

Skift Data Deck

THE FORCES SHAPING BUSINESS TRAVEL

A curation of charts and stats illustrating the trends impacting business travel worldwide.



► Overview

The Forces Shaping Business Travel Data Deck paints a picture of the business travel landscape and the trends impacting the business traveler of the future through a curation of charts, stats, and data.

We're looking at how mobile habits, the changing demographics of the workforce, and the rise of the sharing economy are shifting the corporate travel landscape, and how business travelers are becoming more independent than ever before.

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About Skift

Skift is the largest industry intelligence platform providing media, insights and marketing to key sectors of travel. Through its daily news coverage on [Skift.com](https://www.skift.com), industry-leading Trends Reports, and SkiftX content studio, Skift is defining the future of travel. Want to work with us? Email skiftx@skift.com.

About Lyft

Lyft Mobility Solutions is bringing safe, on-demand ground transportation to thousands of organizations. Give your team more affordable, reliable rides wherever work takes them. Our account managers will work with you to build a custom solution and keep it running smoothly. Your team just downloads the app, and gets matched with a local driver at the tap of a button. Visit [Lyft.com/work](https://www.lyft.com/work) to learn more.

Designing Travel for the New Traveler

In and outside of the Lyft community, we're seeing a new type of traveler emerge. One who makes flight changes on her smartphone en route to the airport, schedules dinner with an old friend after her last work trip meeting, and embraces visiting new cities. We're proud to partner with Skift to offer insights into the behaviors of modern business travelers.

Today's employers manage teams who are more diverse, global, and connected than ever. However, it's difficult to update travel programs at the same pace as team profiles change. The result: Over half of travel transactions made by millennials are not compliant with their company policies. Corporate travel programs — services, spending, and safety programs — need to evolve to fit modern business travelers' lifestyles or they'll find a workaround.

Through the Lyft platform, we help our partners access safe, affordable rides that are custom fit to their individual needs. From small businesses to Fortune 500 companies, we're helping teams integrate ridesharing solutions into their travel programs every day.

The uncertainty that comes with a quickly changing, connected travel landscape also brings a huge opportunity. Suppliers who are creating solutions for plugged-in travelers can create smarter solutions based on vast amounts of behavioral data those travelers leave behind. We now have close to real-time visibility into traveler trends, and can keep improving custom solutions as more usage data surfaces.

Through data-driven solutions and conversations with partners, we've introduced a line of new product offerings for today's business travelers and will continue to make them better. We look forward to seeing more innovative solutions to keep travelers safe and happy, however they choose to travel.

David Baga
Chief Business Officer
Lyft Mobility Solutions

Section 1

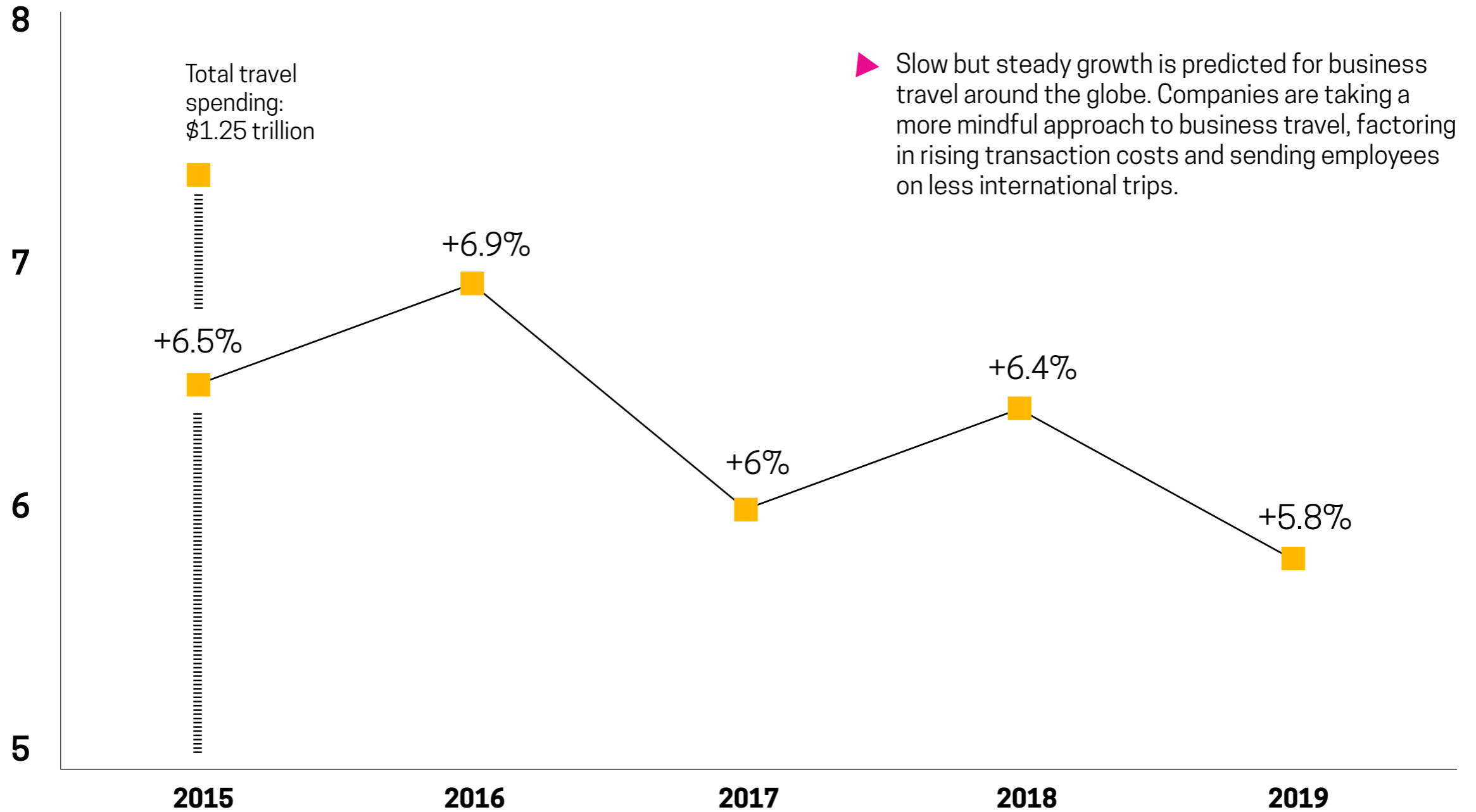
Business

Travel

Outlook

- ▶ Around the globe, spending on business travel is increasing with 2016 expected to be a record year. The biggest growth is in the Asian market, with China leading the way and edging out the U.S. in business travel spending for the first time. On the American front, spending associated with ground transportation adds up to the greatest business travel expense for U.S. companies.

