# How Does Your Air Policy Stack Up?

GBTA
GLOBAL BUSINESS TRAVEL ASSOCIATION

IN PARTNERSHIP WITH
ARC

# Fare Class

## Do Policies Allow Premium Fares?
## Sometimes...

■ *Never*   ■ *Occasionally*   ■ *Sometimes*   ■ *Always*

**Business Class**

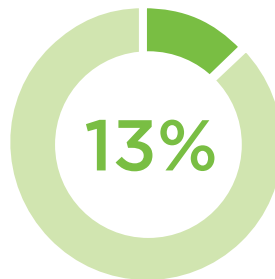| 9% | 47% | 42% | 2% |

**Premium Economy**

| 12% | 30% | 41% | 17% |
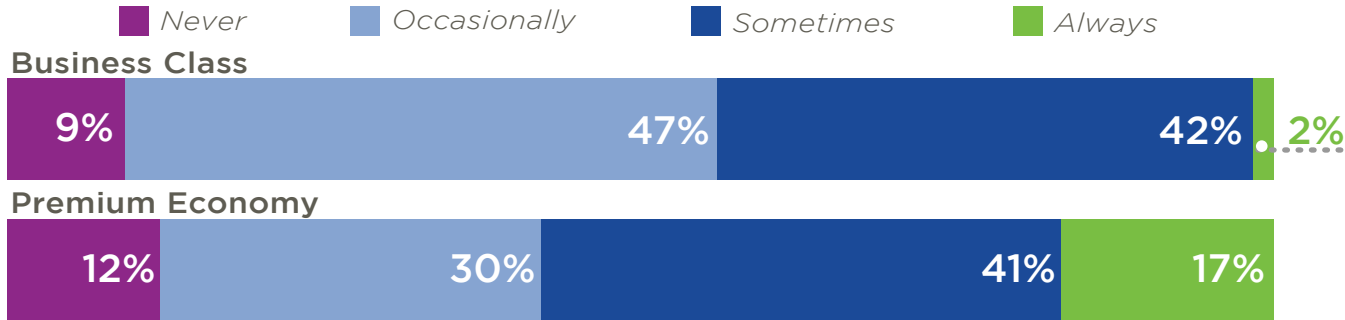
## Most Policies Restrict Basic Economy

**Basic Economy** fares are typically cheaper than **Regular Economy**, but include additional restrictions or fewer amenities

**63%**
Never allow it
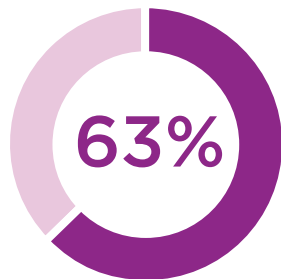
**13%**
Always allow it

**79%** of travel programs configure their booking tool to hide **Basic Economy** when travelers are not authorized

## Basic Economy Can be a Challenge for Travel Programs

### Spend Visibility
It's difficult to know how much these fares actually cost when add-ons are factored in.
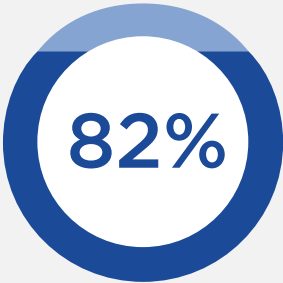
### Comparison Shopping
Basic economy products are different from regular economy – and sometimes even different from each other. It's hard to make apples-to-apples comparisons

### Policy
Many policies address a lowest logical fare. Basic economy fares may qualify as lowest logical before add-ons are factored in.

