



Buyers Beat Web Fares, Topaz Audits Show

For years, Topaz International has been debunking the myth, widely held by corporate travelers, that cheaper airfares are commonly available on the Web. By examining airline supplier Web sites and popular public Internet retailers—like Expedia, Orbitz and Travelocity—against fares offered through corporate-approved channels, Topaz International consistently shows to its corporate clients that negotiated prices and agency fares by and large beat publicly published content.

Such specific information is available through Topaz's Internet comparison audit. "It's good info to debunk the perception that travelers can find things cheaper on the Internet," said one travel manager at an industrial supplies manufacturer, who has worked with Topaz for about three years.

With more than \$88 million in global airline spend and greater than 90 percent agency compliance, this company has leveraged the Topaz International audits to dispel rampant claims that travelers can find better fares on the Web.

"The fact that we typically do get the same results year after year, at least we are able to respond to inquires asking, 'How do we know that the agency is getting us the lowest airfare?' And we have fresh data each year to provide," the travel manager said.

In addition to serving as evidence to counter claims by corporate travelers, this travel manager said audits of Internet fares against agency fares also serves as a valuable check on airline content available through the global distribution systems. "What we also get from the airline Web site is knowledge of what the airlines are doing, because the airlines, except for some low-cost carriers, tell us that all their inventory is in the GDS, so this type of audit will confirm that or not."

Emboldened by the confidence inspired by Topaz Internet comparison audits, the company established a policy that allows travelers to test the mettle of the corporate agency's performance and the company's negotiated deals. "One thing we put in place—and also to quell the noise—is that if a traveler finds a fare with savings in excess of \$100, then they can book that, but they need to supply the details," the travel manager said. "In the past 12 months, I don't think we've had an instance of anyone booking that."

	Agency Fare Equal or Lower	Agency Fare Higher	Average Agency Fare	Average Internet Fare	Difference
2001	93.26%	6.74%	\$458	\$629	\$171
2002	91.13%	8.87%	\$594	\$748	\$154
2003	91.02%	8.98%	\$503	\$572	\$69
2004	93.57%	6.43%	\$478	\$558	\$80
2005	93.29%	6.71%	\$427	\$483	\$56
2006	94.03%	5.97%	\$508	\$583	\$75
2007	94.85%	5.15%	\$442	\$498	\$56
2008	91.56%	8.44%	\$497	\$558	\$61

Recent Topaz International client data for 2008 shows that airfares booked through corporate travel agencies are lower than or equal to publicly available fares nearly 92 percent of the time—a rate that has held relatively steady since 2001. According to Topaz International data, the average agency fare is \$61 cheaper than the average published Web fare.

"When there are instances of a lower airfare outside the channel, whether with a Travelocity or an airline, the savings typically was low," said the travel manager at the industrial supplies manufacturer. Though the difference is low, the rare savings from Web fares can amount to large dollars for a company. "Even while agency airfares are higher only 8.44 percent of the time, for every \$10 million of air spend, this represents lost savings of over \$100,000 each year," said Bradley J. Seitz, president and CEO of Topaz International. "Not only does this add up very quickly, it provides great opportunity for improvement to your travel program by eliminating this leakage."

For the past eight years, Topaz has conducted the comparison reviews of business travel booked on public Web sites versus bookings through traditional travel agencies. "Year after year, the results are similar, which might indicate nothing is really changing," Seitz said. "However, the value to companies and their travel management firms year after year is to better understand how their managed travel programs are performing and what opportunities exist for improvement."

Though the findings are similar from year to year, and from company to company, Topaz's Internet audit remains one of the firm's most popular resources for corporate travel professionals. Topaz's recognized status as an unbiased third party gives clients the reassurance of their fare performance, helps to embolden policies and offers an invaluable check on the services provided by travel management companies.

Travel managers aren't the only ones to see the value in Topaz's Internet studies. One global project specialist at a large travel management company said, "One of the major complaints that we get from travelers is that the travel management company is not finding the lowest airfare, and in fact we are, and the third-party company is confirming that for us. It helps the travel manager, who is accountable to the procurement team and their travelers to say, 'Actually, yes, we have a third party check them out every year.'"

Jennifer Merritt is a freelance travel writer. She can be reached at jennifer.merritt@mac.com.

About Topaz

Topaz International is the global leader for auditing and other strategic services to the corporate travel management professional. Topaz has over 30 years of experience of auditing airfares and other travel related expenditures and supporting travel managers, buyers and agencies to improve performance and facilitate cost savings. Topaz will assist you in validating savings during these difficult economic times.

Contacts

Bradley Seitz
President & CEO
P: 207.797.9154
E: brad.seitz@etopaz.com

Michele Simon
Director of Sales & Client Services
P: 503.651.4300 x302
Michele.simon@etopaz.com

Find Topaz at:

Website: www.etopaz.com
Blog: <http://bradseitz.typepad.com/>
Twitter: <http://twitter.com/bseitz63>
LinkedIn: <http://www.linkedin.com/in/bradtopaz>