



**NATIONAL BUSINESS
TRAVEL ASSOCIATION**
Connecting the Business Travel World

SURVEY RESULTS:

IMPACT OF HIGH OIL PRICES & ECONOMIC DOWNTURN ON BUSINESS TRAVEL

October 2008

EXECUTIVE SUMMARY

As the business community navigates a global credit crisis, uncertainty in major financial markets, and record spikes in fuel costs, many companies have implemented cost-saving initiatives at all levels. While cost containment has for many years been a major focus of travel managers, the recent developments have both highlighted the importance of effective travel management and prompted adjustments in some corporate travel programs.

To help the business travel industry understand those changes, the National Business Travel Association (NBTA) – the industry's leading association – conducted two surveys of U.S.-based travel buyers in the middle part of 2008. The first survey ran July through September and garnered responses from more than 230 companies. The second survey ran mid-September through October 10, 2008 and garnered responses from more than 90 companies. The findings are presented below as a benefit to NBTA members.

Survey respondents noted sizable increases in business travel costs. A domestic business trip costs \$140-175 more than last year, while international trips are ranging from \$315 to \$400 more per trip. In response to these increases, travel managers are implementing new cost-containment measures or ramping-up existing initiatives:

Top five things corporate travel managers are doing to contain air travel costs

1. Emphasizing advance purchase of air tickets
2. Encouraging or requiring less air travel
3. Sending fewer employees to conferences
4. Strengthening mandates/enforcement of travel policies
5. Driving people to travel alternatives (e.g. web-based meetings)

Top five things corporate travel managers are doing to contain ground transportation costs

1. Refueling before returning car rental
2. Sharing ground transportation costs with other employees
3. Moving to smaller, less expensive car rentals
4. Renting more fuel efficient cars (non-hybrids)
5. Using more public transportation when traveling

Additional travel cost-containment measures companies are implementing in today's challenging economy

- Moving to more coach-class air travel. Measures may include:
 - Eliminating premium-class on domestic trips
 - Tightening restrictions for premium-class on international trips (for example, increasing the minimum length of a flight for premium-class)
 - Offering cash incentives to those who choose economy over business or first
- Increasing use of online booking tools
- Bidding contracts/reducing #s of preferred suppliers
- Moving to lower-priced hotels
- More day trips (no hotel stay)
- Encouraging travelers to combine multiple trips into one
- Negotiating new airline deals for key city-pairs, sometimes with flat rates (instead of, or in addition to, more traditional network-wide deals with discounts)
- Negotiating rental car fuel surcharges, refueling costs, and other additional fees
- Examining relative costs of various modes of ground transportation, and adjusting policy accordingly (e.g., Is it cheaper for shorter trips to pay for airport parking than roundtrip cab or black car to/from the airport? Is it cheaper for some trips to use cabs locally in destination rather than renting a car? Does hotel offer airport shuttle? Is viable public transportation available?)
- Offering incentives for employees who take travel savings (e.g., cash incentive for taking coach when travel policy allows for business class)
- Implementing strategic meetings management programs (enterprise-wide meeting policies and practices)

To assist its members plan travel budgets and operations for 2009, NBTA will publish its initial *2009 Business Travel Overview & Cost Forecast* later this month.

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Attend these events to learn more about how businesses are procuring and managing travel in a rapidly changing economy:

ISM-NBTA
Summit on Travel & Meetings:
Supply Management’s Critical Role

January 27-28, 2009
 Charlotte, NC

www.ism-nbta.org

NBTA Business Travel Financial Forum
A Wall Street Look at
the Business of Business Travel

March 30-31, 2009
 New York

www.nbta.org/financialforum

* Figures are from July-September survey, except where noted. Most data from September-October survey served to confirm findings of first survey amid a rapidly shifting economic landscape.

IMPACT ON COMPANIES

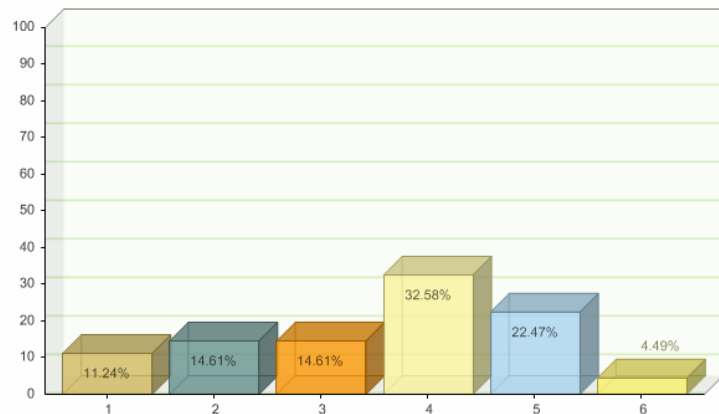
Top 5 Corporate Travel Responses to Fuel Price Hikes and Economic Downturn	
1- Cost cutting measures	56%
2- Cost savings mentality at every level	53%
3- Reduction of meetings & company events	39%
4- No impact / Business as usual	23%
5- Increased use of public transportation	22%

How are the fuel crisis and economic downturn affecting your company overall (beyond travel)? (Select all that apply)

Business-as-usual / No effects felt	22.51%	<div style="background-color: #4f81bd; height: 15px; width: 22.51%;"></div>
Temporary travel freeze	9.09%	<div style="background-color: #4f81bd; height: 15px; width: 9.09%;"></div>
Temporary hiring freeze	16.45%	<div style="background-color: #4f81bd; height: 15px; width: 16.45%;"></div>
Minor layoffs in general workforce	16.02%	<div style="background-color: #4f81bd; height: 15px; width: 16.02%;"></div>
Minor layoffs in upper management	6.49%	<div style="background-color: #4f81bd; height: 15px; width: 6.49%;"></div>
Massive reduction of labor force at all levels	2.16%	<div style="background-color: #4f81bd; height: 15px; width: 2.16%;"></div>
Cost cutting in every department	31.60%	<div style="background-color: #4f81bd; height: 15px; width: 31.60%;"></div>
Cost cutting in some departments	24.68%	<div style="background-color: #4f81bd; height: 15px; width: 24.68%;"></div>
Cost savings mentality at every level	52.81%	<div style="background-color: #4f81bd; height: 15px; width: 52.81%;"></div>
Reduction of meetings & company events	39.39%	<div style="background-color: #4f81bd; height: 15px; width: 39.39%;"></div>
Reduction of travel management work force	9.96%	<div style="background-color: #4f81bd; height: 15px; width: 9.96%;"></div>
Increased use of public transportation to commute to work	22.08%	<div style="background-color: #4f81bd; height: 15px; width: 22.08%;"></div>
Other (please specify)	8.23%	<div style="background-color: #4f81bd; height: 15px; width: 8.23%;"></div>






Rate the impact of the faltering economy on your travel program (1-6 scale: 1=no impact and 6=significant impact)*

- 60% of respondents ranked the impact of the current economic challenges on the higher end of the scale.



