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VDR BUSINESS TRAVEL REPORT GERMANY

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1 Important results at a glance	4	Travel expense accounting	11
2 Business travel: Facts and figures	5	Contract negotiations	12
Quantity	5	Cost reduction potential.....	13
Costs	5	Ancillary fees	13
Budgets	6	6 Event management	15
Number of business travellers	6	Event types	15
Duration	6	Responsibilities	16
3 Structure of business travel costs	7	Negotiating framework agreements	17
Average cost of business travel	7	7 Innovations in mobility management	18
Daily expenditures	7	Awareness	18
Cost areas	8	Market acceptance	18
4 Overnight stays	9	8 Expectations for 2014	19
Quantity	9	Development of business travel volume	19
Accommodation categories	9	Destination countries	19
5 Travel Management strategies	11	Methodology	20
Responsibility for travel management	11	Imprint	22
Travel policy.....	11		

Globalisation? We're right in the thick of it.

Travel is an important job driver in Germany. Accounting for a 7% share of direct employment, the travel sector is still far ahead of others such as the automotive industry or mechanical engineering. German business travel has almost regained the level it had attained before the global crisis. This creates jobs year-round across the various regions. In this era of globalisation, Germany must make every effort to remain attractive as both a business travel and conference destination. This puts German policymakers under pressure to act: if they want to preserve jobs, support business and stimulate the economy, they need to improve the framework conditions for business mobility. Promoting such efforts is the mission of VDR – The German Business Travel Association, as both a reliable partner and critical friend. There are certainly plenty of good arguments at hand. The groundwork is laid by the knowledge and experience of the association's members and the new findings made each year in the VDR Business Travel Report Germany.

The key data:

- In 2012 there were 9.4 million business travellers¹.
- 166.3 million business trips led to spending in the amount of
- 46.7 billion Euros translated into
- 140 Euros per business traveller per day.

+7.5%
+1.4%
+4.3%
-5.4%

2011:

8.8 million business travellers
163.9 million business trips
44.8 billion Euros
148 Euros

¹ Employees of a company or public-sector organisation who take at least one business trip a year.

Cost pressure after years of crisis

In keeping with overall economic developments, the business travel market grew more cautiously this year than last. But it has nevertheless nearly reached its pre-crisis level. An after-effect that can still be felt is price pressure, calling for a cautious approach to business mobility and associated expenditures (Figures 1, 2 and 6, Table 1, pages 5 and 8).

Large companies² chart a record number of hotel stays

After taking the most one-day trips in 2011 ever recorded in this survey, business travellers tended to stay on the road longer this past year. The number of overnight stays increased by 6.5% to 61 million, achieving another new record (Figures 4 and 7, pages 6 and 9).

Is downgrading the new individuality?

Further cost-cutting potential had been predicted for 2012 – among other things, by downgrading hotel categories. No sooner said than done: more than half of business travellers (54.5%) stayed in 3-star hotels on domestic trips. The VDR-TrendsPort future workshop also found that, in the course of regionalisation, “individuality is rated higher than upholding certain standards”³ (Figure 9, page 10).

Saving is sexy again

Over half of companies said last year that they saw no potential for further cost reductions. But today opportunities seem to be presenting themselves again: nine of ten companies with a business travel budget over 50,000 Euros are starting to renegotiate offers. 45% of the larger companies want to reduce expenditures on plane tickets, and 58% see savings opportunities in accommodations. Is this a chance for serviced apartments, private accommodations and similar? (Figures 13 and 14, pages 12 and 13).

Are events being neglected?

In companies where the lines of responsibility for business travel versus event management are not clearly defined, roles tend to be fragmented. Planning, purchasing and cost control could in particular be combined more effectively. This is

one of the issues taken up by the new VDR MICE expert committee, whose aims include helping companies to harness the benefits of cross-departmental synergies. Incidentally, the number one booking channel for events is “directly from the supplier” (Figure 18, page 16).

Innovation more likely to be found at big companies

The bigger, the more innovative: the level of awareness and the usage of modern alternatives such as hybrid vehicles, “no frills”⁴ accommodations and mobile applications rise with company size. The acceptance of car sharing has increased throughout the market. Despite the high profile it enjoys today, however, it still plays only a peripheral role for business travellers (Figure 20, page 18).

Ancillary fees: Return to sender

Germany is the most popular business destination in Europe, and for meetings and conferences it's in second place worldwide behind the USA. The local bed tax is however a bureaucratic headache, earning it the VDR membership's vote as business travel nuisance of the year for 2012. VDR awarded the negative prize “Return to Sender” to all local authorities that have instituted the bed tax. Next year, this dubious honour will perhaps go to ancillary fees in the flight sector – another major source of frustration according to the latest findings (Figures 6, 14–16, pages 8, 13, 14).

Holding back in 2014?

The handbrake is not yet engaged, but companies are taking their foot off the gas, particularly when it comes to hiring cars in the coming year. While one in three businesses still predicted that the number of flights and overnight stays would increase in 2013, forecasts for 2014 are more guarded. Nevertheless, the German economy remains one of Europe's mainstays. This is also the conclusion reached by VDR's European partner, GBTA Europe, in its BTI™ Outlook.⁵ This is good news for the destination countries: after an interruption, Poland has once again joined the ever-popular USA and China as a prime business travel destination (Figure 21 and Table 3, page 19).

² On the difference between companies/firms and organisations, see Methodology, p. 20.

³ Cf. documentation of the results of VDR-TrendsPort 2012, page 12.

⁴ Basic accommodations without any extras and minimal services.

⁵ GBTA BTI™ Outlook – Western Europe, Spring 2013.

Quantity

“How many business trips were taken in your business/your organisation in 2012?”

After doing a great deal of catching up in 2010 and 2011, the German economy saw only modest growth last year. The mood of uncertainty arising from the debt crisis in the Euro zone and future fiscal policy in the USA dampened companies' willingness to spend – if only slightly. The gross domestic product (GDP) adjusted for prices thus rose by 0.7%.⁶ In parallel with overall economic developments, the business travel market grew cautiously: the number of business trips in organisations with ten or more employees went up by 1.4% from 2011 to 2012. The before-crisis level has thus nearly been attained.

The growth drivers are mainly the larger companies, where, like last year, the number of business trips once again spiralled upward compared to the previous year. Trips were up by 7.1% for companies with over 500 employees, while smaller businesses saw an increase of only 0.3%. In the public sector, 4.3% more trips were taken. One reason for more travel is the high employment rate in Germany, which, together with the fact that there are now 1.9% more organisations, had a positive effect on total travel volume.

Costs

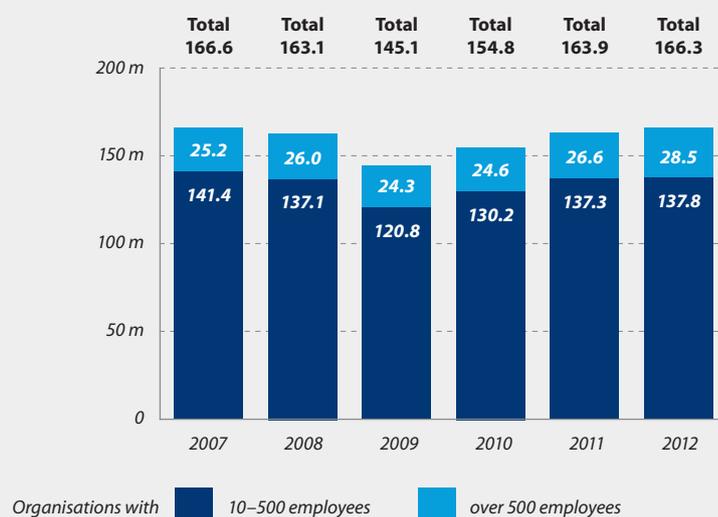
“How high were total business trip expenses in 2012?”

