



**ACTE/TRX CORPORATE TRAVEL BUYER SURVEY**

**September 2006**



## SECTION I. Overview

The Association of Corporate Travel Executives (ACTE) and TRX created a survey in early September 2006 to learn more about the changing roles, strategic priorities, and industry issues that are most critical to corporate travel buyers. The survey also attempts to understand what technologies are helping corporate travel managers achieve their goals and learn where there are gaps in the tools available to buyers today. Finally, survey questions seek to understand, from a corporate travel buyer's perspective, where there are opportunities to apply new or improved technologies to industry issues they will face in the coming 12 months.

ACTE distributed the 28-question survey to 750 corporate travel buyers – a random subset of its corporate travel buyer database. The 750 individuals received a link to the online survey via email. 106 individuals completed the survey (a 14% response rate) within a window of seven days.

The results contained in this document are an advance preview of the larger study ACTE plans to present at its Global Conference in Barcelona, Spain this 22 – 24 October 2006.

Several themes emerged from the initial survey results. The primary theme: travel buyers remain intent on cutting and controlling costs. To do so, respondents want better solutions for data access and consolidation, with an emphasis on data quality and timeliness as well as improved reporting system usability and integration.

A majority of respondents are finding success with their online booking tools and will continue to invest in this technology, although respondents also requested easier-to-use applications and process improvement. While many respondents felt they could continue to improve upon their global policies, compliance was a challenge for a large majority of buyers. Travelers continue to book out of policy, executive support is not strong enough, and internal communication is not effective. Survey responses also reflected a growing emphasis on security, especially employee tracking and safety.

The survey feedback provides companies throughout the supply chain with important information they can use to improve technologies, apply automation, and help travel buyers' enhance travel management processes and demonstrate greater strategic value to their corporations.

The remainder of this document outlines the results of the 28 question survey, along with some annotation from TRX.

## SECTION II. Survey Responses

1. Name

Respondents' names will remain confidential.

2. Do you manage corporate travel for your company?

Yes	91.4
No	8.6

3. Respondents' regions

Asia-Pacific	2.8%
EMEA	23.6%
South America	1.9%
United States	51.0%
Global	20.8%

4. Title of Respondents

Corporate Travel Manager	58.5%
Procurement Manager	25.5%
Other	16.0%

*[ Note ] Survey response affirms the trend that job titles related to corporate travel management are expanding, specifically into the procurement function. Procurement-related titles supplied by respondents include: Senior Travel Vendor Manager, Senior Procurement Specialist, Regional Director Strategic Sourcing, Sourcing and Operations Manager, VP Supply Chain, and Corporate Procurement Manager.*

5. Total Travel Budget Responsibility

More than \$100,000,000	22.9%
\$50,000,001 to \$100,000,000	10.5%
\$10,000,001 to \$50,000,000	37.1%
\$5,000,001 to \$10,000,000	14.3%
\$1,000,001 to \$5,000,000	0.0%

6. Total number of employees in organization.

1 - 500	16.3%
501 - 1000	2.9%
1,001 - 2,000	9.6%
2,001 - 5,000	16.3%
5,001 - 10,000	12.5%
10,001 - 20,000	11.5%
20,001 - 50,000	9.6%
50,001 - 100,000	8.7%
100,001+	12.5%

7. Total number of travelers in organization.

1 - 500	16.3%
501 - 1000	10.6%
1,001 - 2,000	13.5%
2,001 - 5,000	14.4%
5,001 - 10,000	8.7%
10,001 - 20,000	9.6%
20,001 - 50,000	13.5%
50,001 - 100,000	2.9%
100,001+	10.6%

*[ Note ] As a whole, survey respondents represent large organizations with high travel spend. Nearly 75% of the respondents are responsible for 1,000 or more travelers. Over 70% of the respondents manage travel programs in excess of \$10 million in travel spend annually; over 33% of respondents manage programs in excess of \$50 million in travel spend annually.*

8. Percentage of time dedicated to managing travel and travel management programs.

100% of time	48.1%
75% of time	21.7%
50% of time	12.3%

*[ Note ] More than two thirds of respondents spend 75% or more of their time managing travel and travel management programs.*