# Add-ons and Extras
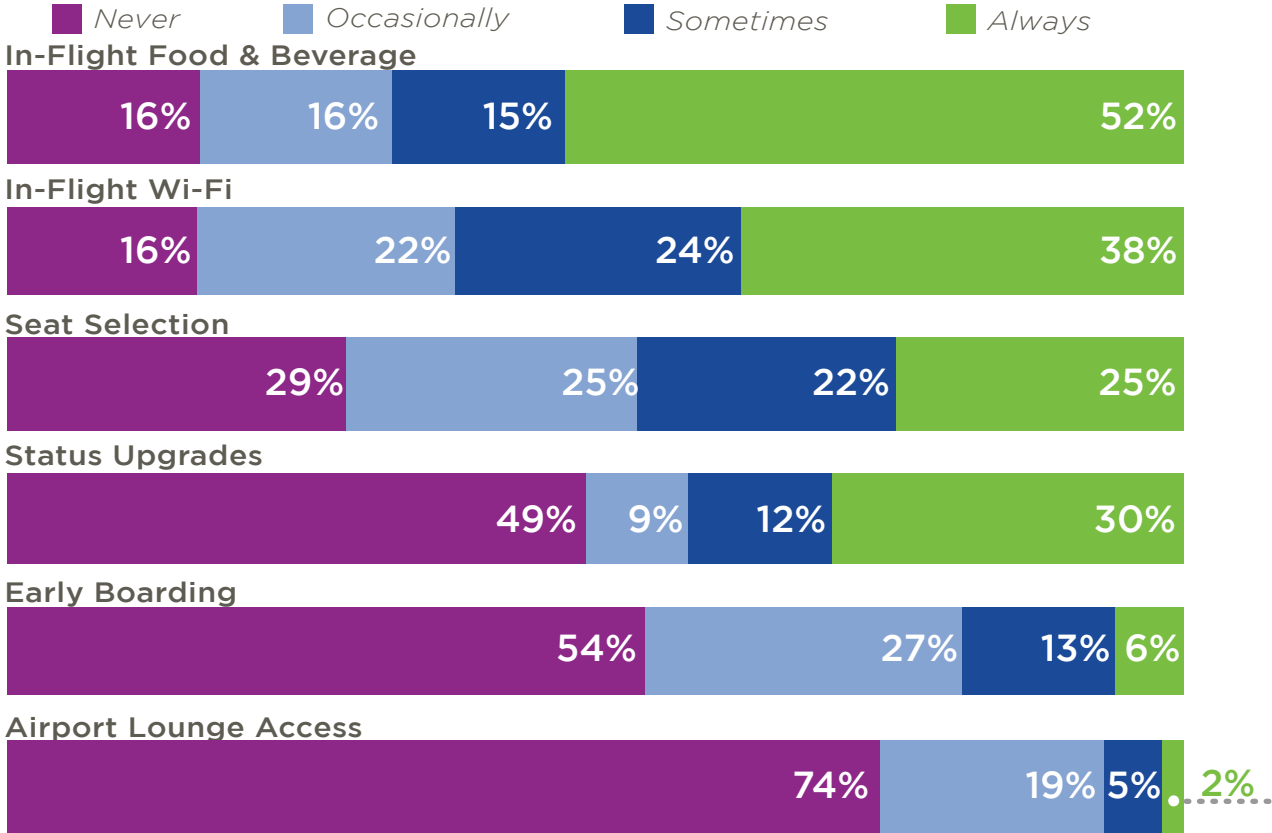
**82%** of travel policies address add-ons

## New Distribution Capability

With the growing rate of New Distribution Capability (NDC) implementations, ancillaries will become more accessible during the booking and ticketing path. While this added content presents a lot of opportunity, policies will need to be clearly defined.

Only **1 out of 5** say these are commonly purchased through TMC channels

## When are Add-ons Allowed?

| | Never | Occasionally | Sometimes | Always |
|---|---|---|---|---|

**In-Flight Food & Beverage**
- Never: 16%
- Occasionally: 16%
- Sometimes: 15%
- Always: 52%

**In-Flight Wi-Fi**
- Never: 16%
- Occasionally: 22%
- Sometimes: 24%
- Always: 38%

**Seat Selection**
- Never: 29%
- Occasionally: 25%
- Sometimes: 22%
- Always: 25%

**Status Upgrades**
- Never: 49%
- Occasionally: 9%
- Sometimes: 12%
- Always: 30%

**Early Boarding**
- Never: 54%
- Occasionally: 27%
- Sometimes: 13%
- Always: 6%

**Airport Lounge Access**
- Never: 74%
- Occasionally: 19%
- Sometimes: 5%
- Always: 2%

# Advance Purchase

## Advance Purchase is Common - But Does it Have Teeth?
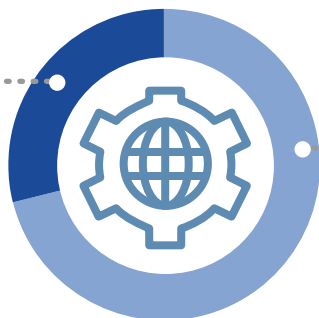
**91%**
of travel policies address advance purchase of flights

