

Business Travel Insights 2014

Business Travel
Gets Personal



Welcome

Contents

| | |
|--|----|
| Welcome | 3 |
| Introduction | 4 |
| 1) Portraits of today's business traveller | 6 |
| 2) Managing travel | 8 |
| 3) Business Traveller Tribes | 10 |
| 4) Making Business Travel Personal: Insights and Recommendations | 12 |

Welcome to the second edition of *Amadeus Business Travel Insights*. We commission this research each year to record a snapshot in time of the requirements and experiences of UK & Ireland business travellers. In doing so, we seek to inform our R&D priorities and to debate the issues that will improve travel satisfaction and efficiency for the business community we serve.

The findings of this report show that in an environment where investment in business travel is rising again, travellers prize efficiency and productivity above all else. As part of this drive for efficiency, travellers expect to be able to do exactly what they want at the click of a button. Our research this year shines a spotlight on different aspects of personalisation, highlighting how travellers are currently interacting with technology, and where the travel industry can add value and influence the travel experience. We also look at the less examined side of travel: how the experience and travel policy leaves the traveller feeling about their employer. Travel can be a powerful tool in a company's HR armoury, but only if it fits the needs and behaviour of the traveller.

Meeting the continually evolving requirements of tomorrow's traveller inevitably presents challenges; and no one company or solution will provide all the answers. Amadeus contributed more than 15% of total revenues last year in designing and building travel technology requested by our customers. By working together with key stakeholders in the business travel value chain, and truly listening to our industry,

we believe that together we can create a better travel experience encompassing the pre-trip, in-trip and post-trip elements of the journey.

Amadeus is looking forward to a year of great opportunity working with some of the leaders in travel, and are motivated to continually evolve the experience for UK executives travelling to the far corners of the world.

Diane Bouzebiba
Managing Director, Amadeus UK and Ireland



Introduction

What drives today's business traveller – and how can corporate travel departments and Travel Management Companies optimise business travel to the benefit of traveller and business alike?



For the second successive year, Amadeus has commissioned major independent research to get under the skin of business travellers in the UK and Ireland. The 2013 *Amadeus Business Travel Insights* report looked at the big trends shaping the world of the 21st Century Business Traveller. The 2014 edition, *Business Travel Gets Personal*, returns to key themes around technology and travel, examining the end-to-end traveller experience, from first booking through to their final destination. En route, the research interrogates traveller attitudes to corporate travel policies and asks where and to what extent travellers are taking advantage of technology to manage and amend their trips.

With personalisation a key theme for the travel industry – and a critical driver for engaging travellers with policy – this research introduces a new segmentation of the data to capture the priorities and expectations of different groups of business travellers: the Business Traveller Tribes. Based on these insights, the report concludes with suggestions for how corporate travel managers and Travel Management Companies can offer a more personalised service to travellers, and ultimately deliver more value to the business.

Research findings

The research is based on the results of an online survey carried out by ICM Research between 17th and 23rd December 2013. 411 people in the UK and Ireland who work for large companies (with 250 or more employees) and travel regularly for business were surveyed. All the respondents work for companies which have documented travel policies in place.

The findings are grouped into four sections:

- 1) Portraits of today's business traveller
- 2) Managing travel
- 3) Business Traveller Tribes
- 4) Making Business Travel Personal: Insights and Recommendations

Business Travel Insights 2014: headlines

- Just under half (48%) of business travellers made ten or more trips in the last year. The number of travellers who made between 11 and 20 trips increased to 21% (up from 16% in 2012).
- Overwhelmingly, respondents are positive about the need to travel for business. Over half (55%) find business trips interesting. 36% find them enjoyable and 17% say business travel is motivating.
- London Heathrow remains – by some margin, the business traveller's Number One airport: almost a third (31%) of respondents name Heathrow as their primary airport for business travel.
- Efficiency is the Number One priority for business travellers, followed by WiFi / internet connectivity.
- 62% of travellers value the ability to book added extras (ancillary services such as extra legroom, meals and lounge access) as part of their corporate booking process.
- 48% of travellers are able to book their own travel using an online booking tool. However they are less likely to use the tool to amend travel arrangements once booked.
- 51% of business travellers had to make changes to their travel plans before departure in 2013. 22% had to make three or more changes to their itinerary.
- 40% of travellers report cuts to the travel budget in 2013, and one in ten of these travellers believed reduced travel had a negative impact on customer satisfaction. 18% of travellers saw their travel budget increase.
- 21% of travellers say cuts to the travel budget have made them less willing to travel for business.
- More than half (52%) of business travellers have outstanding travel expenses from 2013 because they failed to comply fully with policy – or because it's just too complex to reclaim the money they are owed.



