

VDR

Verband Deutsches
Reisemanagement e.V.

The German Business Travel Association



VDR Business Travel Report 2015

volume 13



Concur Travel & Expense

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Watching markets, understanding mobility, shaping the future

Business trips are a sensitive barometer of the economic mood and mobility of German companies – both internally and externally. For many years now, VDR has been keeping close watch over the changes in the way German companies think, act and conduct their processes, with the help of market research tools and the VDR TrendsPort “think tank” as well as in daily dialogue with our members. The diversity of our industries calls for a differentiated understanding of all aspects of mobility. By analysing the market data compiled for the VDR Business Travel Report, we have been able to identify and examine many interesting, and in some cases critical, developments. The representative information provided by travel managers has influenced decision-making in both business and politics. One thing is clear: in spite of all the “24/7 technologies”¹ available in communications and business travel, the personal meeting is still the driving force for business contacts. VDR is also giving more space in its considerations to sharing experiences on an international level, for example in the near future at its second joint conference with its European partner association GBTA, taking place from 9 to 11 November in the travel and trade fair hub of Frankfurt.

The thirteenth VDR Business Travel Report also examines trends that VDR predicts will play a greater role a few years from now. Already today, we are looking for initial answers to questions such as: Should we simply dismiss the share economy as a “euphemistically named form of platform capitalism”,² or does it offer business travellers ways to save costs in a new, digital economic order? Are “door-to-door” solutions still a distant dream? How can business travellers work effectively with hotels today and in the future? We have summarised here the latest findings on the world of occupational mobility and hope you will enjoy an interesting and informative read.

¹ Constant availability on the one hand, and active use and “round the clock” communication on the other, with increasing blurring of the boundaries between work and leisure time.

² Sascha Lobo on 3 September 2014 in Spiegel Online: “The human machine: On the way to dumping hell”, www.spiegel.de/netzwelt/netzpolitik/sascha-lobo-sharing-economy-wie-bei-uber-ist-plattform-kapitalismus-a-989584.html



1 Important results at a glance

Key data:

In 2014 there were 10.1 million business travellers³.
175.8 million business trips led to expenditure in the amount of 49.2 billion euros – equivalent to 146 euros per business traveller per day.

2014

+ 1.2%
+ 2.8%
+ 2.2%
– 1.0%

2013:

10 million business travellers
171.1 million business trips
48.2 billion euros
148 euros

Large companies take longer international trips

The number of business trips taken by organisations in Germany increased by 2.8% in 2014 compared to 2013. Domestic trips tended to be shorter, but international trips were longer, which was also reflected in higher business travel spend. Large firms spent more in relative terms than the number of trips might lead one to believe. The reason can be found in longer and more frequent travel abroad. (Figures 1, 2 and 4, Pages 6 and 7)

Five billion euros in “other costs”

A difficult field offering potential savings is the category “other costs”, small amounts which have in sum been growing again in recent years, reaching the impressive total of five billion euros in 2014. This category includes transport-related costs ranging from fuel, taxi fares, public transport and mileage allowances all the way to parking charges. Larger companies have relatively higher communication costs than smaller ones due to more frequent trips abroad. (Figures 6 and 7, Pages 9 and 10)

“Likes” outstrip stars

The criteria for selecting accommodations are changing. Guests’ personal impressions are becoming increasingly important. “Personal recommendations” and “reviews” are thus taking the place of traditional classifications. (Figure 12, Page 12)

Daily or negotiated rates? It’s all about the mix

The ten-year trend toward taking advantage of daily rates continues, but where negotiations are worthwhile, they’re still given a chance, particularly in the hotel business. 83% of companies with a separate area of responsibility dedicated to travel management negotiate prices for hotel stays. For rail travel, nearly half of all companies use only the daily fares, while when it comes to car hires, the use of daily prices has even quadrupled. (Figure 16, Page 15)

Mobile is – not quite yet – the new online

Around two-thirds of travel bookings by medium-sized businesses in Germany are today made online, and 4%–5% on mobile devices. Direct bookings with suppliers are still the most common. Travel agencies are called in mainly for flights and more complex travel arrangements. (Figures 21, 22 and 23, Pages 18 and 19)

Share economy – well-known, little-used, full of promise?

Business travellers are often early adopters of innovative mobility services and products. Whatever makes travel and communication more efficient, more secure and more pleasant prevails in the end. Today new service offers from transport to accommodation are coming onto the market as private pixel platforms. In this first phase, German companies and public-sector organisations are still cautious – but will that still be the case five years from now? (Figure 25, Page 21)

Long-distance coaches still an “also ran”

One in ten of the largest companies, usually those with price-sensitive travel managers at the helm, book occasional coach travel for their employees. But employees of SMEs take long-distance coaches more frequently. On the whole, though, their use for business travel is still limited. (Figure 27, Page 22)

2016: Stable to rising

Confidence persists in the overall stable development of business travel in the year to come. A positive mood prevails, but no major leaps in growth are expected. The German Ministry of Economics predicts a slight increase in travel within the eurozone, along with good export prospects thanks to the depreciation of the euro.⁴ The forecasts made by most travel managers are similar. SMEs in particular, as well as the biggest companies, are counting on increased bookings in all areas of travel. (Figure 29, Page 24)

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

⁴ Federal Ministry for Economic Affairs and Energy, press release of 22 April 2015.

2 Business travel: Facts and figures

Quantity

“How many business trips were taken in your company/organisation in 2014?”

The German economy was in good shape in 2014. The price-adjusted gross domestic product was 1.5% higher than the previous year and thus exceeded the average of the last ten years.⁵ The development of business travel followed suit. The number of trips in organisations with ten or more employees rose by 2.8% between 2013 and 2014. This corresponds to the previous year's forecasts of increased bookings in all areas of travel, especially by larger companies.⁶

While in 2013 the number of business trips declined slightly at companies with more than 500 employees, and by contrast went up by 3.1% in medium-sized companies,⁷ in 2014 increases were seen across all business sizes (a plus of 3.8% and 3.5%, respectively).

Costs

“How high was total business travel spend in 2014?”

More travel produced higher costs last year, but the rise was not commensurate with the increase in the number of trips: the 2.2% increase to 49.2 billion euros thus indicates relative savings. A closer look reveals some differences: Companies with over 500 employees spent 6.6% more, with only a 3.8% increase in the number of trips. This means that their employees were generally away for longer periods of time. Medium-sized companies travelled within Germany more frequently, thus saving an overnight stay here and there. Large organisations in the public sector were especially frugal: with nearly unchanged travel activity (+0.6%), they were able to cut costs by 2.5%.

Number of business trips in 2010–2014

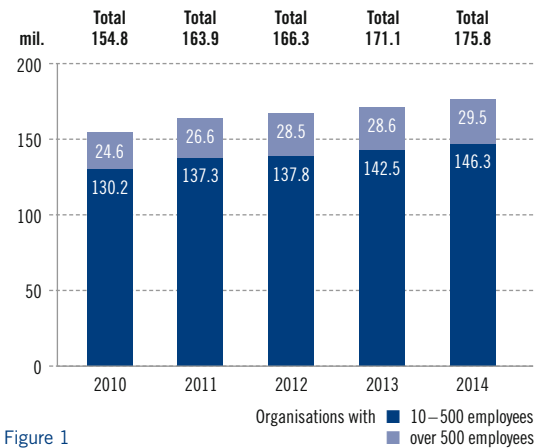


Figure 1

Things were somewhat different in the public sector: 0.6% fewer trips were reported by smaller organisations and 0.6% more by the larger ones.

Total cost of business travel in 2010–2014

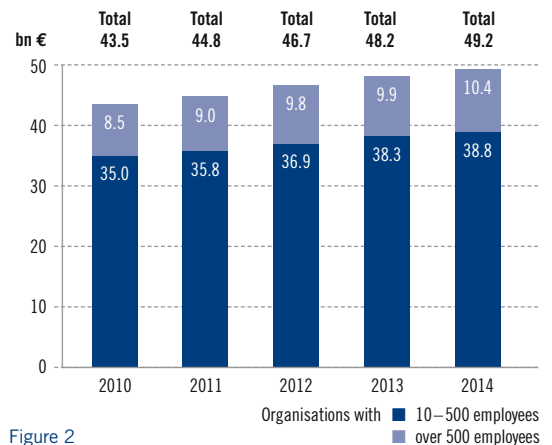


Figure 2

⁵ See press release no. 016 of the Federal Statistics Office, Wiesbaden, 15 January 2015.

⁶ VDR Business Travel Report 2014, Chapter 8 “Outlook for 2015”, p. 21

⁷ When this report refers to “medium-sized businesses”, this means companies with 10–500 employees. Small and medium-sized enterprises (SMEs) are companies with 10–250 employees. See VDR Business Travel Report 2006, “Term definitions A-Z”, p. 40.

Business travellers

“How many business travelers⁸ were there in 2014?”

