

2012

Business Travel Report Germany

WDR
VERBAND DEUTSCHES REISEMANAGEMENT e. V.



Ten years Data · Facts · Figures

TABLE OF CONTENTS

1	Ten years of the VDR Business Travel Report	4
2	Important results at a glance	8
3	Business travel: Facts and figures	10
	Quantity	10
	Costs	10
	Budgets	11
	Number of business travellers	11
	Duration	12
4	Structure of business travel costs	13
	Cost distribution by reason for travel	13
	Average cost of business travel	13
	Cost areas	15
5	Overnight stays	16
	Development of overnight stays and turnover	16
	Accommodation categories	18
6	Travel management strategies	19
	Tasks in travel management	19
	Cost reduction potentials	20
	International purchase of travel services	21
7	Sustainability in travel management	22
	Penetration level	22
	Sustainability strategies	23
	Carbon footprint	24
8	Car sharing	25
	Awareness	25
	Market acceptance	25
9	Development of business travel volume	26
	Expectations for 2013	26
	Further prospects for the future	27
	The research team – VDR	28
	Methodology	28
	Imprint	30

Ten years of the VDR Business Travel Report

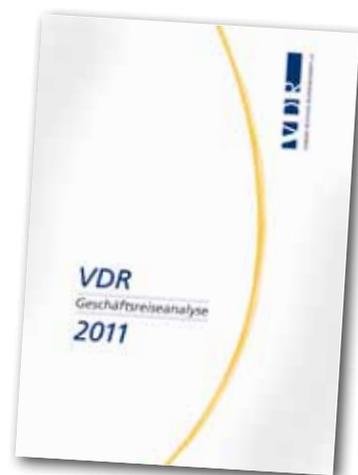
Ten eventful years – in the service of business mobility

With all the informative content this tenth anniversary edition has to offer, the foreword is a bit shorter this time around. And the format has also been modified to ring in a new decade: fresher, bolder, more versatile. Ten years ago, the VDR Business Travel Report set out to undertake a pioneering survey of the German business travel market. And ever since then it has provided year after year a reliable overview of the pertinent figures along with a look at the latest issues and trends. Practice-oriented, critical and representative – always with the goal of delivering real benefits and helping to shape today's travel management. Business travel management? Yes, we can!



Ten years of the VDR Business Travel Report

“If you want to design the future, you must first leaf through the past.”¹ Many findings have had the effect of shifting our accustomed perspective and our convictions. Realisations that have accompanied discussions in the world of travel management over the past several years. Results that have in the meantime become indispensable as collective background knowledge. Contemporary currents that ultimately established themselves as trends. Future coordinates whose positions can still be changed. In any case: interesting developments from an eventful decade for business travellers and their management.²



Germany profits

Business trips create and safeguard jobs. Two out of three trips take place within Germany, and in the public sector nearly nine out of ten. This means that the money spent also mostly remains in the country (approx. 70%): year-round, regardless of the season, distributed between regions, and on a daily basis double the expenditures on holiday trips (2002–2010).

SMEs as travel heavyweights³

Organisations with 10 to 250 employees generate the highest travel volume. In the past ten years this awareness has led to a host of new offerings, services, studies and media, and has prompted suppliers to concentrate on this target group. The annual “performance review” has shown that SMEs have become more cost-conscious. But without large travel volumes, they are often at a disadvantage. For example: in 2005 SMEs had to deal with a cost explosion of 24% despite the same number of trips. After the “zero commission” was introduced, they had to pay much higher service fees to travel agents than larger firms do – from 5 to 10 Euros more per “Etix” (2005). And this despite the fact that such weaknesses would be so easy to eliminate: in 2009 85% of SMEs still decided for no apparent reason to do without (inexpensive) software for travel expense accounting.

¹ Based on a quote from the French writer André Malraux.

² The years in parentheses indicate the respective year being referred to.

³ Small- to medium-sized enterprises (SMEs) are companies with 10 to 250 employees. When we speak of “smaller businesses” in this analysis, we mean companies with 10 to 500 employees. See VDR Business Travel Report 2006, p. 40 “Begriffserläuterungen A-Z” (German original).

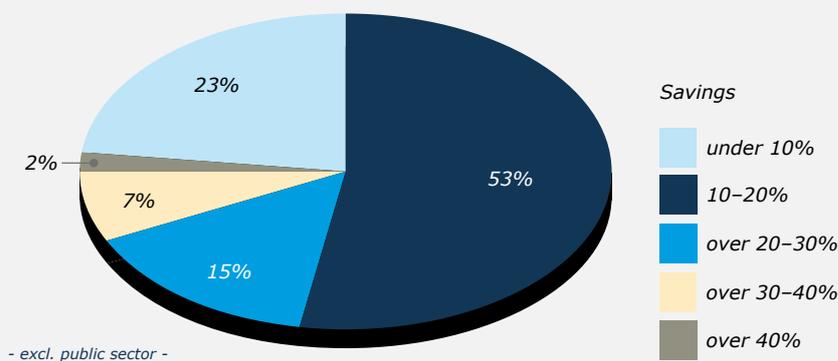
Travel management – a success story

Four out of five travel managers achieve at least 10% savings on direct business travel costs. And one in three reported cutting direct costs by at least 20% (2005). The area of business travel has on the whole substantially gained in significance for businesses and public-sector organisations. In 2009 around 48,000 persons were involved in a broader sense in the field of business travel management (2004: 31,200 persons). Two thirds of boardrooms have come to realise the importance of this topic. Today they review more carefully the purpose and necessity of business trips, and also the expenditures

involved. Particularly in times of crisis, executives focus on potential savings. In the public perception, the financial crisis began to take hold in Germany in the fourth quarter of 2008. But already several months before, one out of five of the affected companies had begun to introduce control measures. Two years later, in 2010, 60% of those affected by the economic and financial crisis indicated that restrictions would continue to be in place and alternatives to travel sought even after the upswing. Travel managers were able in this way to protect their companies from automatic cost hikes.

Savings through travel management measures, total companies in 2004

Source: VDR Business Travel Report 2005/Figure 17



Online booking no substitute for a travel agency

“A long, long time ago”: In 2004, 77% of flights were still booked through a travel agency (two years later, the ratio was down to 60%). The trend witnessed for the past several years toward more online and direct bookings with suppliers continues unshaken. Today, travel agencies handle only just over half of bookings (2011). Nevertheless,

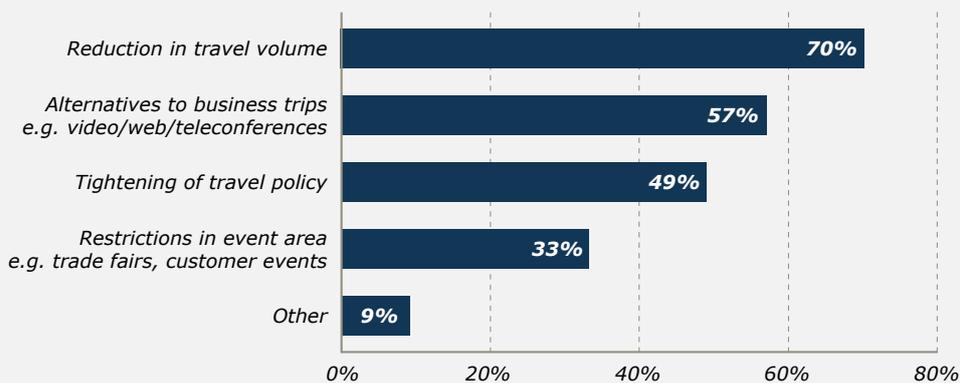
although nine out of ten travel managers are generally in favour of deploying a comprehensive travel management system, 82% still view the travel agency as an extremely important partner in all business travel matters (2011). Those who obtain information and book travel simply, quickly and inexpensively win.

Virtual meetings – here to stay

Once a costly and technologically underdeveloped “pleasure” for large companies, by 2007 telephone and video conferences had already become routine in 65% of businesses. Today they have gone mobile, supplemented by free Web applications. Smart travel avoidance is in the meantime part of the standard repertoire for mobility management. Nearly two thirds of organisations take advantage of virtual conferences as an alternative to business travel (2009). The world is getting smaller, meaning that bags don’t have to be packed quite as often, which also benefits the environment. Nevertheless, nothing can ever replace travel as a growth driver, in particular when it comes to drumming up new business.

Most important measures implemented in the area of business travel since 2008

Source: VDR Business Travel Report 2009/Figure 20



- excl. public sector -
- multiple choices possible -
- companies that are taking measures in the area of business travel management -

Paradigm change in travel categories

Ever since the rise of low-cost airlines in the first years of the 21st century, this structural change has also been reflected in demand: Economy is now the dominant booking class, almost regardless of destination. In a five-year comparison (2005/2009), travellers faced the most downgrades on intercontinental flights: 62% of longhaul tickets were booked in Economy Class in 2009 – compared to only 46% in 2005. Only suppliers offering so-called Premium Economy Class were able to stem the migration of travellers to the rear section of the aircraft.

In the hotel industry, the diversification dynamic in accommodations and services is more transparent and customer-oriented. The old star-based categories have long ceased to adequately describe the wide range of user needs. That’s why “personal mass recommendations” in online rating systems are gaining in importance. What business travellers look for in a hotel is best expressed in target-group-oriented certifications like the VDR hotel certification products: Certified Business Hotel, Certified Conference Hotel and Certified Green Hotel.