*From Sept.-Oct. survey

Do you fear that your position might be eliminated or your travel department reduced because of the current situation?

No	70.18%	
Somewhat	18.86%	
Yes, I fear my position might be eliminated	2.19%	
Yes, I fear that the travel management staff might be downsized	3.07%	
My department was already downsized recently	5.70%	

TRIP COST INCREASES

Estimated Cost Increase per Trip 2008 vs 2007 <i>Including air, hotel, car and meal expenses per single trip</i>	
Domestic increase	\$140 - \$175
International increase	\$315 - \$400

Average cost increase of a business trip since December 2007	Less than \$50	\$51 - \$100	\$101 - \$150	\$151 - \$200	\$201- \$300	\$301- \$500	More than \$500
Domestic	6.22%	33.78%	24.00%	16.89%	10.67%	5.78%	2.67%
International	3.16%	6.84%	14.74%	13.68%	20.53%	21.05%	20.00%














- Domestic and international airfares have increased between 11% and 13% since the end of 2007.

In your estimate, how much have airfares changed since December 2007?	Increased by up to 5%	Increased by 5% - 10%	Increased by more than 10%	Decreased by up to 5%	Decreased by 5% - 10%	Decreased by more than 10%	Remained the same
Domestic	11.45%	41.85%	42.73%	0.88%	0.44%	0.44%	2.20%
International	7.50%	28.50%	58.00%	0%	1.00%	1.50%	3.50%

AIR TRAVEL

Top 5 Air Travel Management Actions Taken	
Actions	Responses
1- Emphasizing advance purchase of air tickets	61%
2- Encouraging or requiring less air travel	55%
3- Sending fewer employees to conferences	51%
4- Strengthening mandates/enforcement of travel policies	50%
5- Driving people to travel alternatives (e.g. web-based meetings)	49%

Have the recent airfare increases and/or the economic downturn prompted any of the following actions at your company with regards to air travel?(select all that apply)

Asking or requiring travelers to consolidate multiple trips into one	30.18%	
Encouraging or requiring less air travel	55.41%	
Encouraging or mandating online bookings	43.24%	
Driving people to travel alternatives (e.g. web-based meetings, conference calls, etc)	48.65%	
Tightening purchase requirements for business or first class tickets/driving more coach tickets	27.03%	
Implementing stricter pre-trip approval requirements	24.77%	
Emphasizing advance purchase of air tickets	60.81%	
Increasing audits of T&E reports	24.77%	
Strengthening mandates/Enforcement of travel policies	49.55%	
Increasing more day trips to avoid hotel expense	7.21%	
Sending fewer employees to conventions/conferences/trade shows	51.35%	
Offering incentives for employees who take travel savings (e.g., cash incentive for taking coach when travel policy allows for business class)	6.31%	
Other (please specify)	4.95%	

Air Capacity Cuts

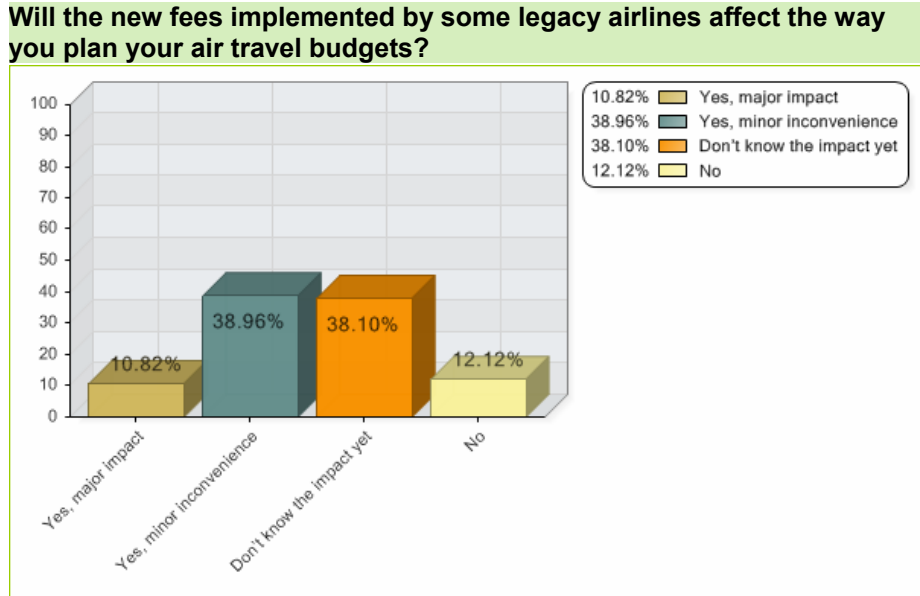
To determine which air travel service cuts will have the greatest impact on business travel, NBTA asked respondents to indicate which airports their travelers use of 57 known U.S. airports where capacity is being cut. The responses were then combined with the percentage of service cuts at each airport to determine the 20 airports where cuts are having the greatest impact on business travel.

Top 20 Airports where Capacity Cuts Are Impacting Business Travel			Seat capacity Decrease Nov. 2008 vs. Nov. 2007*
Rank	City	Code	
1	Chicago - O'Hare	ORD	-14%
2	Los Angeles, CA	LAX	-15%
3	Washington - Dulles	IAD	-12%
4	Boston, MA	BOS	-10%
5	Las Vegas, NV	LAS	-17%
6	Oakland, CA	OAK	-21%
7	Phoenix, AZ	PHX	-11%
8	Orlando, FL	MCO	-12%
9	Newark, NJ	EWR	-7%
10	Minneapolis, MN	MSP	-12%
11	San Jose, CA	SJC	-15%
12	Cincinnati, OH	CVG	-15%
13	Houston - Intercontinental	IAH	-10%
14	Chicago- Midway	MDW	-16%
15	San Diego, CA	SAN	-9%
16	Kansas City, MO	MCI	-22%
17	Portland, OR	PDX	-14%
18	Raleigh / Durham, NC	RDU	-15%
19	Santa Ana, CA	SNA	-18%
20	Baltimore, MD	BWI	-8%

* From USA Today.com (<http://www.usatoday.com/travel/flights/airline-capacity-map.htm>). USA Today.com analysis based on data from the Official Airline Guide.

New Airline Fees

- 39% of respondents consider the new airline fees to be a minor inconvenience for budgeting.



- 76% of respondents feel airlines are misleading the public with the fees. 44% of those noticed that seemingly competitive fares end up being much higher when the fees are added.

Are airlines misleading the public with the introduction of new fees?

