



# Managing business travel: Developments and dilemmas in corporate travel management

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## ABSTRACT

Work organizations today often depend on communication and interaction between persons working in geographically dispersed locations. As a consequence, business travel has increased considerably over the past few decades, and large companies and public authorities often employ travel managers to implement efficient travel routines. The present paper investigates the professional practice of travel management. Using interviews, policy documents and existing literature, it examines recent developments in this field and identifies a number of dilemmas and challenges that travel managers experience in their attempts to control travel behaviour and travel costs in their organizations. These dilemmas occur in travel managers' relations with other stakeholders in the business travel process – travellers, senior managers, suppliers, and travel agents. An additional dilemma concerns the role of 'virtual meetings' (via telephone, video or the Web) and their potential to serve as substitutes for or complements to travel and face-to-face meetings.

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## 1. Introduction

The past few decades have witnessed a substantial increase in business travel, especially among managers and professionals (Doyle & Nathan, 2001; Swarbrooke & Horner, 2001). Important factors underlying this development are globalization and geographically expanded markets, growing numbers of multi-unit companies, new organizational trends such as networking, outsourcing and work in project teams, and improved infrastructures for mobility (Aguilera, 2008; Beaverstock, Derudder, Faulconbridge, & Witlox, 2009). These different factors have created a growing demand for communication and interaction between persons who work in different locations – sometimes within the same organization, sometimes in different companies. Businesspeople need to meet in order to buy, sell, and negotiate other agreements; cooperate, coordinate and exercise managerial control; create productive settings for teamwork, brainstorming and innovation; and develop professional networks and interpersonal trust (Faulconbridge, Beaverstock, Derudder, & Witlox, 2009). In response to these demands, companies and businesspeople develop 'portfolios of mobility' (Millar & Salt, 2008), including not only travel but also 'virtual' meetings via telephone, video or the Web (cf. Urry, 2007). Yet scholars in this field

emphasize the continued importance of physical co-presence. More complex forms of communication require face-to-face interaction, and in external contacts – sales in particular – travel and personal presence are often regarded as an expression of commitment (Aguilera, 2008; Faulconbridge et al., 2009).

As a consequence, business travel today is an important industry worldwide. According to statistics from The World Travel and Tourism Council (2010), the global value of business travel expenditure exceeded USD 800 billion in 2010. In Sweden, where the present study was conducted, business travel expenditure was estimated at around USD 7 billion,<sup>1</sup> while national travel surveys from the late 1990s and early 2000s indicate that work-related travel (commute distance excluded) accounted for 17.6 percent of all registered travel (passenger kilometres) and 21.6 percent of the number of journeys abroad (Gustafson, 2005).

There is a growing body of research investigating what consequences frequent business travel may have for travellers with regard to their work situation (Gustafson, in press; Holley, Jain, & Lyons, 2008; Ivancevich, Konopaske, & DeFrank, 2003), their family relations and private life (Bergström, 2010; Espino, Sundstrom, Frick, Jacobs, & Peters, 2002), and their personal identifications and orientations (Gustafson, 2009; Lassen, 2010). But business travel also has organizational and economic consequences

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<sup>1</sup> National data for 2010 obtained in January 2011 from [http://www.wttc.org/eng/Tourism\\_Research/Economic\\_Data\\_Search\\_Tool/index.php](http://www.wttc.org/eng/Tourism_Research/Economic_Data_Search_Tool/index.php).

for employers. For this reason, large companies, in particular, often try to implement policies, regulations and standardized routines for their business travel. The concept of 'travel management' describes such activities pursued on a professional basis, by employed 'travel managers' (Jenkins, 1993; Lubbe, 2003).

Managing travel is not an easy task, however. Business travel involves several different stakeholders with different interests to defend (Douglas & Lubbe, 2006). Travel managers need to develop relationships with travellers, with decision-makers in their own organizations (who are, in addition, often frequent travellers themselves), with suppliers (airlines, train companies, hotel chains, etc.) and travel agencies. All these relationships involve both mutual interests and potential conflicts. Business travel is indeed a highly complex industry, owing to the character of the products involved (Davidson & Cope, 2003, pp. 46–49), the way in which the distribution of these products is organized (Alamdari, 2002; Holma, 2009) and the 'hybrid' character of the market for the products (Mason & Gray, 1999). In addition, travel management has increasingly come to involve the 'demand' side of travel. For a travel manager, this means questioning why people travel and encouraging the use of 'virtual meetings' (video conferencing, Web meetings, etc.) instead of travel and personal meetings when virtual encounters may be appropriate (Arnfolk & Kogg, 2003; Jonas, 2009). Taken together, these factors make travel management a very interesting area of study. Yet corporate travel management has thus far received little attention among social scientists interested in travel and tourism management.

