



The voices of  
Corporate Travel  
Buyers



**“Cost is becoming less important. We need to establish better partnerships and solve issues together.”**

*Corporate  
Travel Buyer*

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## INTRODUCTION BY FESTIVE ROAD

Over the last few years, we have undertaken deep listening exercises to understand the pros and cons of the sourcing process for the Travel Management Company (TMC) and the new need from corporate travel buyers.

What we heard over the years has already been **played back to the sector**, showing the buyer's desire for changes to the process and the TMC value proposition.

Recently, we have gone a step further, listening to understand the importance buyers placed on different aspects of the TMC because importance creates expectations. We then assessed the perceptions of delivery.

The objective of our study was to identify any gaps between importance and delivery, and subsequently common areas for improvement.

To understand perceptions of importance versus delivery we surveyed and spoke to buyers across North America and Europe who were leading global travel programmes.

### Areas of Focus

We see high-performing partnerships between TMCs and buyers occur when there is alignment on 3 key aspects; **Culture, Capabilities and Commercials**. Our study focused on travel buyer perspectives of their priorities against delivery on aspects of TMC culture and capabilities.

We also gathered feedback on how the sourcing process could be further improved to have a better understanding when choosing a TMC partner. We hope these insights will be useful to the TMC community to further enhance their value proposition as the needs of travel buyers continue to evolve.

Finally, we're a naturally thoughtful bunch at FESTIVE ROAD, so it's important to note two things before you read on...

Firstly, we made sure that we focused on long-term views rather than input on short-term service challenges that buyers might have been experiencing as a result of staff shortages and spikes in demand around the time of the survey.

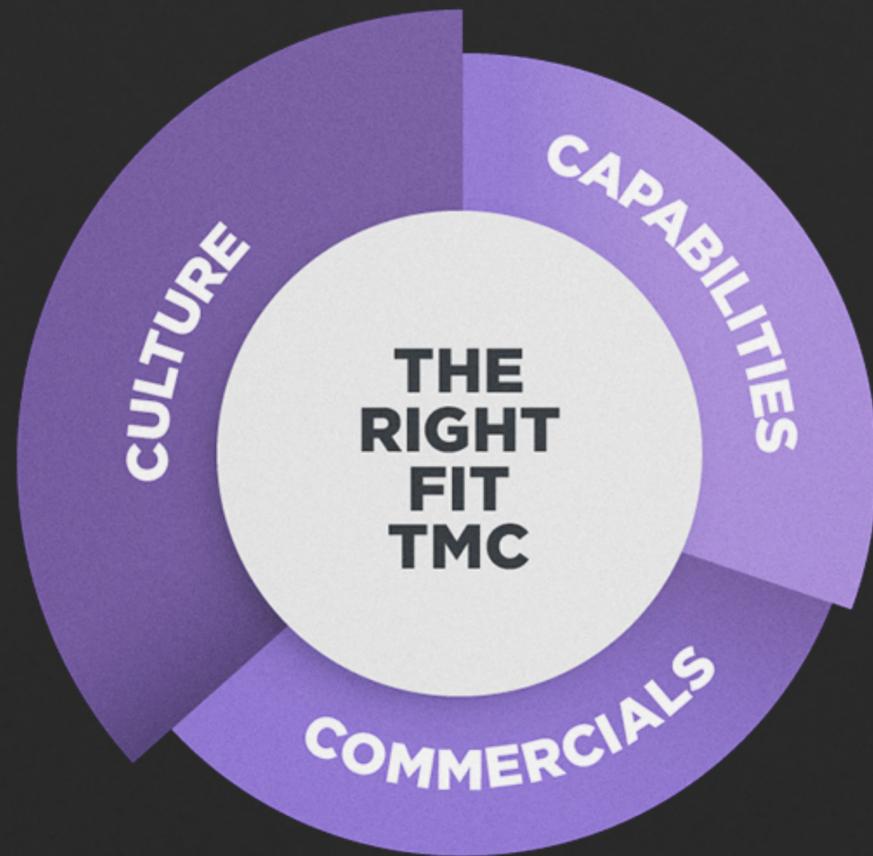
And secondly, when looking at the results, it's important to remember that any difference between importance and perception of what's delivered could be for a variety of reasons. It could be that there has been an increase in the importance buyers place on certain cultural and capability elements or that expectations of delivery are overly high. Or it could be related to the ability of the TMC to deliver. Either way, it's important to highlight any "expectation gaps" that exist between the two in the spirit of aiming for a completely aligned partnership. It is in this spirit we undertook the study and drafted this coffee book.