With a rise of 4.3%, the cost of business travel went up again more strongly this past year than the number of trips. At 46.7 billion Euros, costs are back to the 2008 level. A long-term comparison of the number of trips versus costs since 2007 makes it clear that, despite cost increases, savings efforts have paid off – and in some cases will continue to be pursued. The public sector likewise has costs under control (+2.0%) relative to the rising volume of travel. The next few years will show whether there will be a return to the record costs in 2007.

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) as well as the VDR Glossary: <http://www.vdr-service.de/info-center/vdr-glossar/> (in German only).

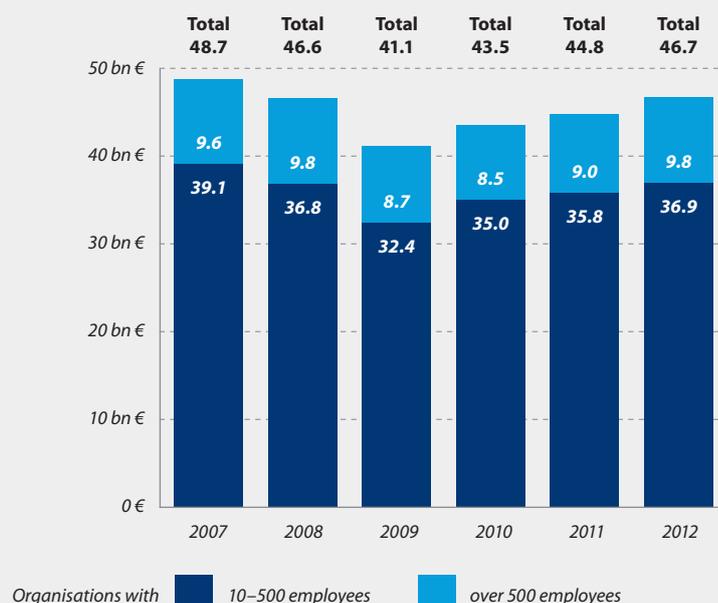
Number of business trips in 2007–2012

Figure 1



Total cost of business travel in 2007–2012

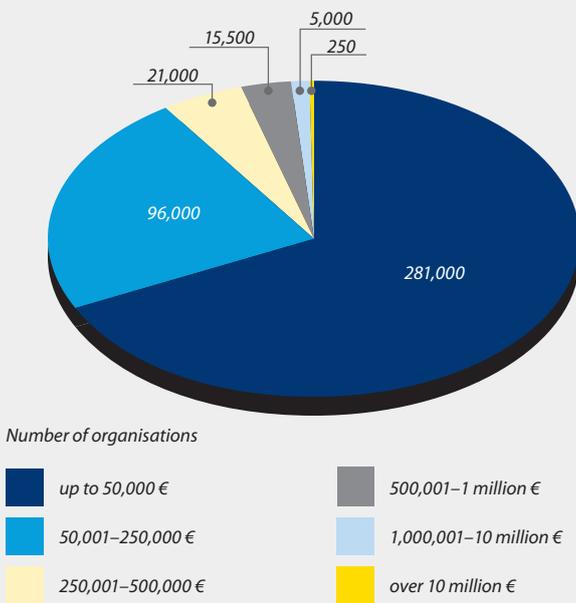
Figure 2



⁶ See press release published by the Federal Statistical Office, Wiesbaden, 15 January 2013.

Breakdown of business travel budgets in 2012

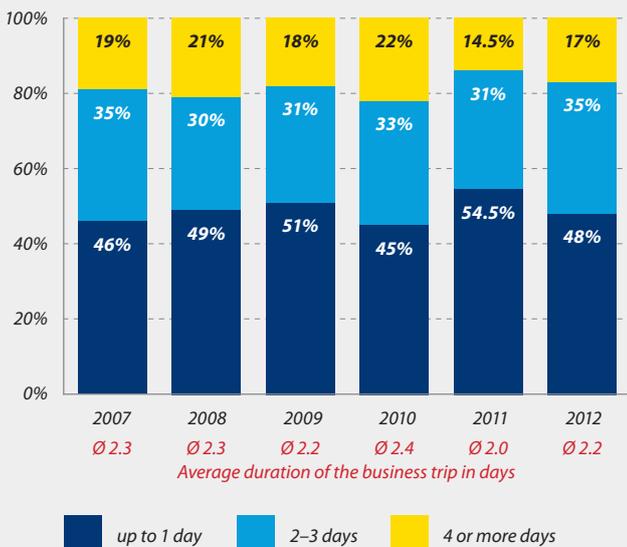
Figure 3



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

Duration of business trips in 2007–2012

Figure 4



– excl. PS –

Budgets

“What did the range and distribution of business travel budgets look like in 2012?”

The number of organisations increased overall in Germany, reflecting record-level employment. And budgets for business mobility kept pace with this growth. Some 42,000 organisations each dispose today over a travel budget of a quarter of a million Euros or higher (2011: 38,000 organisations). However, as in previous years, organisations with smaller budgets of up to 250,000 Euros still form the bedrock of the German business travel market.

Number of business travellers⁷

“How many business travellers are there?”

The number of business travellers has increased in total by 7.5% to 9.4 million. This number partly reflects the improved employment situation, but the ratio of employees who travel has also increased. After the number of travellers in larger companies with over 1,500 employees dwindled continuously for years, the intensity of business travel in these companies is now back to the 2005 level. Nearly one in three employees packed his or her bags at least once in 2012. Trips are hence once again spread between more pairs of shoulders.

Duration

“How long do business trips last?”

“For the hotel business and above all for airlines, the forecast has never been this positive: more than 30% of those surveyed anticipate increased bookings.”⁸ This optimistic prediction for 2012 not only came to pass;⁹ the average duration of business trips also increased, as expected – to 2.2 days. After the ratio of trips without an overnight stay reached a record level in 2011, longer trips have now regained importance. In particular travellers from firms with more than 1,500 employees are spending longer periods on the road. One out of four spends at least four days (overall average 2.5 days) living out of a suitcase. Employees of SMEs¹⁰ by contrast are more likely to stay in the country, and the public sector has maintained its usual pattern of mostly one-day trips (74.5%).

⁷ Percentage of employees in the company who take at least one business trip a year.

⁸ VDR Business Travel Report 2011, Chapter 7 “Development of business travel volume”, Figure 25, page 19.

⁹ See Figure 6, page 8.

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

Average cost of business travel

“What is the average cost of a business trip?”

After companies managed to continuously reduce the average costs per trip for the last five years, longer business trips are now pushing up expenditures again. The fact that, despite international cost pressure, this increase is still quite moderate at 3.8% can be attributed to prudent travel management at many companies.

“What did companies spend on average for business travel?”

“What influence does travel management have on travel spend?”

Time and again, responses to the question of how travel management impacts travel spend confirm that professionalism pays off, especially in larger companies, 66% of which employ a travel manager today.¹¹ Companies with over 500 employees travel more, for longer periods, and spend more on average than smaller firms. And yet they are still able to report relative savings. This shows that boardrooms are gradually coming to understand how important travel is for success in business. The potential offered by travel management is beginning to be recognised – slowly but surely.

Daily expenditures

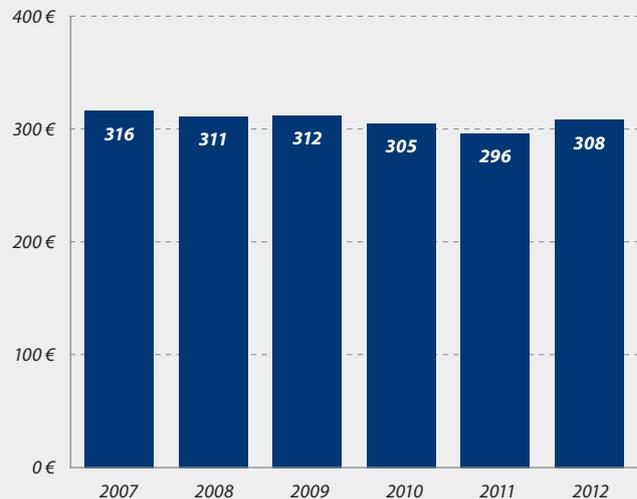
“How high are daily expenditures on business trips, and what is their significance for Germany?”

