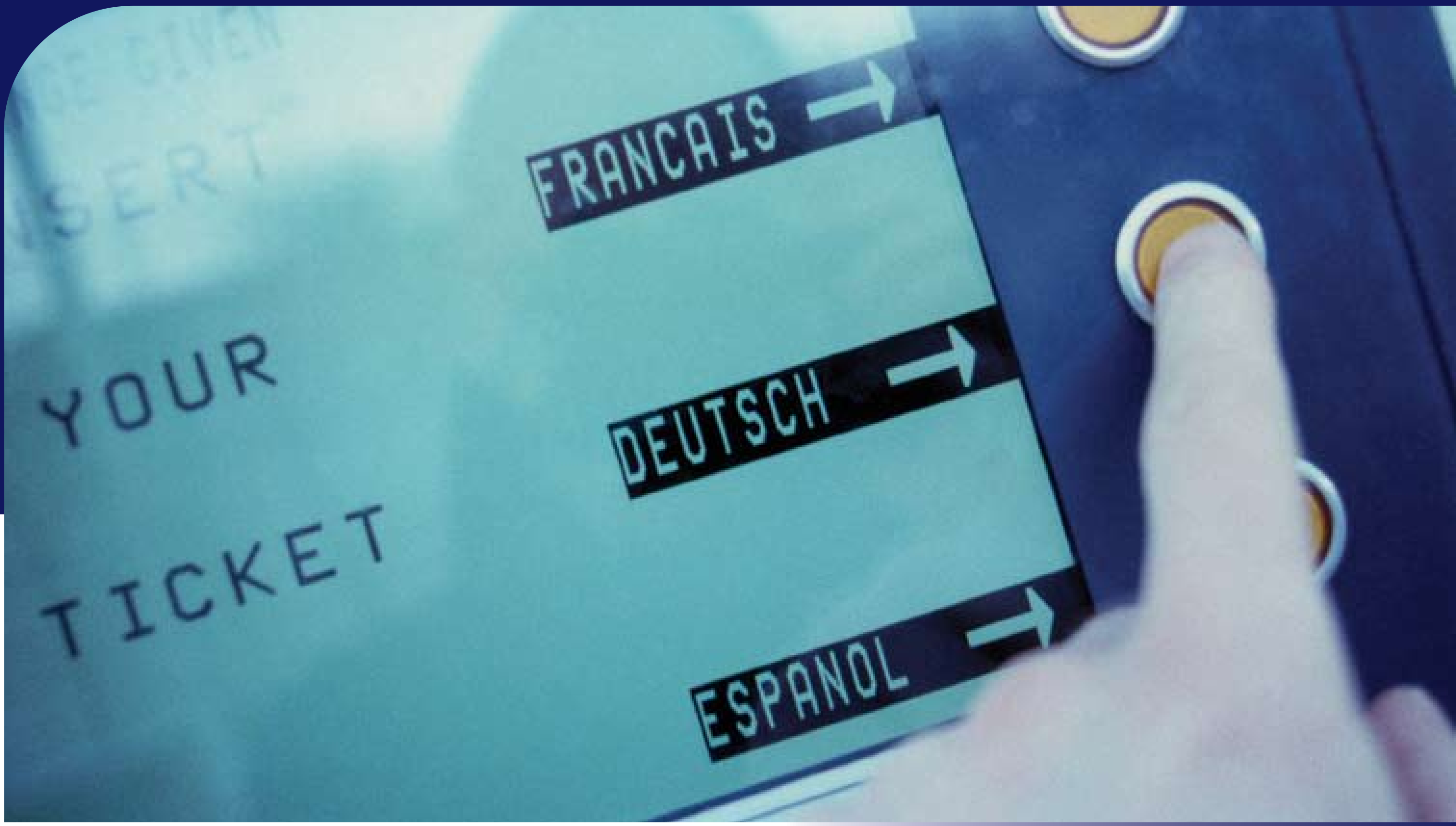


2008 Industry Forecast

Prepare your travel program to thrive in a constantly changing industry environment

White Paper

Powered by Advito

Overview

BCD Travel's 2008 Industry Forecast, powered by Advito, draws on our comprehensive understanding of the travel industry and the global market place to provide the information and analysis you need to help your program thrive in a constantly changing travel environment.

Spurred by a robust global economy, business travel is expected to continue at an all-time high. But increasing demand has sparked higher prices and shrinking availability in both air and hotel sectors. Companies are faced with the often frustrating balance of keeping costs down and productivity high.

