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Verband Deutsches  
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The German Business Travel Association



# VDR Business Travel Report 2016

volume 14



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# Business travel as a trend barometer for social and economic developments

This past year, the most important issue for anyone who travels was also front and centre in the collective awareness – safety on the go. The 14th VDR Business Travel Report examines in time-tested fashion this and other developments in the business travel environment. These also include innovations and changes in the travel market as a whole, many of which are driven by the needs of business travellers.

The mobility of German companies provides a good measure of the current economic climate and expectations for the future. Representative figures supplied by those in charge of travel at businesses and in the public sector therefore assist in making sensible and forward-looking policy decisions for the future. Less would often be more, particularly when it comes to bureaucratic hurdles. And to ensure that decision-makers in industry and politics can continue to count on the accustomed strength of the business travel sector, the general reliability of services that makes Germany so attractive as a business location is an essential prerequisite. Recurring transport strikes only pose a further burden to travellers who are already dealing these days with stepped-up security measures and unscheduled passenger and border controls.

VDR is Germany's largest network for modern mobility management and represents the interests of its members on both the national and – in cooperation with the Global Business Travel Association (GBTA) – international levels. In daily dialogue with its members and with the help of market research as well as the VDR-TrendsPort “think tank”, VDR tracks the issues relevant to travel management. Which trends will continue to be of interest in future, and which are no longer pertinent?

Managers of people and mobility know better than anyone about the multifaceted and diverse effects of business travel. Enjoy reading the VDR Business Travel Report 2016 and discovering the latest facts, figures and insights in the field of mobility management.

## 1. Important results at a glance

### Key data 2015:

In 2015 there were 11 million business travellers<sup>1</sup>

182.7 million business trips led to expenditure in the amount of

50.9 billion euros – equivalent to

153.0 euros per business traveller per day.

**+ 8.8%**

**+ 4.0%**

**+ 3.4%**

**+ 4.3%**

### 2014:

10.1 million business travellers

175.8 million business trips

49.2 billion euros

146.0 euros

### More business travel in a solid economic climate

While gross domestic product (GDP) increased by 1.7% last year, business travel was up 4%. Organisations with 10–500 employees booked a record number of overnight stays in Germany – nearly 38 million. Larger companies by contrast saw a substan-

tial increase in foreign overnight stays – up from 6.6 to 8 million. Their travel costs therefore also rose disproportionately to travel volume.

(Figures 1, 2, 8 and 9, Page 6 ff.)

<sup>1</sup> Employees of a company or public-sector organisation who take at least one business or official trip per year.

### Business travel intensity at a lasting high?

In 2015 there were 11 million “road warriors” working for German companies – a new record. In the crisis years, only an average of one in four employees travelled for work purposes. In the meantime, 40% of employees at the biggest firms with over 1,500 employees take business trips. Business management trends such as flat hierarchies and project-based work are reflected here. (Figure 3, Page 7)

### Domestic hotels:

#### Momentum thanks to mid-sized businesses<sup>2</sup>

Overnight stays on business trips witnessed a new high this year, with a total of 67.6 million room nights. Domestic accommodations benefitted disproportionately from this growth: the number of overnight stays in Germany by travellers for German organisations rose in 2015 by 7.3% to 49.5 million. Contributing to this upsurge were in particular medium-sized companies with up to 500 employees. In terms of booking categories, the cards are slowly being reshuffled. (Figures 8 to 10, Pages 11 and 12)

### Security as “meta-requirement”

Especially since 9/11, the issue of security has gone from being a basic Maslowian life need to becoming a “meta-requirement” for travel. Those who have to travel frequently on business often face potential threats posed by natural disasters, accidents, epidemics, kidnappings or terrorist attacks. German companies have done a great deal to enhance security on business trips over the past two years. Today, 81% of companies with more than 500 employees are actively addressing this topic (2014: 74%), and responsibility for this area is being bundled more effectively overall. (Figures 19 to 21, Pages 18 and 19)

### Cost-cutting measures for air travel: here to stay

The passenger shift toward the rear section of the plane was intensified during the economic crisis, when whole packages of austerity measures had to be introduced. In 2010, 60% of the companies affected by the economic and financial crisis believed that these restrictive measures would persist.<sup>3</sup> And they were right, because most business travellers still sit in economy on both domestic and European flights. For intercontinental flights, large companies do book business class more often than smaller ones,

but here as well there is a trend toward more “cattle class” – with an increase of ten percentage points since 2004. One current reason: as long as (oil) price savings are not passed on to customers, companies will try to book alternatives. (Figure 7, Page 10)

### Indirect costs: questionable value for money

In addition to the clearly verifiable costs of business travel, all companies also incur indirect costs. Based on the business travel costs for the year 2015, these indirect costs are estimated at 8% to 10%. They arise from processes ranging from travel planning to invoicing and subsequent administrative duties, for example filing receipts. 53% of the companies surveyed were unable to provide an estimate of these indirect costs. (Page 9)

### Apps and mobile devices – rising demand

A business traveller without a mobile phone or smartphone? Inconceivable today. Larger companies seem to feel the need for special business travel apps more keenly than smaller ones. Of the firms with over 500 employees, 53% already use or plan to launch a “corporate app”. And another 36% do not rule out this possibility in the future. The actual day-to-day benefits are the focus here, with mobile check-in, travel itinerary display, searching and booking the main functions cited. (Figures 22 and 23, Page 20)

### 2017: it all depends on the state of the world

The confidence and positive basic mood of the previous year are not necessarily reflected in travel managers’ forecasts for 2017. On the whole, a wave of consolidation is expected in the coming year. Depending on economic, political and social developments, plans allow for a possible stagnation or decline in travel activities. A more nuanced view must be taken of these forecasts, however, because companies of a certain size and also some suppliers are predicting a rise in bookings instead. (Figure 29, Page 24)

<sup>2</sup> When this report refers to “medium-sized businesses”, this means companies with 10–500 employees.

<sup>3</sup> See VDR Business Travel Report 2010, Chapter 7 “Development of Business Travel Volume”, Figure 17, Page 17.

## 2. Business travel: Facts and figures

Number of business trips in 2011–2015

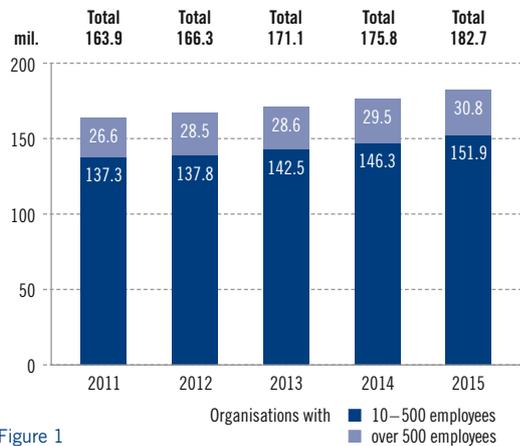


Figure 1

Total cost of business travel in 2011–2015



Figure 2

### Quantity

#### “How many business trips were taken in your company/organisation in 2015?”

The German economy witnessed steady growth in 2015. The price-adjusted gross domestic product was 1.7% higher than the previous year, a similar increase to 2014.<sup>4</sup> This solid growth path is also reflected in the number of business trips: Companies with ten or more employees sent more of them on the road. The year-over-year increase in business trips of 4% in 2015 was notably stronger than the previous year (2.8%). After limited travel in 2014, the public sector contributed to the figure with 4.7% more travel, while the private sector, with a 3.8% increase, remained at the same growth level.

### Costs

#### “How high was total business travel spend in 2015?”

Taking into consideration both businesses and the public sector, travel spend rose from 2014 to 2015 by 3.4% to 50.9 billion euros. Companies with over 500 employees spent 7.4% more, with an increase in travel volume by only 4.4%. More foreign overnight stays are a possible cause for this disparity, because prices have gone up in many destination cities. Small and medium-sized enterprises (SMEs)<sup>5</sup> travelled much more often within Germany by contrast, thus spending only 1.8% more despite a 3.6% increase in travel volume. Whereas the public sector had shown great frugality the previous year, expenditure in 2015 rose proportionate to travel volume, by 4.9%.



Any work-related trip that is recorded on the basis of individual 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 or organisation 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: [www.vdr-service.de/der-verband/fachthemen/vdr-glossar](http://www.vdr-service.de/der-verband/fachthemen/vdr-glossar) (in German only).

Results from companies and from the public sector are usually shown separately due to the differences between the sectors. The corresponding data basis is indicated in the each case: The terms “businesses/companies/firms” exclude the public sector (“– excl. PS –”). “Organisations” covers both companies and public-sector institutions.

<sup>4</sup> See press release no. 014 of the Federal Statistics Office, Wiesbaden, 14 January 2016.

<sup>5</sup> Following the EU definition, SMEs are defined in this study as companies with 10–250 employees. See [http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/index\\_en.htm](http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/index_en.htm)

## Business travellers

### “How many business travellers were there in 2015?”

The business travel intensity that could already be felt in 2014 was even more evident in 2015: companies sent more employees on business trips than in previous years. While for several years about one in every three or four employees took at least one trip for the company, at the biggest companies an average of 40% of the staff now travel on business. This trend is most likely attributable to corporate management trends such as flat hierarchies, flexible workplaces, work-life blending and gender shift as well as network and project work.<sup>7</sup> The number of business travellers increased by 8.8% in 2015 to 11 million.

