



GLOBAL BUSINESS TRAVEL

A stylized icon of a globe with a network of nodes and connecting lines, positioned above the main title.

# **EVP 2018**

## European Business Travel Barometer

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## SUMMARY

The 2018 edition of the American Express Global Business Travel (GBT) European Business Travel Barometer reflects an upturn greater than the forecasts made for 2017, which ended with a 3.1% market growth and a strong note of optimism for 2018 (with spending up 3.4%).

### Key findings:

#### #1 Businesses are resolutely focused on investing in growth

Organisations have broadly invested in developing and nurturing clients and prospects, with this share of their spending increasing by more than 5 points to the detriment of travel for internal meetings. The refocusing is clear for spend linked to conferences and corporate events. With more employees in contact with customers, European organisations opt for face-to-face meetings. This renewed expansion firmly encompasses a dual priority: managing and controlling travel policies and offering greater support to employees required to travel.

#### #2 More mature businesses are gaining greater control of the balance between travel policies and supporting employees

Continuing from previous barometers, four factors remain determinant in setting up travel and expense policies:

- › The safety and security of travellers
- › Effectiveness and productivity of travelling employees
- › Control of direct and indirect costs
- › Employee satisfaction

This is set against a backdrop of cost reductions and rebalancing in favour of the traveller.

In this context, firms are focusing on these potentially conflicting objectives by providing solutions for travellers that improve the travel experience, such as increased use of mobile devices, plus collaboration and engagement with all stakeholders – including travellers – when building travel policy while also pursuing the goal of reducing indirect costs.

#### # 3 Businesses continue to challenge TMCs<sup>1</sup> on all levels of service and support

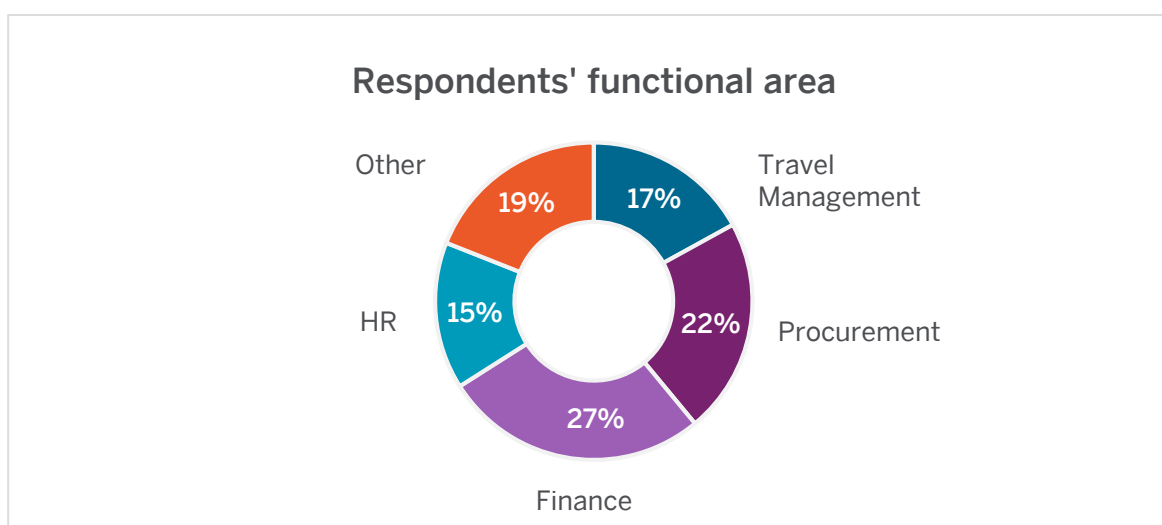
The TMC continues to play a central role in the management of travel policies despite being increasingly challenged by online operators, local agencies and ‘sharing economy’ stakeholders. The added value of TMCs is undeniable – but the pressure from B2C models does bring added focus on the TMC business model and appears to drive a more in-depth reassessment. In this context, TMCs are more involved in building and implementing end-to-end solutions for businesses and travellers, and contributing more directly to achieving savings and optimising the travel experience.

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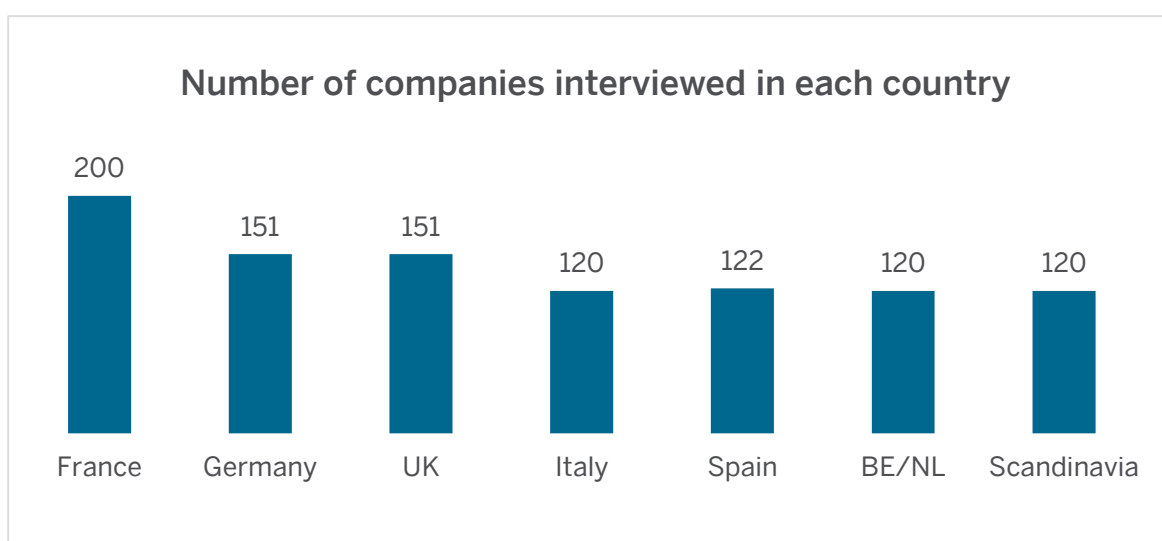
<sup>1</sup> Travel Management Company

# THE SCOPE OF THE EUROPEAN BUSINESS TRAVEL BAROMETER

The 2018 edition was prepared by market research firm BVA Group, which conducted phone interviews with 984 travel buyers between 12 September and 29 October 2017. In a variety of roles – including general management, finance, travel managers, HR and procurement – respondents are responsible for business travel budgets with a cumulative annual spend of EUR 1.8 billion.



The companies interviewed are based in ten major European countries: Belgium, Denmark, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden and the United Kingdom. They are distributed according to a representative sample of large businesses, mid-sized companies and SMEs (24% with more than 1,000 employees, 29% between 250 and 1,000 employees, 47% with less than 250 employees).

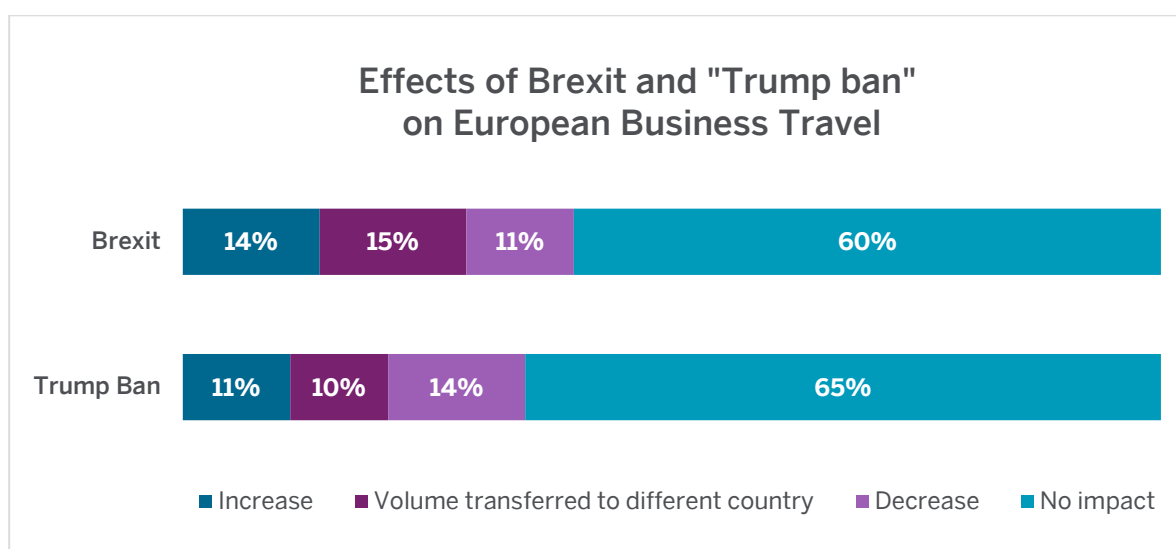


Of the companies surveyed, 79% use at least one travel agency, and 21% do not use one.

## 1) THE LANDSCAPE IN 2017 WAS ESPECIALLY NOTABLE FOR STRONGER-THAN-FORECAST GROWTH

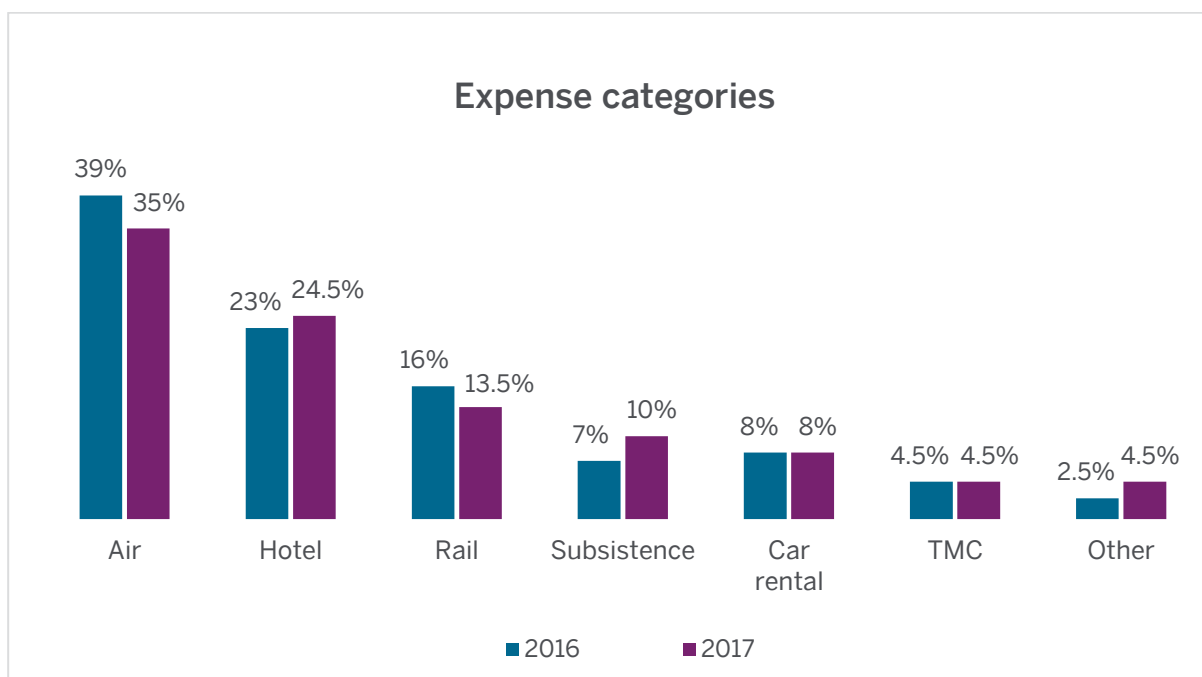
For 2017, the organisations surveyed stated that their travel expenses increased by 3.1%, compared with the 2.5% that was forecast. This reflects a genuine upturn in the activity initiated more than two years ago, with an increase greater in 2017 by more than a point relative to the growth in GDP across the eurozone, at 2.1%.<sup>2</sup>

The proportion of companies reporting rising budgets is 26% (up 6 points), in a context of moderate increases in market prices (between 0% and 2% on air travel, between 0% and 4% on hotels). Travel spend in 2017 increased in all market segments. As in 2016, it is driven by mid-sized companies at +5%, ahead of the SMEs at 3%, and large companies whose spend increased by +2% against a decline of -1%.

