VDR Verband Deutsches Reisemanagement e.V.

The German Business Travel Association

VDR Business Travel Report 2018

volume 16

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Trust is the key to a successful working relationship

Business travel is a sensitive seismograph for changing moods in the economy. New, disruptive business models on the supplier side along with political decisions and threats to international trade relations are increasingly affecting daily business travel. Protectionism and travel barriers complicate existing business relationships and make it difficult to cultivate new business contacts. In the interest of the German economy, the terrain that has been gained over the course of decades in terms of openness and simplified communication must not be put at risk. This transparency must therefore be actively protected. By the year 2025, the data generated worldwide will increase ten-fold and, unlike today, will be produced mainly by businesses.[1] Mobility managers are hence dealing more and more with major, digitally driven issues and the conflicting demands of freedom, security, surveillance and data protection.[2]

The good news: Business travellers trust in the expertise of professional travel management. Travel managers are taking on an expanding spectrum of constantly changing tasks. Digital innovations offer a wealth of opportunities as long as those involved can play an active role in their design. For this to happen, decision makers must trust above all in their own ability to think in terms of networks and work together across the usual boundaries.

VDR offers a platform for this collaboration. As Germany's largest network for modern mobility management, VDR represents the interests of its members on both the national and – in cooperation with the Global Business Travel Association (GBTA) – international levels. In daily dialogue with its members and with the help of market research as well as the VDR-TrendsPort "think tank", VDR tracks the relevant topics and with its far-sighted forecasts helps travellers and travel managers navigate these turbulent times. Your input, dear readers, is important in helping us to pinpoint the most pressing issues. We are therefore pleased to present to you the 16th annual VDR Business Travel Report with the latest facts, figures and trends in the field of mobility management.

[1] See (German): http://blog.wiwo.de/look-at-it/2017/04/04/weltweite-datenmengen-verzehnfachen-sich-bis-zum-jahr-2025-gegenueber-heute/

[2] For practical recommendations on handling these challenges, see also (German): VDR-Zukunftsbild „Geschäftliche Mobilität 2025" www.vdr-service.de/zukunftsbild

1 Important results at a glance

Key data 2017:		2016:
In 2017 there were 11.2 million business travellers[3]	– 1.5 %	11.3 million business travellers
187.5 million business trips led to expenditure in the amount of	+ 2.3 %	183.4 million business trips
52.5 billion euros – equivalent to	+ 1.7 %	51.6 billion euros
157 euros per business traveller per day.	+ 1.3 %	155 euros

More business travel – but not at any price

The slight uncertainty reflected in the 2016 forecasts for business travel in 2017[4] has now been put into perspective. There was in fact a moderate increase, in keeping with sustained economic growth overall. Travel managers have however remained vigilant and have kept a tight rein on expenditures despite rising prices in the hotel sector and uncertainties in air travel. After a short consolidation phase in 2016, the number of business trips increased by 2.3% in 2017 and expenditure was up by 1.7%. Only in the public sector did travel costs rise disproportionately (by 3.7%) compared to travel volume (1.7%).
(Figures 1 and 2, Page 7)

Shorter trips with different transport choices

One of the ways expenditure was kept in check was planning more business trips without an overnight stay. More day trips meant though that the cost of transport rose overall – from a share of 47% of total travel spend in 2016 to 49% in 2017. Already back in 2016, 26% of the companies interviewed expected to travel less by air and much more by train or hired car.[5] And this is exactly what happened, propelled as well by the bankruptcy of the important business travel carrier Air Berlin. In addition, 3-star hotels continued to be popular among business travellers. Most domestic stays were booked in this category in 2017 – between 54% and 68%, depending on the size of the company.
(Figure 4, Page 8; Figure 5, Page 10;
Figure 8, Page 12)

Overnight stays: price is still paramount

For the past ten years, price has been the number one criterion for selecting accommodations. Company travel policy has become a key tool in steering such decisions. And reviews in portals and print publications still hold significantly more weight than which brand/chain a hotel happens to belong to. What's more: home sharing offerings are often no longer considered an option for overnight stays. This is likely due both to company requirements and the restrictive regulations now imposed by many municipal administrations.
(Figure 9, Page 13;
Figures 20 and 21, Page 22)

Good communication wins

Where do business travellers look for information on how to reach their destination and where to stay? The most important source of information is the employer: so companies that inform and steer their travellers' choices will be heeded. A surprising finding is that travellers are far less likely to rely on tips from colleagues or generally accessible online services.
(Figure 22, Page 23)

[3] Employees of a company or public-sector organisation who take at least one business or official trip per year.

[4] VDR Business Travel Report 2016, Chapter 10 "Outlook for 2017", page 24.

[5] Ibid.

Future prospects in mobility management

Even if the focus in mobility management for businesses will remain squarely on cost awareness, 84% of the respondents from larger companies said that today more than ever before they need to take employee needs into consideration when planning travel. In terms of the digitalisation of demand and supply, the travel industry is on the whole decades ahead of other sectors of the economy. It therefore comes as no surprise that digitalisation tops the list of travel managers' future areas of responsibility. Closely linked to this field are tasks in relation to employee communication and data security.[6]
(Figures 17 and 18, Page 20)

The conflicting demands of data privacy and use

Global business relations increasingly rely on the availability of data. Travel managers accordingly feel it is their duty to help shape the digital processes between companies, suppliers and employees. Data protection measures thus remain the most important security consideration on business trips. Most companies have in the meantime made the transition required by the new EU data protection regulations. But new tools are still definitely needed by mobility management in its role as "data hub". Here, the differing demands of data privacy and its use must be carefully weighed.
(Figures 23 to 27, Page 24 ff.)

Where is business travel headed in 2019?

With 165.9 million trips and thus 88% of the total in 2017, domestic travel remains the backbone of German business travel activities. The top 3 foreign destinations forecast for the coming year were also among the main five trading partners in 2017: the USA, China and the UK. Of the neighbouring countries, France is both the most important trading partner and destination.[7] The majority of German companies have not yet issued any travel bans in 2018 for political, budget-related or security reasons. The bans that were pronounced were aimed primarily at Turkey – a development that is predicted to continue in 2019. And those unable or unwilling to travel take advantage of the option of virtual meetings much more frequently today than ten years ago.
(Figures 28 to 30, Page 26 ff.)

[6] See also VDR Business Travel Report 2017, Chapter 7 "Changing values in business & travel", page 20.

[7] See Federal Statistical Office (Destatis, German): Fachserie 7, Reihe 1, Foreign Trade in 2017, Table 1.6, Wiesbaden 2018.

2 Business travel: Facts and figures

Quantity

"How many business trips were taken in your company/organisation in 2017?"

The German economy grew in 2017 for the eighth year in a row. Economic growth in 2017 was spurred primarily by positive impulses within the country itself. The price-adjusted gross domestic product (GDP) was 2.2% higher than the previous year as an annual average.[8] After a brief phase of consolidation in 2016, the number of business trips was up by 2.3% in 2017. Contributing to this rise was a 2.4% increase in the number of German companies with ten or more employees.[9] The public sector also played a part in travel growth, with 1.7% more official trips.

Number of business trips in 2013–2017

Figure 1

Any work-related trip that is recorded on the basis of individual expense reports counts in this study as a business trip. The duration, purpose, distance and destination of the journey and the professional status of the travellers are insignificant here. As soon as expenditures are charged to the company or organisation as business travel expenses, they are counted in these figures.
For further definitions of the terms used here, please see the VDR Business Travel Reports from 2003–2006 (German originals) as well as the VDR Glossary (German):
www.vdr-service.de/der-verband/fachthemen/vdr-glossar

Results from companies and from the public sector are usually shown separately due to the differences between the sectors. The corresponding data basis is indicated in each case: The terms "businesses/companies/firms" exclude the public sector ("– excl. PS –"). "Organisations" covers both companies and public-sector institutions.

Exact figures are used when calculating percentage changes (for example total annual expenditure on business trips). This explains why calculations using the rounded figures shown in the texts and charts sometimes lead to different results after the decimal point.

Costs

"How high was total business travel spend in 2017?"

Business travel spend rose from 2016 to 2017 somewhat more moderately than travel volume – by 1.7% to 52.5 billion euros. The relative savings can be attributed to more domestic trips (2.7%) and the increased share of day trips without an overnight stay. Companies with over 500 employees spent only 0.2% more than the previous year, while their travel volume likewise went up only marginally, by 1.1%. Travellers for smaller companies were also able to reduce their spending volume (by 1.8%) while taking somewhat more trips (2.6%). In the public sector, costs rose disproportionately (by 3.7%) compared to travel volume (1.7%).

Total cost of business travel in 2013–2017

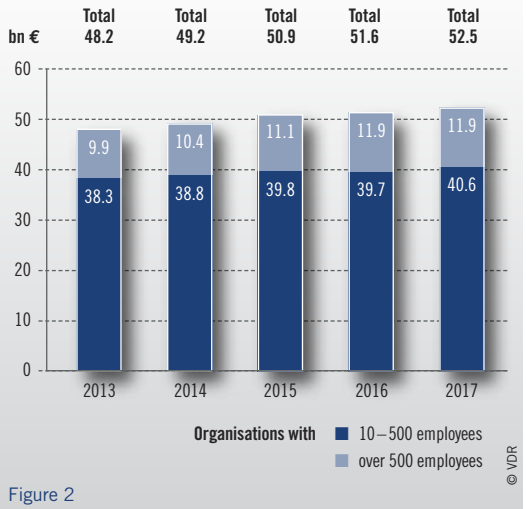

Figure 2

[8] See press release no. 011 of the Federal Statistical Office, Wiesbaden, 11 January 2018 (German).

