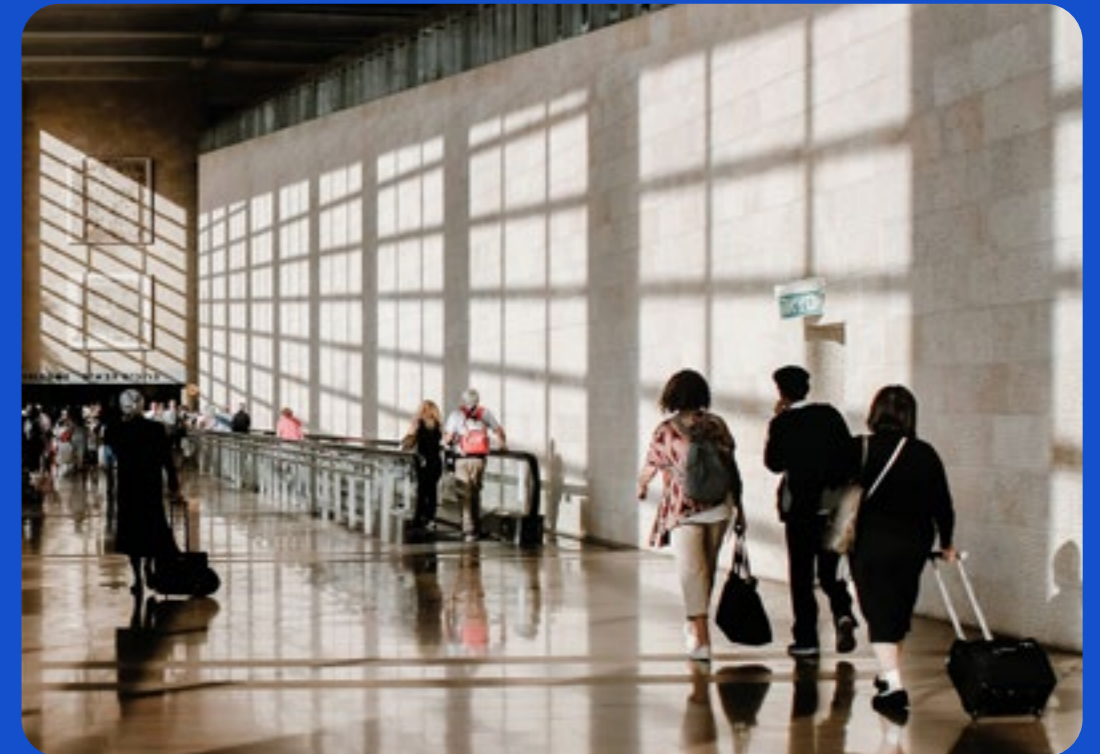


The Value of Business Travel Report

How is business travel helping companies go further?



Discover why business travel matters with TravelPerk's report



Contents

10
→

Changing business travel behaviors

- > How budgets are evolving

20
→

The benefits of investing in business travel

- > ROI: the financial impact
- > ROI: the human impact
- > Work travel and professional growth
- > Work travel and personal growth
- > Business travel: a game-changer for Gen Z?

46
→

Building business travel foundations for the future

- > AI & its impact on connecting in-person
- > Tips to tackle the economic drivers of business travel

59
→

Methodology



Who we surveyed

To gain insight into the value that business travel drives for companies and their people, TravelPerk surveyed business travel decision-makers from 2,000 companies outside of its customer base, including 540 C-suite leaders. It also surveyed 4,600 business travelers and 625 travel managers and admins who use the TravelPerk platform. The three survey audiences were polled in the US, UK, Spain and Germany.

2,000
companies

540
C-suite
leaders

4,600
business
travelers

625
travel
managers



It's an exciting time for business travel

A note from Avi Meir, CEO & Co-Founder

TravelPerk was founded on the core belief that the important things in life happen in-person. But the last couple of years have proven tough for businesses. From inflation and recession to layoffs and cutbacks, economic headwinds have been impossible to ignore.

In this context, you'd expect company budgets to be slashed across the board, but this couldn't be further from the truth. 62% of CEOs predict an increase to their company's travel budgets this year, as they look to expand into new markets and grow headcount.

“ We spoke to leaders and decision-makers from 2,000 companies and found a common thread. Increasing investment in travel to connect teams and meet customers, as well as do essential in-person work, has a strong positive impact on both company revenue and profitability.”

Although the C-suite attributed a third of their total 2023 sales growth to travel spend, there is still an important focus on demonstrating the return on investment of every trip. This ROI is what we set out to explore in our first ‘The Value of Business Travel Report’.

What we found goes beyond financial performance, with the human benefit of business travel proving to drive significant value for both companies and their people. Business travelers reported increased productivity, as well as higher likelihood of staying in their current job, directly reducing company attrition rates.

For many businesses, growth can pose a challenge to company culture. In my view, culture is the operating system of a company, and I am a firm believer in connecting teams in real life to maintain this. Humans aren’t designed to interact only online and we’re actually seeing more investment in social employee travel experiences such as offsites and get togethers, particularly from remote and hybrid companies.

Finally, as the business travel industry evolves, Artificial Intelligence (AI) is driving significant advancements. AI tools can transform how anyone does business, but how you adopt its capabilities is crucial. We’ve always focused on a human-first approach to implementing AI at TravelPerk, automating back-end tasks so our people have more time to interact with colleagues, customers and partners. This is a game-changer to engage teams and build a positive future in a tech-first world, and I’m not the only leader who shares this view.

Changing business travel behaviors



How budgets are evolving



Businesses have been operating under challenging economic circumstances, including inflation and layoffs. Nonetheless, 2024 is anticipated to be a big year for the industry, with business travel spend expected to exceed pre-COVID levels by the end of the year¹. For many companies, business travel is a necessary expense and business leaders are focused on driving return on investment (ROI), to ensure they're getting the most from every trip.

According to decision-makers from the 2,000 companies surveyed, businesses spent an average of \$2,904 per traveling employee last year, including in-destination costs such as meals and local transport.

CEOs expect travel budgets to increase

Of the 2,000 companies surveyed, nearly half (49%) of business travel decision-makers expect their travel budget to increase throughout the year and into 2025, with an average increase of 20%. CEOs are particularly likely to hold this view.

62%

of CEOs expect their travel budgets to increase in 2024, compared to last year.