Important results at a glance

The key data:

■ In 2011 there were 8.8 million business travellers ⁴ .	+7.4%	2010: 8.1 million business travellers
■ 163.9 million business trips led to spending in the amount of	+5.9%	154.8 million business trips
■ 44.8 billion Euros translated into	+3.1%	43.5 billion Euros
■ 148 Euros per business traveller per day.	+16.5%	127 Euros

Selectively positive

Like the economy as a whole, the business travel market saw positive development in 2011. Mobility and costs were however still handled cautiously (Figures 1 and 2, page 10, and Table 1, page 14).

Short trips – more business on the rails ...

More than half of business travel currently consists of day trips – at 54.5%, the ratio of trips without overnight stay was higher than ever before. Domestic business dealings made Deutsche Bahn the winner in 2011 (Figure 5, page 12, and Figure 8, page 15).

... and borne on fewer shoulders

In large companies, the burden of the increasing number of business trips is borne by ever fewer travellers. Only one in four employees takes at least one trip a year – while back in 2005 it was still one in three. In smaller companies by contrast, the ratio of travellers is constantly growing. Current challenges are therefore work/life balance, costs versus comfort, as well as efficiency and effectiveness (Figure 4, page 11).

Triumph of the golden mean

In the German hotel industry, 3-star accommodations are in vogue again. These hotels are taking the lead for cost-conscious travellers, frequently by offering small perks free of charge, with fewer standardised services. One out of two work-related overnight stays in Germany took place in a 3-star hotel in 2011. Looking at domestic and foreign travel together, 87% of business travellers book beds in 3- or 4-star hotels (Figures 11 and 12, page 18).

⁴ Employees of a company or public-sector organisation who take at least one business trip a year.



Avoidance is not a strategy

Nine out of ten companies fear a decline in turnover should business trips wind up being a casualty of the next economic downturn. As the cost explosion of 16.5% per day compared to 2010 shows: it's all about volume. Even for day trips without overnight stay, it's worth taking a closer look at costs (Figure 16, page 21, and Table 2, page 14).

Budget airlines in continuous descent

After their heyday in the early years of the 21st century, low-cost airlines have now lost their magic. While they were still one of the top three cost-cutting measures in over half of the organisations surveyed in 2006, today they are deemed significant only by one in four. (Figure 14, page 20).

Potential for cost savings exhausted?

Nine out of ten respondents believe the end of the line has been reached for cost-cutting measures. Since 2007 companies with over 500 employees have already economised on every tenth business travel Euro. With Germany's economy currently going strong, the penny-pinchers now have less room to manoeuvre. They have to be even smarter – and master more and more areas of responsibility (Figures 13 and 15, page 19 f., and Table 1, page 14).

Quo vadis sustainability?

One third of large companies are already active in the area of sustainability in business travel. However, despite widespread social debates and new tools for specific implementation, smaller companies are still hesitant in this regard. The dedication to green travel is highest amongst larger organisations in the public sector, at 59%. Even though car sharing as an option for business mobility is well known, very few actually take advantage of it (Figures 18 to 22, page 22 ff.).

Business travel: Facts and figures

Quantity

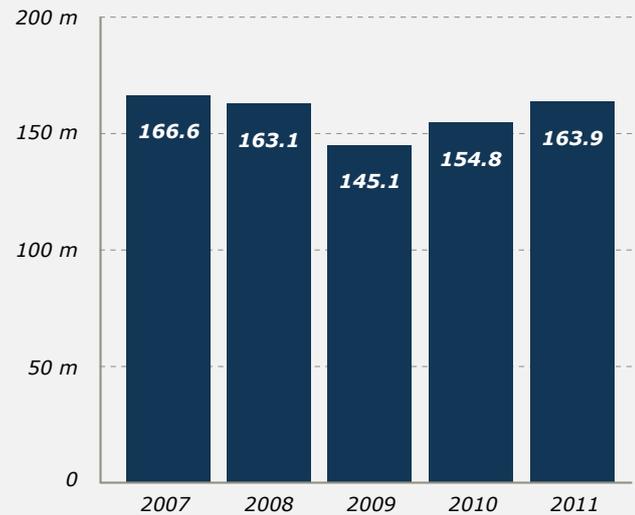
“How many business trips were taken in your business/your organisation in 2011?”

A positive mood continued to prevail in 2011 as the German economy saw further growth. After making a strong recovery in 2010 with a record jump, the gross domestic product (GDP) adjusted for prices rose again by 3.0%.⁵ In keeping with overall economic developments, the business travel market also thrived. The number of business trips in organisations with ten or more employees went up 5.9% from 2010 to 2011. A five-year overview reveals, however, that the level reached in 2008 was only slightly exceeded. A prudent approach is still being taken to travel.

Dividing companies into two size categories and leaving out the public sector, business trips have increased substantially above all in larger companies with more than 500 employees – by 9.7%. Employees of smaller businesses found themselves packing their bags 5.4% more often. After a year of stagnation, the public sector rebounded with 5.1% more business trips.

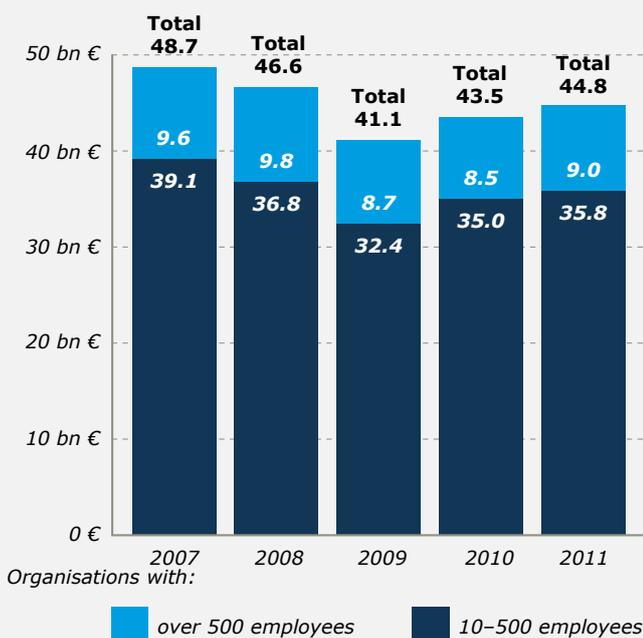
Number of business trips in 2007–2011

Figure 1



Total cost of business travel in 2007–2011

Figure 2



Costs

With a rise of 3.1%, overall business travel costs went up to a lesser degree than the number of trips. At 44.8 billion Euros, the costs are approaching the level of the pre-crisis year 2008. Cost increases were seen across the board in companies of all sizes. This moderate rise per trip attests to the persistent efforts to keep costs down that the VDR Business Travel Report predicted three years ago. In the public sector, costs rose by the same degree as number of trips (5.0%).

⁵ See press release published by The Federal Statistical Office, Wiesbaden, 11 January 2012.

Budgets

Small budgets of up to 250,000 Euros continue to rule the business travel market. Some 38,000 organisations even have a travel budget of a quarter of a million Euros or more at their disposal. And around 160 organisations spend over ten million Euros a year on business mobility. The manufacturing and construction industries invest the most in travel, followed by service enterprises.

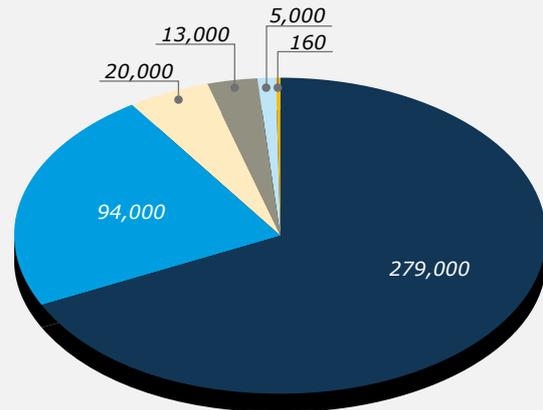
Breakdown of business travel budgets in 2011

Figure 3

Number of organisations:



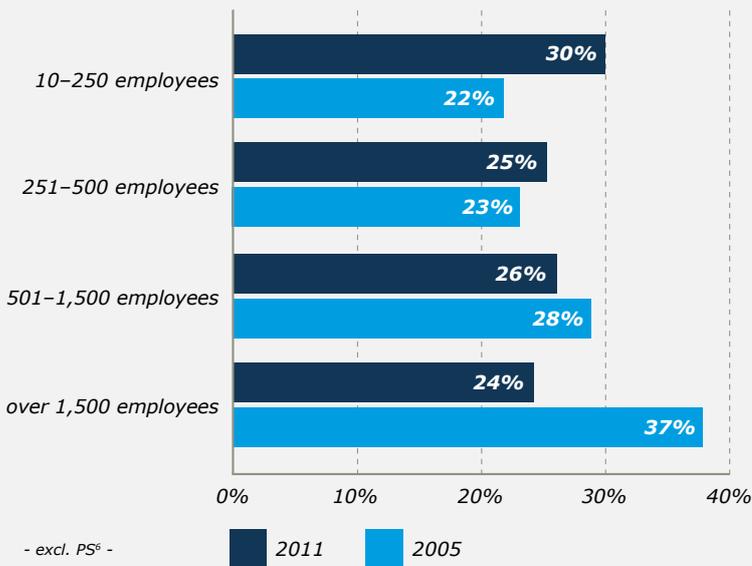
- Extrapolation rounded to approximate the distribution of organisations in Germany -



Ratio of business travellers to total employees in 2005/2011

Figure 4

Companies with:



Number of business travellers

The ratio of those taking business trips in larger companies with over 1,500 employees has been declining steadily for years. Only one in four takes at least one trip a year – while back in 2005 it was still one in three. A long-term overview shows that the number of work-related trips is by contrast on the rise. Therefore, more travel is distributed between fewer shoulders, meaning there is an increasing burden falling on individual employees. In smaller companies on the other hand, the ratio of travellers is growing: they evidently have more matters to attend to outside the office. The public sector is on the go the most: 40% of those employed there take at least one work-related trip a year. For the officials, however, most of this travel does not involve staying overnight.

