

CWT Business Travel Indicator Regional Results

On Monday, January 23, 2006, Carlson Wagonlit Travel (CWT) released the results of its global business travel survey, the “*CWT Business Travel Indicator*.” The survey was commissioned by the travel management leader to gauge attitudes and perceptions of business travellers and corporate travel managers about the current and future state of business travel. The survey randomly sampled opinions of 2,100 business travellers and 650 travel managers, both CWT and non-CWT customers, in 12 countries. A summary of the global survey results can be found at: http://www.carlsonwagonlit.com/en/global/news_and_media/news_releases/2005/

Below is a break-down of regional findings around the world. For the purpose of reporting these results, regions are defined as follows: Europe (France, Germany, Italy, Spain, and the United Kingdom); Asia Pacific (Australia, China, India, and Japan); Latin America (Brazil, which represents 50 per cent of the business travel market for the region); and North America (Canada and the United States).

Europe Findings – Business Travellers on the Go

Europe’s skies are likely to remain busy in 2006. Forty-nine per cent of travel managers in Europe and 32 per cent of business travellers say there will be more business travel in 2006. Fifteen per cent of business travellers feel they will travel less this year.

Travel Trials and Tribulations

With regard to travel experience, airline punctuality records take on renewed significance as 27 per cent of European business travellers say flight delays *frequently* impact their travel experience negatively. The second-largest impact to travel for 21 per cent of European business travellers is the negative effect airport security queues have on their travel experience.

Travellers who should have checked their oversized carry-on bags is the number-one pet peeve for 20 per cent of European business travellers. Trailing right behind is *passengers who disturb*, selected by 19 per cent. *Crying babies* and passengers talking loudly on the phone tied for third at 14 per cent. Finally, Europeans are leading the crusade against mobile phones in the air, with 70 per cent saying no to their use.

Online Indicators

Europe has some catching-up to do to match online booking trends in other regions. It has the highest proportion of business travellers who never book online at 32 per cent. The most commonly cited reason for not doing so (40 per cent) is a personal assistant who books most of their business travel. Twelve per cent say they *prefer the personal touch of an agent*. At the other end of the spectrum, nearly one-third of Europeans say they use online booking between 61 per cent and 100 per cent of the time.

The Five-Year Plan

Although Europeans are a step behind the online booking trend, like their global counterparts, they expect an increase with 90 per cent of business travellers and 87 per cent of travel managers anticipating *virtually all bookings online* in five years. Both parties also see technologically *advanced security check-in* (such as fingerprint or iris scans) on the horizon.

Terra Firma for Low-Cost Carriers

A sky-high majority of travel managers globally (81 per cent) say they rarely or never book low-cost carriers. On the other hand, a significant proportion of business travellers around the world (38 per cent) claim they are using them more than 20 per cent of the time. Europeans use them least of all with nearly half of business travellers (47 per cent) saying they never do.

The Business of Business Travel

Travel managers in Europe are motivated in much the same way their global counterparts are. Fifty-seven per cent of them say that *cost savings* are the most common expectation of top management. Most European travel managers (35 per cent) also say that showing savings is the most rewarding aspect of their job.

A Small World

European travel managers are no exception when it comes to thoughts of global consolidation of their travel programs. In fact, compared to the total survey sample, slightly more of them (29 per cent versus 26 per cent) are in the process of *undertaking a comprehensive global consolidation*.

Asia Pacific Findings – Moving with the Times

Results from the Asia Pacific point toward a generally positive outlook for the travel sector in this region in 2006, with Indian travellers being the most optimistic.

In terms of travel experiences that have a negative impact on business travellers, 28 per cent in the region say *airport security lines frequently* impact them, 23 per cent say *flight delays frequently* do.

In Australia, India, and Japan *flight delays* affect 61 per cent of business travellers *frequently* or *occasionally*. Chinese business travellers, however, are the most likely to be *frequently* or *occasionally* affected by *airport security queues*, as compared to other travellers in this region.

Booking Travel Online

In Asia Pacific, Japanese travellers are most comfortable with making their travel bookings online, with 75 per cent of them booking more than 40 per cent of their business travel online. A majority of Australian travellers (55 per cent) also book their business travel online, while their counterparts in China and India do so less often (23 per cent and 17 per cent, respectively).

Travel Preferences

When travelling, Asia Pacific business travellers are most likely to be irritated by other passengers. While both the Australians and Japanese are most annoyed by *crying babies*, the Chinese dislike other travellers not checking-in over-sized luggage, and Indian travellers do not appreciate being disturbed by neighboring passengers.

Similar to results from the other regions, the Middle East tops the list as the region business travellers in Australia, China, and Japan are most hesitant to travel to. Indian travellers, however, indicated that they are least inclined to travel to Africa. Travellers from all four countries said they were least hesitant to travel to Europe.

