Business flights

Travellers, trips, purposes and prospects

KiM | Netherlands Institute for Transport Policy Analysis

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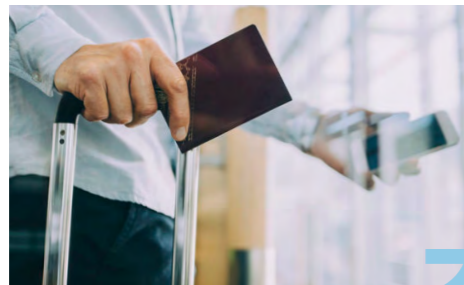
Contents

1 Trips

Number of business trips

In 2019, 0.9 million Dutch people made a total of
3.7 million business trips. In the same year, 3.8 million
visitors travelled to the Netherlands for business purposes.
For both groups an airplane was their primary mode of transport.

Of all Dutch business air travellers, 80% used Schiphol as their point of departure.
Another 10% started their business trips at regional airports (e.g. Eindhoven), and
the remaining 10% started from foreign airports, often just across the border, like
Düsseldorf in Germany or Brussels Airport in Belgium.

The 0.9 million Dutch business air travellers accounted for more than 8.5 million
flights. This is because each journey consists of both an outbound and an inbound
flight. In addition, business travellers regularly change flights and sometimes fly
between foreign destinations, as is the case when travelling in Asia or within the
United States.

Number of business passengers at Dutch airports

The Dutch airports processed 24.3 million passengers (arrival and departure)
travelling for business purposes in 2019. The business segment thus accounts
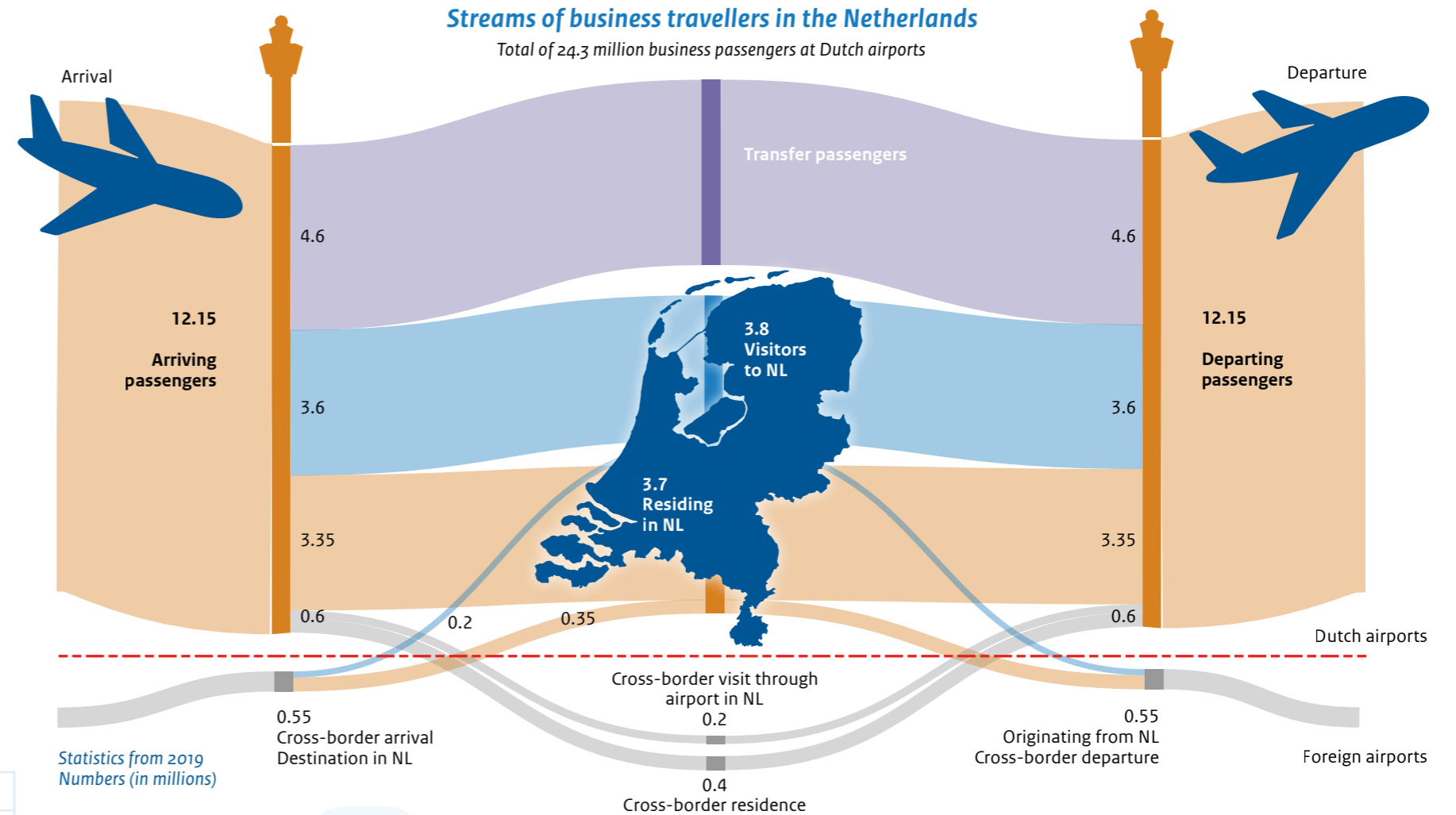for 30% of the total number of passengers.
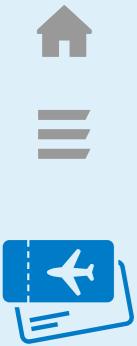
These 24.3 million passengers comprise:

- 9.2 million arriving and departing transfer passengers
- 7.6 million arriving and departing business visitors to our country (or neighbouring countries)
- 6.7 million Dutch passengers departing from or returning to a Dutch airport
- 0.8 million passengers living across the border in Belgium or Germany and travelling for business from a Dutch airport.

Destinations

Of all business trips that Dutch people made by air, 80% were to destinations in Europe. These destinations were dominated by those at relatively short distances. The United Kingdom was clearly the most popular destination. Within the United Kingdom, England was more popular than Scotland, Wales and Northern Ireland combined. The top five destinations accounted for 50% of all business trips.

Top-5	Country	Share
1	United Kingdom	19%
2	Germany	9%
3	Spain	9%
4	United States	7%
5	Italy	6%
6+	Other countries	50%

Streams of business travellers in the Netherlands
Total of 24.3 million business passengers at Dutch airports

Arrival

Departure

4.6

Transfer passengers

4.6

12.15

Arriving passengers

12.15

Departing passengers

3.8 Visitors to NL

3.6

3.6

3.7 Residing in NL

3.35

3.35

0.6

0.2

0.35

0.6

Dutch airports

Statistics from 2019 Numbers (in millions)

Cross-border visit through airport in NL
0.2

0.55
Cross-border arrival
Destination in NL

0.55
Originating from NL
Cross-border departure

Foreign airports

0.4
Cross-border residence

Distance, length of journey and transfers

Of all business trips from or to the Netherlands through Schiphol, 23% were for distances greater than 2,000 km. More than 50% of the business flights with Schiphol as the point of departure or final destination were shorter than 1,000 km. The average distance one-way was 2,500 km. This was considerably less than the average travel distance for non-business trips, namely 3,300 km. In both cases, the mean is increased by outliers: a small group of extremely long-haul trips.
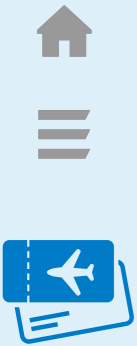
For these business trips, air travel was the primary mode of transport. This is how business travellers covered most of the distance. On the other hand, it is not always the case that business travellers spend most of their travel time onboard of a plane. Especially for short-haul flights, the pre-transport or post-transport and waiting time at the airport can take longer than the actual flight. For distances up to 250 km, very few business travellers went by air.

Business travellers face a relatively large number of transfers with respect to the generally modest travel distances. Holiday travellers are more likely to have direct flights, also because the destination is not always given. It is estimated that 1 of every 8 business trip by Dutch people involves at least one transfer; from Schiphol Airport, this is the case for 1 of every 7 business flights. Airports with a large number of transfer passengers (e.g. Schiphol and Frankfurt) thus also have a relatively large share of business travellers.

Length of stay

As with air travel for non-business purposes, the duration of the journey is related to the duration of the stay. A long journey and a long stay go together. For business flights, however, the length of stay is 2.5 times shorter than it is for non-business flights. By way of illustration: the average duration of a holiday to Greece is 10 days, as compared to an average of 4 days for a business trip.

