

BUSINESS TRAVEL SPENDING IN EUROPE CONTINUES TO FALL BELOW PRE-COVID LEVELS



European business travel spending is projected to reach \$391.1 billion (€360.4 billion) in 2024, marking a 10.4 percent increase from 2023. Additionally, Europe is expected to comprise 26.4 percent of global business travel spending, estimated at \$1.48 trillion (€1.36 trillion) this year. This share, however, remains below the pre-covid levels.

Economic factors and global political uncertainties continue to affect the business travel sector in Europe, highlighting a persistent gap between Western Europe and emerging markets. **Although the European business travel market has made significant strides in recovering from the pandemic, its global market share is still slightly below what it was before COVID-19.**

A recent regional analysis of the Global Business Travel Association's 2024 Business Travel Index (BTI) highlights that for European business travelers, accommodation constitutes the largest portion of business travel expenditure, followed by food, drink, and air travel. Additionally, the region has a growing trend towards multimodal and more sustainable transportation options. While European business travelers increasingly recognize the importance of sustainability, they only sometimes opt for more sustainable travel choices.

The five-year forecast indicates that spending in Europe is projected to grow faster than in most other regions globally, although it will still lag behind the Asia-Pacific region. By 2028, European business travel spending is expected to reach \$517.2 billion (€476.6 billion). Europe is anticipated to account for 25.8 percent of the overall \$2 trillion (€1.84 trillion) in global business travel expenditures in 2028.

Highlights from the GBTA BTI Outlook Report for Europe:

Emerging Markets and Western Europe Growth: Although Western Europe has experienced faster growth than emerging markets during the post-pandemic recovery, this year marks a change. For the first time since the start of the war in Ukraine, emerging markets are projected to grow at a rate of 14.7 percent, surpassing Western Europe's expected growth of 9.8 percent.

Growth in Western Europe is expected to be more consistent this year. With business travel growth moderating this year, business travel spending in Western Europe is expected to grow by 9.8 percent. Eleven of the 16 Western European countries are expected to see spending growth of between 7 percent and 13 percent.

Insights into European Business Travelers:

This year's GBTA BTI™ survey, which included responses from 1,112 travelers across Europe, reveals a growing awareness of environmental concerns. According to the survey, 22 percent of European business travelers indicated that minimizing carbon emissions on their business trips is their highest priority, and they are willing to sacrifice comfort for lower emissions. It's 16 percent

higher than the global average.

European business travelers are more inclined to consider carbon emissions when deciding whether to travel for business, with 42 percent stating they "always" or "often" do so. In comparison, only 36 percent of business travelers in North America and 35 percent in Asia-Pacific think about emissions similarly. However, when it comes to making actual travel choices, such as selecting more sustainable options for flights (40 percent vs. 41 percent), accommodations (44 percent vs. 46 percent), or meals (42 percent vs. 46 percent), European business travelers are not significantly more likely than travelers worldwide to prioritize emissions.

When asked to rate their success in achieving business objectives on their most recent trip, 77 percent of European business travelers said their trip was either "moderately" or "very" worthwhile. This is lower than the global average, where 81 percent of travelers gave similar ratings and ratings from other regions surveyed.

Accommodation Is the Most Expensive

The largest category of business travel spending is overnight accommodation, totaling \$139.9 billion (€128.9 billion). This spending is higher in Europe than on a global scale. Following accommodation, the other major categories include food and drink at \$68.7 billion (€63.3 billion), air travel at \$61.7 billion (€56.9 billion), and ground transportation at \$45.8 billion (€42.2 billion).

A third of European business travelers (34 percent) reported that their last business trip involved air travel, which is lower than the global average of 43 percent and less than any other region.

The use of multimodal travel, which includes rail and other environmentally friendly transport options, is on the rise in business travel across the region. Nearly a third of European business travelers (29 percent) opted for rail on their most recent trip, a notable increase compared to the global average of 19 percent.

The travel frequency of European business travelers is similar to that of other regions. Nearly a quarter (23 percent) of European business travelers report traveling more frequently today than five years ago. In contrast, one in five (22 percent) states they travel less often for work. On a global scale, a higher percentage of business travelers—28 percent—indicate that they travel more frequently now, compared to 20 percent who travel less regularly for work.

European business travelers estimate they spent an average of 2.9 nights at their destination during their last business trip, approximately equivalent to the global average of 3.0 nights.

Twenty-six percent of European business travelers flew business class on their most recent business trip. This percentage is higher than that of North America, where 21 percent opted for business class, but lower than in the Asia-Pacific region, where 30 percent flew business class, and Latin America, where 29 percent did.

Business Travelers Book Independently

During their most recent trips, nearly one-third of European business travelers stayed at either a luxury hotel (7%) or an upscale hotel (22%). This percentage is higher than that of travelers in Latin America (20%) but lower than those in North America (36%) and the Asia-Pacific region (33%).

Most European travel is booked independently rather than through travel agents. Specifically, **45 percent of travelers purchase airline tickets through retail channels such as online travel**

agencies (OTAs), compared to 31 percent who use managed corporate channels. Regarding hotel bookings, travelers tend to favor retail channels (41 percent) over managed channels (28 percent).

In terms of distribution channel preferences, European business travelers are more inclined to use OTAs for their last flight, with 27 percent opting for this method, while only 17 percent of North American travelers do the same. Conversely, North American travelers are more likely to book directly with an airline, with 27 percent choosing this route compared to just 18 percent of European travelers.

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