CORPORATE TRAVELER™

The smarter business travel guide for finance leaders

With insights from Mark Imrie, CFO of Flight Centre Travel Group, The Americas

A CFO's perspective on travel

With almost 20 years in the travel business, I've seen changes come and go during my time working in Australia and the U.S.

Over the years, I've found these three factors have a major impact on travel programs:

- Travel is one of the largest controllable SG&A (selling, general, and administrative expenses) categories, yet it's one of the least predictable.
- Multiple supplier ecosystems between air, hotel, ground transport, and travel agencies create a complex environment. Partners with a clear understanding of each area help you navigate the chaos.
- Finance leaders need to be prepared with data and strategies that can manage cost, risk, and ROI. Planning now can help to manage uncertainties in the future.

The volatility of travel spend is a cost concern and a strategic challenge. For finance leaders, the question isn't whether to spend on travel, but how to deploy it to maximize ROI. Today, the companies moving ahead are the ones treating travel like working capital, by investing in the right trips, at the right time, and with the right controls.

Corporate Traveler has two unique perspectives:

1. Managing travel for 17,000+ customers, with over 30 years of experience.

2. Our purpose: "To open up the world for those who want to see", speaks to driving the global economy by facilitating world trade and innovation.

Business travel is the second largest controllable cost for businesses overall, so having the right strategies makes all the difference.

This guide provides a data snapshot of some of the biggest changes in corporate travel in the past few years. It discusses the challenges and opportunities businesses face, and offers strategies for how to approach them.

Many companies struggle with the growing costs of travel hitting their P&L. Today, we'll unpack the costs of business travel and why things have gone up, so you're prepared to continue business travel and drive growth no matter the economic conditions.

Let's dive in.
Mark Imrie, Chief Financial Officer of Flight Centre Travel Group, The Americas

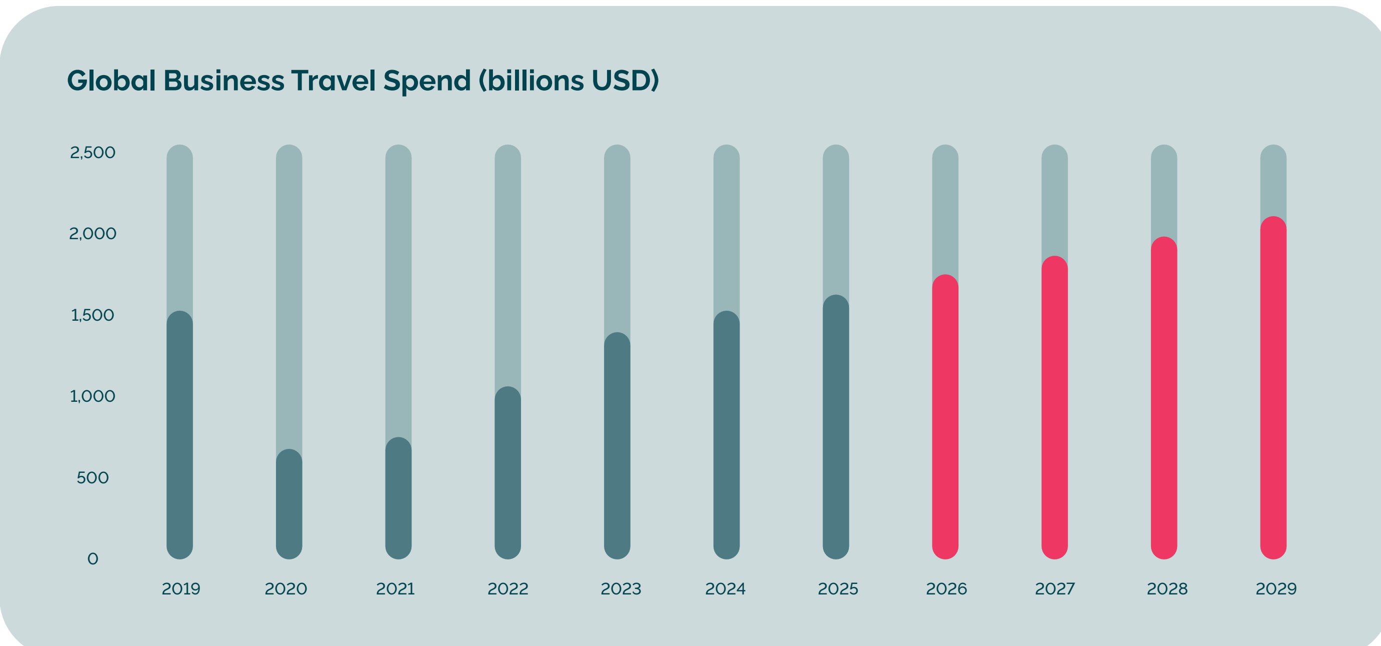
The state of business travel spending

The business travel industry has certainly changed over the last 5 to 6 years.