## Duration

### “How long do business trips last?”

The average length of two days on the road remains nearly unchanged. Overall, however, companies are reverting to the 2- to 3-day business trip. Day trips without an overnight stay are also on the rise in particular among SMEs, where business trips last an average of 1.8 days. This sets them apart from larger companies, where one in five business trips lasts four days or longer. Such companies question the value of day trips because increasing digitalisation means that many meetings can be held as a web or telephone conference instead. In contrast, meetings that must take place in person are aggregated into longer trips – which take 2.3 days on average in the biggest firms.

## Domestic vs. foreign travel

### “Where do business travellers go?”

Differences in the length of trips are directly related to the destinations involved. At 88%, the clear majority of SMEs travel within Germany. This could be one reason why their costs went up by only 1.8%, although SMEs travelled 3.6% more overall in 2015. At larger companies, by contrast, every third business trip in 2015 took the employee abroad.

The main destinations outside Germany were already in planning in 2014. France, the Netherlands, China, the USA and the UK were Germany’s five major trading partners and, along with three neighbouring countries (Poland, Switzerland, Austria), made up the eight top travel destinations in 2015.<sup>8</sup>

Breakdown of business travellers by company size in 2011/2015

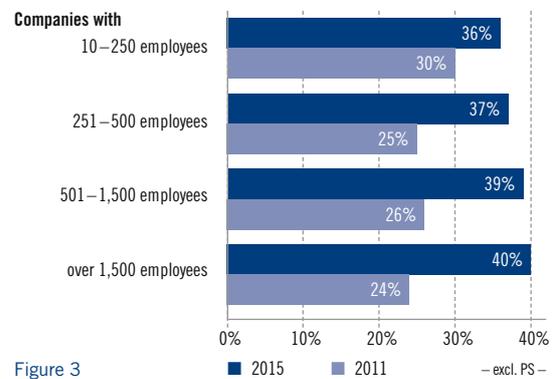


Figure 3

Duration of business trips by company size in 2015

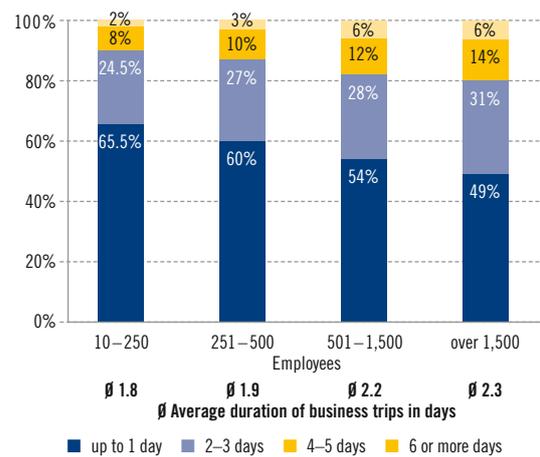


Figure 4

Domestic and foreign business trips in 2015

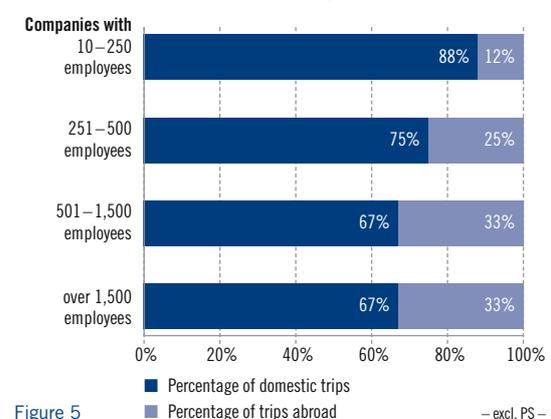


Figure 5

<sup>6</sup> Business travel intensity: percentage of employees in the company who take at least one business trip a year. For this and further definitions of terms, see: [www.vdr-service.de/der-verband/fachthemen/vdr-glossar](http://www.vdr-service.de/der-verband/fachthemen/vdr-glossar) (in German only).

<sup>7</sup> See [www.zukunftsinstitut.de](http://www.zukunftsinstitut.de)

<sup>8</sup> VDR Business Travel Report 2014, Chapter 8 “Outlook for 2015”, Page 22.



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## 3. Structure of business travel costs

### Average cost per business trip

The average cost of a business trip has been about the same for years but went down marginally in 2015, to 305 euros. There are many reasons for this slight drop, for example the continuing trend in favour of midscale hotels and a tendency toward more day trips.

**Average cost per business trip in 2011–2015**  
**Daily expenditures for business vs. holiday travel in 2011–2015<sup>9</sup>**

	Average cost per business trip	Expenditure per person per day	
		Business travel	Holiday travel
2015	305 €	153 €	76 €
2014	307 €	146 €	77 €
2013	310 €	148 €	73 €
2012	308 €	140 €	73 €
2011	296 €	148 €	70 €

Table 1

<sup>9</sup> Our own calculations, in conjunction with F.U.R. Kiel: Initial results of the 2012–2016 travel reports.  
Business travel expenditure per person and per day: companies only, not the public sector. Holiday trips of 5 days or longer.

### Cost areas

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

The distribution of costs between the main areas has remained quite stable over the years. In 2015 there were no disproportionate increases in any one area.

Two euros in five are spent on overnight stays and meals. Air travel swallows up a quarter of business travel spend. Savings would seem possible here, as oil prices have been in a tailspin since the summer of 2014. The VDR is therefore pressing for these operating

#### Total business travel spend broken down by cost areas in 2015

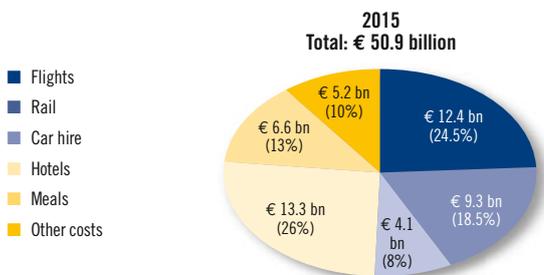


Figure 6

Companies that have put someone in charge of travel management are usually able to keep spending under control despite a growth in travel volume.

The rise in short trips by SMEs combined with more foreign overnight stays on the part of large companies have led to higher average daily expenditure of 153 euros. Business travellers thus still spend about twice as much per person per day as those on holiday. Business-related expenditure is also spread more widely between regions and does not fluctuate with the seasons. Year-round jobs in the hospitality industry, catering, passenger transport and in many other sectors that benefit indirectly, such as telecommunications and retail, are safeguarded in Germany through business travel. Moreover, lower prices can be offered for the leisure and holiday market thanks to the reliable utilisation of capacities by business travellers.

cost savings to be reflected in lower ticket prices for the benefit of the airlines' largest and most reliable customer group.<sup>10</sup>

“Other costs” are another major factor, still comprising 10% of total travel spend. Small amounts spent for example on parking, taxis, public transport and communication add up to a grand total of 5.2 billion euros. They are often just as unavoidable as the main services of transport and overnight stays. However, keeping track of them leads to a disproportionate amount of indirect costs.

#### “What percentage of costs were incurred as indirect costs?”

In addition to the readily verifiable costs of business travel, all organisations also incur indirect costs. These are the result of processes such as planning, booking (with changes and cancellations), internal and external accounting, and administration.

The respondents were asked to estimate what percentage of costs they incurred as indirect costs based on their business travel spend for 2015. 53% of the companies surveyed were unable to provide an estimate of these indirect costs. It made no difference whether the respondent was a public-sector enterprise or a small or large business. Those with a better grasp of this subject estimated indirect costs as making up 8% to 10% of travel spend.

<sup>10</sup> [www.vdr-service.de/service/pressemitteilungen/news/vdr-kunden-muessen-vom-niedrigen-oeipreis-profitieren](http://www.vdr-service.de/service/pressemitteilungen/news/vdr-kunden-muessen-vom-niedrigen-oeipreis-profitieren)

# 4. Air travel

## Booking classes

**“What percentage of flights were booked in economy, premium economy, business and first class for domestic, European and intercontinental travel in 2015?”**

In view of what has happened over the past decade, it seems to be only a matter of time before business class disappears altogether on domestic and European flights. For intercontinental flights, on the other hand, business travellers for large companies often sit in business class, but even here a trend can be seen toward more “cattle class” travel, with an increase of ten percentage points since

2004. Smaller firms take advantage of the newly created alternative, premium economy, somewhat more often than larger ones – 16% vs. 10%.

The passenger shift toward the rear section of the plane was intensified during the economic crisis, when whole packages of austerity measures were introduced. 60% of the companies affected believed in 2010 that these restrictive measures would be long-lasting.<sup>11</sup> Despite economic recovery, this expectation has been borne out.

