Evidence Base Review of Business Travel Behaviour: Report on Qualitative Interviews

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DISCLAIMER

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SUGGESTED CITATION

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Note the following reports from this study are also available:

- Anable, J., Darnton, A., Pangbourne, K., Lane, B., Banks, N. and Henry, N. (2015) *Evidence Base Review of Business Travel Behaviour to Inform Development of a Segmentation of Businesses: Main Report*. Report for the Department for Transport. March 2015.
- Anable, J., Darnton, A., Pangbourne, K., Lane, B., Banks, N. and Henry, N. (2015) *Evidence Base Review of Business Travel Behaviour to Inform Development of a Segmentation of Businesses: Executive Summary*. Report for the Department for Transport. March 2015.

LIST OF ACRONYMS AND ABBREVIATIONS

AD R&A	AD Research and Analysis
ATOC	Association of Train Operating Companies
BCC	British Chambers of Commerce
BCSC	British Council of Shopping Centres
BRC	British Retail Consortium
BVRLA	British Vehicle Rental and Leasing Association
CBI	Confederation of British Industry
CILT	Chartered Institute of Logistics and Transport
CPT	Confederation of Passenger Transport
CSE	Centre for Sustainable Energy
CSR	Corporate Social Responsibility
CTR	Centre for Transport Research, University of Aberdeen
DfT	Department for Transport
EBR	Evidence Based Review
EST	Energy Savings Trust
FSB	Federation of Small Businesses
FTA	Freight Transport Association
GTMC	Guild of Travel Management Companies
IEMA	Institute of Environmental Management and Assessment
IoD	Institute of Directors
IT	Information Technology
ITM	Institute of Travel and Meetings
PTEG	Passenger Transport Executive Group
RHA	Road Haulage Association
SME	Small to Medium Enterprises
TFL	Transport for London
TRL	Transport Research Laboratory
WTTC	World Travel and Tourism Council
FTSE100	Financial Times Stock Exchange (The FTSE group of stock listings is owned by the London Stock Exchange). The FTSE100 is the largest 100 qualifying UK companies by full market value.

EXECUTIVE SUMMARY

As part of the Department for Transport (DfT) funded 'Evidence Base Review of Business Travel Behaviour to Inform Development of a Segmentation of Businesses', fifteen semi-structured interviews were undertaken with transport-oriented trade bodies, governance and research groups, business-oriented bodies, professional practice-oriented bodies, implementation agencies, and campaign groups (collectively referred to in this report as 'umbrella organisations'). The primary objective of the interviews was to fill gaps in the published evidence on business travel behaviour, focusing specifically on the external and internal drivers and barriers to sustainable transport and travel behaviours in public and private sector organisations. The research was also designed to understand the role of these umbrella organisations as intermediaries in the relationship between the community of employers and government.

These interviews, which cover a range of transport-specific and cross-cutting business agendas, have offered insights into the salience of transport and its relationship to operations in multiple organisational settings and economic sectors. In doing so, this research has provided an up-to-date depth and richness to the published literature on the topic of business travel as reviewed in the accompanying 'main' project report.

Twenty-nine key findings are highlighted in the main report. These cover detailed learnings relating to the importance of transport as an issue to organisations, the significant travel trends and innovations which surfaced most strongly in the interviews, the external and internal drivers of organisational change and the strongest indications of how to promote sustainable organisational behaviours.

Whilst each of the individual findings are regarded as important learnings in their own right, it is still possible to draw out a handful of overarching themes that draw together these findings and potentially represent the most important conclusions to feed in to the design of any segmentation model of businesses in relation to their travel behaviour. These five themes are set out below.

1. **Whilst travel adds value, it is also a cost to be reduced. Being seen to be green is a bonus.**

Whilst travel is most definitely regarded as adding value to a business, it is generally seen as a cost to be reduced. This is the same whether or not transport is core to the business (i.e. it is a profit centre) or a necessary part of delivering other services. Either way, the motivation for cost control and efficiency is clearly linked to maintaining or improving competitiveness or offering value for (public) money. Other than cost control, no particular business practice was identifiable as a clear area of concern that on its own was motivating businesses to adopt sustainable travel behaviours across the board. Nevertheless, there is evidence that environmentally and socially sustainable actions are increasingly being linked to cost saving and potential business opportunities. Indeed, being seen to be green seems to be increasingly regarded as a bonus that comes by putting cost control and regulatory compliance practices through a post-hoc environmental filter.

2. **Transport and travel is of lower order salience in relation to environment or corporate social responsibility.**

Transport and travel activity is generally not the most salient consideration or area of focus of activity relating to the environment or corporate social responsibility (CSR). This is evident from a number of different areas of discussion in the interviews. In general, where the topic of 'sustainability' was

probed, interviewees tended to focus more on broad environmental issues or regulations such as carbon reporting, rather than specific transport-related business practices. More specifically, other than for organisations such as the haulage industry where transport accounts for the bulk of activity and carbon footprints, transport and particularly travel (commuting, business and customer travel) was highlighted as one of the last operational areas to be included in CSR reporting. Non-transport direct impacts such as waste and are usually addressed first. There are a number of reasons for this including:

- the fact that commuting and customer travel are not usually regarded by organisations as their responsibility;
- transport-related decisions (such as mode choice for business-travel, management of expenses relating to the grey fleet, procurement or vehicle-purchase) are often not the responsibility of those with transport expertise or knowledge of the full costs involved; and
- a lack of commonly agreed standards for reporting or benchmarking anything other than vehicle emissions in CSR reporting.

Nevertheless, reputation is a lever for change, particularly in certain sectors such as retail and telecommunications. The management of reputational risk can extend to various aspects of transport/travel (e.g. through Duty of Care for employees driving or travelling for work, through visibility of branded vehicles, or through niche consumer demand for lower 'food miles'[1]).

3. **Assisting the development of reporting standards or benchmarking tools would help to align cost reduction with environmental benefits, efficiency gains and competitive advantage.**

In order to bring together the cost reduction imperative and the increasing recognition of the relationship between environmental action, efficiencies and competitive advantage, more assistance is required (through reporting standards, benchmarking tools and IT support) to align whole life costing and pricing signals with environmental impact. Throughout the interviews, the benefit of a holistic (whole company, whole supply chain, whole lifetime) view in relation to decisions regarding fleets, supply chain management, business travel behaviour (including deciding when and how to travel in order to meet organisational objectives), travel planning and embedding CSR in the business was emphasised. Adoption of a whole-life/life-cycle analysis approach[2] is associated with a clearer understanding of the full cost and environmental implications of goods and services. It also provides the data that organisations need to make comparisons and decisions, and is generally associated with changing ways of doing things. For example, whole cost analysis combined with carbon reporting and CSR reporting requiring traceability/chain of custody is having an impact through supply chains with

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[1] Food miles is a term for the distance covered by food products between the primary producer and the end consumer. It is often used in conjunction with, or as part of, carbon footprinting, as a device for encouraging consumers to buy food that is produced more locally.

[2] 'Life-cycle approaches' are processes involve adopting methods which evaluate the total environmental or energy content of a product or service. Full Life-Cycle Analysis involves identifying all the inputs and outputs of a product or system or product and evaluating all the potential environmental impacts of that product or system from raw material extraction, manufacture, use and disposal. This approach is also known as 'cradle to grave'. There are a number of related techniques and terms, such as whole-life accounting, whole-life cycle, cradle-to-cradle (C2C). In the latter approach, the aim is to ensure that waste is not 'disposed of' but becomes the raw material for something else. (Cohen and Robbins, 2011 *Green Business, An A to Z Guide.* Sage Reference Series, Los Angeles).

particular impact on Small to Medium Enterprises (SME) through increased requests for carbon-related data and information from suppliers who are SMEs.

4. **Information technology has been a significant factor in virtually all major recent changes in business travel behaviours.**

Information technology (IT) can be said to be responsible for instigating and enabling virtually all the major recent changes in travel behaviours underway in both the private and public sectors. These include new vehicle ownership models (particularly car clubs), the uptake of electric vehicles, and the acceleration in the use of vans, new integrated logistics services, flexible working and shopping. IT enables smarter management of travel and transport to reduce costs and boost productivity because it provides tools for measurement ('Smart Efficiency') as well as mobile and remote working and shopping. Moreover, IT is a major area for future innovation & growth.

5. **Standards or criteria for segmenting organisations in relation to their transport and travel activity and their propensity to adopt more sustainable processes do not yet exist.**

The interviews highlight the lack of any standard or clear criteria on which to segment organisations in relation to the transport and travel activity and likely adoption of sustainable procedures and behaviours. Standard high level criteria are used pragmatically by the umbrella organisations to subdivide member organisations (number of employees, turnover, fleet size, financial or ownership structure, market sectors or subsectors and geographic location). There are few indications that umbrella organisations use practices or behaviours as regular criteria for categorising their constituencies. Nevertheless, the interviews did identify a number of internal and external factors which are likely to differentiate between organisations, many of which chime with the literature, and many of which could be operationalised through measurement in business surveys in order to better understand their relationship with behaviour and their value for a segmentation of businesses. These include: organisational structure and size, geographical location, position in the supply chain, degree of whole life thinking and related procedures, management of the grey fleet, reason for joining umbrella organisations, maturity of sustainable thinking and individual employee attitudes and values.

The implications of the 29 key findings outlined in the main report, and these five overarching learnings will be used in conjunction with the review of the published evidence to inform the overall objective of this project to assess the feasibility of developing a segmentation model of businesses in relation to their transport and travel behaviours as published in the main project report.

1. Introduction

This document reports on the process, analysis and conclusions of a set of 15 interviews undertaken to complement the desk-based Evidence Base Review (EBR) of Business Travel Behaviour to Inform Development of a Segmentation of Businesses.

The work of the EBR was spread across six Conceptual Packages, as listed here. Detailed descriptions can be found in the main review report and the overall project Executive Summary.

1. Drivers of business growth and sustainable practice (ICF GHK with AD Research &Analysis (AD R&A) lead);

2. Subdividing the business population (GHK with AD R&A lead);

3. Business travel-related practices (Centre for Transport, University of Aberdeen (CTR) lead);

4. Company cars, fleets, transport operators and freight (Ecolane lead);

5. The cross-over between business commercial energy and travel practices (Centre for Sustainable Energy lead);

6. Effective segmentation methods and principles (AD R&A with CTR lead).

The interviews were conducted with umbrella bodies (rather than individual commercial or public sector employers) to probe travel and transport-related issues and behaviours across the range of activities and sectors of interest to the EBR.

The objectives of the interviews were to:

1. Fill gaps in the evidence base across the Conceptual Packages using qualitative research with 'expert' respondents.
2. Understand the role of a range of umbrella bodies as intermediaries in the relationship between the community of employers and government
3. Understand the role such bodies could play for government in engaging with employers on travel and transport behaviour issues.

A total of fifteen telephone interviews were completed between September and November 2013, with a key representative of the organisation concerned, and generally lasted 45-60 minutes.

2. Methodology

The method of semi-structured telephone interviews was chosen as the most efficient and effective means of exploring the perspectives of a cross-section of umbrella organisations. The interviews, were conducted by telephone with a key representative, and lasted between 45-60 minutes. On behalf of the project team, the interviews were conducted by Dr Kate Pangbourne (University of Aberdeen) and Dr Ben Lane (Ecolane Consultancy) between September and November 2013. Following standard ethical research practices, interviewees were informed as to the project objectives and permission was sought for the interviews to be recorded and transcribed, with the final transcription being checked with the interviewee for accuracy and completeness.

The aim of the interviews as explained to participants was to assemble evidence on travel-related business practices in order to better understand how these are influenced by environmental concerns and business strategy. Interviewees were also made aware that the results would be used to inform a model being developed for this study for segmenting businesses in relation to their transport and business travel orientation, including adoption of more sustainable practices.

2.1.   Interview Topic Guide

To achieve the objectives of the interview, a master topic guide was devised, a copy of which is included in Annex 1. This guide was tailored for each organisation prior to the interview taking place. The overarching thematic topics of the EBR, as well as the interview responses, were then used to frame the results and analysis section.

Prior to the interviews taking place, a summary of the key research questions were emailed to each participant. While not equally relevant for all interviews, these research questions were as follows:

1.   **General issues (project team will conduct pre-interview research)**

   - What are the core structural characteristics of your members/constituency?

   - How does your organisation subdivide your membership?

   - What proportion of your members has travel/transport as a core activity of their business?

2.   **Questions about travel/transport activity (core questions)**

   - What key issues influence the amount and nature of travel/transport activity amongst your members?

   - Are members seeking to change any business practices related to the amount or nature of their travel/transport? Which practices are they most concerned about?

   - What are the main motivations/reasons for any attempts to change travel/transport practices?

3.   **Questions about strategic determinants of their members (core questions)**

   - What proportion of your members would you say are pursuing a vigorous growth agenda, either in terms of profit [or in social reach for non-profits], versus seeking to weather a difficult period?

- What proportion of your members would you say are pursuing a strong environmental agenda?
- What factors, in your opinion, most clearly identify those members who are most actively pursuing 'green' travel/transport options and those who are not?

4. **Questions about policy context and engagement (core questions)**

- What is your membership seeking in relation to government transport policy? [local or national]
- Who tend to be the key people in the organisations you represent who make decisions about travel/transport related business practices/policies?
- What are the key sources of information used by your members to make decisions about travel/transport practices?
- What role does your organisation take in registering travel/transport-related concerns of your membership?

5. **Questions about data/evidence (if time available)**

- Has your organisation produced any policy documents or reports about travel and transport issues that are not already on your website, or which are normally only available to members, that you can share with us for this project?
- Have you conducted any surveys of your members that (i) collect quantified data about their travel activities or (ii) ask for their views regarding the importance of different types of transport to their business? Would you be willing to share this data with us?

2.2. Interviewee Selection

In developing and agreeing the objectives for the interview series, it was decided that interviewing umbrella bodies (rather than individual commercial or public sector employers) would be the most effective use of the resources available to probe travel and transport-related issues and behaviours across the range of activities and sectors of interest to the EBR. Moreover, selecting a small number of specific organisations would have been inevitably partial and insufficient to cover the full range of relevant organisational characteristics which formed the focus of the research: size, sector, ownership and travel/transport dependence.

At the project outset, it was anticipated that 10 telephone interviews would be undertaken; however, allocation of resources permitted up to 16 to be arranged. In the event, 15 were completed (with one interviewee unable to participate as intended).

At the start of the interviewee selection process, an initial long list of potential travel/transport and/or business organisations was developed through the knowledge of DfT and the project consortium. Suggestions were also generated through 'snowballing' of references from the literature review and a high level internet search. The website of each organisation included in the long list was reviewed to ascertain the organisation's remit, its relevance to the project, its potential as an engagement route for DfT, and for any relevant information about its position in relation to business travel/transport. As a result of this exercise, a good cross-section of organisations was selected from which interviewees were recruited until saturation was reached.

The cross-sectional shortlist shown in Table 1 provides coverage across four organisational types defined by their orientation or focus:

- Transport oriented;
- Business oriented;
- Professional practice oriented;
- Issue oriented.

The organisations which ultimately participated in the interviews are also shown in the table in **bold**. Background information about the interviewed organisations, including quotes made by the interviewees on organisational background, are in Annex 2.

Table 1 Transport/business organisations selected for interview invitation

Transport Oriented Bodies		Business Oriented Bodies	Professional Practice Oriented Bodies	Unions, Campaigns, Sustainability and Efficiency oriented Bodies
Trade/Mode	Consumer/ Governance/ Research			
Association of Train Operating Companies	Passenger Transport Executive Group (PTEG)	Federation of Small Businesses	**Institute of Environmental Management and Assessment**	**Energy Savings Trust**
Freight Transport Association	Passenger Focus	**British Chambers of Commerce**	**Chartered Institute of Logistics and Transport** (including Inst. of Operations Management)	**Business in the Community/-Ways2Work**
Road Haulage Association	Transport for London (TFL)	Confederation of British Industry	Chartered Institute for Personnel Development	**RoadSafe** - Driving for Better Business Campaign
British Vehicle Rental and Leasing Association	Transport Research Laboratory (TRL)	Institute of Directors	Chartered Institute of Purchasing and Supply	Ecoconnect
Guild of Travel Management Companies		**British Retail Consortium**		Sustrans
Institute of Travel and Meetings		**British Council of Shopping Centres**		Unite
Carplus		Business Council for Sustainable Development		URTU
World Travel and Tourism Council		EEF – The Manufacturers' Association		Campaign for Better Transport
Confederation of Passenger Transport				

The matrix in Figure 1 below shows where the interviewers consider the interview organisations lie on the spectrum of orientations arranged as quadrants.
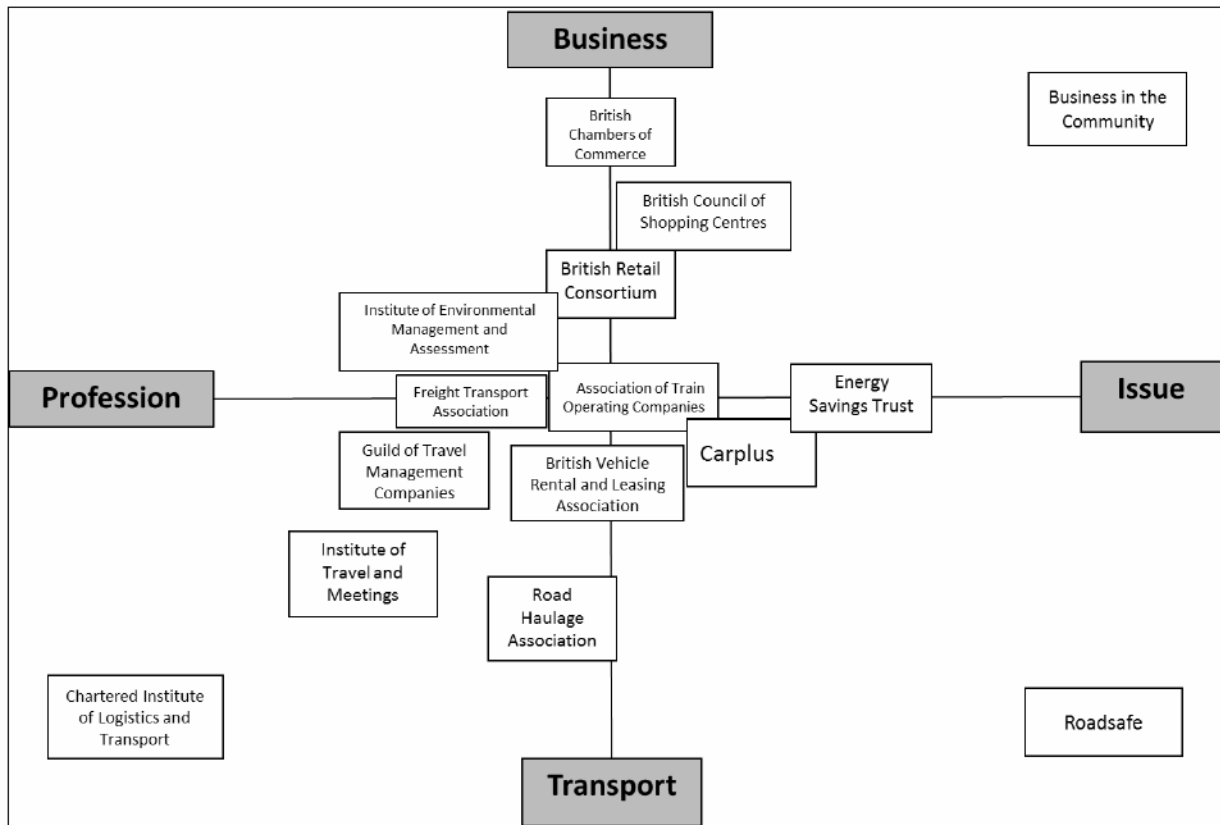
Figure 1 Orientations of the interviewed umbrella organisations

2.3. Note on interviewee perceptions of their organisation

Interviewees were not asked directly what their perceptions are of their organisations. It is assumed, however, that the views that are expressed are individual, though usually heavily imbued with the 'organisational line'. This is possible to infer by cross-reference with the tone and content of the organisational websites. Some of the interviewees have been involved with their organisations for several years, others were relatively new.

3. Results and Analysis

As stated in the introduction, the primary purpose of the interviews within the larger project was to:

- Fill gaps in the evidence base across the Conceptual Packages using qualitative research with 'expert' respondents; and
- Explore how umbrella bodies understand their constituencies, and the parameters they use to classify their members.

A secondary aim involved developing a greater understanding of the role of those umbrella bodies as intermediaries in the relationship between the community of employers and government.

The following sections detail the findings of the interviews in relation to these high level objectives. The sections are structured as follows

- Section 4: the importance of transport to organisation,
- Section 5: trends and innovations in travel and transport,
- Section 6: drivers and constraints facilitating organisation change and
- Section 7: the activities, membership and categorisation of the umbrella bodies and their members

The key research questions are listed where relevant, and actual participants' quotes[3] are also shown in places to confirm conclusions drawn by the project team and also to add important detail to the issues raised. At the end of each section we highlight the Key Findings as they relate to a potential segmentation of businesses in relation to their transport and travel practices.

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[3] The recording of the Institute of Travel and Meetings (ITM) interview failed to pick up the interviewee. This interview has only a very few verbatim quotes and is reported on from notes.

4. The Importance of Transport to Organisations

A key evidence gap arising from the EBR was a lack of information regarding the salience of travel and transport to organisations. The interviews aimed to identify the salience of travel and transport as a topic or issue more broadly but also explored whether an organisation's membership has a significant proportion of transport/ travel businesses, i.e. those to which travel/ transport is even 100% salient. Whilst there are business opportunities offered by travel and transport trends, particularly those entwined with IT (see section five below), these opportunities are generally outweighed by those current issues that businesses perceive as constraints.

The general headline issues that concern businesses are costs and regulation. Cost has been a particular focus of both the public and private sector in the recent past, as a result of the austerity period. Taking issue with the burden of regulation is a perennial theme of business. In relation to transport and travel, regulation was mentioned in a number of different contexts by interviewees, including 'non-transport' policy areas that impact on transport and travel practices of employers (planning and local government decisions were highlighted, though environmental regulations as they apply to transport are also significant). These three issues (business costs, regulations and parking policy) are discussed in more detail in this section below.

There were two other strategic areas of concern that were mentioned less frequently as impacting on transport and travel activity:

- change in markets and their geography - the global marketplace is a long term business issue that is now being facilitated by the spread of IT; and
- network reliability, often expressed in terms of the impact of congestion or in calls from the business community to increase investment in infrastructure (at national, regional and local levels).

4.1. Transport and travel as a business cost

Of the range of issues mentioned by interviewees, almost without exception the most common issue mentioned as impacting on transport and travel activity (but not necessarily always driving changes to practice (See section 6) is the economic imperative to control business costs. For many interviewees the cost factor was strongly related to the issue of fuel prices and taxes (and the impact on profitability, cash flow and business certainty), but the cost of congestion, and costs associated with emissions regulation as well as transport labour (wages, or the costs associated with an employer's duty of care) also featured.

> *I think there is a very strong focus – and it's very strong this year on efficiency and on cost control.* Road Haulage Association (RHA)
>
> *I think cost is a major concern. Obviously the price of fuel has sort of flattened out, temporarily, so maybe there's not as much noise around that as there has been. The main concerns are cost, carbon is still very much up there but also duty of care as well.* Energy Savings Trust (EST)

As noted above, however, it is not clear whether labour or fuel costs are the largest travel-related cost component.