In 2019, the global business travel market was approximately $1.4 trillion, supporting over 300 million jobs. Following lockdowns, work-from-home, and uncertainty, business travel dropped by two-thirds overnight, and many predicted the end of business travel.

But business travel has come roaring back, and it's expected to grow between **6%** and **7%** annually. It might be a little different and more costly, but it's back. Global business travel spending is set to reach more than **$1.5 trillion in 2025**, and it's expected to reach **$2 trillion by 2029.***

Business travel recovery



> **We really do see business travel as central to how small and mid-market businesses grow, build relationships, and innovate. But today, it comes at a higher cost and with evolving employee expectations that businesses need to navigate carefully.**
>
> Mark Imrie, Chief Financial Officer of Flight Centre Travel Group, The Americas

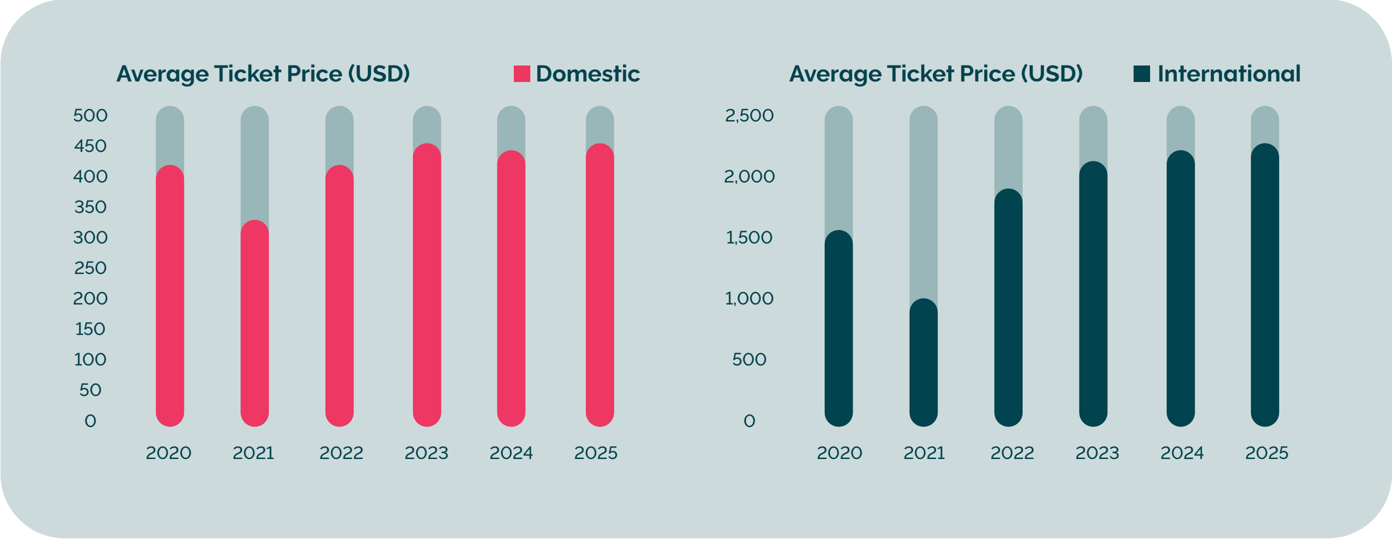
*Source: 2025 GBTA Business Travel Index Outlook

Airfare pricing shows a stabilizing trend

Typically, airfare makes up 40% of total business travel spend, making it crucial for managing travel costs.

For Corporate Traveler customers, about 80% of all air bookings are domestic travel, while **20%** are international and transborder flights. Measured by gross booking value (which is the cost hitting your P&L), it's closer to a 50:50 split.

