

SHARING COMMUNITY: Airbnb and Uber/Lyft: A Few Key Considerations as You Review Potential Changes to Your Travel Policy.

Having the right balance between accommodating the traveler's preferences weighed against security, safety, and savings has to be considered when making policy changes.

TI's view? Ride sharing technology for both Uber and Lyft has dramatically improved and should be considered in the larger metropolitan cities, but Airbnb still has some limitations, and we suggest the timing is not yet right. Let's get into some of the detail to help you weigh the pros and cons of the sharing community.

Airbnb for Business:

There is no doubt that Airbnb has done a fantastic job of disrupting the hotel industry by providing an alternative for the leisure traveler in booking their family vacations. They have more than 3 million global property listings available to rent – either for an individual room or the entire home, and they provide the guest with a unique, neighborhood “feel” as opposed to a standardized hotel experience. As for business travel accommodations, although Airbnb is investing in specific business-friendly inventory (referred as “Business Travel Ready”), the number of properties available is dwarfed in comparison at 140,000 world-wide and the commercial relationship remains between the traveler and the home/apartment owner, often a property management company.

Is the Property Really Offering a Convenience and Savings?

When balancing the amenities of a major hotel chain vs. an individual property via Airbnb, it is important to understand the risks and rewards of decision making.

- 1) **Security Deposit and Cleaning Fees:** All properties have a security deposit requirement with specific instructions for the guest to comply in order to recoup their deposit. The deposit is paid in advance, and refund is based almost entirely at the discretion of the property owner/manager. Should the trash not be placed where instructed, dishes not washed, and towels and sheets not placed in the “desired” location – the security deposit could be either wholly or partially withheld from refund. Additionally, the cost of the entire stay includes the cleaning fee which varies based upon the size of the property. If the stay is less than five days, the total cost of stay vs. the savings compared to hotel reservations is often greater than the savings anticipated.
- 2) **Amenity Expectations:** Although it is expected that a fitness center and in-room dining is not an option with Airbnb, there is little room for complacency for unreliable wi-fi, lack of daily apartment cleaning, complimentary toiletries, or towel replacements during the course of the stay.



Safety and Duty of Care: Airbnb has made significant improvements in reducing the likelihood of scams within their property options. However, the consistency in quality of the apartment, accuracy of the neighborhood description, and security of each property is not guaranteed. The decision to stay at any location is between the traveler and the property owner/manager. It is highly suggested that before renting, the traveler needs to perform due diligence in contacting the owner/manager, reviewing not only the ratings but reviews, and to validate how they will be receiving access to the property – especially when the arrival is early morning or late night – as well as when there are delays in travel (and potential additional fees) that change the arrival time.

Taking a look at the pros, there are benefits to consider when contemplating the addition of incorporating Airbnb to your travel policy:

- **Expense Reporting:** From an expense reporting capability, Concur has improved the efficiency and integration to expense the Airbnb bookings.
- **Administrative Execs:** Airbnb for Business website is making it easier for executive admins to book on their traveler's behalf. However, there remains no automated integration into Concur PNRs.
- **Leisure:** For longer stays – especially those that include leisure components over a weekend, the overall cost of the accommodations can be less than a hotel chain property – especially in major metropolitan cities.

TI is keeping a close eye on the advancement of safety, security, and cost within the Airbnb for Business offering. Duty of Care remains top priority, and although ISOS is a partner to Airbnb, we remain cautious in recommending the addition of Airbnb to your travel program at this time. We will continue to stay abreast of the advances in their technology, partnerships, and investment.

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RIDE SHARING

Ride Sharing – specifically with regard to Uber and Lyft – has dramatically improved the quality, safety, and accessibility since entering the ground transportation industry a few years back. In meeting with both companies this past week, we have outlined what we have learned and what we trust will help you make the decisions that are best for your company as you consider how to expand your policy to include either Uber or Lyft.

Safety and Security

- Both Uber and Lyft perform background checks through “Checkr,” a third party background check provider accredited by the National Association of Professional Background Screeners. They run social security traces and check the driving history – 95% of those drivers that fail, do so because they failed the driving history check.
 - There are some cities where neither Uber nor Lyft are available due to stricter background requirements. An example is Austin, TX, whereby the government required fingerprinting which Uber and Lyft determined was too much of an inconvenience and added cost to the driver, therefore pulling out of the market. In situations such as Austin, there are alternatives, namely “Ride Austin,” but based upon experience, these organizations do not have the consistency that Uber and Lyft provide.

International Travel: Uber and Lyft will tell you that in some cities where it is not safe to hail a taxi, ordering one of their cars is a safer option. This is something that you should definitely take time to consider when building out your Ride Sharing policy for international use. Yes, you will have information about the driver should there be an issue, but the question remains should you err on the most secure transportation options (order transportation through the hotel concierge) or leave this up to the discretion of the traveler?