Note: Any journey undertaken for purposes of business that is recorded on the basis of expense reports counts in this study as a business trip. The duration, purpose, distance and destination of the journey and the professional status of the travellers are insignificant here. As soon as expenditures are charged to the company as business travel expenses, they are counted in these figures. For further definitions of the terms used here, please see the VDR Business Travel Reports from 2003–2006 (German originals).

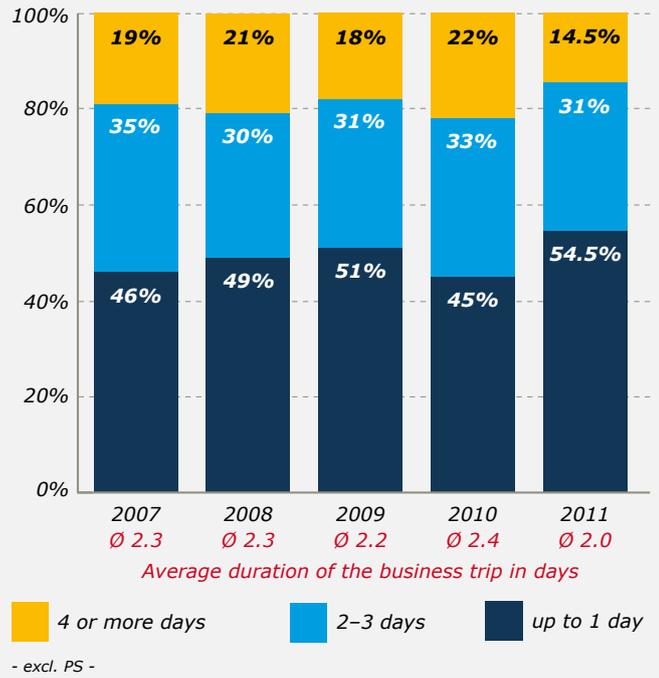
⁶ PS = public sector; see Methodology, p. 28

Duration

Business trips were shorter in 2011, dropping to an average of 2.0 days. Over half were day trips – at 54.5%, the ratio of trips without overnight stay was higher than ever. Last year, the situation was just the opposite: the VDR Business Travel Report found the average trip length to be the highest in the history of the study. In the public sector, day trips predominate (2011: 74%), as their destination is usually in Germany.

Duration of business trips in 2007–2011

Figure 5



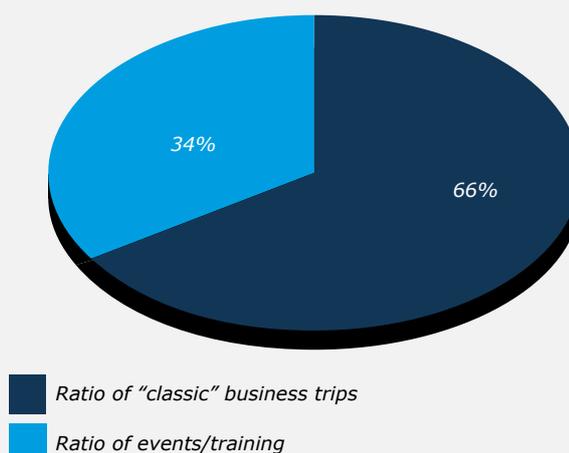
Structure of business travel costs

Cost distribution by reason for travel

In 2006 the VDR Business Travel Report surveyed for the first time the reasons for employee travel, and this year it now looks at how the costs are distributed between these different travel motives. The results are by all means comparable: at 66%, most money is spent on customer-oriented “classic” business trips taken for reasons such as customer visits, new business or sales. Events such as trade fairs, conferences, company events, training courses and seminars account for 34% of business travel spend.

Cost distribution by reason for travel

Figure 6



- excl. PS -

Average cost of business travel

For the last five years, companies have been able to continuously reduce the average cost per business trip. Only in 2009 did the scope for supplier negotiations appear to be exhausted, due to the sharp reduction in travel volume. The average costs stagnated. Now, two years after the recession, there are two main reasons for the further decline in average costs by 3%: cost discipline on the part of those responsible for business travel and an average trip duration at a record low level.

Average cost per business trip in 2007–2011

Figure 7



- excl. PS -

“What did companies spend on average for business travel?”
“What influence does travel management have on travel spend?”

A four-year comparison “before and after the crisis” demonstrates plainly where success has been achieved in cutting costs. In larger companies – with their greater travel management expertise – every tenth Euro was saved despite an approximately equivalent average business travel volume.

Average business travel spend in 2007/2011

Table 1

Companies with	Average business travel costs		Change		Share of companies with travel managers in 2011
	2007	2011	in average business travel costs	in average business travel volume	
10–500 employees	121,000 €	103,000 €	-15%	-11%	24%
over 500 employees	2,614,000 €	2,288,000 €	-12%	+1%	47%

- excl. PS -

A business traveller spent 148 Euros per day on average in 2011 – a return to the old pattern following the low point reached during the crisis. Suppliers profited here from daily expenditures twice as high as for holiday trips. And the length of those holiday trips is continuously decreasing – with city trips the most popular for short getaways.⁷ Business travellers generate high revenues during the workweek as well as at conferences and trade fairs. In this way they indirectly subsidise more reasonable weekend prices for holidaymakers.

Whether for business or pleasure – travel is a formidable economic factor, a real employment driver for Germany. At 7%, the percentage of those directly employed in the travel industry lies between that in the retail sector (9.2%) and in education (5.9%) and is still substantially higher than, for example, the automotive industry or mechanical engineering.⁸

A comparison between business and holiday travel: daily expenditures in 2006–2011

Table 2

Key figure	Business travel	Holiday Travel
Expenditures per person per day	2011	148 €
	2010	127 €
	2009	142 €
	2008	135 €
	2007	137 €
	2006	148 €

Own calculations based on F.U.R., Hamburg/Kiel: Reiseanalysen 2006–2012.

Business trip expenditures per person per day: only companies, excluding public sector. Holiday trips lasting 5 days or longer.

⁷ See F.U.R., Hamburg/Kiel: Reiseanalysen 2006–2012.

⁸ See study “Wirtschaftsfaktor Tourismus Deutschland, Kennzahlen einer umsatzstarken Querschnittsbranche”, Federal Ministry of Economics and Technology (ed.), short version, Berlin 2011, p. 21 f.

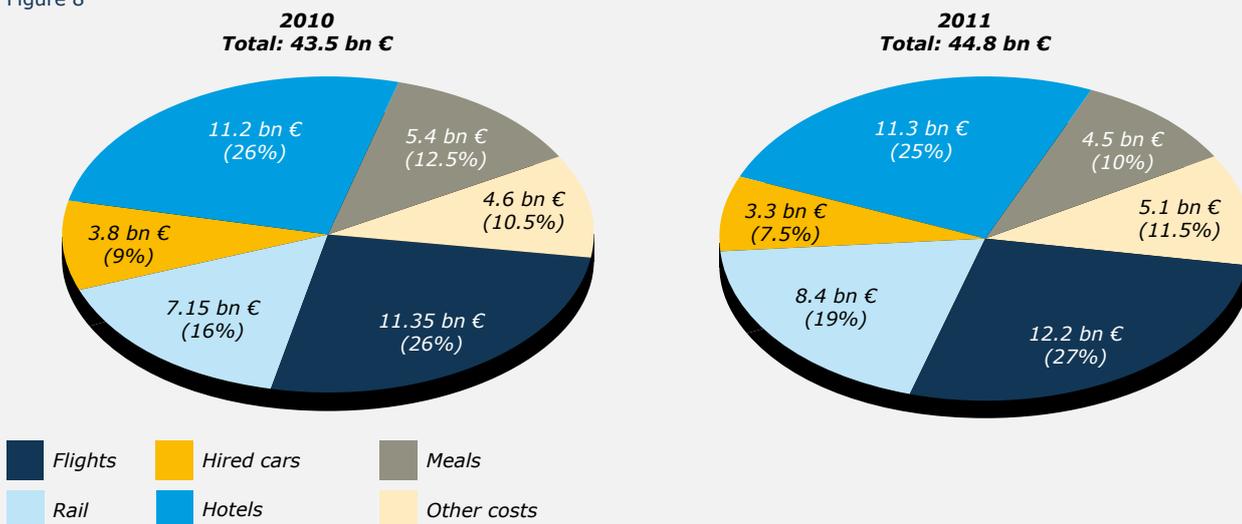
Cost areas

What were the totals for the different cost areas in your company/your organisation?"

The basic structure of business travel spend is stable. The healthy economy is still exerting a positive impact, but more selectively than last year. More, and on average shorter, trips are being taken – Deutsche Bahn is the clear winner emerging from this trend. What's more, nearly one billion Euros more was spent this year on flights. Car hire companies for their part lost a piece of the pie. Whereas the costs for overnight stays still went up by 15.5% between 2009 auf 2010, businesses have in the meantime put on the brakes. And those who don't stay the night also spend less on meals. The mixed area of "Other costs" is back to the 2007 level, after a period of successful savings efforts.⁹

Total costs of business travel broken down by cost areas in 2010–2011

Figure 8



⁹ To find out which costs fall under this category, see the VDR Business Travel Report 2010, Figure 6, page 8.

