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The Ultimate Guide to Travel Compliance

Your ultimate guide to business travel compliance

Compliance with an organisation's travel policy is the glue that holds a travel manager's world together.
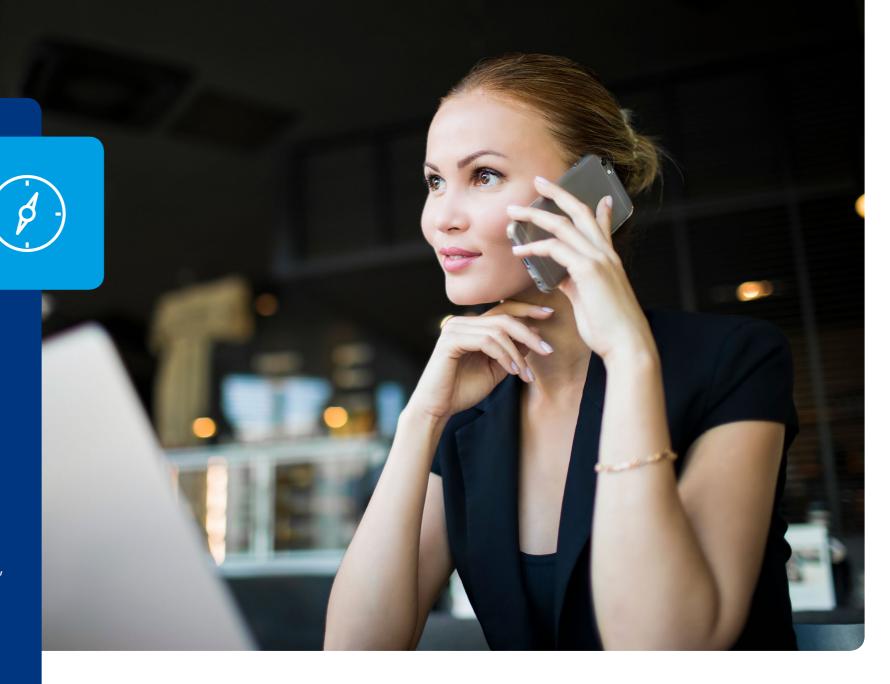
When compliance rates are low, it can be almost impossible to keep employees' spending in check or fulfil duty of care requirements. When they are high, travel managers can focus on driving both cost and general business efficiencies.

And yet, research shows that the majority of global business travel managers have not yet achieved the desired level of compliance with their policy. So, what makes high compliance rates so hard to achieve, and how can travel managers maintain them in a constantly evolving business travel world?

In this guide, you'll find the answers to these questions, and anything else you could ever want (or need) to know about compliance. From making your policy more flexible to catering for the preferences of a new generation of business travellers, we've got you covered.

This complete resource contains practical advice, best practices based on first-hand experience from the travel industry, and handy tools to drive compliance in your organisation today.
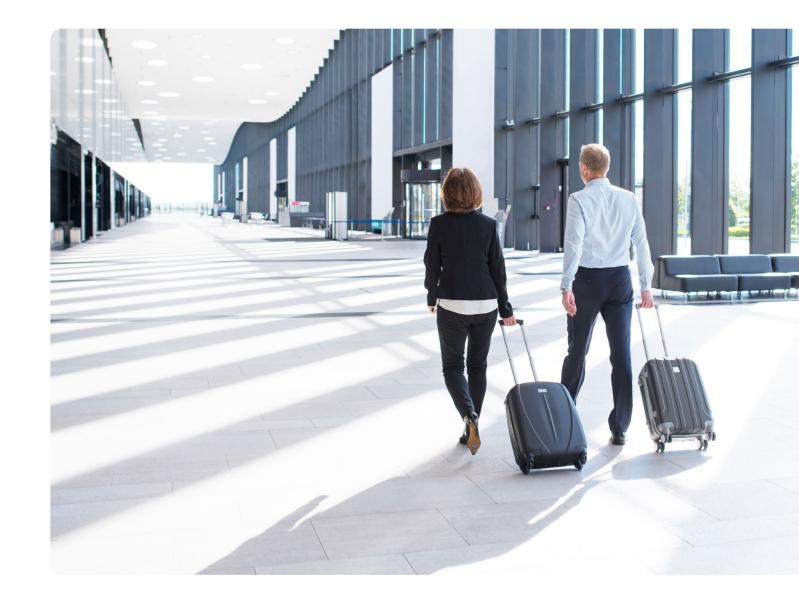
Let's get started!

