



OXFORD
ECONOMICS



The Oxford Economics Study: The Return on Investment of Business Travel



Central Finding:

Business travel leads
to profit growth

Business Travel ROI

\$1 invested in business travel drives...



\$12.50 in revenue and...



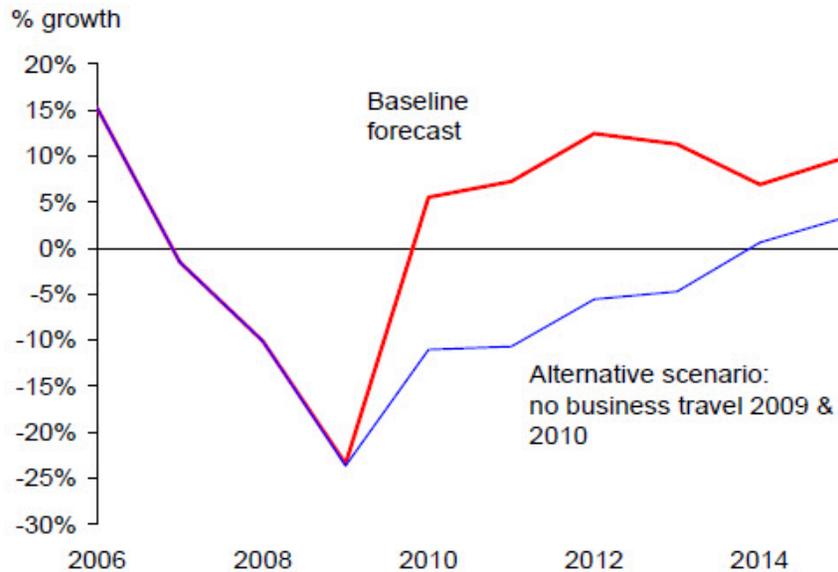
\$3.80 in profits

Business Travel Hiatus Leads To...



The average business in the U.S. would forfeit 17% of its profits in the first year of eliminating business travel. It would take more than three years for profits to recover.

Profits with and without a 2-year suspension of business travel



Source: Oxford Economics

- Adverse effects on corporate performance
- Negative impact on profits

Benefits of Business Travel

Keeping Customers

28%

Average revenue that executives and business travelers estimated would be lost without in-person meetings with clients¹

77%

Customers who require or prefer in-person meetings²

81%

Corporate executives who believe that a slow economy calls for more contact with clients, not less³

¹Source: Survey of business travelers (n=500) and executives (n=300)

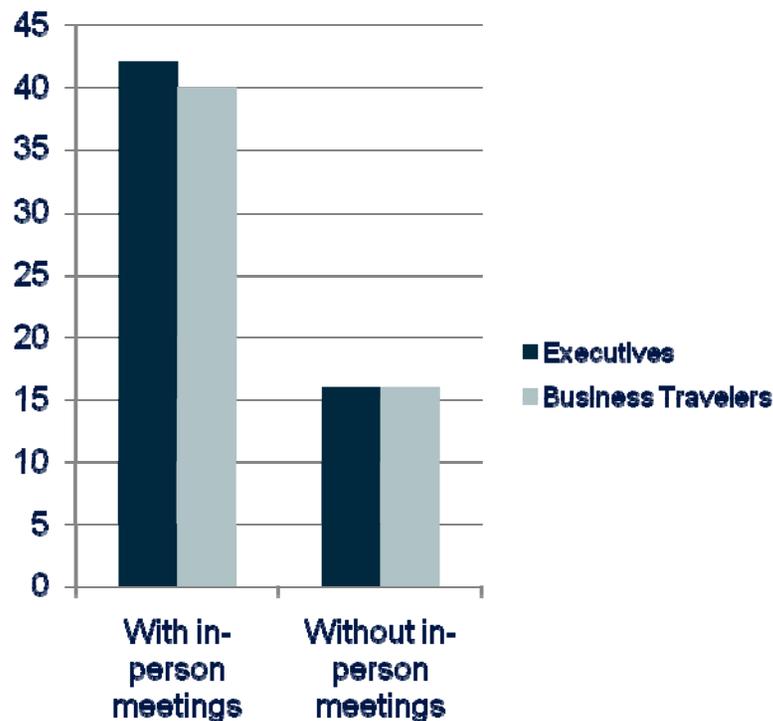
²Source: Survey of business travelers (n=500)