4.2. Regulatory burden

Compliance with regulation might be an area that increases the salience of travel and transport. Responding to the question regarding the business issues of greatest concern, regulation, particularly that surrounding environmental issues, came a close second to costs. All organisations operate in an environment in which regulation is significant in a number of different areas, such as safety, environment, and employment law. While (some) regulation remains a key driver of change, beyond any potential resulting efficiency benefits, it is often seen by organisations as a burden that adds to cost and stifles innovation rather than an opportunity to reduce costs or gain competitive advantage. In general, the business and transport oriented representative bodies tend to seek to ensure that regulation doesn't skew the competitive landscape. Most types of regulation are generally seen as imposing a management and cost burden from compliance activity rather than as a positive driver of more sustainable practices (this issue will be discussed in detail later in the report):

> ...regulation is still a big driver in a lot of companies. In many ways companies aren't regulated on efficiency, therefore if you are not regulated on efficiency and you have a relatively narrow view on the environment, then you have to think that this is seen as being a cost [that] we'll do it as cheaply as possible to comply without taking a full-cost account approach to the environmental resources that they are consuming, so they don't think beyond, 'This is something that I'm forced to do.' Institute of Environmental Management and Assessment (IEMA)

Environmental regulations were also highlighted for the public sector, especially local government, where there are obligations to monitor and manage air quality as well as carbon, though it is recognised that both are managed, to a certain extent, through the same means. However, some regulation affecting vehicle operators in relation to engines has not yet fully addressed the air quality problems arising from the industry:

> I imagine that air quality will continue to be something which the industry will need to focus on and we're just about to go into operational use of [Euro 6] and that's a big step forward from the Euro [5 standards] that they are replacing but the issue of air quality isn't going to go away and the industry will need to continue to adapt to meet those needs. Freight Transport Association (FTA)

Labour-related regulation is also affecting the transport industry. Whilst the road freight sector is clearly focused on providing transport services as its core activity, its dependence on labour (drivers) means that it is heavily regulated by complex employment laws. These regulations are intended to impact on practices, to make them safer for example, and to have regard to the welfare of employees:

> ... for our members, arguably the most significant [concern about regulation] is employment law; we get a lot of engagement with members on employment law. RHA

Regulations addressing vehicle and driver safety standards are also mentioned by other interviewees as an issue of concern because of the increasing complexity involved in achieving compliance:

> ... yes, the economic activity is pushing us but as regulation creeps in round the three and a half tonne market, there's driver CPC , there's 'O' Licence requirements, there's maintenance

requirements; it's becoming very, very heavily regulated, you know – having to record your drivers' hours and the pool of drivers in that is shrinking. British Vehicle Leasing and Rental Association (BVLRA)

One issue which emerged in a number of conversations was the effect of burdensome (as perceived by the organisation), unfair or badly drafted regulation. A key message about regulation, for example, is that profit-making enterprises expect it to deliver a level playing field. However, as noted by the RHA, 'hire and reward' general haulage companies have a heavier burden of EU regulation (through the requirement to comply with the Certificate of Professional Competence) than companies that have 'own account' logistics fleets, which are less regulated in this respect. According to RHA, this may 'impede' some businesses and also result in 'own account' firms being less efficiency-driven.

> *… we may want to question why companies running trucks that are carrying their own goods are not … covered by the EU regulation on access to the haulage industry. … both in terms of road safety, compliance with haulage laws and frankly, carbon – what is the sense of licensing vehicles to only carry their own goods? They can't backload[4], they drive past backloads in the aggregate sector, for example. And they are not … even required to have a qualified transport manager to make sure that the vehicle is being run in a safe, efficient and compliant manner.* RHA

However, some larger 'own account' fleet operators have decided to adopt Certificate of Professional Competence (CPC) holders for efficiency reasons. This is an illustration of an issue discussed further in Section 5.1.3 below were those businesses who address CSR and regulatory issues ahead of time often reap organisational benefits:

> *… at the moment, the requirement is to have a qualified transport manager, so you have to pass something called the Certificate of Professional Competence exam, … if you are going to carry some other company's goods, you have to have that across the EU, but not if you carry your own goods. Now what you find is companies like [name of large supermarket chain] have moved to have CPC holders so they have a full licence because they find that is a good way of operating, it's a more efficient way of operating and so they've done that for their own standards.* RHA

4.3. Parking policies

Inconsistent rules and regulations about parking were also singled out as having an impact on efficiency and cost. Local authority planning and environmental health decisions often impact on parking and loading bay provision and use, and issues with parking rules are often associated with boundaries between authorities which can change parking rules within one street. These inconsistencies and constraints were raised by several interviewees (BCC, BCSC, BRC, CILT). This issue appears to have a disproportionate impact on the logistics and retail sectors in particular, though would affect any employer without dedicated parking spaces.

British Retail Consortium (BRC) reports that its members are concerned with parking in relation to both parking rules and planning issues that impact on parking – either to constrain the number of

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[4] Backloading is a practice in the logistics industry in which a delivery vehicle can pick up unused product or raw material and return it to the origin.

parking spaces for consumers, but also affecting the availability of loading bays. In retail, most of its transport requirement has been outsourced in some way, either completely or subcontracting the running of a wholly-owned fleet to a logistics operator. Therefore these issues are also impacting on the logistics industry. City centre rules on air quality and noise (often set by local authorities' environmental health departments rather than transport departments) affect the ability of operators to deliver efficiently by using larger vehicles or outside peak traffic hours, as outlined below.

> *…environmental health officers will put restrictions on a retailer on the back-end of the noise coming out of the…[loading area] … And this is something that's limiting out-of-hours deliveries… It's not just the vehicles, is what I'm saying; it's also how they're loaded off and things like that.* British Retail Consortium (BRC)

The issues mentioned about parking cover both travel for customers (people accessing retail businesses) and workers (people accessing the workplace) as well as transport of freight, with businesses providing delivery services for hire or on own account affected in complex ways by the variety in delivery and unloading regulations (delivery time slot restrictions because of congestion, night-time restrictions because of noise, street type, vehicle restrictions for air quality). This affects operational efficiency as both routes and vehicle type are impacted. Delivery routes that cover more than one local authority area can be very complex to plan within these restrictions:

> *… different areas have different inconsistencies, if that's the right way of saying it, … you don't have this harmonised approach anyway, probably... down to expertise in local authorities. … it's absolute madness … and in terms of costs to the retailers of doing business, and the air pollution, and the ability for other road users to get around, it's absolutely horrendous. Now you're finding [this issue] not just between London Boroughs but … if you're looking at big logistic operations delivering from store to store across county to county, you are seeing that as well.* BRC

These complexities are also counter-productive to some important objectives of transport policy:

> *… one of the issues we're dealing with at the moment is out-of-hour deliveries, as we call them; so quiet deliveries at night so people want the local [supermarket] or whatever to be full of product when they go in it but they don't want deliveries at two o' clock in the morning because it might mean that they don't sleep well. Everybody wants to get into the town to deliver from seven o' clock in the morning when the planning window opens and you can't deliver at night, say after nine o' clock and before seven o' clock in the morning. So that means that all the trucks and all the service vans are just getting on the road just as all the buses and all the cars for kids and people to go to work and school … we are all trying to use the same infrastructure at the same time. … We're not spreading the load.* Chartered Institute of Logistics and Transport (CILT)

There are other far-reaching cultural and commercial changes emerging in urban areas that have travel and transport implications. Some of these arise from the trend towards internet shopping, but also impacted by recent retail failures, as retail property owners adapt to survive by changing the mix of businesses operating in their assets:

> *… the physical spaces remain but actually what fills them, the next ten, twenty years – that should be very, very different to what it is today. So also, moving away from the logistics side,*

there are going to be impacts there for consumer travel, particularly if there's more late night… people at centres for longer instead of going in for an hour and doing their shopping, they are going there and going to the cinema and going to dinner so there will be implications for that. …. There's definitely those two levels; there's the logistics and there's the consumer travel and the accessibility. British Council for Shopping Centres (BCSC)

Clearly what is delivered, and who is travelling when, are both impacted by these trends. For both consumer travel and logistics, the retail sector understands that the issues vary by innate characteristics of location:

… if it's a big regional centre obviously it's about getting there and then the parking spaces and is there public transport to get there. And in the town centre it would be, 'Is there enough parking?' BCSC

Business deliveries are also affected by local planning decisions, usually made by a different part of local government, through loss of loading bays with building change of use permits or through the loss of commuter and shopper parking by development into housing or offices. There was no sense from the interviews that employers voluntarily try to find alternative non-travel/transport solutions to the loss of parking availability for workers, but lobby against the issues instead.

4.4. Summary of the Importance of Transport to Organisations

The current salience of transport to organisations is primarily linked to costs, regulatory burden and parking policy, with the emphasis on each partially determined by sector. It is notable that when regulatory issues are mentioned (which cross the areas of parking, environment, health and safety, vehicle standards and working time rules), they still tend to be either linked to the cost or complexity of compliance. In practice, salience was not usually explicitly asked, as it is generally obvious which organisations are focused on providing transport (e.g. RHA, FTA, CILT, Association of Train Operating Companies, Carplus, BVRLA, Guild of Travel Management Companies), and it proved difficult to gauge from the other organisations how many of their members were transport or travel companies. Overall, the impression gained from interviewees is that for organisations whose main activity or objective is anything other than performing some aspect of travel or transport, these are not salient in the sense that they are seen as central issues to the functioning of a business organisation. However, as we show in the next section, travel/ transport can become salient in ways other than as a core activity.

Almost without exception the most common issue mentioned by interviewees impacting on transport and travel activity (but not necessarily driving long term change) is business costs. When other issues are mentioned (such as a broad variety of regulations including parking and environmental regulations), they still tend to be either linked to costs or are considered subservient to the economic imperative.

Finding 1. **Transport and travel related issues are highest on the agenda of member organisations in relation to costs, regulation, and changing markets. Business costs are of greater concern than compliance with regulation, but regulation comes a close second.**

However, the salience of transport or travel to an organisation is about more than whether or not an organisation is predicated on transport (in the sense of a company that provides transport or travel services or not), but is bound up with the organisation's dependence on movements of goods or personnel in order to function. As a sustainability or cost issue, that will depend to a large extent on the other core activities of the organisation. This is demonstrated in the difference between energy companies and banking companies – both involve a lot of travel, but the energy intensity of the former's core activities makes the travel element insignificant, whereas in banking travel is much more significant, because the rest of the operation is relatively lower in energy intensity. Relatively speaking, banking is travel intense.

Finding 2. **The salience of transport and travel is linked both to the intensity of an organisation's transport and travel activities, and also to the relative intensity of transport versus non-transport activities (such as energy use).**

5. Trends and Innovations in Travel/Transport

Interviewees were asked whether their members are seeking to change any business practices related to the amount or nature of their travel/transport and the practices with which they are most concerned. The findings in this section of the report stem from this line of questioning but are also derived from various sections in the interview where mention of new trends, practices and innovations were made.

A number of interviewees identified important emerging trends in transport and travel that they perceive as already impacting on activity, and likely to continue to do so. In many cases these trends create or respond to new business opportunities. The main identified trends and innovations are

- Impact of Information Technology
    - Life-cycle approaches
    - Logistics and vehicle telematics
    - New services
    - Travel substitution and flexible working
- Vehicle and Fleet Management
    - Vehicle downsizing
    - New vehicle technologies
    - 'Grey Fleet' Management
    - New vehicle ownership models
- Employee behaviour
    - Driver training
    - Mode switching

- o Travel planning
- o Travel management

We discuss these before moving onto a discussion of drivers and barriers to facilitating these activities and sustainable business travel activity more broadly.

5.1. Impact of Information Technology

The most significant influence on travel and transport activity identified in the interviews is the increasing use and pervasiveness of information technology (IT). This is related to data collection, logistics, travel planning, flexible working and shopping and effective communications. Indeed, not unexpectedly, all sectors and travel activities have already been affected by developments in IT and the potential for future innovations is great. This is having far-reaching effects across society, including in relation to transport and travel activity. Logistics, retail, business models, commuting and business travel are all being impacted, with direct and indirect travel and transport outcomes. Indeed IT is underpinning many of the other trends and innovations that we discuss here.

5.1.1. Life-Cycle Approaches

However, a particularly critical benefit of IT is the opportunity to introduce tools that make life-cycle approaches[5] and their benefits realistic for many more organisations:

> IT is really important … issues around taking a life-cycle approach offer real opportunities for companies to see things in a different way, which then stimulates innovation and it also then stimulates more partnership working with your supply chain...the sharing of environmentally related information, which in some ways is linked to IT, but it's about how do you know what's happening and who is responsible for what is happening across long product chains. That's certainly taking that more product-focused view rather than just a single organisational view - products and service view offers an awful lot of opportunity. Institute of Environmental Management and Assessment (IEMA)

5.1.2. Logistics and Vehicle Telematics

For freight, IT has irrevocably changed the sector over the last decade, enabling real-time monitoring of loads (e.g. tracking and proof of delivery) and more dynamic scheduling, speeding up key business processes such as invoicing, and enabling more efficient use of resources (vehicles and drivers). It could be said that IT is leading innovation in this sector.

> …logistics has changed out of all recognition in the last ten years … in terms of being able to track and trace and be able to monitor … and at the same time you've got the wherewithal now within

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[5] 'Life-cycle approaches' are processes involve adopting methods which evaluate the total environmental or energy content of a product or service. Full Life-Cycle Analysis involves identifying all the inputs and outputs of a product or system or product and evaluating all the potential environmental impacts of that product or system from raw material extraction, manufacture, use and disposal. This approach is also known as 'cradle to grave'. There are a number of related techniques and terms, such as whole-life accounting, whole-life cycle, cradle-to-cradle (C2C). In the latter approach, the aim is to ensure that waste is not 'disposed of' but becomes the raw material for something else. (Cohen and Robbins, 2011 *Green Business, An A to Z Guide.* Sage Reference Series, Los Angeles).

distribution and planning software to be able to schedule far more dynamically than you ever would have done in the past. Freight Transport Association (FTA)

…increasingly companies in the haulage sector are IT led … for example, very advanced proof of delivery systems that allow their customers to invoice earlier and therefore to improve their cash-flow. Road Haulage Association *(RHA)*

Vehicle telematics in particular still offers potential to drive future competitiveness:

Telematics … is not a popular term in the industry but you are seeing a terrific growth in that so companies monitoring the routing of their vehicle, how the vehicle is driven, how it is performing and the companies that are succeeding in the haulage market are the companies that have embraced that and are embracing that. RHA

Telematics is also driving innovation in the vehicle rental sector, though participants feel that this development is still at a very early stage:

… we're just scratching on the surface of the technology … we'll be talking this year in our conference about the connected car and how technology is going to be playing an increasing role in managing a vehicle … [and] driver behaviour … I think you will see that increasing but actually giving better information to the driver to make better, informed decisions about route planning, for example. … Communication to and from their clients and their head office, their businesses will improve and I think that will help to drive productivity and efficiencies. British Vehicle Rental and Leasing Association (BVRLA)

5.1.3. New Services

Logistics providers are also developing their business model to provide increasingly integrated services, and these are often underpinned by increasingly sophisticated IT platforms. This is co-evolving with closer 'partnerships' provider and with customers (across all sectors) whereby operators and clients seek to increase coordination of their activities for efficiency reasons. Operators can benefit from keeping competitors at bay, and customers benefit from receiving services more tailored to their requirements. This can result in the greening of supply chains as part of the Corporate Social Responsibility (CSR) agenda (discussed in section 6.2).

…logistics providers looking, again more…in a more integrated way of their, of the solutions that they are providing and so looking at other modes of transport and things like that to reflect CSR objectives, not just of their own company but of their customers as well. FTA

New services underpinned by IT and impacting on travel and transport are also emerging in other sectors. Some intertwine the development of opportunities provided by IT for online retailing with the dynamism that IT has introduced into the logistics industry. For example, the British Council of Shopping Centres (BCSC) highlighted the sudden rise in omni-channel retailing[6], and how this is impacting on larger retailers' delivery models:

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[6] Omni-channel retailing is an extension of multi-channel retailing, in which a retailer sells its products via multiple 'channels': in store, by phone, by post, using TV and radio, and on-line (websites, mobile sites), often with a choice of delivery method. Customers can flexibly move between the channels, and can also have their behaviour analysed and 'personalised' by the retailers. As an example of the transport-related impacts,

… the exponential rise in omni-channel online retailing … [is] a really pertinent issue for members … it used to be one big delivery once a week to one store but now there will be multiple [smaller] trips per week, … to multiple stores so that's got huge implications in terms of delivery and logistics and the shopping centre itself in terms of their service yards and how much space they have for that coordination, delivery times [etc], … it's trying to understand how … does that affect the depots and the store regime that they have, how do they manage their stock but also … the environmental impact … how the delivery is managed. BCSC

5.1.4. Travel substitution and flexible working

In the same industry sector as the Guild of Travel Management Companies (GTMC), but from the travel buyer perspective (and hence more likely to be driven by cost-control), members of the Institute of Travel and Meetings (ITM) increasingly facilitate clients to decouple meetings from business travel, learning the organisational cultural context when virtual technologies can substitute (mainly for internal meetings) and when they can't, because of the importance of social and customary factors (mainly for external client-oriented contact, particularly to obtain new business). For ITM it is about getting the right mix to improve sustainability by only making journeys when they are appropriate, rather than focusing on reducing overall travel as the target. ITM believe that IT has been critical in enabling businesses to streamline a number of previously separate elements of undertaking business travel, and also enabled organisations to introduce alternatives to travel such as video-conferencing and virtual meetings.

However, the GTMC interview suggests that heavy-duty IT for business travel substitution (early video-conferencing technology based on specially-built suites was innovated too early, with underutilised facilities that have been overtaken by other, more flexible, IT innovations (teleconferencing, Skype) which are having a very disruptive effect on previous assumptions, perhaps even fuelling business travel:

I think the history shows that [video conferencing suites are] the most talked about, most underused facility. I was at a panel last week where one of the regional (…) turned round and said some of their hotels put it in but it's hardly been used … [Video conferencing] doesn't replace doing face to face business. What it might do is it may replace some of your internal meetings, but whether that just becomes an expensive conference call, I don't know. All I can tell you is that it's one of those things that I think that people will have depending on the culture of your company, depending on the (majority) of your business, depending upon the type of people that you've got but the interesting thing I find … [is] this ability to communicate in a technological way is increasing the need to travel, not replacing it, it's to provide you with more opportunities. GTMC

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customers buying on-line are increasingly able to choose how to receive their goods. For example, 'Click and collect' allows for online purchase and personal collection from a nearby branch, or delivery to an alternative location such as a local post office or delivery locker, removing the need for customers to wait at home for parcels to be delivered by the Royal Mail or delivery companies, and potentially reducing the number of 'failed deliveries'.

The same technologies that can be used for virtual meetings can also support change in working practices that can reduce commuting or improve business resilience in the face of transport disruption:

> *… we do hear of companies trying to change practices and having more flexible working and allowing staff to work at home and trying to work with the different situations where there's going to be disruption on [the transport] network, trying to make more use of modern technology, Skype or whatever to (set up) meetings.* British Chambers of Commerce (BCC)

5.2.   Vehicle and Fleet Management

5.2.1. Vehicle downsizing and mode shift

Regarding fleets, and strongly confirming trends observed by DfT and others[7], a number of interviewees mentioned the increase in the use of vans for distribution in place of heavy duty vehicles as well as more diversity in delivery vehicle size:

> *I think there is recognition that certainly in terms of vans that there's more people looking at down-sizing vans, so they are sort of getting the message that one-size doesn't fit all purposes best … there's also more recognition of the importance of whole-life cost as a purchase tool or a lease tool.* Energy Savings Trust (EST)

> *… there's around three million vans being used on UK roads…. we are now expecting more and more things to be delivered [because of] the [Internet] and those vehicles need to get to your house, your offices and it doesn't just happen by magic; there's a very sophisticated infrastructure behind the scenes and with restrictions (parking restrictions, delivery restriction, congestion issues) it's more likely that you won't get a heavy goods vehicle delivering that to your doorstep, those would be [from the] centre [to the] transport-hub, which would then be … distributed separately through lighter commercial vehicles, much more agile …* British Vehicle Rental and Leasing Association (BVRLA)

The vehicle down-sizing is also connected to changes in social trends and in global production systems. The latter is particularly relevant in terms of organisations seeking to boost the resilience of their supply-chains, and reducing their dependence on the just-in-time (JIT) model in which product or raw material is not held in large stocks near the end use, but produced and delivered closer to the time point of sale or manufacture. As global supply chains are stretched, any disruption that delays delivery under JIT becomes costly.

> *…the pattern of consumer purchases are changing, they've changed to home deliveries and … the migration from just-in-time and the logistics to something which also takes into account supply-*

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[7] DfT Vehicle Licensing Statistics 2013:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/302409/vls-2013.pdf last accessed 2 February 2015; RAC Foundation:
http://www.racfoundation.org/assets/rac_foundation/content/downloadables/van_report_aecom_100414.pdf last accessed 2 February 2015; Transport for London Roads Task Force Technical Note 5:
https://www.tfl.gov.uk/cdn/static/cms/documents/technical-note-05-what-are-the-main-trends-and-developments-affecting-van-traffic.pdf last accessed 2 February 2015.

chain resilience as well. … so you are looking at multiple country sourcing and those social things as well as sort of mode resilience. Freight Transport Association (FTA)

Although more limited in its scope, another trend mentioned was the use of more sustainable modes in the freight sector; although the limitations of future modal-shift were also highlighted:

I think it's a changing market for rail. And it's migrated from a service offering that was really based on coal and iron and primary materials like that to one which is … commoditised around things like ISO containers now. So I think that … whilst we haven't seen the sort of growth in rail that was the ambition of ten years ago, what we have seen is a change in the rail service offering to something which is more commercially sustainable in the long-term. FTA

5.2.2. New Vehicle Technologies

Another important trend identified by fleet-focused organisations was the emerging market for light-duty electric vehicles (EVs). Through its Plugged-In Fleet Initiative, now in its second phase, the Energy Savings Trust (EST) is playing a key role in understanding EV adoption by UK businesses:

We also are in the second year of doing plugged in fleets work: so helping organisations understand where electric vehicles or plug-in vehicles can fit into their fleet today, based on whole-life cost analysis including vehicle re-charging and vehicle routing … we've got something like sixteen or seventeen best practice guides which are typically eight to twelve page 'how-to guides', they are aimed mainly at SMEs but larger organisations do download them. EST

Carplus are also actively supporting the use of EVs in the car club sector and see great potential for their use as business pool cars to reduce the need for grey fleet (see also section 5.2.3 below). However, several comments from EST, Carplus and BVRLA, revealed that even EV advocates realise that there is much work to be done in successfully placing EVs in business fleets; in understanding suitable applications and developing appropriate incentives:

…I'm as conscious as the next person that we've got quite a (lot of operational boundaries) to overcome for shared EVs but they could actually work better than some pool cars because we've got the telematics, we've got the booking system, we've got the data, we've even got the battery monitored so that you are not sending it out to someone that doesn't realise there's only twenty miles left on the battery. Carplus

…electric vehicles is a perfect example of… yes, it's a great marketing sentiment to be seen to be green but there isn't an electric vehicle yet that from a goods vehicle perspective particularly, that's going to be more cost efficient and cost effective to run than an internal combustion engine. And that's why I think the government, rather than just giving this up-front grant, has to think about in-life incentives, without those I think cost benefit analysis will not stack up! BVRLA

One other comment from Carplus also highlighted the future potential of electric bikes; which combines the potential benefits of three sustainable transport actions: vehicle sharing, electrification and mode switching (mode-switching is discussed below in subsection 5.4).

The only other thing I'd say that you haven't touched upon … is if you were to fast-forward in ten years' time I think you would find the pioneering work on shared electric bikes would actually be far more widespread in its use because there are certain jobs where it actually is really good to

have shared electric bikes. … the big prize is to create some synergy in the future between the way that, operationally and in terms of the customer end user, that bike use, electric bike use and car club use are on the same page because it hasn't been presented that way yet, but it should be in the future. Carplus

5.2.3. 'Grey Fleet' Management

Good examples of cost-driven changes in practice are observed in fleet practices, including reducing use of the 'grey fleet' (the use of private vehicles for business trips), switching from outright ownership to leasing and increased use of car clubs as pooled cars (see subsection 5.2.4 below for a discussion of new vehicle ownership models).

The 'grey fleet' was a key area of concern mentioned by a number of interviewees. A range of problems exist with dependence on a badly-managed grey fleet. For organisations that rely on the 'grey fleet' of their employees' personal vehicles, there are fewer levers than for directly managed fleets:

… well they don't own the vehicles therefore they don't … see it as a something that they can manage, they just manage the people. … And as long as the costs are reasonable, that's all that matters. [Q: The crash metric isn't something that's useful for users of grey fleets?] No, it's difficult to measure because [the business] never makes the claim.

Roadsafe

Not only does reducing dependence on the grey fleet address some significant health and safety issues (including legal risks – not raised in detail by interviewees, though Roadsafe mentioned that a key element is ensuring that employees have the appropriate insurance cover for using their personal vehicle on business), introducing alternatives offers the potential to regain control over travel costs:

…' and there is four million AMAP[8] claimants, … With the tax repayment that the government allows to be made, the number of miles driven is probably the only form of motoring related tax that is not linked to either CO_2 or any environmental objectives. There's a pool of growth there. Now if businesses, and certainly the public sector on their own – were to focus on that, I think there's huge savings. And I think that's where car clubs and car rental firms will come into their own and then there will be a huge shift dimension.

BVRLA

Most local authorities are beginning to understand and develop programmes of their own because what they realise is that because they have huge … 'grey fleets', people using their own cars on business and claiming mileage, that there is a high level of fraud. You know, it's quite normal for people to exaggerate the mileage they've actually driven and all this is quite costly for authorities.

