

TRAVELER FRICTION

INSIGHTS FROM

U.S. ROAD WARRIORS

2016

Presented by



GLOBAL
BUSINESS TRAVEL



Survey Methodology

In May 2016, MMGY Global, a global leader of behavioral insights throughout the travel industry, conducted a thirteen minute online survey with 757 respondents using the firm's proprietary AmeriLink™ online survey tool on behalf of the Airlines Reporting Corporation (ARC), American Express Global Business Travel and tClara™.

Each respondent met the following qualifications:

- Born before 1993
- Personal annual income of \$50,000 or more
- Spent 35 or more nights away from home for business travel during the past 12 months
- Majority of business trips involved commercial airline or train transportation

Executive Summary

Understanding the Cost of Traveler Friction

Over the past decade, travel program policies and the role of travel managers have changed dramatically. After the 2007–09 global financial crisis, travel programs came under closer scrutiny from procurement and finance departments, as firms sought to cut costs as much as possible. In more recent years, the pendulum has begun to swing away from heavily financially driven decision-making and towards more traveler-centric models. Today's corporate travel managers operate increasingly more sophisticated travel programs and work more closely than ever with their counterparts in finance, procurement, human resources, technology and risk.

These programs seek to minimize the total cost of travel by balancing the tangible costs of travel expenses with the intangible costs of traveler friction—the wear and tear of too much travel. This study examines traveler friction from the road warrior's perspective in order to give travel managers—and other stakeholders—a stronger fact base for considering changes to travel policies, technology, processes and culture.

Future reports will apply ARC's industry-leading air travel ticketing database, tClara's Trip Friction® benchmarks and American Express Global Business Travel's program management expertise to the insights gleaned from this study in order to provide travel managers clear recommendations to create best-in-class programs that attract and retain top talent and positively impact their firm's bottom line.

The Average Road Warrior

In 2016, the average road warrior:

- Earns \$155,000 annually, is male, married and has two children
- Takes 26 trips per year and spends 84 nights away from home
- More than likely works for a firm that has better travel policies for frequent travelers, regardless of rank
- Is generally satisfied with his firm's travel policies

While most road warriors are satisfied with their travel policies (86 percent), about half want to travel significantly less in two years, implying a recruiting challenge for many firms. Sixty-four percent of road warriors believe they could get a good job that doesn't require much travel. Eighty-five percent would be interested in a job from a different firm that requires similar travel levels if it offers a very attractive travel policy. Eighty-three percent say the new firm's travel policy would be at least equally or more important than the new pay and responsibilities.

Managing Traveler Friction

The average road warrior experienced four of the eight traveler friction symptoms surveyed, such as not sleeping well on the road, worrying about his travel's impact on his family, getting sick or needing time off after too much travel. One-third experienced two or fewer symptoms; one-third experienced six or more symptoms.

84% would be interested in a job from a different firm that requires similar travel levels if it offers a very attractive travel policy.

83% say the new firm's travel policy would be at least equally or more important than the new pay and responsibilities.

Although preferences varied widely, the most popular way to improve travel for road warriors is to allow non-stop flights whenever available (18 percent of respondents chose this as their first or second choice), provide better or more convenient hotels (13 percent), allow business class travel on flights over six hours (13 percent) and paid time off after a long bout of travel (12 percent).

Overall, 41 percent of road warriors asked for improvements in travel policies, followed by better travel cultures at 25 percent (e.g., providing time off or otherwise making it easier to balance travel workload), better travel technology and processes (22 percent). Only 12 percent preferred more personal benefits.

While there is no silver bullet for reducing traveler friction—travel is too personal of an experience—these results do indicate there are some broad strokes travel managers can take to tailor their program toward higher satisfaction and greater retention of their road warriors.