The purpose of the present paper is to investigate travel management as a professional activity. As subsequent sections will show, corporate travel management raises questions about organizational roles, hierarchies and cultures; about the psychological and emotional sides of travel and how these affect the conditions for management; about 'triadic' business relationships in a market where intermediaries (travel agents in particular) play a crucial role; and about the interplay between 'corporeal' travel and other forms of mobility. These issues are of interest both to travel research and to social and management science more generally. Other forms of 'travel management', 'travel demand management' or 'mobility management' – mostly local programmes aimed at reducing car traffic and urban congestion – are not dealt with here.

The next section briefly describes the data and methods used in the study. Then follows an account of how travel management has developed and how travel managers are working today. Subsequent sections examine more closely a number of dilemmas that emerged during the study. Most of these dilemmas concern travel managers' relations with other stakeholders in the business travel process; an additional dilemma lies in the relation between travel and face-to-face meetings, on the one hand, and virtual meetings, on the other. Finally, a concluding discussion summarizes the main points of the paper and considers their implications for future research.

## 2. Investigating corporate travel management: data and methods

The present study uses interviews and policy documents from two research projects focused on business travel and travel management in Sweden and, in addition, reviews scientific literature and the trade press in these fields. The literature review provides contextual and historical information on the business travel industry and the development of corporate travel management. The empirical data provide first-hand knowledge about how travel managers work and about the challenges they face in their efforts to manage travel. Data collection in the two projects was carried out in 2008 and 2009. Interviews were carried out with 22 travel managers working in Sweden, recruited among members of

the Swedish Business Travel Association. The sampling procedure aimed at variation so as to allow differentiation of general features of the travel manager role from details pertaining to specific organizations or industries. Thus, seven interviewees were employed by public authorities and 15 by private companies from different sectors (including services, trade and manufacturing). Organizations in the study also differed in terms of size, travel volumes and travel patterns. Interviews were semi-structured, including open-ended questions about a number of pre-defined themes. These themes differed slightly between the two projects, but all interviews contained questions about the interviewees' professional background, their current work tasks and strategies for managing travel, and their professional role as travel managers. Most interviews lasted between one and two hours. In addition to the interviews, 17 of the travel managers also made their travel policies (or similar documents) available for analysis. The following analyses draw on the whole body of empirical data and on existing literature. Their main focus is on common developments and dilemmas rather than on differing details. Quotations from interviews and travel policies are used to illustrate important analytical themes. These quotations have been anonymized (with regard to both individuals and organizations) and translated into English by the author.

## 3. Managing travel: taking control

Business meetings with colleagues, owners, customers and suppliers are very important, indeed indispensable, to reinforcing our Nordic organization. But they are also an expensive and time-consuming activity, from both the organization's and the employees' perspective, since we often travel between business meetings. Many employees also have a Nordic responsibility that necessitates their presence in several different places on a regular basis. In addition, we have a responsibility for the environmental effects of our Nordic organization. For these different reasons, we must carry out our business meetings and our business travel in a cost-efficient, equitable and secure manner, and with as little environmental impact as possible.

This quotation, from the travel policy of a company in the service sector, summarizes the main reasons why many large organizations today are working with travel management. The most important reason is clearly economic. Business travel represents substantial costs, and controlling these costs – and finding ways to reduce them – is central to the professional role as travel manager (Holma, 2009; Lubbe, 2003; McNulty, 2009). A second set of reasons involves the comfort, working conditions and security of the travellers. For frequent travellers, travel may be associated with stress and risk in various ways (Ivancevich et al., 2003), and such considerations are often integrated into travel management. More recently, environmental issues in relation to travel (Åkerman & Höjer, 2006; Høyer & Næss, 2001) have become an additional concern in many organizations.

Travel management first developed in large U.S. companies. Morrison, Ladig, and Hsieh (1994) trace travel management practices back to the 1940s, whereas Jenkins (1993) claims that the professional role as 'travel manager' emerged in the late 1960s. The National Business Travel Association (NBTA), the largest professional organization for travel managers in the U.S., was established in 1968. Somewhat later, travel management also reached Europe, and in Sweden, where the present study was carried out, the Swedish Business Travel Association (SBTA) was formed in 1983. Since then, travel management has become increasingly common among large work organizations as a consequence of increased

business travel and hence increasing needs to control travel-related costs (Lubbe, 2003; Mason, 2002).

In addition, the growth of travel management has coincided with, and been strongly influenced by, two important developments in the business travel industry. First, deregulation of air traffic – in the U.S. between 1978 and 1982 (Morrison et al., 1994) and in Europe in the early 1990s (Mason & Gray, 1995) – opened the door to more flexible air travel pricing. This in turn has meant new opportunities for companies to reduce their travel expenditures by negotiating agreements with suppliers or by making sure that their travel agents systematically book the cheapest tickets available. Second, with the development of Internet and online booking tools, suppliers have become less dependent on travel agents. Previously, commissions from suppliers, and airlines in particular, were the main source of income for business travel agencies. Such commissions have been cut down substantially, and the major part of travel agents' incomes today consists of transaction fees and management fees paid by their clients (Davidson & Cope, 2003, pp. 58–59; Holma, 2009, pp. 112–113). This means that travel agents must offer services for which their clients are willing to pay a visible price. Under these new market conditions, a successful strategy for large business travel agencies has been to support corporate clients in their travel management work by offering policy monitoring, detailed travel statistics, security solutions and consultative support (Alamdari, 2002; Holma, 2009). Today, these agencies often describe themselves as 'travel management companies' rather than as travel agencies.