[9] See Table 2, Number of organisations in Germany and their employees according to size categories, p. 29.

Breakdown of business travellers by company size in 2013/2017

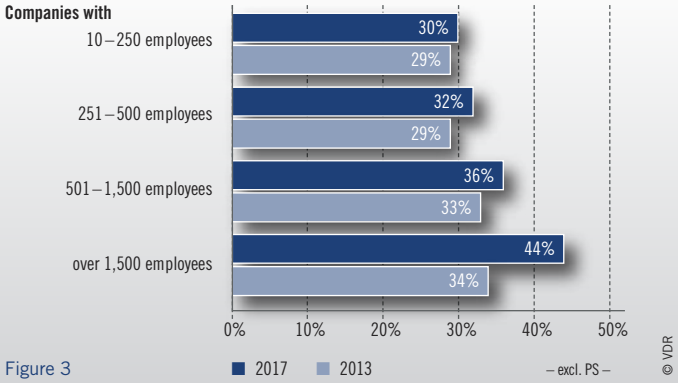

Figure 3

Number of business travellers

"How many business travellers were there in 2017?"

The number of employees increased overall by 2.7% from 2016 to 2017.[10] But in 2017 the number of business travellers stagnated at 11.2 million. Taking a long view, it is evident that in the biggest companies business travel is distributed across more shoulders – 44% of the workforce for example in companies with over 1,500 employees. This is a trend that has been discernible in the public sector for some time now: In both 2012 and 2017, 46% of those working in that sector could plan on taking at least one trip a year.

Duration of business trips by company size in 2017

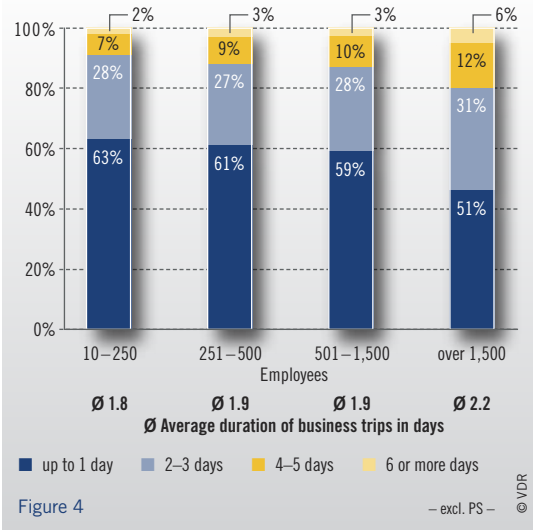

Figure 4

Duration

"How long do business trips last?"

The average length of business trips is not a constant. Rather, it tends to change in waves – if more is invested in trips of several days one year, trips are often shorter the next year. In 2016, 45% of business trips took the traveller away from the office for several days and there were fewer day trips. The pendulum swung back in the other direction again in 2017. More domestic trips with no overnight stay were taken and fewer trips abroad. In all company size categories, most of the trips were without an overnight stay. As a result, 63% of business trips in SMEs lasted one day, just as in 2016.[11] On average, travellers for such companies were on the go for 1.8 days – and for all other company categories, the average length of stay was somewhat shorter than the year before. Those who travelled abroad were obviously more likely to stay longer – more on this in Chapter 4.

[10] See Table 2, Number of organisations in Germany and their employees according to size categories, p. 29.

[11] SME = Small and mid-sized enterprises with 10 – 250 employees.

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3 Structure of business travel costs

Average cost per business trip in 2013–2017
Daily expenditures for business vs. holiday travel in 2013–2017[12]

	Average cost per business trip	Expenditure per person per day	
		Business travel	Holiday travel
2017	**307 €**	**157 €**	**84 €**
2016	310 €	155 €	78 €
2015	305 €	153 €	76 €
2014	307 €	146 €	77 €
2013	310 €	148 €	73 €

[12] Our own calculations, in conjunction with FUR, Kiel: Initial results of the 2014-2018 travel reports. Business travel expenditure per person and per day: companies only, not the public sector. Holiday trips of 5 days or longer.

Table 1

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Average cost per business trip

The average cost of a business trip decreased from 310 to 307 euros in 2017. By contrast, expenditure per person per day was up slightly, from 155 euros to 157 euros. More frequent day trips are one reason for this discrepancy. For German holiday travel, expenditure per person per day increased quite strongly to 84 euros (2016: 78 euros), based on a stable average stay (12.6 days) and more money spent during trips abroad.

Business travel has long been an important economic factor. It ensures the security of jobs both regionally and year-round in the hotel, transport and restaurant sectors. At the same time, business travellers spend nearly twice as much as holiday travellers, thus benefitting more than just industries directly related to travel. Telecommunications providers and vendors of products and services likewise profit from filling the needs of businesspeople on the go. And the high-quality infrastructure and services that are developed as a result can then be offered at internationally competitive prices to leisure travellers as well. With a reliable business travel base, Germany thus remains attractive as a travel destination for people everywhere.

Total business travel spend broken down by cost areas in 2017

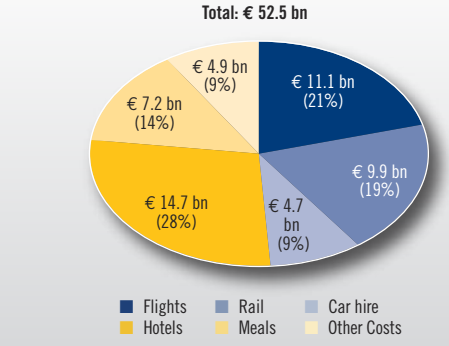

Figure 5

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Cost areas

"What were the totals for the different cost areas in your company/organisation?"

With more day trips being taken, the costs for transport rose overall – from a share of 47% of total travel spend in 2016 to 49% in 2017. In addition to the increase in domestic business trips, the insolvency and resulting exit from the market of the major business airline Air Berlin made itself felt: More business travellers switched to the train or hired cars, with car sharing also being increasingly accepted as an alternative. The amount spent on overnight stays, which account for the main block of expenditures, was unchanged – 28 out of 100 euros spent go towards accommodations. And anyone who could do without business dinners was able to save money on meals and other costs.

4 Overnight stays, hotel purchasing, MICE

Overall trends

"How many overnight stays did the business trips taken by the employees in your company/ organisation include?"[13]

"What was the distribution of overnight stays between domestic and foreign accommodations?"

Organisations with ten or more employees booked 72.5 million overnight stays in Germany and abroad in 2017. Past years saw a record number of overnight stays by business travellers in German accommodations. In 2017, however, the number of room nights was down by 4.4% despite 2.7% more travel within Germany than abroad. Abroad, the opposite happened: The duration of travel increased in 2017. A total of 18.6 million room nights were registered, which means a plus of 3.5% despite 1.2% less travel. Employees working for big companies tended to book accommodations both in Germany and abroad for longer than they did the previous year.

The average cost of accommodations across all types and categories of establishment was 130 euros.[14] Hotel rates in German cities are still moderate compared to other parts of the world, but, with a few exceptions, 2017 saw slight price increases here just as in other sectors. In Europe, the price of overnight stays in cities such as Madrid, Moscow and Prague went up in the double-digit percentage range. Most expensive the world over is still New York, where a hotel room costs an average of 250 euros a night.[15]

Number of overnight stays in 2013–2017

Figure 6

Number of overnight stays in Germany/abroad in 2016/2017

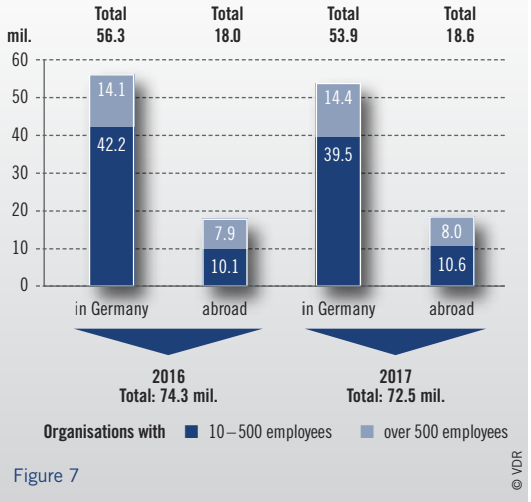

Figure 7

[13] Number of overnight stays = room nights.

[14] When respondents provided information both on the number of nights as well as the costs, this information was used for the calculations. A calculation on the basis of total room nights and turnover, or a projection differentiating average prices in Germany and abroad, is not possible.

[15] Source: HRS Hotel Price Radar 2017 (German)

"In the hotel sector as elsewhere, digitalisation will continue to progress in areas from booking to billing, but the traveller should still be the central focus. Company travel policy must always take travellers' needs into account while naturally also considering cost factors. What's more, a wide range of systems used in the hotel sector require uniform data standards. VDR has already contributed extensively and in a solution-oriented manner to the development of such standards within its relevant expert committees."

Inge Pirner, Member of the VDR Presidential Committee and Head of the Expert Committee on Hotels

Accommodation categories in Germany

"Which accommodation categories does your company/organisation book in Germany?"

German business travellers underway in their own country can increasingly be found staying at three-star hotels. Ever since the financial crisis, these mid-priced accommodations have made significant inroads. Most rooms were booked in this category in 2017 – between 54% and 68%, depending on company size. Compared to their colleagues in other countries, German business travellers can therefore be regarded as cost-conscious. While Chinese prefer to stay in "upper upscale" accommodations on business trips,[16] Germans rely especially at home on good value for money and are now presumably less "status-oriented" while on the go. Only in the largest companies does the 5-star category still account for 5% of bookings.