Airfare trends



Domestic ticket prices climbed rapidly between 2021 and 2023 but have moderated over the last two years as demand conditions soften. International ticket prices had a steep decline of 35% in 2021, and then prices increased by 95% in 2022. Prices for international travel have remained stubbornly high since 2023. The average ticket price in 2025 is $2,100. That's $600 more than in 2020.

Hotel pricing sees domestic increases, mixed results internationally

Hotels make up about 30% of total business travel spend and have increased in the years following the pandemic.

Room rates remain elevated, as much as **40%** higher than 2019 in some regions. If you're sending travelers to New York or Boston, the hotel charges coming through might make your eyes water.

- **Domestic:** $281 avg nightly rate
- **International:** $183 avg nightly rate

Hotel costs in Latin America, Europe, and the Middle East are rising, but costs have started to moderate in Asia and Australia. Here are the main regional trends year-over-year.

Hotel trends

Average room rate 2025 vs 2024

Supplier strategies and pricing policies are only one part of the picture. Once again, major macroeconomic factors are also affecting costs and shaping current travel trends.

The three forces driving travel costs

Industry supply gaps

During the post-pandemic recovery, leisure travel was on the rise with record-high personal savings, government stimulus, and a desire to reconnect with loved ones. At the same time, the hotel industry has been facing ongoing staff shortages, and the number of hotels under construction remains suppressed well below 2019 levels.

Airlines tried to capitalize by redeploying available capacity towards leisure destinations in high demand, driving up prices. However, they were slow to respond.

Airlines have been controlling capacity to maximize yields and provide a more premium experience that travelers expect. The perfect storm of the pandemic, the grounding of Boeing MAX aircraft, Pratt & Whittney engine issues, and pilot or staffing shortages led to a **50%** decline in aircraft deliveries. Airlines have been playing catch-up ever since.

Structural inflation & wage inflation rise

Staffing issues have added to rising travel costs, with 55% of airline operating costs due to people costs and fuel. Wage increases as a result of union activity have also contributed to higher labor costs.

Fuel costs are still **25%** higher than in 2019. Geopolitical conflicts in Ukraine and the Middle East have helped to accelerate fuel costs since 2023.*

Pricing power & technology amp up

Airlines and hotels have both made an increased level of investment in their pricing and distribution capabilities, whether that's NDC (New Distribution Capability) content for airfares or AI-driven dynamic hotel pricing.

Until recently, an airline wasn't able to dynamically price or allow a customer to customize a bundle of services (extra leg room, a special meal, or an extra bag). Deploying NDC content now makes this possible.

The main result of these changes is an unbundling of services, which has meant an explosion in the ancillary revenues for airlines and hotels (doubling from 2020 to 2023). The total global ancillary revenue for airlines broke records in 2024, surpassing **$148 billion**.