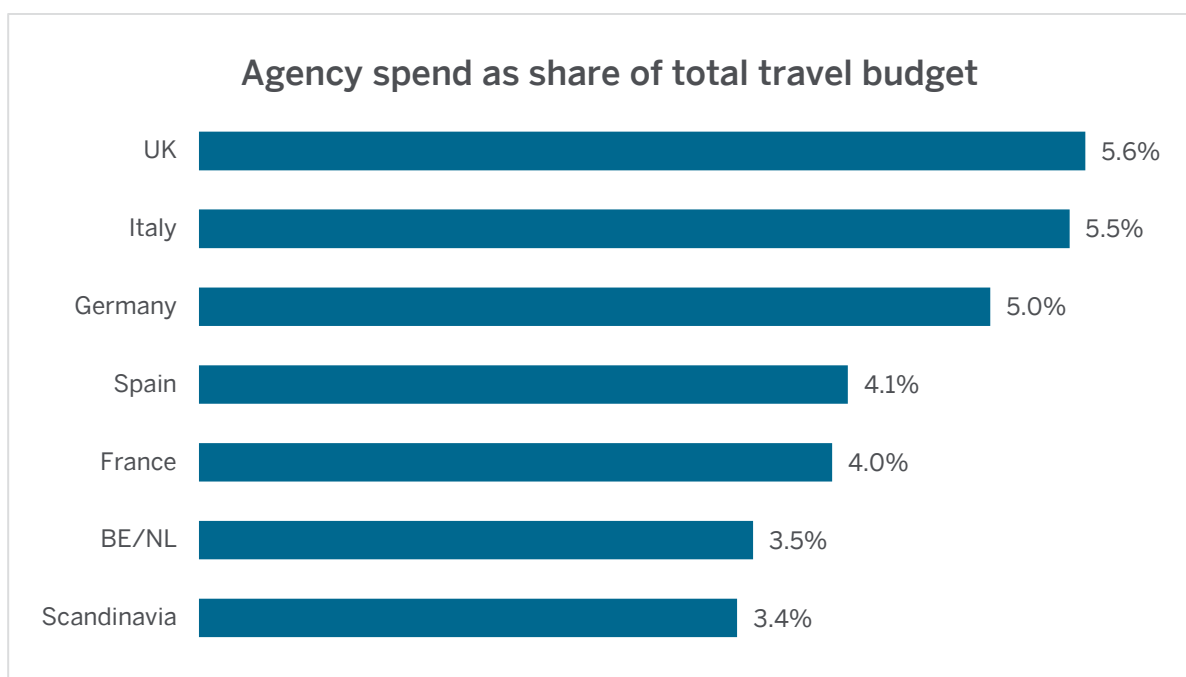


This increase in spending falls within the context of some changes in where the money is being spent, with confirmation of the downward trend in air travel, which dropped from 42% in 2015 to 35% in 2017, in part because of buying 'cheapest available fares' and the switch to low-cost airlines. Relative stability is observed for other types of expenditures, with an increase in hotel costs (+1.5 points compared to 2016 at 24.5%), the second highest expenditure item ahead of rail transport (-2.5 points compared to 2016 at 14%). The relative increase in hotel costs can be partly explained by the efforts made by companies in recent years to ensure better clarity and visibility on these expenses, which are often poorly understood.

<sup>2</sup>IMF World Economic Outlook Update, October 2017



In Europe, travel agencies account for 4.5% of total spend, with significant variations between the various countries studied in the Barometer. The figure is 3.4% for the Nordic countries and 5% for the United Kingdom. France is situated below the average at 4%.



Agency costs hinge mainly on two factors: size of the company and, to a certain extent, number of agencies used.



## GLOBAL BUSINESS TRAVEL

On average, for the organisations interviewed, the cost of agencies/TMCs represents the following percentage of the total budget:

- 3.8% for companies with fewer than 250 employees
- 4.7% for businesses with between 250 and 1,000 employees
- 5.6% for companies with more than 1,000 employees

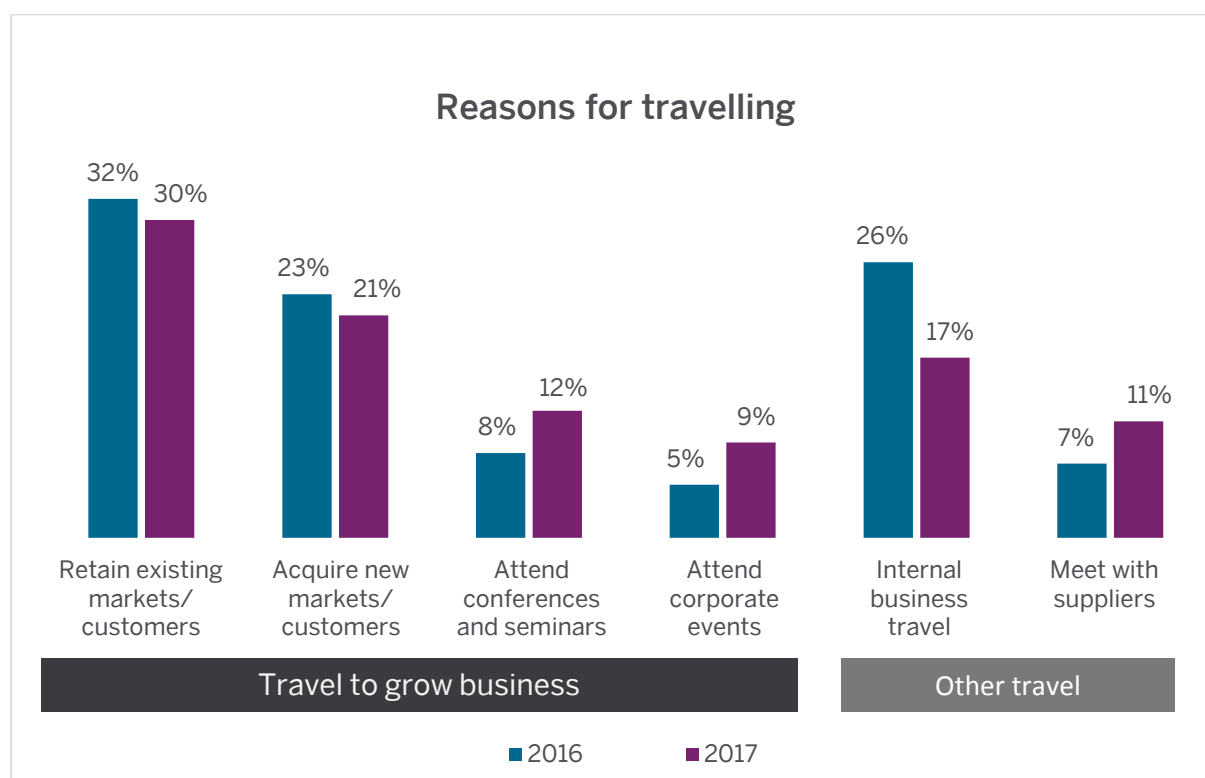
The higher relative cost for large companies is mainly explained by additional services, including reporting, security, and often development costs for interfacing all a company's internal processes with the agency's resources.



## 2) INCREASED NUMBERS OF BUSINESS TRAVELLERS FOCUSED ON COMPANY GROWTH

The momentum in the market is also evident when questioning companies on the number of employees who travel for business. More employees were travelling in 2017: 42.1% vs 39.7% (+2.4 points compared with 2016). Whereas the French and British fall within the average (42.5% and 41.5%, respectively), the Italians (49.4%), Scandinavians (44.8%) and Germans (44.1%), according to their responses, have the greatest proportion of business travellers. The Spanish travel less (34.5%).

This has a direct bearing on business travel spend related to company growth, which has increased by 5 points to 72% (67% in 2016).



In real terms, the organisations consider that the face-to-face approach remains a vital lever for developing their business activity in terms of both external events (+4 percentage points for expenditures to attend conferences and seminars) and internal events (+4 percentage points for expenditures to participate in corporate events). Finally, note that internal company travel dropped considerably, by 9 points, and now represents 17% of business travel spend.

### Diverse perceptions of travel spend

After two consecutive years of increases, in this edition of the Barometer, travel appears more as a cost, with a decline in the concept of investment. This is especially true for companies whose expenditures increased the most, such as small- and mid-sized businesses that do not consider travel costs an investment, respectively, for 24% and 33% of them. Of large companies, 46% consider their travel expenses an investment.



## 3) STRONG GROWTH PROSPECTS FOR 2018 (+3.4%) AROUND UNCHANGED PRIORITIES

The upward trend in market growth suggests stability, with 26% of organisations indicating growing budgets for 2018 with an estimated increase of 3.4% and a growth in GDP of 1.9% forecast for Europe. The expected growth is 7% for the United Kingdom and Spain, 4% for Italy and the Nordic countries, 1.8% for France, 1.5% for Germany and 1% for Benelux.

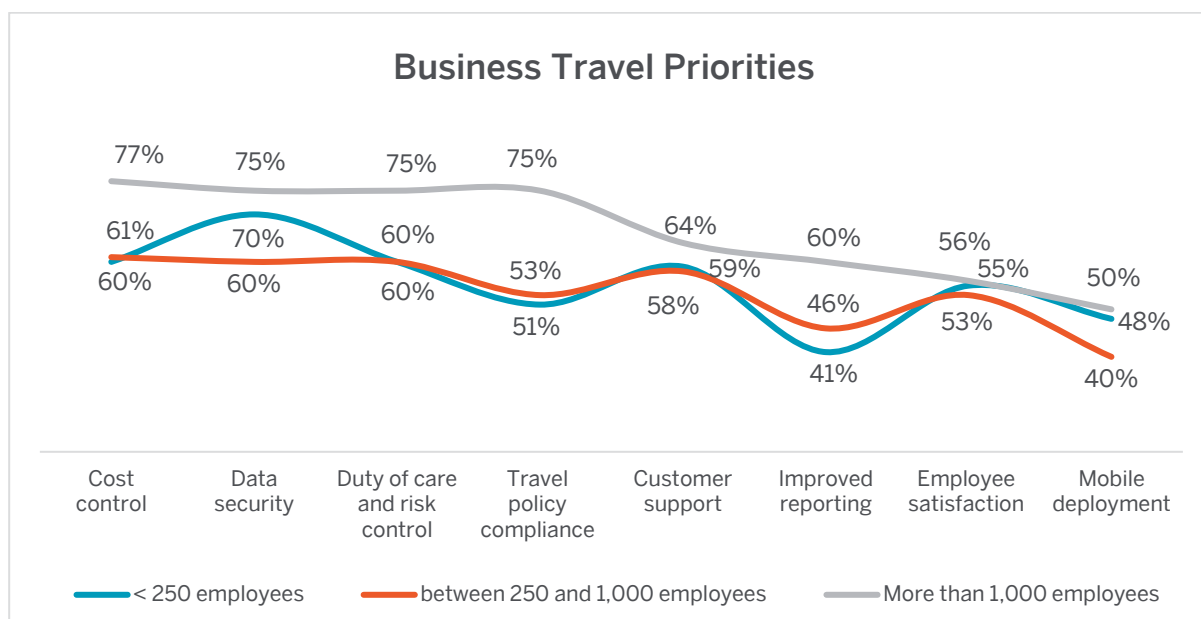
The top five priorities for 2018 and 2019 centre around management and control of travel policy, and support for employees required to travel on business. This dual challenge is now an integral part of business travel management.

### TOP 5 PRIORITIES

	Average	France	Germany	UK	Italy	Spain	BE/NL	Scandinavia
Data security	1	1	1	1	2	5	3	1
Spend control	2	3	4	2	1	4	2	2
Duty of care/risk control	3	2	2	3	4	1	1	5
Customer support	4	5	3	4	3	2	4	3
Travel policy compliance	5	4	5	5	5	3	5	4

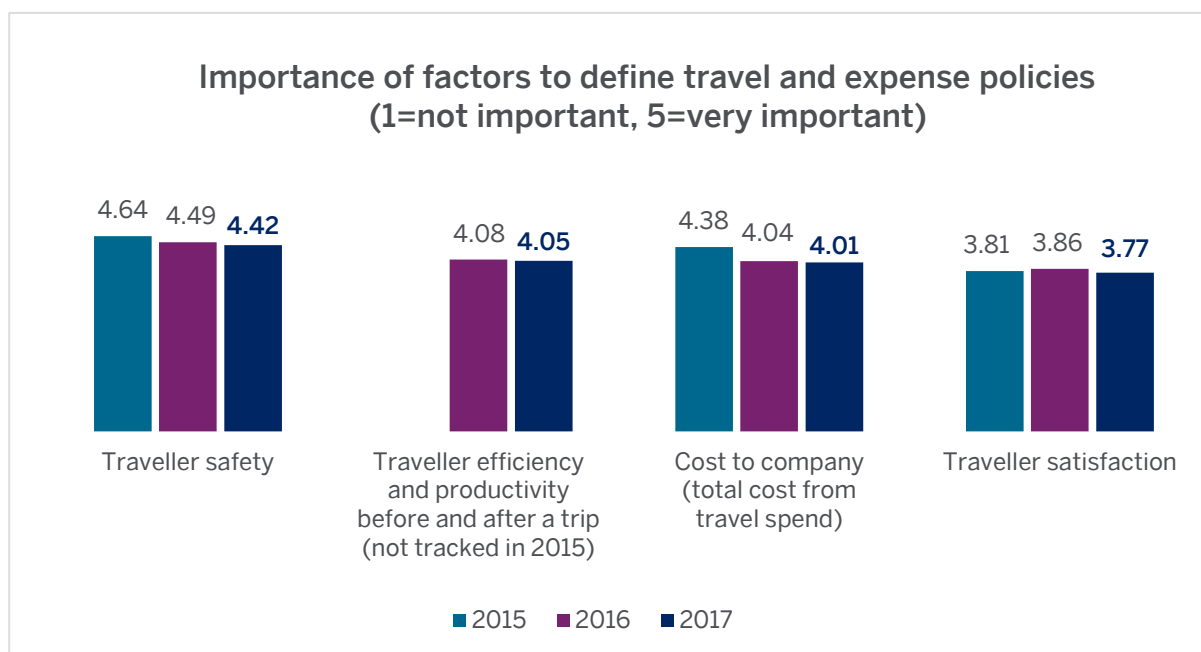
Data security should largely concern companies required to employ data managers under the General Data Protection Regulation (GDPR), which relates to the data privacy of European citizens. Thus, if personal data is used without users' prior consent, the sanction for companies not complying with the regulation can be as much as €20 million or 4% of annual turnover, whichever is higher. Organisations will be required to verify that their suppliers, including TMCs, also comply with this regulation, effective 25 May 2018.

