CORPORATE TRAVEL REPORT: GROUND TRANSPORTATION COST DRIVERS

As global business travel spending reaches record levels, enterprises are increasingly replacing fragmented ground logistics with technology-driven platforms like drvn to transition from unmanaged ride-hailing to strategic, audit-ready mobility management that maximizes ROI and operational oversight.

By the drvn research team.

The global landscape of corporate mobility is undergoing a profound structural shift as it transitions from a post-pandemic recovery phase into a results-driven, technology-integrated era. By the conclusion of 2025, total global business travel spending was projected to reach a record $1.57 trillion, representing a robust 11% increase over 2024 levels. Within this macroeconomic expansion, ground transportation has emerged as a critical inflection point for cost management and operational efficiency. Currently representing an estimated average of 11.5% of total corporate travel spend, ground logistics often remains the most fragmented and least visible segment of the travel stack. The purpose of this report is to provide decision-makers with a high-level snapshot of the variables dictating ground travel expenditures and to outline how technology-powered coordination transforms these variables into predictable, audit-ready data. The core disruption in the industry is the replacement of legacy, manual booking models with patented ride management platforms that centralize orchestration without the regulatory and financial burdens of fleet ownership. This transition allows enterprises to move away from the volatility of unmanaged "ride-hailing" toward professional-grade coordination delivered by licensed and insured chauffeur partners.

The current recovery status is characterized by a "normalization" of pricing, where the post-pandemic surge is being replaced by steady, inflation-aligned growth. However, this stability is threatened by labor constraints, rising insurance premiums, and extended vehicle lead times. For stakeholders, the implications are clear: the path to cost efficiency lies in the transition from "buying rides" to "managing mobility" through enterprise-grade platforms that provide real-time oversight and segmented reporting. Ground transportation is no longer a secondary consideration; it is a strategic lever for maximizing the return on investment (ROI) of the modern corporate travel program. This matters now because as organizations move toward zero-based budgeting, the ability to control and report on every mile of ground travel is the difference between a high-performing program and a significant budgetary leak. Transportation booked through drvn is carried out by licensed and insured local chauffeur partners. drvn provides the technology to manage reservations, plan logistics, and coordinate concierge support, giving clients a single point of control while ensuring all rides are delivered by qualified professionals.

Segment-Level Performance Analysis

The recovery and growth of ground transportation spending in 2026 are notably uneven across different organizational segments. While the industry as a whole is expanding, the motivations and behaviors of Small-to-Medium Enterprises (SMEs), mid-market firms, and large-scale enterprises differ significantly, identifying distinct growth drivers and speed of adoption for managed travel solutions.

Enterprise and Large-Scale Corporate Performance

Large-scale enterprises, defined as those with annual travel budgets exceeding $7.5 million, are currently exhibiting a posture of "cautious expansion." According to a 2025 study, while the majority of these organizations expect to increase their travel budgets, the share anticipating cuts rose significantly to 10%.

These organizations are the largest segment by revenue but are currently the slowest-recovering in terms of trip frequency, as they move away from the manual oversight of individual trips and toward high-level governance and strategic alignment. For these firms, ground transportation is increasingly integrated into broader Enterprise Resource Planning (ERP) and Online Booking Tool (OBT) workflows, with a heavy emphasis on "policy-tight" programs that trim short one-day trips and enforce stricter approval chains.

Mid-Market and SME Growth

The mid-market segment (201 to 2,000 employees) is currently the fastest-growing accelerator in the industry. The data indicates that 51% of these programs plan to increase travel investment in 2026, the highest among all size bands.

SMEs are outperforming large corporates in terms of travel frequency, often because they are less likely to cut travel quickly during macroeconomic volatility. For these segments, ground transportation is viewed as a vital tool for client acquisition and partnership building. These firms are more likely to utilize digital-first coordination platforms to achieve the same level of oversight that was previously reserved for global conglomerates.

APPROXIMATELY 85% OF COMPANIES ARE PRIORITIZING RESKILLING

Industry-Specific Intensity

Certain industries are driving disproportionate growth in ground travel requirements. The manufacturing, construction, and healthcare sectors have seen booking increases ranging from 51% to 106%. These industries require high-touch coordination for site visits, project management, and medical conferences. The variation in recovery speeds can be attributed to the differing needs for in-person interaction. While internal meetings are often moved to virtual platforms, high-stakes negotiations, Learning and Development (L&D) sessions, and physical site inspections remain non-negotiable, fueling the demand for coordinated ground logistics.

Primary Demand Drivers, and Cost Dynamics

The demand for ground transportation in 2026 is fueled by a convergence of behavioral, economic, and structural factors that emphasize the necessity of human-centered, technology-enabled movement.

Behavioral Drivers: The Return of the Handshake

The primary behavioral driver is the reinvigorated need for face-to-face engagement with clients, partners, and vendors. However, a significant emerging driver is internal training and reskilling. Approximately 85% of companies are prioritizing reskilling to adapt to new technologies, making L&D-related travel a top growth driver. These trips often involve group movements, requiring complex manifest management and shuttle coordination coordinated by platforms like drvn to ensure efficiency across multiple regions.

