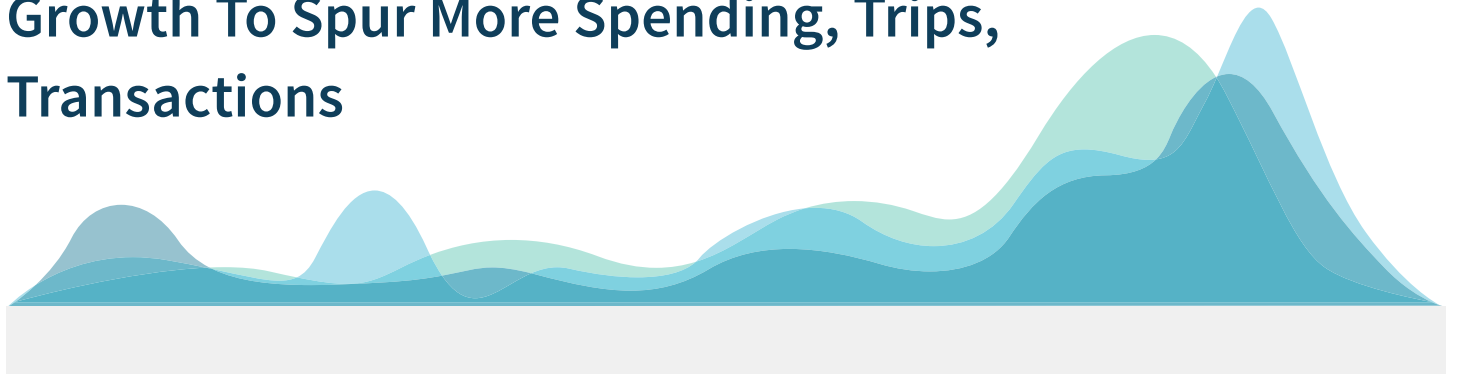


# In 2017: Travel Managers Expect Business Growth To Spur More Spending, Trips, Transactions



Business growth in 2017 is expected to prompt a rise in overall travel spending, air spending, as well as boost the number of trips and air transactions, according to a poll of 63 travel managers conducted for ARC by the BTN Group in November and December.

About 70 percent of those polled expect their organization's air spending to increase in 2017, while 30 percent expect such spending to decrease. About one-third of those polled expect air spending in their managed travel programs to increase by 2 percent to 5 percent this year, while 11 percent expect less than a 2 percent rise. More than 20 percent of respondents expect air spending increases of 8.1 percent or more in 2017.

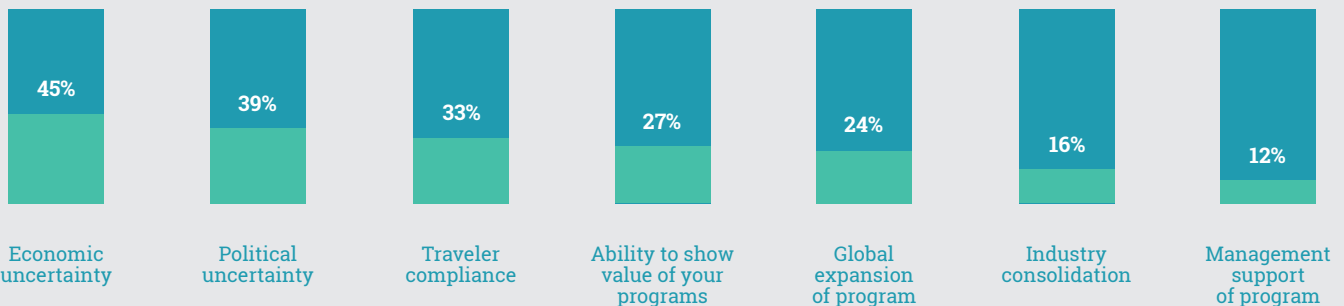
Beyond business growth, travel managers cited the following as reasons for higher spending: industry price increases, company mergers/acquisitions, "spending in a growth market that has less supply" and loss of an airline contract. Of those who expect spending declines in their travel programs, most predicted modest reductions of less than 5 percent.

### Flat to Moderate Price Hikes

Travel manager expectations of moderate increases in spending are slightly more optimistic than economic growth and some business travel prognostications for flat to moderate increases in costs.

In their 2017 business growth projections, the Organisation for Economic Co-operation and Development (OECD), International Monetary Fund (IMF) and the Economist

## What concerns you most about 2017 managed travel programs and industry trends?


















Intelligence Unit all forecast U.S. GDP growth of 2.2 percent or more, up from the 1.6 percent growth rate estimates for 2016.

In business travel forecasts, BCD Travel's Advito consultancy predicted that global airfares are likely remain flat year over year, while global hotel rates will increase by 1 percent to 3 percent. Global price increases for corporate travel will be "subdued" in 2017, according to American Express Global Business Travel, as the industry deals with uncertainties of Brexit, a slowing Chinese economy, low oil prices and populist political movements.

Economic and political uncertainty were the top two concerns about 2017 managed travel programs and industry trends, cited by respondents to the ARC / BTN Group poll. In declining order, respondents also cited traveler compliance, ability to show value of their programs, and industry consolidation.

Asked to indicate their organization's 2015 air volume, 20 percent of respondents said \$50 million or more, 18 percent reported \$15 million to \$49.9 million, 15 percent indicated \$5 million to \$14.9 million, 20 percent said \$1 million to \$4.9 million and the remaining 27 percent said less than \$1 million.

## What changes do you expect in your managed travel program in 2017?

	Increase	Remain Same	Decrease
Overall travel spending	50% 	27% 	23% 
Number of trips	47% 	33% 	20% 
Air spending	45% 	31% 	24% 
Air transactions	43% 	39% 	18% 
International trips	41% 	47% 	12% 

Source: ARC / The BTN Group online survey of 63 travel manager respondents, conducted in November-December 2016

### The Highest Quality Data

With ARC data solutions, corporate travel managers have the ability to gain unique insights into their travel programs, as well as benchmark with similarly sized organizations and across the corporate travel industry as a whole. Leveraging ARC's unbiased and comprehensive settled ticketing database, ARC data solutions allow travel managers, procurement teams and their executives to better visualize, analyze and monitor their air travel programs with insights across spend, policy, O&Ds and airlines.

For more information about ARC, its data and corporate travel management solutions, visit [www.arccorp.com](http://www.arccorp.com) or contact [sales@arccorp.com](mailto:sales@arccorp.com).