European businesses are aligned on their priorities for 2018, with higher stakes for big companies on issues including duty of care, travel policy compliance and improved reporting.

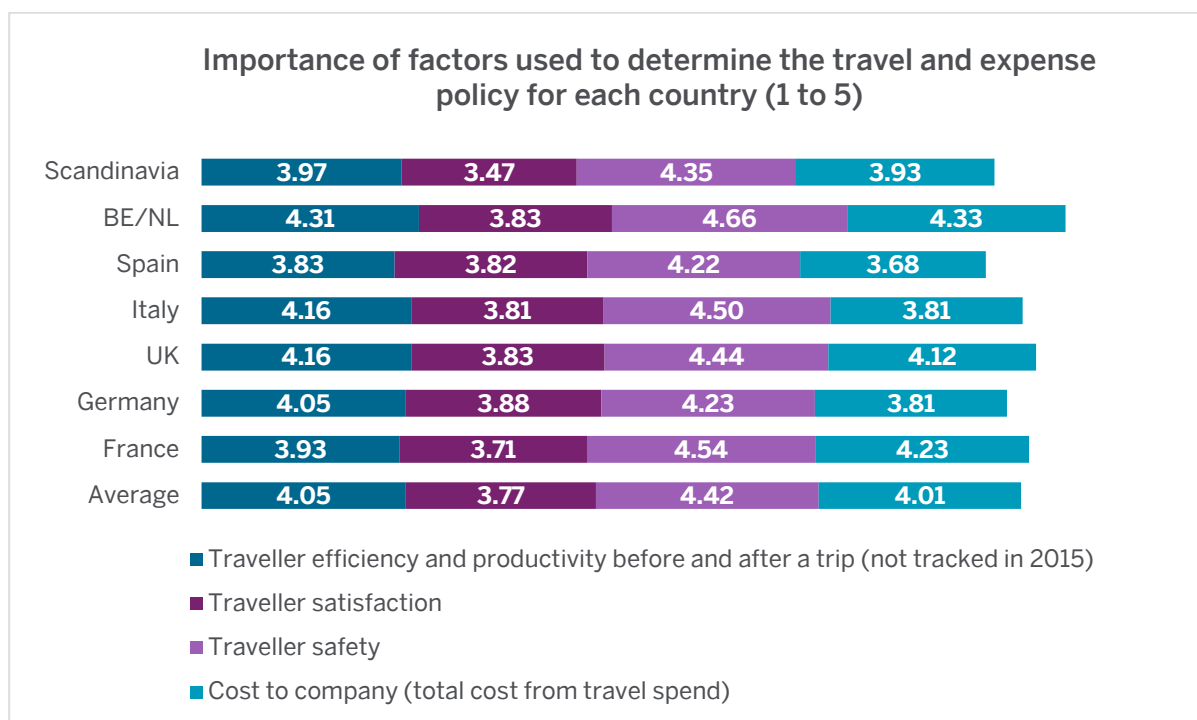


## 4) FEWER DIFFERENCES BETWEEN THE FACTORS THAT CONTRIBUTE TO IMPLEMENTING TRAVEL AND EXPENSE POLICIES

Since 2015, the safety of travellers has been the top priority in establishing a travel policy, ahead of the effectiveness and productivity of travellers, control of direct and indirect costs and employee satisfaction. This is set against a backdrop of cost reductions and rebalancing in favour of the traveller.



Note that although these priorities are the same whatever the size of the company, differences are apparent for the countries analysed. Thus, even though security appears as a main criterion, for France and Benelux, the notion of effectiveness comes third behind cost to the company.



## A) Focus on traveller safety

Last year, the European Business Travel Barometer highlighted the shift in travel policies from a management/supervisory stance to an approach more focused on prevention and the safety of travellers. In the 2018 edition of the Barometer, this trend is reaffirmed, with 65% of organisations interviewed having 'duty of care' solutions in place. Note the considerable disparity between business segments: 84% of large companies indicate they have adopted this approach compared with 71% of mid-sized companies and 52% of small businesses.

For the latter, this is directly linked to the nature of their activities, which are predominantly domestic and thus do not require a monitoring mechanism.

## Measures in place for the safety of employees



This increased focus on anticipation and prevention has a direct bearing on the mechanisms for approval, information and risk assessment, up respectively by 5 points, 1 point and 6 points in this edition. The other elements remain stable except for the concept of immediate repatriation, which is down.

This concept of risk anticipation comes with greater awareness by travellers themselves, who are now more proactive in adopting duty of care solutions (29%, up 6 points compared with 2016) and more open to the adoption of these solutions (48%, up 14 points in comparison with 2016).

## B) Focus on productivity and support for employees

In line with the last two editions of the Barometer, issues related to improving the traveller experience are reaffirmed, particularly over the travel period itself. This is true for all the companies interviewed, regardless of size. Areas where improvement have been sought include the following:

- Productivity and comfort during travel, with a confirmed set of goals for improving the on-trip experience
- Assistance, supervision and facilitation of the trip:
  - Facilitating a new booking if the trip is disrupted
  - Providing safety and security solutions
  - Improving customer/traveller service
  - Improving the traceability of expense claims

Note that these items are considered 'essential' for nearly a quarter of respondents. While there is widespread agreement on these priorities, we find a few differences for the United Kingdom and Spain, which give more weight to safety and security solutions.

## Hierarchy of factors for improving support for travellers

	Average	Germany	France	Italy	UK	Spain	BE/NL	Scandinavia
Facilitating a new booking if the trip is disrupted	1	1	1	1	3	4	1	2
Providing safety and security solutions	2	2	2	2	1	1	2	1
Improving customer/traveller service	3	3	3	4	2	2	3	3
Improving the traceability of expense claims	4	4	4	3	4	3	4	4

## Mobile devices increasingly perceived as the immediate response to professional mobility needs and beyond

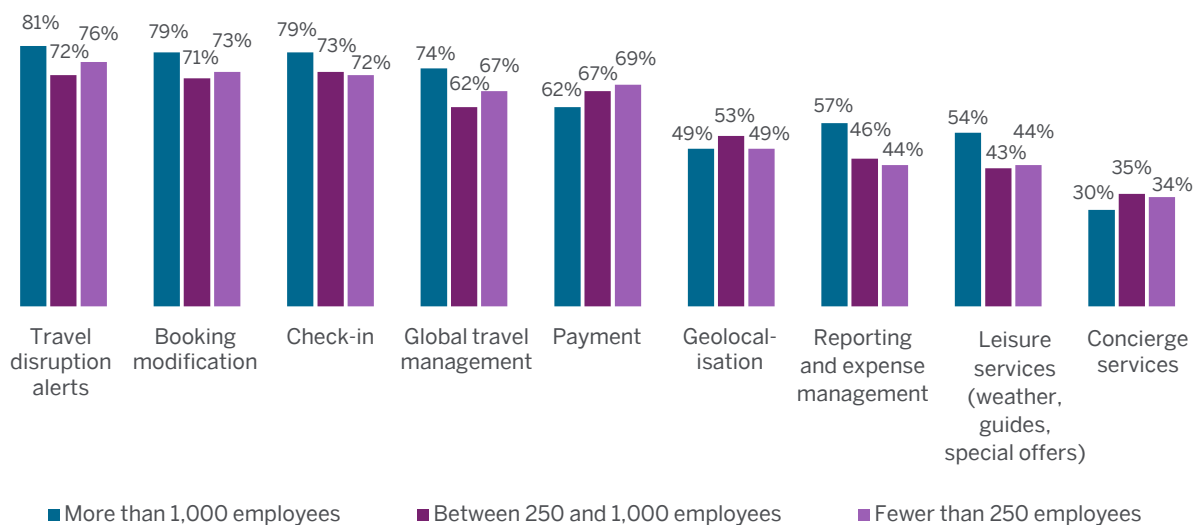
Mobile devices are now central to the issue of traveller support. Perceived as a supplementary booking method to online and offline, they are also becoming increasingly important in meeting needs other than simply reservations.

From this point of view, for 83% of surveyed companies, they remain an addition to the system already in place. Note that this applies more to the larger companies interviewed. Thus, 90% of large firms consider mobile devices an additional booking channel (to offline and online), compared with only 80% of businesses with fewer than 250 employees.

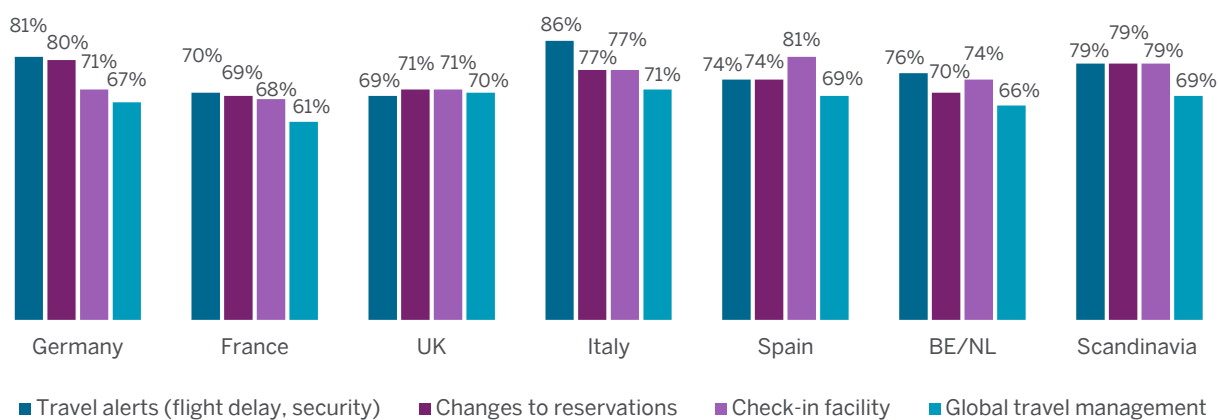
In this context, companies wish to further develop the use of certain mobile features, reflecting the concerns linked to improving the traveller experience.

An important point concerns planned changes regarding the use of extra professional services, particularly in relation to 'bleisure' – combining a business trip with leisure.

## What respondents want from the mobile channel



## What respondents want from the mobile channel, by country



### C) Focus on the traveller

After more than two years of continuous increase, the measurement of satisfaction as an element in building out the travel and expense policy seems to have plateaued: 56% of businesses indicate that they measure the satisfaction of travellers and 1/3 of firms (32%) shape their travel policies accordingly.



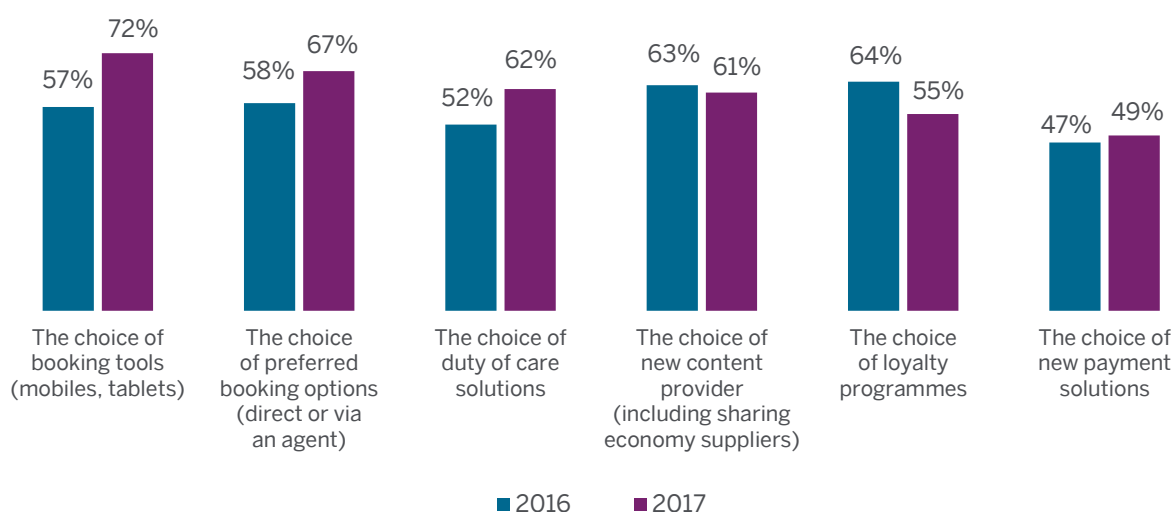
Note the significant disparity between the sizes of businesses, with 61% of large companies and 59% of mid-sized companies taking traveller satisfaction more into consideration compared with 51% of small organisations. As a reminder, large companies across all sectors increasingly require the tracking of employee satisfaction through the widespread use of service level agreements. Finally, 67% of companies that do not outsource their business travel requirements do not measure the satisfaction of their employees. Therefore, employee satisfaction is still, above all, a tool to measure the internally perceived performance of a supplier rather than a tool for continuous internal improvement.