Inflationary Pressures and Pricing Trends

Ground transportation rates are on a consistent upward trajectory, though they are beginning to stabilize. Global daily car rental rates are projected to increase by 2.9% in 2026, reaching an average of $46.70. Under a recessionary forecast, these rates could decrease by 1.3%, but the baseline remains one of moderate growth.

Ground Transportation Cost Drivers: A Granular Analysis

To report and manage ground spend effectively, travel managers must understand the specific mechanics that drive the final invoice. Spend is not merely a reflection of distance; it is a complex calculation of time, lead time, geography, and specialty requirements.

The Multiplier Effect of Lead Time on Costs

Lead time is perhaps the most significant controllable cost factor in ground travel.

A study on logistics cost structures indicates that as lead time decreases, uncertainty increases, requiring larger "safety stock" of capacity and staffing. When lead times are long, costs are reduced because providers can optimize their review periods and manufacturing times.

For ground transportation, the "penalty" for last-minute booking is severe. The data suggests that reservations made within three days of service can cost 35% to 50% more than those arranged two weeks or more in advance. Conversely, booking corporate travel approximately 3 to 6 weeks in advance can generate savings of 30% to 40%. A 90-day lead time can help companies save up to 58% on total travel costs. This discrepancy arises because licensed operator partners must adjust schedules, recall vehicles from maintenance, or utilize higher-cost sub-contractors to fulfill urgent requests when the "bullwhip effect" of demand fluctuations impacts the supply chain.

City-Specific Premiums and Geographic Zones

Geography dictates a significant portion of the cost structure. New York City remains the most expensive market for business travel in the U.S., with daily costs increasing by nearly 7% in late 2025. However, Chicago saw the highest year-over-year increase in daily travel costs at 11%. Other cities like Santa Barbara and Charleston have seen increases of up to 12%, while cities like Allentown and Tallahassee have seen decreases of 7%.

> **In Chicago and New York, drivers lost an average of 102 hours to congestion in 2024**

Beyond base rates, municipal regulations are increasingly introducing "congestion pricing" and "zone fees." In Los Angeles, for example, new proposals suggest trip fees ranging from $0.10 for a base fee to $1.20 for "Special Operations Zones". In New York, Central Business District (CBD) per-trip charges are now common, adding $0.75 to $1.50 per segment for rides entering or staying within high-density zones.

Wait Time, Grace Periods, and No-Shows

Wait time fees are an industry-standard mechanism to ensure that professional chauffeurs at licensed partner operators are compensated for their "time on the clock" when passengers are delayed. Most professional services implement a standard grace period before fees accrue, but these vary by location and vehicle category. Once the grace period expires, wait time is typically charged in 15-minute increments based on the vehicle's hourly rate. For a standard sedan, this may range from $18 to $25 per 15 minutes, whereas for coaches or specialty vehicles, the fee can exceed $55 per 15-minute block. In the event of a "no-show," the policy typically mandates a charge for the full trip cost plus any waiting time incurred, protecting the operator from lost income.

Routing Complexity and the Traveling Salesman Challenge

The structure of a trip, whether it is a "point-to-point" transfer or an "hourly" as-directed service, affects both the rate and the efficiency. A point-to-point transfer is a fixed-rate movement with no dwell time included. In contrast, hourly service provides flexibility for multiple stops and is billed based on a minimum block of time, typically 3 to 4 hours. Inefficient routing can increase operational expenses by up to 30%. Advanced route optimization, which accounts for real-time traffic data, can reduce delivery times and fuel costs by 20% to 30%. This is particularly critical in cities like Chicago and New York, where drivers lost an average of 102 hours to congestion in 2024. For large-scale events, "staging plans" and "headway management" are used to synchronize movements across multiple hotels and venues, reducing the "dead mileage" and fuel consumption that often inflates group travel budgets.

Special Requests and Vehicle Tiering

The choice of vehicle category is a primary lever for cost control.

Luxury sedans are the baseline for solo executive travel, while SUVs provide more capacity for luggage and passengers but carry a 20% to 40% price premium. Specialized services, such as "meet and greet" (where a greeter meets the passenger inside the terminal with signage), add a professional layer of safety and navigation but typically incur a fee of $50 to over $500 depending on the level of package perks. Additional fees for child seats or wheelchair-accessible equipment vary by region and operator availability, emphasizing the need for advanced coordination through a management platform.

Clean Reporting and Spend Visibility

A significant barrier to ground travel optimization is the lack of "clean," audit-ready data.

Research shows that only 63% of travel managers know their exact ground spend, and many rely on manual, paper-based invoices that delay reconciliation.

Best Practices for Reporting Cleanly

Effective Travel & Expense (T&E) reporting must move away from manual processes toward automated, digital systems. A report on expense management highlights that accurate travel reports are not just good practice, they are required for tax compliance and fraud reduction. Organizations can lose more than $250,000 on average to fraud under manual processes.

