

BUSINESS TRAVEL SURVEY – 2022 Q4 SUMMARY RESULTS

IN COLLABORATION WITH

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J.D. POWER TRAVEL & HOSPITALITY
INTELLIGENCE

Survey background

Business traveler survey

- **Respondents: 790**
- Collection: **Dec. 2-Dec. 29, 2022**
- Online survey of business travelers at **DTW, MIA, and PHL**
- Must have business travel as an aspect of current job (or will after the pandemic) and are employed.

Corporate executive survey

- **Respondents: 109**
- Collection: **Nov. 30-Dec. 05, 2022**
- Nationwide survey of corporate executives across multiple industries
- Must have title of C-suite Executive (e.g., CEO, CFO) or President, Senior Vice President/Executive Vice President, Vice President, or Managing Director/Executive Director

Conducted by J.D. Power.

Key findings

- Business travelers are **expected to take more trips in the next six months as respondents highlight growing benefits from face-to-face meetings despite lingering constraints and company travel policies**. The Business Travel Index forward-looking components currently reflect an index average of 91 as businesses grapple with pent-up demand coupled with macroeconomic headwinds and travel budgets that remain smaller than pre-pandemic.
- For each travel purpose, **a greater share of business travelers in Q4 expect to take at least one trip in the next six months**, compared to Q3.
- Even though business travel spending is steadily increasing, **budgets remain lower than 2019 levels for all types of business travel**.
 - Downgraded slightly from Q3 expectations, **more than two-thirds of corporate executives expect to spend less on business travel to attend internal meetings or customer, supplier, or other stakeholder meetings in the next six months** compared to 2019 levels.
 - **Spending expectations are highest for group business travel to attend conferences, conventions and trade shows**– 35% expect to spend the same or greater than 2019 levels in the next six months.
- Business travel demand remains strong – yet travel hassles and the inefficiency of air travel are curtailing business travel demand. The **overall time required to fly to a business meeting (37%)** followed by the **relative efficiency of virtual meetings (33%)** are the top reasons why business travelers have avoided or cancelled an air business trip to visit customers or suppliers this past year.
- **Among business travelers who attend conferences that have federal government presence, half have noticed a decline in federal government attendees at these conferences**. And of those that have noticed, 34% believe it has reduced their employers' sales, 30% believe it has increased competition for their employer, and 27% reduced innovation in their industry.
- Nearly seven-in-10 (69%) corporate executives agree that **the amount of employee business travel has been limited due to customers, suppliers and other stakeholders working remotely** – up slightly from Q3.
- Executives and business travelers report reduced business travel is still having negative impacts on company performance. A higher share of executives this quarter reported that **reduced business travel is negatively impacting their company's ability to acquire or keep customers (41%)** up from 30% in Q2.
- Similar to previous quarters, **developing relationships is considered most critical component of business travel to job performance for both business travelers (42%) and corporate executives (68%)**.



EXECUTIVE SUMMARY

Business travel plans

For each travel purpose, a greater share of business travelers in Q4 expect to take at least one trip in the next six months, compared to Q3.

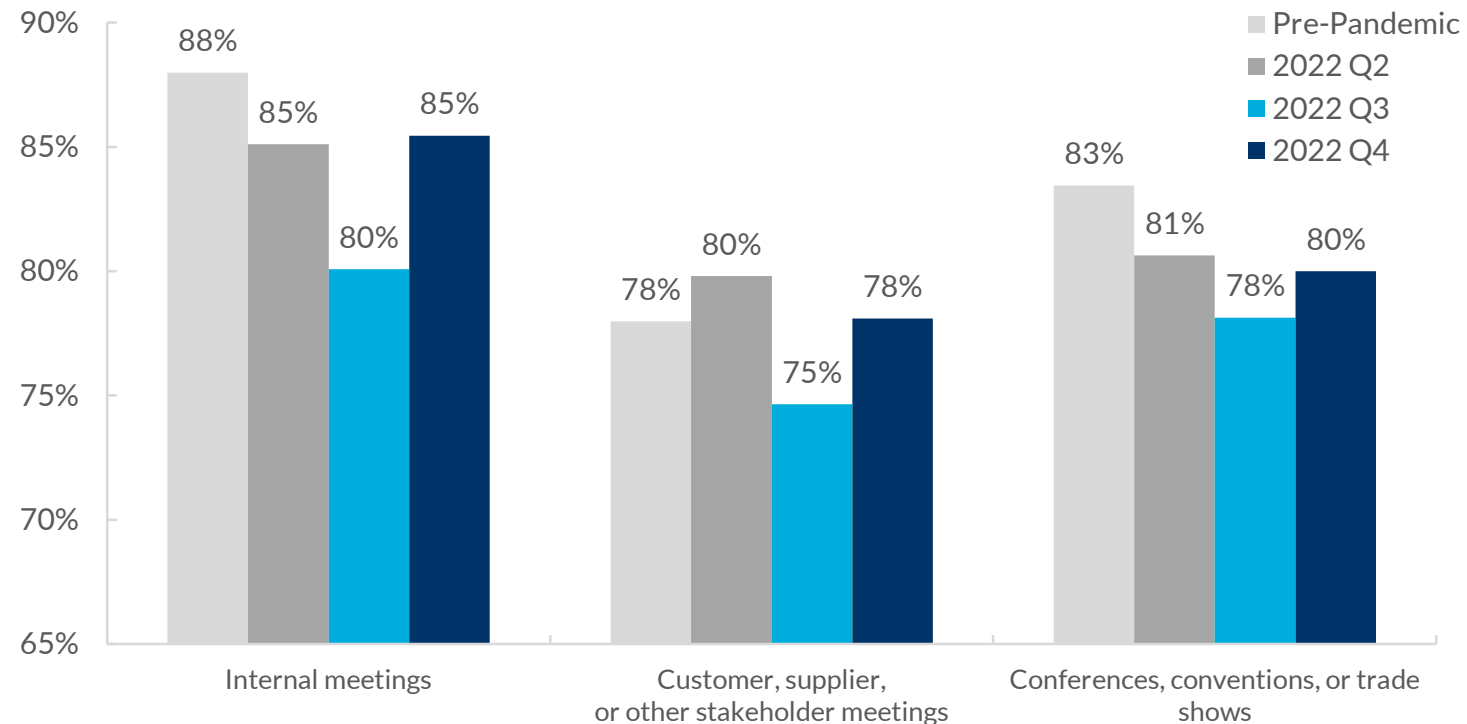
Eight-in-ten business travelers expect to take at least one trip to attend conferences, conventions or trade shows in the next six months.

Business travelers employed by smaller companies (less than 1,000 employees) are more certain about business travel plans in the next six months than travelers from larger companies.

Most expect to travel in the next six months

Business travel plans next six months

(Share of respondents expecting to take at least one trip)



How frequently do you expect to travel for each of the following business purposes over the next six months?