**Booking classes for domestic, European and intercontinental flights in 2004/2015**

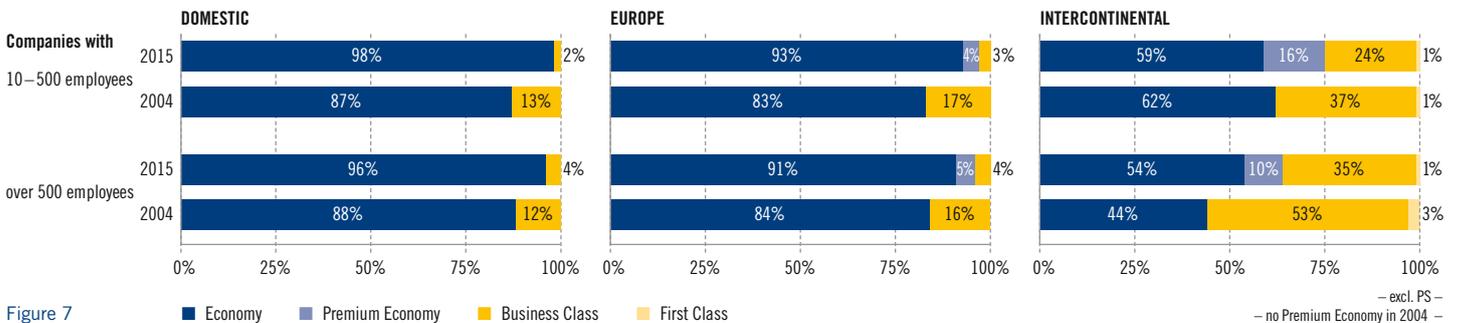


Figure 7

## Airlines

**“Which airlines were booked most frequently for business trips in 2015?”**

This year, travel managers were once again asked to name their main air travel partners – a question we last posed in 2007.

Up to three airlines could be named with which the companies had the most volume or bookings. The resulting “airline ranking” reflects the importance of these airlines for business travel. However, the results do not allow any conclusions to be drawn regarding market share or sales volumes.

In ten years’ time, Lufthansa has lost its first-place ranking for domestic flights taken by medium-sized businesses to Air Berlin. Lufthansa still remains number one for foreign travel, but, alongside old rivals, a new carrier from the Arab region has made it into the top 5 of the most frequently booked airlines: Emirates.



The data are based on the companies that named at least one airline. A weighting was carried out as follows: Three points were awarded to the airline named in first place, two points to the one in second place, and one point to the airline in third place.

**Airlines used for domestic and foreign business travel in 2007/2015**

	Companies with 10 – 500 employees		Companies with over 500 employees	
	Domestic 2015	Domestic 2007	Domestic 2015	Domestic 2007
1 <sup>st</sup> place	airberlin	Lufthansa	Lufthansa	Lufthansa
2 <sup>nd</sup> place	Lufthansa	airberlin	airberlin	airberlin
3 <sup>rd</sup> place	Germanwings / Eurowings	Germanwings	Germanwings / Eurowings	Germanwings
	Companies with 10 – 500 employees		Companies with over 500 employees	
	Foreign 2015	Foreign 2007	Foreign 2015	Foreign 2007
1 <sup>st</sup> place	Lufthansa	Lufthansa	Lufthansa	Lufthansa
2 <sup>nd</sup> place	airberlin	airberlin	Emirates	Air France
3 <sup>rd</sup> place	Air France	Air France	airberlin	KLM
4 <sup>th</sup> place	KLM	Germanwings	British Airways	airberlin
5 <sup>th</sup> place	Emirates	SWISS	KLM	British Airways

Table 2

- excl. PS -  
 - Scoring – 1st place: 3 points – 2nd place: 2 points – 3rd place: 1 point –

<sup>11</sup> See VDR Business Travel Report 2010, Chapter 7 “Development of Business Travel Volume”, Figure 17, Page 17.

## 5. Overnight stays

Number of overnight stays in 2011–2015

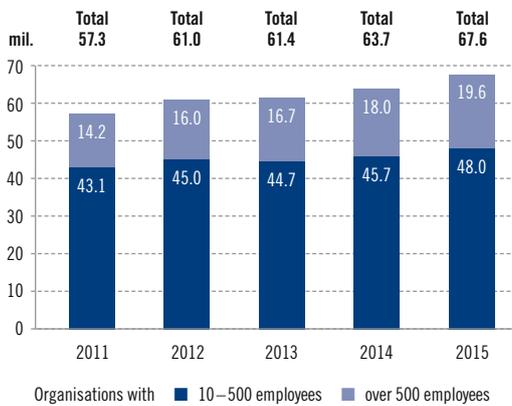


Figure 8

Number of overnight stays in Germany vs. abroad in 2014/2015

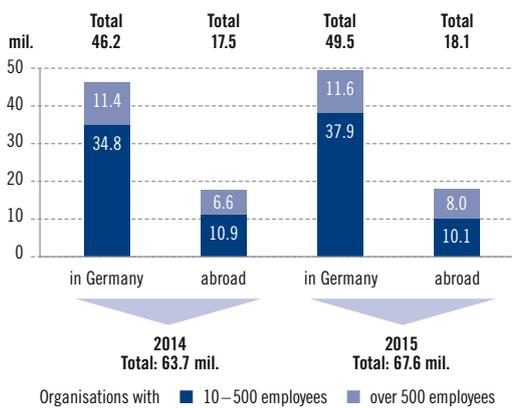


Figure 9

### Overall trends

“How many overnight stays did the business trips taken by employees in your company/organisation include?”<sup>12</sup>

A record number of 67.6 million overnight stays were made by business travellers for German companies in 2015. There were more travellers than the previous year in companies of all sizes, and they also took more trips lasting two to three days. One in three companies with over 1,500 employees had planned for increases in 2015.

“What was the distribution of overnight stays between domestic and foreign accommodations?”

Domestic accommodations benefitted disproportionately from the upsurge: The number of overnight stays in Germany by travellers for German organisations rose in 2015 by 7.3% to 49.5 million. Medium-sized companies with up to 500 employees were mainly responsible for this increase. Overnight stays abroad were up 3.2%. But rather than medium-sized businesses, this rise came exclusively from companies with over 500 employees.

### Accommodation categories

“Which accommodation categories does your organisation book?”

Most business travellers stay in 3- or 4-star hotels when travelling in Germany. The “new kid on the block” is the 1- and 2-star category, which has seen steady growth in particular among mid-sized businesses (13% of overnight stays in 2015). Today, these hotels offer inexpensive, “no frills” accommodations that give business travellers just what they need – a good night’s sleep, a good cup of coffee, internet access, easy check-in/check-out – and often even a fresh design concept to top it all off.

Target-group-specific services can be communicated quickly in particular in social media and on booking and rating portals.

<sup>12</sup> Number of overnight stays = room nights.

For professional hotel selection, VDR certification is a good indicator of quality, for example Certified Business Hotel®, Certified Conference Hotel®, Certified Green Hotel® and others.<sup>13</sup>

For travel abroad, higher hotel categories tend to be chosen, but 2015 also showed a shift in favour of 3-star hotels: an increase from 32% to 41%, regardless of the size of the company.

Accommodation categories for business travel in Germany and abroad in 2015

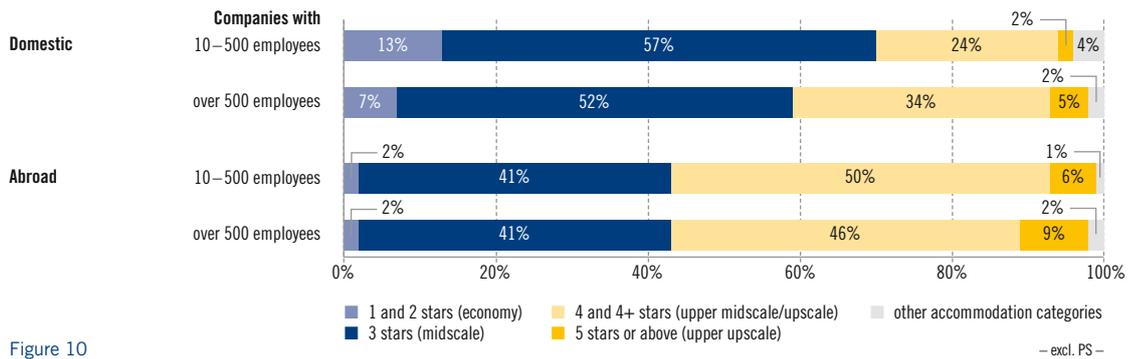


Figure 10

### Loyalty programmes

#### “How would you rate the importance of hotel loyalty programmes for business travel?”

Participation in bonus/ loyalty programmes was rated by 25% of companies last year as a possible incentive encouraging compliance with travel policy.<sup>14</sup> In 2014, 93%, and thus the majority of companies that allow their employees to benefit from such bonuses, were prepared to do so in future as well.<sup>15</sup>

In the hotel area, the treatment of loyalty programmes is primarily “passively supportive”. About every third company informs its travellers of such programmes but does not actively encourage their use. 39% of larger companies are not disinclined to take advantage of such offers as long as the programmes are used to their benefit, in other words, when they help to steer travellers toward hotels sanctioned by the travel policy.

Importance of hotel loyalty programmes

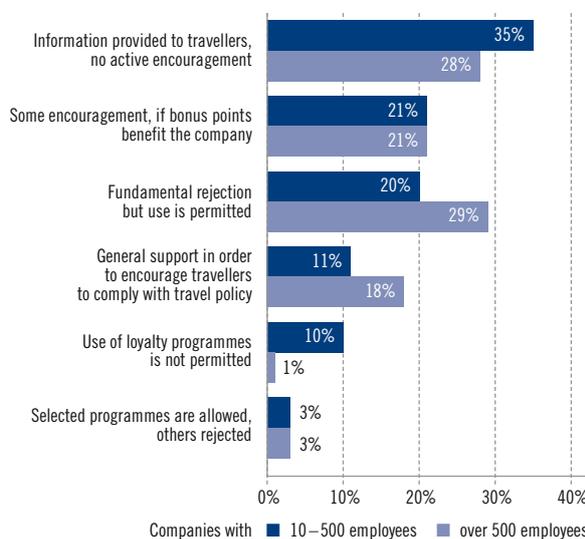


Figure 11

<sup>13</sup> More information: [www.certified.de](http://www.certified.de)

<sup>14</sup> VDR Business Travel Report 2015, Chapter 5, “Travel management strategies”, Figure 15, Page 15.