Packed flights and oversold hotels create system-wide congestion and leave travelers stranded at the slightest weather delay or mechanical disruption. BCD Travel expects to see trends such as extended flight times, escalating airport chaos due to flight cancellations and sold-out hotels continue into 2008. Tight market conditions place a higher demand on the skills and expertise of travel buyers and travelers to meet the requirements of travel policy and effectively conduct company business.

BCD Travel and Advito are pleased to offer this 2008 Industry Forecast, providing a full industry overview and recommendations for managing costs and travel in the upcoming year. For additional trending and commentary, we invite you to read the 2007 Client Benchmark Survey available upon request at www.bcdtravel.com.

Another demanding year for business travel

With an expanding global economy leading to a predicted increase of international travel by over five percent annually, capacity in all industry sectors is going to be a major challenge for corporations struggling to keep a lid on costs.

2008 By the numbers

Worldwide airfare costs

Published airfare increases are predicted to be minimal at 2% to 4%.

Corporate airfares are expected to increase less than 2%.

Hotel costs

Hotel daily room rates are expected to increase by 6% to 9% on average.

Meeting costs

Meeting costs are expected to increase 8% to 10%.

Car rental rates

Car rental rates are expected to increase 5% to 10%.

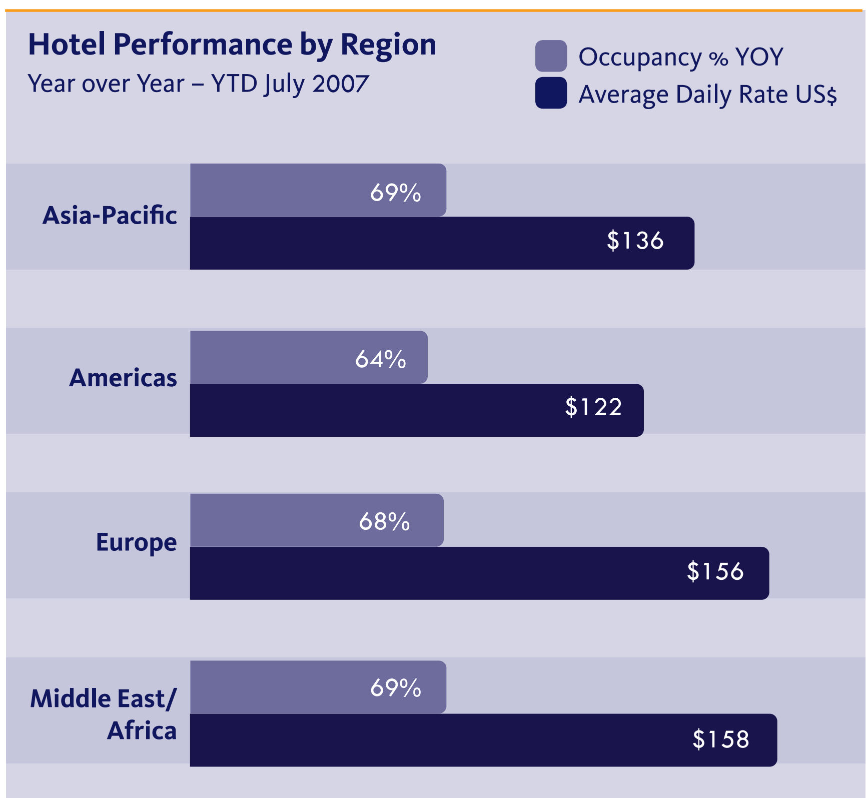
Tight market conditions place a higher demand on the skills and expertise of travel buyers and travelers to meet the requirements of travel policy

Hotel forecast

Hotel demand around the world continues a three-year trend to outpace supply. Hotel rates are expected to continue to trend upwards until hotel capacity is close to demand. Investment plans by all major chains will add significantly more hotel rooms over the next two to five years but relief is not expected until well into 2008. Hotels are becoming so sophisticated in their management systems that Advito anticipates rate increases will still occur even if demand drops in some markets.

Advito expects the **2008 average daily room rate to continue trending upward, increasing by 6 percent to 9 percent on average**. Some markets may see double digit increases. Variables across the globe make projections difficult. Markets will split between increases and decreases, with the majority of increases driven by high-growth, limited supply markets.

China is predicted to be the number one travel destination in the world by 2020, followed by India, which has the second largest number of new hotels under construction. Significant impact in China's hotel market is expected in 2008 with the enforcement of government standards on hotels and the country's preparation for the approaching Olympic Games. Although some European hotel markets are trending lower due to over-capacity, average daily rates in most markets are expected to continue to grow. Many major markets, including Amsterdam, Paris and London, are selling out mid-week.