Roadsafe

Introducing greater management of the use of grey fleet can achieve significant savings:

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[8] Mileage Allowance Payments, https://www.gov.uk/expenses-and-benefits-business-travel-mileage/overview last accessed 29th January 2015.

> *We've worked through the local authority chief executive's association and told them if you want to sort this out then just do what [name of Local Authority 1] are doing so quite a lot of them are doing that, [Local Authority 2] is an example – they just followed that example, saved themselves half a million quid in the first year.* Roadsafe

An alternative to using grey fleets is to use car clubs. An example was given by Carplus in response to a question about the main drivers of business car club use. The interviewee highlighted the potential to reduce both administrative costs and space for staff parking, when that has become a local planning issue:

> *I think the main arguments that are made are about cost benefits in the round, that is cost benefits that take into account the administrative costs, the potential reduction in the need for staff parking and then ultimately the fact that if you manage a pool of cars effectively, compared with grey fleet or badly managed (…) cars, you get rid of costs. Not just cost per mile, … but properly managed and audited and the accounts going straight to the project or department at the end of each month, it tightens things up a lot.* Carplus

Carplus cites good evidence of what can be achieved through the use of car clubs and similar rental services:

> *… there are some good case studies of this that the EST put together … the best example in the whole country is the Countryside Council for Wales, started off in 2003 with eight hundred thousand grey fleet miles and has now got seventy thousand grey fleet miles so they've gone down from eight hundred thousand to just over seventy thousand.* Carplus

On this issue, EST, who are highly active in advising organisations on fleet management, note that the grey fleet issue is only one of a larger suite of issues that many organisations fail to address as they are controlled in different parts of the organisation. For example, decisions about 'cash-or-car' remuneration packages come under the purview of human resources. The result in terms of the impact on the characteristics of the national car fleet can be questionable:

> *It's linked to grey fleets but not just grey fleets, (public sector), but the sort of light-grey fleets, which is cash-for-car schemes[9] in the private sector … some organisations either haven't really thought about it or maybe haven't actually thought about it in detail but obviously taking people out of company cars and getting them to sort their own vehicle out can be seen as a way of reducing an organisation's cost and hassle but at the same time although cash-and-car vehicles tend to be a bit cleaner, a bit younger than typical grey fleet, there are still some sort of fairly shocking vehicles being driven around. … Our view is that grey fleet isn't necessarily bad, it's bad when it's not managed.* EST

Switching from outright ownership to leasing is another cost-driven change widely reported to be taking place:

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[9] Cash-for-car schemes are provided by some employers as an alternative to a more traditional company car scheme. The increasing popularity of cash based schemes is due in part to companies wanting to reduce the cost of operating company cars.

...businesses up and down the country and individuals are looking at leasing as a way of accessing modern vehicles, which are fuel-efficient, doing their bit for the environment but what really turns people's minds is not necessarily that the CO_2 of the vehicle of the Euro-standard vehicle, it's actually, what is the whole-life cost implications of having that vehicle, that is ultimately the biggest driver. BVRLA

5.2.4. New vehicle ownership models

Business models based on car-sharing and short-term car rental were noted as key innovations impacting on the private market as well as in relation to the business fleet discussed above. The overall trend is for the private as well as fleet market to move from outright ownership to leasing and short term rental.

Well actually we don't need a car at all, we've got transport on demand, and are almost seeing car rental as the next form of public transport. BVRLA

At the individual level, an emerging societal trend towards sharing vehicles through short-term, on-demand leasing (so-called collaborative consumption[10]) is impacting on how travel is undertaken, and is a growth area mentioned by several interviewees.

Recent industry figures also show a significant rise in Personal Contract Hire (PCP) for private motorists mimicking high rates of contract hire in fleet sector. The BVRLA interviewee made a strong link between what was believed to be happening at the organisational level and wider societal norms and trends:

We talked about the cost of living, that is now in a cost-conscious society, people are thinking about their monthly spend … 'Why do I want to tie up working capital in an asset that is depreciating, why can't I outsource that or access it in a slightly different way?' And leasing and renting is now proving time and time again as probably the most cost-efficient way of allowing your people to move around. And that's what is driving people, fully realising the potential of how leasing can add to and support their business. BVRLA

Vehicle manufacturers are increasingly adding direct leasing and rental to their business model. This shift in emphasis for the manufacturers is a response to the drop in the demand for traditional vehicle ownership, though maintaining brand awareness is another key motivator for vehicle manufacturers:

… people are less inclined to be too keen … in car ownership. … people are deferring passing their driving test until much later in life, there's a cost issue but also people are now a bit more savvy, it's 'why do I want it?' Especially the urban living lifestyle, 'why do I want to have a vehicle sitting outside my house, depreciating… when I've got fantastic public transport round me. Therefore why not join a car club and access a vehicle as and when I need one?' Car manufacturers have switched on to that behaviour and see that as a great way of promoting their brand to the youngsters … BVRLA

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[10] For example, see Botsman and Rogers (2011) *What's mine is yours: how collaborative consumption is changing the way we live*. Collins, London.

The growth of the car club sector (private and business) has been particularly strong over the past decade; with the new services playing an important *enabling* role in that neither a business nor an employee has to be involved in *owning* vehicles:

> *I think if you've got your local businesses, your big employers and your visitors are all getting their local trips and their sub-regional trips readily available, this makes people more efficient and a lot of younger people are part of this non-car owning culture so to me it is about, it's an enabling of business to work…* Carplus

According to Carplus, public sector organisations have initially led the way in the use of car clubs for business use as a way to deliver cost reductions as well as sustainability objectives:

> *… [public sector organisations] are the backbone [of car clubs] in many cities. …. if you take cities like Edinburgh which has matured to over ten years and they have well over a hundred cars or you take London with eighteen hundred cars across the big city. There is more penetration [into] the private sector, particularly in London, so it's more balanced in London, it's getting more balanced in Edinburgh.* Carplus

Speaking about where business car clubs members are most likely to be found, the Carplus interviewee described how the membership tends to evolve over time, the changes depending on geographical location and organisational type and maturity (issues which are discussed in more general context later in this report). The car club model is less successful where the separation of residences from businesses reduces the potential for extended use of vehicles across a 24 hour period:

> *[the model] needs to mature in order to have a broader geographical coverage and obviously those cities that have developed, where people work in the same areas that people live … [These] are the ones where actually there's a nice mix of daytime and evening users…it works least well where you've got 100% work and right on the outskirts you've got all residential because clearly there's not much synergy there.* Carplus

5.3. Employee behaviours

This section considers trends that relate to managing the travel behaviour of employees.

5.3.1. Managing Driving for Work

The interview with Roadsafe highlighted the relationship of both vehicle maintenance processes and driving behaviours with road safety, which links fleet management with individual behaviours. Whilst many businesses seek to improve vehicle maintenance and driver behaviour, the biggest driver of action is the cost control dimension rather than the threat of prosecution under the Corporate Manslaughter or Duty of Care legislative framework. Roadsafe encourages organisations to engage with them to achieve change in three main areas: tyre maintenance, applying technology to help drivers avoid dangerous errors such as close following, and changing practices to eliminate work-related fatigue. Their message is to highlight the benefits for network reliability (journey time confidence and reduced congestion), and the organisational cost benefits from addressing relatively simple road safety practices in relation to both their vehicles and drivers:

> *… the biggest cause of congestion is crashes. So if you avoid the crash you avoid the congestion. [Improved driving will improve congestion] … [but] there are some [vehicle] safety issues around*

there. For example, I think 15% of all motorway crashes are as a result of tyre failure, not as a result of driver error … tyre failure is a safety issue that's manageable … businesses that … bother with their tyres crash less. 'Close following' is … a driver error issue but that can be dealt with by technology… then the other big cause of serious crashes on motorways is drivers going to sleep – fatigue. And that is almost always work-related. So fatigue is something that can be managed in a business and businesses that do manage this area, manage that sort of thing very well. Roadsafe

Roadsafe shows that monitoring crash levels for fleet users contributes to much more awareness of the importance of road safety as a business issue. However, seeing the business case for safe driving at the moment requires interpretation and demonstration as it is hard for most businesses to recognise the risk. National statistics on accidents tend to count the cost of KSIs (Killed and Seriously Injured) incidents. However, at the level of an individual business, a KSI incident is rare, even though statistics suggest that more than a quarter of road traffic incidents involve people who were 'at work' at the time[11]. If individual businesses measure 'crashes' and their cost (effectively these are KSI near misses), then that creates a different story for management. According to Roadsafe, the average insurance claim from a crash is £800, and for fleets, a claim on 50% of fleet vehicles in one year is not unusual, then for a fleet of 1,000 vehicles the potential saving is significant (around £400k); this business case makes it easier to promote new practices.

However, Roadsafe believes that the practices that really matter for the safety record of businesses are those that require employees to frequently drive high mileages on tight schedules, as the stress and fatigue that results is a significant factor in many work-related crashes. The usual business response to this is to put employees through driver training, but Roadsafe highlights the procedures of the businesses themselves as more significant:

It's the casual company car driver, the 'rep on the road' that is the high risk. [higher than the executive]…. they tend to be under greater business pressure and they do higher mileages, they drive when they are tired, they use their phones while they are driving, their schedule is too difficult sometimes to deal with, so … there are areas that companies need to look at. First of all their own internal management system, that is the most important thing. … The second are the journeys that they are asking people to take, are [the schedules] realistic [and] safe? The third is the vehicles, are they … fit for purpose … a modern car is much safer than a 5 yr old car… the least important is the driver themselves. What we have found is that [putting drivers on a course] … makes no difference whatsoever…because they haven't got all the other management systems in place. Roadsafe

5.3.2. Mode switching

Roadsafe highlighted business travel by train as a growth area, with the anecdotal conclusion that IT is significant in driving this change with the growth and improvement in mobile communications:

… the passenger increase on the railway has been phenomenal I think, in the last 5 years, and a lot of that is to do with business travel…. you see them all sitting there working away at stuff and the trains all have WiFi on them, and I think a lot of people have shifted to rail… Roadsafe

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[11] Health and Safety Executive (2014) *Driving at Work: Managing work-related road safety.* http://www.hse.gov.uk/pubns/indg382.pdf last accessed 30th January 2015.

In the rail sector, innovations by train operating companies (TOCs) were perhaps more limited given the nature of the sector and the need to deliver contracted services in a highly regulated environment with an existing infrastructure (rolling stock and track). It was also noted that the rail sector has distinct investment cycles linked to franchise periods which affect innovation. However, whilst there have been some important 'customer service' innovations around the rail offer that facilitate systemic travel changes, including the improvement of cycling facilities and services, it appears that these are sometimes dependent on additional funding:

> ...in terms of innovation , we are working in my area with cyclists a lot, and we're carrying more cycles than we have ever since we lost guard's vans, and we are facilitating access by more cyclists. ... about four years ago, and we engaged with [the forward-thinking TOC]... about four of them. And ...we got some money from Government ... to invest in facilities for cyclists and engaging with cyclists. ... their reasons for doing it was multiple as well... some were looking to try and get bikes onto their trains by creating more facilities at the station and things like that, but all of them were generally trying to provide cycle access. Association of Train Operating Companies *(ATOC)*

5.3.3. Travel planning

Travel planning was largely mentioned only in the Business in the Community (BITC)/Ways2Work interview, as an issue for managing employee commuting where parking restrictions or planning constraints merit it. However, this is not surprising – it is likely that it could have featured more in interviews directly with businesses, rather than with umbrella organisations. Nevertheless, the retail sector also has some limited engagement with travel planning as a customer travel issue, again driven by demands from the planning authorities.

For the retail sector, travel planning has been seen as ticking a policy box to unlock planning approval rather than as an issue linked to other issues such as Corporate Social Responsibility of sustainability:

> maybe the traditional (scene) of that travel plan or Section 106 or working with the local authority in terms of parking charges but I think the wider thing about sustainable transport is quite a new one. British Council of Shopping Centres *(BCSC)*

Commuting journeys on the face of it are similar to customer travel, as they are both normally seen as the direct responsibility of the individual rather than within the direct sphere of responsibility of organisations. Travel planning has been the only systematic means to include it within an organisation's thinking, and is an area that BITC had found it hard to focus on through the Ways2Work initiative,

> ... the organisation is not that interested in how the person comes to work. The person themselves feels that's completely their choice until they enter the office premises, so there's that whole sort of area of, we're not quite sure where the travel to and from fits in, and obviously there's no sort of legal obligation anywhere or CSR obligation on the travel to and from work side of things. BITC/Ways2Work

Ways2Work tries to bring out the CSR and employee well-being benefits, and other interviewees drew a link between commuting, flexible working practices and attractiveness to employees. Both British Chambers of Commerce (BCC) and the Guild of Travel Management Companies (GTMC) mentioned

the welfare, or well-being, of travelling employees as being an increasingly important factor in the redesign of travel policies to support employee retention and productivity:

> *We've heard it mentioned in the past about some businesses being concerned about their ability to attract the staff as the connections to where their business is located aren't of a high quality and we do hear Chambers complain at times when there's … a lot of disruption to the network, their staff have a problem getting to and from work.* BCC

> *… personally I think we're going to … go back to the days whereby people are considered to be important and things like that are considered to be part of motivating somebody to improve what they do and do it for your particular company.* GTMC

5.3.4. Business Travel Management

The purpose of the umbrella organisation Guild of Travel Management Companies (GTMC) is to promote the services of the travel management industry to other businesses, and this implies that they are seeking to change practices, i.e. introduce travel management. Travel management as a practice has been growing steadily for about 30 years. Business travel is seen by GTMC as something businesses need to get much smarter about, and the interviewee points to some growing awareness that the placing of business travel management within an organisation's structure could benefit from being reconsidered. For example, for shareholder-driven companies, being seen to be into 'travel avoidance' could be tremendously damaging, for three reasons:

> *… if … you are in to travel-avoidance it might signal to [shareholders] that actually you have a cash problem and a situation. Secondly, … it may raise questions about whether or not you are concerned anymore about your existing customer relationships and protecting them from … coming in and taking over those contracts [and] it probably also demonstrates … that you are not out there looking for new markets and new customers. So if you've got these three things together then the future doesn't look that bright for your particular company and the shareholders would want to know that because they might want to take their money away and go an invest it somewhere else' … but you'll never convince the Chief Financial Officer and that's the problem, and a problem that is holding back the UK economy in my view…* GTMC

ITM also sees the need for more active management of business travel growing as companies become more globalised, and have staff travelling more frequently, to service a customer base across a greater geographic range, and in pursuit of new business opportunities in key emerging economics such as Brazil, Russia, India and China. The ITM interviewee felt that this trend would continue for the next 10-15 years.

However, at present travel management is largely based in procurement first and foremost. Therefore the bias of attention is towards the amount purchased, in terms of value/cost. In these terms the biggest purchase is generally air travel, but hotels also represent a very significant cost. There was little discussion of sustainability issues, as cost and quality are the headline issues. However, some further criteria are particularly relevant in travel procurement: time, safety, security, people factors and environment (in wider sense, not just the carbon footprint). Big companies which have more sophisticated CSR approaches are more likely to include travel management in their environmental accounting, and also increasingly want to ensure that their people are 'looked after' when travelling. Both these motivations can act to modify the dominance of cost-reduction.

5.4. Summary of trends and innovations in travel and transport

One of the key areas of innovation mentioned time and again in the interviews is the significant advances made and offered by IT and digital media. Indeed, all of the emerging trends and business models highlighted in the interviews (car clubs, mode switch to rail, increasingly integrated delivery services) are underpinned by developments in IT. This related to data collection, logistics, travel planning and effective communications and marketing using new digital media channels such as websites and social media. Indeed, not unexpectedly, all sectors and travel activities have already been affected by developments in IT and the potential for future innovations is great. The developments in IT enable the cost-effective measurement of key indicators implicated in making travel and transport activity more targeted and efficient. In other comments (discussed later in this report), organisations called for more support in this area in the form of resources, incentives and also information.

Finding 3. **Information Technology is a key enabler for managing travel and transport by allowing detailed and real-time monitoring and control of activity, easier calculation of costs and benefits and thus enabling better informed decision making.**

The introduction of plug-in electric vehicles to the light-duty vehicle fleets of organisations has not yet reached a level of penetration that could be described as an emerging trend. However, it has generated a lot of interest. It is a rare example of when organisations do pay attention to whole-life costing, which emerged as the key to assessing cost effectiveness of EVs with some scepticism that cost savings will add up without further incentivisation. In addition, other assistance is needed to assess confidence in the suitability of this technology to the operations of individual businesses, for example in relation to 'range anxiety' about distances that can be covered on a full charge, and time taken to recharge.

Addressing and managing the use of grey fleet, particularly in the public sector, is becoming a major issue for organisations. Organisations that rely on grey fleet often have little knowledge or control of employee car travel. The key motivations for effective grey fleet management and reduction are: cost reduction, carbon emissions as well as Duty of Care. While primarily a large public sector issue, SMEs also make use of employees' own vehicles. However, due to the larger number of SMEs and micro-businesses, this is a harder group to influence.

In relation to using car clubs for business purposes, the public sector has led the way, driven by the motive to deliver cost reductions and sustainability objectives. At present, this type of use is limited to specific locations (mainly London, Edinburgh, Brighton) in part because this model works best in mixed-use areas. However, growth in membership is strong among SMEs.

Other developments around fleet management include a growth in leasing and short term car rental as well as greater differentiation in delivery vehicle size as a by-product of the changing nature of retail and consumer behaviour.

Finding 4. **Work still needs to be done to understand suitable applications and develop appropriate incentives before electric vehicles will start to seriously appear in light-duty vehicle fleets.**

Finding 5. **Use and management of grey fleets are important differentiators of travel-related business practices.**

Finding 6. **The growth of car clubs in place of organisational car pools is leading the way in terms of a move towards new models of ownership and leasing of vehicles for business travel.**

Finding 7. **Delivery vehicle fleets are changing as a result of IT-driven developments in retail and consumer behaviour, involving more home deliveries and innovations such as 'Click and collect' (buy or reserve online, collect in store).**

A key finding in relation to employee behaviours relates to the distinction between organisational and driver responsibility for what happens on the road, especially as there is more to be gained (cost-saving and safety) from ensuring employers comply with good practice in terms of vehicle maintenance and work-scheduling than if drivers 'drive efficiently'.

Finding 8. **Lack of detailed data can result in organisations focusing on the wrong thing, for example, up-skilling drivers is less effective than closer management of fleet and workforce.**

Mode switching was discussed as evidenced by a growth in business travel by rail, as well as in innovations which could be said to support multi-modal commuting by cyclists. The constraints on innovation for train operating companies was ascribed mainly to the structure of the rail franchising system.

Again, lack of clarity of the location of responsibility (organisation or individual) means that both commuting and customer travel are almost entirely seen as / perceived to be outside the formal responsibility of the employer/organisation, although there are certain legally defined exceptions, for example if an employee is travelling to a different location for work than their 'normal' office base (see HSE, 2003). To date, travel planning has been the only formal mechanism that encourages organisations to influence commuting and customer travel.

Finding 9. **Commuting and to a lesser extent customer travel is generally not seen by organisations as their responsibility, except in specific contexts**

In relation to business travel, there is a lack of data that links the cost of the travel to the business gained. Therefore, whether or not business travel costs should be subject to austerity measures becomes an issue of judgement of how this will be perceived by customers, potential clients and shareholders.

Finding 10. **Travel management processes need to provide data that can evidence a link between the cost of the travel undertaken and the value to the organisation of the business conducted**

6. Facilitating organisational change

The interviews examined drivers and barriers to organisational change in relation to influencing the amount and nature of travel/ transport activity. This section is intended to identify the key drivers of change acting to influence the amount and nature of travel/ transport activity and is structured to focus on external drivers, internal drivers and barriers to change. To address this question, the interviews explored general motivations for changing specific travel and transport practices rather than at the higher level of strategic concern with external issues.

6.1. External drivers of organisational change

The interviews generated evidence for four key external drivers of behavioural change (across the majority of sectors): cost reduction and efficiency improvement (the primary drivers), green growth, compliance with environmental regulations and corporate social responsibility.

6.1.1. Cost-control and efficiency

In a similar way that business costs are the over-riding primary operational concern, the most common reason mentioned by interviewees regarding motivations for *changing transport and travel practices* is also the potential to ultimately reduce internal business costs and be more efficient:

> *… it's very strong this year on efficiency and on cost control. … how do you control your costs? In the main through efficient use of fuel, through efficient scheduling of the vehicles, through getting as much onto the truck as you possibly can to increase its earning capacity. … through re-scheduling so that you run at night or at quiet times rather than at busy times, if you can – all of those things, as far as the professional haulier is concerned, are fundamental to the focus of business at the moment.* Road Haulage Association (RHA)

The current motivation for focusing on cost control and efficiency in transport is clearly linked to maintaining or improving competitiveness for profit-making organisations, but it is also related to the impact of policy and regulation in the sense that organisations seek to minimise the cost of compliance, and thus it is a response to external drivers, albeit one that is frequently internalised as a part of the culture:

> *…the need to – especially in the recent economy – to be able to squeeze the most out of your operations in terms of efficiency. And the other element is this, I suppose, competition within the market place to a certain degree, and the impact of policies. So it's those reasons that transport is on the agenda of retailers.* BRC

Other than cost control, no particular business practice was identifiable as a clear area of concern that on its own was motivating businesses to adopt sustainable travel behaviours across the board. However, there is some evidence that companies are increasingly identifying business opportunities and seeking to increase efficiency in smart ways (such as by introducing back-loading and similar processes):

> *So there you have a company that is going round delivering office supplies, office stationery, etc. and obviously when they return they have an empty van and if you look at that through a sustainability lens and then they are saying, 'Ok, coming back with an empty van isn't necessarily an efficient use of that vehicle's capability so what can we do with it?' So then they start to say,*

'Ok, can we (recover) materials from those sites and start to recycle and start to create some loops?' And they've been able to then develop another aspect of their business on that. Institute of Environmental Management and Assessment *(IEMA)*

6.1.2. 'Green growth'

Interview questions attempted to gauge whether there is a general appetite to change business practices around travel and transport, for any reason other than direct cost reduction (a driver already established). We sought to establish whether there is an emerging 'green growth' paradigm amongst organisations. However, one key observation which can be made from the interviews as a whole is that changing private sector business practices for purely environmental reasons rarely occurs:

[Q: … what proportion of the membership do you think are driven primarily by environmental issues?] Oh, a relatively small proportion. Because even if they are driven by it, it doesn't mean it's their (top priority), I think it has to make sense financially as well… Carplus

So the green growth is not being driven because people want to go green, it's because the tax environment has been correctly laid out to incentivise people. BVRLA

Despite the environment not being a leading driver of behavioural change *per se*, the interviews reveal that many organisations (of all types) are realising that environmental performance and cost reduction are inherently linked. In addition to cost reduction, environmental improvement is generally considered as a subsidiary benefit; creating a win-win situation that also addresses changes required by regulation:

…carbon emissions and saving money, really, are the two areas. We understand that if you are going to get businesses to make changes to reduce their emissions, for most organisations there's got to be a financial incentive for them and in most instances there is! EST

Their focus is very, very strongly on reducing their environmental impact but they are not doing it in order to reduce their environmental impact; they are doing it in order to reduce their costs and improve their efficiency in serving their customer. … the average haulage company is under intense cost pressure and pressure in service levels and the way that pressure exerts itself in terms of environmental responsibility is – has got quite a direct correlation. So the environmental performance of the industry, against what it might be doing is, I would argue, very strong. But it's inherent in the cost structure of the industry, rather than in some added environmental programme. … I'm not sure there are a lot of market failures either so I think the link between cost and environmental impact is very, very strong…There are a handful of companies … who have got a strong environmental pitch specifically. RHA

The same interviewee from the freight industry captured how the cost motive may be put through an 'environmental filter' for added advantage:

There are very many other companies that have a strong cost-control (pitch) and then put it through an environmental filter, which is a different thing … I'll give you one anecdote: one company told me they'd taken so much costs out of their business over an eighteen month programme and then handed it to a big PR company to turn it into a carbon reduction and environmental case study. RHA

Interviewees were also asked about organisational understandings and approaches specifically to *green growth*, and whether this would influence the adoption of sustainable practices and thus be a good differentiator between organisations. While there was some agreement with this proposition, interviewees continued to highlight the complexity of business practices in the real-world, and the over-arching driver of cost control:

> *I can think of a number of organisations who believe that by doing the right thing environmentally it will enhance their business, both reputationally and financially. … I think obviously they are going to be corporate but I can certainly think of probably three or four off the top of my head and they run down from a fleet size of probably about five thousand down to one in the twenties.* EST

> *Well there's certainly opportunities for being green and being efficient. In terms of you know, opportunities for additional business – I think that's a bit more challenging. I think the driver for going green is efficiency and cost competitiveness.* FTA

However, whilst understanding of what green growth means is not universal, there would seem to be growing consensus that it ought to mean a decoupling of economic growth from damaging environmental impacts, rather than being a growth that comes from developing green products and services:

> *I think green growth is something that is very much on the radar of retailers. … It could be offering products and services that have a low environmental impact, or that serve a much longer lifetime, or it's delivering services that aren't typically considered retail at the moment. So, energy-providing services, for example, the low-carbon … there's a lot of thought in this area at the moment in terms of what does it mean for retail, to a certain extent. … Plan A from Marks and Spencer, [is] a really good example of where green growth is part of the underpinning strategy.* BRC

> *… everybody seemed to be aware of green growth but not many people really understood what was meant... how do you define it? … I think everybody thinks that … the economy can grow without it having to be damaging to the environment.* BCC

When asked about green growth, Carplus made the observation that car sharing was one solution which itself enabled green growth to develop:

> *[Q: …what do you think Car clubs have to offer as far as green growth is concerned?] I think on the bigger scale you can't have … cities that function well if they are beset by congestion and I think car clubs are part of removing this dependency on the car … you've got councils like Leeds City Council saying, when they (…) stop paying business mileage for a lot of staff, what they were doing was reducing the number of people that drive in during the rush hour.* Carplus

However, other interviewees clearly equate green growth with being a slower growth. Consequently, the economic downturn in 2008 altered the context in which green growth opportunities are assessed.