The top three industries planning to invest more in business travel are:

60%

Travel and Tourism

57%

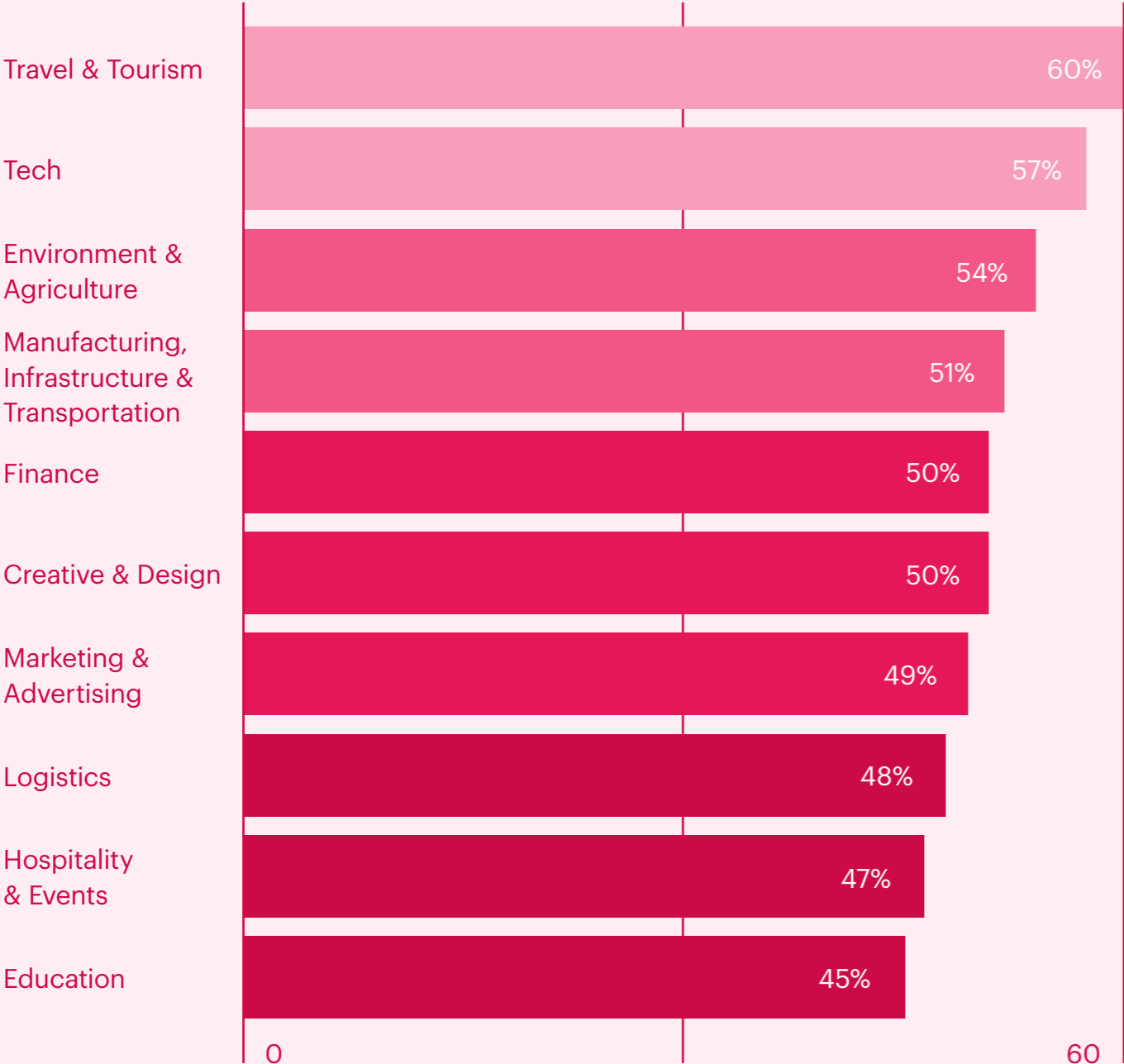
Tech

54%

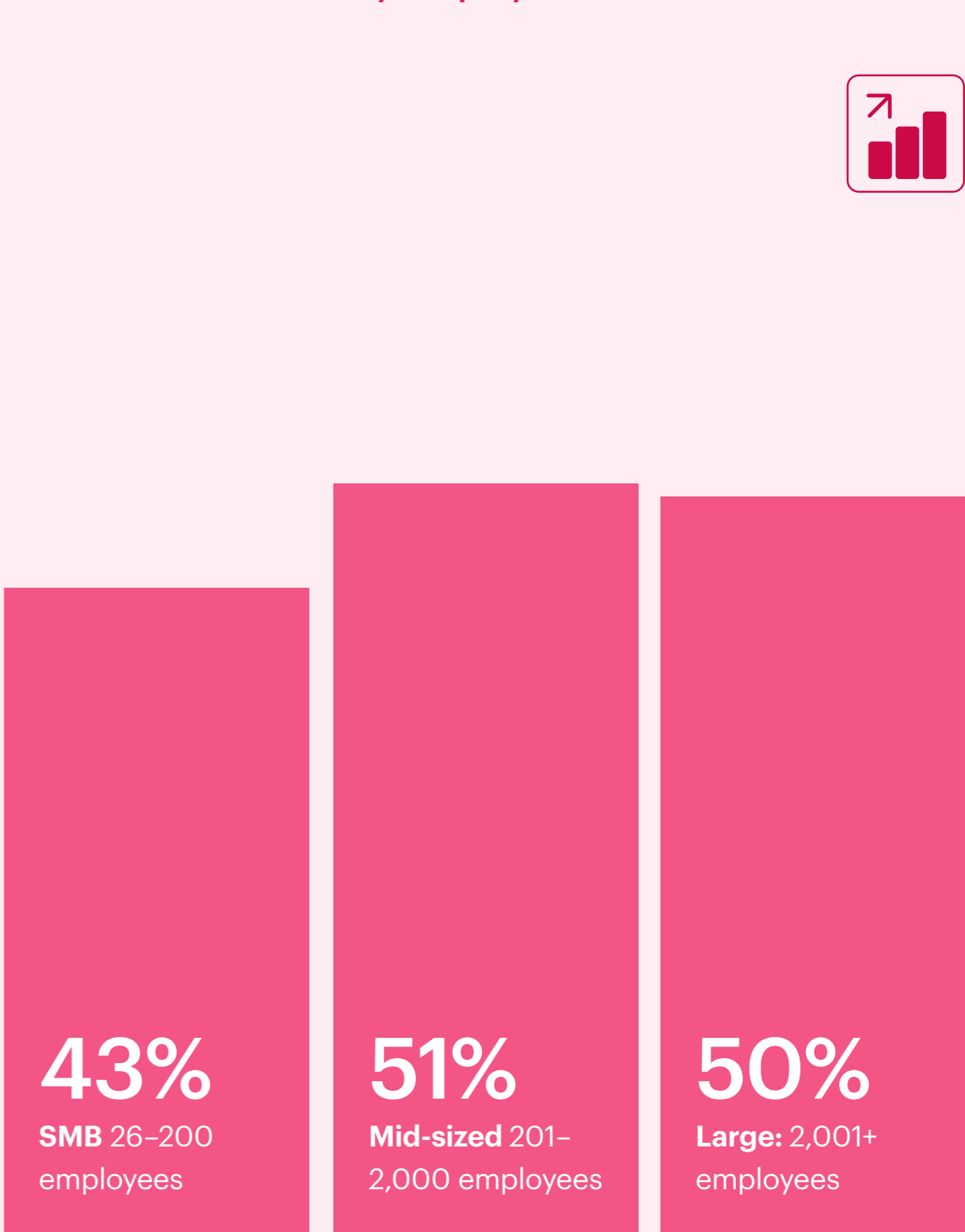
Environment and Agriculture

Mid-sized (+200 employees) and large companies (+2,000 employees) are the most eager to **increase their investment in business travel this year**.