Even though digital communication offers a range of new possibilities, and web-, video- and teleconferencing are already part of our everyday lives, personal encounters remain essential both for doing business and for the public sector. Therefore, after a stronger increase between 2012 and 2013, in 2014 the number of business travellers continued to grow, but only slightly, by 1.2% to 10.1 million. About one in three employees on average took at least one work-related trip. At the biggest companies with over 1,500 employees, there is trend towards 40% of the staff travelling – more trips are distributed among more employees. These businesses reported about the same ratio, 37%, in 2005 – but in the wake of the financial crisis, fewer employees were sent on the road for a time.

Duration

“How long do business trips last?”

There were fewer two- to three-day business trips in 2014. Accordingly, there were more trips without an overnight stay, although the longer trips (four days and over) were also up slightly. Even if the average duration of 2.1 days remains unchanged, these results point to some popular strategies for efficient business travel: shorter trips through optimised connections, and the consolidation of travel.⁹ As usual, the average length of trips increases with company size. Nearly one in four travellers for the largest firms was on the road for at least four days.

Breakdown of business travellers by company size in 2010/2014

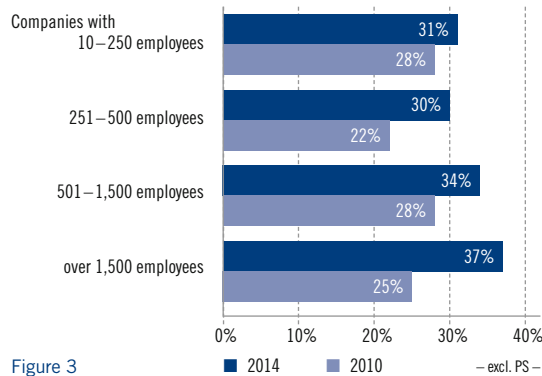


Figure 3

Duration of business trips in 2010–2014

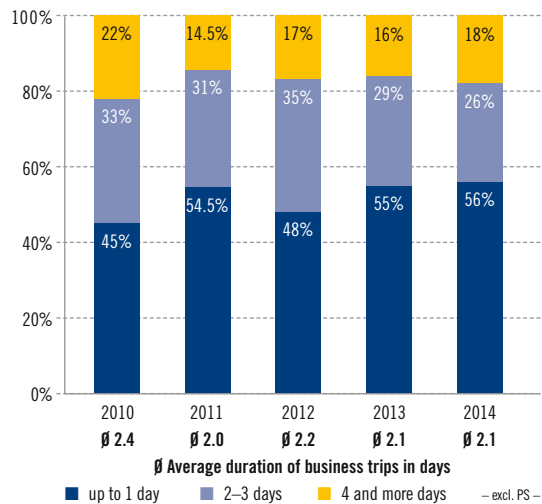


Figure 4



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: www.vdr-service.de/der-verband/fachthemen/vdr-glossar (in German only).

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.

⁸ Percentage of employees in the organisation who take at least one business trip per year.

⁹ VDR Business Travel Report 2014, Chapter 4 “Strategies for efficient business travel organisation”, Page 13, Figure 16.



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3 Structure of business travel costs

Average costs per business trip

The strategies applied by travel managers have continued to show results: the average cost of a business trip has been reduced to 307 euros. Far-sightedness and close control of costs will continue to strengthen the competitiveness of German companies in the future.

Average cost per business trip in 2010–2014

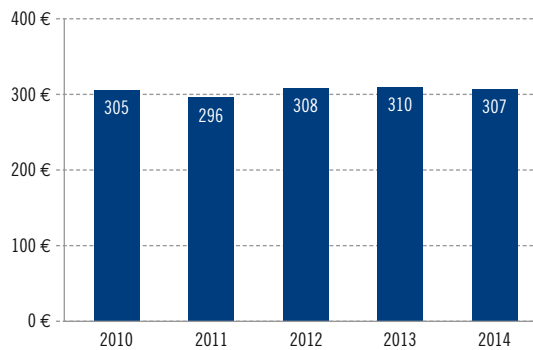


Figure 5

Daily expenditures

While the average length of business trips remained the same at 2.1 days, the costs per trip declined marginally from 148 to 146 euros in 2014. In the leisure travel market by contrast, both the average daily expenditure per person (2014: 77 euros) and the duration of trips went up (2014: 12.5 days).¹¹ Nevertheless, the business traveller still spends roughly twice as much per day, regardless of the season. This travel activity thus safeguards jobs in the hotel, restaurant and transport industries nationwide.

Comparison of business and holiday travel:¹⁰ Daily expenditures in 2010–2014

Expenditure per person per day	Business travel	Holiday travel
2014	146 €	77 €
2013	148 €	73 €
2012	140 €	73 €
2011	148 €	70 €
2010	127 €	70 €

Table 1

Cost areas

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

The distribution of costs over the main areas remains quite stable from year to year. In 2014, costs went up in all areas except for hired cars. In terms of transport, rail gained additional market share. In a five-year comparison, proportional spending on rail travel went up from 16% to 19% – mainly to the detriment of the car hire industry. One euro in four is still spent on overnight stays or flights.

The most noticeable increase in 2014 was once again spending on meals, which went up by €0.3 billion. Also of note is another jump in the small amounts subsumed under the category “other costs”, which have been on the rise for the past few years and in 2014 amount to no less than five billion euros. These items

Total business travel spend broken down by cost areas in 2013/2014

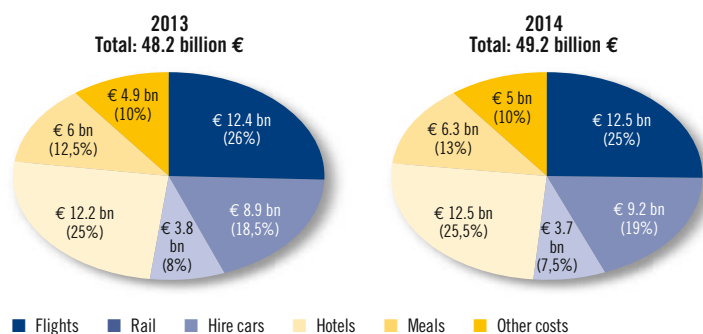


Figure 6

¹⁰ Our own calculations, in conjunction with F.U.R., Hamburg/Kiel: Travel reports 2011–2015. Business travel expenditure per person and per day: companies only, not the public sector. Holiday trips of 5 days or longer.

¹¹ See F.U.R., Hamburg/Kiel: Travel reports 2011–2015.



Cost areas that fall under “other costs”

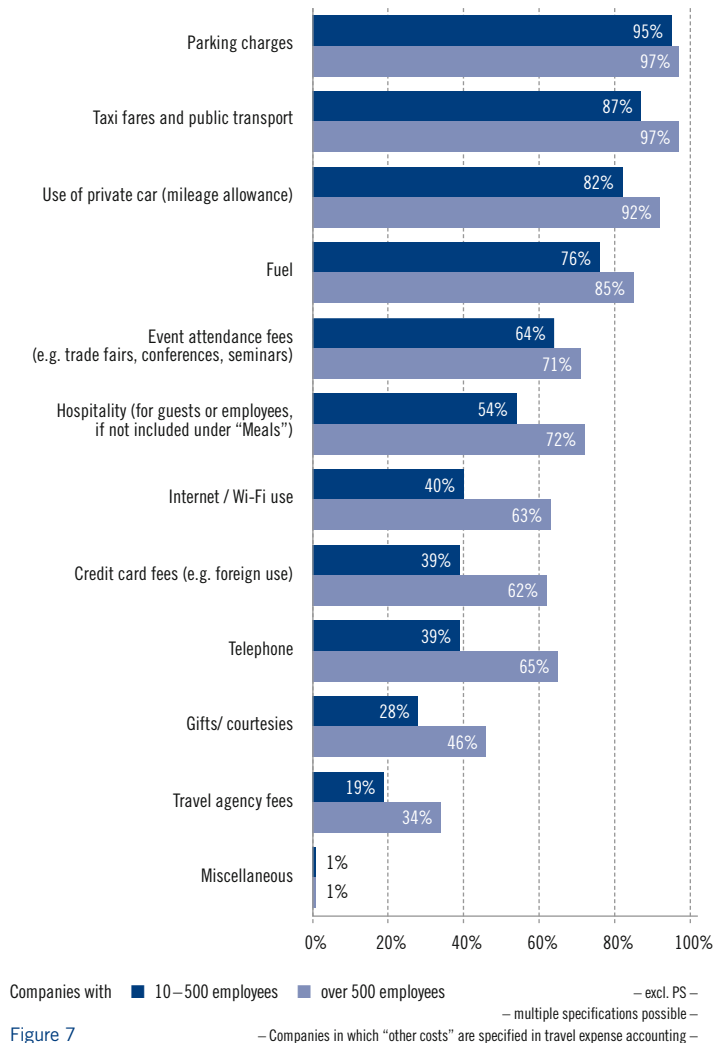


Figure 7

include transport-related costs for fuel, taxi fares, public transport and mileage allowances as well as parking charges. Larger companies have relatively higher communication costs than smaller ones due to more frequent trips abroad. Compared to businesses, the public sector spends less in proportion on communication, credit cards, hospitality and gifts, but more on trade fairs, conferences and seminars.