**LORA ELLIS**  
PRINCIPAL -  
BUYER  
CONSULTING



**KATIE VIRTUE**  
PRINCIPAL -  
SUPPLIER  
CONSULTING



## ASPECTS OF A HIGH-PERFORMING TMC PARTNERSHIP

### CULTURE

- People & Services
- Mission & Values
- Relationship
- Diversity & Inclusion

### CAPABILITIES

- Programme Management
- Data & Reporting
- Technology
- Innovation
- Traveler Experience
- Risk & BCP
- Sustainability & Wellbeing

### COMMERCIALS

- Contract Management
- Financial
- Governance

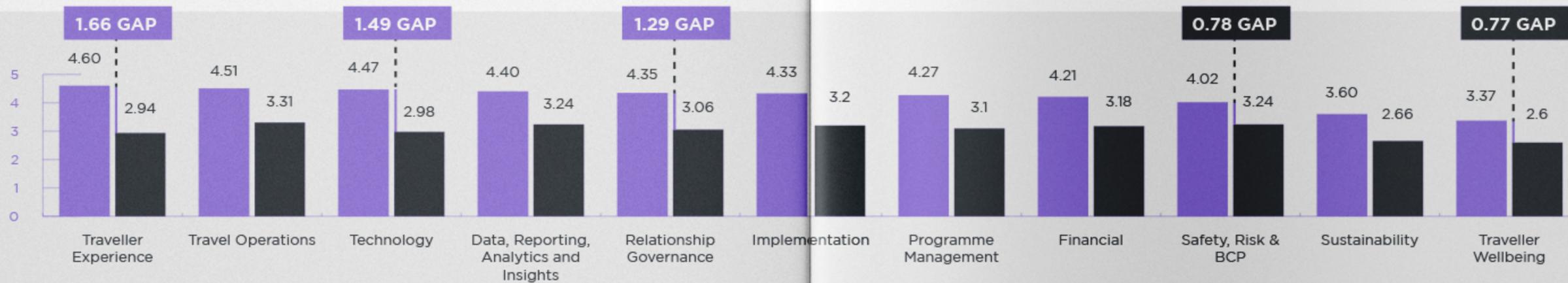


01

**THE RESULTS -  
TMC CAPABILITIES**

## THE RESULTS - TMC CAPABILITIES

We asked travel buyers to rate the importance they placed on TMC Capabilities and we then asked them to assess the reality of delivery of those services by TMCs. Based on our experience within sourcing engagements, we were not surprised to see Traveller Experience, Travel Operations and Technology as the top 3 capabilities which buyers placed the most importance on. Programmes tend to weight priorities differently across Customer, Cost and Care and we have seen a significant shift in higher weighting towards Customer, so capabilities which directly influence the traveller experience have gained in importance for buyers.



Understanding the gap of importance vs. reality was what really interested us. The largest 2 gaps were in the top 3 of importance for travel buyers and are somewhat linked when reviewing the respondent comments. The smallest gaps were in the lowest priority areas. We believe there is an opportunity for TMCs to better understand where they can make a bigger impact with travel buyers, and there is a potentially quick win in Relationship Governance.

- Importance Rating (out of 5)
- Reality Rating (out of 5)

Data gathered from 50 survey responses and 7 in-depth interviews, with further testing of the data across 120 travel buyers in industry event discussions.



## WHAT TMC CAPABILITIES DO BUYERS WANT?

From our interviews the consistent themes were...