A business traveller spent an average of 140 Euros per day in 2012 (2011: 148 Euros). Whereas for holiday travel both the average spending per trip (2012: 914 Euros) as well the duration increased (2012: 12.6 days),¹² the slight decline in business travel expenditures per person per day is mainly due to the longer average duration of travel.

Although more foreign trips were taken, 70% of travel expenditures were still made in Germany.¹³ Business travel is thus immensely important for Germany’s standing as a prime business location. Daily expenditures that are twice as high help to finance many factors that contribute to Germany’s competitiveness as travel destination: an excellent infrastructure, solid value for money compared to other international

Average cost per business trip in 2007–2012

Figure 5



– excl. PS –

Average business travel spend in 2008/2012

Table 1

Companies with	Average business travel costs		Change ...		Share of companies with travel managers
	2008	2012	in average business travel costs	in average business travel volume	
10–500 employees	112,000 €	104,000 €	– 7%	– 8%	26%
over 500 employees	2,580,000 €	2,470,000 €	– 4%	8%	66%

– excl. PS –

A comparison between business and holiday travel: daily expenditures in 2007–2012

Table 2

Key figure	Business travel	Holiday travel	
Expenditure per person per day	2012	140 €	73 €
	2011	148 €	70 €
	2010	127 €	70 €
	2009	142 €	67 €
	2008	135 €	67 €
	2007	137 €	65 €

Own calculations based on F.U.R., Hamburg/Kiel: Reiseanalysen 2007–2013. Business trip expenditures per person per day: only companies, excluding public sector. Holiday trips lasting 5 days or longer.

¹¹ Travel management is not necessarily a separate area of responsibility; see Fig. 10, page 11.
¹² See F.U.R., Hamburg/Kiel: Reiseanalysen 2006–2013
¹³ VDR Business Travel Report 2012, Chapter 1 “Ten years of the VDR Business Travel Report”, page 5.

destinations, a highly skilled workforce, a tightly meshed traffic network, security and sustainability are strengths that count in the competition for leisure and business travellers.

Cost areas

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

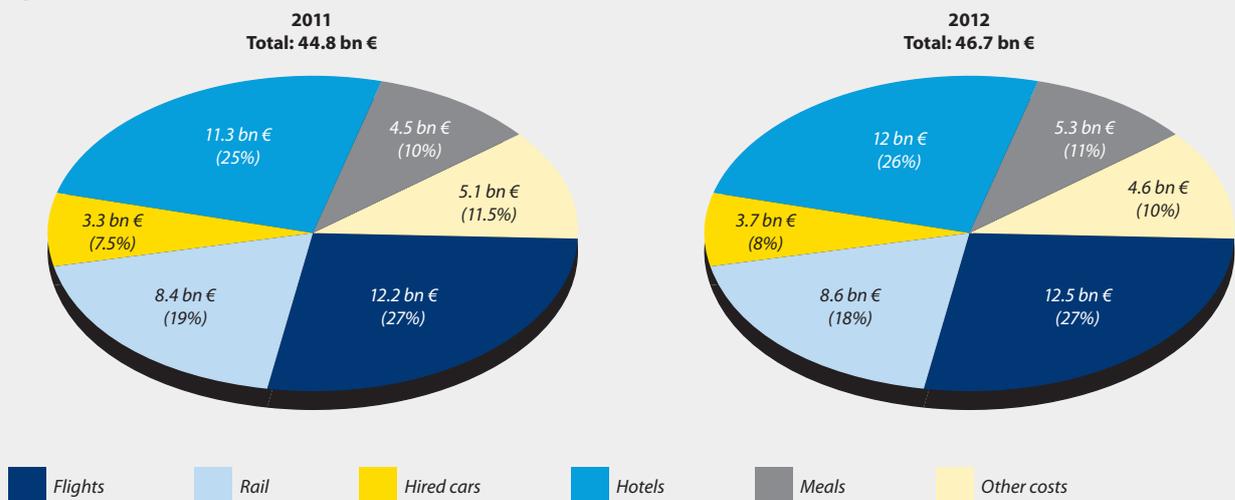
When it comes to the structure of travel costs, there are no surprises. The basic pattern has remained unchanged for years. Some minor shifts are nevertheless worth looking at more closely.

Germany has become Europe’s most popular business travel destination and is ranked number two worldwide after the USA for meetings and events.¹⁴

Due to more and on the average longer trips, accommodations have been able to post more overnight stays. Accordingly, expenditures on meals and accommodations saw a significant jump in 2012: companies spent an additional 1.5 billion Euros on these two areas alone. In the area of ground transport, car hire companies were able to recover lost ground. Other costs are at a low level last seen in 2005, but proportionally they still make up between 9% and 13% of all expenditures.¹⁵

Total costs of business travel broken down by cost areas in 2011/2012

Figure 6



¹⁴ See the study “Business travel market Germany 2011/2012”, published by the German National Tourist Board (GNTB).

¹⁵ To find out which costs fall under the category of “other costs”, see the VDR Business Travel Report Germany 2010, Figure 6, page 8.

Quantity

“How many overnight stays¹⁶ did the business trips taken for your company/your organisation include?”

The number of overnight stays made by travellers for German organisations was up by 6.5% to 61 million in 2012, a new record. In contrast to the previous year, all sizes of organisation contributed to this growth. New tax burdens and ancillary fees (see page 13) are causing travel managers to keep a close watch on this development.

Should business trips continue to be such an important factor for stimulating the German economy, the proper conditions will need to be created for ensuring that no further hindrances are put in the way of the willingness to travel. VDR members expressed their resentment by choosing the cultural subsidy known as the “bed tax” as their Business Travel Nuisance of the Year 2012.

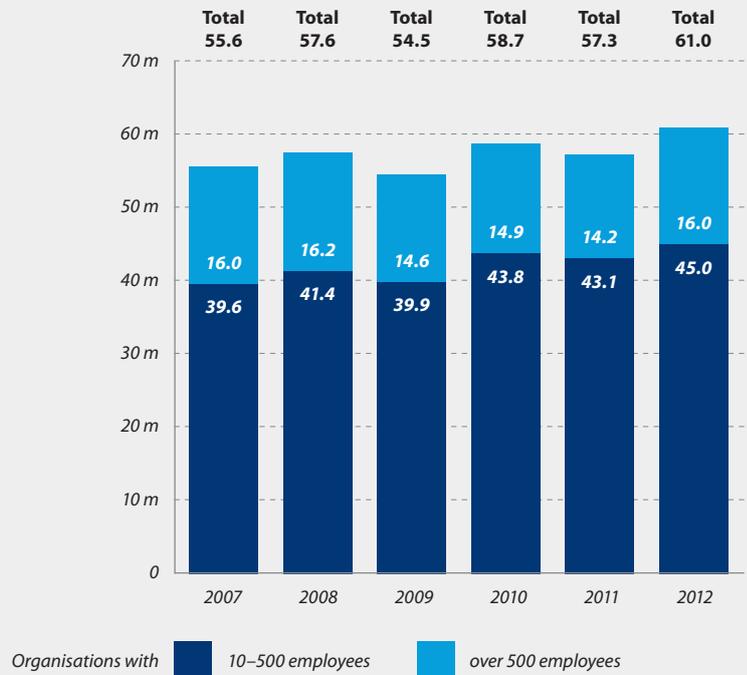
Accommodation categories

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

German business travellers spent 43.9 million nights in German accommodations in 2012 – a consolidation following only a slight increase in the number of domestic stays from 2010 to 2011. Larger companies evidently did more business abroad in 2012, however, and accordingly booked more overnight stays outside the country. All the while, price hikes up to two digits in the boom markets¹⁷ are challenging travel managers to book wisely.