ONLY 63% OF TRAVEL MANAGERS KNOW THEIR EXACT GROUND SPEND, AND MANY RELY ON MANUAL, PAPER-BASED INVOICES THAT DELAY RECONCILIATION.

Clean reporting requires:

- **Standardized Expense Categories:** Separating "base rate" from "ancillary fees" (tolls, parking, wait time) to identify where costs are ballooning.
- **Tagging and Allocation:** Assigning every reservation to a specific project code or cost center to enable accurate job costing.
- **Real-Time Dashboarding:** Utilizing management platforms to visualize total spend, ride volume, and service type utilization across all active markets.
- **Audit Trails:** Ensuring every change, cancellation, and commission adjustment is timestamped and stored in reporting history for full transparency.

Segmented Reporting and Operational Intelligence

Through specialized platforms, stakeholders can access insights that allow for the benchmarking of performance by geographic region, service category, and rider profile. This data-driven approach identifies inefficiencies, such as frequent last-minute bookings in a specific department, allowing for targeted policy education and re-allocation of funds.

Overlooked Insights & Emerging Trends

Beyond the surface-level metrics of price and time, several emerging trends are reshaping the strategic depth of ground transportation management.

The Safety and Value Pivot

There is a noticeable shift in the industry from prioritizing simple cost reduction to maximizing the "value and impact" of a trip. This includes "duty of care" as a top priority, 73% of managers rank safety as their number one concern for managed ground programs. Professional coordination through vetted, licensed partners (as opposed to gig-economy rideshare) provides the "brand trust" necessary for high-stakes executive travel where discretion and punctuality are non-negotiable.

AI-Driven Efficiencies: The Vivi Factor

Artificial Intelligence is transitioning from a pilot phase to a production-level tool for orchestration. Leading limo technology platforms are leveraging AI for automated dispatching and real-time coordination. drvn’s assistive AI, Vivi, represents this shift, helping to summarize manifests and suggest schedule adjustments based on flight data within role-based permissions. This reduces human error and ensures that "variable journeys" are turned into "predictable data points".

Sustainability and Group Logistics

Sustainability is becoming a non-negotiable component of corporate travel goals. While 52% of companies have carbon emissions targets, only 7% have specific targets for ground transportation. However, a growing trend is the use of "shuttle and van service" as a more sustainable and cost-effective alternative to individual transfers. 79% of travel managers believe group movements are more sustainable, highlighting a significant opportunity for centralized travel planners to optimize logistics.

Future Outlook and Forecast

The next several years will see a "normalization" of the ground travel industry as volatility subsides and technology becomes the standard layer of orchestration for all passenger movements.

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Short-Term Outlook (12-24 Months)
Ground transportation prices are expected to stabilize through 2026 and 2027 after years of pandemic-era volatility. While costs will remain higher than pre-COVID norms, the pace of increases will slow as vehicle availability improves and fleets are re-balanced. Domestic business travel spending is forecast to grow 1.4% in 2026, with group travel at a slightly higher pace. Expect continued growth in the "MICE" and "L&D" segments, requiring robust multi-stop routing and manifest control platforms.

Medium-Term Outlook (3-5 Years)
The medium term will be defined by the transition to "Autonomous Livery" and the full electrification of fleets. As autonomous vehicle technology edges into commercial service via robotaxi pilots, the outlook for coordination platforms becomes even more vital. The platform will act as the "intelligence layer," assigning movements across both human-driven and self-driving vehicles via partner operators. Furthermore, as businesses race to adapt to new technologies, travel investment will be increasingly tied to reskilling and internal stakeholder engagement.

Upside:

the rapid adoption of AI-enabled route optimization and group mobility management, could lower the total cost of transportation for enterprises by 15% to 25% while simultaneously achieving sustainability targets.

Downside:

The primary "downside" risk involves ongoing geopolitical instability and potential trade-tariff proposals. Significant tariffs on imported vehicles or components could drive up fleet acquisition costs for partner operators, potentially forcing a rebound in service rates when new vehicle contracts are locked in for 2027.

Conclusion

Ground transportation is the most dynamic and complex variable in the modern corporate travel budget. The industry has moved beyond a period of recovery into a result-driven era where "precision-driven logistics" are required to manage the estimated record-high $1.57 trillion in global spend. By understanding the core cost drivers, specifically the severe financial penalties of short lead times, the nuances of city-specific surcharges, and the massive operational efficiencies of optimized routing, travel managers can move from reactive booking to strategic oversight.

Technology-powered platforms like drvn turn the inherent variability of ground travel into reliability, making complex journeys simple to procure while preserving the time and privacy of high-value travelers. Centralized reservation management, ISO-compliant quality systems, and real-time operational intelligence are no longer optional features; they are the infrastructure required to ensure that every journey is delivered with absolute accountability. The future of corporate mobility belongs to organizations that view ground transportation not as a fragmented expense to be cut, but as a strategic asset to be coordinated through technology and vetted professional partners. As organizations steer toward optimal spend levels, the integration of these systems will provide the smooth trajectory necessary for long-term success.

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