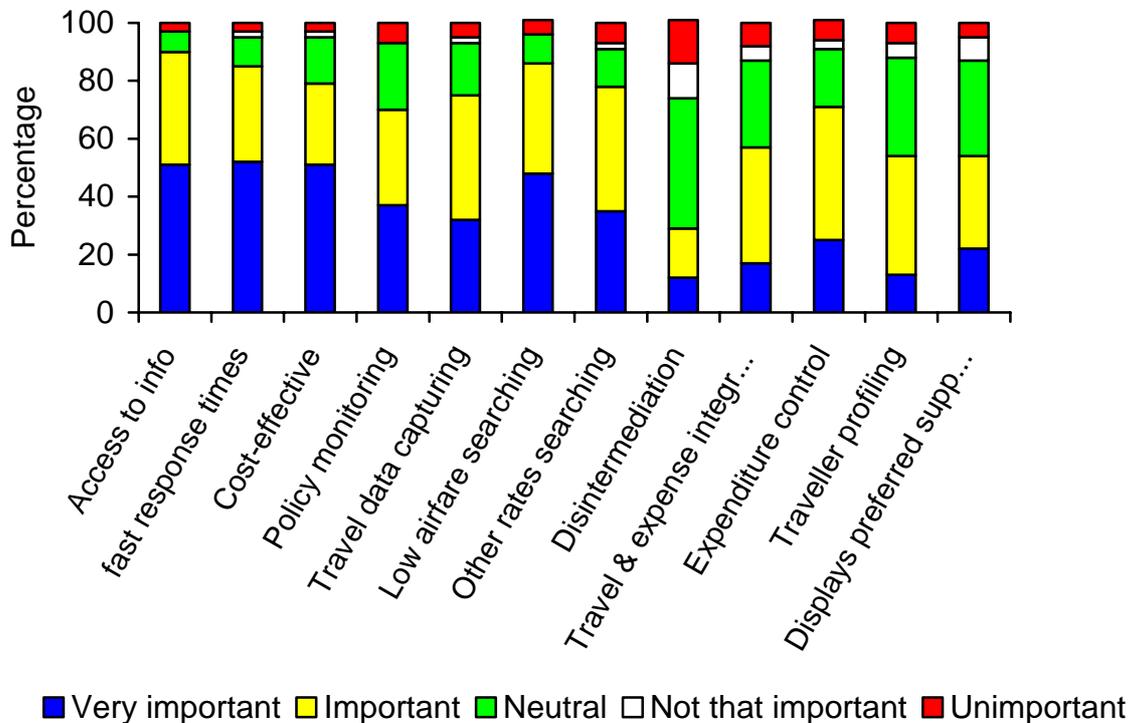
Table 4.3 depicts the frequency with which different modes of communication is used to make travel reservations. From these results it is evident that email is used most frequently to make reservations.

Table 4.3: Frequency with which communication channels are used to make travel reservations

CHANNEL	MEAN	STANDARD DEVIATION	VARIANCE	MEDIAN	RANKING ORDER
Email	1.796	0.957	0.916	2.000	1
Telephone	1.883	1.091	1.190	2.000	2
Facsimile	3.591	0.996	0.992	4.000	3
Personal visits to travel agent	3.769	1.180	1.393	4.000	4
Online	3.828	1.353	1.829	4.000	5

In addition, the question was asked whether the organisation encourage their corporate travellers to use self-booking tools. Figure 4.30 shows that 85 % of the respondents indicated that they do not encourage their corporate travellers to use self-booking tools.

Figure 4.30: Does the organisation encourage corporate travellers to use self-booking tools?
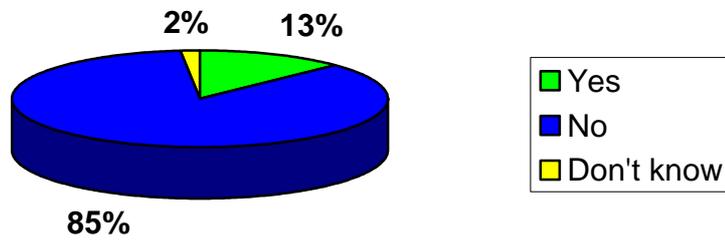
The reasons that organisations do not encourage their travellers to use self booking tools seem to be that they have less control of travel spend when self booking tools are used, corporate travellers still prefer personal contact with a traditional travel agent and organisations also believe that complex travel reservations are not suited to the system (figure 4.31).

Figure 4.31: Factors that hamper the use of self-booking tools
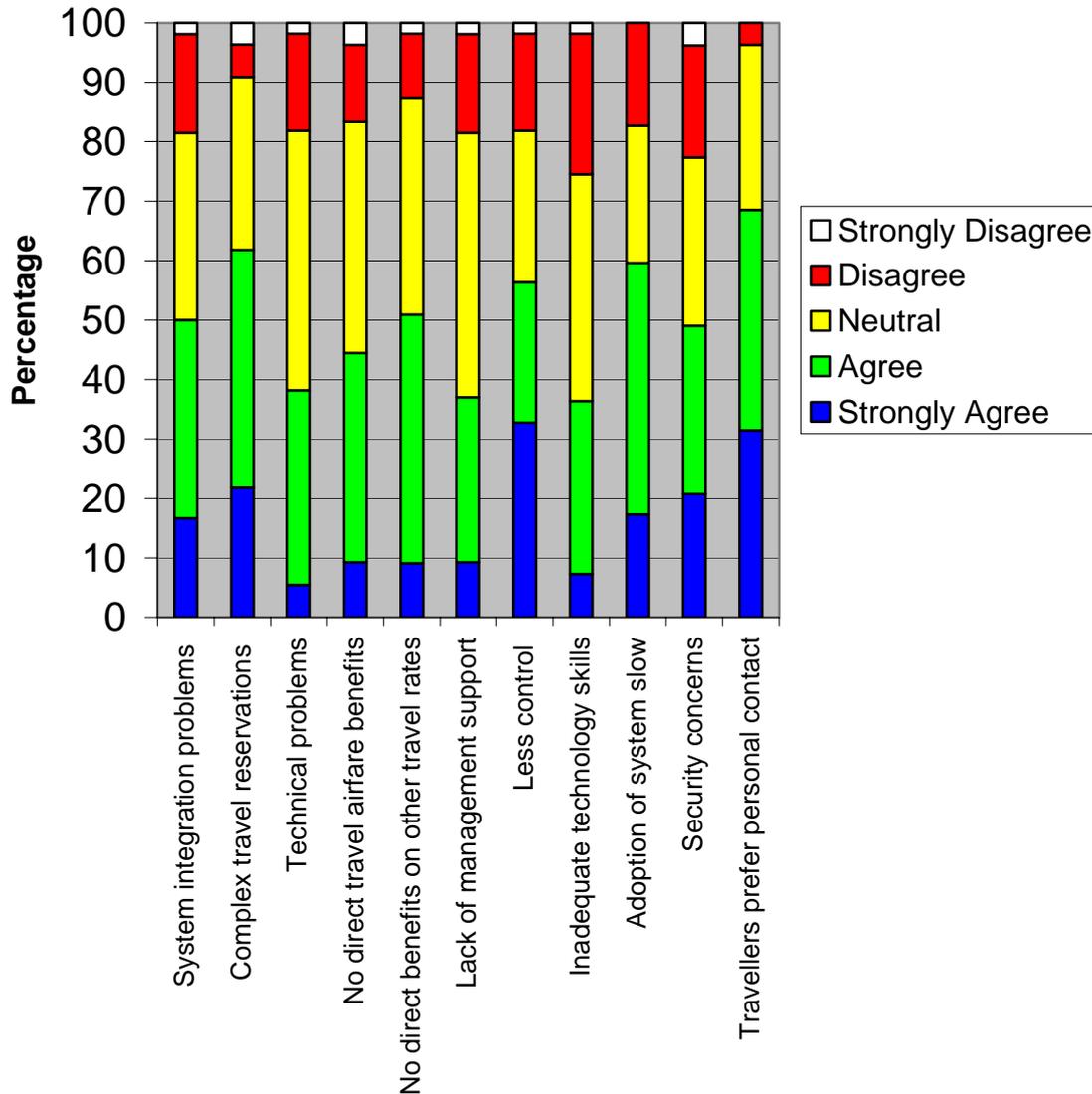
In answer to a further question, the majority of respondents (78 %) are not considering changing their current travel technology system, while 18 % specified that they would be changing their system in the near future.

(viii) Critical success factors

The final question summarised the whole questionnaire by asking respondents to rank the critical success factors of an effective corporate travel management programme in order of importance. Table 4.4 divulges the results:

Table 4.4: Critical Success Factors - Organisation

FACTOR	MEAN	STANDARD DEVIATION	VARIANCE	MEDIAN	RANKING ORDER
Top management support	2.638	1.870	3.497	2.000	1
Consolidation/centralisation of corporate travel	2.885	1.808	3.270	3.000	2
Negotiated agreements with suppliers	3.244	1.569	2.465	3.000	3
Travel expenditure control	3.432	1.771	3.135	3.000	4
Accurate travel data	3.681	1.431	2.048	4.000	5
Traveller education on corporate travel	4.042	1.530	2.339	4.000	6

4.2.2 PRICE WATERHOUSE COOPERS' CORPORATE TRAVELLER QUESTIONNAIRE

The first section of the questionnaire (questions 1 to 6) dealt with the corporate profile of the corporate traveller of PWC. The second section (questions 7 to 10) of the questionnaire dealt with air travel, while the third section (questions 11 to 15) of the questionnaire dealt with matters concerning accommodation. The fourth section (questions 16 to 26) of this questionnaire dealt with aspects regarding the corporate travel policy. Section five (questions 27 to 34) assessed matters concerning travel intermediaries and suppliers while section 6 (questions 35 to 39) considered the use of technology by corporate travellers. The final section (questions 40 to 42) assessed the views of the corporate traveller on the overall management of corporate travel in PWC.

(i) The profile of the corporate traveller of PWC

The majority of respondents are directors in the company and have been employed by PWC for more than 10 years. This question was asked to determine whether the needs of employees differ according to the number of years they have been employed by the company. Furthermore, most of the corporate travellers that completed the questionnaire are married / cohabiting with children and based in Johannesburg. The aim of the question was to determine whether there is a significant difference in the travelling needs of corporate travellers who are in different stages of the lifecycle.

Figure 4.32: Position in PWC

21%

61%

18%

Director
Senior Manager
Manager
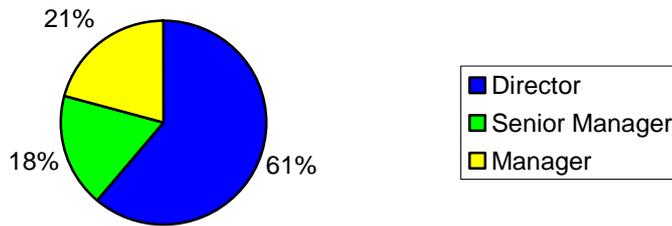
Figure 4.33: City location

17%

8%

8%

67%

Johannesburg
Cape Town
Pretoria
Other
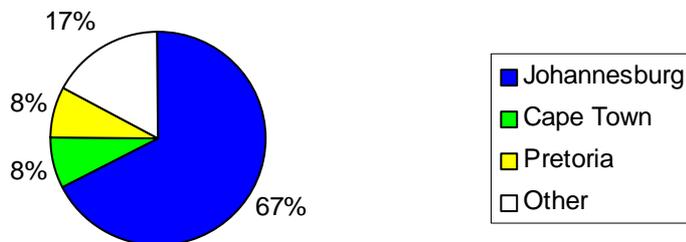
Figure 4.34: Marital status

5%   9%

26%

60%

Single

Married / Cohabiting
with no children

Married / Cohabiting
with children

Divorced

125
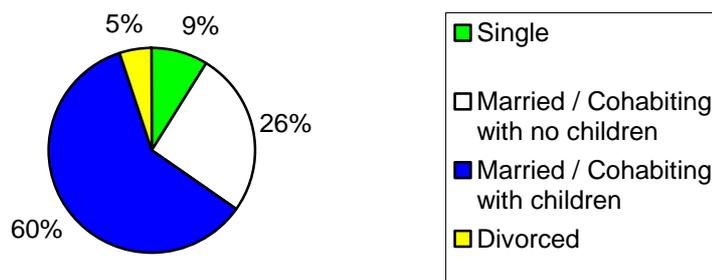
Figure 4.35 Number of years employed by PWC
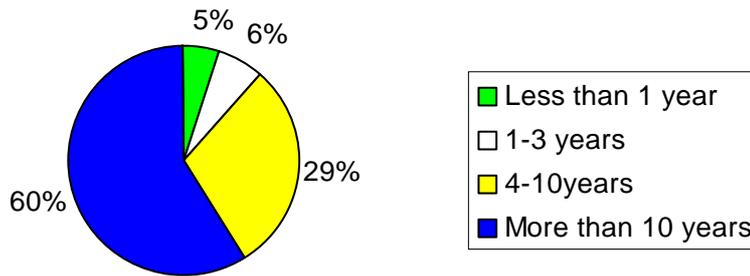
Corporate travellers of PWC made an average of 8.25 trips by air domestically and 2.72 trips by air internationally. Moreover, travellers made use of rented cars and average of 5.71 times domestically and 0.55 times internationally.

(ii) Air Travel

From table 4.5 it is evident that it is very important for travellers to be comfortable while flying. This is not for selfish reasons, travellers believe that if they are comfortable and able to rest during the flight they will perform better upon arrival.

Table 4.5: Importance of certain factors when travelling by air

FACTOR	MEAN	STANDARD DEVIATION	VARIANCE	MEDIAN	RANKING ORDER
Permission to upgrade your air travel when required to perform a full day's work upon arrival.	2.129	1.048	1.098	1.000	1
Cover of loss of luggage, medical expenses, and accidents when travelling for business purposes.	2.258	1.159	1.342	1.000	2
Loyalty points accumulated should be used for personal travel	2.629	1.059	1.122	1.000	3
Permission to downgrade tickets for overseas flights with the purpose of enabling a spouse to accompany you at the cost of your company	2.984	1.032	1.065	1.000	4

Next, respondents were asked what they believe the best strategy is to use the loyalty card points that they have earned during their travels on behalf of the company. An overwhelming majority of respondents believe that it is their privilege to use these points for personal use (figure 4.36).

Figure 4.36: Best strategy to use loyalty card points
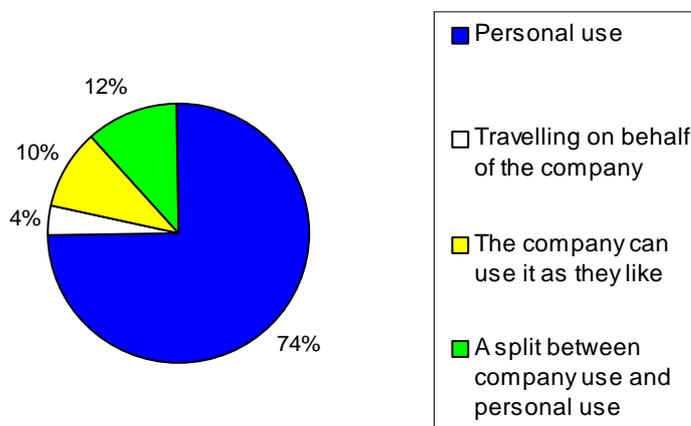
Respondents were further asked to rate the importance of certain factors when travelling by air. According to the results in figure 4.37, the three most important factors when travelling by air is:

- - On time performance
- - Comfort
- - Price of airfare

Figure 4.37: Importance of certain factors when travelling by air
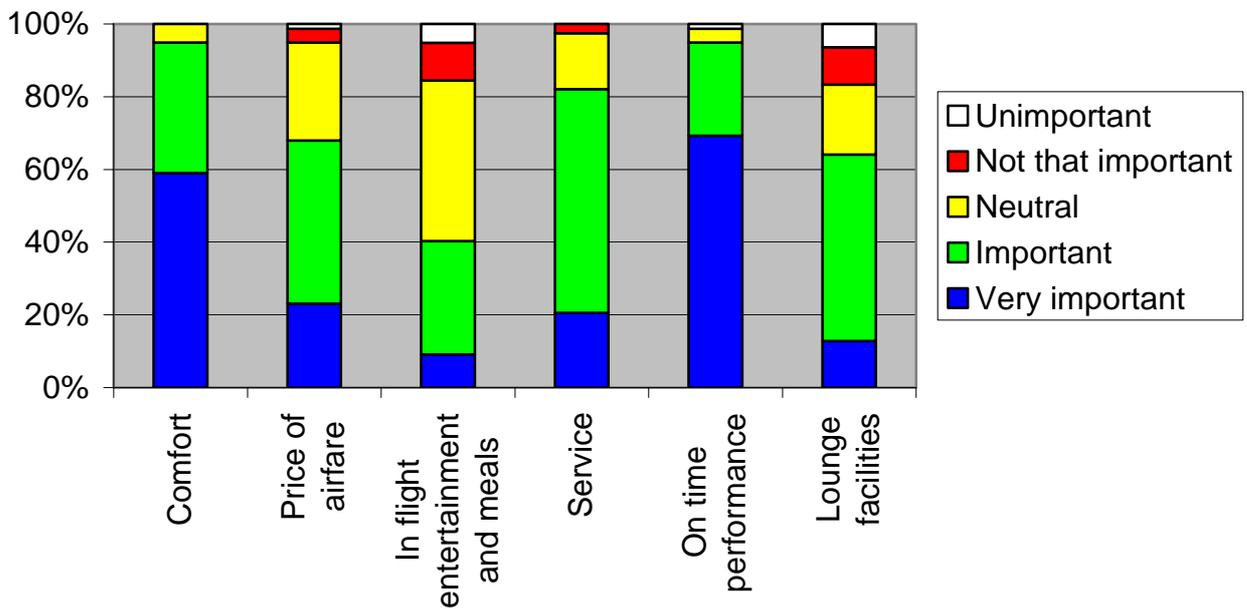
Figure 4.38: Is class of travel important for better work performance upon arrival?

128
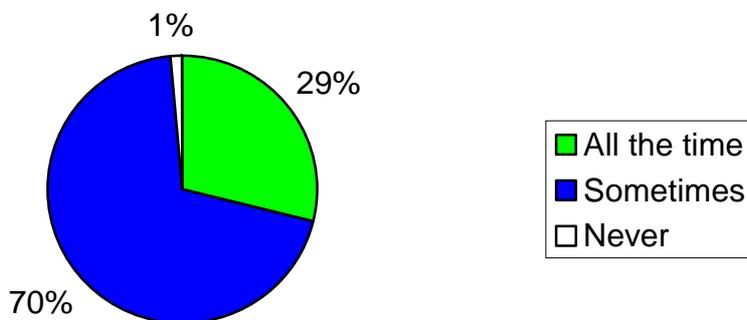
Seventy percent of the respondents indicated that class is sometimes important for better work performance upon arrival (figure 4.38). Respondents were further asked to give reasons for their answers. The most provided reasons were that it depends on the duration of the flight. The longer the flight the more important class of travel becomes. Some respondents also felt that one needs to be comfortable and be able to rest in order to be rested and refreshed upon arrival. Respondents furthermore felt it is less stressful to fly in business or first class.

(iii) Accommodation

PWC's corporate travellers make use of accommodation establishments an average of 7.66 times a year. The majority of travellers spend an average of 1-2 nights away from home per trip (figure 4.39).

Figure 4.39: Average number of nights spent at accommodation establishments per trip
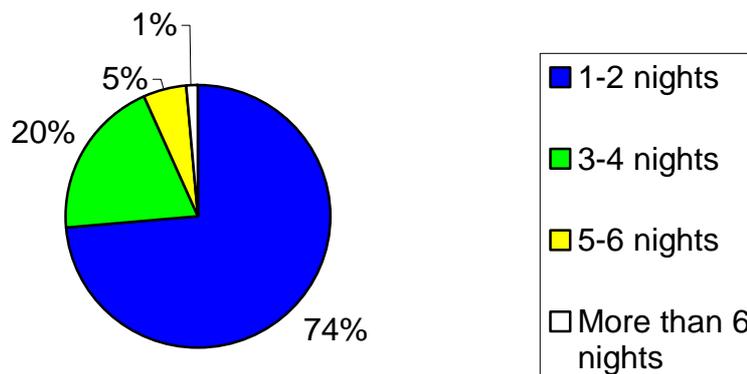
Travellers were also asked to rate the importance of certain factors when making use of accommodation establishments. The results (figure 4.40) show that the three most important factors when staying at accommodation establishments are:

- Location
- Service
- Facilities

Figure 4.40: Importance of certain factors when making use of accommodation establishments
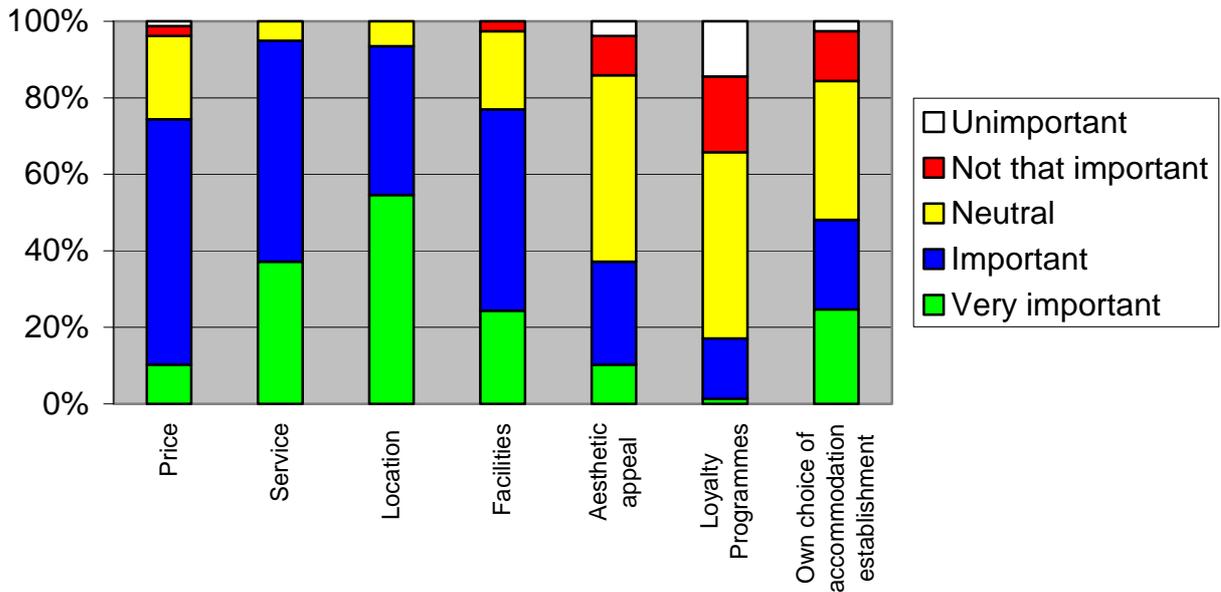
When travelling within South Africa, travellers prefer to stay at a Southern Sun hotel. For international travel on behalf of the company, respondents favour other options not given in the question (figure 4.41).

Figure 4.41: Type of accommodation establishment
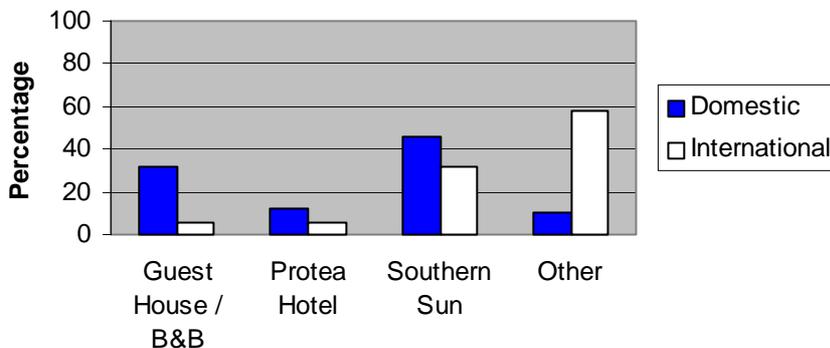
Respondents that chose the 'other' option indicated that they would use any establishment as long as the location is accessible and transport is available. A number of respondents pointed out that they would use any establishment as long as it is of suitable standard (4 star). Other respondents were more specific and wanted to stay in hotels such as the Hilton, Thistle, Hyatt, Marriott, Sheraton, Radisson or Commodore.

Respondents were also given the chance to indicate the problems they experience when making use of accommodation establishments. From the results (figure 4.42) it was evident that respondents actually experience very few problems. The fixed check out times of establishments was the only notable problem.

Figure 4.42: Problems experienced when using accommodation establishments
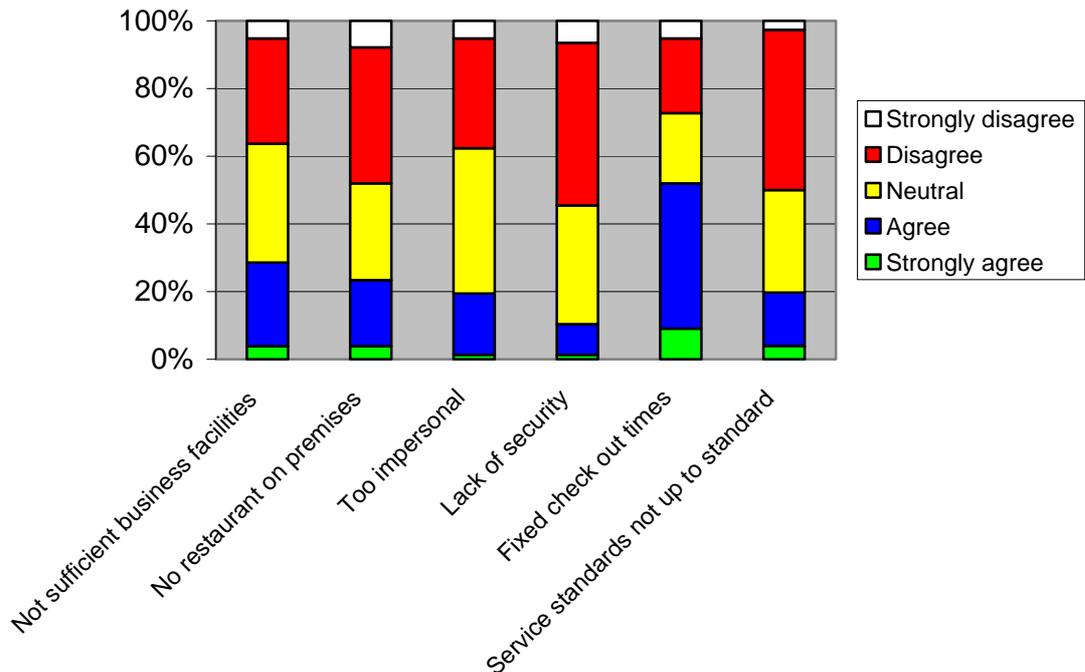
(iv) Corporate Travel policy

Ninety nine percent of the respondents are aware of the fact that the organisation does have a travel policy (figure 4.43). Most of the respondents indicated that the national office has a high involvement in setting the policy, while corporate travellers have no involvement in the setting of the travel policy (figure 4.44).