Top 10 industries increasing their travel spend:



Percentage of companies that will increase investment in business travel in 2024 by company size:



Top drivers for travel budgets: expansion into new markets

Businesses are focused on growth this year, and business travel can facilitate the in-person connection needed to achieve this goal, such as building new client relationships. With **91% of business travel decision-makers claiming they'd lose existing customers without in-person meetings**, in-person connections can help maintain those existing relationships.

According to business decision-makers, the primary investment areas where companies plan to allocate the largest share of their annual business travel budgets this upcoming year are:

37%

Sales, new business and conferences

26%

Internal company meetings

18%

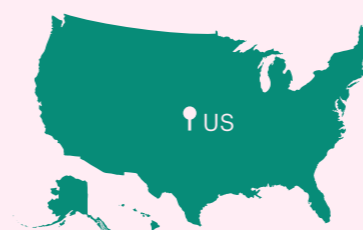
Social company events such as offsites

But why are some companies increasing their budgets? The top reason was to expand into new markets (47%). Other important reasons for increasing travel budgets were attending more conferences and events (45%) and growing headcount (39%).

However, not all countries are looking to increase their global business travel budgets equally. 61% of US companies plan on increasing their budgets,

but this falls to 44% in Europe, with German companies increasing their spend the least (39%). After reaching an estimated \$329 billion in business travel spend in 2023, according to the Global Business Travel Association², the US is predicted to continue showing strong growth. This could be driven by a slightly larger share of US employees who regularly travel (33%) compared to European companies (29%), as well as more focus on business development (46%) versus European counterparts (37%):

- > 61% of US companies expect to increase their budget
- > 48% of Spanish companies expect to increase their budget
- > 46% of UK companies expect to increase their budget
- > 39% of German companies expect to increase their budget



61%

of US companies expect to increase their business travel budgets.



44%

of European companies expect to increase their business travel budgets.

Macroeconomic climate and sustainability targets influencing travel budget-setting

While some companies are looking to increase investment, macroeconomic factors are influencing investment for others. Almost one third of companies surveyed expect to decrease their business travel spend, primarily driven by:

35%

a perceived rise in travel prices

32%

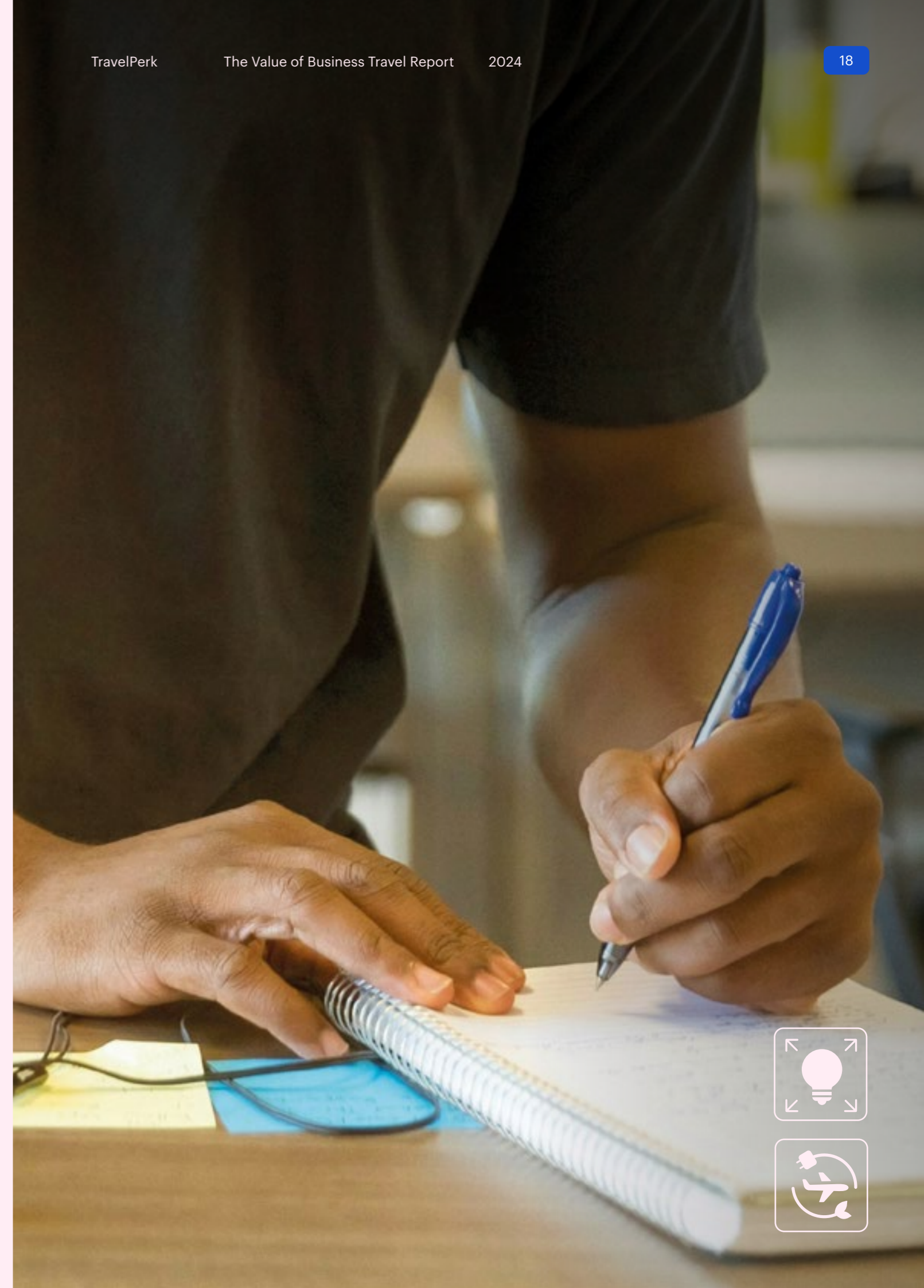
economic climate including inflation

30%

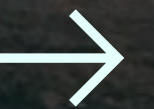
cost-cutting measures

Environmental sustainability (27%) was another reason for business travel budget cuts.

Recent research³ shows more than 80% of corporate travel buyers expect sustainability commitments to spur reductions in travel spend. Initiatives like carbon offsetting will be of particular interest to companies as they work towards their sustainability goals. This would also match the 16% of business travelers who want the freedom to choose their travel based on the lowest carbon emissions option. On a positive note, there has been a general trend towards more sustainable modes of travel, with train bookings gaining traction over flight tickets in recent years. While flights remain the primary mode of transportation, the share of train bookings versus flights on the TravelPerk platform has increased to 33% in 2023, from 17% in 2019 – with flights representing 67% in 2023.



The benefits of investing in business travel



Companies which see business travel as a necessity face a difficult balance between reaping the benefits of business travel while navigating the challenging economic conditions and budget cuts. With this in mind, we've set out to create an in-depth analysis of the ROI. For companies of all sizes, business travel brings tangible financial return, and a positive impact on people.

