

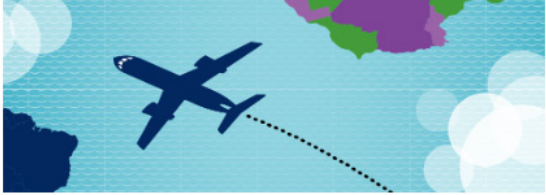
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LARGE MARKET

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**Touch 1 email: Travel Corp. Case Study**  
**Subject line: Streamline operations. Delight customers.**

GLOBAL CORPORATE PAYMENTS Learn how Travel Corp met its goals.



**TRAVEL INDUSTRY LEADERSHIP SERIES: Delight Your Customers**

## Take Your Travel Company From Chasing Paper To Fulfilling Dreams

Hi [First Name],


Travel Corp was looking for ways to adapt to their customers' changing needs and improve supplier relationships. Enter vPayment from American Express. Says their CFO Michael Kidd, "We're only eight months through our first year of using vPayment, and we've already surpassed our initial expectations."

See what vPayment can do for you in this three-minute read: [From the Back Office to the Front Desk: vPayment from American Express Helps Support Travel Corp's Commitment to Suppliers and Customers.](#)

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*Next up: Tools to help you focus on business, not your back office.*

Streamline your company's payment process. Focus on growing your business. Learn more:




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USTOA president Terry Dale offers tips to capitalize on travel industry growth.

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See how vPayment bolstered GTA's competitive edge.

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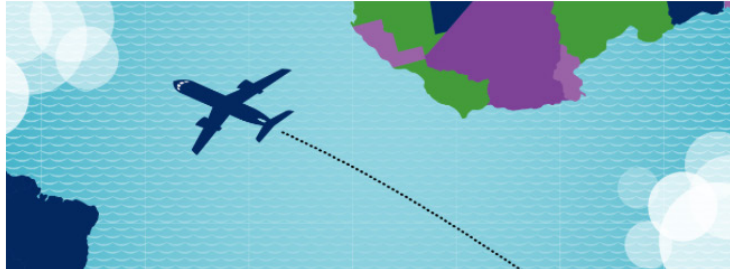


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**TRAVEL INDUSTRY LEADERSHIP SERIES: Delight Your Customers**

## From The Back Office To The Front Desk:

Travel Corp Strengthens Relations with Suppliers and Customers

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**LET'S TALK**  
Ready to update your payment process?

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**AT A GLANCE**

Today's customers move fast, multi-task and demand that travel companies do the same. By modernizing its payment system, Travel Corp was better able to delight its customers while improving supplier relations. Learn how they exceeded expectations within eight months.

**CFO Michael Kidd explains how vPayment from American Express helped them succeed.**

Travel Corp has long demonstrated a steadfast commitment to its customers. In December, 2014, we sat down with Travel Corp CFO Michael Kidd, who noted, "We try to stay on top of what the client wants, give them the best value that we can, and give them everything that they're looking for in a guided vacation." From ensuring Wi-Fi is available on every coach to launching a social media campaign geared at Millennials, Travel Corp listens to its customers—which means innovating to meet their changing needs.

Travel Corp wanted to apply this philosophy of innovation to its supplier relationships. Getting paid can be a source of concern for them, as Kidd points out, "People are very leery of who they're dealing with and may want security deposits and floating deposits, or they won't take your check initially."

Kidd was eager to reduce paper use, reduce fraud risk and streamline the payment process while also improving the supplier payment experience.

To accomplish these objectives, Travel Corp chose vPayment from American Express. vPayment is a single-use account payment solution that assigns a virtual account number to each transaction. Users are also able to specify a specific charge amount, date range and transaction details to help control spend and facilitate reconciliation processes.

**Reduce Fraud Risk\* and Paper Processing**

Fraud exposure was a particular concern for Kidd. He found that with vPayment, fewer people are touching payments and there's more control over how much is charged to each transaction. This means fewer reconciliation errors and no worrying about a check getting lost in the mail.