**As in 2016, organisations gave more importance to listening to their employees rather than measuring their satisfaction in 2017.** Thus, to the question, 'Do you think that employee opinions have an impact on travel policy?', 57% responded in the affirmative, 11 points more than in 2016. All segments are increasingly concerned: +13 points for small businesses at 53%, +11 points for mid-sized firms at 60% and +8 points at 61% for large firms. As noted previously, listening to employees and taking their opinions into account is reflected in the wish for increased use of mobile devices to facilitate their experience, as well as in other areas.

Still looking at observations on the consumerisation of business travel, the areas in which employee opinions will be significant are almost all on the increase in 2017.

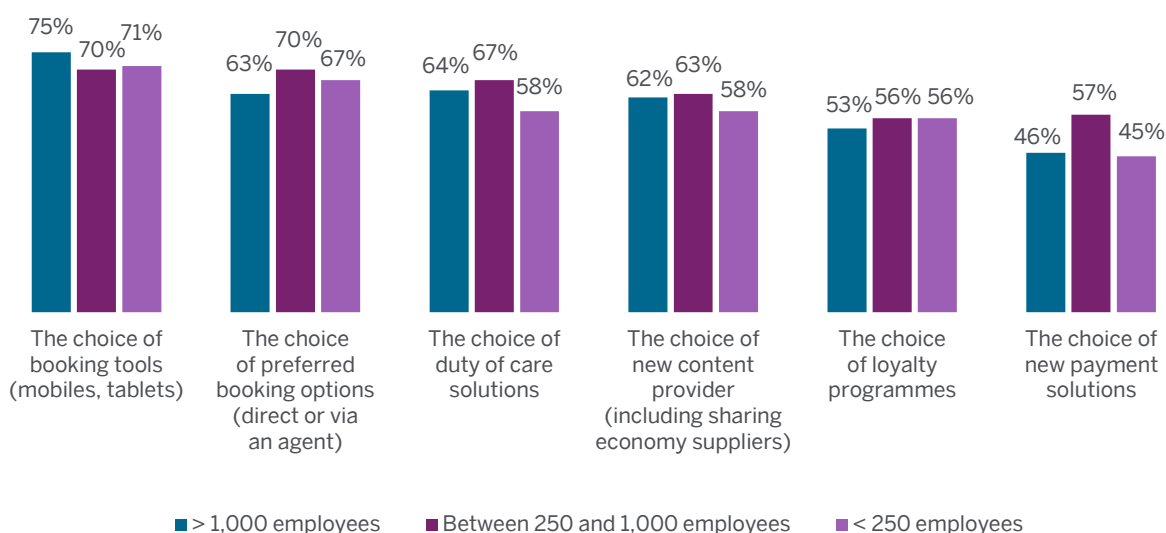


## Areas where the employee's opinion will be meaningful



This is particularly the case for bookings, both in the choice of booking tools (+15 points compared with 2016) and in preferred booking options (+19 points compared with 2016). Proactivity of travellers regarding duty of care solutions is also up: +10 points compared with last year. Finally, the relative decline in the choice of sharing economy suppliers (–2 points) should be noted. This is more marked in the choice of loyalty programmes (–9 points), probably linked to their relative attractiveness.

## Taking the employee's opinion into account, by segment

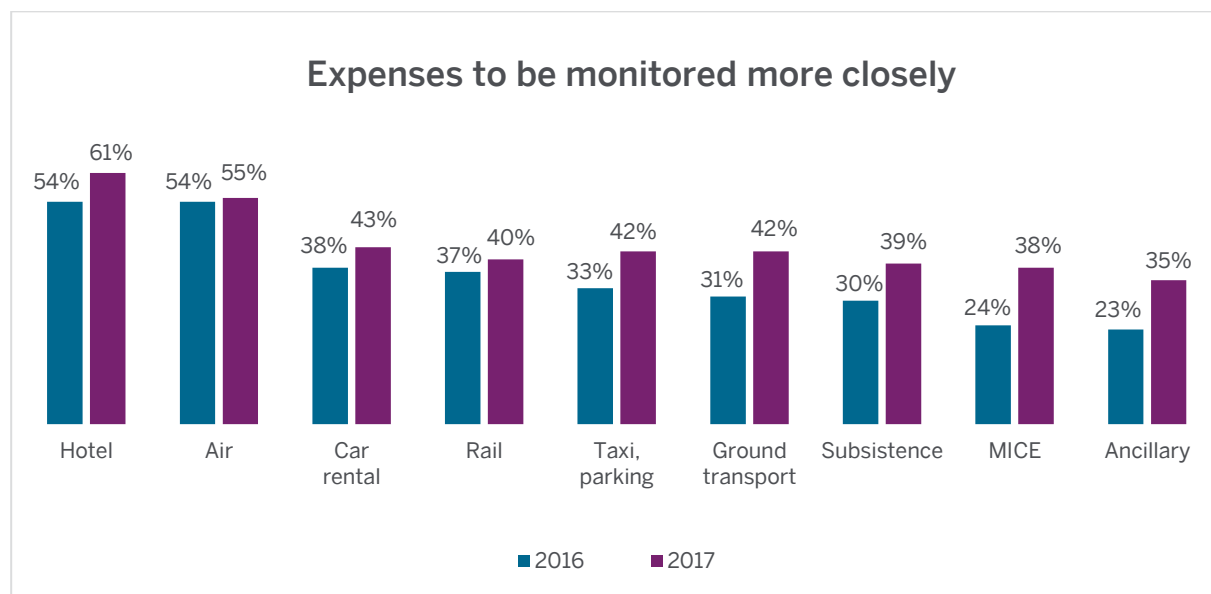


The size of the segments has little bearing on these results, except for the large companies, which in some areas are conservative, notably in choosing booking options and loyalty programmes.

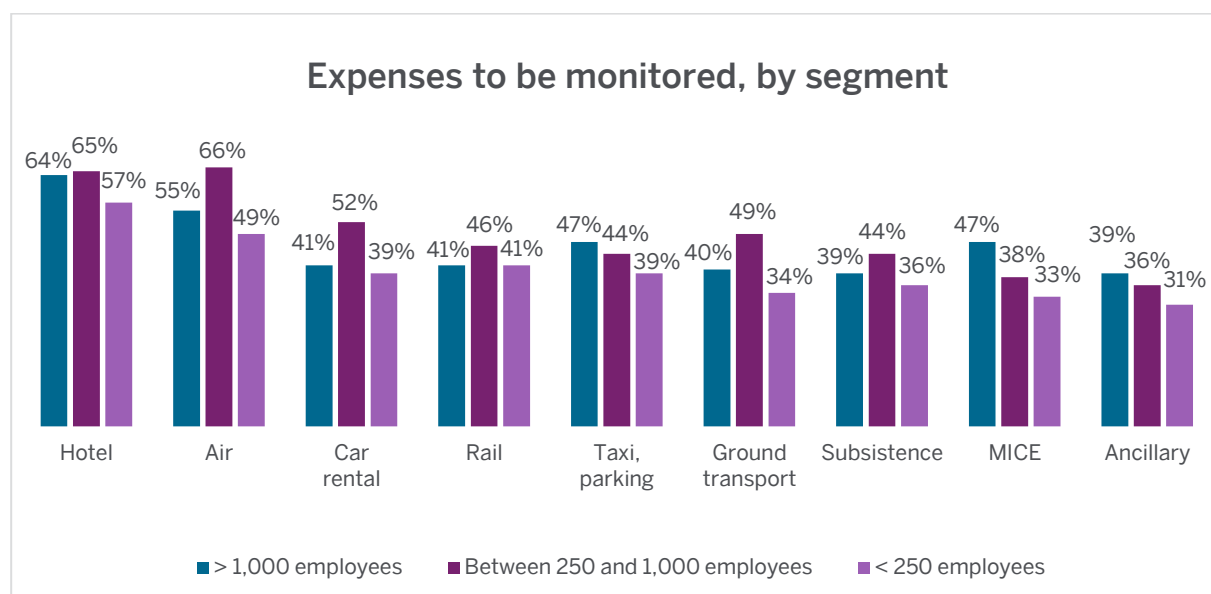
## D) Focus on costs and optimisation levers

Companies continue to take a broader view of all monitored spend, with more urgency in 2017.

This is particularly the case for all categories of spend concerning road travel (taxi/parking, mileage, tolls, etc.) as well as meetings, incentives, conferences and exhibitions (MICE), for which spend has increased this year, as indicated previously.



The hierarchy of spending to monitor has shifted slightly towards expenses that are less easy to control, such as hotels, taxi/parking, mileage. Significantly, rail has moved into sixth position vs fourth in 2016, in a context of reduced spend in this category.



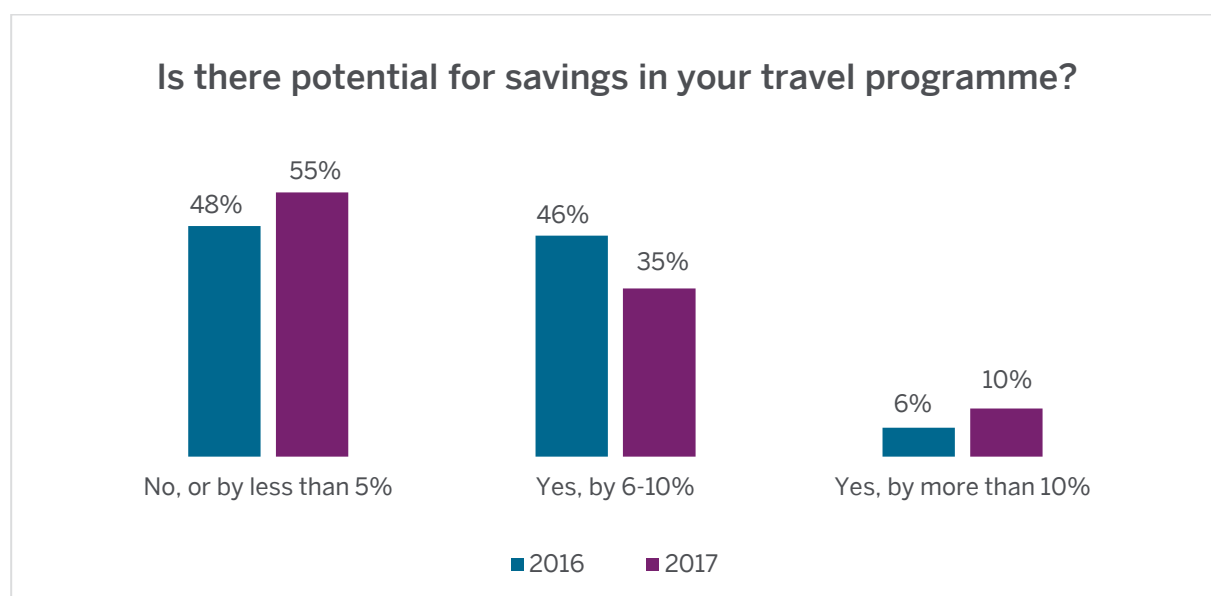
Overall, the companies that are driving expansion this year are refocusing on all expenditure items, including ancillary costs.

The priorities are:

- For large companies: hotels, air travel, MICE and taxi/parking costs
- For mid-sized firms: air travel, hotels, car rental and mileage
- For small businesses: hotels, air and rail travel, and car rental and taxi/parking

This trend towards increased spend scrutiny is primarily linked to the fact that companies have better tools at their disposal, such as booking tools and expense management systems, along with access to a range of competing offerings in the hotel sector and for general on-road costs (private hire cars, parking, car sharing, etc.) and restaurant services (booking and payment solutions).

Organisations seem slow to agree that they have room for improvement on savings, with an increase in 2017 of 7 points for companies who say they have no – or very little – savings potential in their programmes.



This confirms a trend observed over the last two years, indicating considerable disparities of perception between small and large firms. Results are that 62% of SMEs vs 45% of large firms consider that their spending cannot be further optimised.

This situation is directly linked to capability in terms of tools and practices, such as the implementation of a 'total cost of ownership' (TCO) approach, and competition from TMCs in the use of levers aimed at reducing costs.