Overnight stays

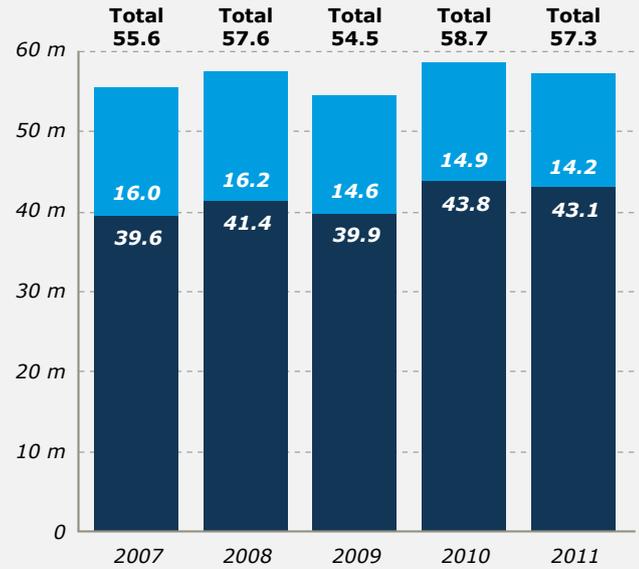
Development of overnight stays and turnover

“How many overnight stays¹⁰ did the business trips taken for your company/your organisation include?”

In 2011 business travellers for German organisations made 2.4% less overnight stays than in the previous year: The overall number sank to 57.3 million, back to the 2008 level. But with one difference: large organisations were able to reduce stays significantly, by 2 million, while smaller ones are paying for more room nights than they did back in 2008.

Number of overnight stays in 2007–2011

Figure 9



Organisations with:

over 500 employees

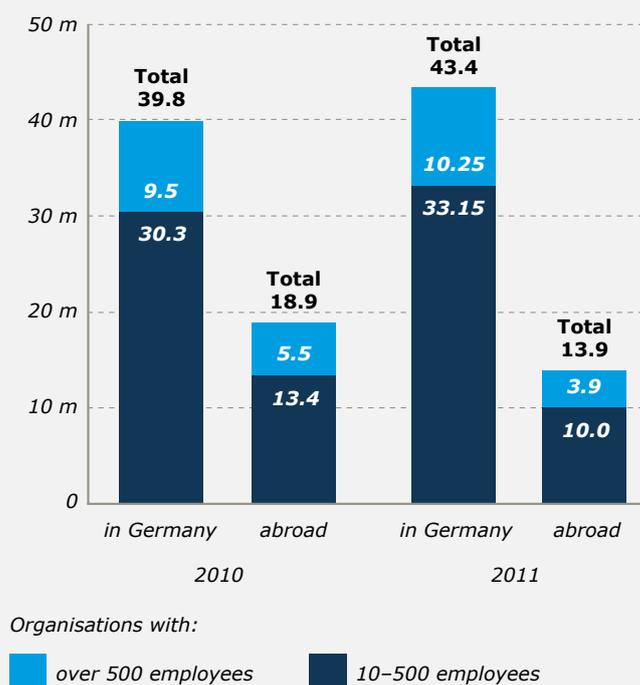
10-500 employees



¹⁰ Number of overnight stays = room nights.

Number of overnight stays in Germany/abroad in 2010–2011

Figure 10



“How is the number of overnight stays distributed between domestic and foreign accommodations?”

German business travellers spent a total of 43.4 million nights in domestic accommodations in 2011: with 3.6 million more bookings, that’s quite a jump. After strong overall growth in 2010, selective savings are having an impact – in Germany through the downward shift in accommodation categories (see Figure 12) and abroad by way of numbers: one in four overnight stays abroad was eliminated in 2011.

“How much turnover was generated by overnight stays?”

The average worldwide cost of an overnight stay, taking into account all types and categories of accommodations, went up by 8 Euros in 2011 to 134 Euros (+6.3%).¹¹ While the number of overnight stays was up by 7.7% in 2010 compared to 2009, there was 15.5% more money in the cash register in 2011. The brake lever is working, though: German hotels earned a percentage increase in turnover in 2011 that was more or less in keeping with the growth in volume. Outside Germany, turnover decreased by 21%, with 26% fewer room nights (in the previous year overnight stays had still been on the rise, by 17.4%).

Turnover for overnight stays by business travellers in 2007–2011

Table 3

Turnover	2007	2008	2009	2010	2011
Germany	8.6 bn €	8.0 bn €	6.85 bn €	7.7 bn €	8.55 bn €
abroad	3.1 bn €	3.5 bn €	2.85 bn €	3.5 bn €	2.75 bn €

¹¹ Wherever data on the number of overnight stays as well as the costs could be provided, this was used for the calculation. A calculation based on total overnight stays and turnover as well as a forecast of differentiated average prices between Germany and abroad is not possible.

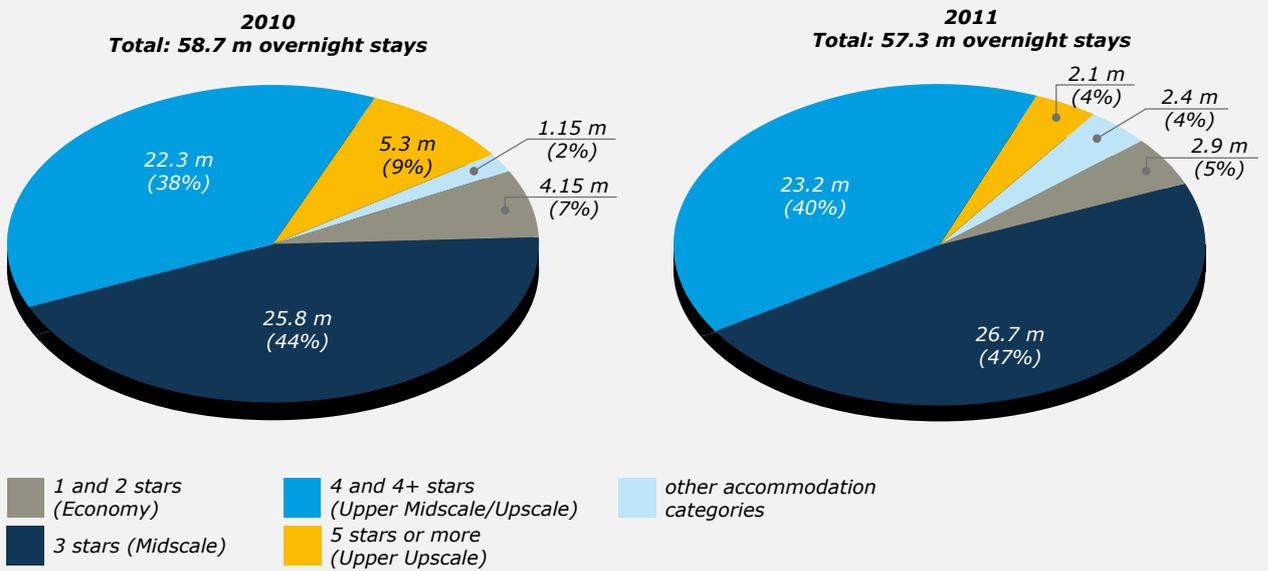
Accommodation categories

With Germany’s long-term competitiveness in mind, organisations are maintaining the restrictive measures introduced during the crisis – even now that the economy is back on the growth curve again. There is

a trend toward the middle, at the expense of the Economy category with one to two stars and the “Upper Upscale” hotels with 5 stars. A total of 87% of business travellers stayed at 3- and 4-star hotels in 2011.

Accommodation categories on business trips in 2010–2011

Figure 11

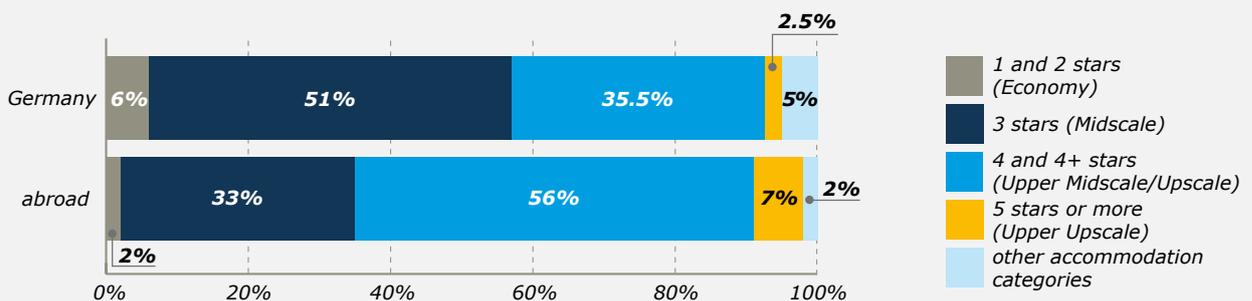


The 3-star accommodations are regaining lost market share, particularly in Germany. This category is helping business travel managers to effectively counteract rising costs. However, the 4-star category also remains popular. When abroad, German business travellers tend to stay at 4- or

5-star hotels – as in past years. The 4-star category in particular has been able to gain more market share to the detriment of all others (+12%) and in the meantime accommodates considerably more than half of all business travellers.