> *…going green costs you a great deal of money and if it means bringing in expertise or investing in new kit, that's not essential. They are more interested about making sure they've got a business to run, they've got jobs to protect – that's probably taking more priority. So I think the economic*

recession has pushed us back a little bit to the trajectory where we might have been, say, seven years ago. But it will pick up. BVRLA

Although the ITM interviewee noted that sustainability issues are returning to company agendas as the economic recovery progresses, others suggested that achieving green growth needs a tax regime that incentivises the desired behaviours.

The prevalent culture in the road haulage segment of the freight sector, is focused entirely on costs (reflecting its total dependence on economic health in the wider economy that we discuss in more detail below under 'growth orientations'), and is almost antagonistic to environmental or green messages:

… it's a turn-off for [my members] to tell them about carbon reduction. If you tell them about cost reduction and improved efficiency, they are all ears. RHA

The environmental agenda is also often used for other ends or is deeply interlinked with other critical sectoral issues. The train operating companies (TOCs), for example, approach sustainability issues as best they can within the limits set by a highly complex existing infrastructure. The actions taken are therefore more about what can be readily achieved in the short-term rather than addressing more complex structural issues that are outside the control of a single organisation; one example is the greater focus on carbon reduction from stations (a relatively small emitter within the network) than on updating rail infrastructure and rolling stock:

I'm not sure if it's a concern. It's one of the things that people like to report against and we have sustainability targets in the industry s…. a lot of what sustainability means to the railway is… about energy usage, so things like AC vs. DC and Third Rail is a big issue for us and things like stations, actually. Stations are actually the easiest to assess [impact] … and because a lot of the stuff is 18th century. ATOC

6.1.3. Environmental Regulation

Despite the importance of cost reduction and efficiency as highlighted in various ways in this report so far, there is also sufficient evidence (in these interviews and in the wider literature reviewed as part of the Evidence Base Review), that costs are not a sufficient driver of 'pro environmental' behaviour. There are two main reasons for this.

Firstly, costs are currently not sufficiently aligned with environmental impact, and secondly, there are factors which 'interfere' with the relationship between costs and behaviour such as the lack of data that demonstrates the link, uncertainty, reputational risk etc. This explains why regulation tends to be required to achieve change that is necessary for environmental or social reasons. Effective voluntary action is only likely if there is a perceived business benefit – such as to create brand differentiation. Indeed, the interviews contain many comments that recognise the underlying necessity for regulation to drive the environmental agenda, even when complaining about regulatory burden, and the need to implement change to comply with legislation:

I think the membership understands that the environment is playing now an increasing role in their client base, so whether it's reporting your carbon footprint through your company's

accounts, which is now mandatory for businesses that are listed on the stock exchange … that's driving people to think about their CO_2 reporting. But then you've got the energy efficiency audit, which will be coming in 2015. BVRLA

I think they have to be cost-driven but having said that, a lot of them are signed up to ISO14001… and they have made commitments as well within the organisation, to reduce carbon, EST

During the interviews, interviewees were specifically questioned as to their position, and their memberships' views, regarding recent changes to carbon reporting requirements for larger organisations – views which tend to reflect an organisation's overall attitudes to regulation. Views on regulation differ and divide broadly along the lines of the professional organisations who are in favour of 'smart' regulation and the trade bodies who tend to be more negative about regulation. Some organisations, such as the Institute of Environmental Management and Assessment (IEMA), are very supportive of the reporting requirements, having been thoroughly engaged with government and their members on this issue well prior to the legislative change.

…back in 2010 we published a special report on greenhouse gas emissions management and reporting , we submitted a lot of evidence to inform government's decision on the introduction of mandatory reporting and across our membership, including those in business, there was significant support, not just for mandatory reporting for listed companies, but for all large companies. At the moment about eleven hundred companies are covered by the mandatory greenhouse gas (GHG) reporting requirement – here as we were pushing for a broader application and that was with huge support from our members. IEMA

IEMA is also very aware that it is in companies' own interests to be proactive on reporting and to integrate reporting across business for multiple audiences (and regulations/ systems/ requirements), notwithstanding some of the data challenges.

One thing is not to do it in isolation so many of the companies that will be required to report on their greenhouse gas emissions under the Companies Act, will also be collecting and have legal requirements either through, for example, the carbon reduction commitment, they might have an EU ETS requirement so there might be other aspects that they've already been managing.. … the difficulties come around maybe some of the international emissions that they have to account for and that's more challenging sometimes because of data availability and/or conversion factors. IEMA

The Freight Transport Association (FTA) takes a pragmatic view on carbon reporting; and is supportive of voluntary change:

…from an FTA perspective the whole issue is about – if industry doesn't deliver on its contribution to CO_2 reduction, of its own volition, the risk is that it will be forced upon the industry in some way shape or form and I think industry would far rather be master of its own destiny … So I think the motive is FTA, industry, setting the carbon trajectory rather than government doing it for them. FTA

Indeed, the FTA suggested that environmental regulations are playing an ever increasing role in changing 'standard' practices:

But I think that the carbon debate runs far wider than just driver training and buying a fuel efficient diesel truck. I think operators are increasingly looking at hybrid vehicles and other forms of driver training technology to decarbonise their supply chains and as I said earlier on, they are going for looking at rail as well where that offers a credible commercial opportunity. FTA

However, not all organisations share this position. Indeed, there are differences within the freight sector itself. For the road haulage sub-sector, which has a number of SMEs, carbon reporting is seen as bureaucratic burden and can also be considered as commercially sensitive being so strongly correlated to operating (fuel) costs. Such sentiments could indicate the future direction of advice and lobbying done by umbrella bodies:

[Q: I was going to ask you about the new carbon reporting regulations – what do your members think of that, those that will be affected?] I think the reality is we're going to have more and more regulatory burden in that area, I think it has the potential to cause additional and quite superfluous regulatory burdens on industry. I think it has the potential to disadvantage SMEs and I think it has very little potential to reduce global carbon. RHA

In relation to other spheres of regulation, some interviewees note that not all environmental regulations are considered effective; in some cases regulations or legislative burden may even act as to prevent or limit the implementation of sustainable innovation (and possibly green growth):

… you can't necessarily innovate as much as you should as a commercial company if there is lots of legislation … There may be good reasons why you legislate and there are reasons for which things are mandated through franchise … but it does restrict them in innovation. ATOC

… there needs to be a voice… to ensure that policy makers understand the impact of their decisions. And it's adding costs to businesses, it's stifling growth and that's why I think they see the BVRLA as a very important voice to government to ensure that a) bad laws aren't made but equally bad laws that have been made, that they are removed wherever possible. So that it improves the competitiveness of the UK. BVRLA

Similarly, many interviewees also highlighted that other factors outside their control were likely to be more important in reducing carbon, an attitude that 'shifts the blame' - this approach of pointing to other emission sources is also apparent in public attitudinal surveys in which the public refer to China and other fast developing countries are key polluters.

… I think it's very significant that if we can attract more manufacturing and process industry … to the UK, the benefits in terms of global carbon emissions will greatly, will greatly eclipse anything the haulage industry and the transport industry can do in terms of efficiencies, … simply by the fact that we're not shipping things half way around the world or across Europe. The carbon gain, in terms of global carbon would be much greater… wealth creation and job creation in the UK. Road Haulage Association (RHA)

6.1.4. Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a sub-set of Corporate Responsibility (CR), which at the highest level involves compliance with corporate and all other relevant regulation and initially only included reporting social and charitable actions (such as contributing to the local community in some way), but

which also increasingly includes sustainability/environmental actions. CSR can be seen as a similar burden to regulation, as it is becoming something of a norm for large organisations in the UK, though there is no commonly agreed standard for reporting, either in terms of data or in terms of what CSR actually consists of. It does not always include environmental actions (Business in the Community for example is heavily focused on the social element of CSR). Therefore it is considered here as an external driver of change although CSR motivations are difficult to disentangle from internal drivers (which are considered in the next section).

> *The CSR element definitely exists in some companies for sure and some companies, big companies, it exists very strongly indeed as it does in some small companies. Where there is a corporate philosophy for social engagement and environmental concern and more and more companies have that now, because people who drive trucks or people who run buses, they are as concerned about the environment or social cohesion as anybody else is. … individuals, whether those managers, supervisors or drivers or operators, are those that are engaging in those activities, see benefits not only for themselves but (…) for their families … I think those employees value that as a positive contribution to their employment.* CILT

The increasing importance given by organisations to CSR is strongly related to the gradual normalisation of sustainability (or at least sustainability talk) and it was an issue that was discussed as a corporate strategy that can differentiate in the market-place as well as being a quasi-regulatory burden. As a largely voluntary activity that is becoming more expected as a normal reporting activity, it has external drivers when many competitors do it, as well as internal drivers if it is influenced by the values of an organisation, its shareholders and its employees.

While (perhaps surprisingly) there is no accepted definition of CSR, and reporting standards are very varied, there are internationally recognised principles. Many, but not all, organisations incorporate mandatory environmental and carbon reporting in their CSR exercises, and thus CSR is related to both regulation issues and the environmental agenda. In this subsection, we now consider the external influences on organisational CSR.

We found some evidence that some of the organisations interviewed are actively trying to promote or facilitate changing practices for reasons other than cost control. However, this is not altruistic – it is often the case the practices that are changed are those that impact on reputation:

> *I can think of a number of organisations who believe that by doing the right thing environmentally it will enhance their business, both reputationally and financially.* Energy Savings Trust (EST)

> *… reputational risk is a very important element, … if they've got a logo on the side of the van they are very aware [of safety].* Roadsafe

CSR policies can also be adopted to gain a competitive edge and to attract investment:

> *It's at boardroom level which I think is what is driving their behavioural change, that it's now the whole corporate social responsibility; people are now having to make statements in their company accounts and people, investors now are thinking very (consciously) about which firms they will invest in and if you don't have a strong CSR statement, people, when you think about ethical investment, they will shy away from your business.* British Vehicle Rental and Leasing Association (BVRLA)

*…there was quite a lot of competition between companies in terms of the way in which they reported on environment and sustainability, you know, that's grown over the last ten or fifteen years. Institute of Environmental Management and Assessment (*IEMA)

However, the importance of and approach to CSR policy is also very sector specific; it is not as important in the freight sector where CSR is more often linked to efficiency improvement and is more likely to be viewed as an obligation rather than a driver for greening fleet operations (though see section 5.1.3 above on new services where logistics operators are characterising their improvements as contributing to the CSR profiles of their customers):

…at an industry level, CSR is all about improving fleet age profile, it's all about improving CO_2 footprint, it's all about improving safety of other road users and, indeed, drivers – improving safety, technical and operational standards. Freight Transport Association (FTA)

*But the reality is that … they are not actually interested particularly in carbon, in the carbon report, they are interested in cost, service, they are interested in price, service and possibly reputational risk. But they require the carbon report because that's part of their CSR obligation, legal obligations. Road Haulage Association (*RHA)

In the retail sector, however, CSR is seen more as a sustainability issue that is linked to supply chains and consumer pressure, although as discussed above, the motivation for 'win-win' solutions is the primary driver, meaning that in practice cost and efficiency still feature as central to 'sustainability':

… a lot of them have their own Corporate Social Responsibility agenda, so … they're very committed to delivering on their sustainability within … not just within their business but externally as well, so things like through the supply chain, with the local community, for example, things like that, because they're very aware of the fact that sustainable business is a growing business in a way, so they're very committed to that process. And obviously what follows from that is being able to report your performance in respect of that commitment, so, I think they're also extremely aware of … the better their performance in terms of, let's say, energy or transport costs … if you can reduce that then you can increase your profitability, so there's two agendas going on there. British Retail Consortium (BRC)

Retailers also have some interest in technological improvement for freight transport where it contributes to their carbon targets, and would also respond if consumers demanded it:

… that's what retailers do, they respond to consumer demand so, if there is a massive demand for zero-carbon transport strategy, then you'd probably see it happening across the board. I wouldn't have thought at the moment there really is one there … I think it's more driven by what retailers believe to be responsible and what policy is... what direction policy is putting them towards. BRC

However, some segments of the retail sector may not see the 'social' element in CSR which means that transport efficiency gains may not be explicitly reported or only certain specific elements are considered to be relevant (such as the composition of the vehicle fleet) rather than whether or not a travel plan for customer travel is in place:

I think that, (what you find), sort of gain through the CR reports for some of our members to see what exactly what they were doing on transport and some of them … might include it completely separately under their CR, some of them might include it under their energy efficiencies, … . … But I think it's also (a new thing) because I think because it's not as advanced as people's thinking on waste and energy. British Council of Shopping Centres (BCSC)

Consequently, it is not an established norm to link CSR with transport and travel. This can be put down to the relative challenge of being able to impact on travel and transport activities and the lack of benchmarking in CSR reporting on transport-related activities and outcomes:

…we do still have a corporate responsibility index, and in there we have commuting and business travel …. But … scores are quite low. So … with the corporate responsibility index a lot of the large organisations … used to scoring 100% in energy, wastewater or whatever, and then they get to 'Travel' and they go, 'Oh, yeah, we've got a green travel plan,' or whatever, and you get some really, really basic information and so, in terms of benchmarking, we haven't got a lot of really positive stuff there. BITC/Ways2Work

CSR development and implementation can also be a motivation to join an umbrella organisation (i.e. *solution seekers* according to FTA quoted above). BITC is the obvious example, as promoting responsible business is its mission. BVRLA also sees improving CSR as a benefit of membership:

…equally I think there's an environmental social, corporate social responsibility is very much at the heart of – they want to be seen as part of an organisation that's promoting best practice, promoting responsible road transport, whether it's health and safety, right through to environmental: all these things are very important to our membership. And they want to be now very much part of that discussion, the campaigns, being able to have a direct input in those issues is very much part of being a member of the BVRLA. British Vehicle Rental and Leasing Association

6.2.   Internal drivers of organisational change

Drivers of organisational change that are internal to the organisation are related to the nature of the organisation (its firmographics such as size, structure and geography), its strategy, management style and the degree of impact of individuals have on an organisation's practices (i.e. individual psychographics). The core questions put to interviewees concerning internal drivers of change include:

- What proportion of your members would you say are pursuing a vigorous growth agenda, either in terms of profit [or in social reach for non-profits], versus seeking to weather a difficult period?

- What proportion of your members would you say are pursuing a strong environmental agenda? (i.e. more detail than the preceding discussion on 'who is doing what' in terms of environmental behaviours)

- What factors, in your opinion, most clearly identify those members who are most actively pursuing 'green' travel/transport options and those who are not?

The discussions around these core questions explore the internal drivers of change impacting on the constituencies of the umbrella organisations. The first question is concerned with the life-cycle of organisations, and how that is related to the wider economic environment. The second question is

seeking to reveal in more depth the spread of the environmental agenda in the private sector and tease apart the characteristics of organisations engaged in this, and the third question seeks to interrogate the expertise of the interviewees to find factors that differentiate organisations by their adoption of 'green' behaviours.

The internal drivers are presented here under the separate headings of

- organisational structure,
- organisational size,
- geographic and market location,
- position in the supply chain,
- orientation to growth,
- pro-environmental orientation,
- maturity of sustainability thinking,
- organisational structure, and
- individual attitudes and values.

6.2.1. Organisational structure

One of the most objective factors discussed is ownership structure which can be linked closely to organisational ownership (and size – see section 9.2.2). A key differentiator that appears in the interviews is one which draws a distinction between large private (hierarchic) and large public (bureaucratic) organisations in the way they respond to internal and external drivers. In this example, the distinction is highlighted in relation to achieving change in vehicle practices:

I would say that private organisations are more likely to act quickly than public organisations but part of that is often if grey fleet is involved then making changes, for example to mileage rates, to encourage less grey fleet mileage, that's all tied in with terms and conditions of employment and so there's union involvement and so the process can be quite lengthy. EST

The interviewee also makes organisational categorisations similar to the 'Bureaucratic' definition of local governmental bodies found in the literature[12]:

...the management of the fleet that comprises a local authority or a health authority is often ... spread over different departments. So that makes it rather more difficult. So traditionally with a local authority, for example, the trucks and the vans will come under a transport manager but the lease cars and the grey fleet will be sitting in personnel or accounts or somewhere. So in terms of there being an organisation-wide approach to it, it's a little bit more fragmented. EST

These structural issues, as an internal driver of change, are raised by several interviewees, and it is seen as impacting on the decision-making process and thus on the potential for behaviour change. Rigid hierarchy and bureaucracy are seen as less flexible environments that have a higher barrier to internal innovation:

I really don't think it comes down to the types of individuals but the structures around how individuals are enabled to think and innovate. So if you work in a very command and control

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[12] Nesbitt and Sperling (2001) - discussed in main EBR report

focused organisation where you need to operate in a particularly defined way, …. then the chance that you will have the opportunity to think about where these broader opportunities might be becomes diminished quite quickly … those organisations that do give that time and space for more collaborative internal approaches are more likely to succeed in terms of generating the ideas and having the motivation to change. IEMA

Motivation to change doesn't necessarily translate to success, however. Some interviewees explored the organisational factors of strategy, structure, skills and processes that are associated with greener travel practices:

It's one that has strategic teams in place to deal with it; that look like they are being very successful in doing so. So for me, it's the structure of the company – does that allow you to do better? Do you have the expertise in place and do you have the processes in place for you to be able to deliver on your commitment? BRC

Interviewees tended to regard leaner structures as increasing the opportunity to introduce radical change, hence in the ITM interview, it was SMEs that were perceived as having good change opportunities due to their inherent flexibility, and critically having *fewer people to convince*. In large corporates, strong systems have to be in place, that either have strictly enforced policies, or which have policies with discretion and empowerment supported by capacity-building to change habits and change the culture– for example demonstrating that working on trains is less stressful and more productive than driving or flying if the train is a viable substitute in terms of route:

People need to experience it for themselves ITM.

In the retail sector, it is suggested that the business model for logistics services dictates the manner in which sustainability issues around transport are tackled. The second model in this example requires a much stronger internal culture to deliver change, as it is not tied to a contract:

It depends on the model, for a start, so if the model is owning vehicles and then hiring someone to run it, then the contracts will have, let's say, service level agreements or something like that that say, this is what we expect from you. If it's managed in-house, then it takes a very strong, strategic and quite influential team to be able to manage the impact of your travel decisions. BRC

As with retail, which clearly adopts a number of different models for various aspects of the industry, the passenger rail industry is much more varied than might be supposed.

Just because it's a train operating company it doesn't mean it's structured the same way, it's not got the same operating procedures, it's not necessarily got the same organisational structure, it's not necessarily got the same management style. So, yeah, there are similarities with groups of them, but they're all different. And, you know, right down to the fact that some will have a different attitude to things ATOC

6.2.2. Organisational size

A second factor, 'size', is also discussed at length (and very much linked to organisational structure – discussed above), including the impact of size on relative importance of environmental and cost issues, seemingly also linked to whether or not a company is publicly listed due to accountability to

shareholders. For example, larger businesses in the vehicle leasing sector are more likely to innovate and deliver new mobility services, as they have more resources and capacity:

I think you can see that quite evidently, the larger businesses of course have much better or are better resourced, well-established, are thinking about the strategic goals and developing, in a consultative manner, with their clients and listening to their clients and responding to their needs. They are innovating, creating that space to produce new product services that meet client's needs. BVRLA

To me, it's only a certain type of bigger company that's even bothering about carbon reporting because they have shareholders and customers to worry about. … Carplus

Regarding the ability to implement organisational change, this is related to business size, in terms of people, but also in relation to financial resources, as these increase the capacity of an organisation to investigate and invest in potential changes:

… it will always depend on the over-arching pressure that they face so if cash-flow is absolutely key to your organisation's survival, you won't have resources to invest so it will be very much about how can you increment the costs. If you actually have access to capital then you can invest in more strategic and more significant snap changes and those are obviously quite important to differentiate so there's lots – our members will come up with lots of projects and schemes which will be cost-effective, but they might not necessarily get [implemented] because different companies will have different rates of return, or hurdle-rates, that you've got to get over…some of them are working on three months, some of them two years. IEMA

a lot depends on the size of the business; the larger businesses have more resources, more people to look into these things. BCC

Also linked to ownership, large corporates are more likely to accept a business case even if it requires higher up-front costs than local authorities (likely to be related to availability of capital):

So I would say in the public sector, possibly the up-front cost is more important than looking at the whole-life angle. Due to internal accounting and business practice really. A sort of commercial, large commercial company, they are more likely to act on whole-life cost EST

... corporate business might look at the bottom line …) but local authorities look at it from the value that they get and so it may not be on the bottom line but it is about the value that they can get from the service provider, which equates to the same thing but comes at it from a different direction – value for money for their public pound. CILT

However, in some cases SMEs are more responsive to some pricing signals and cost concerns than the larger organisations:

… somewhere along the line SMEs have a more complex handle on it. Convenience, hassle-factor… they just get it: you don't need to own something to use it. Carplus

So larger organisations often take quite a long time to make changes, to implement initiatives, smaller business typically – if they like the idea, they can see the savings and they can…there are other benefits as well such as duty of care, they will act very quickly. EST

Some comments strongly support the position (again similar to the Nesbitt and Sperling research findings described in the main report) that large corporates are most motivated by carbon emissions (because they are required to be), local authorities are motivated by carbon and air quality (again, because there is a requirement), and SMEs are more variable in their response depending on the attitudes and values of key individuals within business. Although larger corporates may have more access to resources, SMEs on the other hand can make decisions quickly if minded to.