Business Travelers Survey BASE: Q4 N = 790; Q3 N = 1641; Q2 N = 2545

Business travel in 2023

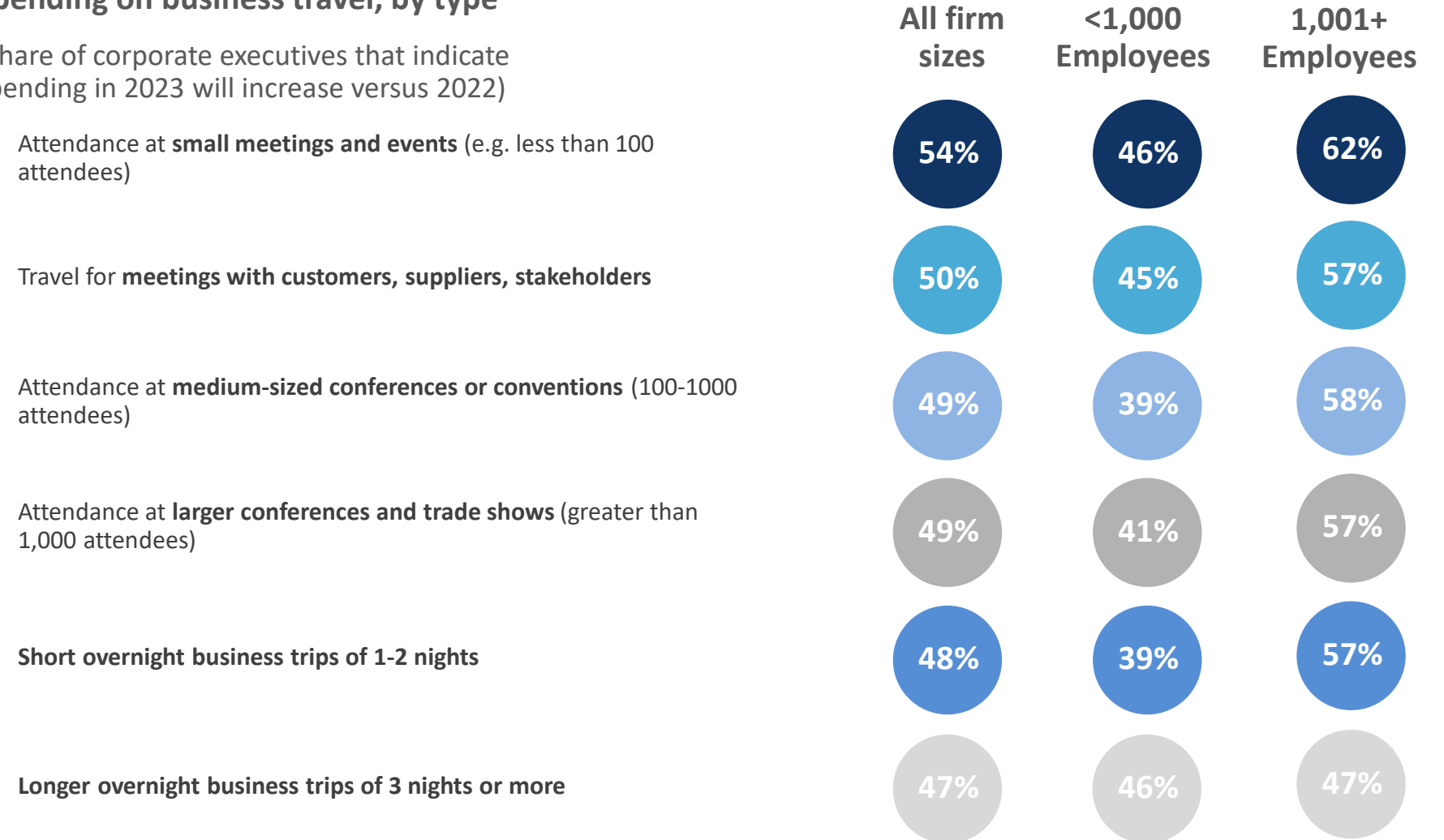
Many executives expect business travel spending in 2023 to increase versus 2022. Across meeting types, the largest share of respondents expect increased spending for small meetings (54%), followed by meetings with customers (50%).

More larger company executives (62%) expect spending to increase for small meetings and events than smaller company executives (46%). A greater proportion of larger company executives (57%) indicate spending will increase for short overnight business trips than small company executives (39%).

Half of executives expect business travel spending to increase in 2023

Spending on business travel, by type

(Share of corporate executives that indicate spending in 2023 will increase versus 2022)



[Q3C] For each type of business travel below, please indicate whether company spending on business travel will increase, decrease, or remain the same in 2023 compared to 2022.

Corporate Executive Survey BASE: N = 109

Business travel spending

Despite an expected increase in business travel for the first half of 2023, most anticipate the company they work for will continue to spend less on business travel over the next six months compared to the same period in 2019. This is true for all trip purposes.

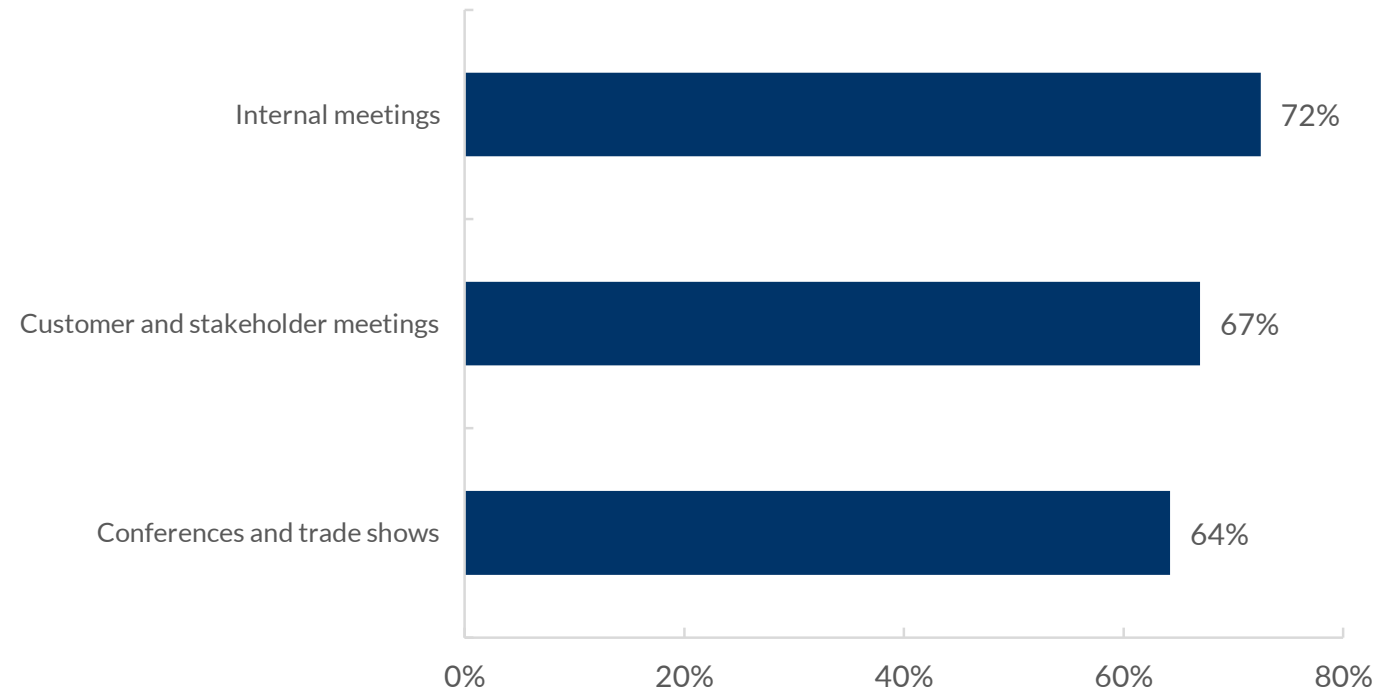
Spending expectations are highest for group business travel to attend conferences, conventions and trade shows – 35% expect to spend the same or greater than 2019 levels in the next six months.

Economic uncertainty can reduce business spending as more than one-in-three executives report that a possible recession in 2023 will significantly affect their company's planned business travel budget.