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The global compliance landscape

Global corporate travel is growing fast, with spending expected to reach $1.7 trillion by 2023. That might be good news for the industry but, as a travel manager, it may add to your workload. You could be forgiven for thinking that more employees booking more trips to more countries means more opportunities for travellers to stray off-policy. If so, you're not alone.

50%

of US business travellers admit that they do not always follow company policy.[3]

According to recent research by ACTE, 56% of travel managers worldwide are already concerned that their travellers are making non-compliant bookings. These concerns are not unfounded, either: despite increasing autonomy and choice when it comes to booking trips, 50% of US business travellers admit that they do not always follow company policy.[3]

You'll already know that compliance rates can have a serious impact on your company's bottom line. In fact, research has shown that organisations with high levels of compliance benefit from a 23% lower indirect cost per traveller than those with low compliance.[4]

But, with hotel and flight prices expected to increase by an average of 3.7% and 2.6% respectively in 2019,[5] the pressure on travel managers to keep employee spending in line is arguably greater than ever.

1. Allied Market Research.
2. ACTE.
3. Phocuswright & Amadeus.
4. LSE Consulting.
5. Carlson Wagonlit Travel & GBTA.

What causes low compliance rates?

The evolution of digital booking tools, changing traveller habits and wider corporate trends are constantly changing the face of business travel. This rate of change is creating new opportunities for travel managers and travellers alike, but it is also presenting new challenges when it comes to compliance.

We'll explore these challenges in more detail in this guide, but some of the most common causes of low compliance rates in organisations around the world include:

- Travellers not being aware of their travel policy

- Travel policies failing to meet travellers' preferences

- Travellers believing they can find better deals outside of the policy

- Compliance not being seen as a priority by travellers

- Policies being too inflexible or not allowing for traveller feedback

How rogue are your travellers?

Do you know how much your travellers are spending out of policy? Find out with Booking.com's free rogue travel overview.

Your opportunity

Encouraging all business travellers to align behind a policy could be seen as an impossible task. However, it should be viewed as an opportunity for travel managers to demonstrate their value within an organisation.

By bringing expenses under control and showing that you are taking your duty of care seriously, you can facilitate efficiencies and improve relationships with colleagues, while delivering significant cost savings.
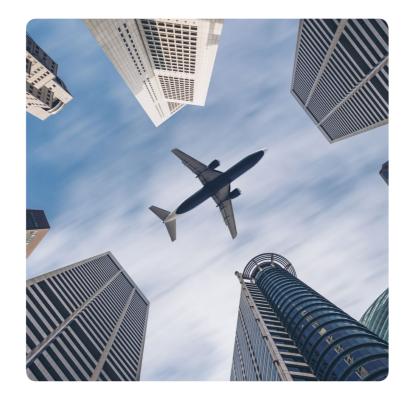
Profiling the modern business traveller

The stereotypical business traveller was once seen as a middle-aged male, staying in a chain hotel that had been pre-booked by a travel manager whose main focus was saving money for their company.

However, with a diverse group of millennials now ingrained in workplaces around the world, and Generation Z following in their footsteps, the business traveller demographic has been turned on its head.

Today's travellers are taking ownership of their trips and seeking higher rates of enjoyment than their predecessors when on the road, presenting new challenges when it comes to compliance.

But for travel managers that are willing to learn about what makes their employees tick, the payoff can be rewarding. And, whilst no two travellers are the same, there are two key characteristics that define the modern business traveller.

The consumerisation of business travel

Millennials have grown up using apps including Uber, Booking.com and Monzo to enjoy convenience and cost-efficiency when travelling in their personal lives. It's little surprise that they now expect the same experience at work.

This phenomenon is known as the **'consumerisation' of business travel** but unfortunately, some businesses have not kept pace.

According to research by Skift, just 29% of business travellers agree that the booking tools and services offered by their company are as good as those that they use for personal trips.[6]

With this in mind, it's unsurprising that travellers are taking matters into their own hands: 61% of travel managers report that employees have asked for better technology to plan their trips,[7] while 48% of travellers consider end-to-end control over bookings as the most important element of a travel programme.[8]

If this level of independence sounds like a compliance disaster waiting to happen, it's worth remembering that your travellers are not out to undermine your expense management responsibilities.

