



Data From Price Assurance Tools Promise Power For Buyers

By David Jonas | November 17, 2016



Price assurance has **taken root** in corporate travel. **TripBam** and **Yapta**, especially, have made serious inroads. Another airfare resshopping firm, **FairFly** also is building a business on travel price volatility. These specialists are compiling huge data repositories. For travel managers, this may represent newfound power. They can watch (and maybe influence) traveler booking behavior. In some cases they also can benchmark against peers and perhaps negotiate better deals with suppliers.

TripBam is tinkering with a hotel rate benchmarking tool for clients. Yapta announced enhanced airfare and hotel rate analytics. FairFly also furnishes detailed data to users. These purveyors say they strive to provide transparency for customers.

TripBam already offers a portal showing user activity. CEO Steve Reynolds said customers want more. In particular, they want to know how their hotel rates compare with the rest of the TripBam universe. The company now is preparing those comparisons, by market, by star rating and by individual property. Some clients are testing now and Reynolds expects wider availability next year.

A demo this month included data from 1,200 corporate customers totaling about 1.5 million records. Reynolds said there is no noise from prepaid or other heavily restricted rates that few corporate travelers use.



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For example, the portal displayed 2016 info based on 12,500 bookings at four-star San Francisco properties. It showed how often TripBam found a rate lower than whatever client travelers booked (29 percent of the time). It also compared the average rate TripBam found (\$306) versus the average negotiated rate among its clients (\$356).

TripBam also can report which way rates have been trending by market and by property. To a limited extent, it shows where they are going (naturally, it doesn't have as many bookings in the future as it does in the past). Data indicates where clients have negotiated rates that, for whatever reason, aren't used. This may signal a **last room availability** issue.

"A lot of travel managers use our data in the negotiating process," Reynolds said. The new sets of metrics "give the travel manager some ammunition to fight that battle. They want to make sure they have a good deal, one that is strong relative to the market."

Users also can look at average rates by brand, day of week and advance purchase period. In general, Reynolds said, "the closer to check in, the lower the rate. It's a systemic problem in the hotel industry. They are training their customers to wait to book." That can get dicey in markets with tight availability.

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TripBam’s analytics present a few other intriguing possibilities. One would give hoteliers the option to poach guests. This has happened on the airline side. Carriers have used data from global distribution systems to [shift travelers](#) booked on competitors. With TripBam, the analytics portal highlights travelers who are booked at hotel rates that are higher than the market average. Reynolds said hoteliers may be willing to provide a one-time “private rate” that is cheap enough to prompt a switch. He said one undisclosed chain is interested.

Another potential development — also familiar on the airline side — would make market share the basis of contracts. Reynolds said hoteliers want that but “have never quite known, by company, what the market share is at individual properties.” He said TripBam data can show those calculations by property and brand in a given market. The trick, Reynolds said, is getting buyers and sellers to agree on appropriate competitive sets. Location within a market matters, as does quality within a star rating. Both sides also must trust in the legitimacy of TripBam data. He said one major chain is considering it.

Yapta does both airfare and hotel reshopping. In September it announced enhanced analytics. Like TripBam, it claims data encompasses more than 1,200 customers. A premium level comes with customized airfare and hotel benchmarking. Chief product and services director Valerie Layman indicated customers can compare to peers based on booked room types — by specific hotel properties or chains.

The premium tier also shows pricing trends by market and class of service or room type. For hotel rates, Yapta can break down data on amenities. This enhanced reporting shows clients “whether they received discounts on Best Available Rate and/or were offered last room availability,” according to the company.

A standard part of Yapta’s service shows how “price tracking programs and bottom-line realized savings are performing against other customers,” according to Layman.

Franklin, Tenn.-based Community Health Systems is a Yapta airfare tracking user. Corporate travel services director Tamara Laurinas said she sees value in sharing data internally. “I have a department I report to for all travel savings,” she said last month. “I just hooked them up with the dashboard. They see what I see.”

Laurinas said the company’s annual air spend is about \$9 million. Year to date it saved \$143,000 reshopping fares. Thirty percent of the savings goes to her agency for administering the program. That’s Carlson Wagonlit Travel, a Yapta partner. “To me it’s like found money,” she said. Now the company is considering adding Yapta’s hotel reshopping service.

Education products company Pearson also is a CWT client that uses Yapta — for both domestic U.S. airfares and hotel rates. Travel manager [Mitchell Stern](#) described Yapta’s analytics as “tremendous” and “comprehensive.” He said he examines the timing and rate of conversions (how often savings opportunities are realized). By reviewing data on room and fare types purchased, he said he can check on traveler behavior.

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Stern considered working directly with Yapta, but opted for CWT to manage the service in exchange for a cut of the savings. For re-ticketing to occur, he said, savings on Pearson airfares must be greater than the sum of the \$200 nonrefundable penalty, the extra agency transaction fee and “a little bit more for good measure.”

Mitchell said the company has saved about \$200,000 this year, or 2 percent of spend, “without actually doing anything.” He said sometimes Yapta finds airfares that beat Pearson’s negotiated prices. For hotel, Pearson is saving \$125,000 this year, a little over 3 percent of spend.