Given that many business trips take place within Western Europe, the average length of stay for a business flight is also modest: 3.9 days. Half of all business travellers stay fewer than 3 nights at a given location. The differences are nevertheless significant, depending on the destination and the sub-purpose within the spectrum of business travel (see: 'Purposes of travel').

About 8% of business air travellers do not spend the night at their destination, but go back and forth in a single day. This can be done by leaving early and accepting a late return. We refer to this group as 'one-day travellers'. Such one-day journeys are obviously not possible unless the travel times are short and the travel timetables are favourable (e.g. to London, Paris or Frankfurt).
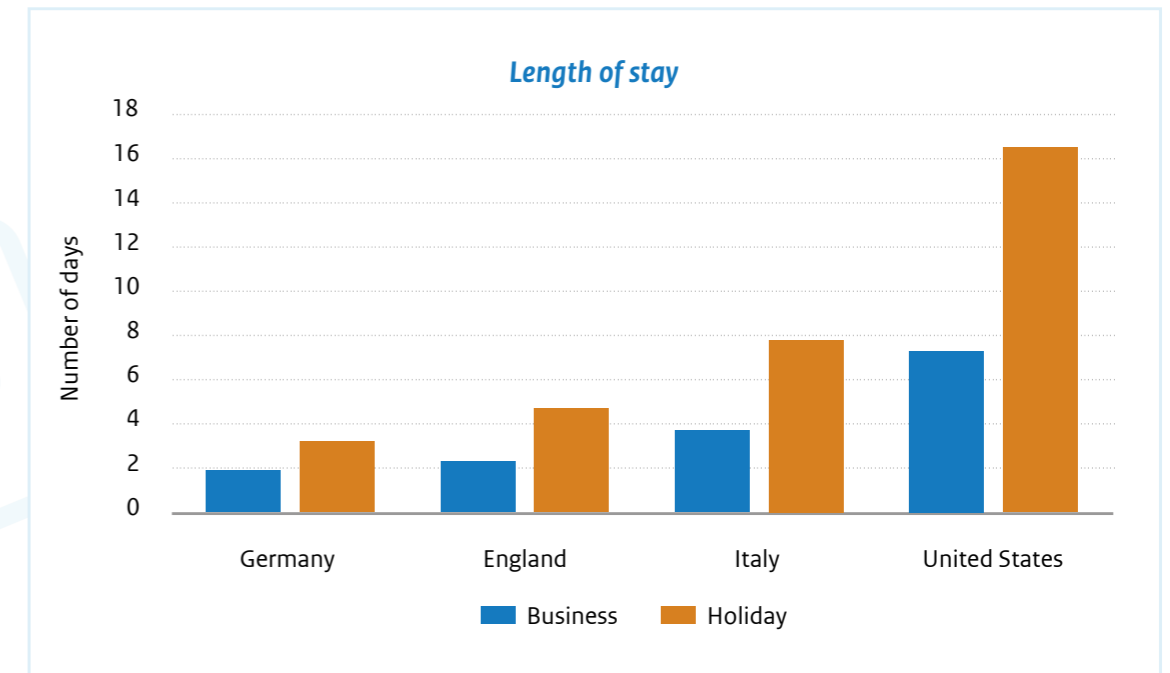
Travel expenses and travel class

For each kilometre flown, business travellers spend 2.5 to 3 times more than non-business travellers. Business travellers are therefore also an important source of income for airline companies. The price difference is related to the time and conditions of booking, choice of airline and travel class.

The number of business-class seats on a plane is generally modest. They are nevertheless largely occupied by business travellers whose purposes for travelling may or may not be related to business. Of all business passengers, 12% travel in business class. The largest group travels in economy-comfort class.

Travel time enhancement

For many business travellers, the time that they spend onboard the plane offers a moment of rest. Popular activities include listening to music, recreational reading, sleeping and watching films. Working onboard a plane is less popular (e.g. as compared to the train), due to the lack of space, the limited possibilities for contact outside t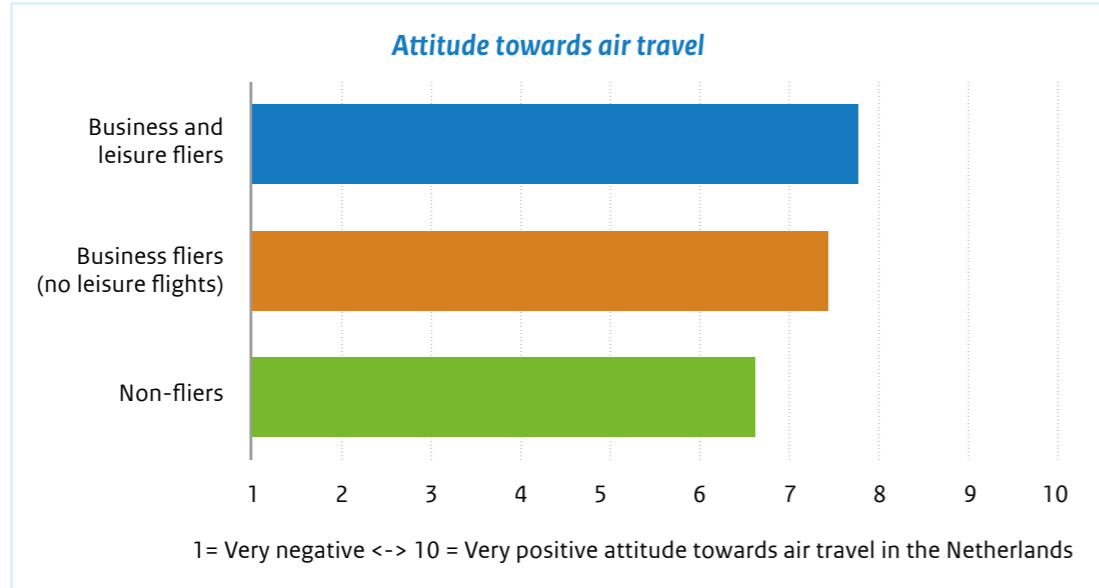he plane and annoying fellow travellers. In many cases, employers do not explicitly state how employees must spend their travel time. For this reason, it is not always clear whether travel time is also working time.

More trips generate more trips

There is a self-reinforcing effect in which business travel results in more travel. This effect is caused by the accumulation of multiple small vicious circles:

- The knowledge and experience that travellers gain through international air travel reduces their travel impedance, thus making it relatively easier for them to travel again.
- Some of these trips are intended to expand business networks (partners, suppliers, customers). If this is successful, another travel objective will emerge in the form of maintaining these networks. Business trips also allow business travellers to expand their personal networks, or even find a partner abroad. In order to keep the new business or private contacts warm, it is often desirable to travel again.
- By travelling, business passengers are able to accumulate loyalty points. These points are often used for private purposes (e.g. city trips or holidays). Higher status within a loyalty programme reduces travel impedance, as it provides travellers with priority at the airport and when boarding, as well as access to airport lounges. Travellers must then keep flying in order to retain their status.
- As demand for flights increases, the supply will increase accordingly (whenever possible). This results in increased capacity in each aircraft, greater frequency of flights or the availability of direct flights where transfers had previously been necessary. The latter two points are particularly likely to reduce travel impedance for anyone, thus leading more people to travel.

2 Travellers

Frequency of travel

Approximately 95% of the Dutch population have not taken a plane for business purposes within the most recent 12-month period. This means that all 3.7 million business trips were taken by the remaining 5% of the population. The vast majority of them – 70% of all people taking business flights – travel once or twice a year for business purposes.

A small share of the population is responsible for a substantial share of all the trips by air. Business travellers often belong to this special group. They belong to the group of frequent flyers, because they fly not only for business purposes, but usually also for other purposes and/or because they fly frequently for business purposes. Those taking more than five business trips per year – approximately 0.6% of the Dutch population – account for 15% of all trips by air taken by Dutch people. The entire group of business flyers – 5% of the Dutch population – accounts for approximately 30% of all trips (business and non-business).

Attitude

Business flyers have a more positive than average attitude towards flying, air travel or travel in general. They are likely to associate planes more with joy and less with aversion than are people who do not fly for business purposes. Business flyers rate air travel in the Netherlands with an average score of 7.6. Approximately 22% of them assign scores of even 9 or 10. The scores assigned by business travellers are significantly higher than those assigned by people who travel only for non-business purposes. The greatest differences can be observed between those who fly and those who do not.