In fact, research by GBTA found that 39% of travellers would look outside of policy if they found a more convenient option.[9] In a separate study by ACTE, 39% of travel managers reported that the top reason for their travellers straying off policy was believing that they could save money on the booking.[10]

6. Skift and Turkish Airlines.
7. ACTE and GBT.
8. Egencia.
9. GBTA.
10. ACTE and GBT.

Mixing business with pleasure

The second major trend that is defining the current generation of business travellers is their enjoyment of trips taken for work.

In fact, travel opportunities have become so important to employees that they are now synonymous with overall job satisfaction. According to research from Booking.com, 46% of professionals aged 18-34 would actively pursue another job if it meant they could travel more.[11]

One reason for this shift in behaviour is the tendency for millennials to add extra days to their business trips for sightseeing and other leisure purposes, with many expecting to be able to take family members or partners with them. In a recent survey by Great Hotels of the World, 75% of respondents said they had extended business trips for **'bleisure'** purposes.[12]

In the same survey, 44% agreed that bleisure trips were becoming more common in their organisations.[13] This presents another key question for travel managers: do you include allowances for bleisure to potentially increase your compliance rates, or limit travellers to maintain control of your expense management function?

11. Booking.com
12. Great Hotels of the World.
13. Great Hotels of the World.

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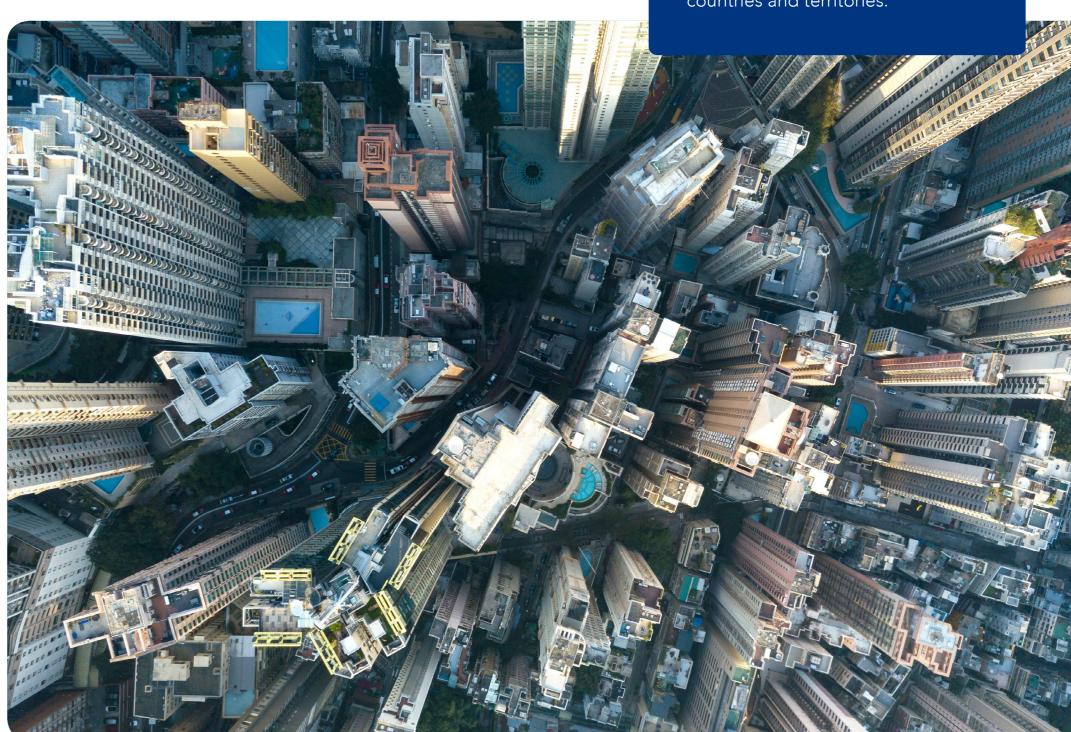
Modernising your policy

Your travel policy will quickly look unfit for purpose if it is not able to meet the modern business traveller's expectations. By making small changes to modernise it, you can reap big rewards when it comes to compliance, expense management and even employee retention.