The overall goal of travel management is to take control of the organization's travel behaviour and travel costs. In important respects, control is obtained through centralization and standardization (Holma, 2009; Jenkins, 1993; Lubbe, 2003). More specifically, the present study identified six important tasks for a professional travel manager:

1. *Developing and implementing a travel policy.* The main objective of the corporate travel policy is to establish common rules and routines. It contains regulations on how to travel – what means of transport and what suppliers to use, what degree of comfort is allowed (e.g., economy or business class), what kind of ticket to use, and so forth. The travel policy also specifies what administrative routines travellers should follow, such as pre-trip approval, booking procedures, payment routines and expense report management. Developing and implementing a travel policy is therefore a cornerstone in the travel manager's efforts to take control of the organization's travel activity.
2. *Cooperating with a travel agency.* The use of one selected travel agency for all reservations provides uniform administrative routines and gives the travel manager access to reliable statistics on the organization's total travel activity and travel costs. The travel agency can also assist in implementing travel policy by advising travellers about policy rules, refusing bookings not allowed by policy, or reporting policy deviations to the travel manager. Making sure that travellers always use the contracted travel agency is therefore an important strategy for most travel managers. Travel agencies also provide security services and various forms of consultancy about travel management.
3. *Making agreements with suppliers.* A traditionally important task for travel managers has been to negotiate with suppliers to obtain favourable prices and conditions. In order to be successful in such negotiations, the travel manager needs accurate travel statistics showing the organization's travel volume, and a robust travel policy to ensure that travellers use the preferred suppliers.

4. *Standardizing payment routines.* It is typically the travel manager's task to implement routines for the payment of travel-related expenses. Travel account services and corporate charge cards are common solutions, and these are normally implemented in cooperation with the travel agency. More advanced computerized systems may provide integrated routines for booking, invoicing, payment, travel expense reporting, manager authorization and accountancy, in order to minimize manual and paper-based work.
5. *Using travel statistics.* Statistics on travel volumes, travel patterns and travel costs are vital to the travel manager's attempts to take control of travel, for two main reasons. First, travel statistics are used in negotiations with suppliers, as indicated above. Second, statistics are used to analyse the organization's travel activity, monitor policy compliance and identify possibilities to reduce travel costs. Statistics may be collected from the travel agency, from the payment system(s) and from suppliers, and travel managers often spend considerable time comparing and analysing travel statistics.
6. *Communicating and gaining support within the organization.* The travel manager needs to communicate with travellers to inform them about the travel policy and important travel-related news, and to receive feedback (including complaints) about policy rules, travel arrangements, suppliers and travel agency services. The travel manager also needs to ascertain that the travel management programme is supported by key decision-makers in the organization.

All these tasks are normally the responsibility of a professional travel manager, although most of them also involve cooperation with other departments. For example, agreements with external partners often involve the procurement department, payment routines involve finance, and the security department may take an interest in travel arrangements, especially in organizations with extensive international travel.

However, the description of travel management given above is something of an ideal type. In reality, many travel managers find it difficult to fully implement such routines and practices in their organizations. This has to do both with the influence and interests of other stakeholders and with more general characteristics of business travel and the business travel market. The following sections examine more closely a number of dilemmas that travel managers face in their attempts to manage travel.

#### **4. Managing internal relations: the ambivalent position as travel manager**

An initial dilemma concerns the role as travel manager and the travel manager's position in the organization. Travel represents significant costs and is vital for business activities in many companies, yet travel managers often feel they lack the necessary power and status to take control of travel. To begin with, travel management often does not represent a full-time position. In a survey made by the Swedish Business Travel Association among its members (in 2007), only 20 percent of respondents were working full-time with travel management. Similar findings are also reported from other countries (AirPlus & ACTE, 2009; Lubbe, 2003). Thus, most travel managers have other responsibilities besides travel management, sometimes as administrative assistants or CEO secretaries, sometimes at the procurement, human resources or finance department. Moreover, some travel managers have been recruited from the travel industry, in particular from business travel agencies, but many are recruited from within the company and display highly diverse occupational backgrounds (cf. Morrison et al., 1994). As a result, travel managers are a very

heterogeneous professional group and differ considerably with regard to the status and hierarchical positions they have in their organizations. A few do have formal positions on a managerial level and report directly to the CEO or director-general, but they are exceptions. Among the interviewees in the present study, as well as in the Swedish Business Travel Association and in the professional literature, a common opinion was that travel managers often have too little formal authority and too low status (AirPlus & ACTE, 2009; Hintz, 1993).