Accommodation categories on business trips in Germany/abroad in 2011

Figure 12



Travel management strategies

Tasks in travel management

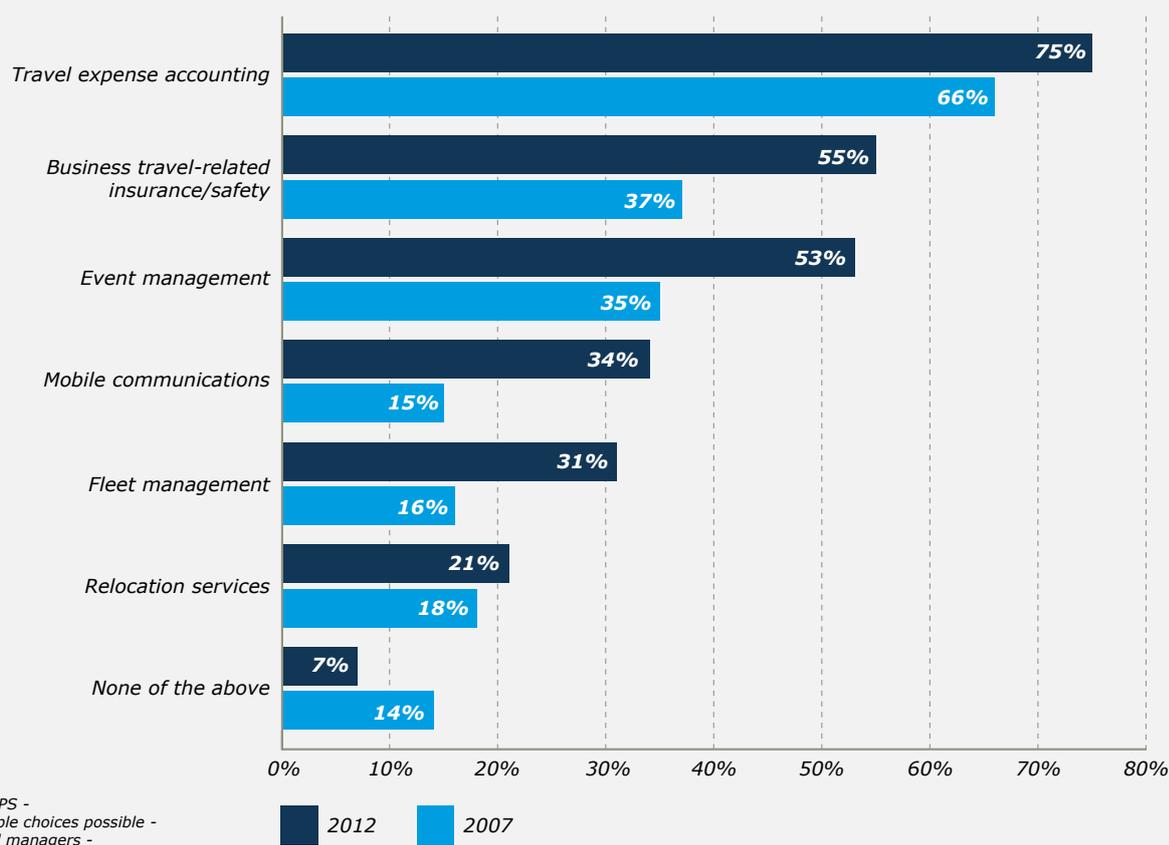
“Which of the following additional tasks fall under your area of responsibility?”

A five-year comparison shows that travel managers are taking on more and more responsibilities. Although travel management still entails routine travel expense accounting, long-touted potential synergies with the areas of security, events, mobile

communication and fleet management are now being realised much more effectively. Over half of all travel managers are responsible today for the areas of security and event management.

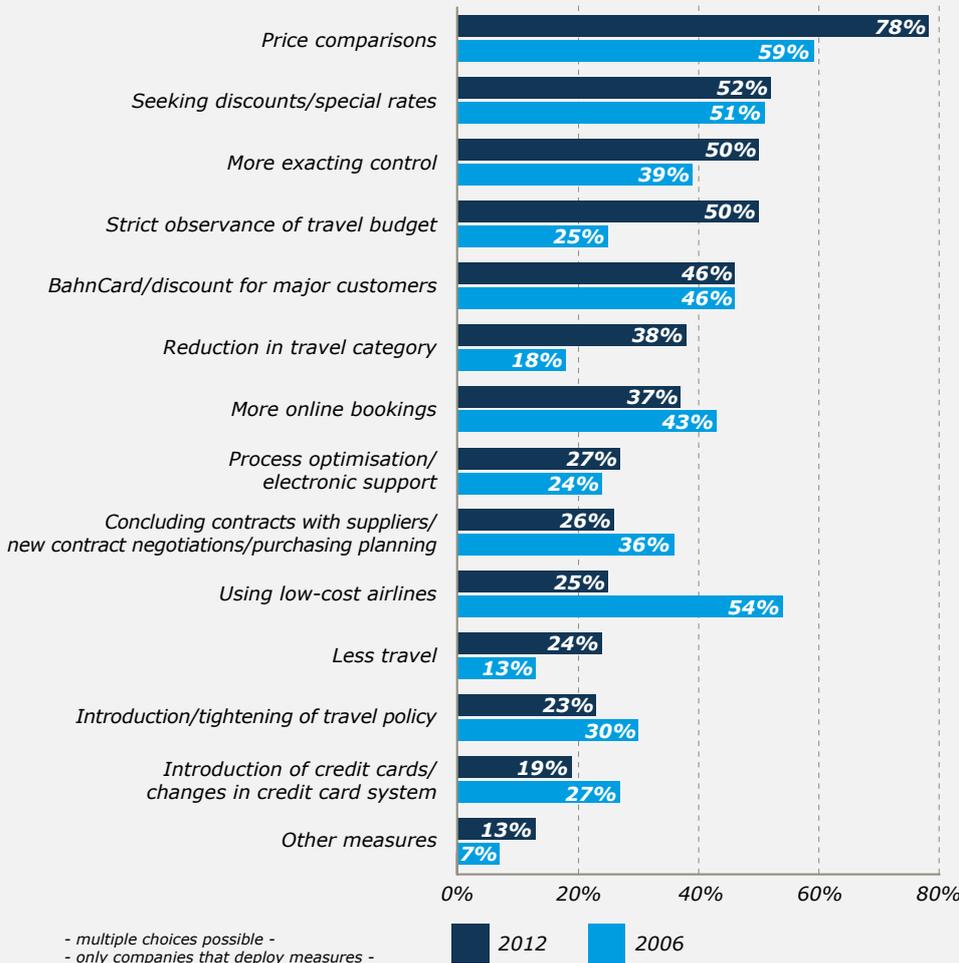
Tasks in travel management 2007/2012

Figure 13



Cost-saving measures in business travel in 2006/2012

Figure 14



Nine out of ten respondents believe the end of the line has been reached for cost-cutting measures. The reasons for their discouragement are as diverse as the companies themselves, their economic outlook and their relationships with suppliers. It is conceivable that, paradoxically, many companies – in particular SMEs – have improved their competence in handling travel costs so much over the years that no further savings can be squeezed out of the supplier relationship. Most organisations tightened their belts considerably during the crisis years– with success. With today’s stronger economy, there is not much scope left for further savings. New areas of responsibility such as insurance, mobile communication, event management and fleet management are in addition placing high demands on travel managers.

Companies that see further savings potential insist more emphatically than six years ago that travel budgets be strictly observed (21% in 2012 compared with 2% in 2006). In the area of credit card use as well, 14% still see some scope for cutting costs (2006: 5%). The online booking field is stagnating in comparison at 12% – it has simply become routine. In 2006 one in four of those surveyed still thought that “more online bookings” promised greater savings.

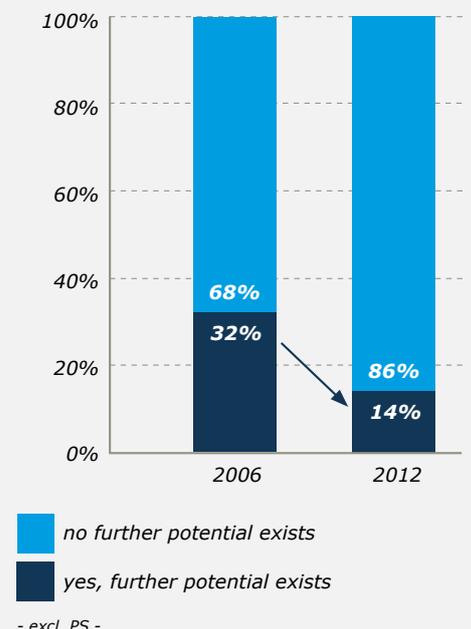
Cost reduction potentials

Many measures have been introduced to reduce the costs of business mobility. Price comparisons were already the main measure deployed six years ago, and continue to grow in importance. Currently, twice as many organisations as in 2006 keep strict watch over travel budget compliance and many attach great importance to exact controlling of costs. Further savings potential is tapped by reducing travel categories. This measure has gained 20% in popularity since 2007 – at least among those who deliberately try to save. The fact is, however, that 55% of organisations today do not apply any of these measures systematically.

The charm of the low-cost carriers seems to have dulled over the years. While they were still one of the top three cost-cutting measures in over half of organisations in 2006, now only one in four rates them that highly. The significance of contract negotiations with suppliers has also taken a two-figure dive.

