A commercial and cultural understanding of Asia Pacific's (ASPAC) corporate travel industry is essential to effective travel management. This paper provides an FCm outlook for the region’s corporate travel sector, and how both local and foreign companies can manage their corporate travel for the best outcomes.

**Travel sector snapshot**

- By 2025, 32 per cent of all world airline traffic is expected to originate from Asia (source: Airbus).
- Strong economic growth will continue to act as a major stimulus for airline demand in Asia, as business and leisure travellers respond to fast-growing economic activity and income levels.
- Passenger flows within Asia will experience the fastest rate of growth in the world (IATA passenger forecast), with routes between major European economies and Asia to generate substantive expansion.
- The region is now experiencing a strong focus on infrastructure development (eg. airports) to increase capacity and meet demand.

**Why is ASPAC unique?**

Asia Pacific's business travel industry is like no other in the world. For example:

- As opposed to European and US markets, most ASPAC countries are relatively new to the concept of corporate travel management, and are likely to take several years before their travel management practices mature.
- Few ASPAC based companies have a central corporate travel policy, with a corresponding low level of travel policy compliance across the region.
- A multitude of different reservation systems are available.
- There is a growing shift from supplier commissions to fee-based models.
- Broad differences exist between travel servicing configurations and traveller expectations.
- Labour costs vary greatly and experienced travel management staff are hard to find.
- Reservation systems are highly fragmented.
- There is low usage of interactive servicing due to legal, technical and functional limitations.
- Consolidation is occurring in the corporate travel agency arena.

For corporate travel buyers, these factors present enormous challenges. Travel management choices, structures and costs fluctuate dramatically from country to country.

**Asia Pacific Fast Facts:**

- 60 per cent of world’s population
- 26 per cent of world’s GDP
- World’s fastest growing region
- 44 countries
- 32 primary languages.

---

**FCm Outlook**

Better travel ideas. Greater savings.
Asia Pacific business travel: trends, traits and opportunities.

country. For multinational companies in particular, this makes the travel management process very difficult. So too does a general lack of understanding of the different cultures and techniques for doing business in various Asian countries.

Local market nuances

The characteristics outlined on this paper broadly reflect the nature of Asia Pacific’s business travel sector. Yet within the region, individual countries have their own nuances and offer varying levels of growth and sophistication.

Japan, for example, is the region’s largest travel market but one of the slower movers. Corporates remain heavily focussed on traditional service and relationships with Japanese speaking consultants. Labour is expensive, yet the lack of common GDS platforms make it almost impossible for Travel Management Companies (TMC) to deliver online services in the market.

Despite lower technology acceptance in India, its corporate travel sector is expected to progress faster than that of Japan. The cost of labour in India is so low that online services are considered more expensive. However, some global corporates are viewing online services as the only way to establish well-documented processes across the region.

China, until recently, was considered a slow mover in ASPAC’s corporate travel market. However, in the past 12 months alone, there has been a notable maturing of Chinese corporates in their adoption of strategic travel management.

FCm Travel Solutions expects this shift to continue, and for a growing number of companies to implement travel policies and monitor compliance.

While the business travel sector varies substantially across the different ASPAC countries, corporates also need to tackle challenges such as different time zones, multiple languages and unique cultural sensitivities in each country. For companies doing business in several parts of the region, the complexities of their travel management can be overwhelming.

‘Local knowledge of each country’s travel industry and cultural differences, coupled with local supplier relationships, is critical.’

Better practice

In Asia Pacific the key is to work with a travel management company offering a strong local presence supported by an extensive regional or global network.

Local knowledge of each country’s travel industry and cultural differences, coupled with local supplier relationships, is critical.

FCm Travel Solutions recommends the following tips for better practice in travel management:

- One solution does not fit all – your TMC should be able to offer a degree of flexibility and the ability to tailor services specifically to your needs
- Ensure your TMC’s account managers are in touch with local industry regulations and developments, and familiar with each country’s business environment
- Select a TMC that can create a travel policy for your business and assist you in ensuring compliance with that policy
- Remember that the best deals are local ones, linked by an ‘umbrella’ deal. If you opt for a global deal, pricing is not as competitive as if the deal is done locally – this applies to both airlines and hotels
- It is an added bonus if your TMC can achieve specified targets, even if they are set regionally but based on performance by each country
- It’s important to factor local cultures and cultural needs into your travel program, but do not allow these to become excuses for non-compliance with your travel policy. Work with a TMC that can make your company’s travel policy transportable across the region ie. practical in all countries.

You’ll always be better off dealing with ideas people.

At FCm our people are encouraged to think intuitively and expansively about the products and services they supply to your business. They are actively encouraged to challenge the status quo to find innovative solutions for saving you money. It’s our objective to ensure that every possible aspect of your travel booking experience is simplified and streamlined.

That’s why you should expect:
- local, personal, flexible service
- proactive thinking
- genuine cost savings
- solutions tailored to your business objectives.