

Meet the Modern Business Traveller

Insights into the lives of today's corporate travellers

October 2016



A research white paper from

ACTE
GLOBAL Association of
Corporate
Travel
Executives



GLOBAL
BUSINESS TRAVEL

Foreword



Business travel is the essence of change. Reservations systems have changed. Communications systems have changed. Payment systems have changed. Airplanes have changed. Travel policy expectations have changed. Inevitably, business travellers have also changed.

Modern business travellers are less frenetic and more deliberate. They travel for two reasons: to meet their corporate objectives and to support their life's objectives. For a growing number of them, the first is meaningless if it doesn't contribute to the second. Forty-eight per cent of the travel managers interviewed for this report cited an increase in travellers' work/life balance inquiries. The issue is so significant, that 25 per cent of respondent travel managers are developing new key performance indicators (KPIs) based on the traveller experience.

Younger business travellers are more conscious of what they eat, how they exercise, and the amount and quality of the sleep they get. They know that all of these factors are the basis of wellness, and they are less willing to abandon their wellness agendas when travelling. They also know that wellness of body and spirit provide advantages when negotiating sales contracts for their companies. Modern business travellers are also more aware, and demanding, of the recovery time between trips.

The report also identifies new trends in traveller supported apps, a growing interest in the shared economy, and support for shared services. The modern business traveller is more independent than his or her predecessors and willing to share more through social media. Enter the modern business travel manager.

Modern business travel managers know that updated travel policy is the key to talent retention. Traveller centricity is the link connecting work/life balance, increased traveller performance, and accomplished corporate objectives — without the loss of savings. This report is aptly named *Meet The Modern Business Traveller*. In my estimation, it will be followed by *Meet The Modern Business Travel Manager*, because these changes are here to stay. Do you have a comment or a position on this subject? I'd be delighted to hear it. Contact me at: gkoch@acte.org

Greeley Koch

Executive Director

Association of Corporate Travel Executives

Introduction



Road warrior is a decades-old phrase used to describe the frequent business traveller. It relates to a time when business travel was an arduous, and often lonely, experience. The notion of warrior reflected a seemingly perpetual battle with the stress and mundanity of life on the road. However, over recent years, its relevance has declined. To use it now is, at best, a failure to understand the nuance of modern business travel; at worst it's tantamount to cliché.

The modern business traveller lives in an age of powerful, cost-effective and accessible technology. It is the era of multi-channel hyper-connectivity, personalisation, customisation and consumerisation. They are plugged into personal social channels and work platforms simultaneously. Travel suppliers and retailers invest heavily in giving travellers what they want, when they want and where they want. All of which equates to a far more comfortable, enjoyable and productive travel experience. With each passing quarter, business travellers are more empowered and increasingly knowledgeable – these are not road warriors.

The modern business traveller also lives in a world wracked with an unprecedented level of geo-political uncertainty. Though it is statistically unlikely to be caught up in a terrorist incident, the perceived threat is real and present – a fact that can't be ignored by the global travel management community. Business travellers can no longer be treated as one homogenous group. They are not commodities. Even the axiom *people are a company's most important asset* serves to dehumanise the contemporary employee.

With all this in mind, it seems crucial, therefore, that the travel supply chain recognises business travellers as individuals. Each person has a unique profile, and should be engaged on a personal and emotional level. A contemporary managed travel policy and programme can only really be effective if traveller emotions, desires and habits are understood and appreciated.

Philip Haxne

Regional Director EMEA - Global Business Consulting
American Express Global Business Travel

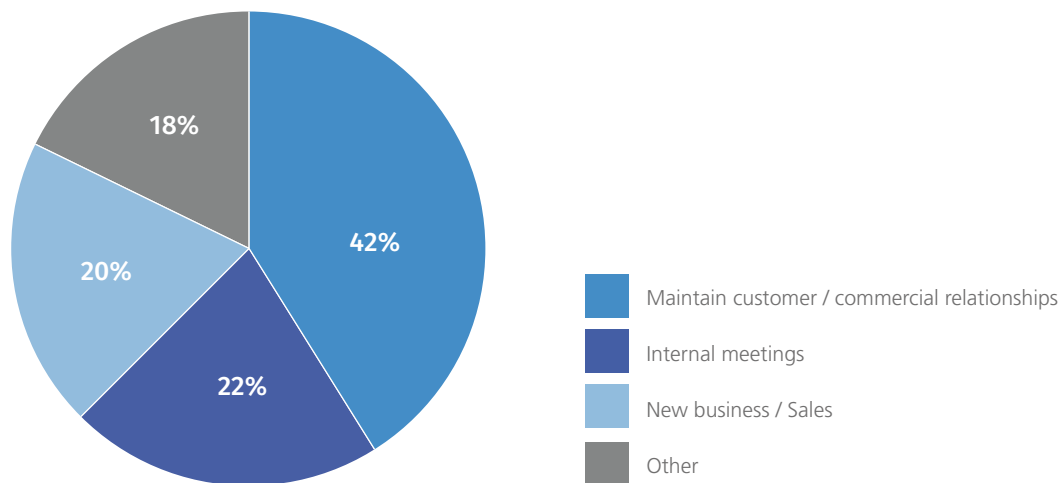
Methodology

In September 2016, ACTE polled its members and selected American Express Global Business Travel customers to learn how traveller behaviours and mindsets are evolving and to understand what they are doing to accommodate these changes.

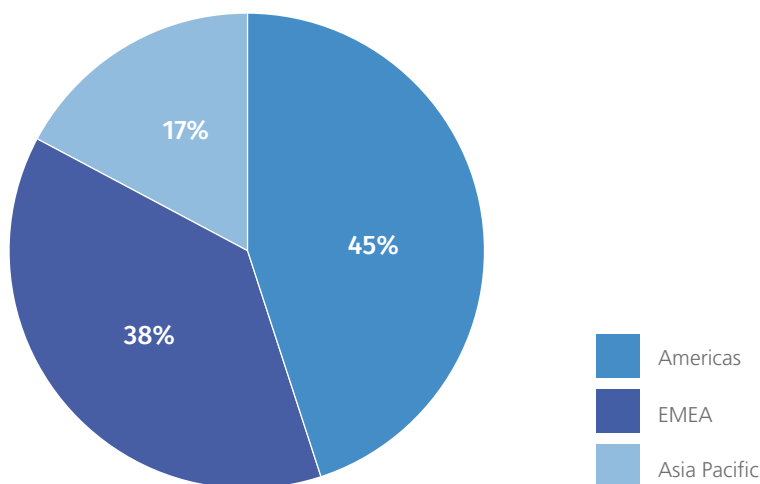
The quantitative survey was followed by focus group interviews to explore travel managers' insights in more detail.