This phenomenon is probably related to self-selection. People who aspire to travel a lot or who like to fly are more likely to look for jobs that involve travel. The reverse applies as well.

The word clouds show the word frequency of coded passages from interviews with business travellers

Attitude towards air travel

1= Very negative <-> 10 = Very positive attitude towards air travel in the Netherlands

Status & Identity

Experience abroad, knowledge of the world, being well-travelled and mobile and similar qualities are highly regarded in contemporary society. Being invited in other countries is a sign of success. Employers are aware of the value of foreign experience, and many employees see it as a key to a new job or better position. For true business travellers, travel is a part of their identity or lifestyle. They also like to share stories about the journeys they have taken, the places that they have visited and the knowledge that they have accumulated in this regard. The status that frequent travellers can build in loyalty programmes (e.g. KLM Flying Blue) is a welcome enhancement.

The role of status also appears in the five sustainability profiles that can be distinguished. Here, we discuss the two most remarkable differences between the groups that do and do not travel by air for business purposes.
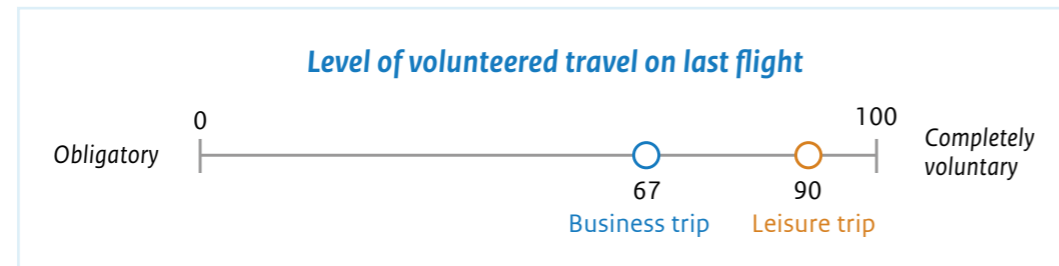
About 11% of all Dutch people can be profiled as 'dutiful': they are socially involved, show solidarity and are concerned about the environment, with relatively little need for recognition. This profile is virtually absent amongst business travellers. Less than 2% of all business travellers fall within this profile – 10 percentage points less than amongst those who do not fly for business purposes. Conversely, approximately 23% of all Dutch people can be profiled as 'status-conscious': they aspire to acquire and expand social status and to develop a career, and their dreams are of a material nature. This profile applies to 40% of business travellers – 18 percentage points more than amongst those who do not fly for business purposes.
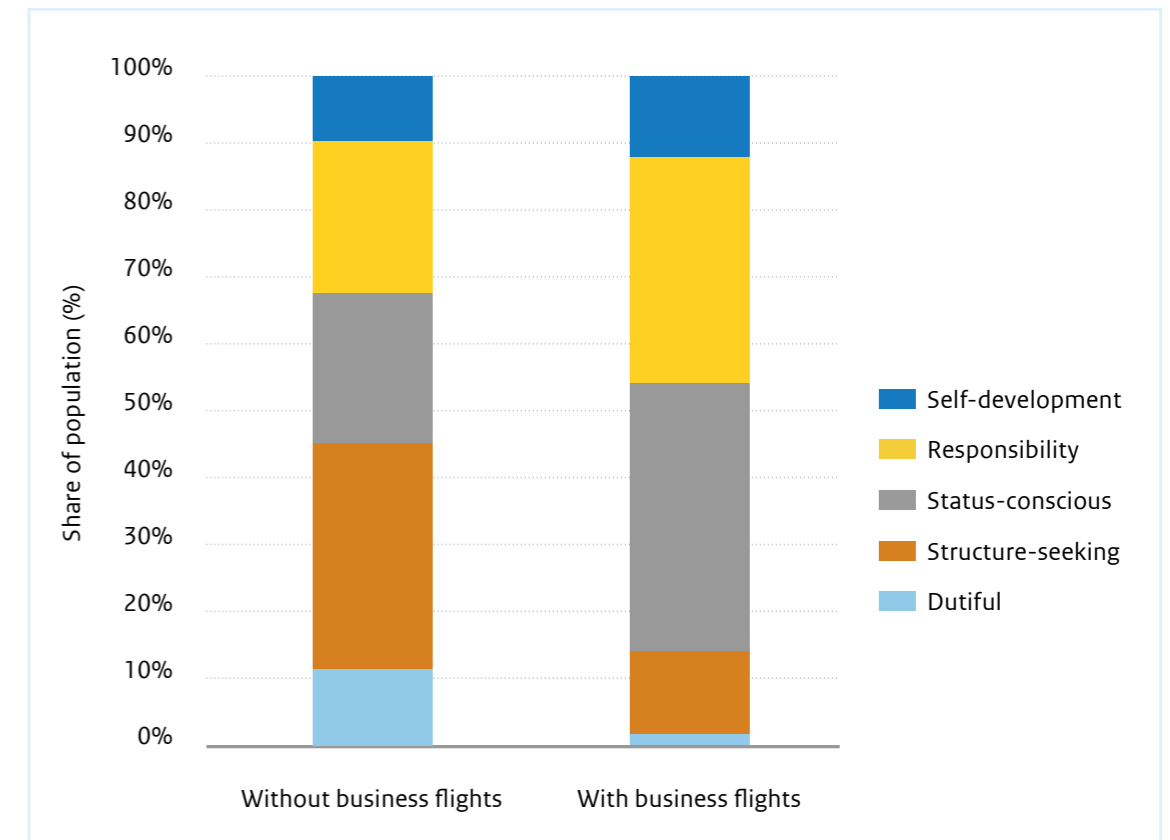
Autonomy of business travellers

Business travellers do not always travel at the direct assignment of the boss, but usually at the expense of the boss. Highly educated knowledge workers are particularly likely to take the initiative for conventions, trade fairs, training pro-grammes, visits to potential suppliers or excursions at home and abroad. This is not surprising, given that a high degree of self-management is also required when carrying out the day-to-day work of their organisations. The autonomy of business travellers is further enhanced by the positions that they occupy within their organisations. Judging from their income and job titles, business travellers often hold higher positions. They are therefore more likely to make their own decisions concerning whether and how they will travel.

Level of volunteered travel on last flight

Obligatory   0 —————————————○———————○———— 100   *Completely voluntary*

67   90
Business trip   Leisure trip

A recent study provides further evidence in this regard. In that study, respon-dents were asked about the extent to which their most recent trip had been obligatory. Although the degree of voluntariness is clearly greater amongst non-business travellers, some respondents still regard business trips as voluntary rather than obligatory.

Given their positive attitude towards flying and their choice of jobs with international travel opportunities, business travellers are quite likely to arrive at a positive assessment concerning the need to travel – much more so that those with a neutral position in this regard.

Varying interests

The interests of business travellers are not always perfectly in line with the interests of their employers. This is because employees also consider their private situation or may seek to use business trips to advance their own interests. This leads business travellers to make suboptimal choices from the perspective of the employer.

These suboptimal choices can relate to the choice of destination, travel class, route or travel timetable. A destination where friends live is likely to be preferable to another destination, even if the other destination might be more relevant from a business perspective. To accumulate loyalty points for non-business purposes (e.g. tickets for a summer holiday), business travellers might choose to accept an additional transfer or decide on an upgrade. Simply because the boss is paying, they are more likely to choose extras (e.g. additional leg room or a more luxurious travel class) than they would if they were paying for the travel themselves. By way of illustration: results of a Spanish study indicate that travellers who pay for additional legroom themselves are willing to pay an average of €15 for this.

If their employers are paying, the average willingness to pay increases to €70. For employees who are also collecting points in a loyalty programme, the average willingness to pay can even reach €101 euro.

Employers can control travel expenses through regulations, supervision by travel agencies, a maximum number of trips or an annual budget. If all of the business trips that are made – and the choices made with regard to these trips – are beneficial to the company, it would make no economic sense to economise on and monitor them.

Personal characteristics

Approximately 70% of all Dutch people who take at least one business flight per year are men. Because these men also travel more frequently than the women who fly for business, 75% of the business passengers on the plane are men.

People in their thirties are the most likely to travel by plane for business purposes: 25% of all people who fly for business purposes are between the ages of 30 and 40 years. People younger than 30 and those in their forties are also relatively strongly represented.