1) Portrait of today's business traveller

In this section, we give a picture of today's business traveller, drawing out general trends based on the survey data. It gives an outline of today's business traveller attitudes and experiences.

Who is travelling and how often?

This recent research data suggests that business travel volumes are beginning to recover following the decline observed in last year's report. The number of travellers who made between 11 and 20 trips increased to 21% (up from 16% in 2012). Around half (48%) of business travellers made ten or more trips in 2013.

In general, seniority within the workplace means more business travel. Over 80% of directors, board members and managing directors made 10 or more trips in the past twelve months. This is similar to last year's report, where on average, senior management travellers made 17.4 trips in 2012.

Overwhelmingly, business travellers describe themselves as working full time with 98% employed for 30 or more hours per week. Over two thirds of the survey (69%) are men, with women accounting for 31% of respondents.

Attitudes to travel

Business travellers in the UK and Ireland are – in general – positive about the impact of travel on working life. 96% say they like business trips or do not mind travelling for business. Over half (55%) find business trips interesting; for many respondents trips are described as enjoyable (36%) or motivating (17%). One fifth (20%) of respondents describe business travel as stressful with 8% finding it boring.

Overall, 12% of travellers say that travel is essential to the success of their business.

Points of departure

London Heathrow remains – by some margin – the number one airport for business travel with a third (31%) of respondents naming it as their primary airport. This is slightly down on last year's figure, when Heathrow was the top business travel airport for 36% of travellers. This year's data shows Heathrow is used almost three times more than Manchester (primary airport for 11% of business travellers) and over four times more than Birmingham and Dublin (both with 7%).

London airport expansion remains a hot topic and is currently being reviewed by the Davies Commission. In December, the Commission issued an interim report in which two of the three shortlisted expansion options centred on Heathrow. For today's business travellers using London, Heathrow is clearly the number one choice. It is more than four times more popular than Gatwick (7%) and far ahead of London City, London Luton and London Stansted (each the primary business travel airport for 3% of the sample).

Priorities for Travel

Efficiency is the first top priority for business travellers: a fifth (21%) say that they value the ability to get the job done as efficiently as possible, by staying for example in the closest hotel to the meeting, above all other considerations. They want travel choices and tools that make it as easy as possible for them to focus on business objectives and get the job done.

In today's connected world, the ability to access corporate networks via WiFi / internet is the second most important priority for business travellers (18%). This is linked to the third priority: the ability to continue to work productively when on the move (16%).

With the emphasis on efficiency and productivity, it is perhaps unsurprising that non-work factors come at the bottom of the business traveller's list of priorities. Only 3% want the ability to extend their trip to include leisure travel, 2% are seeking advice and insight into local sights and restaurants and just 1% say they want the ability to travel with family and friends.

