



FCM INSIGHT

Transforming big data into smart data

SMART DATA

Not Big Data

More data has been created in the past two years than in the entire history of the world.

By 2020, about 1.7 megabytes per second of new information will be created for every human being on the planet¹ using 50 billion connected devices. By then, our accumulated digital universe of data will have grown to 44 trillion gigabytes.

Big Data is everywhere. Today, Google receives 40,000 search queries every second; Facebook users send 31.25 million messages and view 2.77 million videos every minute. Yet less than 0.5% of all data is ever analysed – let alone interpreted and the findings used to improve a product or service.

Data is also being shared more than ever before. In 2016, Business Travel News reported that travel data distribution was more important to 60% of chief financial officers, senior management and budget owners than it had been 12 months earlier, with 70% sharing travel policy compliance data with senior management.

Although savings data ranks highest in importance amongst senior management, travel satisfaction is also a key performance metric. The link between employee satisfaction and company performance is now overt.

For most travel managers, data is a tool to reduce costs and ensure travellers' well-being by enhancing the travel experience through a better understanding of individuals' needs.

Based on assessments that 25% of all business travel spend is un-managed, that means \$278 billion a year is un-leveraged.

The opportunity this creates is for corporate buyers to challenge the reasons for travel, to identify smarter ways in which to apply travel policy and ultimately to leverage further savings.

In business travel environment, the term 'Big Data' can be misleading. After all, the various fields of travel data from TMCs and other suppliers has not changed much over the last 30 years. Smart data is more appropriate; the additional data, over and above conventional travel cost, purpose and policy compliance, that provides the context to travel spend by explaining why travellers behave the way they do.



1.7

megabytes

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Personalisation & engagement

One of the trends fuelling the mega-trend of Big Data is Personalisation. Increasingly important in travel and meetings,

travel managers want to drive greater compliance by giving travellers options to match their personal tastes and needs.

Meanwhile meetings planners try to give delegates the best possible experience by collecting and analysing data collected from previous events to tailor delegate messaging and information.

Live Engagement Marketing (LEM) enables planners to create and leverage engagement at their events using event apps to interact with delegates, and vice versa.

Data analytics



57%

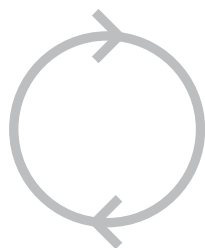
of travel managers rank data and analytics in their top three time-consuming activities².

The task of mining and analysing information other than that captured via the TMC is proving daunting for many corporates.

The problem with Big Data is that it's, well, too big and therefore hard to use effectively. Hence industry terminology moving on to smart data and then to predictive analytics. Smart travel managers have recognised that the secret lies in the quality, not the volume of information available.

Their challenge (and opportunity) is making sense of why travellers make their buying decisions; understanding the impact of those decisions on the travel programme and then changing the policy as required.

There's little point crunching numbers if the process does not add value to travel management. And despite not having the tools to collate and interpret data from sources such as social media.



So what travel-related data is smart, and therefore actionable?

Large corporates have in-house Business Intelligence teams who have the systems, such as data consolidation platforms, and processes that can provide the required insight into travel-related behaviour.

The organisations able to draw on this resource tend to have mature programmes and need to do things differently to find more savings and are doing so by challenging existing thinking. By adding the travel category they can spread the cost across different areas of the business to create a compelling business case faster than if the travel category was managed on its own.

Social media and apps are increasingly used by travellers to share information, although the problem with this medium is it tends to reflect one person's perspective on the truth.

However internal, controlled social media platforms can provide valuable additional data through a better understanding of traveller perceptions of the programme and organisation.

To understand traveller behaviour, travel managers are segmenting their travellers, looking at the most frequent trips made by air, rail or car and assessing how much could be saved by switching travel mode or by meeting virtually instead. Travel managers can also use smart data to quantify the impact of business travel on employee productivity by comparing the time cost of different travel modes.

Traditionally, TMCs relied upon traveller profiles to segment their travellers and to capture personal preferences. Today, smart data takes that understanding to a new level by highlighting whether a traveller changes their seat on the plane or requests a room in a specific part of a hotel.

This knowledge means that choices match the traveller's tastes more closely and, when automated within the online booking process, involves no further human interaction. Meanwhile the traveller feels respected and valued.

The Return on Investment from Big Data depends on what each organisation is trying to do or change.

Forbes magazine estimated that, for a typical Fortune 1000 company, a 10% increase in data accessibility will result in more than \$65 million additional net income. There are other, less easily quantified benefits such as better employee engagement, highlighting serial non-compliance and proactively bringing suppliers into policy.

All too often, the time, emotions and money invested don't add up to the hoped-for value.

Stakeholders



10%

increase in data accessibility will result in more than \$65 million additional net income.

As always, stakeholder buy-in is essential. Big Data provides an opportunity for buyers to bring procurement, travel managers, finance, security, IT and HR to the table, followed by travellers and meeting planners, by shining a light on how corporate travel and meetings activity really impacts on the financial performance of an organisation.

Many have already recognised the link between travel policy and employee retention,

but few know the tipping point for a high performer's resignation.

The analysis of smart data should give a valuable insight into business travel frequency, mode of transport and length of trip that could lead to absenteeism.

The TMC should play a central role in data analytics because the TMC is responsible for the

implementation of smarter working policies and processes. However this requires the TMC to invest in the technology that enables changes to be made within travel programmes, bringing together data analytics and the people with travel and expense expertise to create meaningful outputs.

Both TMCs and their clients have to understand that there are no cure-all solutions. TMCs are investing heavily in their data capabilities but can only extrapolate travel data across their own client bases, and each company data set has its own unique needs.

Amongst the plethora of data analytics providers, data standards between the various data sources are often different, requiring further investment and lower ROI.

DATA WITHOUT TEARS

There are eight key steps to travel data analytics.

- 1.** Bring business stakeholders together to discuss the business' objectives, challenges, opportunities and priorities such as employee engagement and the organisation's digital channels.
- 2.** Identify the potential sources of travel-related data available from your TMC and expense management providers, as well as data from employee feedback forms, social media and other channels.
- 3.** Don't try to analyse the data yourself. Engage your organisation's Business Intelligence unit or outsource to a team of people who know what they are doing.
- 4.** Once you've received the analysis of your available data, your group of stakeholders should review to review and assess the findings against the business' priorities. The travel programme has to suit the needs of both the traveller and the company.
- 5.** Apply the analysis to your travel programme, evaluating any possible changes to policy based on the findings, but ensuring that your TMC's systems can implement the required changes.
- 6.** Engage with your steering group and TMC at every stage. Each will contribute expertise, toolkits and technology to initiate business transformation.
- 7.** Recognise your travellers for giving their feedback. Rewarding good behaviour is the natural progression from understanding what motivates the traveller – and why.
- 8.** Always respect data protection rules and regulations.

Sources

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2. Sabre - Travel Manager 2020 report

About FCM

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It has always been personalised service that sets FCM apart from the rest and we blend this with innovative technology and unrivalled access to content to drive the optimum performance of your travel programme.

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