He concluded that their payment process now "has less risk of fraud at this point than it would have a year ago before vPayment was implemented."

**"WE'RE ONLY EIGHT MONTHS THROUGH OUR FIRST YEAR OF USING vPAYMENT, AND WE'VE ALREADY SURPASSED OUR INITIAL EXPECTATIONS."**

The time savings were considerable as well. He estimates, "It's probably saving 10 to 15 percent of the time that would have been previously spent issuing checks."

**vPayment Can Help Support Suppliers and Customers**

vPayment has helped Travel Corp honor its commitment to "pay suppliers as quickly and seamlessly as possible."


Travel Corp's commitment to innovation, customers and suppliers has already paid off. "We're only eight months through our first year of using vPayment, and we've already surpassed our initial expectations."

**ABOUT TRAVEL CORP**

Travel Corp is a fourth-generation, family-owned business operating in 80 countries. With over 35 offices and 4,000 employees, it serves over 2 million customers per year. Travel Corp implemented vPayment in three of its brands: Trafalgar Tours, Insight Vacations and Contiki Vacations.

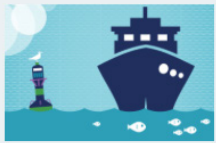
\* vPayment can help reduce the risk of fraud with transaction-level controls which allow your company to set a specific date range and amount for payments.

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Outdated payment systems hold many companies back. Turn that around. Learn how.

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**Touch 1 Landing Page: Travel Corp. Case Study**



**Touch 2 email: Terry Dale Q&A**  
**Subject line: 5 must-knows to grow your business in 2016.**

GLOBAL CORPORATE PAYMENTS Q&A with USTOA President Terry Dale



TRAVEL INDUSTRY LEADERSHIP SERIES: Adapt and Stay Nimble

### Take Greater Advantage Of Travel Industry Growth

Hi [First Name],


Terry Dale, United States Tour Operators Association (USTOA) President, says that many travel companies anticipate double-digit growth—but making the most of it takes more than just selling the right product. You'll also need to adapt.

Check out his five travel industry insights in this [brief, powerful interview](#)—and find out how American Express payment solutions can help you keep nimble.

[READ Q&A](#)


*Next up: How to take your company to new heights of efficiency.*

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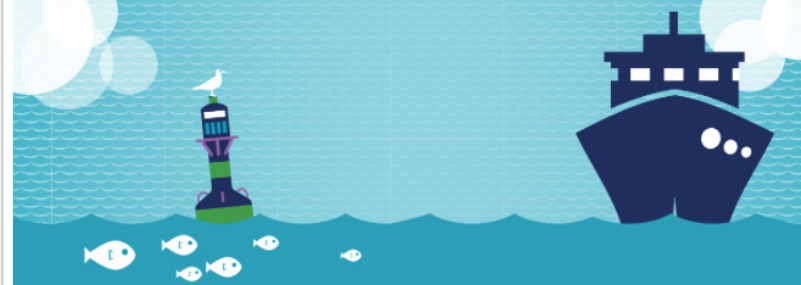
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GLOBAL CORPORATE PAYMENTS



TRAVEL LEADERSHIP SERIES: Adapt and Stay Nimble

## Maximize Success In A Dynamic Travel Industry

An interview with USTOA's Terry Dale

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**AT A GLANCE**  
Terry Dale, USTOA's president and CEO, shares tips and insights that can help your business meet customer's needs today and in the future.

August 2014

We recently talked with Terry Dale, USTOA's president and CEO, about current trends in the travel industry. He shared his advice to travel company leaders on how to make sure they have the business processes in place to meet customers' needs today and in the future.

**GCP: The travel industry went through some rough years during the recession. How are things today?**

Dale: We feel very confident about the health of the industry right now. In 2013, many of our members saw double-digit increases in sales and passengers, and they entered this year cautiously optimistic that 2014 will see similar double-digit growth.

And anecdotally, we are already hearing reports that not only are they achieving their 2014 growth expectations, they are exceeding them.