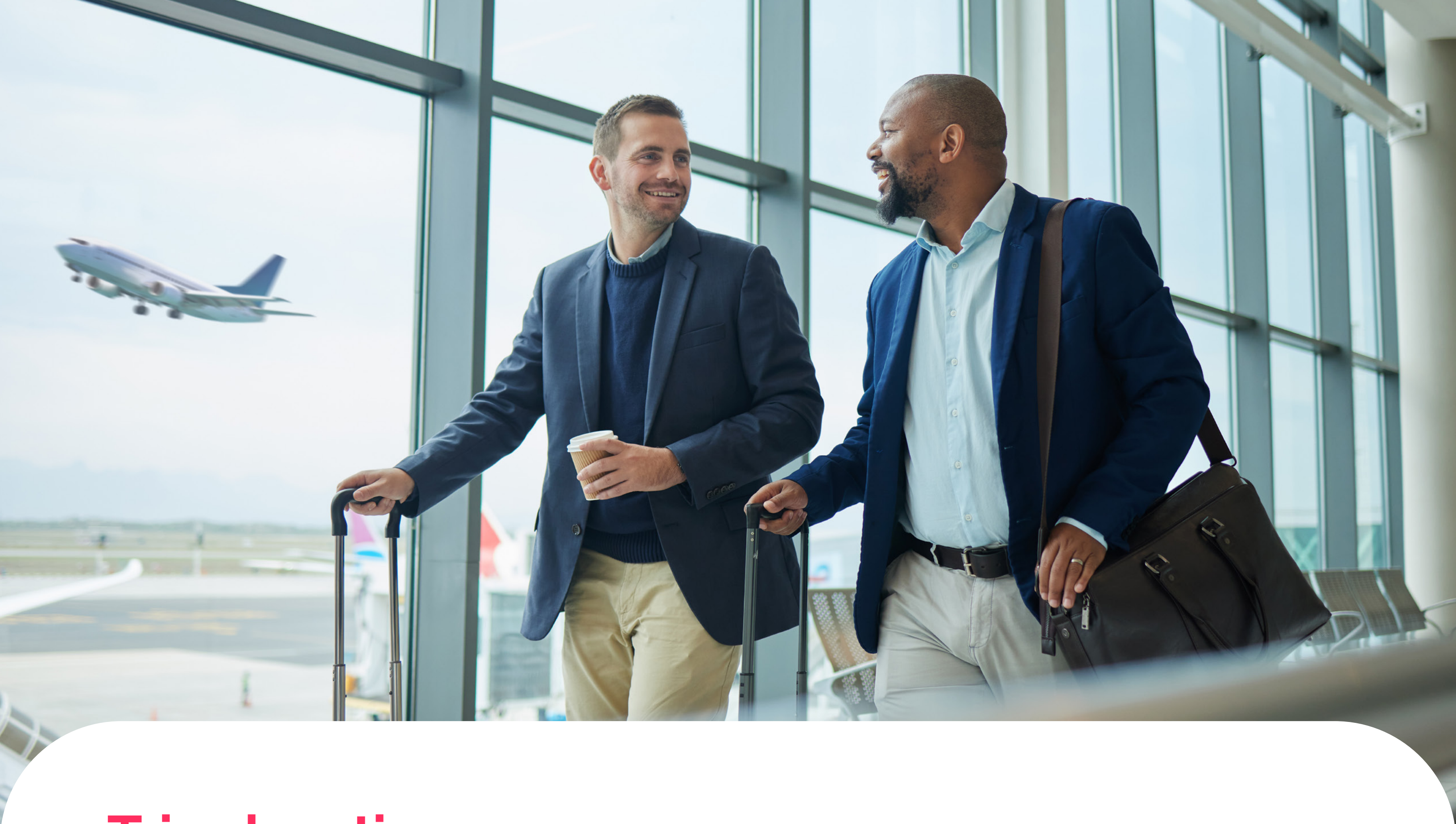
TAKEAWAY: Pricing is no longer static. Annual supplier contracts are giving way to continuous repricing, requiring constant monitoring and flexible policy enforcement. An experienced travel partner effortlessly monitors these trends and knows when to engage with suppliers for the best travel savings.

**Source: https://avitrader.com/2024/08/12/airline-industry-fuel-costs-set-to-reach-us291-billion-in-2024/*

Common traveler behavior to watch for

Another contributor to the rising costs of business travel is changing traveler preferences and behavior. Understanding traveler behavior offers the most opportunity for businesses to take control of their spending.

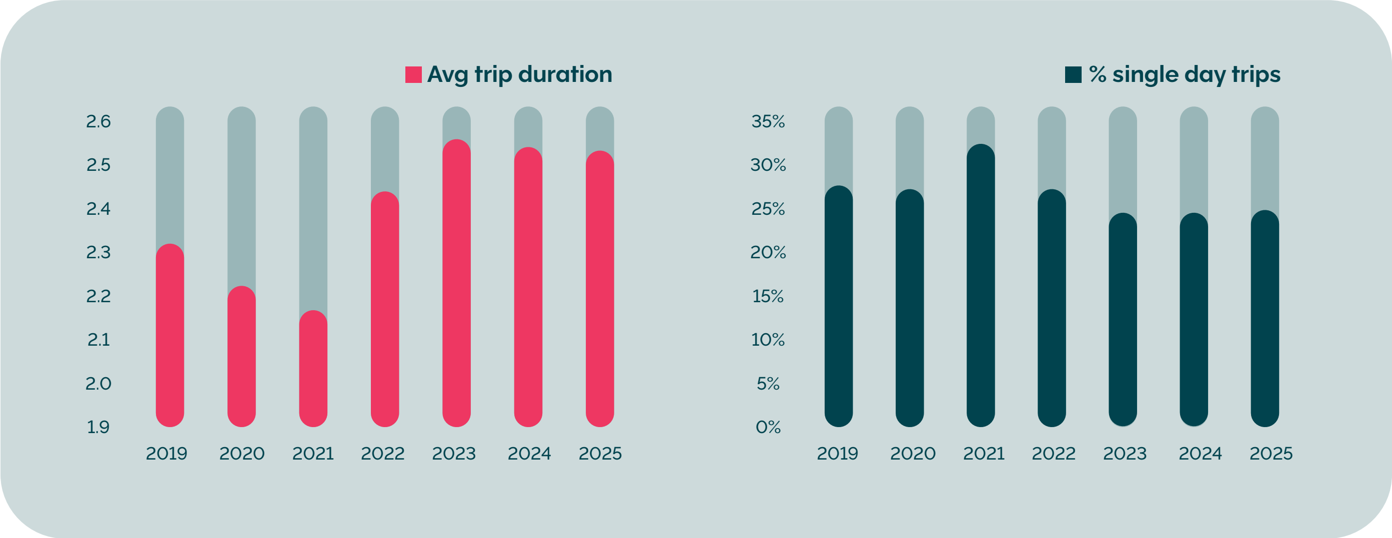
Corporate Traveler booking data shows trends in trip duration, departures, and other habits, whether travelers self-book or book through a managed program.



