

# Business Travel Market Trends in 2012



## More strategic Meetings & Events management

More companies will introduce a strategic meetings management program and dedicated technology tools in 2012. Hybrid events combining physically present and remote attendees will also be more common.

## Even easier rail travel

Improved coverage in all regions, more integrated rail and air tickets, and steps toward harmonized pan-European planning and ticketing... When combined with a productive on-board working environment and a lighter carbon footprint, improvements like these should make rail even more popular among corporate travelers.

## All eyes on airline direct connects

The issue of airlines wishing to bypass global distribution systems has yet to be resolved. While the current system is unlikely to change dramatically in the short-term, new agreements may be ahead, impacting the booking fees paid by corporate clients.

**Coming soon!**  
Travel Management  
Priorities for 2012



## Value in mobile and social apps

84% of US business travelers use their smart phones during travel<sup>4</sup> and most find practical information through apps and social media. As travel managers embrace traveler services such as mobile itineraries, social communications, location-based information and on-the-go alerts, they may also need to clarify appropriate usage in the travel policy.

## Opportunities ahead in car rental

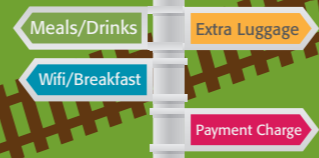
Negotiations should be eased by fierce competition. Following Avis Budget's acquisition of Avis Europe in 2011 and other potential acquisitions, buyers may find more opportunity to sign deals covering more markets. Instead of no-show penalties, which were being considered, car rental clients may be offered discounts for pre-paid rentals.

## Occupancy driving hotel negotiations

The 2012 Summer Olympic Games in London, greater demand in Asia Pacific and high-demand/short-supply situations (e.g., Brazil) will exacerbate difficulties in already high-occupancy cities. Globally, though, it will be business as usual, with buyers focusing on cost containment and room availability in high-occupancy markets.

## Ever more complex travel spend

Miscellaneous fees and surcharges will continue to bump up the cost of travel across all categories, with new airline ancillary fees and credit card booking charges on the horizon. A clear travel policy and reliable data will help companies to mitigate the impact.



## GDP and travel going East

	<b>China</b>	<b>+13%</b> <sup>2</sup>
	<b>India</b>	<b>+14%</b> <sup>2</sup>

Within Asia Pacific, strong increases in business travel spend are expected

Robust economic growth is expected in Asia Pacific, compared with more uncertainty in Europe and North America. In parallel, business travel will be faster to and from APAC than other regions (+13.4% between the Middle East, +6.1% between North America and +4.8% between Europe<sup>3</sup>).

## Rising Prices

### Rising prices in most categories and regions

No surprises: price increases will continue in most categories, with the highest in Latin America (double-digit in hotels) and more modest rises in other regions. Lower or flat rates may be found in car rental. See [CWT Perspectives: 2012 Travel Price Forecast](#) for more detailed estimates.

## A mixed outlook for air travel

Expect significant increases in international capacity (+8.5% worldwide<sup>1</sup>) and competition, especially in Asia Pacific, thanks to new low-cost carriers and wide-body aircraft. Less choice is likely on some domestic routes, particularly in the United States.

For more information:  
[www.carlsonwagonlit.com](http://www.carlsonwagonlit.com)



Sources:  
 1 Air Transport Market Analysis, IATA (October 2011)  
 2 Global Business Travel Spending Outlook 2011-2015, GBTA Foundation and Vantage Strategy (August 2011)  
 3 Amadeus Total Demand by airconomy (June 2011)  
 4 PhoCusWright and Rearden Commerce (November 2011)