**GCP: Why is the increase in number of passengers important?**

Dale: Any time you can build volume through additional passengers, you are expanding your core customer base, which supports long-term growth. If you get them the first time with an extraordinary travel experience you can hook them as customers for life.

**"WE SHOULD FOCUS LESS ON THE SPECIFIC AGE DEMOGRAPHICS OF CUSTOMERS, AND SPEND MORE TIME THINKING ABOUT DIFFERENT TYPES OF CUSTOMER BEHAVIORS."**

**GCP: How should travel companies account for the changing demographics and increased "tech-savviness" of today's traveler?**

Dale: Right now Baby Boomers make up the broad base of customers, but Millennials are coming of age. And a recent study we conducted with Cornell's MBA program on demographics in the travel industry show Millennials share many of the same travel values as Boomers. They are looking for authentic experiences; they want to rub shoulders with local artists, and musicians. For example, Millennials said they were more likely to use tour operators for future travel and were more likely to recommend tour operators to friends.

I think the lesson to take away from this report is that we should focus less on the specific age demographics of customers, and spend more time thinking about different types of customer behaviors.

**GCP: Do you think having leading edge technology is important for today's travel customers?**

Dale: Yes. As the industry evolves our customers are becoming savvier about what they are looking for in a travel experience. To win these customers, both the customer service and the travel experience have to be great.

And we definitely have to strengthen and improve our digital connections with millennial customers. They want online transactions they want websites where they can ask questions, and generate product information, and they want to interact with companies via mobile apps. This is a place where we as an industry really need to raise our game and respond to customer demands.

**GCP: Recent research has shown that a lot of tourism industry companies still rely on old-fashioned financial tools to track and manage payments and invoices. What do you think about that?**

Dale: Now that business is trending in the right direction, I think we need to start getting our houses in order to service these customers in the future.


Part of a successful tourism industry is creating seamless and efficient systems for invoicing, collections, and reimbursement processes. If our members get the right systems in place, it will make them more profitable because it will take fewer team members to execute transactions.

I encourage all of our members to build stronger business infrastructure so they can offer a more efficient and seamless transaction environment and save money in the process.

**GCP: What advice would you offer travel industry companies going forward?**

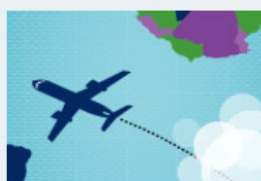
Dale: Just because a product sells well today, doesn't mean it will continue to sell in the future. They need to always think about reinventing themselves, offering new experiences, and finding new ways to engage with customers. If they do that then they will continue to be successful in 2015 and beyond.

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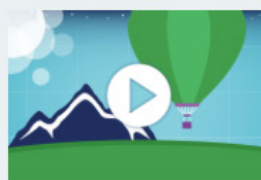
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**Touch 2 Landing Page: Terry Dale Q&A**



**Touch 3A email: GTA Case Study (Video)**  
**Subject line: Travel giant GTA trimmed costs and grew. Can you?**

GLOBAL CORPORATE PAYMENTS Focus on your business, not your back office.



TRAVEL INDUSTRY LEADERSHIP SERIES: Get Back to Business Growth

### Don't Let Paper-based Payables Hold Your Company Back

Hi [First Name],


At GTA, manual back office operations were a real cost drain. American Express' Travel Payment Specialists helped the global travel company increase production volume by 60%—without adding back-office staff.

Jackie Walsh, GTA's Financial Controller, explains how they did it in this two-minute video, [vPayment Bolsters GTA's Competitive Edge](#).

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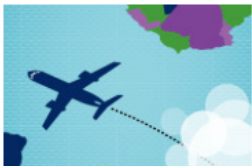
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### vPayment Bolsters GTA's Competitive Edge

An inside look at a global travel company's back office.

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**AT A GLANCE**  
 Travel giant GTA accomplished something incredible. Financial controller Jackie Walsh saw that they were wasting time and resources on manual back office operations. Using vPayment from American Express, GTA streamlined its supplier payment process and increased business across the globe.