Accommodation categories for business travel in Germany in 2017

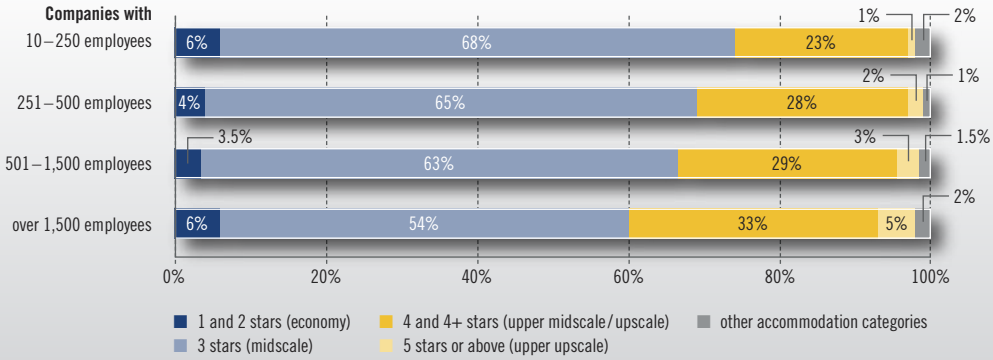

Figure 8

[16] See (German): http://hrs.de/presse/news/hrs-geschaftsreiseanalyse-geschafte-werden-montags-gemacht.html

Selection criteria

"Which aspects are critical for you in choosing accommodations – assuming their location is optimal?"

For the past ten years, price has been the number one criterion for selecting accommodations. At the same time, company travel policy has gained in significance more than any other factor, although in mid-sized companies[17] personal recommendations still play a somewhat greater role in decision-making. For almost half of the companies surveyed, whether a hotel carries a classification / certification remains just as important as before. But whether it belongs to a brand or chain is still a marginal factor compared to good reviews in portals and print publications. Travel agencies have the least impact on the choices made by travel managers when it comes to accommodations.

Factors influencing choice of hotel in 2008/2018

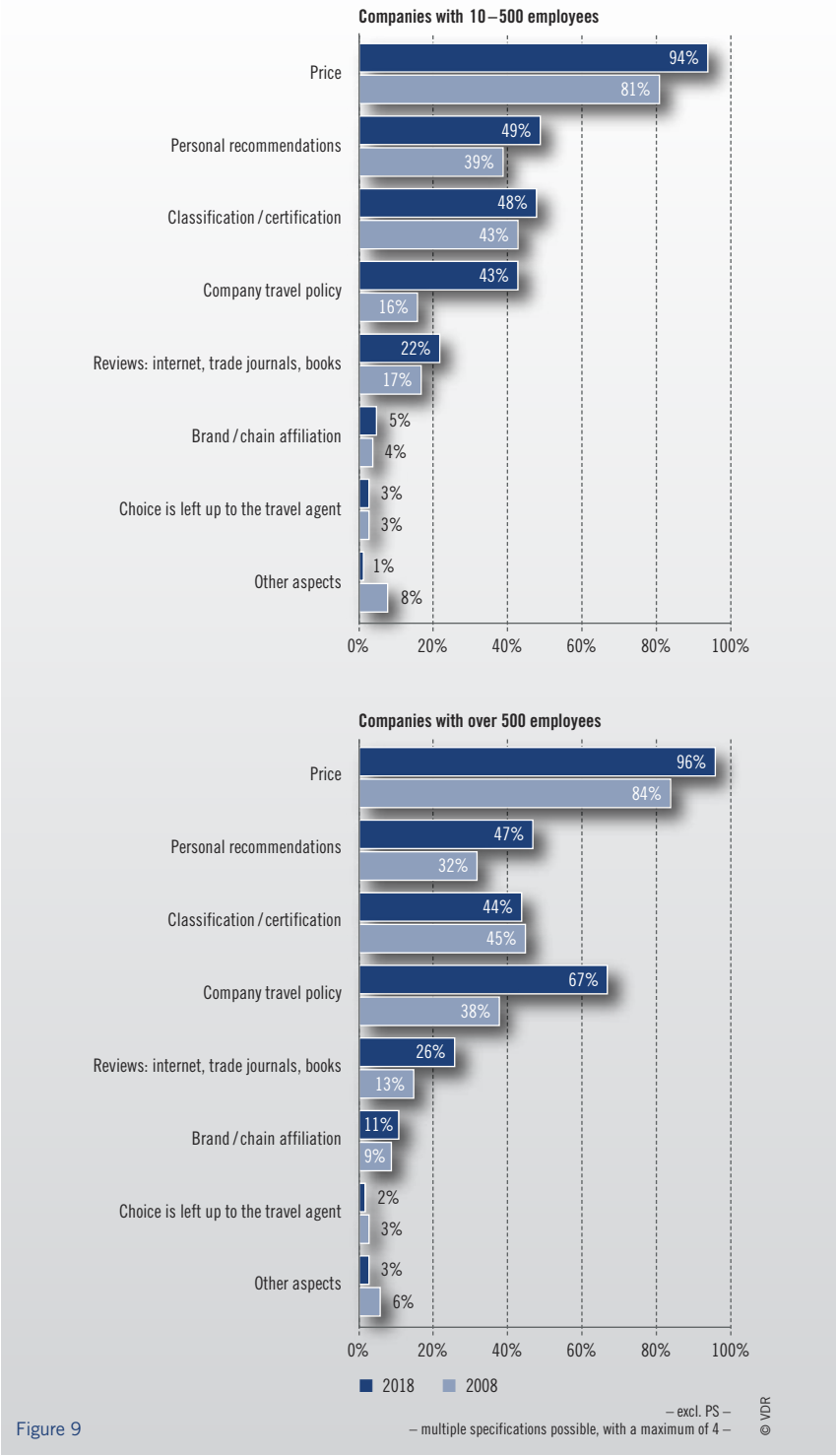

Figure 9

[17] When this report refers to "mid-sized businesses", this means companies with 10 – 500 employees.

Purchasing processes

"What added value do you expect from MICE online portals?"

About two out of five (42%) of the biggest companies use online portals such as Meetago, Cvent or Starcite in their purchasing process for MICE. Most of them do so in order to optimise processes in this area, for example in terms of consolidation, booking channel, participant management and reporting. One in five users also appreciates how these portals can help to organise smaller groups, meetings and training sessions. Other advantages cited include getting an advance impression of a venue, better transparency and value for money.

Use and added value of MICE online portals

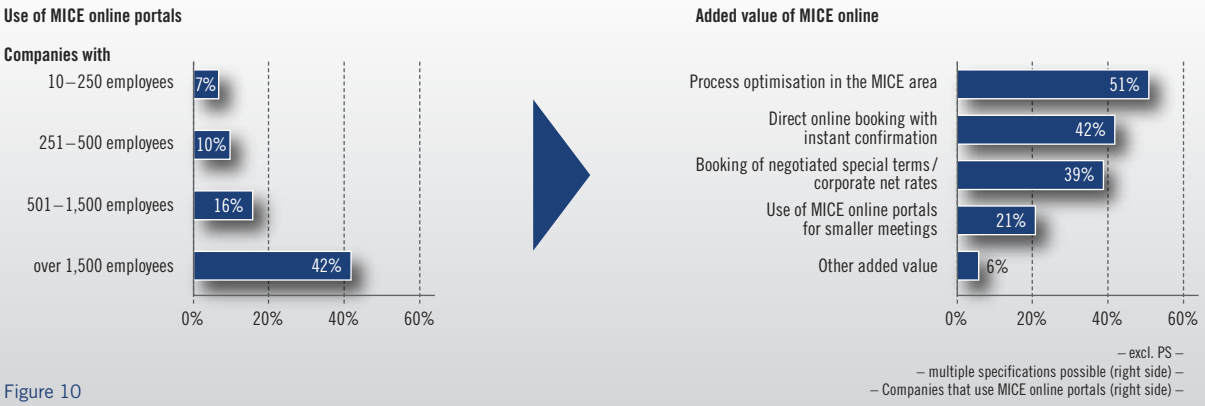

Figure 10

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5 Air travel

"We are observing with some concern a consolidation on the airline market along with constant changes in handling processes by the suppliers. The cartel authorities are called upon to keep close watch over these developments. Healthy competition and stable processes are vital to ensuring the competitiveness of German and European companies on the world market."

Jörg Martin, CEO, CTC Corporate Travel Consulting and Head of the VDR Expert Committee on Air Travel

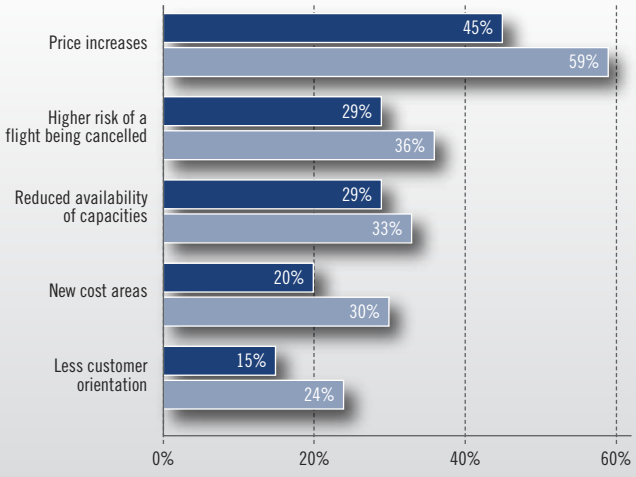
Changing offers and their implications

"Fewer suppliers and more strategic alliances in air travel: Are you experiencing any negative effects?"