Understanding Traveler Burnout

While nearly two-thirds of road warriors do not believe they are anywhere near burnout, a large minority (15 percent) report to being nearly burned out. Based on survey feedback, this group is:

- More likely to work for firms that over-emphasize the need to control travel costs
- Less willing to travel
- Less compliant to travel policies
- More interested in job offers from firms with favorable travel policies
- Less satisfied with the outcomes of their trips. (The cost of these less effective trips, while hard to calculate, is potentially very significant.)

The biggest driver of burnout is spending nights away from home. Forty-one percent of nearly burned out road warriors worry about the negative impact this has on their families. Forty-five percent worry about the negative impacts of travel on their health, happiness or personal relationships.

Trip Quality and Travel Culture Matter More Than Trip Quantity

Surprisingly, traveler burnout is not correlated with trip quantity as measured by the number of nights away, number of trips or number of international trips. Furthermore, road warriors report being burned out at all levels of trip volumes, while plenty of the highest-volume travelers report that they are far from being burned out.

When compared to their peers, nearly burned out road warriors:

- Less often stay at 5-star hotels
- Have more restrictive policies for business class travel on long flights
- Are more likely to work for firms that do not offer favorable travel policies to all frequent travelers, regardless of rank

The Big Benefits of Reducing Traveler Friction

While generally satisfied with their travel environment, roughly four out of five road warriors want management to be more aware of business travel's impact, offer attractive travel policies to frequent travelers regardless of rank, be more aware of their current tolerance for travel and show more appreciation for the travel they do.

Surprisingly, traveler burnout is not correlated with trip quantity as measured by the number of nights away, number of trips or number of international trips.

Surveyed road warriors were asked to select and rank four improvements that would make their travel easier or better from a list of 24 options. Regardless of the specific improvements selected, road warriors consistently reported that their organization's adoption of their top four requests would:

- Increase their willingness to travel by at least 10 percent
- Significantly improve their productivity (44 percent on average)
- Have a very or extremely positive impact on their willingness to stay at their firm (64 percent)

It's clear that firms can expect better recruiting and retention results by offering favorable travel policies for frequent travelers and, more importantly, can expect significantly better outcomes from their business trips.

Road warriors are among a firm's most valuable resources. They are motivated high earners who are very open to new opportunities. While too much traveler friction can have a negative impact on recruiting, retention, productivity and trip effectiveness, staying connected to road warriors by investing in more accommodating travel policies, better technologies and more supportive travel cultures can clearly pay big dividends.

Full Report

Road warriors are highly valuable talent. While most are satisfied with their current travel workload, about half want to travel significantly less in two years.

Managing Travelers and Traveler Friction

Often high performers within their organizations, these road warriors seem to understand their market value and are very open to new job opportunities, meaning that a competitive, attractive travel policy is critical for recruiting and retaining top talent.

Traveler friction varies widely between road warriors, as do priorities for improving the travel experience. However, what is

clear is that firms can expect significant benefits if they reduce traveler friction among road warriors. These benefits include increased productivity, more effective trips, more willingness to travel and a stronger ability to recruit and retain road warriors.

Interestingly, the majority of road warriors don't feel nearly burned out. However, a significant minority—15 percent—do.

Understanding what matters to these road warriors, and how to help them with their frustrations, is crucial to maintaining an effective travel program.

Who are Road Warriors?

Only 13 percent of today's workforce qualified for this study's definition of road warriors—business travelers who personally earn at least \$50,000 annually and travel for work at least 35 nights per year. These road warriors take an average of 26 business trips per year, 10 of which are international.

While 62 percent of road warriors are men, there are interestingly few other significant differences between men and women respondents.

Sixty-three percent of road warriors represent Generation X (born between 1964 and 1983), while 29 percent are Millennials (1984–1993), eight percent Baby Boomers (1944–1963) and one percent Matures (born before 1944). Seventy-six percent are married and another 76 percent have children under 18 in their households.

Road warriors are well compensated—half earn over \$125,000 annually—with an average annual personal income of \$155,000 per year.