In total, 254 corporate travel managers and buyers contributed to the research.

Most common reason for travel



Location of contributors



Office location



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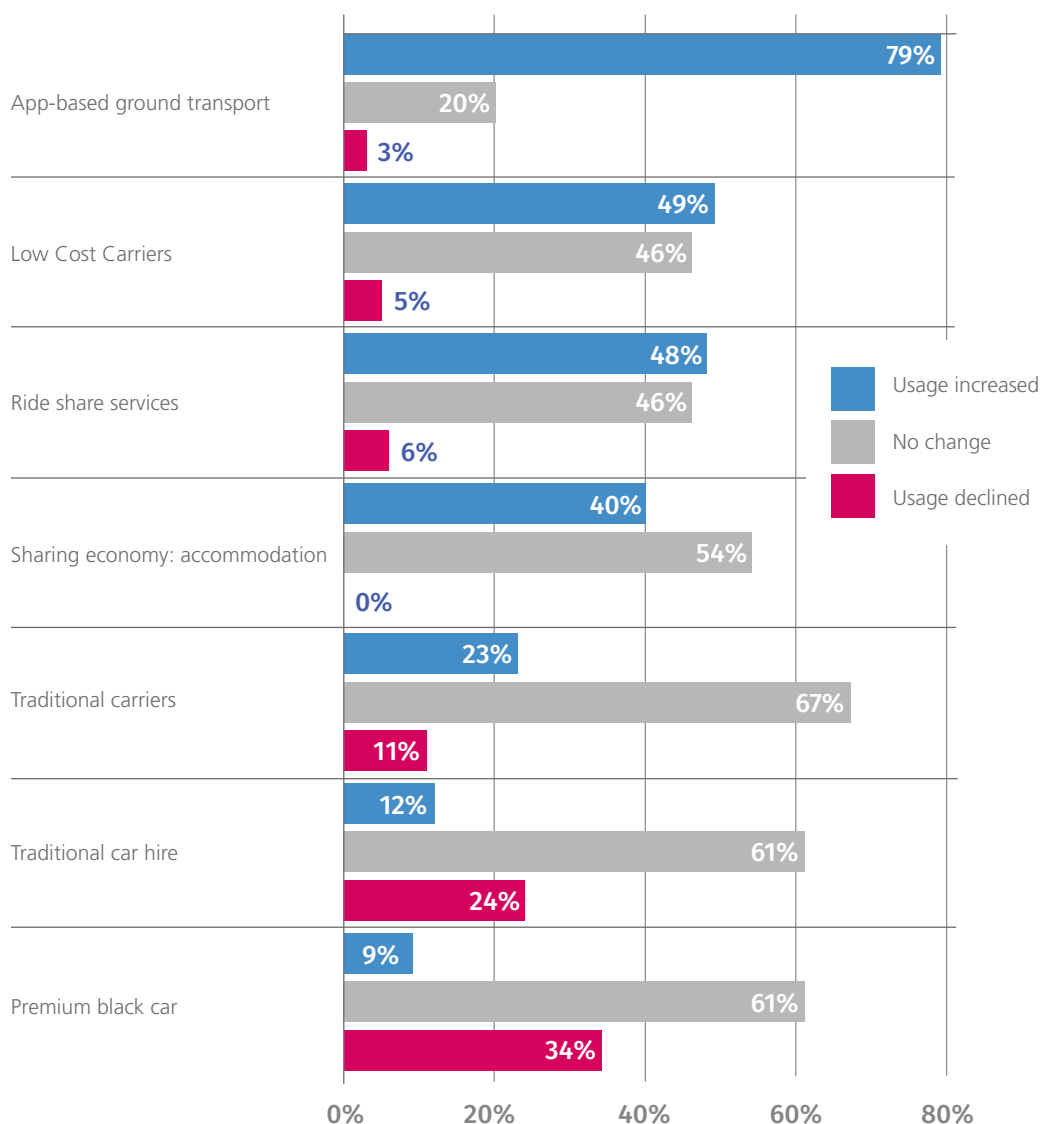
Introducing the modern business traveller

Tracking the shifts in traveller behaviour

Business traveller habits are evolving. Over the last three years they have embraced the sharing economy: more than three quarters (79%) of corporate travel managers saw an increase in the use of app-based ground transportation options. Almost half (48%) reported a rise in the use of ride-share services. Travellers also began to explore sharing economy accommodation: well over a third (40%) of travel managers saw increased usage.

Over the period, many travellers changed the way they flew with nearly half (49%) of the poll reporting growth in the use of low-cost carriers. That said, traditional carriers held their own with most travel managers seeing stable bookings and some reporting growth.

The shifts in traveller behaviour: 2013 – 2016



“We have a preferred car service supplier but many employees opt for Uber, Lyft or similar ride sharing options because of convenience and self-service”

Corporate Travel Manager, North America

Changing traveller priorities

Today’s travellers are increasingly preoccupied with how to integrate business travel with the rest of their lives. Travel managers report a growing volume of enquiries about work-life balance, adding leisure to business travel (sometimes referred to as ‘bleisure’) or the possibility of bringing a family member on a trip.

There also appears to be greater interest in flexible working: almost a quarter (23%) of travel managers are receiving more enquiries about extra vacation time as compensation for time spent away from home (time in lieu). Some corporations are seeing a rise in enquiries about how travellers can reduce their environmental impact.