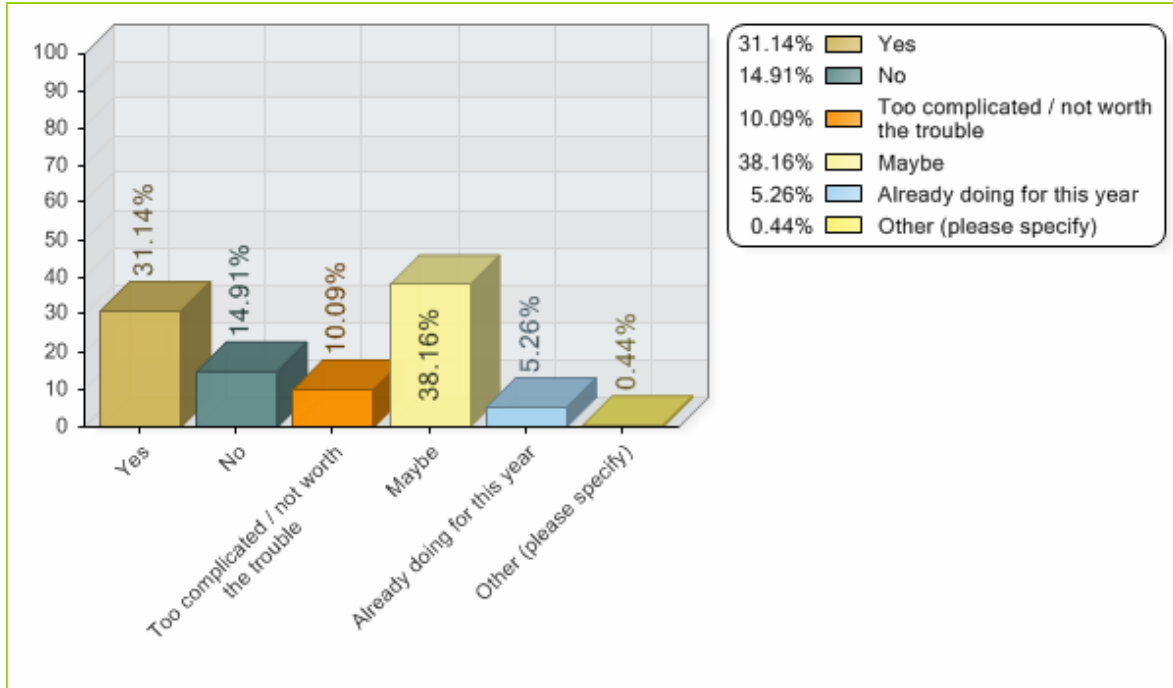
Yes	32.03%	<div style="width: 32.03%;"></div>
Yes, apparent competitive fares end up being higher after all the fees are added	43.72%	<div style="width: 43.72%;"></div>
No	6.93%	<div style="width: 6.93%;"></div>
No, optional fees affect a small group while higher fares affect everybody	12.12%	<div style="width: 12.12%;"></div>
Somewhat	4.76%	<div style="width: 4.76%;"></div>
Other (please specify)	0.43%	<div style="width: 0.43%;"></div>

New Airline Fees, continued







Given disparate fee structures, how do you plan to compare air travel costs at the point of sale?	
Measures	Responses
Will offer matrix of airlines & fees to travelers through our Intranet/Travel page	35%
Will monitor/audit the bookings with reports	33%
Rely on TMC agents to calculate and inform the traveler	32%
Request that online booking tools add that feature	31%

- 70% are planning to, or considering, negotiating on the fees during their next RFP process.
- 66% of respondents are already measuring, or planning to measure, the impact of the fees on their spend.

Are you planning to negotiate on any of the new airline fees in the next RFP process?



Are you planning to measure the impact of the fees on your travel spend?

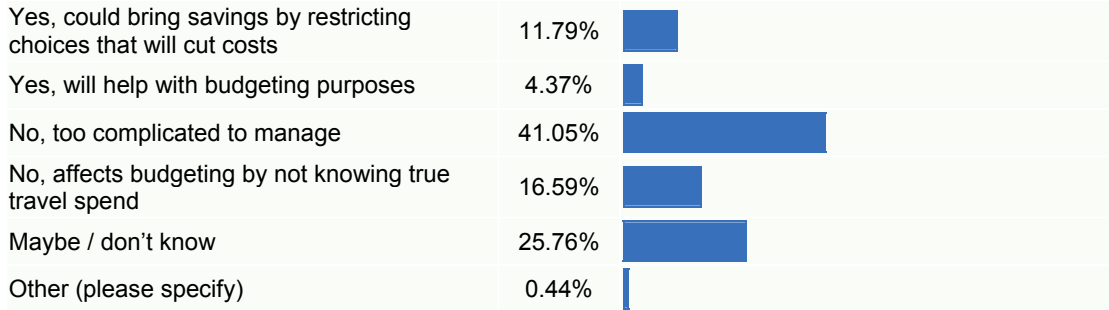
No	4.80%	
Not yet	29.26%	
I might	34.06%	
Yes, I will scrutinize T&E spend to determine impact of the new fees	21.40%	
Already doing	10.04%	
Other (please specify)	0.44%	

Pricing and New Ticketing Restrictions

58% reject the idea of airlines officially adopting “a-la-carte” pricing (e.g. Air Canada) because it:

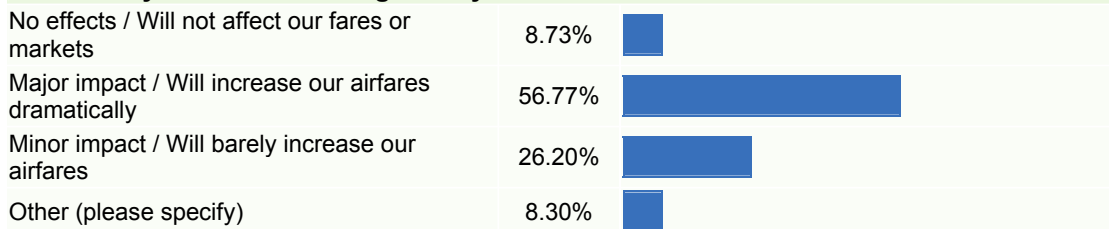
- Is too complicated to manage (41%)
- Complicates budgeting without knowing true air travel spend (17%)

With the increasing addition of new fees, should U.S. airlines just follow Air Canada’s “a la carte” pricing to help you budget better?



The majority of respondents, 83%, agree that the re-introduction of ticketing requirements, like Saturday-night stay, will have an impact on their air travel budgets. 57% consider it to be a major impact.

Some airlines are planning on reinstating minimum stay requirements (e.g. Saturday night stay) in order to generate higher revenues from business travelers. How would this affect your air travel budgets or your travelers?