Figure 4.43: Does the organisation have a travel policy?
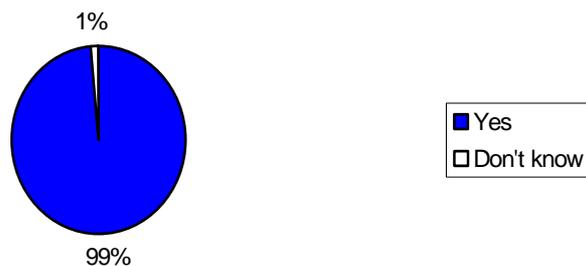
Figure 4.44: Responsibility for setting the travel policy
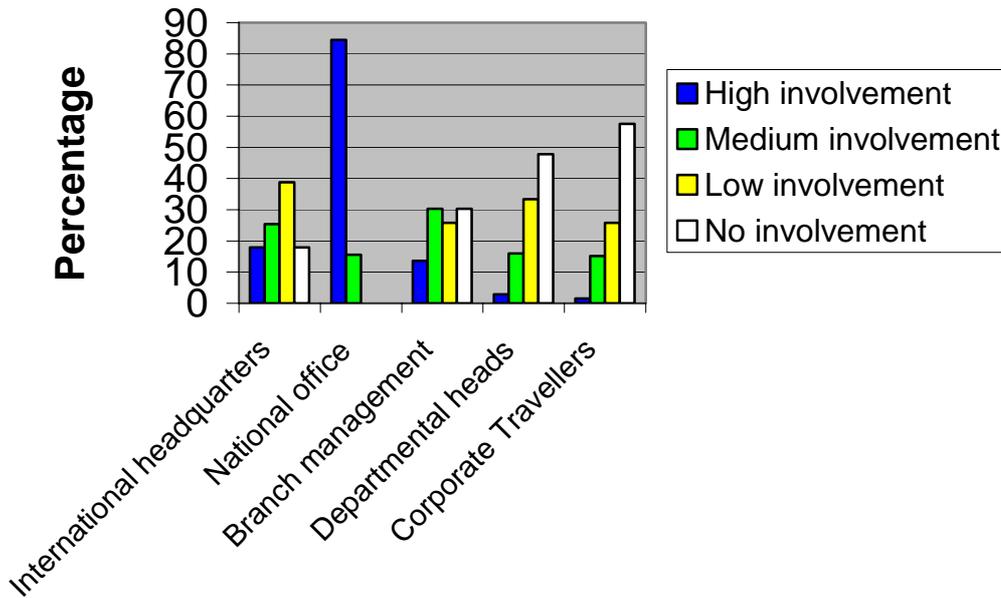
Moreover, it is interesting to note that more than half of the respondents do not want to be involved in setting the travel policy (figure 4.45).

Figure 4.45: Would you like to be involved in the setting of the travel policy?
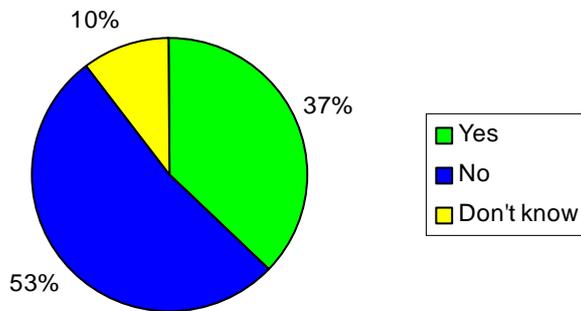
Figure 4.46 shows that more than 40 % of respondents agreed with the following statements with regard to the travel policy of the company:

- The travel policy requirements are generally inflexible
- Cost saving seems more important than traveller convenience
- Only designated suppliers are allowed to be used

- Corporate travellers are required to make bookings only through the designated travel agency

Figure 4.46: Statements regarding the travel policy of PWC
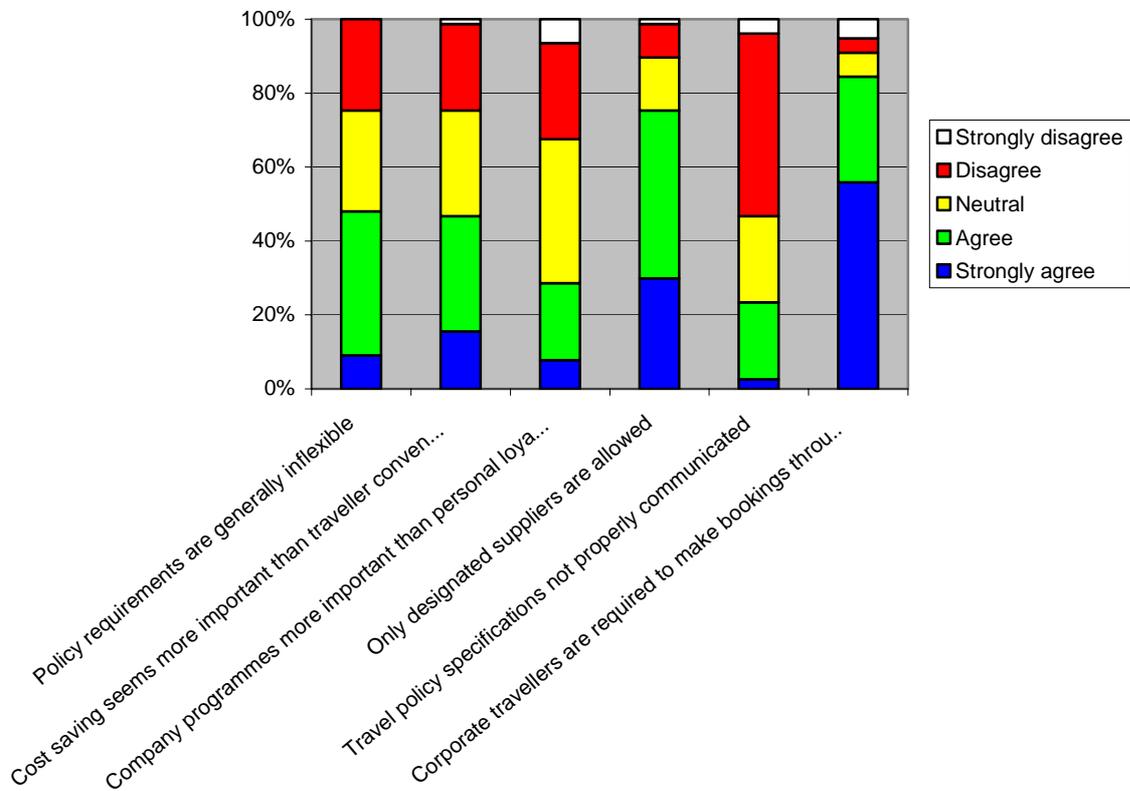
The majority of respondents prefer to obtain the travel policy through the intranet (figure 4.47), and only when updated (figure 4.48).

Figure 4.47: Preferred method to obtain travel policy

133
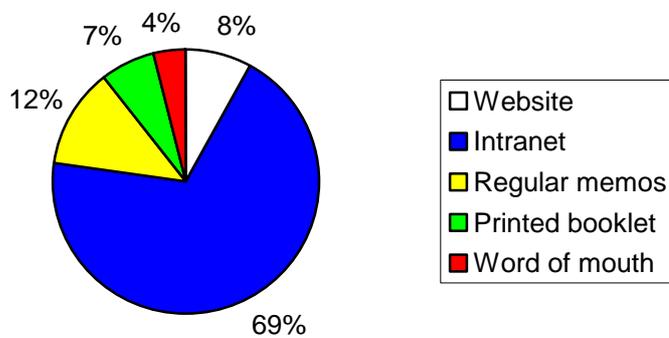
Figure 4.48: Frequency with which travellers prefer to receive travel policy
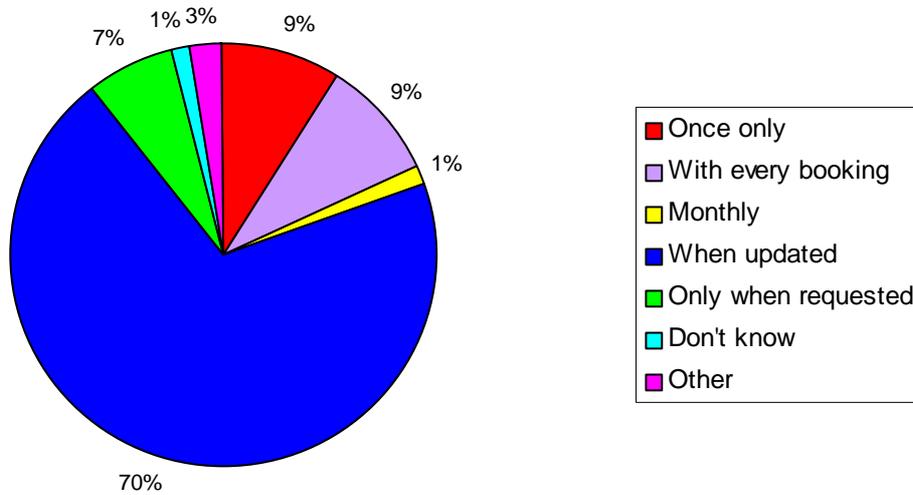
Figure 4.49 shows an alarming result: 68 % of respondents only understand the travel policy more or less, while only 29 % of respondents understand the policy very well. This can be a reason why some respondents experience problems in complying. The majority (46 %) of corporate travellers indicated that they experience problems in complying with the policy rarely, while (36 %) of respondents experience problems in complying some of the time (figure 4.50).

Figure 4.49: Travellers' understanding of the travel policy
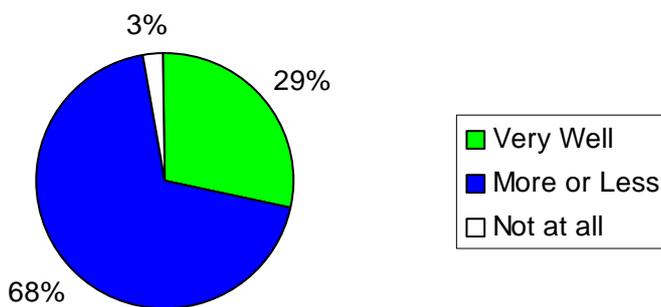
Figure 4.50: Frequency with which problems are experienced in complying with the policy
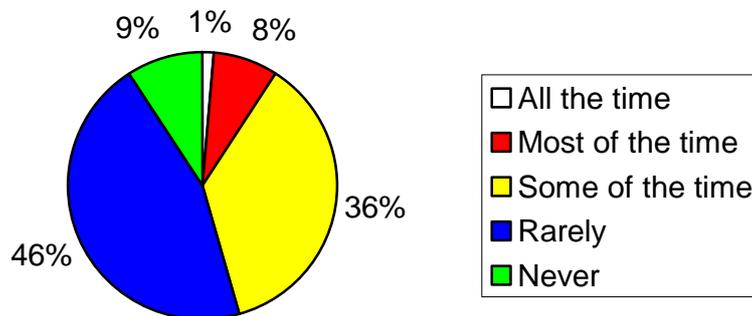
The results further show that the average percentage of **non-compliance** with the policy in the organisation is 14 %. It is also interesting to note that only 45 of the 78 respondents answered this question. If all the respondents answered this question, the non-compliance rate might have been significantly higher or lower.

Travellers experience problems in compliance most frequently in the choice of accommodation establishment and travel approval procedures (figure 4.51).

Figure 4.51: Areas in which non-compliance generally occurs
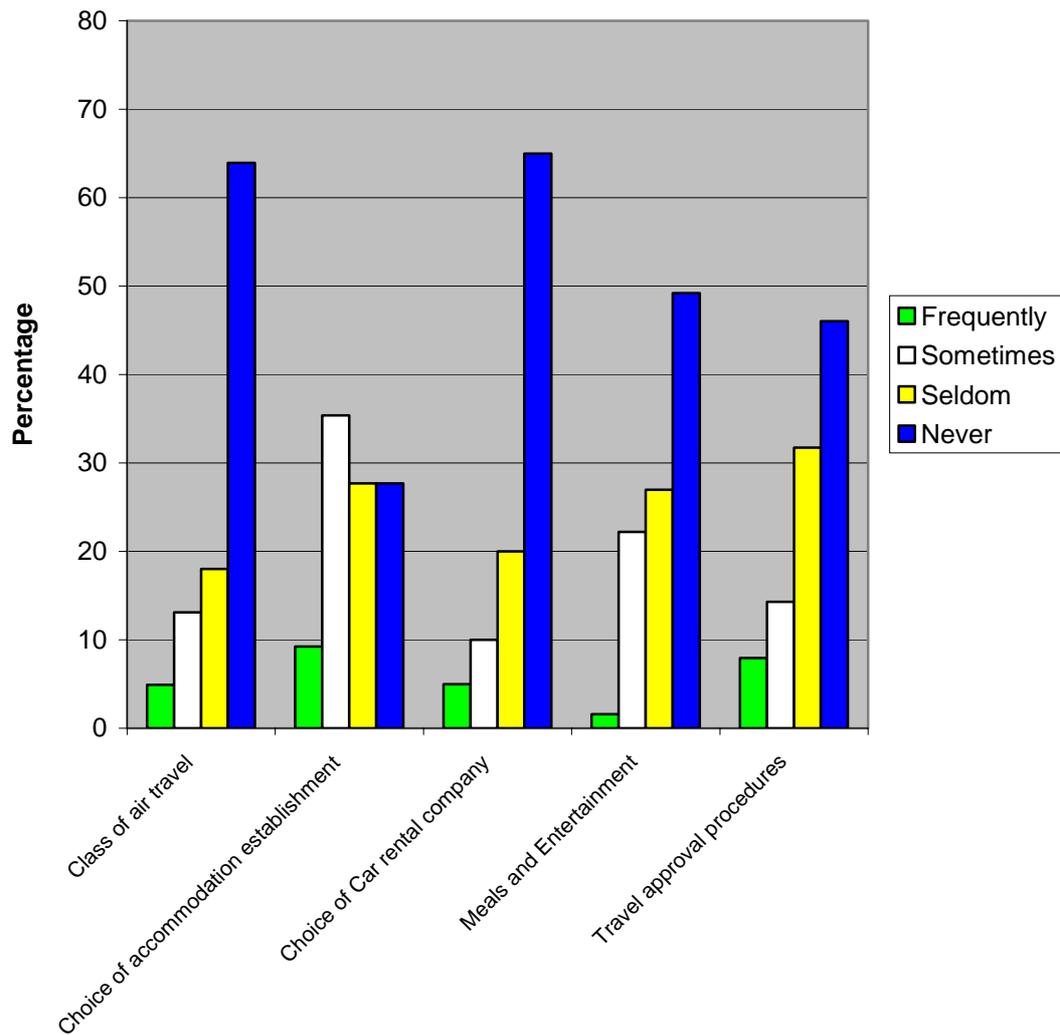
The following are the most important reasons why travellers do not comply with the travel policy (figure 4.52):

- Last minute bookings
- Personal loyalty cards
- Unknowing infringement

Figure 4.52: Reasons for non-compliance with the travel policy
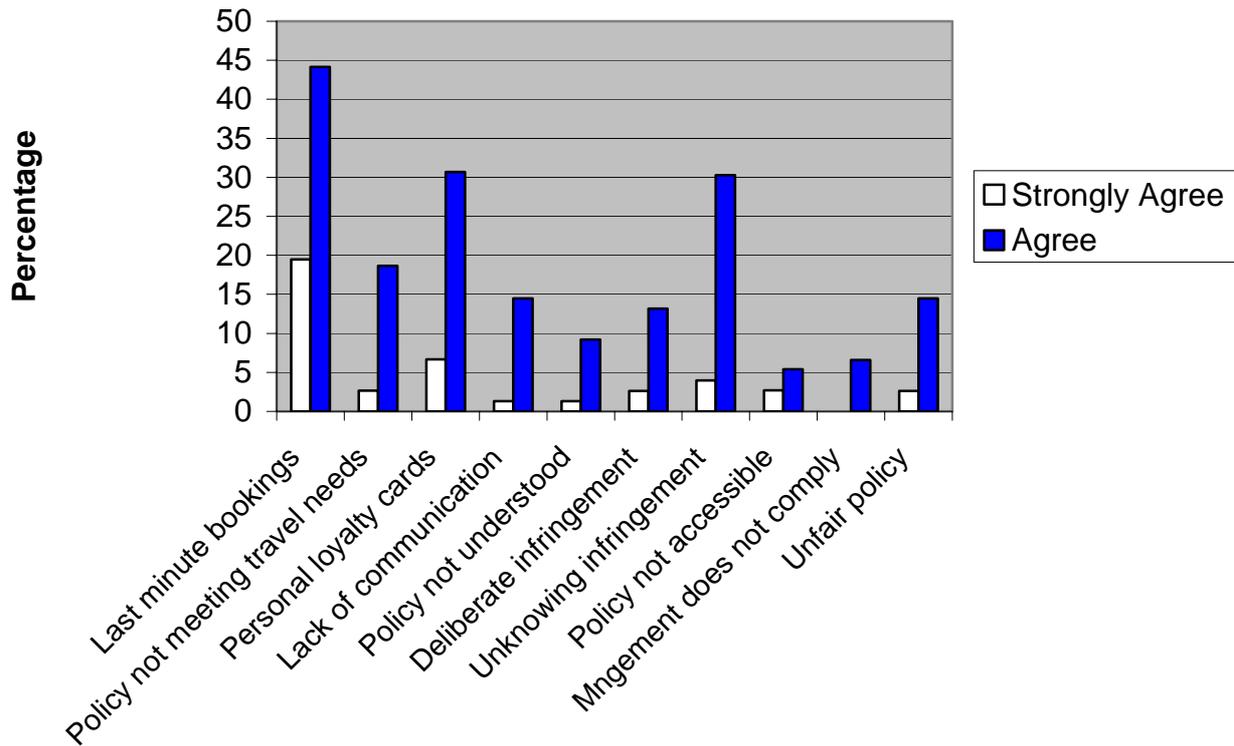
(v) Travel intermediaries and suppliers

The majority of respondents feel that the organisation should do their travel arrangements through one in – house designated travel agency (figure 4.53). They further prefer the secretary / personal assistant to be responsible for making travel reservations with the in – house agency (figure 4.54).

Figure 4.53: Organisations should do their travel arrangements through:

Legend:
- Travel suppliers
- One in-house agency
- Two in house agencies
- One outside agency
- Two outside agencies
- More than two designated agencies
- Any travel agency of choice

Values: 5%, 9%, 10%, 4%, 1%, 16%, 55%
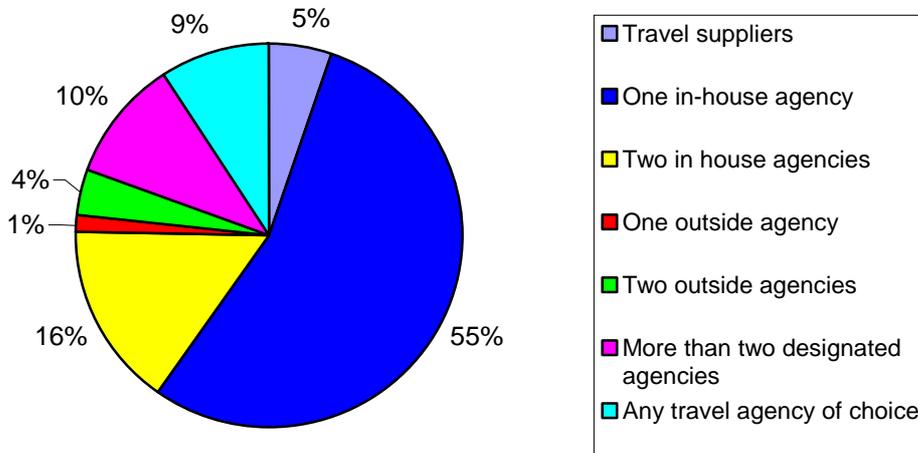
Figure 4.54: Person responsible for making travel reservations

Legend:
- Yourself
- The secretary / PA
- Specific person in each office
- Central travel dept for whole org
- Central travel dept for each office

Values: 9%, 5%, 1%, 9%, 76%
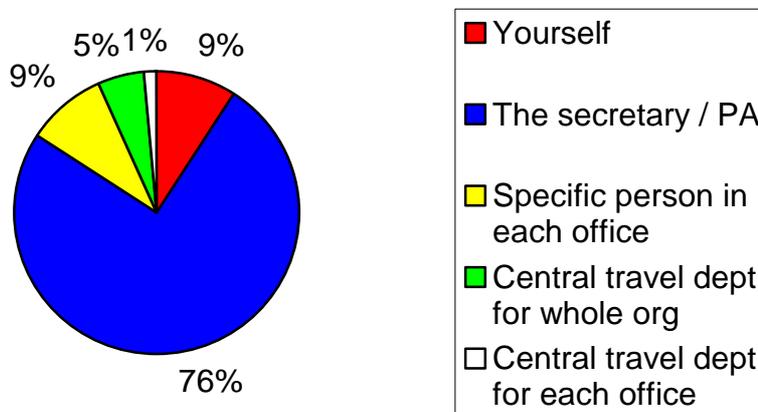
Corporate travellers were further asked to rate the level of service provided by the most frequently used travel agency. The results indicated that only in travel reservations did more than half of the travellers rate the service as good (figure 4.55).

Figure 4.55: Service levels of travel agency according to corporate travellers
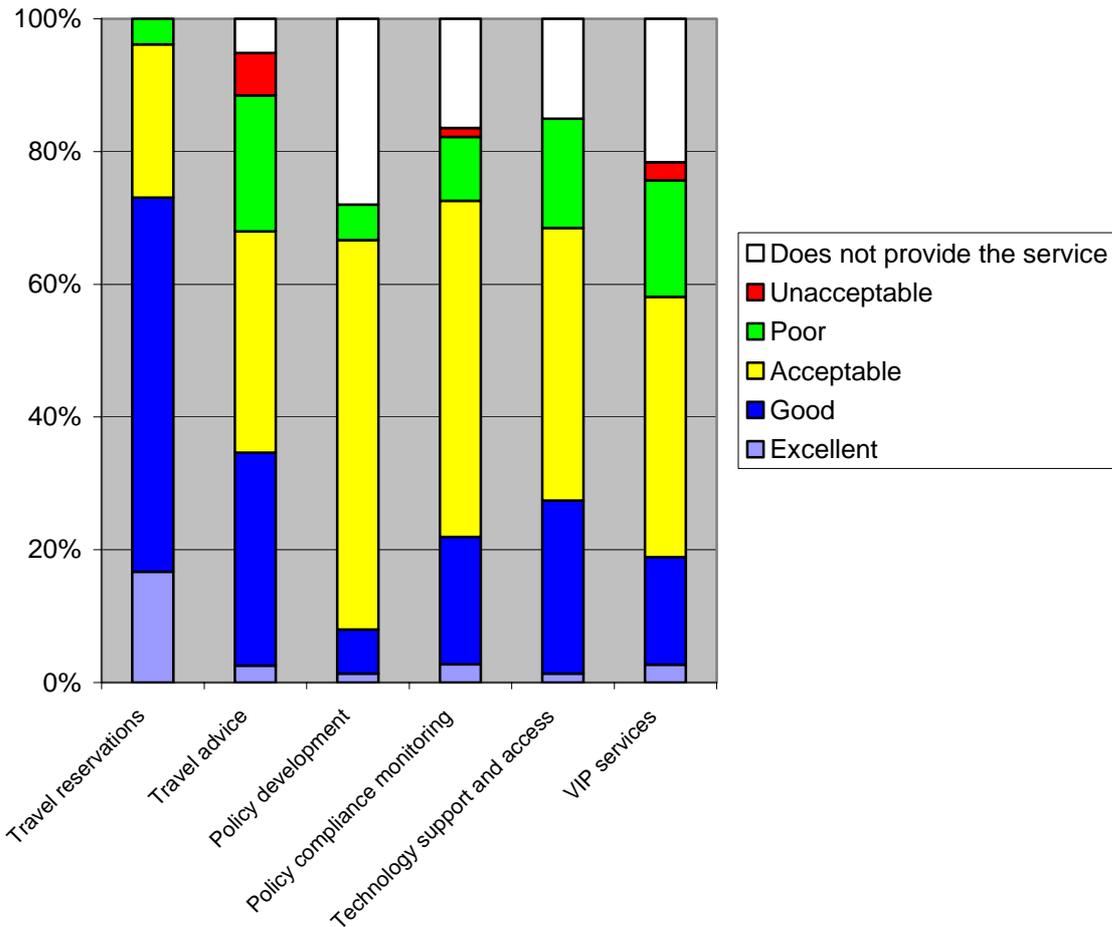
Forty four percent of corporate travellers would prefer to receive a statement of their travel expenditure (figure 4.56). Of this 44 %, 89 % indicated that they would prefer to receive this statement online (figure 4.57).

Figure 4.56: Would you prefer to receive a statement of your travel expenditure?
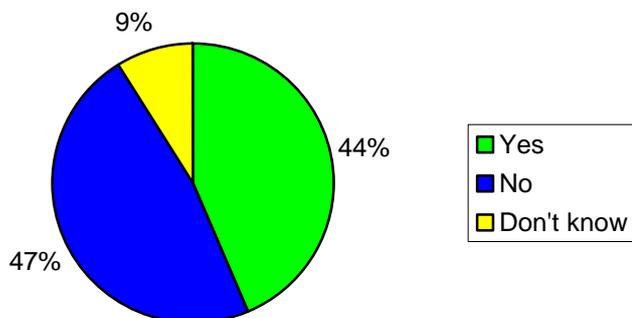
Figure 4.57: How would you prefer to receive the statement?
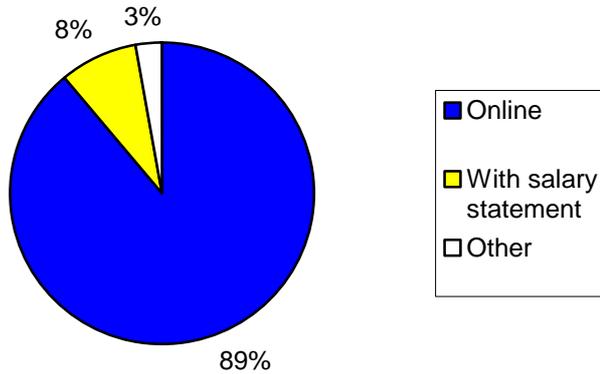
Most of the respondents do not regularly receive information on special deals from suppliers or travel agencies (figure 4.58).

Figure 4.58: Information on special deals
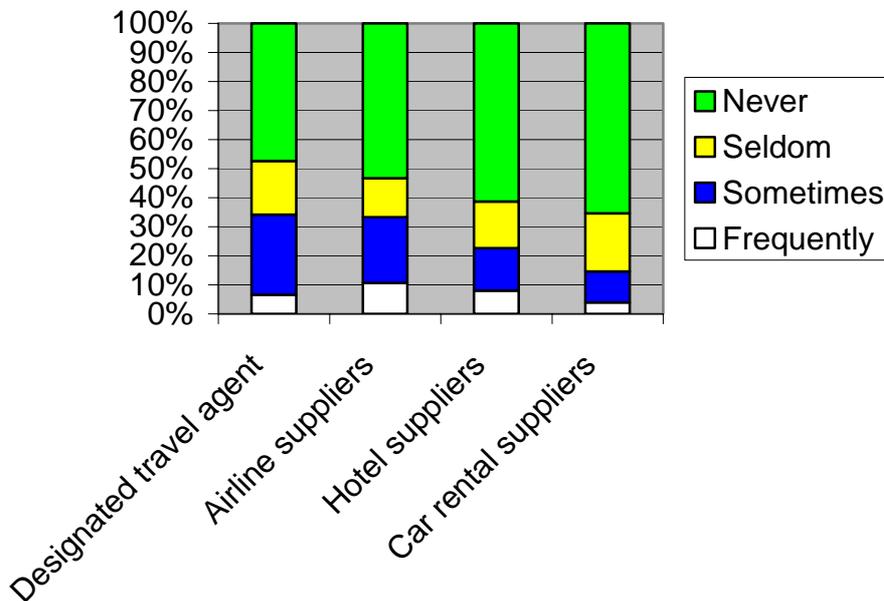
Next, respondents were asked to indicate their opinion on the following statements about travel agents. The statement with which most respondents agreed is that in order to stay competitive, travel agents will have to evolve into travel management companies (figure 4.59).