Despite growth, most executives still expect less travel spending than pre-pandemic

Expecting less business travel spending than in 2019

(Share that expects less travel over next six months, by trip purpose)



[q2] Thinking about the next six months, how will your company's business travel spending compare to 2019 (pre-pandemic) for each of the following purposes?

Corporate Executive Survey BASE: N = 109

Reasons for avoiding business travel by air

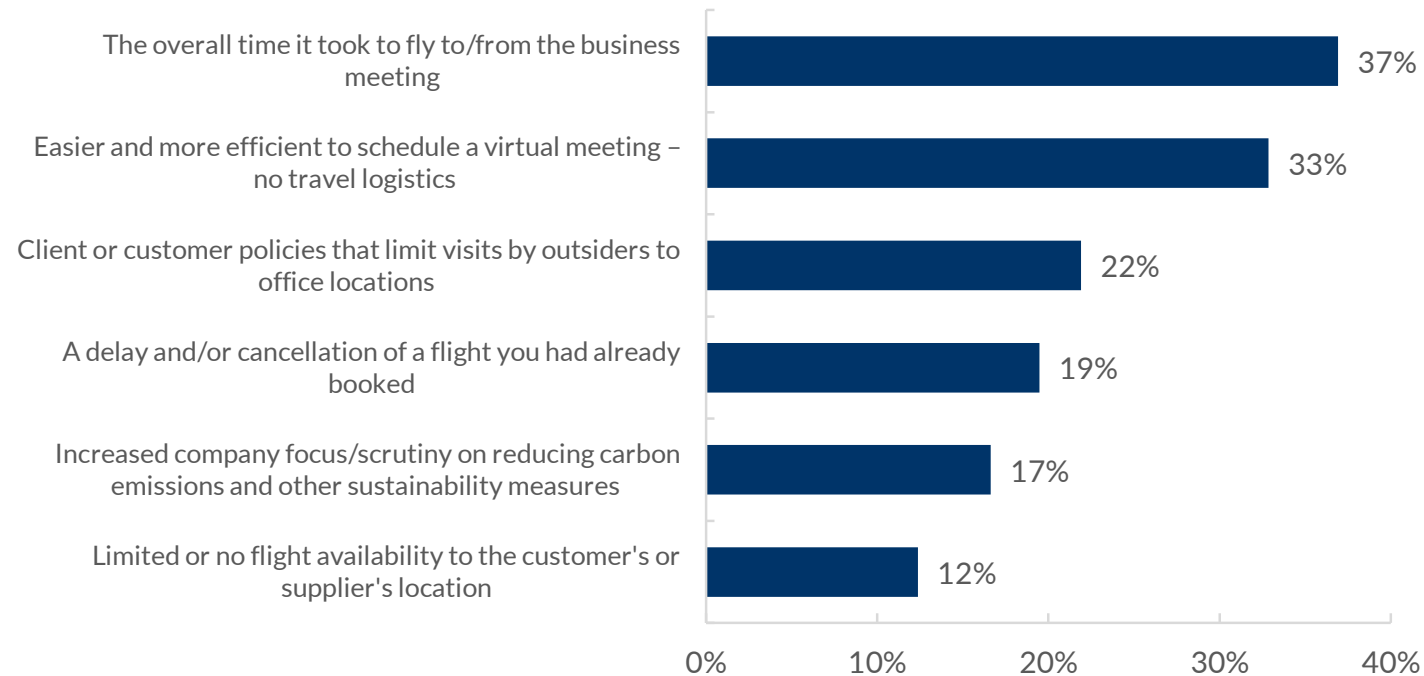
Many business travelers (62%) reported at least one reason for avoiding or cancelling business trips in the past year. The overall time it took to fly to/from business meetings was the most cited reason for avoiding business trips by air (37%).

One-in-three business travelers also reported they avoided travel as it is easier and more efficient to schedule a virtual meeting.

Business travel rebound hampered by air travel inefficiencies

Reasons for avoiding or cancelling business trips by air

(Share of business travelers that reported reasons for avoiding or cancelling trips by air)



[q6A] For customer or supplier meetings in the past year, have you avoided or cancelled a business trip by air due to:

Business Travelers Survey BASE: N = 493 (Excluding respondents that selected "No reasons")

Bringing back the federal workforce

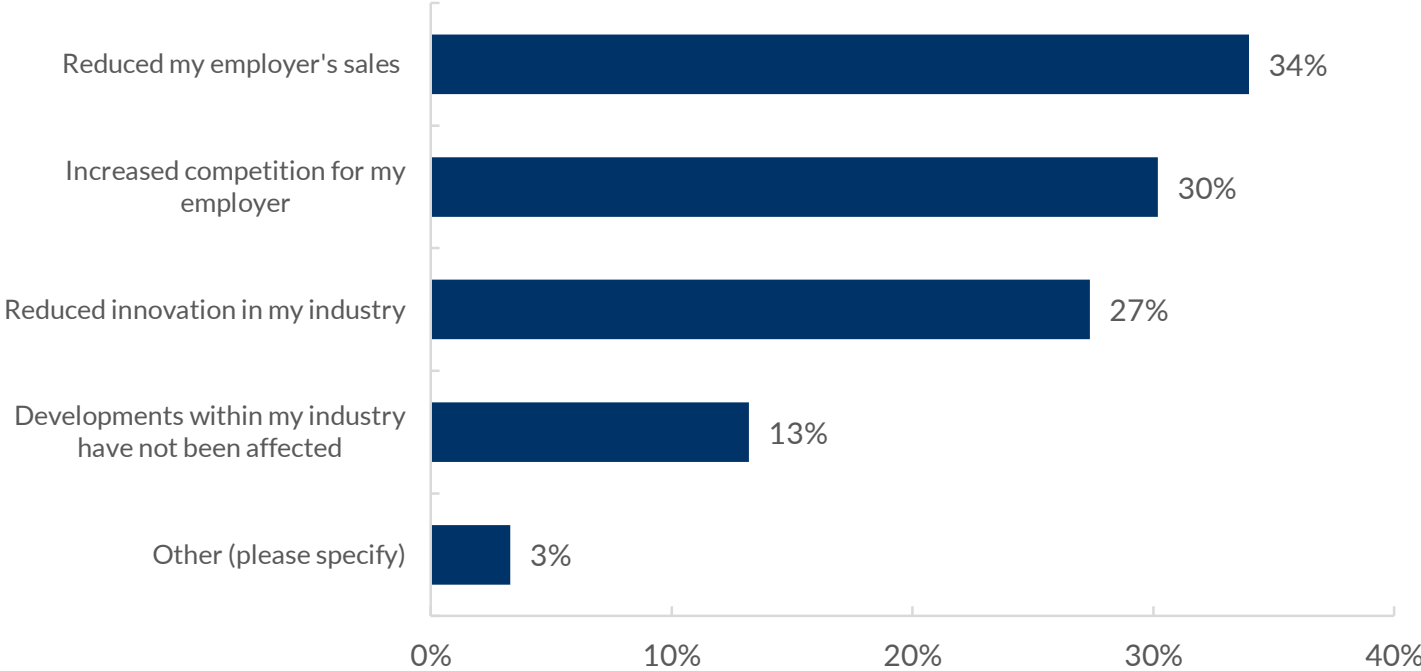
Among business travelers who attend conferences that have federal government presence, half have noticed a decline in federal government attendees at these conferences.

For these respondents, reduced employer sales (34%) was cited as an important impact on developments within their industry stemming from the decline in federal government agency participation.

Lack of federal government business travel impacting growth and innovation with private sector

Impact of reduced federal government agency participation

(Share of business travelers reporting a decline in federal government agency participation)



[Q7_2] How has the decline federal government agency participation at conferences, conventions, or trade shows affected developments within your industry?
Business Travelers Survey BASE: N = 212

Business travel sentiment

More executives in Q4 consider business travel essential (81%) compared to earlier quarters.