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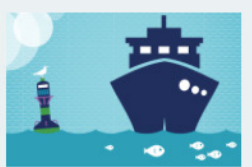
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### vPayment Bolsters GTA's Competitive Edge

An inside look at a global travel company's back office.

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**AT A GLANCE**  
 Travel giant GTA accomplished something incredible. Financial controller Jackie Walsh saw that they were wasting time and resources on manual back office operations. Using vPayment from American Express, GTA streamlined its supplier payment process and increased business across the globe.

Imagine what it was like when GTA processed invoices manually.

Jackie Walsh, financial controller for GTA, describes the "old" process this way: "Our process was very manual, very behind and in need of automation. Everything had to be keyed in by an individual and included lots of data entry, scanning and processing statements from vendors."

With no automated reconciliation process in place, staff had to match up invoices and constantly check for errors—a labor-intensive, time-consuming endeavor. The cumbersome reconciliation process made it difficult for the department to focus on finances. The business was growing and GTA needed a scalable way to keep up with increased volume without costing the company more in staff resources.

By working with American Express to implement vPayment at its New York finance department, GTA found a better way to pay North American suppliers and support businesses around the globe. This change has improved the way the department processes supplier invoices and has streamlined its entire back office.

**"WITH vPAYMENT, WE'VE BEEN ABLE TO HANDLE A LARGER VOLUME OF WORK WITH A SMALLER NUMBER OF RESOURCES."**

**Doing more with less**

Since switching over from a p-card to vPayment, the GTA finance department in New York has evolved its payment structure from a paper-based process to an automated process that is 80 percent hands-free. As a result, the department was able to "decrease staff from 20 people to six, while increasing volume 60 percent," reports Delon Edwards, accounting manager for GTA.

Says Walsh, "We cut back on a lot of the time we used to spend on reconciliation. We reduced the amount of time in finance correcting issues that were data-related and can simply focus on our higher value, finance-related work." With vPayment in place, the team can spot and eliminate discrepancies in rates and cancellations more quickly. Rate issues and discrepancies are now handled outside of the accounting department.

GTA has been so successful at improving payment processing that the parent company, Kuoni, now wants it to take over South America's payables process, without adding staff. While some might be intimidated by the prospect of adding an entire continent without extra staff, Walsh is confident about the future: "We feel the value can be scaled."

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**Touch 3B Landing Page: GTA Case Study (Paper)**

**Offering a competitive advantage for suppliers**

According to Edwards, "Suppliers often have to wait 30 days or more before getting paid." A delay in payment can affect supplier cash flow as well as potential interest earnings. To minimize payment delays and maintain their own cash flow, many of GTA's suppliers are moving to payment automation. Says Walsh, "vPayment has been a distinct advantage to our vendors. They get paid up front, there are fewer reconciliation issues and they do not have to bill us anymore."

**"WE DECREASED STAFF FROM 20 PEOPLE TO SIX, WHILE INCREASING VOLUME 60 PERCENT."**

Walsh further explains how vPayment has enhanced supplier relationships: "More properties have come on because it's so valuable to get paid in full and get paid on time in this industry."

Edwards agrees and adds that paying suppliers on time has become a distinct advantage. "Now that we have automated with vPayment, our status in the industry has actually increased as well."

**Why GTA chose American Express**

GTA considered many factors as they shopped for an appropriate payment solution. The firm chose American Express because they wanted to work with a company that was well versed in the needs of the travel industry and had a history of innovation with regard to payment technology solutions. Once GTA implemented vPayment, an additional benefit was the amount of support their staff received.

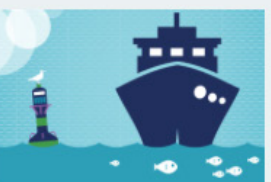
Walsh points to customer support as a major benefit of working with American Express. "American Express brought in the resources we needed and didn't just deliver the product and disappear. They made sure we got the support we needed."