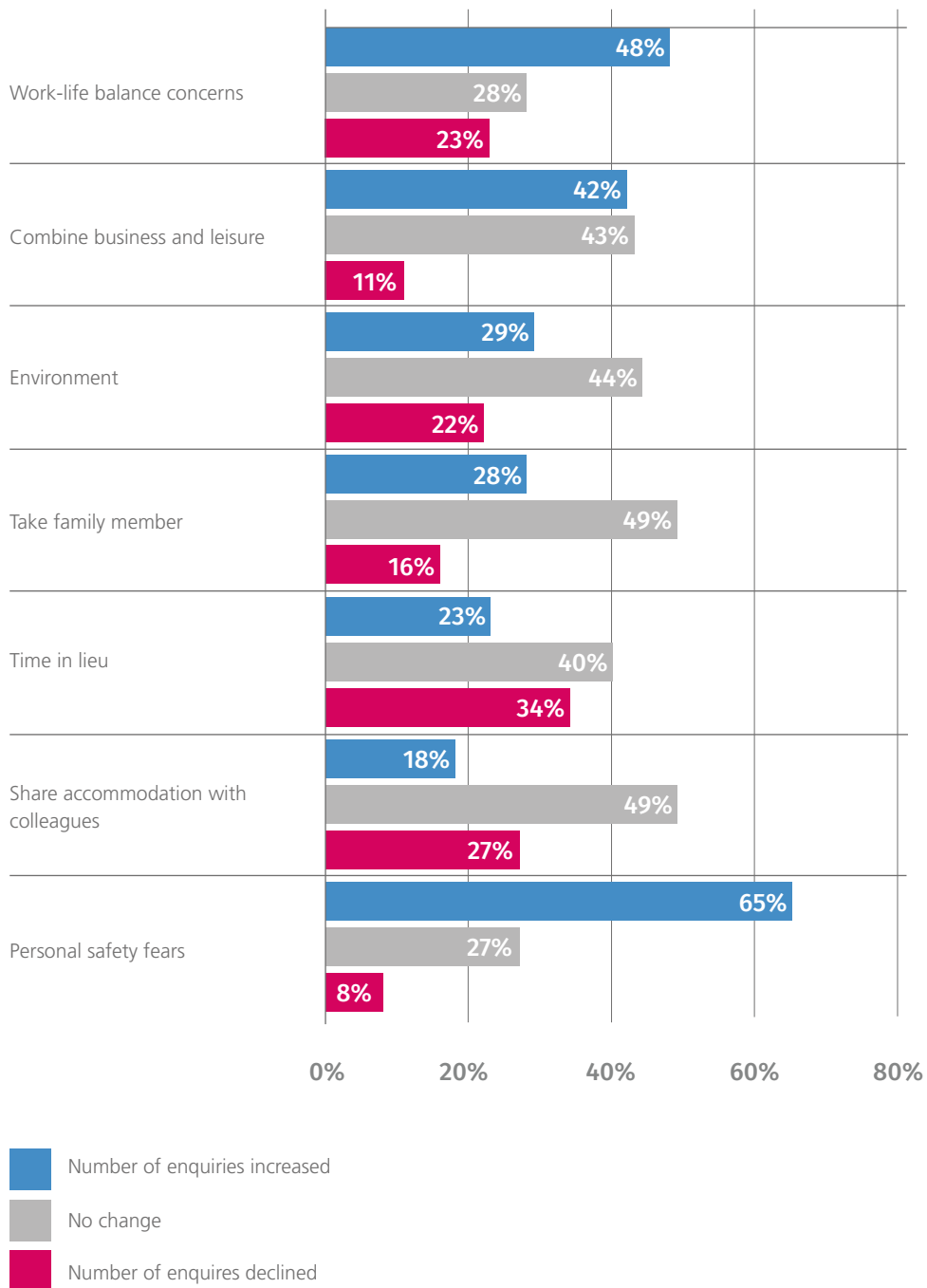
While quality of life concerns many modern business travellers, the issue that weighs most on their minds is security. Statistically, a traveller is highly unlikely to be caught up in an incident but perceptions matter: almost two thirds (65%) of travel managers saw an increase in traveller enquiries about personal safety¹.

“Work-life balance isn’t a generational thing – travellers across all the age groups are asking me about it.”

Global Travel, Fleet & Meeting Services Director

¹ For more research-based insights on travellers and personal security, see *Traveller behaviour: threats & opportunities: How global events are driving change in business travel*. ACTE and Business Traveller magazine in association with American Express Global Business Travel, May 2016.

The shifts in traveller priorities: enquiries received



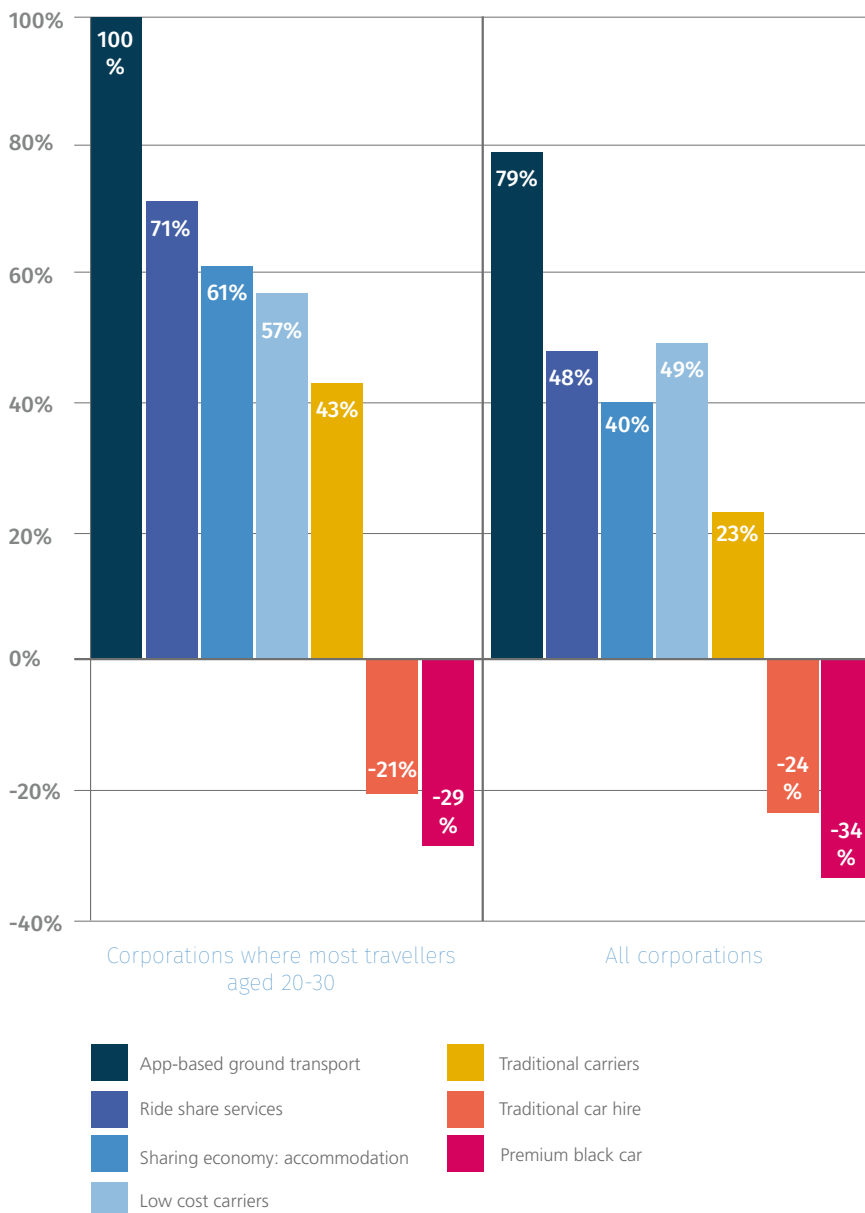
“We get asked about bleisure almost every day. People want to extend their trips and that’s no problem. All we ask for is transparency so we know what’s happening.”