Nearly seven-in-10 (69%) corporate executives agree that the amount of employee business travel has been limited due to customers, suppliers and other stakeholders working remotely – up slightly from Q3.

Corporate executives also report that virtual meetings (67%), cost controls (59%) and risk mitigation (46%) are likely to continue to constrain business travel.

The share expecting constrained business travel due to internal cost controls has declined from 69% in Q2 to 59% in Q4.

Business travel is essential but still constrained

Views on business travel, by firm size

(Share of corporate executives that agree)



[q9] Thinking about your company's or department's overall business travel spending, please indicate your level of agreement with the following statements. (Strongly agree and somewhat agree)

Corporate Executive Survey BASE: Q4 N = 109; Q3 N = 115; Q2 N = 195

Negative impacts

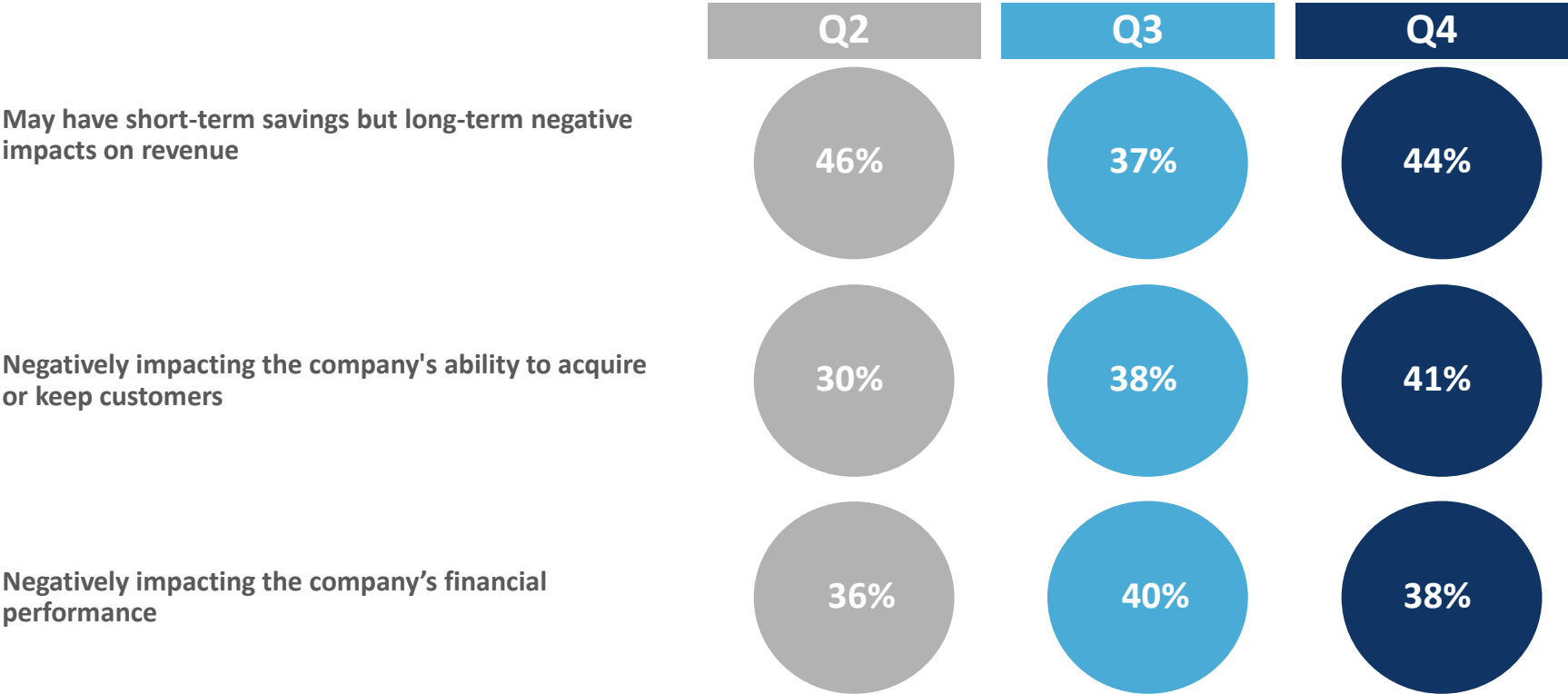
Executives and business travelers report reduced business travel is still having negative impacts on company performance.

A higher share of executives this quarter reported that reduced business travel is negatively impacting their company's ability to acquire or keep customers (41%) up from 30% in Q2.

Negative impacts of reduced business travel

Impact of reduced business travel on company

(Share of corporate executives)



[Q3A] Is reduced business travel (compared to 2019) having any of the following impacts on the company or organization where you work?

Corporate Executive Survey BASE: Q4 N = 81; Q3 N = 82; Q2 N = 132

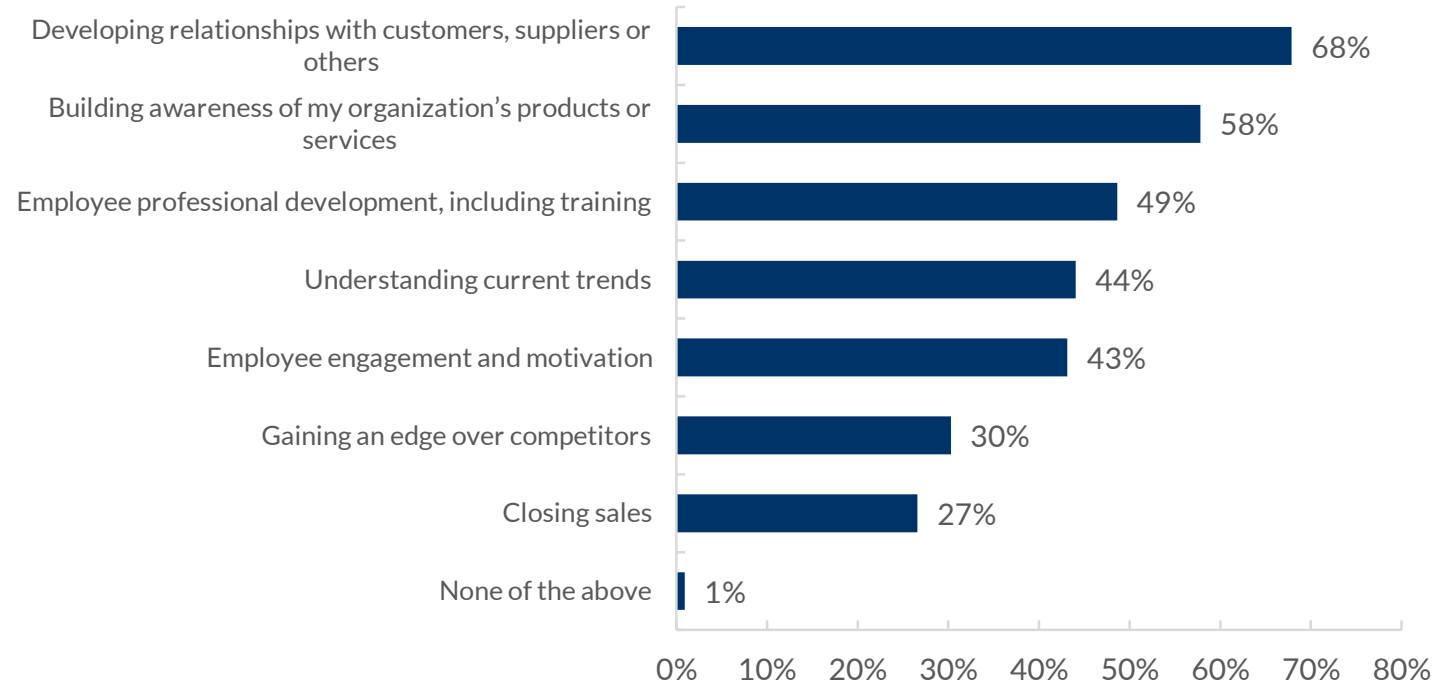
Critical aspects of trips

Similar to previous quarters, developing relationships is considered most critical component of business travel to performance for both business travelers (42%) and corporate executives (68%).