Job Mobility and the Importance of Travel Policies

Fifty-two percent of road warriors are extremely satisfied with their current firm's travel policy, while another 30 percent are moderately satisfied. Sixty-four percent assert that they could find a job that doesn't require a lot of travel.

Satisfaction with Firm's Travel Policy

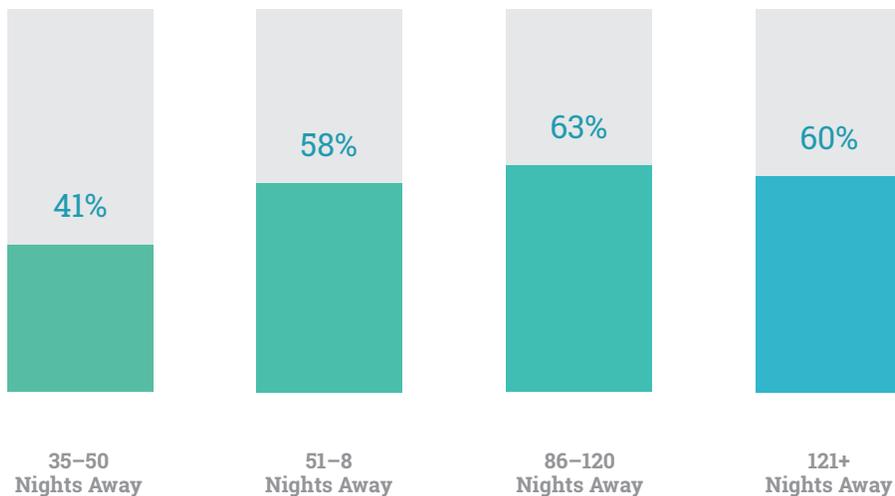


Fifty-three percent of road warriors are interested in the possibility of moving to a similar job with the same travel policy and the same number of trips they take with their current firm. Road warriors who travel the most are even more willing to switch jobs – 60 percent of road warriors who are gone at least 121 nights a year are willing to switch jobs as described.

Even more importantly, 64 percent of road warriors are interested in a similar job at another firm with a very favorable travel policy. This is 11 points higher than those who would be willing to switch firms without an improved travel policy and is consistent across all travel frequency groups.

Interest in Getting a Similar Job with Same Travel Policy & Business Trip Frequency

Very/Extremely Interested



When evaluating other job offers, 45 percent of road warriors say the potential new firm's travel policy is either much more or somewhat more important than the new pay and responsibilities, while 38 percent assert the travel policy is equally important as the pay and job responsibilities, clearly demonstrating the recruitment power of a generous travel policy.

Reducing Traveler Friction

Traveler friction varies widely between road warriors, as do priorities for improving the travel experience. However, survey responses clearly show that firms can expect significant benefits if they reduce traveler friction, including increased productivity, better retention, greater willingness to travel, more effective trips and a stronger ability to recruit road warriors.

Priorities: Easier Flights, Better Hotels and More Recovery Time

Although it would be easier for travel policy designers if all road warriors wanted precisely the same improvements, that is unfortunately not the case.

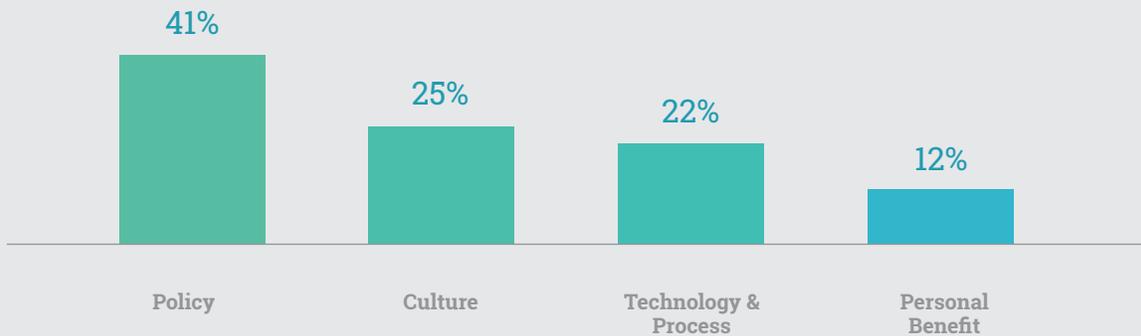
Most important factors to make travel easier/better (Top 10)