> *Smaller business, they are going for the cost saving but … they are so variable, you know – some really haven't got it, others do get it and when we work with them, because they have such short decision chains, they will actually ask almost immediately...* EST

Some interviewees discussed whether larger businesses are more likely to be proactively adopting CSR policy than smaller organisations:

> *I think certainly we refer to the larger businesses. They already have seen that that is the next milestone, if you are not proactively working on helping your customers with CSR requirements, then you will be left behind.* BVRLA

> *... obviously a lot of the issues depends on the size of the business so the more micro-sized businesses [it] wouldn't be as important to the business to be publishing a corporate social responsibility report but certainly, I think what came across from that energy survey and from speaking to businesses as well, obviously all businesses their main motivation is the bottom line but they do want to try and do their best and certainly for the environment and minimise as much as possible their impact.* BCC

Whilst the evidence was strong to imply that larger organisations have more opportunity to invest in change, other evidence emerged about the greater inertia in large hierarchic and bureaucratic organisations which can mediate this opportunity. A few interviewees noted that mid-sized companies often faced the greatest challenges in terms of implementing environmental and cost control:

> *…Those companies which are very small are going to be sufficiently agile to adapt to changing market trends, those which are very large will have the embedded relationships with their primary principal customers in order to adapt and it will be those that are in the middle, they are almost too big to be agile, too small to have those principal customer relationships.* FTA

> *…for all operators there is a requirement of repute and repute is as difficult to manage in a big company as it is in a small company, in many ways, in that with a small company I suppose you haven't got the resources but you have got the management focus, whereas within a big company you've got the resource but you probably haven't got the management focus.* FTA

However, one interviewee was of the opinion that differences across membership, in the freight sector at least, in relation to factors such as size or sector may be overstated:

> *… if I could pick up on a comment you made earlier about the very great differences among different types and sizes of companies, I think there are differences but I think in my hearing those differences can be overstated. And I think that's, that is a concern that we have; that the differences are overstated and the commonalities are understated.* RHA

6.2.3. Geographical and market 'location'

Apart from sector and the nature of the core activity, the geography of a business or organisation is important to travel/transport intensity as **a function of its spread of operational sites and customer base**. The number of operational sites and the size of its market will also affect the balance between travel and transport to serve external audiences (customers) and travel to support internal processes. Thus geography clearly **impacts on the opportunity and salience** of changing that intensity:

> *... where the customer is – that would be the main reason for transport, but also it depends on the type of business.* BCC

> *... the larger businesses of course, their headquarters may be located in London so having to travel to and from London on a regular basis, that would impact their transport as well.* BCC

Geography has other effects too, relating to **the built environment** in different places for example, in relation to the viability of business car clubs:

> *it's those where, on the one hand the public authorities still occupy properties in the central area rather than having decanted to the outskirts and where the growth of, if you like – for every generation of areas with new industry, new white-colour industry, creative industries as well as professionals are also in high-pressure parking areas. So some of those are what I would call the sort of cities that are a bit more European in style, where the (car) hasn't devastated them with big roads and moved everybody from the centre. [Places that] still have very, very vibrant city centres* Carplus

Within the retail sector, a more holistic understanding of transport and travel issues is emerging, and it is being linked to location decisions at the strategic level, driven by external factors:

> *I think it's probably fair to say that retailers historically may not have had a really strong transport strategy or, at least, some retailers. There are others that obviously…it's the backbone of part of their business so their logistics were a major issue. But, I think, **as retailers become more involved in terms of policy to do with congestion and emission reduction and air quality and also fuel costs and various others and, actually, location and transport logistics are becoming a very significant part of the planning process** and the development process. … as a result you're getting much more engagement on that level, but … it's only over the past few years that that's really started to take off.* BRC

6.2.4. Position in the supply chain

An organisations 'position' in the supply chain also affects the motivations, ability and opportunities for adopting more sustainable actions. Greening of the supply chain involves the customer-client relationship all down the chain, with 'Triple Pillar'[13] sustainability criteria being brought into

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[13] The term 'Triple Pillar' is generally found in sustainable development literature as a way of describing the equal importance of the three dimensions, or 'pillars' on which sustainable development rests: environment, society and economics. This is sometimes referred to as the 'Triple Bottom Line', a type of analysis that is often found in Corporate Social Responsibility reporting as well as sustainable development reports (Cohen and Robbins, *ibid*).

procurement, such as Fair Trade and environmental aspects of production (primary and manufacturing). As such, **green supply chain clearly includes the transport side of logistics to a large degree** (depending on sector and product). IEMA noted that green supply issues are becoming acutely important as a differentiator as well as a response to regulation, with effects that cascade through the system driven by the reputational and competitive strategy decisions of large companies at the top of the chain:

> ..[what] we do see is **increasing requests made of companies in supply chains for carbon-related data and information**. IEMA

> There is undoubtedly **massive supply-chain pressure** in the private sector, if you had somebody like M&S that has suppliers in many parts of the world, they sold 2.9, 2.8 billion items a year and what they are looking to do is by 2020 each one will have what they call a Plan A, at least one Plan A attribute that is improving. IEMA

Notably the **consumer and social media are key drivers of greening supply chains** in the retail sector, driven in part because of the instantaneous reputational impact of consumer use of digital media:

> ...the retail sector has become much more competitive now with access to information much more readily available in real-time through both social media and all the rest of it, so it becomes very visible as an issue that people have to deal with. So that's a really big drive, IEMA

However internal dynamics and market forces also favour greener supply chains. The freight sector for example is improving efficiency through this approach:

> I think a lot of it is customer driven but not all. You know, I think the other – the elegance of the third party logistics (sector) is that they are able to serve a number of customers and through doing that achieve not just economies of scale but also a more elegant logistic solution for each of their customers. FTA

As also noted by IEMA who are highly experienced in this area, good practice tends to combine green procurement with a whole life-cycle approach through the use of well drafted tenders which balance higher capital outlay with lower operating costs; while also addressing end customer requirements and pro-actively complying with current and future regulation:

> when you take a whole-life cost approach rather than a capital injection approach to procurement then you essentially come up with different solutions and transport and travel is obviously a good example. If you are going to involve new technology and smarter ways of doing things, it can be more capital intensive but then the operating costs can be considerably lower. It depends on how somebody has put together that procurement tender, who has got the operating budget and has that been factored into decision making and obviously much more of that is starting to come through now. IEMA

6.2.5. Orientation to growth

Excluding sectoral differences (which can be significant) an organisation's orientation to growth is internally driven, as it is a function of strategy and structure, particularly in the larger organisations, and of individual psychographics in the SME world. In general, interviewees believed that growth was

very high up the agenda for their members or constituency, though some sectors are more at the mercy of external circumstances (e.g. freight and passenger train operators). However, the retail sector interviews suggest more of a sense of survival strategies driving change rather than growth:

> *… when the recession hit development just dropped overnight. So before the recession there was all this speculative building because the rate that retail was growing, you could just build something and you knew that it would be filled but as you know, that's not the case anymore. So there's different sort of growth strategy … because it might not necessarily be retail that fills your units [it would be growth in] restaurants and leisure and entertainment in shopping centres.* BCSC

The logistics sector is quite varied, and overall is dependent on activity levels in the rest of the economy by its very nature as a service provider:

> *to a certain extent, operators won't just simply see a steady organic growth of their business. You know, it will be growth on a contract by contract basis and contracts will come and contracts will go. So I think there are those businesses which are of a sufficient critical mass to bid for contracts from logistics buyers and there are those smaller companies who would provide haulage services to support those contracts.* FTA

The fleet sector is also particularly dependent on wider economic growth, and thus neither the freight nor fleet sectors are able to exert a strong influence on national transport and travel trends. For example, the BVRLA report a direct correlation with economic activity and van utilisation – particularly in the van rental market:

> *when we're going into recession and when we're perhaps coming out of recession, the van rental activity demonstrates that very, very, very clearly. As soon as there is a drop in the rentals we know there is something not quite right with the economy. … there's a direct correlation with economic activity and van utilisation, rental utilisation and then … as confidence starts to gain momentum people are willing [to] invest in their own kit.* BVRLA

In the overall picture, the freight and logistics sector's growth cycle is so dependent on other sectors that its lobby message can't even focus on the usual transport-focused messages of network reliability and reducing the cost of regulation:

> *I think the haulage and logistics sector is in the impossible and slightly unusual position in terms of growth, in that we are more serving our customers than seeking growth as a sector … in the growth review two years ago, the Department for Transport had a big meeting in London which I attended. I went directly from the RHA Board Meeting and the very clear mandate I was given by the board was not that the key message was about 'we need more roads', although we do. It was not about 'we need a more friendly policy in terms of fuel duty', which we do. And was not 'we need better regulatory environments', although there are improvements to be made there as well. The clear, single message I was given was we need to attract investment in the UK economy.* RHA

The rail sector is also unique in its attitude to risk, and its idea of growth is very constrained by capacity and franchise requirements, meaning that differentiation by growth agenda is not a useful concept within the rail industry. Indeed, being risk-averse is considered a positive characteristic in the rail industry. The differentiation for transport operators depends on the market on different parts of the network.

... we're on a constant level of about 6% growth. ...Some [TOCs] are risk-averse, some are more entrepreneurial. Some are serving a different audience and therefore that influences the way in which they operate... obviously, you want the majority of people running your rail network to be risk-averse. ATOC

It's the type of user, it's the restrictions around capacity and it's where the available market is... congestion in the southeast of England is so high that no-one would dream of driving into London, would they, so there is a market there. The long-distance TOCs...we do a lot on pricing and advance ticketing to try and attract people to use trains for leisure. ...each TOC will have the best understanding of its own market, and it's to do with regionalisation and the nature of the network. ATOC

When appropriate, interviewees were also asked whether an organisation's state in terms of growth, stasis or contraction cycle might influence the ability and motivation to adopt sustainable practices in general. Most responses to this question, however, were negative and reflected the complexity of business practices and the current economic climate.

What I would say is that there are both successful and struggling companies who are engaged with the [carbon] agenda but I guess it's difficult to say – {it's} not really the kind of question we tend to ask people really. EST

In the discussions with interviewees a wealth of material about innovation practices was uncovered. There is a great appetite for innovation that can drive growth:

I think generally business is looking to, to start looking to (finance) innovative ideas that will enable them to grow. They are looking to survive through the chilly times, for sure, but they also know that if you don't think about different ways of doing things or new ideas, then you are not going to survive – you are going to be left behind. CILT

However, for the 'reactive' transport providers (freight and passenger train operators), defined contract periods can act as a constraint on continuous innovation.

If you are running on closed-book contracts and your contract horizon is quite short then your flexibility to innovate is going to be much less than if you are tied into a customer for some time on an open-book type of arrangement. FTA

6.2.6. Pro-environmental orientation

The ITM interview was the only one that could put some figures against environmental responsibility in travel procurement. The interviewee cited the Project Icarus European survey from 2012, which included the question: How important is environmental responsibility in travel procurement compared to two years ago? The results of that survey as cited in the interview demonstrate that, even within the context of economic constraint, environmental motivations have gained ground internally, with 56% of business travel procurement specialists stating it to be more important, 52% planning more measures, 59% anticipating that environmental sourcing criteria will be introduced,

56% participating in at least one travel-related sustainability measure and 35% already having four or more sustainability measures in place[14].

Interestingly, this was ascribed not only to cohort effects in the population of travel buyers becoming more environment-oriented, but also to the significance of company-level commitment to sustainability programmes, not only because it is 'the right thing to do' but because it is also a business opportunity, with companies increasingly appointing sustainability professionals at board level.

However, evidence of adoption of an environmental agenda can be framed in other ways, for example through 'whole life' processes and systems thinking. As part of the discussion regarding differentiating businesses with respect to changing behaviour, IEMA raised the issue of adopting a whole life approach to problems and process within an organisation. The interviewee saw this as an important indicator that the organisation was 'thinking differently' so increasing the success in implementing sustainable actions and capitalising on cost as well as emission reductions.

> *So if you are delivering bottles of beer to supermarkets [for example], the whole role of light weighting bottles has, it's not just the material costs that come down but it's the transport costs that significantly come down… I think that's where I see a lot of this being considered through our members; in that they are taking a much more life-cycle thought-based approach to the way in which they use resources in their organisation.* Institute of Environmental Management and Assessment (IEMA)

At board room level, IEMA contend that this holistic thinking can help organisations understand long-term threats for inaction on the environmental front (a form of risk analysis) and focus their thinking to develop new approaches, products and services.

From the discussions around growth, pro-environmental behaviours and 'green' transport and travel behaviours, information emerged about how some organisations recognise that embracing regulation can have some very positive competitive effects – compliance can be a protective strategy. This idea that some issues can be made to be more salient, and thus acted upon, at board level is one reason why organisations engage with professional bodies such as IEMA and Chartered Institute of Logistics and Transport (CILT) and best practice NGOs such as the Energy Savings Trust (EST), Business in the Community/Ways2Work (BITC) and Roadsafe.

> *…how do you take an issue and give it some more prominence in your organisation? How can you make that work to the advantage of being able to get it on somebody's agenda that then you can translate that into, 'How can we have business value through this regulatory driver?' And we were able to use that as a basis for helping to inform how management of (GHG) reporting could come in.* IEMA

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[14] The figures reported here are those as cited in the interview. The survey report itself was not made available and has not been found through an internet search. However, a similar survey of 298 companies from 2011 by the GBTA (associated with ITM through 'Project ICARUS', has some figures given on a slideshare presentation (slide 25, http://www.slideshare.net/rcaulder/gbta-project-icarus-and-csr-update-revised-april-15-2013 last accessed 30 January 2015)..

6.2.7. Maturity of sustainability thinking

In looking for the 'low-hanging fruit' in make sustainability improvements, the interviews suggested that changes in travel/ transport activity are very often a low priority in the sustainability process with direct non-transport impacts often addressed first:

> *... when you are looking at your sustainability, what you always do first is look at your own direct impact. And I think that's why transport is sort of coming on now, particularly for retail property... now that you are seeing that there is more advanced [management of] direct impact, they are starting to look at their indirect ... that's why transport is moving up the agenda.* British Council of Shopping Centres (BCSC)

Thus 'maturity' in relation to tackling sustainability issues or process change emerged as an important differentiator, as it is linked to attitudes towards external pressures, but it is also linked to staff capabilities, and the likelihood that transport will be salient issue, as well as to whether or not tackling sustainability issues is seen as a barrier or an enabler:

> *if you are relatively new to environment and sustainability in your organisation you will probably take quite a narrow focused view on - 'Ok, how on this particular site and in this particular place can we cut costs and ensure compliance and do some of the relatively easy stuff?' I think once ... it's started to deliver business value then organisations tend to take a more holistic view, so that has to be a process of maturity or evolution in whether this... can either be seen as an enabler or as a big barrier to get over. ... And a lot of that comes down to the capability of individuals and their skills and competence to deliver on this.* Institute of Environmental Management and Assessment (IEMA)

6.2.8. Individuals' attitudes and values

The role of individuals' attitudes and values did not come through strongly in the interviews as a principal determinant of an organisation's propensity to act sustainably whether in relation to transport or otherwise. Nevertheless, this element was present in some of the discussions albeit linked closely to organisational structure and size:

> *Smaller organisations, again, it's more attitudinal, so I guess actually in some ways you can almost look at those views they have and sort of almost tie them up with some of the individual segmentation in terms of their green perceptions and because it will be an individual or a couple of individuals who will ultimately make the change. So with a lot of the smaller organisations we've worked with in this area ... have been very interested before they started and having shown them that it can work with some of their vehicles, cost-effectively and helping them understand the peripheral issues such as charging and business premises suitability for re-charging vehicles, then they've made the step...* EST

Also in relation to the effect of individual employees, one interviewee reported observing a drift towards greener travel practices in newer industry sectors where a younger cohort of employees may favour adoption of green travel practices as a result of a different outlook and lifestyle:

> *... we've just been out and about and I do know a lot of the more newer, younger companies that are members of Chambers, certainly the ones in industry like IT, seem to be more, ... likely to try to explore any green sort of performance to transport, but ... I don't have any real hard evidence*

to be able to identify what type of member, just from actually meeting with businesses who are members of the London Chamber recently, and a lot of the businesses were new IT start-ups and that was something that [came across]. British Chambers of Commerce *(*BCC)

It should be noted however, that this anecdote comes from London, which has a much better infrastructure to support greener travel practices combined with the disincentive towards driving in the central area.

As highlighted in section 6.1.4, the underlying drivers of CSR behaviour was linked by some interviewees to the impact of employees on organisational culture. This is also related to individual leadership, i.e. championing an issue and inspiring others, particularly at the higher levels:

… if they have a sustainability board member or they have, in another instance, a managing director who is very focused on the environmental agenda then it's all down to the leadership really, especially [to filter through], then one of the issues in terms of larger companies not being able to put in place things like driver training or – and I'm sure other measures come through – they will look at it on the basis of doing trials but actually for fleet managers to get a board of a large company to commit to something which is not sort of 'business critical' is actually quite difficult. Energy Savings Trust (EST)

The initiative has got to … be led by a director. If you don't have a director interested in this subject [driving safety], it will not work. Roadsafe

However, commitment and drive at any level is clearly also significant in any change initiative:

I would say very often it is the individual, but I don't think necessarily their level is absolutely key. … I think that there are people who get this issue, who have a really strong understanding, who have a very strong focus…. this is very much very often about, yes, a strong individual that really wants to make a difference, and with not necessarily the full support of the directors, but either a tacit support or some understanding that they trust that person to get on with their job. BITC/Ways2Work

However, the interviews did not provide any evidence that sustainability concerns were influencing either the amount or manner of conducting business travel at the level of the individual business traveller, with sustainability being a box ticked at the high level procurement contract stage, and even there would not trump price – which brings us back once again to the over-riding importance of costs:

There's no evidence of that at all when you talk to the members, that it comes into the decision making process when people are booking travel. But it's schedule and it's timing and it's purely driven by 'I need to be in destination B by such and such a time, by such and such a date for a meeting, at a certain time and at this moment in time I'm due to come back on end of a certain date etc.' … ultimately with procurement people, if the price is right, it does what the thing is going to do – that's what they choose. GTMC

6.3. Barriers to organisational change

While the interviews were not designed to exhaustively identify the barriers to organisation change, interviewees raised a series of issues which, in their opinion, needed to be addressed, either by organisations themselves or with external support.

The first point, one that often gets forgotten when discussing issues related to behavioural change, is that organisational change is a difficult process that affects many departments and people:

… the first thing I'd say is that I think it takes quite a lot of work and persuasion to get an institution, whether it be a large SME or a big public sector body to actually change because of the number of people it affects. So, ok, a typical local authority: you are talking, parking, human resources, finance, fleet management and some of the functioning departments, some of whom can cope with change and some of them find it more difficult. Carplus

Internal barriers to change often have a cultural dimension, because organisational changes of emphasis can result in the psychographics of individuals becoming at odds with the direction of the wider organisational culture:

… And then if you are in the private sector, sometimes, not always – it's an issue about your remuneration status, it's much more difficult to get people to change because they worry about people who are important to their future, leaving, because they've lost their parking or they've lost their car or whatever. Carplus

Key barriers to reducing grey fleet use in the public sector, which have been mentioned elsewhere in this report (section 5.2.3), also relate to sectoral norms. An example is provided by the British Vehicle Rental and Leasing Association (BVRLA) in relation to the incorporation of Mileage Allowance Payments (MAP) into 'remuneration':

...the vast majority of MAP claimants are public sector workers and they regard the MAP as very much part of the salary and it's part of their pay. It's tax free, you take that away and I think the government will have the unions very much on their doorstep shouting and screaming. But I think it's about how you engage and understand that requirement and when you start to look at it from .. the cost it's having on the public sector, they are under the same constraints as other businesses of having to cut costs. BVRLA

In BVRLA's view, any future MAP replacement would have to be simple to be workable and accepted:

… the reason why I think MAP is so popular; it's simple , it's easy to reimburse, it's not complicated, 'Which CO_2 band does the vehicle go into, how much should I reimburse you?' I think the HR department is already swarmed with red tape so whatever change the government looks at, it's got to be simple, easy to understand and I think that will start to switch behaviour. BVRLA

This last quote also reveals how something that is a travel-related practice is very often controlled or managed in a non-transport-related department which is something we have touched on elsewhere; in the case of MAPs it is Human Resources, but some aspects of travel fall into the remit of Procurement or Finance, and hence the salience of travel as having an environmental efficiency dimension is obscured.

Even when an issue has been identified, organisations often don't act on the evidence. This can be for a number of reasons. If alternatives aren't sufficiently developed (e.g. Electric Vehicles), then an action might be inappropriately early. Also, if resources are not available for change then is may not be possible to proceed. However, sometimes it is simply because the salience of the evidence is not apparent to the right individuals or level within the organisation:

A lot of the time, particularly if you go back to three years, they had grey fleet audits but they didn't do much with the evidence. Either because the Finance Director didn't come along, just juniors came along, or because the alternatives weren't very well developed. Carplus

Indeed, throughout the interviews the idea that organisations either 'get it' or 'don't get it' was pervasive. This may be because of the role of individuals within organisations; the focus of the next sub-section on barriers to change.

Smaller business, they are going for the cost saving but – and I think this is probably where you probably will have problems segmenting people - they are so variable, you know – some really haven't got it, others do get it and when we work with them, because they have such short decision chains, they will actually ask almost immediately... EST

6.4.   Summary of Factors in Organisational Change

The interviews generated evidence for four key external drivers of behavioural change (across the majority of sectors): cost reduction and efficiency improvement (the primary drivers), green growth, compliance with environmental regulations and corporate social responsibility. From the quotes provided, it is quite clear that controlling costs through efficiency, responding to regulation (particularly environmental regulation and CSR reporting), and acting more responsibly in response to customer demand (whether the customer is another business or a consumer) are issues of concern that are closely intertwined, for both the private and public sector.

Across the majority of sectors the most common motivation mentioned by interviewees for adopting more sustainable transport and travel practices is the ability to control, manage and reduce costs. When other issues are mentioned (such as a regulatory or environmental issues), they still tend to be either linked to costs or are considered subservient to the economic imperative. The prevalence of IT solutions being mentioned in connection with cost control, efficiency and environmental management suggests that there is a significant drive towards what we term 'Smart Efficiency'. The one potential exception is local government whose remit may be focused more on service and wellbeing.

Finding 11.   Cost control is the primary motivation for adopting sustainable transport and travel practices.

The organisations surveyed for this study attributed a wide range of meanings to the term 'green growth'; opinions also varied widely as to the usefulness of the term with respect to sustainable travel and transport practices. For the vast majority of non-environmental organisations, sustainable travel and transport practices are adopted for economic reasons based on a sound business case and/or to gain competitive advantage. Regulation also plays an important role in enforcing minimum standards. The implication is that smart pricing signals are highly effective in encouraging sustainable travel behaviours; aligning costs to environmental impact should therefore be a crucial element of future policy formation.

Finding 12. **While many aspects of environmental performance and cost reduction are inherently linked, the term 'green growth' is not a practical differentiator of organisational attitudes to sustainable travel and transport.**

While environmental regulation is generally accepted as necessary to impose minimum environmental standards, there is a wide variation in organisational responses to externally imposed regulatory frameworks. Large sector differences are also apparent, as is the risk that some legislative burdens may even act to prevent or limit the implementation of sustainable innovation. More positively, many comments from interviewees suggest that those organizations which take a proactive role in addressing environmental (and other) regulation, often well in advance of a legislative deadline, can secure competitive advantage and achieve holistic benefits across the organization.

Finding 13. **Organisations and sectors vary widely in their attitudes towards regulations. Some evidence suggests that those most pro-active with regard to regulations are likely to be more competitive and innovative than those which only aim for minimum compliance.**

Given the increasing importance of organisational reputation, a pro-active CSR policy can also play a key defensive role in regulatory compliance and in defence of reputation. CSR is not as important in the freight sector where CSR is more often linked to efficiency improvement and is more likely to be viewed as an obligation rather than a driver for greening fleet operations. In general, organisations may not link their transport and travel activities well to their CSR policy due to perceived challenge in achieving outcomes in these areas and the lack of standards in CSR benchmarking.

Finding 14. **The main external drivers of change are the pursuit of efficiency and cost reduction, which are substantially internalised in the way that organisations behave. Environmental and social issues are less internalised, and responses to the 'green growth' agenda, environmental regulation and corporate social responsibility are very varied.**

CSR policy is increasingly being used to increase organisational efficiency and gain competitive advantage but transport and travel-related activities and outcomes are often poorly represented and measured. An organisation's 'position' in the supply chain affects the motivations, ability and opportunities for adopting more sustainable actions. Interviewees' comments suggest that organisations which are most successful in adopting green supply chain behaviours tend to be those that fully appreciate the holistic advantages of their implementation.

Finding 15. **Increasing pressure is being exerted through the supply chain for carbon related data and information and this is impacting on transport logistics.**

Across all sectors, an organisation's orientation to growth is not a clear identifier of a motivation or ability to adopt sustainable travel behaviours. The main reasons for this low correlation include: a low level of agreement as to what 'green growth' actually means; the large variation in how organisations depend on and can affect growth in different sectors; the challenges of achieving growth in any

business, dependent as it is on markets, economic conditions and competition and the approach taken to efficiency.

Finding 16.   Growth orientation is not a clear differentiator of pro-sustainable travel and transport behaviours.

Size appears to be an important differentiator for making judgements about probable motivations to act sustainably or develop a CSR policy and the ability to change. Large corporates are most motivated by costs and carbon emissions and formal CSR is associated with large companies. Large public sector bodies are also motivated by carbon emissions regulations, and local authorities also have a duty to manage air quality. SMEs and small public bodies are much more variable in responding to the carbon emissions agenda as they are not regulated to the same degree in this area, but on the other hand may be able to respond more quickly. Small companies have a more informal approach to what might be termed CSR that is more driven by the individually-held values of the owner/director. This difference is probably related to the shorter decision chains in SMEs.

Finding 17.   Organisational size is a high level differentiator in understanding the propensity to act sustainably in both the public and private sectors.

Some comments from interviewees generally support a four-fold organisational typology found in the literature (for example Nesbitt and Sperling, 2001 used in relation to adoption of cleaner vehicles). These are: 'Hierarchic': high centralisation, high formalisation (typified by large corporates); 'Bureaucratic': low centralisation, high formalisation (typified by public sector); and 'Autocratic' and 'Democratic': low formalization (SMEs). The interviews also lend weight to the proposition that 'Hierarchic' organisations respond most to financial incentives; 'Bureaucratic' to regulation and mandates; and smaller companies to general support, incentives and information.