Although loopholes exist to circumvent those new restrictions, like the prohibited practice of “back-to-back” ticketing, 80% of the travel managers don’t use this practice, because they say it is:

- Unethical (22%)
- Prohibited by their travel policy (17%)
- Too risky (13%)

22% of those 80% are willing to encourage travelers to stay over Saturday night, and cover additional costs, if the fare difference is significant.

Low Cost Carriers (LCCs)

71% of travel buyers are encouraging bookings on low cost carriers if it means savings on airfares. An additional 5% plan to encourage LCC bookings.

In the next 6 months, will you encourage or increase bookings on low cost carriers?

No, we don't book LCCs	4.35%	
No, our contractual agreements with legacy carriers could be affected	18.26%	
Already encouraging LCC bookings to cut costs and reduce complaints/hassles	42.17%	
Will start encouraging LCC bookings to cut costs and reduce complaints/hassles	5.22%	
The current economic downturn is forcing us to book the lowest fare regardless of airline type	29.13%	
Other	0.87%	

Government Intervention

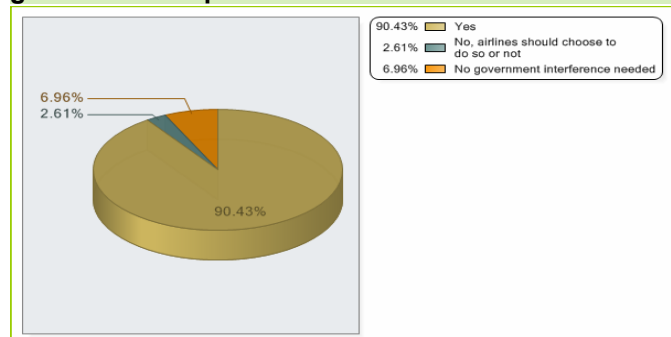
- 33% of travel buyers support subsidies for airlines.
- 39% do not support government subsidies for airlines.
- 28% are undecided.

The U.S. Government subsidizes road constructions and Amtrak. During this aviation crisis, would you support government subsidies of airlines to maintain this vital link of doing business around the country?

Yes, to avoid more job losses / help the economy recover	19.57%	
Yes, to maintain vital business links & access to smaller airports	13.48%	
Maybe	25.22%	
No, badly run airlines should go out of business	13.91%	
No, some airlines have proven that they can still be profitable through a crisis	19.13%	
No government interference needed	5.65%	
Other (please specify)	3.04%	

- More than 9 in 10 respondents support a requirement that airlines disclose all fees and charges at the point of sale.

The European Union will require airlines to disclose all extra fees/surcharges/hidden charges in the total price at the point of sale. Should the U.S. government require the same?



GROUND TRANSPORTATION

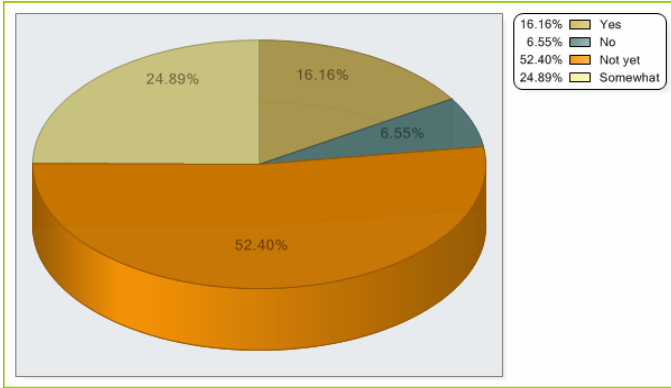
Top 5 Ground Transportation Trends Due to High Oil Prices	
1	Refueling before returning car rental
2	Sharing ground transportation costs with other employees
3	Moving to smaller, less expensive car rentals
4	Renting more fuel efficient cars (non-hybrids)
5	Using more public transportation when traveling

Initiatives to reduce costs	Traveler's Choice	Encouraged	Mandated by Policy	N/A
(a) Moving to smaller, less expensive car rentals	31.67%	36.65%	23.08%	8.60%
(b) Renting fuel efficient hybrid cars	44.55%	25.91%	0.45%	29.09%
(c) Renting more fuel efficient cars (non-hybrids)	44.50%	34.86%	3.67%	16.97%
(d) Refueling before returning car rental	4.93%	41.26%	51.12%	2.69%
(e) Sharing ground transportation costs with other employees	18.83%	68.61%	9.42%	3.14%
(f) Using more public transportation when traveling	34.68%	48.20%	1.80%	15.32%
(g) Reducing the use of chauffeured transportation	19.82%	38.74%	18.02%	23.42%

Is this behavior increasing or decreasing?	Slightly increasing	Increasing dramatically	Decreasing	No changes	N/A
(a) Moving to smaller, less expensive car rentals	42.86%	8.10%	0%	42.86%	6.19%
(b) Renting fuel efficient hybrid cars	37.02%	3.85%	0%	37.02%	22.12%
(c) Renting more fuel efficient cars (non-hybrids)	41.35%	7.21%	0%	35.10%	16.35%
(d) Refueling before returning car rental	30.19%	16.04%	0.94%	48.58%	4.25%
(e) Sharing ground transportation costs with other employees	40.85%	12.21%	0.47%	40.85%	5.63%
(f) Using more public transportation when traveling	27.62%	4.76%	0.48%	49.05%	18.10%
(g) Reducing the use of chauffeured transportation	22.75%	6.64%	8.06%	39.34%	23.22%

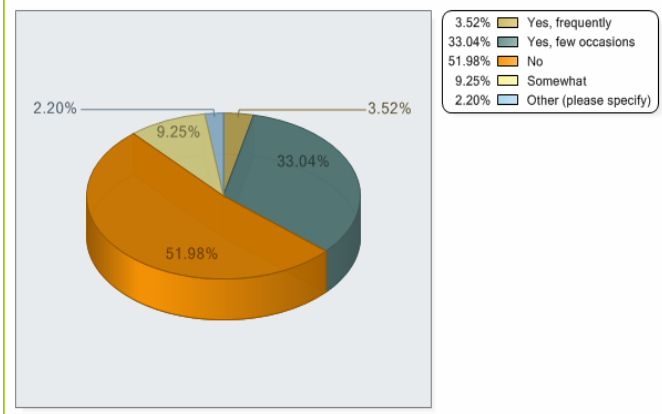
HOTELS

With the softening of the economy do you think that we have reached a hotel buyers' market?