Figure 4.59: Statements about travel agents
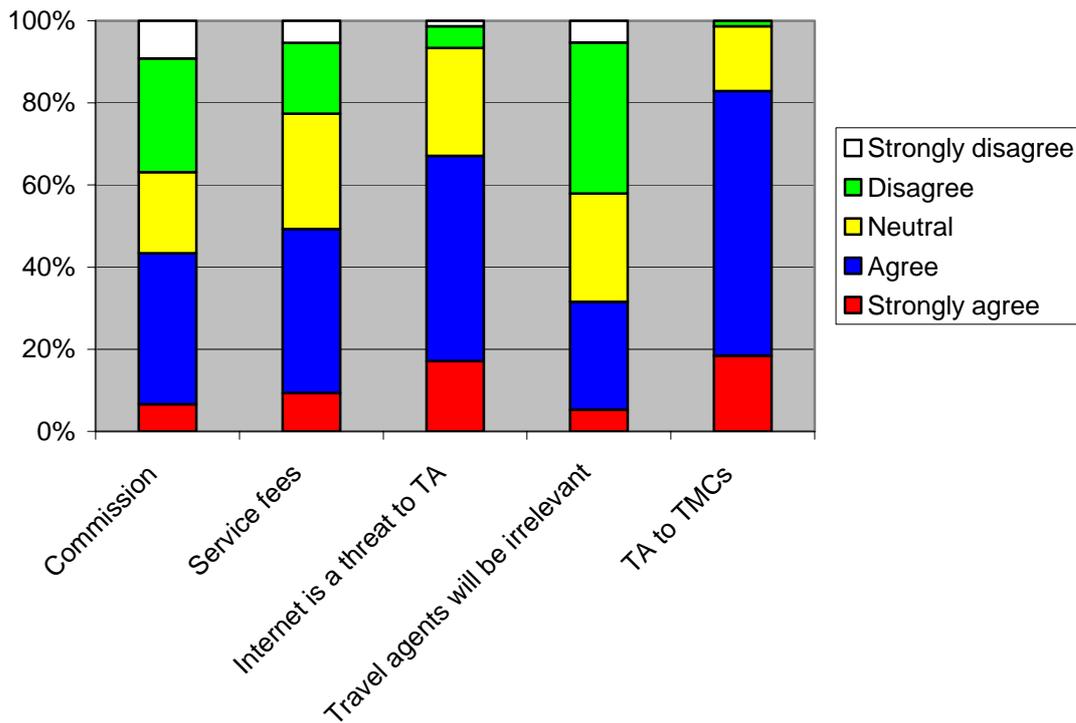
Corporate travellers of PWC were also asked what channel they prefer to use when making travel reservation. The majority of respondents prefer to make reservations online, with the telephone the next preferred channel (table 4.6).

Table 4.6: Preferred channel to make travel reservations

CHANNEL	MEAN	STANDARD DEVIATION	VARIANCE	MEDIAN	RANKING ORDER
Online	2.088	1.143	1.306	1.000	1
Telephonically	2.309	1.162	1.351	1.000	2
Email	2.338	0.857	0.735	1.000	3
Personal visits to travel agent	4.103	1.416	2.004	1.000	4
Facsimile	4.132	0.667	0.445	2.000	5

(vi) The use of technology by corporate travellers

The next section of the questionnaire dealt with issues concerning technology. Most respondents indicated that they would prefer to use online tools primarily for information (figure 4.60). If bookings could be done online, travellers would still prefer the secretary / personal assistant to be responsible for that (figure 4.61).

Figure 4.60: Preferred online tools
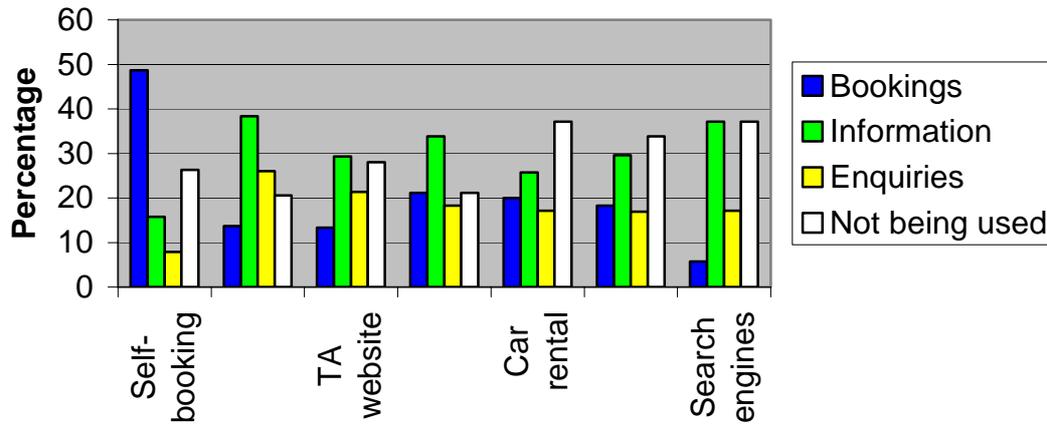
Figure 4.61: If bookings could be done online, would you prefer it to be done by:
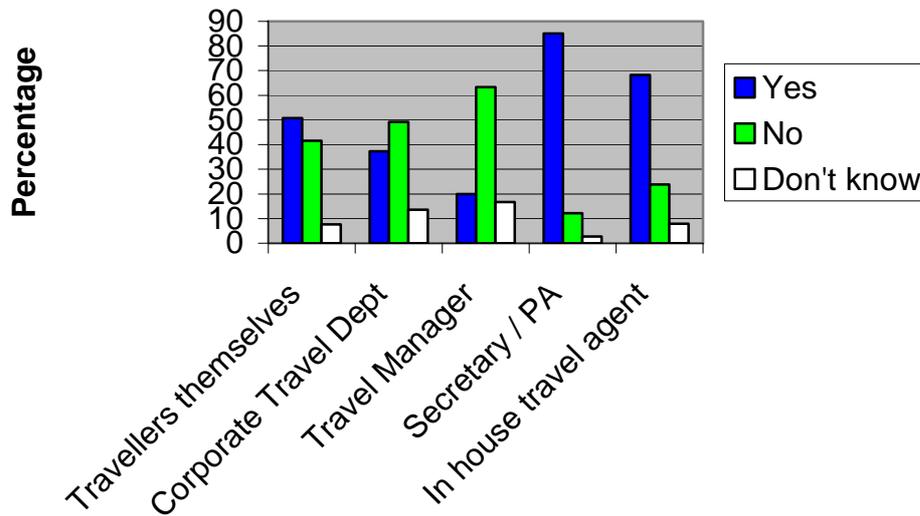
According to results in figure 4.62 respondents believe that the most important advantages of an online system are:

- Access to information
- Fast response times from suppliers
- Cost effectiveness of system
- Low airfare searching
- Searching for low rates for other travel arrangements

Figure 4.62: Advantages of an online system according to corporate travellers
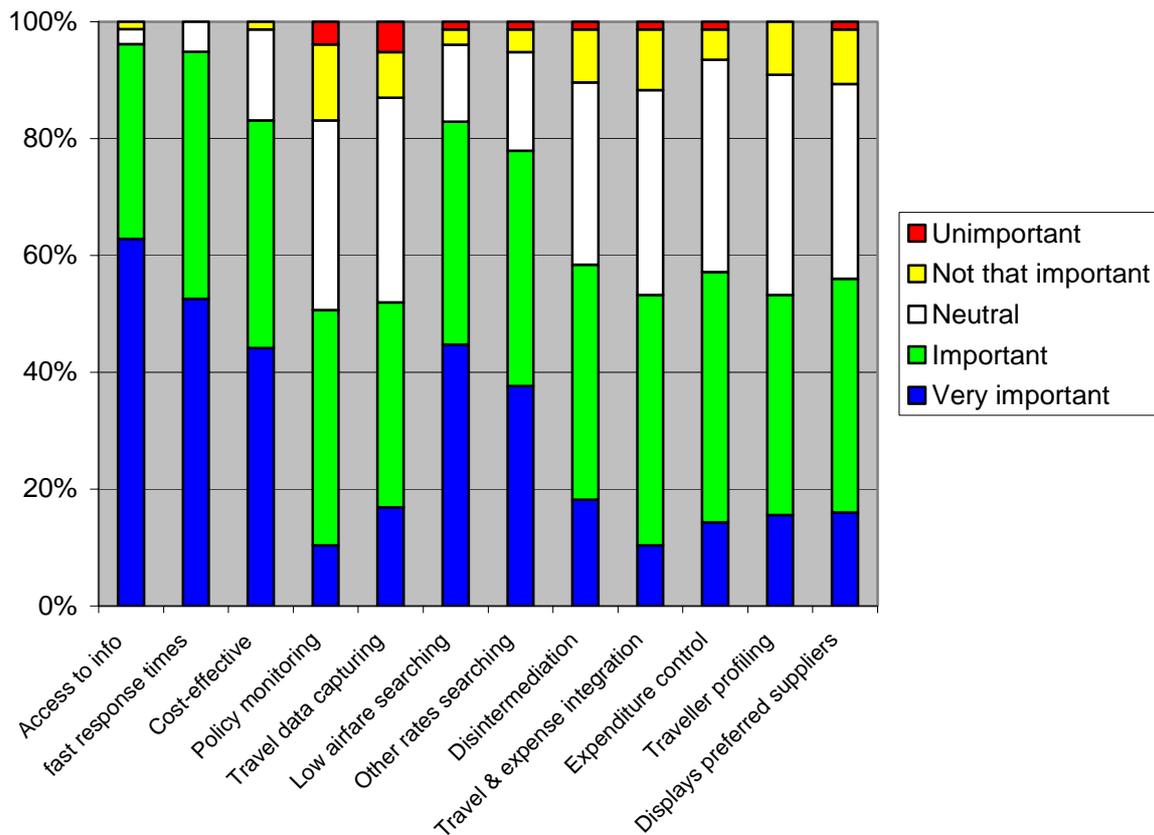
Almost half of the respondents do not think that PWC will encourage its corporate travellers to use self-booking tools (figure 4.63). Furthermore figure 4.64 indicates that respondents believe the following factors limit the use of self-booking tools in the organisation:

- Complex travel reservations are not suited to the system
- Technical problems in terms of reliability
- Lack of management support for online bookings
- Less control of travel spending
- Corporate travellers prefer personal contact

Figure 4.63: Do you think PWC will encourage its corporate travellers to use self-booking tools?
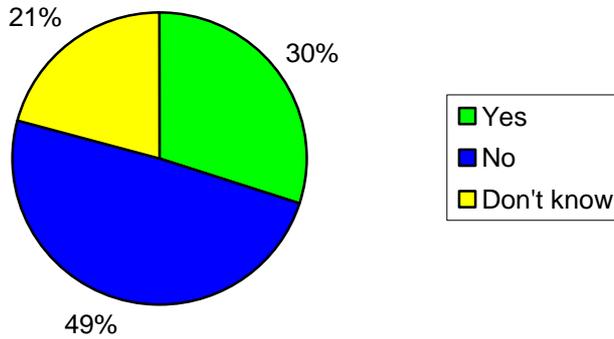
Figure 4.64: Factors that limit the use of self-booking tools
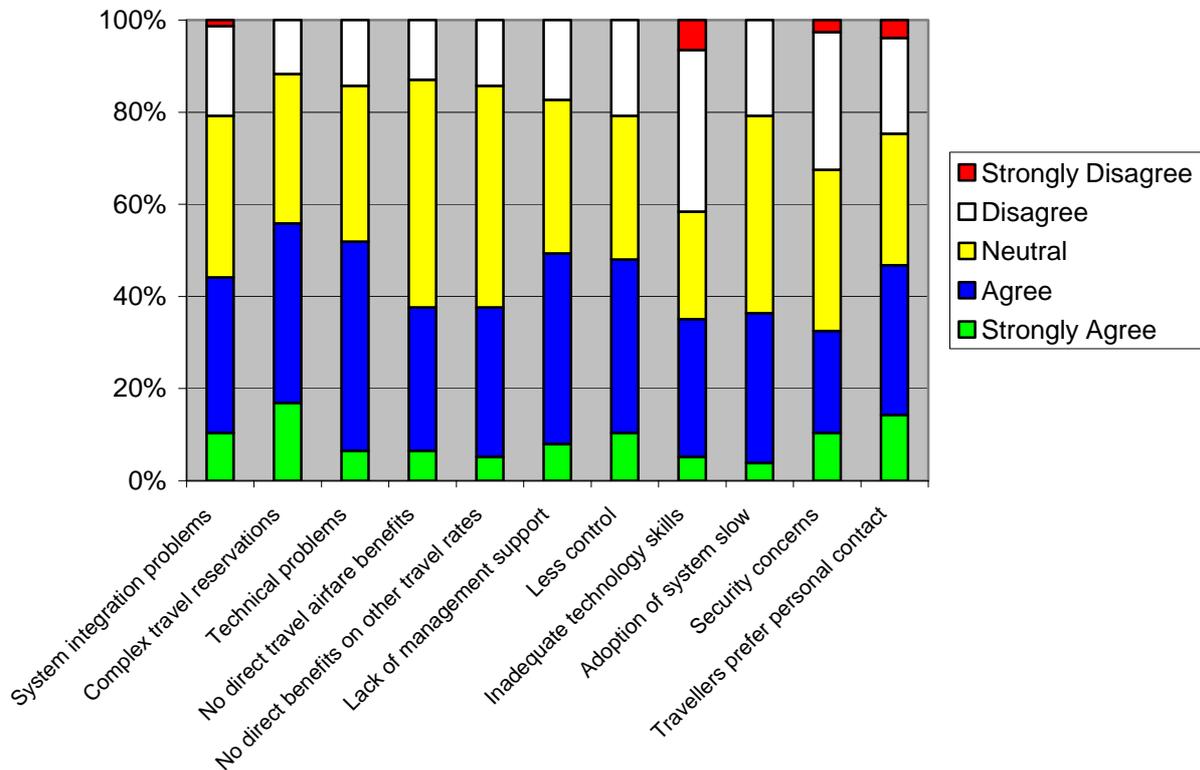
(vii) The management of corporate travel

The last section of the questionnaire considered issues regarding the management of corporate travel in the organisation. More than three quarters of the respondents are of the opinion that the corporate travel management programme of the company is successful

144

(figure 4.65). Respondents who felt that the programme is being managed successfully had to rank the critical success factors in order of importance. Table 4.7 shows that travel expenditure is the most critical success factor, followed by negotiated agreements with suppliers.

Figure 4.65: Do you think the corporate travel management programme is successful?
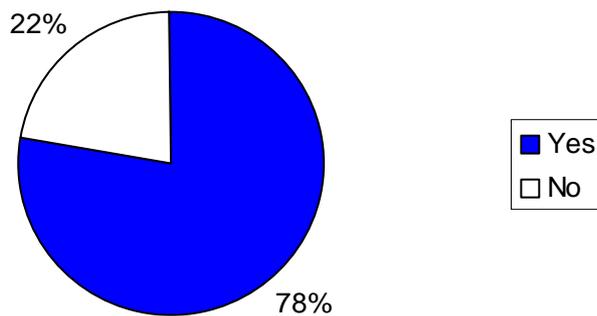
Table 4.7: Critical success factors – corporate travellers

FACTOR	MEAN	STANDARD DEVIATION	VARIANCE	MEDIAN	RANKING ORDER
Travel expenditure control	2.945	1.496	2.238	1.000	1
Negotiated agreements with suppliers	3.255	1.624	2.638	1.000	2
Accurate travel data	3.291	1.606	2.580	1.000	3
Consolidation / centralisation of corporate travel	3.345	1.868	3.470	1.000	4
Top management support	3.927	1.933	3.735	1.000	5
Traveller education on corporate travel	4.236	1.401	1.962	1.000	6

Furthermore, the 22 % (figure 4.65) of respondents that indicated that the programme was not successful gave the following reasons for not believing the programme is successful (figure 4.66).

145

Figure 4.66: Reasons why travellers believe the travel programme is not successful
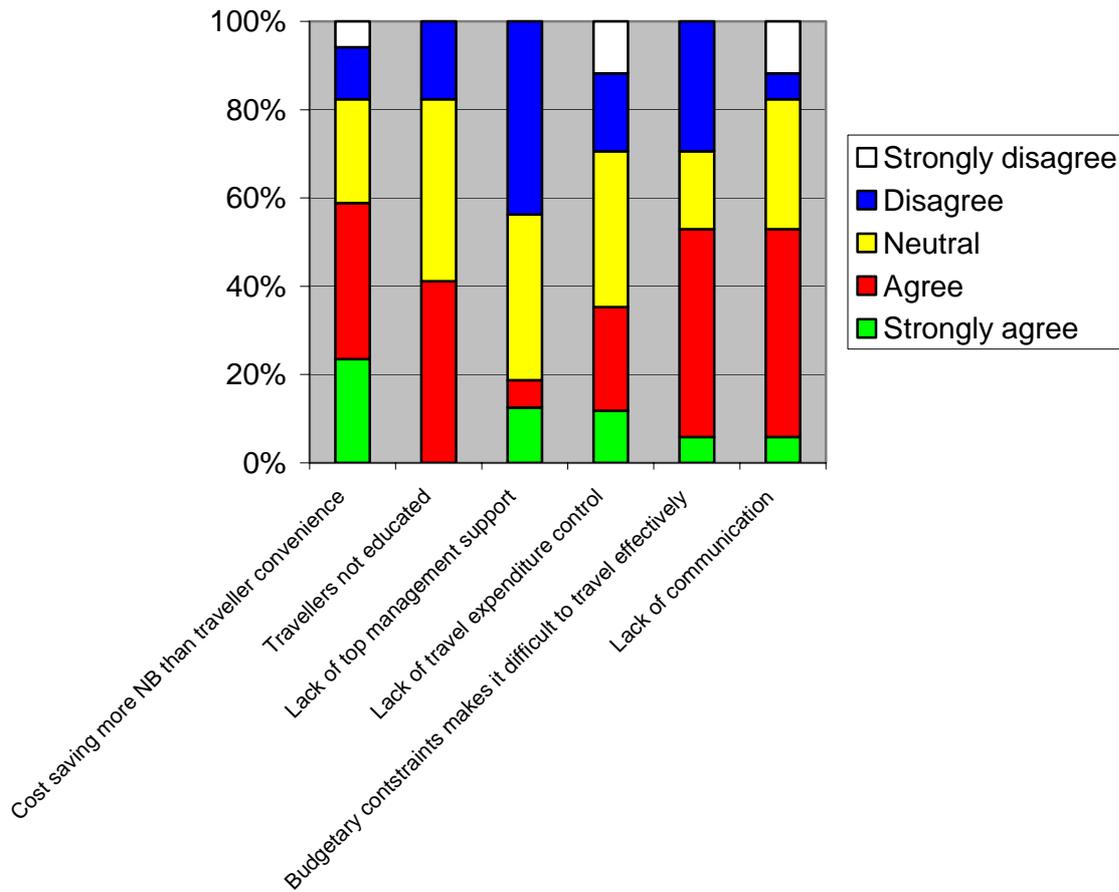
As mentioned in section 3.3.1 content analysis will be used to analyse the TMC and supplier responses. According to Berelson (1952) content analysis is a research technique for the objective, systematic and quantitative description of the manifest content of communication. The key words in this definition are – objective, systematic, and quantitative. Objectivity has to be the primary concern to ensure that the results reflect the procedures used, not the persons making the observations. In other words, if different people used the researcher's system to determine the topics covered in the research study, they would get results very similar to that of the researcher. Being systematic means that the researcher's coding categories and procedures are complete and applied in the same way for all content. It also means that what actually appears is coded, not what coders think is intended or suggested. And finally, the content of communication is reduced to some quantity – number – that can later be used in mathematical analyses (Broom & Dozier, 1990).

Four steps were followed to ensure that the data analysis complied with the requirements of being objective, systematic and quantitative. Question 20 on the TMC questionnaire will be used to illustrate the steps followed. The question read: Please list any other factors that you believe are important for an effective successful travel management programme.

STEP 1: Listing of respondent statements

The statements were listed in no specific order or rank. For example:

1.	Regular discussions / meetings.
2.	Monthly and quarterly travel statistics in a format suitable to the client.
3.	Skills development for consultants.
4.	Up to date travel policy.
5.	Good communication skills from both agent and corporate.

When respondents wrote a paragraph, individual statements were identified, separated and listed as in above example.

STEP 2: Coding of concepts within respondent statements

Attach a numerical code to each concept (not a value).

1.	Regular discussions / meetings. (1)
2.	Monthly and quarterly travel statistics in a format suitable to the client. (2)
3.	Skills development for consultants. (2)
4.	Up to date travel policy. (3)
5.	Good communication skills from both agent and corporate. (1)

Where 1 = Relationships

2 = Processes

3 = Travel policy

STEP 3: Coding of core concepts into further categorisation

For example:

1 = Relationships		Number of statements
1a	Between TMC, supplier, traveller and organisation	7
1b	Between TMC and organisation	5

STEP 4: Quality descriptors within each concept

The plus symbol (+) denotes the importance factor provided, for example where the respondent added words such as "extremely important" to the statement.

For example:

1 = Relationships		Number of statements
1a+	The relationship between TMC, supplier, traveller and organisation is the most important in the programme	3
1b+	The relationship between TMC and organisation is essential to its success.	2

STEP 5: Discussion of categories

All these steps were followed in analysing the responses from each question, but for the purpose of brevity only steps three to five will be included in the subsequent findings.

4.2.3 TRAVEL MANAGEMENT COMPANY QUESTIONNAIRE

The first section of the interview schedule (questions 2 to 5) dealt with the functions of the corporate travel agent as well as the level of service they provide to their clients. The

second section (questions 6 to 8) of the interview schedule dealt with the relationship between the TMC and the corporate client, while the third section (questions 9 to 10) of the interview schedule dealt with matters concerning the travel policy. The fourth section (questions 11 to 13) of this interview schedule dealt with aspects regarding the revenue agreement between the TMC and the corporate client. Section five (questions 14 to 17) assessed matters concerning problems experienced with corporate clients and suppliers as well as describing the ideal corporate client and supplier. Section 6 (questions 18) considered the use of technology by TMCs. The final section (questions 19 to 20) considered the critical success factors of an effective corporate travel management programme.

(i) Functions of a corporate travel agent

The majority (73 %) of respondents that completed the questionnaire are in senior management positions. An overwhelming majority of respondents believe that making travel reservations and giving travel advice are the most important functions of a corporate travel agent (table 4.8). Furthermore respondents were of the opinion that they deliver these two functions at a very high service level. Most of the respondents also felt that overall they provide a quality service to their corporate clients (figure 4.67).

Table 4.8: Functions of a corporate travel agent

FUNCTION	MEAN	STANDARD DEVIATION	VARIANCE	MEDIAN	RANKING ORDER
Travel reservations and advice	1.423	0.945	0.894	1.000	1
Technology support and access	3.214	1.477	2.181	3.000	2
Supplier negotiations	3.231	1.833	3.359	2.000	3
Policy development	3.600	1.667	2.779	3.500	4
Policy compliance monitoring	3.923	1.498	2.244	4.000	5
Reconciliation reports matching reservations and actual billing	4.133	1.552	2.410	4.000	6

Figure 4.67: Service levels of travel agent
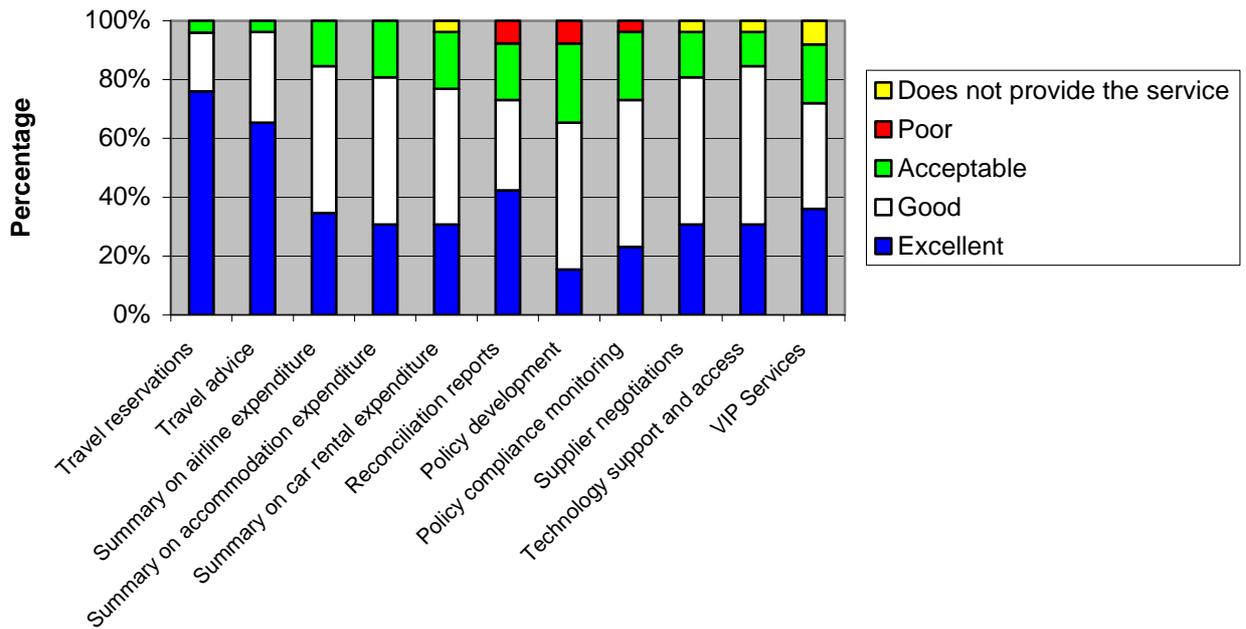
Question four asked respondents to indicate what they believe their value added services are. An assortment of responses was received.

Table 4.9: Value added services

		Number of statements
1 = General Service Delivery		
1a	24 hour availability	5
1b	Compiling reports for clients	5
1c	Source best possible rate	3
1d	Short response time	2
1e+	Highly developed technology systems	2
1e	Technology	2
1f	Other services	11
2 = Personal Touch		
2a	Personal relationship	7
2b	Regular visits	1
2c	Customer focused	5
3 = Knowledge, experience and expertise		
3a+	Local AND international product knowledge	2
3a	Product knowledge	4
3b+	Highly experienced staff	1
3b	Experienced staff	4
3c+	Top consulting services	1
3c	Consulting	3
4 = Negotiating and management		
4a+	Enormous negotiating power	1
4a	Negotiating on behalf of the client	2
4b	Travel management	8

Thirty statements with regard to general service delivery were received. Five respondents indicated that they offer 24-hour availability, either by cell phone or emergency numbers. Another five responses indicated their reporting abilities as value added services. These reports include: reconciliation reports, MIS reports and other management reports. Three respondents felt that they source the best possible deals for their clients while another two responses indicated their short response times as adding value to their services. Four respondents believe the technology services they offer adds value, while two of these four respondents were of the opinion that the highly developed software and technology options they use adds value to the services they provide. Eleven respondents identified a variety of other services as adding value. Some of these services include: door to door delivery of documents, tax assistance, meet and greet of corporate groups at airports, providing international call cards and insurance. One of the two respondents that offer delivery of documents provides the service for free.

Thirteen respondents believe the personal touch they give adds value to their service. Five responses stated that their businesses are totally customer focused, while one response believe regular visits add value. Another seven respondents indicated that it is imperative to build personal relationships with corporate clients, as this adds value to their services.

Another fourteen respondents believe their knowledge, experience and expertise adds value. Six of these respondents stated their product knowledge as adding value. Two of these six respondents have local AND international product knowledge. Five responses indicated experienced staff as a value added service. One of these five respondents indicated that they have highly experienced staff. Three responses mentioned their consulting services as adding value. One of these three respondents offers top consulting services.

Eleven respondents stated their negotiating and management abilities as adding value to the service they deliver. Three respondents indicated that they negotiate on behalf of their corporate clients. One of these respondents indicate they are part of a large travel company and thus have enormous negotiating power while eight respondents believe that the management services they offer adds value. These management services included: relationship management, account management and management of loyalty programmes.

TMCs' opinions were also asked on various statements regarding the future of travel agents. TMCs strongly agree that travel agents should earn their revenue though commissions paid by suppliers as well as service fees paid by clients. Almost half of the respondents indicated that the Internet is a threat to the travel agent, while the majority of respondents disagreed with the statement that travel agents will become irrelevant in the future. More than 50 % of respondents strongly agreed that in order to stay competitive travel agents would have to evolve into travel management companies (figure 4.68).

