

CANADIAN COMPANIES PAYING MORE WHEN BOOKING FARES THROUGH TRAVEL WEB SITES

TORONTO, January 12, 2004 – Canadian companies that book business trips through online travel sites are spending more, in some cases by 65% for domestic flights, than they would by booking fares through corporate travel management companies, according to a study by Topaz International. The study also revealed that some companies can pay 51% more if they book their trans-border flights through Internet travel sites and up to 37% more for International bookings.

The findings were based on a study completed by Topaz International, a provider of airfare analysis and benchmarking data, and commissioned by the Canadian Corporate Travel Association (CCTA). Actual reservation data from three corporate travel management companies was used and compared with reservation figures from Canadian travel Web sites including Travelocity Canada, Expedia Canada, WestJet, Jetsgo, Destina, AirCanada, American Airlines and Continental Airlines.

Overall, the results reflect the continued trend in studies conducted by Topaz International that show travel agencies are more competitively priced than most websites for business travel airfares.

According to Michael Richardson, Chairman of the CCTA, “there is currently a serious misconception concerning cost savings when it comes to booking business travel fares through Internet sites. The results of this study reflect a trend that shows how travel Web sites fall short in providing companies with the best value that encompasses both service and cost savings.”

The study found that the average cost for a domestic ticket booked through a corporate travel agency was \$627.02 versus an average cost of \$676.41 for the same ticket booked via an Internet site. A trans-border ticket booked through corporate travel management companies was on average \$978.95, as compared to a \$1,332.52 cost through the purchase at an Internet site. International tickets were priced at \$2,253.58 via agency purchase versus \$2,751.73 by way of the Internet.

“Aside from cost savings, there are numerous other factors companies need to consider when managing their corporate travel programs,” Richardson said. “Corporate travel providers offer essential services for companies that Internet sites just can’t provide including one-on-one personal service, an in-depth knowledge of travel options and itineraries, the ability to search quickly and efficiently for discounts and deals, and most importantly, their ability to help stranded travellers or assist in other emergency situations.” Richardson also points out that corporate travel agencies will negotiate with airlines to obtain a significant volume discount on airfares for their customers.

Topaz International was sent a total of 180 domestic, trans-border and international airline bookings that were subsequently compared to reservations available on various public Internet travel sites. The overall results show travel agencies are more competitive

than most Web sites that provide business travel. In addition, the study states that although there are some Web sites that provide lower fares some of the time, overall, corporate travel management companies do a better job of delivering service and savings.

“These results for travel in Canada are very similar to what was found in the United States” Bradley Seitz, President and CEO of Topaz International said. “They are actual business trips that were flown, and they show the abilities of travel agencies to provide true value in the price of an airline ticket, plus provide excellent customer service.”

According to Richardson, companies that manage their travel through a corporate agency can contain costs, which are typically a company’s second-largest controllable expense behind payroll. Regular reports from corporate travel management providers enable businesses to monitor their expenses and increase compliance, effectively driving costs out of the business model.

In addition to direct cost implications, the study also revealed that companies need to consider the indirect costs associated with the time employees spend searching for Internet fares. Searching online for travel deals is time consuming and non-productive for employees, according to the study. Consequently, it is far more effective for employees to follow corporate policies and to utilize an agent that will do the work for them, saving on company resources.

Richardson also said that corporate travel management company offerings extend far beyond what online travel sites can provide. “This is a vital component of effective corporate spend management. They not only offer reservation fulfillment, but information management, negotiated supplier relations and are the developers of industry technology. Ultimately, it is through the consolidation of all these functions that enable companies to contain their corporate travel costs.”

About the Canadian Corporate Travel Association (CCTA)

The Canadian Corporate Travel Association (CCTA) was formulated in 1998 and the membership consists of the 11 largest travel management companies in Canada producing over \$3.8 billion in corporate airline sales on an annual basis. The CCTA’s mandate is to promote the collective interests of their customers on issues of importance in the industry.

CCTA members include: Amex Canada, BTI Canada, Carlson Wagonlit Travel, Erin Meadows Worldwide Travel, Maritime Travel, Merit Travel Group, Navigant International, Travel Trust International, TQ3 Travel Solutions, Uniglobe Advance Travel (Vancouver) Ltd., and Vision 2000 Travel Group.