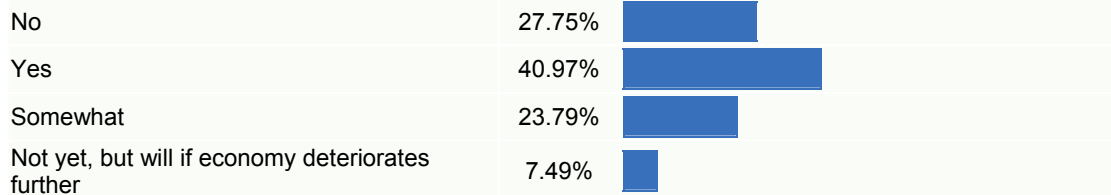
- 52% of the respondents don't see a buyers' market in the hotel industry despite the current economic situation.
- 65% of the travel managers are either suggesting or encouraging the use of mid-price hotels instead of luxury properties.
- 37% of respondents have witnessed hotel rates falling below the level of the negotiated rates.
- 32% of corporate travel buyers surveyed are working to re-negotiate hotels rates, including:

Are you currently seeing hotel rates falling below your negotiated rate levels with your preferred hotels?



- 16% who have been contacted by hotels rejected the previous year with new offers.
- Another 13% are currently renegotiating with preferred hotels.

In the last few months, have you been further encouraging your travelers to book mid-priced/limited service hotels vs. luxury hotels to cut costs?



Hotels, continued

In the last few months, have you been approached by hotels, or have you contacted hotels, to re-negotiate current rates or review proposals you declined during the last RFP season?

No	37.00%	
Not yet, but planning on re-negotiating with preferred hotels	30.40%	
Yes, hotels rejected last year have approached me with new proposals	16.30%	
Yes, I have contacted rejected hotels to re-negotiate	2.64%	
Yes, currently re-negotiating rates with my preferred hotels	12.78%	
Other	0.88%	

TRAVEL ALTERNATIVES

Teleconferencing

- 75% of respondents note an increase of the usage of teleconferencing and web-based meetings, with 31% reporting an increase of up to 5% and 21% indicating an increase of 5-10%.
- 57% indicate an increase in video teleconferencing. 32% indicate an increase of up to 5 %.
- Overall, 81% of travel buyers attribute the increase of the usage of this technology as a replacement of actual trips. An additional 20% said that this technology complements different trips rather than replacing them.

Telepresence

- Telepresence, the most robust and most costly conferencing technology, is only used by about 14% of respondent companies. 9% note increased use of telepresence by up to 5%, while 5% of users report a 5-10% increase.

Usage increasing?		Yes	No	Don't have it
(a)	Teleconferencing/Web-based meetings	74.78%	19.47%	5.75%
(b)	Video teleconferencing	56.64%	27.88%	15.49%
(c)	TelePresence	13.55%	22.90%	63.55%

Increasing by how much?		Increase by up to 5%	Increase between 5% -10%	Increase by more than 10%	Decreasing	Don't Know
(a)	Teleconferencing/Web-based meetings	31.02%	20.86%	10.70%	0%	37.43%
(b)	Video teleconferencing	31.58%	8.77%	11.70%	0.58%	47.37%
(c)	TelePresence	8.73%	4.76%	4.76%	0.79%	80.95%

Increasing due to the economy or along with more trips?		Increasing as alternative to travel	Increasing along with increased number of trips	Complementing related trips
(a)	Teleconferencing/Web-based meetings	80.36%	5.95%	20.24%
(b)	Video teleconferencing	81.20%	4.51%	18.80%
(c)	TelePresence	61.70%	4.26%	40.43%

STATE OF BUSINESS TRAVEL

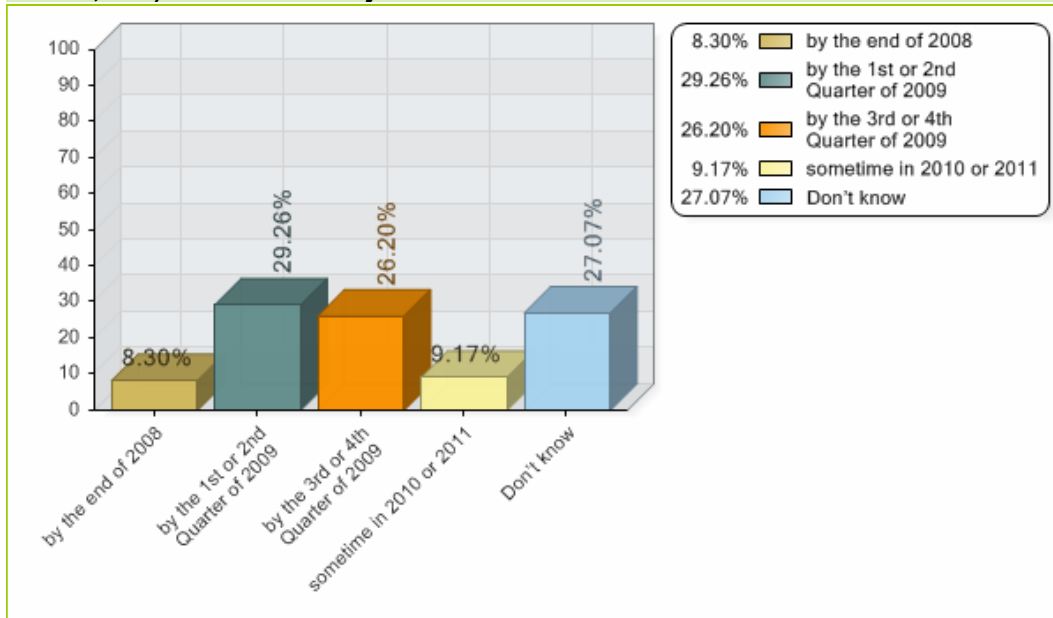
Corporate travel buyers' perceptions are split regarding the future of business travel:

- 50% of respondents are optimistic about the growth of business travel:
 - 39% see continued growth, but slower than last year.
 - 7% expect it to grow rapidly because of a growing global economy.
 - 4% are hopeful that the economy will recover in 2009 and help business travel.
- Nearly half (49%) are more pessimistic about the economy and the state of business travel.

Overall, the majority of respondents (55%) expect an adjustment of new business travel supply and demand during 2009.





With the current situation, what are your expectations on business travel for 2008-2009?		
Responses	%	Percentage of total respondents
Business travel will continue expanding, only slower	39.04%	
Business travel will increase rapidly once the economy recovers in 2009	3.51%	
Business travel will continue to grow rapidly because of a growing global economy	7.02%	
The deteriorating economy will continue to decrease business travel during 2008-2009	48.68%	
Other (please specify)	1.75%	

When do you expect the “new” supply/demand of travel services (air, hotels, car rentals, etc.) to become readjusted?