Figure 4.68: Statements on the future of travel agencies according to TMCs
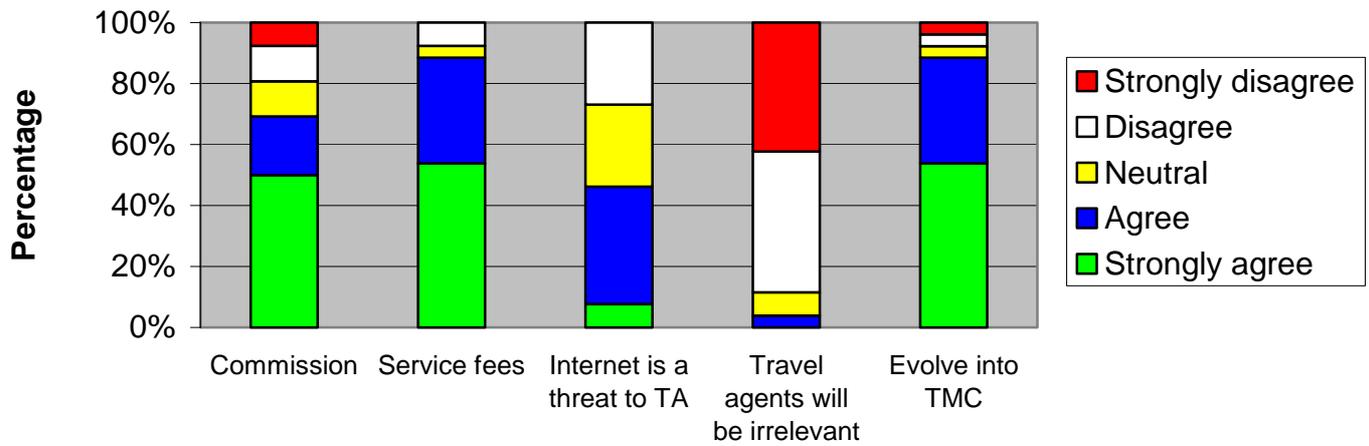
(ii) Relationship with the corporate client

From figure 4.69 it is evident that most respondents feel that all the responsibilities listed are very important in their relationship with the corporate client. Some respondents also indicated that it is the corporate travel manager's responsibility to help in implementing the travel policy changes as well as training and facilitating workshops for corporate travel coordinators.

Figure 4.69: Responsibilities of corporate travel managers according to TMCs
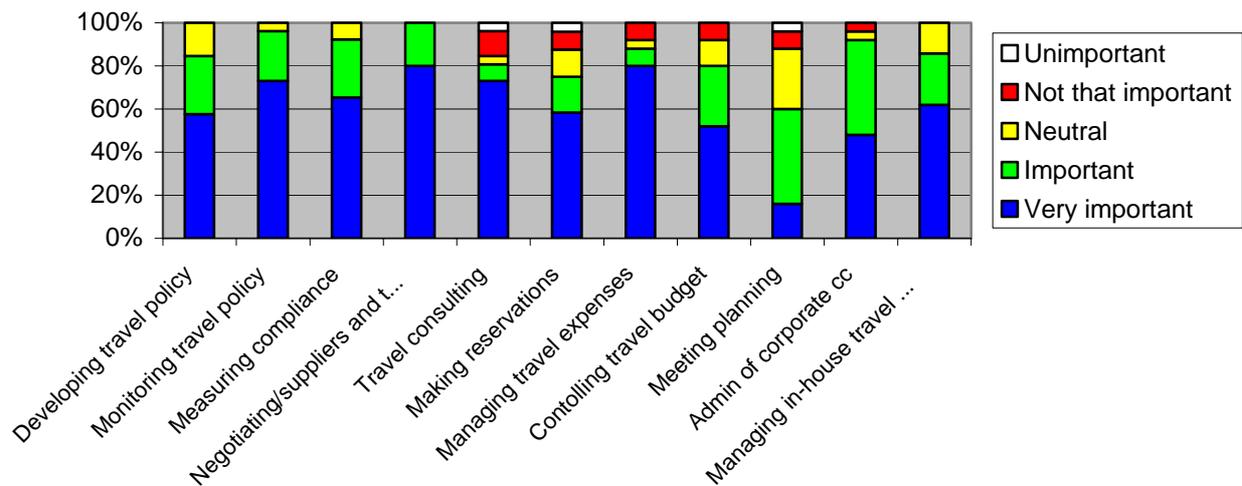
The majority of TMCs prefer their corporate clients to use email when making travel reservations (table 4.10). They furthermore prefer the corporate traveller or a specifically allocated person in each branch to be responsible for making the travel reservations (figure 4.70).

Table 4.10: Communication channels used when making travel reservations

CHANNEL	MEAN	STANDARD DEVIATION	VARIANCE	MEDIAN	RANKING ORDER
Email	1.391	0.783	0.613	1.000	1
Telephonically	2.625	1.135	1.288	2.000	2
Facsimile	3.238	1.136	1.290	3.000	3
Online	3.692	1.594	2.542	4.500	4
Personal Visits to travel agent	4.00	1.000	1.000	4.000	5

Figure 4.70: Person responsible for making travel reservations according to TMCs
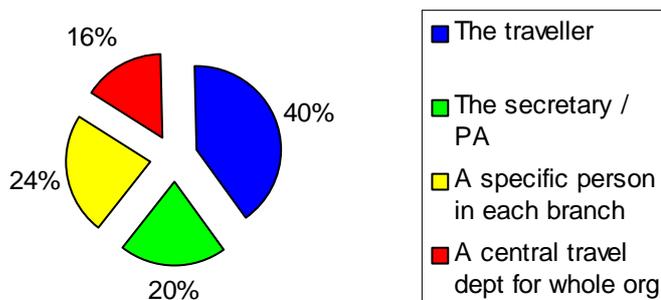
(iii) Travel policy

One of the functions of the corporate travel agent is to manage the travel policy and to ensure policy compliance. In the execution of this function, the travel agent can encounter numerous problems, some of which are the following (figure 4.71):

Figure 4.71: Problems experienced in managing the travel policy
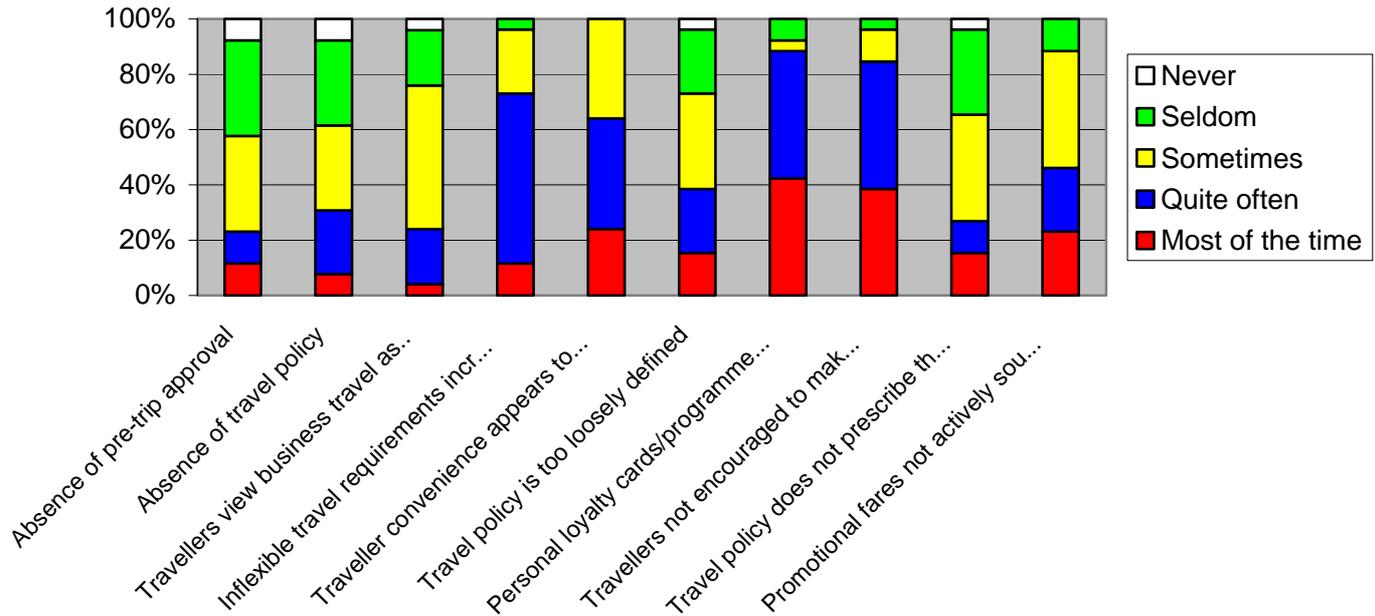
In addition, 92 % of the respondents want to be involved in setting the travel policy. These respondents were then asked to motivate why they wanted to be involved. Responses were categorised as follows (table 4.11):

Table 4.11: Reasons for wanting to be involved in developing the travel policy

		Number of statements
1 = TMC has the expertise and knowledge to give advice		
1a+	Advise on best alternatives for cost savings	2
1a	Advise on alternatives	1
1b	Point out weaknesses	4
1c	Know what is realistic and not	4
1d+	Advise on travel and market trends leads to improved policy	4
1d	Advise on travel and market trends	2
2 = Involvement with travel policy aids in understanding		
2a+	Understanding of policy aids in smoother and improved implementation	3
2a	Understanding of travel policy aids in implementation of policy	2
2b+	Understanding of policy makes it easier to manage policy	1
2b	Understanding of travel policy aid in managing the policy	3

Seventeen respondents argued that they have the experience, expertise and knowledge to give advice in setting the policy. Of these seventeen, one respondent said that they can advise on alternatives, while three respondents said they can advise on best alternatives that will save the company money. Furthermore four TMCs indicated that they know what

is realistic and what is not and another four respondents were of the opinion that their expertise can aid in pointing out weaknesses in the travel policy. Also, two TMCs pointed out that they can advise on travel and market trends, while a further four TMCs believed that the advice they give on travel and market trends will lead to the development of improved policies.

TMCs believe that if they are involved in setting the travel policy they will understand it better. Two respondents said this understanding would help with the implementation of the policy. Another three respondents felt understanding the policy would lead to smoother and improved implementation. Three respondents believed that understanding the policy would aid in managing the policy; while one respondent felt that understanding the policy would make it easier to manage the policy.

(iv) Revenue agreement between the TMC and corporate client

More than 80 % of the respondents indicated that they prefer to be contracted and remunerated by the corporate client (figure 4.72). Respondents are of the opinion that they work for the corporate client and should thus be remunerated by the client.

Figure 4.72: Contract Agreement
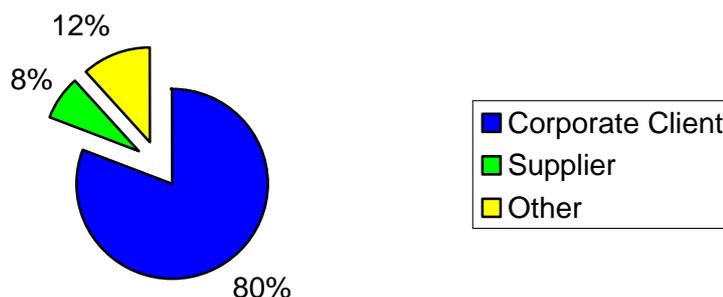
Fifty six percent of respondents believe the revenue agreement with the corporate client is to the equal benefit of both parties, while 44 % felt that the agreement is more in favour of the corporate client (figure 4.73).

Figure 4.73: Benefit of revenue agreement
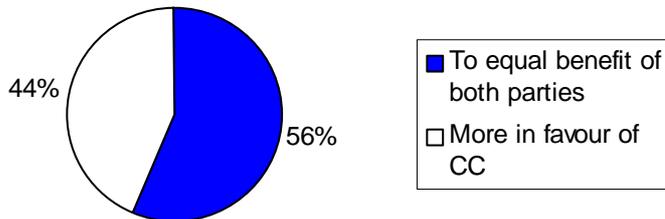
(v) Problems experienced with corporate clients and suppliers

In question 14 respondents were asked to describe the problems they most experience in the corporate market with the corporate client. Responses were analysed as follows (table 4.12):

Table 4.12: Problems most experienced in the corporate market with the corporate client

		Number of statements
1 = Lack of…		
1a+	No understanding	1
1a	Lack of understanding	5
1b+	Lack of commitment and support, do not want to pay service fees	1
1b	Lack of commitment and support	8
1c	Lack of communication	4
1d	Lack of planning	2
2 = Demands		
2a+	Impossible demands	1
2a	Unreasonable demands	4

2b+	Frequent / last minute changes	4
2b	Changes	2
2c	Last minute bookings	2
3 = Travel Policy		
3a	Poor implementation	2
3b+	Top management not complying	1
3b	Policy non-compliance	3
3c	Loyalty Programmes	2

When dealing with corporate clients, TMCs frequently experience the following problems. Firstly, five respondents felt that corporate clients have a lack of understanding of the travel industry, travel requirements, travel rules, fare structures and the basics of travel management, while one response indicated that corporate clients have no understanding of the corporate travel industry. Eight respondents indicated that they experience a lack of commitment and support from corporate clients, while one response said that added to this lack of commitment and support, clients do not want to pay service fees. Four respondents pointed out the lack of communication between themselves and the corporate client, while two respondents mentioned the lack of planning on the side of the corporate client.

Four respondents mentioned that corporate clients frequently make unreasonable demands. One respondent felt that corporate clients often make impossible demands. Two respondents complained about the changes corporate clients make to bookings while four respondents complained about the frequent / last minute changes to bookings. An added two respondents were frustrated by the last minute bookings requested by corporate clients.

TMCs are also unhappy about the travel policies of corporate clients. Two respondents felt that there is poor implementation of the travel policy. Three respondents experience problems with travellers not complying with the travel policy while an additional respondent experience a problem with top management not complying with the policy. Two TMCs

furthermore feel that travellers often have an alliance to loyalty programmes and not the corporate travel policy.

Question 15 asked respondents to indicate the problems they experience most in the corporate market with the supplier. Responses are categorised in table 4.13.

Table 4.13: Problems most experienced in the corporate market with the supplier.

		Number of statements
1 = Lack of…		
1a	Lack of product knowledge	3
1b+	No commitment and support	1
1b	Lack of commitment and support	6
2 = Disintermediation		
2a+	Cutting commissions	1
2a	Reducing commissions	1
2b+	Approaching the TMCs client directly	9
2b	Direct distribution	2
3 = Service delivery		
3a	Inflexible	4
3b	Delays	2
3c	Inaccurate	6
3d	Poor service standards	4

The TMC experience the following problems when dealing with suppliers. Three TMCs felt that suppliers often lack knowledge of their own products. Six respondents indicated the lack of commitment and support from suppliers as adding to their problems, while one respondent felt that he receives no commitment or support from suppliers.

In addition two respondents indicated that suppliers are sometimes responsible for causing delays while another four respondents complained about the general poor service standards provided by suppliers. Four TMCs furthermore are of the opinion that suppliers

160

are too inflexible with their fares, routes and cancellation fees. Six respondents also mentioned suppliers' inaccuracy, either with documents or bookings.

One respondent is unhappy about suppliers reducing commission, while another respondent complained about suppliers cutting commission to zero percent. Two respondents complained about suppliers' direct distribution strategies, while nine respondents were worried about suppliers approaching the TMC's own clients directly.

(vi) The ideal corporate client and supplier

Question 16 requested respondents to describe their ideal corporate client. The following responses were received (table 4.14).

Table 4.14: The TMC's ideal corporate client

		Number of statements
1 = Travel Policy		
1a+	Clearly defined policies in place	1
1a	Travel policies in place	3
1b+	Top management adheres to travel policy	1
1b	Travellers adhere to policy	3
1c	Team effort in drafting policy	1
1d	Travel policy enforced	2
2 = Understanding		
2a+	Understand the complexities of the industry	3
2a	Understand the travel industry	5
3 = Relationship		
3a+	Trust the ability and knowledge of TMC	3
3a	Trust	4
3b+	Centralised reservations	1

161

3b	One person responsible for making reservations	1
3c+	Appreciates quality services	1
3c	Appreciates services delivered	4
3d+	Regular meetings	1
3d	Quarterly meetings	1
3e	Transparency	2
4 = Planning		
4a+	Plan travel 6 months in advance with no changes	1
4a	Plan in advance	2
5 = Payment		
5a	Use credit card or lodge card	4
5b	Prompt payments	3

Three respondents indicated that they would like their corporate client to have a policy in place, while one respondent emphasised the need for clearly defined policies. An additional three respondents would like travellers to comply with the policy, while one respondent also indicated the need for top management to comply. The TMCs ideal client will regard the development of the policy as a team effort (one response) and also take measures to enforce the policy (one response).

Five respondents said their ideal client will have an understanding of the travel industry, while another three respondents said their ideal client will not only understand the industry, but also the complexities of the industry.

Three respondents will have a relationship built on trust with their ideal client, while a further three respondents said their ideal clients will trust their knowledge and abilities. One respondent would like only one person to be responsible for making travel reservations on behalf of the corporate client, while another respondent said the ideal would be to have a central department responsible for all the reservations of the corporate client.

Four respondents said their ideal client would appreciate the services they deliver, while one respondent said that his ideal client would appreciate quality services. An additional respondent would like to have quarterly meetings with his ideal client, while one more respondent would like to have regular meetings with his ideal client. Two respondents indicated the need for transparent relationships with their clients.

Two respondents believed their ideal client would plan in advance, while one respondent would like his ideal client to plan six months in advance, with no changes.

Finally, four respondents would like their ideal clients to pay by lodge / credit card, while three TMCs indicated the need for prompt payments.

In question 17 respondents were further asked to describe their ideal supplier. Table 4.15 depicts the results.

Table 4.15: The TMC's ideal supplier

		Number of statements
1 = Service delivery		
1a	Quick responses	5
1b	Accurate information	3
1c	Flexible	5
1d	Product knowledge	2
2 = Relationship		
2a	Transparency	2
2b+	Appreciates and rewards TMC	2
2b	Appreciation	3
2c	Does not approach corporate client directly	3
2d+	Mutually beneficial partnerships	3
2d	Partnership	7

Five respondents would like to receive rapid responses from their ideal suppliers. Three respondents indicated the need for accurate information, while five respondents pointed out that the ideal supplier would be flexible. Two respondents would also like their ideal supplier to have knowledge about their own products.

Another two respondents indicated the need for transparent relationships, while two respondents would like their ideal supplier to appreciate and reward them for services delivered. Three respondents believe that the ideal supplier will not approach their clients directly. Seven respondents said that their ideal supplier would be in a partnership with them, while another three TMCs indicated that their ideal suppliers would be interested in mutually beneficial relationships with them.

(vii) Technology

Respondents specified that they regard technology as an opportunity in their organisations. None of the respondents felt that technology was a threat, while 27 % of respondents felt that technology poses a threat and an opportunity (figure 4.74).

Figure 4.74: Technology as a threat or opportunity
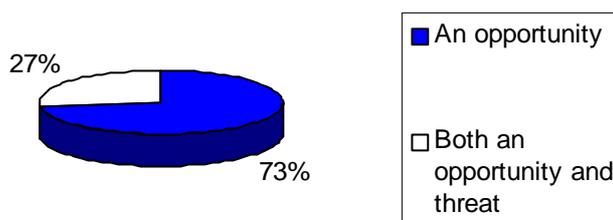
In question 18, respondents cited the following reasons for believing that technology offers opportunities to their organisations (table 4.16).

164

Table 4.16: Reasons for regarding technology as an opportunity

		Number of statements
1 = Service delivery		
1a	Enhances service to client	7
1b+	Streamline processes and enhance efficiency	1
1b	Streamline processes	3
1c	Increases productivity	2
2 = Competition		
2a+	Competitive advantage	1
2a	Fight competition	3
3 = Information		
3a+	Increased access to more information	3
3a	Access to information	2
4 = Revenue		
4a	Access to more markets	2
4b	Reduce costs	2
4c	Provides another stream of revenue	2

Firstly, seven TMCs believe that technology enhances the service they provide to their clients. Three respondents felt that technology streamline processes, while another one respondent felt that technology not only streamline processes but also enhance efficiency. Two respondents believed that technology could increase productivity. Three respondents felt that technology could be used to fight competition while another respondent use technology as a competitive advantage.

In addition, according to two respondents, technology gives access to information, while three respondents believe that because of technology they have increased access to more information.

Technology can also be used to increase the TMC's revenue as it gives access to more markets (three responses), can reduce costs (two responses) and provides an additional stream of revenue (two responses).

(viii) Critical Success Factors

The final section of the questionnaire considered the factors critical to the success of an effective corporate travel management programme. Respondents were asked to rank a number of factors in order of importance. The results are summarised in table 4.17.

Table 4.17: Critical Success Factors - TMC

FACTOR	MEAN	STANDARD DEVIATION	VARIANCE	MEDIAN	RANKING ORDER
Top management support	2.955	1.914	3.665	2.500	1
Traveller education on corporate travel	3.227	1.602	2.565	3.000	2
Travel expenditure control	3.333	1.653	2.733	3.000	3
Consolidation/centralisation of corporate travel	3.385	2.002	4.006	3.000	4
Accurate travel data	3.714	1.488	2.214	4.000	5
Negotiated agreements with suppliers	3.727	1.723	2.970	4.000	6

Question 20 furthermore asked respondents what other factors they believe are important for an effective, successful travel management programme. Respondents indicated the following factors (table 4.18):

Table 4.18: Other critical success factors - TMCs

		Number of statements
1 = Travel policy		
1a	Fully enforced policy	1
1b	Up to date policy	1
1c	Clearly defined policy	1
2 = Processes		
2a	Streamline admin processes	3
2b	Implementation of programmes	1
2c	Skills development	1
3 = Understanding		
3a+	Understanding of the industry and buy in from travellers	1
3a	Understanding of the industry	1
4 = Relationship		
4a+	Personal relationships	2
4a	Good relationships	1
4b+	Effective communication	1
4b	Communication channels	1
4c+	Exclusive consultant	2
4c	Consultant	1

TMCs emphasised the need for an up to date (one response), fully enforced (one response), and clearly defined (one response) travel policy. TMCs also indicated the need for streamlined administrative processes (three responses) and skills development for consultants (one response).

TMCs feel that corporate clients need to understand the industry (one response) and that travellers need to support the travel management programme (one response).

TMCs are of the opinion that there is a need for good (one response), personal relationships (two responses). One respondent pointed out the need for the establishment

of communication channels, while another respondent indicated the need for effective communication. An additional respondent regards the attitude of the consultant as critical to the success of a travel management programme, while another two respondents feel that the allocation of an exclusive consultant to each corporate client will lead to success.

4.2.4 SUPPLIER QUESTIONNAIRE

The supplier questionnaires was analysed using the same steps as with the TMC questionnaire. These steps were:

STEP 1: Listing of respondent statements
STEP 2: Coding of concepts within respondent statements
STEP 3: Coding of core concepts into further categorisation
STEP 4: Quality descriptors within each concept
STEP 5: Discussion of categories

Once again, all these steps were followed in analysing the responses from each question, but for the purpose of brevity only steps three to five will be included in the consequent findings.

The first section of the questionnaire (questions 2 to 10) deals with the relationship between the supplier and the corporate client. The second section (questions 11 to 19) of the questionnaire deals with the relationship between the supplier and the TMC, while the third section (questions 20 to 22) of the questionnaire deals with matters concerning the use of technology in the travel industry. The final section (questions 23 to 24) considers the critical success factors of an effective corporate travel management programme.

(i) Relationship between the supplier and the corporate client

The first question asked who the supplier would prefer to be responsible for negotiating travel deals with himself. Most of the respondents were of the opinion that the company representative and the designated travel agency should together be responsible (figure 4.75). Respondents were furthermore asked to indicate the importance of the responsibilities of the corporate travel manager. These results are displayed in figure 4.76.

Figure 4.75: Person responsible for negotiating travel deals with the supplier
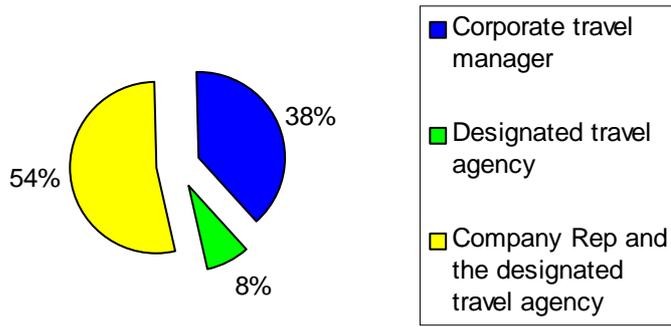
Figure 4.76: Responsibilities of the corporate travel manager according to suppliers
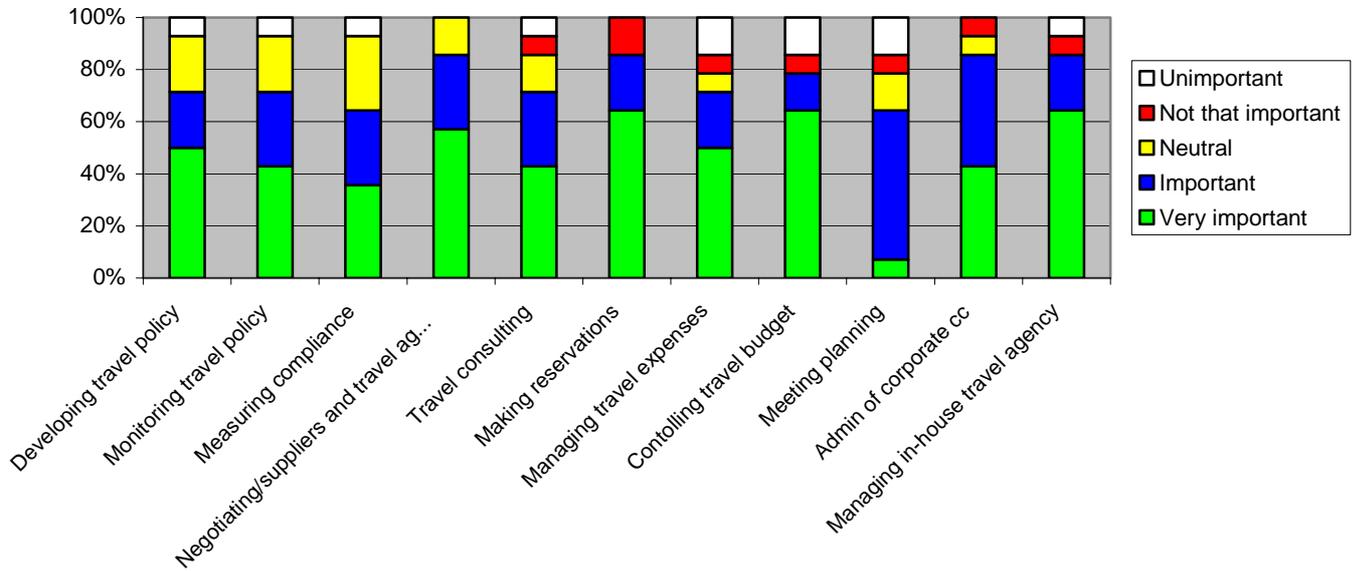
Not surprisingly, 86 % of suppliers prefer to deal directly with corporate clients (figure 4.77).

Figure 4.77: Do you prefer to deal directly with the corporate client?

169
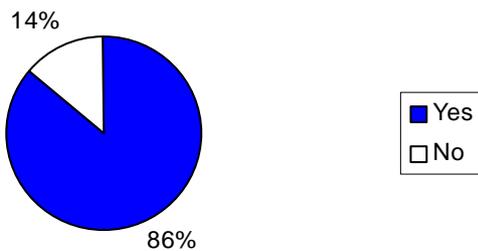
Respondents were then asked to motivate why they prefer to deal directly with the corporate. The reasons cited included (table 4.19):

Table 4.19: Why suppliers prefer to deal directly with client

		Number of statements
1 = Service delivery		
1a+	Know client's preferences to ensure satisfaction	3
1a	Know client's preferences	3
1b+	Get information directly to eliminate errors	1
1b	Get information directly	3
1c+	Immediate assistance	1
1c	Assistance	1
2 = Money		
2a	Better prices, no commission	2
2b	Direct payments into bank account	1

Three respondents mentioned that dealing with the client directly allows them to know the clients' preferences. Another three respondents said that if they know the client's preferences they could ensure satisfaction. Moreover, three respondents indicated that it is always better to get information directly from the client, while one respondent said by getting information directly from the client errors and misunderstandings can be eliminated. By dealing directly with the client, the supplier is able to assist immediately (one response), thus, delivering a higher quality service. One respondent is of the opinion that dealing directly with the client ensures direct payment into his bank account, that way he does not have to wait up to three months for the travel agent to pay. Finally, two respondents felt that by dealing directly with the corporate client, commissions can be cut, which means that the supplier is in a position to offer better prices to the corporate client.

