

NEWS RELEASE

Advito: companies and suppliers are getting creative about driving more value from their relationships; airfares to increase slightly while hotel prices remain steady

CHICAGO, June 27, 2017 – In a move that runs counter-intuitive to the traditional approach to corporate travel management, travel consultancy Advito is building a business case for focusing on traveler engagement. Advito discusses the approach in its June Update to the 2017 Industry Forecast, which includes supply, demand and pricing trends for air, hotel, meetings, transportation and ride-hailing for all major regions in the world.

Advito has been tracking a gradual but noticeable shift in approach to corporate travel management from cost-centricity to traveler-centricity, says Lesley O’Bryan, principal and vice president of Advito. The reason? Travel managers find that achieving the highest levels of travel program savings and trip productivity is simply impossible without the support of a company’s travelers.

“Travelers inevitably make buying decisions they believe are necessary to satisfy their own *and* their company’s expectations for their business trips,” O’Bryan says. “By working at a program level, companies can eliminate a large number of small spending decisions that individual travelers would make — while maintaining high traveler satisfaction.”

In its analysis of recent pricing trends, Advito’s June update finds that despite instances of regional market fluctuations, airfares and hotel prices globally are expected to remain steady on average throughout the remainder of 2017. Travel and procurement managers use the forecast’s range of projected prices to benchmark success against key performance indicators and prepare for supplier negotiations and budgeting.

Advito’s June update also finds that global air traffic grew at 7% year-over-year during the first quarter of 2017, and fares could slowly trend upwards in the second half of the year.

In an effort to improve high yield traveler loyalty, airlines are beginning to introduce corporate recognition programs which apply to all of a company’s traveling employees. Benefits can include higher priority when boarding, protection from offloading on over-booked flights and priority rebooking following disruption.

“Personalization is on its way too,” says Olivier Benoit, lead consultant of Advito’s air category. “As travel technology companies enable merchandising platforms and travel management companies employ analytics, awareness of the benefits for travelers in corporate recognition programs and delivery of personalized offers becomes easier.”

The global hotel outlook remains unchanged since the original forecast last September. These trends take place in a world economy holding steady at 2.6 percent, despite regional adjustments.

Given the fragmented nature of supply, hotels have a tougher time than airlines standardizing value-added benefits into a package. However, they aren't just sitting back. "Some offer free drink coupons and gift cards redeemable for hotel amenities," says Marwan Batrouni, Advito's hotel category leader. "Others offer customer appreciation days and experiences like a local craft brew tasting. Savvy travel managers should seek these additional benefits when negotiating deals with suppliers to drive more travelers to hotels that add the most value to their overall program."

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About Advito

Advito is the travel industry's most progressive consultancy, enabling procurement leaders to modernize their approach to managing the travel and meetings spend category. Led by a unique team of multi-disciplinary experts and thought leaders, we work with both clients and suppliers to push the boundaries of traditional air and hotel sourcing and strategic meetings management for higher program returns. We provide advisory, procurement and outsourcing services in the area of corporate travel sourcing, expense and meetings management, along with RFP development and management; benchmarking and vendor management services. We minimize our clients' travel spend and maximize their travel program value in a data-rich, consumer empowered world. Headquartered in Chicago, Advito operates in key business markets around the world. For more information, visit www.advito.com.

About BCD Travel

BCD Travel helps companies make the most of what they spend on travel. For travelers, this means keeping them safe and productive, and equipping them to make good choices on the road. For travel and procurement managers, it means advising them on how to grow the value of their travel program. In short, we help our clients travel smart and achieve more. We make this happen in 108 countries with almost 13,000 creative, committed and experienced people. And it's how we maintain the industry's most consistent client retention rate (95% over the past 10 years), with 2016 sales of US\$24.6 billion. For more information, visit www.bcdtravel.com.

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BCD Group is a market leader in the travel industry. The privately owned company was founded in 1975 by John Fentener van Vlissingen and consists of BCD Travel (global corporate travel management), Travix (online travel: CheapTickets, Vliegwinkel, BudgetAir, Flugladen and Vayama), Park 'N Fly (off-airport parking) and joint ventures Parkmobile International (mobile parking applications) and AERTrade International (consolidating and fulfillment). BCD Group employs over 13,000 people and operates in 100+ countries with total sales of US\$25.4 billion, including US\$10 billion partner sales. For more information, visit www.bcdgroup.com.