When asked to rank a possible 24 potential improvements in order of importance, no single option garnered more than 20 percent. The most popular top choices include the ability to take non-stop flights when available and choose more comfortable or convenient hotels, along with the option of business class on flights longer than six hours. Meanwhile, gaining time off after a long bout of travel scored fourth.

MOST IMPORTANT FACTORS	ROAD WARRIORS
Taking non-stop flights whenever they are available	18% 
Ability to choose more comfortable and/or convenient hotels	13% 
Flying business class on flights longer than 6 hours	13% 
Paid time off after a long trip or after a long period of frequent trips	12% 
Flying premium economy on domestic flights	11% 
Ability to work from home the day before or the day after a trip	10% 
Reimbursement for airline lounge membership, TSA Precheck, Global Entry, etc.	10% 
Occasional two-week periods of work with no travel, spaced throughout the year at my choice	9% 
More miles or points, or higher status with airlines and hotels	9% 
Easier expense reporting	9% 

Yet, a more interesting story emerges when looking at the type of improvements road warriors rank as their two most important. At 41 percent, the most popular type of improvements involve specific policies, such as taking non-stop flights when possible or flying business class on flights longer than six hours. One-quarter placed cultural improvements as their most important, which include benefits such as paid time off after long trips or occasional two week periods without any travel. Just shy of one-quarter sought better technology and process improvements, such as easier expense reporting and better mobile technology, while only 12 percent most wanted most some type of personal benefit, such as more recognition or healthier trips.

Types of Improvements Ranked in the Top 2



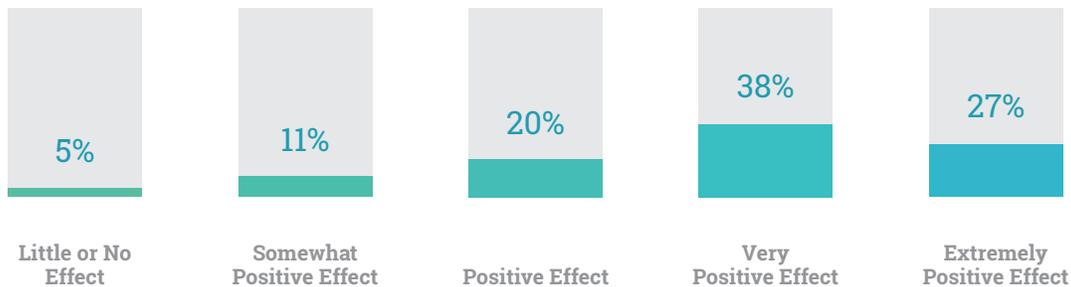
Benefits of Less Traveler Friction

Although management may balk at the idea of improving their travel programs along these lines, the real question is: Is doing so worthwhile? When asked what boost in their productivity would result if they received their top four improvement requests, these road warriors predicted a significant 44 percent increase on average.

More significantly for employee retention, about two-thirds of road warriors claim that getting their most important four improvements would have a very or extremely positive effect on their willingness to stay with their current firm. Only five percent say getting those improvements would have little to no effect.

Impact on Willingness to Stay with Current Firm

If Firm Gave Each of the Top Four Improvements Selected



Removing the friction from travel would clearly lead to more productive, more satisfied road warriors. More importantly, an appealing travel policy not only aids in talent retention, but can also act as a strong recruitment tool.

Road Warriors Believe in the Power of Face-to-Face Business Trips

Overall, this top level of business travelers look forward to their trips and believe that this level of travel is necessary for the success of their firms. Almost all the road warriors—92 percent—assert that traveling and holding in-person meetings is worth the time and expense.

