

# Business Travel in the UK...

Remi Pathak, Marketing Manager at Capita Travel and Events, UK kindly answered our questions on 'Business Travel in the UK'

GlobalStar  
Travel Management

## A little bit about the UK...

The names Great Britain and United Kingdom are often used interchangeably, but they are not actually the same. The United Kingdom is a state which contains England, Wales and Scotland, as well as Northern Ireland. The capital of the UK is London, which is among the world's leading commercial, financial, and cultural centres and is the largest city in the UK.

Other major cities include Birmingham, Liverpool, and Manchester in England, Belfast and Londonderry in Northern Ireland, Edinburgh and Glasgow in Scotland, and Swansea and Cardiff in Wales.

London is home to more than 8 million citizens from different backgrounds and cultures, and it is estimated that there are more than 300 different languages spoken in the city!

**Could you give us an overall picture of what makes the UK business travel market different to other markets? Who is buying travel? How do they do it?**

The UK market operates differently to other markets, including the US and Europe, especially when it comes to the way that accommodation, meetings, events and rail is bought. A lot of companies largely focus on reducing cost, and buying decisions for medium to large UK based organisations was in the past, and still is, merged into procurement-led departments. There is also less of a focus on the value that could be created for the organisation and the supplier.

For a small island, we have some unique challenges and opportunities; we have an extensive national and local rail network, domestic flights are dominated by the low cost carrier market, especially regionally and hotels continue to have the ability to offer commission to agents.

Many companies are not aware that real expertise in each of these areas is needed, and that they could create a source of significant competitive advantage over the large global TMCs who provide services on a global scale but then lack in deep knowledge of the UK market. By understanding the UK market more closely we have identified for many UK organisations that their combined spend on travel management services differed significantly from the spend profile of the traditional TMC serving them.

The global markets are skewed toward a focus on air travel, whereas the UK market has a proportionately higher spend (and focus) upon accommodation and rail travel, which traditional market players treat as non-core business.

Traditional market players (like TMCs), with their heritage in leisure travel, focus their value proposition on air travel spend and less on provision of rail, accommodation and meetings bookings. This focus does not best serve the interests of the UK focused business market, which requires more local, specialist service provision across rail and accommodation. We have responded to this with a proportionately more capable and

mature value proposition in UK accommodation and rail. This aims to out-compete the traditional market players due to the range and depth of service in these areas – and the quality of the UK supply chain relationships leveraged to deliver it.

**What differentiates a UK business traveller from other business travellers?**

Rail usage continues to grow year on year by the business traveller, served by an extensive rail network. Organisations with UK office footprints are therefore going to generate high mileage and rail spend levels.

**What can other non-UK travel buyers learn from their UK counterparts?**

Non UK buyers can learn that an effective programme encapsulates more than putting a programme or policy in place. It is about staying ahead of the curve; how are suppliers looking to distribute their content in the future, what other cultural, geographic or organisational nuances can contribute to effective buying, travel avoidance, travel reduction and traveller wellbeing. Within the UK, we are putting more emphasis on traveller wellbeing, with a better understanding that travel causes personal and professional friction contributing to ineffectiveness of an employee. Organisations are now more consciously aware of the challenges and impact that this causes and are actively taking steps to mitigate this.

In addition by putting meetings at the heart of travel, UK travel buyers are becoming more educated at understanding the impact of poor meetings management that results in cost and time ineffectiveness, and are therefore working with their agent to define better end to end solutions rather than solutionising in silos.



**What challenges do UK travel buyers / corporate or travellers face that are specific to this market?**

- Post-Brexit UK – there is uncertainty around what the market will look like which is preventing definitive planning and strategies.
- Many organisations continue to buy their travel and meetings solutions through separate providers, therefore they risk not seeing the bigger picture and associated opportunity.
- Reduced meetings, travel and events spend.
- Optimising policy compliance and traveller wellbeing.
- Consolidating siloed contracts into one, managed area of spend.
- Providing low touch self-serve capability and reduced 'noise' around contracts. Recognisable added value that is measurable compared to delivery in house.
- Speed, efficiency, and clarity of booking process.
- Clear direction with visibility of relevant booking options and approved choices.
- Visibility behind options and why booking decisions are most suitable.
- Traveller wellbeing and low 'noise' functionality. Balancing the cost of travel, meetings and events against the overall value and benefit it creates for the organisation.
- Embedding leadership tone of voice/culture through policy and communications.
- Growing focus on user experience and incentives.
- Aligning travel policy to wider organisational objectives.
- Ensuring compliance and fraud protection.
- Managed service and full support to minimise traveller inconvenience.

**What experiences are unique to the UK business travel market?**

Due to a relatively small domestic air infrastructure and extensive rail network, many journeys are not undertaken by plane. Therefore rail and to a lesser extent other ground transportation solutions are utilised. The UK rail network is also served by multiple train operating companies, resulting in a fragmented and complicated approach to services and fares. Also unique to the travel market is that outside of many city hotels, many smaller independent hotels and smaller properties are utilised in provincial locations.

Overcrowded roads with minimal toll roads also impacts negatively on congestion and therefore the user experience. Also, acceptable commuter distances and time are often shorter than in continental Europe, which often results in more overnight stays (short and long term) for the traveller.

## Did you know...?

There are over 55 million different rail fares available in the UK. We believe you need a UK rail specialist to help navigate this minefield to optimise the cost and user experience.

Over 50% of travel is for internal reasons. This means by putting meetings at the heart of travel, there is a degree of control and flexibility as to the location, day of the week, time of the day and advance notification that can all aid effective travel planning.

**When considering a regional or global consolidation for a corporate client, what are your experiences of how the UK fits into the picture and what challenges should corporate travel managers or procurement teams be aware of?**

- We find that the approach and ownership can differ from market to market, and autonomy, enforcement, travel policy, and payment and expense systems can differ – i.e. one size doesn't fit all
- A typical UK travel booking often includes significant rail spend, which isn't always covered in a global remit. Although it might not be relevant in some markets, in the UK, rail can be very important
- Thought should be given as to how the best local solution can be knitted together without the need for global consolidation where ownership, utilisation and empowerment may not be achieved. Touch points such as traveller tracking, data analytics and global programmes can be delivered just as effectively across multiple providers if a robust infrastructure is put in place
- You should consider your profile of spend including rail, strategic meetings management and events and understand how it differs from region to region
- What are the local challenges, nuances and solutions and is there a local owner, and buy in to make any global consolidation a success?

**Can you share any of your successes in helping a corporation successfully integrate the UK into their global or regional programme?**

We have a lot of success helping customers integrate their UK spend into a global or regional programme. This is optimised by:

- Enhancing commissionable income through an effective hotel programme and sharing across worldwide partners to ensure full organisational benefit, consolidation and leverage
- Incorporating specialist meetings content and optimisation of internal meeting space across the relevant estate
- Providing a bespoke portal and supporting content into global sites
- Provision of local management information and data handoff into consolidated global aggregated spend
- Hand off relevant trips for worldwide tracking and assistance
- Local UK point of sale knowledge and expertise, advising trends, solutions, supplier distribution, benchmarking and peer performance