

Security Lines and Flight Delays are the Bane of Business Travelers

Thumbs Down to the Use of Cell Phones In-Flight

Saving Money and Expanding Globally are Top Priorities for Corporate Travel Programs

*CWT Business Travel Indicator reveals optimism about
business travel growth around the globe in 2006*

PARIS (JANUARY 23, 2006) – Whether you are a business traveler from New York City, Rio de Janeiro, London, or Beijing, you have more in common than not with your flying brethren across the globe. Security lines and flight delays top the list as the events that most negatively affect travel. And, the majority of business travelers do not want cell phone use allowed in-flight. As for travel managers, they say expectations from top management are cost savings and globalization of the travel program.

These are among the findings of the Carlson Wagonlit Travel (CWT) 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 travelers and corporate travel managers about the current and future state of business travel. The survey randomly sampled opinions of 2,100 business travelers and 650 travel managers, both CWT and non-CWT customers, in 12 countries.

For the purpose of reporting these results, regions are defined as follows: Asia Pacific (Australia, China, India, and Japan); Europe (France, Germany, Italy, Spain, and the United Kingdom); Latin America (Brazil, which represents 50 percent of the business travel market for the region); and North America (Canada and the United States).

Business Travel Strong Again in 2006

The majority of business travelers and corporate travel managers believe business travel will *stay the same* or *increase* in 2006, with travel managers even more optimistic than their travelers. Nearly 60 percent of travel managers say travel expenditures will *increase* this year. Slightly more than 30 percent of business travelers say they anticipate traveling more, while most (48 percent) believe they will travel the same amount as last year.

“Business travel is increasing,” said Hubert Joly, president and chief executive officer of CWT. “This is a reflection of strong economic growth around the world and the globalization of the economy and corporations.”

The survey found Latin American travelers (represented by Brazil) are the most optimistic about business travel with nearly 50 percent saying it will *increase* this year, followed by travelers in Asia Pacific (44 percent), Europe (32 percent), and North America (27 percent). Within the Asia Pacific region, 74 percent of travelers in India and 45 percent of travelers in China say their business travel will *increase* in 2006.

Top Priorities for Corporations

When asked about the most common expectation from company leadership, the majority (54 percent) of travel managers answer *cost savings*, the number-one response across every region.

A global travel program also proves to be a priority for many companies. Sixty-two percent of travel managers report their companies are uniting travel at some level, whether by *undertaking a comprehensive global consolidation* (26 percent), *consolidating over a period of time by region* (16 percent), or *consolidating piece by piece as the need arises* (20 percent).

Business Travelers Weigh In

Airport security lines top the list as having the most negative impact on business travel (25 percent of business travelers), with flight delays coming in a close second (24 percent), followed by work-life balance and customer service tying for third (21 percent).

If airlines are listening to their most frequent travelers, they may want to shelve any thought of allowing cell phone use during flight. Whether they are hesitant to give up their “alone time” or they simply don’t want to put up with noisy flights, 61 percent of business travelers surveyed said they are not in favor of allowing people to talk on cell phones in-flight. Europeans are most adamant about not allowing cell phone use with 70 percent responding unfavorably, while North Americans appear more tolerant with just 57 percent opposing their use.

Of all the annoyances business travelers face, the biggest pet peeve on a global basis is fellow *travelers not checking luggage when they should* (18 percent), followed closely by *crying babies* (17 percent), and those *travelers who stow luggage far forward from their seat* (14 percent).

Regionally, pet peeves vary. Business travelers in Asia Pacific are most annoyed by *crying babies*; Europeans are bothered by *travelers not checking bags they should*; Latin Americans dislike *passengers who disturb* them; and North Americans are irritated by people *stowing luggage far forward from their seat*. All agreed vacationing travelers are the least of their annoyances.

The survey also finds business travelers are more hesitant than their company's travel managers realize to travel to various regions of the world. The Middle East is the region most travelers say they are *hesitant* to travel to (74 percent of travelers versus 67 percent of travel managers), followed by Africa (53 percent versus 38 percent), Latin America (46 percent versus 26 percent), Asia Pacific (38 percent versus 18 percent), Europe (22 percent versus seven percent), and North America (11 percent versus seven percent).

Peering into the Crystal Ball

Travel managers most often believe technologically *advanced security check-in* procedures, such as fingerprint or iris scans, will be a part of business travel in five years. An interesting second choice indicates 83 percent foresee *virtually all bookings online* in that time frame.

“This enthusiasm for online booking is what we are experiencing with our own clients around the world,” said Joly. “There is intense growth in Australia, where CWT’s online bookings are up 160 percent over last year, in Europe where they are up 71 percent, and in the United States, where there’s an increase of 43 percent. Online booking is a key factor for those companies looking to save money in their travel program.”

In North America, however, where online booking is more prevalent than in other regions, travel managers are less aggressive in predicting mass online use, compared to their global counterparts. Eighty-one percent of North American travel managers say it is *very* or

somewhat likely all bookings will be online in five years, versus a higher prediction in Latin America (90 percent), Europe (87 percent), and Asia Pacific (83 percent).

Travelers Undaunted by Current State of Airlines

The *Indicator* clearly shows frequent travelers are relatively unaffected by the state of some air carriers today, including those experiencing financial instability and labor issues and offering fewer services and amenities. For example, when business travelers were asked what impacts their travel negatively, only seven percent selected *frequently* for *airline management issues*, such as strikes and bankruptcies.

At the same time, they've resigned themselves to the fact that airline food and beverage service will continue to be limited five years down the road. Additionally, nearly 70 percent of travelers say it is *very* or *somewhat likely* there will be fewer major airlines and more discount carriers in five years, while 61 percent predict *flight crew-size reductions*.

Low-Cost Carriers Carrying Business Travelers

Sixty-six percent of business travelers report having used a low-cost carrier at one time or another and 14 percent of them do so 61-100 percent of the time. Business travelers in Latin America are the most frequent users with 28 percent of them saying they use a low-cost carrier for more than 60 percent of their business travel. In North America, 16 percent of travelers say the same, and in Europe just nine percent. In Asia Pacific, China and Japan do not have low-cost carriers, but in Australia and India combined, 16 percent of travelers use them for more than 60 percent of their business travel. Conversely, nearly 50 percent of European business travelers say they have never used a low-cost carrier.

Business and Pleasure

Fifty-eight percent of business travelers extend their business trip to include leisure or vacation time, at least one time a year, either at the beginning or end of their trip. Of those, 47 percent said they *occasionally* or *frequently* have family or friends join them for the leisure portion of the trip.

About the Survey

The “*CWT Business Travel Indicator*” survey, conducted by KRC Research, was fielded October 27 to November 23, 2005. The survey included responses from 2,100 business travelers and 650 travel managers in 12 countries. The data files were weighted to accurately reflect the current business travel landscape. The margin of error for the total sample of travel managers surveyed is N=650 +/- 3.8 percentage points. The margin of error for the total sample of business travelers surveyed is N=2,100 +/- 2.1 percentage points. The survey did not target CWT clients but does include some as randomly selected through the research process.

About Carlson Wagonlit Travel

Carlson Wagonlit Travel is a world leader in business travel management, partnering with large corporations, small and medium-sized companies, and government institutions. CWT designs and implements superior travel management programs for clients based upon its recognized consulting expertise, strong purchasing power, technological strength, and consistent delivery of high-quality service. CWT has operations in more than 145 countries and services 60 of the world’s 100 largest companies. Annual sales of \$19 billion are generated under the Carlson Wagonlit Travel brand. For more information, visit www.carlsonwagonlit.com.

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