4 Overnight stays

Overall trends

“How many overnight stays did the business trips taken by the employees in your company/organisation include?”¹²

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

In keeping with the previous year's forecast, 2014 not only made up for the slight stagnation in overnight stays of late but actually reached a record high of 63.7 million. In particular employees of larger organisations took longer trips and hence logged more room nights (+8%). SMEs had shown more caution when predicting hotel bookings, but still produced 2% more room nights in 2014 (not shown).

Looking at the cost areas, it is clear that additional expenditure of over half a billion euros for hotels and meals can be attributed to increased overnight volumes. The number of overnight stays by travellers for German organisations rose in 2014 by 4%. 72% of this increase benefitted domestic accommodations – which hosted in particular more guests from organisations with 10–500 employees. More and longer trips, especially by larger firms, resulted in an increase in foreign stays by 6%.

Accommodation categories

“What overnight categories does your organisation tend to book?”

The trend of the last few years to gravitate “toward the middle” when it comes to domestic accommodations still persists. Nine out of ten business travellers can be found in accommodations in the 3- or 4-star category. This “hotel pattern” is very similar across all organisation sizes. While 8% of travellers still stayed in the “upper upscale” category with 5 stars in 2010, the percentage was down to 3% in 2013 and 2014. Domestic 1- and 2-star hotels gained greater market share among German business travellers in 2014, up from 4% to 6%.

Number of overnight stays in 2010–2014

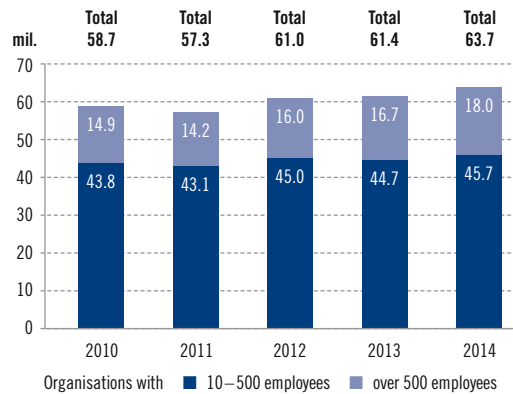


Figure 8

Number of overnight stays in Germany vs. abroad in 2013/2014



Figure 9

Accommodation categories for business and official travel in Germany in 2010/2014

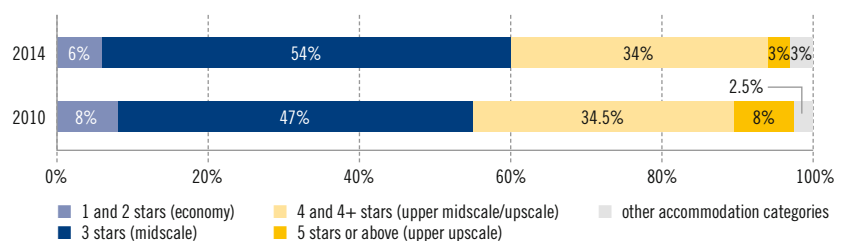


Figure 10

¹² Number of overnight stays = room nights.

Accommodation categories for business and official travel abroad in 2010/2014

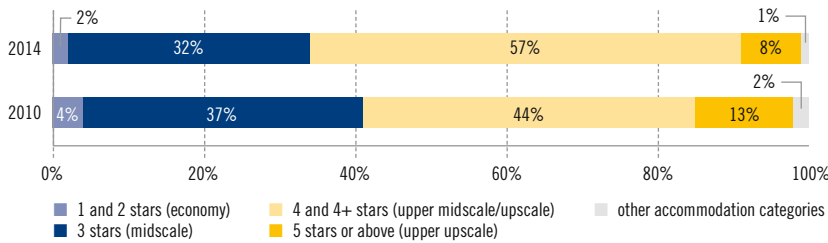


Figure 11

Factors influencing choice of hotel in 2008/2015

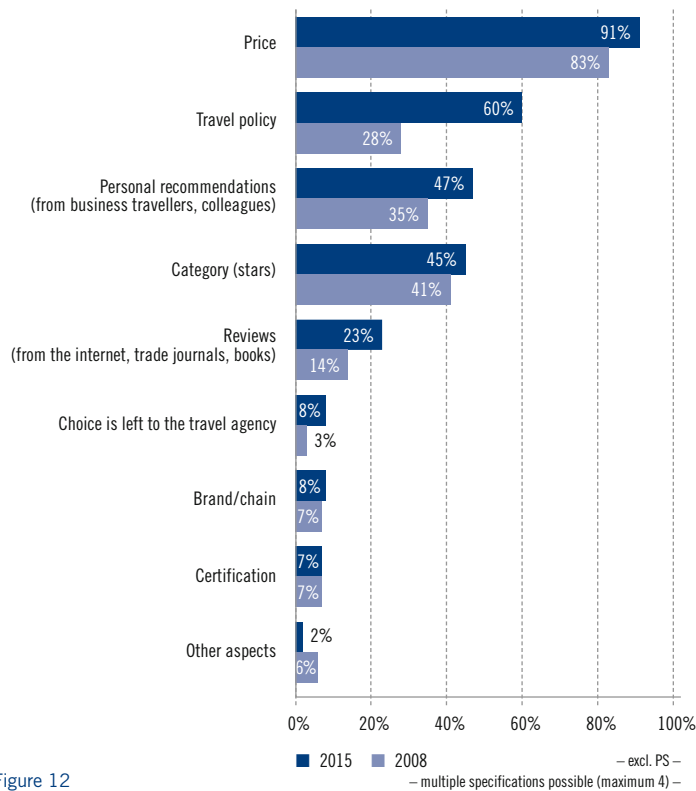


Figure 12

As in previous years, when a trip takes the business traveller abroad, the next higher category is frequently booked. This has hardly changed from the previous year: 65% of overnight stays abroad were booked in the 4- and 5-star category in 2014. In a five-year comparison, however, bookings of 4-star accommodations have gained significantly, by 13 percentage points.

“Which aspects are decisive in the selection of accommodations – given an ideal location?”

The overall decision-making pattern has hardly changed in the past eight years. Travel managers say that their first consideration is always the price – for obvious reasons. But many more companies today are keeping costs under control by implementing a travel policy, in most cases introduced in the wake of the financial crisis. Larger companies in particular have become more cost-conscious in this connection. However, recommendations and user reviews are also having a greater impact – if a supplier receives only a few reviews, this is almost tantamount to a poor rating. Hotels thus take targeted advantage of travellers’ desire to share their experiences with others.

On the whole, the importance of the areas of “Personal recommendations” and “Reviews” is on the rise compared to the traditional classifications. The classic star rating still provides a further basis for selecting accommodations, but it is no longer the sole criterion. Also considered are target-group-specific criteria such as those found in the VDR certifications Certified Business Hotel®, Certified Conference Hotel®, Certified Green Hotel® and others.¹³

¹³ More information: www.certified.de.

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5 Travel management strategies

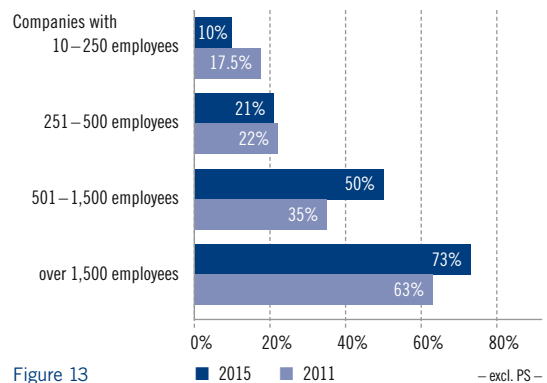
Responsibility for travel management

Not every company has a separate area of responsibility dedicated to travel management. The development of this field has differed over the years, depending on the size of the company. While SMEs have tended to cut back here, one in five companies with 251–500 employees still maintains a dedicated travel management unit. Companies with more than 500 employees are the ones that have recognised most clearly the need for professional travel management, responding by reinforcing this area.

The tasks of a travel manager are becoming increasingly broad, as demonstrated by the variety of topics addressed at this year's VDR Spring Conference in Wiesbaden. The travel manager is the go-to person for almost all areas of business mobility. This applies particularly to the increasingly complex fields of travel expense accounting and event management. Half of today's travel managers are in charge today of travel security and health issues,¹⁴ and one in four of the company's vehicle fleet. The growth of mobile communication has led to a need for more control – today a task for every fifth travel manager.

“Is travel management a separate area of responsibility in your company?”