In question five, the respondents were asked what the benefits are for a corporate client to deal directly with the supplier. Respondents had the following opinions (table 4.20).

Table 4.20: Benefits for corporate client to deal directly with supplier

		Number of statements
1 = Agreements		
1a+	Better / higher discounts	3
1a	Discounts	1
1b	Keep costs down	1
1c+	Directly negotiated deals	1
1c	Negotiated deals	1
1d	Simplified payment arrangements	1
2 = Relationship		
2a	Understanding	2
2b	Response times	1
2c+	Relationship built on trust, loyalty and reliance	3
2c	Relationship	3
2d	Cut out the middle man	1
3 = Service Delivery		
3a+	More correct and fast information	1
3a	Correct and relevant information	1

One supplier felt that corporate clients will benefit from discounts, while another three respondents said that by dealing directly with the supplier, the corporate client is assured of better / higher discounts. The client furthermore benefits from simplified payment arrangements (one response) as well as directly negotiated deals with the supplier (one response). Directly dealing with the supplier means cutting out the middleman, thus aiding the corporate in keeping his costs down. By dealing directly with the supplier a relationship built on trust, loyalty and reliance is established (three responses). Furthermore, going

directly to the supplier also ensures the correct (one response) and prompt (one response) transfer of all information.

Furthermore, 77 % of suppliers have specific revenue agreements with specific corporate clients. Forty percent indicated that they offer their corporate clients volume discounts, another 20 % give clients an upfront discount, while only 10 % of respondents offer their frequent clients discounts. Thirty percent of respondents have other agreements with corporate clients.

Question 7 asked the question of what the benefits to suppliers are of having these agreements with corporate clients (table 4.21).

Table 4.21: Benefits to supplier of having agreements with corporate clients

		Number of statements
1 = Relationship		
1a+	Maximise loyalty and support	2
1a	Loyalty and support	3
1b	Guest satisfaction	2
1c	Relationship building	3
2 = Bookings		
2a+	Higher occupancy and new bookings	5
2a	Guaranteed bookings	4

Three respondents said the agreements aid in the building of relationships with the corporate client as well as create support and loyalty between the supplier and client (three responses), while another two respondents feel the agreements maximise loyalty and support. Two respondents furthermore feel that these agreements lead to the satisfaction of the corporate client. Some respondents also said that these agreements guarantee bookings (four responses) and lead to higher occupancy rates and new bookings (five responses).

Eighty two percent of suppliers believed that the revenue agreement with the corporate client is to the equal benefit of both parties. Only 9 % of respondents indicated that the agreement is more in favour of the corporate client, while the remaining 9 % had other opinions (figure 4.78).

Figure 4.78: Perceived benefit of revenue agreements
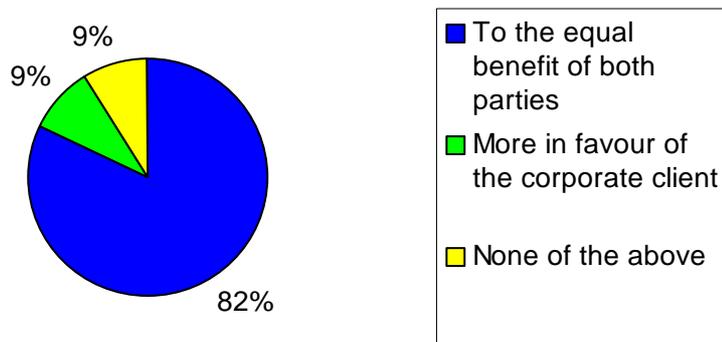
Subsequently in question nine, respondents were asked to describe the problems that they experience most in the corporate market with the corporate client (table 4.22).

Table 4.22: Problems experienced by supplier with the corporate client

		Number of statements
1 = Travel Policy		
1a	No travel policy in place	1
1b	Not adhering to travel policy	2
2 = Changes		
2a+	Last minute cancellations	1
2a	Frequent / last minute changes	4
2b	Resistance to change	1
3 = Relationship		
3a	Lack of understanding the industry	2
3b	Working through a third party	2

4 = Payments		
4a+	Late payments	3
4a	Difficult to get pre payments	2
4b+	Wants lowest possible price	1
4b	Restrictive travel budgets	2
5 = Targets		
5a+	Not meeting targets	1
5a	Bookings per month fluctuate	1

Respondents experience problems with the travel policy of corporate clients either with travellers not adhering to the travel policy (two responses), or the fact that there is no policy in place (one response). Others have a problem with the fact that corporate clients make changes to their bookings frequently or at the last minute (four responses) or even cancel their bookings at the last minute (one response). One respondent also had a problem with the corporate client's resistance to change.

Two respondents complained about corporate clients' lack of understanding, while two suppliers felt frustrated by not being able to deal with the client directly and having to work through a third party. Respondents complained about corporate clients' restrictive travel budgets (two responses) and the fact that they always want the lowest possible price (one respondent) as well as their late payments (three responses). Two respondents felt annoyed by the fact that it is difficult to get pre payments from corporate clients. One respondent also has a problem with corporate clients not meeting the projected passenger targets (one response) while another mentioned that fluctuating number of bookings lead to aggravation for suppliers.

Next, in question 10 respondents were asked to describe their ideal corporate client (table 4.23).

Table 4.23: The supplier's ideal corporate client

		Number of statements
1 = Plan travel		
1a	No changes	2
1b	Financially minded	3
2 = Relationship		
2a+	Guarantees a certain amount of business	1
2a	Return regularly	5
2b+	Positive / negative feedback	1
2b	Feedback	2
2c	Understands the industry	2
2d+	Gives supplier clear indications of requirements as well as pre payment	2
2d	Informs the supplier of requirements prior to arrival	3
2e	Other	5

Suppliers favour clients who do not make changes to their bookings (two responses) and are financially minded (three responses). Furthermore, five respondents prefer to deal with clients who are loyal and return to make use of their services regularly, while one respondent would rather deal with clients who guarantee a certain amount of business. Three respondents prefer clients who inform the supplier of requirements prior to arrival, while another two respondents choose to deal with clients who give a clear indication of their needs and wants as well as pre payment. Two suppliers would rather deal with clients who give feedback while one respondent wants feedback, whether it is negative or positive. Two suppliers prefer clients who understand the corporate travel industry.

(ii) Relationship between the supplier and the TMC

The results show that only 26 % of the suppliers' corporate bookings are done directly, while 74 % of bookings are done through a travel agent.

Question 12 asked suppliers to indicate what the most important functions of corporate travel agent are. Suppliers had the following opinions (table 4.24):

Table 4.24: Most important functions of a corporate travel agent

		Number of statements
1 = Service delivery		
1a+	Provide good, clear and correct information	3
1a	Provide information to suppliers	1
1b	Ensure customer satisfaction	4
1c+	Hassle free, speedy and efficient travel arrangements	5
1c	Travel arrangements	1
1d+	Accurate reports	1
1d	Reports	3
2 = Negotiating		
2a+	Negotiate the best possible deals with suppliers	2
2a	Supplier negotiations	2
3 = Travel policy		
2b+	Develop and manage policy	2
2b	Stick to the policy	2
4 = Relationships		
4a+	Act as main liaison between supplier and client	1
4a	Act as liaison	1
4b+	Build strong relationships	1
4b	Relationship building	1
5 = Product knowledge		
5a+	Good product knowledge and agents that know as much as possible about products	3
5a	Product knowledge	1

One supplier feels that it is the corporate travel agent's responsibility to provide the supplier with information, while three respondents feel that travel agents need to deliver the supplier with good, clear and correct information. Four suppliers indicated it is the travel agent's function to ensure customer satisfaction. One respondent feels the travel agent needs to make travel arrangements, whilst five respondents say the travel agent must make hassle free, speedy and efficient travel arrangements. Three suppliers indicated the need for travel agents to produce reports, while one respondent emphasised the need for accurate reports.

Two respondents felt it is a travel agent's function to negotiate with suppliers, while another two respondents mentioned that it is the responsibility of the travel agent to negotiate the best possible deals with suppliers.

Two suppliers were of the opinion that it is the travel agent's duty to stick to the travel policy, while two suppliers went further and said that travel agents should be responsible for developing and managing the policy.

One supplier felt that travel agents should act as the liaison between the supplier and the corporate client, while another supplier cited that the agent should be the main liaison between the supplier and the client. One supplier furthermore believe that agents should be responsible for building relationships, whilst one more supplier believe that agents should build strong relationships between the respective role players.

One respondent was of the opinion that agents should have knowledge about the suppliers' products, while another three respondents indicated the need for an agent to have good product knowledge and know as much as possible about the suppliers' products.

Question 13 revealed that 69 % of respondents have specific revenue agreements with TMCs (figure 4.79). Most of the respondents still have commission-based agreements with TMCs while others pay incentives or make contributions to the TMCs marketing funds.

Figure 4.79: Revenue agreements with TMCs
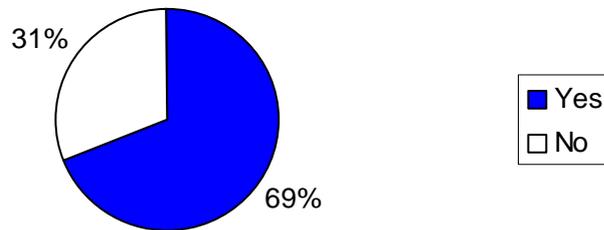
Question 14 asked the question of what the benefits to suppliers are of having these agreements with TMCs (table 4.25).

Table 4.25: Benefits to suppliers of having revenue agreements with TMCs

		Number of statements
1 = Relationship		
1a	Relationship building	1
1b	Loyalty	2
1c	Understanding	1
2 = Revenue		
2a+	Increased bookings	4
2a	Guaranteed bookings	2
2b	Open doors for future developments	1

One respondent said the agreements aid in the building of relationships with TMCs. Two respondents were of the opinion that these agreements increase TMC loyalty. Another respondent felt that the agreements lead to better understanding between the supplier and the TMC. Two suppliers felt that agreements guarantee bookings and revenue. Four respondents said that these agreements increase bookings and revenue, while only one supplier was of the opinion that revenue agreements with TMCs can open doors for future developments / plans.

From figure 4.80 it is evident that fifty eight percent of respondents believe the revenue agreement with the TMC is to the equal benefit of both parties, while 42 % of respondents believe the agreement is more in favour of the TMC.

Figure 4.80: Perceived benefit of the revenue agreements with TMCs
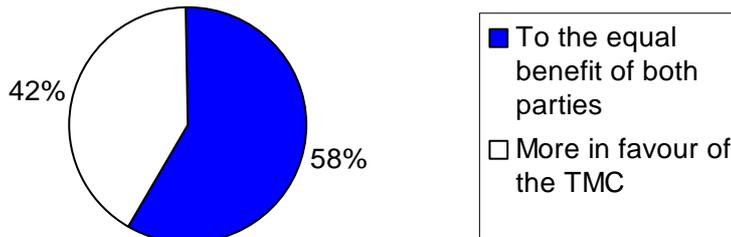
Next, question 16 asked respondents to list the type of problems they most experience in the corporate market with the travel management company. Table 4.26 depicts the responses.

Table 4.26: Type of problems experienced by the supplier with the TMC

		Number of statements
1 = Relationship		
1a	Inaccurate bookings and data	5
1b	Lack of loyalty and support	3
1c	Delays in sending vouchers	2
2 = Payment		
2a	Late payments	5

Three suppliers believe there is a lack of loyalty and support between the TMC and the supplier. Five respondents experience problems because of inaccurate bookings and data from TMCs, whereas two respondents mentioned that TMCs do not send vouchers immediately and this often cause delays. Five respondents experience problems with late payments from TMCs.

In question 17, respondents were asked to describe their ideal TMC. Table 4.27 reveals the results.

Table 4.27: The ideal TMC according to suppliers

		Number of statements
1 = Relationship		
1a	Reliable and loyal	5
1b+	Strong relationship leading to a win-win situation	1
1b	Strong relationship	1
1c+	Work together as a team to satisfy corporate client's needs	1
1c	Work together as a team	1
1d	Understanding	3
2 = Service delivery		
2a+	Sell the right product to the right client	2
2a	Product knowledge	2
2b	Accurate and efficient	5
2c+	Staff with at least 10 years experience	1
2c	Trained staff	1
2d+	Proactive	1
2d	Book and pay in advance	2
2e	Other	3

Five suppliers prefer to deal with a TMC who is loyal and reliable. Suppliers' ideal TMC would be interested in building strong relationships (one respondent) that will lead to a win – win situation for both parties (one respondent). Suppliers favour TMCs who are willing to work as a team (one response) to satisfy the corporate client's needs (one response). Three respondents prefer to deal with a TMC who understands the corporate travel industry.

Furthermore, three suppliers emphasised the need for TMCs to have sufficient product knowledge, while two more suppliers highlights the importance of being able to sell the right product to the right client. Five suppliers choose to deal with accurate, efficient TMCs. One respondent prefers to deal with TMCs that employ trained staff, while another supplier prefers to deal with consultants with at least 10 years experience.

In addition, two suppliers choose to deal with TMCs who make bookings and payments in advance. One supplier went further by saying that he prefers proactive TMCs.

Moreover, suppliers were asked whether they agree with some statements regarding travel agents (figure 4.81).

Figure 4.81: Statements about travel agents according to suppliers
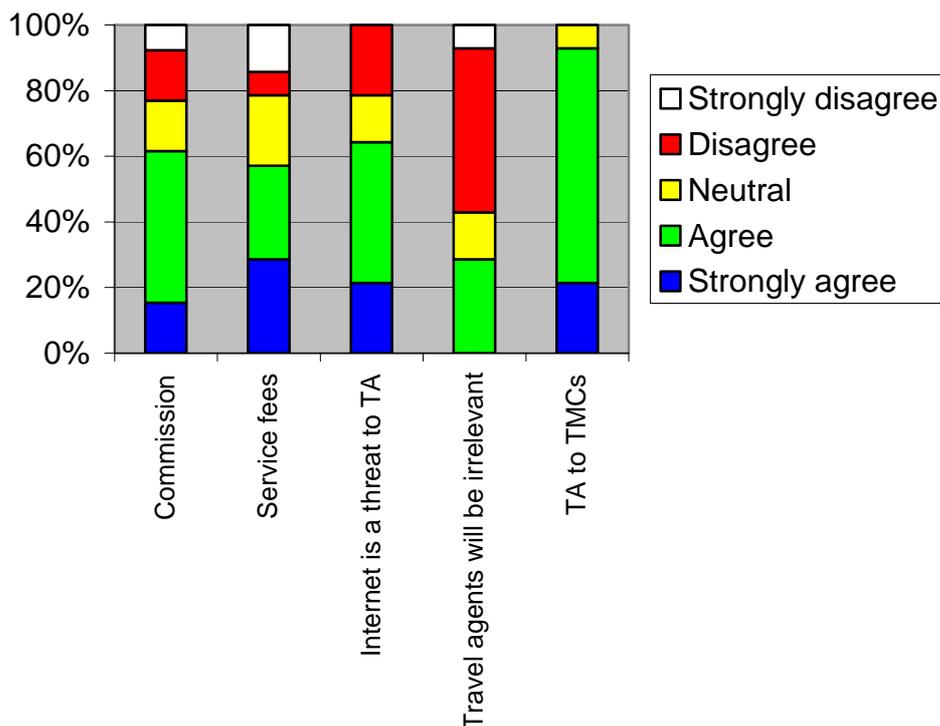
Subsequently in question 19, suppliers were asked how they foresee the relationship between suppliers and TMCs in the future (table 4.28).

Table 4.28: Future relationship between supplier and TMC

		Number of statements
1 = Not changing		
1a+	Carry on as today but with improved relationships	2
1a	Carry on as it is today	3
2 = Not surviving		
2a+	No need for TMCs	3
2a	TMCs under strain once commission is cut	1

Three respondents felt that the relationship will continue the same as it is today. Two more respondents believe that the relationship will carry on as it is today but that suppliers and TMCs will forge even stronger relationships in the future. Three respondents were of the opinion that travel agents will not survive, as there will be no need for them in the future, while one respondent believed that TMCs would be under strain once commissions are cut.

(iii) The use of technology in the corporate travel market

In this section questions were asked about the use of technology in the corporate travel market. Question 20 asked what the advantages of an online system are for corporate clients. Respondents had the following opinions (figure 4.82):

Figure 4.82: Advantages of an online system according to suppliers
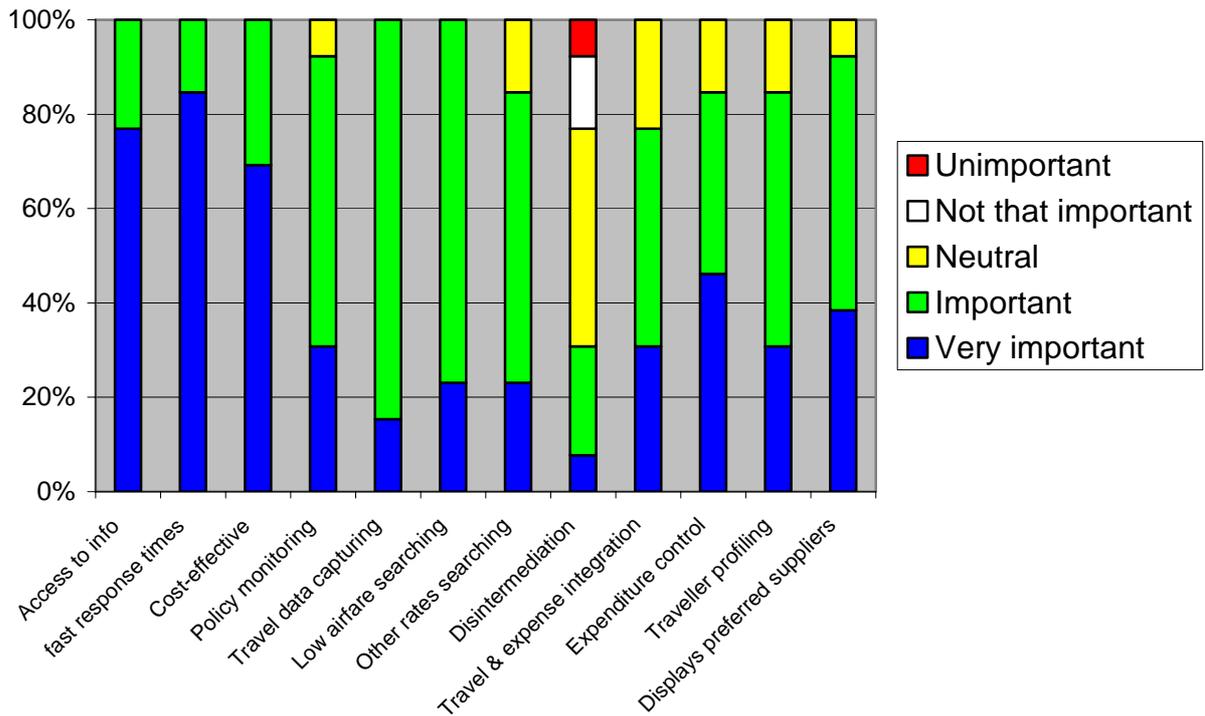
Next, respondents were asked what they believe hampers the use of self-booking tools for travel arrangements in the corporate client's organisation (figure 4.83).

Figure 4.83: Factors that hamper the use of self-booking tools in the corporate client's organisation
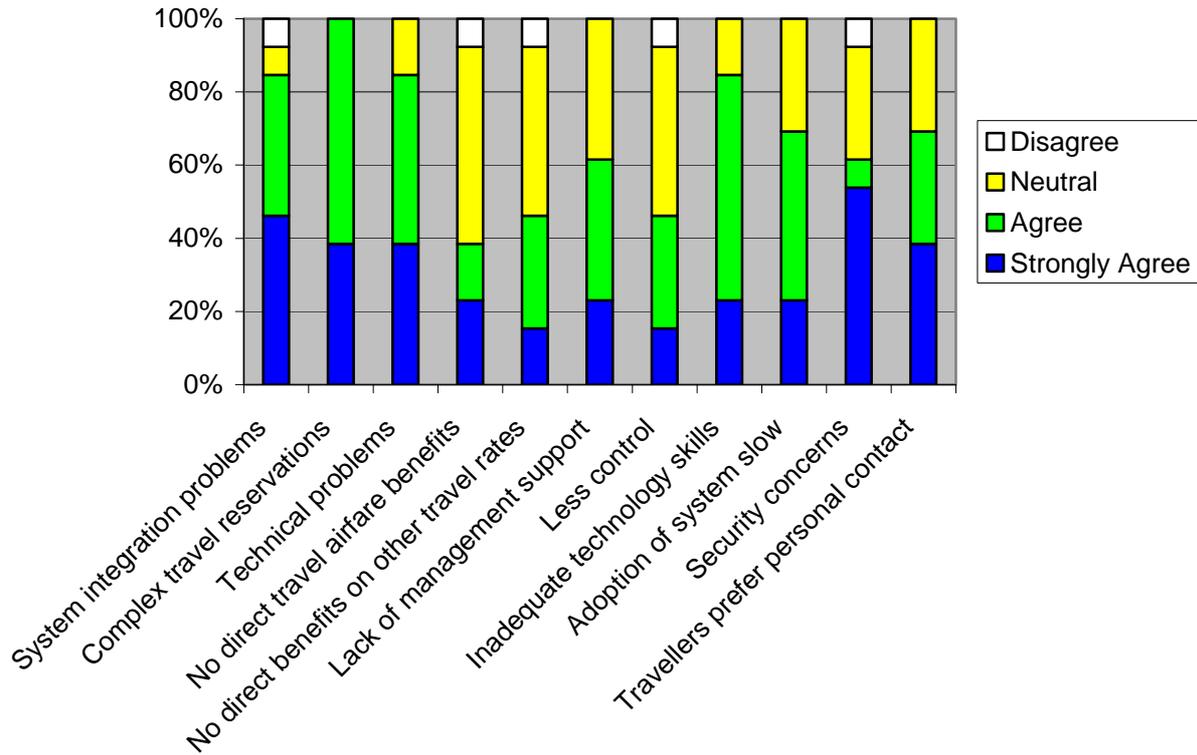
Then respondents were asked what they believe the advantages are of using technology. The results are summarised in table 4.29.

Table 4.29: Advantages of using technology

		Number of statements
1 = Service delivery		
1a	Cost saving	2
1b	Other	5
2 = Speed and convenience		
2a+	Speed and convenience / accuracy	4
2a	Speed	5
3 = Exposure and possibilities		
3a+	More exposure and possibilities	3
3a	Access	2

Seven respondents mentioned that technology improves their ability to deliver a quality service. Two of these seven respondents were impressed by technology's ability to save the company money. Five more respondents mentioned other advantages related to the service delivery of a company such as the fact that technology improves the professional appearance of a company and decrease the probability of misunderstandings and mistakes.

Five respondents mentioned the speed of technology as an advantage, while an additional four respondents mentioned the speed and accuracy / convenience of technology as an advantage.

Two respondents believe technology increase their access to information and additional markets, whereas three suppliers feel that technology gives them more exposure and possibilities.

(iv) Critical success factors

Respondents were first asked to rank the following factors in order of importance (table 4.30).

Table 4.30: Critical Success Factors - suppliers

FACTOR	MEAN	STANDARD DEVIATION	VARIANCE	MEDIAN	RANKING ORDER
Accurate travel data	2.700	1.636	2.678	2.000	1
Negotiated agreements with suppliers	3.000	1.886	3.556	2.500	2
Travel expenditure control	3.800	1.229	1.511	3.500	3
Traveller education on corporate travel	3.800	1.687	2.844	3.500	4
Consolidation/centralisation of corporate travel	3.800	2.150	4.622	4.500	5
Top management support	3.900	1.663	2.767	4.000	6

Respondents were also asked to list any other factors that they believe are important for a successful corporate travel management programme (table 4.31).

Table 4.31: Other critical success factors according to suppliers

		Number of statements
1 = Relationship		
1a	Between supplier and corporate	2
1b	Communication	1
2 = Education		
2a	Organisation	2
2a	Corporate travellers	1
2b	Travel consultants	1
2d	Suppliers	2
3 = Management programme		
3a	User friendly	2
3b	Cost effective	1
3c	Zero defect	1

Two respondents feel that relationship building between suppliers and corporates is crucial to the success of the programme. One respondent emphasised the importance of communication in the success of the programme. Six respondents highlighted the need for TMCs, suppliers, organisations, and corporate travellers to be educated and trained. Two suppliers furthermore believe that a corporate travel programme must be user friendly and easy to implement, while one respondent feels the programme must be cost effective. Another respondents believe a corporate travel management programme must be flawless.

4.3   CONCLUSION

This research shows that organisations generally have a corporate travel management strategy and programme in place. Corporate travel agencies / travel management companies are still perceived to be the most effective reservations channel. There is, however less satisfaction with their ability to offer travel advice, provide travel data, assist with policy development and compliance, conduct supplier negotiations and provide technology support. The research found that the majority of organisations believe that the

role of corporate travel agencies should change to that of travel management companies. The percentage of organisations using corporate self-booking tools and supplier websites, are increasing yearly. This, together with the perceived advantages of technology, and efforts to overcome current application and integration problems, should serve as warning signals to corporate travel agencies. Corporate travel agencies are expected to provide value-added corporate services with the necessary effective technology access and support in order to maintain their position as the preferred channel. With continuing technological advances and systems such as the intranet and mobile technologies, travel management companies increasingly have to compete with suppliers who have far greater direct access to the client than ever before.

In the final chapter of this research study the limitations of the study will be discussed. Recommendations on managerial action and directions for future research will conclude this script.

CHAPTER 5: LIMITATIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

In this chapter the limitations against which data analysis was done are highlighted. Conclusions and recommendations are furthermore presented according to the results as set out in the study. The overall objective of this research study is to further develop a model for the effective management of corporate travel, and for this reason, conclusions and recommendations will be drawn with the model in mind. Conclusions will be summarised in table 5.1 at the end of this chapter.

5.2 LIMITATIONS

It is important to note that part of the study was undertaken amongst organisations listed on the ACTE South African database. The Association of Corporate Travel Executives (ACTE) is an international organisation wholly dedicated to the science of business travel management. Organisations listed on the database in South Africa are not necessarily members of ACTE but have attended one or more of the seminars or workshops arranged by ACTE. These organisations have thus shown concern with the effective management of their corporate travel affairs. Furthermore, because of this study's particular focus on the needs of corporate travellers of Price Waterhouse Coopers, suppliers registered on the database and TMCs registered with ASATA, the results are limited to these populations as defined and cannot be generalised to all travellers, organisations, TMCs and suppliers in the corporate travel market.

Meaningful responses to the corporate traveller questionnaire required of respondents to have had travelled for business purposes on behalf of PWC before. Therefore, the questionnaire is intended primarily for identifying the needs and demands as perceived by current or past corporate travellers, rather than by prospective corporate travellers of PWC.

Lack of sufficient funding and limited time scope made it difficult for the researcher to obtain a representative sample of the four target populations. A non-probability sampling method, namely purposive sampling, was used for measuring qualitative data from suppliers and TMCs. Another non-probability sampling method, convenience sampling was used to collect responses from organisations and corporate travellers. The disadvantage of a non-probability sample, with specific reference to convenience sampling, was that there was no real control on the sample selection process, which means that precision could not be ensured. The result is that samples may be unrepresentative of the population. However, certain results proved significant and make a valuable contribution to the corporate travel literature.

An additional limitation of the study is the number of responses received. A total of 520 questionnaires were sent out to organisations listed on the ACTE database. The researcher originally planned on receiving 100 company questionnaires, 100 corporate traveller questionnaires, 20 supplier questionnaires, and 20 TMCs questionnaires back. Despite extensive follow up by means of reminder emails, telephone calls and distributing more questionnaires, the researchers only managed to collect 63 company questionnaires, 78 corporate traveller questionnaires, 26 TMC questionnaires and 14 supplier questionnaires. Thus, the response rate for the company questionnaire was only approximately 12, 3 % and for the corporate traveller questionnaire 13 %.