³Source: Kellogg School of Management

Benefits of Business Travel

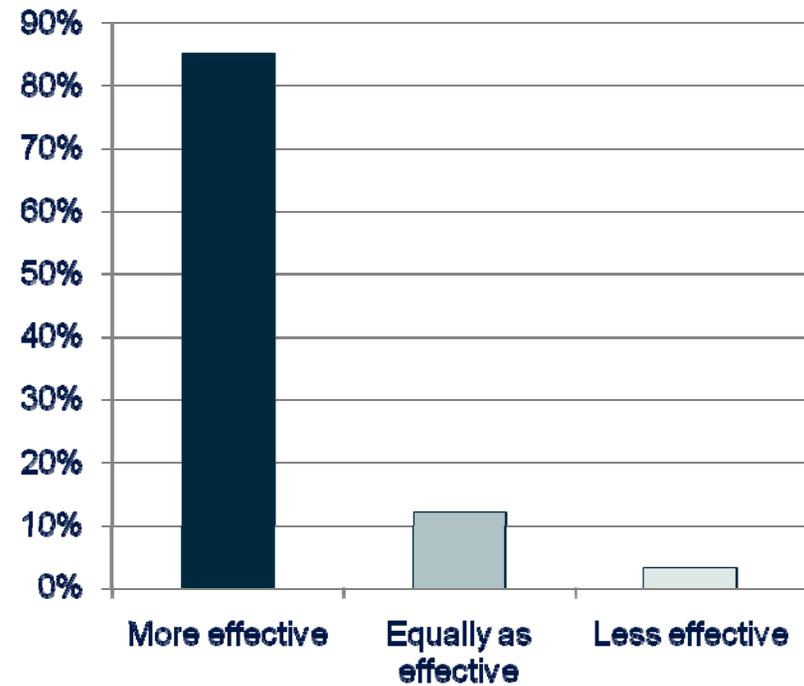
Converting Prospective Clients

Conversion rate: Prospects to customers



Source: Survey of business travelers (n=500) and executives (n=300)

In-person vs. virtual meetings with prospective clients



Source: Survey of corporate executives (n=300)

Benefits of Business Travel

Building Relationships

Trade shows and internal company meetings

High-impact benefits from external trade show attendance

- Building industry partnerships (75%)
- Garnering industry insights (69%)
- Retaining customers (40%)

High-impact benefits of travel for internal company meetings

- Sharing ideas (76%)
- Strengthening communication (73%)
- Fostering staff morale (66%)

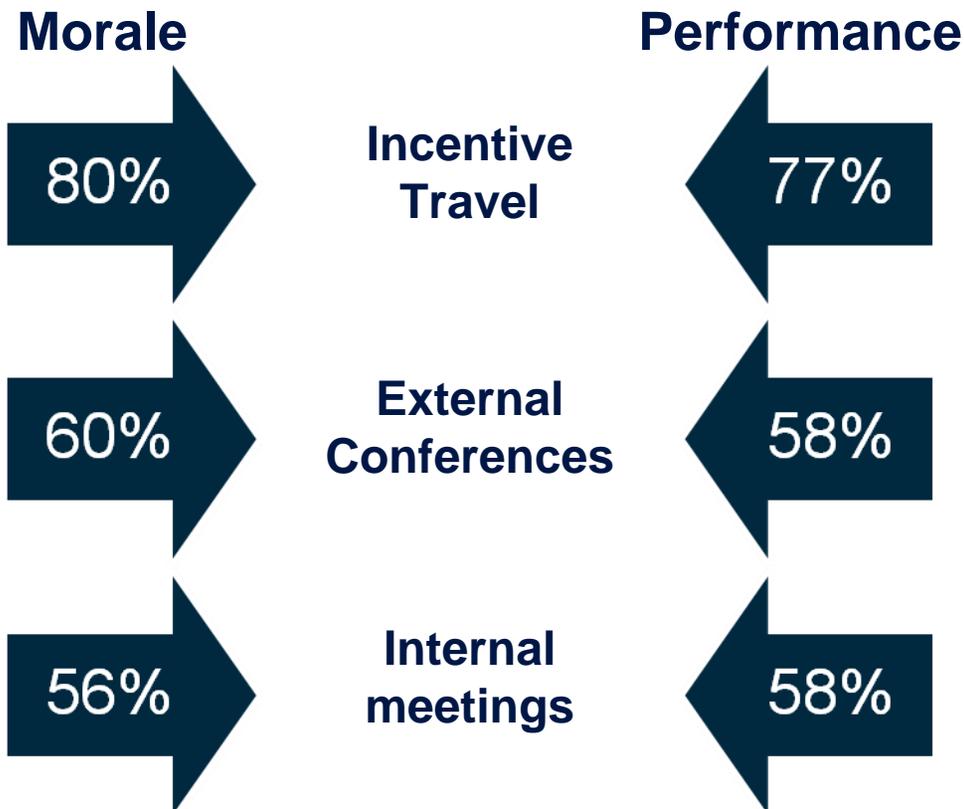
Source: Corporate executives survey (n=300)