Global Travel Manager, Europe

Focus on travellers aged 20 - 30

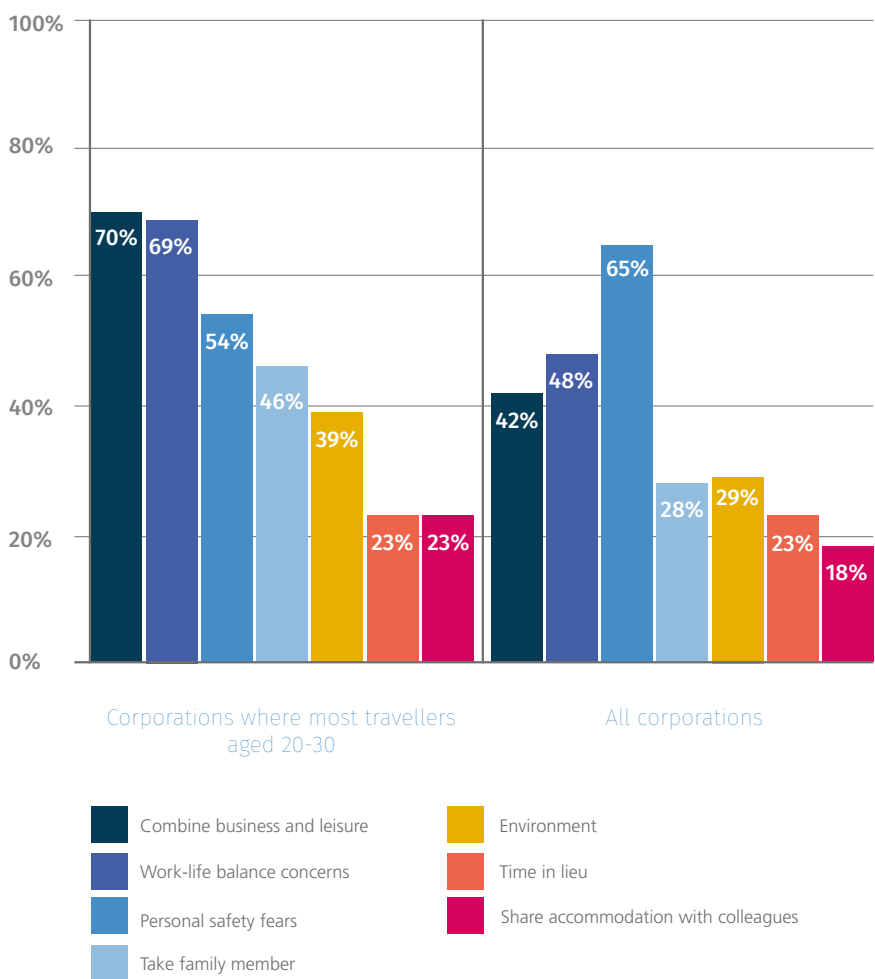
The evolving behaviours and attitudes that define the modern business traveller are not confined to one particular age group. However, the trends appear more pronounced in corporations where the majority of travellers are aged 20 – 30. Here, travel managers have seen the use of app-based ground transportation double in the last three years. Travellers in these corporations also tend to be more enthusiastic about ride sharing and Airbnb-style lodging than the general population.

The shift in traveller behaviour: younger travellers versus the rest (2013 – 2016)



Travellers in corporations where the majority of travellers are aged 20 – 30 appear more engaged with quality of life issues than the general population. Most travel managers report increases in traveller enquiries about combining leisure with business travel, work-life balance and bringing family on trips.

The shift in traveller priorities: younger travellers versus the rest



“The younger generation of travellers are more conscious of the need for work-life balance.”