Source: *The Bench, July 2007*

Policy mandates

The BCD Travel 2007 Client Benchmark Survey marked the first time in three years that mandating travel policy has ranked as the number one policy change. This indicates that companies are becoming stricter in their efforts to police policy adherence and implementing procedures that penalize non-compliance. Such measures may include requiring pre-trip approvals and not reimbursing out-of-policy expenses.

While year-to-date hotel performance data shows average occupancy levels fairly level across all regions, the average daily rate varies significantly between regions. As the chart to the right outlines, further variances are found in high demand markets. The greatest daily rate changes are occurring in markets with limited supply.

Hotel negotiation challenges

Last year's negotiating season was marked by high numbers of hotels declining bid requests from corporations. Historically, high volume was viewed as a plus in negotiations; however, it was often a negative factor in this environment as some hotels turned down volume in favor of higher rates from the transient business. The Last Room Available (LRA) mandate and availability decreased, as hotels closed down rates early in negotiations.

Approaching 2008, Advito expects that many of the same negotiating trends will continue, as demand is still outpacing supply. Some markets will see slight supply relief as new construction begins to come online. However, for the majority of key business markets, current supply shortages (and lack of potential real estate availability) will continue to hold current conditions through 2009.

A case for changing buyer strategies

Strong demand, combined with yield management and demand-based pricing strategies, has enabled hotels to increase ADR (Average Daily Rate) and RevPAR (Revenue per Available Room) for three consecutive years.

Sustained high performance levels have fueled speculation around potential mergers and acquisitions, as analysts noted that many hotel companies are undervalued.

Hotel Performance in High Demand Markets

Region	ADR($USD)	Occ(%)
Beijing	106	67
Buenos Aires	135	66
Dubai	298	85
London	233	80
New York	242	82
Paris	229	74
Tokyo	176	78
Toronto	128	67

Source: *STR, The Bench, EU Hotel Performance, YTD July 2007*

Financial transactions such as Blackstone Investment Funds' 2007 purchase of Hilton Hotels, may open the door to further ownership changes and industry consolidation. The economic conditions surrounding these developments have also created a disconnect between supplier and buyer strategies.

Dynamic pricing

Advito experience indicates that dynamic pricing had surprisingly little impact, appearing in only 5 percent of BCD Travel clients' offers and accepted in only 2 percent of the contracts in 2007. The expectation – created by the hotel industry – that more hotels would require a market-driven, fluctuating rate structure did not materialize. The end result was that hoteliers offered dynamic pricing as an option but did not force it and the buyers rejected it. The lack of hotel capacity is forcing some clients to increase the number and variety of properties in their programs. However, BCD Travel's clients showed no significant movement to lower-tier properties.

Source: *BCD Travel 2007 Client Benchmark Survey*

Hotel costs drive savings

Travel arrangements often begin with air schedules and fares. Lodging costs can be as high as or higher than air fares and the air schedule may limit available hotel and ground options or demand a price premium. Consider changing the order in which reservations are made: Like air schedules and fares, hotel availability and rates can vary dramatically. It is important to consider the cost of the whole trip – there may be savings overall by finding the best hotel option first.

As shown in the following example, considering hotel cost as the primary itinerary driver yields higher cost savings. Multiple-night stays will increase the total amount of savings.

Sample Itineraries

ITINERARY 1: ATL – NYC, OCTOBER 17, 2007
Roundtrip airfare $204 1 night Hilton New York @ $509*
Total Air/Lodging US$713

ITINERARY 2: ATL – NYC, OCTOBER 15, 2007
Roundtrip airfare $204 1 night Hilton New York @ $379*
Total Air/Lodging $583 air/lodging

Total savings $130

*Best Available Rate (BAR). All figures in US$.

Traditional negotiation methods may no longer yield the same level of savings. For example, volume alone does not carry the same leverage it once did, due to its potential impact on ADR and RevPAR. With no immediate relief in sight, buyers must consider different strategies for purchasing hotel rooms.