9. Travel management activities related to job responsibilities.

1. Negotiate/maintain agreements/contracts with travel suppliers	99.1%
2. Evaluate and implement technology solutions	94.3%
3. Monitor data and activities related to travel suppliers	94.3%
4. Communicate travel policies and procedures	92.5%
5. Manage travel agency	89.5%
6. Provide travel advisories and/or locate and communicate with travelers during times of crisis	77.4%
7. Administer and promote employee online booking solutions	70.8%
8. Manage company meetings and events	42.5%
9. Establish travel budgets	41.5%
10. Arrange trips	15.1%

*[ Note ] Three of the top five responsibilities selected by respondents related to the management or monitoring of travel suppliers and travel agencies.*

10. Top three business objectives for your corporate travel program.

1. Reduce travel costs
2. Leverage supplier contracts
3. Manage travelers, policies and supplier contracts to ensure total travel costs remain within budget

*[ Note ] "Increase adoption of online booking tools," was a very close fourth. Respondents' top objectives are clearly to focus on cost reductions and cost control.*

12. Top challenges in meeting your business objectives [free form responses].

Very wide range of responses, with compliance an overwhelming top challenge:

- Compliance 22.8%
- Lack of resources 10.9%
- Executive support 8.7%
- Data consolidation & reporting 8.7%
- Access to all fares 7.6%
- Online booking engine adoption 5.4%
- Policy inadequacies 5.4%
- Technology inadequacies 4.3%
- Lack of communication 3.3%
- Company structure 3.3%
- Cutting costs AND providing good service 3.3%

The remaining 16.3% of responses were unique responses that did not fit into any of the groupings above. Key comments include:

- Getting travelers to use our on-line tool and managing/contracting hotel costs since we use the commissions to offset costs.
- Rising costs and a 'sellers market' make it difficult to deliver YOY savings.
- Communicating the goals based on the company as a whole and policing the policy.
- We are aligned globally for procurement but not for travel operations which we are addressing but it is a timing issue.
- Being able to accurately report costs and trends, being able to accurately capture traveler whereabouts during a crisis; being able to use the travel data to support contract re-negotiations.
- Policy compliance and working with the travel agent in the ever changing travel world.
- Implement true global structure with suppliers sometime not ready for that. Balance group decision with local habits/specificities/needs
- Travelers not understanding the reasons behind travel programs therefore not complying

13. In general, how tightly managed is your corporate travel program?

High	44.8%
Medium	51.4%
Low	3.8%

[ Note ] Most respondents (96.2%) have a carefully managed travel program.

14. How many vendor contracts do you manage?

1 to 20	70.7%
21 to 40	14.6%
41 to 60	7.4%
61 to 80	0.0%
81 to 99	0.9%
100+	6.4%

[ Note ] Almost half of the respondents manage 20 or more vendor contracts. Of those respondents, nearly 10% are responsible for 81 or more contracts.

15. Do you allow your travelers to book directly with suppliers?

No	80.8%
Yes	19.2%

[ Note ] Monitoring the high “No” percentage will be important as inventory within various channels of travel distribution changes. Data capture and traveler tracking tools and vendors will need to respond to supplier direct bookings.

16. Percentage of total company bookings made through suppliers directly.

10% or less	80.1%
25% to 49%	12.0%
50% to 74%	4.0%
75% to 99%	2.0%
100%	2.0%

17. Top trends or issues you are monitoring most carefully in the travel industry.

GDS contents/fees	36.2%
Security/traveler safety	30.7%
Online booking tools and process improvement	24.1%
Other	8.7%

[ Note ] Key trends have not changed dramatically in the last few years. However, travel tracking and security is increasing in significance a priority.

18. Technology areas monitored.

Data reporting	84.0%
Booking tools	81.1%
Travel tracking	79.2%
Data analysis	78.3%
Data consolidation	61.3%
Inventory Content (GDS)	48.1%
Meetings Management	43.4%
Inventory Content (Non-GDS)	29.2%
Traveler Connectivity	27.4%
Other	5.7%

19. Areas in which you plan to invest/negotiate contracts in the coming year.

Self-service online booking tools	55.2%
Traveler tracking tools	41.7%
Expense management	38.5%
Meeting management	32.3%
Data reporting	31.3%
Data analysis	26.0%
Inventory Content (GDS)	15.6%
Inventory Content (Non-GDS)	11.5%
Traveler Connectivity	9.4%

[ Note ] More than half of the respondents indicated they plan to invest in or expand the use of online booking tools.