Despite these limitations the study does provide a foundation for other studies in the future.

5.3 CONCLUSION AND RECOMMENDATIONS

In this section conclusions and recommendations are presented according to the results as set out in chapter 4. In addition, recommendations based on these findings will be made.

5.3.1 SUMMARY AND CONCLUSIONS

The overall purpose of this study was to further develop the conceptual model for the effective management of corporate travel against which the empirical research could be conducted. Conclusions will thus be drawn with this model in mind (figure 5.1).

Figure 5.1: The soft value management model in the management of corporate travel context
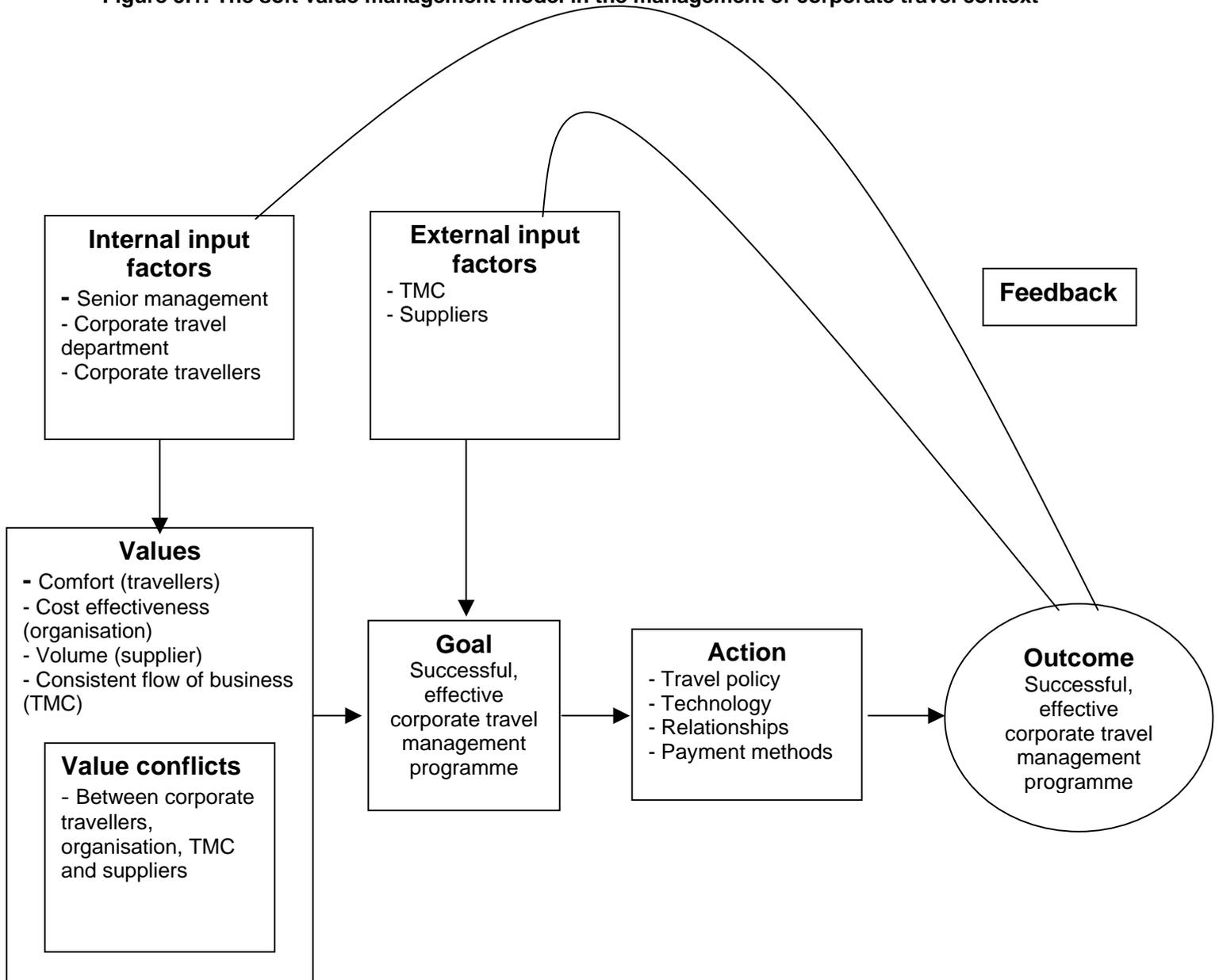
(i) Internal input factors

In order for a company to successfully manage corporate travel, it needs the support of an effective corporate travel department and individuals in senior management as well as the co – operation of corporate travellers. The company represented by senior management and the corporate travel department together with the corporate travellers represent the internal input in the model for effective corporate travel management.

As was evident from the results in section 4.2.1 (i) the companies surveyed in this study, were mainly private, South African owned companies belonging to the manufacturing industry. For the majority of companies travel management is a consolidated function residing in the procurement function. Fifty five percent of respondents spend less than 50% of their time on travel management, while most travel managers report to the finance department (35 %) or purchasing departments (33 %) respectively. The travel manager's most important responsibilities are: negotiating with suppliers and travel agencies, developing the travel policy, and monitoring the travel policy.

The results in section 4.2.2 (i) revealed that the corporate travellers taking part in this study were mainly directors, based in Johannesburg. Their company has employed them for more than 10 years. Corporate travellers made an average of 8.25 trips by air domestically and 2.72 trips by air internationally.

(ii) External input factors

Effective corporate travel management is dependent on the support of corporate travellers and senior management, but also on the travel providers and the travel management companies. The travel providers with specific reference to airlines and hotels and travel management companies represent the external input in the model.

Suppliers surveyed in this study included airlines, car rental companies and a variety of accommodation establishments from chain hotels to guesthouses. This gave a broad view into the operations of suppliers and gave the researcher the opportunity to ascertain each supplier's specific needs and values in the corporate travel management process.

TMCs responding to the questionnaire included all management levels, from senior consultants to owners. Once again, this allowed the researcher to gain an in – depth view into the business functions of the TMC as well as to determine each TMC's exact needs and values in the corporate travel management process.

(iii) Values

As mentioned from the onset of this study, each of the role players involved in the corporate travel management process has their own reasons and needs for becoming involved in the process. They value certain factors and want to satisfy specific needs. These needs and values were also evident in this research study.

As was evident from the results in section 4.2.1 (ii – viii), companies want to manage and control their travel budgets. They are of the opinion that monitoring the travel policy to ensure compliance is crucial. Receiving accurate data is also vital to them. Companies use this travel data to: control travel expenditure, increase negotiating power with suppliers, understand employee travel and redirect travel spend to fulfil supplier agreements.

From the results in section 4.2.2 (ii – vii) it became clear that corporate travellers' values are much more varied than that of the company. They have specific needs and values with regard to the use of transport, accommodation and technology. When travelling by air on behalf of their company, corporate travellers feel it is important for them to be able to upgrade their air travel when they are required to perform a full day's work upon arrival. They furthermore feel that they should be allowed to use the loyalty card points that they have earned for personal use. When travelling by air, they deem the following factors important: on time performance, comfort and price of airfare. When making use of accommodation establishments, corporate travellers demand the following: convenient location, quality service, and sufficient business facilities. Travellers are very flexible with regard to the choice of accommodation establishments and would make use of any establishment as long as it is of four star standard and in close proximity to their place of work.

When establishing the values of TMCs it is evident from the results in section 4.2.3 (i – viii) that it is more beneficial for the TMC to be contracted by the corporate client. They

furthermore feel that regular meetings / discussions, relationship building, implementation of an up to date travel policy and streamlined reservation and administration processes are crucial for an effective travel management process. TMCs furthermore value corporate clients who plan in advance but are flexible in their arrangements, are understanding and supportive, pay promptly and by lodged card and are educated. In addition, they prefer suppliers who are willing to be in a partnership with them, does not approach their clients directly, deliver quick responses and are flexible.

The results in section 4.2.4 (i – iv) disclosed that suppliers also have their own specific needs and values. They feel that the role players in the industry need to be trained and educated and that strong, beneficial relationship between role players are necessary for an effective management programme. Suppliers want to deal directly with corporate clients. Suppliers furthermore value corporate clients who are loyal, makes no last minute changes, give a clear indication of what they want and provide useful feedback. Their ideal TMC is effective, efficient and accurate, is loyal and well trained with ample product knowledge.

(iv) Value conflicts

In the literature review it became evident that value conflicts can occur between corporate clients, suppliers and travel management companies because corporate clients typically want flexibility in their travel arrangements; airlines and other travel suppliers want to maximise yields by optimising revenue and travel management companies want to service client needs at the lowest cost.

While conducting this research study, a number of value conflicts between the role players became apparent. The value conflicts identified in this study fall into the following five areas: the development and management of the travel policy, the role and the use of technology in business operations, the critical success factors of an effective corporate travel management programme, revenue agreements between the respective role players, and the building and maintaining of valuable relationships.

The travel policy

As is evident in section 4.2.1 (v) only two percent of companies indicated that corporate travellers are highly involved in developing the travel policy of the company, whereas more than a third of the corporate travellers would like to be involved in developing the travel policy. If the company does not involve corporate travellers in the development of the policy, the policy will most probably not satisfy the needs of travellers. This leads to corporate travellers being unwilling to comply with the policy. If travellers do not comply with the travel policy, the company cannot control its travel expenses.

Both companies and their corporate travellers agreed that one of the reasons for non-compliance with the travel policy is personal loyalty cards held by travellers. One way to solve this problem is for the company to use the loyalty card points that corporate travellers have earned for business travel, and not to allow travellers to keep the points for personal use. But this will then lead to dissatisfied travellers and more deliberate infringements.

Technology

From section 4.2.1 (vii) it is evident that companies use email most frequently to make corporate travel reservations, and online tools least frequently. Results in section 4.2.2 (vi) show that corporate travellers' most preferred method of making travel reservations is online. For travellers, email is only their third most preferred method. Furthermore, TMCs also prefer companies to make use of email when making travel reservations.

The reasons that organisations do not use online tools seem to be that they have less control of travel spend when self booking tools are used, corporate travellers still prefer personal contact with a traditional travel agent and organisations also believe that complex travel reservations are not suited to the system. Corporate travellers on the other hand, indicated that they believe the following factors limit the use of self-booking tools in the organisation: complex travel reservations are not suited to the system, technical problems in terms of reliability and lack of management support for online bookings. Suppliers believe that the most important reason why organisations do not use self-booking tools is because of concerns about the security of online tools.

Critical success factors

Organisations, corporate travellers, suppliers and TMCs have diverse views on what the most critical success factor of a corporate travel management programme is. Both organisations (section 4.2.1 (viii)) and TMCs (section 4.2.3 (viii)) believe that top management support is crucial for success. Conversely corporate travellers (section 4.2.2 (vii)) believe travel expenditure control to be vital for success while suppliers (section 4.2.4 (iv)) value accurate travel data.

Revenue agreements

Although suppliers prefer to deal directly with the corporate client and try to cut commission and disintermediate the travel agent, most of the supplier respondents still agree that TMCs should earn commission paid by suppliers. Both companies and TMCs believe that TMCs should earn revenue through service fees paid by the corporate client.

Relationships

An effective corporate travel management programme requires mutually beneficial relationships between the corporate client, the travellers, the travel management company and the suppliers. When the following value conflicts occur, this is often not achievable:

- In most organisations, the departmental secretary is responsible for making travel reservations. Furthermore, travellers also prefer the secretary to make reservations on their behalf. On the other hand, TMCs prefer the traveller to make reservations. TMCs feel they can ascertain the travellers' needs better when they make their own reservations.

- Suppliers prefer to deal directly with the corporate client. This poses a problem, because 74 % of their bookings are still made through travel agents. TMCs are unhappy because they will no longer receive commission and they are of the opinion that the suppliers are taking business away from them.

- TMCs and suppliers feel that the corporate client does not understand the industry. Furthermore all the role players feel there is a lack of communication in the industry. This problem of a lack of understanding will never be solved without effective communication channels being established.

- The behaviour of travellers also creates problems for TMCs and suppliers. TMCs often complain that travellers have an alliance to loyalty programmes rather than cost savings. To satisfy travellers' needs, organisations often allow travellers to keep their loyalty points for personal use, thus creating problems in policy compliance. Suppliers, on the other hand, feel that travellers often do not adhere to the travel policy, or there is no policy in place.

- TMCs time and again feel that corporate clients have a lack of commitment and loyalty. They show no appreciation for good services rendered and do not believe that agents give them value. Organisations often feel that TMC only provides mediocre levels of service and for this reason corporate clients are often not prepared to pay service fees.

- Both suppliers and TMCs experience frustration when corporate clients make bookings or change their bookings at the last minute, which create administrative problems, as well as increase costs. Unfortunately this is due to travellers' inflexible business schedules.

- Most suppliers complained about corporate clients' restrictive travel budgets as well as their late payments. This value conflict occurs because controlling and limiting travel expenses are the organisation's most important priorities.

- Corporate travellers have set needs with regard to travel products. This often creates operational problems for suppliers, who cannot always accommodate late arrivals or provide the same rooms.

(v) Goals

In order to resolve the value conflicts between the respective role players, it is necessary to set one common goal, which all the role players can strive for. This goal that has been set is a successful, effective corporate travel management programme to the equal benefit of all the parties involved.

To reach this common goal, suppliers, travel management companies, corporate travellers and their companies need to take some actions.

(vi) Actions

Actions that need to be taken to reach the common goal include: an up to date travel policy, effective technology options, strong and beneficial relationships between all the role players and appropriate payment methods.

Travel policy

From section 4.2.1 (v) it is evident that an overwhelming majority of organisations have travel policies; these policies have been in place for more than two years. Local corporate headquarters are responsible for setting the travel policy. The policy is mainly available online, and is distributed when updated. The average percentage of non – compliance is 13 %. Non – compliance generally occurs in the areas of airline expenditure, accommodation expenditure and meals & entertainment expenditure. According to respondents the most popular reasons for non – compliance with the travel policy are last minute bookings by travellers, followed by personal loyalty cards held by travellers and unknowing infringement by travellers.

Section 4.2.2 (iv) reveals that corporate travellers indicated that the national office has the highest involvement in setting the travel policy. More than a third of corporate travellers would like to be involved in setting the policy. Travellers prefer to receive the policy through the intranet, and only when updated. Most travellers understand the policy more or less. Although travellers only rarely experience problems in complying with the policy, the average rate of non – compliance is 14 %. Travellers experience problems in compliance

most frequently in the choice of accommodation establishment and travel approval procedures. The most important reasons why travellers do not comply with the travel policy are last minute bookings, personal loyalty cards and unknowing infringements. The fact that travellers only understand the policy more or less might be a reason for unknowing infringements.

As is evident from section 4.2.3 (i), for TMCs, policy development and compliance monitoring are their fourth and fifth most important functions respectively. Ninety two percent of the respondents want to be involved in setting the travel policy. TMCs experience the following problems in managing the travel policy on behalf of the corporate client: personal loyalty cards are allowed to influence travel purchasing decisions, travellers are not encouraged to make bookings in advance and therefore lose opportunities for airfare savings and traveller convenience appears to come before cost savings.

Relationships

An essential aspect of an effective, successful travel management programme is strong, transparent, beneficial relationships. These relationships need to be built between suppliers, travel management companies, organisations and its corporate travellers.

Most organisations have preferred supplier agreements with airlines, hotels, car rental companies and travel agencies. They furthermore prefer to do their travel arrangements through one in – house designated travel agency. In most companies, the departmental secretary is responsible for making travel reservations with the travel agent. Email is the most frequently used communication channel for making travel arrangements. What is more, organisations feel that their designated travel agents deliver a good level of service, but not excellent. The majority of organisations pay their travel agent a management fee for services rendered, and they believe that this agreement is to the equal benefit of both parties. The company representative and the designated travel agency together negotiate travel deals with suppliers. Organisations were also asked to give their opinion on statements regarding their relationship with the travel agent. More than half of the respondents agreed that travel agents should earn their revenue through service fees paid by clients. Only a fifth of organisations believed that travel agents will become irrelevant in

the future, while more than three quarters of respondents agreed that in order to stay competitive, travel agents will have to evolve into travel management companies.

In addition, an overwhelming majority of corporate travellers also agreed that travel agents would have to evolve into travel management companies in order to stay competitive. Corporate travellers prefer their organisations to do their travel arrangements through one in – house designated travel agency. Moreover, they prefer the secretary or personal assistant to be responsible for making travel reservations. A disturbing result was that the majority of respondents rated their travel agency's level of service only as acceptable or good. Corporate travellers prefer to make travel reservations online, followed by the telephone. Almost half of the respondents believe that travel agents should earn their revenue through service fees paid by clients, while slightly less respondents feel that travel agents should earn their revenue through commissions paid by suppliers. Corporate travellers sometimes receive information on special deals from their designated travel agent or airline suppliers.

Suppliers are of the opinion that the travel manager's most important responsibilities are: making travel reservations, controlling the travel budget and managing the in – house travel agency. They furthermore feel that the most important functions of a corporate travel agent are: relationship building and to be a liaison between the supplier and the corporate client, developing and managing the travel policy, providing accurate management information, negotiating, to be knowledgeable about suppliers' products in order to give clients accurate and useful advice and the handling of payments.

Moreover, suppliers prefer the company representative and the designated travel agency together to be responsible for negotiating deals with themselves. Almost two thirds of suppliers believe that travel agents should earn their revenue through commissions paid by suppliers, while slightly fewer respondents feel that travel agents should earn their revenue through service fees paid by clients. Once again the majority of respondents feel that travel agents will have to evolve into travel management companies. Most of the suppliers surveyed prefer to deal directly with the corporate client, this enables them to cut out commission and deliver a better service to their client. Seventy seven percent of suppliers have specific revenue agreements with their corporate clients. The benefits of

having these agreements include: guaranteed and increased business and revenue and the building of a loyal relationship between the supplier and the corporate.

Nearly all the suppliers have specific revenue agreements with the TMCs, with the majority still having commission agreements. The benefits for the supplier of having revenue agreements with the TMC are increased business and revenue and the building of a healthy, prosperous relationship between the supplier and the TMC. Suppliers are still very much dependent on travel agents as 74 % of their corporate bookings is done through travel agents. Some suppliers furthermore believe that the relationship between themselves and TMCs will change in the future. A number of respondents feel that travel agents will not survive the fierce competition, while others feel they will foster even stronger relationships with TMCs in the future.

For TMCs, the most important responsibilities of the corporate travel manager are: negotiating with suppliers and travel agencies, monitoring the travel policy, travel consulting and advise and managing travel expenses. An overwhelming majority of respondents believe that making travel reservations and giving travel advice are the most important functions of a corporate travel agent. Furthermore respondents were of the opinion that they deliver these two functions at a very high service level. Most of the respondents also felt that overall they provide a quality service to their corporate clients. TMCs regard the following as their value – added services: always sourcing the best possible fare / rate in the shortest possible time, 24 hours a day availability, personal touch, knowledge, experience and expertise, unique product offering, technology and software support and overall management and negotiating skills.

The majority of TMCs prefer their corporate clients to use email when making travel reservations. They furthermore prefer the corporate traveller or a specifically allocated person in each branch to be responsible for making the travel reservations.

More than 80 % of respondents indicated that they prefer to be contracted and remunerated by the corporate client. Respondents are of the opinion that they work for the corporate client and should thus be remunerated by the client. Most respondents agreed that travel agents should earn their revenue through commissions paid by suppliers, and service fees paid by clients. TMCs also agreed that the Internet pose a threat to traditional

travel agents and in order to stay competitive travel agents would have to evolve into travel management companies. Almost all respondents disagreed with the statement that travel agents will become irrelevant in the future.

Technology

All players in the industry – including corporate travel buyers, travel services providers, and travel intermediaries – are attempting to implement technologies in a desire to streamline processes and reduce their costs. However, as it is often the case, not all industry players benefit from the same technology innovations in the same way.

Currently, as can be seen in section 4.2.1 (vii) most organisations use online channels only for information and enquiries, although some respondents also make bookings on online corporate self – booking systems. Organisations feel that the most important advantages of an online system are: access to information, fast response times from suppliers, and the cost effectiveness of the system. Eighty five percent of the respondents indicated that they do not encourage their corporate travellers to use self-booking tools. The reasons that organisations do not encourage their travellers to use self booking tools seem to be that they have less control of travel spend when self booking tools are used, corporate travellers still prefer personal contact with a traditional travel agent and organisations also believe that complex travel reservations are not suited to the system.

From section 4.2.2 (vi) it can be noted that most corporate travellers would prefer to use online tools primarily for information. If bookings could be done online, travellers would still prefer the secretary / Personal Assistant to be responsible for that. Respondents believe that the most important advantages of an online system are: access to information, fast response times from suppliers and the cost effectiveness of the system. Almost half of the respondents do not think that their organisation will encourage its corporate travellers to use self-booking tools. Furthermore, respondents indicated that they believe the following factors limit the use of self-booking tools in their organisation: complex travel reservations are not suited to the system, technical problems in terms of reliability and lack of management support for online bookings.

Suppliers use technology as a way to deal directly with the corporate client and cut out the intermediary. Suppliers' opinions (section 4.2.4 (iii)) agreed with that of the corporate traveller, they also believe the most important advantages of an online system for corporate clients are: fast response times from suppliers, access to information, and the cost effectiveness of the systems. Furthermore, suppliers feel that the following factors hamper the use of self – booking tools: complex travel reservations are not suited to the system, system integration problems with the organisation's other systems, technical problems in terms of reliability, inadequate technology skills and security concerns. Respondents mentioned the following as advantages of using technology: speed, convenience and access to more markets.

In section 4.2.3 (vii) TMCs were asked whether they regard technology as a threat or opportunity. Most respondents indicated they see technology as an opportunity, and for the following reasons: TMCs believe that technology enhances the service they provide to their clients, eases and streamlines operations and can reduce costs. Moreover, technology can be used as a weapon to fight competition, it offers access to information, and by using technology TMCs can sell more products and become more productive.

Method of payment

Another action that is crucial in ensuring an effective corporate travel management programme is the selection of a suitable method of payment.

Companies prefer to use a consolidated corporate credit card to pay for airline and car rental expenditure. With regard to hotel expenditure, companies prefer individual travellers to pay by corporate credit card. Corporate travellers are requested to pay for meals and entertainment expenditure with their personal credit card and then claim it back from the company.

TMCs prefer corporate clients to pay by lodged card, and always on time. Suppliers' only request is for TMCs and corporate clients to pay them promptly.

(vii) Outcome

Once these actions have been taken, the anticipated outcome is an effective, successful corporate travel management programme.

From section 4.2.1 (viii) it can be seen that companies feel that the following factors are critical for a successful, effective corporate travel management programme: top management support, consolidation / centralisation of corporate travel and negotiated agreements with suppliers.

According to travellers (section 4.2.2 (vi)) the three most critical success factors for an effective travel management programme are: travel expenditure control, negotiated agreements with suppliers and accurate travel data.

TMCs were of the opinion that the most critical factors for a successful travel management programme are: top management support, traveller education on corporate travel and travel expenditure control (section 4.2.3 (vii)).

And finally, according to suppliers, accurate travel data, negotiated agreements with suppliers and travel expenditure control are the most critical factors for a successful travel management programme (section 4.2.4 (iv)).

(viii) Feedback

The corporate travel management programme is not a once off process, but a continuous one. Organisations, suppliers and TMCs all need feedback to amend the programme to satisfy the needs of all the parties involved. Feedback is also needed to make the programme more successful and efficient.

Organisations get feedback in the form of travel agency reports, corporate card expense reports, financial accounting systems, dedicated IT systems, supplier reports and expense processing systems. More than two thirds of respondents agreed that travel agency reports, corporate card expense reports and financial accounting systems provide accurate travel data. Respondents have neutral opinions with regard to the accuracy of

dedicated IT systems, supplier reports and expense processing systems. Organisations use this travel data to: control travel expenditure, increase negotiating power with suppliers, understand employee travel and redirect travel spend to fulfil supplier agreements.

Suppliers desire feedback so that they can modify their product to suit the needs of their guests. This feedback comes in the form of client comment forms or complaints. TMCs value feedback, since they can find out what their clients wish for and can improve their level of service to satisfy the clients' requirements.

Effective and useful feedback leads to an improved and more efficient corporate travel programme to the equal benefit of all the role players.

In conclusion, the proposed model for the effective management of corporate travel include several elements namely: internal input factors, external input factors, values, value conflicts, goals, actions, an outcome and feedback. The conclusions from the study are summarised in table 5.1.

Table 5.1: Conclusions from the study summarised in table form

INTERNAL INPUT FACTORS	
- **Organisation**	Private, South African owned companies belonging to the manufacturing industry.
- **Corporate Travellers**	Corporate Travellers of PWC in South Africa.
EXTERNAL INPUT FACTORS	
- **TMC**	TMCs responding to the questionnaire included all management levels, from senior consultants to owners.
- **Suppliers**	Airlines, car rental companies and a variety of accommodation establishments from chain hotels to guesthouses.
VALUES	
- **Organisations**	Manage and control travel budgets.
- **Corporate Travellers**	Specific needs with regard to transport,

	accommodation and technology.
- **TMC**	Prefers to be contracted by the corporate client, and be in partnerships with suppliers.
- **Suppliers**	Prefers to deal directly with corporate clients.
VALUE CONFLICTS	Relationships Technology Travel Policy Critical Success Factors Revenue Agreements
GOAL	A successful, effective corporate travel management programme.
ACTIONS	
- **Travel Policy**	All stakeholders must be involved in developing the travel policy. Last minute bookings is the most important reason for non-compliance.
- **Technology**	Organisations use online tools for information purposes. Travellers would prefer to make travel bookings online. Suppliers use technology as a method of direct distribution. TMCs use technology to add value to their services.
- **Relationships**	Strong, transparent, beneficial relationships between all the stakeholders.
- **Method of payment**	Suppliers prefer corporates to pay by lodged card and always on time.
OUTCOME	Certain critical success factors are important for a successful outcome.
FEEDBACK	Feedback is needed from all stakeholders to make the programme more successful and efficient.

5.3.1   RECOMMENDATIONS

According to Wilkinsom (2001:10), travel management has never been for the faint of heart. It requires staying on top of numerous interactive working relationships. It is designed to reconcile a company's policies and travellers' preferences and to process that purchasing dynamic through a series of suppliers.

Based on this statement, the literature and the results of the research done in this study, certain recommendations will be made. These recommendations will ensure that the corporate travel management programme will be more efficient and successful.

Corporate travel policy and compliance

An explicit and comprehensive travel policy should be the cornerstone of effective travel and expense management. Unless the company's views regarding travel expenses are committed to paper and distributed both to travellers and to executives with the responsibility for approving expense reports and monitoring compliance with policy, only minimal control is possible (Atlastravel, n.d.). A good travel policy should not only generate savings for the company, it should also consider traveller comfort, safety and convenience, as well as common preferences in areas such as frequent flyer programmes and hotel locations (Chua, 2003).

Most organisations cited last minute bookings and the use of personal loyalty cards as the two most important reasons for non - compliance. To combat this, Lubbe (2003) urges organisations to:

- Manage the issue of last minute bookings more effectively through increased awareness of travel deals as well as policy monitoring.
- Take inflexible travel into account when negotiating deals with suppliers.
- Provide or effectively manage a system where authorisation for travel is required so that travellers avoid perceiving travel as a necessary expense.

In addition, it is recommended that organisations implement programmes and feedback systems to identify the specific needs of corporate travellers. The corporate travellers travel on behalf of the organisation and therefore, comfort and convenience is necessary so that they can produce optimal results for the company.

Some of the results in this study reflect a conflict of interest between travellers and management. In order to resolve these problems it is imperative that the policies and procedures implemented reduce this conflict, and encourage travellers to work within the laid down policies and guidelines. For example, systems where travellers share in the cost benefit achieved when accepting inconvenience should be investigated (Lubbe, 2003).

It is also recommended that organisations adjust their travel policy to be more traveller-friendly. That includes allowing employees to keep frequent flyer miles, not forcing them to take the lowest rates, and sometimes allowing more expensive direct flights (Gross, 1996).