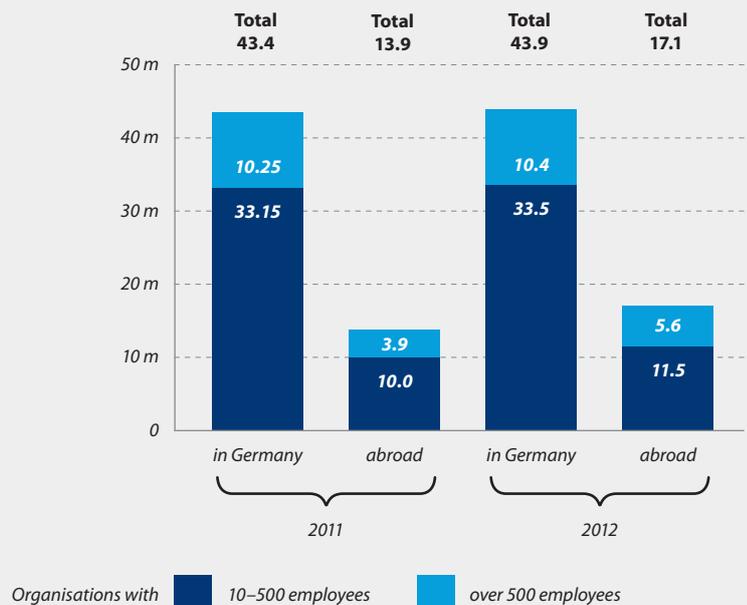
Number of overnight stays in 2007–2012

Figure 7



Number of overnight stays in Germany/abroad in 2011/2012

Figure 8



¹⁶ Number of overnight stays = room nights.

¹⁷ See American Express Global Business Travel Forecast 2011.

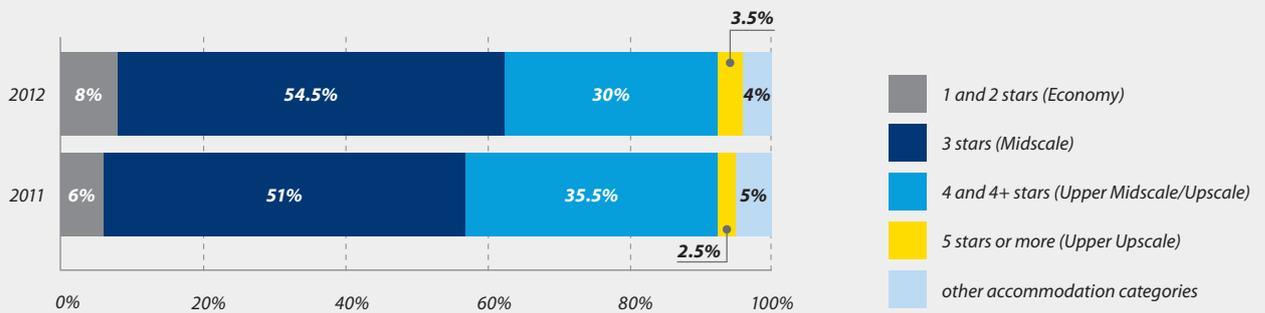
“Which accommodation categories are booked by your business?”

Downgrading is still in fashion and has shaken off its negative image. This means that the 3-star category is once again the winner in Germany. Today, over half of business travel-

lers (54.5%) bed down in this category – compared to only 47% in 2010. This corresponds with the findings made by the VDR-TrendsPort future workshop, which uncovered tendencies toward regionalisation in which “individuality is rated higher than upholding certain standards.”¹⁸

Accommodation categories on business trips in Germany in 2011/2012

Figure 9



In line with austerity policy, travel managers are taking new paths by negotiating to get “more for less” from suppliers. Travellers welcome such efforts. Instead of pricey status symbols, companies are more interested today in services that are free of charge, distinctive and tailored to the needs of business travellers. Although non-hotel accommodation alterna-

tives such as serviced apartments or rooms booked through community marketplaces are still classified as “unmanaged offers” and are not in very widespread use for business travel, the combination they offer of streamlined processes, low prices and custom services may well become a viable alternative in the future.



¹⁸ See documentation of the results of the VDR-TrendsPort 2012, page 12.

Responsibility for travel management

“Is travel management a separate area of responsibility at your company?”

The ratio of companies that attach importance to professional business travel management has increased. There was a clear trend last year toward bundling synergy potentials in the areas of security, events, mobile communications and fleet management. The logical consequence is that travel management is being organised as a separate area of responsibility at more and more firms.

Travel policy

“Does your company have a travel policy?”

The larger the company, the more often it has a travel policy in place. Of the companies in which travel management is a separate area of responsibility, 97% have also instituted a travel policy. On average, however, German companies still have some catching up to do when it comes to this key savings tool: extrapolation shows that a travel policy has been implemented in just under half of German companies (46%) with ten employees or more.

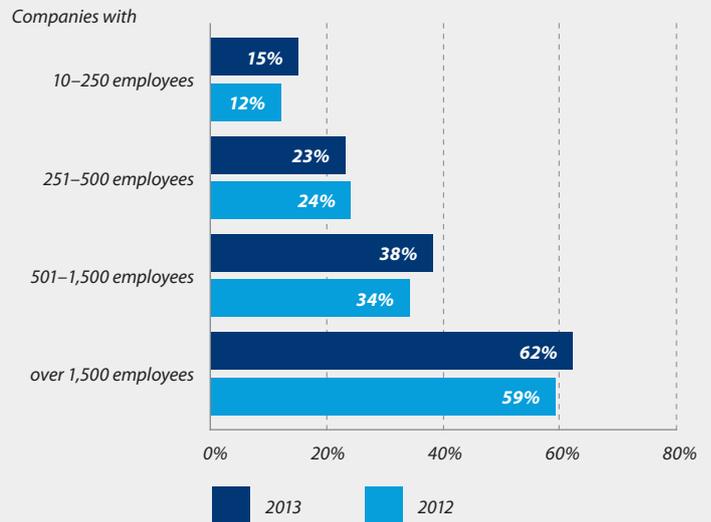
Travel expense accounting

“How is travel expense accounting carried out at your business?”

Apparently, paper really is accommodating, at least at smaller companies, because in half of the firms with 10 to 500 employees travel expense accounting is still completely paper-based. In the public sector, every tenth company settles travel expense accounts online instead. The situation has improved however in companies of all sizes since 2009.¹⁹ For example, only 15% of SMEs worked with expense reporting software back then, while today the ratio is already 35% (a mix of paper and online) or 9% (completely online).