When asked to classify what percentage of their business trips during the past 12 months were worthwhile or not, on average road warriors rated 73 percent of their business trips worthwhile, while only 12 percent of trips were rated as not worthwhile.

92% assert that traveling and holding in-person meetings is worth the time and expense.

73% of road warriors' business trips were rated as worthwhile.

<p>Business Travel Attitudes</p> <p>Road warriors are unique and recognize they are traveling for business a lot—almost all believe they can handle much more travel than most people can. Around nine in 10 look forward to meeting new people while traveling and enjoy the sense of adventure and uncertainty associated with the experience.</p>	<p>ATTITUDES</p>	<p>ROAD WARRIORS</p>
	<p>I look forward to meeting new people</p>	<p>92% </p>
	<p>I can usually handle much more travel than most people can</p>	<p>91% </p>
	<p>I look forward to most of my business trips</p>	<p>89% </p>
	<p>I enjoy the sense of adventure and uncertainty associated with traveling</p>	<p>88% </p>

However, these exceptional travelers are not immune to the impact that extended time on the road can have. Sixty-nine percent admit they sleep much better at home than when traveling. Fifty-four percent find it hard to stay healthy while traveling and worry about the impact travel has on their personal life. Fifty percent feel extra stress in the days before business trips and believe they are less effective during or right after their business trips.

During the next 12 months, only 16 percent of road warriors prefer to travel significantly less than they are now, while 51 percent claim to prefer a similar travel schedule in the future. Yet, 51 percent hope to travel much less during the next two years. This means that although most road warriors are currently content with how much they travel for business, they foresee a time when they want to spend more time at home. This highlights the need to constantly recruit high-performing road warriors as some burn out and others simply transition into jobs that involve less travel.

Burned Out Road Warriors

Thankfully, the majority of road warriors don't feel burned out. However, a significant minority—15 percent—do. Understanding what matters to these road warriors, and how to address their frustrations, is crucial to maintaining an effective travel program.

Burnout Factors: Trip Quality is More Important Than Quantity

As previously established, the majority of road warriors foresee a time when they won't want to travel as frequently. Sixty-three percent report being very or fairly far from being burned out on travel, while 22 percent say they are neither far from nor near from being burned out. However, 15 percent of road warriors nearly burned out from travel. This last segment of road warriors, the nearly burned out ones, are especially a concern for human resources.

Proximity To Burnout By Nights Away	PROXIMITY/NIGHTS	35-50	51-85	86-120	121+
	Demographically, there are few differences between burned out road warriors and those who are more resilient. Interestingly, travel frequency doesn't play much of a part in burnout. In fact, the road warriors taking the most trips report the lowest percentage of those feeling burned out.	Very/fairly far from being burned out	64%	61%	64%
	I'm neither far nor near	23%	22%	16%	26%
	I'm fairly/very nearly burned out	14%	17%	20%	9%

Type of Hotel Mostly Used	HOTEL TYPE	RESILIENT	NEARLY BURNED OUT
	There are a few trip qualities that correlate with more burned out road warriors. Significantly more nearly burned out road warriors stay in mostly four-star, full service hotels, while more resilient road warriors stay in five-star, luxury hotels.	Mostly five-star (luxury hotels)	30%
Mostly four-star (full-service hotels)		39%	55%
Mostly a mix of three-star or four-star		24%	19%
Mostly three-star (mid-service hotels)		5%	7%
Mostly two-star (budget hotels or motels)		1%	2%
Varied (a combination of the above)		2%	1%

Firm's Policy on Business Class for Long Flights

Flight quality plays a role, as well—significantly fewer nearly burned out than resilient road warriors have access to business class for any flight over four or five hours.