Including employees in travel policy-making is crucial to ensuring maximum compliance. Tactics such as involving a wide range of employees across all departments and positions and offices will ensure success.

It is furthermore vital for management to ensure that travellers know that they are being valued and that the organisation considers their needs when formulating the policy, and to consider traveller involvement in policy setting.

Organisations can use this study to identify the specific limitations of its current policy, in order to make appropriate adjustments. It will be necessary for organisations to carry out ongoing research into the needs of its corporate travellers, because these needs are not static and can change from one year to the other.

Relationships

In this ever changing world of travel management, advances in technology that are changing distribution channels, the advent of e – ticketing, and corporates who have become knowledgeable about the travel industry – corporates' requirements of their TMCs are changing. Corporates are seeking absolute transparency from their TMCs, they want

to negotiate directly with their suppliers, they want TMCs to represent them without the bias created by direct or indirect incentives or discounts offered by airlines and other suppliers, they want service and effective cost management and most are seeking fee based remuneration models (Marx, 2005).

Transparency is not a new buzzword in the industry but is becoming increasingly important when establishing and cultivating relationships between role players. It is necessary to emphasise the long – term benefits of honest relationships to all parties, given that all are striving for sustainable earnings from their core businesses.

For corporates this mean that TMCs should practice open – book accounting by revealing costs such as salaries and overhead expenses. TMCs believe that transparency is about electing to have the TMC conduct or participate in supplier negotiations. In addition suppliers should be willing to reveal critical information about incentives, rebates and override payouts.

Transparency further needs to be taken into account when deciding upon a remuneration model. A solution needs to be found that works for everyone and put alternatives in place so travel agents can be remunerated for services rendered. Some corporates believe the industry should create a model that includes overrides but also incentivises travel management companies to find lower prices. Other corporates feel the only thing that would enable a free market is transparency, disclosure, innovation, right of choice, variety of choice and flexibility. It is believed that overrides and incentives allow inefficient travel agents to be funded and continue to operate (Cochrane, 2005a).

Airlines believe a nett fare solution is a good programme for all as it steps out of the commission loop and equals the playing fields. Some corporates believe that nett fares are great in terms of transparent marketplace availability and benchmarking, but cautions that airlines can use this as a smokescreen to mask the discrepancy between the airline's savings in distribution costs and the financial benefit for corporates and individual travellers. Furthermore, corporates are convinced that the promise of lower fares would mean a loss of flexibility for corporates, as rules and conditions are added to bring rates in line with the airline's overall fare structure. TMCs believe the nett fare level agreed upon between travel agents and airlines is crucial to the success of the proposed model. It is

believed that there are three factors that will affect the sustainability of the nett fare model in the industry: maintaining exceptional service levels, monitoring pricing closely as well as ensuring that airlines and agencies have efficient systems to allow for effective nett fare selling. One positive of nett fares is that the travel agency takes control of the ticket price, as airlines relinquish pricing responsibility. But the danger here is that agents can out price themselves and send consumers straight back to the airlines. A positive for passengers is greater transparency regarding the agents' mark – up. The client will experience better service levels and competition among agents will increase (Cochrane, 2005b).

International travel expert Nolan Burris says in other countries where zero commission has become a reality, he has seen corporates, airlines and agencies all benefit from a new arrangement (Cochrane, 2005a).

Taking the above discussion and the opinions of experts into consideration it is recommended that airlines take the step towards zero percent commission in South Africa.

But then, the role of the agency has to shift. In a zero – commission world, the agent works exclusively for the customer. With no commission, their job is to help the corporate reduce or contain travel expenses, not just air spend. Their professional fees should be far outweighed by the overall savings they find when combined with other travel management services. Many agents make far more money in corporate travel under zero commission. At the same time, corporates are benefiting from having true travel management consultants working on their behalf, negotiating, finding savings and advising on effective travel policies. It is believed that the move to zero commission alone will not change everything; but it could change the relationships between agents, corporates and airlines (Cochrane, 2005a).

From the research results it became evident that there is a definite need in the industry for open communication between role players. This will definitely aid in solving many of the value conflicts and misunderstandings in the corporate travel market. It is recommended that industry meetings be held at least once every quarter to discuss issues facing the industry.

To facilitate these meetings and to assist in making the industry more transparent, professional and ethical it is furthermore recommended that an industry association be formed. This organisation must take the form of a liaison between corporates, corporate travellers, suppliers and TMCs. The main priority of this association should be to ensure that the corporate travel industry is managed to the equal benefit of all involved.

Technology

As travel costs spiral, there is an inherent need for travel managers to investigate and scrutinise a mix of travel process channels to aggregate best – fit deals for their travellers. An online – booking environment is a serious option to consider. It is advised that each corporate should evaluate its individual requirements and priorities. Companies need to educate themselves as to what the market offers and most importantly instil discipline. It is no good getting a great fare only to have to pay penalties due to constant changes by travellers (Johnson, 2004).

The use of self – booking tools among corporates, although still fairly limited has increased significantly during the past two years. TMCs see no problems with corporates doing their own bookings online, as long as their TMCs are capable of providing the technology. Furthermore it is critical for corporates to have a stringent travel policy in place that enables the smooth implementation of a self – booking tool that can enable more that just point – to – point bookings. Technology solutions must be integrated into a corporate's existing systems. Self-booking tools can be a tremendous help in reducing administrative costs associated with making a booking and travelling.

Andreij Horn of CommerceZone says that although online bookings may bring several benefits, travel agents may still be required in the future for a number of services such as the booking of complex international travel, the approval process, quality control of the online solution, destination expertise, intelligent MIS reporting, visa applications, charter flight reservations as well as group and incentive travel (Business Travel Now, 2004).

Business travel buyers watching their pennies are encouraged to consider alternatives to business travel and technology offers a viable substitute to face – to – face meetings. A few technologies – teleconferencing, videoconferencing and web meetings - are seeing strong adoption in the conferencing market. These technologies enable real time collaboration across the globe. Research indicated that larger companies are installing conferencing equipment in boardrooms and doing away with travel altogether. At the present time, there is a general trend for hotel venues to offer tele- and videoconferencing services.

But, a survey of large companies heavily involved in international business travel revealed that the purpose of overseas visits was such that they could not be replaced simply by facsimile or videoconference. Day-to-day routine matters can be dealt with through such media, but important decisions and technical problems usually require face-to-face contact on the ground, as does the search for new business (Hanlon, 1999).

This research, adds to the growing literature on the issues concerning corporate travel management. It is an area that calls for re-examination of how to identify the needs and values of the relevant role players and then to ensure that the travel management programme meets those needs.

5.4   DIRECTIONS FOR FUTURE RESEARCH

In this research study a model was developed to manage corporate travel effectively. Future research is needed to test this model. A technique suggested for testing the model is LISREL, an acronym for linear structural relationships. This technique is extremely useful in explaining causality among constructs that cannot be directly measured. It is used in various ways in the social and behavioural sciences as well as business issues. LISREL analyses covariance structures. It has two parts, one of which is a measurement model. Since hypothetical constructs cannot be measured directly, the measurement model is used to relate the observed, recorded, or measured variables to the latent variables (constructs). Measurement models are important for modelling constructs that cannot be directly observed, such as attitudes, feelings and motivation.

The second part of LISREL is the structural equation model. This model shows the causal relationships among the latent variables. In addition, it describes the causal effects and the variance that are unexplained. The structural equation model is often diagrammed for better understanding. This is a form of path analysis, and the resulting figure is a path diagram. Translated into mathematics, the model is described by a set of linear structural equations. A causal structure among the variables is assumed.

LISREL allows researcher to analyse complex covariance structures. Latent, interdependent, and reciprocally causal variables are easily handled within the measurement and structural equation models (Cooper & Schindler, 2001).

5.5   CONCLUDING REMARKS

This was a research study conducted to try and determine the needs and values of the role players in the corporate travel market. After determining these needs and values a model was further developed to manage corporate travel more effectively. The results and findings should be considered taking the limitations and scope of the study into consideration. The objectives of the study were successfully achieved and the research problems addressed.

There is no doubt that this study makes a significant contribution towards the corporate travel literature and adds value to role players' understanding of the corporate travel market.

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APPENDIX A

- ORGANISATION QUESTIONNAIRE -

For Office Use

NB: PLEASE COMPLETE AND RETURN BY <u>FAX</u> TO: (012) 420-3349 BY 6 AUGUST 2004 TO QUALIFY FOR THE DRAW OF TWO <u>SAA</u> AIRLINE TICKETS

UNIVERSITY OF PRETORIA
SURVEY ON CORPORATE TRAVEL MANAGEMENT

Please answer the questions below by drawing a circle around a number in a shaded box.

SECTION I: CORPORATE PROFILE

Respondent number

V1 [| |] 1

1.   What is your position in the company?

V2 [|] 4

2.   Is your organisation

Mainly South African owned	1
Mainly international with offices in South Africa	2

V3 [ ] 6

3.   Is your organisation a

Public company	1
Private company	2
Parastatal	3
Government organisation	4

V4 [ ] 7

4.   In which industry does your organisation belong?

Mining	1
Financial services	2
Manufacturing	3
Telecommunication	4
Information technology	5
Engineering	6
Other (specify):	

V5 [|] 8

5.   Number of employees in South Africa

V6 [| |] 10
[| |] 13

227

For Office Use

SECTION II: **THE TRAVEL MANAGEMENT FUNCTION**

6. Is travel management a consolidated (centralised) function in your organisation?

Yes	**1**	V7		16
No	**2**			
Don't know	**3**			

7. Does travel management reside in

A corporate travel department	**1**	V8		17
As part of the procurement/purchasing function	**2**			
As part of the financial function	**3**			
Other (please specify)				

8. Does your organisation have a **FORMAL** strategy by which they manage corporate travel?

Yes	**1**	V9		18
No	**2**			
Don't know	**3**			

9. Please encircle all the appropriate boxes. Who, in your organisation, is responsible for making the travel reservations

The traveller him/herself	**1**	V10		19
The departmental secretary	**2**	V11		20
A specifically allocated person in each branch (other than the departmental secretary)	**3**	V12		21
A central travel department for the whole organisation	**4**	V13		22
Other (specify):		V14		23

228

For Office Use

10. Indicate the organisation's average total travel expenditure for the last financial year and the components of air, hotel, rental etc, where possible.

Company Expenses	Domestic	International
Total travel expenditure		
Air travel		
Accommodation		
Car rental		
Meals and Entertainment		
Other (specify):		

V15				24
				28
V16				32
				36
V17				40
				44
V18				48
				52
V19				56
				60
V20				64
				68
V21				72
V22				74
				78
V23				82
				86
V24				90
				94
V25				98
				102
V26				106
				110
V27				114
				118
V28				122

229

For Office Use

11. The following are problems experienced when managing corporate travel. Please indicate the frequency with which these problems occur.

	Most of the time	Quite often	Sometimes	Seldom	Never			
Absence of a pre-trip approval process	1	2	3	4	5	V29		124
Absence of a travel policy	1	2	3	4	5	V30		125
Travellers generally view business travel as a perk	1	2	3	4	5	V31		126
Inflexible travel requirements increase travel costs	1	2	3	4	5	V32		127
Traveller convenience comes before cost saving	1	2	3	4	5	V33		128
The travel policy is too loosely defined	1	2	3	4	5	V34		129
Personal loyalty cards/programmes are allowed to influence travel purchasing decisions	1	2	3	4	5	V35		130
Travellers are not encouraged to make bookings in advance and therefore lose opportunities for airfare savings.	1	2	3	4	5	V36		131
The travel agency does not advise on special deals	1	2	3	4	5	V37		132
The travel policy does not prescribe the preferred channel for reservations, resulting in administrative problems	1	2	3	4	5	V38		133
Promotional fares and special travel deals are not actively sought	1	2	3	4	5	V39		134

SECTION III: THE ROLE OF THE TRAVEL MANAGER

12. If your organisation has a person who is specifically responsible for the organisation's travel, what percentage of his or her time is spent on travel management?

All of their time	1	V40	135
50% and more of their time	2		
Less than 50% of their time	3		

13. Which **ONE** of the following does the travel manager report to?

CEO	1	V41	136
Finance	2		
Purchasing	3		
Other (please specify)			

For Office Use

14. The following are responsibilities of travel managers. Please indicate the degree of importance of each of these responsibilities.

	Very important	Important	Neutral	Not that important	Unimportant			
Developing the travel policy	1	2	3	4	5	V42		137
Monitoring the travel policy	1	2	3	4	5	V43		138
Measuring compliance	1	2	3	4	5	V44		139
Negotiating with suppliers and travel agencies	1	2	3	4	5	V45		140
Travel consulting and advise	1	2	3	4	5	V46		141
Making reservations	1	2	3	4	5	V47		142
Managing travel expenses	1	2	3	4	5	V48		143
Controlling the travel budget	1	2	3	4	5	V49		144
Meeting planning	1	2	3	4	5	V50		145
Administration of corporate credit card	1	2	3	4	5	V51		146
Managing and coordinating the in-house travel agency	1	2	3	4	5	V52		147
Other, please specify and rate	1	2	3	4	5	V53		148
						V54		149

SECTION IV: TRAVEL DATA

15. How do you rate the accuracy of the following sources of travel data?

	Accurate	Neutral	Inaccurate	Not being used			
Travel agency reports	1	2	3	4	V55		151
Corporate card expense reports	1	2	3	4	V56		152
Financial accounting systems	1	2	3	4	V57		153
A dedicated IT system	1	2	3	4	V58		154
Supplier reports	1	2	3	4	V59		155
Expense processing systems	1	2	3	4	V60		156
Other (Please specify and rate)	1	2	3	4	V61		157
					V62		158

For Office Use

16. Please rank in order of importance. The objectives for having travel data are: (where 1 is most important and 4 is least important.)

	Rank			
To increase negotiating power with suppliers		V63		160
To control travel expenditure		V64		161
To understand employee travel		V65		162
To redirect travel spend to fulfil supplier agreements		V66		163

SECTION V: TRAVEL POLICY

17. Does the organisation have a travel policy?

Yes	1	V67		164
No (Proceed to question 27)	2			
Don't know (Proceed to question 27)	3			

18. How long has the travel policy been in place?

Less than a year	1	V68		165
One to two years	2			
More than two years	3			

19. In what format is the policy?

Formal and written	1	V69		166
Informal guidelines	2			

20. Please encircle all the appropriate boxes. The following are responsible for setting the travel policy of the organisation.

	High involvement	Medium involvement	Low involvement	No involvement			
International corporate headquarters	1	2	3	4	V70		167
Local corporate headquarters	1	2	3	4	V71		168
Senior management per branch/location	1	2	3	4	V72		169
Departmental heads	1	2	3	4	V73		170
The corporate travel department	1	2	3	4	V74		171
Corporate Travellers	1	2	3	4	V75		172
Other (Please specify and rate)	1	2	3	4	V76		173
					V77		174

232

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21. What is the **MAIN** form of communication of the travel policy to employees

Online accessibility	1
Regular memorandums	2
Single written document	3
Word of mouth	4

V78 [ ] 176

22. How often do you distribute the travel policy to employees?

Once only	1
When updated	2
With every trip	3
Only when requested	4
Other (please specify)	

V79 [ ] 177

23. What is the average percentage (%) of **NON COMPLIANCE** with the travel policy?

%	

V80 [ ][ ][ ] 178

24. Does your travel policy include a section on risk management (for example: fraud / outbreak of disease or political unrest?)

Yes	1
No	2
Don't know	3

V81 [ ] 181

25. Non – compliance is found in the area of

	Frequently	Sometimes	Seldom	Never			
Airline expenditure	1	2	3	4	V82 [ ]	182
Accommodation expenditure	1	2	3	4	V83 [ ]	183
Car rental expenditure	1	2	3	4	V84 [ ]	184
Meals and entertainment expenditure	1	2	3	4	V85 [ ]	185
Travel approval procedures	1	2	3	4	V86 [ ]	186
Use of preferred vendors / suppliers	1	2	3	4	V87 [ ]	187
Other (specify and rate)	1	2	3	4	V88 [ ]	188
					V89 [ ][ ]	189

233

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26. The following can be viewed as reasons for non-compliance of the travel policy.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree			
Last-minute bookings by travellers	1	2	3	4	5	V90		191
Policy does not meet travellers' needs	1	2	3	4	5	V91		192
Personal loyalty cards held by travellers	1	2	3	4	5	V92		193
Lack of communication by management on correct travel procedures	1	2	3	4	5	V93		194
Policy not easily understood	1	2	3	4	5	V94		195
Deliberate infringement by travellers	1	2	3	4	5	V95		196
Unknowing infringement by travellers	1	2	3	4	5	V96		197
Policy not easily accessible	1	2	3	4	5	V97		198
Because senior management appears to not always support / comply with the travel policy, an incentive is created for traveller non-compliance	1	2	3	4	5	V98		199
Other, please specify and rate	1	2	3	4	5	V99		200
						V100		201

SECTION VI: SUPPLIERS AND TRAVEL MANAGEMENT COMPANY/IES

27. Does your organisation have preferred supplier agreements with

	Yes	No	Don't know			
Airlines	1	2	3	V101		203
Hotels	1	2	3	V102		204
Car Rental Companies	1	2	3	V103		205
Travel Agencies	1	2	3	V104		206

28. Does your organisation do their travel arrangements **MAINLY** through (only choose **ONE** option)

Travel suppliers (airlines, hotels, car rental)	1	V105		207
One in-house designated travel agency	2			
Two in-house designated travel agencies	3			
One outside designated travel agency	4			
Two outside designated travel agencies	5			
More than two designated travel agencies	6			
Any travel agency of choice	7			
Other (specify):				

234

For Office Use

29. How would you rate the level of service provided by your **MOST FREQUENTLY USED** travel agency in terms of each of the following services?

	Excellent	Good	Acceptable	Poor	Unacceptable	Does not provide the service			
Travel reservations	1	2	3	4	5	6	V106		209
Travel advice	1	2	3	4	5	6	V107		210
Summary on airline expenditure	1	2	3	4	5	6	V108		211
Summary on accommodation expenditure	1	2	3	4	5	6	V109		212
Summary on car rental expenditure	1	2	3	4	5	6	V110		213
Reconciliation reports matching reservations and actual billing	1	2	3	4	5	6	V111		214
Policy development	1	2	3	4	5	6	V112		215
Policy compliance monitoring	1	2	3	4	5	6	V113		216
Supplier negotiations	1	2	3	4	5	6	V114		217
Technology support and access	1	2	3	4	5	6	V115		218
VIP services	1	2	3	4	5	6	V116		219

30. Please encircle all the appropriate boxes. The system (s) that the organisation uses to process travel expenditure is

	Consolidated credit card	Individual employee corporate charge cards for travel arrangements	Individual employee personal charge cards for reimbursement of travel arrangements	Bill back system			
Air	1	2	3	4	V117		220
Hotel	1	2	3	4	V118		221
Car Rental	1	2	3	4	V119		222
Meals and Entertainment	1	2	3	4	V120		223

31. Which **ONE** of the following revenue agreement/s does the organisation have with the **PRIMARY** travel agency?

A negotiated fixed management fee	1	V121	224
A savings incentive scheme	2		
Transaction fees	3		
No agreement	4		
Other (specify):			

235

For Office Use

32. Do you believe the revenue agreement with the travel agency is:

To the equal benefit of both parties	1
More in favour of the travel agency	2
None of the above, but…(please elaborate)	

V122 ☐ 225

33. Who **PRIMARILY** negotiates travel deals with suppliers?

Corporate travel manager	1
The designated travel agency	2
The company representative and the designated travel agency together	3
Do not negotiate deals	4
Executives (Please specify):	

V123 ☐ 226

34. Do you get information on special deals from:

	Frequently	Sometimes	Seldom	Never		
Your designated travel agency/ies	1	2	3	4	V124 ☐	227
Your airline suppliers	1	2	3	4	V125 ☐	228
Your hotel suppliers	1	2	3	4	V126 ☐	229
Your car rental suppliers	1	2	3	4	V127 ☐	230
Other sources (please specify and rate)	1	2	3	4	V128 ☐	231
					V129 ☐	232

35. The following are statements about travel agents.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree		
Travel Agents should earn their revenue through commissions paid by suppliers	1	2	3	4	5	V130 ☐	233
Travel agents should earn their revenue through service fees paid by clients	1	2	3	4	5	V131 ☐	234
The internet pose a threat to traditional travel agents	1	2	3	4	5	V132 ☐	235
Travel agents will become irrelevant in the future	1	2	3	4	5	V133 ☐	236
In order to stay competitive, travel agents will have to evolve into travel	1	2	3	4	5	V134 ☐	237

For Office Use

management companies

36. Please encircle the appropriate boxes. Which of the following are used to make travel arrangements?

	For bookings	For information	For enquiries	Not being used			
Online corporate self-booking system	1	2	3	4	V135		238
Online corporate-enquiry system	1	2	3	4	V136		239
The designated travel agency website	1	2	3	4	V137		240
Airline websites	1	2	3	4	V138		241
Car rental websites	1	2	3	4	V139		242
Hotel websites	1	2	3	4	V140		243
Search engines (ex. Google)	1	2	3	4	V141		244
Other sources (please specify and rate)	1	2	3	4	V142		245
					V143		246

SECTION VII: TECHNOLOGY

37. The following are advantages of an online system. Please indicate the degree of importance of these advantages.

	Very important	Important	Neutral	Not that important	Unimportant			
Access to information	1	2	3	4	5	V144		248
Fast response times from suppliers	1	2	3	4	5	V145		249
Cost-effective system	1	2	3	4	5	V146		250
Policy compliance monitoring	1	2	3	4	5	V147		251
Consolidated travel data capturing	1	2	3	4	5	V148		252
Low airfare searching	1	2	3	4	5	V149		253
Searching for low rates for other travel arrangements	1	2	3	4	5	V150		254
Cutting out the travel intermediary	1	2	3	4	5	V151		255
Travel and expense integration	1	2	3	4	5	V152		256
Travel expenditure control	1	2	3	4	5	V153		257
Corporate traveller profiling	1	2	3	4	5	V154		258
Ability to offer displays of the corporation's preferred suppliers	1	2	3	4	5	V155		259

For Office Use

38. Please rank in order of frequency the communication channels used to make corporate travel reservations (where 1 is most frequent and 5 is least frequent)

	Rank			
Online		V156		260
Telephonically		V157		261
Email		V158		262
Facsimile		V159		263
Personal Visits to travel agent		V160		264

39. If bookings are done online by the organisation, are they done by

	Yes	Don't know			
Travellers themselves	1	2	V161		265
Corporate travel department	1	2	V162		266
Travel manager	1	2	V163		267
Secretary/personal assistant	1	2	V164		268
Other (please specify)	1	2	V165		269
			V166		270

40. Where travellers use the Internet to book their trips, which of the following do they use?

	Yes	Don't know			
Computers at the office	1	2	V167		271
Personal computers at home	1	2	V168		272
Laptop computers	1	2	V169		273
PDA's	1	2	V170		274

41. Does the organisation encourage corporate travellers to use self booking tools?

Yes	1	V171		275
No	2			
Don't know	3			

42. Approximately what percentage of corporate travellers is currently doing their own bookings online?

This Year %	V172		276

239

For Office Use

43. Please provide your view on what **hampers** the use of self-booking tools for travel arrangements in your organisation.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree			
System integration problems with organisation's other systems	1	2	3	4	5	V173		279
Complex travel reservations are not suited to system	1	2	3	4	5	V174		280
Technical problems in terms of reliability	1	2	3	4	5	V175		281
No direct travel airfare benefits	1	2	3	4	5	V176		282
No direct benefits on other travel rates	1	2	3	4	5	V177		283
Lack of management support	1	2	3	4	5	V178		284
Less control of travel spending	1	2	3	4	5	V179		285
Inadequate technology skills	1	2	3	4	5	V180		286
Adoption of system by corporate travellers is slow	1	2	3	4	5	V181		287
Security Concerns	1	2	3	4	5	V182		288
Corporate travellers prefer personal contact	1	2	3	4	5	V183		289

44. Is the organisation considering changing its current travel technology system? If yes, please provide more information.

Yes	1	V184		290
		V185		291
No	2			
Don't know	3			

45. Please rank the 6 critical success factors in order of importance, where 1 is most critical for a successful, effective corporate travel management programme.

	Rank			
Consolidation/centralisation of corporate travel		V186		293
Top management support		V187		294
Accurate travel data		V188		295
Traveller education on corporate travel		V189		296
Travel expenditure control		V190		297
Negotiated agreements with suppliers		V191		298

For Office Use

SECTION VIII: RESOURCES

46. Does your organisation actively try to become educated on corporate travel management through:

Networking with other companies	**1**	V192		299
Media resources	**2**	V193		300
Membership of professional organisations	**3**	V194		301
Other, please specify		V195		302

47. Do you attend ACTE (Association of Corporate Travel Executives) educational and networking sessions:

Always	**1**	V196		303
Sometimes	**2**			
Never	**3**			

48. Are you an ACTE member?

Yes	**1**	V197		304
No	**2**			

49. Would you like further information on ACTE Membership and Events

Yes	**1**	V198		305
No	**2**			

THANK YOU FOR YOUR COOPERATION AND THE TIME TAKEN TO RESPOND TO THIS QUESTIONNAIRE.

TO QUALIFY FOR THE DRAW OF THE TWO SAA AIRLINE TICKETS, PLEASE FILL IN YOUR NAME AND CONTACT NUMBER IN THE SPACES PROVIDED BELOW

NAME:

CONTACT NUMBER:

Please be assured that all information provided by you in this questionnaire is **COMPLETELY CONFIDENTIAL** and only to be used for statistical analysis by the Department of Statistics at the University of Pretoria.

APPENDIX B

- CORPORATE TRAVELLER QUESTIONNAIRE -

For office use

**UNIVERSITY OF PRETORIA
SURVEY ON CORPORATE TRAVEL MANAGEMENT FOR CORPORATE TRAVELLERS**

Please answer the questions below by drawing a circle around a number in a shaded box

SECTION A: CORPORATE PROFILE

Respondent number   V1 [ ][ ][ ] 1

1. What is your position in the company?

Director	1
Senior Manager	2
Manager	3
Secretary / Personal Assistant	4

V2 [ ] 4

2. Which city in South Africa are you based in?

V3 [ ][ ] 5

3. What is your marital status? *Our aim with the question is to determine whether there is a significant difference in the travelling needs of corporate travellers who are in different stages of the lifecycle.*

Single	1
Married/Cohabiting with no children	2
Married/Cohabiting with children	3
Divorced	4
Widowed	5

V4 [ ] 7

4. How many years have you been an employee of the company? *This question is asked to determine whether the needs of employees differ according to the number of years they have been employed at the company.*

Less than one year	1
1-3 years	2
4-10 years	3
More than 10 years	4

V5 [ ] 8

5. How many business trips have you made domestically / internationally (including Africa) by air on behalf of your company **during the past 12 months?**

	AIR
Domestic	_____ **Times**
International (including Africa)	_____ **Times**

V6 [ ][ ][ ] 9
V7 [ ][ ][ ] 12

243

For office use

6. How many times have you used a rented car for travelling domestically / at international destinations on behalf of your company for business purposes (excluding trips between your home and office) **during the past 12 months?**

	CAR		
Domestic	_____**Times**	V8	15
International (including Africa)	_____**Times**	V9	18

SECTION B: AIR TRAVEL

7. When travelling by air, how important are the following to you personally? Please rank in order of importance, where 1 is most important and 4 is least important.

	Rank		
Loyalty points accumulated should be used for personal travel		V10	21
Cover of loss of luggage, medical expenses, and accidents when travelling for business purposes.		V11	22
Permission to downgrade tickets for overseas flights with the purpose of enabling a spouse to accompany you at the cost of your company.		V12	23
Permission to upgrade your air travel when required to perform full day's work upon arrival.		V13	24

8. What do you believe is the best strategy to use the loyalty card points you have earned for business travel? (Choose only **ONE** option)

Personal use	1	V14	25
Travelling on behalf of the company	2		
The company can use it as they like	3		
A split between company use and personal use	4		

244

For office use

9. Please indicate the importantance, to you personally, of each of the following factors when travelling by air for business purposes on behalf of your company.