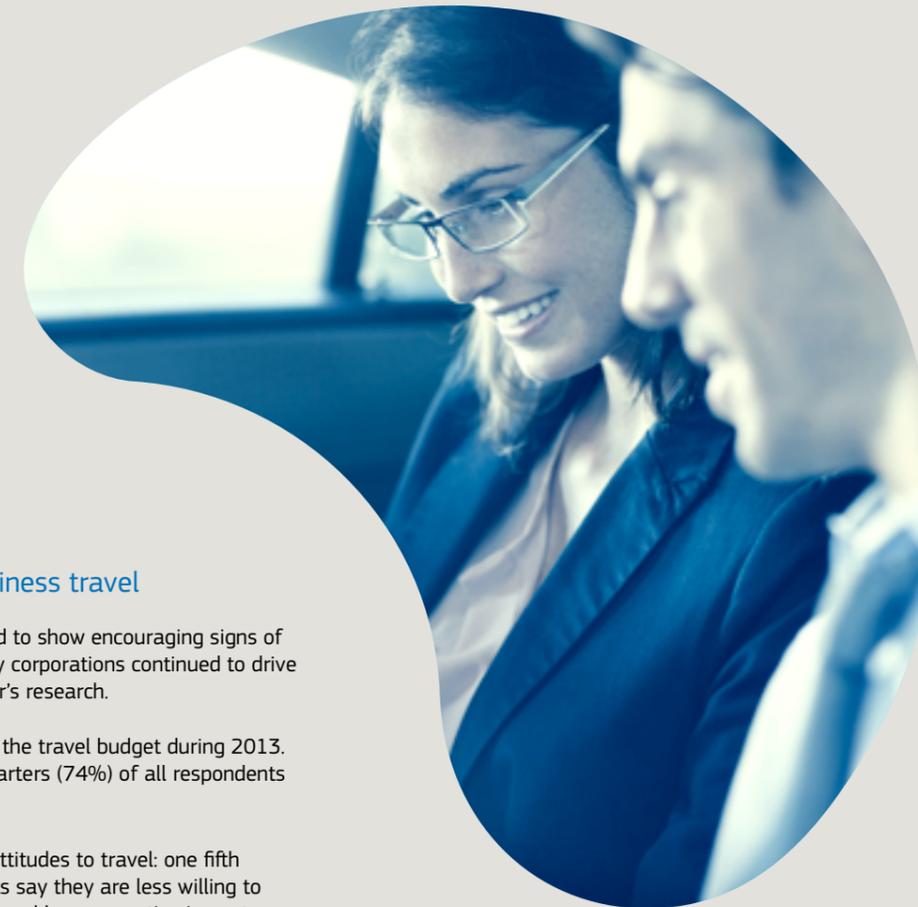


Green shoots: the economy and business travel

While the economy in the UK and Ireland started to show encouraging signs of recovery in 2013, the research shows that many corporations continued to drive down their travel spend, as observed in last year's research.

40% of corporate travellers report decreases in the travel budget during 2013. Just 18% saw their travel budget rise. Three quarters (74%) of all respondents feel under pressure to cut business travel costs.

This pressure is making itself felt in employee attitudes to travel: one fifth of respondents who are dealing with budget cuts say they are less willing to travel than previously. One in ten say reduced travel has a negative impact on customer satisfaction, while 7% believe it is affecting their ability to win new business.



2) Managing travel

Policy, booking and changing plans

As noted last year, the corporate travel policy is well established in the businesses we surveyed. The 2012 findings revealed high levels of compliance with policy, with two-thirds of travellers saying they did not deviate from policy at all during the year.

This edition of *Business Travel Insights* confirms that travellers have made peace with travel policy. Half (50%) say the travel policy has no impact on how they view their employer. Just 19% say the policy negatively colours their view. Interestingly, some 31% report that policy has a positive impact on how they view their employer. In one of the traveller tribes we have identified towards the end of this report, this tendency is stronger among the Reward Traveller Tribe, where 37% of respondents see the travel policy as a positive factor.

Self-managed booking

Around half of business travellers are able to make new bookings through their corporate travel department or Travel Management Company, either by phone (52%) or email. Just under half (48%) are able to make bookings themselves using an online system.

Hotel (79%) and flight (77%) bookings are the top services available through self-booking systems, followed by rail (60%). Over a third (36%) can also manage their trip expenses via the system. While 29% of travellers have the ability to arrange a transfer from the airport or railway station to their final destination, only 11% choose to organise the final stage of their journey via travel agent. Instead, they hail a taxi from the rank (35%), use public transport (19%) or rely on personal arrangements with their business contacts (16%).

Chiming with the trend towards personalisation, business travellers value the ability to tailor their travel experience by specifying ancillary or 'added extra' services when making their booking. Almost two-thirds of travellers said ancillary services such as extra legroom, dietary requests or lounge access were important.

Changing plans

Around half of business travellers (51%) had to make changes to their travel plans before departure in 2013. Over a fifth (22%) had to make three or more changes to their itinerary.

While almost half of travellers have the ability to use an online booking system to make the initial booking, the data shows they are less likely to use the system to amend their booking. Only 43% have the ability to use the self-booking tool to change their travel plans with many preferring to rely on their corporate travel department or Travel Management Company to deal with changes. While 52% of travellers will contact their travel department by phone to make the initial booking, some 61% will make a call to alter their plans.

Shortchanged?

More than half (52%) of business travellers have outstanding travel expenses. Nearly a fifth (18%) of these travellers report being out of pocket by more than £100. Mapped onto the number of UK business trips abroad in 2012, this could mean that 3,617,120 business travellers were out of pocket and of these 18% (or 651,081) were collectively owed upwards of £65,108,160.¹

Over half of these expenses (56%) were stated as not refunded because they fall outside the company travel policy. 14% of travellers complain that its too complicated to charge back the money they are owed, while a further 14% lost the receipts required to make a claim.