Firstly, consider reviewing your company's online booking tools. Do they empower staff to use apps and services that are proven to save time and create a more efficient travel experience? If not, consider talking to your travellers about the apps they use in their own time, and whether these can be integrated into your policy.

Next, think about how you can make it as easy as possible for your travellers to enjoy their trips, by enabling them to easily add a day or two to the beginning or end of a trip, for example. You could also provide destination information in advance, pay for flight and hotel upgrades for significant others, and even broaden your policy to include alternative accommodation options like apartments, homes, B&Bs and more.

Alternative Accommodation with Booking.com

Booking.com's 28,943,987 listings include 6,203,972 listings of homes, apartments and other unique places to stay, and are located in 153,408 destinations in 227 countries and territories.

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Making your policy work

If you're reading this guide, you probably already have a travel policy in place. But when was the last time you actually read it? If you aren't engaged with your own policy, you can't expect your travellers to be engaged with it either.

And, if you are not regularly updating your company travel handbook, you could be losing ground on your competitors by leaving your policy to go stale on your company server.

As we've established, today's business travellers take pleasure in their work trips. So, the last thing you want is for your travel policy to suck that enjoyment out of the booking process at the first hurdle.

With that in mind, let's take a look at how you can breathe new life into your policy to increase compliance rates.

Time for a makeover

Travel policies are practical documents. As a bare minimum, they should:

- Specify approved hotel, air, and ground suppliers
- Provide instructions for how travellers should make bookings
- Define spending limits and per diem costs covered by the company
- Communicate how the reimbursement process works

But that doesn't mean that they need to be boring.

We live in a digital world where we are constantly bombarded with new forms of content, and global attention spans are narrowing due to this information overload.[14]

Travellers are unlikely to read, and comply with, a tedious one-hundred-page PDF document when they are used to digesting infographics, videos and sharp graphic designs.

In fact, research shows that visuals are processed 60k times faster in the brain than text.[15] With this in mind, it's worth considering whether you can communicate your policy in a more engaging format.

The Booking.com Visual Travel Policy Builder is a great place to begin modernising your policy in this way. By filling in standard fields such as booking, budget and expense details, travel managers can use the builder to create a custom travel policy infographic which can be downloaded and easily shared with travellers.

14. Technical University of Denmark.
15. Visual Teaching Alliance.

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Communication is key

Once your policy has been given a lick of paint, it is vital that you regularly direct your travellers to the updated document. You could have the most aesthetically pleasing policy in the world, but if your travellers don't know where to find it, they will not comply with it.

In fact, 70% of non-compliant employees are not even aware that a mandatory policy exists,[16] suggesting that travel managers are missing an easy opportunity to boost compliance by improving the way they communicate their policy to business travellers.

Regular reminders in person or via email, company message boards, instant messaging platforms and internal social channels can all help to ensure that your policy doesn't fall through the net when travellers are booking trips. You could even host internal training sessions to reiterate how to use the policy and help new employees comply from the get-go.

16. CWT Travel Management Institute Survey Report.

Getting rogue travellers on side

Disagreements in the workplace are inevitable but, when left unresolved, research suggests that they can have a serious impact on your bottom line. The average US employee spends nearly 3 hours every week dealing with conflict, causing companies to collectively lose $359 billion every year trying to resolve it.[17]

When you've worked hard to build a policy around your travellers' preferences but compliance rates remain low, it can be tempting to confront rogue employees about their travel habits. In this situation, it's important that you remain calm to avoid disincentivising them further.

Instead, by giving travellers the opportunity to speak their mind, you can gain valuable insights into potential policy improvements, and make amends to bring rogue travellers in line.

17. CPP Inc.

Act on traveller feedback

As we saw in section one, modern business travellers don't normally stray from travel policies maliciously. If they are going rogue, it's likely that they have a legitimate reason for doing so. As a travel manager, it's your responsibility to find out what that is, and make changes to your policy accordingly.

The most efficient way of achieving this is to establish clear opportunities for your travellers to provide feedback on your policy. This could include holding group feedback sessions, issuing online surveys via user-friendly tools, or even asking your colleagues to include a question on the travel policy in performance reviews. Whichever method you choose, it's important to ask clear questions that will give you actionable feedback.