New strategies include:

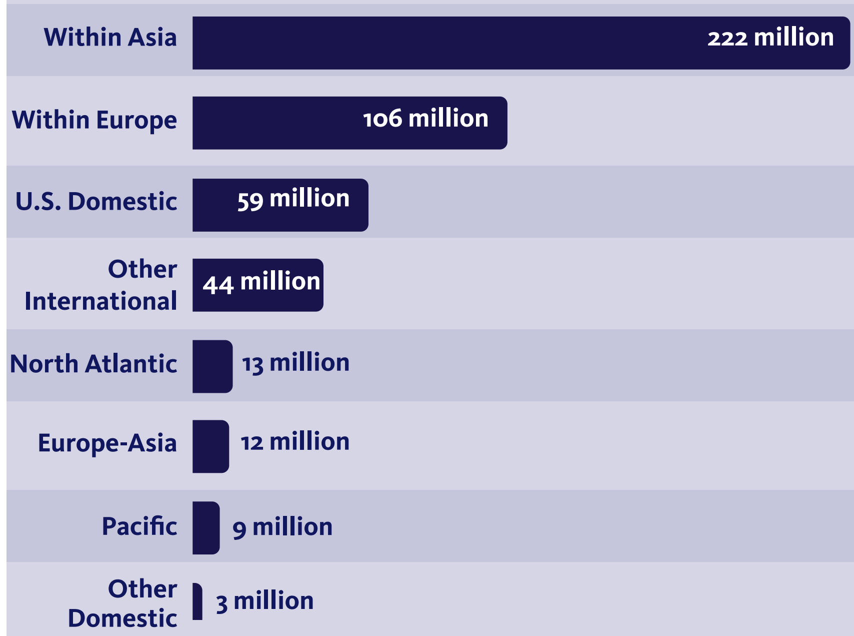
- Adopt discount models using demand-based pricing (traditionally resisted by buyers).
- Employ methods of securing room allocations, such as bulk-purchase, that may require a certain amount of financial risk to ensure availability.

Until buyers are ready to pursue new models or the economic picture for hotels changes, we recommend considering traditional strategies to shift or reduce demand:

- Focus on the total "cost of stay."
- Pre-plan trips (more crucial than ever with skyrocketing occupancy rates).
- Promote compliance.
- Shift traveler stay patterns, including Sunday or Monday arrivals and Saturday departures.
- Analyze tier strategy.
- Ensure negotiated rates are loaded.
- Encourage corporate meetings in non-prime market (lower cost) destinations.

Air travel forecast

Passenger Traffic Outlook Through 2010



Source: *IATA Industry Outlook, June 2007*

Rising fuel costs, higher passenger load factors and controlled capacity, coupled with an improving global economy, will continue to push airfares higher in 2008.

International passenger traffic grew by 6.3 percent with an increased average load factor of 75.7 percent in the first half of 2007, only slightly higher than the growth seen in 2006. Higher than expected passenger demand and high load factors support IATA's (International Air Transport Association) full-year projection of air carrier net profits of around USD $5.1 billion.

However, there are signs that passenger demand growth is beginning to weaken. International passenger traffic grew by 5.3 percent in June, the lowest rate of growth for nine months. Growth was the lowest among European airlines. The second quarter slowdown mirrors the lower than expected economic growth in the United States and Europe, though globally the overall travel demand environment remains positive.

IATA estimates that by 2020 passenger numbers will increase by 500 million travelers, bringing the annual total of travelers to 2.5 billion. The largest increase is forecasted to be within Asia followed by travel within Europe and U.S. domestic traffic.

Advito expects to see demand beginning to plateau as overall travel costs continue to rise. With the 2007 airfare increases and escalating service issues, business travelers are expected to seek alternative methods of conducting business in 2008. In Europe, one region with good alternatives to air travel, we expect travelers to consistently make other choices, given the airport congestion and challenges on the domestic short-haul routes.

2008 airfares

In 2008, **worldwide average published airfares are expected to rise 2 percent to 4 percent from 2007 levels**, including local short-haul routes, according to Bob Brindley, vice president for the Americas, Advito. Because of an increase in corporate air discounts, **2008 corporate fare hikes will be less than 2 percent**. We expect to see fluctuation in airfares on major business routes as the historic EU-U.S. Open Skies agreement goes into effect in March 2008. Some major air carriers are already preparing to take advantage of the new markets that will be accessible to them in 2008.

Capacity will continue to affect all regions for some time. The emergence of new low-cost carriers in Asia Pacific, EMEA and Latin America has helped increase capacity. However, it has not been enough to offset the increase in passenger traffic, which has choked some markets. There will be no quick fix to the capacity crunch, as the ability to expand routes is limited by airport infrastructure. Airports will not be able to expand fast enough to accommodate the projected increase in passenger loads. Advito expects no new airport capacity before 2009.