Spending on Business Travel Will Continue to Grow



Top Global Markets for Business Travel Spending

2014 Total BTS (\$ Billions USD) ¹

United States	\$288
China	\$262
Japan	\$62
Germany	\$58
UK	\$44
France	\$36
South Korea	\$32
Brazil	\$32
Italy	\$31
India	\$26

2015 Total BTS (\$ Billions USD) ²

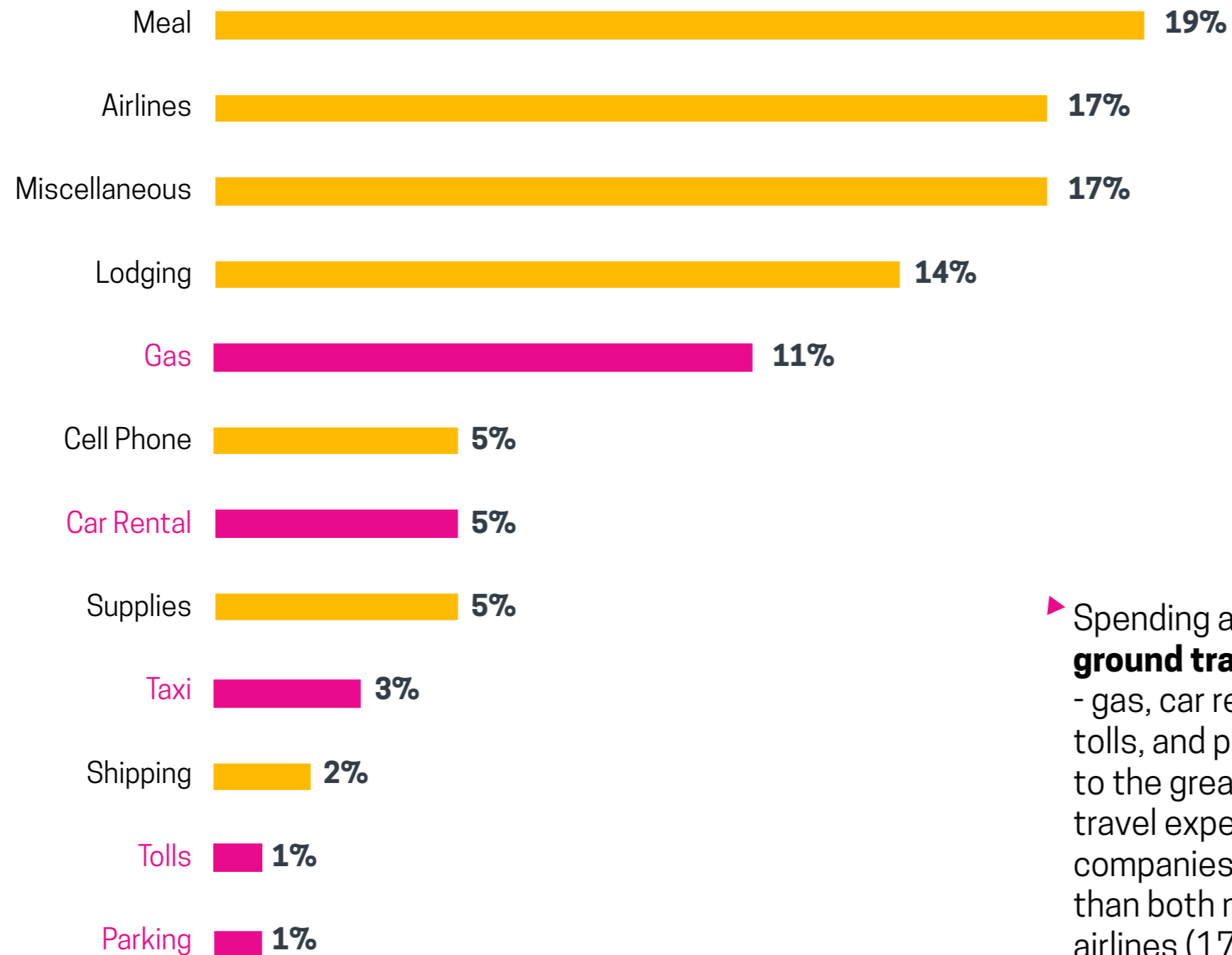
China	\$291
United States	\$290
Germany	\$64
Japan	\$62
United Kingdom	\$47
France	\$37
South Korea	\$32
Italy	\$31
Brazil	\$31
India	\$30

- ▶ China edged out the U.S. in business travel spending for the first time. 95% of China's business travel spending is for domestic travel.

Asian Business Travel Is on the Rise

- ▶ Business travel spending in Asia-Pacific makes up 38% of the global business travel market.
- ▶ 2015-2018 business travel in this region will grow 4x faster than in the U.S. and more than 2x faster than in Europe.
- ▶ From 2011-2030, there will be a 400% rise of female business travelers coming from Asian-Pacific countries.

What U.S. Companies Are Spending Money On



► Spending associated with **ground transportation** - gas, car rentals, taxis, tolls, and parking - adds up to the greatest business travel expense for U.S. companies at 21%, more than both meals (19%) and airlines (17%).