<sup>15</sup> VDR Business Travel Report 2014, Chapter 4, “Travel management strategies”, Figure 18, Page 15.

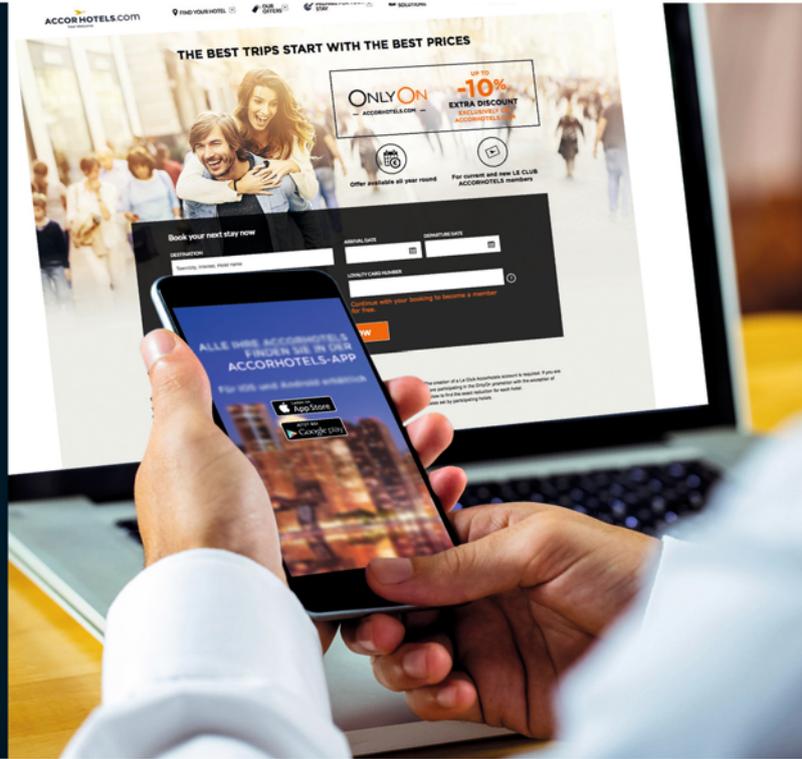
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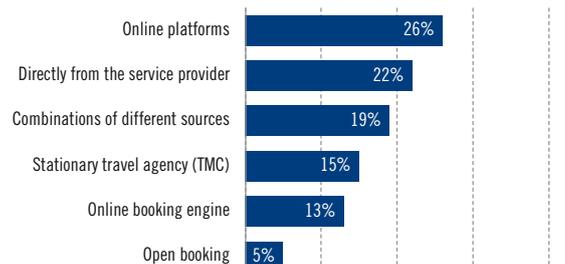
### Booking channels of the future

**“In general, which booking channel will you favour in future when it comes to getting the best room rate, maximum availability and the widest range of offers (e.g. seasonal promotions)?”**

This “gazing into the crystal ball” is designed to clarify which booking channel travel managers will *on the whole* favour in future. It therefore presumes an ideal combination of the criteria of price, availability and range of offerings. Online platforms (such as online travel agencies and hotel portals) are in the lead in the responses, albeit not by an overwhelming majority. Online booking engines are a close second at larger companies.<sup>16</sup> Regardless of the size of the company, the third choice is to combine different sources, including if necessary the use of price comparison systems. “Open booking” – leaving it up to the traveller to decide what to book with which provider and how – is the alternative least favoured by travel managers.

### Preferred hotel booking channels of the future

Companies with 10 – 500 employees



Companies with over 500 employees

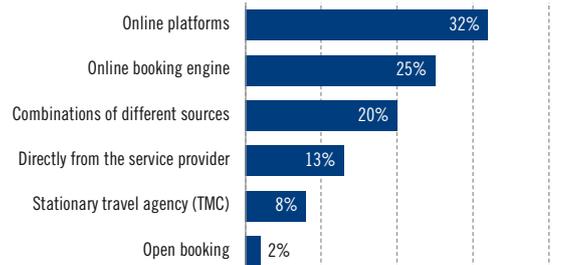


Figure 12

<sup>16</sup> For example, Amadeus e-Travel Management, BookIt, concur, Cytric, Onesto, SAP TM.



## 6. Meetings & Events

Events have gained in importance as one of the tasks involved in mobility management. While 35% of those responsible for business travel in companies were also in charge of event management in 2007, this percentage had grown to 61% by 2014.<sup>17</sup> The question of where to host events becomes relevant when there are several alternatives to choose from. In the public sector, 44% of organisations hold meetings and events in external facilities – mainly meetings, sessions, workshops and conferences. The kinds of events differ from those in the private sector, where informal reviews, meetings, sessions and workshops are most common, followed by events and company celebrations. As a third event area, companies also invest in trade fairs.<sup>18</sup>

### Conducting meetings & events in rented premises

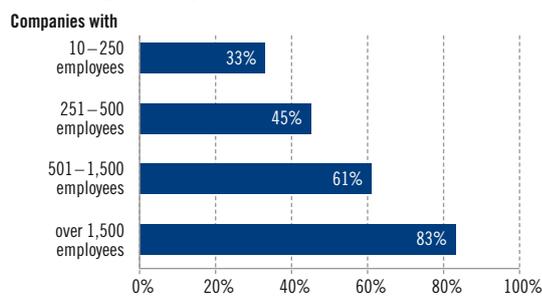


Figure 13

– excl. PS –

### “Does your company hold meetings and events in rented (external) premises?”

The bigger the firm, the more events there are, and the more it is therefore desirable or necessary to hold them outside the company's own four walls. A significant majority of 83% of the largest companies answered this question in the affirmative, and one in three SMEs likewise rents outside facilities.

### “Is your company planning measures to optimise processes and potential savings in the meetings & events area? If so, which ones?”

Of the medium-sized companies that conduct meetings and events in external premises, 8% are planning various measures for process and cost optimisation. Such measures are also planned by no fewer than 43% of firms with more than 1,500 employees. The measures that are receiving the most attention are outsourcing to online agents (42%) and negotiation of fixed corporate rates with suppliers (39%).

<sup>17</sup>VDR Business Travel Report 2014, Chapter 4 “Travel management strategies”, Figure 13, Page 11.

<sup>18</sup>VDR Business Travel Report 2013, Chapter 6 “Event management”, Figure 17, Page 15.

# 7. Travel management strategies

## Responsibility for travel management

Depending on the size of the company and its business travel volume, travel management is often defined today as a separate area of responsibility covering an increasingly complex range of tasks involving mobility, people and machines. The largest companies realised at the latest during the economic crisis how much potential this area harbours for shaping and steering their business. 75% of these companies have therefore set up a separate travel management unit. Among companies with 501 to 1,500 employees, 35%–50% have indicated over the years that they have made travel management a separate area of responsibility. In companies with 251 to 500 employees, the ratio is stagnating at around 20%. SMEs have tended to do away with dedicated travel management, thanks in part to the variety of customised offerings and services available both online and offline. In many of these firms, certain travel management tasks are taken on by members of management and their assistants, or by the Human Resources department.

Ratio of companies with travel management as a separate area of responsibility in 2011–2016

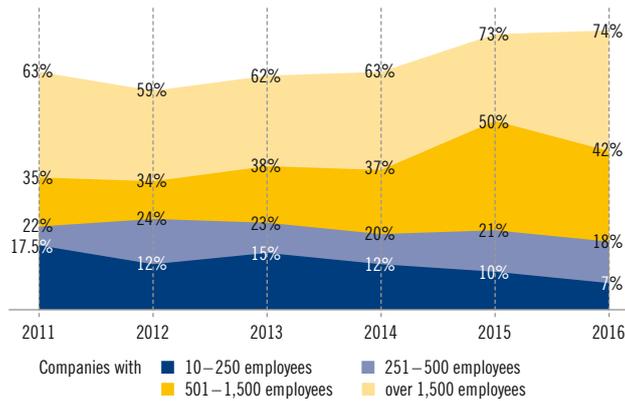


Figure 14

– excl. PS –

## Travel policy

“Does your company have a travel policy?”

“How high would you estimate the percentage of your company’s business trips that do not comply with travel policy?”

A travel policy – as the most important tool for controlling direct and indirect costs – has been instituted by now in most German companies with 251 employees or more. In 57% of companies that have a travel policy, up to 5% of the trips booked do not comply with this policy. This estimate is similar across all company sizes.