Fuel currently constitutes approximately 26 percent of operating costs for airlines, compared to 10 percent just four years ago. If historically high fuel costs do decrease in 2008, adjustments in fuel surcharges and the downward pressure on airfares are expected to be passed along to the traveler.

No quick fixes for airport congestion

A June 2007 survey by Airports Council International (ACI) reports that while airports projected passenger growth of 4 percent annually during the 2006-2007 period, global airport capacity was expected to grow only about 3 percent per year. In practical terms, this means that while over seven billion passengers are expected to demand air transport in 2020, airport capacity might comfortably serve only six billion passengers.

The implications of this capacity shortfall and resulting congestion are bleak in terms of the quality of the travel experience. ACI surveyed 270 airports, representing 60 percent of global traffic, responded to an ACI survey; the survey provided a startling reality check on the question of capacity. In response to a question about “constrained” demand at airports – a way to factor in barriers to building new infrastructure – respondents estimated that such barriers could substantially reduce their ability to meet passenger growth over the next 15 years.

The surge in traffic affects all aspects of airport service, from car parking and check-in to security screening and baggage delivery. Higher passenger numbers also put pressure on immigration and customs services to process greater numbers of travelers in and out of international gateways.

It was recently reported at the Travel Distribution China conference in Shanghai that Asian airports are geared for growth. Within Asia, China has the most growth potential. The number of airports will grow from 147 to 190 by 2010 to handle 540 million passengers per year (a 14.5% year-over-year increase). Within China, Beijing jumped ahead of Hong Kong and Bangkok in 2006 to become the second largest airport in Asia with 41 million passengers (behind Tokyo at 63 million passengers).

Barriers to increasing airport capacity

- Regulatory, political and environmental barriers to building new airport capacity are the biggest constraint to meeting the demand for air transport in both the short and long term.

- Governments, airport operators and other industry stakeholders must work together to fast-track approvals for new capacity. The scope of this problem has been quantified, for the first time, in the ACI forecasts released in 2006. To avoid this capacity crunch, the industry needs governments to streamline approvals for new airport capacity.

Airport Traffic Results – Year Ending July 2007

% increase YOY based on number of passengers

Region	International Passengers	Domestic Passengers	Total
Africa	12.2	12.6	12.3
Asia-Pacific	8.5	7.4	7.5
Europe	5.8	4.1	5.3
Latin America/Caribbean	5.0	5.5	4.9
Middle East	13.1	2.8	11.6
North America	3.3	1.5	1.9

Source: *Airports Council International (ACI)*

- Airport infrastructure expansion can take well over a decade to plan and implement. For green-field airports (i.e., an airport built from scratch on an undeveloped site), the cycle is longer.

- The approval process in the mature aviation markets of North America and Europe provides clear evidence of the difficulty in building new airports.

- In the United States, there has been only one major new airport (Denver) built in the past 30 years. In Europe, only Athens and Oslo obtained new airports in the last decade.

Will historic Open Skies deal transform transatlantic business travel?

Corporate travel buyers are hoping for greater choice and lower fares when flights between the European Union and the United States are deregulated in March 2008. After many years of negotiation, the European Union and U.S. government have agreed to an Open Skies policy. In theory, this will allow EU and U.S. carriers to fly between any point in the EU and any point in the United States.

Rose Stratford, senior vice president of industry relations for BCD Travel in the Americas, believes the introduction of more competition will be good news for business travelers.

Business class fares on routes out of London–Heathrow, for example, are likely to fall once Open Skies takes effect. Another benefit of Open Skies: It lifts the limitation on code share with alliance partners. "This means corporations will be able to better use their corporate discounts on international routes served by multiple airlines," Stratford said. However, the benefits of greater competition will not come without potential downsides. "Open Skies will likely cause low-cost carriers to enter key markets," Stratford said. "While from a price standpoint this may be welcomed, the low-cost carriers traditionally do not participate in GDSs. As a result, we could see more content fragmentation, lower corporate discounts and continued cost pressures among the carriers."

At most European airports (tightly regulated Heathrow is the exception), the local flag carrier and U.S. airlines already operate as many services as they wish. The big question is whether European airlines will launch transatlantic services outside their home countries. Thomas Stoeckel, senior vice president of supplier relations for BCD Travel in Europe, thinks this is unlikely to happen in large numbers, due to heavy infrastructure, operations and staffing expenses.

The major exceptions appear to be British Airways and Virgin, as they react to increased competition at their base at Heathrow. BA has said it is looking at services to New York from Frankfurt, Paris, Amsterdam, Brussels and Milan, while Virgin – which does not operate short-haul feeder services – is also investigating options in continental Europe.