Benefits of Business Travel

Investing in Human Capital

Effects of travel on employees

% of employees indicating "high impact" on a 1 to 5 impact scale



Source: Survey of business travelers (n=500)



In order to achieve the same effect of incentive travel, an employee's total base compensation would need to be increased by 8.5%.

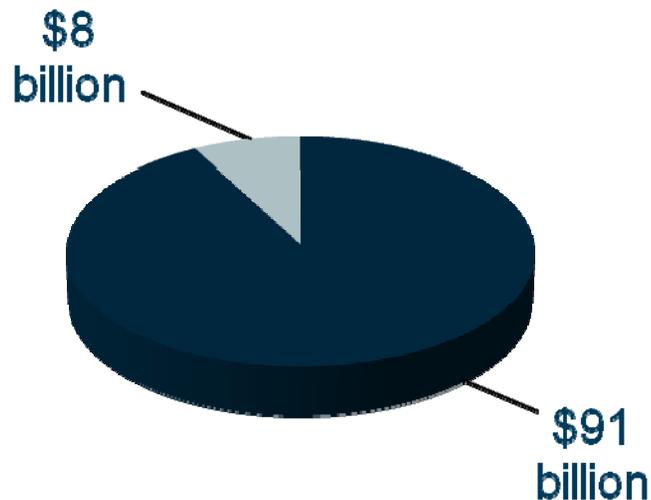
Source: Corporate executives survey (n=300)