Business air travellers are often highly educated. People with the highest educational and professional qualifications (Master's degree or doctorate) are particularly likely to fly for business purposes.
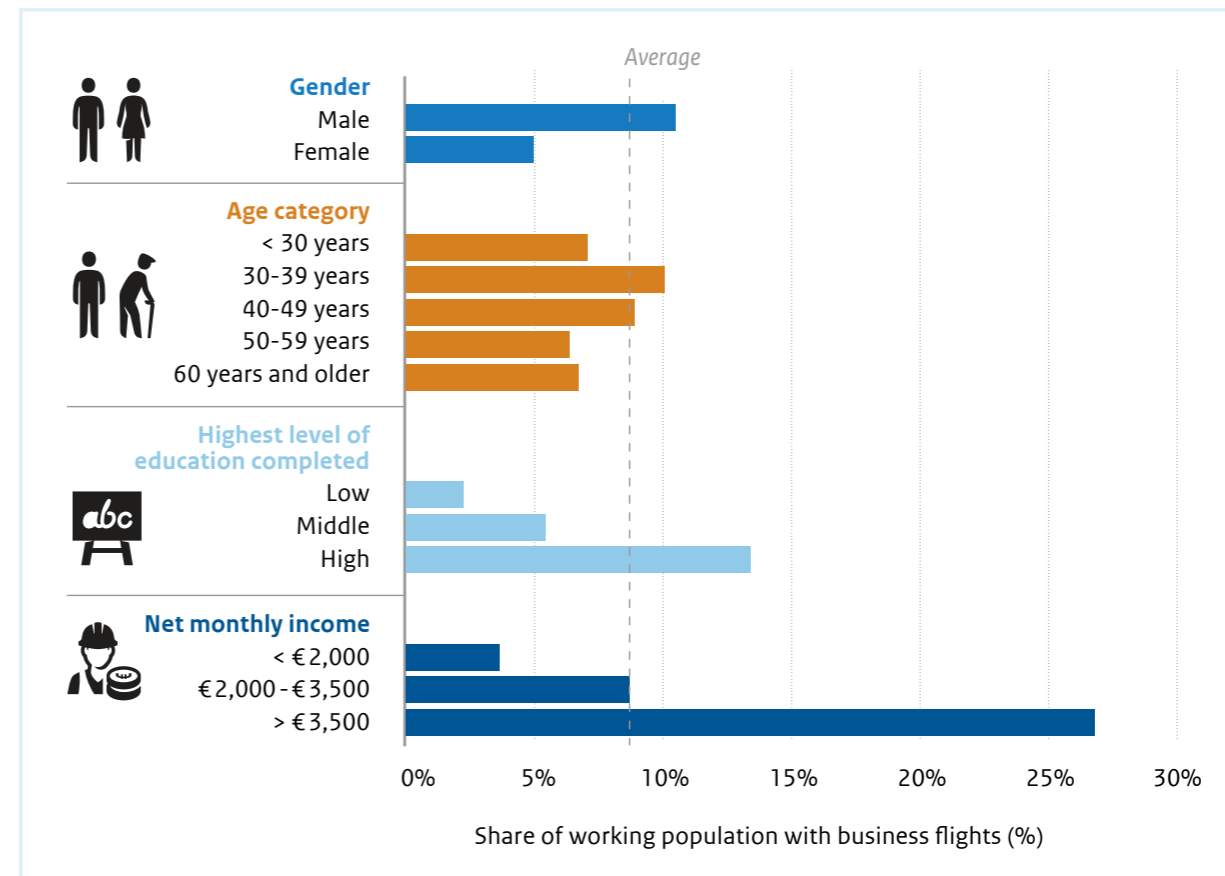
The most remarkable personal characteristic is net income. People with higher incomes are more likely to fly for business purposes. One of every 25 employed people with a monthly income of less than €2,000 flies for business purposes. This is in contrast to one of every three whose monthly income exceeds €4,000.

Household characteristics

With regard to household composition, modest differences can be observed in the likelihood that a person will take business flights. It is particularly remarkable that single parents are substantially less likely to fly for work.

With regard to residential location, it is interesting to note that people who fly more often tend to live in highly urbanised municipalities (e.g. Amsterdam, Delft and Eindhoven). Cities, and particularly those with universities, are also home to more highly educated people, and more people with higher incomes can be found in popular cities.

The relationship between distance (as-the-crow-flies) from home to Schiphol Airport and business travel is not particularly strong. Although people who live up to 50 km from Schiphol are more likely to fly for work, the differences are modest. Controlled for educational level or income, distance to Schiphol is not a good predictor of taking business flights.

Share of working population with business flights (%)
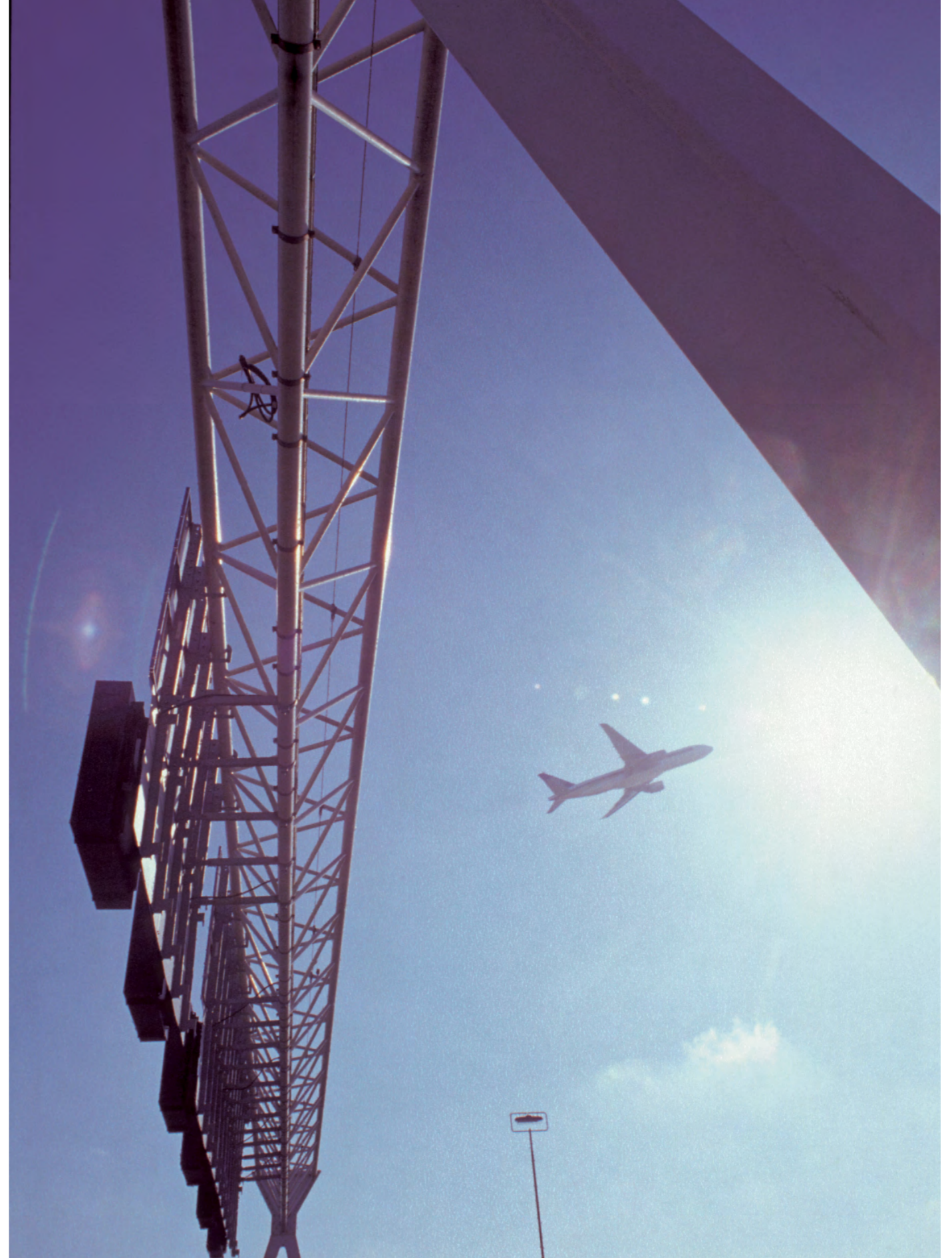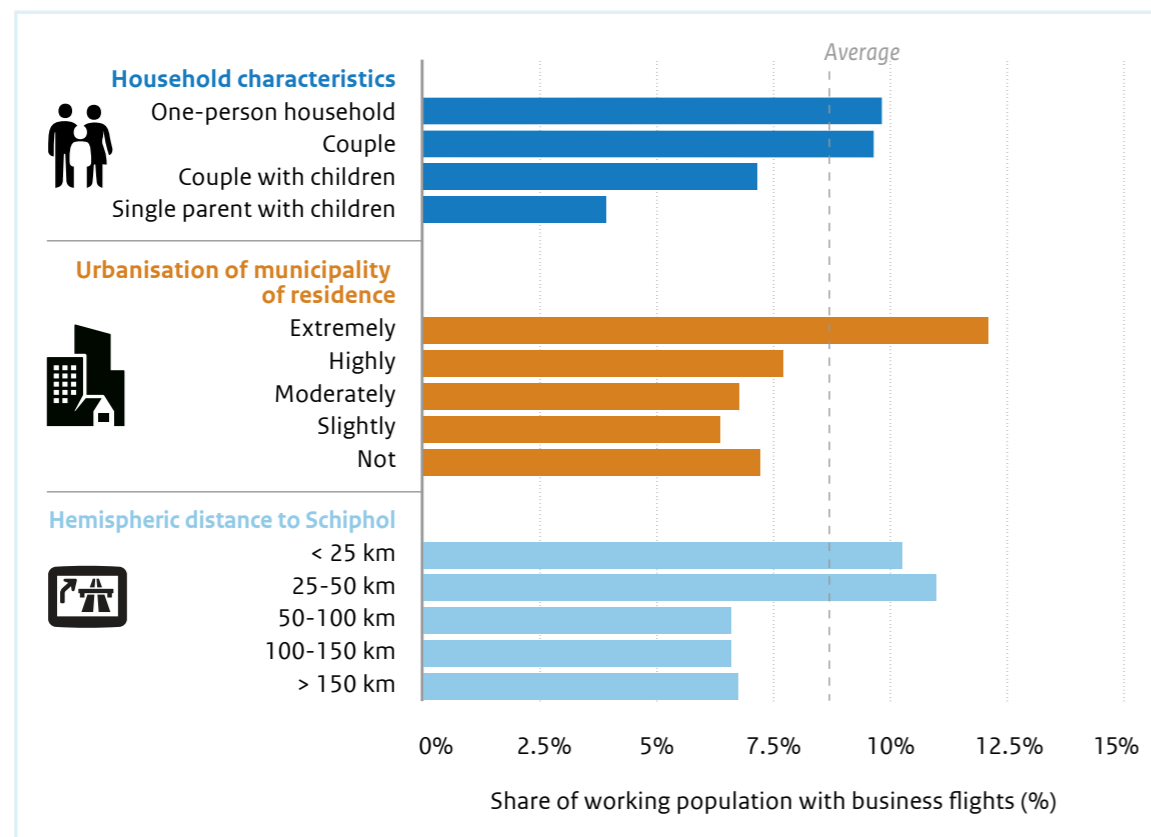
BUSINESS FLIGHTS