Percentage of companies with a travel policy in 2013/2016

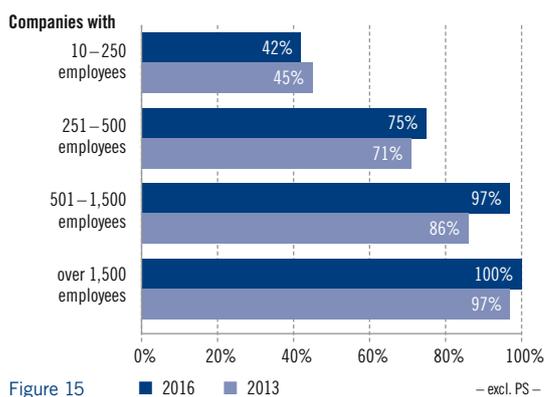


Figure 15

– excl. PS –

Reasons for a more restrictive travel policy

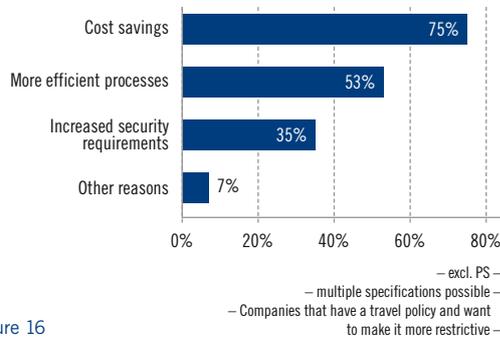


Figure 16

### Trends in travel policy provisions

**“Is your company thinking of changing its travel policy in future? If it is to be made more restrictive, why?”**

Travel policies are not constantly being adapted, and most companies with 10–500 employees are currently not planning any changes. Many larger companies do however have such plans: 36% would like to make their travel policy more restrictive and 4% less restrictive. The most important reason for implementing more restrictions is to reduce direct costs. About half of the companies surveyed would like to tackle indirect costs by making processes more efficient. Company travel policies must also take into account increased security needs.

**“Travel policy to be made less restrictive in future: What features do you consider beneficial?”**

A small number of respondents said they would like to make their company’s travel policy less restrictive in future. The main reason was to allow for bonus programmes. Another criterion cited was linking the policy to employee budgets.

Aspects for which travel policy compliance is “very important” to companies

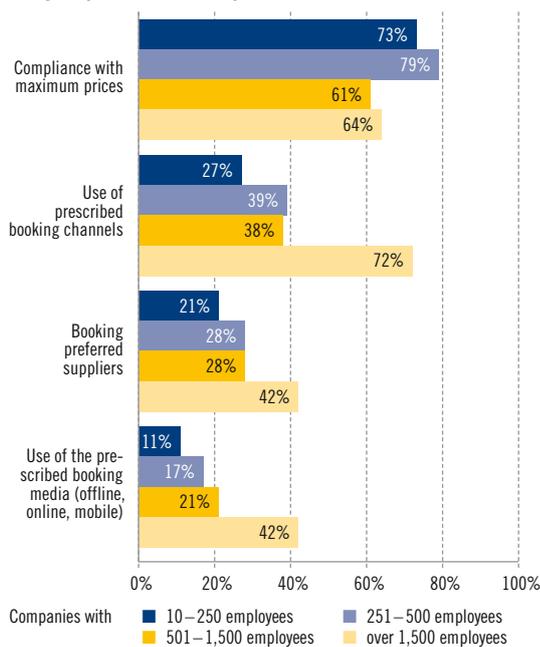


Figure 17

**“How important to you is compliance with the individual aspects?”**

Not exceeding the maximum stipulated prices is the most important factor for companies with up to 1,500 employees that have a travel policy in place. The largest companies with more than 1,500 employees by contrast attach more importance to the use of a prescribed booking channel: 72% of them view this as vital. SMEs are more flexible, with only 27% considering the booking channel a very important aspect of compliance.

## Travel expense accounting

### “In your experience, what are the reasons for errors in travel expense reports?”

The devil is in the details that travel managers have to grapple with in their day-to-day work. Most errors in travel expense reports can be attributed to tax law requirements. These errors could be reduced through a simplification of these regulations through corresponding legislation. Simple breaches of travel policy also play a role here, in particular in larger companies. These should not be confused with false information, which represents the smallest share of problems.

Other reasons for inadequate travel expense reports can be traced to the wider political sphere of influence. Complex travel expense law leads to misunderstandings, and the regulations regarding expensing meals and overnight accommodations are becoming more and more complicated. Sources of error that can be remedied by the individual and in some cases by the company are:

- Typing mistakes, transcription errors
- Ignorance
- Missing receipts
- Incomplete information

Reasons for errors in travel expense reports

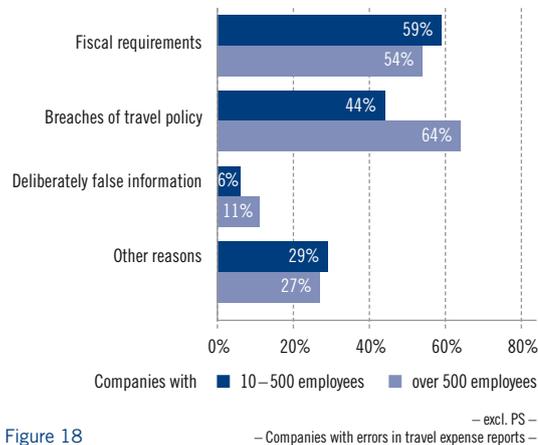


Figure 18



# 8. Security and data protection

Especially since the attacks of 11 September 2001, the issue of security has been foremost in many people's minds. The current political situation and the risk of terrorist attacks like those in Paris or Brussels have only made matters worse. Our society finds itself today facing a variety of threats – a situation that is also reflected in the attitudes of German companies. People who often need to travel on business are accordingly more frequently in danger – both subjectively and also objectively. Companies in Germany have therefore undertaken efforts to increase security on business trips. Issues ranging from professional prevention to the correct response will surely preoccupy them for many years to come.

### “Is your company taking measures to increase security on business trips?”

While in 2014, 46% of companies with up to 500 employees were devoting more attention to security on business trips, by 2016 the ratio had risen to 53%. This increase of seven percentage points is also reflected in the larger companies with more than 500 employees, of which 81% are closely engaging with this topic (2014: 74%).

Similar concerns are reported by the public sector, although they are less pronounced – which can be explained by the much higher proportion of domestic trips. In larger organisations, the issue of security is on the agenda for 65% of the respondents (2014: 46%) and in smaller ones for 44% (2014: 33%).

Percentage of companies concerned with the security of business travellers in 2014/2016

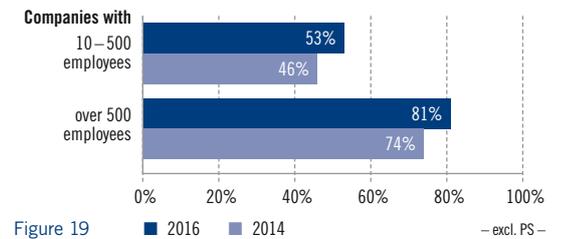


Figure 19 – excl. PS –

## Responsibility

### Responsibility for ensuring the security of travellers in 2014/2016

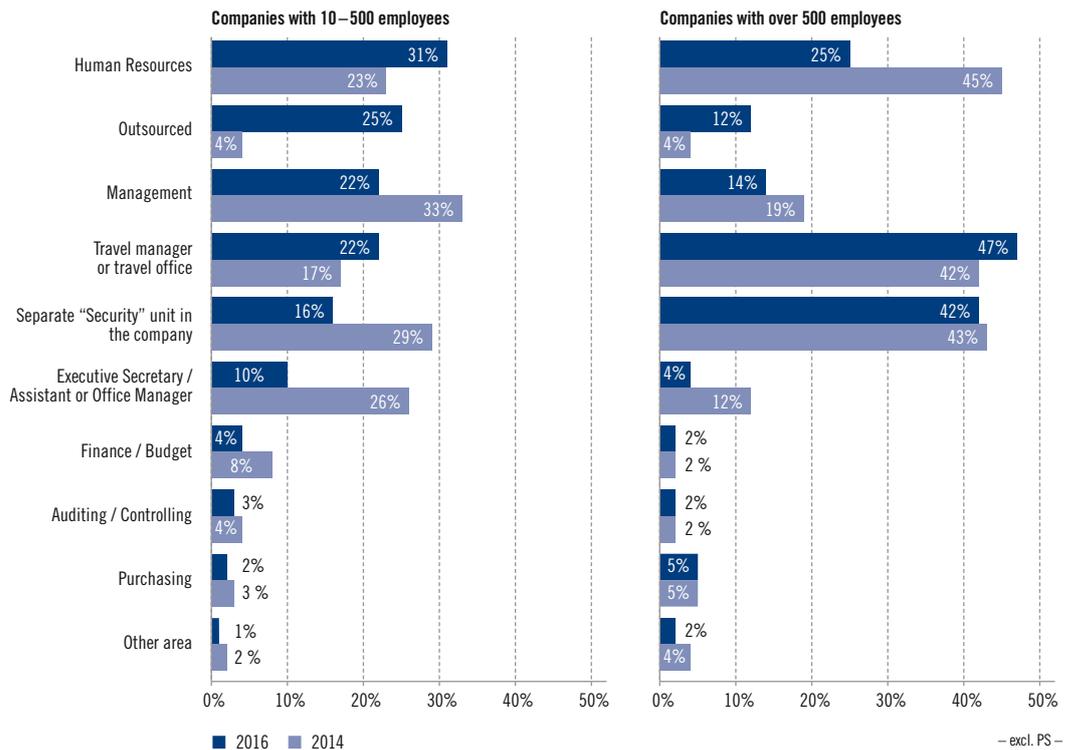


Figure 20

– excl. PS –  
 – multiple specifications possible –  
 – Companies concerned about security on business trips –

But who really takes responsibility for the issue of “traveller security” in the company’s day-to-day business? The answers show that this area is generally being pooled with other tasks. Larger firms now tend to see it more as the responsibility of Travel Management, while the allocation of security matters to

Human Resources has in turn dropped from 45% to 25%. Many of these companies have set up a separate “Security” unit (42%). The opposite trend can be seen among medium-sized companies, where the ratio assigning travel security to Human Resources has gone up by eight percentage points.