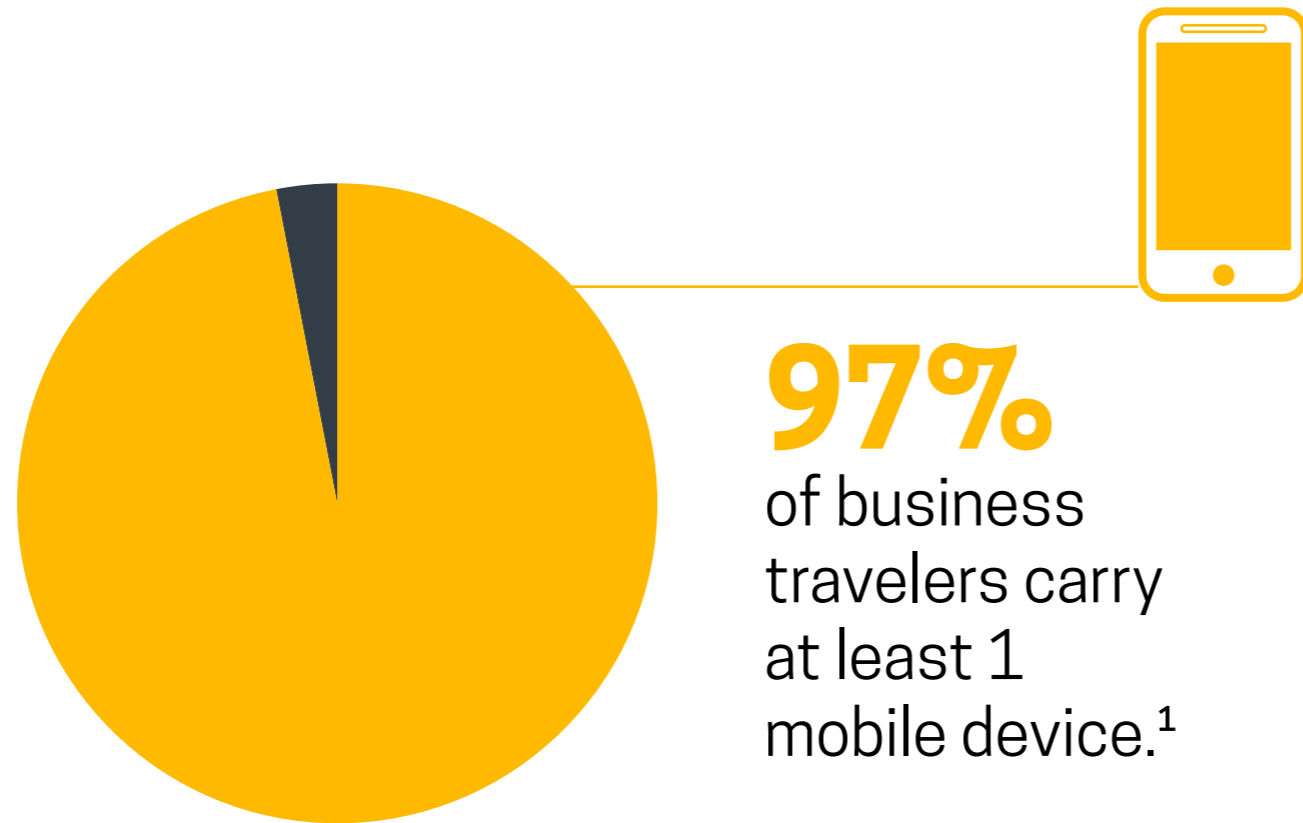
Section 2

Mobile +

Booking Habits

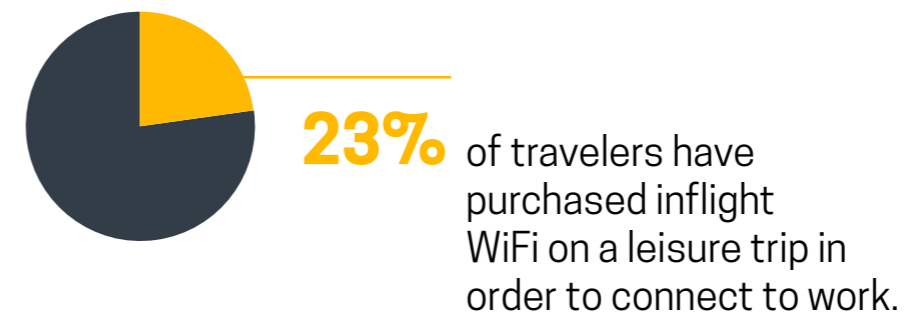
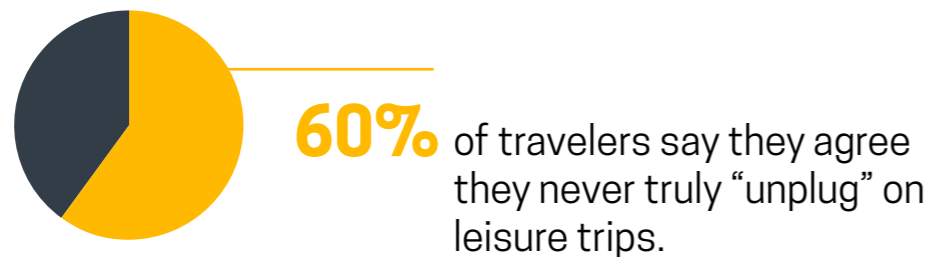
- ▶ Travelers around the globe are reliant on their smartphones, and business travelers are the biggest offenders. Better coverage and faster service are enabling travelers to stay constantly connected, allowing them access to information and the social universe while on-the-go. While mobile booking is still slow to catch on, business travelers are increasingly integrating smartphones and tablets into every step along the travel journey.

Business Travelers Never Put Down Their Phone

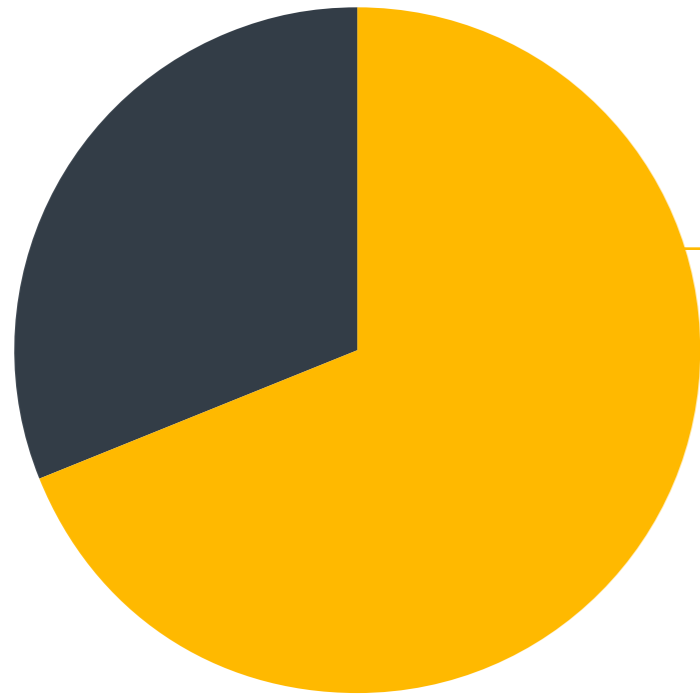


- ▶ 78% say that access to Wi-Fi is vital to their work and expect it wherever they go, including hotels and airplanes. ²

Reliance on Mobile Means Leisure Travelers Never Unplug

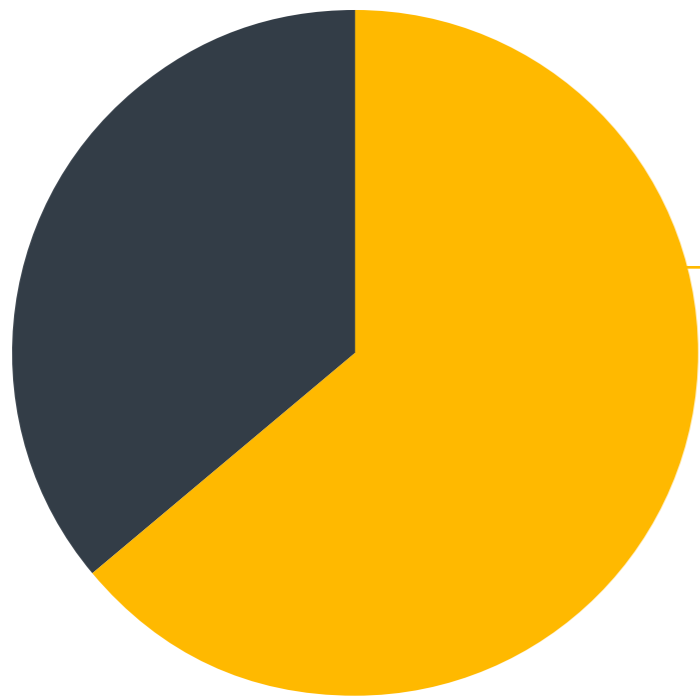


Business Travelers Are Using Mobile To Research Trips...



69%

of business travelers turn to the web to research travel.



64%

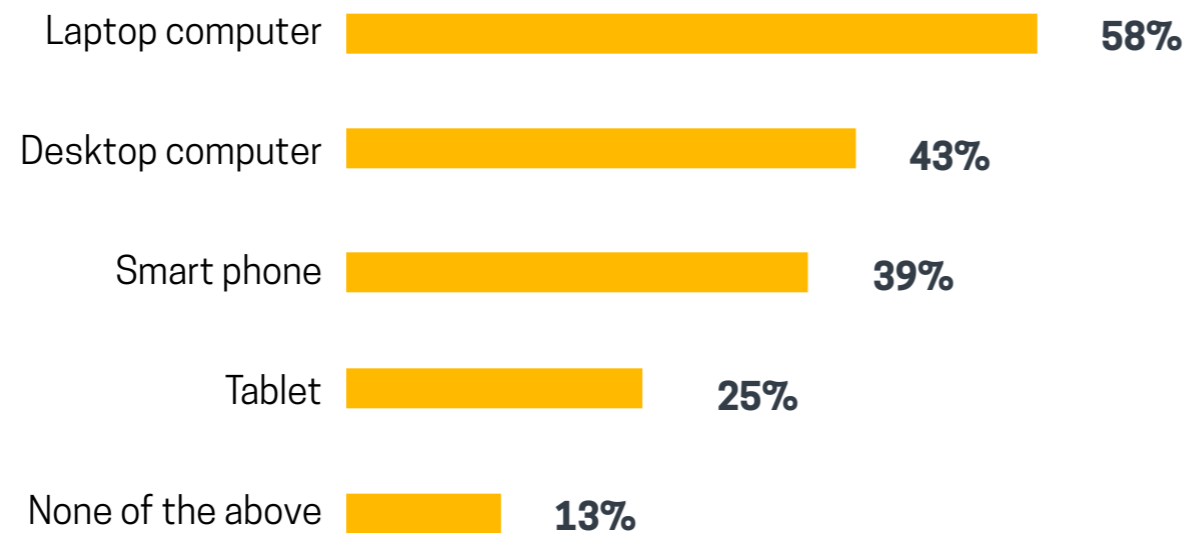
start their booking process with Search.