CWT representative Paul Richardson said 11 percent of client bookings on the service trigger alerts. About half of those result in rebookings.

Egencia is among the other TMCs using Yapta technology. It’s now scaling up to offer domestic U.S. fare tracking for all clients. Once the service is in place, client travel managers pick which traveler groups’ bookings should be monitored. Egencia charges a fixed fee for each changed booking. The fee varies by client.

Michael Tribuch, Egencia director of supplier revenue and strategy, said savings has amounted to 1 percent to 2 percent. That’s based on the dollar amounts of tickets tracked.

He said clients access a portal to view details of each tracked passenger name record and various savings and conversion metrics. The latter includes peer benchmarking.

Like most other applications of Yapta tech, CWT and Egencia for now only are changing airfares for the same flight.

“Although agents make every effort to maintain the actual seat assignment, there’s no guarantee that will happen,” Tribuch said. “When an agent voids a ticket to rebook there is that moment in time when that seat may not be there any more. But I have not heard of a single instance of us losing a seat yet.”

At CWT, a dedicated team reviews client rules to make sure changes are appropriate. “If there is a new fare that would mean moving the seat, we keep them in like for like,” Richardson said. “Not aisle to middle, and not from the aisle at the front to the aisle at the back.”

Both Stern and Laurinas said they wanted minimal traveler inconvenience. In CHS’ case, airfare changes occur only during the 24-hour void window (when no change fees apply for most tickets). “Also, if they can’t get the same exact seats, we don’t touch the record,” Laurinas said.

Stern said there’d be too much “stress” in changing flights or hotel properties. “It creates anxiety and its not worth what we anticipate to be the savings,” he said. “We have had zero complaints, zero lost seats and zero customer service issues.”

Accepting Some Disruption

FairFly is different.

The Israel-based company began a few years ago as a consumer airfare reshopping tool. Since August it has been working with travel agencies and corporate clients. FairFly looks for better fares on the same flight and others. It also considers other airlines and flights from other airports. That's a level of disruption to the traveler that Yapta thus far hasn't pushed.

FairFly co-founder and vice president of sales and marketing Gili Lichtman said clients and their TMCs determine what is appropriate. That can be by department, employee group or even individual traveler. Maybe there are time parameters on changing flight schedules. Maybe alternative flights only should qualify when operated by preferred airlines. Clients may want changes only when they save a certain amount or abide by other policy rules.

U.K. TMC Business Travel Direct is one client FairFly has identified. Ian Ferguson, the company's travel solutions consultant, advised against overly broad use of the technology. "If it's the identical flight and just a difference of the spot market rate where nothing else changes, that's a much easier sell," he said. A bigger switch "is more complex and requires greater one-to-one contemplation with travel managers." That means understanding the citypairs and airlines on which booked fares most often are beat during reshopping.

It's not always about cost savings. FairFly looks for options that might have shorter flight durations. Lichtman said "a classic example" is when a nonstop flight had no availability when the traveler booked but seats later opened up. A change also may be based on comfort. Lichtman pointed to the disparity in the quality of business classes.

FairFly uses "patent-pending algorithms" and an internal data source to scan for options. Lichtman said using that data source cuts down on "hits" to the GDS. That reduces processing costs. She gave no details about it, and wouldn't say whether FairFly built it or paid a third party.

When FairFly finds a more favorable fare, it validates availability in the GDS. (The company hooks into Sabre and is working to establish a connection with Travelport.) The TMC takes it from there. Once clients set boundaries, FairFly can automate much of the process.

Business Travel Direct hasn't gone to full automation with any clients. "We are cautious of doing that," Ferguson said. "It's not because we don't believe in the product, but we are not 100 percent sure the customer is ready."

Ferguson said a big benefit is the data collected. Buyers, he said, struggle to find reliable benchmarking to assess their programs. "If they sit down with airline X in a year or two," Ferguson said, "comparing their corporate negotiated rates to a consistent, independently tracked set of benchmarks empowers them with a richness of data that a lot of buyers have never had before."

Lichtman said FairFly's analytics dashboard tracks a client's total spend, potential savings, realized savings and the specifics of all monitored PNRs. Users can sort data by route or by airline. She suggested the data could help optimize travel programs by making them more dynamic. Business Travel Direct will use reason codes showing why travelers did not accept alternatives.

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FairFly claims to find savings on one in four tickets. It collects from users part of realized savings. It also charges a "small" fee based on the volume of PNRs tracked in a given month.

Additional info: FairFly is backed by Waze co-founder Uri Levine and venture capital firms Blumberg Capital and Emery Capital.

CWT now is looking to bring Yapta-powered price tracking beyond the United States. In the U.S. market, for now it's focused on connections to Sabre and Apollo.

Egencia also is using Yapta's service only for U.S. airfares (via Sabre). It's considering expansion to other markets and possible use of the hotel rate tracking component.



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About David Jonas

David in 2006 co-founded business media firm ProMedia.travel after ten years as a journalist with *Business Travel News*. David rejoined *BTN* in 2010 as executive editor when its parent company acquired ProMedia, and in 2014 co-founded *The Company Dime*.

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