Travel management as a separate area of responsibility

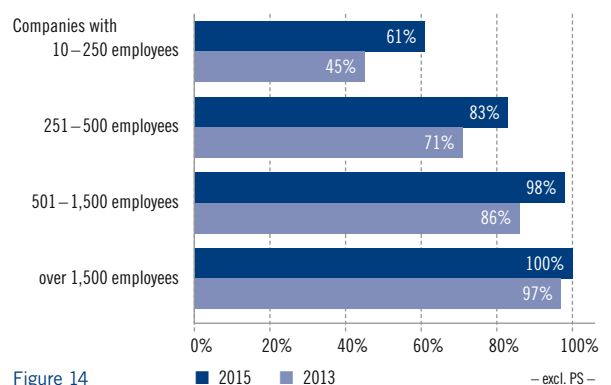


Travel policy

“Does your company have a travel policy?”

The significance of this key tool for controlling direct and indirect costs has risen significantly in companies of all sizes. This year for the first time, all companies with more than 1,500 employees report that they use a travel policy. Although SMEs have tended over the years to do away with travel management as a separate area of responsibility, they still implement travel policies more often than they did two years ago.

Percentage of companies with a travel policy



¹⁴“Security of business travellers and security-related measures”, see VDR Business Travel Report 2014, Page 19, Figure 22.

In reply to the question of which incentives will in future play a key role in compelling travellers to comply with the travel policy, 60% of companies said “none”. Whether the reason can be found in tendencies toward looser policies (for example in the direction of “open booking”) or in strict compliance regulations, was not investigated. Only a minority of companies try to entice travellers to comply by offering incentives such as bonuses and special rates for private travel. Last year, the handling of bonus points earned on business trips was on the whole more employee-friendly, meaning that companies should not be expected to offer their own bonus programmes more frequently in future as a new incentive for compliance.¹⁵

Future incentives for encouraging compliance with travel policy

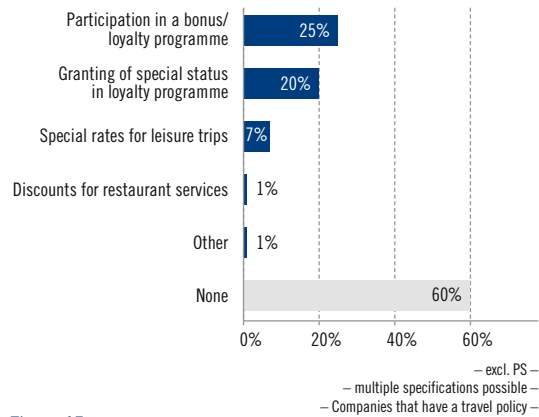


Figure 15

Negotiated vs. daily rates

“Do you or your company’s travel agency negotiate framework agreements with suppliers or do you take advantage (as well) of the current daily rates?”

Since our first investigation of this question almost ten years ago, there has been an increasing trend towards the use of daily rates by companies with a separate area of responsibility for travel management. This is a logical development, because today the suppliers’ systems offer booking processes that are more streamlined, flexible and fast. When it comes to rail travel, nearly half of all companies use exclusively

the daily rates offered by the German railways. And the use of daily rates for hired cars has quadrupled. Only in the hotel field are negotiated rates still nearly as popular in 2015 as they were in 2007. Negotiations are still carried out wherever they are worthwhile. This is demonstrated by companies with more than 500 employees, who can use their high travel volume as a bargaining chip. Medium-sized companies book 45% of their overnight stays exclusively based on daily rates, but among the larger firms the percentage is only 16%.

Negotiated vs. daily rates for hotels, flights, rail and hire cars in 2007/2015

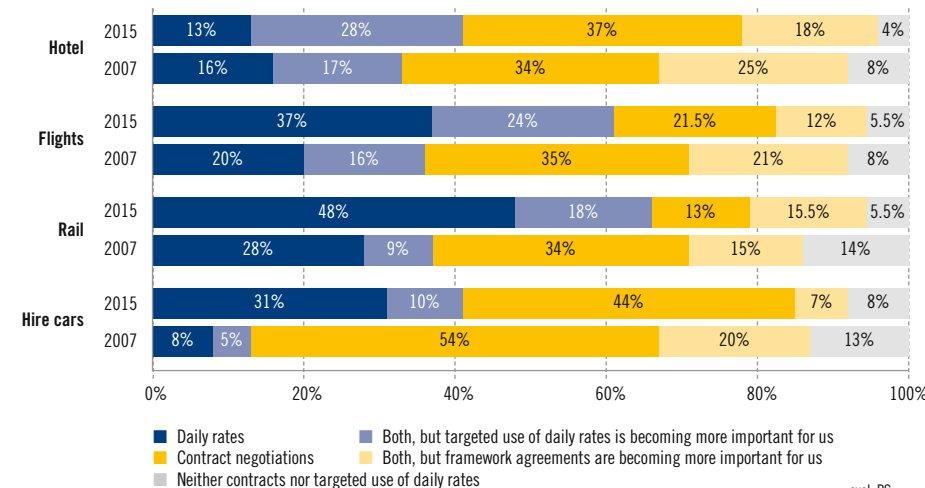


Figure 16

¹⁵ VDR Business Travel Report 2014, Chapter 4 “Travel management strategies”, Page 15, Figure 18.



Hotels: purchasing, mobile solutions
“What is the minimum annual room night volume that would cause you to negotiate rates with a hotel?”

Medium-sized companies that negotiate contract rates with hotels already try to secure price and service benefits for volumes under 50 room nights. Larger companies open negotiations with suppliers from a volume of 100 room nights and over. One in three companies with over 500 employees is already ready to negotiate with a volume of 50 overnight stays.

“What purchasing models do you use for hotel bookings?”

Varied strategies are applied for purchasing hotel stays. 53% of travel managers surveyed use only one of the four models. Static contract rates, i.e. rates set down in a framework agreement, are the most popular. This is followed by contract rates combined with “best buy” options such as publicly available daily offers and special promotions. So-called dynamic contract rates, for example in the form of percentage discounts on the available, fully flexible daily rates, are used by about one-third of the companies that negotiate with hotels. So-called “open booking”¹⁶ by employees is permitted by 4% of the medium-size companies and 9% of those with more than 500 employees that negotiate with hotels.¹⁷

¹⁶ Business trips can be booked without the typical restrictions and requirements of the classic corporate travel programmes.

¹⁷ See also Chapter 7 “A closer look at changes in the market”.

Contract negotiations based on volume of overnight stays

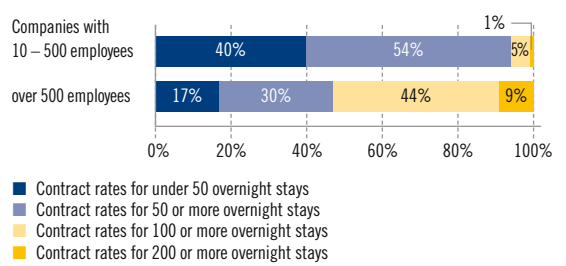


Figure 17

– excl. PS –
 – Basis: companies that negotiate rates with hotels –

Models used by travel managers for purchasing hotel services

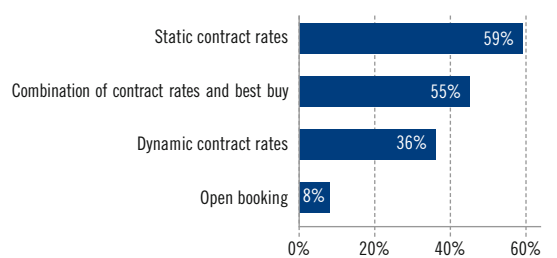


Figure 18

– excl. PS –
 – multiple specifications possible –
 – Basis: travel managers who negotiate rates with hotels –

“In which areas of your cooperation with hotels do you deploy external service providers or external solutions?”

Outsourcing is of interest for slightly more than half of the companies with travel management as a separate area of responsibility. Regardless of company size, external providers are deployed the most for handling bookings, which is usually done by a travel agency. External assistance is also used for data administration and analysis. Approximately one in ten companies always uses external consulting services when dealing with hotels, and just as many let others take care of payments or technical optimisations. When it comes to tenders and the subsequent drafting of contracts, 14% of the larger firms and 7% of the smaller ones rely on outsourcing services or technologies.