But Not Necessarily Book...

▶ How often do you book business travel on mobile? ¹

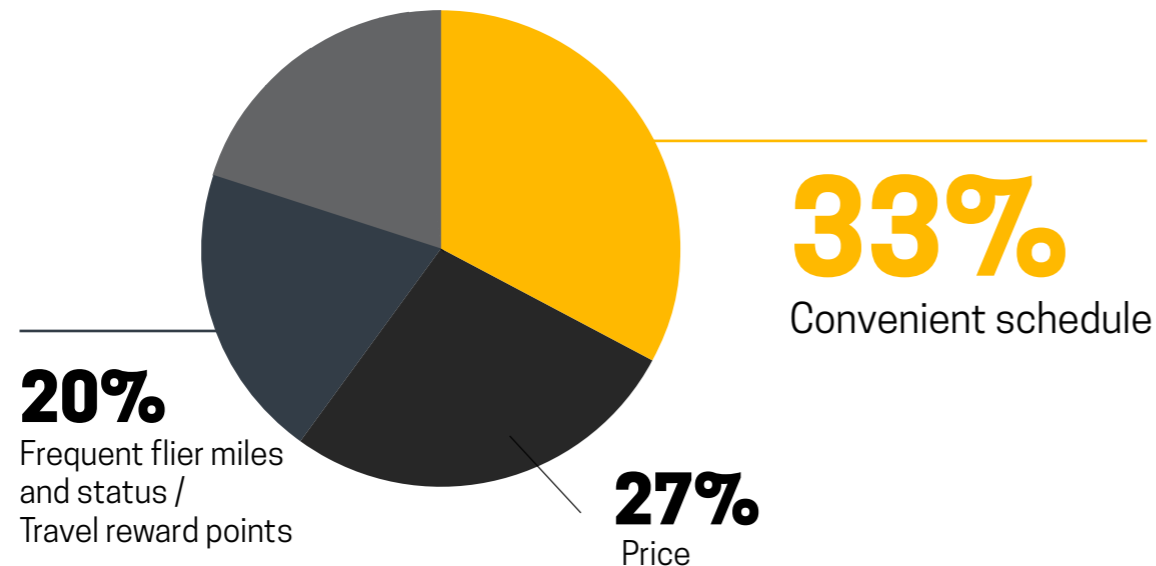


▶ Top Devices Used to Book Hotel Accommodations for a Business Trip in the Past 6 Months: ²



Deciding Factors for Travel Purchasing Decisions

When it comes to booking flights, convenience and cost are key. ¹



- ▶ When ordering a ride-sharing service over a taxi, business travelers ranked convenience and ability to order from their phone key decision factors.³