ROI: the financial impact

The vast majority of business travel decision-makers say an increase in travel budgets leads to increased company revenue (64%) and profitability (59%). A large driver for this revenue is based on sales achieved through in-person meetings, whether it's to acquire new customers or maintain existing customer relationships.

Building new customer relationships

Developing client relationships is a key reason for why companies invest in business travel. Business travel decision-makers say 37% of travel spend is dedicated to sales activities and business development. There's intrinsic value in face-to-face interactions. For employees who travel for sales activities, the survey showed that 30% of the sales revenue they would drive would be lost without in-person meetings with clients and prospects.

34%

C-suite leaders attributed a third of their company's total sales growth in 2023 to traveling for in-person meetings.

The research brings to light that, for SMB and mid-size companies, **each dollar invested in business travel generates an incremental average of \$12 of revenue⁴**, primarily driven by new customer acquisition.

The calculation on the return on investment of business travel looks at average annual travel spend relative to average company revenue from survey respondents, as well as external data, which assumes that the average revenue stemming from new customer acquisitions is 20%⁵.

76% CEOs 69% CFOs

agree that increasing travel budgets would positively impact their company's revenue.

Maintaining existing customer relationships

According to business travelers, face-to-face customer meetings play a significant role in company revenue.

Overall,

67%

of those who travel for work said their company would lose revenue without in-person meetings

while 95% of the C-suite said they would lose customers without in-person meetings. On average, companies estimate that this loss would represent 27% of their existing customer base.

For companies concerned about travel spend, these direct benefits prove there are opportunities to unlock further business performance **when invested correctly**.



95% C-suite

leaders say they'd lose customers without in-person meetings.

ROI: the human impact

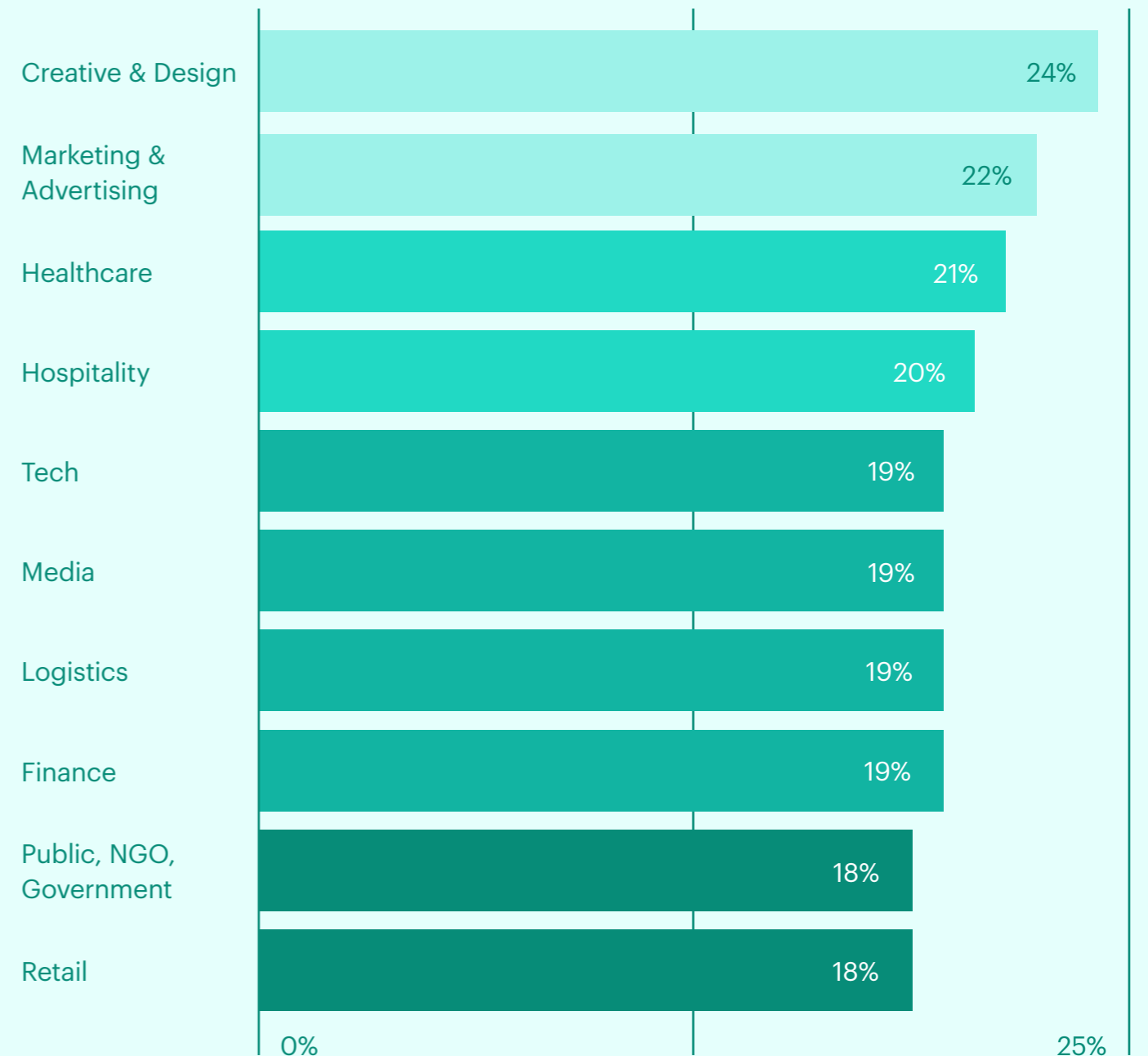
Connecting in-person and building human relationships

When investment is managed efficiently, the benefits of business travel can go far beyond just cost savings and increased revenue. The human impact of business travel is also considerable. The data shows that business travel serves as a motivating factor for employees, a perk to help attract new hires and a connector for hybrid, remote and distributed workforces.

According to business travelers surveyed, the average employee travels around six times per year, for trips including at least one overnight stay. Around three of these trips are for company social events, including offsites and get-togethers.

The industries that are planning to invest the most on employee social experiences, based on total annual travel budget, are creative and design (24%), marketing and advertising (22%), and healthcare (21%).

Industries investing the most in employee social experience – based on share of annual travel budget



In-person interaction like social events and client meetings are not the only reason for business travel. For some industries, manual on-site work is an indispensable part of their operations. This is why industries like logistics, healthcare, manufacturing, infrastructure and transportation have a higher than average proportion of employees taking 11 or more trips per year. In contrast, sectors like legal and media, which involve fewer physical tasks, see a lower travel frequency.



Work travel & professional growth

Business travel is a draw for attracting and retaining employees

Although business travel is a necessity for some companies to get a job done, it also offers employees the opportunity to explore new places, make stronger professional connections and grow professionally. Traveling for work is therefore proving a major draw for attracting and retaining the best talent.