- Strategic focus
- Openness with 3<sup>rd</sup> parties
- Better OBT options
- Truly global solutions
- A better technology stack for agents
- Better product and services content
- Digital solutions
- Simple pricing

*"There are other TMCs that are growing based on superior technology offerings and traveler experience."*

**Corporate Travel Buyer**

Note: Additional insights gathered from verbatim comments in the survey and post survey interviews





02

**THE RESULTS -  
CULTURE**

## THE RESULTS - CULTURE

We then asked travel buyers to rate the importance they placed on TMC Culture and to assess the reality of delivery of that culture by TMCs. The results emphasise that TMC Service, Relationship and People are the most important cultural attributes to buyers.

But these are also the areas where the greatest gaps are when comparing importance vs. reality. The results shown here are very much linked to the capability results; For example, the Traveller Experience Capability is directly tied to a culture of Service.

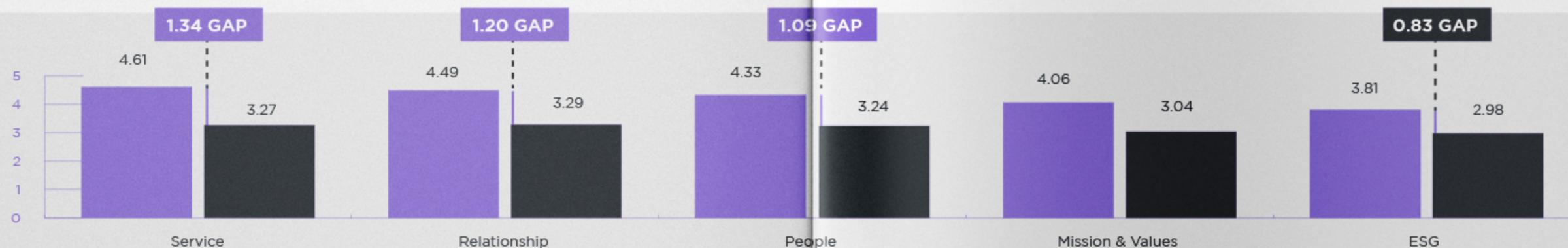
From our sourcing experience, culture is very often missed, especially in a traditional RFP exercise.

More buyers and suppliers want the sourcing process to change so that culture is known up front, transparency increases and then the reality is more reflective because needs are known going into the relationship.

High-performing TMC relationships must have a culture fit with their clients.

- Importance Rating (out of 5)
- Reality Rating (out of 5)

Data gathered from 50 survey responses and 7 in-depth interviews, with further testing of the data across 120 travel buyers in industry event discussions.



## WHAT TMC CULTURE DO BUYERS WANT?

From our interviews the consistent themes were...

- Transparency
- Flexibility
- Mutual objectives
- Value focus

*"Full coordination with the goals and focus of their clients. They still have their own interests at heart first. Tricky balancing act for them."*

**Corporate Travel Buyer**

*"We have a strong partnership with our TMC, we are working closely to address the industry challenges which our TMCs continue to front."*

**Corporate Travel Buyer**

Note: Additional insights gathered from verbatim comments in the survey and post survey interviews







## THE RESULTS - TMC CORRELATIONS

We've analysed the data and discovered some interesting correlations ...

### The Relationship Between "Reality" of Culture & Capabilities

- Where the reality of the delivery of culture is rated low, capability is also. What does this tell us? Could it be when there's a low cultural match, the whole relationship is negatively affected?
- Buyers who rate their TMC's culture below average, score their TMC's capabilities 19% lower than average
- Buyers who rate their TMC's capabilities below average, score their TMC's culture 18% lower than average

Culture and Capabilities are related, intertwined if you like. Get the right cultural match and the capability score appears higher. Get it wrong and the delivery scores are lower. Our theory is therefore supported by these results; an RFP process that focuses purely on capability & commercials is flawed.



### The Relationship Between "Importance & Reality"- Four Types

We also plotted the responses based on the **aggregated Importance** buyers place on Culture and Capabilities against the aggregated score they gave for the reality of delivery of Culture & Capabilities.

Then we calculated the average and identified four types of TMC & Buyer relationships where the importance and the reality intersect. As we say at FESTIVE ROAD, "Perception is based on expectation".