Corporate executives also consider business travel critical in order to build awareness (58%) and for professional development (49%)

Business travel considered critical to company performance

Critical aspects of attending conferences, conventions, or trade shows (Share of corporate executives)



[q5] Which aspects of employee business travel to attend external events, conferences, conventions or trade shows do you consider critical to your company's performance?

Corporate Executive Survey BASE: N = 109

Reasons for uncertainty

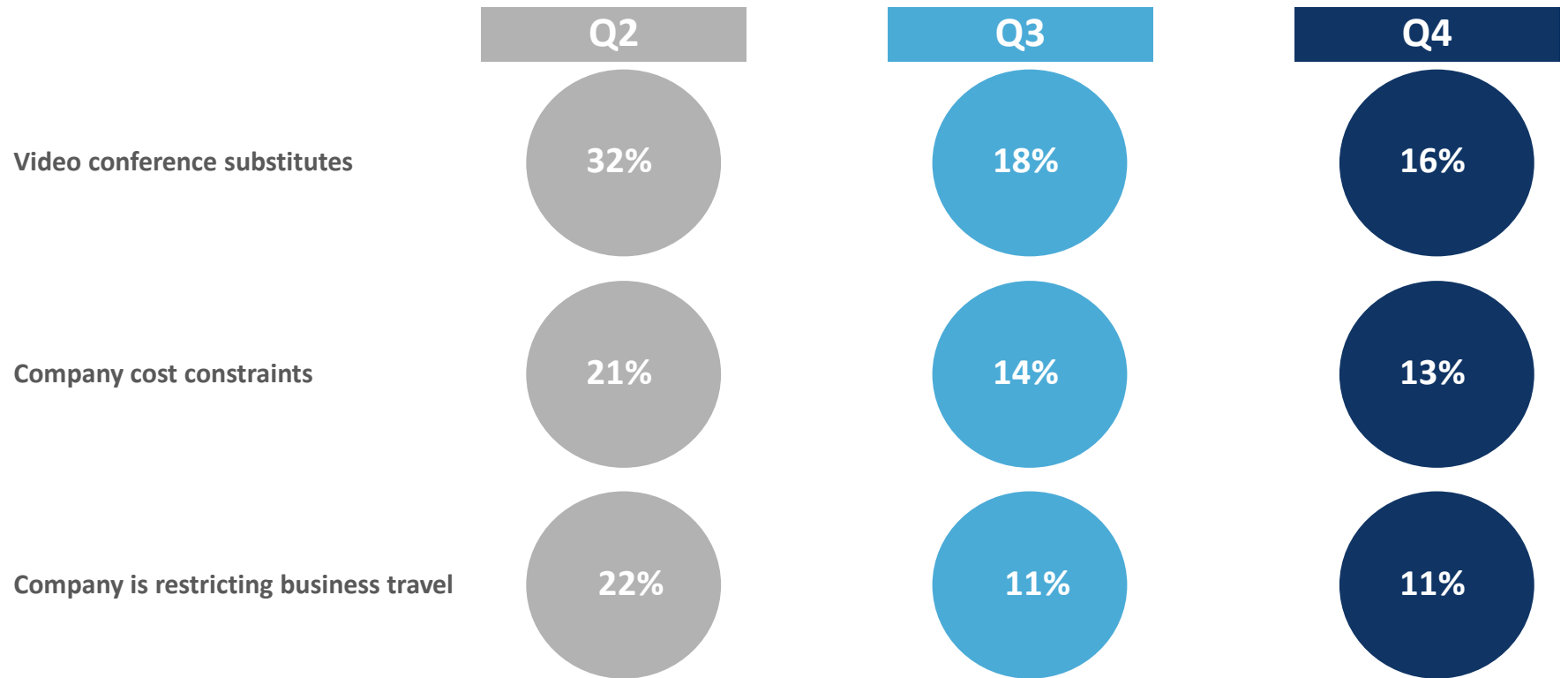
Fewer business travelers in Q4 than in prior quarters identify reasons for travel uncertainty in the next six months.

The most frequently cited reasons for uncertainty were video conference substitutes for business travel, company cost constraints, and their company restricting business travel.

Fewer cite reasons for travel uncertainty

Reasons for uncertainty about business travel within the next six months

(Share of business travelers uncertain about travel for conferences, conventions, and/or trade shows)



[q11A&q11B] Please select the reasons why you are not sure if you will travel in the next six months. (Among travelers that indicated they are uncertain they will travel for certain trip purposes in the next six months)

Business Travelers Survey BASE: Q4 N = 158; Q3 N = 334 ; Q2 N = 410

Company travel policies

The share of companies with policies in place restricting business travel increased in Q4 to 49% from 42% in Q3.

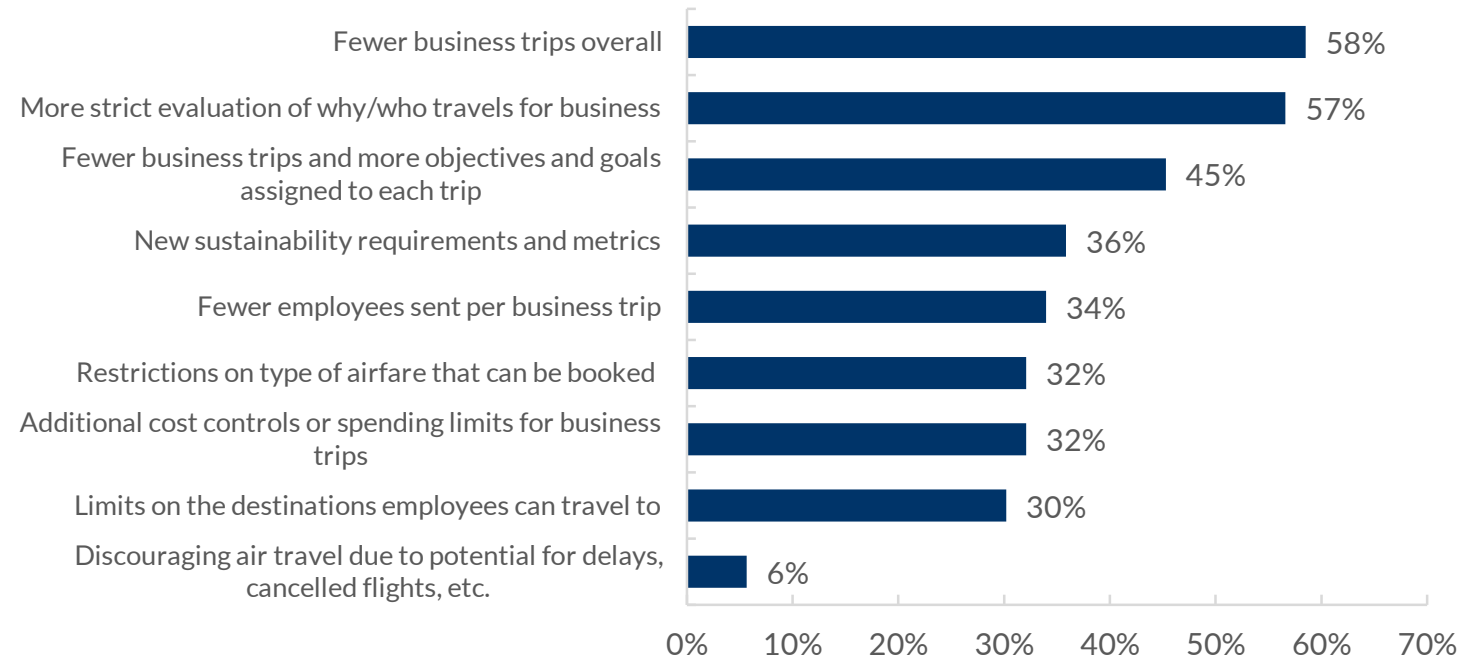
Yet, the policies in place are less restrictive. Of those that have policies in place, the share citing 'fewer business trips overall' has declined every quarter from 71% in Q2 to 58% in Q4.