75% of the HR decision-makers surveyed said advertising business travel opportunities in job descriptions makes the role more attractive. Along with helping to attract new talent, business travel can also assist with retention – 63% of business travelers say traveling for work makes them more likely to stay in their current job. This is even higher amongst Gen Z, where 76% say business travel influences their decision to stay with their employer.

Social travel experiences increase employee engagement and retention

Top professional benefits of traveling for work, according to employees:

Increased interactions with colleagues

Increased knowledge and experience

More opportunities to meet partners and customers

Increased visibility in the company

Increased interactions with senior team

Even in an increasingly remote and hybrid world, the survey results showed that many companies prioritize bringing their teams together to connect in-person. Offsites and social get-togethers have become the glue that holds remote and hybrid teams together, with many companies choosing to meet for team building and other events several times a year.

43%

of business travel admins reported their company's travel budget to connect employees in-person increased over the past year.



As someone who's seen it firsthand, I can say that travel and meeting face-to-face are game-changers for building connection and engagement for a distributed workforce. They bring people together, help build a unique culture and create strong bonds. These in-person interactions underscore the significance of personal connections in fostering innovation, driving high growth and nurturing a shared sense of purpose. In recognizing travel not as a corporate necessity or purely a cost line, but as a strategic opportunity for collaboration and alignment, organizations can unlock the full potential of an international talent pool and cultivate a truly connected community."

Lenke Taylor

Chief People Officer, [Personio](#)

Perhaps unsurprisingly, company get-togethers are most popular with remote companies whose employees don't get much facetime on a day-to-day basis. 85% of fully-remote employees surveyed have participated in company get-togethers of one night or more within the past year. This number falls to 78% of those who work in-office 1-2 days per week, 68% of employees who are in-office 3-4 days per week, and 69% of employees who are in the office full-time.

Percentage of workforce that travels for social company events i.e. offsites and get togethers by working policy

85%

Fully remote

78%

Hybrid: in office 1-2 days

68%

Hybrid: in office 3-4 days a week

69%

On-site



94% C-suite

leaders have noticed higher engagement levels after employees participate in company social events.

In addition, traveling for work also drives productivity. 62% of business travelers say they're more productive at work following a business trip, while 59% of decision-makers see an increase in productivity after their employees participate in travel.

And, according to the research, bringing employees together can actually increase engagement, thereby reducing turnover. In 2023, companies that increased their travel budget had an employee turnover of just 8.6%. This is 3.5% lower than those who reduced their investment to connect employees, and is below the 10% average turnover rate suggested by Gallup and business leaders⁷ as a sign of a healthy organization.

Companies that increased their travel budgets to connect employees have a

29% ↘

lower employee turnover, than companies that reduced their travel spend.

Retaining existing employees is important for companies, given that the total cost of hiring a new employee can be three to four times the position's salary, according to the Society for Human Resource Management⁸. 62% of C-suite leaders think an increase in travel budgets would help with employee retention, while 94% observe a boost in employee engagement following their team's travel to a company social event.



Work travel & personal growth

Top personal benefits of traveling for work, according to employees:

Meeting new people

Visiting friends & family in the destination

Experiencing new cultures

Feeling happier and more fulfilled

Exploring new places

For some employees, business trips aren't all about work – and there's an opportunity for companies to get more from this too. By extending and combining work trips with leisure travel, known as "blended travel", businesses can motivate employees to stay longer to get more work done, maximizing the purpose of their visit and avoiding repeat visits. 44% of business travelers say they've extended work trips when their company policy allows them to do so.

When asked about their reasons for extending a business trip, four out of the top five answers given by employees reflected a trend towards blended travel.

Business travelers said they extended their trips for five key reasons:



42%

visit family/friends in the destination



57%

explore the city/country they traveled to



28%

relax before returning to work



41%

add on leisure time to save money on personal travel



14%

reduce personal CO² emissions

Businesses could consider allowing trip extensions to support traveler well-being and increase employee engagement, especially if it leads to higher productivity and more intentional work travel.



Business travel: a game-changer for Gen Z?

Generation Z employees (also known as Gen Z, typically 18–26 years old) are now entering the workforce and are being met with a work culture and set of opportunities very different to previous generations. Consequently, they have new attitudes towards the world of work and business travel.

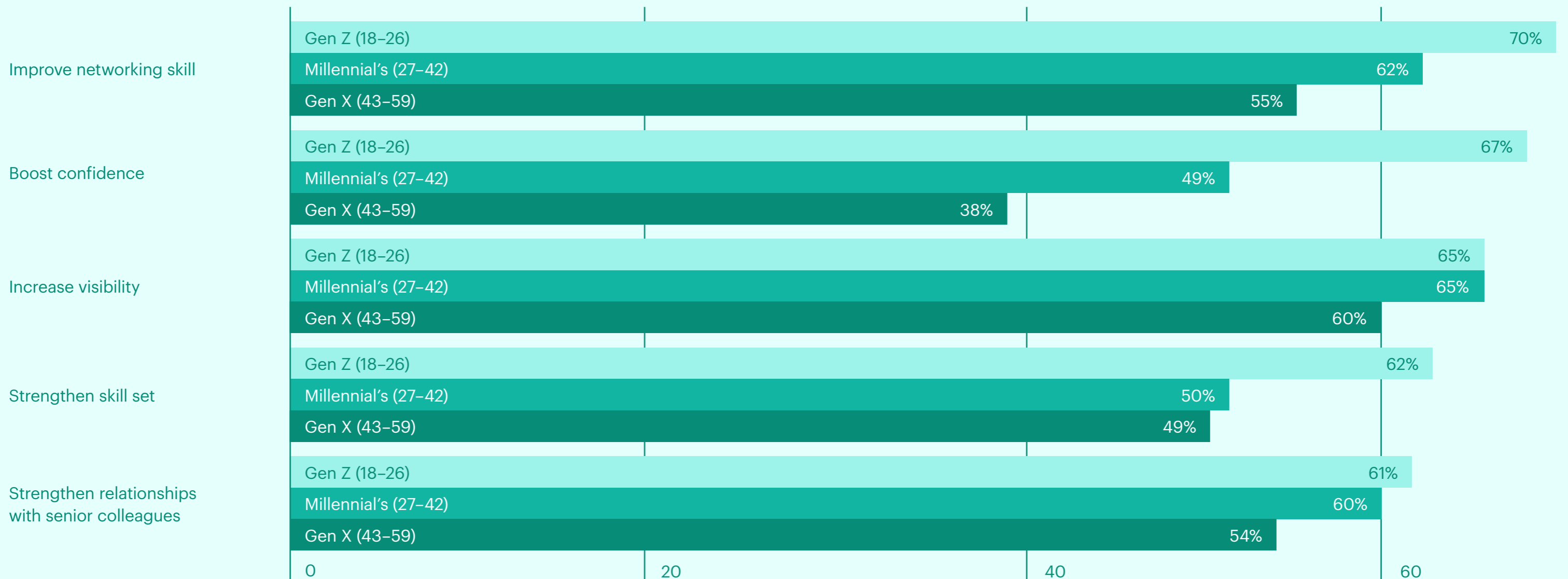
Among Gen Z business travelers surveyed, 79% want to travel for work to explore new places, compared to 72% of Millennials (typically 27–42 years old) and 60% of Gen X (typically 43–59 years old). In addition, Gen Z employees are keen on prioritizing well-being with 34% saying they'd like to be able to expense a well-being activity i.e. yoga, exercise class, and 41% saying they'd like their company to allow them to extend trip time.

