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Big travel companies woo small businesses

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Unlike large corporations, which have long enjoyed generous benefits and perks from the major airlines, small businesses have rarely been courted by the travel industry.

The group was never seen as very profitable -- small-business travelers don't fly as much, they work on tight budgets and generally seek the lowest fares. They were barely a blip on the radar when airline profits were fueled by corporate travelers with fat expense accounts.

But that's starting to change, as corporate travel budgets have shrunk and the ultracompetitive, financially strapped airlines battle for every dollar. Airlines, rental car agencies and hotels are offering more customer loyalty programs aimed at small-business customers.

"The big travel companies are finally seeing the small- and medium-sized business travelers as a resource for them," said Chet Gray, vice president of sales and marketing for the American Small Business Travelers Alliance, a Dallas association for small-business travelers.

Major airlines have cut fares in most competitive markets, which helps lure small-business travelers. They're also offering perks, which they hope will ensure the loyalty of small-business fliers.

At American Airlines, small-company travelers are flocking to the carrier's "Business ExtrAA" program. It allows businesses to accumulate points for travel, which provide incentives like free flights and memberships in American's Admirals Club.

The program also helps companies track the travel they book on American, with regular reports that can be downloaded from the Internet. That's a major advantage for companies that lack sophisticated corporate travel departments.

"That's a great tool for these small firms that have employees booking their own travel," said Billy Sanecz, a spokesman for the Fort Worth-based airline.

While he wouldn't disclose exact figures, Sanecz said the program has increased its membership substantially during the past year.

The renewed focus on small-business travelers also comes as large corporations have begun to migrate to discount airlines. With tightened travel budgets, many major corporations that had been loyal to large airlines like American now steer employees to low-fare carriers like Southwest and JetBlue. The discounters now actively court large corporate travel departments.

Big companies have traditionally received perks from the big airlines, including discounts, frequent-flier awards and upgrades for promising loyalty to a particular airline.

Small-business fliers, meanwhile, were treated like unprofitable leisure passengers.

"A small organization is going to pay a lot more attention to the bottom line, especially in travel," said Kari Peacock, an executive assistant who coordinates travel for Pacesetter Energy, a Flower Mound energy company with 18 employees. "You'll have cases where a \$15 difference in the fare determines what airline you fly on."

Airlines aren't the only companies seeking out small businesses. National Car Rental has a program called "Business Partners" that provides travelers with perks like fast access to cars, and frequent-flier rewards for car rentals.

And hotels have also been enticing small businesses with programs that award discounts and free rooms for loyalty.

Both the American and the National programs are free. And unlike most loyalty programs geared to big companies, these programs don't require travelers to do all of their business with American or National.

But the companies hope that the benefits will lure a majority of a small business's travel.

"They're definitely trying to get our business and get it regularly," Peacock said. "And that's a big change."

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