"If your company is already being affected negatively by these changes or is in the near future: Will you change course? If so, what will you change?"

As most flights booked by mid-sized companies are for domestic routes,[18] the bankruptcy of Germany's second-largest airline, Air Berlin, has had a lasting impact on air travel. A trend towards consolidation can also be observed in the rest of Europe. Despite signs that the route network has recovered somewhat,[19] negative repercussions are still noticeable: Close to half of companies with up to 500 employees and 59% of the larger businesses are struggling with price increases. The bigger the company, the stronger the impact of all the negative effects. Price increases, for example, pose a problem for 75% of companies with more than 1,500 employees, and 39% of them complain about capacity bottlenecks (not illustrated). In the market as a whole, about one-third of business travellers have noticed that capacities have decreased and more flights are being cancelled.

Share of companies that are experiencing the negative effects cited



– excl. PS –
– Companies that book flights –
– The replies "rather strongly" and "very strongly" have been consolidated in the diagram. –

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Figure 11

[18] VDR Business Travel Report 2017, Chapter 5 "Air travel", Figure 13, Page 16.

[19] See (German): https://biztravel.fvw.de/fluege-co/flug/6-monate-nach-der-air-berlin-pleite-uebersicht-ueber-innerdeutsche-strecken/1/184141/4075

Despite these difficulties, there is often no concrete action being taken. Only one in five affected companies wishes and intends to change its business travel practices. When businesses do go looking for alternatives, the railways benefit the most: 83% of all companies surveyed that switch to another mode of transport due to these influencing factors choose rail travel. In next place is the replacement of flights with climate-friendly virtual meetings using telephone, web or video technology. Overall, half of those willing to change also rely on alternative flight connections; in fact, 66% of the biggest companies with more than 1,500 employees are doing so (not illustrated). In spite of the negative effects of consolidation on the air travel market, most companies cannot or do not want to change course. Nevertheless, an adequate selection of offers, fair competition and the reliability of what is offered still remain indispensable to meet the needs of business mobility.

Changing course due to developments in air travel

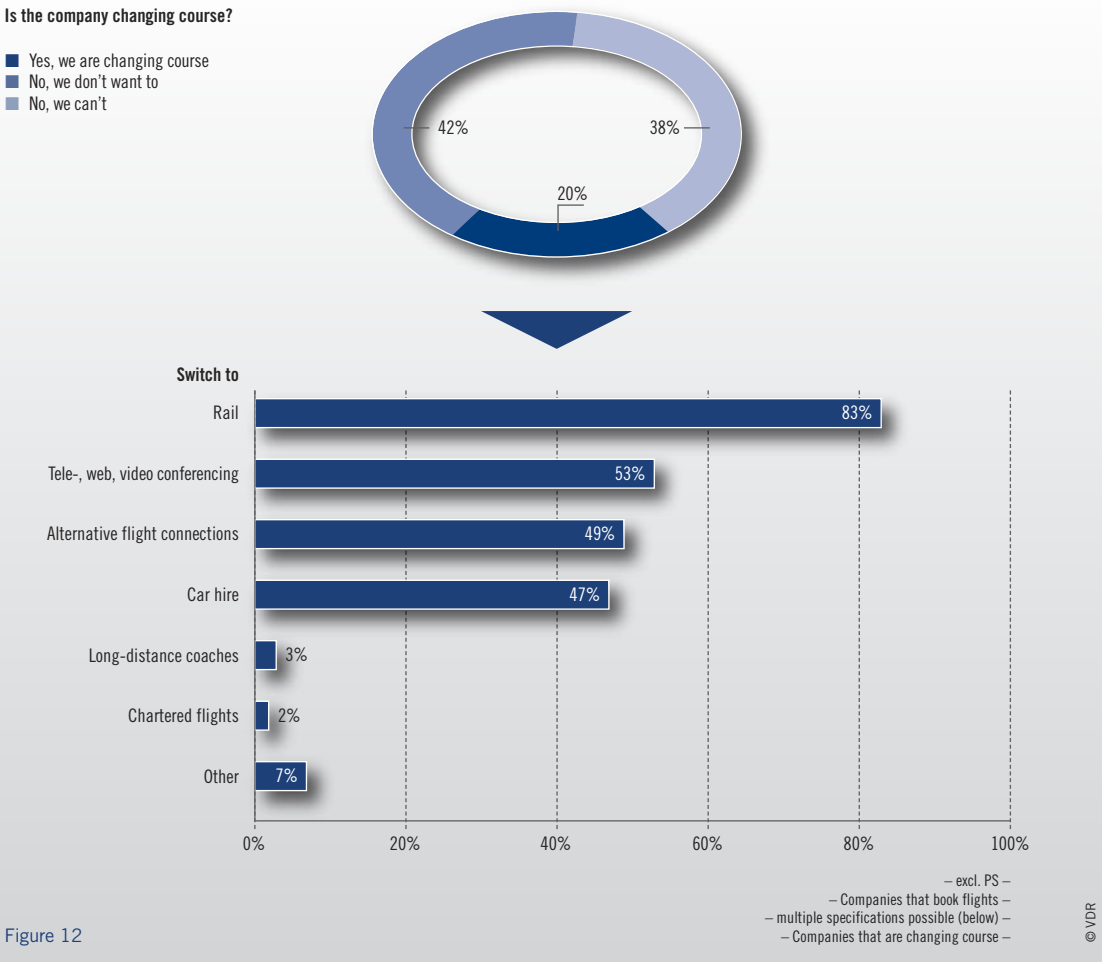


Figure 12

6 Corporate credit cards and payment solutions

Extent of use

"Are corporate credit cards used in your company to pay for business travel services?"

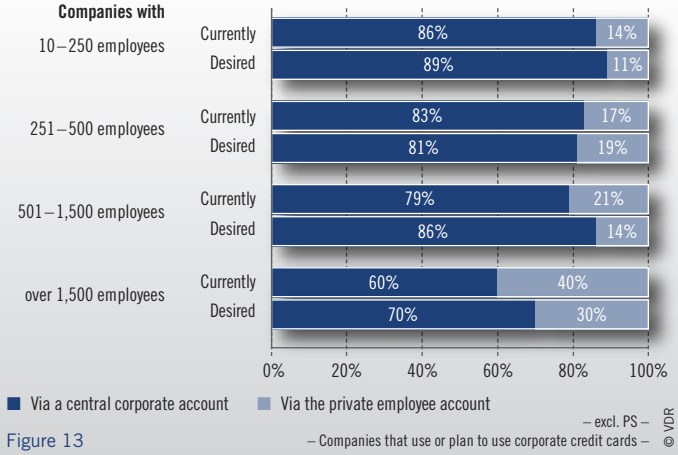
The bigger the company, the more likely it is to give its travellers corporate credit cards: They are in use by 52% of SMEs and 83% of companies with more than 1,500 employees. In the public sector, 44% of organisations take advantage of this option. Companies that currently pay for business travel using other methods rarely plan to introduce corporate credit cards in future (only between 1% and 4%).

Billing

"How are corporate credit card charges normally billed at your company?"
"Regardless of the current situation, what kind of billing would you prefer for your company?"

Currently, most business travel expenses that are charged to a corporate credit card are billed via a central company account. This type of centralisation is the most common in SMEs (86%), while 40% of the biggest companies charge employees' private accounts as part of the payment process. The trend, though, is for more travel managers to want to switch to a central billing system.

Current and desired billing method



– excl. PS –
– Companies that use or plan to use corporate credit cards –
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Figure 13

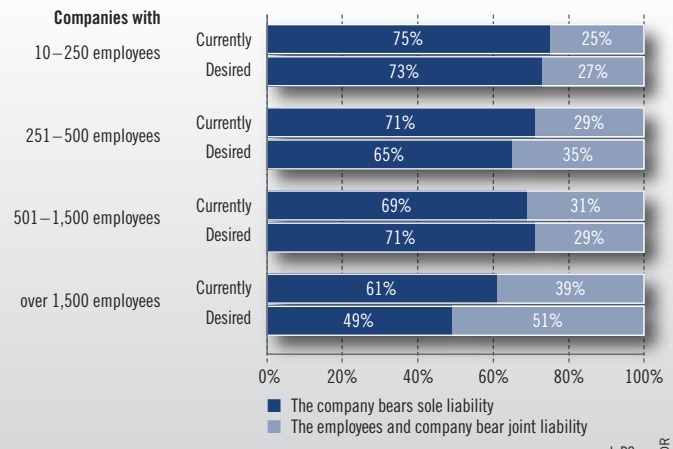
Liability

"Who bears liability for the corporate credit card?"

"Regardless of the current situation, what form of liability would you prefer for your company?"

The discrepancy between what is desired in terms of liability for corporate credit cards and the actual situation is largest in the biggest companies. While liability risks are today borne by the company in 61% of cases, 51% of businesses would prefer to share liability with their employees. By contrast, three out of four SMEs carry full liability and only 2% want to change things.

