



CWT Business Travel Indicator Regional Results

On Monday, January 23, 2006, Carlson Wagonlit Travel 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 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. A summary of the global survey results can be found at: http://www.carlsonwagonlit.com/en/global/news_and_media/news_releases/2006/

Below is a break-out of regional findings around the world. 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).

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 travelers being the most optimistic.

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

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

Booking Travel Online

In Asia Pacific, Japanese travelers are most comfortable with making their travel bookings online, with 75 percent of them booking more than 40 percent of their business travel online. A

majority of Australian travelers (55 percent) also book their business travel online, while their counterparts in China and India do so less often (23 percent and 17 percent, respectively).

Travel Preferences

When traveling, Asia Pacific business travelers 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 travelers not checking-in over-sized luggage, and Indian travelers 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 travelers in Australia, China, and Japan are most hesitant to travel to. Indian travelers, however, indicated that they are least inclined to travel to Africa. Travelers from all four countries said they were least hesitant to travel to Europe.

Europe Findings – Business Travelers on the Go

Europe's skies are likely to remain busy in 2006. Forty-nine percent of travel managers in Europe and 32 percent of business travelers say there will be more business travel in 2006. Fifteen percent of business travelers 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 percent of European business travelers say flight delays *frequently* impact their travel experience negatively. The second-largest impact to travel for 21 percent of European business travelers is the negative effect airport security lines have on their travel experience.

Travelers who should have checked their oversized carry-on bags is the number-one pet peeve for 20 percent of European business travelers. Trailing right behind is *passengers who disturb*, selected by 19 percent. *Crying babies* and passengers talking loudly on the phone tied for third at 14 percent. Finally, Europeans are leading the crusade against mobile phones in the air, with 70 percent 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 travelers who never book online at 32 percent. The most

commonly cited reason for not doing so (40 percent) is a personal assistant who books most of their business travel. Twelve percent 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 percent and 100 percent 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 percent of business travelers and 87 percent 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 percent) say they rarely or never book low-cost carriers. On the other hand, a significant proportion of business travelers around the world (38 percent) claim they are using them more than 20 percent of the time. Europeans use them least of all with nearly half of business travelers (47 percent) 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 percent of them say that *cost savings* are the most common expectation of top management. Most European travel managers (35 percent) 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 percent versus 26 percent) are in the process of *undertaking a comprehensive global consolidation*.

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 percent of travelers and 66 percent of travel managers surveyed heralding an increase.

Online Optimism

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

Currently and in keeping with the global average, 38 percent of Latin American business travelers use online booking from 61 percent to 100 percent of the time; only 15 percent of them say they never book online, which is the lowest percentage cited in any region. Nearly one-third (30 percent) 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 percent of business travelers and 56 percent of travel managers acknowledging they use them more than 20 percent of the time. Twenty-eight percent of business travelers and 20 percent of travel managers cite using them for 61 percent to 100 percent of their business travel.

Naysayers

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

As for their biggest pet peeves, travelers cite *passengers who disturb* (26 percent) and *crying babies* (17 percent). Latin American travelers coincide with the global average of 61 percent of all business travelers surveyed when it comes to disallowing the use of cell 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 breakout of the survey. Similar to their global counterparts, the majority of U.S. and Canadian business travelers (76 percent) and travel managers (92 percent) expect business travel to *increase* or *stay the same* in 2006. This is down slightly from what business travelers predicted in last year's survey, when 83 percent expected travel to *increase* or *stay the*

same in 2005. Travel managers' expectations from 2005 to 2006 have stayed relatively consistent, going from 92 percent in 2005 to 94 percent this year.

Consistent with last year's results, *security lines* were named by North Americans as having the most negative impact on business travel; however, *customer service* has become more of a concern for travelers, 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 travelers seem to be significantly less concerned with terrorist attacks this year – 41 percent saying it never impacts their travel versus 26 percent 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 percent) followed by: *increased use of video conferencing* (87 percent); *advanced security check-in* (84 percent); *fewer major airlines and more discount carriers* (74 percent); *flight-crew size reductions* (66 percent); *less distinction between coach and first class* (60 percent) and *enhanced food and beverage service* (33 percent).

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

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

2006 Pet Peeves (2005 in parentheses)

Travelers stowing luggage far forward:	1 (3-tie)
Travelers not checking bags they should:	2 (1)

Crying babies:	3 (2)
Travelers 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)
Travelers who try to board before row is called:	7 tie (4-tie)
Vacationing travelers:	9 (9)

###