After fewer business trips overall, stricter evaluation of why/who travels for business is the top policy still in place for nearly six-in-10 organizations (57%).

Nearly two-thirds of corporate executives (64%) anticipate existing pandemic-related business travel policies will be re-evaluated in the first half of 2023.

Business travel policies less restrictive

Business travel policies implemented by firms due to the Covid-19 pandemic
(Share of respondents whose company currently has policies in place restricting business travel due to the pandemic)



[q7] Which of the following business travel policies are in place at your company or organization due to the Covid-19 pandemic?

Corporate Executive Survey BASE: N=53

Company travel policies by firm size

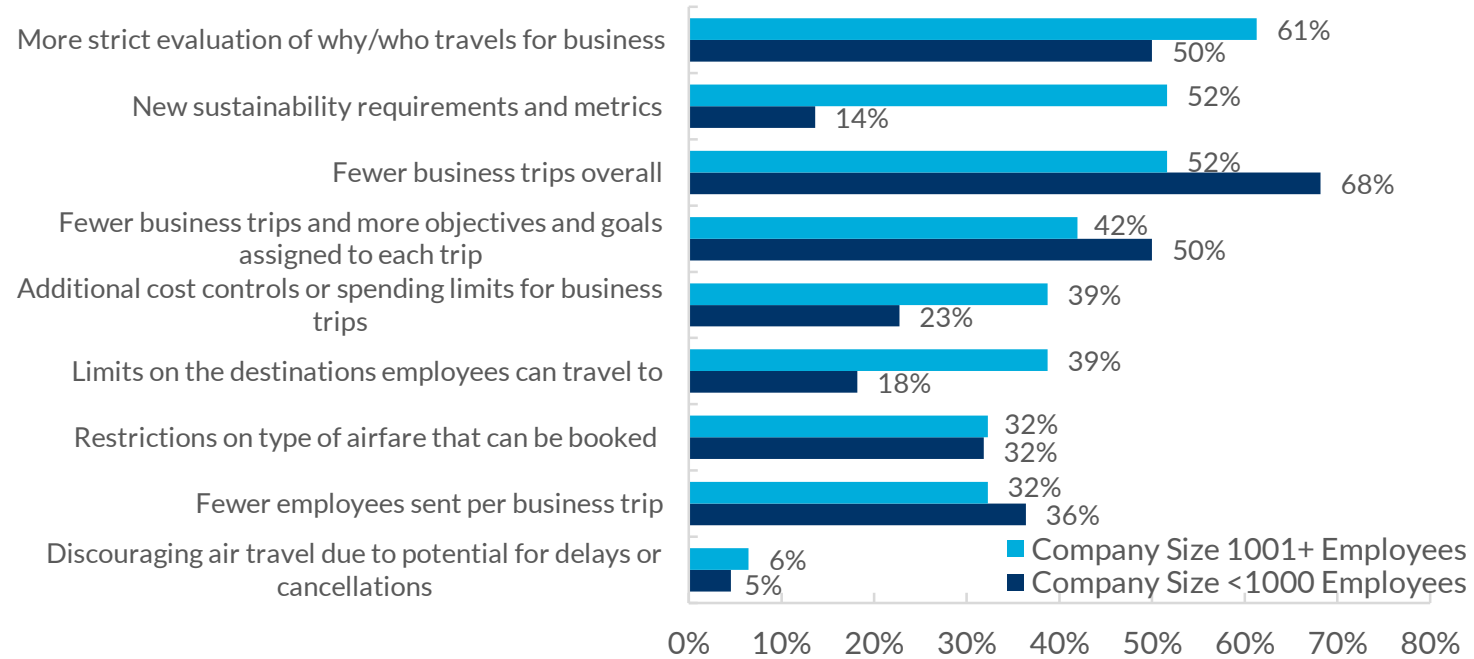
For companies restricting business travel as a result of the pandemic (39% of small companies and 58% of large companies), a greater proportion of larger companies have implemented a stricter evaluation of why/who travels for business (61%) than smaller companies (50%).

On average, small companies have one restriction on business travel in place, while large companies have two restrictions in place.

More larger companies still have numerous pandemic-related travel policies in place

Business travel policies implemented due to the pandemic by firm size

(Share of respondents whose company currently has policies in place restricting business travel due to the pandemic)



[q7] Which of the following business travel policies are in place at your company or organization due to the Covid-19 pandemic?

Corporate Executive Survey BASE: N=53

Work arrangements

Approximately 82% of business travelers in Q4 work remotely at least some of the time, including nearly one-third who work fully remote.

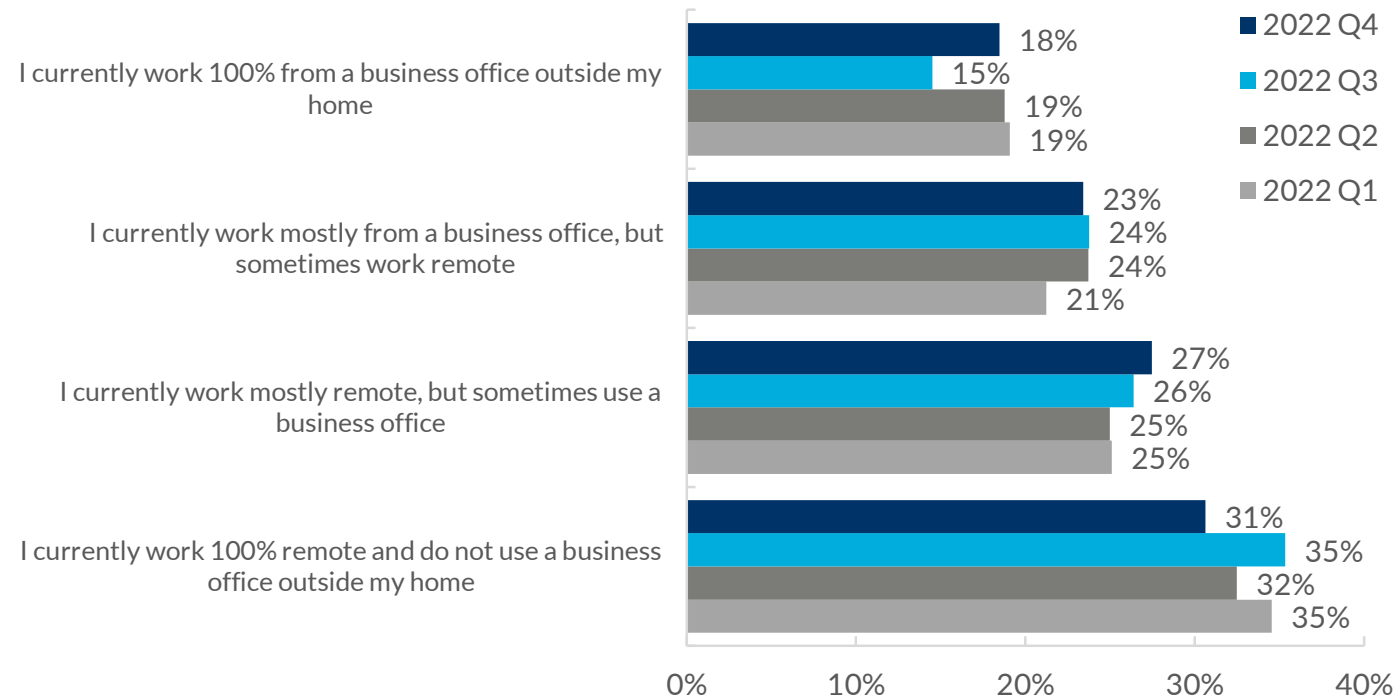
In comparison, more (85%) business travelers surveyed in Q3 worked remotely at least some of the time.