When it comes to booking accommodation, amenities matter. ²

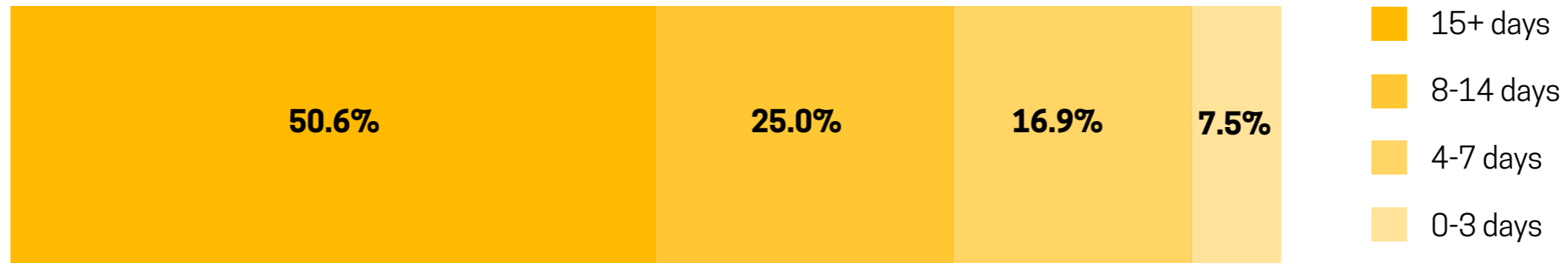


SOURCE: ¹. GBTA 2016
². Expedia/Egencia Mobile Index 2014
³. Phocuswright 2016

Average Booking Window for Business Travelers

2015

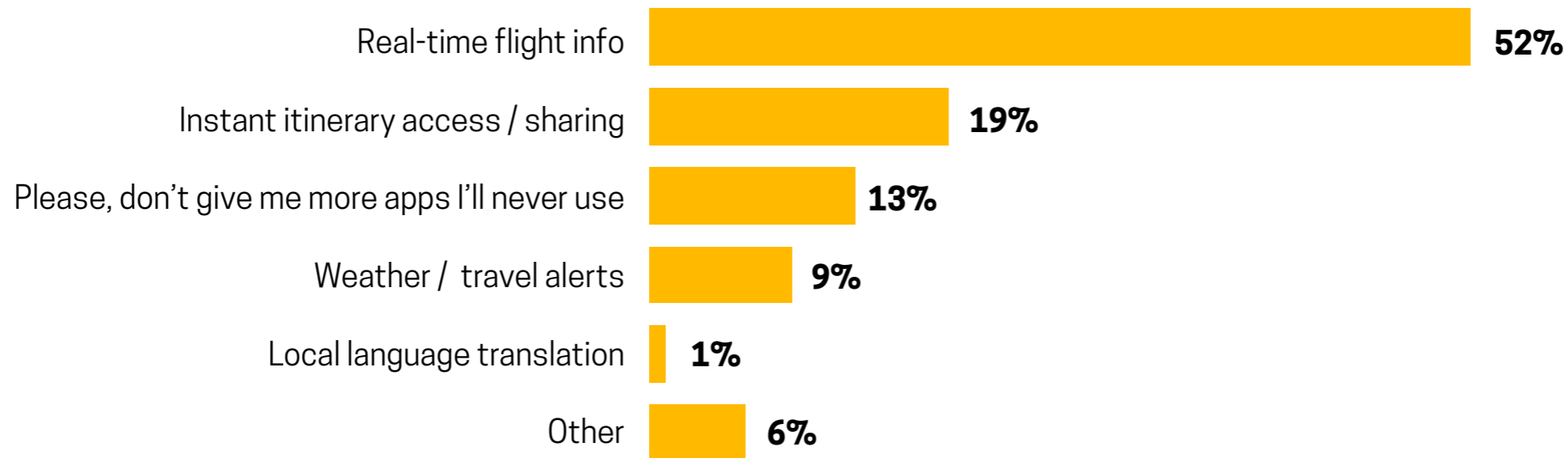
Booking window¹



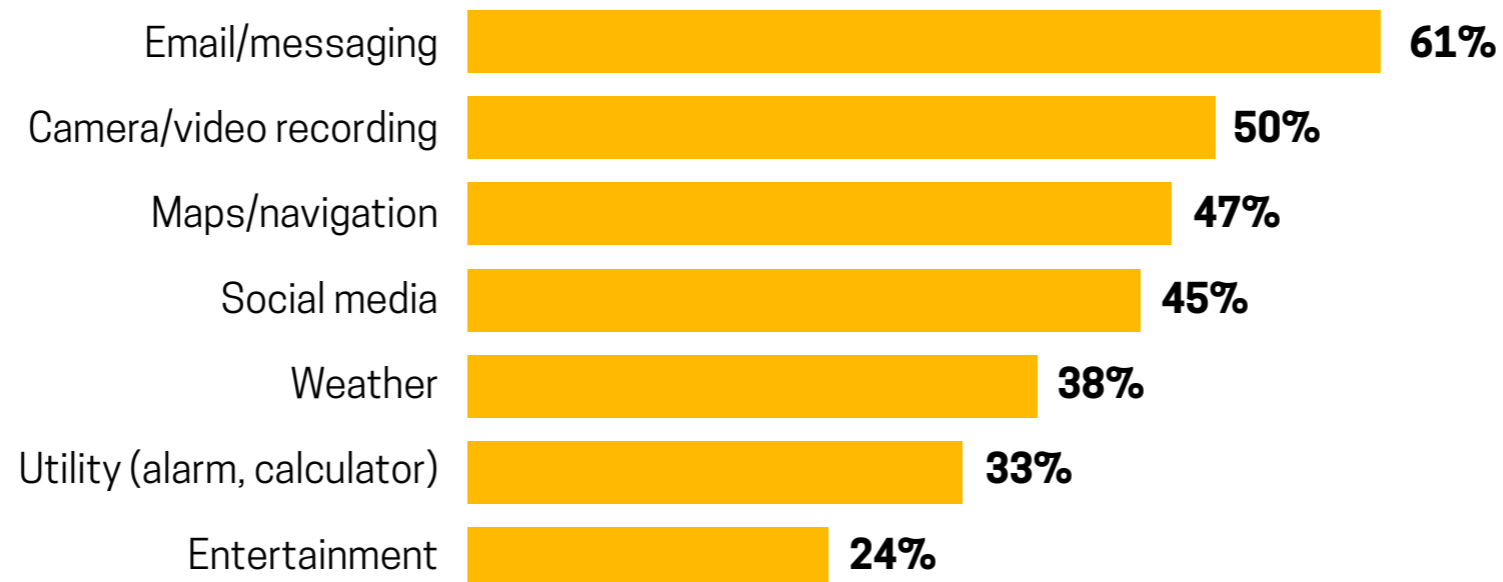
- ▶ The booking window for business travelers has remained steady over the years with the most common planning time of 15 days.
- ▶ Though, a study from Carlson Wagonlit Travel found that female business travelers book 2-4 days earlier on average than their male counterparts.²

In Mobile Apps, Business Travelers Really Want Utility And Convenience

▶ What are the most useful features in a business travel app? ¹



▶ Top uses for mobile on the road: ²



Section 3

The Future Of Work

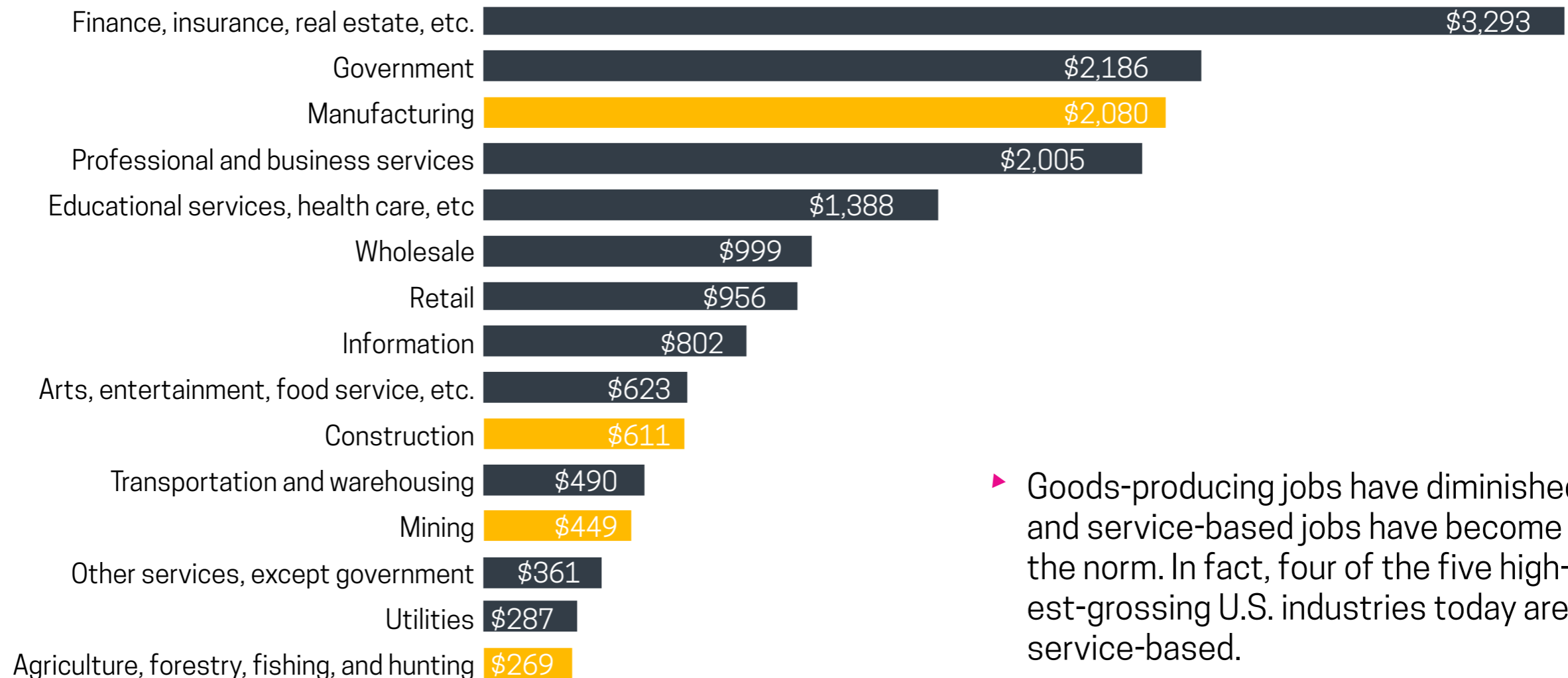
- ▶ Things are changing in the American workforce.

With more than 1 in 5 employees determined to leave their job at some point in 2016, it's clear that the U.S. worker has become more independent than ever before. Led by the rise of the millennial workforce, which as of 2015 makes up the largest portion of the labor pool at 54.5 million and counting, and technology making virtual collaboration nearly seamless, employers are at a crossroads between the 9-to-5 careerists of yesterday and the liquid workforce of tomorrow. Reexamining business travel and corporate travel policies will be key for recruitment and retention of highly-skilled workers in the evolving work landscape.

Here are some of the factors making workers more independent:

The Shift to a Service-Based Economy

Gross Domestic Product by Industry in 2013 (Billions of Dollars)



► Goods-producing jobs have diminished and service-based jobs have become the norm. In fact, four of the five highest-grossing U.S. industries today are service-based.

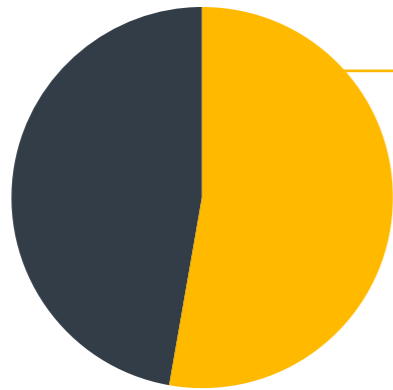
Service Industry ■
Production Industry ■

Technology is Enabling Productivity and Freedom

Cloud-based communication technology is enabling workers to collaborate seamlessly. From across the office to across the ocean, technology is fueling the worker's need for independence, productivity, and flexibility.