SUPPLIER AGREEMENTS STATUS

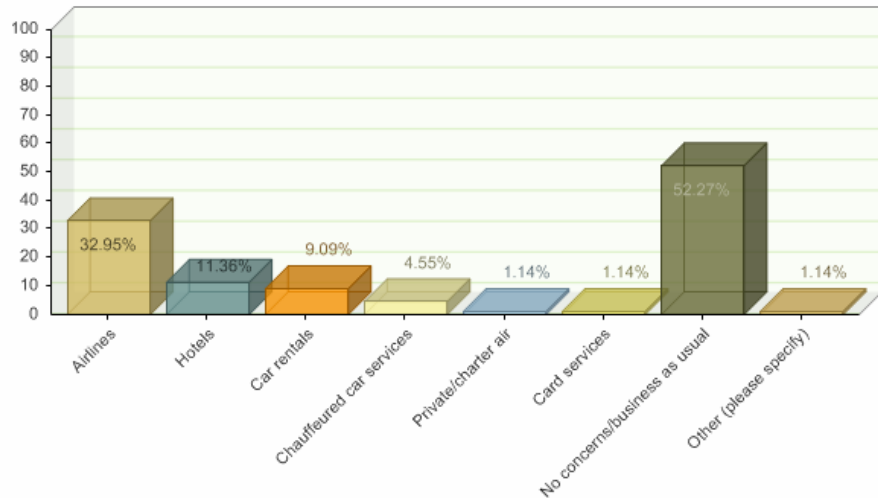
Please assess the overall status of your 2008 supplier agreements

Comfortable and confident that all or most agreements are working well	56.18%	
Have some agreements that are working well, some that are not	35.96%	
We are likely to miss our targets on a majority of our agreements	6.74%	
Other (please specify)	1.12%	

- 56% of buyers re confident about the status of their current agreements with travel suppliers.

Indicate those categories where you have 'significant concern' about your company's ability to fulfill agreements.*

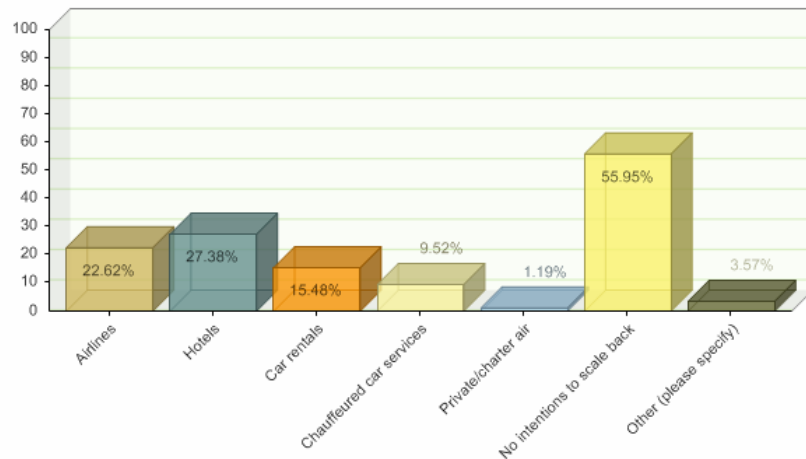
- Minorities of respondents have significant concerns about meeting supplier agreement sales or market share targets:
 - 33% have concerns about airline agreements
 - 11% - hotel agreements
 - 9% - car rental agreements



*From Sept.-Oct. survey

For your 2009 agreements, do you intend to scale back your commitments in any of the categories below because of the economy?

- For 2009, 56% have no intentions of scaling back on quotas agreed with travel suppliers.
- 27% plan to cut back on hotel commitments, 23% on airline commitments and 15% on car rental commitments for 2009.