## Of These...

**29%**
*Require advance purchase when-ever possible*
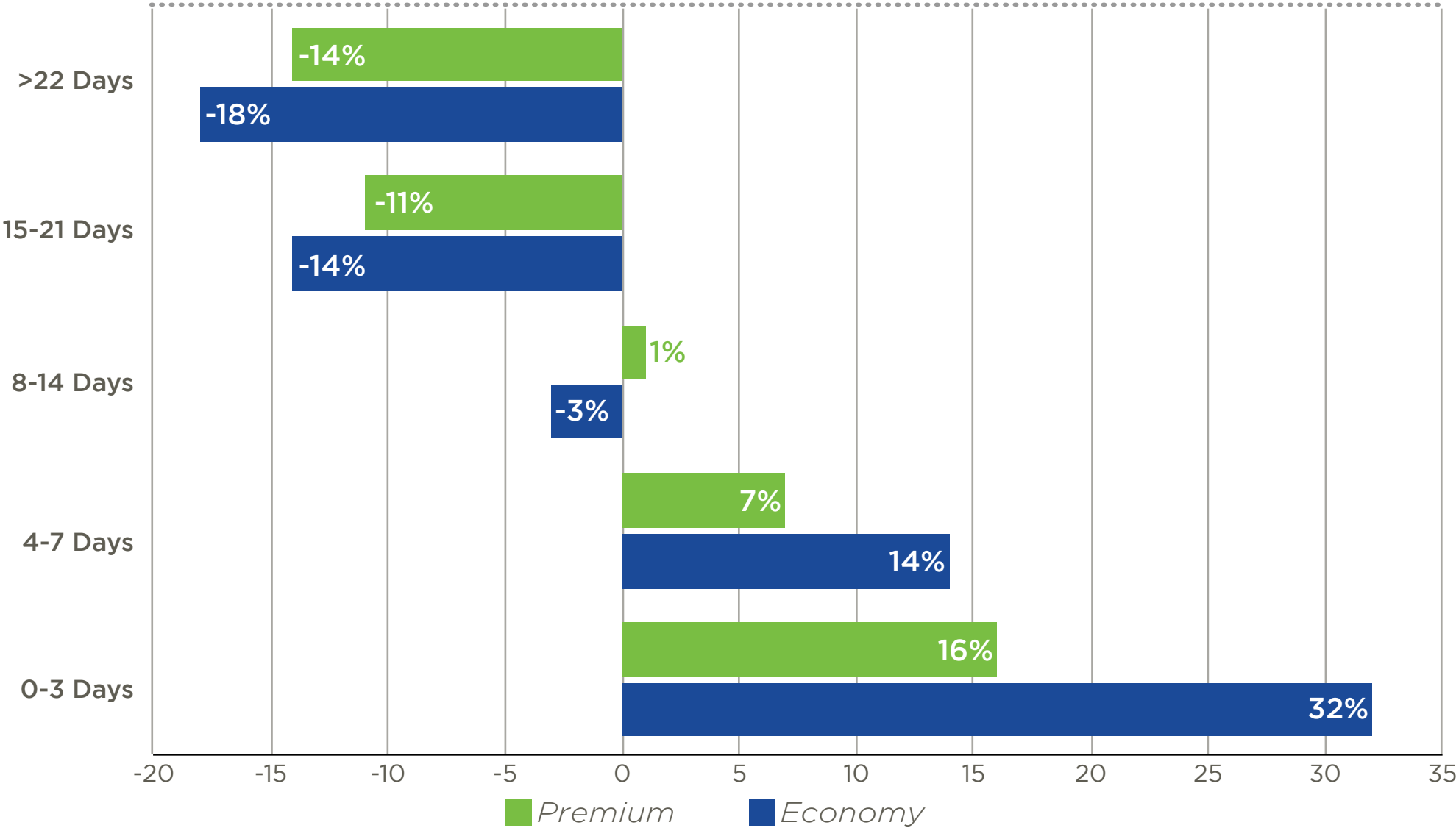
**71%**
*Recommend it*

## When It's Required...

**52%**
Still **do not** require special approval of flights booked after the advance purchase deadline

# Advance Purchase Savings: U.S. Corp Agencies

ARC transaction data show that booking in advance can mean significant savings.
Does it make sense to take a harder line on advance purchase?