Travel management as a separate area of responsibility

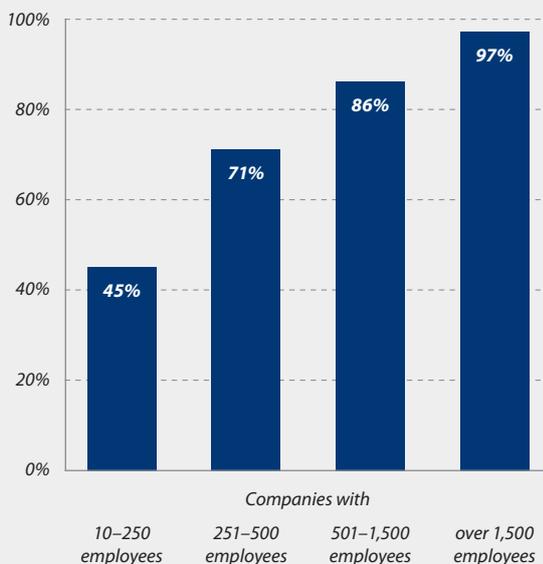
Figure 10



– excl. PS –

Company travel policy

Figure 11



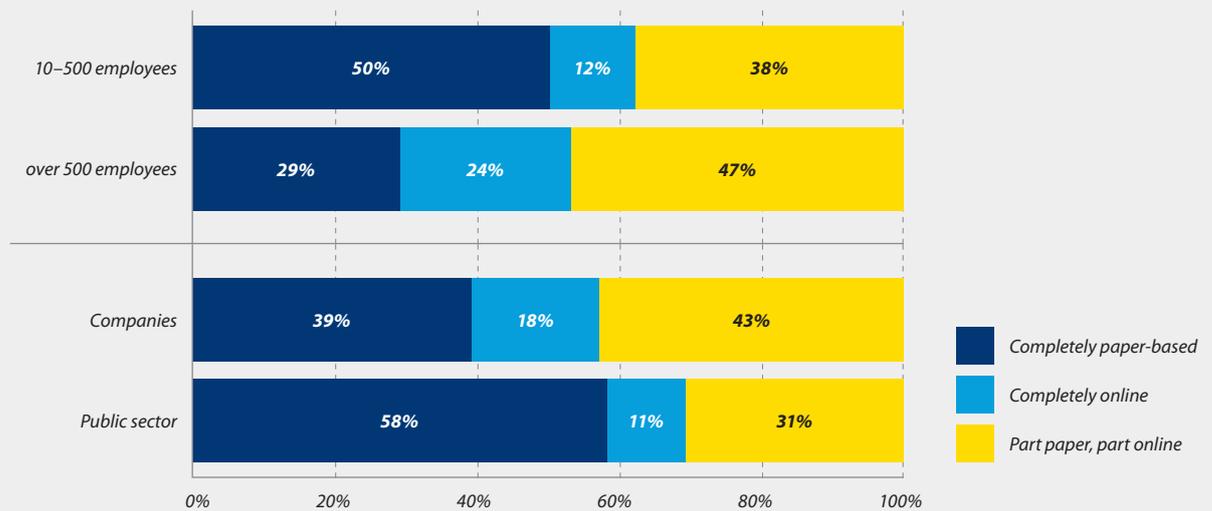
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¹⁹ See VDR Business Travel Report 2009, Chapter 6 “Business travel and travel management”, Figure 14, page 15.

Travel expense accounting

Figure 12

Companies with



– Evaluation of employees excluding PS –

Amongst smaller companies with more conservative travel expense policies, the will to switch to online reporting is not very high: only 15% are planning a changeover. Things look different for larger companies with over 500 employees. Here, two out of five would like to switch at least partly to online reporting in the coming twelve months.

Negotiating supplier contracts

Figure 13



– excl. PS –

Contract negotiations

“Does your company negotiate contracts with suppliers (hotels, flights, rail, hired cars)?”

Negotiation is worth it. That’s the word that got around at the latest during the crisis. Even though other tools – chiefly price comparisons – are much more important as cost-cutting measures,²⁰ suppliers are noticing today that even companies with smaller travel volumes insist on negotiating prices. And in companies with a travel budget of over 50,000 Euros, the first quote is accepted by only about one out of ten.

²⁰ See VDR Business Travel Report 2012, Chapter 6, “Cost-saving measures in business travel in 2006/2012”, Figure 14, page 20.

Cost reduction potential

“In which areas do you see cost reduction potential?”

In a textbook example of the market economy at work, demand for accommodations is rising while supply is becoming scarcer, causing prices to go up and cost pressure to grow stronger – and leading companies to focus their cost-cutting efforts on the areas where it makes the most sense. Opting for less deluxe travel categories was named last year as one of many ways to realise savings. As the choice of domestic accommodation categories shows (see Figure 9), these plans have largely been put into practice, but 58% of the larger companies and one in three of the smaller firms still see some untapped potential here.

These days, when multiplying ancillary fees are among the biggest nuisances for travel managers and the low-cost airlines have run their course as a viable alternative for business travel, 45% of companies with over 500 employees see room for greater savings in the area of flights. Although the cost block “Meals” has grown the most amongst overall travel costs (see Figure 6), very few companies see any scope for savings there.

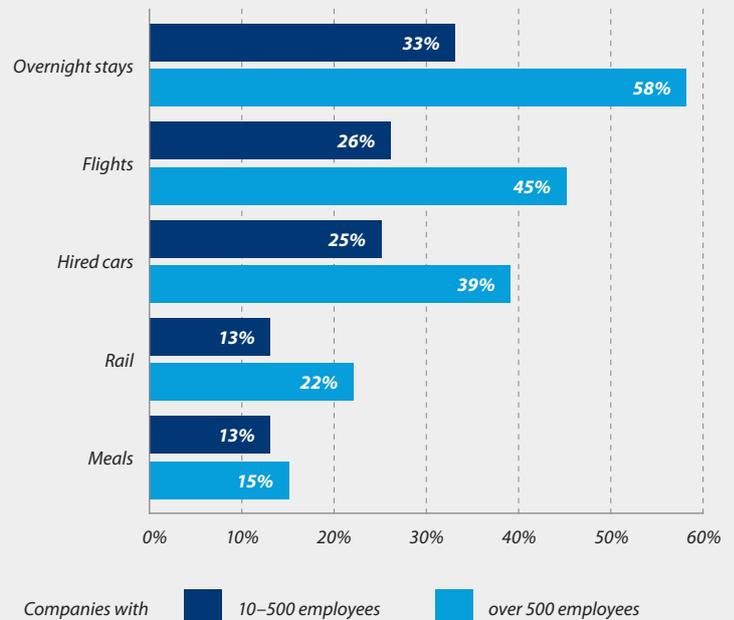
Ancillary fees

“Is your company trying to do something about ancillary fees charged by suppliers?”²¹

Despite virtual alternatives to personal travel, actually going on the road is often still a must. In economically confident times like these, suppliers try to make extra money with new business models – for example by charging ancillary fees. This is a subject being taken up by many companies – some of them more, some of them less energetically, similar to the issue of travel cost volume on the whole. Of those companies that are trying to do something about ancillary fees and that have a travel policy, 44% try to at least put limits on these fees in their regulations. Of the larger companies that are addressing the problem and that negotiate with travel suppliers, 62% are trying to get the suppliers to include these ancillary services in rebundled packages.

Cost reduction potential

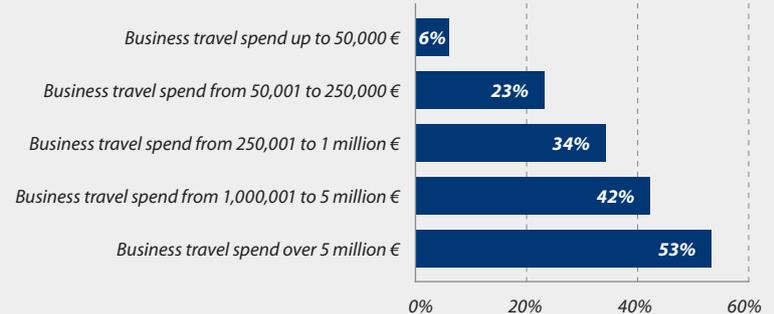
Figure 14



– excl. PS –

Which companies are going after ancillary fees?