*From Sept.-Oct. survey

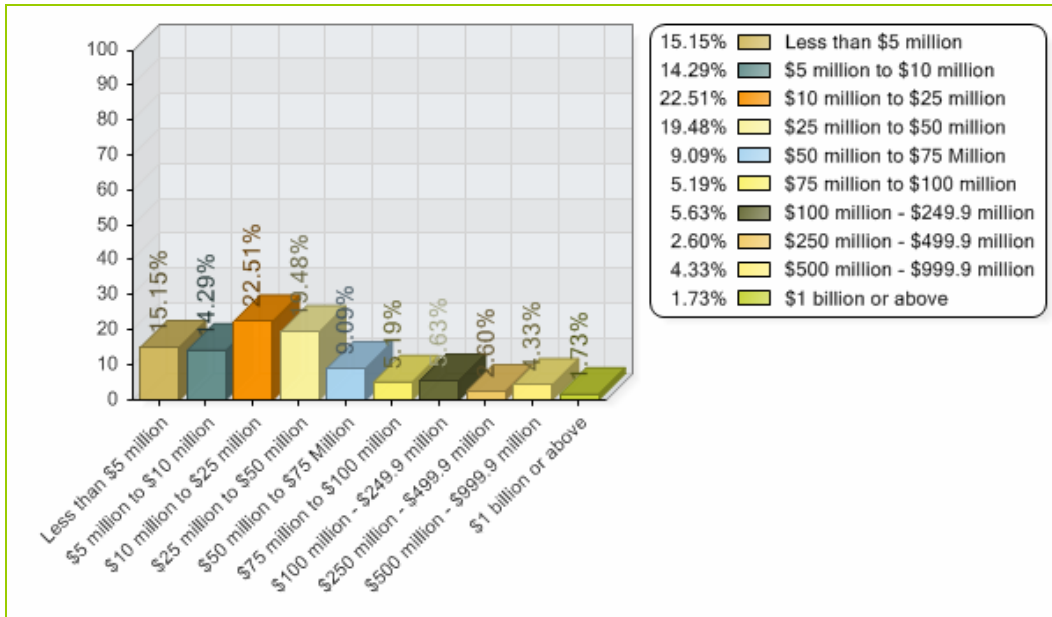
APPENDIX A - DEMOGRAPHICS

Survey 1, July – September

Industries represented

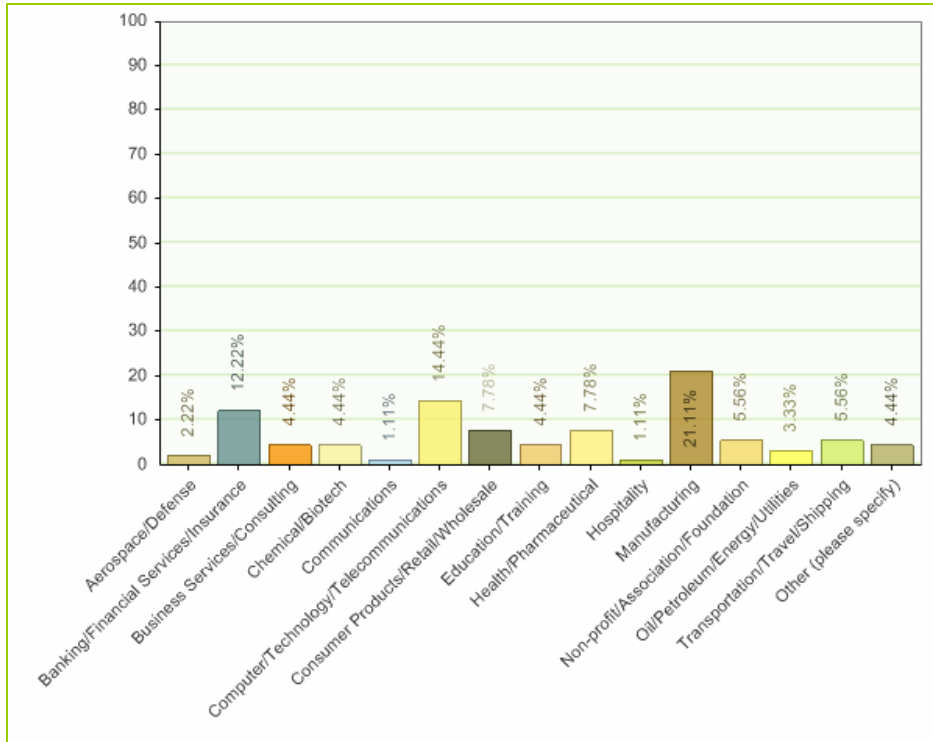
Aerospace/Defense	3.90%	
Agriculture	0.87%	
Banking/Financial Services/Insurance	14.29%	
Business Services/Consulting	4.33%	
Chemical/Biotech	1.73%	
Communications	2.60%	
Computer/Technology/Telecommunications	11.26%	
Consumer Products/Retail/Wholesale	6.06%	
Education/Training	6.06%	
Food Services	1.73%	
Government	0.87%	
Health/Pharmaceutical	9.52%	
Hospitality	2.16%	
Manufacturing	13.42%	
Non-profit/Association/Foundation	7.36%	
Oil/Petroleum/Energy/Utilities	5.63%	
Sports/Entertainment	1.30%	
Transportation/Travel/Shipping	1.73%	
Other (please specify)	5.19%	

Respondent companies travel spend

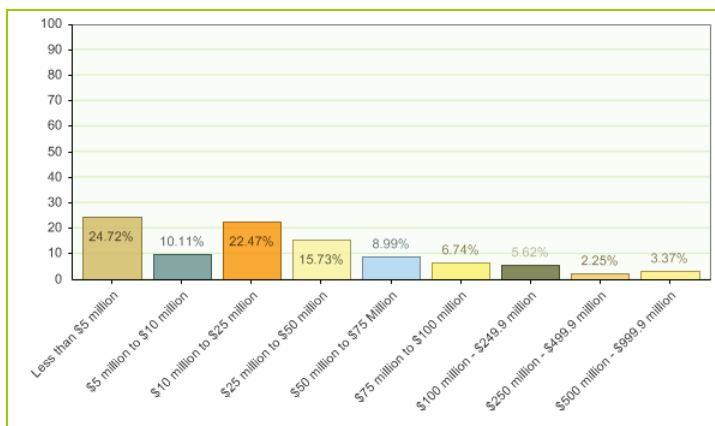


Survey 2, September - October

Industries represented



Respondent companies travel spend



APPENDIX B - ADDITIONAL COMMENTS FROM RESPONDENTS

- How are you dealing with the current economic downturn and the effects on your travel management function?
- Note your recent creative ideas to cut costs or to influence traveler's behavioral changes to adjust to the new realities in business travel.

Business travel will increase or decline based on the strength of the company and the market they are in
Travelers will continue to spend until costs escalate another 10-20%. Then they will begin to adjust travel habits when costs reach unreasonable levels.
We have started interviewing candidates via video conference for lower level roles rather than incurring the cost of the travel for the interview process.
Becoming more proactive about reiterating travel policy, rethinking trips, being more open to alternate travel methods.
Publishing travel compliance reports measuring traveler behavior with online booking, LLA, 7+ Day advance purchase, and preferred hotel usage. These reports are being sent to Sr Execs within each business unit and list top 25 violators. Personalized letters for top offenders are being sent from the CFO.
Requiring more pre-trip approvals, more focus on total trip cost and limiting the amount of employees personally attending a customer visit or other event. Also, we are more diligently enforcing existing policies.
We are increasing traveler's awareness of "Smart Traveling". Meaning targeting the "right" days to travel, to right size hotels and car requirements.
1) Tighter enforcement of the travel policy 2) Training (on-line booking tool, expense report approval and management) 3) Enforcing pre-approval requirements for hotel and airline costs over a certain \$ amount, limiting private car service
We are encouraging travelers to be as prudent as possible. My management is strongly focused on me staying on top of the latest trends and recognizing what other organizations are doing in this economic downturn.
We installed, prior to the economic downturn, Video Conferencing in our Corporate and off-site facilities. We have encouraged continued use of Video & Web-based conferencing and training as an alternative to travel.
We are implementing an incentive program to reward travelers for choosing coach for international trips over 9 hours. The program is a win for the company and a win for the employees. We have had a great response so far.
We are providing more detailed reporting to our executives so that they have greater visibility into their travel budget and where their dollars are going. We are providing detailed reports of all out of policy travel by cost center so that budget owners can see the impact of approving "out of policy travel".
We are looking at cost cutting that is also "green", such as doing away with plastic cups in the office and buying all employees logo reusable cups. We had tightened up our travel policy in December '07 so we are in good shape as far as encouraging employees to make good business decisions when it comes to travel. One idea we have not yet implemented is doing an internal "facebook" type of tool that will allow travelers to know who else in the company is traveling to a place they are going so they can share cars.
Currently I've seen our travel transactions increase by about 12% and costs increase by about 20%. Are business requires travel occur and in several markets we've just had to deal with the increase of costs and consider it a cost of doing business. I'm continually looking for ways to control/cut costs and do plan on tougher negotiations during the 2009 Hotel RFP.
Video conferencing and teleconferencing are strongly encouraged. Pre-trip approval for international travel has tightened.
The economic downturn has helped drive senior level support for the travel program - they finally seem to understand what we've been telling them all along; that you can control travel costs by enforcing compliance with a well written policy.