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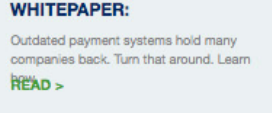
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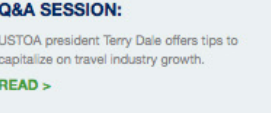
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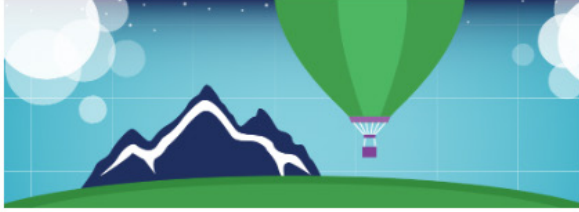
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**Stop The Manual Reconciliation Madness**


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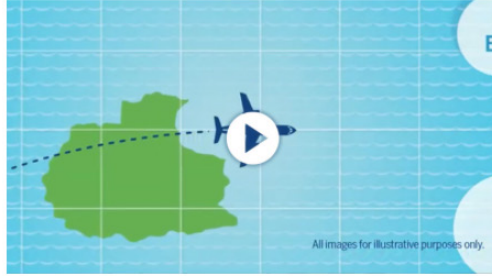


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**Take Your Company To New Heights of Efficiency**  
 Streamline the payment process, from reservation to reconciliation.

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**AT A GLANCE**  
 vPayment from American Express is a virtual payment solution with single-use account numbers configured for the travel industry. It can help your company:

- Improve working capital management
- Reduce the risk of overcharges and payment errors
- Improve cash flow management
- Improve payment processes between you and your suppliers



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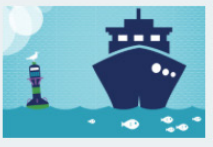
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# Extra Content Piece: Outdated Payment Processes Whitepaper Landing Page



GLOBAL CORPORATE PAYMENTS



## TRAVEL INDUSTRY LEADERSHIP SERIES: Modernize Your Back Office

### Outdated Payment Processes Hinder Travel Company Growth

Manual payments can mean a heavier workload, burdensome reconciliation and lost commissions.

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#### LET'S TALK

Ready to update your payment process?

#### AT A GLANCE

Business travelers expect the lowest prices and a flawless purchasing experience. Meanwhile, hotels and other vendors are pushing travel companies for a larger chunk of the profits. How to meet these challenges and opportunities? Automated payment methods can help.

June 2015

After years of stagnation, the travel industry is finally rebounding. Travel spending is on the rise, which is creating opportunities for online travel agencies (OTAs), traditional travel agencies and tour operators to expand their business and secure new customers. But to do that, they should consider adopting more sophisticated business processes to help effectively meet the needs of customers and vendors.

Many consumers today expect travel companies to offer the lowest prices and a flawless purchasing experience to win their business. At the same time, many lodging providers and other industry vendors are pushing travel companies for a larger chunk of the profits on their sales.

These shifting market pressures offer a chance for travel companies to gain a competitive advantage over their peers—but only if they can eliminate the waste and inefficiencies that currently plague their back-end payment processes. Many companies still cling to outdated manual payment models that require burdensome overhead, and may result in accounting errors, payment delays and “breakage” in the transaction process that can result in lost revenue.

In the past, these models were tolerable, but in the current marketplace these models may not enable a company to grow. To be competitive today, travel companies should consider more seamless and effective payment transaction processes that can automate manual payment tasks, provide real-time data about transactions and spending trends, and help reduce the time and troubles that may be preventing these companies from meeting the needs of their customers.

#### Opportunities expand but margins shrink

Worldwide spending on business travel is steadily on the rise. According to a report conducted by the Global Business Travel Association (GBTA), aggregate global business travel spending grew at a healthy rate of 4.5 percent in 2013 and is expected to grow between 6 and 8 percent annually through 2017.<sup>i</sup> The GBTA report shows that both the amount of money spent per trip, and the number of trips taken are both on the rise, creating a robust marketplace for online travel agencies (OTAs), travel agencies and tour operators to expand their business. At the same time, however, travelers are becoming more savvy about their travel options. The rise of online travel companies allows them to easily compare prices and choices. They are also comfortable with state-of-the-art online purchasing systems, and they expect travel companies to offer the same seamless technologies and processes they have grown accustomed to in every other shopping experience. If travel companies can't offer these consumers good deals and a reliable transaction process, they may lose their business.