This finding adds to this typology by introducing the dimensions of rigidity/flexibility, leanness and strength of internal culture in relation to the adoption of pro-sustainable transport and travel behaviours.

Finding 18.   Organisational structure is an important differentiator in understanding the propensity to act sustainably. However, internal structure cannot be entirely inferred from ownership, sector or industry.

The physical geography of a business or organization is important to travel/transport intensity as a function of its spread of operational sites and customer base. The interviews identified an increasing recognition of this in one sector (retail) to suggest that location decisions are starting to enter strategic decisions relating to congestion and emission reduction.

Finding 19.   Geographical factors are intrinsically related to motivations, ability and opportunities for adopting more sustainable travel and transport practices.

'Whole life' thinking regarding costs and environmental issues can act as important protective and competitive organisational strategy. Interviews suggest that adoption of holistic processes and systems thinking across an organisation can and is an important indicator that the organisation is 'thinking differently' so as to increase the success in implementing sustainable actions and capitalising

on cost as well as emission reductions. 'Whole life' thinking can help organisations understand long term threats for inaction on the environmental front (a form of risk analysis), focus their thinking and to develop new approaches, products and services.

Finding 20. **Adoption of 'whole life' processes and systems thinking across an organization is an important indicator that the organisation is 'thinking differently' about the relationship between cost and sustainability.**

The maturity of sustainability initiatives within an organisation is related to the degree of holism applied and often reflects the maturity of the organisation as a whole. The more advanced an organisation is in the process of improving sustainability, the more holistic thinking becomes, and the more likely it is that transport and travel behaviours will have been included. The length of time sustainability initiatives have been in place and/or their breadth of coverage are things that can be surveyed.

Finding 21. **A positive organisational attitude that aims to take advantage of opportunities in external drivers can internalise holistic thinking to the degree where it looks like normal business practice. Maturity of organisational sustainability thinking is an important differentiator of pro-sustainable travel and transport behaviours.**

The interviews support the observation that, while larger organisations have more resources, they also have greater inertia, as decision-chains are longer. In contrast, SMEs are more agile, if individuals (who carry more weight than in larger institutions) are minded to act. This suggests a connection between size, structure and individuals which supports the inclusion of psychographics as a potential differentiator of organisations on issues of environmental sustainability. However, this applies more to organisational strategy than individual employee decision making about their micro business travel behaviour decisions as there is no evidence to suggest that motivations other than time and cost are influencing decisions at this level.

Finding 22. **The attitudes and values of individual employees carry more weight in pro-environmental decisions in SMEs but must be supported by senior management in all organisations.**

The barriers to changing travel-related practices are related to organisational systems and sometimes wider organisational or sectoral norms, and are not straightforward. Evidence and the ability to measure key indicators is necessary but insufficient as organisations do not always act on the evidence. Those organisations that are directly tasked with changing several of these practices (e.g. Roadsafe, EST, BITC/Ways2Work and EST) have numerous examples of how strenuous and lengthy the process can be, involving many different internal departments, and intricately tied to organisational culture and individual values.

Finding 23. **Transport and travel-related decisions in organisations are often the responsibility of a non transport-related department and this can add to the already difficult process of changing organisational norms and practices.**

7. Umbrella bodies and their Members

The top level research questions relating to organisational membership and/or user base, as well as their travel/transport activities include:

- What are the core structural characteristics of your members/constituency?
- How does your organisation subdivide your membership?
- What proportion of your members has travel/transport as a core activity of their business?

In this section we examine the role and remit of the umbrella bodies, the nature of their membership, any categorisations of that membership and activities which promote sustainable behaviours, points of engagement, and the need for quality information and support.

7.1.   Role and remit

The organisations interviewed cover a wide range of the UK economy. British Chambers of Commerce (BCC) in particular covers an enormous range, with the interviewee stating that the 53 individual Chambers of Commerce represent a total of 100,000 businesses, employing around 5 million people.

> *...our membership is very reflective of the wider economy. The majority are micro-businesses ...(so less than 10), however, the penetration of the larger market is quite high actually, we've got quite a number of the large businesses.* BCC

Those trade bodies which represent a specific sector still cover a surprising breadth:

> *I think in terms of straight retail property, I think it's a very good coverage but obviously there's always ways to expand so, for example, maybe into the banking where you could look at some more of the investment side of it. And obviously we have some local authorities but we are seeking to grow that membership. So I think it's pretty good coverage of the - I think there's eight hundred and twenty shopping centres in the UK and I think we've got pretty much most of them bar one or two underneath our membership.*
>
> British Council of Shopping Centres

> In many cases, the British Vehicle Rental and Leasing Association (BVRLA) for example, the memberships represent the majority of operators within a particular sector.

> *... the BVLRA member's responsible for over 2.75 million vehicles on UK roads covering, roughly, we estimate, around 55 billion miles being travelled every year.... [representing] a large volume of vehicles purchasing around 50% of all new vehicles that are registered in the UK. ...one in four trucks on UK roads are provided through BVLRA members.*
>
> British Vehicle Rental and Leasing Association (BVRLA)

In the case of the Association of Train Operating Companies (ATOC), all passenger train operators are members.

However, the campaigning bodies, which are non-governmental organisations (NGOs), have more limited resources, and thus do not have as great a reach (although their contribution to filling information gaps for the project's findings may be significant):

Some sectors we haven't got in to, we've only got one public sector in there which is [name of county council], for example, there are lots of other public sector areas.... ... we've tried to engage a health authority to use as an example in the sector but we've failed ... [but] really the biggest hurdle are SMEs.

<div align="right">Roadsafe</div>

Nevertheless, even with a limited membership, an organisation may have significant reach and potential impact:

BITC has about 830 members ... I think we've got something like 67 of the FTSE100... apparently with all of those members... we have the ability to touch 14 million UK employees, so roughly half of the UK workforce work for Business in the Community members. So we have significant reach.

<div align="right">Business In The Community/Ways2Work</div>

The professional bodies have mostly individual members, though some corporates are also affiliated. By being profession-focused and individual-based, these bodies can reach into a tremendous variety of employing organisations, across public, private and third sector. For example, in the Chartered Institute of Logistics and Transport (CILT) this is reflected in the breadth of topics related to transport and travel that are encompassed by their special interest forums. The smaller number of corporate bodies that are affiliated with CILT are largely private sector supply chain logistics operations (including warehousing), though there are also some branches of the military and local authorities, software suppliers who produce logistics and travel tools, manufacturers and a housing association. This range demonstrates that transport and travel must be a sufficiently salient issue for these organisations to pay to be affiliated with CILT.

The Institute of Travel and Meetings however is a much 'narrower' body in that it is a trade association. Whilst it seeks to have business travel management treated as a profession, its membership is corporate rather than individual. The nature of the business travel activity within businesses mean that their members are largely drawn from head offices, where the larger companies that have travel policy programmes locate their business travel managers. This means that the geographic coverage of membership is skewed towards the southeast of England, where the majority of HQs are located.

7.2.   Organisational membership and categorisation

Amongst the umbrella bodies interviewed, organisational size is a commonly used differentiator (and often the default grouping), but it can be assessed in several different ways. Size in relation to the number of employees appears to be a standard way to categorise member organisations:

Generally we use the number of employees, so micro is less than small, [which] takes 10-15, medium is 50-250, and large is 250 plus.

<div align="right">British Chambers of Commerce</div>

In part, the use of number of employees is driven by this being used in legislation that may be significant to members. For example:

...the definition under the [Energy Efficiency Directive] of an SME is, if I can remember off the top of my head, is a company employing, 250 people, and having a turnover of 46 million Euros, or

have an average bank balance of 50 million Euros... so actually, that's pretty big... a lot of smaller ones obviously drop out because that's still pretty big numbers. British Retail Consortium

There are other ways of defining size in relation to businesses: turnover or quantity of a significant asset, such as size of vehicle fleet or property. However, we found that only the retail sector saw turnover as significant (along with space expressed as square metres of retail property). Both the British Retail Consortium and the British Council of Shopping Centres make use of space AND turnover to categorise members. In the freight industry, fleet size is of particular salience as a criteria for categorisation. However, it is also used by the Energy Savings Trust, and to a lesser extent by the British Vehicle Rental and Leasing Association as one of the ways of targeting their services to businesses:

> *...we have guidelines on fleet members so for a small business we would use the industry definition of 'fleet', which is twenty-five vehicles. So we'd definitely call those a small fleet..... Then we'd look at probably twenty-five to a hundred, I think if you are looking to categorise that's quite a useful category, and then over a hundred and then maybe something like, up the hundreds into the thousands is a large fleet.* Energy Savings Trust (EST)

In contrast, car club operators' categorisation of their memberships is targeted by the types of organisation that they consider to have most to gain from adopting the car-sharing model – the public sector and SMEs from the point of view of cost-savings and efficiency, and from an entirely different perspective, developers who could use car-sharing as a means of making a planned development more acceptable in planning terms:

> *[Q: … do you have a feel for how the operators categorise the different parts of business user?] ...when they are selling the concept through their corporate sales people, then they are using the examples either of the public sector – so local authority or health service – on the one hand, or a range of SMEs on the other. And the only differentiated type from both of those is when you are dealing with a developer and you are planning the involvement of a car club in either housing or mixed development for the future. So most things would be categorised as one of those three and I don't think it would go generally down any lower level of categorisation than that.*
>
> Carplus

In relation to understanding a business's approach to its core assets, the interviews indicate that financial or ownership structure is another significant differentiator, depending on context. For example, for the British Vehicle Rental and Leasing Association (BVRLA):

> *… you have companies which are independently owned, they are private equity and private money, then you have bank-owned businesses and then you have manufacturer-owned business…. I think you could probably broadly segment our membership by a third in each category, that's representative.* BVRLA

Another particularly interesting and useful distinction emerged from the Road Haulage Association (RHA) interview which highlighted two type of freight operations – profit-centred versus cost-centred. This typology reflects whether the freight operation is core to the business (the means of generating profit) or a necessary part of delivering other services and value (a cost). This distinction also affects the regulatory environments in which the different types operate.

Our members in the main are that part of the HGV operating world who run the trucks as profit centres rather than cost centres and it's their main business. … and also there continues to be a regulatory difference in that almost half the … licence holders in this country are on what is called a restricted licence which means they can only carry their own goods [this means] they do not have the EU requirement to have a qualified transport manager overseeing the business…. almost all our [RHA] members are required by law to have what is called a nominated transport manager. Road Haulage Association (RHA)

Organisational and market sectors and/or sub-sectors are also typical:

…they are usually divided between manufacturing…whenever we've been surveyed, the results are usually divided from business size and manufacturing/services, and then location. British Chambers of Commerce (BCC)

However, within-sector categorisation can be at quite a high level, as in the retail sector, which uses three general categories of food, non-food and clothing:

… I can't think of many others, although I suppose 'luxury' is the other, but it isn't as segmented as much as you would expect it to be. British Retail Consortium (BRC)

This lack of categorisation was explained with reference to the number of retailers who have a number of 'offers' across the retail spectrum within one business. Therefore, when the British Retail Consortium segments, it does so with reference to the particular policy or issues it is researching. The examples given by the interviewee were energy policy and food miles issues. The former was perceived as affecting all retailers, and therefore segmentation was unnecessary, whereas the latter would affect only retailers with a food offering within their business portfolio. However, this interviewee could also see significant disadvantages to segmentation if there was potential to appear to be favouring or excluding members:

… we've got to be quite careful that we deliver the same level of service across our membership base rather than favouring one sub-sector or not. British Retail Consortium (BRC)

Most of the organisations also have topic-based approaches by which their membership can structure themselves, by joining the special interest groups that are of most interest to them. This applies in a small way to the Road Haulage Association, which has eight sectorally defined specialist groups, but the most sophisticated structure was described by the Chartered Institute of Logistics and Transport:

… we also have a number of special interest groups, which we call forums – about thirty of them now. And they are established under a range of headings, for instance – Construction Logistics, Defence Logistics, Transport Planning Forum, Retail Logistics, Passenger Transport Security, Roads and Traffic, Cycling … Now some of these forums, for instance, are only of interest to one of their particular professional sectors …. So, for example, we have a travel planning forum which we believe to be of interest to people in the bus and coach profession, the active travel profession, the rail industry and also the transport planning industry … [though] probably not very much interest in the supply chain community or with the ports and maritime and the freight forwarders or the aviation industry. CILT

Reflecting the railway sector's concerns, the Association of Train Operating Companies (ATOC) often differentiates Train Operating Companies (TOC) by the type of service(s) that they provide, such as long distance or commuter services, though some TOCs offer a mix. As an aside, this manner of differentiation may well apply to airlines and coach/bus companies as well). TOCs can also be grouped by their franchise period. In the context of encouraging more sustainable practices, this is important because it impacts on their investment strategies and attitude to innovation:

> *In terms of a useful franchise period, obviously the longer ones are useful because the TOC will invest heavily in the beginning and, like any business…once they get all the facilities in and get the maximum gain out of them, there'll be less investment at the end. But also you basically have a longer time and a better consistency to make a business case on some of the more innovative stuff if you've got a longer franchise period.* ATOC

Geography and location are also used for practical reasons, either to establish regional networking (e.g.in the Chartered Institute of Logistics and Transport) or to understand geographic nuances and regional differences (this was mentioned by both the British Retail Consortium and the British Council of Shopping Centres). National umbrella organisations are conscious that they need a structure to serve the interests of their members regardless of location.

An alternative perspective on the significance of firmographic-type characteristics in terms of numbers of employees relates to the benefits to a business of joining an umbrella organisation:

> *I suppose one could categorise it in to smaller, medium and larger companies, particularly for purposes of HGV operation in that those who are in membership who are SMEs tend to be in membership because they are **protection seekers**, if you like, so they are looking for FTA to support them in their operator licence and compliance. You then I suppose go on to **solution seekers** who are looking for FTA to add value to their logistic supply chains in terms of supply chain configuration and then I suppose you've got the major corporates who are more sort of **connoisseurs**, if you like, who are very much part of FTA as much as anything because of the voice that it can – and the influence it has with UK Government and the Commission.*
>
> FTA

Not all umbrella groups, however, routinely categorised their membership. The GTMC, for example, was also not looking to do much segmentation or categorisation of members, beyond sector:

> *… when we broke down, in a survey, we actually broke down which sectors people worked in. So that's as far as we actually went. As far as understanding, I haven't got anything statistically in relation to how each of those particular sectors, if you like, think differently or look at travel in a different way. So my stance has been agnostic as far as – not getting into that level of segmentation but really trying to get through to the mass market as far as procurement is concerned in relation to – and also my members – in relation to thinking differently.* GTMC

7.3.   Promoting Sustainable Organisational Behaviours

Promoting more sustainable travel behaviours in organisations depends to a create extent on the salience of travel and transport as an issue for an organisation. The purpose of the umbrella bodies identified as being focused on transport is, in some sense, to increase the visibility of transport/ travel

as a salient business issue by offering advice, training, management tools and solutions to increase professionalism in the way transport/travel issues are dealt with across the board.

> *… we're in a very, very unique position to help improve both the environmental footprint and impact that the (efforts) that we provide and the role they play, but importantly I think it's about what we can do to help improve both road safety and road compliance through the provisions of our member services. So it's very much at the heart of BVLRA that we are all very much pushing for responsible road transport.* BVRLA

Other organisations interviewed also work to increase the salience of travel/transport in ways specifically related to environmental sustainability (e.g. the Ways2Work campaign under BITC, and the EST):

> *… the north-east region contacted me to say they've got a couple of organisations … up in Sunderland and Newcastle that were really struggling with this issue of sustainable travel and sustainable ways of working, and could I come up and see them and talk through with their property people, their environment people or whoever, the issues and were they on the right track, what could they be doing differently.* BITC/Ways2Work

> *In the business area our transport advice is basically split into two areas, one is resources and the other is active work with organisations so the active work comprises of green fleet consultancy, which can be tailored to an individual organisation's requirements. So a public sector organisation may, for example, choose to have a grey fleet review or a business may choose to have its whole transport situation reviewed. We also offer DfT subsidised Smarter Driving training, which is aimed at – it's basically eco-driving training to improve fuel economy for employees of businesses. We have recently extended that to include Safe and Smart, including driver daily and weekly vehicle checks as well due to market demand, really.* EST

Raising the level of professionalism in other arenas of business activity is a key way in which many of the interviewed organisations add value for their members or constituency.

> *[for smaller organisations] we either put them in touch with people or try to do this to share experience and best practice, so a lot of policy action groups... do this whole sharing of experience and expertise, so we do it through that process as well.* BRC

While travel/ transport activities are often treated solely as costs to be reduced, they can also be seen as adding value to a business in the sense that without travel or transport, a business could not grow or perhaps survive. The GTMC interviewee, for example, was particularly keen to stress this point.

> *USA Today … did some research along the lines that whereby they'd actually shown that those companies that have travelled during the downturn actually performed better than those that didn't.* GTMC

Nevertheless, transport (in its widest sense) is still seen as a key issue that comes to the fore from time to time:

> *I would think from speaking to Chambers that the vast, vast majority of memberships that transport issues are key.* BCC

Whilst it can't be established from the interviews whether labour or fuel costs are the largest travel-related cost component, it is clear that the balance between these will impact on the salience of travel and transport as an issue for an organisation:

> *...if I may refer to a massive company where they have lots and lots of vehicles in their fleet so tens of thousands of vehicles in their fleet and for them, it's always been a case that probably labour costs have been more expensive than travel costs... ...but it's not just the fact that fuel costs have gone up, labour costs haven't increased as much and therefore it becomes less important – you know, the relative balance between really expensive labour versus cheap resources, that makes you think about things in a very different way as that balance shifts.*
> IEMA

The notes made of the ITM interview suggest that there are sectoral differences in travel profile that alter the salience of transport or travel issues. In the banking sector, business travel is a significant routine activity that is a large proportion of the energy footprint for a business in that sector, in contrast to the proportion of total energy footprint accounted for by business travel in an energy company. The insight of the interviewee is that the salience of travel is likely to be dependent on the significance of the activity as a cost centre or in the energy profile of an organisation. Nevertheless, ITM has done only limited segmentation in its own research (see above).

7.4.   Points of Engagement

The final set of questions posed to interviewees focused on engagement with an organisation's membership base. The discussions also covered sources of information used by members and the support role played by the organisation. The core questions about the policy context and engagement opportunities with umbrella organisations were:

- What is your membership seeking in relation to government transport policy? [local or national]
- Who tend to be the key people in the organisations you represent who make decisions about travel/transport related business practices/policies?
- What are the key sources of information used by your members to make decisions about travel/transport practices?
- What role does your organisation take in registering travel/transport-related concerns of your membership?

Whilst these questions were initially framed around transport, the issues that emerged were much wider. The responses to this set of questions maps to:

- the **barriers** perceived by members
- the perceptions of the umbrella organisations about how to achieve change
- the **people** within member/user organisations who have key roles to play
- the existing **information** that is available to them
- the **support role** the umbrella organisation takes in relation to achieving its mission
- as the types of support that is perceived as being required.

The intention of this section is to assist DfT to identify good engagement routes for policies around business-related transport and travel. These could be through umbrella organisations, whether

professional, trade or with a behavioural/issue bias, or more directly through the organisations that generate and undertake transport and travel. For the former, it is apparent from the section on corporate social responsibility above that the umbrella bodies undertake multiple roles: provision of professional development, advocacy, and lobbying. For the latter, it is important to try and identify where **significant decisions are taken around transport and travel, and where they get their information** from. In practice the final question was largely addressed by interviewees in the early stages of the interview as they discussed organisational mission. We only introduce new material here that relates to policy engagement opportunities.

As we touched on in the previous sections, identifying leaders on issues as a point of engagement is important. For making key decisions, senior managers and/or the Board are critically important, especially to demonstrate support for change at a high enough level to overcome lower-level individuals with risk-averse attitudes or who cannot be expected to see the whole picture:

> *I think one thing we put in place, again with our plugged-in-fleets initiative, because we had an opportunity to look at this as a project and to do it, maybe in a slightly different way, one thing we did was to get board level approval and sponsorship for all of the projects and that basically means somebody who can make a decision, is involved. [However]… there are people within organisations who are a bit fearful of making major change as well and … a few people have said, 'no fleet manager ever got sacked for buying a diesel van.'* EST

Any changes which have strategic impacts within an organisation will require the engagement and understanding of senior management. For this reason, BVRLA consciously engage at the CEO/ boardroom level:

> *… it's CEO level we would have director input and engagement with, that's the way we, as an organisation, are structured so the association is boardroom level, we would have the CEOs of all the major firms, medium firms and small firms, sitting in talking about strategy. … And that perhaps is quite indicative of the strategic thinkers and movers are looking very much where their business seems to be in three or four years' time are very much triggered by boardroom level engaging with the CEO directly.* BVRLA

It is also for this reason that IEMA specifically targets engagement at this high level:

> *One of the things that we've developed is not just training and support and professional development for environment professionals but also for raising awareness of the opportunities from taking a more strategic (forward) approach to senior management people on boards and that's proving really interesting actually where even some large companies who might have been (paying…) they do it but maybe it's a little bit of lip-service, but actually they can see how their organisation will be changed in the future or there will be risks to the ability to carry on doing things in the way that they currently do them, where environment will be potentially a limiting factor on the long-term success of their company and then they start to look much more strategically.* IEMA

Nevertheless, committed individuals at other levels can make a significant difference (where they are not actively blocked from higher up):

*… what they've got there are some middle-managers that are doing a very good job, but you certainly feel in terms of [name of company] that there **is** somebody pretty senior – I'm not sure if it's the chief exec., but maybe the deputy – that does cycle to work every day, and is passionate about the environment and is passionate about doing the right thing, so I think there's a variety. But I think that for me the key thing is somebody that understands the issues, that has … is able to influence, that doesn't sit back and say, 'I need the support of my CEO to do this otherwise I can't win.' … a lot of it is down to the passion and the knowledge and the determination of the individual.* BITC/Ways2Work*

The umbrella organisations that have individual membership bases (such as IEMA and CILT in our interview sample, though other professional bodies may also be appropriate), are therefore, often the most efficient route for engagement *within* organisations when hearts and minds have to be won, and when the purpose of engagement is to change an identifiable practice that is linked to the professional practice of those individuals. The CILT's structure of special interest groups is one example of how to highlight a topic to those individuals, but they also mentioned their Logmark benchmarking tool[15] as a significant attractor:

Initial contact tends to be where we are showing some of the services that we provide, we have quite a strong thing called Logmark, which is a logistics benchmarking forum where people put anonymous data in or they put their data in and they get anonymous positions out of it which is very popular with anyone who runs a warehouse or has a warehouse activity. And where we've influenced people with that, we then get people, as part of their corporate packages they will nominate individuals to become members of the organisation and thereafter those people are … named as individual members of the institute… but it's very much generated from the initial contact or value, really, value we can bring to a business. CILT

Engaging at the senior level to achieve buy-in does not mean neglecting softer skills to take the rest of the organisation along. The example in the following quote is a company that introduced a comprehensive programme of workplace travel planning to support the reduction of three workplaces into one:

[the employee engagement] is what the business needed. That's what I had to do to keep all this functioning, to reduce costs, to consolidate three offices into one, to get the people there, to not [annoy] the employees, to keep them happy, to keep them employed. We didn't want to go to lots of costs of employing new people and starting to train new people. … it cost us a lot of money here, but it saved us one big sum of money there.' BITC/Ways2Work

7.5. The need for quality information

Whether it be for monitoring or informing strategy, information is obviously a key issue for organisations. A lack of good quality information and data can therefore severely limit the options for

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[15] CILT describe this on their website as a 'logistics and supply chain benchmarking club' in order to (i) Share logistics and supply-chain best-practice with thought-leaders from many leading organisations (ii) Learn from club members' experiences and accelerate process-efficiency change management programmes in your company, to deliver leaner, more effective and efficient business practices (iii) Raise arising issues for discussion, at any time, through dedicated topic-specific focus groups.

behavioural actions and change. IEMA raised the importance of access to information a number of times during their interview:

… we do see is increasing requests made of companies in supply chains for carbon-related data and information … if you are looking across the whole value chain, then you are starting to develop metrics about how you might manage those issues and therefore that requires information and data. IEMA

While well-resourced large corporates may have all the information they need, smaller organisations often don't have access to information and data due to time and resource constraints, and umbrella bodies try to fill that gap:

There's a certain amount of information we need from organisations for us to be able to help them: fuel, mileage records, things like that and often they are not available or not easily available… [especially in] smaller businesses, due to time constraints or not really knowing where to find the information, we try and provide that. EST

Access to relevant information is increasingly providing competitive edge. CILT mentioned the success of its Logmark benchmarking tool– whilst this is anonymous, it allows businesses to track their performance in comparison to the pool of competitors. A lack of information resource can therefore significantly affect business activities. For example, IEMA note the impact of information on the supply chain and social media on organisational practice:

the retail sector has become much more competitive now with access to information much more readily available in real-time through both social media and all the rest of it, so it becomes very visible as an issue that people have to deal with. So that's a really big driver, I think as… and it always depends on the dynamic of procurement but I think we'll be seeing a little bit more innovation from the private sector being brought there in the public sector. IEMA

Another aspect to an information deficit, one well known to fleet managers, is that 'you can't manage what you don't measure', which can be equally applied to resource use (efficiency) and/or carbon reduction:

I think the basic principle is that you can't manage what you don't measure and how you measure it is, you know, is I think something for industry to decide upon. I think they are best placed to do that but I think you do need to measure it in order to improve it. FTA

The message that you 'can't manage what you don't measure' also chimes with the Roadsafe interview about the lack of measurement of crashes that don't result in a 'Killed or Seriously Injured' statistic, as well as the wealth of interview material on grey fleet issues discussed above:

[Understanding of driving-related road safety] has evolved slowly. And the main reason for this is two-fold: first, businesses just don't see it as a risk. And they don't see it as a risk because people being killed or seriously injured in road crashes is such a rare event that it doesn't often happen … to a business. And when it does the business takes the view that it is the fault of the individual, not the fault of the business, so they … go into denial over it. However, if a business measures the number of crashes it has, non-injury crashes, and starts to look at that as a business cost, it creates a totally different environment for management. Roadsafe

In general, larger companies seem to be measuring road safety more than smaller companies:

> *Most of the big corporates are on this and the more high risk their business, the commodity –*
> *the more high risk the commodity that they deal with, the more interested they are in this. For*
> *example, the energy industry, the oil and gas people are hugely aware of this and they know*
> *that road risk is the highest single risk they face to their people. Companies like [name of*
> *multinational energy company] are absolutely outstanding, … they are global leaders on this.*
> Roadsafe

In the digital age, information is ever more linked to the use of Information Technology (IT), an opportunity and barrier already discussed in Section 5. Barriers to IT development are almost synonymous with barriers to information. For most organisations, the ability to self-generate data for monitoring and efficiency improvements is closely linked to its IT policy and systems.