Current and desired liability for the corporate credit card



– excl. PS –
– Companies that use or plan to use corporate credit cards –

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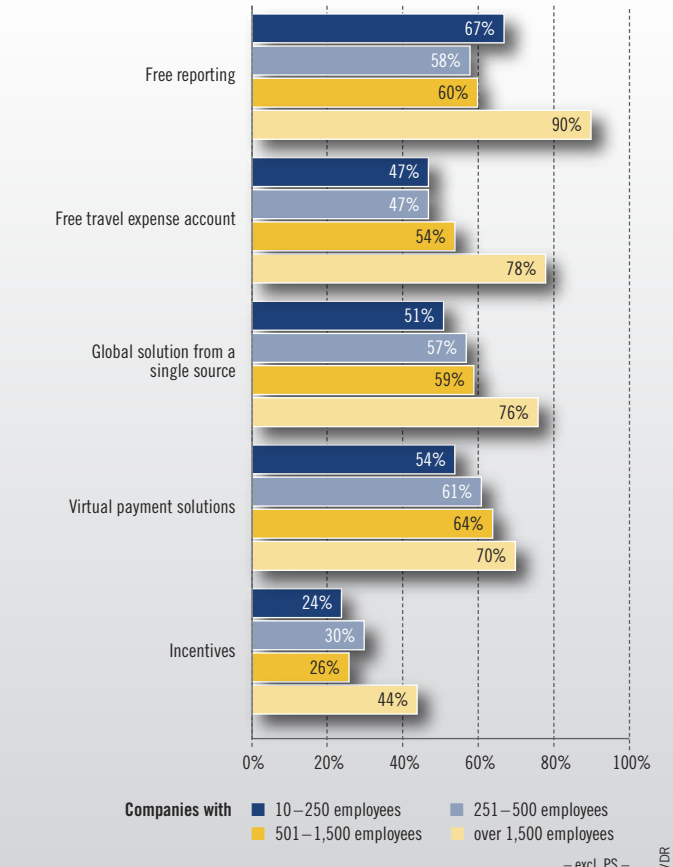
Figure 14

Selection criteria

"How important are the following aspects when deciding whether to use a corporate credit card?"

Finally, companies that already use corporate credit cards indicated which aspects they consider to be "very important" and "rather important". Free reporting is valued the most. Nine in ten of the biggest companies want to take advantage of this service. Generally speaking, all of the credit card services cited here are greatly appreciated; only incentives with 44% are much less important as a motivating factor.

Important considerations when opting to use a corporate credit card



– excl. PS –
– Companies that use corporate credit cards –

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Figure 15

7 Travel management: Positioning and future

Travel managers' working hours and tasks today

"What percentage of your total working time do you spend on tasks involving pure travel management?"

The question as to working time spent on travel management was first asked back in 2009. In mid-sized companies with up to 500 employees, it is still rare to find travel management set up as a separate area of responsibility. Those who book travel often carry out other tasks as well, leaving less time for pure travel management. Any anyone charged with monitoring higher business travel budgets must also be concerned with cost control – increasingly using digital processes.

Pro rata working time for travel management tasks in 2018/2009

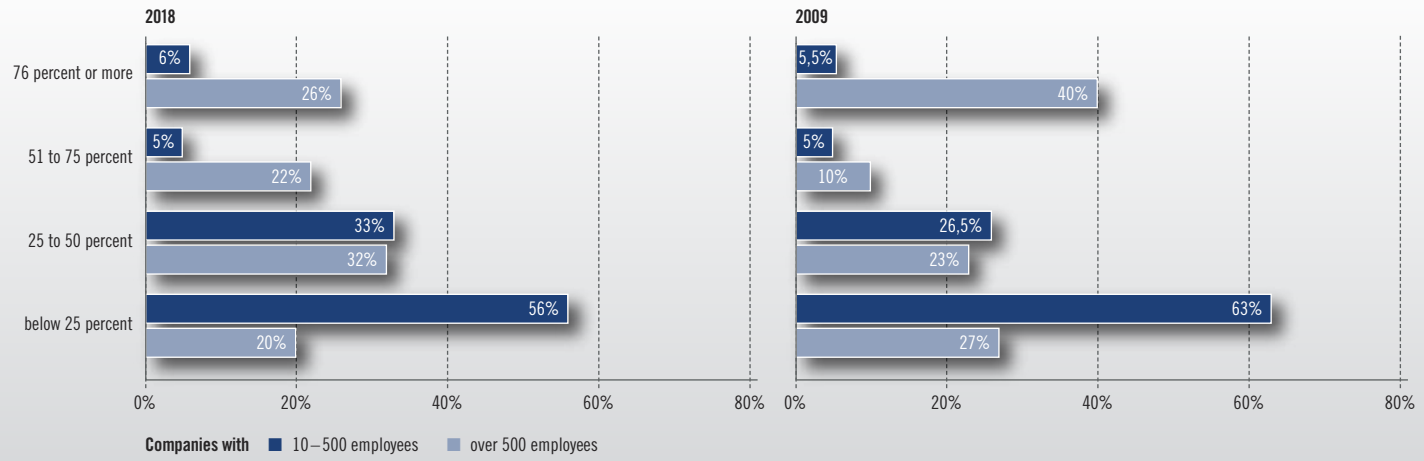


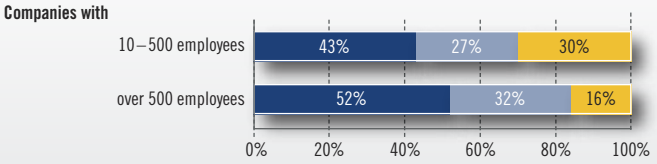
Figure 16

– excl. PS –
– People mainly responsible for travel management –
© VDR

It used to be the case that only 10% of travel managers in bigger companies devoted most of their working hours (51%–75%) to specialised tasks such as drafting company travel policy, negotiating with suppliers, and managing and monitoring travel spend. Today the share is 22%. At the upper end of the scale, the opposite development can be seen: in larger companies, around one in four travel managers are today occupied at least 76% with pure travel management tasks. The fact that this ratio has gone down from 40% in 2009 may indicate that travel managers are today faced with a larger number of tasks in the fields of data protection, security, sustainability, compliance and revenue management that are not yet fully subsumed under mobility management.

Opinion barometer: Employee and cost orientation

In my area of responsibility, I have to pay more attention than before to the satisfaction of business travellers.



Cost-orientation, especially with the aim of saving costs, has lost some of its importance in recent years.

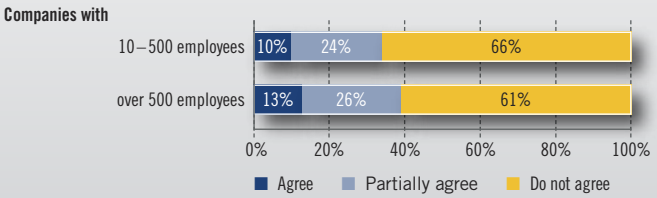


Figure 17 – excl. PS – © VDR

Employee vs. cost orientation

"To what extent do you agree with the following statements?"

Cost awareness in business mobility management remains important, but 84% of the respondents from bigger companies said that today they need to take travellers' needs into consideration more than before when booking travel. This trend is more pronounced in larger companies than in smaller ones. In the public sector, by contrast, cost savings still take precedence somewhat more often: For 74% of those responsible for business travel in these organisations, cost orientation has lost nothing of its significance (not illustrated).

New future business aspects

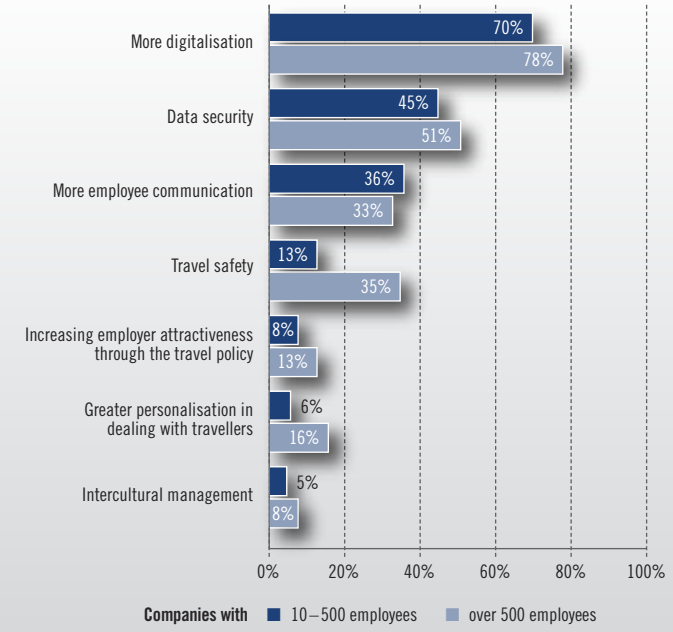


Figure 18 – excl. PS – – multiple specifications possible – © VDR

New areas of activity

"Which new areas of activity or tasks do you foresee for the future?"

The travel industry is far ahead of other sectors when it comes to the digitalisation of demand and supply processes. It is therefore hardly surprising that travel managers put digitalisation at the top of the list of potential future areas of responsibility. Closely linked to digitalisation are tasks in relation to data security and employee communication.[20] For these aspects, the future expectations of companies of all sizes are quite similar. The issue of travel safety is seen more in the larger companies than the smaller ones as a new area of activity for travel managers. All of the aspects queried were given greater weight by respondents who devote more than half of their working hours to pure travel management (not illustrated). Perhaps forecasts of what will be important in future can be made better by those who are already spending most of their time dealing with all aspects of mobility management.

[20] See also VDR Business Travel Report 2017, Chapter 7 "Changing values in business & travel", page 20.

VDR The German Business Travel Association

8 The latest trends and tools

Sharing economy

"In general, which of the following offerings are your business travellers permitted to book?"[21]

Car sharing has finally become an accepted mode of transport for the business traveller – half of the companies surveyed now allow their employees to book cars with Car2Go, DriveNow and similar. Even taxi services from the sharing economy are accepted somewhat more often today than they were two years ago. About one in four companies also allow booking of home sharing accommodations.