Administrative Services Manager, Europe

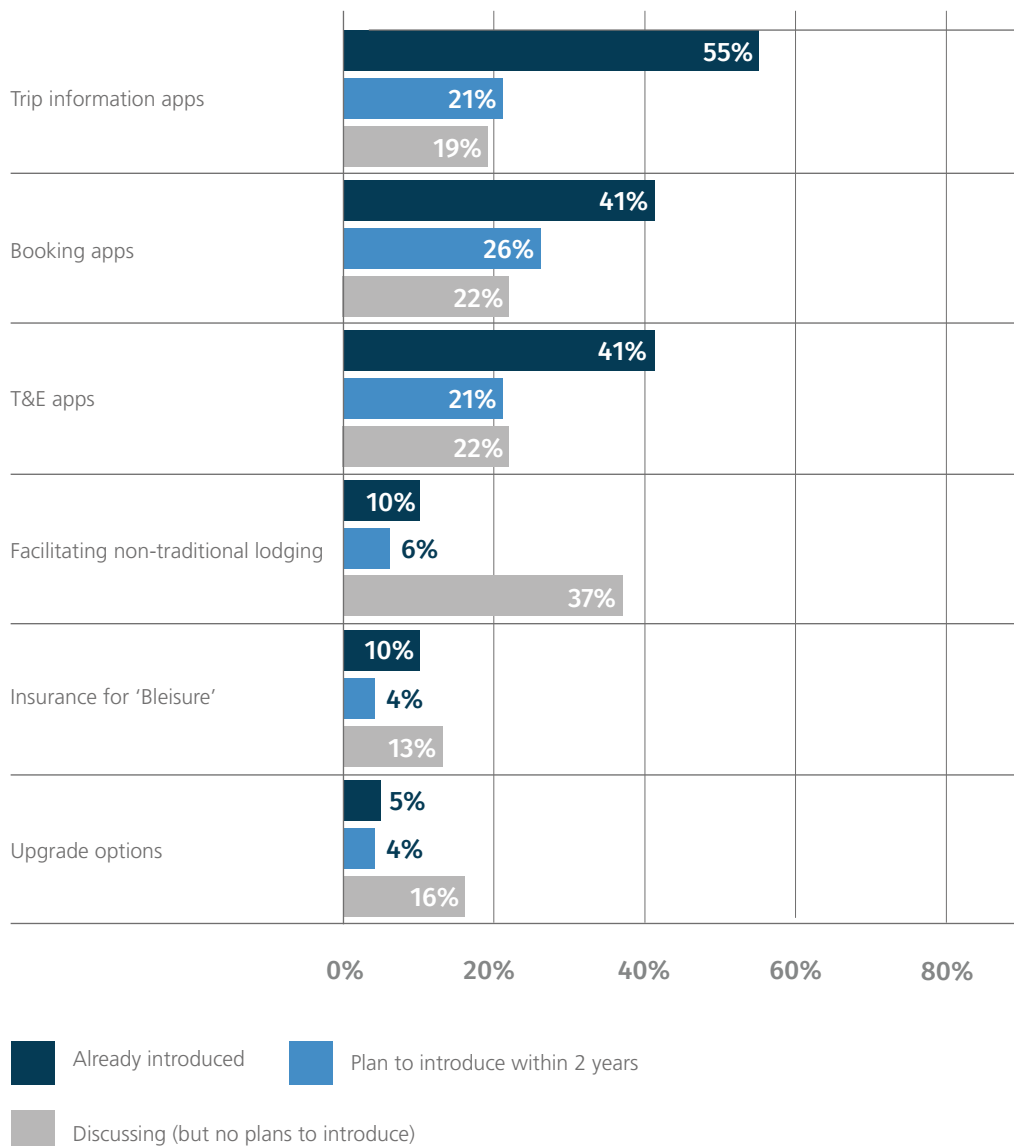
Servicing the modern business traveller

Travel managers are seeing evidence of the behaviours and attitudes that define the modern business traveller, but what are they doing to accommodate these trends?

Initiatives to improve traveller experience

Mobile tools give travellers convenience and more control over their travel experience. A large majority (76%) of travel managers have introduced, or plan to introduce, apps that give travellers access to real-time information while they are on the move. Most have introduced, or plan to introduce, apps for mobile booking and expense management.

Initiatives to improve traveller experience



While corporations are ready to deploy connected technology to support travellers, there is less provision for those who request non-traditional lodging or who wish to take advantage of flight auctions.

Few corporations – just one in ten in the general poll – offer insurance to travellers who want to combine leisure with their business trip. It's much more likely, however, for corporations with a large traveller population aged between 20-30 years old to offer this kind of cover: over a quarter (27%) provide insurance arrangements for business trips that include a leisure element.

“Our policy prevents people from doing a business trip with leisure as the main intent. They are not out of policy if they extend their trip but any personal costs must be borne by the employee including differences in airfare.”

Global Travel Manager, Europe - Asia-Pacific

“With insurance for business plus leisure, we cover the business part of the trip and the traveller has to cover the leisure section.”

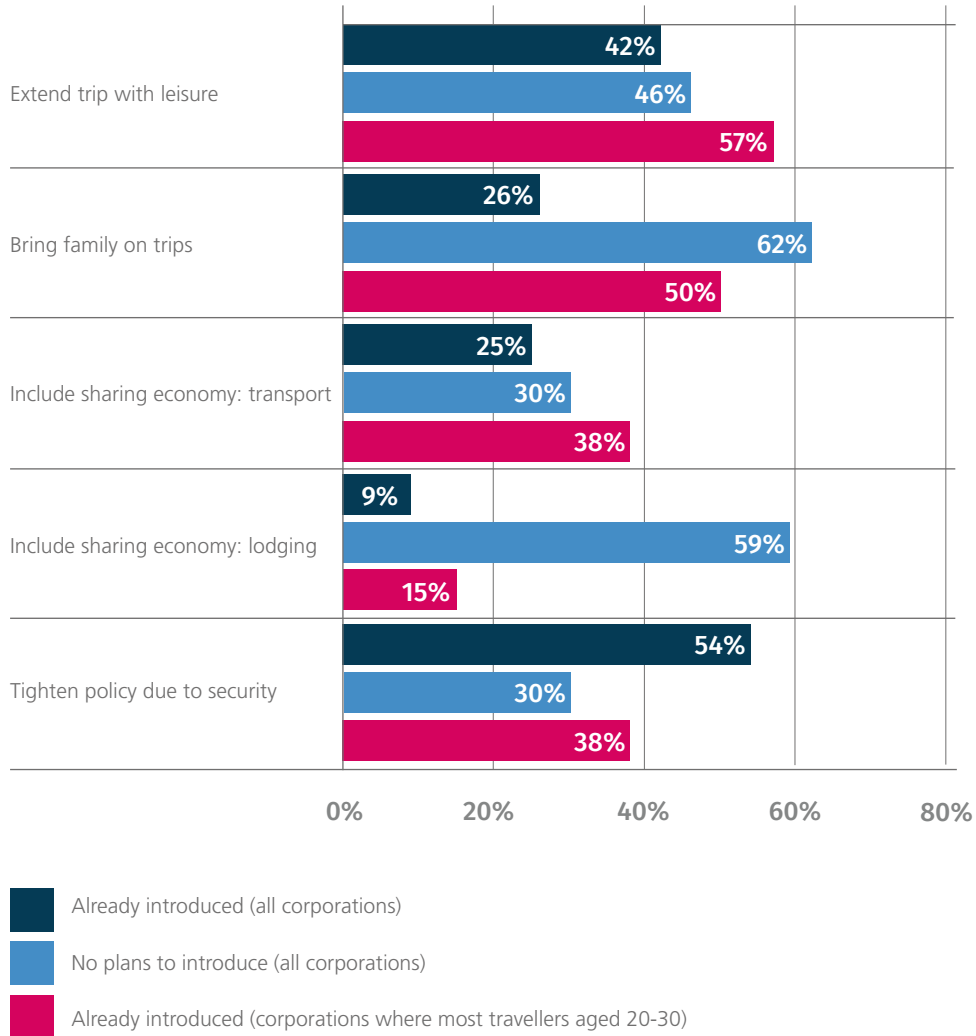
Specialist, Travel Management - Africa

Implications for travel policy

Policy is the foundation of managed travel but on the question of adapting to accommodate modern business travellers, travel buyers and managers appear split. While a significant number have modified policy to help travellers integrate work and personal life, a large opposing number declare they have no plans to make changes.