Purposes of travel

Employer characteristics

Of all business travellers, 80%–85% are employees. The remaining 15%-20% are entrepreneurs, nearly always with staff. A relatively large number of entrepreneurs take business flights. Although most business travellers are from the private sector, the public sector is not unrepresented, especially relative to its size. This is due in part to the fact that many people from academia fly. Public officials, including university scientists, account for 10%-15% of all trips made by air. Larger organisations (100 or more employees) are relatively better represented than smaller actors are. Sectors with relatively strong representation in air travel include ICT, industry and production. Sectors in which employees make relatively few business flights include hospitality, healthcare and agriculture.

Various reasons for travelling

Working on the go: For a small group of business travellers, the travel itself corresponds with work. For example, this is the case for pilots and flight attendants, although they are generally not counted as passengers. Other examples include couriers, onboard security officers and caretakers for live cargo. Some travellers belonging to these groups fly more kilometres than the flight personnel of an airline company.

Commuting: Flying back and forth on a daily basis is unusual. Nevertheless, a modest group of professionals make weekly commutes by air, as their home and work locations are too far apart. In some cases, these travellers are active at multiple locations of the same company.
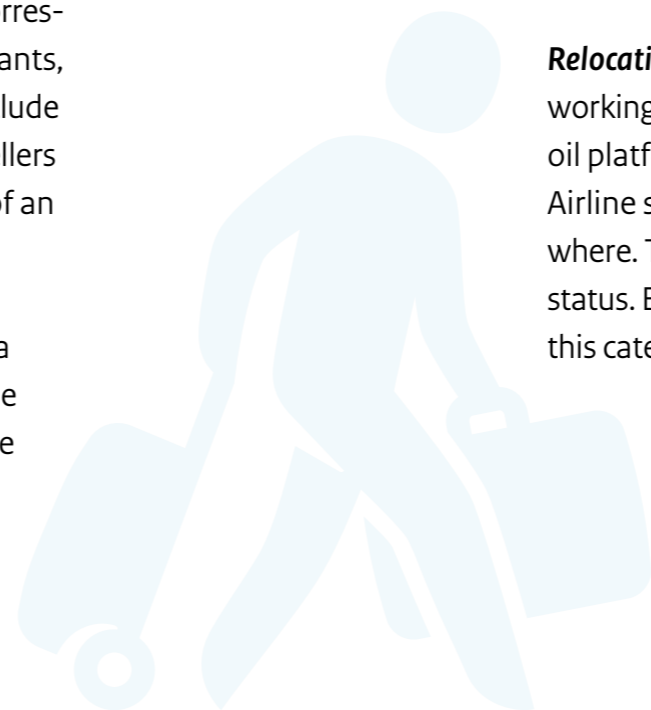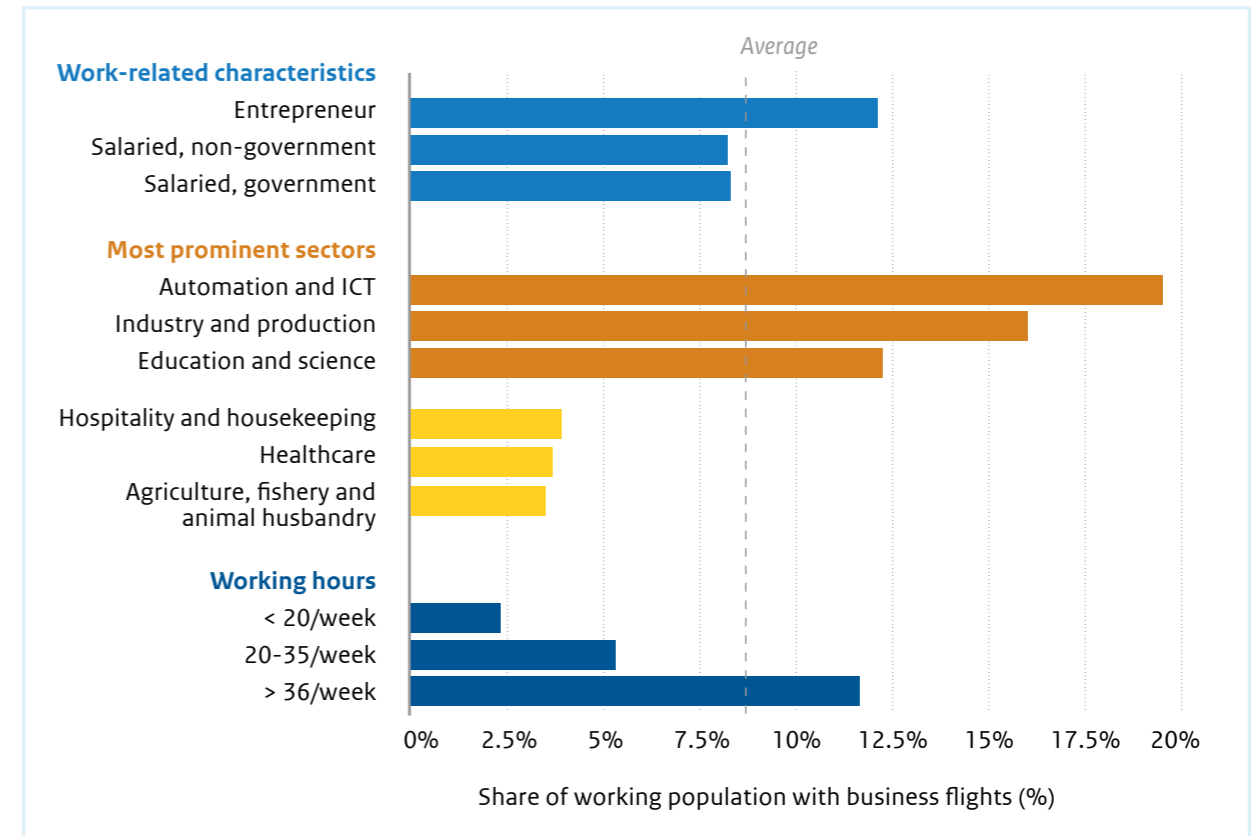
Relocation: Between 10% and 15% of the working population have no fixed working address (e.g. because they work on a seafaring vessel or visit diverse oil platforms). A few of these people therefore occasionally travel by plane. Airline staff members must also occasionally travel in order to work elsewhere. They are counted as regular passengers when flying on 'non-working' status. Expats, labour migrants, diplomats and similar groups also fall within this category, depending in part on the duration of stay.