Chart data:

| Advance Purchase | Premium | Economy |
|---|---|---|
| >22 Days | -14% | -18% |
| 15-21 Days | -11% | -14% |
| 8-14 Days | 1% | -3% |
| 4-7 Days | 7% | 14% |
| 0-3 Days | 16% | 32% |

Legend: *Premium* *Economy*

# Flight Selection

## Lowest Logical Fare (LLF) is Typically **NOT** Required.
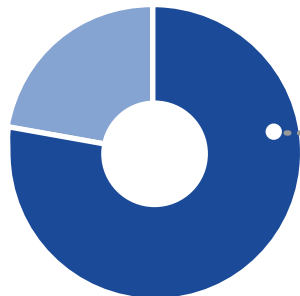## Nevertheless, Most Bookings are Made at the LLF

**93%**
of travel policies address a lowest logical airfare

## Most Recommend It, but Don't Require It
Travel programs address **lowest fare** or **lowest logical fare** as...

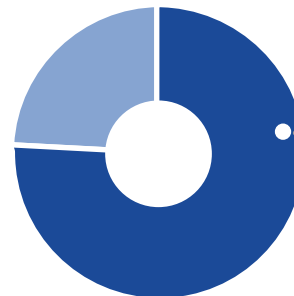| | |
|---|---|
| *Recommended* | **58%** |
| *Always Required* | **33%** |
| *Sometimes Required* | **9%** |

## Of Those That Address a Lowest Logical Fare...

**78%**
track how many bookings are made at this fare
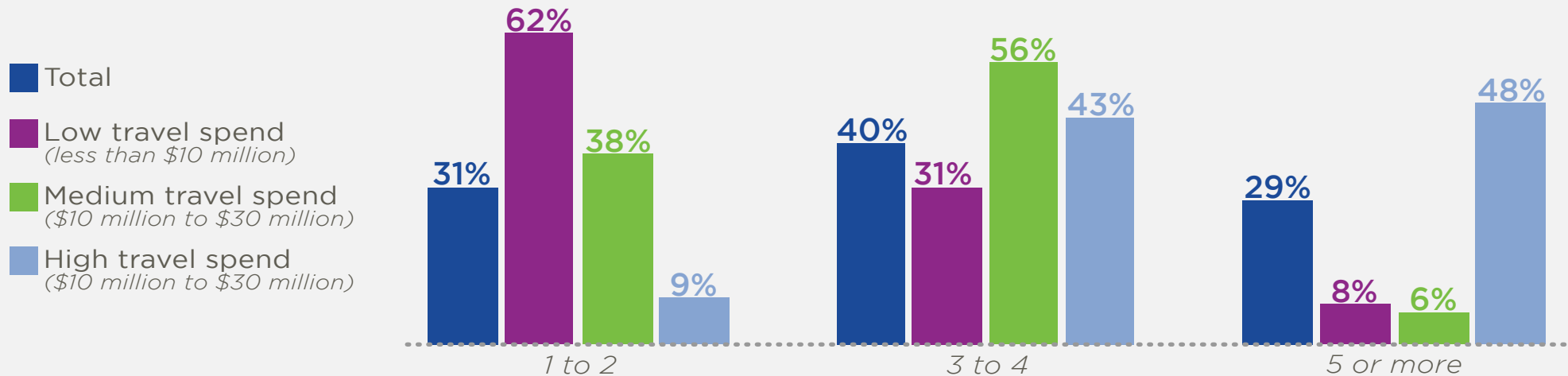
**76%**
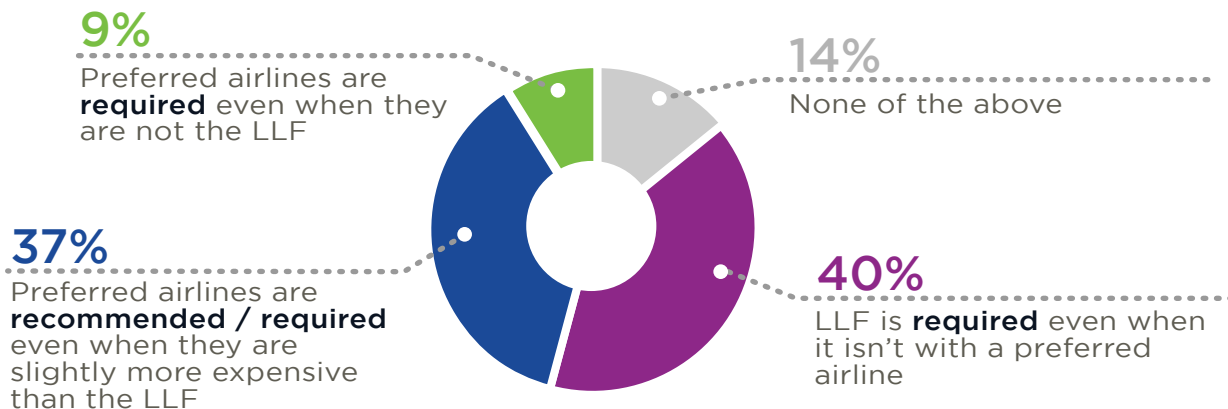is the average percentage of bookings made at the lowest logical fare