Outsourcing of steps involved in purchasing hotel services

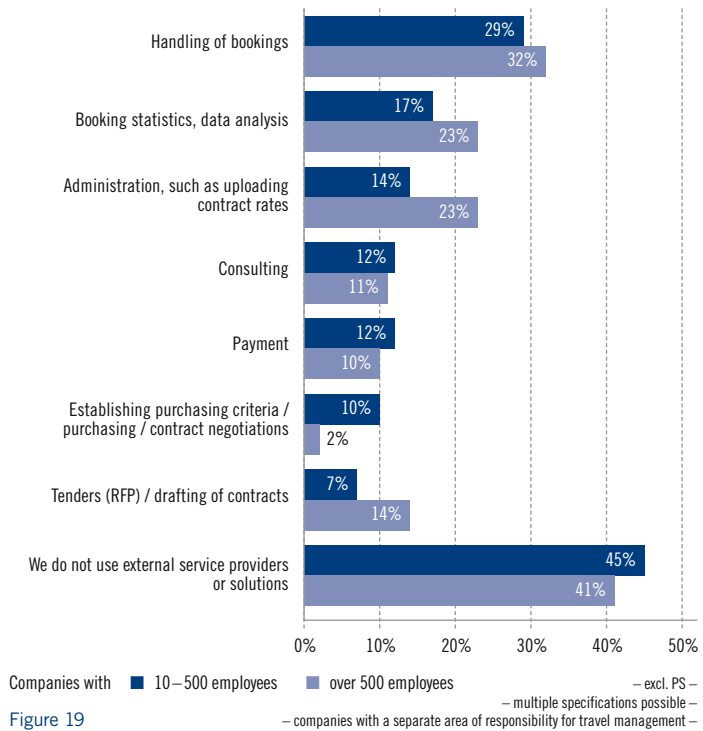


Figure 19

“In which areas do your business travellers use mobile solutions in connection with hotel stays, or in which areas can you imagine their use in future?”

Generally, larger companies are more open to using mobile solutions than smaller ones. So far, only 13% – 18% of the companies surveyed rely on smartphones, tablets or apps for processes ranging from the selection of a hotel to preparing for a stay. More than half, however, can imagine using such solutions in future, especially for mobile check-in. The respondents also regard mobile hotel reviews as unproblematic both today and in the future. Only in the area of invoicing is this route not a welcome idea for most. We can only speculate about the possible reasons, but fears regarding data security are probably the main argument.

Mobile solutions in connection with hotel stays

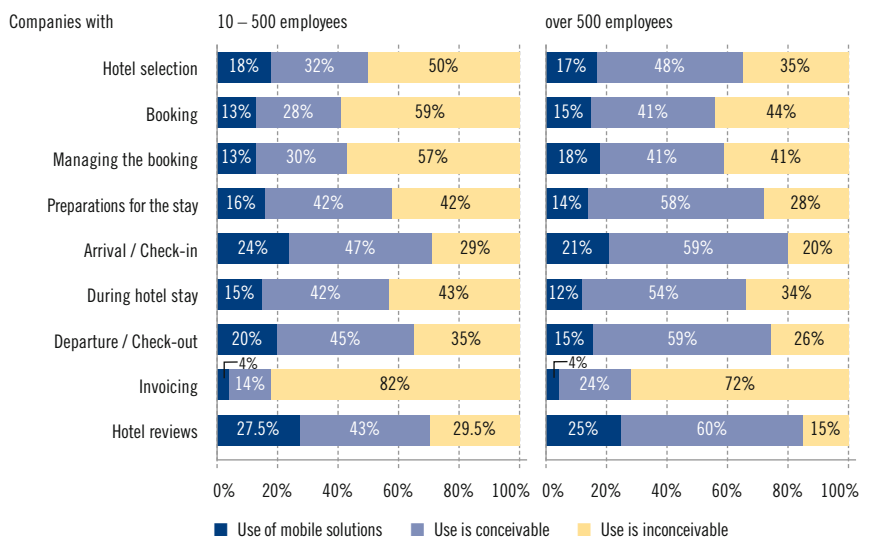


Figure 20

6 Booking and accounting

Booking channels: online, offline or mobile?

For this question, respondents were asked to estimate the ratio of bookings made in their company online, offline or mobile. The trend of recent years

towards “more online” is evident in the results: medium-size companies make about two-thirds of their bookings online these days. At the bigger firms, by contrast, travel agencies or other “offline” partners are used somewhat more frequently. The reasons can be found in the larger travel volumes and higher frequency of complex itineraries. In the public sector, two-thirds of the larger organisations and 59% of the smaller ones book online. Even if mobile devices are increasingly being used to search for information,¹⁸ mobile bookings are not the preferred channel among those surveyed.

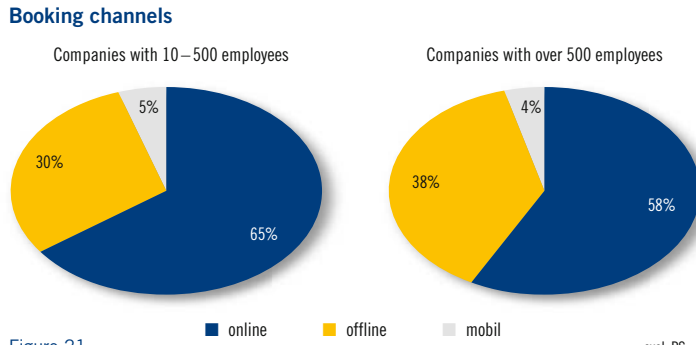


Figure 21 – excl. PS –

Booking channel by type of service

Direct bookings are the method of choice for hotels, hire cars and rail. In the case of air travel and generally for more complex trips that require more research and involve potential hidden costs, travel agency partners tend to be called in – that is, if flights or complex trips are booked at all: 23% of SMEs do not fly and 67% do not take any complex trips (not shown). In companies with a dedicated

area of responsibility for travel management, online booking engines or fully integrated solutions are used more often. Online platforms have become popular in particular for hotel bookings. Half of all respondents said they used online bookings – regardless of whether travel was booked by a travel manager at a large company or the secretary’s office at a smaller one.

Booking channels used by companies (for hotels and flights)

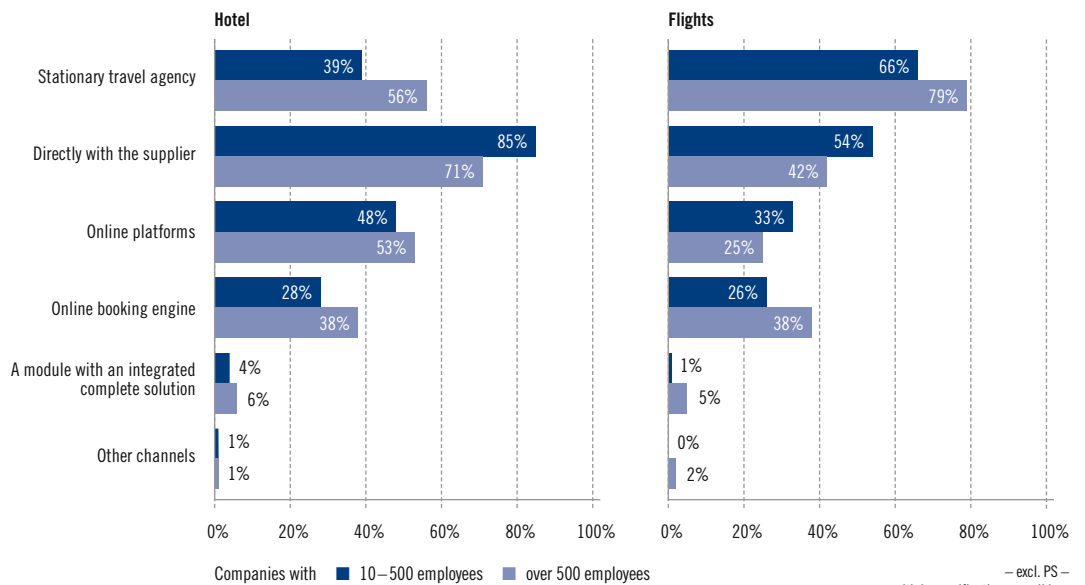


Figure 22 – excl. PS – multiple specifications possible – companies that book the respective services –

¹⁸ See Google “Think Travel Mobile One-Sheet”, 2012: Increase in mobile travel information searches by business travellers from 40% to 57% in two years (2010–2012).