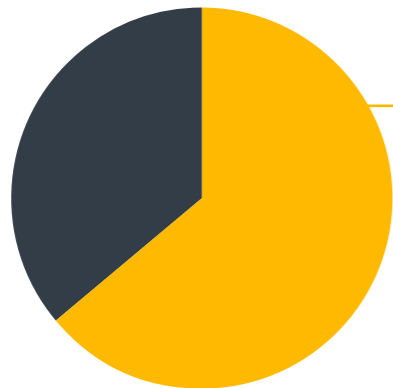
- ▶ 81% say technology that helps them connect to colleagues more efficiently is important to their ideal workspace.
- ▶ Workers believe technology makes them more productive (85 %), improves work-life balance (70%) and would make their workday better and easier (74%).
- ▶ 60% say tech gives them the freedom to work where and when they want.

Technology Has Even More Promise for Future Workers



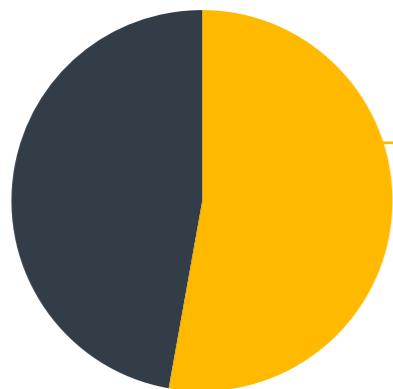
53%

think technological breakthroughs will transform the way people work over the next 5-10 years. ¹



64%

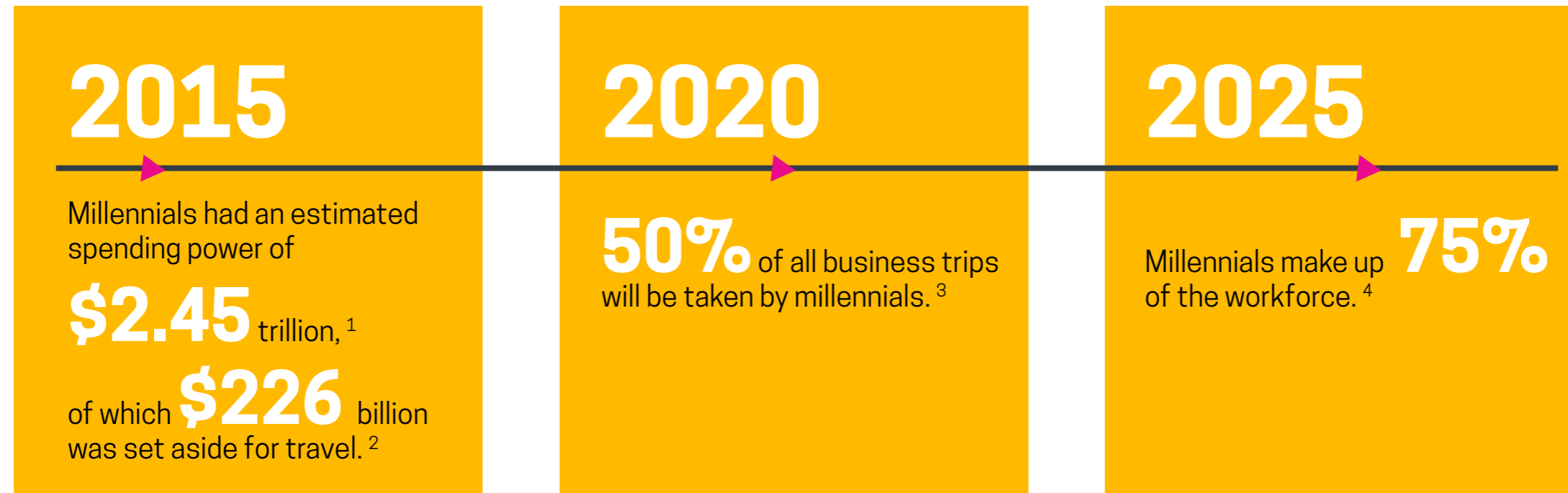
of people around the world believe that tech will improve their job prospects. ²



53%

of menial office tasks will be done by a machine or technology in the next 20 years. ²

Millennials Have Overtaken the Workforce



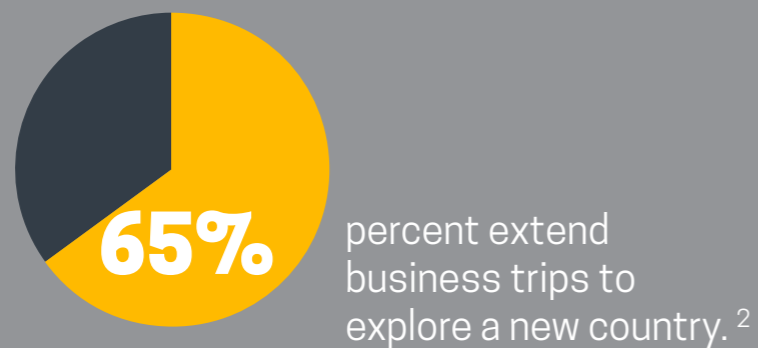
- ▶ 75% of millennials believe that access to technology makes them more effective at work.⁵
- ▶ 41% of millennials say they prefer to communicate electronically at work than face to face or even over the telephone.⁵

Millennials Are Spending More on Business Travel

- ▶ 60% more likely to report buying flight upgrades like extra legroom and in-flight entertainment during business trips. ¹
- ▶ Millennials spend 13% more on airline tickets than non-millennial business travelers. ¹
- ▶ 37% spend more on room service when their companies are paying, compared to just 21% of 46-65 year-old business travelers. ²
- ▶ Millennial business travelers are utilizing downtime on business trips to experience the local scene and are increasingly extending their time in-destination for microvacations. The convergence of business and leisure (painstakingly known as "bleisure") is a rising force that mobile-minded workers have latched onto.

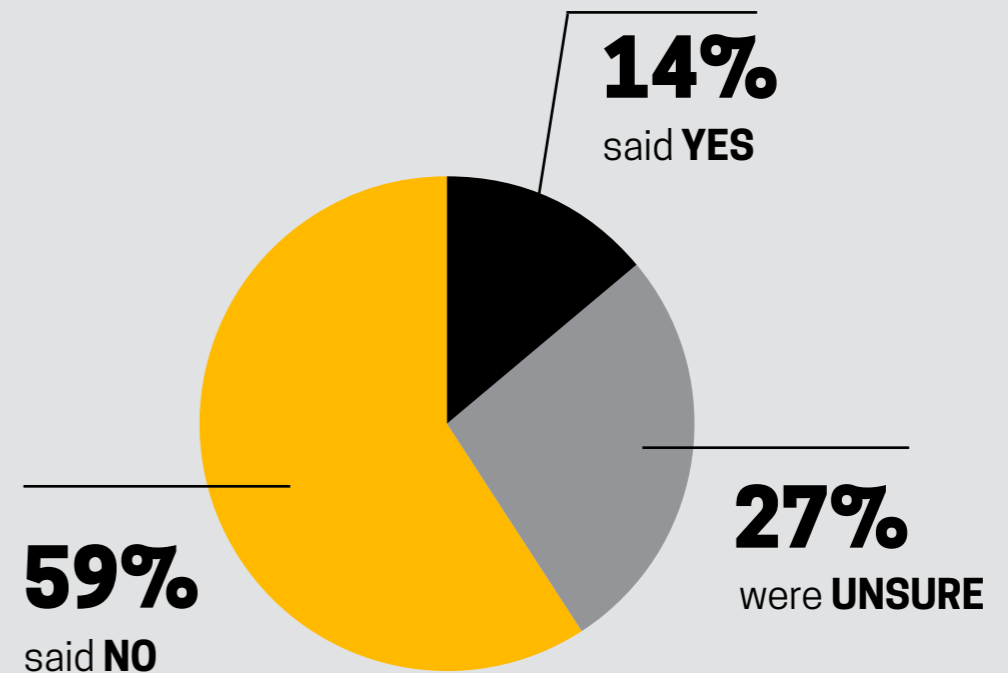
Lines Are Blurring Between Business and Leisure Travel

- ▶ Business travelers want to mix leisure with trips.