Air program negotiations in a high-demand environment

With high load factors, increasing published fare levels, growing travel demand and stable capacity, corporate travel buyers will need to search harder to find savings opportunities. The good news is that these opportunities are out there for savvy buyers. Bob Brindley, vice president – Americas of Advito, shares these predictions and advice for negotiations:

- Increasing published fares and high levels of carrier competition in many markets are resulting in increased corporate discount levels for clients who can shift share to preferred carriers.
- New higher discounts and more favorable fixed fares can offset the impact of rising published fares.
- Mainline carriers are shifting capacity from intra-regional markets to secondary intercontinental markets, bypassing traditional international hub airports. This increases service levels and schedule options for travelers. It also increases competition, which can lead to better discounts.
- The new all-business-class carriers will increase pricing pressure on high-volume intercontinental routes such as New York–London and New York–Paris.
- In inter-regional markets, low-cost carriers will continue to expand (although at lower growth rates than previous years). This will provide a check on mainline carriers' ability to raise fares. The new capacity will also somewhat compensate for the shift in mainline carrier capacity to intercontinental markets.

By expanding the global reach of the airline program, corporate travel buyers can bring more of their air travel under the umbrella of their managed program. This will lead to new discounts on travel that was previously purchased at published rates.

Travel managers need to keep a close eye on the performance of their current programs, developments in corporate travel requirements, and changes in airline competition and pricing levels. The ability to act fast to seize available opportunities can generate significant incremental savings, even in the current challenging environment.

Rail alliance moves ahead in the European market

Rail passengers who travel through major European hubs could soon have less expensive and more seamless trips. A new alliance of high-speed rail operators, Railteam, was launched in July 2007 by Deutsche Bahn (Germany), SNCF (France), SNCB (Belgium), NS Hispeed (Netherlands), ÖBB (Austria), SBB (Switzerland) and Eurostar (UK). The new network aims to compete directly with airlines for international travelers.

Beginning in early 2009, travelers will be able to book rail tickets to destinations in Germany, France, the Netherlands, Belgium, Switzerland and Austria, with a single transaction via the railteam.eu website. With all tickets and prices listed and sold in one place from separate operators, prices will be easier to compare and Railteam officials expect corporate fares to drop in 2009 as a result. Additional benefits to the corporate buyer will be the ability to offer travelers corporate rail rates online.

Railteam projects that 25 million international travelers will be using the European high-speed rail network by 2010, and that the number of rail passengers will triple by 2020.

Source: *Business Traveller, July 2007*

Rail forecast

BCD Travel expects to see **an increase in European rail offerings through traditional GDS channels in 2008**, allowing travelers to comparison shop between rail and air for the most cost-effective mode of transportation. Increased productivity gains for traveler and travel arranger alike are expected with the introduction of rail booking through traditional channels. This advancement in booking technology will also facilitate single itinerary creation for interline agreements between rail and air carriers. Among other traveler conveniences, kiosk check-in for rail will expedite travel with the use of a single ticket reference number for the trip.

In BCD Travel's 2007 Client Benchmark Survey, 16 percent of survey respondents reported having negotiated contracts with European rail companies. This percentage increases to 43 percent among EMEA respondents and decreases to 8 percent in North America. It should be noted that negotiated rail deals are most commonly volume discounts on the rail company's total network rather than on specific routes.

A recent research project conducted by the University of the West of England, Bristol and Lancaster University, challenges the perceptions of business travelers who opt for the "fastest" mode of travel, viewing travel time as unproductive time. Professor Lyons, who led the research, suggests that the challenge is now about employers and employees ensuring the best mode of travel is chosen to facilitate the best use of their travel time. It is no longer just about the quickest, cheapest or most convenient option, but about the one which also provides the best environment for productivity.

Business travelers are increasingly choosing rail as the most productive way of traveling. Unlike travel by air or car, rail transport allows them to use their computer, mobile phone or PDAs while on the move – or even conduct a meeting en route.

Rail fares are expected to rise at uneven rates across the primary European markets. Current negotiations and government approvals are setting the stage for significant movement in the rail transportation sector as major European rail companies move toward 2009 Railteam initiatives (see sidebar). As consolidation and privatization occurs between these markets, **fluctuations upward in the average rail fare are expected in 2008**.

Meetings forecast

Looking toward 2008, the meetings sector will face many of the same supply and pricing challenges that are seen by the transient travel sector. In some markets, however, expectation that transient travel will moderate indicate that hotel properties may be looking at groups for higher revenues next year.