Figure 15

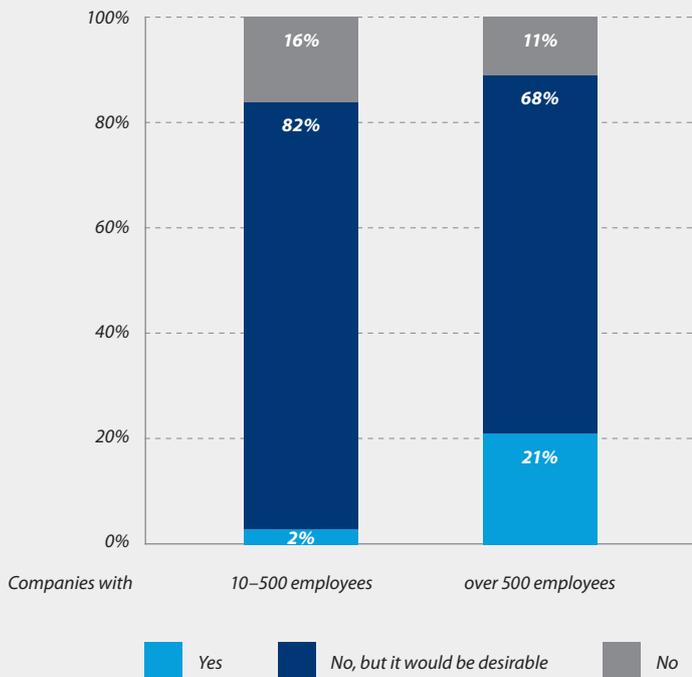


– excl. PS –

²¹ Ancillary fees are charges assessed by suppliers for supplementary services. These are usually fees that used to be included in the overall price and are today charged separately. Airlines for example are charging extra for meals, baggage or credit card payment, and assessing fuel surcharges. Hotels might charge extra for breakfast or Wi-Fi.

Access to data that reveals the share of ancillary fees in the total cost of plane tickets

Figure 16



– excl. PS –
– Companies concerned with the topic of ancillary fees (AF) –

Ancillary fees

“Do you have access to data that reveals the ratio of ancillary fees in your total costs for plane tickets?”

The fog has not lifted yet: the majority of companies are unable to access data that would allow them to quantify ancillary fees and hence negotiate them. Only one in five companies with an air travel volume of over 500 flights is flying with full visibility.

Various points of contact with the business traveller along the entire supply chain – from flight planning to booking and invoicing, frequent flyer programmes, credit card use and mobile applications – produce huge amounts of data that could serve as a possible means for a complete analysis of ancillary costs: so-called “Big Data”.²² The problem is that such data is still far from being available in a form that might be useful to travel managers. Divergent interests collide here: the travel managers’ mandate to reduce ancillary fees and the suppliers’ desire to obtain the highest possible price for their services.

²² “Big Data” refers to the instant analysis of large amounts of data. The key point is that the information comes from a variety of sources and may be in a diverse range of formats. The German Federal Association for Information Technology, Telecommunications and New Media (BITKOM) identified this topic as one of the Top 3 high-tech issues of 2013. www.bitkom.org, press release of 16 January 2013.



How can organisations better manage meetings and events and the costs they entail? In order to examine this increasingly important area of mobility management, we first have to clarify some basic questions. What types of events are we talking about, and who is currently responsible for the various tasks involved in the overall process?

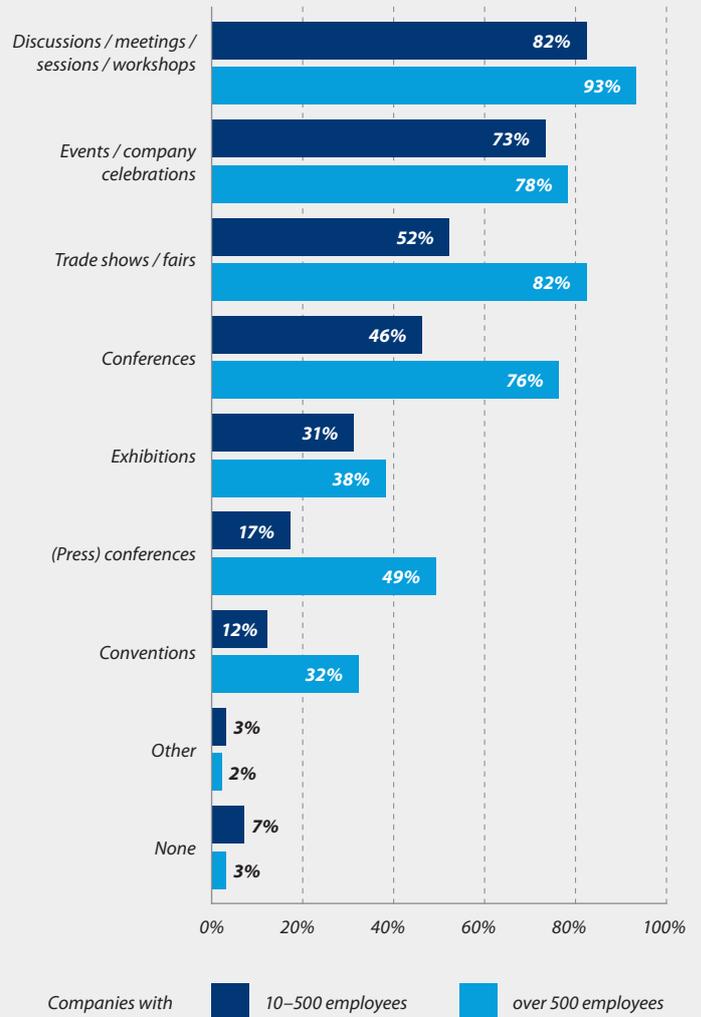
Event types

“What events are conducted by your company?”

Most important are discussions, meetings and workshops – both in the business world and the public sector (76%). In second place for smaller businesses are company celebrations, and for larger firms trade fair showings. Fewer festivities are held at public offices. Conferences are the main event organised there (54%).

Events conducted by companies

Figure 17



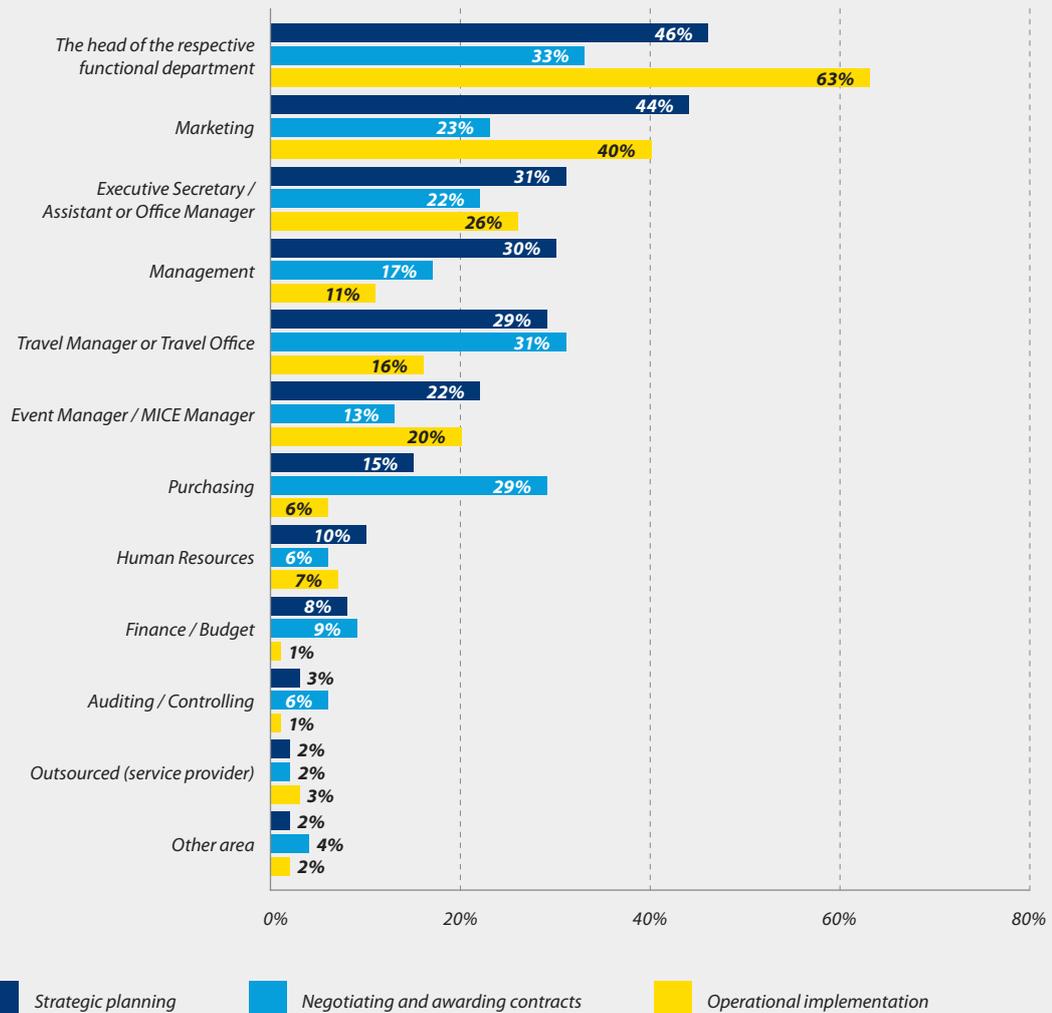
- excl. PS -
- multiple choices possible -