- ▶ But their travel policies don't always allow it.

When asked if their company had a corporate travel policy about "bleisure" travel¹:



SOURCE: 1. [Bleisure Report 2014](#)
2. [Virgin Atlantic Survey](#)
3. [GBTA Business Traveler Sentiment Index 2015](#)

Section 4

Rise of the On-Demand Economy

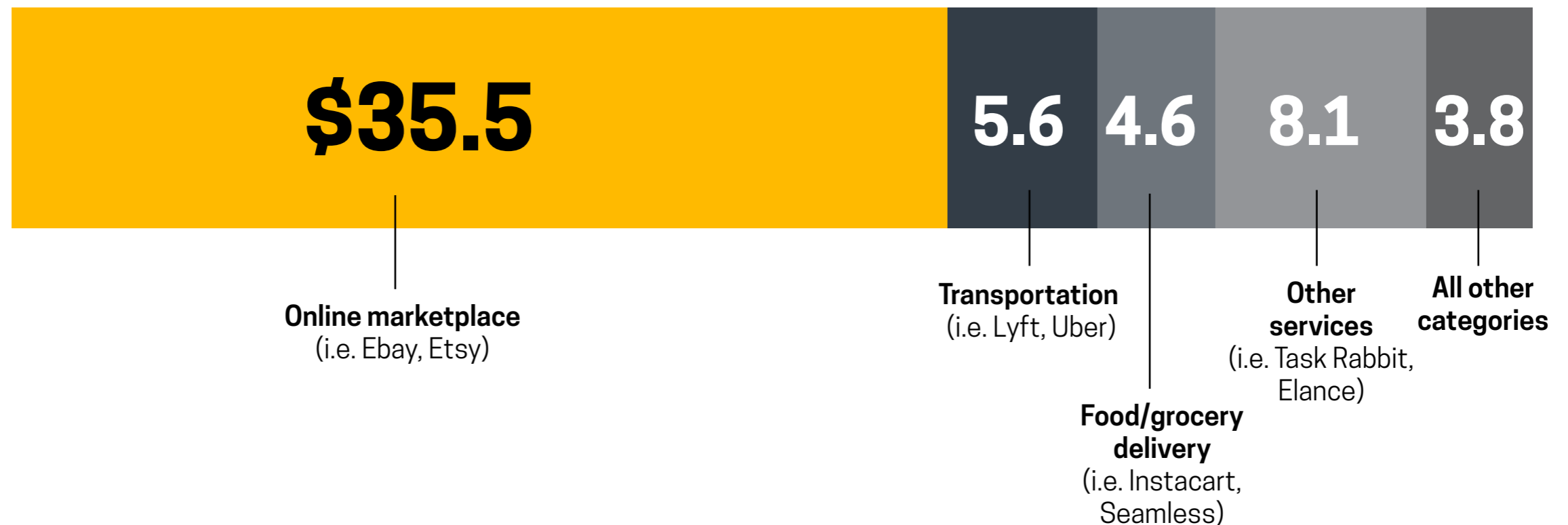
- ▶ Broadly defined, the On-Demand Economy is an online marketplace in which technology companies connect consumers with immediate goods and services. With the press of a button, users can hail a ride, rent a room, hire a handyman, or order takeout from rated, customer-approved sources.

The immediacy and transparency of the on-demand services have re-engineered consumer behavior. From more reliable ground transportation to more cost effective lodging options, business travelers are increasingly embracing the On-Demand Economy.

Annual On-Demand Economy Spending

- ▶ As of 2015, the On-Demand Economy is attracting more than 22.4 million consumers annually and \$57.6 billion in spending.¹

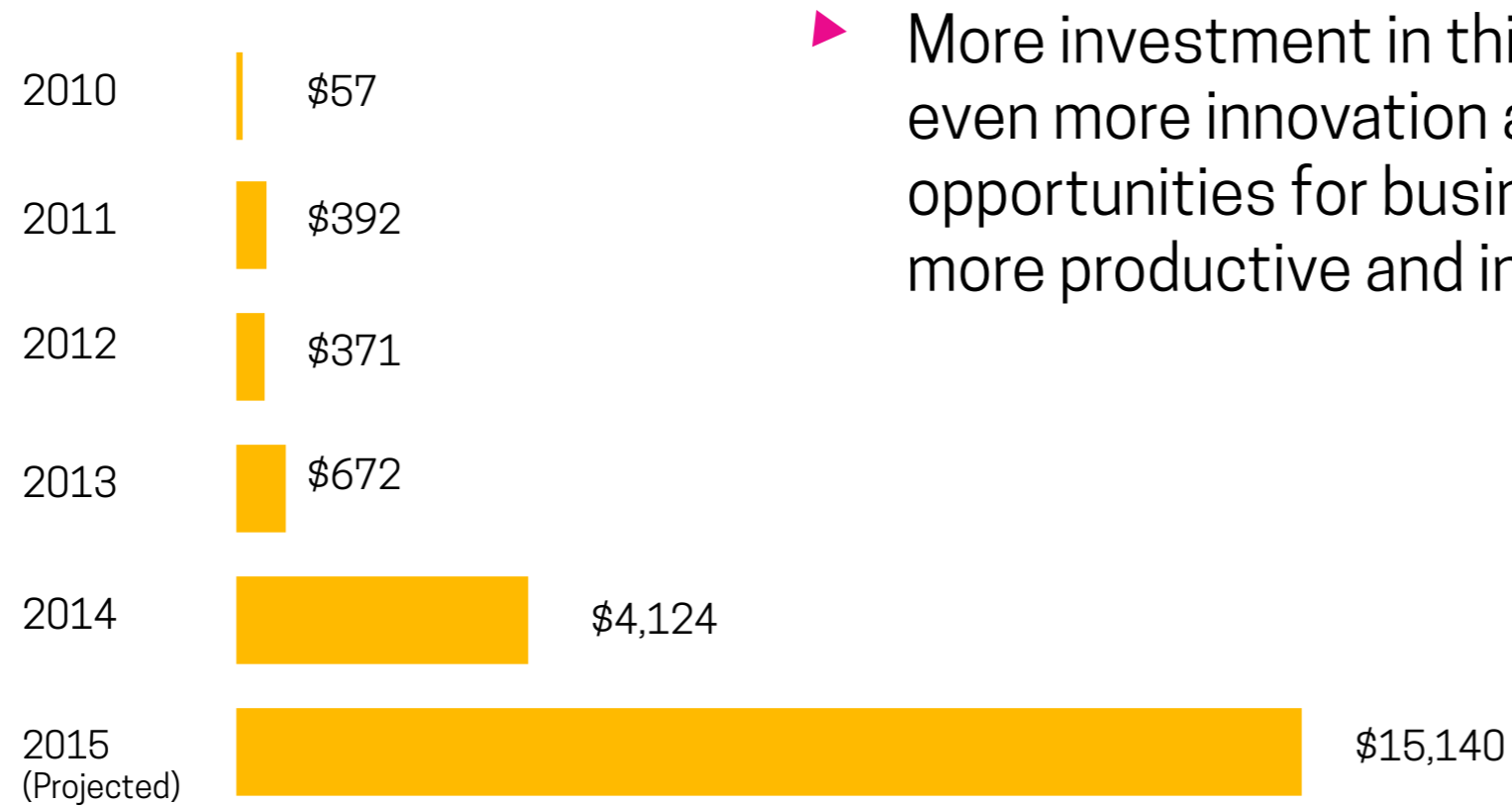
Average spending per year in billions of \$US



