



**NATIONAL BUSINESS
TRAVEL ASSOCIATION**

Connecting the Business Travel World

**NBTA Member Survey
Iceland Volcanic Ash Cloud
April 2010**

Methodology

This online survey of travel managers was conducted April 20 through April 21, 2010. In total, 2325 NBTA USA Direct Members and other travel managers around the world were invited to participate in this study via email. Of those, approximately 220 emails were returned as undeliverable and 234 completed the survey for a response rate of 11.1%.

Please direct any questions regarding this research to research@nbta.org.

Findings

A survey by the NBTA Foundation – the research arm of the National Business Travel Association (NBTA) – of corporate travel managers at major corporations across the globe found that the volcanic ash over Iceland and much of Europe negatively impacted travel for 80 percent of companies, at an average cost of nearly \$200,000 per affected company, and highlighting the importance of effectively managing corporate travel.

Passengers Stranded

The 234 survey respondents indicated that on average, more than 160 travelers from each company were stranded away from their homes, costing the company more than \$197,000 in unexpected travel expenses. Across the roughly 2,000 companies represented in the survey, the data indicates more than 310,000 travelers experienced travel disruptions, costing the surveyed companies more than \$367 million collectively.

Michael W. McCormick, NBTA Executive Director & COO, said, “This has been a natural disaster for the record books, and one the travel industry will remember and learn from for years to come. The immediate lesson is the power of travel management at work. Travel managers have been working extended hours over many days -- along with supplier partners at travel management companies, hotels, extended stay properties, airlines, railways, and car rental companies -- to accommodate those who were stranded by the air traffic closures.”

Trips Cancelled

The closure of European air space also forced the cancellation of many business trips and meetings before they began. NBTA found that NBTA-affiliated companies cancelled nearly 5,600 scheduled corporate meetings and more than 165,000 total trips that had not yet taken place.

McCormick continued, “The direct financial impact of this incident in terms of additional travel spend is astounding, but just imagine how much more loss companies will experience due to lost opportunities. Meetings were cancelled, clients were not met, hands were not shaken, and deals were not made. Those missed business opportunities will take their toll, and companies will have to get their people back on the road quickly to make up for it.”

Travel Managed

Despite the financial loss, a crisis of this magnitude proves the value of managed travel. Seventy-six percent of affected companies were able to secure hotel stays for stranded travelers, and 62 percent made alternative travel arrangements, such as a chartered plane or bus. Travel managers also provided emergency funding for displaced travelers (35%) and adjusted policies or caps or expense reimbursement (23%).






One survey respondent noted, “We have a comprehensive disaster recovery plan. We just activated it and our travelers and travel management company knew exactly what to do.”

McCormick commented, "We often forget the human aspect in a crisis like this. People have been stranded for days, many without sufficient funds or even an adequate amount of clean clothing. We've heard from travel managers helping single parents who had to make arrangements for their children, mothers who missed their daughters' weddings, and even a traveler who couldn't get home for his father's funeral. Travel managers remained in constant contact with these folks as they personally dealt with this ordeal, working diligently to get them home as soon as possible."

He continued, "The companies that don't have strong travel management programs in place likely did not meet their duty-of-care responsibilities through this crisis. In the coming weeks, I expect they will be examining their policies and deciding to implement travel management best practices, such as centralized booking and people tracking."

Topline Data Results

1. Overall, how much of an impact has the restricting of European airspace due to the Iceland volcanic ash cloud had on your company?

Responses	Count	%	Percentage of total respondents
Very negative impact	50	21%	
Somewhat negative impact	139	59%	
No impact at all	43	18%	
Somewhat positive impact	1	0%	
Very positive impact	1	0%	
Total Responses	234		20% 40% 60% 80% 100%

All remaining questions were answered only by those who had at least one employee impacted.

2. How many employees at your company, if any, have experienced travel disruptions (including inbound or outbound flights) due to the restricting of air space in Europe from the Iceland volcanic ash cloud?

Responses	Average
# of employees	167
Total Responses	178

Estimate of impact on all NBTA affiliated companies = 310,620 travelers affected

3. How many of the affected employees, if any, remain in a location away from their personal residence as a result of these travel disruptions?

Responses	Average
# of employees	48
Total Responses	174

Estimate of impact on all NBTA affiliated companies = 89,280 travelers stranded

4. How many trips that were not yet started has your company had to cancel, if any, as a result of the travel disruptions caused by the closing of European air space?

Responses	Average
# of cancelled trips	89
Total Responses	172

Estimate of impact on all NBTA affiliated companies = 165,540 trips cancelled

5. How many group meetings involving travel has your company had to cancel, if any, as a result of the travel disruptions caused by the closing of European air space?

Responses	Average
# of cancelled meetings	3
Total Responses	164

Estimate of impact on all NBTB affiliated companies = 5,580 meetings cancelled

6. Thinking of the financial impact of these travel disruptions to your company, how much money have the disruptions cost your company to date?

Responses	Average
\$US	\$197,429
Total Responses	119




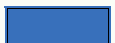



Estimate of impact on all NBTB affiliated companies = \$367,217,940

7. If the travel disruptions last for another week at the same level, how much MORE money will it cost your company (not including the cost to your company to date)?

Responses	Average
\$US	\$86,598
Total Responses	112

Estimate of impact on all NBTB affiliated companies = \$161,072,280

8. Which of the following steps, if any, has your company taken to deal with travel disruptions affecting your employees or company?

Responses	Count	%	Percentage of total respondents
Extended hotel stays for your travelers	132	76%	
Made alternate transportation arrangements for travelers (by land, sea or charter plane)	108	62%	
Provided emergency funding or approval for displaced travelers to purchase necessary personal items	61	35%	
Adjusted policies or caps on expense reimbursement	39	23%	
Found short-term housing (other than hotels) for your travelers	18	10%	
Other	10	6%	
None of the above	17	10%	
Total Responses	173		20% 40% 60% 80% 100%

Multiple answers per participant possible. Percentages added may exceed 100 since a participant may select more than one answer for this question.