Trip duration

Longer trips are replacing single-day trips, and the average trip is now around 2.5 days. There's also been a drop in the percentage of single-day trips since 2019. For example, looking at single-day trips for Boston to NYC or LA to San Francisco.

International trips are getting longer, too. For U.S. business travelers, trips to the Asia-Pacific region increased from 8.8 days to 10.2 days, and trips to Europe grew from 7.4 to 8.1 days, according to Mastercard's Travel Trends 2025 report.



In a world balancing hybrid work schedules, companies are looking to maximize face time while still balancing the cost per trip. Supporting employee wellbeing by arriving a night earlier can result in a more productive and satisfied employee, and has an ample impact on business results. Multi-city trips are becoming more common, extending the duration but reducing the number of trips.

The booking window

As the travel industry recovered, the advance purchase window decreased by 50%. Now, it has increased to higher than 2019 levels, likely due to businesses becoming more cost-conscious and the increased necessity of business travel.

Tickets purchased more than 21 days before a travel date are **17%** cheaper than those purchased within 7 days of traveling. Adding an advance booking guideline to your travel policy is a simple step that can cut down expenses.

Departure day

Choosing a departure day is closely tied to trip duration and the booking window.

Monday is the most popular departure day, but as trip duration has extended, there are more departures earlier in the week. **52%** of trips departed on Monday or Tuesday in 2024.

Sunday departures have also increased, adding an additional night to business trips. It's an important factor to consider for duty of care and visibility into traveler tracking on weekends. It could also be influenced by the rise of bleisure travel.

Traveler preferences & patterns

Business and premium class travel is increasing as consumers prefer a higher class of service. Among our customers, this now accounts for almost 10% of all trips booked (doubling 2019 levels).

This is often driven by travel policies with a higher emphasis on duty of care and employee morale. In the recent tight labor market, this has been important, but it comes with 2-4 times the cost. Long-haul flights often have higher demand for premium or business class.

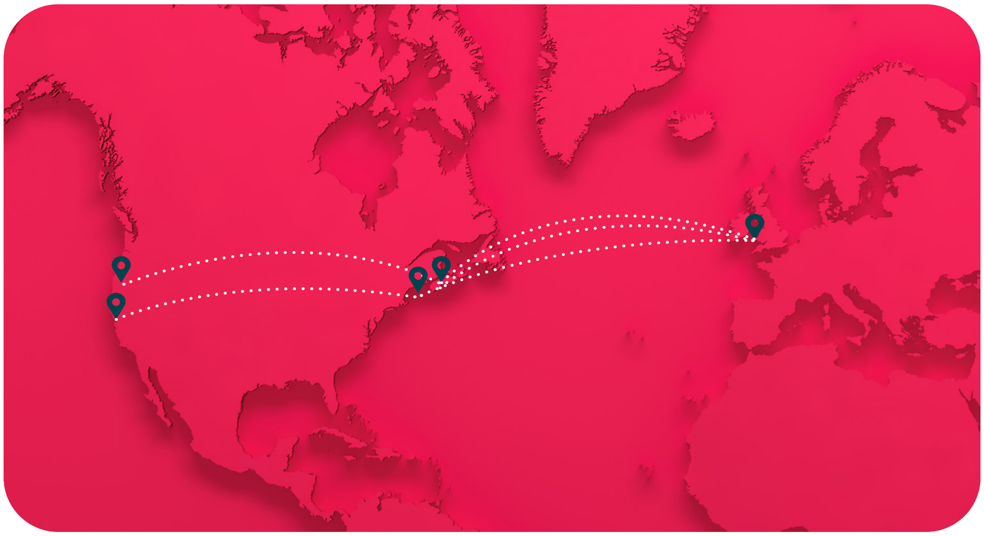
Other recent trends in business travel include:

- Fewer short, last-minute trips.
- Executives tend to have more trips per year than other employees, like salespeople.
- A reduction in average traveler age, from 52 in 2019 to 46 in 2025.

TAKEAWAY: Behavior shifts can create margin opportunities, and earlier booking compliance can unlock double-digit savings. Longer trips can mean a higher ROI per traveler journey.

High-value routes & destinations

The top business destinations for flights are centered in a few cities. In the last 12 months, the top business trip destinations were New York, Boston, Chicago, London, and San Francisco.



For air travel, these were the top routes:

- JFK to London Heathrow
- Boston to London Heathrow
- Newark to London Heathrow
- Boston to San Francisco
- JFK to Los Angeles

TAKEAWAY: Top routes highlight an opportunity for concentrated spend and stronger negotiation leverage. A managed travel program working with a travel management company can get you the best rates and availability by strategically selecting airline partners who reward travel volume and frequency.

External risks not to ignore

Tariffs and trade policy shifts may be having an effect on travel trends. International travel to the U.S. was down 1.6% year-over-year in early 2025.

Tariffs & policy changes add volatility

While the industry is forecast to grow 6-7% compounding, it's very difficult to predict. Expanded travel bans, immigration enforcement, and tariffs have added volatility to the business travel sector. In the airline industry, companies are closely monitoring steel and aluminum tariffs.

Since January 2025, there have been seven consecutive months of declines for corporate bookings, accelerating in April. The U.S. has seen a decline in international arrivals overall and from specific regions.

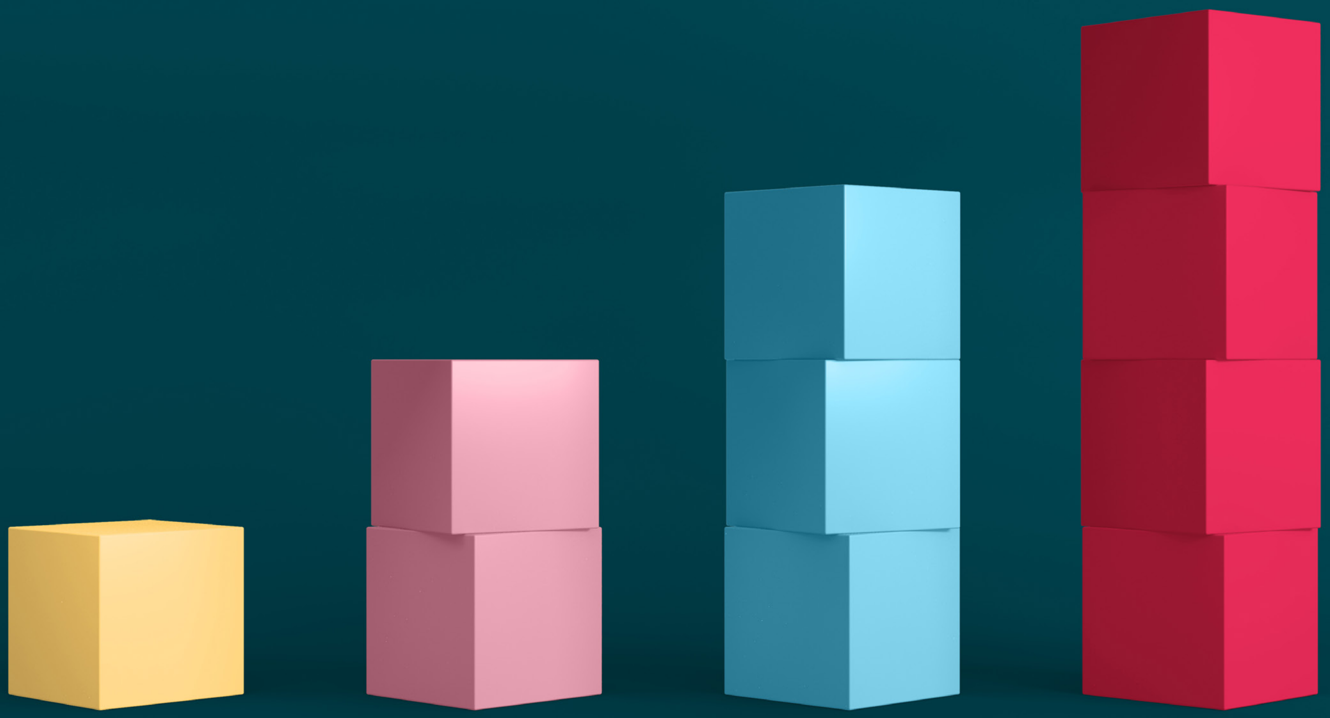
- Overseas visitors are down **11.6%** in March 2025
- Projections predict an **8.2%** overall drop in 2025 (including a **20%** plunge in Canadian visits and a **17%** decline from Western Europe arrivals)

