



National Business Travel Association



Education and Research for Business Travel Professionals



Travel Industry Association
of America

2004 Business Travelers Survey Key Findings: The Business Travel Industry and Travel Management

The *2004 Business Travelers Survey* was conducted by the Travel Industry Association of America and sponsored by the National Business Travel Association (NBTA) and the Institute of Business Travel Management (ITBM), NBTA's education and research foundation. The online survey was completed in September 2004, with responses coming from 2,043 adults (age 18+) in the United States who took at least one business trip in the previous year (September 2003 – August 2004). Analysis of that data revealed the following key findings on the business travel industry and the practice of travel management.

Business travel is integral to the travel industry, and the American economy. 38.3 million Americans generated 210.5 million domestic business person trips in 2003. They spent \$153.2 billion – nearly one-third of the domestic travel market.

Business travel is recovering. Recent surveys of NBTA travel manager members have shown that business travel is recovering after several years of decline. Travel managers indicate that in 2004 they saw an increase in travel over 2003, and a majority believes corporate travel is currently recovering to levels seen in 2000.

Similarly, the *2004 Business Travelers Survey* shows that business travel is recovering. Business travelers indicate a 3.8% increase in the number of domestic business travel trips taken in the first six months of 2004 as compared to the same period in 2003.

NBTA analysis shows that the best indicator for levels of corporate travel is the economy. Travel budgets tend to rise and fall with a company's financial well-being. The economy is currently growing, and, not surprisingly, industry indicators show that business travel continued to grow after the completion of *2004 Business Travelers Survey* and into 2005.

Are you traveling for business or pleasure? Yes. The *2004 Business Travelers Survey* shows that 62% of U.S. business travelers add a leisure component to at least one business trip per year. Two-thirds of them bring family members or friends with them.

American travelers have become increasingly cost-sensitive in recent years, and small difference in price can have a significant impact on travelers' decisions. In that type of marketplace, the tendency to add leisure components to business trips is important, because it allows cost-sensitive consumers to spend leisure travel dollars in their business destinations while saving on airfare. Thus, the significance of the business travel industry goes beyond purely business travel to impact the leisure travel industry.

Corporate approach to travel policy. Just over four in ten (44%) business travelers report they must use the telephone or websites to book business trips on their own. On the other hand, nearly that many (37%) report they book travel in one of four ways, classified as managed travel programs:

- A central travel management department or on-site travel agency (17%)
- An off-site travel agency (9%)
- A central travel management department plus company-wide booking software (6%)
- An Internet-based travel agency, such as Orbitz for Business, Expedia Corporate Travel, or Travelocity Business) (5%)

Travelers' experiences of corporate travel policy. Questions about business travelers' perceptions of their companies' travel programs reveal important differences between those in managed travel programs and those whose companies do not manage travel.

- Sixty-four percent of business travelers in managed travel programs agree that their companies' programs make it easy to travel for business, compared to 43 percent in unmanaged programs.
- Sixty-five percent in managed travel programs agree the policies are designed to lower the company's business travel costs, while only 44 percent in unmanaged programs think so.
- Sixty-three percent in managed programs say the travel system is easy to use, versus 47 percent in unmanaged programs.
- Fifty-nine percent in managed programs say the travel policies keep employees' comfort and safety in mind, compared to 37% of those in unmanaged programs.

Smart businesses have smart travel policies.

- Eighty-nine percent of travelers in managed programs report their companies have at least one of 14 specific travel policies in place. By comparison, only 65 percent of those in unmanaged programs report at least one of those policies. Looking at ten key policies of those 14, such as a requirement or recommendation that travelers stay in specified hotels, travelers in managed programs are, on average, 109% more likely to know their company has such a policy in place.
- Forty-five percent of those in managed programs report using teleconferencing, videoconferencing, and/or webcasting in the past 12 months instead of taking a business trip. Only 25 percent of those in unmanaged programs had done so. Efficient use of technology and smart travel management go hand-in-hand to maximize a company's effectiveness and minimize costs.

The big picture. Travel has always been an important part of how companies achieve business goals. The practice of strategic travel management grew over last 25 years to most effectively meet those objectives. As the economy took a downturn beginning in 2000, the importance of effective travel management became even clearer. Since then, the growing corporate emphasis on accountability, safety, and security has reshaped the role of travel managers and re-emphasized the importance of travel management. This survey shows that the positive impact of travel management is not only on the bottom line, but also in the perceptions of a company's travelers.

Business travel volumes and expenditures fluctuate with the economy, but even in lean times, corporations send people on the road. The 2004 Business Travelers Survey is one in of several indicators showing that business travel is on the rise. With the economy growing, NBTA and IBTM expect continued growth in business travel.

About TIA: *The Travel Industry Association of America is the national, non-profit organization representing all components of the \$593 billion travel industry. TIA's mission is to represent the whole of the U.S. travel industry to promote and facilitate increased travel to and within the United States.*

About NBTA: *The National Business Travel Association is the source for critical information on the business travel industry. For more than 35 years, NBTA has dedicated itself to the professional development of its members through advocacy, education and training, and networking opportunities. NBTA represents over 2,500 corporate travel managers and travel service providers, who collectively manage and direct more than \$170 billion of expenditures within the business travel industry.*

About IBTM: *The Institute of Business Travel Management is the education and research foundation of the National Business Travel Association. IBTM's mission is to provide on-going financial resources to conduct research initiatives beneficial to the entire business travel industry; to support educational and research offerings for business travel industry professionals and to provide scholarship opportunities for business travel professionals.*