- **The Low-Lows** - Corporate buyers place lower importance on culture and capabilities from their TMC, and they rated the reality of delivery of culture and capabilities lower too. i.e. Lower expectations were met.
- **The Over-Achievers** - Corporate Buyers rated the reality of delivery of their TMC's capabilities and culture higher than the importance they placed on them. i.e. Lower expectations were exceeded.
- **Top Guns** - Corporate Buyers placed a higher importance and expectation on their TMCs capabilities and culture, but also reported high scores for actual delivery. i.e. Higher expectations were met.
- **Under-Achievers** - Corporate Buyers placed a higher importance on their TMCs capabilities and culture, but reported lower scores for actual delivery. i.e. Higher expectations were not met

## THE RELATIONSHIP BETWEEN “IMPORTANCE & REALITY”

There are four types of TMC & Corporate Buyer relationships based on Importance v Reality. The circles below represent the assessment of the TMC/Buyer relationship by the buyers surveyed.

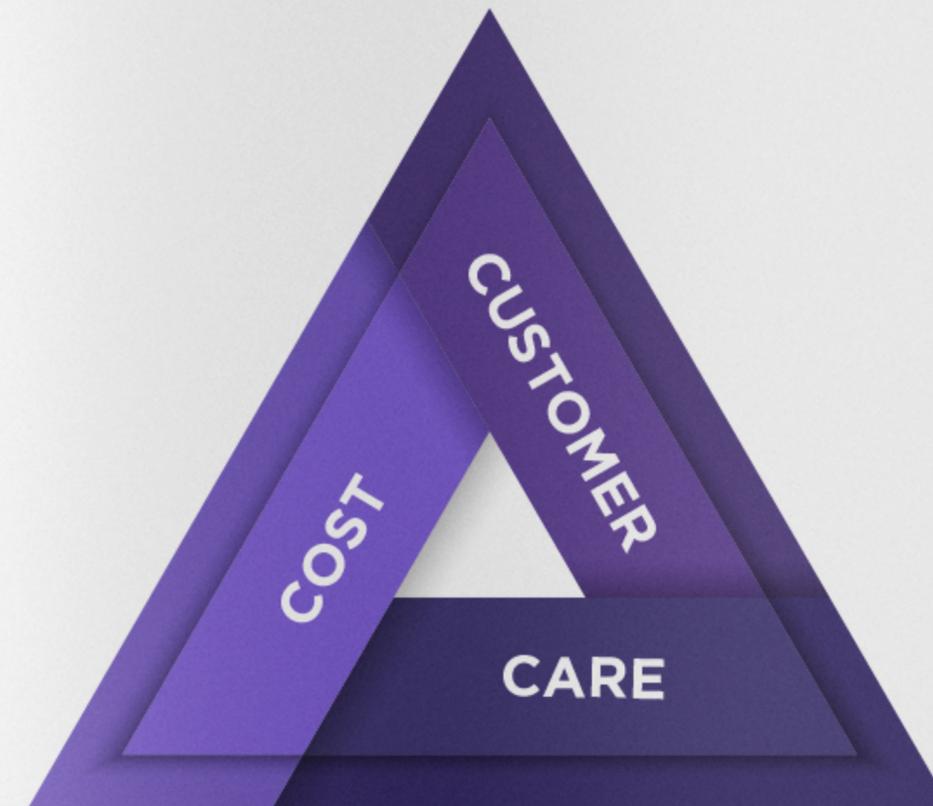


## THE “SO WHAT” - THE RELATIONSHIP INFLECTION POINT

We are at a key inflection point for the TMC and Buyer Relationship;

- Companies are balancing the 3 core priorities of their programme: Customer, Cost and Care. Through our strategy work we have seen a key shift from Cost dominating priorities to a rise in both Care and especially Customer. This reflects the top ranking of Traveller Experience and aligns with overall company focus on better employee experience.
- The research showed that buyers rank Service as the most important culture element and Traveler Experience as the most important capability for a TMC which means both are core elements to assess in a sourcing process and are key for review during the relationship.
- TMCs need to realise that people, service & relationship governance are critical to the ideal partnership - and if they don't have the specific capabilities required, they should collaborate to find the right solution, in-house or 3rd party, to help evolve the buyer programme.
- There are gaps between importance and reality of delivery across both culture and capability.