Permission to book sharing economy offerings

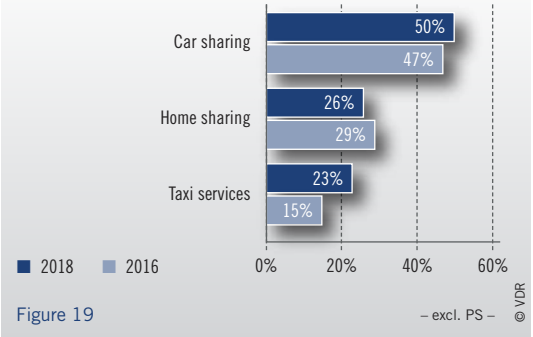


Figure 19

[21] In 2016 this question was asked only of participants who were aware of the respective offer. In order to ensure comparability, the assumption was made that the booking was not allowed if the participant did not know about the offer.

Use of home sharing offerings in 2017/2018

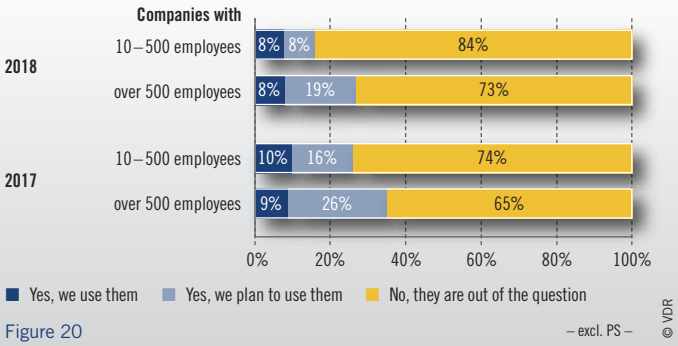


Figure 20 – excl. PS –

"Do you currently use home sharing offerings (such as Airbnb) or are you planning to use them in future?"

"Why are home sharing accommodations not allowed for your travellers?"

The majority of German companies are still opposed to their travellers' use of home sharing for overnight stays – 84% of smaller companies and 73% of the larger ones do not have them in their portfolio. Plans to use such accommodations have also become more rare in 2017. For the past two years, security and insurance concerns have been the main reasons keeping home sharing out of the range of permitted accommodation options.[22] Though very few companies can actually cite any bad experiences, awareness has increased among travel managers of aspects such as legal issues and the difficulty of integrating home sharing offerings into company travel policy. Other factors surely include the public debate on housing shortages in cities such as Berlin, which has led to significant restrictions for suppliers of such accommodations.[23]

Reasons why booking sharing economy offerings is not allowed in 2018/2016

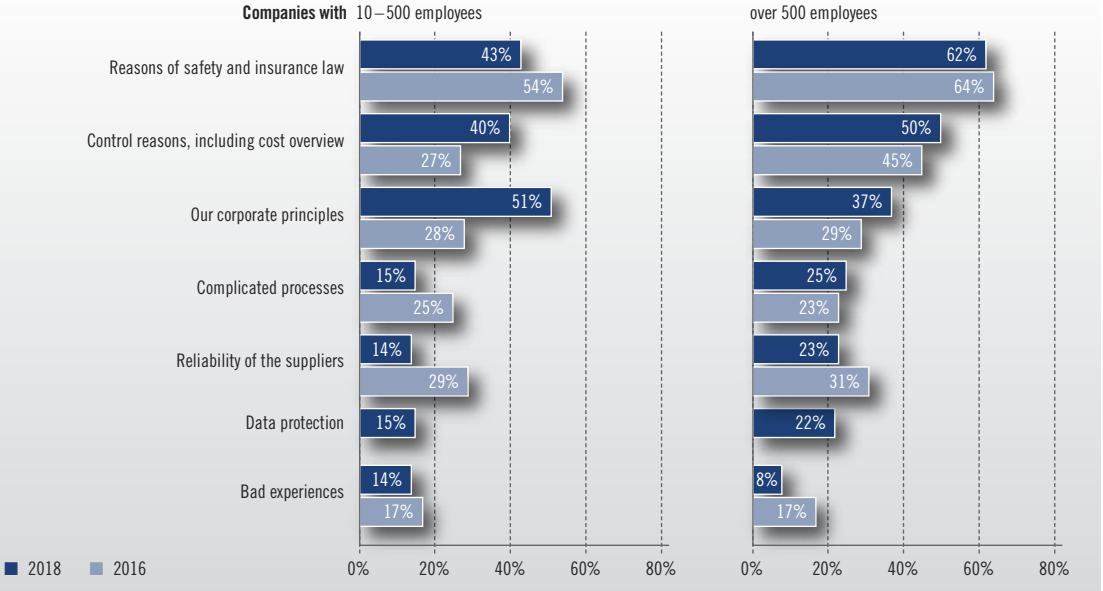


Figure 21

– excl. PS –
– multiple specifications possible –
– Companies that don't allow travellers to book at least one type of sharing economy offering –
– The "data protection" aspect was not surveyed in 2016 –

[22] VDR Business Travel Report 2016, Chapter 9 "Trends", Figure 28, Page 23.

[23] Current publications in the German media:
www.br.de/mediathek/video/zweckentfremdung-von-wohnraum-illegale-vermietung-an-touristen-av:5b0d8669a6f102001898746d
www.tagesspiegel.de/wirtschaft/airbnb-deutschlandchef-was-in-berlin-legal-oder-illegal-ist-ist-voellig-unklar/19714804.html
www.zeit.de/wirtschaft/unternehmen/2017-12/airbnb-home-sharing-berlin-vermietung-mietwohungen-ferienwohnungen

Information sources

We asked travel managers: "What sources do you think your business travellers rely on for information on how to reach their destination and where to stay?"
And we asked business travellers: "Where do you get information before your trip on how to reach your destination and where to stay?"

The results of two surveys are thus reflected here: a survey of business travellers conducted by the GfK market research institute[24] and our survey of travel managers for this study. The good news for travel managers is that the most important source of information for business travellers is their own employer, so it is safe to say that companies that inform and steer their travellers' choices will be heeded. This finding is also reflected by the increased importance of company travel policy in selecting accommodations that was already noted in Chapter 4. Travellers are far less likely to rely on tips from colleagues or generally accessible online services. Travel managers, however, have a very different opinion of these two sources of information.[25]

Overview of information sources for business travellers

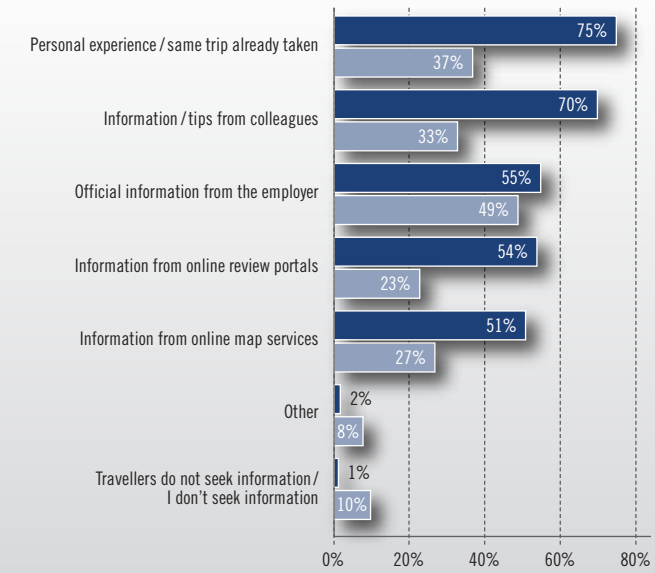


Figure 22

New services & tools

"In general, which new services and tools, or working methods, services and processes, would you like to see in future for optimal business mobility?"

A total of 14% of all respondents had a wish list and also some concrete ideas. Even after ten years, all of them still would like their work to go more smoothly within their own organisation. In addition, many want to offer their travellers efficient processes and tools to make their lives easier, for example to circumvent errors in travel expense accounting.

Web and video conferences are no longer on the list as they were back in 2009. As they are already common practice, the idea now is to integrate these alternatives to travel into planning tools. More and more employees, in particular in the public sector, are appealing to their organisations to purchase digital tools already

The second main area of basic desirables applies to the partners in the market: There is still no service provider offering seamless door-to-door travel encompassing all the various processes involved. Combined mobility offers, e.g. by integrating car sharing into holistic systems, already take a step in this direction. Overall, the goal of digitalisation and hence less switching between tools and reports is paramount. The way to get there would also require more industry standards for processes and contracts. Another practical consideration in view of increasing numbers of electric cars on the roads is the desire to see the network of charging stations expand.

[24] GfK DRV/VDR business traveller survey: an online survey of 1,500 business travellers as part of the GfK Mobility Monitor in November and December 2017. More findings (German): www.vdr-service.de/service/pressemitteilungen/news/geschaeftsreisen-2018-persoenliche-begegnung-bleibt-wertvoll

[25] The first aspect, "personal experience", can be neglected here, because on the one hand the business traveller survey probably contains many replies from travellers who do not travel repeatedly to the same destinations while on the other hand a travel manager speaks on behalf of several travellers.

Interest in a "health traffic light" before the trip

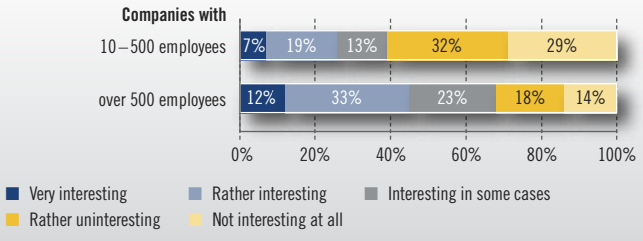


Figure 23 – excl. PS –

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"'Health traffic light' before a trip: How interested would you be in a tool with an early warning system?"

