

17 June 2009

BUSINESS TRAVEL CHANGED FOR GOOD

According to survey results released at inaugural Business Travel Market

A survey compiled by ACTE and released to mark the first Business Travel Market, 17 June at London's ExCeL exhibition centre shows without a doubt that the recession has forced business travel habits changes. A cross section of travel buyers from UK and Europe were surveyed and 86.2% said the recession had forced cost cutting measures, many of which would be retained after full economic recovery. All of those surveyed were travel buyers with a corporate travel policy in place.

Paul Robin founder of Business Travel Market said: "It would appear that some of the travel restrictions that were forced on many business travelers have proved workable and will be here to stay. Business Travel Market opens today with 100 exhibitors and an expected 3000 visitors and travel buyers – I anticipate the mood amongst buyers to be optimistic but very commercially astute."

Paul Robin said: "The recession hit us fast and travel buyers responded quickly to fine tune their travel management policies and budgets. The survey that we conducted in conjunction with ACTE implies that the changes have worked to reduce costs, business has continued and when we return to financial stability those changes that have worked well will remain in place. It would appear for the moment that cost saving comes before convenience and there is more focus on compliance to policy and reason to travel."

Of the cutbacks detailed, the highest response for change method was 79.2% making greater use of conference call, webex and tele presence. 67.9% of the buyers have cut back on the number of approved trips, 66% reported that they now book further in advance for lower cost options and 49.1% said class of travel had been downgraded. Only 7.5% reported a total travel ban, although 26.4% reported a travel ban for non-revenue generating trips. Other cutbacks mentioned included holding same day meetings to avoid overnight stays, shorter stays, multiple meetings in the same trip, greater use of low cost airlines and public transport and a reduction in the use of limos and taxis.

Paul Robin said: "It's interesting that comment was made about the primary focus being to leverage better discounts with airlines and hotels on a global basis to ensure travel is undertaken when needed but at a reduced travel cost. With more than twenty airline exhibitors at BTM, including the big three British airlines – BA, Virgin and bmi – we anticipate some strong negotiation over the next two days."

Whilst those surveyed who did say their companies would ease restrictions when financial stability returns, the top three measures most likely to remain in place post recession were: continued greater use of conference call, webex and telepresence; booking further in advance for lower cost travel options; and a downgraded class of travel policy.

Caroline Allen, ACTE's regional director for Northern, East Central Europe and Russia said: "Whilst a greater use of conference call, web conference, and telepresence may be a major cost cutting measure in the recession, only 3.4% of respondents actually compare on-demand technology costs against either actual or estimated total trip costs. ACTE, through its global educational and partner events like BTM, strives to provide the knowledge necessary to allow travel managers to make real comparisons and be able to make the best strategic decisions for their business."

Surprisingly, 31% reported an increased use of rail service to and within Europe, for environmental rather than cost cutting reasons, indicating that environmental concerns remain high on the corporate agenda.

The MICE market will be relieved to hear that of those surveyed whose companies usually hold conferences, 19.2% have already confirmed their 2010 booking and, with some talk of financial recovery, a further 23.1% feel confident enough to continue with plans. Comment was made, however, that some conferences will be shortened.

Finally, of the buyers that use a travel management company, only 13.8% thought they didn't add value, as opposed to 65.5% who said they did because they provide best fares and rates, they provide data crucial for efficient management and provide vital 24/7 support.

Allen concluded, "We cannot forget that travel is only the business of the corporate travel industry. Most companies buying travel do so to facilitate the growth of their own core business. Whilst travel management and procurement functions strategise to save money, companies travel to make money."

www.businesstravelmarket.co.uk

<http://www.acte.org>

About Business Travel Market

Business Travel Market will take place on 17-18 June 2009 at ExCeL, London. This new event has been designed for anyone who manages, buys, books or arranges travel on behalf of corporates and SME's from across the UK and Europe. A fusion of high quality conference content and showcase of the industry's newest products and services, BTM's objective is provide visitors, exhibitors and sponsors with the maximum, quantifiable return on their time and financial investments.

Amongst the 3,000+ visitors to the event will be over 300 VIP Hosted Buyers, who will spend an intensive two days meeting senior personnel from leading suppliers, and choosing from over 40 educational sessions tiered to delegates' differing levels of experience. Guiding the conference content is an advisory board comprising leading travel industry figures from both the supplier and buyer communities, including Emma Harris, Eurostar; Herman Mensink, Prism Group Inc; Tony Pilcher, Pilcher Associates and Richard Tams, British Airways.

The management team is headed by Paul Robin and Mark Harris, both well-known business travel industry figures at home and internationally. As Director, Travel Portfolio at Centaur Media plc, Paul Robin was responsible for the Business Travel Shows in the UK, Germany and Dubai. Most recently, Mark Harris ran the Institute of Travel Management's annual conference in his role as Head of Marketing.

About The Association of Corporate Travel Executives

ACTE is the education partner for Business Travel Market. The Association of Corporate Travel Executives (ACTE) is a not-for-profit association established to provide executive-level global education and peer-to-peer networking opportunities. Membership spans all of business travel, from corporate buyers to agencies to suppliers, and accords all sectors equal membership. ACTE serves more than 6,000 executives in over 80 countries. ACTE is a membership organisation with members drawn from the business travel world including corporate buyers, agencies and suppliers.

The survey was completed by sixty UK and European corporate travel buyers with the requirement that all have a company travel policy in place.

Media enquires: Jo Geneen or Maggie Giddens, Brighter PR –
Jo.Geneen@brightergroup.com / Maggie.Giddens@brightergroup.com / 07886365479 /
07910 586 361 / 0207 603 2168 (Brighter Group)