

## The long tail of business travel is wide open

By <u>Jerome Touze</u> 3 Dec 2019

In his 2006 book "The Long Tail: Why the Future of Business Is Selling Less of More," Chris Anderson wrote about how the future of commerce and culture isn't in "hits", the high-volume head of a traditional demand curve, but in what used to be regarded as misses, or the infinitely long tail of that same curve. Thirteen years after Anderson's book was published, the future he accurately predicted has arrived in earnest.



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Every day, there are new examples of how long-tail economics are reshaping our world and satisfying consumers' demand for fitted choices. Amazon is one of the best examples of Anderson's Long Tail. According to Search Engine Guide, an estimated 57% of Amazon's annual sales come from long tail keyword searches. Amazon aside, the long tail theory is seen in almost any sector – the scale of the Internet, when applied to the most niche sectors of industry, facilitates the discovery, sale and purchase of nearly any product or service including corporate travel.

The Internet and technology have allowed us to reach smaller audiences simply. Today, it is possible to reach just about every connected market as effectively as any traditional business model. The Long Tail got me thinking about why, in December 2018, we launched Travelstart for Business, a cloud-based corporate travel management platform for anyone who travels for work. After launching, we were asked who we're trying to compete against; do we want to take on the established players and win business from some of South Africa's biggest corporate and JSE-listed companies?

While we always aim high, Travelstart for Business wasn't born of FOMO or a need to edge over established corporate travel management companies. In South Africa, there are plenty of specialists, such as Club Travel Corporate, who have been doing business travel extremely well for years. Instead, we felt that there wasn't a local solution to fit the vast number of enterprises who travel for work, but don't have huge budgets to spend on corporate travel management.

Travelstart for Business gives individuals and businesses an affordable, self-serve corporate travel alternative to traditional TMCs. From sign up to booking, there is no complicated integration. Access is instant and customers have complete control. It could be said that the platform overlaps with Long Tail philosophy as demonstrated by the diverse SMEs who use it – businesses across verticals - education, media, tech, finance and construction - with anything from 1 to 100+ employees.

Pretty much the only common denominator is that the staff travel for work regularly. These people are booking business travel in a similar way to leisure consumers, and, until Travelstart for Business, there was no solution that catered for their needs. While these companies represent a smaller number of employees, there is a much larger number of them in South Africa.

## Consumerisation of business travel drives new opportunities

In her July 2019 story for Inside Travel, Jeanette Briedenhann put it perfectly when she said: "Technology is essential in making booking corporate travel more exciting and rewarding. Road warriors are looking for consumer technologies that are not just on par with the technology they use for personal travel, but that surpass it."

This is what we want to achieve – a very simple and inexpensive all-in-one online platform that helps business travellers from across the spectrum. Naturally, we recognise business travellers are different to those who travel for fun, so we offer extra features: company invoices, the ability to load corporate travel policies and round-the-clock support. Within the business platform, we can see opportunities which we are well-positioned to capitalise on because we're already doing it in leisure. Attachments such as travel insurance, hotels, car hire and bleisure (packages) present opportunities to build out a compelling service.

If the infinite opportunities in Anderson's Long Tail are fully realised across industries, the "hitmakers" will cease to dominate the market. But it won't work without mastering technology and understanding the power of the Internet to unlock large, niche distribution channels.

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