**Among the three priorities for optimising travel spend**, it is the reduction of indirect costs that takes first place in 2017 for 41% of surveyed companies (+1 point compared with 2016), ahead of the reduction of direct costs at 35% (–7 points compared with 2016) and the improvement of employee travel conditions and their effectiveness at 24% (+7 points compared with 2016).

The key development for 2017 is increased consideration of the comfort and effectiveness of travellers as a factor in spending optimisation. This confirms the trend observed over the last three years: considering employees when formulating travel policy. Note that this focus is more strongly preferred by small businesses (27%), ahead of mid-sized (23%) and large firms (21%).

Beyond the issues of effectiveness, there is a threefold requirement to:

- › Put in place policies to retain talent.
- › Improve commercial performance.
- › Reduce the risks due to the direct effects of stress and its consequences.

## Hierarchy of cost optimisation/savings levers

	2015	2016	2017
Increase in online booking	3	5	1
Upstream assessment of the relevance of the trip and its cost	1	4	2
Increase in advance booking	2	2	3
Increased use of corporate rates	5	3	4
Increase in the use of audio, video, web conferencing and teleworking	4	1	5
Monitoring of ancillary costs	Not available	4	6

The rate of adoption of online booking tools has risen by 4 points to 76%, with dual use of 'booking tools' and 'tools for monitoring expenditures' up by 2 points to 39%.

The implementation of booking tools, whether or not coupled with expense management resources, has led to savings for 81% of the companies surveyed (+4 points) vs 77% in 2016:

- › Savings of more than 20% (for 17% of companies having put this approach in place)
- › Between 10% and 20% (for 35%)
- › Less than 10% (for 28%)

Note that companies are satisfied with the tools on the market, which are all tightly bunched (KDS Neo, Concur, AeTM/Cytric and Traveldoo), awarding them an average satisfaction rating of 3.8 out of 5.

Assessment of the relevance of the trip and its cost is in second place, with companies still interested in measuring TCTs (total cost of trip). In fact, 62% of the organisations surveyed report measuring the TCT (slight decline of 4 points in 2017) and 14% express an interest in having methodologies for doing so (figure is stable compared with 2016).

The implementation of this approach enabled 80% of the companies surveyed to make savings on their expenses:

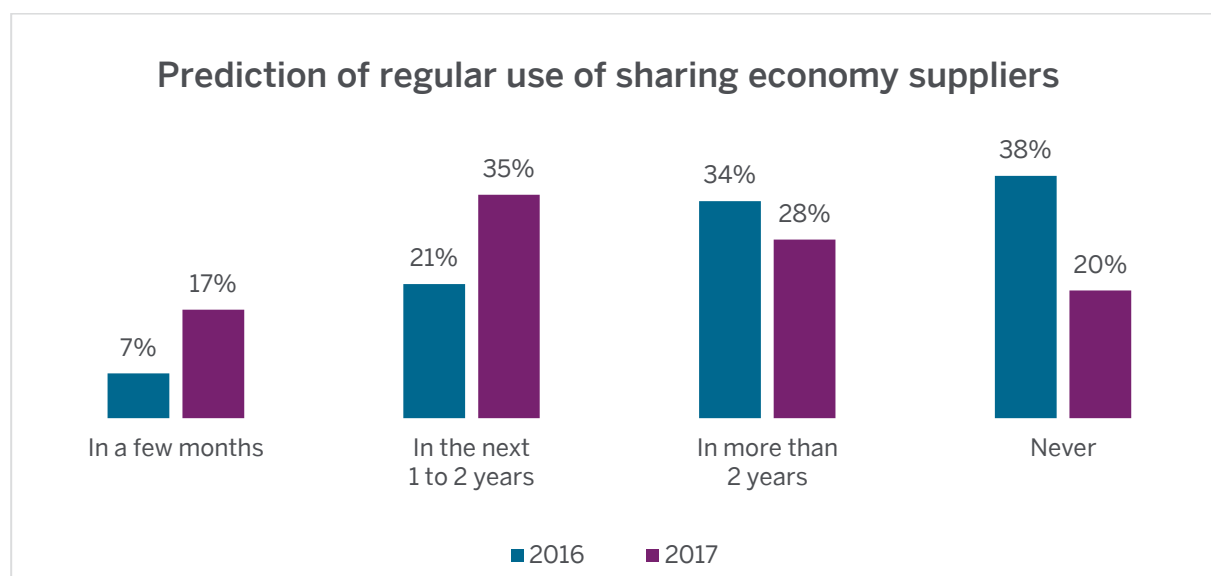
- › More than 10% (for 20% of companies having put this approach in place)
- › Between 5% and 10% (for 37%)
- › Less than 5% (for 23%)

Lastly, 74% indicated that the use of video would increase. This is a significant drop, explained by the fact that companies are now mainly looking to use video to replace internal travel rather than client-facing travel – unlike in 2016, when video was the number 1 lever.

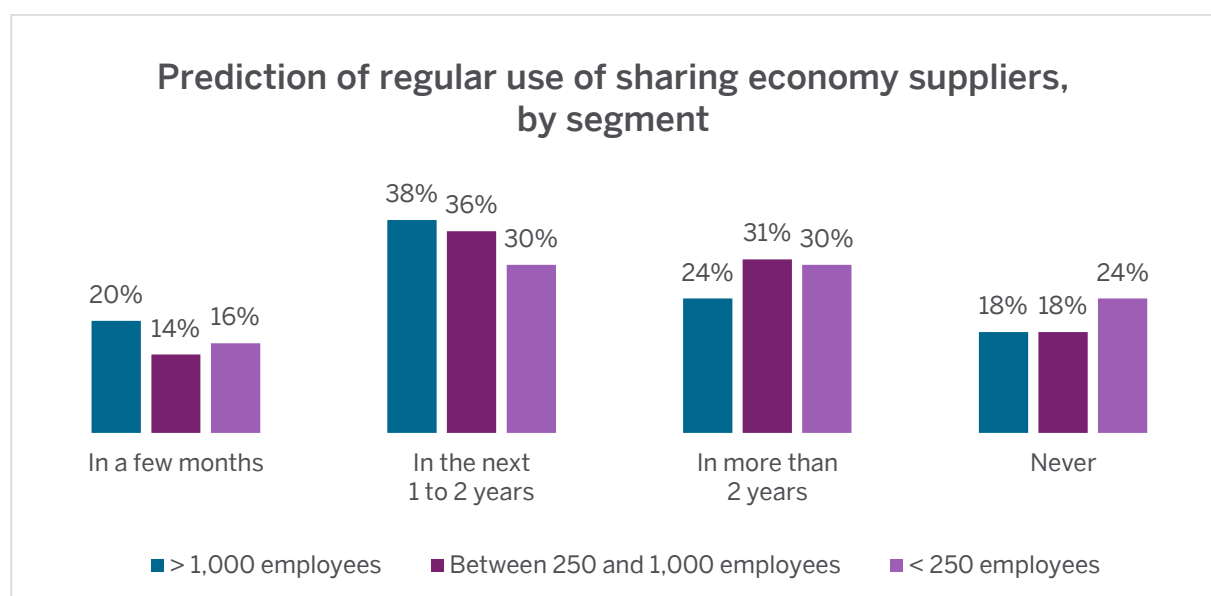
## The rise of sharing economy suppliers

Although 40% of the people interviewed consider it an important lever, the use of 'sharing economy' suppliers is still last in the classification, in 20th place.

However, there is a clear increase in the intention to use this type of supplier at some point in the future – in total, 52% of businesses indicated their intention to regularly use sharing economy suppliers at some point in the future, compared with 28% last year.

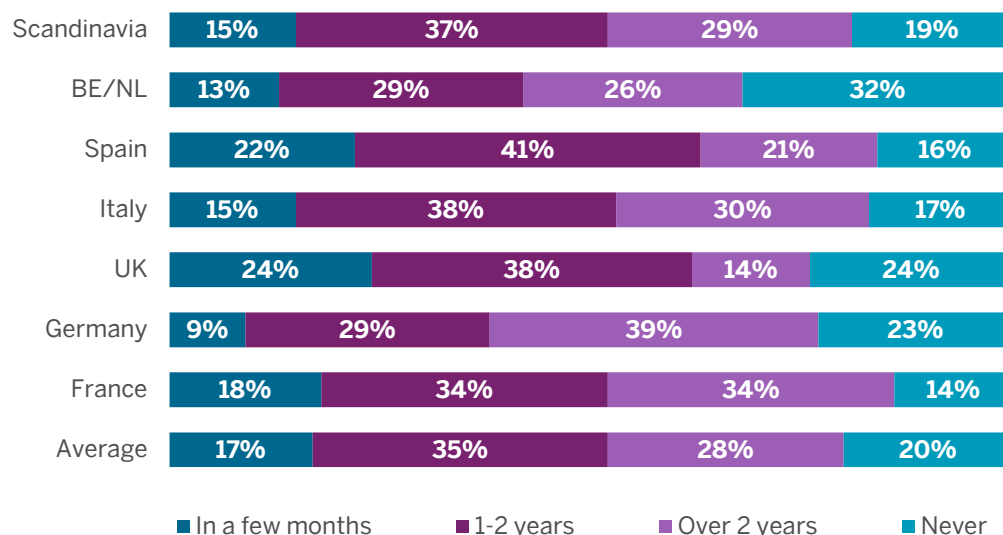


The various segments are also divided on the use of sharing economy suppliers, with a greater proportion of positive responses from large companies – 58% – as opposed to 46% for small organisations.



In Europe, majorities in all countries, except Germany and Benelux, indicate a willingness to use sharing economy suppliers within a short time (under two years). France falls within the European average for those intending to use this approach.

## Prediction of regular use of sharing economy suppliers, by country



## Main barriers to integrating sharing economy suppliers (multiple responses possible)



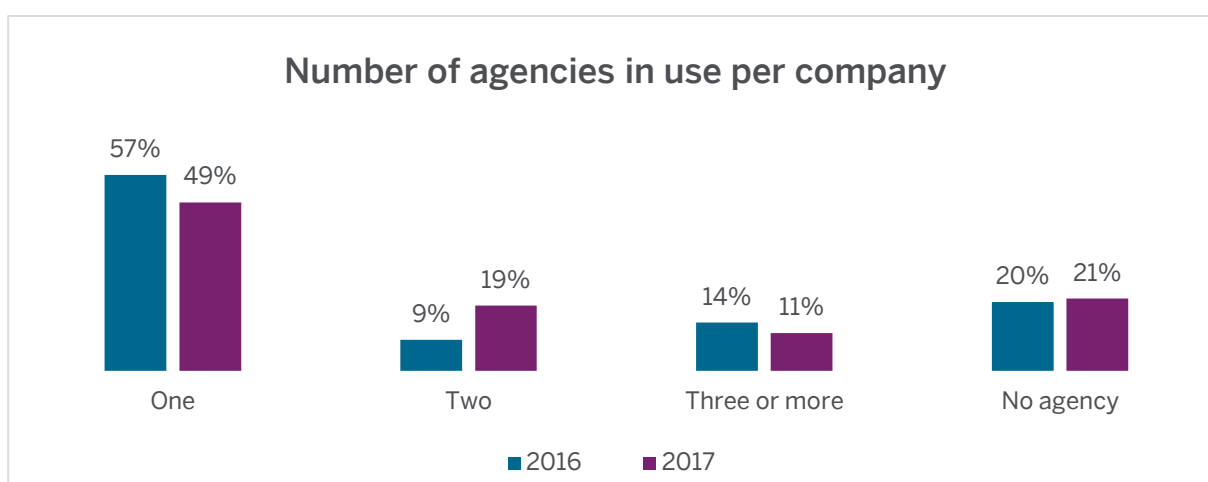
The criticisms addressed are the same as in 2016, with a notable increase around the competitive advantages and data protection – this last issue currently sensitive pending imminent rollout of new European regulations (GDPR on 25 May 2018).

## 5) TMCS ARE ADAPTING TO MEET THE CHALLENGES OF BUSINESSES AND THEIR EMPLOYEES

For several years, the model of travel agencies, especially that of TMCs, has been challenged. Continuing from 2016, trends on the expectations of businesses for broader support from TMCs beyond their original scope are confirmed, against an increasingly competitive backdrop.