<figure>
Share of working population with business flights (%)

Work-related characteristics
- Entrepreneur
- Salaried, non-government
- Salaried, government

Most prominent sectors
- Automation and ICT
- Industry and production
- Education and science

- Hospitality and housekeeping
- Healthcare
- Agriculture, fishery and animal husbandry

Working hours
- < 20/week
- 20-35/week
- > 36/week

Average

0%   2.5%   5%   7.5%   10%   12.5%   15%   17.5%   20%
</figure>

Installation and repair activities: These activities involve performing specialised operations on site, sometimes as part of a contract that was concluded upon delivery of machinery or equipment. The repositioning of a stranded container ship also falls into this category.

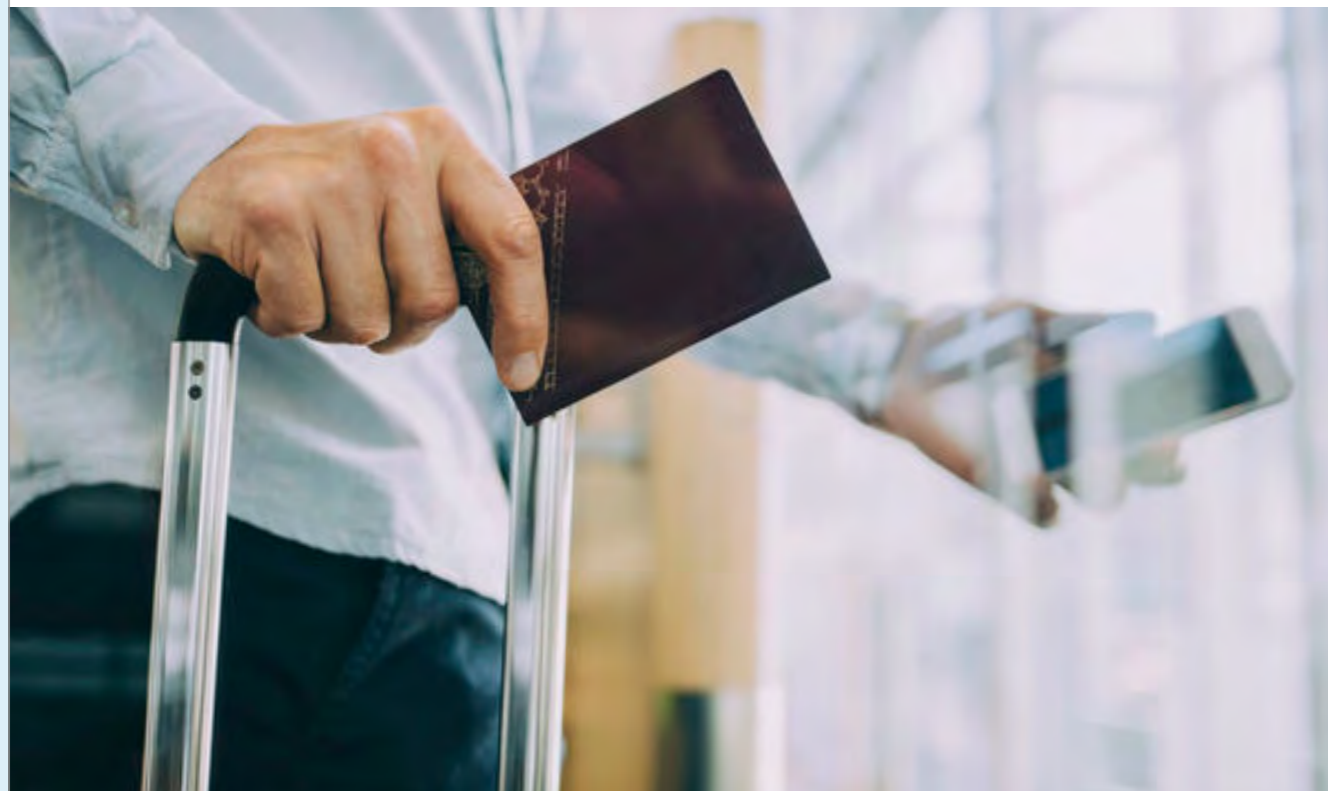***Meetings:*** Meetings include those held within multinational organisations and appointments with business contacts outside the organisation. In addition to their substantive purposes, meetings often have an informal or social element. Physical encounters within an organisation can also serve the purpose of making it easier for colleagues to find each other.

Education: Internal educational programmes for staff members, courses for PhD students and other specialised educational programmes are provided in only a select number of locations. Participating in them thus requires flying, particularly if online participation is not an option. Students who fly for an educational programme, a semester or internship abroad are sometimes counted as business travellers.

Purpose of travel

- Other
- Installation or repair activities
- Visit to supplier
- Marketing and sales
- Visit to headquarters or branch offices
- Visit to customer
- Convention / seminar
- Research, education, consultancy, training
- Meeting
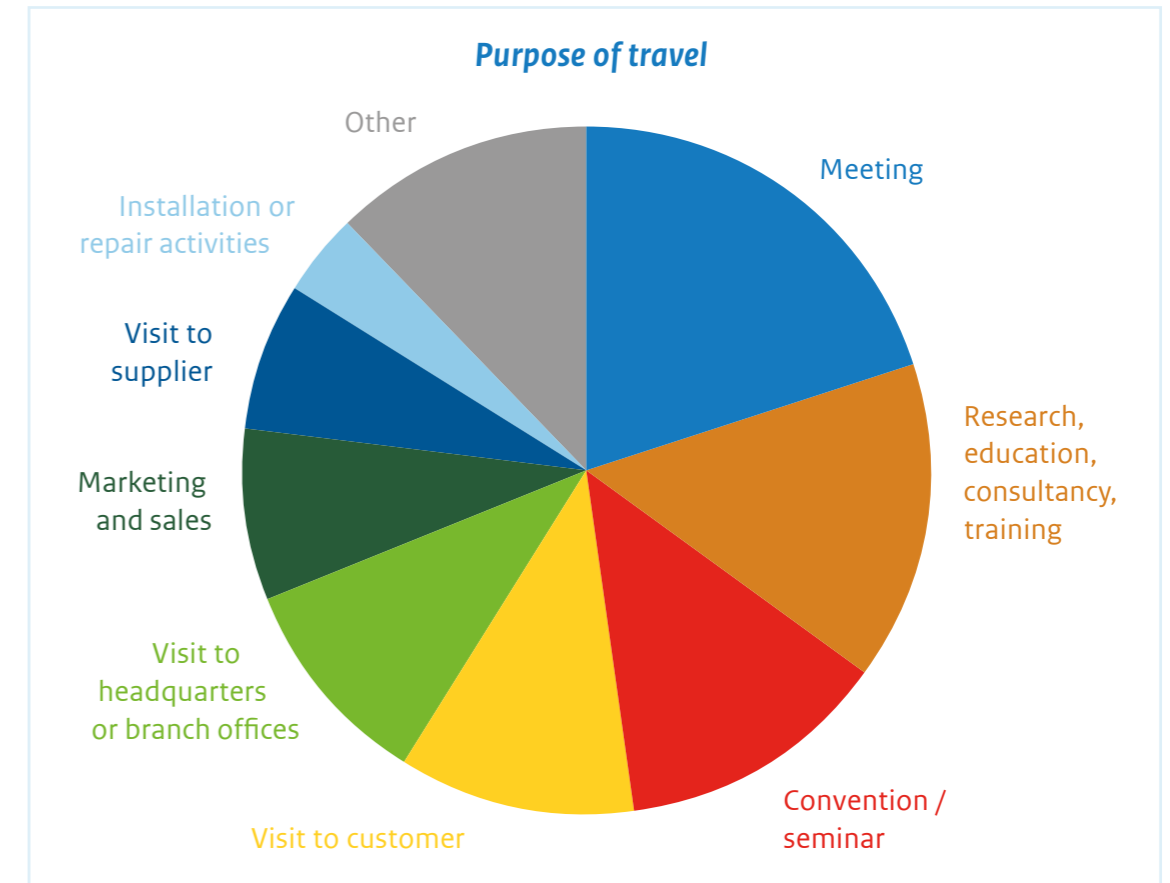
Events: Conventions, trade fairs and conferences are examples of events for which employees travel. These events can involve the provision of services, knowledge or products, the acquisition of them or some combination of both. Many scientists and experts visit academic conventions in order to stay current within their disciplines.