This also means that travel managers' ability to implement their travel management programmes is highly dependent on support from other decision-makers in the organization, particularly from senior management. The importance of such support was a recurrent theme in the interviews:

The most important factor is management endorsement. To create a travel policy and then make sure that it has explicit support from top management. That's what really matters. It doesn't matter how smart your travel policy is. If you sit in a corner whimpering about it, nobody will listen. But if the human resource manager or the finance manager tells everybody that this is the new law when you're travelling, then things start to happen.

More specifically, two different aspects were emphasized. First, senior managers need to be involved in their managerial roles – by making the formal decisions about travel policy, giving the travel manager the authority to implement it, taking necessary measures against policy violations, and by taking an interest in travel issues more generally. Second, senior managers are often frequent travellers themselves. In that role, their own behaviour is highly visible and highly important for the legitimacy both of the travel policy and of the travel manager's work. Several interviewees mentioned top managers who made a point of adhering to the travel policy, for example by using economy class, thus setting a good example for the whole organization. Travel managers who did not receive such formal and informal support found it difficult to enforce their travel policies and take control of travel.

In addition to the support (or lack of support) from individual managers, differences in organizational culture may play an important role (Douglas & Lubbe, 2009). For example, travel managers in a number of the public authorities studied were clearly advantaged in this respect. Their organizational culture, they explained, was highly in favour of following rules and regulations, as it was the mission of these authorities to enforce rules and regulations aimed at citizens and businesses. Another travel manager described the corporate culture of the company where she was working as highly cost-conscious. The reason, she said, was that it had been a public limited company for many years and, in addition, had been through numerous retrenchment programmes, so employees were used to strict management and cost control. This, too, facilitated travel management.

In contrast, travel managers working in decentralized organizations, in organizations that heralded individual initiative and individual responsibility as important values, or in organizations where cutting costs was not a priority, often found it more difficult to implement policies and uniform routines. One travel manager was not even allowed to call her travel policy a 'policy', because the management felt that having a 'policy' would violate the corporate culture of freedom and entrepreneurship. Instead, the document was called 'travel and meeting guidelines'. In such organizations, travel management tends to focus less on policies, rules and control, and more on giving advice, spreading information and showing opportunities for travelling in more cost-efficient ways.

For most of the interviewees, however, the professional role as travel manager implied a desire for control, common rules and

policy adherence, and those who could not achieve these goals often expressed dissatisfaction. More generally, the trend in travel management over the past few years has clearly been to strive for stricter policy regulation and more control in order to curb travel costs (AirPlus & ACTE, 2009; Holma, 2009). From the travel managers' point of view, these efforts also serve to reinforce their own status within their organizations.

### 5. Managing travellers: status, emotions and loyalty in a hybrid market

A second set of dilemmas concerns the travellers. As several studies show, frequent business travellers are often managers and professionals. They tend to have high levels of education, high incomes, high status and high formal positions in their organizations (Doyle & Nathan, 2001; Gustafson, 2006). They usually also have a high degree of autonomy and thus considerable freedom to organize their day-to-day work. Moreover, they are often very busy individuals with little time for reading policy documents. These different factors sometimes make it difficult for travel managers to enforce policy regulations and to control travel (Douglas & Lubbe, 2009; Mason & Gray, 1999). One reason for the importance of senior management support, as discussed in the previous section, is that travel managers often have lower hierarchical positions and lower status than many of the travellers whose travel they are supposed to manage.

Whereas travel managers' main concern usually is to control travel costs, travellers tend to prioritize travel time, comfort and convenience. The travel policies examined here usually attempted to balance these different concerns. Yet when discussing the travellers' priorities, several travel managers in the study also made reference to the high 'emotionality' of travel (cf. Holma, 2009, p. 104). Travel regulations, concerning for example business or economy class or choice of airline, do not only affect travellers' comfort, but also involve status, prestige and personal benefits (Gilbert & Morris, 1995; Mason & Gray, 1999). Suppliers in the business travel industry – airlines and hotels in particular – often market their services as prestigious and exclusive (Thurlow & Jaworski, 2006), and it was clear from the interviews that travellers sometimes associate their travelling with social and professional status. Lassen (2006) suggests that business travel may in fact be part of the traveller's lifestyle and identity. When such factors give rise to travel policy violations, they also become a problem for travel management. For example, travel managers in the present study described travellers who did not want to travel by train, fly economy class or use low-cost airlines, partly because they felt that such modes of transportation did not match their professional status and identity:

There are many [business travellers] who think that, what the hell, should I jog about on a train? [...] Oh no, my workmates are standing at Arlanda [airport]. They're the people I want to talk to. And they're the people I want to travel with and be seen by, show them I'm still flying, that I'm active.