20. Single most effective travel technology tool used [free form responses].

Online booking tool	41.6%
Travel invoice and expense reporting system	16.6%
Misc. (Mobile phone, e-mail, people tracker)	10.4%
GDS	5.2%

21. Primary benefit of this application.

**Online booking tool**

- Significant reduction in costs, ease of management, reduction in Human Resources
- Compliance with policy and use of preferred suppliers
- Decrease of travel costs

**Travel invoice and expense reporting system**

- All information, travel and cost in the same application
- Provides data on spend and travel patterns
- Ability to track travel invoiced

**GDS**

- Ease of access to tens of thousands of suppliers
- Find and give accurate information to traveler

22. Are there functions of your travel management responsibilities where you feel you do not have appropriate technology solutions available to you?

Yes	50.5%
No	49.5%

23. If answered yes, what are the activities that would benefit most from technology?

- Reliable, cost effective data consolidation and analysis
- Fully integrated travel and expense management tool – from booking to reimbursement of expenses
- Getting data in one place to make a decision

*[ Note ] More than half of the 53 total comments related to easy access and integration of data.*

24. Do you have all the information you need to make good decisions about your global travel programs?

Yes	62.3%
No	37.7%

25. Is the information readily available, easy to use and enables you to make good decisions? Please explain.

Yes	60.0%
No	40.0%

70% of the “Yes” respondents added comments...of those:

- Cited solid access to reports and data 29.6%
- Credited agency for their data/reports 22.2%
- Acknowledged credit card data effectiveness 1.9%
- Said yes, but added the following disclaimers 14.8%
  - Air only
  - No confidence in accuracy
  - Help analyzing the data is still necessary
  - Challenge managing the volume of data

92% of the “No” respondents added comments...of those:

- Complained of disparate sources/lack of consolidation 47.2%
- Did not trust the quality of the data 16.7%
- Believed the data was not accessible 13.9%
- Lacked appropriate tools 8.3%

Interesting comments include:

- We have to go to many sources.
- Information comes from several different sources.
- Good data is difficult to obtain.
- Our company is immensely fragmented by business and reach; many different types of databases, etc.
- Data is not current and normally too late to do anything with once received.

27. What would enable you to increase your use of travel technology [free form responses]?

Increased travel budgets	14.3%
Improved data consolidation and reporting tools	12.0%
Mandates or increase support from management	12.0%
New or improved booking engine technology	8.3%
Easier integration and implementation	8.3%
Lower prices for technology	5.6%
Improved technologies	4.8%
Access to, and integration of, non-GDS inventory	3.6%
Meetings management integration	3.6%

The remaining comments varied without any common themes. Interesting comments include:

- Less technological change in our companies’ other systems (i.e., everyone suffering from ‘change’ and ‘new tool’ fatigue).
- Easy to use for all travelers; one stop shop.
- Increased focus from management on travel.
- Automated T&E (we’re currently 100% paper) and a card program with features to allocate charges and company-pay those allocated charged.

- More conferences talking about what the different technologies available and which one allows what compared to the others.
- Full integration with our business workflows and systems.
- More internal resources and more proactive agency account management.
- A tool that would consolidate all data from all sources and make the data available to us for ad hoc reporting purposes.

28. How can your corporation best use your corporate travel program as a strategic tool [free form responses]?

The top categories of comments are as follows:

Delivering cost savings and controlling costs	31.5%
Providing improved data reporting and analytics	11.8%
Getting better executive support or mandates	10.5%
Improving communication to organization	6.6%

Honorable mentions: several respondents suggested centralization of their global travel programs was the key to becoming more of a strategic tool within their organizations. A few others noted that a stronger emphasis on security and traveler tracking would increase the strategic value of their corporate travel programs.

Interesting comments:

- Provide technology, elevate the status, and use travel management reporting to identify areas of opportunity at a strategic level.
- Showing executives where and why changes need to be made. The benefit is that “structural changes” bring cost savings to the company.
- Continuing to improve compliance, increasing the value of the travel data for use in sourcing.
- The corporate travel program should be more cost driven and viewed as a procured product.
- [Our favorite] We already do!