Company outings and incentive trips: Whereas a company outing is something in which all employees participate, incentive trips are intended as a special individual reward or incentive. For tax reasons, such trips often also have a substantive component.
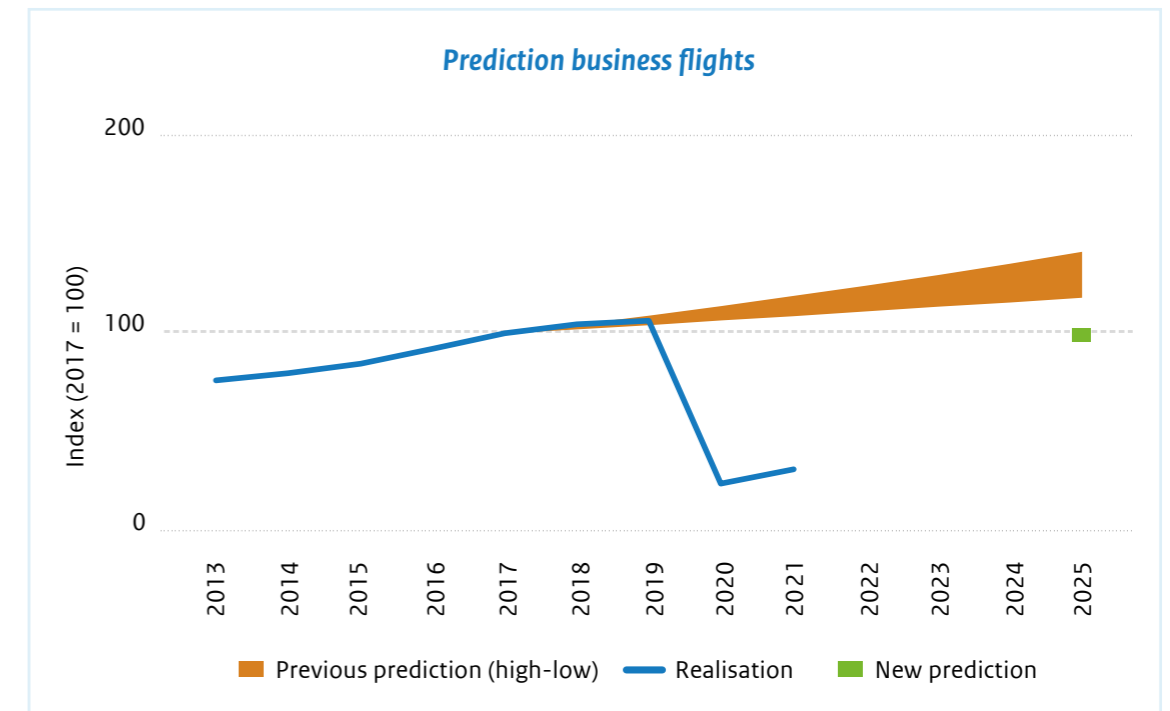
Relationships between purposes of business travel

The relationships between sub-purposes of business travel are difficult to establish. To start, this is due to an inadequate definition of business travel. It is also due to the widely diverging frequencies of travel for each sub-purpose, the use of non-unique or varying sub-categories of travel purposes in studies, diversity in travel parties and the accumulation of purposes for a single trip. There is thus also little consistency between the results of the modest number of available sources on the purposes of business trips.

Meetings nevertheless appear to play a leading role. In addition to meetings as an important purpose of business travel, other purposes may also include meetings (e.g. when visiting other branches or customers). Furthermore, a prominent role is reserved for knowledge sharing in the form of conventions and seminars, as well as in the form of education, training and consultancy.

Bleisure

It is not always easy to draw a distinction between business and non-business. In the literature, the term 'bleisure' is commonly used to refer to the combination of business and leisure. Examples include the afore-mentioned company outings and incentive trips. In addition, business visits at attractive locations can be extended by a few days for recreation. According to results from an international questionnaire study, 50%-60% of all business trips also include at least some non-business element. We were unable to find any data specific to the Netherlands in this regard.

In some cases, friends or relatives go along on business trips, even though they are not directly involved in the business activities. This could be the case for around 18% of all business trips, according to an international survey.

Modern means of communication now allow some travellers to work from their holiday addresses as well. This could be an occasional interruption of the leave period, during which people would like to have some distance from work. It could also be a conscious choice, as when opting for a more nomadic lifestyle, in which people 'work from home' from Tenerife. This form of bleisure, which seems to be gaining in popularity, can be regarded as a typical 'generational' effect of new or hybrid forms of working (see 'Teleconferencing').

4 Prospects

COVID-19

During the coronavirus pandemic, business travel by air decreased sharply. It is expected to increase again after the pandemic has ended, but not as rapidly as non-business traffic. In 2025, business traffic will involve around the number of flight movements made in 2019. Compared to the forecasts before the pandemic, this is a reduction of 15%–30%. It is impossible to say whether the previous growth rate will return from 2025 onwards. The fact that people are now accustomed to teleconferencing is often cited as a reason for a predicted structural lag in growth (see 'Teleconferencing').

Prediction business flights

Index (2017 = 100)

■ Previous prediction (high-low)   — Realisation   ■ New prediction

Sustainability

Companies and organisations are paying increasing attention to the reduction of emissions. Travel policy is important in this regard, given that flying generates a large volume of emissions and, despite efforts by the aviation sector, this is expected to continue in the medium term. In addition to fewer meetings, frequently mentioned options for reducing business air travel include more teleconferencing and a modal shift to travel by train.

Whether business traffic will actually decline under the pressure of the climate crisis is uncertain. In many cases, employees will want to continue flying, and official travel policies do not always lead to implementation.

Teleconferencing

One option for decreasing business travel by air involves increasing the use of teleconferencing. Throughout the coronavirus pandemic, more experience was gained in this regard. In addition, considerable investments have been made in hardware, software and training, thereby removing some of the obstacles to teleconferencing.

Attitudes towards teleconferencing

Attitude towards teleconferencing (standard normal distribution)

Legend: Non-business flights in 2019 — Business flights in 2019
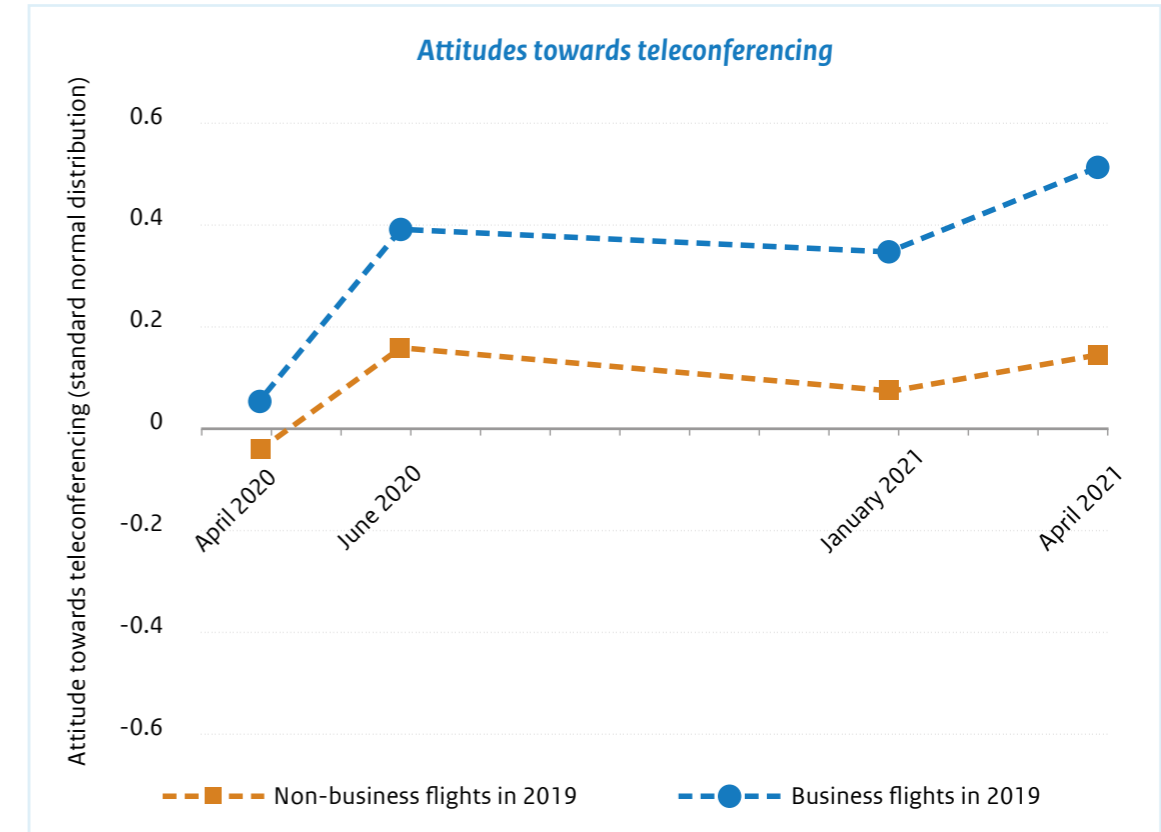
Teleconferencing is not new. In many organisations that operate internationally, teleconferencing was already commonplace and reasonably well established before the pandemic. Teleconferencing was already more common in international meetings than it was in meetings in the Netherlands.

