

Domestic And International Airfares Reached Record Levels In Q2 2008

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Companies Achieve Savings by Tightening Policy Compliance

American Express Business Travel today published data for North American-based domestic and international airfares from its Business Travel Monitor. For the second quarter of 2008, the Monitor confirmed that high fuel prices, which led many airlines to make capacity reductions and tighten ticketing restrictions, increased the average airfare paid, motivating companies to strengthen policy compliance strategies when managing travel and entertainment spending.

'External market forces continue to pressure business travel budgets at the same time that high fuel costs push travel prices to new highs,' said Hervé Sedky, vice president and general manager, Global Advisory Services, American Express Business Travel. 'As companies increasingly view travel as an investment in their business, we are helping our clients adjust to manage their travel programs in a disciplined way by incorporating best practices and optimizing policy guidelines and compliance strategies. These efforts are designed to maximize spending efficiency and increase the return on investment.'

Average Domestic Airfare Paid Increased 10 Percent Year-Over-Year

The second quarter of 2008 marked a seven-year high in the average airfare paid by business travelers. Oil prices, capacity constraints and ticketing restrictions drove up airfare 10 percent year-over-year. The average one-way airfare paid was \$260, up \$24 from the same period last year. Compared to the first quarter of 2008, the fare was up \$27, an increase of 12 percent.

North America	Q2'07	Q3'07	Q4'07	Q1'08	Q2'08
Average Airfare Paid	\$236	\$231	\$229	\$233	\$260

'During times when economic conditions are volatile, companies step up efforts to stress the importance of purchasing tickets in advance in order to use discount tickets in a negotiated travel program,' continued Sedky. 'Our data shows that during the second quarter of 2008, 89 percent of tickets purchased were domestic discount coach fares, this shows that more travelers purchased tickets in advance. These subtle changes can translate into significant savings - 17 percent or more in some cases. Looking at the first six months of 2008, the companies that had travelers purchase 8-14 days in advance rather than 0-7 days in advance saved an average of \$49 per segment.'

Average International Airfare Reached Highest Level in Nearly a Decade

The average international one-way airfare paid during the second quarter of 2008 set a new record, at its highest level since the inception of the Business Travel Monitor in 1999. With an 11 percent increase in the second quarter of 2008, over the same period in 2007, international airfares reached nearly \$2,000, with a final average of \$1,980.

International	Q2'07	Q3'07	Q4'07	Q1'08	Q2'08
Average Fare Paid	\$1,788	\$1,853	\$1,957	\$1,911	\$1,980

American Express data also shows that the percentage of international business class tickets purchased was at the lowest level since the third quarter of 2004 at 49 percent. Increases in the percentage of tickets purchased in other classes of service show that companies are employing strategies to encourage travelers to trade down to other classes of service.

'As globalization continues to pull business travelers to international destinations, we advise our clients to focus on international travel policy compliance,' said Sedky. 'Strategies including encouraging employees to take advantage of corporate discounts negotiated with preferred suppliers and trading down to lower classes of service when appropriate are driving savings for our clients despite the difficult travel market. Our recommended best practices also include using tools like the Pre-Trip Auditor to ensure greater compliance.'

The American Express Business Travel Monitor

American Express Business Travel distributes data through various services and tools, including the Business Travel Monitor and the annual Global Business Travel Forecast, to offer clients a better understanding of pricing trends and the existing opportunities for gaining better control over their travel and entertainment budgets. Specifically, the American Express Business Travel Monitor is a benchmarking service that offers corporations a comprehensive collection of pricing data across major travel and entertainment (T&E) expense categories in the marketplace today, by accessing American Express' extensive global database of purchase information.

The Monitor tracks a variety of travel expense categories including published and purchased airfares captured across hundreds of domestic and international routes. The average fare paid is the one-way average paid by all business travelers booked by American Express Business Travel, and includes a variety of fare types, including first class, unrestricted and discount air fares. Typical business airfares are generally the lowest refundable economy fare available to the business traveler.

About American Express Business Travel

American Express Business Travel (www.americanexpress.com/businesstravel), a division of the American Express Company, is dedicated to helping its clients realize the greatest possible value from their investment in travel through increased cost savings, outstanding customer service and greater spend control. For small businesses, medium-sized enterprises and multinational corporations, American Express Business Travel provides a combination of industry-leading booking technology, travel management consulting expertise, strategic sourcing and supplier negotiation support, and customer service available online and offline, around the world.

American Express operates one of the world's largest travel agency networks with \$26.4 billion in global travel sales in 2007.

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