It may be worth noting here that travel policies in international corporations sometimes allow higher-level managers more comfortable and more prestigious travel than other employees (e.g., Jenkins, 1993, p. 48; Mason, 2002, p. 56). Such rules did not exist in any of the Swedish travel policies examined in the present study. In a few cases, travel managers said in the interviews that senior management might have certain privileges – or could transgress policy without any real consequences. Yet the general opinion among the travel managers was strongly in favour of common policy rules for all travellers, and several interviewees emphasized the importance of senior managers who practice what

they preach. Previous research also indicates that if travel policies are to be perceived as legitimate, they should be applied consistently to all personnel levels (Douglas & Lubbe, 2009).

The 'hybrid' character of the business travel market is another important – and problematic – aspect of the relationship between travel managers and travellers. As Mason and Gray (1999) point out, it is partly an industrial market, as the employer pays for the services, and partly a consumer market, as the services are used by individual travellers. Despite the existence of travel policies and negotiated agreements between corporate clients and suppliers, purchasing decisions are often, in practice, made by individual travellers. This means that the choice of travel mode and supplier may be influenced both by organizational and by personal motives (Mason & Gray, 1999). It also means that suppliers address not only corporate buyers but also travellers when marketing their services.

A major dilemma for travel managers arising from this situation concerns travellers' membership in loyalty or bonus schemes, especially frequent flyer programmes run by the major airlines. This was a recurring theme in the interviews. Frequent flyer programmes give benefits to individual travellers on the basis of the journeys they make, thereby reinforcing travellers' loyalty to the airline behind the programme (Gössling & Nilsson, 2010). Certain benefits, such as lounge access, upgrades and faster service at the airport, are useful from both the employer's and the traveller's perspective. But bonus points earned from tickets paid for by the employer can also be used to buy leisure journeys without the employer's knowledge. This creates both moral and legal/fiscal problems (Arnesen, Fleenor, & Toh, 1997; Gössling & Nilsson, 2010). In addition, the desire to earn bonus points and to obtain high-level (and high-status) bonus cards may have a considerable influence on travellers' purchasing decisions (Douglas & Lubbe, 2009; Whyte, 2002). Several travel managers in the present study complained about policy violations and unnecessary expenses due to bonus programmes. The status and prestige associated with exclusive bonus cards, together with the material benefits for individual travellers, were regarded as yet another 'emotional' issue that obstructed their efforts to manage travel:

I have really good [negotiated] prices with British Airways to London, but the travellers don't use them. And still I try, through the travel agency, to persuade them, and the people at the travel agency are doing their best. But then, well, there are those who have their gold cards [...] I don't understand how people can become so fond of such frippery, but unfortunately that's how it is.

But naturally, many travellers do adhere to their organizations' travel policies. The fact that frequent travellers often occupy high-status positions does make their travel more difficult to manage in some cases, but many employees with such positions are also loyal to their organizations and have a sense of responsibility about not wasting corporate money. For travel managers, strategies for encouraging such attitudes are a useful complement to more control- and regulation-oriented strategies. In the interviews, providing information and making the costs of different travel alternatives and booking behaviours clearly visible to the travellers were common examples of such strategies.

## 6. Managing travel agencies and suppliers: triadic business relationships

A third set of dilemmas can be found in the relations with travel agents and suppliers. As Holma (2009) points out, the business travel industry is characterized by triadic business relationships, with travel agencies acting as intermediaries between corporate clients and suppliers (see also Douglas & Lubbe, 2006). It was clear

from the interviews that these relationships involve both mutual interests and potential conflicts.

To begin with, the travel agent's role as intermediary necessitates a high degree of communication and cooperation between all three parties. Information must be transmitted about what suppliers have to offer, what clients want to buy, and about the economic conditions and transactions involved. Current tendencies towards integrated computer systems for booking, invoicing, payments, travel expense reporting, manager approval and accountancy involve a substantial increase in the amount of information and in the need for concrete cooperation that involves clients, suppliers and travel agents. Yet all parties also have an interest in keeping down their own costs and/or maximizing their own incomes.

Relations between clients, suppliers and travel agencies may evolve in different directions over time. The introduction of booking facilities on the suppliers' own websites in the late 1990s provides a good illustration. These facilities have to a certain extent turned travel agents and suppliers into competitors with regard to the sale and distribution of tickets. Suppliers have therefore become less willing to pay commissions to travel agents, and a supplier may also choose to make tickets available at favourable prices only to clients who make their reservations on the supplier's own website (Alamdari, 2002). This obviously creates a dilemma for travel managers, who generally want their travellers to use the travel agency for all reservations in order to control travel behaviour and travel volumes.