### Measures

There are many sides to this issue, in particular when it comes to business travel. As already described in Chapter 7 (Figure 16), the control of business travel flows through travel policy will probably be increasingly geared in future toward higher security needs. In answer to the question of what security measures companies offer, those mentioned most often were “Information on data protection on business trips”, “Communication with travellers in dangerous situations” and “Health and prevention programmes”.

The area of health and prevention programmes has in particular been expanded substantially by both medium-sized businesses and those with more than 500 employees. While two years ago only one in five smaller companies devoted attention to this subject, today half of them do (51%), and among the larger firms 63% (2014: 38%). The duty of care – which includes the health of employees travelling on business – is now more generally acknowledged. Here, however, the medium-sized companies still have some catching up to do in comparison to the larger firms.

Travel security measures in 2014/2016

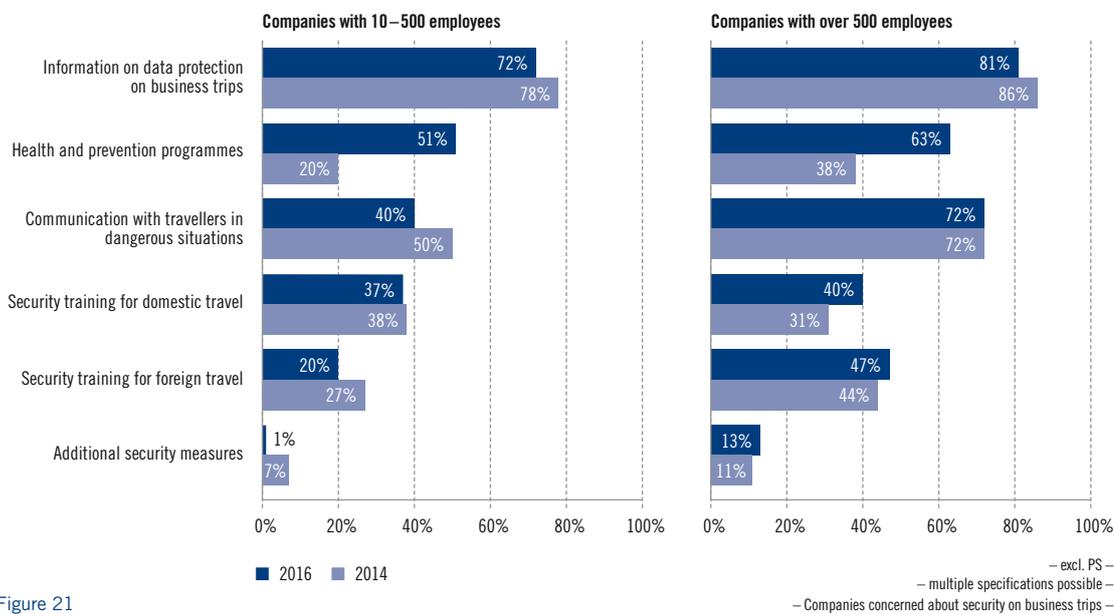


Figure 21

# 9. Trends

## Business travel apps

A business traveller without a mobile phone or smartphone? Unthinkable these days. What was still a privilege seventeen years ago (for example, owning a BlackBerry in 1999), has now evolved from cult

object (iPhone of the Steve Jobs years) to everyday tool for the masses. A differentiated selection of mobile applications – “apps” – has thus been developed for every lifestyle.

### Use of a business travel app

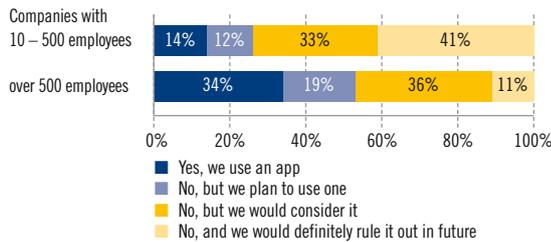


Figure 22 – excl. PS –

Larger companies seem to feel the need for special business travel apps more keenly than smaller ones, 41% of which are still reluctant to use them. The difference in attitude is surely also due to the higher frequency of business travel in large companies with over 500 employees. Today, 53% of them already use a “corporate app” or plan to launch one. Another 36% would at least consider such an app in the future.

### Features that are *musts* for a business travel app

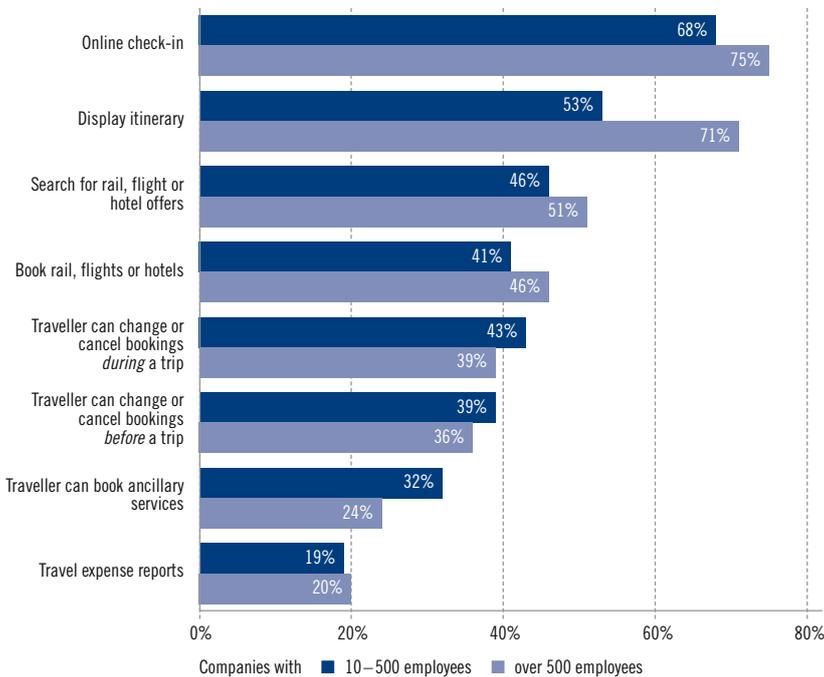


Figure 23 – excl. PS –  
– multiple specifications possible –  
– Companies that use a business travel app or would consider using an app in future –

### “Which features should a business travel app include?”

Of the companies that already use a business travel app, are planning to introduce one, or would at least not rule out such an app in the future, most are looking to facilitate travel planning, booking and actual travel for their travellers. Helpful features are for example mobile check-in, travel itinerary display, and searching for and booking services with the app. The possibility of integrated travel expense reports, although in last place, is nevertheless desired by one in five respondents. Typing in a few receipts and amounts on the way back from a trip would certainly be one way to take advantage of travel time for doing routine tasks.

**“What do you require of a business travel app in terms of meeting travellers’ needs?”**

Notification of delays from railway operators or airlines – this was once considered innovative, because if something went wrong it was surely worth informing the traveller. Today, the focus is on meeting the needs of business travellers while fulfilling the duties and requirements of the company: from direct contact with service providers, to useful information before and during a trip, all the way to “door-to-door” assistance extending from departure to return – the list keeps growing longer and the interfaces more numerous. In view of heightened security needs and adjustments in travel policy, this list must also include integrated mobile travel risk management.<sup>19</sup> Entertainment value is among the top three requirements for only 5% to 6% of travel managers.

Requirements for a business travel app

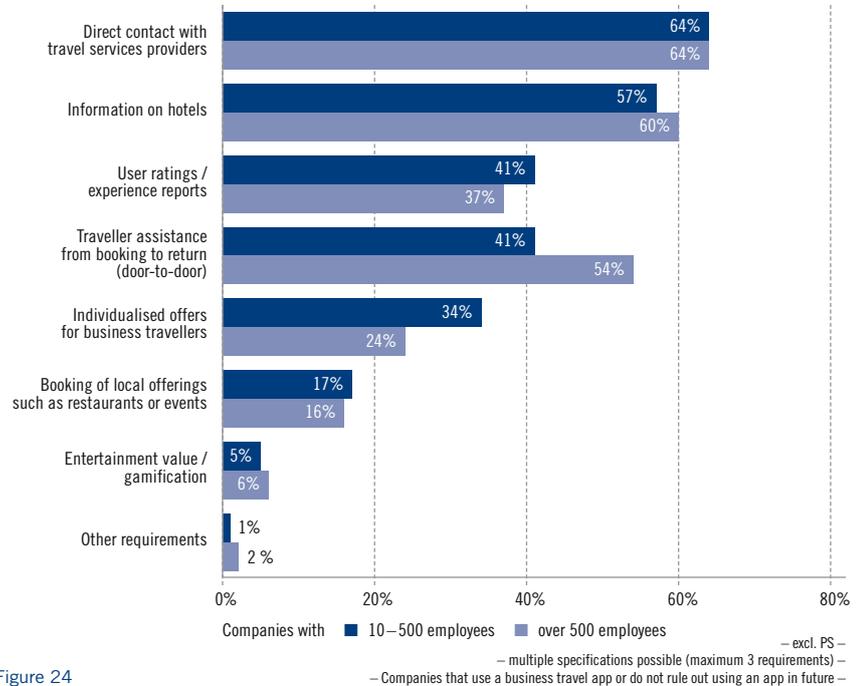


Figure 24

**Mobile booking**

**“Which of the following business travel offerings are booked in your company using mobile devices and for which would you like to use mobile booking in future?”**

The trend of the last several years towards “more online” continued last year. But even though information is increasingly being searched for using mobile devices, mobile bookings are still not the preferred channel among those interviewed. Their share of the total bookings was only 4% to 5%.<sup>20</sup> The willingness to accept “more mobile” must therefore be viewed in a more nuanced way, depending on the service provider and type of offering. Among the alternatives queried for this report, car hire, taxi services and public transport were in the lead. For personal transport services like these, mobile booking can almost be said to be part of today’s standard repertoire.