There are also gaps between practice and policy when it comes to the sharing economy and corporate travel. Most travel managers (79%) have seen an increase in the use of sharing economy ground transportation – but only a quarter (25%) of corporations provide for this in policy today. The disparity is even more visible on accommodation: more than a third (40%) of travel managers saw an increase in the use of sharing economy lodging options but fewer than one in ten (9%) include them in policy. More than half (59%) say they won't include them.

Adapting travel policy to accommodate the Modern Business Traveller



Travel managers act on employee security concerns

Many travel managers are responding to increased traveller fears about personal safety: more than half (54%) has already tightened policy and more than a third (36%) are about to or are considering changes to policy. In this context, tightening refers to more stringent requirements that travellers use the corporate booking tool to ensure they can be located.

“My travellers are much more aware of the risks of travel. It used to be a struggle to get them interested in talking about security matters. Now there’s been a complete reversal and it’s almost overwhelming how much they want to talk about travel safety. I’ve even started a traveller group on the topic.”

Global Travel Manager, Europe

The role of the TMC

Travel management companies (TMCs) play a key role in the execution of managed travel. But only a minority of travel managers (20%) say their TMC today supports bookings for non-traditional travel, such as sharing economy options or combining leisure with business travel. Almost one in ten (9%) expect their TMC to introduce support in the next 12 months.

Almost half (45%) of corporations say their TMC does not support non-traditional bookings and has no plans in place to provide this support in the future.

The drivers of a modern managed programme

For several years the big debate in managed travel pitched service against savings, and asked whether one came at the expense of the other. Increasingly, it has become accepted that service and savings are two sides of the same coin. In 2015, three quarters of corporate travel managers confirmed that a traveller-centric approach, with improved traveller service, could lead to savings².

Beyond savings, what do corporations aim to achieve by improving traveller service? And are they making the right improvements to achieve their goals and to deliver a relevant, contemporary programme for modern business travellers?

*“My biggest KPI is the happiness of my travellers.
If they’re not happy I’m not doing my job right.”*

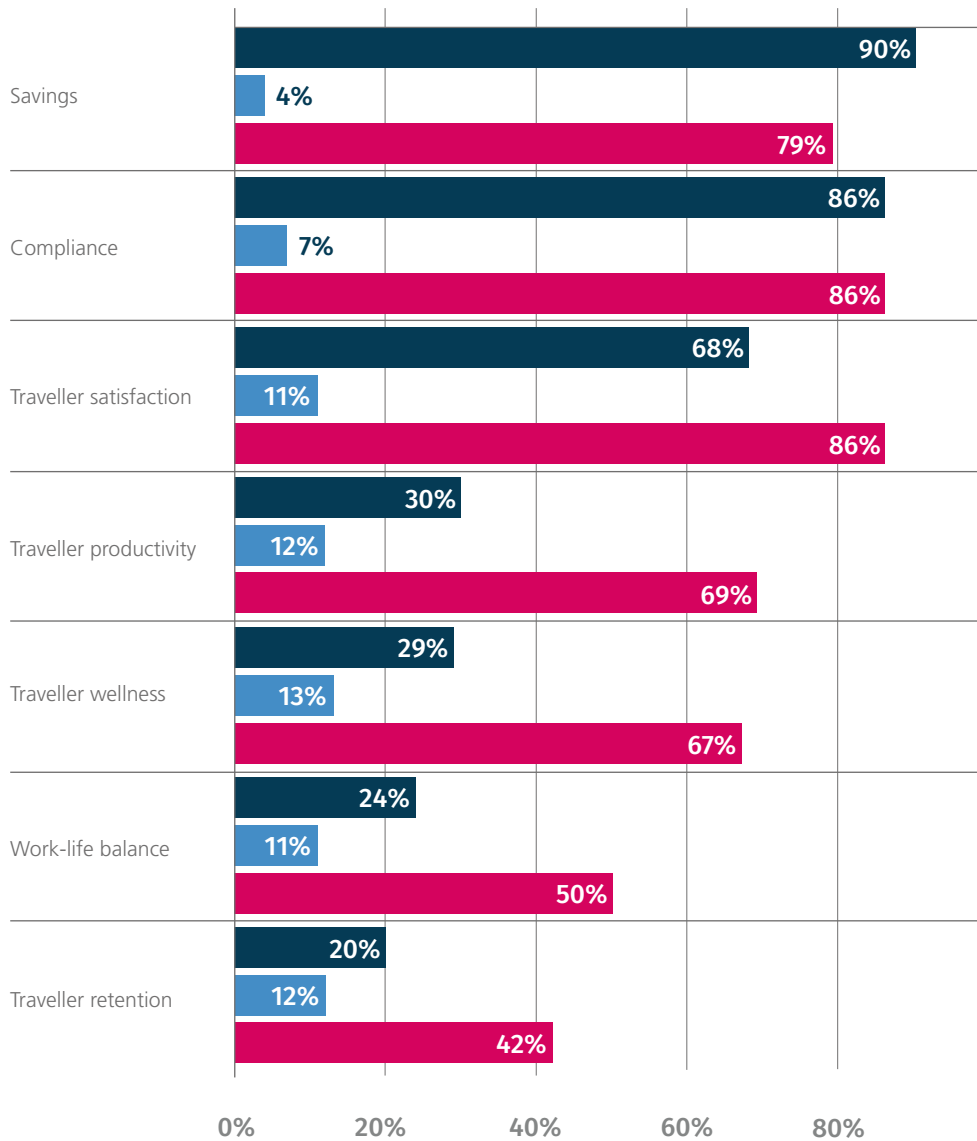
Global Travel & Fleet Manager, North America

Traveller experience is a key driver for corporations

As might be expected, savings and compliance are the KPIs most commonly used by travel managers to assess traveller experience initiatives. However, traveller centricity is also firmly on the corporate agenda: well over a quarter of travel managers are using traveller-centric KPIs like work-life balance and traveller wellness to measure the success of their traveller experience initiatives. Over two thirds (68%) measure traveller satisfaction, and a further one-in-ten (11%) plan to measure this in the future. Where the majority of a corporation’s travel population is aged between 20-30, travel managers were more likely to use traveller-centric KPIs.

² 75% of respondents agreed improvements to traveller service can lead to savings based on changes to traveller behaviour. *The Evolution of Travel Policy*, ACTE and American Express Global Business Travel, October 2015.

Travel managers deploy a range of KPIs to measure the impact of their traveller experience initiatives



- Use today (all corporations)
- Plan to introduce within 2 years (all corporations)
- Use today (corporations where most travellers aged 20-30)

“Improving traveller experience is about being an employer of choice and retaining our talent. Our people work hard when they travel and they’re travelling all the time. We want them to feel as comfortable as possible and be as productive as possible.”