Frequent travel can have a negative impact on health. And companies have a legal duty of care for their employees. So how can travel-related strains be kept to a minimum? Are digital innovations the answer? Travel "at any cost" could possibly be reduced simply and systematically. A tool with a "traffic light" or early warning system would be of particular interest today for larger companies. Higher travel volumes and a higher level of professionalism would make such companies more receptive to such innovations. But one in four mid-size companies also find the idea interesting. Such a tool should allow for personalisation while ensuring data privacy – offering rules that could be defined by the company in the interest of its travellers and which would already be brought to bear on the approval process. The system could possibly also increase the influence of travel managers over the overall process.

Interest in a technical solution to manage bonus points/miles

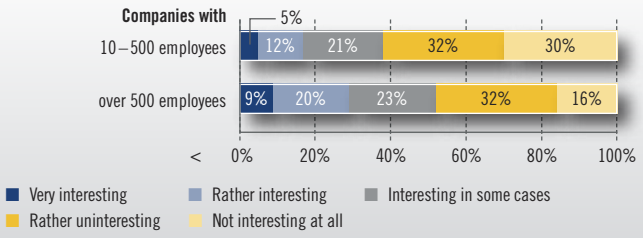


Figure 24 – excl. PS –

© VDR

"How interesting for your company is a technical solution for managing bonus points if this solution were also able to separate private from business miles?"

Bonus points from loyalty programmes can be used not only for private benefits such as shopping or for charity purposes but also to reduce travel-related costs, for upgrades or to compensate for the traveller's carbon footprint. Few of the companies surveyed have insisted in the past on their travellers using points and miles earned on business trips for further business bookings.[26] Nevertheless, transparency about whether such points were earned privately or on business trips is at least partially interesting for 52% of the bigger and 38% of the smaller companies.

[26] See VDR Business Travel Report 2014, Chapter 4 "Travel management strategies", Figure 18, Page 15.

9 Safety and data protection

Awareness

"Is your company concerned about traveller safety on business trips?"
"Which statements on the issue of traveller safety would your company tend to agree with?"

Today as always, travellers are subject to a whole range of risks – whether they're travelling for business or pleasure. In particular the increased incidence of terrorist attacks in 2015 and 2016 and the corresponding media reports made companies much more aware of these risks. Currently, the safety of business travellers for German companies is less of a concern – possibly because appropriate measures have been taken in recent years and the issue can thus be considered to have been dealt with. Today, 53% of mid-sized firms, 76% of the bigger companies and 58% of public-sector organisations are actively engaging with this issue (not illustrated).

At the same time, 54% of smaller companies and 64% of the bigger ones say that the safety of business travellers will become "more and more important" in the future. However, only for 5%, respectively 6%, of these companies is it "the most important issue of all".

Opinions on the issue of safety

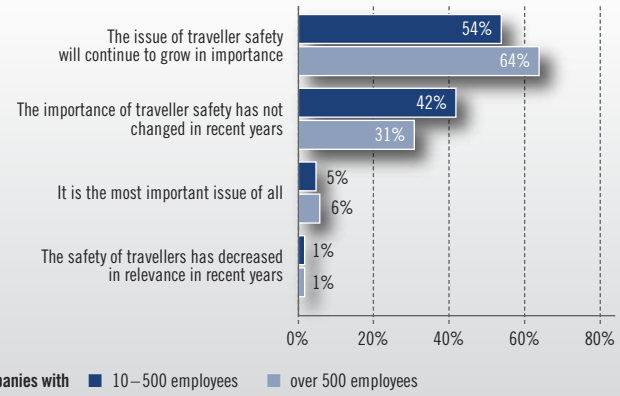


Figure 25

– excl. PS –
– multiple specifications possible –

© VDR

Measures

"Do you offer your travellers any specific measures to increase their safety on business trips? If so, which ones?"

The majority of German companies offer at least one measure to increase safety on business trips – in the bigger companies the share is 94%. In the public sector, 75% of organisations answered this question in the affirmative (not illustrated).

The top three measures are still "Information on data security on business trips", "Communication with travellers in dangerous situations" and "Health and prevention programmes". Currently, the range of safety training offered for domestic and foreign travel has decreased somewhat. Apparently, such measures depend on the destination country and are thus offered in waves corresponding to demand – companies that have recently trained their travelling staff do not have to do so again. Another aspect is traveller tracking: this tool is used by 34% of the bigger companies and 17% of the smaller firms with 10–500 employees. In the public sector, nearly one in ten organisations are kept informed in real time of the whereabouts of their travellers (not illustrated).

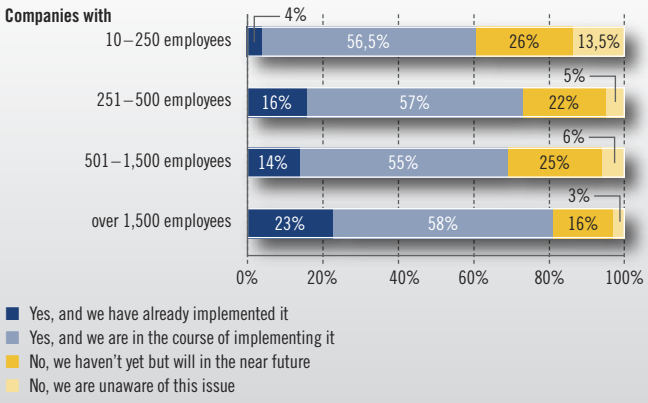
Use of safety measures

Figure 26

– excl. PS –
– Companies that offer at least one of the safety measures surveyed –

© VDR

Awareness and implementation of the EU General Data Protection Regulation (GDPR)



– excl. PS –
– Survey period: 1st quarter 2018 –

© VDR

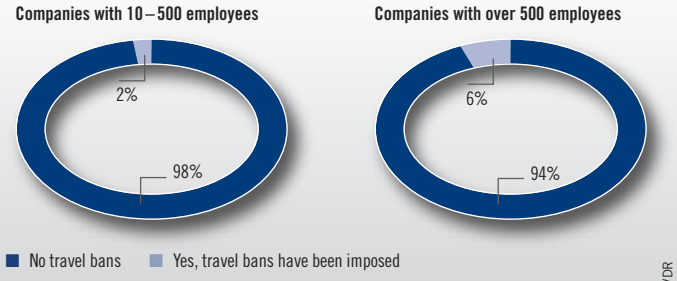
Figure 27

Data protection

"Are you aware of and have you implemented the EU General Data Protection Regulation (GDPR) yet?"

The GDPR instituted uniform data protection law within the EU effective 25 May 2018. The data protection requirements contained therein must now be applied across Europe regardless of national laws.27 In particular new requirements with regard to processing personal data are relevant for mobility management. VDR thus turned its attention to the topic early on and put together relevant recommendations, best-practice examples and further information.28 Very few companies had not yet heard about these legal changes by the time the survey was conducted in the first quarter of 2018: Most were in fact in the midst of implementation. In the public sector, as with large companies, one in five organisations had already completed the changeover measures.

Travel bans in 2018



– excl. PS –

© VDR

Figure 28

Travel bans in 2018

"Has your company imposed travel bans for any countries during the current year due to the security situation or political changes (despite business relations that may still exist)?"

"Did your company pronounce a travel stop during 2017 due to budget restrictions?"

The absolute majority of German companies has not yet issued any travel bans in 2018 for political, budget-related or security reasons. However, 4% of companies did pronounce a halt to travel due to expenditure limits (not illustrated). When travel bans were pronounced, they were mainly for Turkey – with far-reaching effects on business relations with that country. Travel to crisis regions with warlike conflicts is also being avoided. It remains to be seen how trade relations with the USA will develop in future. Should trade barriers increase due to the imposition of tariffs and other measures, business travel will also be negatively affected.