Mobile booking – current or desired

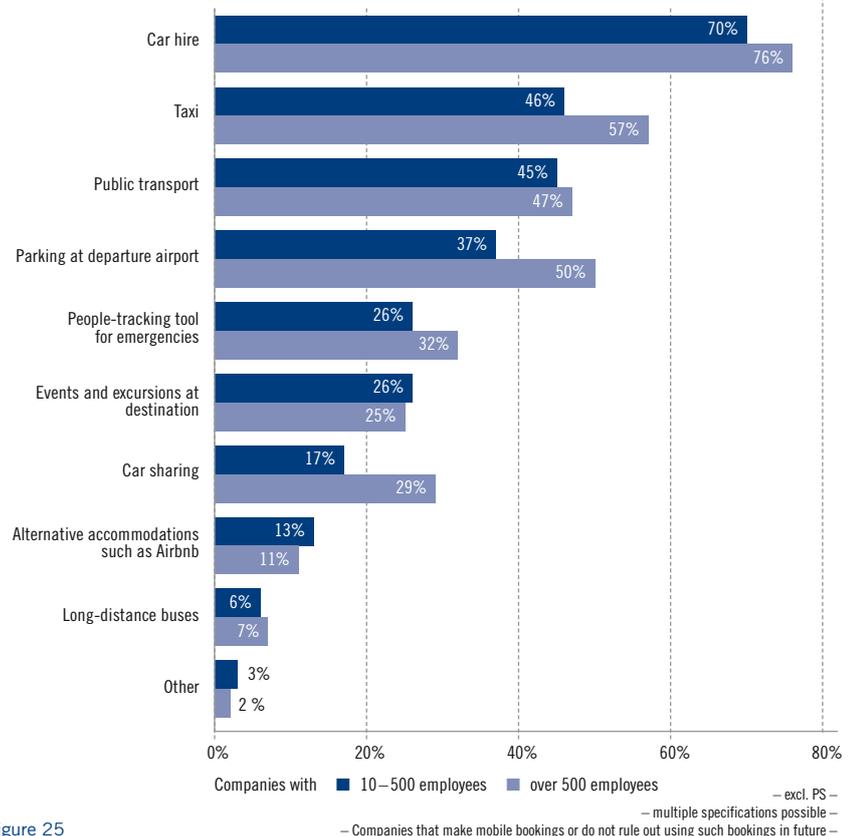


Figure 25

<sup>19</sup> For additional current background information and to learn what needs to be considered in general when planning and launching a “corporate app”, see: Graue, O.: “Smartphones und Geschäftsreisen”, in *BizTravel* 29 April 2016, <http://biztravel.fww.de/umgang-mit-apps-co-smartphones-und-geschaeftsreisen/1/156441/14697>

<sup>20</sup> VDR Business Travel Report 2015, Chapter 6, “Booking and accounting”, Figure 21, Page 18.



In general, we can conclude that if the risk for the company remains manageable, and the larger the benefit is for the traveller, the more travel managers are likely to consider the possibility of mobile booking. In the area of security, however, the possibilities seem not to be exhausted yet; one in three companies expressed interest in people-tracking tools.

#### Operating systems used

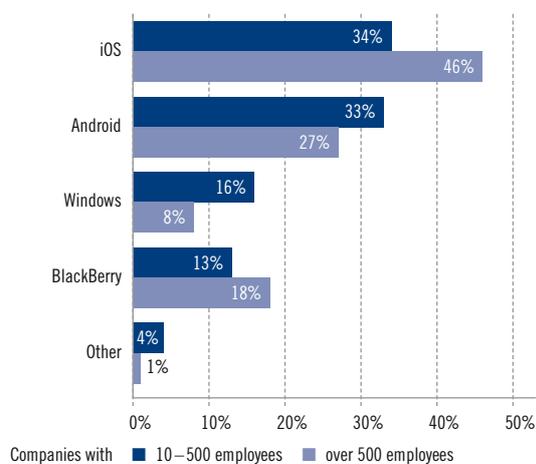


Figure 26

– excl. PS –  
– Companies whose travellers use mobile devices –

#### “Which operating system is used by most business travellers on their mobile devices (smartphone/ tablet)?”

Back in 1999, a BlackBerry pager was used to receive and send emails for the first time via a mobile connection, to synchronise calendars and to surf the fledgling internet.<sup>21</sup> Today, colourful screens of varying sizes are the rule while travelling. In the German market, Android devices reached a market share of approximately 76% in the three-month period leading up to February 2016, while iPhones accounted for 16%.<sup>22</sup>

The balance looks significantly different for business travellers, among whom iOS is the market leader, with Android devices, Windows phones and BlackBerries likewise asserting themselves in the two digits among mid-sized firms. The divide between the user fronts is somewhat wider in the larger firms.

#### Sharing economy

##### “Which of the following offerings made possible by the sharing economy are you familiar with?”

##### “In general, which of the following offerings are business travellers in your company permitted to book?”

The awareness of sharing economy offerings is growing in the business travel market, along with the willingness to book them. Nearly all travel managers in companies with more than 500 employees are familiar with car-sharing services (94%) and more allow them to be booked than the previous year. In the case of accommodations and transportation, however, these firms remain cautious. Sharing economy alternatives find the greatest acceptance in smaller companies, whether for transport or overnight stays.

<sup>21</sup> [www.telegraph.co.uk/technology/blackberry/11347347/The-history-of-BlackBerry-in-pictures.html?image=1](http://www.telegraph.co.uk/technology/blackberry/11347347/The-history-of-BlackBerry-in-pictures.html?image=1)

<sup>22</sup> <http://de.statista.com/statistik/daten/studie/251737/umfrage/marktanteil-des-apple-iphone-am-smartphone-absatz-in-deutschland/>

Sharing economy offerings in 2015/2016

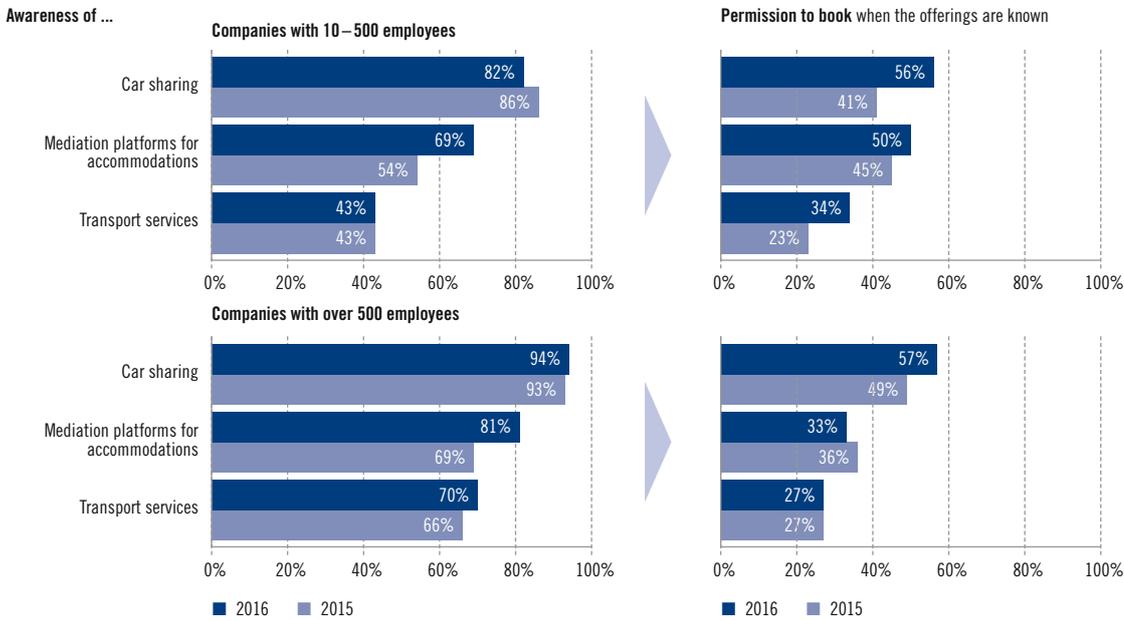


Figure 27

– excl. PS –

“If your travellers are not allowed to use sharing economy offerings, what are the reasons for this?”

Once sharing economy platforms have managed to develop good solutions for security and insurance issues, German companies will probably be less reluctant to use them. These are the points that more than half of respondents cited as the main reasons for rejecting an offer for their business travellers. For large companies, control and cost reasons are the second most important reason. And for every third company interviewed, the providers are not reliable enough. 17% argue based on their own bad experiences.