Lodging providers are also beginning to push for a larger piece of the transaction, which may further erode travel companies' margins. For years, many OTAs have relied largely on the merchant model of payment, in which lodging suppliers offer a negotiated, non-commissionable net rate for a room that is generally 15 to 40 percent off the lodging supplier's best available rate.<sup>ii</sup> The intermediary travel company then marks up the room for resale and acts as the merchant of record

—accepting payment from the customer and taking responsibility for associated payment fees and liabilities.

The online travel industry was built around this payment model, and it has been profitable for travel companies. However, lodging suppliers are beginning to demand better pricing in an effort to reduce their distribution costs and improve their own margins, according to a PhoCusWright June 2013 report. At the same time, consumers are seeking greater flexibility in payment and cancellation terms that the merchant model doesn't provide.<sup>iii</sup>

### Manual payment processes “rife with inefficiencies”

To compete today, travel companies should consider having a seamlessly connected business infrastructure that allows them to deliver the best deals, at a great price, the moment travelers decide to make a purchase. This may require a user-friendly front-end experience that makes it easy for customers to find information and make buying decisions. It may also require a back-end system that can efficiently and transparently complete financial transactions in real time, track accounting details and root out errors before they get embedded in the exchange.

To date, many travel companies have focused on the front-end aspect of this value proposition, launching strong marketing campaigns and using social media to lure new customers. This can be a vital component of any customer-facing business strategy, but it only addresses the initial engagement. An enticing ad campaign may bring customers to a site or storefront, but to win their business and their loyalty, the price has to be right—and the purchasing experience must be flawless.

“COMPANIES THAT RELY ON MANUAL PAYMENT METHODS ADD TIME, COST AND RISK TO THEIR BACK-END PROCESSES”

This is where many travel industry businesses still fall short.

Current research suggests travel companies struggle with payment issues, and that these problems are eating into their profits and ability to expand. According to an October 2013 travel spending report from PhoCusWright<sup>iv</sup>, “around 40% of retailers and wholesalers typically rely on manual processes for payment, which are rife with inefficiencies.”

The report also shows that more than half of all traditional travel agencies, and nearly 40 percent of OTAs manually track all bookings, invoices and accounts receivable. The lack of transparency and risk of errors involved in manual accounting processes mean every transaction they complete can be both cumbersome and fallible.

According to PhoCusWright, these companies report spending more on staff resources handling invoice reconciliation and payment than on any other payment-related process. They also report having trouble collecting commissions, and one in five say they have lost commissions on as much as 10 percent of their hotel bookings, which researchers attribute to their use of manual accounting practices.<sup>v</sup>

Companies that rely on manual payment methods add time, cost and risk to their back-end processes, argues Larry Twito, Director of Business Development for American Express. He notes that manual interventions, paperwork and potential overcharges are all pain points for companies in this industry.

High incidences of fraud in these transactions can only add to the problems. According to PhoCusWright's October 2013 report, fraud is among travel companies' top payment-related worries. “Fraud causes the most concern among companies with a major online presence—namely OTAs, airlines and larger firms (US\$100 million or more in annual gross travel bookings),” the report says.<sup>vi</sup>

Because manual transactions can lack transparency, it can be difficult to identify fraud or payment errors until late in the process, which means companies may have to dig back through their transaction data, and attempt to reconcile issues after payments have already been made. And in many cases, those errors are never found.

Travel companies and hotels may experience “breakage” in their transactions, or “revenue never realized because of errors in accounting processes,” explains Greg Hybl, Vice President & GM Travel & Entertainment Global Merchant Services for American Express. But because these incidents of breakage are never identified, the companies may not realize they have a problem. “Hotels and OTAs believe they are error-proof,” Hybl says. But that may not be the case.

