Executives are packing their suitcases and flying around the world to do business for their companies in increasing numbers. That’s the verdict of more than 3,000 travel managers and travelers from 24 countries in the 13th annual AirPlus International Travel Management Study. The percentage of travel managers expecting more trips by their company is up for the second year running. Conversely, only 8% expect less travel – fewer than at any time since 2009. However, there are signs of less confidence about travel in the USA and Brexit-bound UK. For everyone else though, beware: more trips mean many companies fear their travel costs are set to rise.

Expect more trips – and higher spend.

For this study, the international market research agency 2hm interviewed 870 travel managers and 2,180 business travelers in 24 countries. Interviews were carried out by phone and online.
The Future looks bright for Business Travel.

Travel Manager – The world keeps moving.

The world may seem an increasingly volatile place, but so far business travel is flying through the political turbulence unharmed. The proportion of travel managers expecting their company to book more trips has increased for the second year running. Likewise, those expecting less travel have declined for a second consecutive year. The last time this figure was so low was back in 2009.

Expect to spend more.

With businesses expecting to travel more, it’s no surprise that travel managers expect their travel costs to rise too. They are worried most about flight spend increasing, although a small minority is confident of cutting air travel costs. The other major concern is hotel spend, which 36% of travel managers think will rise. Fewer travel managers worry about rising costs for car rental, meetings & conventions and rail, although in some countries these categories are either little used or managed.

Business travel spend in the company will* ...

- Increase 41%
- Stay the same 43%
- Decrease 13%

* Where percentages do not total 100%, this is the result of respondents not answering this question.
Leaving – off a jet plane?
The number of UK travel managers who believe the economy is positively affecting business trips has plunged from 50% last year to 30% this time. Those identifying a negative effect have climbed from 11% to 17%. Are travel managers worried about Brexit – or at least the uncertainty it is causing? Another finding points to a similar conclusion: only 25% expect more trips in the year ahead, exactly half the number who expected more trips this time last year. Those expecting fewer trips have risen from 5% to 12%.

UK business travelers are worried too. Only 21% think the economy is affecting trip numbers positively – the lowest figure for any country in the world.

BREXIT – how is it affecting UK confidence?

Leaving – off a jet plane?
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The figures for business travelers are remarkably similar to those for travel managers. However, the global number masks major variations, with fast-emerging economies taking the lead in travel growth. India has the highest number of travelers expecting more trips, followed by Brazil and China. European figures are much lower, especially in Belgium, which has the largest number of travelers predicting trip volumes will fall. Belgium is the only country worldwide where a greater number of travelers expect trips to decrease rather than increase.

Business Traveler – Suitcases packed and ready to go.

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Size matters! How attitudes and behavior vary according to travel spend.

Bigger spenders worry more about rising costs.

In spite of their superior purchasing power, companies with high travel spend are the biggest believers that their travel costs will rise over the next 12 months. That compares with 42% of medium spenders and 38% of low spenders.

The main reason is that companies with high spend (40%) also have greater expectations of booking more trips than medium (37%) or low (30%) spenders.

Bigger spenders anticipate more meetings.

Almost twice as many travel managers overall expect to book more meetings and conventions over the next 12 months as those who predict fewer meetings. However, the number expecting meetings growth has dropped from 26% last year. Expectations of meetings growth range from 26% for high spenders to 23% for medium spenders and only 18% for low spenders.

Bigger spenders shun low-cost carriers.

Big spenders concerned about rising costs may wish to reconsider their limited use of low-cost carriers. These charts show that budget airlines account for a much smaller share of the tickets they buy than is the case for medium and low spenders. However, additional factors may explain this trend. For example, higher spenders may buy a larger proportion of flights on long-haul routes, very few of which are served by low-cost carriers.

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*Where percentages do not total 100%, this is the result of respondents not answering this question.*
Global Economy – helping or hindering Business Travel?

Travel managers are sharply divided.

Businesses are expecting to travel more, but that may be in spite of rather than because of the current economic situation. Exactly half of all travel managers worldwide think the economy is making no difference to how much their company travels. However, while 27% think the economy is helping, 20% believe it is having a negative effect (the remaining 3% don’t know). Analyzed market by market, 11 countries have more travel managers identifying a positive rather than a negative effect, but in eight other countries the reverse is true. Only 3% of Russian travel managers, for example, believe the economy is stimulating travel.

Is the economy affecting business trips positively?

Travelers are more optimistic.

Business travelers see this issue differently. Slightly more of them believe the economy is affecting business trips positively than those who see no effect. Only 15% identify a negative effect, down from 22%. India has the most travelers worldwide saying the economy is affecting travel positively. South Africa has the most travelers seeing a negative effect.
Global Business Travel Snapshot.

Which countries are going to travel more?

India leads the way
Like their travelers, Indian travel managers (77%) have greater expectations than any other country of increased business trips over the next 12 months. This finding aligns with figures from the Global Business Travel Association, which reports that India has the world’s fastest growing business travel spend.

A change of mood in the USA
The USA has experienced a major shift over the past 12 months. Last year, 71% of American travel managers were forecasting more trips for their company – more than in any other country. This year, that figure has slumped to 43%. Although that is still above the global average, it contrasts starkly with neighbor Canada, where the number of travel managers expecting more trips has climbed steeply from 25% in 2017 to 45% in 2018.

Split opinions
More travel managers predict increased trips than those predicting fewer trips in every country featured in the 2018 AirPlus International Travel Management Study. More than four times as many travel managers globally expect their company to travel more in the year ahead (35%) as those who expect less travel (8%). However, as was the case last year, the majority (54%) anticipate no change to their travel levels.
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<th>Country</th>
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Travel managers increasingly expect their companies to book more trips. Those anticipating more travel are up for a second year running, to 35%.

Out of all 24 countries in the study, India has the most travel managers (77%) and business travelers (70%) forecasting increased travel.

Travel manager opinion is split on whether the economy is affecting business trips positively (27%), negatively (20%) or not at all (50%).

Higher spenders are more worried than medium and low spenders about rising trip costs. Higher spenders also make less use of low-cost carriers.

Travel managers are worried about rising costs, with 41% expecting air travel spend and 36% expecting hotel spend to go up.

Brexit fallout? There has been a sharp drop in UK travel managers expecting more business trips, and an equally sharp drop in UK travel managers who believe the economy is affecting trip numbers positively. And UK business travelers view the economy less positively than travelers from any other country.