Reasons why booking sharing economy offerings is not allowed

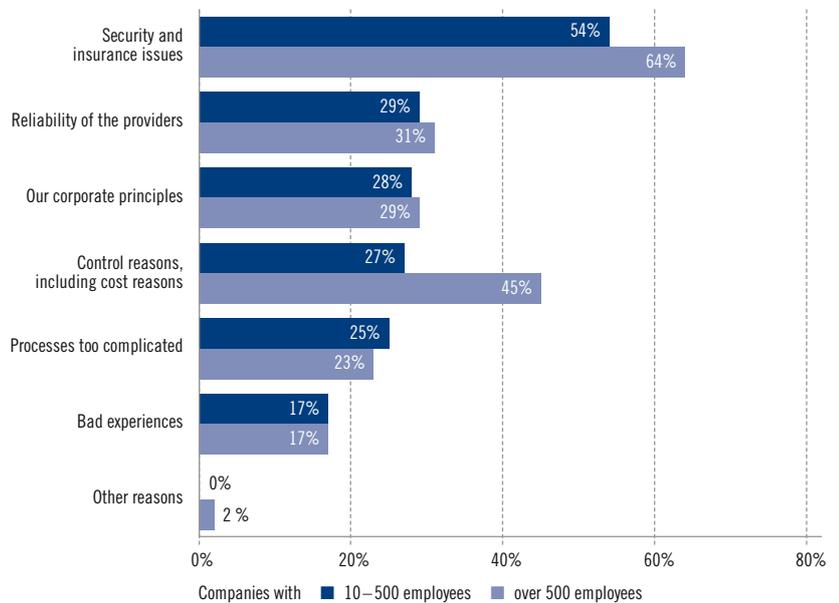


Figure 28

– excl. PS –  
 – multiple specifications possible –  
 – Companies that are aware of the offerings and do not allow at least one kind of sharing economy offering to be booked –

# 10. Outlook for 2017

## Trends in business travel volume

### “How will the number of trips made by your company change in 2017 compared to 2016?”

The confidence and positive basic mood of the previous year are not necessarily reflected in travel managers' forecasts for 2017. Depending on economic, political and social developments, an overall consolidation is predicted in the coming year, with plans allowing for a possible stagnation or decline in travel activities. As in previous years, these travel forecasts are a sensitive barometer of the global “climate”, which has a direct impact on Germany as an export nation.

According to the OECD, growth is slowing down in many emerging nations, and economic recovery in the industrialised countries is proving to be modest.<sup>23</sup> The German government foresees weaker economic growth in the coming months: The spring forecast predicts a 1.7% increase in the gross domestic product in 2016 and 1.5% growth in 2017. The low exchange rate continues to affect the German economy's export prospects.<sup>24</sup> Further reasons for sluggish growth are the subdued global economy and escalating risks.

Those interviewed expressed a feeling of uncertainty much more often than in previous years by preferring not to make a forecast at all for 2017. Both in the hotel and air travel fields, there seems to be a shift away from the previous stable numbers, but in both directions: With growth on one side and declines on the other, the service providers might just be able to get away with only a slap on the wrist.

This forecast should be considered in a more differentiated manner, however: While last year 10% of the largest companies expected less air travel in the year to come, now the ratio is 26%. In contrast, the share of rail travel could then rise sharply according to 46% of the respondents. Such a shift in the direction of rail would certainly make itself felt in the car hire industry.

### Estimated trends in overnight stays and modes of transport in 2017

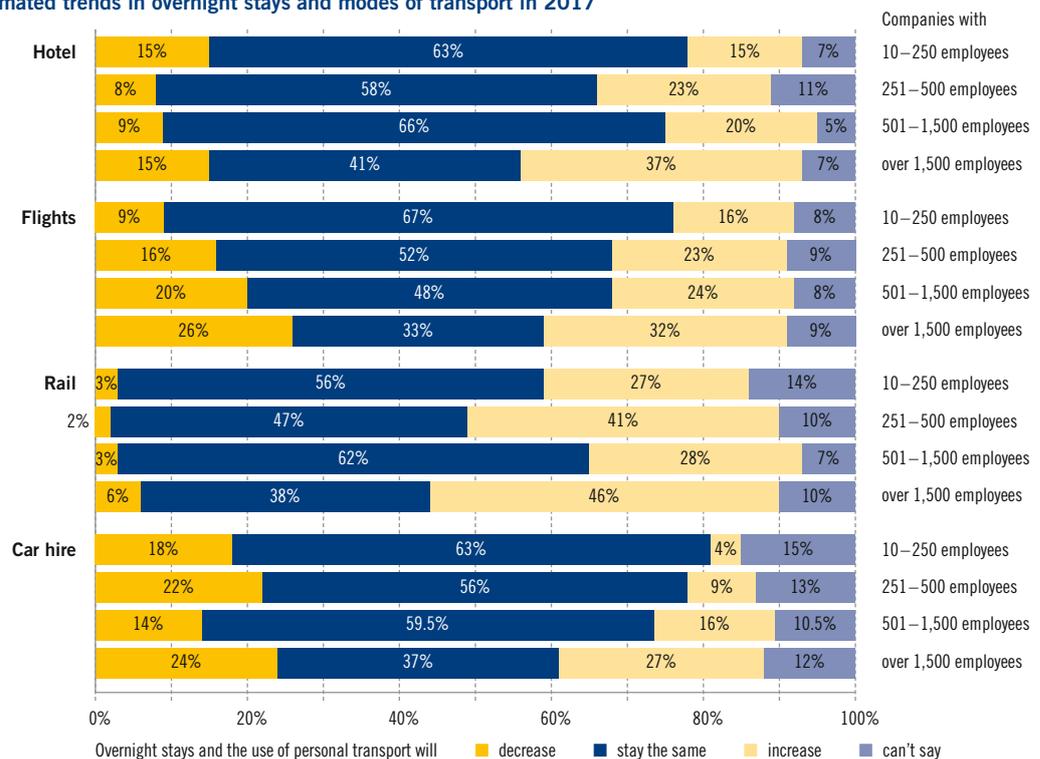


Figure 29

– excl. PS –

<sup>23</sup> OECD: Interim Economic Outlook, 18 February 2016.

<sup>24</sup> Federal Ministry for Economic Affairs and Energy: press release of 20 April 2016.

# Methodology and credits

## Methodology

As in previous years, the statistical universe for the study is constituted by all businesses that have their headquarters 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. The same weight is given to the four different size categories. Due to the differences between the private sector (“businesses/

companies”) 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/ firms, the public sector is excluded (“– excl. PS –”).
- When reference is made to organisations, this includes both companies/ businesses and institutions in the public sector.

**Number of organisations in Germany and their employees according to size categories (NACE 2003)**

	Organisation size categories (organisations with ... employees)									
	10–250		251–500		501–1,500		over 1,500		Total	
	Organisations	Employees	Organisations	Employees	Organisations	Employees	Organisations	Employees	Organisations	Employees
<b>Total</b>	429,982	15,207,886	8,864	3,052,830	4,163	3,282,391	1,209	3,506,669	444,218	25,049,776

Table 3

Source: own calculations, in conjunction with statistics from the Federal Employment Agency, Data Centre, Nuremberg. Calculated using NACE 2008 (2014 and 2015) and NACE 2003 (2008) – Status: 2015 – excluding organisations with 1–9 employees –

A random sample was taken from this statistical universe. Between January and April 2016, 800 computer-assisted telephone interviews were conducted with persons who are responsible for managing business travel and who are 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 2015 figures. All extrapolations without reference to secondary sources are based on a special evaluation of the statistics from the German Federal Employment Agency (see Table 3).

Exact figures are used when calculating percentage changes (for example total annual expenditure on business trips). This explains why calculations using the rounded figures shown in the texts and charts sometimes lead to different results after the decimal point.

The following organisation 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 über 1,500 employees

**2016 Respondent areas of responsibility**

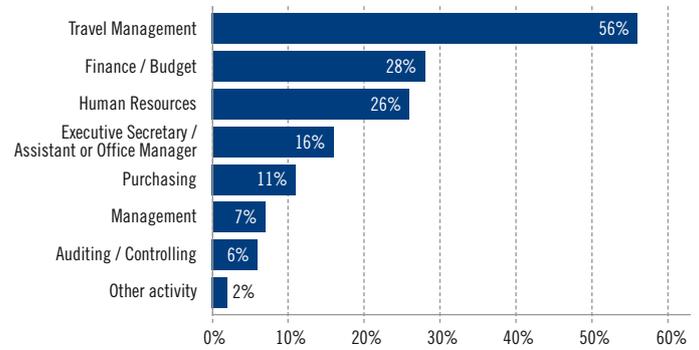


Figure 30

– multiple specifications possible –

**2016 Respondent sectors of industry**

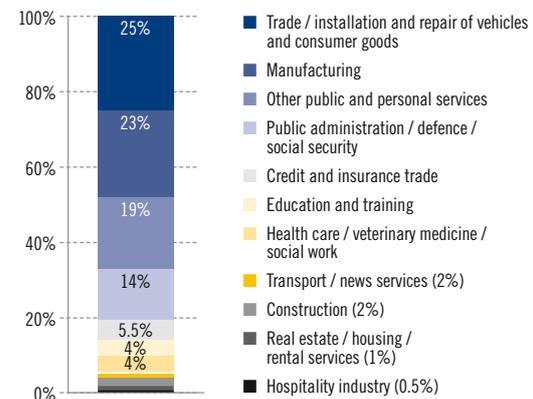


Figure 31

## The research team

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 field work and scientific evaluation of the primary data, which is gathered by the Research Factory company. Antje Adam, Claudia Giese, Viola Eggert (VDR) and Claudia Schwager-Wehming (United Research) work together with project manager Kirsi Hyvaerinen (PRÄTTO Consulting) on 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 the leaders of expert committees as appropriate for each specific topic.

### 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 550 member companies, the German Business Travel Association represents a total business travel turnover of more than ten billion euros per year.

## Credits

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

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