This high rate of error is exacerbated by the complex purchasing environment, says Jessica Patel, VP of Travel Industry Sales for American Express. According to Patel, these companies perform thousands of transactions every month, each of which may have a different price, timeline, and manner of payment, often for the same room or vendor, creating multiple opportunities for problems.

Dealing with these errors can be time consuming, expensive and potentially damaging to a company's profile, Patel says. “These companies spend a substantial amount of human and capital resources on reconciliation, billing and follow-up calls with suppliers.”

That added time can do more than eat into profits. In small companies with limited resources, it can make poor use of their human capital. Many of these companies commit more hours and manpower to administrative tasks, which can limit their ability to pursue strategic initiatives that could grow the business or allow them to expand into new markets. “By automating their payment processes, travel companies can pull resources away from the back office, and focus on better servicing customers and meeting their travel needs,” Patel says.

Manual accounting processes can also limit travel companies' flexibility in dealing with lodging providers and other vendors, Hybl says. He notes that many hotels today will not offer dynamic inventory to travel companies that operate using manual invoice-driven payment processes, and that is a problem.

Dynamic purchase options can allow travel companies to take advantage of better rates while reducing the risk that they will get stuck with rooms they can't sell, Hybl says. But it requires automated payment processes that can securely complete transactions in real time.

“Buyers and sellers are trying to figure out how to minimize their risks and to be more flexible as the environment gets more sophisticated,” Hybl says. “They need more sophisticated payment processes to make that happen.”

### Conclusion

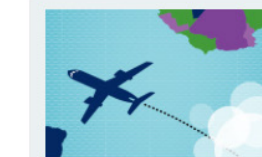
The growth of travel spending combined with heightened competition is creating both opportunity and risk for travel companies, particularly smaller firms that may be struggling to compete against larger players.

To counter the loss in margins and harness the current growth potential, it may be important for them to evaluate their back-end payment processes and identify those systems that are no longer effective. Automation of manual payment steps, coupled with more sophisticated tools that add transparency, better reporting capabilities, and real-time transaction completion steps may help enable them to add efficiencies, reduce waste—and gain the competitive advantage they seek.

Transforming these business processes may require a major change, both in the tools and processes these companies use, and the culture around accounting and payment management. It can be difficult, particularly for smaller companies that may not have the resources or technological knowledge to easily implement new systems. But they may find it worth the effort. Streamlined back-end payment systems may not only help companies reduce their overhead and prevent waste, but they may also enable staff to focus their attention away from administrative tasks and onto more profitable strategic goals and customer experiences. It may only take one system failure, or one cumbersome, glitchy or error-prone purchasing experience, to lose a customer's loyalty or a vendor's willingness to extend credit. Embracing state-of-the-art payment systems can help companies avoid these costly but potentially avoidable mistakes, and help ensure customers and vendors experience the exceptional customer service that drives this business.

- i. “GBTA BTI Outlook – Annual Global Report and Forecast”, (Global Business Travel Association (GBTA), July 2014), 4.
- ii. Mike Gerra, et al., Key Trends in Travel Payments in Online Lodging Distribution. (PhoCusWright, June 2013), 8.
- iii. Mike Gerra, et al., Key Trends in Travel Payments in Online Lodging Distribution. (PhoCusWright, June 2013), 10.
- iv. Payment Unsettled: Cost, Opportunity and Disruption in Travel's Complex Payment Landscape. (PhoCusWright, October 2013), 23.
- v. Payment Unsettled: Cost, Opportunity and Disruption in Travel's Complex Payment Landscape. (PhoCusWright, October 2013), 23.
- vi. Payment Unsettled: Cost, Opportunity and Disruption in Travel's Complex Payment Landscape. (PhoCusWright, October 2013), 3.

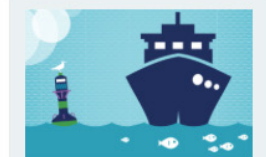
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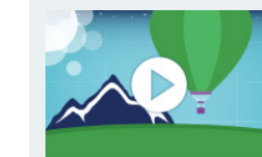
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#### Q&A SESSION:

USTOA president Terry Dale offers tips to capitalize on travel industry growth.

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