- ▶ The On-Demand labor market will grow by 18.5% a year over the next five years and by 2020, 7.6 million people will be working in the On-Demand Economy.²

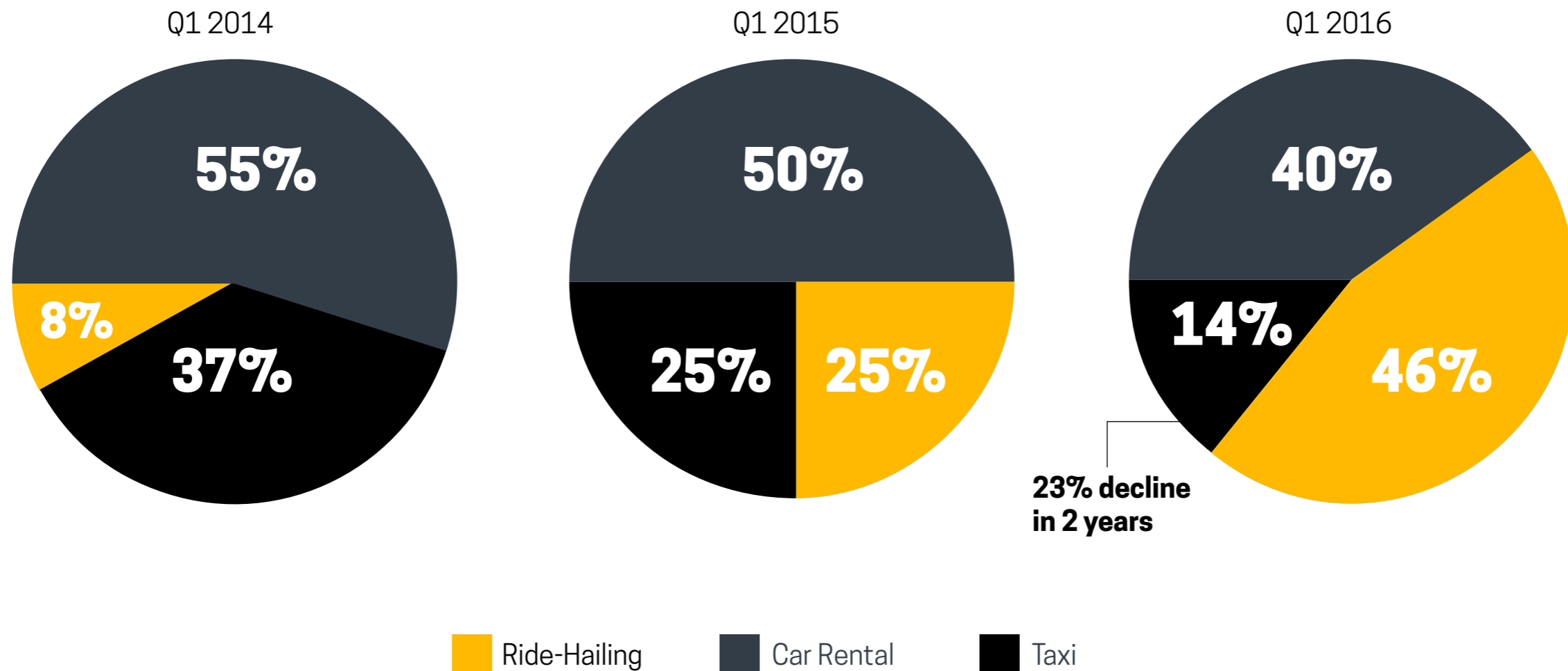
Investment in On-Demand Economy is Accelerating

Investor Funding (\$M)*



▶ More investment in this category will yield even more innovation and present new opportunities for business travelers to be more productive and independent.

Growth of Ride-Hailing vs Taxi vs Car Rental



- ▶ Taxis have seen a 23% decline from 2014-2016 as consumers opt to use ride-hailing services instead.

According to data compiled by Certify, taxi fares were found to be 55% higher per ride than Lyft. Users also show higher levels of satisfaction using ride-hailing services when compared to taxis or car rentals.

Airbnb's Growing Impact in Business Travel

- ▶ Since July 2015 - 50,000 employees from over 5,000 companies have booked for business travel. Companies saved an average of 30% on accommodations and travelers are staying twice as long overall, claims Airbnb.¹
- ▶ Business travel spending on Airbnb grew 261% in the U.S. and 249% overseas in between Q1 2015 and Q1 2016.²

Most Popular U.S. Cities for Airbnb

San Francisco
Chicago
Seattle
Oakland
New York

Most Popular International Cities for Airbnb

Vancouver (Canada)
London (UK)
Toronto (Canada)
Mexico City (Mexico)
Sydney (Australia)

Business Travelers Have Embraced the On-Demand Economy

▶ What business travelers want



77%

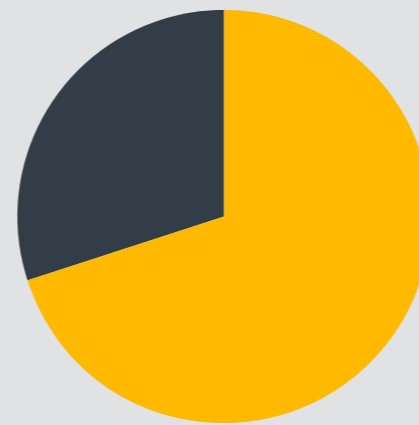
of travel managers have received significant or fair amounts of interest in ride sharing services from travelers



34%

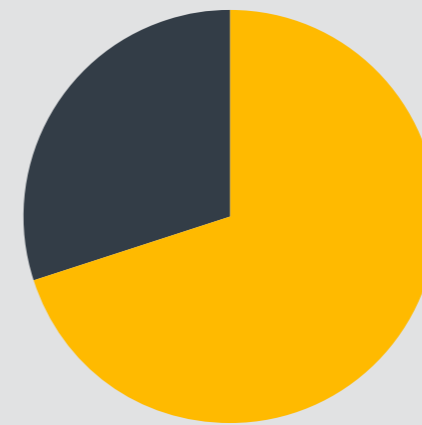
of business travelers are considering Airbnb for their next trip

▶ What corporate travel policy allows



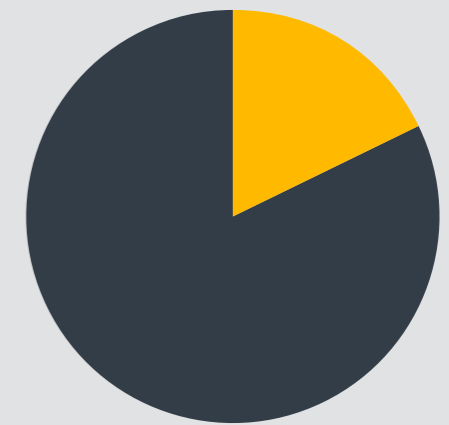
70%

travel managers say corporate travel policy does not address the sharing economy



70%

allow travelers to expense ride sharing services



18%

of allow travelers to expense Airbnb

Conclusion

As the demographics of the workforce change, the millennial-led demand for flexibility and work-life balance is forcing an evolution in the way companies approach business travel. We're at the start of a new era in which business travelers are given the freedom to design business trips the way they want. With mobile technology and the On-Demand Economy becoming more advanced and seamlessly integrated into our everyday lives, the rise of the independent business traveler is just beginning.

Get safe,
affordable
business
rides in a tap.

lyft.com/work



MOBILITY
SOLUTIONS