As long as travel agents received significant commissions from the airlines, based on sales volume, they also had an interest in selling expensive tickets. Previously, the general perception was therefore that travel agents were acting in the interest of the suppliers vis-à-vis their clients. Today, travel agents receive most of their income from their clients, their business concepts include assisting their corporate clients in their travel management work, and their role has largely become to act in their clients' interest vis-à-vis the suppliers (Davidson & Cope, 2003, pp. 58–59; Holma, 2009). Yet this new role is not without its ambiguities. The travel managers in the study at times suspected that their travel agencies still received commissions or other economic favours from suppliers and therefore had divided loyalties. More specifically, new commercial relations have developed in recent years between travel agencies and major suppliers. These include preferred supplier programmes, contributions from suppliers to travel agencies' marketing costs and generous provisions for personnel training. From the travel managers' point of view, such arrangements reduce the transparency of their relations with their travel agencies.

Another dilemma has to do with pricing. Travel as a product has a number of significant characteristics, one of them being its 'perishability' (Davidson & Cope, 2003, pp. 46–49). Unsold flight seats or hotel nights cannot be stored and sold the next day, but represent lost income for the supplier. Selling the last tickets on the airplane at a low price is therefore better than not selling them at all. Naturally, however, suppliers wish to sell as many tickets as possible at the highest possible price. Computerized booking systems have enabled dynamic pricing and advanced 'yield management' strategies for this purpose (Jenkins, 1993, pp. 170–175). Prices for airline and train tickets are thus not fixed but reflect current supply and demand. In general, tickets bought long before the date of the journey and with no possibility to change the booking are cheap, whereas late bookings and flexible tickets are expensive. Moreover, in response to tightening corporate travel budgets and competition from low-cost carriers, traditional airlines are experimenting with new types of tickets that provide different degrees of comfort and flexibility, various 'premium economy'

products in particular (cf. Davidson & Cope, 2003, p. 43; Dennis, 2007). These different strategies have implications for travel management and for customer–supplier relations.

Suppliers with dynamic pricing strategies are generally not willing to negotiate price reductions on their cheapest tickets, but primarily make agreements about fixed prices for fully flexible ones. As a consequence, tickets with dynamic prices are often available on the ‘public’ market at lower prices than the negotiated fares. From the travel manager’s perspective, negotiated agreements with suppliers therefore tend to be less important, whereas influencing individual travellers’ planning and booking behaviour is more important. This includes explaining to travellers that they should *not* use the negotiated prices if cheaper tickets are available. One travel manager commented:

I often ask myself if it was worthwhile making an agreement with this or that supplier. What’s in it for me? Can I evaluate it, can I show that I actually made savings? Or did the agreement I made turn out to be the maximum price for that route, while the public price, if we book according to our policy, is lower? Actually, that’s often the case. But maybe we still need a negotiated price in situations when we misbehave, when we book our tickets too late for example. So maybe the most important part is not really the agreements, but to ensure, through our travel policy, that we travel and make our bookings in the most cost-efficient ways.

Negotiated agreements remain important for companies whose employees often travel on short notice or often change their bookings and therefore need flexible tickets. But for those companies that focus on using low-price tickets irrespective of supplier, client–supplier relationships are less important. The latter strategy also tends to strengthen the travel agent’s role in the triadic relationship, as travel agency staff are increasingly involved in monitoring policy compliance and advising travellers about their bookings.

Developments over the past few years have thus converged into an intensified cooperation between corporate clients – represented by travel managers – and travel agencies. At least in the Swedish case investigated here, it is clear that travel agencies have played an important role in promoting professional travel management. Several travel managers have previously worked as travel agents and the major business travel agencies are very active within the Swedish Business Travel Association. It is also clear that the professional role as travel manager has increasingly become the role of being a good consumer of the services provided by travel agents, and that this development has been to the advantage of the major travel agencies. Thus far, however, most travel managers do not perceive this close cooperation as problematic, but rather as an integral part of their efforts to manage travel.

## 7. Managing mobility: the challenge of virtual meetings

The final dilemma considered here concerns the use of ‘virtual meetings’, such as audio, video or Web conferencing, and their implications for business travel and travel management. In recent years, several social scientists have begun theorizing about and empirically investigating different ‘mobilities’. A key proposition in this research field is that the concept of mobility should include all means of overcoming spatial distance – not only ‘corporeal’ travel but also, for example, use of the Internet or other real-time communication technologies, e-mail exchange and telephone communication (Larsen et al., 2006; Sheller & Urry, 2006; Urry, 2007). This broad concept of mobility points at highly relevant questions concerning how different forms of travel and communication combine and complement each other in today’s

working life. It also mirrors current developments within travel management.

Many travel managers today are attempting to expand their field of activity to include not only travel but meetings (AirPlus & ACTE, 2009). In the international travel literature, this is often discussed in terms of ‘demand management’ and/or ‘meetings management’; in the Swedish context examined here, the latter term is predominant. In short, the starting point for travel management is that employees need to travel, and the task of the travel manager is to set out rules and routines for their travel, as described above. The starting point for meetings management is that employees need to meet – with persons in the same organization and with external actors – and that some meetings require face-to-face communication and travel, whereas others can be conducted via telephone, video or the Web. Therefore, the task of the travel manager (or sometimes the ‘travel and meeting manager’) is to implement rules and routines to ensure that the most appropriate form or medium is chosen for each meeting.