> *…[IT provides] a way of generating information that will allow you to manage the business, which*
> *are the services which are costing you money and which are the services that are making you*
> *money? And if you need to provide that service, can you link up with another company, can you*
> *double-shift your truck? These are all issues that information technology is becoming increasingly*
> *important in. There is a level of visibility in the haulage industry which is becoming practically*
> *available, which wasn't available in the past.* RHA

7.6.   Approaches to providing effective support

Due to the complexity of the issues and barriers to organisational change already discussed, it is clear that the support required by organisations of different types and across sectors is highly varied. The policy approaches available to national and local government are also wide ranging including the use of regulation, mandates, fiscal instruments, targets and advice. While not a comprehensive list of policy approaches, the following section highlights some of the support issues that emerged from the interviews conducted for this report.

At the outset of the project, the difficulty of understanding and engaging with the very large number of SMEs that underpin the UK economy was highlighted. The role of support agencies in providing support for SMEs was mentioned by a number of interviewees. For example, BVRLA provide specific support to SMEs as part of their remit: The interviewee also highlighted the fact that SMEs also look to representative bodies to take their collective 'message' to decision makers in Government:

> *…BVLRA is a key supporter of that by providing the opportunity for conference, workshops and*
> *other events where they can come and listen to thought-leaders on the future goals and they are*
> *now actually getting more focused on those areas. And that's why I think they are looking to the*
> *BVRLA to help lobby and campaign government on removing excessive red-tape that is tying up*
> *SMEs and that's why we certainly welcome the government's strategy of think-small-first strategy*
> *of putting small businesses up and down the country who are I think the engine of future growth,*
> *very much at the heart of their strategy so that's very much welcomed by us.* BVRLA

However, due to their number and different working practices, SMEs can be hard to reach, with many using channels to seek advice and support. To an extent, this highlights a degree of 'competition' between different support agencies:

At the smaller end, it's probably because they [smaller organisations] don't know we exist…! Or they may not have time to engage with us. … Some may actually feel they get adequate advice from the leasing industry, for example, that's half the car market is lease. So there are other people offering a bit of help, similar help in that area. EST

From the issue-oriented organisations, while many are sufficiently resourced, resourcing and staff capacity limitations can be a handicap in relation to using those organisations as engagement routes. For example, resourcing the Ways2Work campaign was ultimately beyond BITC as a campaigner for responsible and sustainable business. However, Roadsafe demonstrates that using individuals from the membership to act as champions to spread the message to others in the same sector is quite effective. This kind of 'snowballing' through personal and professional networks is agile, but relies on the champion being an active networker. Across all types of organisation, as well as aiming to encourage more strategic approach, IEMA also mentioned that they are increasingly focusing on developing the softer skills for clients which has the potential to impact on the organisations internal culture; and barriers/opportunities discussed previously:

…one of the big things we are seeing more and more is how do we support the development of some of the softer skills , how do you influence and change behaviour internally? And what things do you have to have in place to enable that and to support that culture change, that's (various) skills that for us, we are incredibly interested in. So it's not just having the technical knowledge but it's also having those people capabilities to be able to bring people along with you and for them given, it's like a degree of ownership. IEMA

In terms of areas for engagement and practice change, the key trend of IT was an area that was highlighted as requiring more support, particularly for SMEs and micros. However, just because a company is large and has IT doesn't necessarily mean that it is used to maximum potential and it is an area that at least some of the umbrella organisations would like to strengthen.

[Q: do you think there's enough support for getting the right IT in, the appropriate amount of IT for the one-man show, if you like?] Probably not . … the good ones are pretty resilient but possibly not. We would, as a trade association, like to do more if we had the time and the resource. … Also some large companies may have the system but – and I have had this anecdotally from some large companies – may have the system and they may generate the information but they may not be particularly effective in using it to effect improvements in certain areas. RHA

While funding is also an obvious support mechanism, some interviewees noted that, to be effective in promoting sustainable behaviours, funding needed to be provided in combination with a clear policy signal. In the rail industry, for example, the ATOC interviewee noted the success of a Challenge Fund whereby Train Operating Companies [TOCs] bid for money to provide facilities for customer cycling:

…we've managed to get more funding from Government twice now, and we now have thirteen, about thirteen or fourteen TOCs bidding for that money and delivering schemes. Now, different levels, different amounts...different levels of funding because of different levels of ambition, but actually the industry have come along in a very short period of time to actually think of these as real … people were seeing that this was something that the Government wanted , and this was something that the Government was willing to invest in, this is something that we can provide for our passengers that they will appreciate and will reflect in our customer surveys. ATOC

However, ATOC also noted that, in addition to coordinating budgets with objectives, policies need a long time frame over which to act:

…you need a clear vision and a clear strategy and, if I'm honest, one of the missing aspects at the moment is that. The vision and the strategy needs to be more than one or two years in industries like this. And you need to have a far-reaching vision with a medium- and short-term delivery plan. And those need to be backed with the resources to do that… ATOC

A notable success story for green behavioural change within the fleet sector, one which illustrates both issues, was mentioned by the BVRLA; the changes to company car taxation have been highly successful in driving down CO2 emissions:

Whether we look at benefit-in-kind as an example, and I think you've got to recognise benefit-in-kind heralded it as a fantastic success story of how it's changed behaviour. People now are very much conscious of how much tax they pay, and that's driven the CO2. BVRLA

A related issue was the need to closely align costs with overall environmental impact to promote sustainable behaviours such as the cost challenge to increasing freight on rail. This links with the fact that costs remain the key drivers of business activity and behavioural change:

I think train paths will continue to be a challenge and cost will always be a challenge and – but where we can get the service cost offering right then it provides a very attractive alternative to road haulage. FTA

This will only be achieved through a holistic approach, both the environmental impacts which need to be analysed on a life cycle basis (beyond tailpipe), and whole life costs, which need to be assessed at all levels in an organisation (beyond capital costs):

…electric vehicles…the government, rather than just giving this up-front grant, has to think about in-life incentives, without those I think cost benefit analysis will not stack up! BVRLA

…in the bigger organisation the costs are not measured simply on the costs per mile, they work best if you can analyse the trips and show the savings but also show the fact that once you have a system like this you drive out over-inflated claims and invented mileage. So basically claims of invented mileage represent 25% of the grey fleet claims in a typical local authority. So if you use two million miles a year, which a bigger authority easily does that on paying mileage allowances, 25% of two million miles is a quarter of it (sorry to be obvious) but that's five hundred thousand miles that you can get rid of over a five year period, you transfer all of your grey fleet, well not all of it, but you transfer a lot of your grey fleet over to pool cars, rental, cycling, video-conferencing, you are losing a lot of over-inflated claims. But to make that case you have to show how it's worked elsewhere, because if you've never done it, you don't realise. But actually some of the finance people do realise but you don't always realise how much you are paying that you don't need to pay. Carplus

When designing campaign 'messages', there may be a need to frame these around a different, non-transport issue when seeking to influence behaviour change, e.g. highlight the cost savings or other benefits of making a change to a transport or travel behaviour rather than carbon or broader environmental benefits, particularly if there is antagonism to certain messages (e.g. freight industry,

as quoted in section 5 above). Again, if most businesses are primarily concerned with cost and are more motivated by cost control rather than emission reduction, then messages need to take this position into account if they are to reach the relevant decision maker(s) with an organisation.

Learning from marketing, awards and gongs (which are usually less costly than subsidy programs) can lead to healthy competition between organisations to take the lead on issues. For example, awards were successful in driving innovation by Train Operating Companies [TOCs], as they competed to be leading in cycling provision – and possibly other – innovations:

> *We do Cycle Rail Awards to try and encourage best practice and innovation in this area and they work very well, and one TOC mopped up last year… And there's a lot of sharing as well. They want to be…they won't keep… necessarily keep these things to themselves, they'll share and exchange views and good practice, but they still want to beat the other TOCs.* ATOC

Addressing the information barrier discussed previously, awards can also act as a stimulus to measurement, as was shown by BITC/Ways2Work:

> *… we had an award and, to be honest, the award was the best way to get quite detailed information. So, we had a ways2work award that, in order to achieve the award, then you had to evidence why you were trying to reduce work-related travel, how you were doing it, the impact of you doing it and how much money you saved, the emissions that you cut, you know, the people-benefits, if you could measure improved productivity or well-being and all those types of things. So the award was absolutely fantastic.* BITC/Ways2Work

7.7. The engagement roles of umbrella organisations

As was shown in Table 1 (in Section 3), the types of organisation that participated in the interviews included: transport oriented trade bodies, governance and research groups, business-oriented bodies, professional practice oriented bodies, implementation agencies, campaign groups, and unions. In addition to the quotes regarding each organisation's mission included in Section 4, one way to gauge mission from the interviews is to draw out material where the interviewee explains how their membership benefits from being affiliated or how the agency engages with the organisation.

For example, for the more traditional trade organisations (such as BRC and BVRLA), the primary reason for membership was to access specialist expertise (such as reports, trade data and best practice) and to be part of a co-ordinated voice or lobby to government:

> *… two or three reasons [for membership], the first one being that obviously we are able to provide information and policy updates and wider discussion on policy that's relevant to retailers... and so there is an expertise that we have. Secondly, probably because ... if we're lending our expertise to Government, it allows us to have a bit more of a united front, if that's the best way to describe it.* BRC

However, networking also emerges as a significant part of an organisation's reason to join:

> *… when BCSC started it was pretty much just sort of networking events and an annual conference each year so this idea that you could have networking opportunities. But we also have – very loosely termed – thought leadership, so we do a lot of research programmes, we have very strong*

research programmes. So what we'll do is we'll try and obviously fill gaps in knowledge for members but also not being reactionary, we'll try and forecast future issues that are coming down the line to help them in order to prepare against that. And then obviously there is policy and government affairs. BCSC

For the 'campaigning' and government implementation bodies (such as BITC and EST), the reason is much more task or topic oriented, with organisations generally actively seeking support to do something that is outside their core skills or requires financial support:

> *... very often a company will come to me...wanting to have an understanding...are they on the right track, are they doing the right things? What is our view of the future of transport, the future workplace, what should they themselves be doing, how should they be influencing their clients.* BITC/Ways2Work

Professional bodies are different (such as CILT and IEMA), as they offer status and accreditation to individuals, though they often also respond to government policy consultations, due to the expertise that is embodied in their membership. CILT, for example, offers training and qualifications and business services such as benchmarking as well as networking events, either regionally or by topic forum, in addition to engaging directly with government.

Umbrella bodies are an important source of support for SMEs, which suggests that government engagement with this segment is better achieved through umbrella organisations. For example, in BVRLA's case, SMEs are more likely to depend on it as a trade body than are larger companies – this issue was also perceived as relevant to the issue-oriented body, raised by the EST interviewee.

> *I think if you look at most trade bodies, it's the SME market that probably leans and utilises their trade bodies. They don't have in-house compliance officers, in-house consultancies, they don't have access to that resource readily and they do then lean on the BVRLA for using its expertise internally, utilising their information, relying on the BVRLA to produce guidance factsheets and other documentation that they can then utilise in their business about new and emerging legislative changes, the regulatory framework that is evolving – that is where the trade bodies I think are all coming into their own, of supporting SMEs.* BVRLA

> *... smaller businesses [access our services], due to time constraints or not really knowing where to find the information, we try and provide that to that area.* EST

Within the retail sector too, BCSC acts as a fulcrum for support for some of the organisations who have retail-related interests as a side:

> *... we do have some local authorities and we do have some smaller companies that might want to join. For example, anyone in sustainability, some of the service providers, might like to join in order to sort of tap into that networking opportunity and then if they are small we do one flat rate for them.* BCSC

Several umbrella bodies are also involved in awards, which can be a useful means of raising standards in key areas. Awards, benchmarking and demonstrating how changing travel/transport practices contributes to improving efficiency and meeting organisational objectives are more likely to be successful than sending out negative messages, particularly environmental ones.

7.8.   Summary of Umbrella Bodies and their Members

Generally, across the interviews there was no clear consensus on segmentation criteria for differentiating organisations. Whilst size (by number of employees) is the most common, choice of criteria by umbrella organisations and trade bodies is always contingent on purpose. However, the interviewees identified a number of important additional parameters focused around key beneficiaries or users, financial or ownership structure, market sectors or profit/cost driven motives.

Finding 24.   **There is no consensus by umbrella organisations on the detailed criteria by which organisations should be segmented.**

Some interviewees could differentiate members on the basis of the reasons why members joined the umbrella organisations. For example, the three orientations identified by FTA (protection seekers, solution seekers and connoisseurs) distinguished members by the degree to which they are seeking information, accreditation or because of the voice it can have through that organisation. These distinguishing factors are likely to be important in terms of mode of engagement and messaging.

Finding 25.   **There is the potential to differentiate the membership of umbrella organisations according to their motives for engaging with these organisations.**

Finding 26.   **Umbrella bodies interviewed could be divided into transport oriented trade bodies, governance and research groups, business-oriented bodies, professional practice oriented bodies, implementation agencies, campaign groups, and unions. Motives for joining these bodies differ and include accessing specialist expertise, networking, seeking support to influence something they could not do individually and gaining status and recognition. It is possible, therefore, that this *a priori* segmentation of umbrella organisations could be used to target the type of policy engagement that takes place. For instance, the organisations that have individual membership bases may be the most efficient route for engagement within organisations as a way to win hearts and minds and change identifiable practice that is linked to those individuals. Similarly, organisations with a broad remit and highly varied membership/user base are exposed to a much broader range of issues and draw evidence from a much wider base, and so may be more able to see across a number of related policy objectives than more focused trade bodies and lobby groups. Different types of umbrella organisation have different roles to play in terms of how they provide a route to engagement with member organisations.**

Umbrella organisations are likely to be an effective route to engagement with SMEs, as they are already recognized as important to smaller organisations, who join them for information and protection.

Finding 27.   **Umbrella organisations are a good route for engagement with SMEs.**

Whether senior management buy in is needed or not, evidence is essential to successful engagement. Buy-in will not stand the test of time without data, practical measurement tools and viable alternatives. IT systems are now critical factors to achieve this.

Finding 28.   **There is a need to deliver good quality information and tools to enable organisations to measure transport and travel-related impacts (costs, carbon, crashes) for themselves.**

Given the fact that costs remain the key drivers of both general business activity and behavioural change (supported by evidence from the interviews and the literature), a key issue is the need to closely align whole life costs with overall (life cycle) environmental impact to effectively promote sustainable behaviours. One possible exception would be when a new option significantly shifts operational costs to capital costs (as in the case of renewable energy technologies), whereby higher capital costs can act as a disincentive to adoption.

Finding 29.   **Whole life cost and pricing signals should be closely aligned with life cycle environmental impacts.**

Conclusions

Interviews with 15 umbrella organisations covering a range of transport-specific and cross-cutting business agendas have been carried out as part of the wider 'Evidence Base Review of Business Travel Behaviour to Inform Development of a Segmentation of Businesses'. These interviews have provided insights into the salience of transport and its relationship to operations in multiple organisational settings and economic sectors. In doing so, this research has provided an up-to-date depth and richness to the published literature on the topic of business travel as reviewed in the accompanying 'main' project report.

The detailed learnings are encapsulated in twenty-nine key findings above, broadly covering the salience of transport to organisations, the main trends and innovations affecting travel and transport for organisations, drivers of organisational change and promising avenues for promoting sustainable organisational behaviours. These findings can themselves be grouped into five thematic headings.

1. **Whilst travel is regarded as adding value to a business, it is generally seen as a cost to be reduced.** This is irrespective of whether transport is a core function of the business. The clear motivation for cost control and efficiency measures is to maintain or improve competitiveness (private sector) or value for money (public sector). We did not identify any other specific business practice as a clear motivation for businesses to adopt sustainable travel behaviours across the board. Nevertheless, there is evidence that linking environmentally and socially sustainable actions to cost saving creates potential business opportunities. In some cases this comes about as a 'bonus' outcome of putting cost control and regulatory compliance practices through a post-hoc environmental filter.

2. **When considering environmental or corporate social responsibility action, transport and travel activity is generally not the first area to be addressed.** This is evident from a number of different areas of discussion in the interviews. In general, where the topic of 'sustainability' was probed, discussion focuses more on broad environmental issues or regulations such as carbon reporting, rather than specific transport-related business practices. More specifically, other than for organisations such as the haulage industry where transport accounts for the bulk of activity, transport and particularly travel (commuting, business and customer travel) was highlighted as one of the last operational areas to be included in CSR reporting. There are a number of reasons, which mostly relate to the lack of a direct responsibility for different aspects of travel (e.g. commuting, business travel mode choice, customer travel, grey fleet management). A lack of awareness of the full costs involved; and the lack of a commonly agreed standard for reporting or benchmarking anything other than vehicle emissions in CSR reporting is also a barrier. Nevertheless, reputation is a lever for change, particularly in certain sectors such as retail and telecommunications, where the consumer brand is visible on the transport network. The management of reputational risk can extend to various aspects of transport/travel (e.g. through Duty of Care for employees driving or travelling for work, through visibility of branded vehicles, or through niche consumer demand for lower food miles).

3. **More assistance in developing reporting standards and benchmarking tools would be useful in order to create synergy between the cost reduction imperative and the increasing recognition of the relationship between environmental action, efficiencies and competitive**

advantage. Tools for whole life costing and pricing signals with environmental impact would be of particular benefit. Throughout the interviews, the benefit of a holistic (whole company, whole supply chain, whole lifetime) view in relation to decisions regarding fleets, supply chain management, business travel behaviour (including deciding when and how to travel in order to meeting organisational objectives), travel planning and embedding CSR in the business was emphasised. Adoption of a whole-life/life-cycle analysis approach is associated with a clearer understanding of the full cost and environmental implications of goods and services. It also provides the data that organisations need to make comparisons and decisions, and is generally associated with changing ways of doing things.

4. **Information technology is clearly a very significant factor in initiating and enabling virtually all the major recent changes in travel behaviours underway in both the private and public sectors.** These include new vehicle ownership models (particularly car clubs), the uptake of electric vehicles, the acceleration in the use of vans, new integrated logistics services, flexible working and shopping. IT enables smarter management of travel and transport to reduce costs and boost productivity because it provides tools for measurement ('Smart Efficiency') as well as mobile and remote working and shopping. Moreover, IT is a major area for future innovation & growth.

5. **The interviews highlight the lack of any standard or clear criteria on which to segment organisations in relation to their transport and travel activity and propensity to adopt sustainable procedures and behaviours.** Standard high level criteria are used pragmatically by the umbrella organisations to subdivide member organisations (number of employees, turnover, fleet size, financial or ownership structure, market sectors or subsectors and geographic location). There are few indications that umbrella organisations use practices or behaviours as regular criteria for categorising their constituencies. Nevertheless, the interviews did identify a number of internal and external factors which are likely to differentiate between organisations, many of which chime with the literature, and many of which could be operationalised through measurement in business surveys in order to better understand their relationship with behaviour and their value for a segmentation of businesses. These include: organisational structure and size, geographical location, position in the supply chain, degree of whole life thinking and related procedures, management of the grey fleet, reason for joining umbrella organisations, maturity of sustainable thinking and individual employee attitudes and values.

The implications of the key findings and these overarching learning will be used in conjunction with the review of the published evidence to inform the overall objective of this project to assess the feasibility of developing a segmentation model of businesses in relation to their transport and travel behaviours as published in the main project report.

ANNEX 1: Master Topic Guide

Initial e-mail (either 'cold' or following up an enquiry telephone call):

- We would like to interview you for a research project we are undertaking for the Department for Transport. The aim of the project is to gather evidence on travel-related business practices to inform the development of a segmentation of businesses. More details about the project are provided below.

- We have approached you for this interview because you hold a position in [organisation xxx] that suggests that you will be in a good position to tell us more about: the organisation and its members, processes of engagement with and between members, forming policy about key issues, and engaging with government and other stakeholders. We would also like to ask you some questions about issues relating to transport.

- We very much hope you'll be able to take part in the research. Should you agree to participate, we will arrange a mutually convenient time to hold an interview by telephone, which will be recorded. We anticipate that this call will last approximately 45 minutes.

- It is important that we follow ethical research practices. During the interview, we will ask for your confirmation that you have agreed that we can record the conversation to ensure that we accurately capture everything you said. Attached to this e-mail is information about the process that we follow to ensure that all research participants have given their informed consent.

More about the project:

- The aim of the project is to first assemble and distil the evidence on travel-related business practices (which are quite broadly defined) and to understand more about how these are influenced by environmental concerns and business strategy. This knowledge will then be used to scope out a model for segmenting (i.e. categorising) businesses in relation to their transport and business travel orientation, including adoption of more sustainable practices.

- The project is directed by Dr Jillian Anable (Centre for Transport Research, University of Aberdeen), assisted by Drs Mark Beecroft and Kate Pangbourne, in association with Andrew Darnton Research and Analysis, the Centre for Sustainable Energy, Ecolane, and ICF GHK. You can request further information about the project from Dr Kate Pangbourne (k.pangbourne@abdn.ac.uk) or from the DfT's project officer, Margot Shatz (margot.shatz@dft.gsi.gov.uk).

Informed Consent Attachment:

- Once we are recording, we will ask for your verbal agreement to participate in the project on the basis that you are satisfied that you have received information about the project, verbally and in writing (via this e-mail), that enables you to understand the purpose of the research. If you wish, you may have a copy of the transcript, and will have an opportunity to correct or remove material that you are unsure about in hindsight. These interviews will <u>not</u> anonymise the organisation, for the client (DfT), or in the materials that the client chooses to make public. However, you will not be identified as the interviewee unless you wish to be, we will only indicate your level within the organisation (e.g. director level or senior management). Any academic outputs from the project (which will be subject to agreement with the DfT) will be further anonymised as far as is practicable.

Telephone procedure

- Thank you for agreeing to talk to me today. As you know we are undertaking a research project on behalf of the DfT. The aim of the project is to gather evidence on travel-related business practices (which are quite broadly defined for this project), and to use this knowledge to scope out a model for segmenting (or grouping) businesses in relation to their transport and business travel orientation, including the adoption of any more sustainable transport practices. We have approached you for this interview because you hold a position in [INSERT NAME OF ORGANISATION]. The purpose of the interviews with representative and professional organisations like yours is to understand different ways of segmenting or grouping businesses for practical purposes, to know more about how your members engage with you (and vice versa), and to understand members' concerns about any aspect of business travel and transport and what actions they take to change practices for cost or environmental reasons.

[SWITCH ON RECORDER]

Informed consent

Before we start the interview, we need to confirm that you are aware of and agree to a couple of procedural aspects.