The Canadian dollar has fallen since 2021, which means US-based companies can stretch their travel budgets there further. However, the Euro has returned to 2019 levels, and the British pound is slightly up from 2019. Shifts like this are an opportunity to reevaluate where you're sending your travelers to, for more cost savings.

TAKEAWAY: Business travel is a risk management concern as much as a cost one. Diversification of supplier agreements, hedging strategies, and travel partnerships are all critical parts of a planning strategy.

The playbook: Turning spend into ROI

Finance leaders are under pressure to manage costs without stunting growth, and face many critical decisions. Cut too much and you lose opportunities, spend inefficiently and you erode margin. Find the right balance and you have a strategic lever for growth.



The ROI equation

According to a survey from Oxford Economics, every $1 invested in business travel generates around $12.50 in incremental revenue. This growth is largely from new customers.

Corporate Traveler clients are also seeing significant savings:

- In 2024, they enjoyed **$19 million in total savings** and **freed up 28,000 hours of employee time.** That's equivalent to more than 400 FTE weeks!
- From January to April 2025, Corporate Traveler delivered an average **ROI of $1.79:1** to customers, and we provided **more than $7 million in savings** from January to March.

TIP: Treat travel spend like working capital. Assess not just cost per trip but also return per trip by linking spend to revenue outcomes. These could be metrics like pipeline progression, customer retention, or deal close rates.

The framework: Measuring travel ROI

Track these metrics to measure your travel ROI. If you're doing this, you're already ahead of the game. Just 13% of companies actively measure trip success rate and trip ROI.*

1. **Cost per revenue dollar** = Total travel spend ÷ revenue influenced by trips.
2. **Productivity ROI** = Time saved through compliance and automation × average hourly fully-loaded salary.
3. **Leakage capture** = Out-of-policy or unmanaged spend identified ÷ total spend (This is typically 8–12% in unmanaged programs).

TIP: Build these into monthly dashboards alongside core financial KPIs to show which types of travel are most valuable.

Source: https://www.cfodive.com/spons/maximizing-roi-on-corporate-travel-a-cfos-perspective/732902/

Cost control & savings levers

Build these strategies into your travel policies and communicate with frequent travelers to secure compliance.

- **Best-practice purchasing:** Advanced purchasing, or trips booked more than three weeks in advance of travel, will save an average of **17%** compared to last-minute (one-week out) bookings.
- **Policy guardrails:** Sticking to preferred suppliers can reduce spend by **10–15%** through volume leverage.
- **Dynamic pricing monitoring:** Set thresholds for acceptable variance. When spot rates exceed a certain percentage of contracted rates, trigger a review to update current data.
- **Leakage audit:** Audit quarterly for off-platform bookings, non-preferred suppliers, or last-minute upgrades.