Business travelers at smaller-sized companies (34%) are more likely to be 100% remote than business travelers at a larger-sized company (25%).

Nearly one-third of business travelers work fully remote

Current work arrangements of business travelers

(Share of business travelers surveyed)



[q8] Which of the following best describes your current work arrangement?

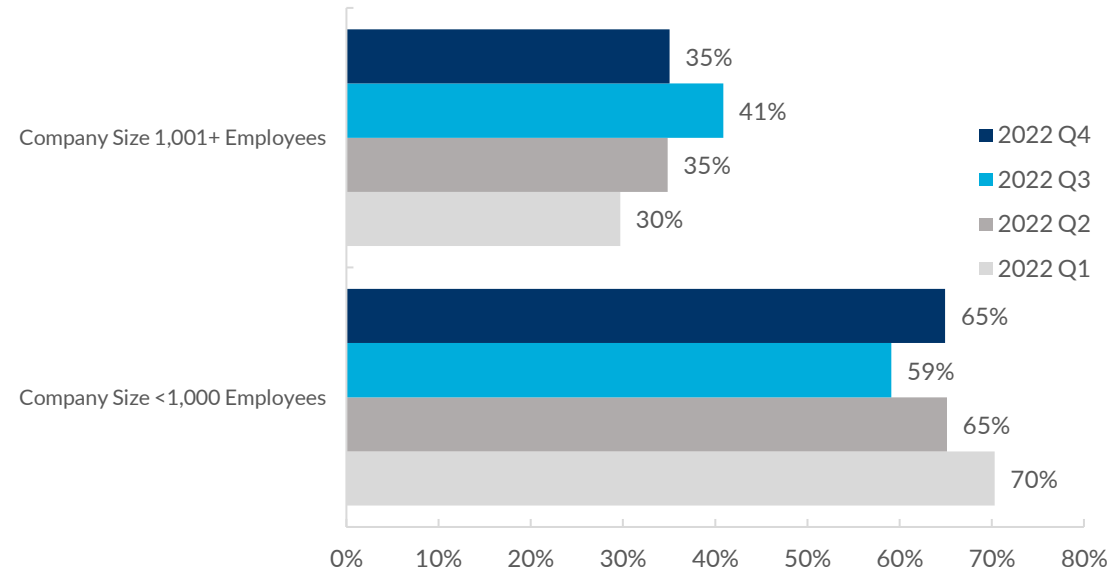
Business Travelers Survey BASE: Q4 N = 790; Q3 N = 1641; Q2 N = 2545; Q1 N = 2593

2022 Q4 survey

- Added questions on expectations for changes in business travel in 2023 versus 2022 for each type of travel. Respondents were also asked about reasons why business trips by air were canceled in the past year, and how reduced federal government agency participation may have affected developments in their industry.
- A larger share of respondents in Q4 were from smaller companies than the Q3 survey.
- The industries represented by respondents varied versus prior surveys.
- There were fewer respondents in the 2022 Q4 survey than in Q3.

Updates to business traveler survey

Please indicate the size of your company based on total number of employees



Please indicate the size of your company based on total number of employees.

Business Travelers Survey BASE: Q4 N = 790 Q3 N = 1641; Q2 N = 2545; Q1 N = 2593

In what industry is your firm primarily engaged in? (% of respondents)

Industry	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Manufacturing	12.3%	9.4%	10.3%	7.6%
Construction	8.6%	7.3%	8.5%	6.4%
Other	8.4%	6.9%	6.7%	8.9%
Health Care and Social Services	7.8%	10.3%	7.6%	8.5%
Professional, Scientific and Technical Services	6.6%	5.2%	4.8%	4.8%
Information and Technology	6.5%	5.5%	4.0%	6.7%
Educational Services	5.6%	7.5%	6.4%	4.0%
Aviation and Aviation Services	5.1%	5.5%	6.2%	6.3%
Mining	4.6%	3.3%	2.5%	5.4%
Retail Trade	4.3%	4.0%	4.0%	6.2%
Banking, Finance and Insurance	4.3%	4.6%	6.3%	4.0%
Agriculture, Forestry, Fishing and Hunting	4.2%	3.4%	3.4%	5.9%
Utilities	3.7%	3.1%	3.3%	5.4%
Transportation and Warehousing	3.3%	5.9%	5.4%	3.3%
Wholesale Trade	3.0%	4.9%	5.9%	3.9%
Arts, Sports, Entertainment, and Recreation	2.9%	5.5%	5.4%	3.4%
Food Services, Restaurants, and Hospitality	2.7%	1.8%	2.4%	2.5%
Management of Companies and Enterprises	2.0%	3.3%	3.9%	1.8%
Real Estate and Rental and Leasing	1.9%	1.7%	1.0%	2.4%
Public Administration/Government	1.3%	2.6%	1.8%	1.0%
Administrative and Support	1.1%	0.9%	1.3%	1.3%
Waste Management and Remediation Services	0.0%	0.1%	0.1%	0.1%

In what industry is your firm primarily engaged in?

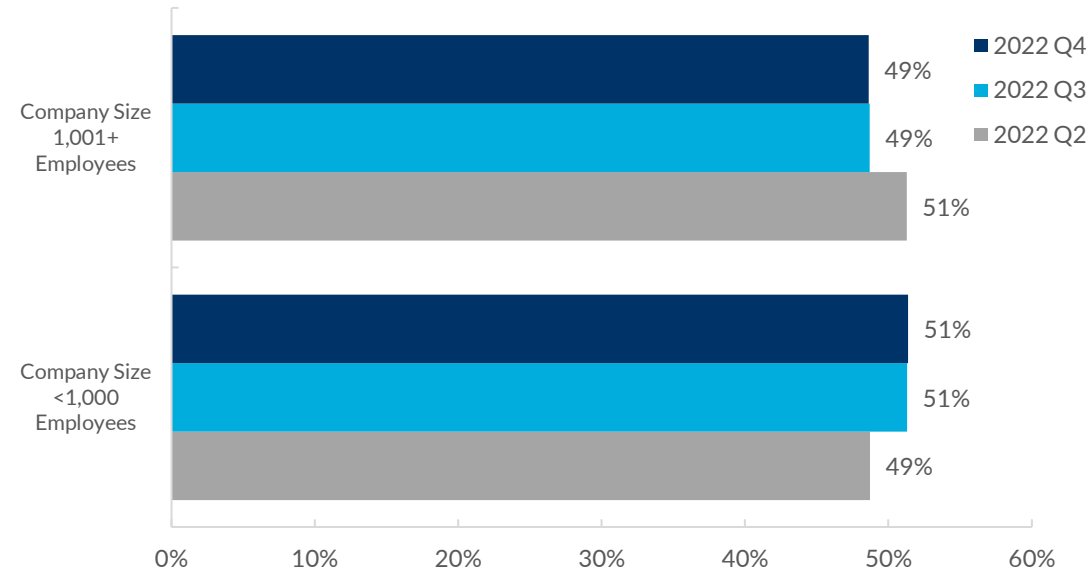
Business Travelers Survey BASE: Q4 N = 790; Q3 N = 1641; Q2 N = 2545; Q1 N = 2593

2022 Q4 survey

- Added questions on expectations for changes in business travel in 2023 versus 2022 for each type of travel. Questions on changes in the amount of spending and impacts due to the impact of a recession in 2023 were also presented to respondents.
- The industries represented by respondents varied versus prior surveys.
- There were fewer respondents in the 2022 Q4 survey than in Q3.

