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TRAVEL BUYER'S FYI

Benchmarking's Key: Travel Patterns Vary By Industry

Judging by 1st Qtr. 2010 data from Ovation Travel Group, it may be easier to get employees who travel for corporations and law firms on board with cost-cutting measures than it is to convince those from financial services firms.

But it must be said in the latter group's defense, financial services travelers do significantly more international travel than those from the corporate world or law firms. Plus, Ovation is headquartered in New York City, which probably has the busiest financial services community in the world.

Ovation released its 1st Qtr. 2010 Business Travel Indexes in mid-May, after launching its new quarterly reports at the close of 2009. Each report compares the past two year's travel patterns for each group, in seven dimensions: average airfare price; average hotel rate; percentage first, business and economy class tickets; and percentage of domestic vs. international air travel tickets.

Business Travel Expenditures, 1st Qtr. 2010			
	Corporate	Financial Services	Law Firms
Average Room Rate	\$237	\$291	\$246
Average Airfare	\$253	\$1,297	\$738
% First Class	7.4%	25.4%	7.2%
% Business Class	5.0%	11.3%	4.8%
% Economy	87.6%	63.3%	88%
% International	12.0%	17.3%	9.8%
% Domestic	88.0%	82.7%	90.2%

SOURCE: Ovation Travel Group

In the two-year period beginning with 2nd Qtr. 2008, corporate travelers' lowest average airfare occurred in 3rd Qtr 2009, when it reached \$675. That 1st Qtr. 2008 marks the best of the good times in Ovation's two-year reporting period: highest average airfare (\$872), most international travel (13.2 percent) and lowest use of economy seats (84.1 percent.) But their lowest hotel rate had already been reached — in 1st Qtr. 2009 at \$235. In fact, average corporate room rates hovered in the \$230s for all of 2009, with the exception of the last quarter, when they briefly spiked to \$262.

Travelers from financial services firms began trending towards lower fares in 4th Qtr. 2008, when 62.8 percent flew economy. In the second quarter of that year, only 59.8 percent were in economy class. In 1st Qtr. 2009 use of first class reached its highest point (31.1 percent) while international travel reached 17.6 percent. International travel itself peaked in 2nd Qtr. 2008 at 22.1 percent.

The lawyers began economizing in 3rd Qtr, 2008, when their use of first class dropped 1.5 percentage points to 8.7 percent. Their use of economy class has fluctuated between a low of 84.6 percent in 2nd Qtr. 2008 to the current 88.0 percent. The most recent quarter shows the largest drop (1.8 percentage points) in use of first class, but between those two periods, use has alternately climbed and fallen by less than 1 percentage point. Lawyers' average room rates in the most recent quarter are at a low for the past two years (\$246) — but they've been there before, in the 2nd Qtr. 2009.

Ovation draws its Index from cross-industry samples of its clients. In the corporate sector, the sample represents more than \$100,000,000 in annual air spend; financial services, more than \$50,000,000; and in law firms, more than \$70,000,000. The Law Firm Business Travel Index is derived from data supplied by The Lawyers' Travel Service, a division of Ovation Travel Group. **BTE**