49% Gen Z

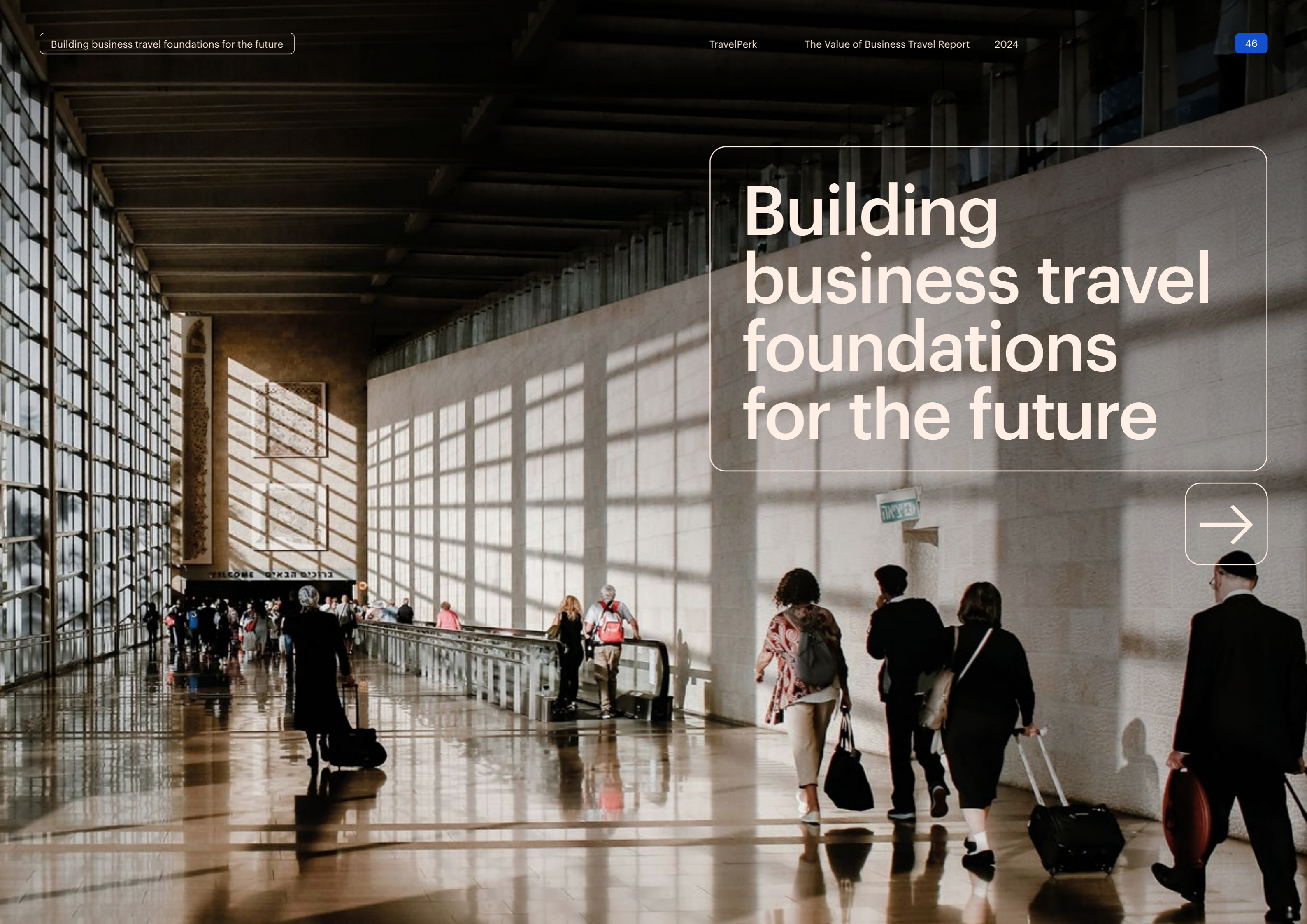
31% Age 27+

Half (49%) of Gen Z would like to travel more often for work purposes, compared to 31% of those aged 27 or more.

If well-planned, business travel could be a particularly important professional development opportunity for younger workers. Since Gen Z are just starting out in their careers, they can strongly benefit from interacting with different departments and gaining the mentorship of senior professionals (75% of executives credit their success to mentors⁸). With 70% of Gen Z saying business travel can improve their networking skills and 65% saying it makes them more visible within the company, it's clear how business travel can aid early career development.



Building business travel foundations for the future



AI & its impact on connecting in-person

The use of AI has sparked some debate around which tasks should be automated and which ones benefit from a human touch. Automation has led to increased efficiency (and, for some companies, layoffs), but this doesn't mean every type of work can or should be automated. AI is a particularly powerful co-pilot in the automation of routine tasks. But, for more complex, creative and care-led activities, business leaders recognize that there is still no substitute for meeting in-person.

38% ↗ of CEOs

surveyed said their company's investment in AI would increase the need for in-person meetings facilitated by business travel.



Automation doesn't remove the need for human connection – if anything, it increases it. By using AI to take care of repetitive tasks, individuals can free up their time for work that can't be automated. Employees are able to serve more customers, increase efficiency, and spend more time on in-person meetings and less time on routine tasks. In-person interaction will be essential to maintain company culture and morale in an AI-driven world.





“ In today’s fast-paced business environment, gaining real-time insights, effortlessly managing employee expenses and enforcing spend controls aligned with company policies are indispensable factors for success.

Artificial Intelligence (AI) is pivotal in simplifying these processes even further. Through AI and automation, businesses can effectively manage expenses by optimizing spending, detecting anomalies, contextualizing data in real-time, and forecasting expenditure. By leveraging the right technology stack, tasks become not just manageable, but enjoyable.”

Mette Gade

Chief Product Officer, Pleo

Tips to tackle the economic drivers of business travel

In the current economic climate, companies are understandably focused on cost-cutting measures and the bottom line. However, for some businesses, travel is a vital part of their work and without it they could miss out on benefits such as productivity gains, attracting and retaining employees and winning new business.

A recent article in the Harvard Business Review⁹ reminds companies not to lose sight of long-term organizational health when cutting costs. With only 11% of organizations sustaining cost-cutting behaviors three years on, it's important to create a plan for ongoing success.

With this in mind, the value of business travel can only be reaped if trips are intentional, purposeful and managed efficiently to drive positive business outcomes.

Here are three actionable insights stemming from the research:

1

Take longer but fewer trips, optimizing time for more purposeful travel

As seen, business travelers want to extend their work trips for personal and professional reasons, and by encouraging them to get the most out of every trip, companies could reduce the need for repeat visits. Taking a more conscious approach to business travel, with longer, less frequent trips, is also more environmentally sustainable.

