

The German Business Travel Association confirms continuing increase in business mobility

Less is more – VDR Business Travel Report 2023 confirms rising trend towards bundling business trips

27 June 2023 The German Business Travel Association e.V. (VDR) today publishes the latest facts and figures around the German business travel sector. The VDR Business Travel Report 2023 reflects the travel behaviour of German companies and public sector organisations in 2022/23. The report shows that, these days, less is more! For the business travel sector, this means that people travel less frequently, but for longer stays of several days. Day trips abroad, as well as within Germany, are no longer in keeping with the times in terms of climate-conscious travel. The average duration of the business trip is now two to three days in all companies. The data show a significant increase in the volume of business travel. However, VDR Vice President Inge Pirner points out that it remains to be seen how political areas of tension and current price developments will affect the industry in the long term.

Number of business travellers continues to increase

After the effects of the pandemic brought the travel industry to a virtual standstill in 2020, there was already a resurgence in business travel in 2021. This upward trend continued in 2022. On the one hand, this was due to catch-up effects as a result of COVID-19 lockdowns and other restrictions, while on the other hand it becomes clear that business travel continues to be necessary for the German economy. In total, business trips increased by 82% to 75.1 million in 2022 and expenditure doubled to €26.9 billion compared to 2021. The fact that the importance of in-person meetings in business life is on the rise again was also reflected in the number of business travellers, with 8.4 million on the road last year. That is three million more people than in the previous year. Larger companies in particular returned to sending more employees on business trips, with the number of travellers more than doubling last year.

Growth, but with a sense of proportion

Even if the current figures are still far from the pre-crisis level with its peak of 13 million business travellers in 2019, the trend towards a shift in expectations placed on business travel is evident: Growth is still the aim, but with a sense of proportion. Even though companies did not agree to the same extent as in the previous two years with the question about a long-term reduction in business travel volume, the fundamental forecast remains that business trips will stay on a lower level than in the record years. According to the report, over half of respondents expect this to be the case. The reason for this is that the energy crisis, inflation as well as climate friendly planning and action have replaced lockdowns, travel bans and supply bottlenecks.

Bundling of business trips

A trend from the last Business Travel Report continues to emerge. To reduce travel costs, and especially transport costs, companies are increasingly opting for longer business stays. The average duration of business trips across all company sizes amounted to 2.4 days. The longest business trips were taken at companies with over 1,500 employees, with a quarter lasting four days or even more, up from one fifth in the previous year. Across all company size categories in 2022, just 45% of trips did not include an overnight stay. By way of comparison, the share of day trips among small and medium-sized enterprises peaked at 70 per cent in 2019. In the case of longer travel durations, there is a clear upswing in overnight stays on trips abroad – these have more than doubled compared to the previous year, and domestic hosts also reported almost double the number of business overnight stays.

Shifts in business travel destinations

However, it is not only travel behaviour that is changing, but also the destinations of business travellers. For example, the importance of the neighbouring countries of Switzerland and Austria has increased significantly among the companies and organisations surveyed that engage in business travel abroad. The destinations were last surveyed in 2015. A comparison shows a clear shift in destination countries, with the USA and China having lost their leading position in the business travel ranking. China's shutdown during the pandemic as well as severe restrictions on entering the US left their mark. And the UK, too, since its exit from the EU, has seen a decline in business travel, in particular from larger German corporations. India has moved up

in importance as a destination. Russia, on the other hand, has disappeared from these statistics since the war began.

Climate protection and travel

Within the framework of the EU-wide “Corporate Sustainability Reporting Directive”, which has been in force since this year, more companies will be required to report more specifically than before on the sustainability of their actions and business activities going forward. However, this rule will not start to apply in practice until the 2024 financial year. This may explain why sustainability reporting is still “not planned” by 29% of companies with more than 500 employees. By contrast SMEs are now carrying out sustainability reporting in the area of mobility much more frequently than just one year ago, with the percentage having risen from 31% to 42%.

The number of companies actively working towards more sustainability in the business travel sector has increased again overall. Today, the first step is increasingly to assess whether a business trip is absolutely necessary. Therefore, the reduction in travel has become the preferred climate-friendly measure or planned measure for almost all companies (90 percent). The switch from air to rail travel, which was partly forced in the first pandemic year 2020, remains the second most popular sustainability measure at 83 per cent.

Incentivising sustainable business travel

Sustainable offerings for employees are still on the rise. This includes, for example, cycle-to-work arrangements or commuter tickets. In the meantime, more than 80 per cent of companies use or plan to use climate-friendly offerings. However, in practice there is a gap between what companies want to happen and the action taken by travellers. The larger the organisation, the more likely it is for employees to expect their company to take the initiative and lay down rules.¹ But if it is up to the travellers themselves, incentivisation can direct them towards making more sustainable decisions. “As our results show, there are already ways to motivate travellers to act more sustainably, for instance with vouchers for organic shops, sports and free-time activities or discounts on booking city bikes or e-scooters. There is almost no limit to

¹ See http://reiseanalyse.de/wp-content/uploads/2023/01/UBA_Nachhaltigkeit_bei_Urlandsreisen_Bericht2022-1.pdf, page 68 (in German)

creativity in this area and good ideas are essential. Innovative and targeted concepts need to be created to further harmonise necessary business travel and the achievement of the climate goals going forward”, says Inge Pirner of the latest data coming from the business travel sector.

The current edition of the VDR Business Travel Report can be obtained free of charge at www.geschaeftsreiseanalyse.de.

About the VDR Business Travel Report

As in previous years, the statistical universe for the study is constituted by all businesses that have their headquarters in Germany – including those that have operations abroad – and organisations in the public sector with ten or more employees. Between January and April 2023, 800 computer-assisted telephone and online interviews were conducted with persons who are responsible for managing business travel or who are authorised by their organisations to provide the relevant data. The responses to qualitative questions reflect the situation at the time of the survey, while all others are based on the 2022 figures. The Business Travel Report 2023 is published with the kind support of: AirPlus International, American Express, BWH Hotels Central Europe, FCM Travel, Lufthansa Group and Uber for Business.

Editorial note

VDR - The German Business Travel Association e.V.

The German Business Travel Association (VDR) is the leading business travel association in Germany with over 560 member companies. It represents the interests of the German economy with regard to the framework and competitive conditions for business travel and mobility. VDR advocates for sustainable, efficient, cost-effective, secure, unhindered and global travel options for businesses.

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