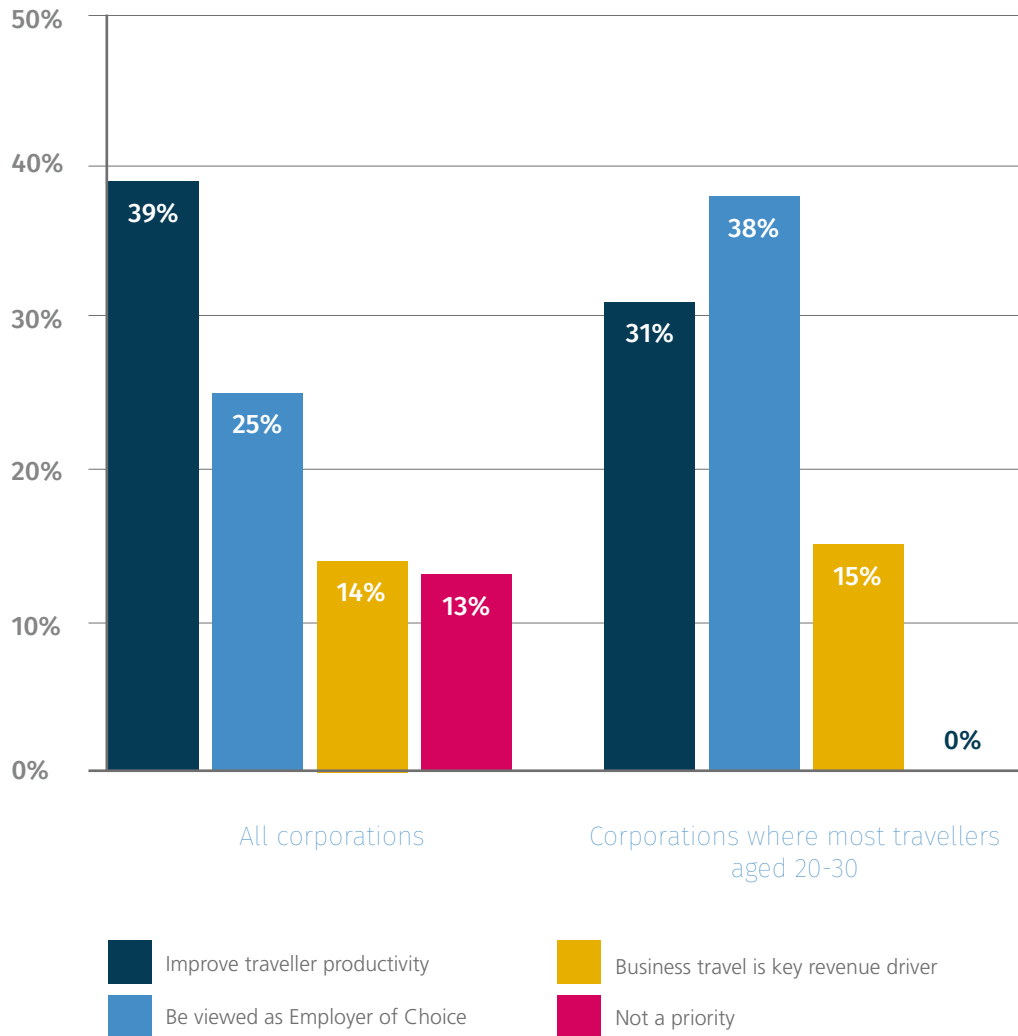
Regional Head of Travel Services, North America

Corporate objectives do not always match KPIs

Comparing corporate objectives with travel managers’ top KPIs reveals some apparent mismatches. For example, improving traveller productivity is the number one reason travel managers give for investing in traveller experience. But productivity improvements sit in sixth place on the KPI rankings.

There is a similar picture on talent management metrics. A quarter of corporations want to be seen as an employer of choice: it’s the second most popular reason for improving traveller experience. This seems logical, given that 48% of corporations believe that traveller-centric policies attract and retain talent. However, just one-in-five corporations use traveller retention KPIs to assess traveller experience initiatives.

Beyond savings, why do corporations aim to improve traveller experience?

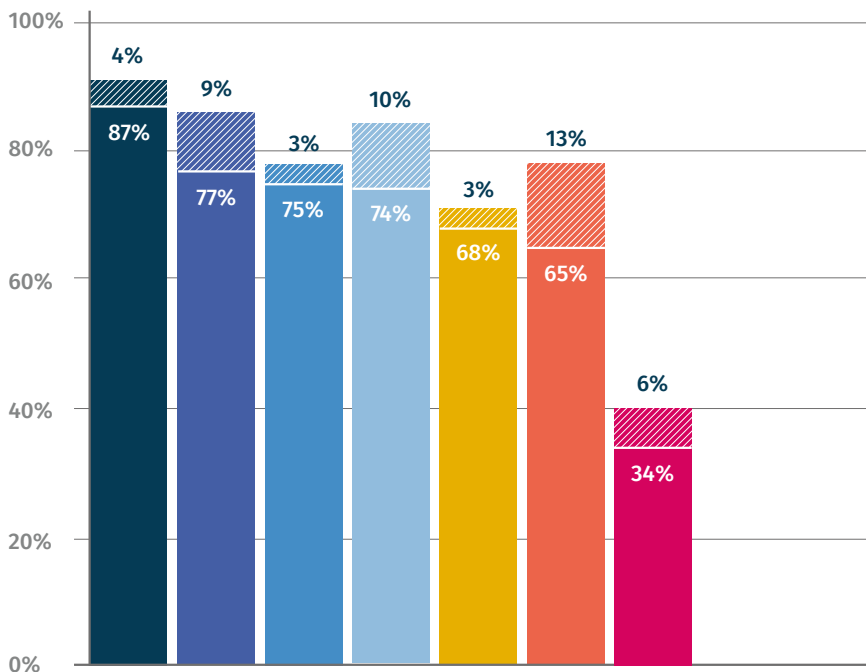


Shaping traveller-shaped policy

Corporations use information from a range of sources to align travel policy with traveller needs. Number one is the TMC. Within two years the majority (91%) of corporations will rely on data from their TMC to drive traveller experience initiatives.

Today, traveller satisfaction surveys are the fifth most popular source of traveller data – but more than one in ten (13%) corporations intend to introduce them in the next two years.

