



THE YEAR OF THE VALUE ADD-ON: 2010 IN REVIEW

[XX December 2010] Value add-ons and ancillary services are the new black of Australian corporate travel, as travel management companies (TMCs) label business travelers 'smarter' moving forward into 2011.

These are the latest thoughts by Travelscene Corporate General Manager David Padman, who reflects on 2010 and looks to a positive, fluid and challenging new year in the Australian travel sector.

"As 2010 comes to a close, we can see that the GFC has definitely forced tighter policies, with companies now more focused on total business trip costs", Mr Padman said.

"And, of course, if their corporate travel policy is working properly for them and meeting the needs of the traveler, then this is where quite significant economies start to come in to play.

"This also includes a huge boost in added-on services such as free internet, parking, upgrades to larger rooms, and access to hotel lounges and club facilities.

"At the same time there has been a huge shift in focus by TMCs towards the business traveler, as businesses get back on the road post- GFC. So this is a great time for businesses that aren't already doing so, to seriously consider working with a TMC."

Mr Padman believes that while last minute bookings and online inventory may seem cheaper, it often comes with additional costs and restrictions, and this can be hard on the bottom line, especially for SMEs.

And that's not all. As the GFC slowly fades to the distance, Mr Padman recalls trends in hotel availabilities becoming tighter in the fickle Australian market.

"Hotel occupancy is on the rise again, with rates typically increasing by 5-10% across the country, which is almost pre-GFC levels.

"Our Member agencies have strong relationships with major hotels suppliers, along with enhanced buying power that comes through being part of the Travelscene American Express group.

"Our clients just don't miss out."

According to Mr Padman, Travelscene Corporate Member agencies have also invested heavily this year in technology in order to provide clients with additional flexibility of online booking tools which sit comfortably within corporate travel policy, ensuring compliance while minimizing individual reporting burdens.

“It is important for individual TMC’s to remain technologically savvy and invest in new technologies and upgrades as necessary in order to stay ahead of the game”, Mr Padman said.

“People are getting busier, and we are seeing more and more travelers trying to squeeze more into each trip – whether that means lengthy business stays to maximize return on investment, or tacking on personal holidays on to the beginning or end of a business trip, simply because there is no other time.

“With superior industry partners, relationships, insider knowledge and infrastructure, TMCs are experts in juggling schedules for modern travelers”.

Looking into 2011, Mr Padman sees strong growth in corporate travel early in the year, with a slight flattening in March/April and overall growth in corporate air travel for the year, albeit at lower levels.

“These are the perfect conditions for Travelscene Corporate Member agencies to demonstrate the real and tangible value of using a TMC to drive significant value and cost savings within an appropriate corporate policy, along with the added support that comes in dealing with a licensed travel agent if and when something goes wrong”.

About Travelscene Corporate (www.travelscenecorporate.com)

Travelscene Corporate is part of the Travelscene American Express group, Australia’s most respected travel network.

Travelscene Corporate members deliver travel solutions to over 2 million travellers each year, providing support and expertise to businesses, large and small. As part of the Travelscene American Express Australia Alliance, American Express Cardmembers can use Membership Rewards™ points to pay for any travel through their Travelscene Corporate Travel Management Company.

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