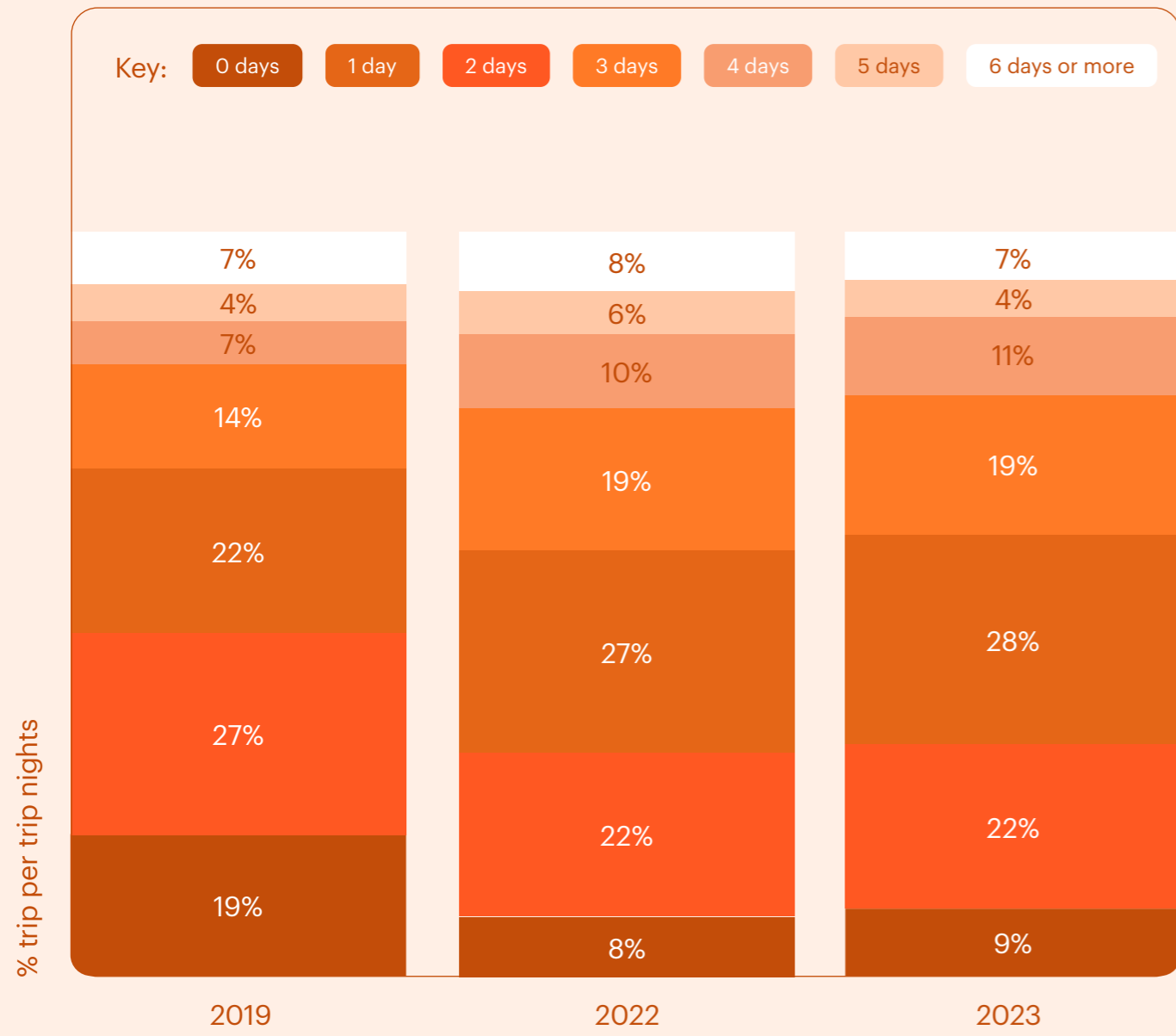
According to TravelPerk booking data, trip durations are on the rise, with a decline in same-day return trips taken by plane. In 2019, 19% of short-haul flights (under two hours) booked on the TravelPerk platform were day-return trips. In 2023, this number has halved to just 9%. Instead, there's a growing trend toward two to four day journeys, which now dominate the global business travel market: 43% of all short haul flight trips in 2019 were two to four days in duration, and this number has now risen to 58%.

The number of day-return short haul flights booked on the TravelPerk platform has halved

50% ↘

Number of trips two to four days long has risen by:

15% ↗



Companies can cut costs from repeat visits, set targets to reduce carbon emissions and support employee personal and professional growth. Around **one third (34%) of business travelers say their company does encourage them to book in as many meetings as possible to avoid making multiple trips** – extending trips when needed can in turn drive fewer repeat visits. Business travelers can also prioritize their well-being by traveling slower, ensuring they can have some downtime to arrive for work refreshed and more productive.

2 Choose flexible business travel policies to drive efficiency

For business travelers, it's clear that their employers could be doing more to support them and maximize the benefits of their trips. Today, **over half (51%) of business travelers say their company focuses on the cheapest travel options**, prioritizing short-term cost-savings over productivity while traveling.

Just under a quarter of companies support extending trips to encourage productivity (22%) or reduce repeat visits (21%), even though business travelers have a valuable role to play in driving revenue, increasing profitability and retaining customers. In challenging market conditions, it pays to listen to their perspective to unlock long-term business growth. The top three improvements business travelers want to see in their company's travel program are:

36%
The ability to extend trips to maximize work time

34%
The ability to extend trips to add leisure time

29%
The ability to expense a well-being experience

36%

of business travelers would like the opportunity to extend their trips to maximize work time and reduce repeat visits.

The number of companies that allow them to do so is only:

21%

Being more flexible can also help prepare for when trips don't go to plan. Booking an overnight stay ensures travelers are on time for important meetings when travel disruptions occur. In 2023, 79% of business travelers were affected by disruptions, with 40% experiencing significant delays of more than one hour while 24% had reservations canceled, according to [TravelPerk's global disruption data](#). As a result, one in four business travelers are now adding an overnight stay to trips to ensure they're on time for important meetings.

