

# The Wire...from AirPlus

## March 2009: Travel Management Reality Check

**AIRPLUS.** WHAT TRAVEL PAYMENT IS ALL ABOUT.



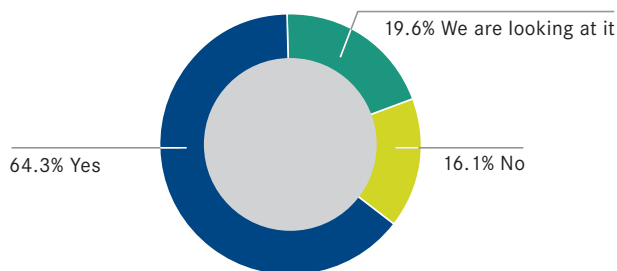
### Corporations reassess travel programs as economic challenges become reality in 2009.

Corporate travel managers worldwide are feeling the pain of the economic slowdown. Many travel managers are reassessing their travel program to account for this new equation, according to *The Wire's* February survey of corporate travel managers. However, on the bright side, the uncertainty from Q4 2008 has resulted in new savings opportunities in Q1 2009. Among those surveyed, nearly 84 percent have already implemented changes to their travel programs since Q4 2008 or are looking into the opportunities right now.

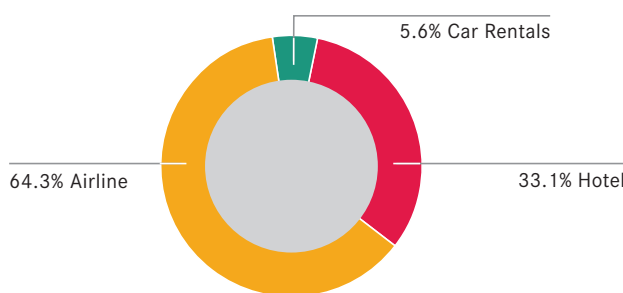
Other results show traveler compliance is also a strong focus, with more than 76 percent of the surveyed travel managers looking at stronger mandates. Policy adjustments that address new travel market realities are next at just over 71 percent and preferred contract re-negotiation a strong third, with more than 64 percent of travel managers looking for additional savings as airline, hotel and ground transportation markets continue to shake out.

Indeed, market volatility contributed to a protracted contract season for corporate travel professionals. Many travel managers were slow to finalize agreements. Starwood Hotels reported in January that

### Has your company reassessed travel management strategies since Q4 2008?

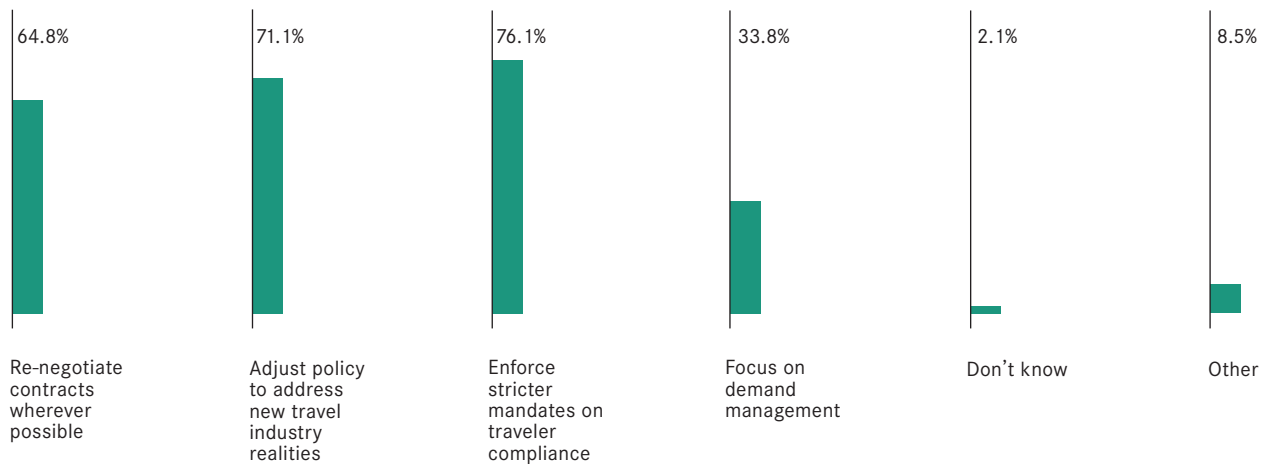


### Where do you see the most volatility with suppliers?



only 70 percent of corporate contracts were finalized at that time despite the fact that negotiations traditionally begin in early fall. Analysts encourage corporate travel managers to look at Q4 hotel activity as a basis for renegotiating contracts for 2009 or going after additional value-added benefits even if annual contracts have been finalized.

## What actions are you recommending/would you recommend to your company?



However, the airline industry was tagged as the market segment most difficult to pin down at over 61 percent. While fuel costs and capacity threatened to raise ticket prices at an historic pace in 2009, dampened demand in both the business and leisure markets has countered these increases. Travel managers have also seen some relief though, with fuel surcharges, especially on transatlantic routes, starting to come down. Most analysts now predict modest rate increases on most domestic routes in North America of 2 percent to 5 percent. Travel managers can look for rate increases of -1 percent to 4 percent on international routes originating in North America.

As travel budgets continue to undergo immense scrutiny and cuts, demand management initiatives and travel alternatives have become two more areas of significant focus in 2009.

\*Survey Methodology- For this issue, AirPlus International, Inc. in cooperation with ProMedia.travel surveyed 143 travel management professionals in North American and Europe from February 9-20, 2009.

### Additional Resources

**Procurement.travel, January 29 News Brief**  
<http://procurement.travel/index.php?nlid=2>

**Smith Travel Research U.S. Regional Performance Recap 2008**  
<http://www.hotelnewsnow.com/Articles.aspx?ArticleId=653&ArticleType=0>

**Smith Travel Research Global Posts Year-End, Dec. '08 Data**  
<http://www.hotelnewsnow.com/Articles.aspx?ArticleId=631&ArticleType=0>

**Advito 2009 Industry Forecast Update**  
[http://www.bcdtravel.com/global/show\\_document.asp?id=aaaaaaaaabrgmb&download=1%20-](http://www.bcdtravel.com/global/show_document.asp?id=aaaaaaaaabrgmb&download=1%20-)

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