BUSINESS CLASS POLICY	RESILIENT	NEARLY BURNED OUT
Approved for any flight over 4 or 5 hours	33%	18%
Approved for any flight over 6 or 7 hours	24%	38%
Approved for any flight over 8 or 9 hours	16%	16%
Approved for any flight over 10 or 11 hours	9%	14%
Approved for any flight over 12 to 15 hours	8%	7%
Business Class is not allowed unless by approved by senior management, or unless I use my frequent flyer points, status or personal funds to upgrade	9%	8%

Nearly Burned Out Travelers Report Less Effective Trips

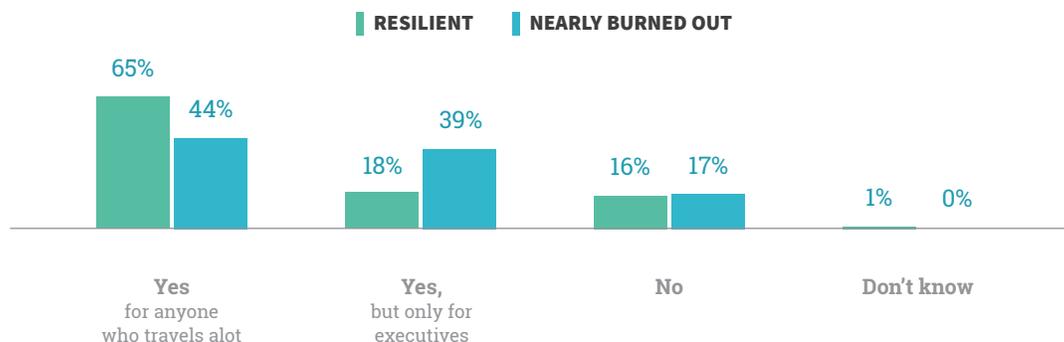
Only 21 percent of nearly burned out road warriors find that their overall trips were extremely worthwhile, compared to half of resilient road warriors. In fact, significantly more nearly burned out road warriors than those who aren't found their trips simply worthwhile or somewhat worthwhile. While it's hard to calculate the cost of these less-effective trips, it's an important issue for firms to take note of.

How Worthwhile Are the Business Trips Taken

When asked what percentage of their business trips were worthwhile, nearly burned out road warriors believed 65 percent of their trips were worthwhile, while resilient road warriors found 75 percent of their trips worthwhile.

BUSINESS TRIPS (PAST 12 MONTHS)	RESILIENT	NEARLY BURNED OUT
Overall, my trips were extremely worthwhile	47%	21%
Overall, my trips were very worthwhile	35%	43%
Overall, my trips were worthwhile	14%	24%
Overall, my trips were somewhat worthwhile	4%	11%
Overall, my trips were not worthwhile	0%	1%

Firm Has Separate/More Accommodating Travel Policy for Frequent Travelers



Tellingly, significantly more nearly burned out road warriors report that their firm's more favorable travel policies are only accessible to executives, while significantly more resilient road warriors work for firms that offer more favorable travel policies for all frequent travelers, regardless of rank.

Lack of advance notice of business trips might play a role as well. Sixty-six percent of nearly burned out road warriors report having little advance notice of trips, compared to only 51 percent of resilient road warriors.

Travel Friction Symptoms and Consequences

As would be expected, significantly more of the nearly burned out than resilient road warriors report business travel affects their quality of life. They claim to sleep much better at home, find it hard to have a healthy lifestyle while traveling and worry about the impact their travel has on their personal life. Almost two-thirds occasionally get sick or need time off because they travel so much, while half admit to getting afraid during some of their trips.

Traveler Friction Symptoms

Furthermore, nearly burned out road warriors report that the weight of travel is affecting their overall work performance. They claim to feel extra stress before trips, are less effective during or right after trips and find it hard to keep up with their workload while traveling.

As for the negative consequences, 41 percent cited the biggest negative impact of travel was on their family; while 24 percent cited the negative impact on their happiness, 21 percent on personal relationships and 14 percent on work productivity and work relationships.