[27] See (German): www.datenschutz.org and https://www.eugdpr.org/

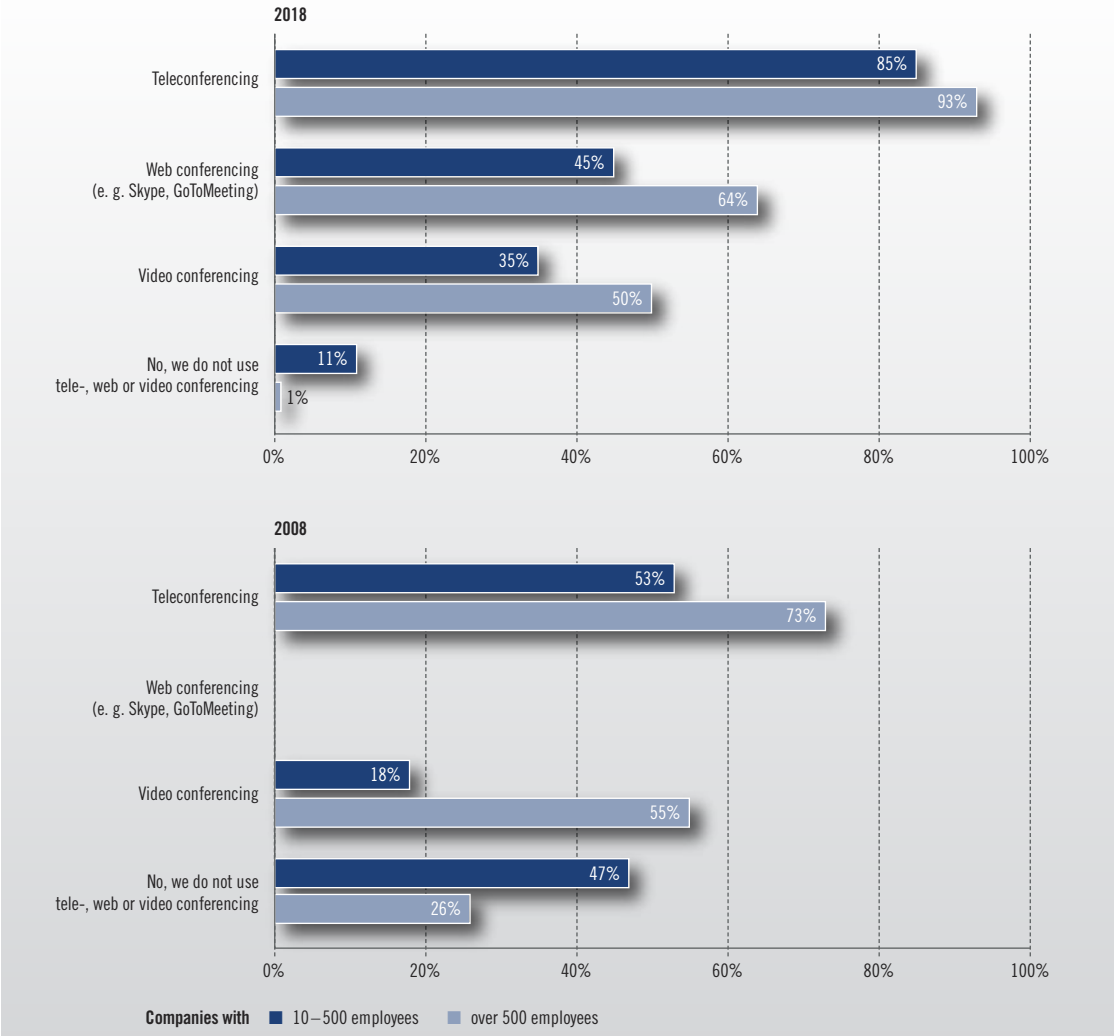
[28] See (German): www.vdr-service.de/der-verband/fachthemen/dsgvo/

Alternatives to business travel

"Does your company take advantage of tele-, web or video conferencing?"

Virtual meetings using all the modern means of communication have become commonplace in most companies over the last 15 to 20 years. Today, the reasons for foregoing a business trip are more varied – in addition to cost savings and work efficiency, considerations of safety, sustainability and the well-being of staff are given more weight than in the past. Telephone calls are still the main substitute for a business trip, but as the broadband infrastructure in Germany continues to expand, the situation ten years from now will probably look very different.[29] Whereas back in 2008 web-based conferences were still a novelty, this communication channel has today surpassed video conferencing in popularity. Communication innovations have seen the greatest advances in the public sector: Today, 82% of these organisations use tele-, web or video conferencing, while ten years ago the ratio was only 42% (not illustrated).

Use of tele-, web or video conferencing



– excl. PS –
– multiple specifications possible –
– Web conferencing was not surveyed in 2008 –

© VDR

Figure 29

[29] See (German): www.dstgb.de/dstgb/Homepage/Schwerpunkte/Breitbandinfrastruktur/

10 Destination countries for 2019

"Which destination countries will gain in importance for business trips in 2019?"[30]

With 165.9 million trips and thus 88% of the total in 2017, domestic travel remains the backbone of German business travel activities. This question therefore aimed to find out more about where German companies are doing business abroad – and which countries stand to be visited by business travellers from Germany due to new or existing business relations. Of those surveyed, 36% named at least one country. The top 3 foreign destinations for the coming year were also among the main five trading partners in 2017: the USA, China and the UK. Of the neighbouring countries, France is both the most important trading partner and destination. New among the destinations that are taking on increasing importance are Spain, which has now revived after years of crisis, and the global "boom country" India – these two occupied 12th and 26th place in the ranking by German trade partners.[31]

"Which destination countries will decrease in importance for business trips in 2019?"

Business travel is a sensitive seismograph of changing moods in the economy. Political upheavals, Brexit and threats to international trade relations are increasingly having an impact on daily business travel. Protectionism and travel barriers disrupt existing business relationships or complicate the cultivation of new ones.

Only 15% of the respondents named at least one country in response to this question. We can conclude that the changes will evidently be neither rapid nor devastating. From today's point of view, travel managers expect that Turkey, the USA, Russia and Poland will be visited less often on business trips during 2019. And in some companies, Brexit already looms large – leading to fewer business trips to the UK.

[30] Figure 30 shows the anticipated importance of various countries for companies' business activities in 2019. It does not however allow any conclusions to be reached on specific travel volumes in these countries or expenditure on such trips.

[31] See Federal Statistical Office (Destatis, German): Fachserie 7, Reihe 1, Foreign Trade in 2017, Table 1.6, Wiesbaden 2018.

Top 10 destinations for 2019

– excl. PS –
– multiple specifications possible (maximum of 4) –

© VDR

Figure 30

Methodology and credits

Methodology

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. On the basis of these features, the four different sectors – manufacturing/construction, services, trade and the public sector (PS) – are equally well represented. The same weight is given to the four different size categories.

Due to the differences between the private sector ("businesses/companies") and the public sector, most results are presented separately. The corresponding data basis is made clear in the respective passages:

- When reference is made to businesses or companies/firms, the public sector is excluded ("– excl. PS –").
- When reference is made to organisations, this includes both companies/businesses and institutions in the public sector.

Number of organisations in Germany and their employees according to size categories (NACE 2003)

	Organisational size categories (organisations with ...)									
	10–250		251–500		501–1,500		over 1,500		Total	
	Organisations	Employees	Organisations	Employees	Organisations	Employees	Organisations	Employees	Organisations	Employees
Total	449,779	15,980,198	9,249	3,184,631	4,393	3,457,175	1,224	3,646,175	464,645	26,268,179

– Status: 2017 –
– excluding organisations with 1–9 employees –
Source: own calculations, in conjunction with statistics from the Federal Employment Agency, Data Centre, Nuremberg. Calculated using NACE 2008 (2016 and 2017)

Table 2

© VDR

A random sample was taken from this statistical universe. Between January and March 2018, 800 computer-assisted telephone and online interviews were conducted with persons who are responsible for managing business travel and 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 2017 figures. All extrapolations without reference to secondary sources are based on a special evaluation of statistics from the German Federal Employment Agency (see Table 2 above).

Exact figures are used when calculating percentage changes (for example total annual expenditure on business trips). This explains why calculations using the rounded figures shown in the texts and charts sometimes lead to different results after the decimal point.

The following organisation size categories have been defined for this analysis:

- Organisations with 10–250 employees
- Organisations with 251–500 employees
- Organisations with 501–1,500 employees
- Organisations with over 1,500 employees

2018 Respondent areas of responsibility

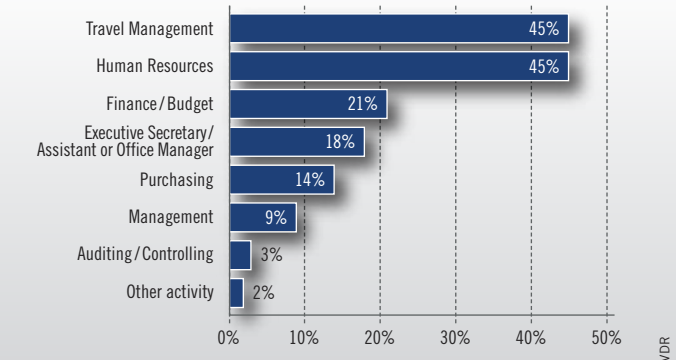


Figure 31

© VDR

2018 Respondent sectors of industry

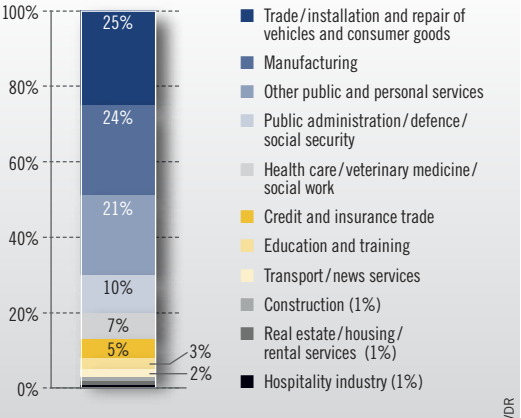


Figure 32

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The research team

VDR, the publisher of this report, has since 2003 defined the basic structure of the analysis in consultation with its members and each year selects topical questions to be examined, some of them suggested by readers. United Research AG is responsible for the field work and scientific evaluation of the primary data, which is gathered by the Research Factory. Antje Adam, Viola Eggert, René Vorspohl (VDR) and Claudia Mock (United Research) work together with project manager Kirsi Hyvaerinen (PRÁTTO Consulting) on the expert analysis, reporting and organisational supervision of this study project. Volunteers also contribute their expert knowledge to each year's report, including Daniela Schade and Ralph Rettig from the Presidential Committee of VDR, and also leaders of expert committees as appropriate for each specific topic.

VDR – The German Business Travel Association

VDR – The German Business Travel Association represents the interests of German business with respect to all aspects of business travel management. The aim is to ensure that worldwide business travel is efficient, economical, safe and unimpeded. With over 550 member companies, the German Business Travel Association represents a total business travel turnover of more than ten billion euros per year.

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Where the male pronoun form is used in the text, this has been done for the sake of simplicity. This is meant to signify both men and women.

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