Booking channels used by companies (for rail and hire cars)

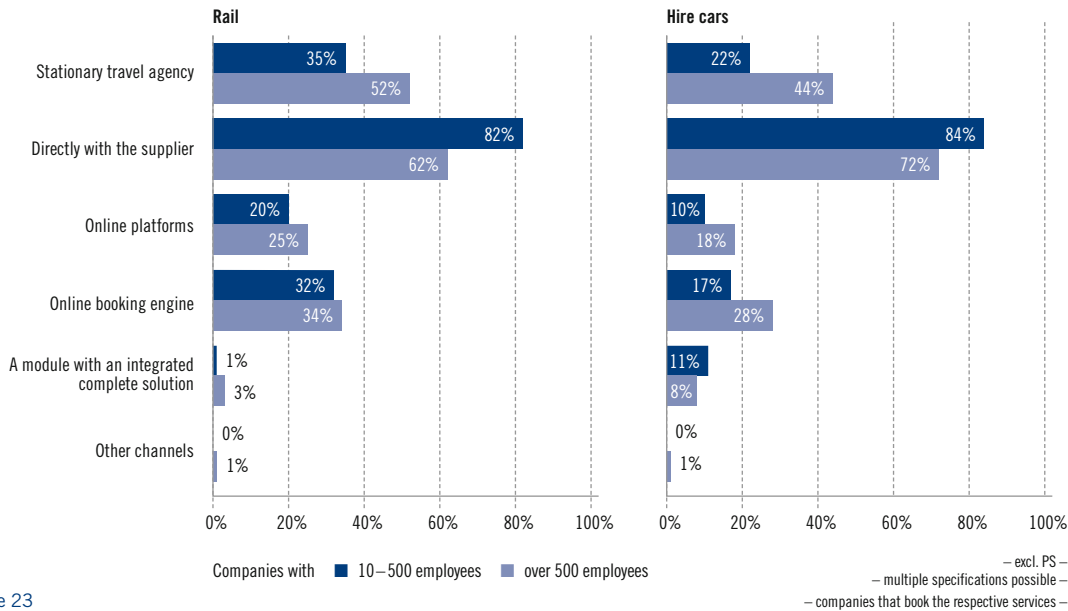


Figure 23

Travel expense accounting

“How is travel expense accounting done at your company?”

“Do you compare booking data with the data from travel expense accounts at your company?”

Whether travel expense accounting is done more or less manually depends primarily on the size of the company. The obvious question is then whether there is a travel manager or at least a specific person responsible for this area to ensure greater efficiency. Where large amounts of data must be processed, special software or a solution integrated into the ERP system¹⁹ is the rule. Only firms with fewer employees and smaller travel volumes still work with manual paper-based reports or manual/digital Excel tables. But among their ranks as well, the use of software solutions or ERP systems, or even integrated complete solutions, has increased. In 2014, 36% of respondents used one of these options, and in 2015 their use rose to 46% (not shown). Most companies reconcile booking data with travel cost accounts: 89% of the smaller ones and 83% of the larger firms with over 500 employees do this either in full or in part.

Travel expense accounting methods

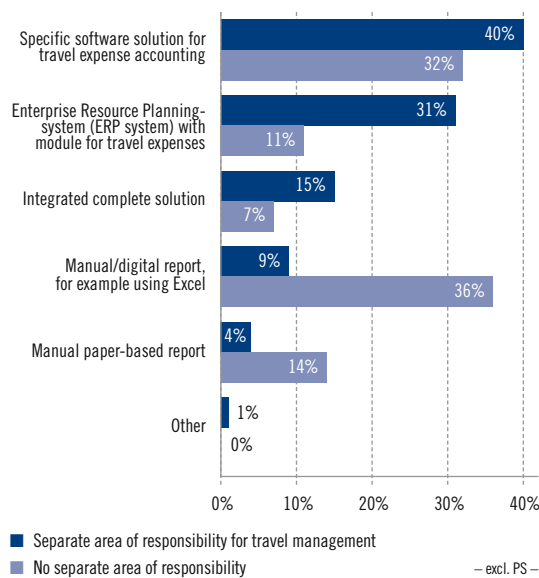
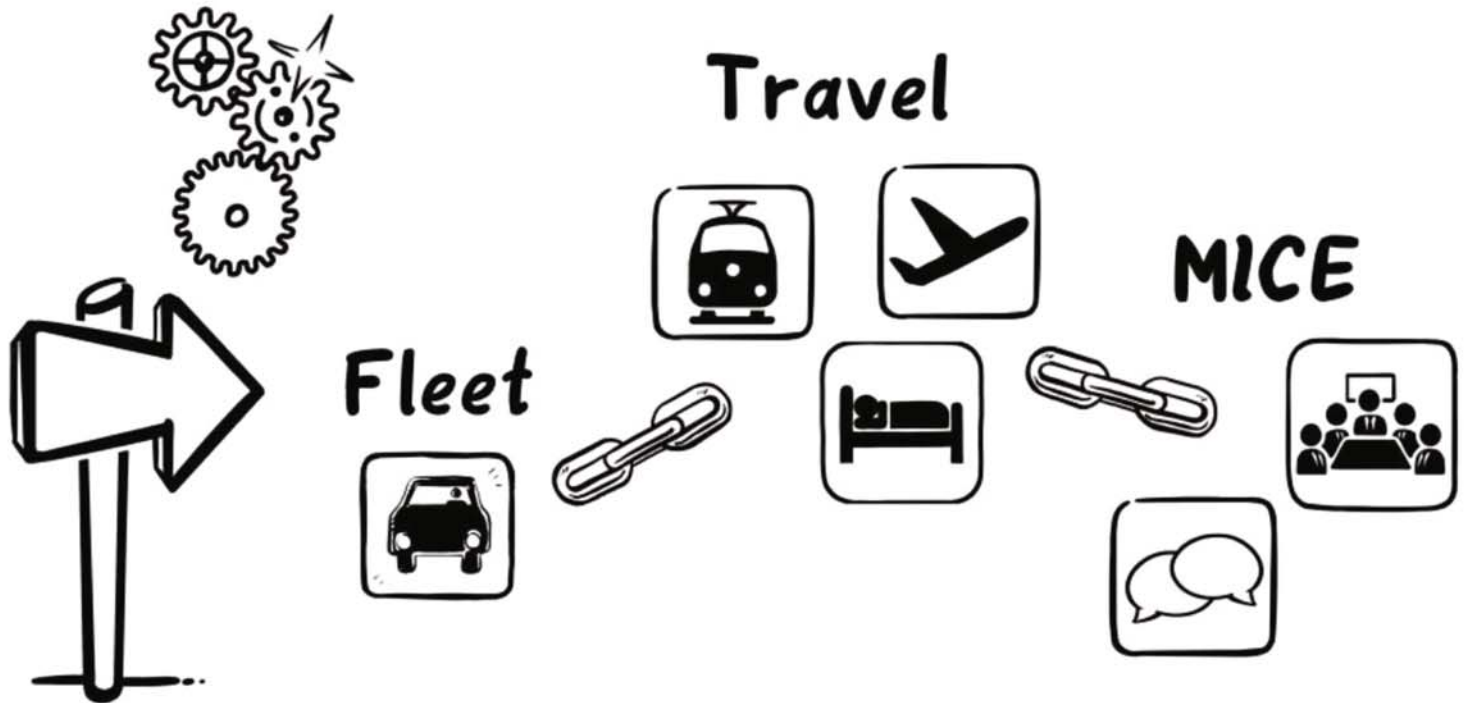


Figure 24

¹⁹ Enterprise resource planning system = complex application software that helps a company to plan its resources.

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Die Anforderungen an Travel Manager befinden sich im Wandel und werden immer komplexer: Geschäftliche Mobilität muss verstärkt ganzheitlich betrachtet werden. Um neue Herausforderungen sicher zu meistern, bietet Ihnen die VDR-Akademie ab August die einzigartige Weiterbildung zum CERTIFIED MOBILITY MANAGER (CMM) an. Nutzen Sie die Chance und sichern Sie sich schon jetzt einen Platz. Wir freuen uns auf Sie!



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7 A closer look at changes in the market

New developments on the business travel market, whether long-term or short-lived, often come to Germany in their English-language versions. By the time there is a general understanding of the phenomenon in question, the English term has either become established in German everyday speech or is no longer a topic of discussion. One example is “zero commission”, which was once hotly debated and is today the norm. How the current issues of the “share economy”, “door-to-door” and “open booking” develop will depend largely on whether they live up to their promise and how economically viable they prove to be, i.e. to what extent they help save on direct or indirect costs.

Share economy

The business travel market is on the whole hesitant to take advantage of the new offerings made possible by the share economy. Car-sharing services are known to nearly all travel managers in companies with more than 500 employees. And the majority of respondents also know about the other “share economy” offerings such as accommodation platforms and transport services. Enthusiasm is still limited, however – so that around half of these companies do not allow their employees to book cars through providers such as DriveNow, Car2Go or Flinkster. Furthermore, only about one in three companies allows overnight stays to be booked on Airbnb, or the use of a “ride sharing” service like Uber.²⁰ “Share economy” alternatives find the greatest acceptance in smaller companies.