The Booking.com business travel feedback form is a great place to start. Featuring questions such as "do you think our travel policy includes enough accommodation options other than hotels?", this tool automatically tracks travellers' responses, enabling you to easily analyse their feedback.

Once your employees have had their say, it's important to visibly act on their feedback and communicate any changes you're making as a result. This can help to demonstrate that you're taking travellers' satisfaction seriously, strengthen relationships and have a positive knock-on effect on compliance rates.

After all, travellers are likely to be more engaged and comply with a travel policy if they contributed to building it.
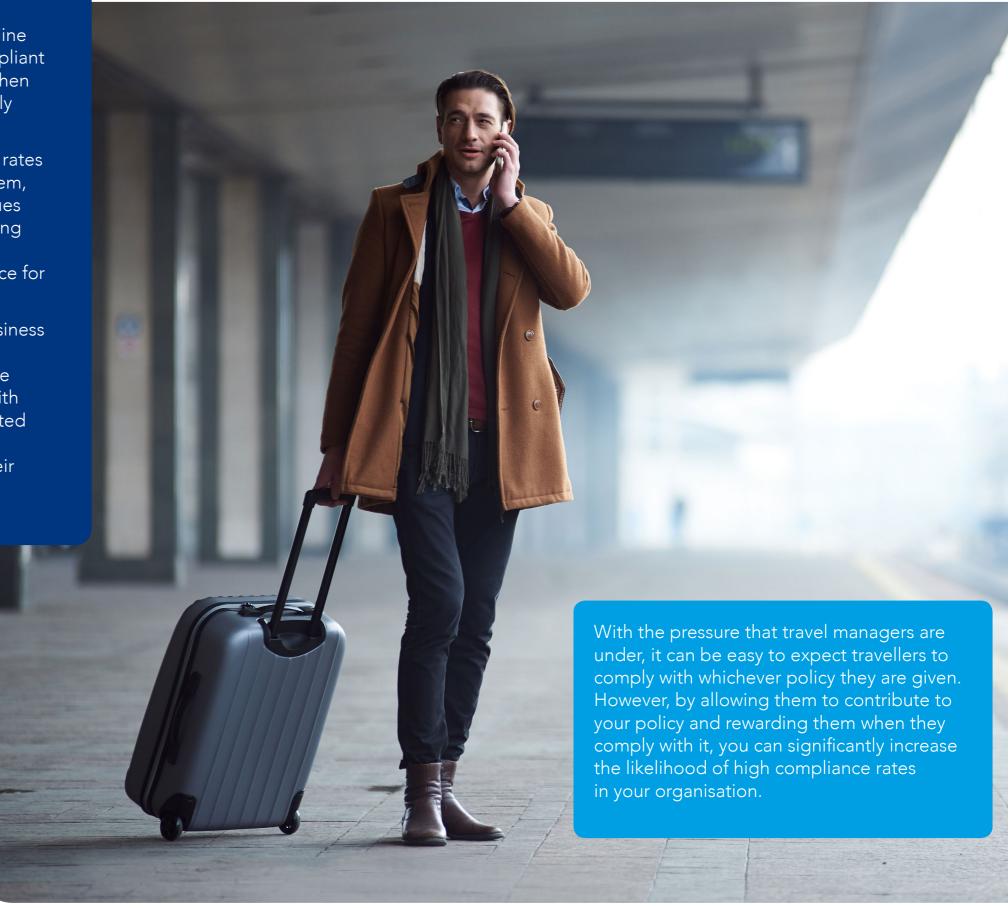
Reward compliance

Another effective method of bringing rogue travellers in line with your policy is to recognise and reward them for compliant bookings. After all, if your travellers only hear from you when you're reprimanding them for going rogue, they are hardly likely to want to build a relationship with you.

By publicly recognising employees with high compliance rates and even gamifying the process with a points-based system, you can create a competitive atmosphere where colleagues will push each other to be as compliant as possible. Adding in-policy reward incentives can drive this behaviour even further by enabling employees to redeem their compliance for tangible benefits.