	Very important	Important	Neutral	Not that important	Unimportant			
Comfort	1	2	3	4	5	V15		26
Price of airfare	1	2	3	4	5	V16		27
In - flight entertainment and meals	1	2	3	4	5	V17		28
Service	1	2	3	4	5	V18		29
On time performance	1	2	3	4	5	V19		30
Lounge facilities	1	2	3	4	5	V20		31

10. Do you believe that the class of travel is important for better work performance upon arrival?

All the time	1	V21		32
Sometimes	2			
Never	3			

Please give a reason for your answer.

V22			33
V23			35

SECTION C: **ACCOMMODATION**

11. How many times have you made use of accommodation establishments **during the past 12 months** when travelling for business purposes on behalf of your company?

V24		37

12. Average number of nights spent at accommodation establishments per trip?

1-2 nights	1	V25		39
3-4 nights	2			
5-6 nights	3			
More than 6 nights	4			

For office use

13. Please indicate how important the following factors are to you **personally** with regard to accommodation establishments when travelling on behalf of your company.

	Very important	Important	Neutral	Not that important	Unimportant			
Price	1	2	3	4	5	V26		40
Service	1	2	3	4	5	V27		41
Location	1	2	3	4	5	V28		42
Facilities	1	2	3	4	5	V29		43
Aesthetic appeal	1	2	3	4	5	V30		44
Loyalty Programmes	1	2	3	4	5	V31		45
Own choice of accommodation establishment	1	2	3	4	5	V32		46

14. Which type of accommodation establishment do you **personally** prefer for business trips in general? **(Choose only ONE option domestically and ONE option internationally)**

	Guest House / Bed and Breakfast	Protea Hotel	Southern Sun Hotel	Other			
Domestic	1	2	3	4	V33		47
International	1	2	3	4	V34		48

If other, please specify

V35 | | | 49

246

For office use

15. To what extent do you agree with the following statements with regard to problems experienced on business trips with the hotel prescribed in the travel policy.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree			
The accommodation establishment does not generally provide sufficient business facilities	1	2	3	4	5	V36		51
There is generally no restaurant on the premises.	1	2	3	4	5	V37		52
Generally the accommodation establishment is too impersonal.	1	2	3	4	5	V38		53
General lack of security at the establishment.	1	2	3	4	5	V39		54
Generally fixed check out times.	1	2	3	4	5	V40		55
Service standards are generally not up to standard	1	2	3	4	5	V41		56
Other, please specify and rate	1	2	3	4	5	V42		57
						V43		58

SECTION D: TRAVEL POLICY

16. Does the organisation have a travel policy?

Yes	1	V44	60
No	2		
Don't know	3		

17. Please encircle all the appropriate boxes. The following are responsible for setting the travel policy of the organisation.

	High involvement	Medium involvement	Low involvement	No involvement			
International corporate headquarters	1	2	3	4	V45		61
National office	1	2	3	4	V46		62
Branch management	1	2	3	4	V47		63
Departmental heads	1	2	3	4	V48		64
Corporate Travellers	1	2	3	4	V49		65
Other (specify and rate):	1	2	3	4	V50		66
					V51		67

For office use

18. Would you like to be involved in the setting of the travel policy?

Yes	1
No	2
Don't know	3

V52 [ ] 69

19. To what extent do you agree with the following statements with regard to the corporate travel policy of your company?

	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree	
The travel policy requirements are generally inflexible.	1	2	3	4	5	V53 [ ] 70
Cost saving seems more important than traveller convenience	1	2	3	4	5	V54 [ ] 71
Company programmes (eg. Guidelines) appears to be more important than personal loyalty cards.	1	2	3	4	5	V55 [ ] 72
Only designated suppliers are allowed to be used	1	2	3	4	5	V56 [ ] 73
Travel policy specifications are not properly communicated by management	1	2	3	4	5	V57 [ ] 74
Corporate travellers are required to make bookings only through the designated travel agency.	1	2	3	4	5	V58 [ ] 75

20. Choose the method by which you prefer to obtain the travel policy. (Choose only **ONE** option.)

Website	1
Intranet	2
Regular memorandums	3
Printed booklet	4
Word of mouth	5

V59 [ ] 76

21. How often do you prefer to receive a guideline of the travel policy of your company?

Once only	1
With every booking	2
Monthly, whether a booking is made or not	3
When updated	4
Only when requested	5
Never	6
Don't know	7
Other, please specify	

V60 [ ] [ ] 77

248

For office use

22. Please indicate the extent to which you generally understand the travel policy of your company.

Very Well	**1**
More or Less	**2**
Not at all	**3**

V61 [ ] 79

23. Do you experience problems in general in complying with the travel policy?

All of the time	**1**
Most of the time	**2**
Some of the time	**3**
Rarely	**4**
Never	**5**

V62 [ ] 80

24. If you are unable to comply with the travel policy all the time, what is your approximate percentage (%) of **NON COMPLIANCE**?

	%

V63 [ ][ ][ ] 81

25. Non – compliance generally occurs in the area of

	Frequently	Sometimes	Seldom	Never		
Class of air travel	**1**	**2**	**3**	**4**	V64 [ ]	84
Choice of accommodation establishment	**1**	**2**	**3**	**4**	V65 [ ]	85
Choice of Car rental company	**1**	**2**	**3**	**4**	V66 [ ]	86
Meals and entertainment	**1**	**2**	**3**	**4**	V67 [ ]	87
Travel approval procedures	**1**	**2**	**3**	**4**	V68 [ ]	88
Other (specify and rate)	**1**	**2**	**3**	**4**	V69 [ ]	89
					V70 [ ][ ]	90

For office use

26. Please read the following statements, which could be viewed as reasons for non-compliance of the travel policy in your organisation and idicate your opinion on each.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree			
Last-minute bookings because of Inflexible business schedules	1	2	3	4	5	V71		92
Policy does not meet my travel needs	1	2	3	4	5	V72		93
Prefer to use airlines where I am a personal loyalty card holder	1	2	3	4	5	V73		94
Lack of communication by management on correct travel procedures	1	2	3	4	5	V74		95
Policy not easily understood	1	2	3	4	5	V75		96
Deliberate infringement by travellers	1	2	3	4	5	V76		97
Unknowing infringement by travellers	1	2	3	4	5	V77		98
Policy not easily accessible	1	2	3	4	5	V78		99
Because management does not comply with the travel policy, I don't want to comply with the travel policy	1	2	3	4	5	V79		100
Unfair travel policy. All travelers are not allowed the same treatment	1	2	3	4	5	V80		101
Other, please specify and rate	1	2	3	4	5	V81		102
						V82		103

SECTION E: TRAVEL INTERMEDIARIES AND SUPPLIERS

27. Do you prefer your organisation to do their travel arrangements **MAINLY** through (only choose **ONE** option)

Travel suppliers (airlines, hotels, car rental)	1	V83	105
One in-house designated travel agency	2		
Two in-house designated travel agencies	3		
One outside designated travel agency	4		
Two outside designated travel agencies	5		
More than two designated travel agencies	6		
Any travel agency of choice	7		
Other (specify):			

250

For office use

28. Who do you think should be responsible for making travel reservations with the in – house travel agency? (Choose only **ONE** option)

Yourself	1
The secretary / personal assistant	2
A specifically allocated person in each office	3
A central travel department for the whole organisation	4
A central travel department for each office	5

V84 ☐ 107

29. How would you rate the level of service provided by your **MOST FREQUENTLY USED** travel agency in terms of each of the following services?

	Excellent	Good	Acceptable	Poor	Unacceptable	Does not provide the service		
Travel reservations	1	2	3	4	5	6	V85 ☐	108
Travel advice	1	2	3	4	5	6	V86 ☐	109
Policy development	1	2	3	4	5	6	V87 ☐	110
Policy compliance monitoring	1	2	3	4	5	6	V88 ☐	111
Technology support and access	1	2	3	4	5	6	V89 ☐	112
VIP services	1	2	3	4	5	6	V90 ☐	113

30. Would you prefer to receive a statement of your travel expenditure per month?

Yes	1
No	2
Don't know	3

V91 ☐ 114

31. If **YES** to question 30, how would you prefer to receive the statement?

Online	1
With your salary statement	2
Other, please specify	

V92 ☐ 115

251

For office use

32. Do you or your secretary get information on special deals from?

	Frequently	Sometimes	Seldom	Never			
Your designated travel agency/ies	1	2	3	4	V93		116
Your airline suppliers	1	2	3	4	V94		117
Your hotel suppliers	1	2	3	4	V95		118
Your car rental suppliers	1	2	3	4	V96		119
Other sources (please specify and rate)	1	2	3	4	V97		120
					V98		121

33. Please indicate your opinion on each of the following statements about travel agents

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree			
Travel Agents should earn their revenue through commissions paid by suppliers	1	2	3	4	5	V99		123
Travel agents should earn their revenue through service fees paid by clients	1	2	3	4	5	V100		124
The internet pose a threat to traditional travel agents	1	2	3	4	5	V101		125
Travel agents will become irrelevant in the future	1	2	3	4	5	V102		126
In order to stay competitive, travel agents will have to evolve into travel management companies	1	2	3	4	5	V103		127

34. What channel would you prefer to use to make corporate travel reservations (where 1 is most preferred and 5 is least preferred)?

	Rank			
Online		V104		128
Telephonically		V105		129
Email		V106		130
Facsimile		V107		131
Personal Visits to travel agent		V108		132

For office use

35. Which of the following online tools would you prefer to use to make business travel arrangements?

	For bookings	For information	For enquiries	Not being used			
Online corporate self-booking system	1	2	3	4	V109		133
Online corporate-enquiry system	1	2	3	4	V110		134
The designated travel agency website	1	2	3	4	V111		135
Airline websites	1	2	3	4	V112		136
Car rental websites	1	2	3	4	V113		137
Hotel websites	1	2	3	4	V114		138
Search engines (ex. Google)	1	2	3	4	V115		139
Other, please specify	1	2	3	4	V116		140
					V117		141

36. If bookings could be done online, would you prefer it to be done by:

	Yes	No	Don't know			
Travellers themselves	1	2	3	V118		143
Corporate travel department	1	2	3	V119		144
Travel manager	1	2	3	V120		145
Secretary/personal assistant	1	2	3	V121		146
In house travel agent	1	2	3	V122		147
Other (please specify)				V123		148

253

For office use

37. The following are advantages of an online system. Please indicate what you believe to be the degree of importance of each of these advantages:

	Very important	Important	Neutral	Not that important	Unimportant			
Access to information	1	2	3	4	5	V124		149
Fast response times from suppliers	1	2	3	4	5	V125		150
Cost-effective system	1	2	3	4	5	V126		151
Policy compliance monitoring	1	2	3	4	5	V127		152
Consolidated travel data capturing	1	2	3	4	5	V128		153
Low airfare searching	1	2	3	4	5	V129		154
Searching for low rates for other travel arrangements	1	2	3	4	5	V130		155
Cutting out the travel intermediary	1	2	3	4	5	V131		156
Travel and expense integration	1	2	3	4	5	V132		157
Travel expenditure control	1	2	3	4	5	V133		158
Corporate traveller profiling	1	2	3	4	5	V134		159
Ability to offer displays of the corporation's preferred suppliers	1	2	3	4	5	V135		160

38. Do you think your organisation will encourage corporate travellers to use self-booking tools?

Yes	1	V136	161
No	2		
Don't know	3		

For office use

39. If in future, self-booking tools are introduced in your organisation, what do you think would **limit** the use of the tools?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree			
System integration problems with organisation's other systems	1	2	3	4	5	V137		162
Complex travel reservations are not suited to system	1	2	3	4	5	V138		163
Technical problems in terms of reliability	1	2	3	4	5	V139		164
No direct travel airfare benefits	1	2	3	4	5	V140		165
No direct benefits on other travel rates	1	2	3	4	5	V141		166
Lack of management support for online bookings	1	2	3	4	5	V142		167
Less control of travel spending	1	2	3	4	5	V143		168
Inadequate technology skills	1	2	3	4	5	V144		169
Adoption of system by corporate travellers is slow	1	2	3	4	5	V145		170
Security Concerns	1	2	3	4	5	V146		171
Corporate travellers prefer personal contact	1	2	3	4	5	V147		172

40. In general, do you think the corporate travel management programme of your company is successful?

Yes (Please proceed to question 41)	1	V148	173
No (Please proceed to question 42)	2		

41. Please rank the 6 critical success factors in order of importance, where 1 is most critical for a successful, effective corporate travel management programme.

	Rank		
Consolidation/centralisation of corporate travel		V149	174
Top management support		V150	175
Accurate travel data		V151	176
Traveller education on corporate travel		V152	177
Travel expenditure control		V153	178
Negotiated agreements with suppliers		V154	179

For office use

42. Please encircle all the reasons why you think the programme is not successful?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree			
Cost saving seems more important than traveller convenience	1	2	3	4	5	V155		180
Travellers are not educated on the travel policy	1	2	3	4	5	V156		181
Lack of top management support	1	2	3	4	5	V157		182
Lack of travel expenditure control	1	2	3	4	5	V158		183
Budgetary constraints makes it difficult to travel effectively	1	2	3	4	5	V159		184
Lack of communication with travellers	1	2	3	4	5	V160		185
Other, please specify and rate	1	2	3	4	5	V161		186
						V162		187

THANK YOU FOR YOUR COOPERATION AND THE TIME TAKEN TO RESPOND TO THIS QUESTIONNAIRE.

APPENDIX C

- TRAVEL MANAGEMENT COMPANY QUESTIONNAIRE -

For office use

UNIVERSITY OF PRETORIA

SURVEY ON CORPORATE TRAVEL MANAGEMENT FOR TRAVEL MANAGEMENT COMPANIES (TMC)

Please answer the questions below by drawing a circle around a number in a shaded box.

Respondent number

V1 [ ] 1-3

1. What is your position in the company?

V2 [ ] 4

2. The following are all important functions of a corporate travel agent. However, some are probably more critical to the success of the corporate travel management programme. Please indicate your perception of how these can be ranked in order of importance, where 1 is most important and 6 is least important.

	Rank	
Travel reservations and advice		V3 [ ] 6
Policy development		V4 [ ] 7
Policy compliance monitoring		V5 [ ] 8
Supplier negotiations		V6 [ ] 9
Technology support and access		V7 [ ] 10
Reconciliation reports matching reservations and actual billing		V8 [ ] 11

258

For office use

3. How would you rate the level of service that you generally provide to your corporate client?

	Excellent	Good	Acceptable	Poor	Unacceptable	Does not provide the service			
Travel reservations	1	2	3	4	5	6	V9		12
Travel advice	1	2	3	4	5	6	V10		13
Summary on airline expenditure	1	2	3	4	5	6	V11		14
Summary on accommodation expenditure	1	2	3	4	5	6	V12		15
Summary on car rental expenditure	1	2	3	4	5	6	V13		16
Reconciliation reports matching reservations and actual billing	1	2	3	4	5	6	V14		17
Policy development	1	2	3	4	5	6	V15		18
Policy compliance monitoring	1	2	3	4	5	6	V16		19
Supplier negotiations	1	2	3	4	5	6	V17		20
Technology support and access	1	2	3	4	5	6	V18		21
VIP services	1	2	3	4	5	6	V19		22

4. What do you believe are your value - added services?

V20		23
V21		25
V22		27
V23		29
V24		31

For office use

5. The following are statements about travel agents.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree			
Travel Agents should earn their revenue through commissions paid by suppliers	1	2	3	4	5	V25		33
Travel agents should earn their revenue through service fees paid by clients	1	2	3	4	5	V26		34
The internet pose a threat to traditional travel agents	1	2	3	4	5	V27		35
Travel agents will become irrelevant in the future	1	2	3	4	5	V28		36
In order to stay competitive, travel agents will have to evolve into travel management companies	1	2	3	4	5	V29		37

6. The following list depicts the responsibilities that the travel manager of the corporate client has. How important do you rate each of these responsibilities in terms of your relationship with the corporate client.

	Very important	Important	Neutral	Not that important	Unimportant			
Developing the travel policy	1	2	3	4	5	V30		38
Monitoring the travel policy	1	2	3	4	5	V31		39
Measuring compliance	1	2	3	4	5	V32		40
Negotiating with suppliers and travel agencies	1	2	3	4	5	V33		41
Travel consulting and advise	1	2	3	4	5	V34		42
Making reservations	1	2	3	4	5	V35		43
Managing travel expenses	1	2	3	4	5	V36		44
Controlling the travel budget	1	2	3	4	5	V37		45
Meeting planning	1	2	3	4	5	V38		46
Administration of corporate credit card	1	2	3	4	5	V39		47
Managing and coordinating the in-house travel agency	1	2	3	4	5	V40		48
Other, please specify and rate	1	2	3	4	5	V41		49
						V42		50

For office use

7. What method do you prefer corporate clients to use when making travel reservations? Please rank in order of preference, where 1 is most preferred and 5 is least preferred.

	Rank			
Online		V43		52
Telephonically		V44		53
Email		V45		54
Facsimile		V46		55
Personal Visits to travel agent		V47		56

8. Who would you prefer should be responsible for making travel reservations with the travel agency?

The traveller	1	V48		57
The secretary / personal assistant	2			
A specifically allocated person in each branch	3			
A central travel department for the whole organisation	4			
Other, please specify				

For office use

9.	The following are problems generally experienced in travel policy compliance. Please indicate the frequency with which these problems affect you in your relationship with the corporate client.

	Most of the time	Quite often	Sometimes	Seldom	Never			
The absence of a pre-trip approval process	1	2	3	4	5	V49		58
The absence of a travel policy	1	2	3	4	5	V50		59
Travellers that generally view business travel as a perk	1	2	3	4	5	V51		60
Inflexible travel requirements that increase travel costs	1	2	3	4	5	V52		61
Traveller convenience appears to come before cost saving	1	2	3	4	5	V53		62
A travel policy that is too loosely defined	1	2	3	4	5	V54		63
Personal loyalty cards/programmes that are allowed to influence travel purchasing decisions	1	2	3	4	5	V55		64
Travellers that are not encouraged to make bookings in advance and therefore lose opportunities for airfare savings.	1	2	3	4	5	V56		65
A travel policy that does not prescribe the preferred channel for reservations, resulting in administrative problems	1	2	3	4	5	V57		66
Promotional fares and special travel deals that are not actively sought by the corporate client	1	2	3	4	5	V58		67

10.	Do you prefer to be involved in setting the travel policy?

Yes	1
No	2
Sometimes	3

V59　　68

If yes / sometimes, motivate your answer.

V60		69
V61		71
V62		73
V63		75
V64		77

For office use

11. What is most beneficial to you, to be contracted by the corporate client or by a supplier?

Corporate Client	**1**
Supplier	**2**
Other, please specify	

V65 ☐ 79

Please provide reasons for your answer.

V66	☐☐ 80
V67	☐☐ 82
V68	☐☐ 84
V69	☐☐ 86
V70	☐☐ 88

12. What type of revenue agreement would you prefer?

Commission from suppliers	**1**
Savings incentive scheme	**2**
Management fees	**3**
Transaction fees	**4**
A combination of any of the above, please specify	
Other, please specify	

V71 ☐☐ 90

Please provide reasons for your answer:

V72	☐☐ 92
V73	☐☐ 94
V74	☐☐ 96
V75	☐☐ 98
V76	☐☐ 100

13. Do you believe the revenue agreement with the corporate client is:

To the equal benefit of both parties	**1**
More in favour of the corporate client	**2**
None of the above, but…(please elaborate)	

V77 ☐ 102

263

For office use

14. What are the type of problems that you experience most in the corporate market with the **corporate client**

V78		103
V79		105
V80		107
V81		109
V82		111

15. What are the type of problems that you experience most in the corporate market with the **supplier**

V83		113
V84		115
V85		117
V86		119
V87		121

16. Please describe your ideal **corporate client**

V88		123
V89		125
V90		127
V91		129
V92		131

17. Please describe your ideal **supplier**

V93		133
V94		135
V95		137
V96		139
V97		141

For office use

18. In your organisation, do you regard technology as:

A threat	**1**
An opportunity	**2**
Both	**3**

V98 [ ] 143

Please provide reasons for your answer

V99 [ ] 144
V100 [ ] 146
V101 [ ] 148
V102 [ ] 150
V103 [ ] 152

19. Please rank the 6 critical success factors in order of importance, where 1 is most critical for a successful, effective corporate travel management programme.

	Rank		
Consolidation/centralisation of corporate travel by corporate client		V104 [ ]	154
Corporate client's top management support		V105 [ ]	155
Accurate travel data		V106 [ ]	156
Traveller education on corporate travel		V107 [ ]	157
Travel expenditure control		V108 [ ]	158
Negotiated agreements with suppliers		V109 [ ]	159

20. Please list any other factors that you believe are important for an effective succesful travel management programme.

V110 [ ] 160
V111 [ ] 162
V112 [ ] 164
V113 [ ] 166
V114 [ ] 168

265

For office use

THANK YOU FOR YOUR COOPERATION AND THE TIME TAKEN TO RESPOND TO THIS QUESTIONNAIRE.

APPENDIX D

- SUPPLIER QUESTIONNAIRE -

UNIVERSITY OF PRETORIA

SURVEY ON CORPORATE TRAVEL MANAGEMENT FOR SUPPLIERS

For office use

Please answer the questions below by drawing a circle around a number in a shaded box.

Respondent number

V1 [ ][ ][ ] 1-3

1. What is your position in the company?

V2 [ ][ ] 4

2. Who would you prefer should be responsible for negotiating travel deals with suppliers (yourselves)?

Corporate travel manager	1
The designated travel agency	2
The company representative and the designated travel agency together	3
Do not negotiate deals	4
Executives (Please specify):	

V3 [ ] 6

3. The following list depicts the responsibilities that the travel manager of the corporate client has. How important do you rate each of these responsibilities in terms of your relationship with the corporate client.

	Very important	Important	Neutral	Not that important	Unimportant			
Developing the travel policy	1	2	3	4	5	V4	[ ]	7
Monitoring the travel policy	1	2	3	4	5	V5	[ ]	8
Measuring compliance	1	2	3	4	5	V6	[ ]	9
Negotiating with suppliers and travel agencies	1	2	3	4	5	V7	[ ]	10
Travel consulting and advise	1	2	3	4	5	V8	[ ]	11
Making reservations	1	2	3	4	5	V9	[ ]	12
Managing travel expenses	1	2	3	4	5	V10	[ ]	13
Controlling the travel budget	1	2	3	4	5	V11	[ ]	14
Meeting planning	1	2	3	4	5	V12	[ ]	15
Administration of corporate credit card	1	2	3	4	5	V13	[ ]	16
Managing and coordinating the in-house travel agency	1	2	3	4	5	V14	[ ]	17
Other, please specify and rate	1	2	3	4	5	V15	[ ]	18
						V16	[ ][ ]	19

268

For office use

4. Do you prefer to deal direct with the corporate client? If Yes, why?

Yes	1
No	2

V17   21

Why?

V18   22
V19   24
V20   26
V21   28
V22   30

5. What are the benefits for a corporate client to deal directly with the supplier?

V23   32
V24   34
V25   36
V26   38
V27   40

6. Do you have specific revenue agreements with any specific **corporate client?**

Yes	1
No	2

V28   42

If yes to question 16 above, please indicate the type of agreement for example: volume discounts

V29   43
V30   45
V31   47
V32   49
V33   51

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7. What are the benefits for the supplier (yourself) of having revenue agreements with the corporate client?

V34		53
V35		55
V36		57
V37		59
V38		61

8. Do you believe the revenue agreement with the corporate client is:

To the equal benefit of both parties	**1**
More in favour of the corporate client	**2**
More in favour of the supplier	**3**
None of the above, but…(please elaborate)	

V39		63

9. What are the types of problems that you experience most in the corporate market with the **corporate client?**

V40		64
V41		66
V42		68
V43		70
V44		72

270

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10. Please describe your ideal **corporate client**

V45		74
V46		78
V47		80
V48		82
V49		84

11. What percentage of corporate bookings is done directly with you as supplier and what percentage is done through a travel agent?

Directly	%

Through a travel agent	%

V50		86

V51		89

12. What do you think are the important functions of a corporate travel agent?

V52		92
V53		94
V54		96
V55		98
V56		100

13. Do you have specific revenue agreements with the **TMC**

Yes	1
No	2

V57		102

271

If yes to question 13 above, please indicate the type of agreement for example: overriding commission agreement		

V58		103
V59		105
V60		107
V61		109
V62		111

14. What are the benefits for the supplier (yourself) of having revenue agreements with the TMC?

V63		113
V64		115
V65		117
V66		119
V67		121

15. Do you believe the revenue agreement with the TMC is:

To the equal benefit of both parties	**1**
More in favour of the TMC	**2**
More in favour of the supplier	**3**
None of the above, but…(please elaborate)	

V68		123

272

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16. What is the type of problems that you experience most in the corporate market with the **Travel Management Company (TMC)?**

V69		124
V70		126
V71		128
V72		130
V73		132

17. Please describe your ideal **TMC**

V74		134
V75		136
V76		138
V77		140
V78		142

273

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18. The following are statements about travel agents:

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree			
Travel Agents should earn their revenue through commissions paid by suppliers	1	2	3	4	5	V79		144
Travel agents should earn their revenue through service fees paid by clients	1	2	3	4	5	V80		145
The internet pose a threat to traditional travel agents	1	2	3	4	5	V81		146
Travel agents will become irrelevant in the future	1	2	3	4	5	V82		147
In order to stay competitive, travel agents will have to evolve into travel management companies	1	2	3	4	5	V83		148
Other, please specify and rate	1	2	3	4	5	V84		149

19. How do you foresee the relationship between suppliers and TMC's in the future?

V85		151
V86		153
V87		155
V88		157
V89		159

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20. The following are advantages of an online system for corporate clients. Please indicate what you believe to be the degree of importance of each of these advantages:

	Very important	Important	Neutral	Not that important	Unimportant			
Access to information	1	2	3	4	5	V90		161
Fast response times from suppliers	1	2	3	4	5	V91		162
Cost-effective system	1	2	3	4	5	V92		163
Policy compliance monitoring	1	2	3	4	5	V93		164
Consolidated travel data capturing	1	2	3	4	5	V94		165
Low airfare searching	1	2	3	4	5	V95		166
Searching for low rates for other travel arrangements	1	2	3	4	5	V96		167
Cutting out the travel intermediary	1	2	3	4	5	V97		168
Travel and expense integration	1	2	3	4	5	V98		169
Travel expenditure control	1	2	3	4	5	V99		170
Corporate traveller profiling	1	2	3	4	5	V100		171
Ability to offer displays of the corporation's preferred suppliers	1	2	3	4	5	V101		172

21. Please provide your view on what **hampers** the use of self-booking tools for travel arrangements in the corporate client's organisation:

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree			
System integration problems with organisation's other systems	1	2	3	4	5	V102		173
Complex travel reservations are not suited to system	1	2	3	4	5	V103		174
Technical problems in terms of reliability	1	2	3	4	5	V104		175
No direct travel airfare benefits	1	2	3	4	5	V105		176
No direct benefits on other travel rates	1	2	3	4	5	V106		177
Lack of management support	1	2	3	4	5	V107		178
Less control of travel spending	1	2	3	4	5	V108		179
Inadequate technology skills	1	2	3	4	5	V109		180
Adoption of system by corporate travellers is slow	1	2	3	4	5	V110		181
Security Concerns	1	2	3	4	5	V111		182
Corporate travellers prefer personal contact	1	2	3	4	5	V112		183

275

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22. Please list the advantages of the technology options that you use.

V113		184
V114		186
V115		188
V116		190
V117		192

23. Please rank the 6 most critical success factors in order of importance, where 1 is most critical for a successful, effective corporate travel management programme

	Rank		
Consolidation/centralisation of corporate travel by corporate client		V118	194
Corporate client's top management support		V119	195
Accurate travel data		V120	196
Traveller education on corporate travel		V121	197
Travel expenditure control		V122	198
Negotiated agreements with suppliers		V123	199

24. Please list any other factors that you believe are important for an effective successful travel management programme.

V124		100
V125		102
V126		104
V127		106
V128		108

THANK YOU FOR YOUR COOPERATION AND THE TIME TAKEN TO RESPOND TO THIS QUESTIONNAIRE.

276