- Firstly, please can you confirm that you have agreed to this conversation being audio recorded?
- Secondly, we intend to capture the information in such a way that it will be attributed to your organisation. Please can you state your name and confirm that you are aware that you are responding on behalf of your organisation and that it may be possible to identify organisations (but not individuals) in any published material that arises from the research?
- Thirdly, do you agree for the information that you provide to be re-used in future research? For example, the client and/or interview team may have opportunities to interview other organisations, and it might be useful to be able to combine sets of interviews together.

[MOVE ON TO TOPIC GUIDE]

TOPIC GUIDE: GENERIC QUESTIONS	INTERVIEWEE SPECIFIC Interviewer responsible for undertaking background check and tailoring these questions in advance
1. WARM UP AND CHECK CONTEXT	
1.1 First, tell us about your organisation (ask where relevant) Prompt on: • Who do you represent and what are the core issues of focus for your organisation? • What are the main reasons for organisations/companies and/or individuals to join? What issues and/or support are they seeking?	*e.g. From your website, we understand that your organisation represents…* Your organisation offers a range of benefits for your members. Some of these have a statutory or regulatory function. What wider benefits does membership confer? Your website states that you cover x% of the organisations in x area OR What percentage of your potential market for members are you reaching – are there any key areas of growth for your organisation?
1.2 What are the core structural characteristics of your members/constituency? [NOTE: may be more than one group, e.g. EST membership] Prompt on: • If relevant: what business sector(s) do your members come from? What proportion are private/public sector? • What proportion of your membership are micro-enterprises, SMEs and/or corporates? Is this based on employee numbers, turnover, or fleet size?	*THIS WILL NEED TO BE TAILORED FOR THE TYPE OF BODY BEING INTERVIEWED. E.G. FOR THE FTA AND RHA WE KNOW THAT IT IS THE FREIGHT SECTOR. WE NEED TO KNOW MORE ABOUT THE WAY THAT THEY SUBDIVIDE THIS SECTOR, AND WHETHER AND WHY THERE ARE ANY GAPS. E.G. VAN COURIER COMPANIES OR ??* *ALSO NEED TO KNOW DO THEY TEND TO REPRESENT/NOT REPRESENT CERTAIN TYPES OF BUSINESS/ORGANISATION. ARE THE ONES THEY DON'T INCLUDE REPRESENTED BY OTHER ORGANISATIONS OR NOT AT ALL?*
1.3 How does your organisation subdivide your membership? Prompt on: • Do you categorise your membership for your own purposes? [size/sector/etc.]. • Why do you categorise in this way? • How/ for what purposes do you use this division? • Do members self-organise into sub groups actively or is your categorisation top down?	*It is clear from some of the organisations' websites that they do have sub groups, regional or other. Question and prompts will to be tailored accordingly.*
1.4 What proportion of your members have travel/transport as a core activity of their business? Prompt on: • What type of travel/transport activities are being undertaken? • How would you characterise these transport activities • Do you classify them in any way in your organisation??	*May need to assess this for ourselves depending on who we are interviewing*

2.	QUESTIONS ABOUT TRAVEL/TRANSPORT ACTIVITY	
2.1 What are the key issues that influence the amount and nature of travel/transport activity amongst your members? Prompt on: • Customer demand/service delivery • Economic environment • Regulation and government policy/targets • Location – of business, customers, staff and suppliers??		
2.2 Are members seeking to change any business practices related to the amount or nature of their travel/transport? Which practices are they most concerned about? Prompt on: • Travel in the course of business: internal/external, domestic/international • Commuting travel • Business to customer (B2C) • Customer to business (C2B) • Freight • Supply chain/procurement		
2.3 What are the main motivations/reasons for any attempts to change travel/transport practices? Prompt on: • Regulation/legislation • Competitive advantage/cost reduction • Internal organisation/culture/senior management lead • Environmental issues [Why/why not?]		

3.	QUESTIONS ABOUT ORIENTATIONS AND STRATEGIC DETERMINANTS OF THEIR MEMBERS	
3.1 What proportion of your members would you say are pursuing a vigorous growth agenda, either in terms of profit [or in social reach for non-profits], versus seeking to weather a difficult period? Prompt on: • **What characterises those pursuing vigorous growth vs those weathering a difficult period?** • What growth factors/barriers are bothering your constituency – business health, cash flow or other issues, such as reacting to carbon reduction targets? • Is there a general pursuit of innovation or is cost minimisation the current pre-occupation of members?	This line of questioning may be unnecessary or inappropriate for some of the target organisations. For example, IEMA or CILT/IOM. If these questions are asked, probe for clues as to whether there are common practices between members who are, for example, innovating that can enable grouping?	
3.2 What proportion of your members would you say are pursuing a strong environmental agenda? Prompt on: • What are the typical environmental issues being pursued? • Is there a dominant CSR perspective amongst your constituency? • Are economic, social or environmental issues dominant, or equal? • To what extent to which travel-related practices feature in environmental or CSR efforts? • Does your member community identify with the concept of Green Growth?		
3.3 What factors, in your opinion, most clearly identify those members who are most actively pursuing 'green' travel/transport options and those who are not? Prompt on: • How does orientation towards environmental issues affect members attitudes and practices relating travel/transport, or do they concentrate on other areas such as energy efficiency? • What are the most apparent identifiers of organisations actively pursuing sustainable travel/transport solutions?		

4. **QUESTIONS ABOUT POLICY CONTEXT AND ENGAGEMENT**	
4.1 *What is your membership seeking in relation to government transport policy? [local or national]* Prompt on: • *information about carbon reporting* • *calling for more investment in particular aspects of transport?* • *transport/travel related regulations or laws (local or national) [e.g. parking, speed limits, engines, MOTs, taxes and duties on company cars, fuel etc., land use planning and infrastructure issues]*	
4.2 *Who tend to be the key people in the organisations you represent who make decisions about travel/transport related business practices/policies?* Prompt on: • Who within companies influences transport practices? • What tends to be their role in the organisation? • How is change successfully achieved? • Are there differences in terms of business size or any other characteristics?	
4.3 *What are the key sources of information used by your members to make decisions about travel/transport practices?* Check list: • Environmental information • Travel/transport information • Legislative information • Competitive issues/market trends	
4.4 *What role does your organisation take in registering travel/transport-related concerns of your membership?* Check list: • Producing policy documents • Best practice guidance • Responding to government consultations/active lobbying • Providing information and training to your membership • Providing recognised certifications (Statutory or voluntary)	

Question 5 does not need to be transcribed.

5. QUESTIONS ABOUT DATA/ EVIDENCE

5.1 What are the best ways that local or national policy makers or other groups (e.g. NGOs) can engage with your members on issues of travel/transport?
5.2 Has your organisation produced any policy documents or reports about travel and transport issues that are not already on your website, or which are normally only available to members, that you can share with us for this project?
5.2 Have you conducted any surveys of your members that (i) collect quantified data about their travel activities or(ii) ask for their views regarding the importance of different types of transport to their business? Would you be willing to share this data with us?

SURVEY COMPLETION

That takes us to the completion of the interview for today, and I would like to thank you again for your participation and for allowing us to use your responses for this project.

Are there any other comments and/or feedback that you would like to contribute to the Business Travel Project commissioned by the DfT?

I will stop the recording.

[**STOP RECORDING**]

As already discussed, I will email a transcript of this interview to you within xx days of receiving if from the transcriber. You will then have the opportunity to check and amend any comments made.

In the meantime, if you need to contact myself, please contact me as follows: xx

ANNEX 2: Background on Interviewed Organisations

The information in this section is intended to give the reader a sense of the mission and history of the umbrella organisations. It is informed by examination of the websites of the organisations, and also from the words of the interviewees. The organisations are listed alphabetically.

Association of Train Operating Companies (ATOC)

ATOC's mission is to work for passenger rail operators. Set up after privatisation in 1993, ATOC brings together all train operating companies (TOCs) to preserve and enhance the benefits for passengers of Britain's national rail network. Currently the membership includes all 26 TOCs which provide passenger rail services; rail fright is not included in ATOC's remit. In addition to assisting TOCs to deliver their contracted services, ATOC has set up a range of schemes where train companies work together to find shared business solutions for passengers' benefit and generate efficiencies to provide value for money for both commuters and taxpayers. ATOC also runs schemes that are for rail passengers and staff as a whole, such as National Rail Enquiries, Railcards, services for travel agents and third party ticket retailers, rail and season ticket warrant account products and they manage the national scheme for rail staff travel entitlements.

> *Predominantly, we are driven by our members … a couple of things we do that maybe trade bodies wouldn't do are we pick up the bits of the rail system that a set of regional operators cannot do…. like National Rail Enquiries…. But also policy aspects. Having a concerted, nationwide integrated transport policy is not something that a regional train body could do…* ATOC

British Chambers of Commerce (BCC)

The BCC is the umbrella body for a network of 53 accredited independent Chambers of Commerce, representing 104,000 businesses and local government organisations of all sizes and sectors. Collectively, these organisations employ around 5 million people. Chambers of Commerce have been in existence for around 150 years, and exist to promote a collective and geographic business voice to government at all levels as well as support new business opportunities, locally, nationally and globally. Chambers of Commerce, and the BCC as the umbrella body, also provide business advice, services and skills development, as well as acting as a focus for local and national business networking.

> *…our membership is very reflective of the wider economy. The majority are micro-businesses, I think, most [are] micro-businesses (so less than ten) however the penetration of the larger market is quite high actually, we've got quite a number of the large businesses, you are gaining the biggest percentage of our members of chambers* BCC

British Council of Shopping Centres (BCSC)

The BCSC is a trade organisation that covers the retail property industry, in all shopping formats (high street, shopping centres and retail parks) and locations (town centres, edge of town and out of town). The retail property industry includes developers, asset managers, investors, architects and landlords (including local government) as well as retailers. Its membership comes from both the public and private sector and combines an internal forum for members with acting as an authoritative, collective voice promoting the interests and concerns of its membership. Its mission is to foster a professional,

socially-responsible and progressive retail property industry, thereby enhancing members' commercial interests. As well as providing business to business networking and seeking to influence government policy, it undertakes research and provides some educational programmes for professional development. They have a network of regional representatives for the south-east, south-west, midlands, north-east, north-west, Scotland and Ireland. Most of the 820 distinct 'shopping centres' are represented in BCSC's membership.

> *what we have is a system of corporate membership … then you have individuals who join underneath that so it's about 2,600 members now drawing on 450 organisations …it depends on the organisation because we do have some local authorities and we do have some smaller companies that might want to join. For example, anyone in sustainability, some of the service providers, might like to join in order to sort of tap into that networking.* BCSC

British Retail Consortium (BRC)

The BRC is a trade organisation representing the spectrum of retailers operating within and beyond the UK. There are also smaller specialist retail trade organisations, some of which are affiliated with the BRC. The BRC estimates that 3 million people work in the UK retail sector, that more than 1/3 of consumer spending goes through shops and online sales now account for about 9% of total UK sales, which in 2012 were more than £311bn.

> *we represent round about 80% of retail in the UK…that covers very big… companies that cover various countries around the world, not just UK, but also smaller retailers operating within the market… it's important to note as well that the coverage we have is a wide range of retail operations so it's not just supermarkets or clothing or whatever, it's literally across the whole spectrum… I don't think we have a clear area within the retail sector that we're not plugged into. … smaller retailers have their own trade associations. They've got the British Independent Retailers Association, you've got the Federation of Small Businesses, … and you've got several others, things like the Association of Convenience Stores is one; so you've got a lot of other, I suppose, more specific to independents and small retailers. There are trade associations that are very focused on that, as we work closely with those groups, so as often as not we're talking to each other quite regularly. And we're very plugged into Government.* BRC

British Vehicle Rental and Leasing Association (BVRLA)

The BVRLA is the trade body for the UK vehicle rental and leasing sector. Established in 1967, the BVRLA's membership in 2012 was 647, operating in total a combined fleet of around 2.75 million cars, vans and trucks, and purchase around 80% of UK-manufactured vehicles sold in this country. In total, through its direct operations, the vehicles it purchases and its activities in dealerships and the used car market, the vehicle rental and leasing industry contributes an estimated £14.3bn to the UK economy. BVRLA acts as a source of industry advice and education as well as campaigning to deliver an open, competitive and fair regulatory system for the sector, at UK and EU levels.

> *… we could probably put our membership in to three distinct categories: … 'short-term rental', quite often coined as 'car-rental, car-club' members … around a quarter of a million vehicles of different shapes and sizes to accommodate the range of needs and car-club members is an increasing part of that port-folio…. ,the 'long-term rental' area where our members typically*

provide to company cars, drivers and businesses …, they manage and operate around 1.5 million vehicles in that segment … on lease … for typically three to four years. And then the third segment of our membership is 'commercial vehicle providers' … vans, but equally all vehicles over three and a half tonnes, up to forty-four tonne, and specialised equipment BVRLA

Business in the Community (Ways2Work)

Business in the Community (BITC) is a charity that stands for responsible business. It has more than 800 members, with nearly 70 of the FTSE100 companies in membership. It is estimated that these members encompass about 14 million employees between them.

The ways2work campaign originated as the National Business Travel Network, set up at the end of 2007 by [named DfT official], and her view was that there was an awful lot being done in the public sector in terms of reducing work-related travel impact, but very little being done in the private sector...[she] felt that something needed to be done with the private sector and so she set up the National Business Travel Network BITC/Ways2Work

BITC then won the contract from DfT to run the Ways2Work campaign when it was put out to tender. They continued to run the programme after government funding was withdrawn.

> *for the last few months I've been working with a part of BITC called 'Start'. The patron is the Prince of Wales and his idea is that he wanted to get out to the UK consumers and citizens, whatever you like to call people, to get out to them to say that the whole sustainable lifestyles issues is something that's actually good for all of us, and we should start doing some really good stuff. Rather than, you know, the message being, stop flying, stop throwing out your rubbish, stop doing this, stop doing that, actually start – start living sustainably. And so my campaign has sort of been sitting in Start for a while, and that's funded by eight fairly large organisations* BITC/Ways2Work

Since the date of the interview BITC has decided to cease supporting the campaign as it is perceived as outside their core area of activity. The Ways2Work brand is now being maintained independently.

Carplus

Carplus is a not-for-profit, environmental transport non-governmental organisation (NGO) that promotes accessible, affordable and low-carbon alternatives to traditional car use in the UK. While recognising the benefits that cars can bring to society, Carplus believes that a new approach to car use and ownership is needed in order to mitigate the financial, environmental, social and health costs of conventional car ownership and use. Through close partnership with most UK car club service providers, Carplus promotes shared car ownership and use, and works with others to explore ways to capture the benefits of new technology and support behavioural change. Carplus is also a member of the UITP (the International Association for Public Transport).

> *[Describing typical users] Well if we're talking about employers you've got two different sorts really: you've got the employer who is predominantly in the public sector and is quite large … health service or local authority… and at the other end of the spectrum you've got SMEs and those SMEs would appear to be, well, ones that tend to take what I would call 'some regional trips' as part of their work more than long distance trips by train and car. So they would be*

architects, civil engineers, transport consultants, various forms of consultants and they would in a few cases be big companies like ARUP that have car club membership in all their offices. But then just on the margins there seems to be quite a number of new technology companies in London and one or two other cities which are in, what one might call, 'managed work space', and they would be in (film), they'd be in new technology – creative industries, you might call it, and that seems to be a growth area too. Carplus

Chartered Institute of Logistics and Transport (CILT)

The Chartered Institute of Logistics and Transport (CILT) is an independent professional body that aims to be the leading global membership organisation providing education and career development for both individuals and corporations within the range of professions encompassed by logistics, supply chains and all transport. CILT originated with the Chartered Institute of Transport, formed in 1919 and granted its Royal Charter in 1926. Growth of its overseas sections led to a restructuring in 1994 under which 10 national councils were established in various parts of the world. The Institute operates as a co-ordinating body and custodian of the Royal Charter. In 1999 the Institute of Logistics was integrated with the Chartered Institute of Transport, forming the Institute of Logistics and Transport, which formally adopted 'Chartered' into its name in 2004.

Internationally, CILT is present in 30 countries. CILT (UK) accounts for more than half of global membership, and is structured geographically (13 regions) and also by special interest groups (approximately 30), in order to enable networking and professional support by both geography and specialism. Whilst primarily an organisation based on individual membership it has a little more than 200 corporate members.

…we cover the entire logistics and transport world from people who are planning infrastructure development to haulage companies to delivery companies and we have members who move people and who move freight and in the active travel areas as well, in terms of cycling and walking so we represent every mode of transport and every aspect of logistics and transport life. So it's quite a diverse organisation in that … we're not just focused on the supply chain or on passenger transport, for example, like other bodies are. … And just to finish, we are of course a professional body and not a lobbying group so whilst we develop policy and we advise and seek to influence regulators and other stakeholders, we don't stand up and say 'we want a new road here or a new railway line there or five runways here.' But generally, we look to influence, to guide, to offer alternatives from the intellectual and from the operational perspectives of our profession. CILT

The Energy Savings Trust (EST)

Formed in 1992, EST is a social enterprise with a charitable Foundation whose mission is primarily to deliver or manage government programmes. Through partnerships with government, local authorities, third sector organisations and businesses, EST offers impartial advice to businesses, communities and households on how to reduce carbon emissions, use water more sustainably and save money on energy bills. Activities include: testing low-carbon technology, certification and assurance for businesses and consumer goods, and developing models and tools.

In the business area our transport advice is basically split into two areas, one is resources and the other is active work with organisations. So the active work comprises of green fleet consultancy, which can be tailored to an individual organisation's requirements. So a public sector organisation may, for example, choose to have a grey fleet review or a business may choose to have its whole transport situation reviewed. We also offer DfT subsidised Smarter Driving training, … basically eco-driving training to improve fuel economy for employees of businesses. We have recently extended that to include Safe and Smart, including driver daily and weekly vehicle checks as well due to market demand. We also are in the second year of doing plugged-in fleets work: so helping organisations understand where electric vehicles or plug-in vehicles can fit into their fleet today, based on whole-life cost analysis including vehicle re-charging and vehicle routing with the partners that we work with on the project. EST

The Freight Transport Association (FTA)

Established in 1889, the Freight Transport Association (FTA) is one of the UK's largest trade associations and represents the transport interests of companies moving goods by road, rail, sea and air. FTA members operate more than 200,000 heavy goods vehicles; almost half the UK fleet. In addition, members deliver over 90% of freight moved by rail; and 70% of UK visible exports by sea and air. FTA specialises in delivering safe, sustainable and efficient logistics through: Representation of the logistics industry at local, national and European level; Campaigning to raise awareness of the logistics industry; Compliance advice to inform and prepare our members about the latest compliance requirements; and Training to improve the skills and knowledge of drivers and managers in the industry.

The objective of FTA is to champion efficient safe and environmentally sustainable freight movement, both domestically and internationally… there's four principle types of members … operators of HGVs and vans that are providing those vans or HGVS for hire and reward.., you've then got carriers or operators who are operating HGVs or vans for their own purposes so they are 'own account operators', to all intents and purposes but they may well be differently using the vehicle as a mobile toolbox rather than actually carrying goods in it... The next category is … the logistics buyer, and they are people who are buying logistic services either domestically or internationally… and the fourth part is what you would call … supplier to the industry and that could be a vehicle manufacturer… a component manufacturer or trailer manufacture…. FTA*

The Guild of Travel Management Companies (GTMC)

The GTMC was founded in 1967. Its core activity is as a trade association for the business travel industry. It has 40 travel management companies in membership, which together account for around 80% of UK spend on business travel. There are a further 33 industry partners (essentially suppliers of business travel services – airlines, airports, hotels, travel technology suppliers, for example). Some of the industry partners pay for exclusivity, thus the GTMC does not have total reach across the business travel supply market.

So I came in to this role this year to completely change the direction and build a brand (as I call it), so the five ambitions I have set out for this organisation moving forward is: One to be the voice of the business traveller; Two to be regarded by the government as their advisor on UK

business travel; Three is for us to influence the legislators. So anybody that makes up the rules and regulations concerning the industry, such as the government or EU or the Association of Train Operating Companies: anybody that makes up the rules, then we want a dialogue and to influence them to make sure that the outcome is the best for everybody; the fourth is for us to promote business travel as a driver of economic growth, as an investment and not a cost and as a commercial strategy that should actually sit with the commercial departments and not sit with procurements and with finance and seen as a cost cutter because them avoiding, with businesses avoiding travel, and we can prove it because we've been demonstrating that the growth in travel transactions has an impact on the growth on GDP and they are linked closely. So if you've stopped travelling, basically speaking you've stopped doing business. And the fifth ambition is to provide and deliver value to our members and our partners. I set out our ambitions as a brand: to be aspirational, to provide vision, to provide thought leadership, to deliver on what we say we're going to do and to be reliable. So those five things. GTMC

Institute of Environmental Management and Assessment (IEMA)

IEMA is the largest environmental professional body, providing environmental practitioners with the knowledge, skills and tools to ensure sound environmental performance delivers real business benefit. With a membership over 15,000 individual and corporate members based in 83 countries, IEMA is now the leading international membership-based organisation dedicated to the professional development of individuals involved in the environmental profession, whether they be in the public, private or non-governmental sectors. IEMA supports its membership at all levels through knowledge exchange, research, conferences, training and publications.

We're about helping organisations … to transform to a low-carbon and resource efficient and a sustainable economy and we do that primarily through supporting the development of skills professional standards and capability with people. …About 60% of our members work in business and industry, about 25% are in the consultancy sector, primarily advising businesses. About 10% are in the public sector and about 10% are in education. …if you look at the work that our members do it goes from those who are maybe in significant positions in global businesses, so direct-level; so, Sustainability Directors, Global Head of Health, Safety, Environment etc. etc. down to people who are either working as a (site environment) co-ordinator or many things in-between. IEMA

Institute of Travel and Meetings (ITM)

The ITM is a not-for-profit organisation established in 1956 as a trade association for the business travel industry. It primarily serves travel buyers, to promote business travel buying as a profession and it is affiliated to the Global Business Travel Association. The reach of ITM is difficult to gauge as it is hard to say how many travel buyers there are (potentially anyone travelling for business is a travel buyer). However, in the main, members are individuals who are buying for an organised corporate programme. It exists to provide education, support, share best practice and lobby decision-makers on behalf of its members. It has a regional structure, consisting of five regions: south-west, north, midlands, Scotland and Ireland. It also has a number of central working parties with focused remits. In relation to changing business travel practices towards greater sustainability.

> *There is a plan, rather than [sustainability being] Plan A [but it is a] slow and painful journey.* ITM

The Road Haulage Association (RHA)

The RHA is a trade association of choice for hire and reward road transport and logistics operators. The RHA is organised into four regions, serving Great Britain and Northern Ireland. With offices in Peterborough, Bristol, Bradford, Edinburgh and Weybridge it is one of the UK's largest trade associations comprising around 8,000 haulage and logistics and associated companies representing more than 75,000 commercial vehicles. On behalf of its membership, the RHA activities include political lobbying, business advice, support and legal services, driver training, and publications.

> *Our members in the main or that part of the HGV operating world who run the trucks as profit centres rather than cost centres and it's their main business... By size they range from the very, very large down to single vehicles. And that reflects the composition of the haulage sector, in terms of market share of each segment, we're probably stronger in the SME and larger companies, than in the smaller micro-companies but of the smaller companies...are the larger number of our members by member company rather than by vehicle fleet, necessarily. And we've probably got an average of about twelve or thirteen vehicles per member.* RHA

Roadsafe (Driving for Better Business)

Roadsafe, founded in 2001, is a forum focused on promoting and developing solutions to road safety problems. It has a mission to reduce road deaths and injuries, and achieves this through sharing knowledge and encouraging innovation in design for safety and in change practices in the use of roads and vehicles. It operates in partnership with the motor industry and other businesses in the private sector as well as with traffic engineers, the police, public health authorities, and road safety professionals. It has a number of campaigns and programmes, of which one is Driving for Better Business. It has six key themes: Young Drivers; Driving for Work; Safer Vehicles; Safer Roads; Alcohol and Drugs; and Speed Management. The forum arose out of the Prince Michael International Road Safety Awards (operating since 1987), and it is a member of the UN Road Safety Collaboration, as well being represented in relevant professional bodies such as Association of Industrial Road Safety Officers (AIRSO), The Institute of Road Safety Officers (IRSO), the Institute of Advanced Motorists (IAM) and the Royal Society for the Prevention of Accidents (RoSPA). DfT recognises Roadsafe as a partner organisation.

> *We aim to have about 50 current champions, we're slightly under that at the moment, and ... we also work very closely with regional organisations, mainly led by the Safer Roads Partnerships.* Roadsafe