For example, research from American Express Global Business Travel shows that 40% or more of travellers in the US, UK, France, Germany, Australia, India and Singapore would be more likely to book within policy if they were rewarded with cash or bonus vacation days.[18] Many travellers also admitted that a points-based reward programme that could be used toward a gift or future travel would also increase their likelihood of complying with a policy.

18. GBT.

With the pressure that travel managers are under, it can be easy to expect travellers to comply with whichever policy they are given. However, by allowing them to contribute to your policy and rewarding them when they comply with it, you can significantly increase the likelihood of high compliance rates in your organisation.
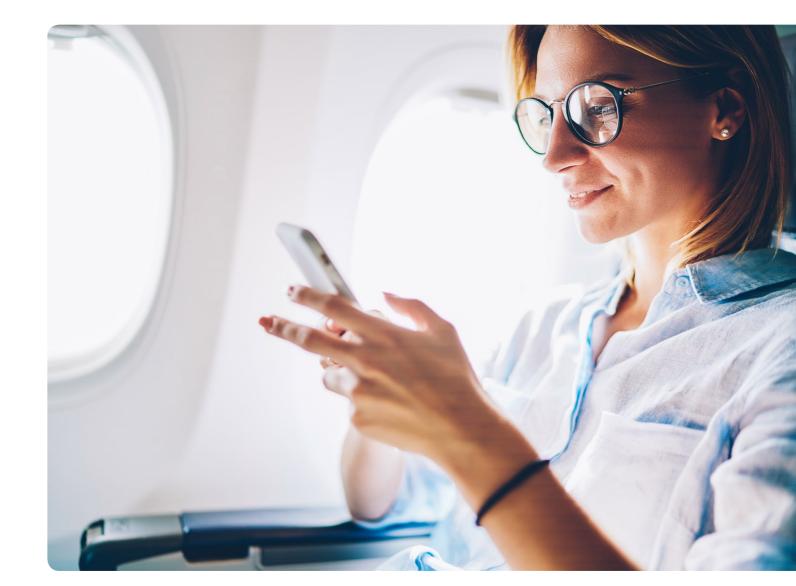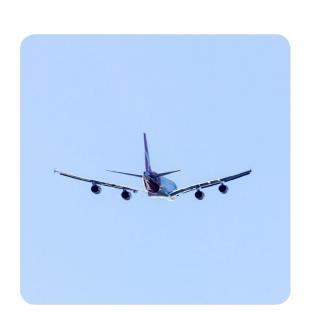
Your ultimate compliance checklist

The pace of change in the business travel world makes it incredibly difficult for travel managers to achieve 100% compliance rates all of the time. In truth, there is no silver bullet to completely remove rogue bookings.

However, by ensuring that your answer to each of the following questions is 'yes,' you can go a long way to giving yourself the best chance of achieving ongoing compliance across your organisation:

Have you…

1. Established the scale of non-compliance in your organisation?

2. Reviewed or updated your policy in the last 6 months?

3. Updated the booking tools in your policy?

4. Considered adding bleisure options to your policy?

5. Made your policy visual?

6. Communicated the policy effectively?

7. Given your travellers the chance to give feedback on the policy and acted upon it?

8. Set up a reward strategy for compliant behaviour?

About Booking.com for Business

As the world leader in online accommodation, Booking.com brings 22 years of experience to the world of business travel with Booking.com for Business. We know what travellers want and with that knowledge, we can help you transform the way you and your team travel for business.

How? By providing you and your travellers with the power of choice. With over 28.9 million listings worldwide, we've got you covered. Our broad, rich content can be made available almost anywhere, whether you use the Booking.com for Business online booking tool directly, or prefer to see our accommodation in the tools you're already using.

We partner with the world's largest online booking solutions and most travel management companies and offer free and easy integration.

Keep your travellers satisfied by providing more flexibility and greater choice, while as a company, benefit from even greater adoption of your travel program, cost savings and more control.

22 Years

experience

Largest choice: Accommodation that fits your needs. Browse from 28m+ listings including hotels, apartments, homes and other unique places to stay.

Cost-effective: A cost-saving solution for complete control of your travel spend, with no set-up or service fees.

Duty of care: Total transparency over bookings and duty of care. In-house 24/7 customer service in 43 languages.

Customised: We're integrated with the largest TMCs and OBEs on the market. However you want to book, our solutions are made to fit your business.

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