Potential for further cost savings in 2006/2012

Figure 15

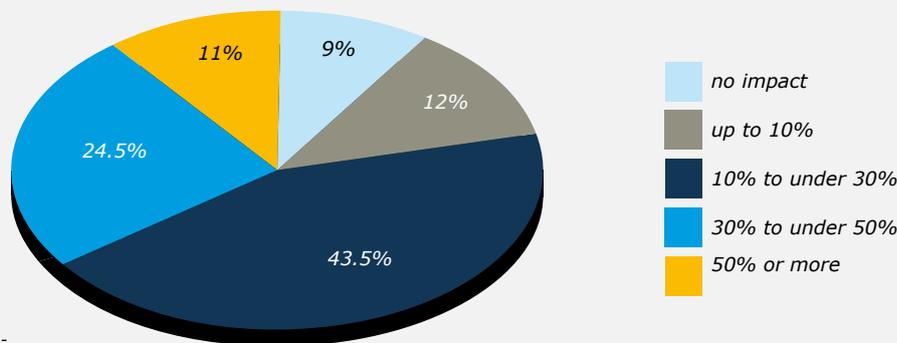


“What if ...?”

“Assuming you were to reduce business trips in your company by half (no matter the reason for the trip). What percentage of your annual turnover do you think would be lost?” That was the – admittedly somewhat provocative – question. While many internal meetings and conferences amongst business partners who already know each other are organised today as virtual telephone, video and Web conferences, for new business in particular there is still nothing like a personal handshake. Nine out of ten companies predict that sales would decline were business trips to be curtailed too drastically. They estimate their companies’ turnover losses at up to 50% or more should business trips be reduced by half.

Estimated decline in turnover with (hypothetical) reduction of business travel by half

Figure 16



- excl. PS -

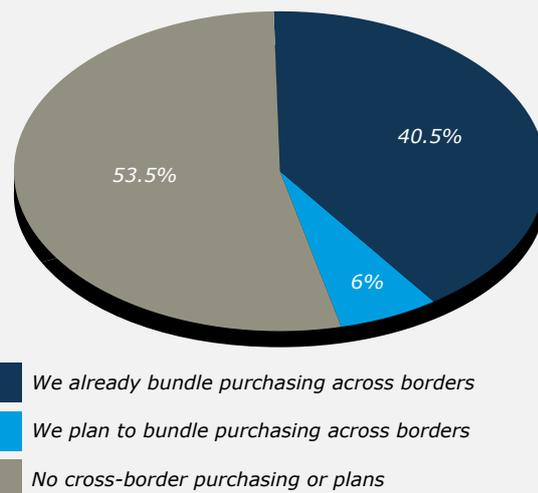
International purchase of travel services

“Do you bundle purchasing of travel services across borders or are you planning to do so?”

Nearly half of the larger companies have foreign branches, participations, subsidiaries or affiliates. Nevertheless, they don’t necessarily see the bundling of travel service purchasing as an option. Over half of these companies (still) purchase such services separately for each country.

Bundling of travel service purchasing

Figure 17



- excl. PS -
- companies with participations, branches, subsidiaries, affiliates abroad -

Sustainability in travel management

Penetration level

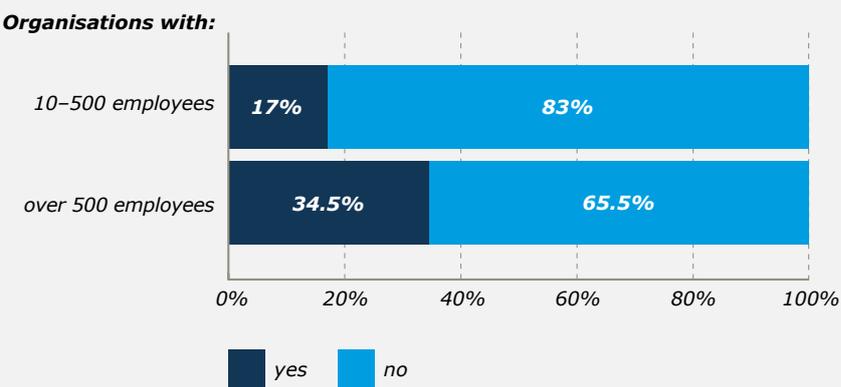
“Does your company pursue sustainability and/or CSR in the area of business travel?”

Corporate Social Responsibility, or CSR, refers to the principles and concepts that form the basis for companies to voluntarily integrate social aspects and environmental concerns in their activities and in their relationships with others – above and beyond what is required by law.¹²

One third of larger companies are already active in the area of sustainability/CSR in business travel. However, despite widespread debates in society and new tools for specific tasks, smaller companies are still hesitant in this regard. The dedication to green travel is highest amongst larger organisations in the public sector, at 59%. In 2009 around 45,000 organisations were “CSR active” in the field of business travel. In 2012 the number of such organisations has gone up to about 60,000.¹³

CSR in business travel

Figure 18



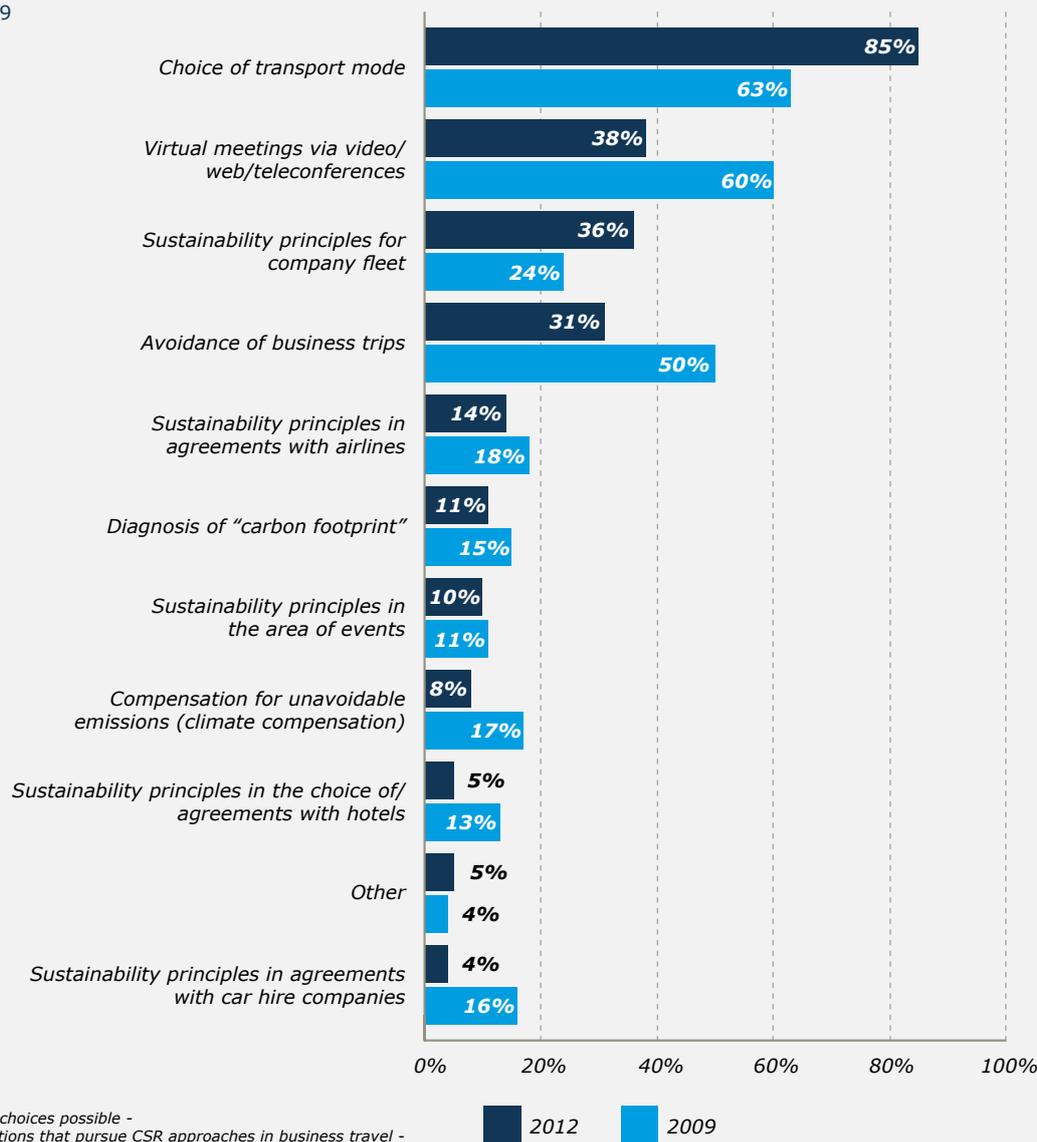
¹² See European Commission: Green paper on corporate social responsibility (2001).

¹³ Total number of organisations in Germany, see Table 4, page 29.



CSR approaches in business travel in 2012/2009

Figure 19



Sustainability strategies

"Which sustainability/CSR approaches does your company/your organisation pursue in the area of business travel?"

In comparison with the situation three years ago, the choice of transportation mode is clearly in first place in terms of CSR efforts. During the crisis years, the avoidance and substitution of business trips through virtual meetings was still the main priority – with direct implications for costs. Today, virtual meetings are cited less frequently because they have become routine while work has become more mobile overall. Travel managers are instead taking advantage of modern technologies in their fleets.

Whether on the go, at co-working centres or in the home office – emails, chats, web conferences and Voice over IP (VoIP) on mobile end devices still don't automatically take the place of travel. Often, broadband Internet and full-coverage mobile networks merely make it possible for employees to always be

online. This is the case mainly for those employed in private business – double as often as for public-sector staff. For the latter, the choice of transportation mode (96%) and the avoidance of travel (42%) are more likely to be used as proven means for greater sustainability – which can be explained in part by the greater amount of domestic travel in the public sector.