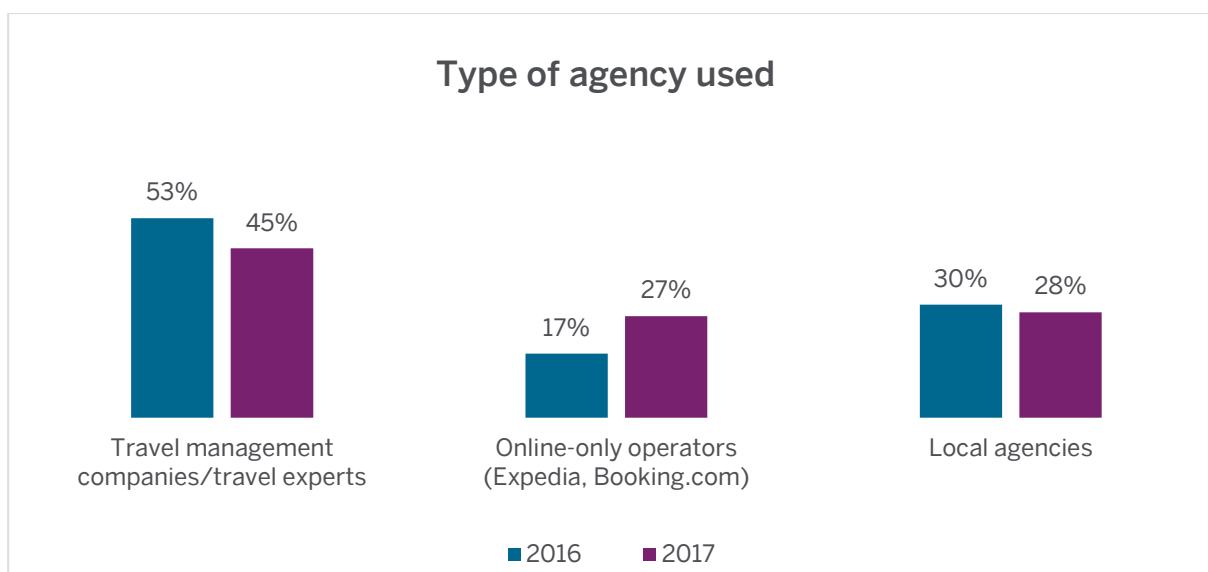
**79% of companies surveyed use travel agencies (–1 point compared with 2016), and, among them, TMCs are being challenged.**

Businesses are less and less likely to use a single agency (–8 points compared with 2016 to 45%) or multiple agencies (11%, –3 points compared with 2016). However, they often use two agencies (18%, +10 points compared with 2016).



The trend towards multiple agencies (+17 points) is seen across all segments, particularly in mid-sized companies in which multi-use increased by +16 points (36%), followed by large companies at +9 points (40%), and small firms at 20%.

This change is also reflected in the mix of agencies in favour of online agencies/B2B booking platforms, for which the increase is high.

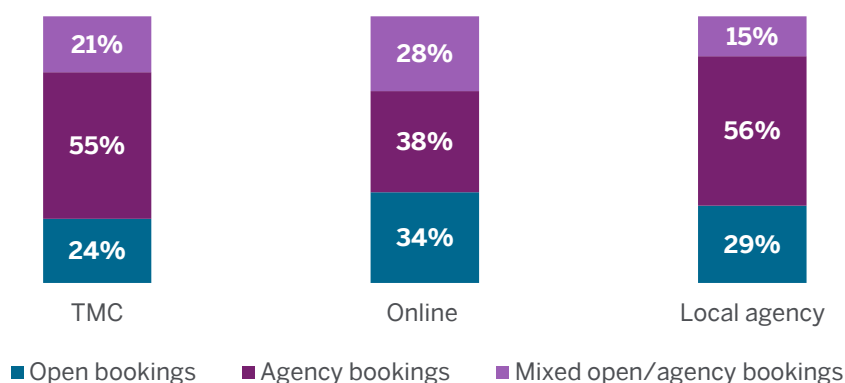




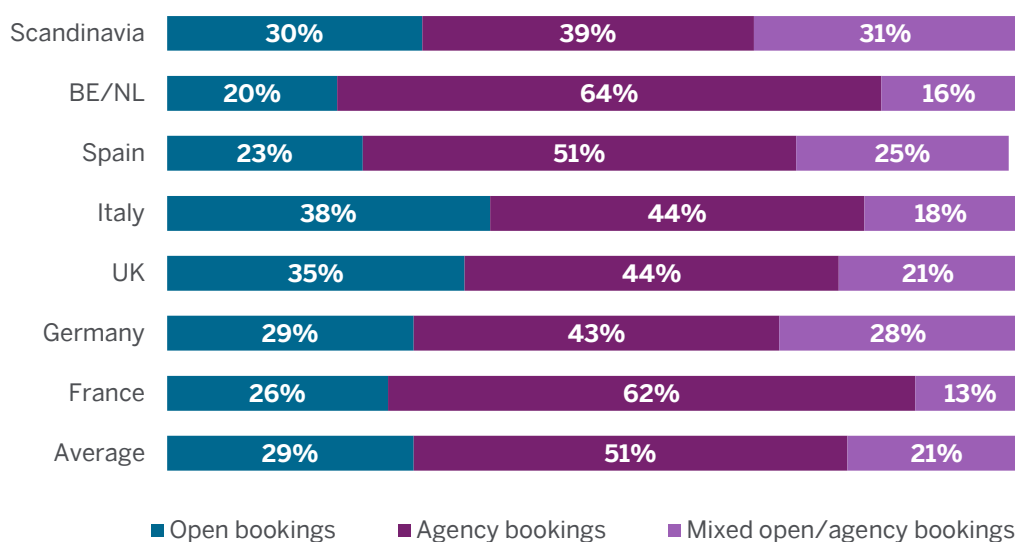
TMCs are challenged by online operators who gained 10 points in 2017, largely from mid-sized companies (+16 points to 31%), small businesses (+8 points to 30%) and large firms at 19% (+5 points).

Across the board, travel agencies captured more than 51% of bookings, with open bookings at 29% and the mix of the two at 21%. Note that, when the TMC is the main agency, it captures, directly and indirectly, 76% of bookings, which is ahead of local agencies at 71% and online agencies at 66%. Its direct added value is better control of spend.

## Booking mix according to type of main agency



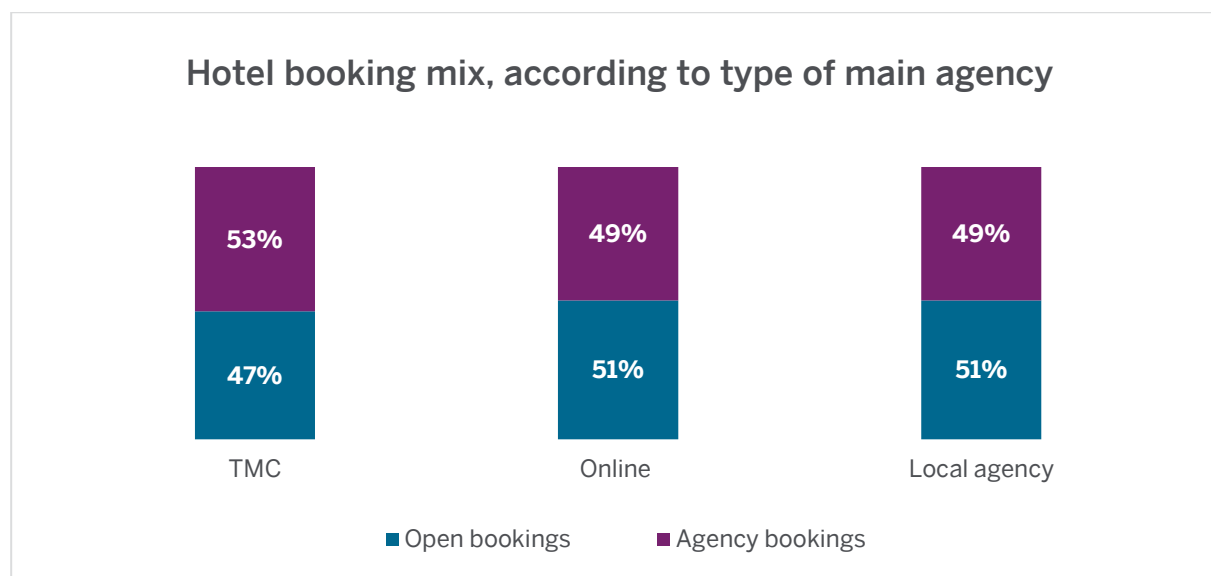
## Booking mix according to type of main agency, by country



Depending on the country, the share of bookings made through travel agencies is between a high of 80% and a low of 62%. The latter is for Italy, likely resulting from the fact that this market remains one of the most fragmented in Europe.

## TMCs are competitive in terms of tools and compared with other hotel distribution channels.

The previous edition of the Barometer emphasised significant competition between the various service providers, particularly noting the progress of hotel platforms, whether through a direct connection or via TMC booking tools.



It is interesting that the TMC model as an aggregator of content and solutions seems to be the most attractive compared with B2C-inspired models (some of which already propose a corporate offering) or those put forward by local agencies.

In this context, the companies surveyed about the level of satisfaction with hotel solutions used indicated an overall level of satisfaction of 3.9 out of 5 based on the following classification, ahead of 'purely B2B booking platforms' such as HRS, CDS, HCorpo and iAlbatros/Maya.

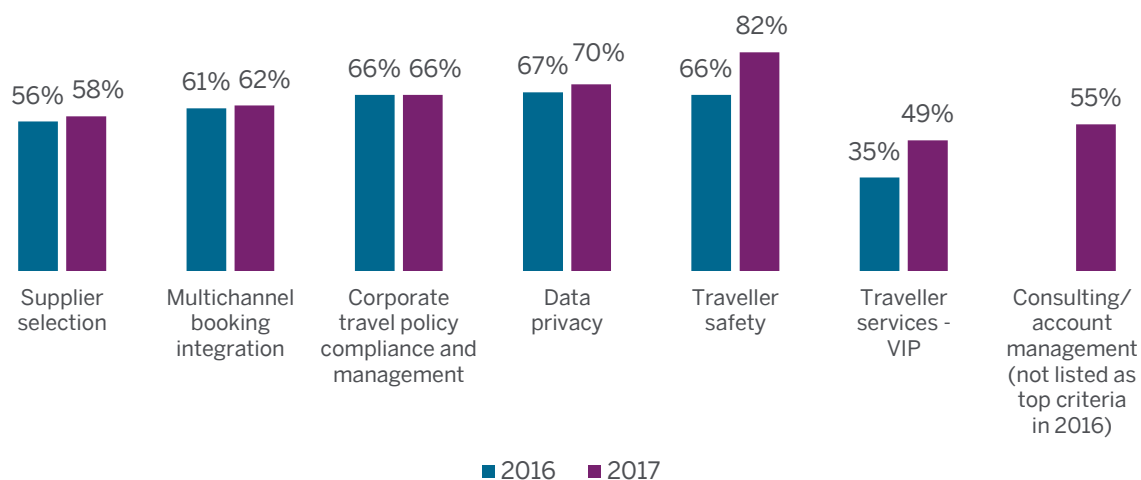
## Order of preference of hotel solutions

Booking.com	1
Solutions offered by TMCs	2
Hotels.com	3
Purely B2B booking platforms	4

## Agencies are moving towards greater support and advice for employees

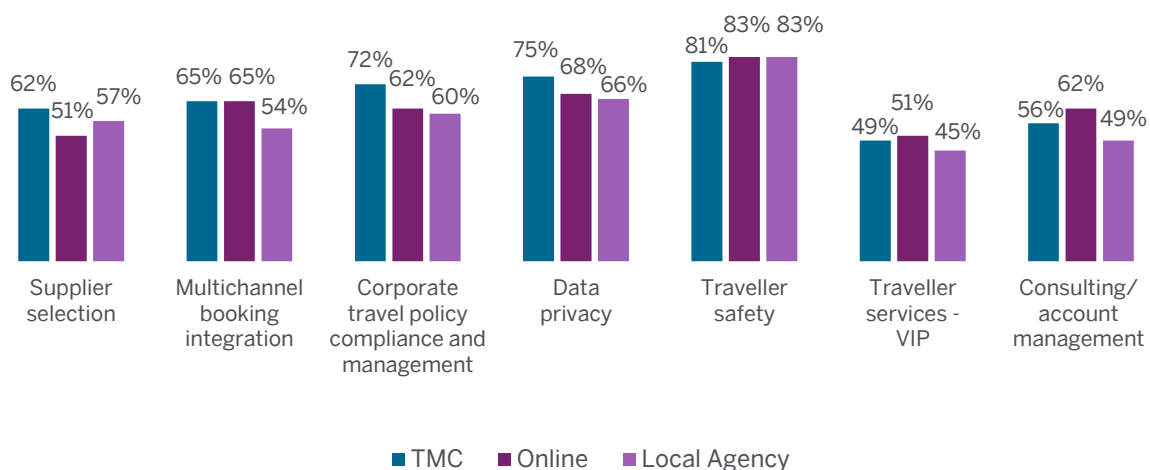
There are clear selection criteria related to services for businesses (for example, data security, travel policy management, supplier selection and consulting) and to the solutions offered to support travellers (for example, safety, multichannel booking options and services for travellers). The latter two items reflect the previously revealed desire for change and high expectations of business trips becoming easier and more comfortable.