As in 2007, a continued avoidance of European destinations for meetings that originate in the United States is expected in 2008 due to the weak dollar against the Euro/British pound. However, European meeting planners are in turn choosing meeting destinations in North and South America due to more reasonable air fares and greater meeting space availability.

Popular meeting markets in Europe continue to experience supply shortages due to a greater proportion of smaller hotel properties and to limited meeting space in a high-demand travel environment.

High passenger traffic conditions will continue and global meeting planning is expected to rise in direct correlation with company expansions into emerging markets. The Asia Pacific and Middle East regions are anticipated to be high-demand destinations as new business activities move into these markets.

Meeting costs per attendee are expected to rise as food costs, fuel surcharges, high airfares and high group rates impact the total cost of the meeting budget in all regions. Meeting planners will work harder in 2008 to balance meeting costs across all spend categories to stay within the quoted meeting budget. A change in meeting pattern, looking at the shoulder season or even low season, is becoming more prevalent in an effort to control meeting spend.

Also impacting meeting spend and planning in 2008 is limited flight availability due to full and overbooked airplanes. Congested airports and ground transportation conditions in major business markets present new challenges to get delegates to meetings within the designated time.

2008 forecasts indicate that average group rates will increase by 8 percent to 10 percent in major markets.

Car rental forecast

The current global economic environment has been challenging for the major car rental companies. Rising fleet costs and financing increases have placed revenue constraints on the business infrastructure in all regions.

Car rental companies have been restructuring, consolidating and streamlining their internal operations to cut costs on a worldwide basis. Additional online and self-service pick-up and drop-off options reduce the number of staff needed, as well as help speed travelers to their destinations.

Advito anticipates another year of **car rental cost increases of 5 percent to 7 percent** as car rental companies struggle to maintain profitability in the face of rising operating costs.

Most major companies have also announced the addition of fuel-efficient and environmentally friendly hybrid models to their fleet and will increase the number of cars per location throughout 2008. Other rental policy changes that can be expected for the corporate buyer in 2008 include: hourly car rental, chauffeur service, and alternative-fuel cars.

European online travel booking forecast

Online bookings reached 8 percent of rail corporate travel bookings in Europe in 2006 and are expected to **increase to 22 percent by 2008 based on the maturity of travel markets across Europe**. Some factors driving online adoption include:

- Increased use of low-cost carriers for business travel
- Increased use of rail and self-booking tool integration for direct online purchasing
- IATA-imposed e-ticket requirements in 2008
- Demonstrated return on investment by both U.S. multinational and European-based companies
- Business initiatives and travel management companies' efforts to drive online adoption of corporate booking tools

The European driver countries expected to generate the highest online adoption in the corporate travel market include the UK, Scandinavia, Germany and France. The UK and Germany are expected to proportionately lead the EMEA region.

Source: *PhoCusWright, European Online Travel Marketplace, June 2007*

Strong global economy drives business travel demand

The world economy is expected to continue to grow robustly for the remainder of 2007 and throughout 2008. Specifically, global growth will moderate to 4.9 percent in 2007, around one-half percentage point less than in 2006 and maintain this pace into 2008. The slowdown in year-over-year growth in 2007 is most pronounced in the United States as indicated in the International Monetary Fund outlook chart below.

The IMF economic projections have been revised upward in emerging markets and developing countries, with growth projections for China, India, and Russia each marked up substantially. Among the advanced economies, growth in the United States is now expected at 2 percent by year end, although activity should regain momentum and return to potential by mid-2008. Growth projections for the Euro area, particularly Germany, and Japan have also been revised upward from early 2007 projections.

China's growth will moderate gradually in 2007 and 2008, while the pace of expansion will ease in India. Commodity-rich countries in Africa, the Commonwealth of Independent States (CIS), the Middle East and Latin America will continue to prosper, with growth in Africa accelerating as new oil fields come online.

The World Travel and Tourism Council forecasts the top 10 markets, driven by global economic factors, that will generate the largest travel and tourism demand by 2017. Travelers and travel buyers alike will find supply, cost-effective pricing and airport congestion a challenge in these markets over the next few years.

Stronger Outlook

The global economy continues to expand at a brisk pace, led by emerging markets.