Teleconferencing is by no means relevant to all purposes of business travel. Repairs, installations, relocations, company outings and courier services are difficult, if not impossible to carry out online. Even if an activity could theoretically be held virtually, there may still be reasons to prefer physical meetings.

In time, more teleconferencing may also generate more business trips or travel over longer distances. The possibilities of online contact are making it easier to maintain ties over longer distances and to put people in touch with a wider range of professionals, clients, suppliers or other parties from all over the world. These online possibilities are also mitigating problems relating to absence from the home front during business trips. According to literature from before the coronavirus pandemic, online possibilities rarely lead to less travel. Whether COVID-19 has changed this remains to be seen.

At the same time, however, attitudes towards teleconferencing became significantly more positive during the coronavirus pandemic (between April 2020 and April 2021). Moreover, those who took business trips in 2019 are more positive than the rest.

Substitution with train travel

Another frequently mentioned idea to reduce business air travel is to replace it with train travel. This is usually seen as an option for journeys up to approximately 750 km. This amounts to up to 35% of all business trips made by air. The potential climate benefits of such a substitution should not be overestimated, as short-haul flights are responsible for only a small proportion of the total greenhouse gas emissions from business air travel. Moreover, the capacity that would be released at the airports in the event of a cap could be used for new flights over longer distances.
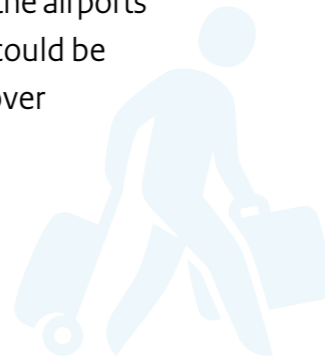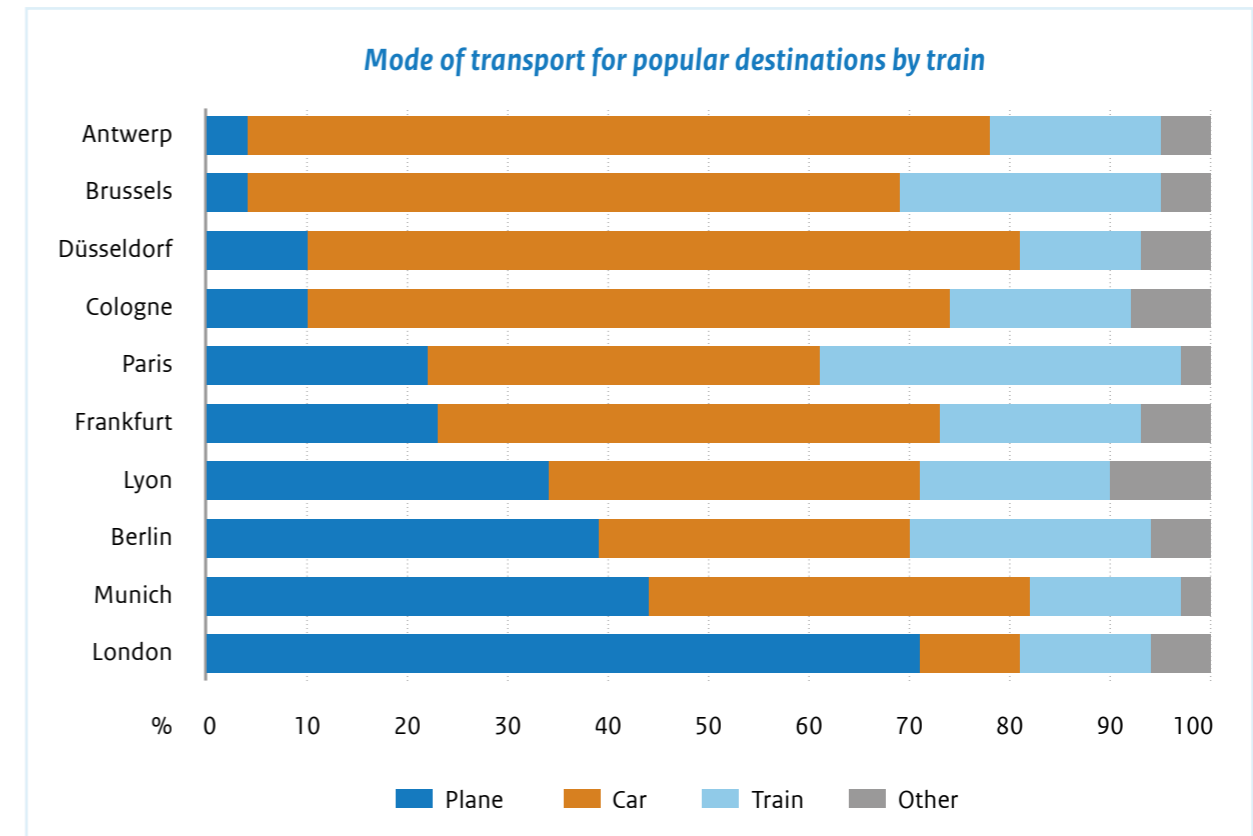
It is unclear whether travel by train could eventually replace a substantial share of shorter flights. Improvements in international rail-travel products are difficult to realise, due to a lack of resources, as such improvements require major investments. In addition to money, the large number of parties involved poses a major obstacle. This makes it difficult to realise new connections or substantial improvements in travel time. Major improvement in railway-travel products is therefore unlikely in the short and medium term.

The most prominent competitor for air travel is not the train but the car. For 9 of the 10 most important destinations of NS International, cars are more popular than the train as a means of transport. On average, the proportion of business travellers who travel by car is 2.5 times greater than the proportion who take the train to the same destinations. Given that these cities are the most popular train destinations, we expect an even larger share of travel by car for other destinations within a radius of 750 km.

It is also interesting to note that, at distances of up to 500 km, the number of foreigners arriving in the Netherlands by air exceeds the number of Dutch people travelling to these destinations by air. This suggests that Dutch people are already opting to take the train or the car for these distances.

When asked about their willingness to travel by train instead of by air for shorter distances – even if it would require more time or money – Dutch business travellers respond more positively than do Dutch non-business travellers. We do not think that this is due to a more positive attitude towards the train. There is no evidence that business air travellers have a more positive attitude towards the train. We think that this difference is more likely due to the fact that very little air travel occurs for non-business purposes within distances of 750 km. Holiday flights are usually much longer. When asked about their willingness to take the night train, business air travellers do not respond more positively or negatively than non-business air travellers. Likewise, any policy aimed at encouraging more railway travel could count on equal support from both types of air travellers.

Mode of transport for popular destinations by train

Destination		
Antwerp		
Brussels		
Düsseldorf		
Cologne		
Paris		
Frankfurt		
Lyon		
Berlin		
Munich		
London		

Legend: ■ Plane ■ Car ■ Train ■ Other

About this research

Unless otherwise stated, the statistics in this publication refer to the year 2019. Extensive background documentation to this study is available in Dutch on the KiM website. This documentation includes information on the references, datasets used, models applied and analyses.