SYMPTOMS	RESILIENT	NEARLY BURNED OUT
I sleep much better at home than when traveling	65%	86%
I find it hard to have a healthy lifestyle when traveling	49%	72%
I worry about the impact of traveling for work on my personal life	47%	76%
I occasionally get sick or need time off work because I travel so much	41%	62%
I get afraid during some of my trips	38%	49%
I often feel extra stress in the days before a trip	45%	68%
The wear and tear of business travel often causes me to be less effective during or right after my trips	46%	72%
I find it hard to keep up with my workload while traveling	42%	64%

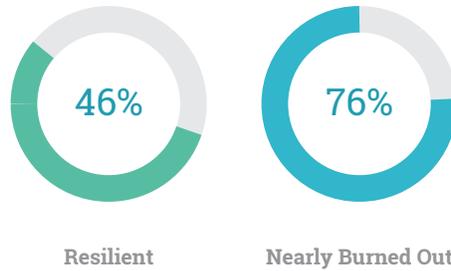
A Reluctance to Travel in the Future

Given all this, it's no surprise that 33 percent of nearly burned out road warriors prefer to travel significantly less during the next 12 months, while only 13 percent of resilient road warriors feel that way. Even more importantly, 76 percent of burned out road warriors hope to travel much less during the next two years, while only 46 percent of resilient road warriors feel that way.

Nearly burned out road warriors are the minority, but they represent an important challenge. Understanding the impact travel has on their lives will help human resource executives to better identify those heading down this road and work with those burned out road warriors to either modify their travel schedules, reduce their trip friction or both.

Travel Tolerance

Two years from now, I hope to be traveling much less



Road Warriors' Advice to Management

While road warriors may be different from other employees in the amount they travel and their resilience to traveling's effects, what they seek from management is similar to any employee in any unique situation—recognition and understanding. Road warriors clearly want more appreciation for the sacrifices they're making, periodic check-ins about their desire to travel extensively, better travel policies for frequent travelers and more understanding of the impact of business travel.

Advice to Management	ADVICE	RESILIENT		NEARLY BURNED OUT	
		Percentage	Visual	Percentage	Visual
<p>Between 73 and 84 percent of road warriors want their firms to understand that their willingness and ability to travel for work changes periodically due to factors outside of work. Predictably, nearly burned out road warriors agree even more with these recommendations than do those who are not burned out.</p>	My firm should check with me periodically about my ability and willingness to keep traveling	83%		89%	
	My firm should offer much better travel policies to its most frequent travelers, regardless of rank	81%		89%	
	My firm should be more understanding about the negatives of business travel	81%		89%	
	My firm should show more appreciation for all the travel I do	79%		91%	
	My willingness and ability to travel changes periodically due to factors outside of work, such as child care, elder care, spouse/SO's work schedule, medical appointments, etc.	73%		84%	

Conclusion & Recommendations

Road warriors are paid well, reflecting their high worth to their employers, but they are very open to job offers. Half hope to travel significantly less in two years and 15 percent are nearly burned out on travel. These findings underscore a notable recruiting and retention challenge facing management.

Traveler friction symptoms vary widely among road warriors. To those nearing or at burnout, trip quality and travel culture matter more than trip quantity. The most popular improvements sought by all road warriors are non-stop flights, better hotels and some recovery time. Only 12 percent prioritize personal benefits over improved travel policies, culture or technology.

Attractive travel environments are clearly linked to essential business goals—better road warrior retention, stronger ability to recruit talent, higher productivity, and more effective trips. These benefits must be considered against the cost of providing more accommodating and expensive travel policies.

Companies can use this study to develop travel programs that yield better road warrior retention, satisfaction and impact. In a follow-up report later this year, findings from from ARC's Trip Friction® database, along with insights and advice from American Express Global Business Travel and corporate travel stakeholders, will provide clear direction for travel managers, human resource officers and corporate leaders to create policies and programs that attract and retain top talent and create more effective travel environments for road warriors.



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