## Most important criteria in choosing a TMC



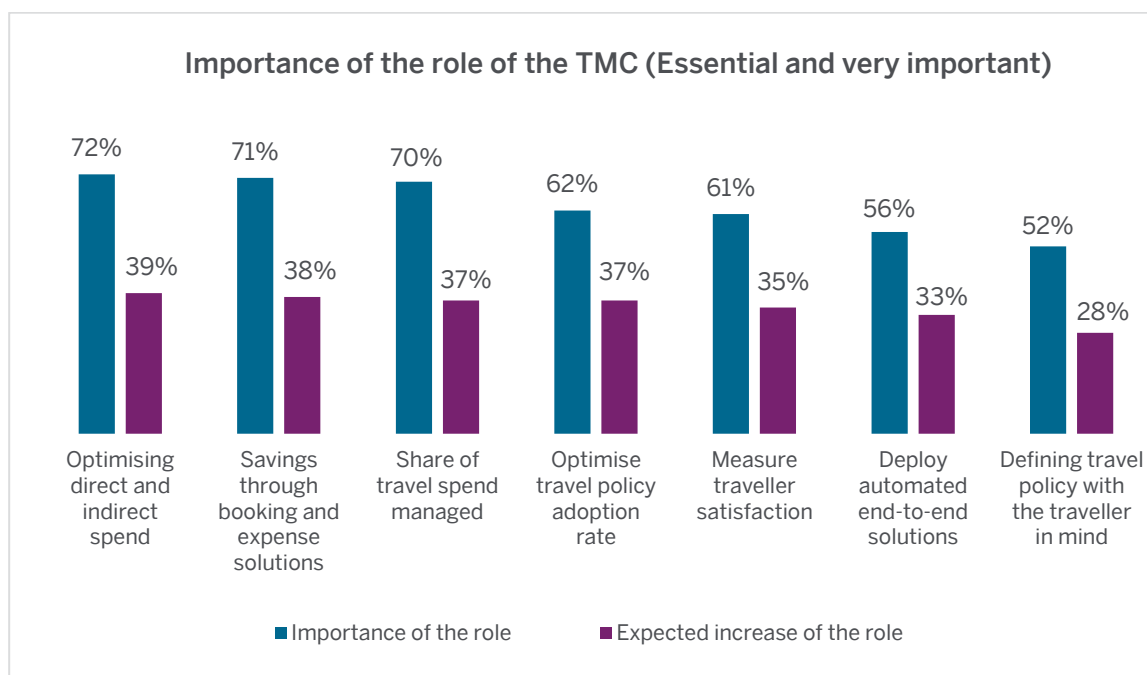
In the market, TMCs, more than any other distribution model, are expected to fulfil all these criteria and go beyond what is traditionally expected of travel agencies.

## Selection criteria by type of agency

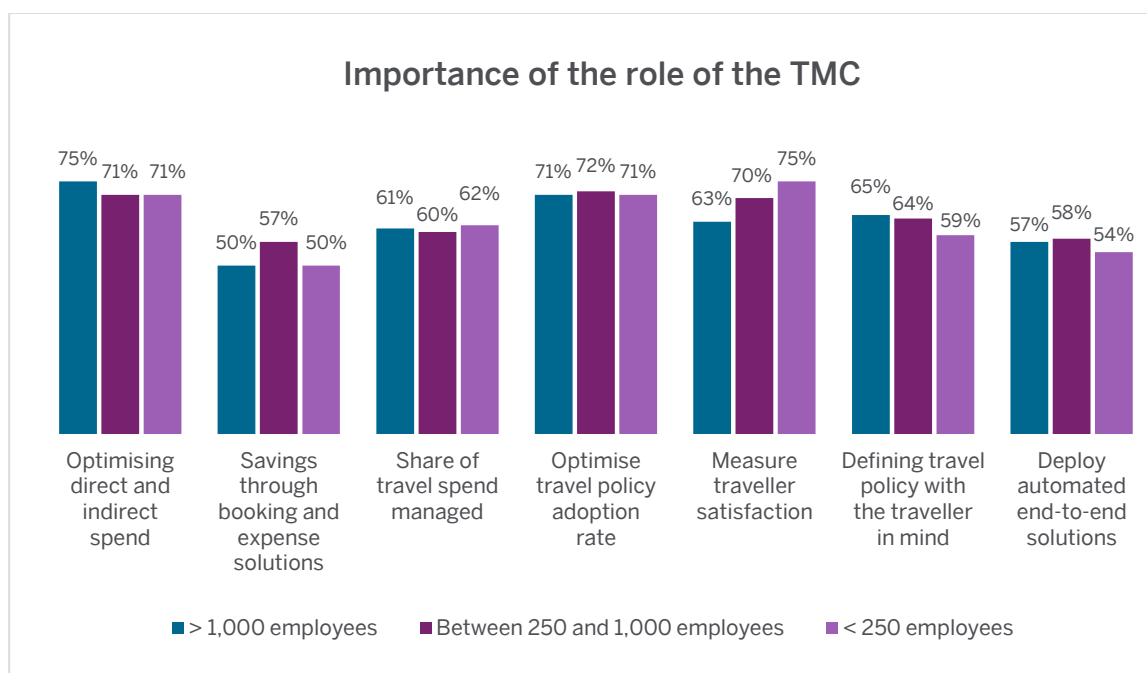


## The role of TMCs is considered essential or very important across all services provided

The large majority of companies in the survey indicated very strong support from TMCs within their managed travel programme, both at corporate and employee level. More than 30% of businesses surveyed consider that this role will increase in the next few years.

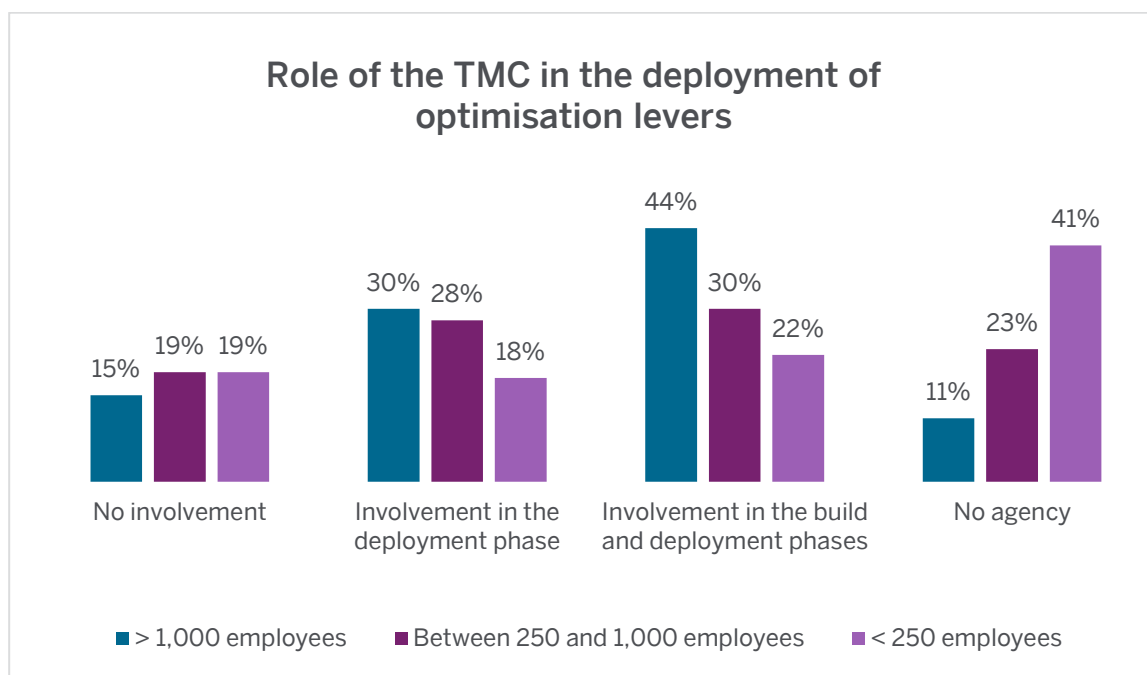


The role of TMCs is universally recognised, whatever the business segment, except for the measure of satisfaction, which is more prevalent amongst small businesses.

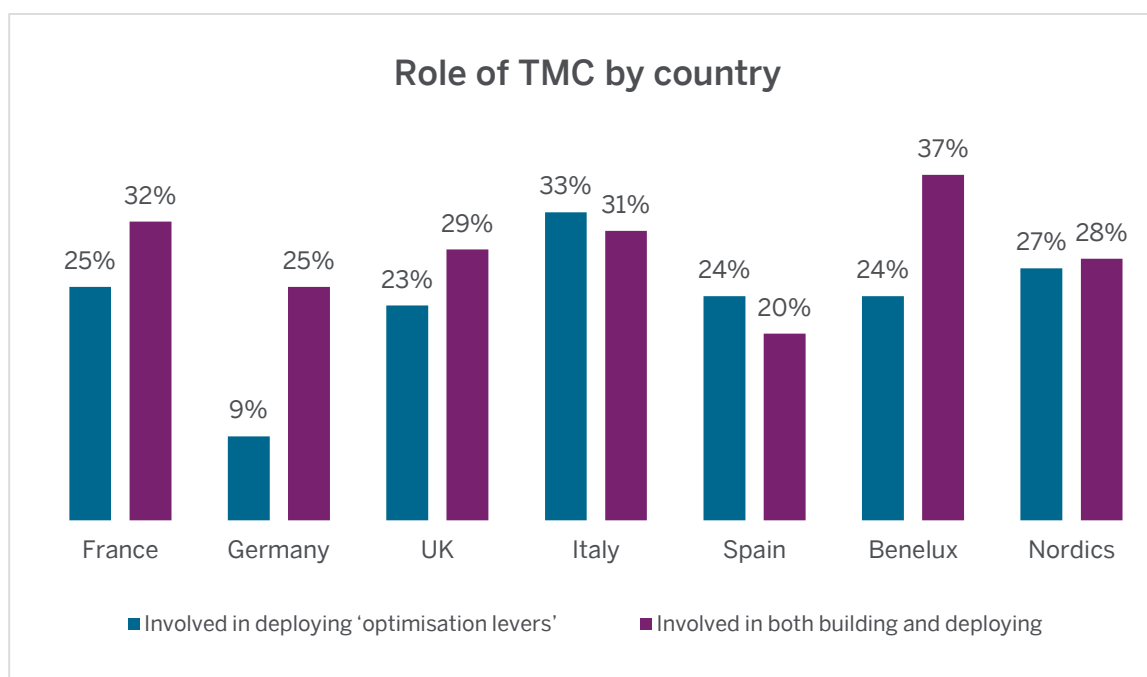


## TMCs are central to the structure and support of companies in deploying levers for optimising corporate travel policies

Although present in the phases of both the build and deployment of levers, TMCs have a more active role within large companies that use TMC services both in the initial phases of building out travel policies (see criteria for choosing travel agencies) and in their deployment.

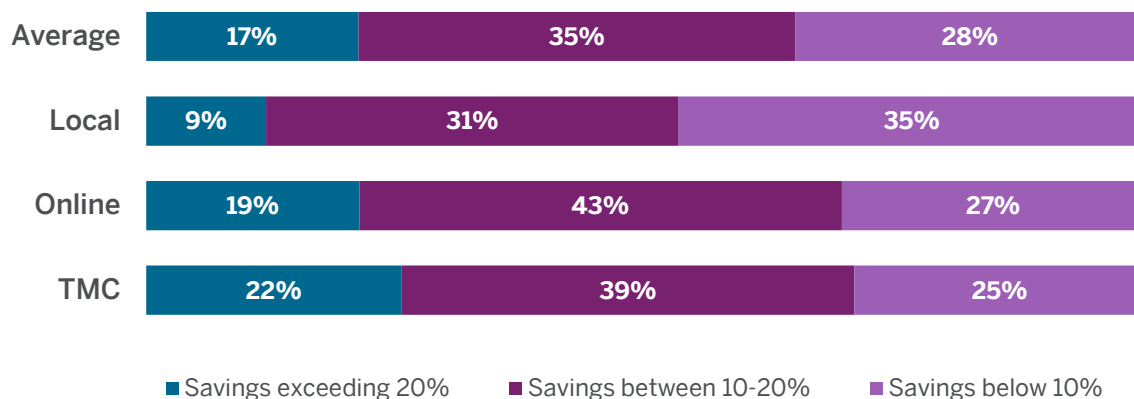


Note that the role of TMCs in Europe is more evident in building and deploying 'optimisation levers', with significant differences related to the number of agencies used and the competitive landscape specific to each country.