Updates to corporate executive survey

Please indicate the size of your company based on total number of employees



Please indicate the size of your company based on total number of employees.

Corporate Executive Survey BASE: Q4 N = 109; Q3 N = 115; Q2 N = 195

In what industry is your firm primarily engaged in? (% of respondents)			
Industry	2022 Q4	2022 Q3	2022 Q2
Information and Technology	16.5%	18.3%	14.4%
Manufacturing	13.8%	16.4%	16.4%
Construction	12.8%	10.8%	10.8%
Banking, Finance and Insurance	12.8%	8.2%	8.2%
Retail Trade	10.1%	10.8%	10.8%
Professional, Scientific and Technical Services	8.3%	5.6%	5.6%
Health Care and Social Services	4.6%	1.5%	1.5%
Other	3.7%	6.2%	6.2%
Utilities	2.8%	1.0%	1.0%
Transportation and Warehousing	2.8%	2.6%	2.6%
Food Services, Restaurants, and Hospitality	2.8%	4.6%	4.6%
Agriculture, Forestry, Fishing and Hunting	1.8%	1.0%	1.0%
Management of Companies and Enterprises	1.8%	1.0%	1.0%
Educational Services	1.8%	1.5%	1.5%
Aviation and Aviation Services	0.9%	1.0%	1.0%
Wholesale Trade	0.9%	3.1%	3.1%
Real Estate and Rental and Leasing	0.9%	3.1%	3.1%
Arts, Sports, Entertainment, and Recreation	0.9%	3.6%	3.6%
Mining	0.0%	0.5%	0.5%
Administrative and Support	0.0%	0.0%	0.0%
Waste Management and Remediation Services	0.0%	0.5%	0.5%
Public Administration/Government	0.0%	2.6%	2.6%

In what industry is your firm primarily engaged in?

Corporate Executive Survey BASE: Q4 N = 109; Q3 N = 115; Q2 N = 195



**ANNEX:
BUSINESS TRAVEL INDEX**

Quarterly Business Index

Business conditions leading index:

Business conditions, such as GDP and business investment, rounded out 2022 with momentum, resulting in a leading index level of 106. However, Oxford Economics' current forecast anticipates a mild recession emerging in Q2 2023, resulting in more challenging conditions.

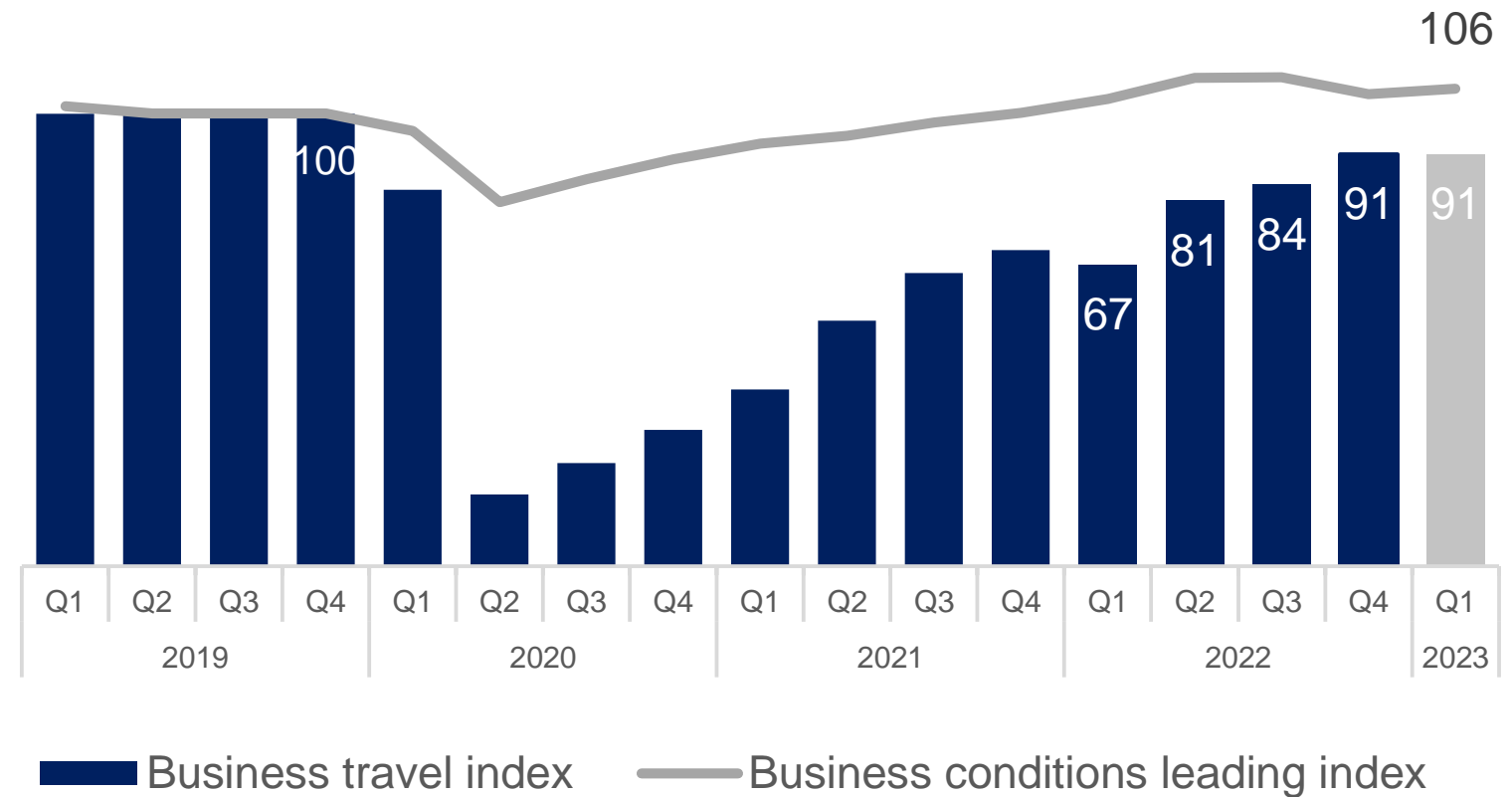
Business Travel Index, forward-looking components:

The BTI forward-looking components currently reflect an index average of 91 as businesses grapple with pent-up demand coupled with macroeconomic headwinds and travel budgets that remain smaller than pre-pandemic.

Business activity expected to moderate

Quarterly Business Travel Index

2019 = 100





Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner.



U.S. Travel Association is the national, non-profit organization representing all components of the travel industry. U.S. Travel's mission is to increase travel to and within the United States. Visit ustravel.org for information and recovery related data.



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