To this end, travel managers increasingly incorporate guidelines about meetings in their travel policies. Examples from the present study include recommendations always to consider whether a virtual meeting might be an alternative to a business journey, to arrange a virtual meeting if the majority of the participants would need to travel to a physical meeting, and to consider virtual participation for individuals with long travel times. Virtual media are recommended primarily for internal meetings, whereas meetings with external partners are more often held face-to-face (cf. Arnfalk & Kogg, 2003; Lu & Peeta, 2009).

In a few cases, travel managers have also come to be responsible for technological infrastructures, such as video conference rooms and Web meeting tools, and for stimulating the use of this equipment through information and training. In one big international corporation, based in Sweden, the ‘Group Travel and Meeting Policy’ even included explicit directions for the procurement of meetings facilities:

If air travel expenditure from any [company] site exceeds EUR 100 000 per year then the site should invest in video conferencing equipment. This must be purchased according to the [company] standard (to ensure user familiarity and system compatibility). After installation, travel from that location needs to be reduced by 20% in order to achieve a return on the investment in less than one year.

In the present study, work with meetings management was far more advanced in certain organizations than in others. Yet there was general agreement that this work was becoming increasingly important. It promotes a more strategic approach to travel management, and travel managers will need new skills to take on this professional role.

Meetings management also has implications for relations with other stakeholders. For one thing, virtual meetings bring in new suppliers. As the market is relatively immature and subject to rapid technological change, no ‘standard’ solutions have crystallized. Different systems and standards for video, Web and audio conferencing are competing, and new integrated forms of communicative and cooperative technologies are emerging (see Denstadli & Gripsrud, 2010, for a review). Certain suppliers provide virtual meeting facilities that their clients buy and install in their own offices, but there are also suppliers – including hotels – that rent conference rooms with equipment for video and/or Web meetings. Virtual meeting rooms, available from the user’s own computer but with security levels that ordinary Web conference software cannot provide, are also available for hire. Navigating in this constantly changing technological landscape is a challenge for travel managers.

Moreover, professional travel management today is characterized by intense cooperation with a travel agency. It is unclear how this relation will be affected by a growing amount of virtual meetings and by travel policies that increasingly try to restrict travel. Will travel agencies also work as intermediaries between clients and suppliers of virtual meeting facilities – or even provide video conference rooms on their own premises (cf. [Boehmer, 2009](#))? Will travel agencies support their clients by implementing policies that recommend *not* travelling in certain cases? ([Jonas, 2009](#))? In that case, will they charge transaction fees for bookings that were never made? These and related questions need to be answered in the coming years.

Another dilemma concerns the relation between virtual meetings and the overall need for travel. As the above quotation indicates, the rationale behind meetings management, the promotion of virtual meetings and investments in technological equipment for such meetings is usually the prospect of reduced travel, lower travel costs and less working time spent on the road. But the relationship between travel and virtual meetings is not as simple as that. In some cases, virtual meetings can substitute for face-to-face meetings that require travel, but several studies indicate that virtual meetings may also generate travel ([Lu & Peeta, 2009](#); [Saffo, 1993](#)). The availability of virtual means of communication may stimulate new and more intense forms of collaborative work in projects and networks among employees working in different locations. Such forms of work may in turn generate new needs for personal meetings and travel ([Denstadli & Gripsrud, 2010](#); [Millar & Salt, 2008](#)). From an organizational perspective, meetings management therefore involves far more complex issues than just encouraging those who organize a meeting to consider virtual media.

## 8. Conclusions

Companies and public authorities are increasingly organized in ways that require communication and interaction between persons working in geographically dispersed locations. One consequence of this development is increasing business travel ([Beaverstock et al., 2009](#); [Faulconbridge et al., 2009](#)). Yet travel is associated with rising costs for employers, with stress and inconvenience for travellers, and with detrimental effects on the environment. For these reasons, large organizations today often employ travel managers to take control of travel costs and implement efficient routines for business travel. The work of a travel manager includes developing and implementing a travel policy; cooperating with a travel agency; making agreements with suppliers; standardizing payment routines; using travel statistics; and communicating and gaining support within the organization. The present paper has investigated these professional practices and highlighted important developments and dilemmas in corporate travel management. This concluding section summarizes key points from the investigation and considers their implications for future research.

To begin with, business travel is not an end in itself, but a means to accomplish other tasks. This tends to obscure the fact that travel is a frequent and indispensable activity in most organizations. Convincing senior management about the importance of travel and about the potential benefits of an efficient travel management programme was therefore an ongoing struggle for many travel managers in the study. This struggle also involves the status and authority of travel managers within their organizations ([AirPlus & ACTE, 2009](#); [Jenkins, 1993](#)). Formal and informal support from senior managers, together with (other) characteristics of the organizational culture, may have a decisive influence on how well travel managers succeed in taking control of travel, and also on what management strategies they are able to use. Considering

these conditions is crucial to understanding the realities of travel management.

