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Business Traveler Behavior after the Great Recession

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Business Traveler Behavior after the Great Recession

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ABSTRACT

The recent “Great Recession” prompted traditional business travelers to alter typical travel spending habits. One apparent behavioral change for travelers, highlighted in the Bureau of Labor Statistics consumer expenditure data, identified travelers’ tendency to buy significantly more groceries after the recession. This multi-year, longitudinal study revealed that business travelers doubled the consumption of grocery items after the recession as a possible means for alleviating non-subsidized food and beverage expenses.

The employed business person, whose travel expenditures are wholly or partially subsidized by an employer, also appeared to drastically reduce personal travel expenditures for traditionally non-subsidized purchases. This study suggests that business travelers’ food consumption, tourism expenditures, length of stay and shopping behavior were affected by the recent recession. In addition, the responsible agents for the travelers in this study appeared to apply a conventional strategy for reducing the recession’s impact on the profit margin by reducing the length of the trips (See table 1).

<table>
<thead>
<tr>
<th></th>
<th>Pre 2.5 yrs.</th>
<th>Recession yrs.</th>
<th>Post 2.5 yrs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Daily Expenditure</td>
<td>256_a</td>
<td>259_b</td>
<td>345_c</td>
</tr>
<tr>
<td>Shopping</td>
<td>23_a</td>
<td>17_b</td>
<td>10_b</td>
</tr>
<tr>
<td>Average Stay in days</td>
<td>3.20_a</td>
<td>3.09_b</td>
<td>2.40_b</td>
</tr>
<tr>
<td>Groceries</td>
<td>10_a</td>
<td>8_a</td>
<td>21_b</td>
</tr>
<tr>
<td>Restaurants</td>
<td>65_a</td>
<td>72_b</td>
<td>102c</td>
</tr>
</tbody>
</table>

Estimated trip total daily expenditures Pre and Post-Recession

Pre-Recession (256*3.2) = $819  
Post-Recession (345*2.4) = $828
The findings from 5,280 random day, time and site interviews over a seven year time period in Hillsborough County, Florida indicated that the recession altered more aspects of the business travel economy than the average spending per party, per day.

**Keywords:** Business travel expenditures, Travel spending behavior, Economic Growth, Recession and Recovery