“Change remains a constant – and changes during travel can be stressful. Customer communication and real-time updates need to be prioritised by travel providers, corporate travel departments and TMCs as disruption to journeys during the winter of 2013-2014 in North America and the United Kingdom demonstrate. The always-connected traveller demands an always-informed strategy of keeping travellers in the know. Traveller tracking solutions such as Amadeus Mobile Messenger and online message boards within booking tools such as Amadeus e-Travel Management can make this a reality today.”

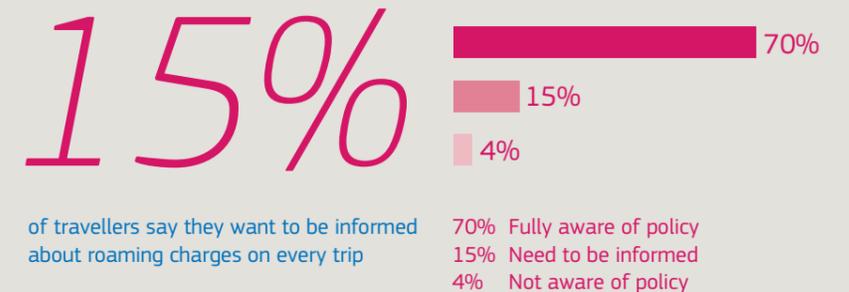
Counting the cost of roaming

Sustained media coverage means most people are aware of 'bill shock' and the potential costs of data roaming. 70% of business travellers say they are fully aware of their company policy with respect to roaming – but that means a significant minority could be racking up big bills. A total of 1.3 million business trips in 2012 had the potential to amass large bills for their employers if based on the number of UK business trips in 2012 alone.²

Within the EU, roaming charges have been falling since 2009 and are set to fall again in July 2014 under the latest stage of the European Commission's

staggered programme to reduce the costs of roaming with a view to abolishing them altogether. However, outside the EU unregulated data roaming charges can still deliver a nasty shock. Corporate travel departments and Travel Management Companies alike will need to ensure their travellers understand the potential costs of keeping connected: 15% of travellers say they want to be informed about roaming charges on every trip.

This points to an opportunity for corporate travel departments and Travel Management Companies to support the business by providing timely information on roaming to help corporate travellers control this cost.



^{1,2} Office for National Statistics - This is based on ONS figures for UK trips abroad 2012 by purpose, of which 6,956,000 were business trips.

3) Business Traveller Tribes

To add personality to the data –and underline the importance of a more personalised approach to business travel management – the 2014 edition of Business Travel Insights asked some specific questions to uncover four traveller ‘tribes’. Each tribe has its own attitudes to travel and its own preferences for managing business travel.

Every business organisation will have its own set of tribes, with different priorities, needs and drivers. The Business Traveller Tribes aim to illustrate the diversity that any personalised travel management policy will need to address.

The Reluctant Traveller

While the research shows most people who travel for business enjoy the experience, these travellers are defined by not liking business trips. They are a small group compared to the overall sample – but they are significant because they hold their views very intensely.

50% of Reluctant Travellers find business trips boring. 28% find them stressful – only 6% find them enjoyable.

As might be expected, Reluctant Travellers make fewer trips: over half (56%) made three or less trips in 2013.

Compared to members of other business travellers, Reluctant Travellers tend to be older than members of other business traveller tribes: 72% are aged 45 – 64.

Reluctant Travelers are considerably more likely than other tribes to say that the corporate travel policy negatively impacts their view of their employer (39% versus 19% of travellers in general).

The Corporate Shark

The Corporate Sharks are the biggest tribe identified by the research, making up 58% of respondents.

These travellers are driven by results – and making the most of their time even if it means spending more by, for example, getting the closest hotel to their meeting. They are almost twice as likely to believe that travel is critical to the success of their businesses (21% versus 12% overall).

Corporate Sharks tend to hold senior roles: almost a quarter (24%) are directors, senior managers or board members and their jobs demand that they travel frequently: 44% made 10 or more business trips in 2013.

Corporate Sharks have a positive attitude to business travel: 42% enjoy trips, and 53% say they don't mind business travel. 60% find trips interesting.

They are at home with technology, with one in five (19%) having the ability to use their tablet or mobile to book or amend their travel plans on the move. However over half (52%) of these very senior executives rely on the travel department to research and make their initial booking.

The Gadget Nomad

Members of this tribe of business travellers rely on technology tools to help them stay productive on the move.