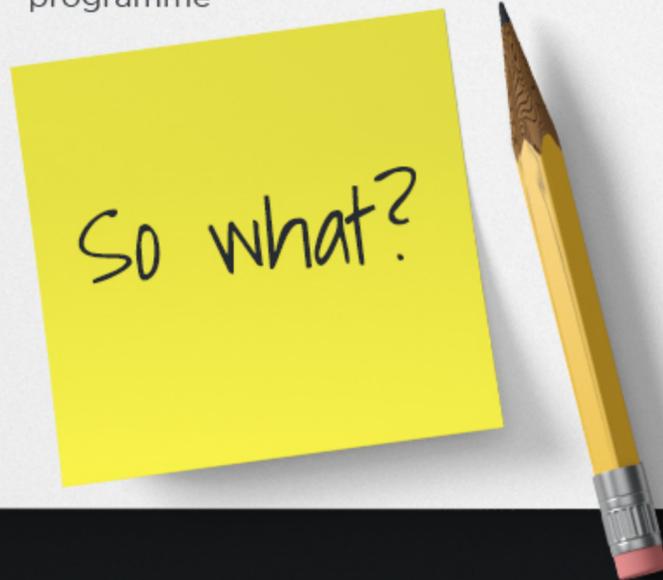
- TMCs have the opportunity to evolve, partner with buyers and reassess their own potential value to close the gaps between importance and reality of delivery.



## THE “SO WHAT” - A TACTICAL TO STRATEGIC MUST-HAVE

The Relationship needs to move from the tactical to the strategic;

- Trust is undoubtedly the top need from buyers for a TMC Partner
- Trust is built with transparency, aligned objectives and ultimately through daily actions
- Buyers want this with a TMC to enable a partnership and overarching, mutual goals
- There's a desire for proactive and empowered resources who can make decisions and bring insights specific to a programme



## THE “SO WHAT” - THE TECHNOLOGY CATALYST

The explosion of tech solutions and microservices is driving a desire for **open TMC platforms**. But there is a gap in what is promised versus what can be delivered. There's an average of 1.15 gap (out of 5) between importance and reality for **capability**.

Out of 11 capabilities rated, technology was the ranked 3<sup>rd</sup> most important. Technology roadmaps are judged based on historical delivery, therefore impacting future trust.

There are specific technology improvements buyers want to see and many of these would drive a better traveler experience.

- Online booking tool capability
- Efficient agent technology
- Mobile apps
- Data and reporting
- Better product and services content

But TMCs are now contending with 3<sup>rd</sup> parties offering these technology solutions and buyers are assessing their options.

## THE “SO WHAT” - SOURCING DIFFERENTLY

The results of the research and our own perspectives tell us...

The tactical sourcing process adopted by many in the industry is resulting in tactical relationships. This contradicts the true desires of travel buyers and the importance they place on the foundation stone of any travel programme that the TMC naturally provides. There is increasing awareness on the importance of culture, but for many buyers it is not yet a formal part of sourcing.

A conversation on cultural fit is key and buyers and suppliers must be able to articulate the culture aspects for their organisations. There's an average of 1.10 gap (out of 5) between importance and reality of delivery of culture.

Buyers need to know their priorities and strategy going into sourcing versus simply asking TMCs if they can deliver everything. They then need to recognise that perspective when it comes to judging value delivered and capabilities utilised.

Involvement from different roles at the TMC would allow for a better assessment of true culture and capabilities.

## THE “SO WHAT” - VALUE RE-DEFINED

Some TMCs are trying to be all things to all buyers when buyers actually want flexibility and solutions to fit their specific challenges.

The TMCs that recognise the chance to build trust, set mutual objectives and who truly define their value proposition will be the ones who can evolve to close the reality gap.





This report was produced by FESTIVE ROAD, the consultancy on a mission to create better travel and meetings management.

If you'd like to speak to us about any of the insights in this report or about assessing your TMC relationship to create better partnerships please contact us at [hello@festive-road.com](mailto:hello@festive-road.com).

Or **take our confidential "Illuminator" test** to assess any gaps between your expectations and the reality of the partnership with your TMC