Responsibilities

“Who is responsible at your company for the strategic planning of events,²³ for negotiating and awarding the contracts involved, and for operational implementation?”²⁴

Event management responsibilities in companies with over 500 employees

Figure 18



– excl. PS –
 – multiple choices possible –
 – Companies with over 500 employees –
 – Companies that conduct events –

Today, over half of all travel managers are also responsible for event management.²⁵ Of the larger companies that say they conduct events, 22% have a dedicated Event Manager.

The fragmentation of responsibilities in the overall process shows that there is still much potential for bundling. The department heads, marketing department and also the exec-

²³ Selecting and monitoring suppliers, e.g. hotels, event locations.

²⁴ Organising and conducting events.

²⁵ VDR Business Travel Report 2012, Chapter 6, “Tasks in travel management”, Figure 13, page 19.

utive assistants still carry a great deal of weight in the planning phase when it's a matter of selecting and monitoring suppliers such as transport companies, conference hotels, convention centres and event locations. When it's time to negotiate and award supplier contracts, nearly one in three of the larger companies that conduct events puts things in charge of the head of the department hosting the event, the travel managers or the purchasing department.

In smaller companies, management is usually responsible for strategic planning, often with the help of assistants. Management also has the final word in awarding contracts.

As far as actually organising and carrying out the event is concerned, the department heads are usually in charge of things at larger companies, together with the marketing department. At smaller firms, these tasks fall mainly to the executive assistants. 92% of event services are booked directly with the supplier. One in four companies uses online portals or agencies that organise events. Very few put external service providers in charge of the entire event, however, nearly irrespective of company size – does this spell the end of outsourcing?



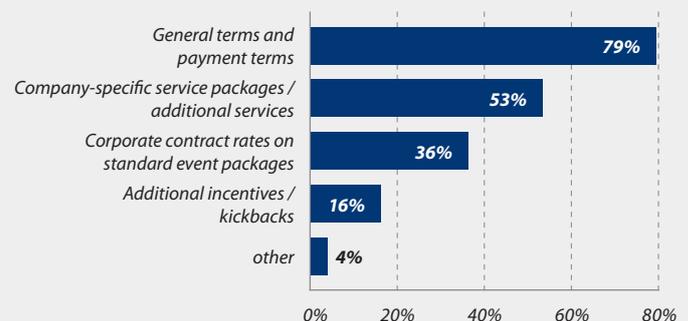
Negotiating framework agreements

“What are important points for you when negotiating framework agreements in the events area?”

The small print is a big deal: for the majority of companies that conduct events, the general terms and conditions of business and the payment terms are a key concern. For half of them, customised service packages are also important, and one in three insists on special contract rates for what are otherwise standardised event services. 16% of companies place value on indirect cost reductions or direct rebates through incentives or kickbacks.

Negotiating framework agreements for events: Companies attach importance to ...

Figure 19



– excl. PS –
 – multiple choices possible –
 – Companies that conduct events –

Awareness

“Which of the following options for business mobility are you aware of?”

Car sharing has made a name for itself this past year as a mobility management option particularly for smaller companies. While in 2012 only about half of the smaller firms were aware of car sharing, 80% of them are in the know today. The use of car sharing has in fact increased throughout the market, but is still marginal compared to the level of public awareness. The option companies both large and small are least aware of is the area of “no frills” accommodations – despite the fact that overnight stays are where firms see the most potential for cutting costs (see Figure 14).

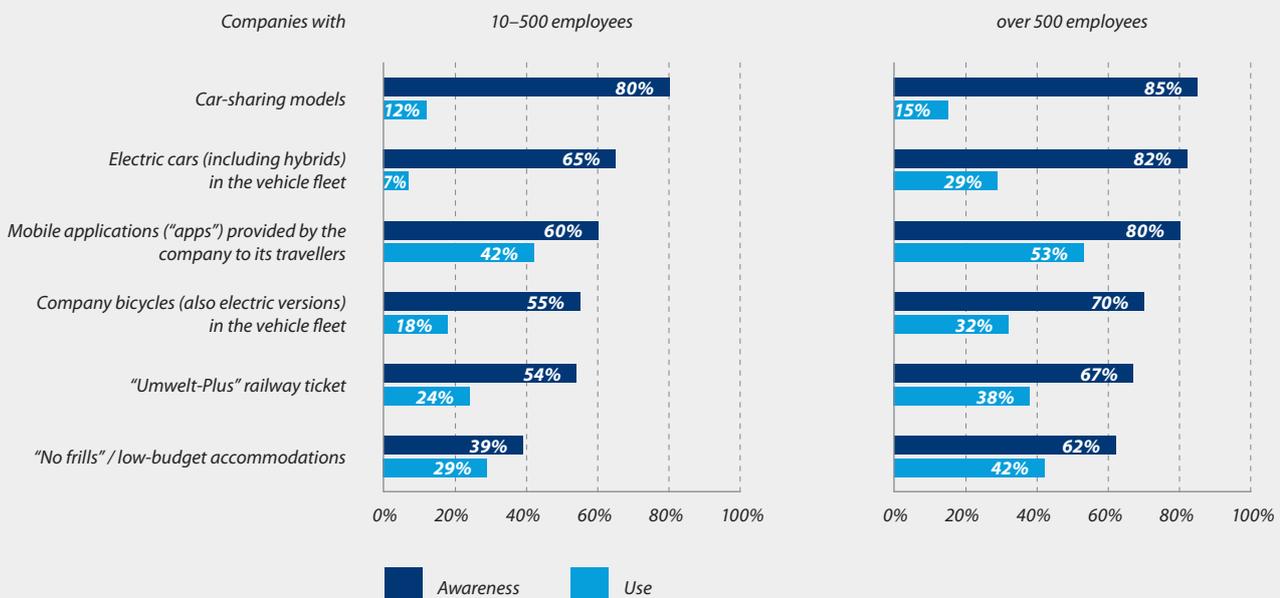
Market acceptance

“Which of the following offerings does your company take advantage of?”

Innovations in the field of business mobility tend to make inroads faster at larger companies. This is due in part to the higher proportion of professional travel managers at those companies who systematically see to it that any new and beneficial developments are implemented without delay. Furthermore, bigger companies are also better able to obtain more favourable terms. Innovations such as electric company bicycles have a better chance of it when employees have to make their way around large company grounds than at small firms where the bicycle would only be used for an occasional “trip to the lawyer’s”. In the communications realm, the gap between awareness of mobile applications with which a company might equip its travellers and actually doing so is still quite large. While in private life hardly anyone would want to do without apps these days, as integrated business tools they are still in a developmental phase.

Innovations in business mobility management

Figure 20



– excl. PS –

Development of business travel volume

“How will the number of business trips change in your company in 2014 compared to 2013?”

German companies of all sizes have lowered their expectations for 2014. In keeping with macroeconomic developments, the majority of German business travel managers predict that travel volume will stay the same or increase only slightly. While in 2012 one in three still predicted that the number of flights and overnight stays would increase in 2013, forecasts for 2014 are more guarded. Hired cars could very well see the biggest dip in 2014. Overall, after a few years of recovering lost ground after the crisis, the figures reveal a heightened sensitivity in the planning and purchasing of travel services.