For air travel, new framework conditions have been in effect since 2012: the EU Emissions Trading System¹⁴. This is possibly one reason why organisations are less prepared than before to compensate for their emissions. In addition, the greater use of the per se carbon-neutral "Umwelt-Plus" ticket offered by the Deutsche Bahn might be another cause for the decline in these efforts.

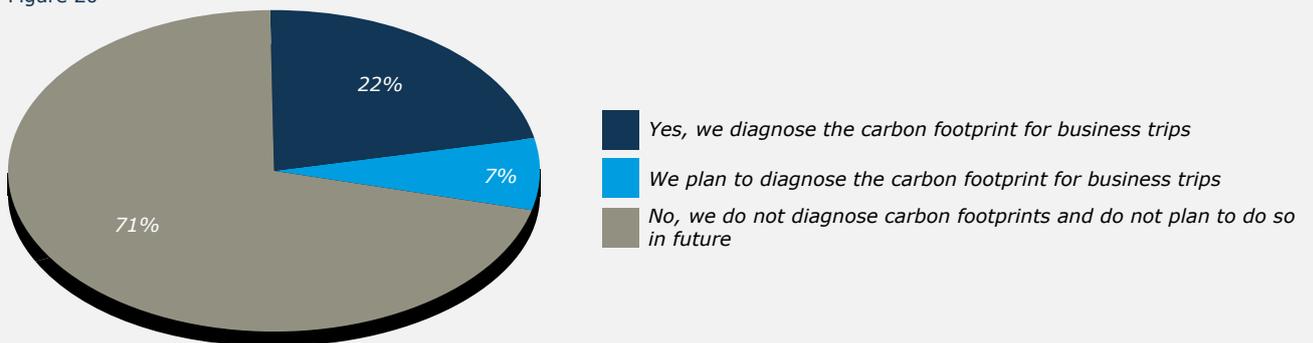
¹⁴ See http://ec.europa.eu/clima/policies/transport/aviation/index_en.htm

Carbon footprint

“Did you keep track of the carbon footprint for your organisation’s business trips in 2011, or do you plan to do so in future?”

Carbon footprint diagnosis for business trips

Figure 20



- excl. PS -
- companies that pursue CSR approaches in business travel -

Of those organisations pursuing sustainability approaches, the majority, 71%, did not measure the carbon footprint for their business trips, nor do they plan to do so in future. The main reason cited was the high degree of effort entailed (58%). Another reason is that the footprint is not regarded as being sufficiently relevant (39%). Very few say they don't have enough personnel for this purpose (22%), don't know enough about it (15%) or have no budget for it (8%). In organisations that do analyse the carbon footprint caused by their business travel, the results are primarily used for internal reporting. Only half of sustainability reports address the theme of the carbon footprint.



Awareness

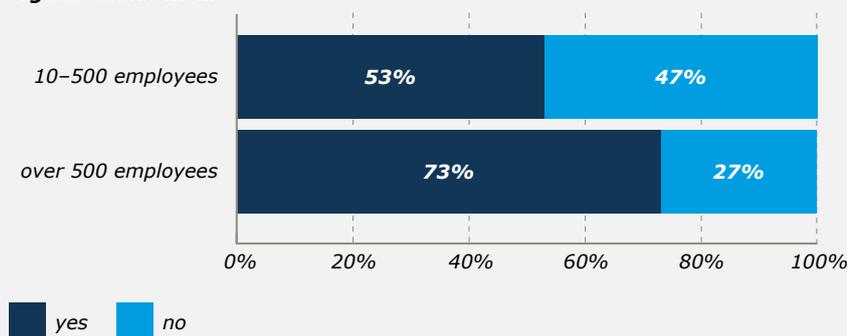
“Do you know about car sharing as an option for business mobility?”

The bigger the organisation, the more likely the people working there are to know about car sharing for business travellers. Two out of three larger organisations with over 500 employees know about these offerings. This reflects both the higher level of professionalism in mobility management at these larger companies as well as the fact that the news evidently hasn't arrived yet at the smaller firms.

Awareness of car sharing as business mobility option

Figure 21

Organisations with:



Market acceptance

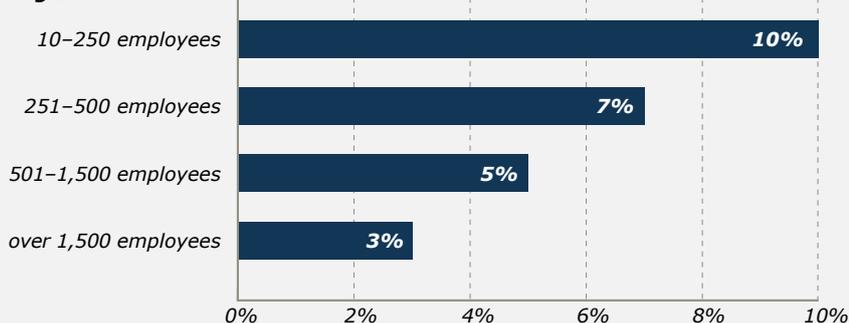
“Does your organisation use car sharing for business mobility?”

Even though they know about car sharing as an option for business mobility, very few organisations are making use of it. Mostly smaller organisations in the public sector do so – although in practice “car sharing” is hardly perceived here as a separate commercial offering. Instead, the staff discuss amongst themselves who will be using the company cars and when.

Use of car sharing for business mobility

Figure 22

Organisations with:



- organisations that are aware of car sharing as business mobility option -

Development of business travel volume

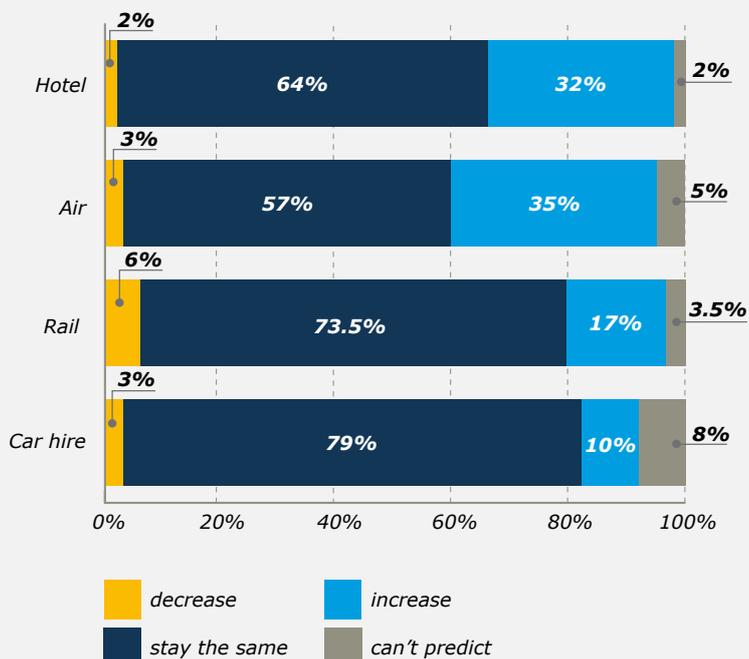
Expectations for 2013

“How will the number of business trips change in your company in 2013 compared to 2012?”

The ongoing positive state of the economy is having an impact on the expectations of decision-makers in the German business travel field: the outlook for growth in the hotel and air travel realm remains at a record high. Over one in three respondents predicts growing demand in 2013. None of the larger companies surveyed expects to see their expenditures on hotels decline, and 37% are even planning more overnight stays. This leads us to forecast an increase in longer trips again in the coming year. Smaller firms with up to 500 employees are somewhat more conservative and assume that bookings are likely to stay the same for both accommodations and plane tickets. As far as train travel and car hires are concerned, demand is extremely stable – those surveyed expect travel volume to stay the same.

Estimated development of overnight stays and modes of transport in 2013

Figure 23



Further prospects for the future

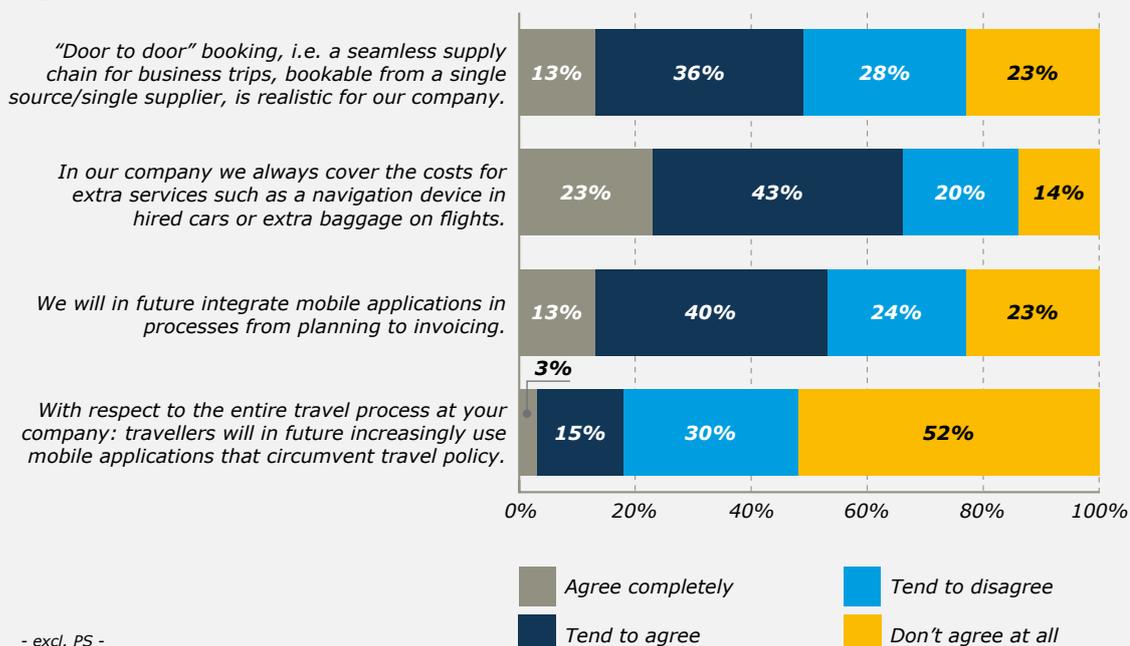
“Thinking about the next three to five years: To what extent do you agree with the following statements with respect to your company?”