Data sources used by travel managers to drive traveller experience initiatives



Currently use

- TMC data
- Internal compliance data
- Data from supplier
- Data from own systems
- Other (industry benchmarks etc.)
- Traveller satisfaction surveys
- Third party consultants

Will introduce within 2 years

- TMC data
- Internal compliance data
- Data from supplier
- Data from own systems
- Other (industry benchmarks etc.)
- Traveller satisfaction surveys
- Third party consultants

Building a programme for the modern business traveller


Modern business travellers today pose a new kind of challenge for managed travel. They are used to living and working in a hyper-connected 'on-demand' world where services and experiences can be tailored to individual taste. In the business travel area, this means the ability to mix and match new and traditional travel content, like ride-share apps or sharing-economy lodging, with more conventional options like network airlines.

Modern business travellers also bring a new mindset to managed business travel. They want to find better ways to integrate travel with the rest of their lives, enriching the trip experience with a leisure element or bringing a family member or friend. In an unstable world, they are increasingly concerned about personal safety and security when travelling for business.

Five considerations for supporting modern business travellers

Drawing on the insights gathered from more than 250 travel managers and buyers around the world, this report offers the following considerations to help corporations anticipate the needs and expectations of modern business travellers.

- **Align objectives and KPIs:** most corporations use traveller-centric metrics to assess traveller experience initiatives, but KPIs don't always correspond fully with objectives. Ensuring metrics remain aligned with objectives can help travel managers ensure modern business traveller initiatives succeed.
- **Clarify your position on the sharing economy:** many travellers are already using sharing economy options for business travel, but few corporations acknowledge this in policy. Including these options in policy – or, at least, communicating a clear position on the use of sharing economy options – can improve compliance and reassure security-conscious travellers that their employer is looking out for them.
- **Be there when travellers need you most:** traveller care is a growing concern for travellers and they expect employer support. Making use of mobile tools can enable travel managers, TMCs and / or suppliers to be proactive with communication at times of disruption, pushing out messages to travellers at their point of need.
- **Take advantage of traveller data:** travel managers use data from all kinds of sources to align policy with traveller experience. But the best insights come from travellers themselves via surveys or through forums like online user groups. Interacting with travellers in these groups can provide rich insights into the shifting expectations of today's travellers.
- **Experiment with new traveller-centric initiatives:** most corporations take advantage of technology to help modern business travellers manage work-life balance. But it's less common to facilitate leisure as part of a business trip, allow time-in-lieu or support bookings for non-traditional lodgings. Running limited pilots can help travel managers understand traveller appetite for these kinds of initiative.

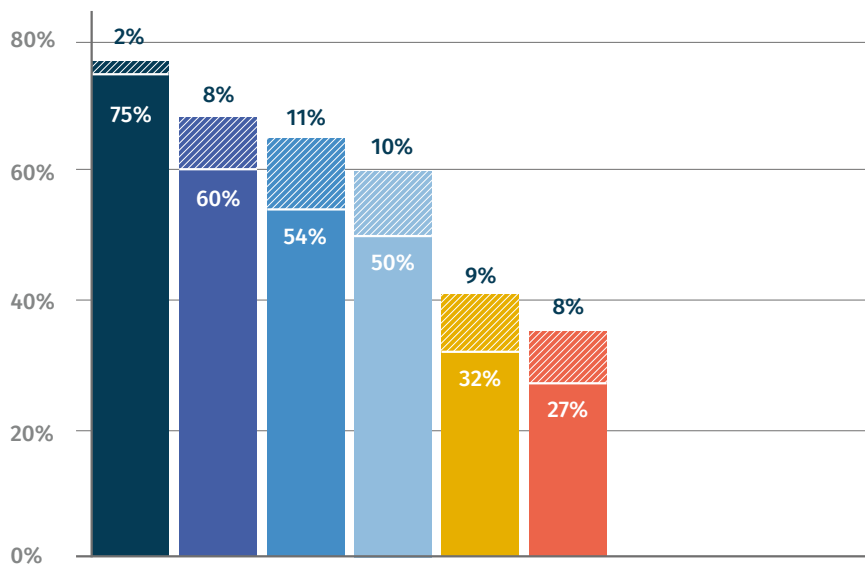


These five considerations have something in common: they all relate to traveller-centricity. Ultimately, the key to serving the modern business traveller is to understand that, while travellers share some common characteristics, each traveller is an individual, with his or her own needs and priorities. A traveller-centric approach gives the corporation the insights to anticipate these needs and ensure modern business travellers can be productive, happy and secure.

Traveller feedback

Travel managers use a variety of methods to capture feedback. Almost a third (32%) lead a user group – more than double the proportion that said they did so in a similar ACTE – American Express Global Business Travel survey last year³. Some 27 per cent participate in a group set up by travellers, an increase from 13 per cent in the same survey last year.

Channels used by travel managers to gather traveller feedback



Currently use

- No formal means (but an email is welcome)
- TMC-run traveller survey
- Dedicated traveller survey
- General employee satisfaction survey
- Lead traveller user group
- Participate in traveller user group

Will introduce within 2 years

- No formal means (but an email is welcome)
- TMC-run traveller survey
- Dedicated traveller survey
- General employee satisfaction survey
- Lead traveller user group
- Participate in traveller user group

“We have a specific role dedicated to traveller experience and it’s in our plans to increase the Voice of the Traveller so we can further customise our programme around the traveller.”

Group Manager, Global Travel, Meetings & Expense, Asia-Pacific

³ The Evolution of Travel Policy, ACTE and American Express Global Business Travel, October 2015.

About the Association of Corporate Travel Executives (ACTE)

The Association of Corporate Travel Executives (ACTE) has a 25-year reputation for leading the way corporate travel is conducted. As a global association, comprised of executive-level members in more than 100 countries, ACTE pioneers educational and technological advances that make business travel productive, cost-effective and straightforward. ACTE advocacy and initiatives continue to support impactful changes in, safety and security, privacy, duty of care and compliance along with traveler productivity that supports global commerce. Learn more at acte.org.

About American Express Global Business Travel

American Express Global Business Travel (GBT) equips companies of all sizes with the insights, tools, services and expertise they need to keep their travelers safe, focused and productive while on the road. With approximately 12,000 employees and operations in nearly 120 countries worldwide, GBT empowers customers to take control of their travel programs, optimizing the return on their travel and meetings investments, while, more importantly, providing extraordinary traveler care.

Learn more at
amexglobalbusinesstravel.com and
amexglobalbusinesstravel.com/content.

For more information

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