They are wedded to their smartphones and tablets and connectivity is their Number One priority: 50% of these travellers make this their top requirement when travelling and 45% of these respondents say the ability to work when travelling is a priority.

However, Gadget Nomads may not be currently making the most of their devices when it comes to booking or amending travel arrangements. Only 17% of these travellers use their mobile device to amend an existing booking (compared to 20% of Reward Travellers).

Gadget Nomads typically hold senior positions: 29% are senior managers, directors or in board level roles.

They travel often: 60% made 5 or more trips in 2013 and they find travel a stimulating experience, with over half (51%) saying they find business travel interesting.

The Reward Traveller

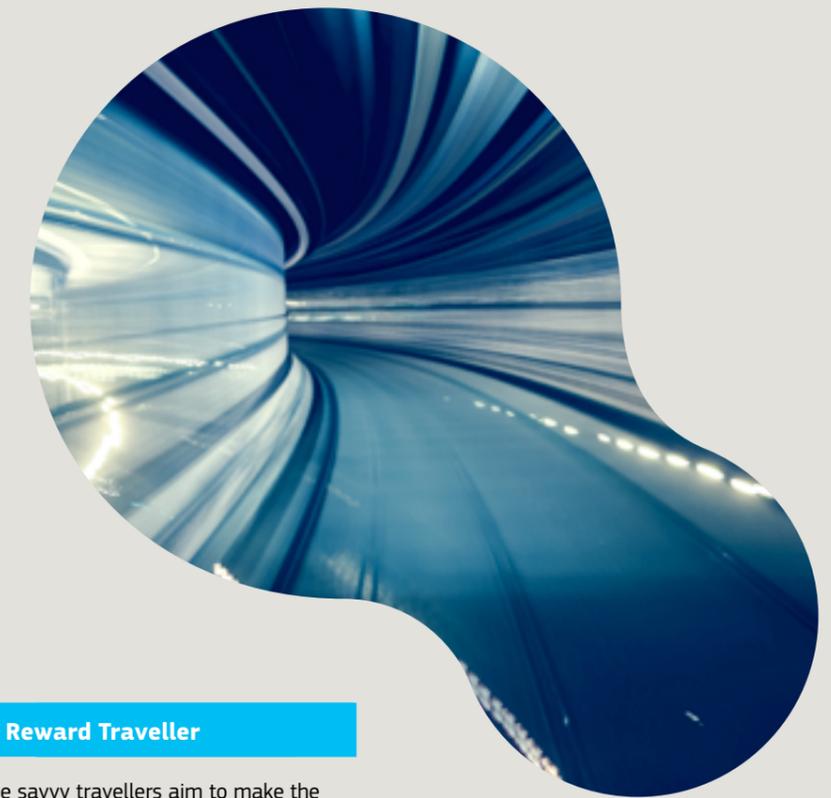
These savvy travellers aim to make the most of the business travel experience, collecting loyalty points to earn rewards. Over half say the ability to collect points from airlines, hotel and car hire groups is a top priority. Almost a quarter of business travellers (23%) are members of this tribe.

Reward travellers are found in management roles (40% are middle managers, while 20% describe themselves as in a management role).

Reward Travellers travel more intensively than any other tribe: 57% made 10 or more business trips in 2013. 49% of them state that they like business trips more than any other type of traveller tribe. 57% find business trips interesting. 19% find them motivating. Reward travellers are looking to add pleasure to business: a significant 12% seek the ability to extend their business trip to include self-funded leisure travel.

37% of Reward Travellers say that their organisation's travel policy makes them feel more positive about their employer. This suggests interesting possibilities for how organisations could use policy to drive employee motivation, which are addressed in the final section of this edition of *Business Travel Insights*.

Reward Travellers are more likely to self-book than any other tribe. Organisations will need to guard against travellers using self-booking to accumulate reward points at the expense of value.



50%

of Reluctant Travellers find business trips boring. 28% find them stressful

4) Making business travel personal: insights and recommendations

Personalisation is one of the biggest trends shaping the travel industry. In the leisure arena, today's empowered consumers expect to be able to tailor their travel experience end-to-end. As noted in the Amadeus report ¹*At the Big Data Crossroads*, big data analytics is making it viable for travel providers to recognise the value in each individual customer. Using these insights, providers can build and strengthen the customer relationship by delivering personalised offers and travel experiences. At the same time, the ubiquity of powerful personal devices, such as smartphones and tablets, provides platforms that travellers can use to shape and manage a more personalised travel experience.