Economic impact of business travel

2008 U.S. Business Travel Spending

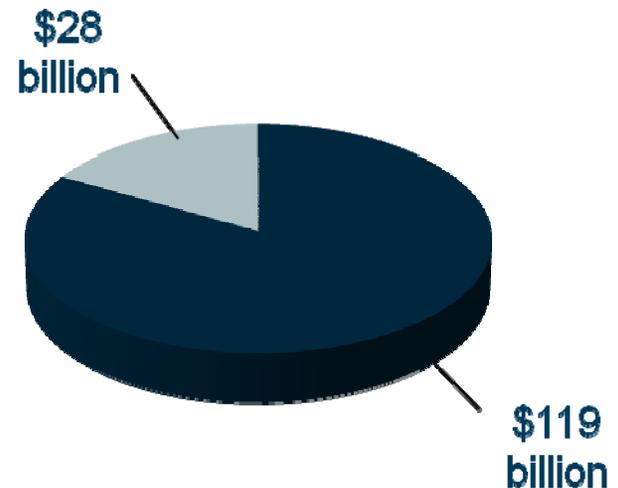
Total = \$246 Billion

Meetings, Events & Incentive:
\$99 billion



■ U.S. ■ International

Transient Business:
\$147 billion

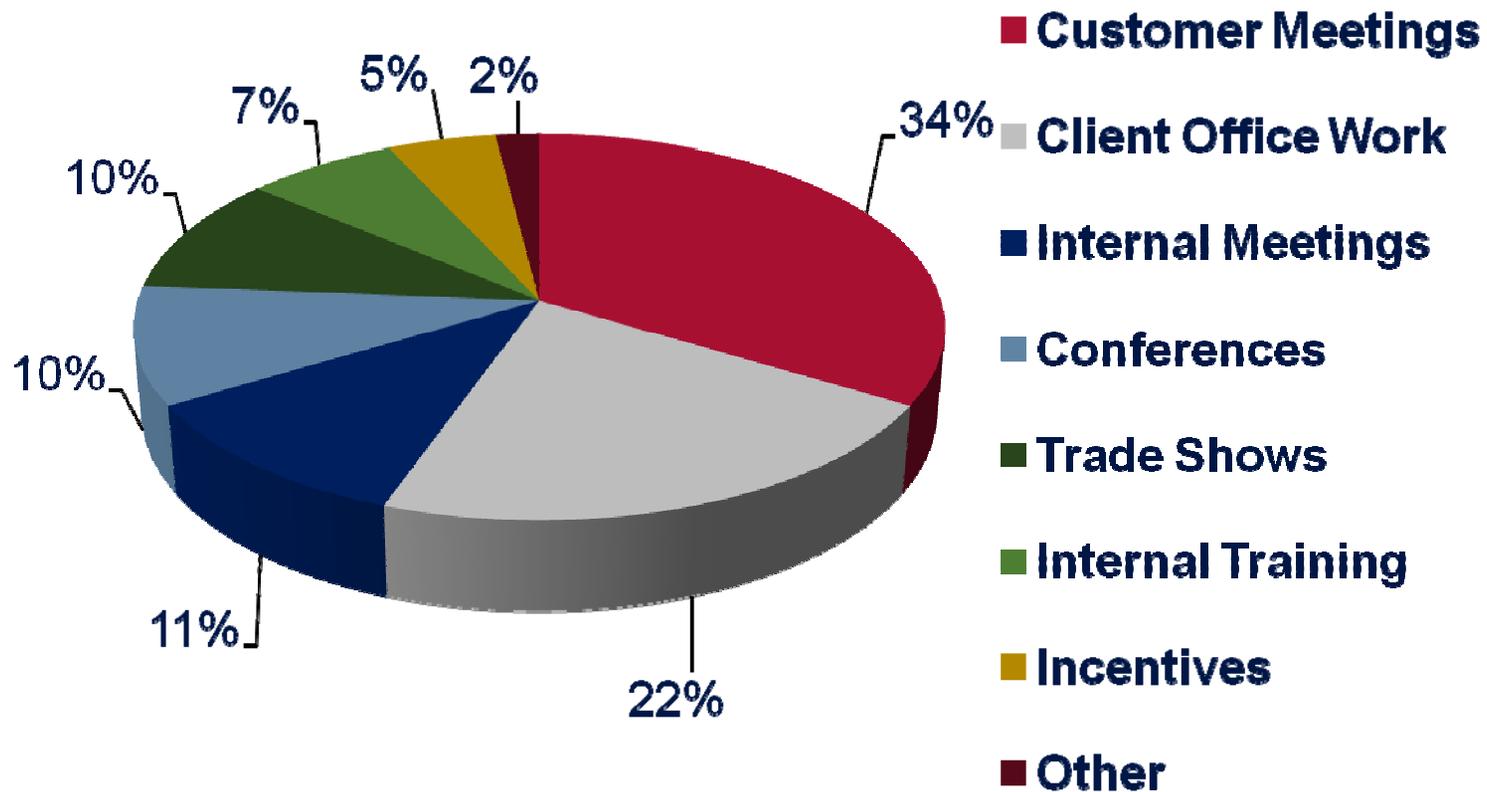


■ U.S. ■ International

Economic impact of business travel

Business Travel Spending Categories

(% of total travel budget)



Methodology

- Study conducted by Oxford Economics and Synovate with oversight by U.S. Travel Association.
- Informed by 3 surveys: 500 U.S. business travelers (Synovate); 300 U.S. corporate executives/business travel decision makers (Synovate); and 400 corporate executives/business travel decision makers (U.S. Travel/Kellogg School).
- Econometric analysis (multi-factor productivity).