# Flight Selection

**88%** of **managed** travel programs have negotiated rates with at least one **preferred airline**

## Number of Preferred Airlines With Which Company Has Negotiated Fares

Legend:
- Total
- Low travel spend *(less than $10 million)*
- Medium travel spend *($10 million to $30 million)*
- High travel spend *($10 million to $30 million)*

**1 to 2**
- 31% Total
- 62% Low travel spend
- 38% Medium travel spend
- 9% High travel spend

**3 to 4**
- 40% Total
- 31% Low travel spend
- 56% Medium travel spend
- 43% High travel spend

**5 or more**
- 29% Total
- 8% Low travel spend
- 6% Medium travel spend
- 48% High travel spend

## What Happens When Preferred Airlines Cost More Than LLF?

**9%** Preferred airlines are **required** even when they are not the LLF

**14%** None of the above

**37%** Preferred airlines are **recommended / required** even when they are slightly more expensive than the LLF

**40%** LLF is **required** even when it isn't with a preferred airline

# Gamification

While gamification is still an emerging feature of travel programs, there are an increasing number of organizations and technologies that can be used to promote compliance, raise awareness of policy benefits and engage new generations of travelers. This is an area policy owners should continue to watch and consider.
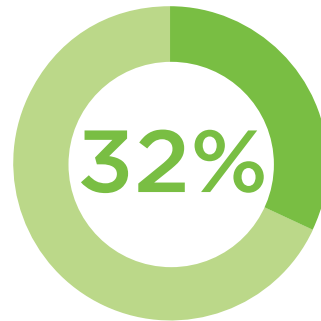
## When Travel Programs Don't Reward Travelers...
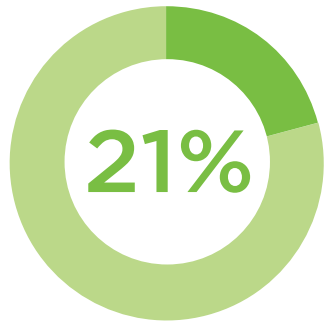
**21%**
would consider rewarding them for policy compliant or low-cost air bookings
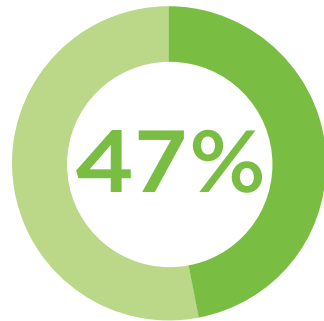
**47%**
would not consider any rewards regarding bookings

**32%**
are not sure

**3%** of travel programs reward travelers for saving money on air bookings

## About GBTA

The Global Business Travel Association (GBTA) is the world's largest professional association representing the $1.4 trillion business travel industry. Our global membership includes 9,000-plus business travel professionals from every continent. Collectively, our members directly control more than $345 billion of global business travel and meetings expenditures annually, and also represent every facet of the global travel industry marketplace.

**GLOBAL BUSINESS TRAVEL ASSOCIATION**

## About ARC

An industry leader in distribution and data, ARC settles more than $88.5 billion in transactions annually between airlines and travel agencies, representing more than 287 million passenger trips. ARC provides flexible distribution solutions, innovative technology and access to the world's most comprehensive air transaction data, helping the global air travel community connect, grow and thrive. For more information, please visit www.arccorp.com.