The same technologies can transform the business travel experience and accommodate the expectations of today's demanding business travellers, as revealed by the Business Travel Insights research. This research shows that business travellers want corporate travel services that answer their need for efficiency and allow them to continue working productively when they are on the move. They want to be able to customise their booking by adding ancillary services, such as airport lounge access or meeting rooms at the hotel. A significant number of them (the Reward Travellers) want to accumulate loyalty points and enjoy a richer travel experience.

Additionally, the research suggests a number of areas where corporate travel departments and Travel Management Companies could improve the traveller experience, for example, by making it easier for travellers to deal with changes to their itinerary during their trip.

Amadeus Business Travel Insights therefore concludes with recommendations for how travel managers can give their travellers a better, more connected and more personalised business travel experience. It's better for the traveller – and better for the business.

- **Aim to offer truly end-to-end experiences:** allow travellers to book right through to their final destination by including the ability to arrange ground transport through the booking system. As well as reducing stress, pre-paid final-stage travel saves travellers the bother of reclaiming cash expenses (and possibly ending up out of pocket).
- **Less stress:** changing travel arrangements on the move is stressful – and, as research conducted for Amadeus by PhoCusWright shows – lack of information about delays is the business traveller's chief source of frustration. Make it easier for business travellers to find real time information and amend their travel arrangements on their mobile devices. Business travellers love being connected: use that connectivity to give them better travel experiences.
- **Give travellers the power to tailor their travel experience:** almost two thirds of travellers want to book ancillaries through the corporate travel system, so why not work with travel providers, TMCs and technology companies to streamline the booking of these options via all your booking channels?

29%

of the Gadget Nomads are senior managers, directors or in board level roles

¹ At the Big Data Crossroads: turning towards a smarter travel experience

- **Think about the people dimension:** business travel is a positive experience for most people. Many business travellers are motivated by the ability to connect with customers face to face and establish mutually beneficial relationships. And, as seen in the research, a significant number enjoy the opportunity to collect and redeem travel loyalty points for upgrades and other benefits. How could your colleagues in Human Resources work with the corporate travel department to incentivise and reward employees? By the same token, how can the Human Resources department help you give travellers a better experience, for example by making it simpler to claim back travel expenses?
- Continuing the 'joined-up' theme, **consider how business travel management systems support your organisation's sustainability objectives.** Sustainability is now a strategic pillar in most forward-looking organisations – and you could make a meaningful and visible contribution. For example, carbon calculators can make colleagues more aware of the environmental cost of their trip. Or it is relatively straightforward these days to configure booking systems so travellers gain the ability to choose the greenest mode of transport. For some journeys the train is faster and greener than the plane.

“An exciting prospect for forward-thinking companies is that for every obstacle that looms between travellers and the ability to enjoy a stress free, streamlined, total travel experience – there are opportunities today to improve the way travel is researched, purchased, consumed and analysed.”



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You need real results. We provide acknowledged expertise and exceptional customer service. Plus the vision and the ability to deliver improved business performance and results that support successful growth strategies.

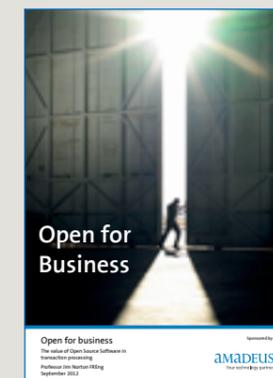
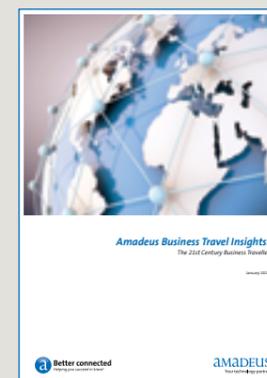
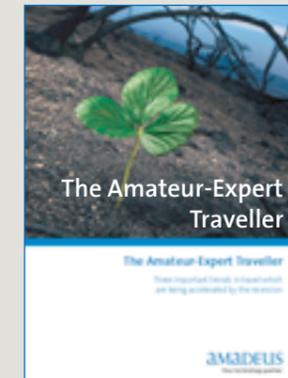
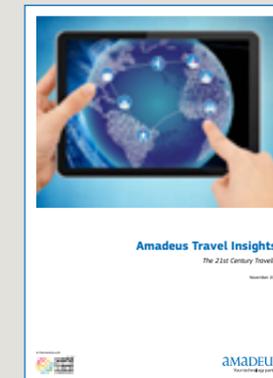
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