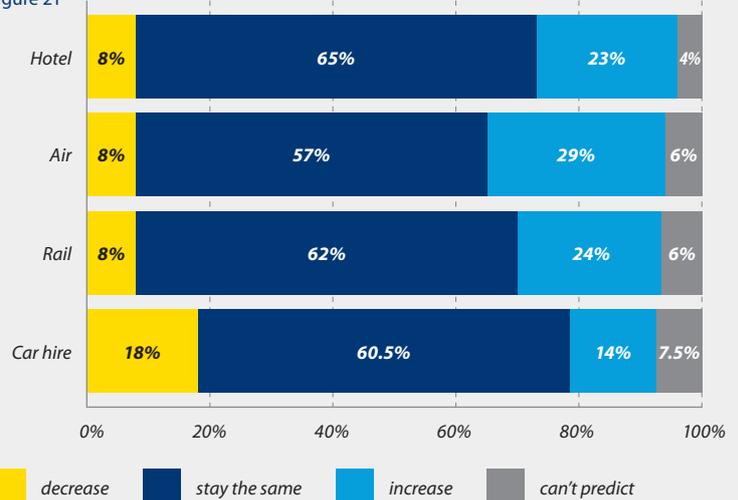
Destination countries

“Which countries outside Germany will be the most important destinations for your company’s travellers in 2014?”²⁶

Popular business travel destinations reflect the strength of trade partnerships with these countries – in other words, the development of exports and imports. France, the Netherlands, China, the USA and the UK are Germany’s Top 5 trading partners.²⁷ In 2012 Russia was in tenth place; it is still on travel itineraries for 2014, but is now ranked eleven and therefore not visible in Table 3.

Estimated development of overnight stays and modes of transport in 2014

Figure 21



– excl. PS –

In public-sector partnerships, political relations and project-based cross-border cooperation carry more weight. Poland is a good example of the impact of economic relations: in 2010 Germany’s neighbouring country was not amongst the Top 10 destinations for its business travellers. Now that it is heavily frequented by the public sector, the country has reappeared on the travel itineraries of German businesses for 2014.

Destination countries in 2010/2014

Table 3

Companies		Public sector	
Destinations in 2010	Destinations in 2014	Destinations in 2010	Destinations in 2014
USA	USA	France	Poland
China	China	Belgien	France
France	UK	Austria	Netherlands
Austria	France	USA	Belgium
Switzerland	Austria	UK	Austria
UK	Switzerland	Poland	Czech Republic
Italy	Italy	Italy	Switzerland
Netherlands	Spain	Switzerland	UK
Russia	Netherlands	Netherlands	USA
Spain	Poland	Czech Republic	Italy

Scoring – first place: 3 points – second place: 2 points – third place: 1 point

²⁶ Note: Table 3 shows the individual importance of various countries for German business activities in 2010 and 2014. It does not however allow any conclusions to be drawn on specific travel volumes to these countries or expenditures on such trips.

²⁷ See the Federal Statistical Office, Wiesbaden: Specialised Series 7, Set 1, 2012, page 45, 2013.

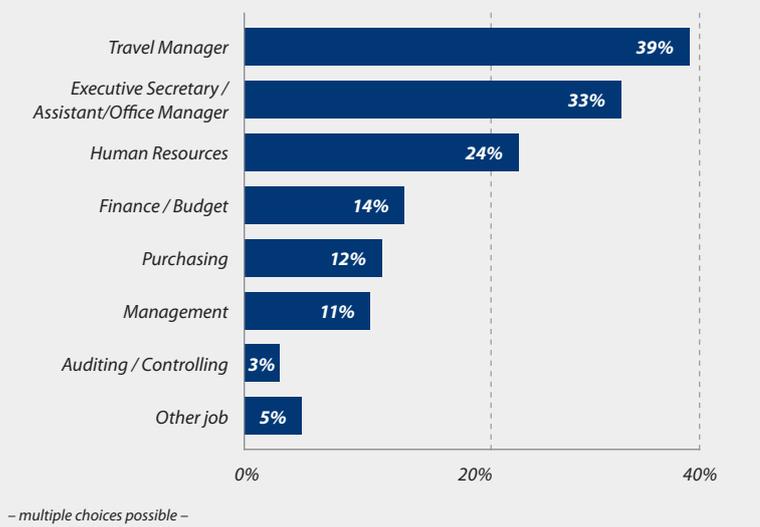
Methodology

VDR – The German Business Travel Association

VDR – The German Business Travel Association 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 530 member companies, the German Business Travel Association represents a total business travel turnover of more than ten billion Euros per year.

Areas of responsibility of the respondents in 2013

Figure 22



The research team for the VDR Business Travel Report Germany 2013

VDR, the publisher of this report, has since 2003 defined the basic structure of this analysis in consultation with its members and each year selects topical questions to be examined, some of them suggested by readers. United Research AG is responsible for the fieldwork and the scientific evaluation of the primary data, which is gathered by the MKT company. Julia Anna Eckert and Claudia Schwager-Wehming work together with project manager Kirsi Hyvärinen for the expert analysis, reporting and organisational supervision of this study project. Volunteers also contribute their expert knowledge to each year's report, including Daniela Schade and Ralph Rettig from the Presidential Committee of VDR, and also expert committee leaders as appropriate for the specific topic.

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 2013, 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. The responses to qualitative questions reflect the situation at the time of the survey, while all others are based on the 2012 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 21). Comparisons with other industry studies are identified, among them the BTI™ Outlook published by VDR's European partner, GBTA Europe.

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 over 1,500 employees

Number of organisations in Germany and their employees according to size categories and economic segments (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
Total	405,642	14,402,693	8,378	2,886,958	4,058	3,199,672	1,159	3,302,863	419,237	23,792,186

Source: own calculations, based on statistics from the Federal Employment Agency, Data Centre, Nuremberg, Calculated according to the economic sectors WZ08 (2011 and 2012) and WZ03 (2008)

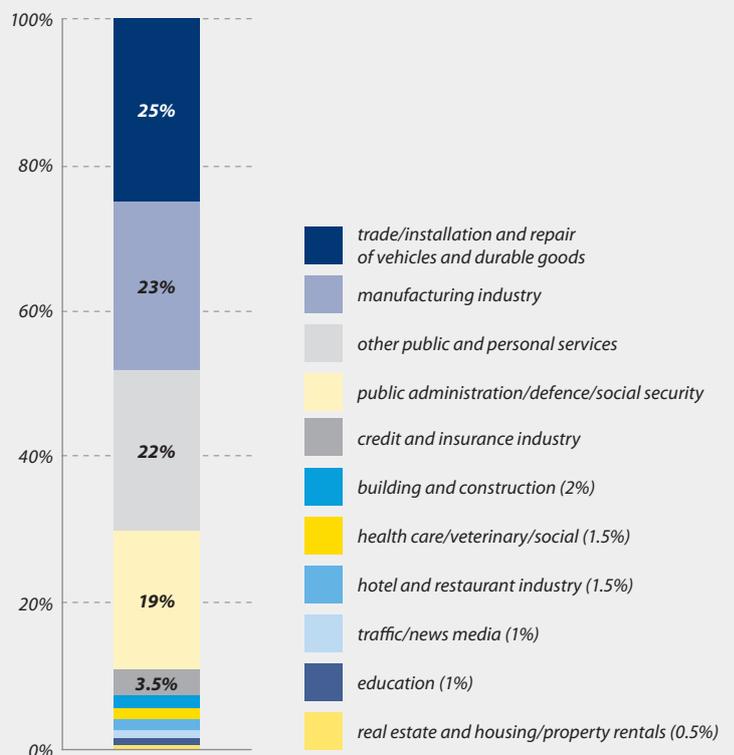
– as of 2012 –
– not including organisations with 1–9 employees –

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 have no longer been 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 2012 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 2013

Figure 23



Imprint

This study in German and English (published in 2007–2013), 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.

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