Increasing airfare rebate program to encourage travel in coach . Will be implementing hotel rebate program for employees willing to stay with friends or relatives rather than at hotels while traveling. Encourage use of mass transit .
Offer side-by-side costs for travel vs. web based meetings
More focus on meeting policies and processes as a method of streamlining overall T&E costs.
I have just increased focus on compliance , and pre-trip notification and approval for employees
Travelers are encouraged to support the preferred carriers; however, that is getting more and more difficult with fare increases, added charges and minimizing flights to certain cities .
We have been actively working on promoting more web-conferencing as opposed to travel .
Well managed travel should not wait for difficult times to incorporate disciplined travelers and cost-effective management measures. Long-term, relationship based contracts that are well thought out and strategically negotiated should provide enough mutual benefit to both parties to allow the agreements to stand the test of time, regardless of economic fluctuations. During good times, the vendor receives a little more benefit from the business. During tough times, the customer should benefit from the vendor support. It all washes out in the end. Our travel management function has not been impacted nor have our volumes dropped. We still enjoy quarter to quarter growth through an aggressive spend management program. As times get tougher, more customers turn to the professionals to "bring the power of the marketplace" to their business environment while experiencing "Intense, personal customer care" . The tough economic times are when our customers need us the most.
Increased focus in on-line booking with search criteria changed to search by price vs. schedule Suggest use of alternate airports when savings are significant Refocus on use of corporate card
Tell travelers to go green. That usually cuts back on travel without mandating anything.
I was recently laid off, which had a small impact on my company's then-current travel spend. Without someone to "watch the store", I anticipate their costs will start to rise .
Trying to determine overall cost of travel between companies 3 sites, 2 in US and one in India. Invested in state of the art communications so now we can do video conference between sites in 4 conference rooms, installing video camera's on individual's phones . Encouraging people to look for Web conferencing instead of traveling for seminars .
Sending less people on overseas trips, only allowing chauffeured services when 3 or more are traveling together . Suggesting LCC and less expensive hotels.
We're planning to measure and publicize the carbon emissions caused by our air travel . Many of our employees, especially the younger ones, are environmentally conscious and we expect the visual guilt will influence their decisions whether to travel or opt for a videoconference or other substitute.
We completely mandated our policy globally and are exceptions have to be approved by senior management.
Our travelers will have to continue to travel but only smarter
The economic situation does not effect us. In fact, when the economy is bad our business booms....people worry and get sick, then need our doctors . We are increasing spend and I just hired two new FTE's.
The economic downturn has lowered our transaction volume . This has allowed us to focus on more value added services to our travelers, faster travel request turnaround time, and eliminated the need to hire another travel agent.
We need a cultural shift within the organization, not just in response to increasing costs. Too many of our travelers don't treat the company's money as if it was their own .
Encouraging travelers to compare Sat. night fares. Business travel is increasing due to business activity .
Currently reviewing all contracts. Airline contracts are under negotiations for revenue terms as opposed to market specific -.

The number of trips has been reduced company wide, determined by management. **Business class reservations have been temporarily suspended** by all but about five of top management.

- How are you dealing with the current economic downturn and the effects on your travel management function?
- Note your recent creative ideas to cut costs or to influence traveler's behavioral changes to adjust to the new realities in business travel.
(From Sept.-Oct. survey)

We don't feel any strain. **We are in healthcare** and when the economy takes a turn for the worse...people worry and get sick. So **our business is up about 28%**.

do not believe that staffs with sufficient travel budgets are cutting back at all; they are spending their approved travel budget for 2008; the next year may prove differently in **that 2009 budgets for travel may be cut** because staff is setting budgets with a business as usual mentality

We will move into **2009 requiring executive approval** for all non-customer travel.

Our travel has taken a **very large international jump**. By implementing an incentified travel policy - our travelers are choosing the incentive which is saving the company an estimated \$4000 per trip which is substantial. At the same time, the employee who receives the incentive is getting a bit of financial relief - which makes the employee happier to oblige.

We are definitely **not driving business to our contracted airline if there are lower fares**.

The recent change I implemented that seems to have the **biggest impact is alternate airport shopping**

No longer using preferred carrier on Asia market, discount for Business Class does not compete with fares on Asian and other carriers in volatile market. Travelers are more disciplined when traveling, is trip really needed.

We are using this time to focus on streamlining our processes, launch a new online expense module (in PeopleSoft), and **further expand our corporate card program** (both T&E and P-Card) during this slower time.

Requesting advanced notice of trips. Using connecting flights vs direct. **Booking travel for 2009 tradeshow now**.

Pre trip approvals (reduce demand) Move from business to coach **My job is eliminated as of Jan 1, 2009**

We have cut travel in half. **Travel is only allowed if business critical**.

Cost containment comes from **utilizing mid-range hotels**, shorter trips and educating travelers to be mindful of all associated travel costs.

Air fare prices continue to climb and the **travelers are willing to take connections** due to the cost of the air fare but at the same time they are concerned with whether or not the flights will operate on time and if not with the reduction in the number of flights will they get home if they take a connection. Despite the cost in air fare because of the reduction in flights our travelers are taking the higher price to ensure they get home in a reasonable amount of time.

We are implementing a new policy to require approval from a high level for all non-client travel.

New policy focus on **requiring approval if travel is non revenue generating**. **Shift of travel to video conferencing** where applicable. Consolidating hotel suppliers in top cities to better leverage costs. Recommendation to senior management to

eliminate business class travel on transcon flights in US and for travel within EMEA and Asia by increasing the time from 5 hours to 6 hours to allow business class.

We have **changed some business class travel to economy class.**

We are not being adversely effected by the economic downturn but by a pending takeover of our company. **The new management has no appreciation for "value-add" services nor economies of scale and leveraging of spend**

New managed travel program focusing not on "you have to", but on "look what you get when you do use" the program. We are focusing on all the tangible positives our travelers will receive when they use the program plus a super saturation communication program. We also started this at the top with buy in from the CEO, CFO, COO, CIO, then went to their direct reports and included them as stakeholders. All of these steps are focused on program compliance, but without the stick, and the travelers are getting excited about using the new program because of all the features they get, but also because they know it will save their division, department, and the whole company money.

Promoting and educating our travelers on the options for **non-travel meetings via conference call, teleconference, web ex** etc.

As a small-midsized company I'm taking advantage of the **airline rewards programs to gain points and use them for pricey international travel** with American's Business ExtrAA, Delta's Skybonus, Continental's RewardOne and United's Perks Plus programs.

Travel gets priority when it's income generating. We are taking a closer look at travel requests now. We are using more 2nd tier hotels than before. We are rewriting our Travel Policy Handbook.

We have offered **financial incentives for flying a lower class of service than allowed in the travel policy.** We are looking at amending the travel policy to be even tougher financially. We are closely monitoring the budget vs. the actual costs for travel but will budget same as we did for 2008 in the hopes that things will turn around.

Developing mandatory automated authorization form to eliminate discretionary travel at point of purchase. **I also realize that it doesn't matter how skilled I am in bringing results and doing my job effectively. It's about cutting heads and mine is just another one. Performance is not an issue at all.**

Consolidating meeting business to a fewer hotel chains