No matter what their size, companies’ opinions are divided as to whether a “seamless supply chain” can be realised for business travel. 66% of businesses say they cover the multiplying and oft-decried supplementary costs involved. This admission should certainly not be taken to mean they are giving the green light for such costs, but rather as good will on the part of business travel planners, who are just trying to provide their travellers with a higher degree of comfort and convenience. On the other hand, travel managers feel compelled in the face of the “unbundling” trend to seek a solution elsewhere. Whether this will consist in the meek assumption of costs, or rather in an attempt to negotiate “rebundled packages” with the airlines, remains to be seen.

Where travel management, communication, business travellers and new technologies collide, there have always been challenging points of friction. Today, 53% of firms expect to be able to integrate mobile communication in every step from planning to invoicing. 82% of businesses (and nine in ten public-sector organisations) can also imagine that business travellers will still follow travel policy even if the applications are not integrated into existing systems. We cannot yet foresee whether discussions on this point will take place within the “affected” organisations themselves, or between the organisations and the suppliers of such applications.

Future predictions – the next five years

Figure 24



The research team for the VDR Business Travel Report Germany 2012

VDR – The German Business Travel Association, the publisher of this report, has defined the basic structure of the analysis and selected topical questions in consultation with its members. United Research AG is responsible for the fieldwork and the scientific evaluation of the primary data, which is gathered by the MKT company. The core team of Andrea Bonell, Julia Anna Eckert and Claudia Schwager-Wehming has been working together with project manager Kirsi Hyvärinen for the expert analysis, reporting and organisational supervision of this study project.

VDR – The German Business Travel Association

VDR represents the interests of German business with respect to all aspects of business travel management. The aim is to ensure that worldwide business travel is efficient, economical, safe and unimpeded. With over 500 member companies, the German Business Travel Association represents a total business travel turnover of more than ten billion Euros per year.

Methodology

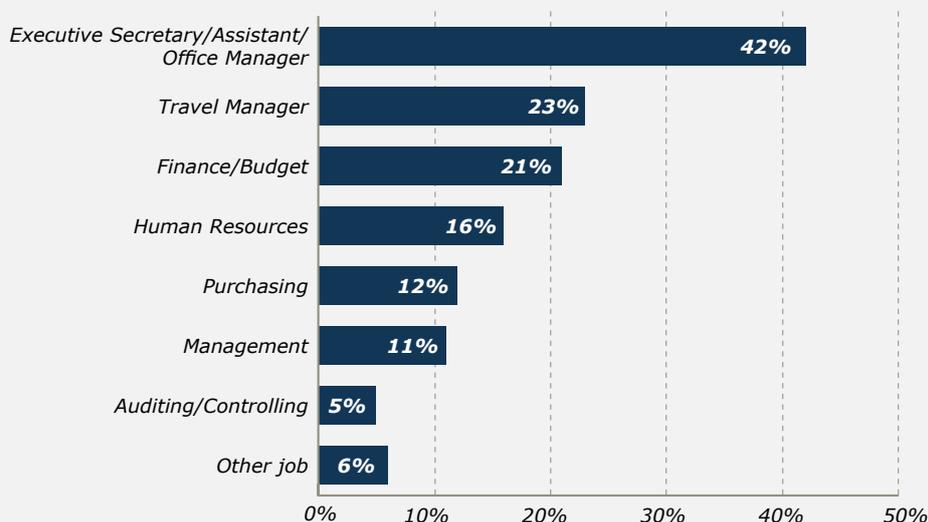
As in previous years, the statistical universe for the study is constituted by all businesses that have their principal place of business in Germany – including those that have operations abroad – and organisations in the public sector with ten or more employees. On the basis of these features, the four different sectors – manufacturing/construction, services, trade and the public sector (PS) – are equally well represented. Equal weight is given to the four different size categories. Due to the differences between the private sector (“businesses”) and the public sector, most results are presented separately. The corresponding data basis is made clear in the respective passages:

- When reference is made to businesses or companies, this excludes the public sector (“– excl. PS –”).
- When reference is made to organisations, this means both businesses and institutions in the public sector.

A random sample was taken from this statistical universe. Between January and April 2012, 800 computer-assisted telephone interviews were conducted with persons who are responsible for managing business travel or authorised by their organisations to provide the relevant data.

Areas of responsibility of the respondents in 2012

Figure 25



- multiple choices possible -

The responses to qualitative questions reflect the situation at the time of the survey, while all others are based on the 2011 figures. All extrapolations without reference to secondary sources are based on a special evaluation of the statistics of the German Federal Employment Agency (see Table 4, page 29).

The following organisational size categories have been defined for this analysis:

- organisations with 10–250 employees
- organisations with 251–500 employees
- organisations with 501–1,500 employees
- organisations with more than 1,500 employees

Number of organisations in Germany and their employees according to size categories and business sectors (change in economic sector WZ 03)

Table 4

Organisational size category (Organisations with ... employees)									
10–250		251–500		501–1,500		over 1,500		Total	
Organisations	Employees	Organisations	Employees	Organisations	Employees	Organisations	Employees	Organisations	Employees
398,252	14,128,819	8,196	2,824,545	4,016	3,154,079	1,114	3,155,575	411,578	23,263,019

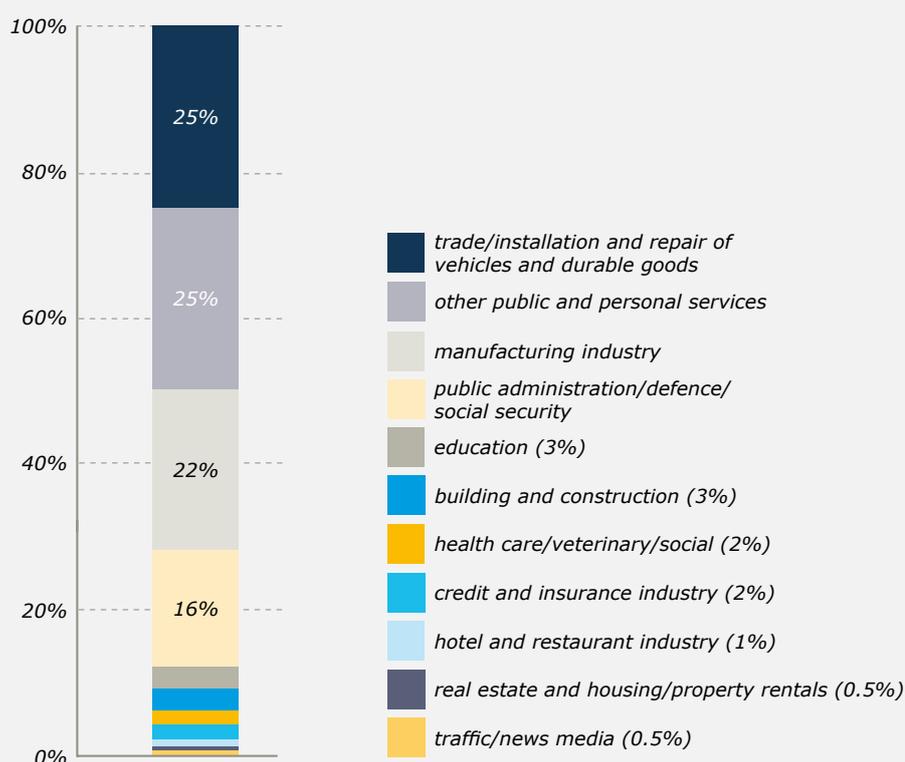
Source: Own calculations, based on statistics from the Federal Employment Agency, Data Centre, Nuremberg. - as of: 2011 -
 Calculated according to the economic sectors WZ08 (2010 and 2011) and WZ03 (2008). - not including organisations with 1–9 employees -

Note: The amendment of the “Statistical Classification of Economic Activities in the European Community” (NACE) resulted in the list of economic sectors put together in 2003 (Revision 1.1) being replaced in 2008 by NACE Revision 2. Starting with reporting year 2009, indicators are no longer available for the formerly used classification according to Rev. 1.1. As the two systems are not identical, there are some systematic differences with regard to the number of organisations included.

The extrapolations formerly made in the VDR Business Travel Report were based on the organisations as classified in Rev. 1.1, meaning that no direct comparison can be made with the organisations as listed in Rev. 2. The extrapolations for the year 2011 are therefore based on the figures last recorded in reporting year 2008 for Rev. 1.1. Changes with regard to the number of organisations for the period from 2010 to 2011 were taken into account by applying changes in Rev. 2 for this period to comparable economic sectors in Rev. 1.1.

Sectors of the respondents in 2012

Figure 26



Imprint

This study in German and English (published in 2007–2012), together with Management Summaries in German and English for the years 2003–2006, are available free of charge at: www.geschaeftsreiseanalyse.de

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Where the male pronoun form is used in the text, this was done for the sake of simplicity. This is meant to signify both men and women.

Published by:

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2012
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Original edition 2012

Designed by:

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Biebricher Allee 167
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Printed by:

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