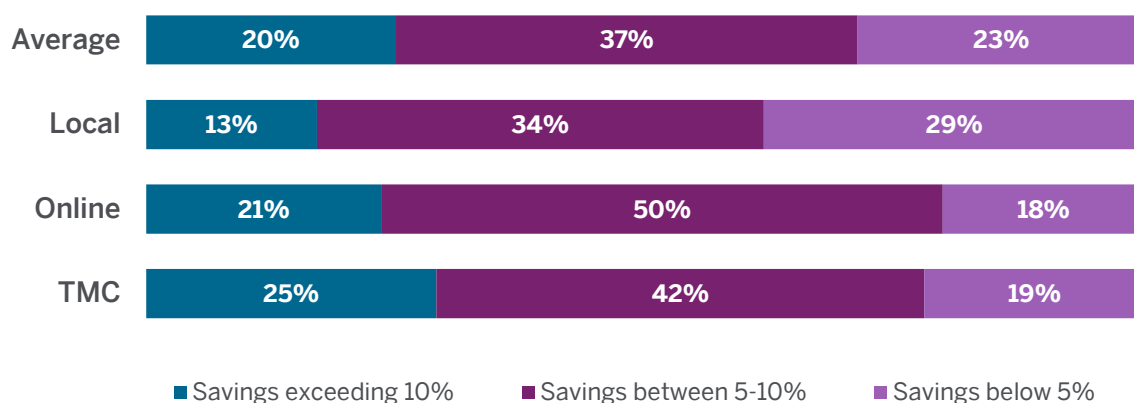


**In terms of results, the TMC model generates the most savings** compared with other distribution models (booking platforms and local agencies) – and greater savings are generated when businesses use TMCs as their main agencies. This is also reflected in the savings achieved by end-to-end support.

## Savings achieved by setting up booking and expense management tools according to the type of main agency



## Savings achieved by implementing TCO (Total Cost of Ownership) according to type of main agency

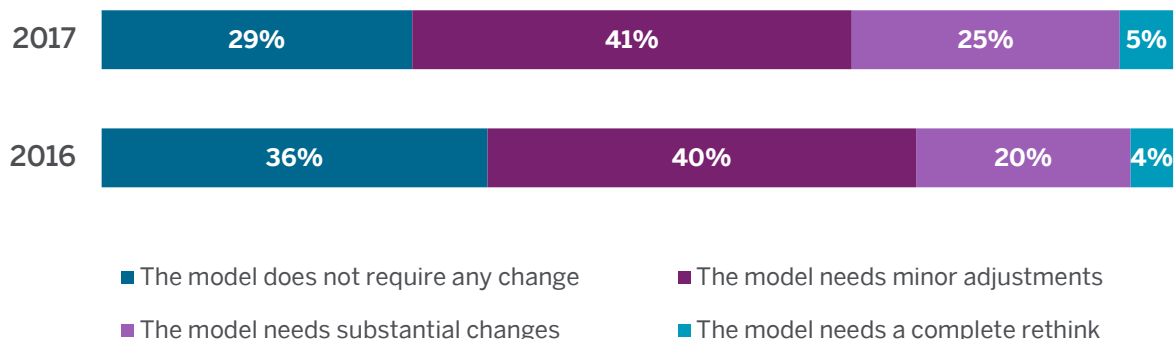


### However, the TMC business model is increasingly under pressure

The previous edition of the Barometer clearly showed the expectations of the market in terms of evolving the revenue model of TMCs, beyond the value previously identified.

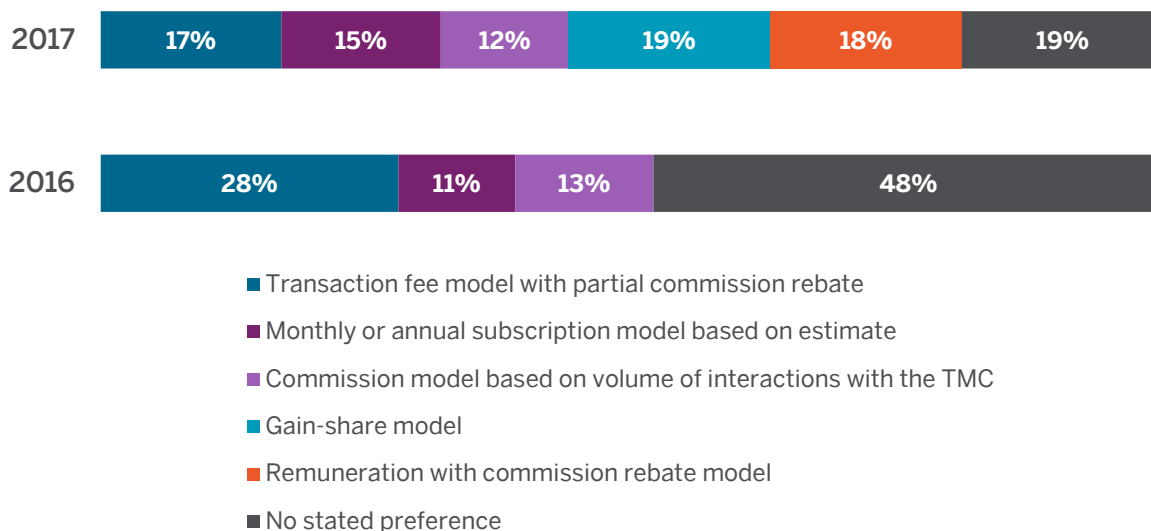
In 2017, the proportion of respondents demanding a substantial rethink of the business model is up 6 points to 25%. And 28% of large and mid-sized companies are demanding this, an increase of 9 points compared with 2016.

## Demands for an evolution in the TMC business model



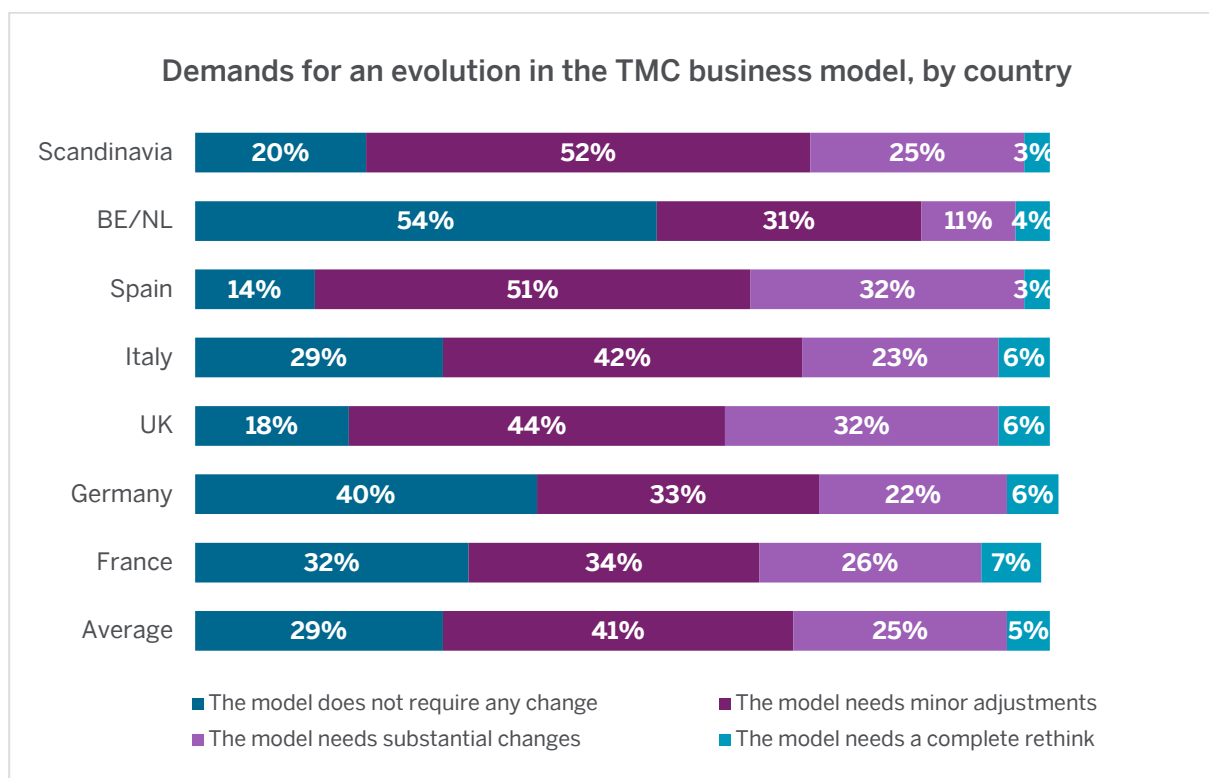
Note, as in 2016, that no 'dominant' model has emerged from these proposals and that companies remain 'productivity driven' in their approach to evolution of the model, irrespective of size. However, in 2017, more specific demands for gain-share and commission-rebate models have been identified.

## Types of Business Models Requested



The desires for evolution of the business model vary depending on the country, with higher demand in Spain and the United Kingdom. This situation is linked to the competitive landscape and the use of multiple service providers, where the juxtaposition is necessarily costlier. It is these two countries, which make the most use of multiple agencies, that are calling for the most significant changes to the business model. Respectively, 49% of organisations in Spain and 44% of companies in Great Britain use more than two agencies, compared with 15% for companies in Benelux.





## 6) CONCLUSION

This edition of the Barometer marks an upturn in demand for change to optimise business travel and provide solutions that facilitate employee travel, particularly for the mobile workforce. TMCs must therefore demonstrate that the collaborative model that they offer, within a B2B2C framework, meets these requirements in the context of companies with very different levels of maturity, around the following **three major components**:

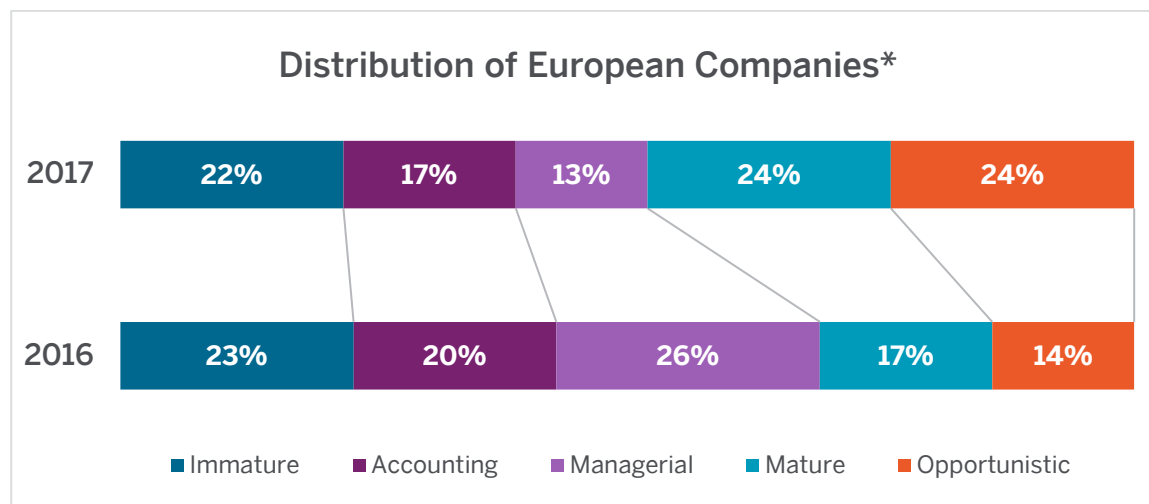
- The traveller's place in the corporate travel programme
- The capabilities in terms of management and control solutions
- The use of one or more providers – including sharing economy suppliers – who are disrupting the traditional business model

The value of TMCs and their contribution to all components of travel management are confirmed by the companies surveyed, even though organisations continue to challenge TMCs' positioning. In these circumstances, the use of TMCs in Europe has shifted this year in favour of companies with mature and opportunistic business travel management styles.

'Mature/opportunistic' companies now represent almost half of the market (48% vs 30% in 2016) and are characterised by the integration of the above three components and by their capacity to challenge TMCs as a main supplier.

The other 52% of the European market consists of companies focused on one of the components. They include 'immature' companies in terms of business travel management (22% vs 23% in 2016), a second segment taking an 'accounting' approach, with the main focus on monitoring and controlling the travel policy and spend (17% vs 20% in 2016); and a third group characterised by firms with a 'managerial' approach, more focused on solution deployment and taking into account employee satisfaction (13% vs 26% in 2016).

This last group declined significantly in 2017, dropping 14 points to 13% in favour of 'mature' and 'opportunistic' companies. The trend towards greater maturity represents a real challenge for TMCs, which must adapt their partnering model in line with these developments. They must also tackle major challenges, notably which technology suppliers to integrate with and ensuring mobile is core to their service offering.



In conclusion, in an ecosystem where both the traveller and the company are now at the core, the travel agency must adapt its positioning, confident of its confirmed added value. It must aim to be an agent of change, helping organisations evolve and mature in their abilities and approach to managing travel, costs and especially travellers.

\* Review of the composition of the segments

- 'Immature' companies for which none of these components are important in defining travel policy, representing 22% of the market (7% of large companies)
- Companies with an 'accounting-based' viewpoint for which the importance of monitoring and control resources is paramount, representing 17% of the market (45% of large companies)
- 'Managerial' companies looking to achieve a return on investment for which traveller satisfaction and the maturity of related solutions is paramount, representing 13% of the market (33% of large companies)
- 'Mature' companies that consider the three components to be important, representing 24% of the market (35% of large companies)
- Companies demonstrating 'opportunistic' behaviour for which the multi-supplier component is paramount, representing 24% of the market (10% of large companies)



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