The public sector is similarly conservative in this connection. Booking these new services is frowned upon in most organisations. However, 30% of official travellers are allowed to use shared transport services, and 38% private accommodation offerings and car sharing. Things are different outside Germany, for example in the UK, where public service employees are even encouraged to take advantage of the “share economy” as long as the offers provide value for money. The aim is to demonstrate official support for a new economic sector.²¹

“Share economy” offerings

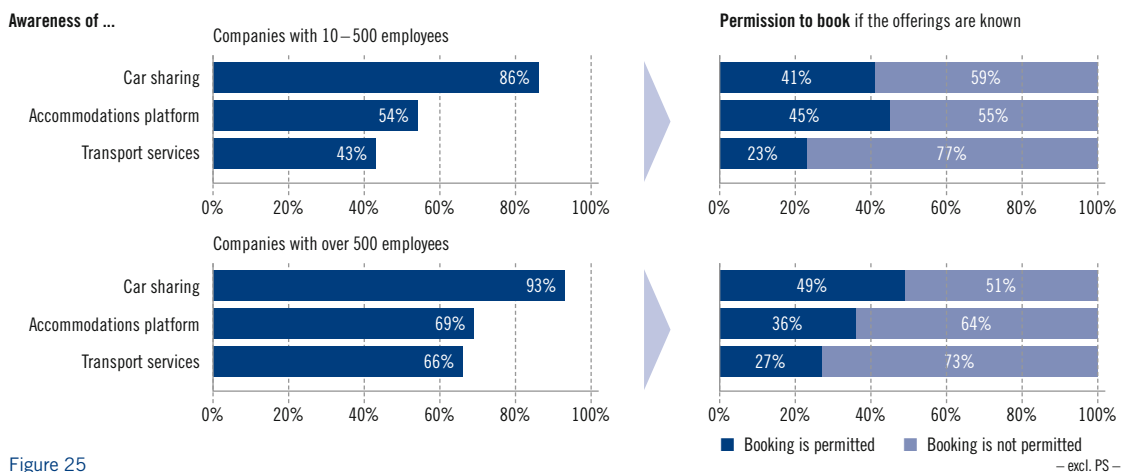


Figure 25

²⁰ Recently modified legal provisions could not be taken into account in the survey on 2014

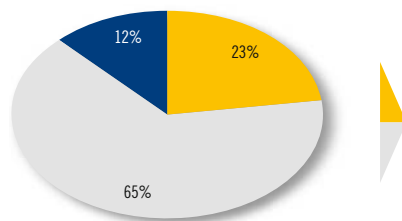
²¹ <http://resource.co/article/government-backs-sharing-economy-budget-2015-9938>, 18 March 2015.

Door-to-door

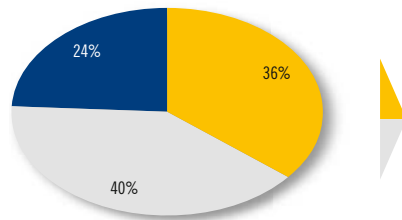
Companies dream of seamless business travel services that can be booked from a single source or at least through a single booking channel or provider, while offering travellers optimal support in terms of both costs and time.²² 12% of medium-sized businesses and twice as many larger companies are already realising this dream. 53% of larger companies say that where door-to-door is not possible, immature products are to blame. For the smaller companies, many offers are simply not of interest. In cases where colleagues are travelling together but from different places of residence, seamless travel likewise remains a pipe dream. Furthermore, considerations of economy and time also play a role when existing offers go unused.

Possibility of “door-to-door” booking

Companies with 10–500 employees



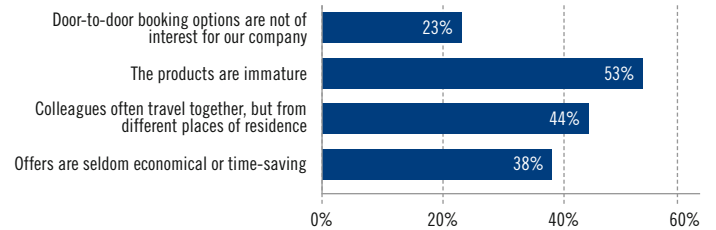
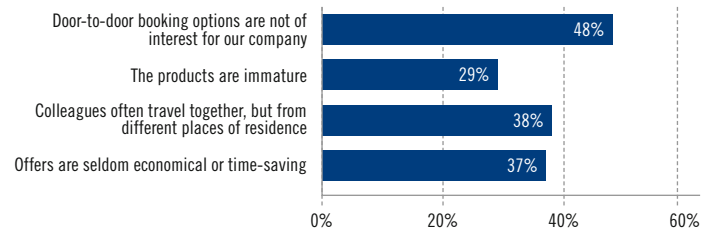
Companies with over 500 employees



■ Yes, completely possible ■ Yes, partially possible ■ No

Figure 26

Reasons why door-to-door bookings are not (seamlessly) possible:



– excl. PS –
– multiple specifications possible (diagram on the right) –
– companies for which door-to-door bookings are not (seamlessly) possible (diagram on the right) –

Long-distance coaches

In recent years, long-distance coaches have in some cases been putting up some serious competition to rail and cars not only for leisure travel, but also for business trips. SMEs already use long-distance coaches much more frequently than other companies. But even the biggest firms, especially those with price-conscious travel managers, are not necessarily averse to this option: about one in ten has long-distance coaches in its transport repertoire. In the public sector, 14% of travellers book a coach trip occasionally. They hence account for twice as many bookings as were reported by private-sector enterprises.

Use of long-distance coaches

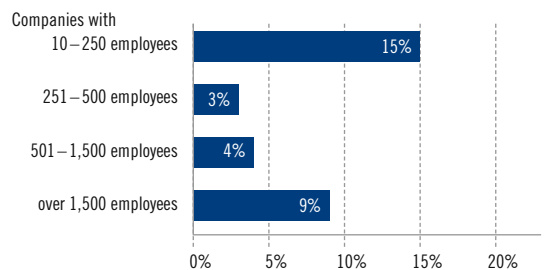


Figure 27

– excl. PS –

²² See VDR TrendsPort 2014, p. 2.

Open booking

Predominantly critical reactions were voiced by respondents with regard to so-called “open booking” in travel management. If it’s left up to the traveller to decide which travel services are booked with which supplier and how, travel managers fear risks for example in terms of data security, disadvantages due to the lack of reporting, and implications for the company’s duty of care. One in three travel managers hopes however to realise possible savings from open booking. And 77% admit that there are some benefits when it comes to meeting individual travel needs.

“Open Booking” – opportunity or risk?

Do you see the trend toward more “open bookings” as an opportunity or a risk for ...

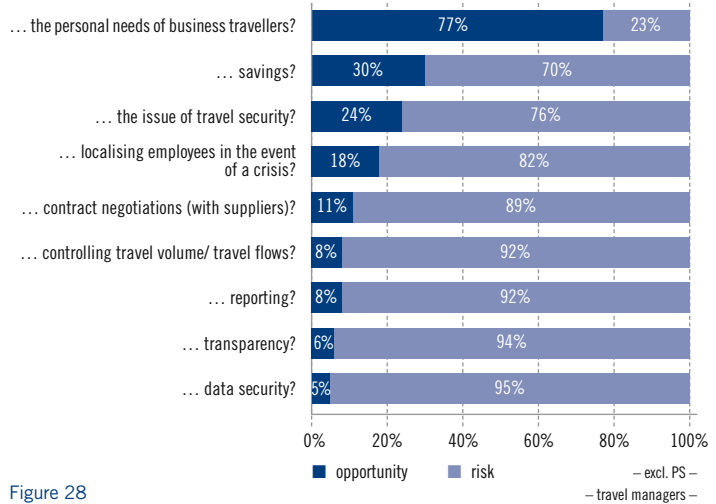
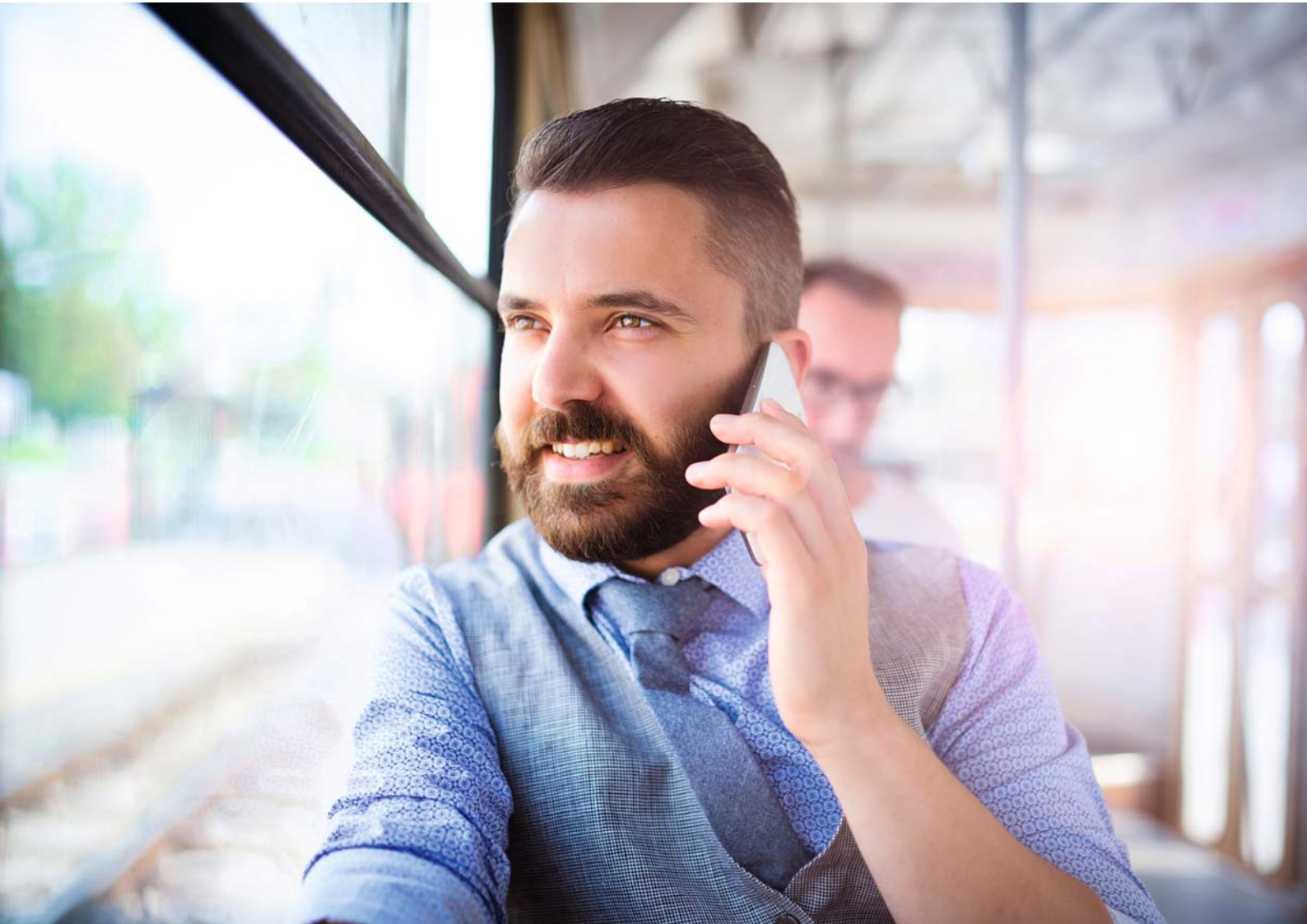