Annual percent change			**Current projections**	
	2005	2006	**2007**	**2008**
World Output	**4.9**	**5.5**	**5.2**	**5.2**
Advanced economies	**2.6**	**3.1**	2.6	2.8
United States	3.2	3.3	**2.0**	**2.8**
Euro area	1.5	2.8	**2.6**	**2.5**
Japan	1.9	2.2	**2.6**	**2.0**
United Kingdom	1.8	2.8	**2.9**	**2.7**
Newly industrialized Asian economies	4.7	5.3	**4.8**	**4.8**
Other emerging markets and developing countries	7.5	8.1	**8.0**	**7.6**
Sub-Saharan Africa	6.0	5.5	**6.9**	**6.4**
Central and Eastern Europe	5.6	6.3	**5.7**	**5.4**
Commonwealth of Independent States	6.6	7.7	**7.6**	**7.1**
Russia	6.4	6.7	**7.0**	**6.8**
Developing Asia	9.2	9.7	**9.6**	**9.1**
China	10.4	11.1	**11.2**	**10.5**
India	9.0	9.7	**9.0**	**8.4**
Middle East	5.3	5.7	**5.4**	**5.5**
Western Hemisphere	4.6	5.5	**5.0**	**4.4**
Brazil	2.9	3.7	**4.4**	**4.2**
Mexico	2.8	4.8	**3.1**	**3.5**

Source: *IMF World Economic Outlook*

Travel & Tourism Demand 2007-2017

(listed in order of air volume)

1. United States
2. China
3. Japan
4. Germany
5. United Kingdom
6. France
7. Spain
8. Italy
9. Russian Federation
10. Canada

Coping with frustration

Corporate pressure to keep travel costs down, airplanes packed to the brim and high hotel occupancy rates mean that traveler frustration is at an all-time high. The challenging situation will only worsen in 2008. How can travel managers help travelers maintain or even ameliorate their productivity in less-than-ideal circumstances? Advito and BCD Travel experts offer the following advice:

Know your markets
Keep in mind, for example, that in terms of overcrowding and flight delays, travel between Asia Pacific and the U.S. West Coast is often easier in summer than between Asia Pacific and the U.S. Midwest.

Understand the numbers
Airlines are now padding flight times to compensate for potential delays. This means that 90-minute flights are sometimes officially listed as 120- or even 150-minute trips. Such changes may have an impact on costs for travel policies in which class of travel is dictated by length of flight.

Factor in hotel costs
Because seats are in short supply, travelers may have to arrive for meetings a day earlier, necessitating a hotel stay. Travel managers will need to prepare for possible impact on their budgets.

Redefine the work day
Longer travel times – and increased security delays – imply a changing perception of the work day, and travelers will need to be given the tools to maintain their productivity. Additional expenses may impact the total cost of travel (for example, fees for wireless access to help travelers make the most of time spent sitting in crowded airports).

Choose the right airport
Although secondary airports are often much easier to navigate, limited service can be a challenge when travelers are faced with irregular or disrupted operations. With airline load factors well above 80 percent, inventory is scarce and flexibility will be vital.

Consider air travel alternatives
In some markets, rail transport offers viable options for increased traveler productivity.

Thank you for your interest in BCD Travel. We are proud to be a leader in offering our clients the information, guidance and solutions that help them make sense of the complexity and endless options within the corporate travel industry.

If you would like more information about BCD Travel's agile and flexible approach to travel management, please visit www.bcdtravel.com or contact your BCD Travel account manager or sales representative.

About BCD Travel

As a leading provider of global corporate travel management, BCD Travel simplifies and streamlines the business of travel. This benefits our client's organization on every level: from the bottom-line to the business traveler. BCD Travel operates in more than 90 countries on five continents, with US$12 billion in total sales and a combined worldwide work force in excess of 12,000. BCD Travel is a BCD Holdings N.V. company. For more information, visit www.bcdtravel.com.

About Advito

Advito provides travel management consulting services that guide clients through a complex travel environment. Advito's focus on consulting delivers proven value, unbiased counsel and a customized approach for every client and every engagement, together with industry expertise and access to data to drive quantifiable decision-making. Advito is headquartered in Dallas and operates in key business markets around the world. Advito is an independent operating unit of BCD Travel. For more information, visit www. advito.com..

About BCD Holdings N.V.

BCD Holdings N.V., a Dutch family-owned company founded in 1975 by John Fentener van Vlissingen, is a market leader in the travel industry and successful niche player in the financial services industry. The BCD Holdings companies are BCD Travel (global corporate travel management), Park 'N Fly (off-airport parking), TRX (travel transaction processing and data integration services), Airtrade (leisure travel) and Primary Capital (real-estate financing). The company employs approximately 14,000 people and operates in more than 90 countries with total sales, including franchising, of US$ 13 billion. For more information, visit www.bcd-nv.com.

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