Productivity & premium travel

Travel is not a one-size-fits-all field. To enhance productivity and employee satisfaction while balancing your bottom line, consider the following questions:

- **Which upgrades make the most sense?** Should you allow business class for flights more than six hours or tied to high-value client meetings? Explore linking policy to ROI, not just seniority.
- **When does time spent traveling matter more than cost?** Prioritize traveler wellbeing, since fatigue challenges work performance on the road.
- **How can you reduce admin for finance teams and travelers?** Partner with a travel management company to automate reconciliation and reporting, freeing employees from manual work. Learn how to simplify complex bookings to save traveler time.

Supplier & contract strategy

Travel data is your asset when stepping into negotiations. If you don't have this available, managed travel programs or working with a travel management company can help. Here's how to get the most leverage out of your travel dollars.

- **Know your top five:** Focus negotiations on the top five routes or destinations for your business, where spending concentration is highest. Often, money is left on the table due to pre-negotiated rates, and a travel partner can help you negotiate better rates.
- **Plan long-term to manage risk:** Build multi-year agreements where volatility risk is high. Examples of this include fuel or currency agreements.
- **Tap into a global network:** Leverage a travel management company 's aggregated buying power rather than going direct for one-off deals.

Strategic alignment

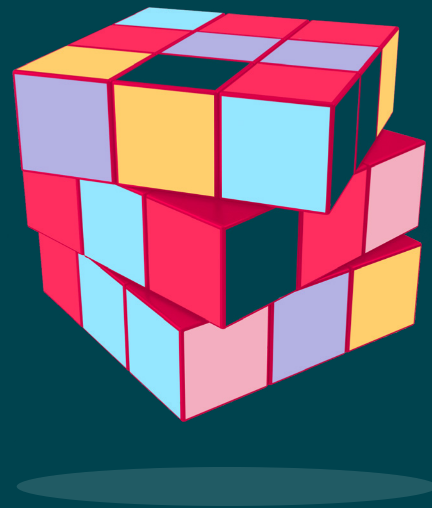
Smart travel programs and corporate strategy should work hand-in-hand. To achieve this, CFOs should focus on:

- **Growth alignment:** Are travel budgets being deployed toward revenue-driving activities, like customer acquisition, rather than internal travel with low ROI? Look for cost leakage and encourage policy compliance, based on real-time usage data of your travel budget.
- **Capital allocation:** How does travel spend stack up against other growth investments, such as marketing or R&D? Is it being under- or over-funded?
- **Board & investor communication:** Is it clear how travel investment supports growth in the pipeline, deal velocity, and market expansion?
- **Scenario planning:** How will travel budgets adapt in response to economic cycles? Can the budget be tightened during downturns and scaled up quickly when growth windows open?
- **Cross-functional strategy:** Is Finance working with Sales, HR, and Operations to ensure policies support cost control but also talent retention, client satisfaction, and productivity? Where are your opportunity gaps? Trips that bring the most value might not be the ones with the highest costs.

TIP: Build a quarterly Travel ROI Report that ties spend directly to revenue outcomes and strategic goals, something the CFO can take straight to the boardroom.

The top takeaways

Ultimately, smarter spending means unlocking more cash flow. By measuring ROI at both the cost and revenue levels, and aligning policies with productivity, finance leaders can transform travel from a complex cost center into a productive growth driver.



The real-life results of smarter business travel

Business travel is a complex, dynamic category of spend that directly impacts growth, productivity, and risk exposure. Finance leaders who treat travel as a controllable cost center miss the bigger opportunity: using it to unlock revenue and competitive advantage.

The evidence is clear.

- Costs change often and are influenced by structural forces outside the company's control.
- Traveler behavior shifts in ways that can either erode or amplify ROI.
- External risks, from tariffs to labor shortages, add another layer of unpredictability.
- A strategic approach ensures travel is used efficiently to deliver on the company's overall growth agenda.

Travel spend becomes a source of strength with the right approach. Partnering with a travel management company offers you real-time reporting, supplier leverage, and compliance enforcement at scale. CFOs can free up cash flow, increase productivity for each trip, and demonstrate how travel investment fuels growth.

The strategic travel playbook is straightforward.

- Align travel budgets to core business strategies.
- Measure ROI.
- Monitor risks.
- Enforce compliance.

Final thought: In a tight economy, finance leaders who master travel spend will be seen as role models for smarter business decisions, bringing about more engaged employees, lower operating costs, and stronger customer relationships.

If you're ready to re-examine your travel costs and enhance your travel program, contact us today.

Talk to an expert

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