Figure 28



8 Outlook for 2016

Trends in business travel volume

“How will the number of trips made by your company change in 2016 compared to 2015?”

There is widespread confidence that quite stable conditions will persist on the travel market in 2016. A positive basic mood prevails, but no expectation of any real growth spurts. This outlook echoes the German government's spring forecast for overall economic development in 2016, according to which the eurozone will see slightly higher growth while the depreciation of the euro could add an extra boost to export prospects.²³ This forecast is also reflected in the predictions of most travel managers: they expect constant or slightly higher travel volumes in the coming year. Booking increases for all services are predicted primarily for SMEs as well as for the largest companies with more than 1,500 employees.

Estimated trends in overnight stays and modes of transport in 2016

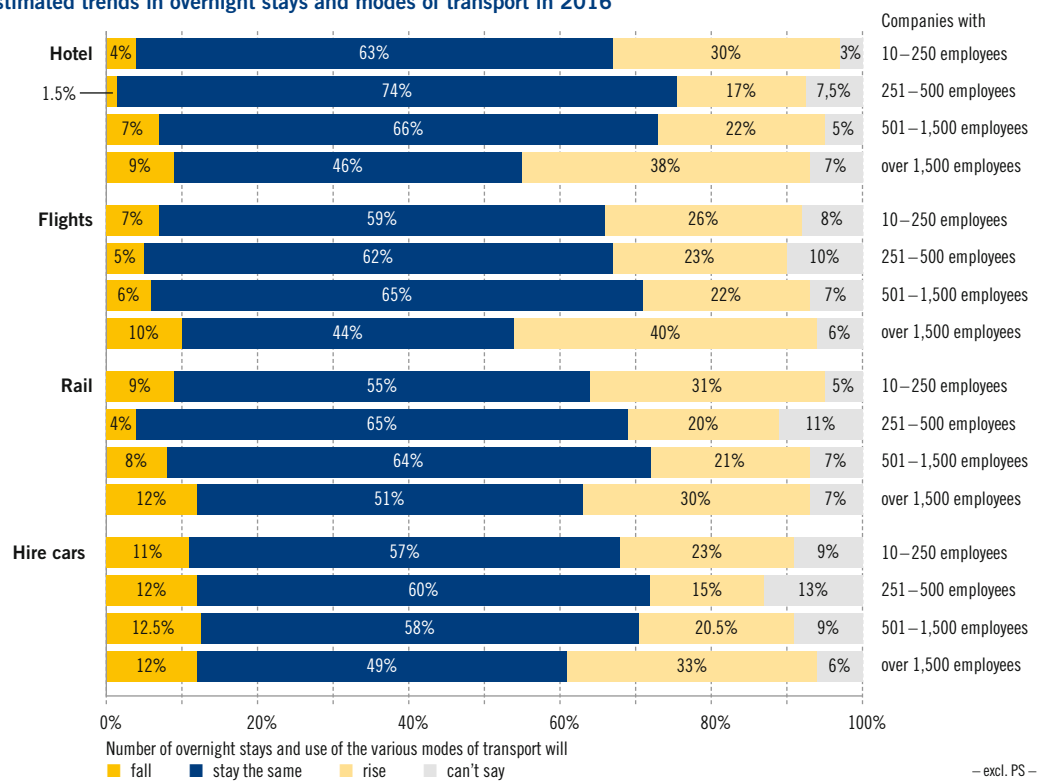


Figure 29

²³ Federal Ministry for Economic Affairs and Energy, press release of 22 April 2015.

Methodology and credits

Methodology

As in previous years, the statistical universe for the study is constituted by all business 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)

	Organisation size categories (organisations with ... employees)									
	10–250		251–500		501–1,500		over 1,500		Total	
	Organisations	Employees	Organisations	Employees	Organisations	Employees	Organisations	Employees	Organisations	Employees
Total	419,109	14,847,752	8,734	3,005,772	4,141	3,281,221	1,175	3,418,257	433,159	24,553,002

Table 2 Source: our own calculations, in conjunction with statistics from the German Federal Employment Agency, Data Centre, Nuremberg, Calculated using NACE 2008 (2013 and 2014) and NACE 2003 (2008) – Status: 2014 – excluding organisations with 1–9 employees –

A random sample was taken from this statistical universe. Between January and April 2015, 800 computer-assisted telephone 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 2014 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).

2015 Respondent areas of responsibility

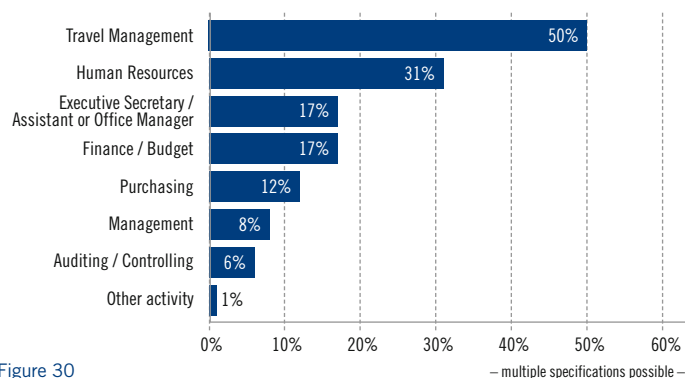


Figure 30

Exact figures are used when calculating percentage changes (for example total annual expenditures on business trips). This explains why calculations using the rounded figures shown in the texts and figures 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

2015 Respondent sectors of industry

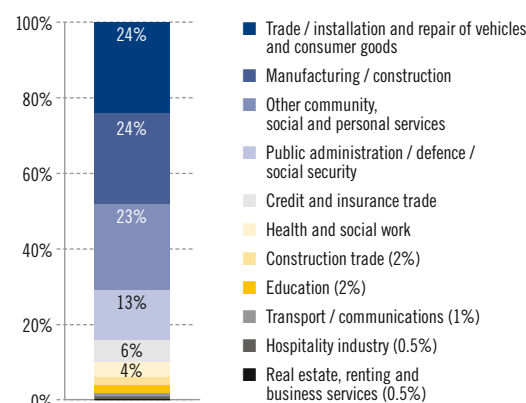


Figure 31

The research team

VDR, the publisher of this report, has since 2003 defined the basic structure of this 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 company. Antje Adam, Claudia Giese, Viola Eggert (VDR) and Claudia Schwager-Wehming (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 expert committee leaders as appropriate for each specific topic.

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Credits

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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.

Published by:

Verband Deutsches Reisemanagement e.V. (VDR) (VDR – The German Business Travel Association)

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Printed by:

Gathof Druck GmbH
Anzengruberstr. 12
63073 Offenbach am Main-Bieber
Germany
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Printed on Inapa Oxygen silk paper, made from 100% recycled paper.

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Original edition 2015

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