3

Stay on top of travel budgets with the right expense policies

To reduce travel costs and get the most out of every trip, companies need to be able to accurately track and control traveler expenses and incidentals. However, **17% of travel admins say their company doesn't have a travel policy covering things like in-trip expenses, despite 48% saying that such a policy could save the company money.**

In fact, 8% of travel admins say their company could save between:

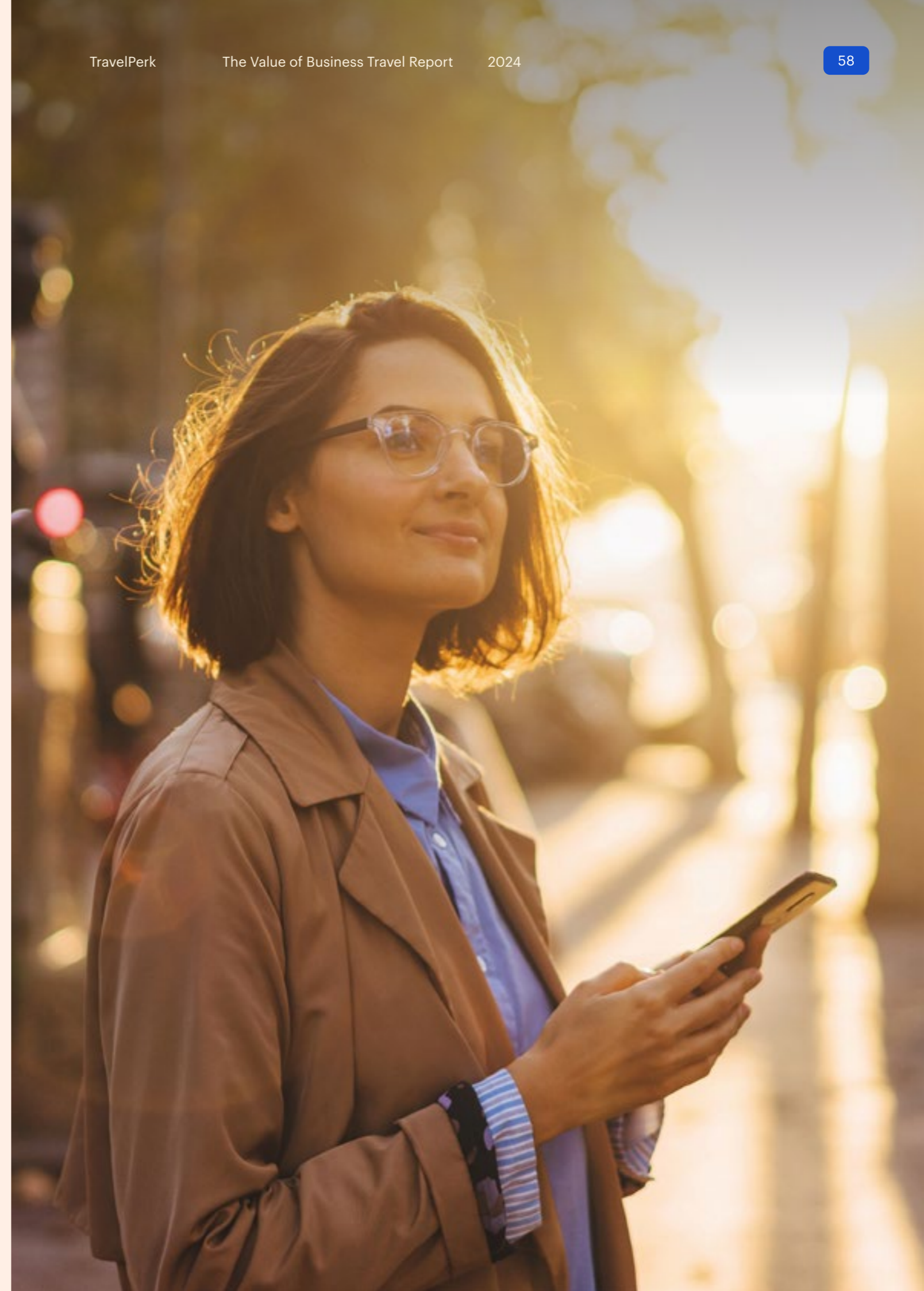
20–29%

by creating a travel policy.

Creating a travel policy is a simple step that can lead to significant cost-savings in the long run. When using a business travel booking software like TravelPerk, travel managers can even create [built-in travel policies](#) to ensure compliance. This way, they can automate workflows, reducing time and effort administering policies, and ensure travelers always stay within budget while booking, while also reducing time and effort spent administering the policy.

The 5 key ways to improve your business travel policies

- Encourage travelers to maximize working time by extending trip duration, rather than taking multiple trips
- Set booking windows (ideally 2 weeks before travel!) to give travelers time to plan their schedule, which ensures purposeful travel
- Enable travelers to book options with flexible cancellation policies, to avoid financial loss when plans change or travel disruptions occur
- Encourage travelers to choose more sustainable options over the cheapest
- Set clear expectations by setting policies with in-trip expenses and prepare for incidentals where it leads to higher productivity



Methodology

To gain insight into the value that business travel drives for companies and their people, TravelPerk commissioned a survey of business travel decision-makers from 2,000 companies (outside of its customer base), including 540 C-suite leaders. TravelPerk also surveyed 4,600 business travelers, and 625 travel managers and admins, who use the TravelPerk platform.

**Business travel
decision-makers**

2,000

**Business
travelers**

4,620

**Travel managers
and admins**

625

The surveys were conducted from April 10th–17th, 2024 across four key geographies in North America and Europe: the UK, the US, Germany, and Spain.



In partnership with market research agency OnePoll, TravelPerk surveyed 2,000 business travel decision-makers, including 500 from each key market: 40% were senior respondents including C-Suite leaders, Vice Presidents and Directors. Respondents are employed in companies that spend over 25,000 of their local currency (USD, GBP, EUR) on business travel each year.

Role of respondents:

Chief Officers	27%
HR	27%
Finance	23%
Operations	23%

Using TravelPerk's proprietary booking data, we've analyzed travel behavior amongst companies for the full calendar years of 2019, 2022, and 2023 – excluding 2020 and 2021 due to COVID-19. The data extracted compares the same cohort of long-term TravelPerk customers, who have been with the company since 2019.



To maximize the impact of your company's business travel program, you'll need to have the right tools. TravelPerk can help meet your business needs.

Visit www.travelperk.com today to schedule your free demo of our travel management platform.



Appendix



¹ McKinsey & Company, “The Travel Industry Turned Upside Down: Insights, Analysis, and Actions for Travel Executives,” February 2020 [PDF].

² Global Business Travel Association (GBTA), “2023 Business Travel Index™ Outlook”, January 2023 [PDF].

³ Deloitte “Facing Travel’s Future – a future of Consumer Industry Report”, March 2024 [PDF].

⁴ To calculate estimated revenue generated per dollar spent on business travel, different insights were taken into account. Annual business travel spending relative to company revenue was examined, and external data indicating the percentage of revenue stemming from new customer acquisitions was factored in. The analysis also looks at the survey research data, which revealed that for SMB and mid-size companies, 38% of travel spend is dedicated to sales activities such

as acquiring new clients, and that 30% of sales employees’ individual revenue hinges on in-person meetings with clients.

⁵ Gartner, “2020 CSO Priorities Pulse Survey”, May 2020.

⁶ Smith, B., & Rutigliano, T. “The Truth About Turnover”, Gallup Business Journal. (2006, February 23).

⁷ Society for Human Resource Management (SHRM), “Talent Access Report,” SHRM Research Institute, April–November 2021 [PDF].

⁸ Christopher Gross. “A Better Approach to Mentorship”, Harvard Business Review. (June 6, 2023).

⁹ Carucci, Ron, and Mindy Millward. “When Cutting Costs, Don’t Lose Sight of Long-Term Organizational Health”, Harvard Business Review. (February 7, 2023).