The conditions for managing travel differ a great deal across organizations, and not only with regard to corporate culture and senior management support. The size of the organization's travel volume and the geography of its business travel – proportions of domestic/international travel, few or many destinations, and so forth – may obviously have an influence on policy regulation, on the utilization of travel agency services and on the need for negotiated agreements with suppliers. Organizational factors also matter. For example, interviewees working in large international corporations pointed out the difficulties in implementing uniform travel management programmes across different national cultures (cf. [Martin, 2009](#)). Another interesting factor is the proportion of internal and external travel. Internal travel, to meetings with employees in the same organization, is normally easier to plan and regulate than travel to clients and other external partners. Such differences would merit further research.

Another set of issues concerns the travellers. Whereas travel managers have a strong focus on keeping travel costs down, travellers tend to prioritize comfort and convenience, and sometimes also the status and prestige associated with at least some forms of business travel ([Gössling & Nilsson, 2010](#); [Mason & Gray, 1999](#)). It was clear from the interviews that travel may involve emotions, a sense of professional identity and sometimes even a lifestyle (cf. [Lassen, 2010](#)). The travel manager's relation to the travellers thus involves balancing different priorities and considering not only economics and administrative routines, but also the psychological and emotional aspects of travel. That side of travel management has not been given sufficient attention in previous research.

Moreover, the working conditions of many frequent business travellers reflect broader developments in contemporary working life. Several scholars suggest that work today is becoming increasingly flexible, deregulated and individualized, especially for managers and professionals. Importantly, this flexibility often also involves the temporal and spatial organization of work ([Allvin, 2008](#)). Frequent business travellers and other mobile workers with a high degree of work autonomy provide emblematic examples in this regard ([Gustafson, in press](#)). Attempts by travel managers to introduce more formal regulation and control of business travel seem to be at odds with these trends – and this probably helps to explain, on a more general level, some of the problems that travel managers face in their efforts to enforce and monitor travel policy compliance. These observations suggest that business travel and corporate travel management is an interesting field for further studies on how employers attempt to exercise control of employees with high status and highly flexible working conditions, and on the role of travel and mobility in this respect.

Travel management also takes place within a broader organizational setting. The business travel market is characterized by triadic relationships, which are far more complex than ordinary buyer–seller relations ([Holma, 2009](#)). Developments in this market since the early 1990s have brought about profound changes in the relations between corporate buyers, suppliers and intermediaries, and thus in the conditions for managing business travel. In particular, travel managers today often have intense cooperation with travel agents ([Alamdari, 2002](#); [Lubbe, 2003](#)). [Holma \(2009\)](#) has already done important work in this area, by investigating the dynamics of triadic business relations from a management and marketing perspective. The present study has highlighted how current pricing strategies among suppliers tend to undermine negotiated agreements between suppliers and corporate buyers and, at the same time, reinforce the role of the travel agency. Examining other recent trends, such as the increasing popularity of corporate booking tools and the development of new strategies for

demand management, may provide further insights into this field. In addition, travel agencies are not the only intermediaries to consider. Companies that provide the booking systems (known as GDSs, global distribution systems) as well as companies that provide payment solutions for travel-related expenses add to the complexity of the business travel market. In particular, the role of GDSs in relation to travel agencies, suppliers and corporate buyers is a challenging subject for future travel and tourism management research (cf. Wilbers, 2009).

The organizational complexity of business travel may also be of more general interest to social scientists. Studies of corporate travel management clearly show how the seemingly simple task of moving an employee from one place to another involves a multiplicity of actors and a complex medley of relations and exchanges, of policies and contractual agreements, of control, feedback and sanctions, within and between organizations. At a time when theorists of globalization and cosmopolitanism sometimes tend to describe a world of ubiquitous, boundless mobility, not least among privileged businesspeople, a reminder about the organizational prerequisites of this mobility is certainly useful.

Finally, travel management has increasingly come to involve 'meetings management' (AirPlus & ACTE, 2009; Jonas, 2009). Travel managers question travellers' reasons for travelling and encourage audio, video or Web conferencing in order to reduce travel. This development is reinforced by current concerns about the environmental impact of travel (Wilbers, 2009) and implies a shift in focus: from 'how to travel' to 'how to meet'. Such a shift may have important implications for the future role as travel manager as well as for the business travel market and the interplay between its different stakeholders. Moreover, the emergence of meetings management points at highly interesting questions about the relation between face-to-face meetings and travel, on the one hand, and virtual meetings, on the other. This is an important theoretical theme in current social science research on mobility (Sheller & Urry, 2006; Urry, 2007). Corporate travel and meetings management provides an excellent setting for future empirical studies of the interplay between corporeal and virtual mobilities, of organizational attempts to regulate this interplay and, more generally, about the possibilities to 'manage' something so fundamental and yet so elusive as human encounters.

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