Latin America Findings – Fast Forward

Business Travel on the Rise

Latin America exudes the greatest confidence looking ahead and, of all the regions, predicts the most growth in business travel in 2006, with 49 per cent of travellers and 66 per cent of travel managers surveyed heralding an increase.

Online Optimism

Looking five years ahead, 90 per cent of Latin American travellers believe it is *very* or *somewhat likely* that *virtually all bookings will be online*, reflecting the global forecast of 89 per cent. Travel managers in the region are also predicting widespread use of online booking in five years with 90 per cent of them saying it is *very* or *somewhat likely* for *virtually all bookings*, as compared to 83 per cent of travel managers globally.

Currently and in keeping with the global average, 38 per cent of Latin American business travellers use online booking from 61 per cent to 100 per cent of the time; only 15 per cent of them say they never book online, which is the lowest per centage cited in any region. Nearly one-third (30 per cent) of those who do not book online say they *prefer the personal touch of an agent*.

Low-Cost Carriers Riding High

Latin America is the region where low-cost carriers appear to be soaring most, with 72 per cent of business travellers and 56 per cent of travel managers acknowledging they use them more than 20 per cent of the time. Twenty-eight per cent of business travellers and 20 per cent of travel managers cite using them for 61 per cent to 100 per cent of their business travel.

Naysayers

When business travellers in Latin America assess what impacts their travel experiences negatively, *flight delays* share the top spot with *customer service*, each with 37 per cent stating these events affect them *frequently*. Also ranking high are *airport security queues*, with 27 per cent of travellers noting their travel experience is *frequently* affected by them.

As for their biggest pet peeves, travellers cite *passengers who disturb* (26 per cent) and *crying babies* (17 per cent). Latin American travellers coincide with the global average of 61 per cent of all business travellers surveyed when it comes to disallowing the use of mobile phones in flight.

North America Findings – Steady As She Goes

The business travel landscape in North America has been strong and stable over the past year according to a regional break-down of the survey. Similar to their global counterparts, the majority of U.S. and Canadian business travellers (76 per cent) and travel managers (92 per

cent) expect business travel to *increase* or *stay the same* in 2006. This is down slightly from what business travellers predicted in last year's survey, when 83 per cent expected travel to *increase* or *stay the same* in 2005. Travel managers' expectations from 2005 to 2006 have stayed relatively consistent, going from 92 per cent in 2005 to 94 per cent this year.

Consistent with last year's results, *security queues* were named by North Americans as having the most negative impact on business travel; however, *customer service* has become more of a concern for travellers, unseating *work/life balance* as the second most negative aspect of travel. The remaining options stayed true to last year's findings: *flight delays*, *safety or terrorist concerns*, *corporate travel policy restrictions*, and *airline management issues* (not asked last year). In addition, business travellers seem to be significantly less concerned with terrorist attacks this year – 41 per cent saying it never impacts their travel versus 26 per cent in 2005.

When it came to predicting what business travel will look like in five years, North Americans (similar to global findings) forecast that *virtually all bookings will be online* (89 per cent) followed by: *increased use of video conferencing* (87 per cent); *advanced security check-in* (84 per cent); *fewer major airlines and more discount carriers* (74 per cent); *flight-crew size reductions* (66 per cent); *less distinction between economy and first class* (60 per cent) and *enhanced food and beverage service* (33 per cent).

The main reasons North American business travellers gave for not booking their travel online was: *prefer the personal touch of a travel agent* (17 per cent); *complicated itinerary* (16 per cent); *an assistant books most of the travel* (15 per cent); and they *have questions that can't be answered online* (14 per cent).

Fellow passengers, be it old or young, continue to irk North American business travellers more than other aspects of travel. The biggest pet peeve this year was *travellers stowing luggage far forward from their seat*, followed by *travellers not checking bags that they should* and coming in third – *crying babies*. This compares to last year when *travellers not checking bags they should* was the top irritant followed by *crying babies* and then a tie at number three between: *security check-ins*; *passengers who disturb them by not letting them read, work or sleep*; and *travellers stowing luggage far forward*. The complete list is:

2006 Pet Peeves (2005 in parentheses)

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|---|---------------|
| Travellers stowing luggage far forward: | 1 (3-tie) |
| Travellers not checking bags they should: | 2 (1) |
| Crying babies: | 3 (2) |
| Travellers who talk too loud: | 4 tie (4-tie) |
| Discovering another passenger paid less: | 4 tie (4-tie) |
| Security check-ins: | 6 (3-tie) |
| Passengers who disturb: | 7 tie (3-tie) |
| Travellers who try to board before row is called: | 7 tie (4-tie) |
| Vacationing travellers: | 9 (9) |

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