

ADVITO

# AIR & HOTEL PRICE INDEX

PREDICTIVE ANALYTICS  
Q2 2024



# How to use this index

+5%

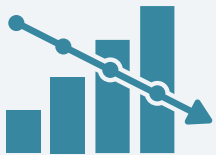
## VARIANCE

The variance, represented by the percentages, is measuring **year-over-year** increase (or decrease) in air ticket price or hotel rate.



## TREND

The trend, represented by the colored circles, shows the change in price **quarter-over-quarter**. If the circle is red, prices are going up, if it's teal they're going down, and if it's yellow the trend is flat.



### **It is possible to have a positive variance and negative trend (and vice versa).**

For example, if the variance is +6% and but trend arrow is pointing down, it means that prices are 6% more expensive than they were during the same period in the previous year, but they are less expensive than they were the previous quarter.

# Global Air Price Index Q2 2024

Global trends across business and economy class



ORIGINATING FROM	INTERCONTINENTAL				DOMESTIC & REGIONAL			
	BUSINESS		ECONOMY		BUSINESS		ECONOMY	
	VARIANCE Year-over-Year	TREND Quarter-over-Quarter	VARIANCE Year-over-Year	TREND Quarter-over-Quarter	VARIANCE Year-over-Year	TREND Quarter-over-Quarter	VARIANCE Year-over-Year	TREND Quarter-over-Quarter
Africa	+3%	↑	+1%	↑	+4%	=	+5%	↓
Asia	-7%	↓	-15%	↓	-10%	↑	-4%	↑
Europe	+1%	↑	-6%	↑	+2%	↑	+3%	↑
Latin America	-2%	↑	+1%	↑	+4%	↑	+5%	↑
Middle East	-4%	↓	-5%	=	-3%	=	-5%	=
North America	+1%	↑	-9%	↑	-2%	↓	+1%	↑
Southwest Pacific	-11%	↓	-8%	=	+6%	↓	-15%	↓

- **Intercontinental fares are decreasing** vs last year due to a strong recovery of airline capacity recovery, a sluggish economy for some key countries in Asia and Europe and the impact of high travel costs (hotel, car rental) on passenger demand.
- **Business fares resist more than economy fares at the moment on intercontinental flights.** It might however be a misleading picture since business cabin seats are booked much later than economy cabin' ones.
- **Fares from all Asian cities dropped sharply, primarily because of record high price last year and** with growing competition from new players restoring strong airline competition.

**VARIANCE** = Q2 2024 vs. Q2 2023 **TREND** = Q2 2024 vs. Q1 2024

= Flat ↑ Increase ↓ Decrease

# Global Hotel Price Index Q2 2024

Variance in average daily rates Q2 2024 vs. Q2 2023

	Variance Year-over-Year	Trend Quarter-over-Quarter
Africa	+6%	↑
Asia	+2%	↓
Europe	+9%	↓
Latin America	+13%	↑
Middle East	+3%	↑
North America	+2%	↓
Southwest Pacific	+2%	↑
<b>GLOBAL</b>	<b>+6%</b>	<b>↓</b>

**VARIANCE** = Q2 2024 vs. Q2 2023 **TREND** = Q2 2024 vs. Q1 2024

⊞ Flat 
 ↑ Increase 
 ↓ Decrease



- Inflation, leisure travel, and hotel internal costs are still driving **significant cost increases in many markets.**
- According to STR benchmark data, occupancy levels have increased year-over-year in most regions except North America.
- Rate increases seem to have decelerated as we've moved through **the first quarter of 2024**, attributed to leisure and business travel leveling off.
- Revenue per available room (RevPar) as reported by STR has been **record-setting** in most markets.

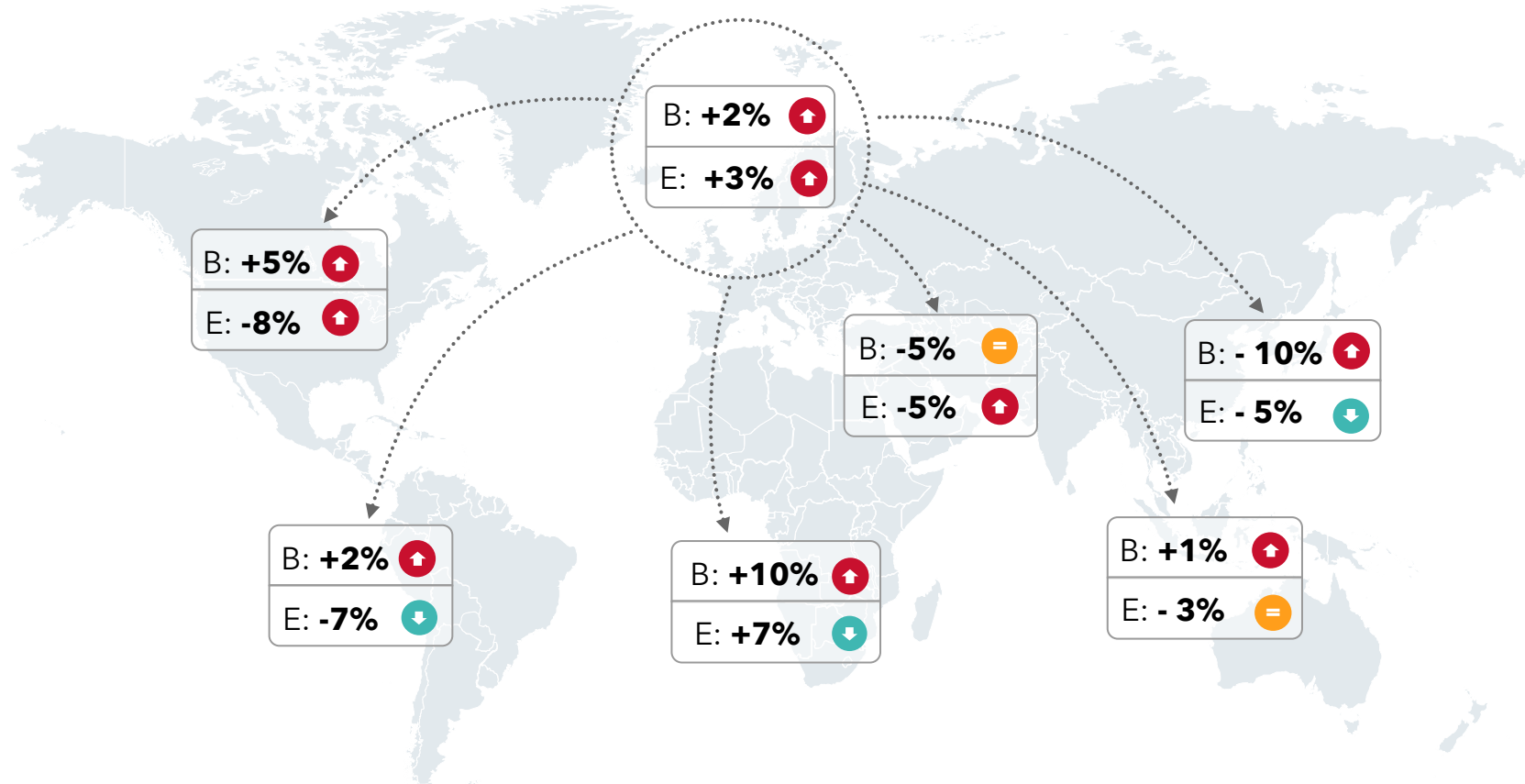
MARKET SNAPSHOT:

# EUROPE

# Air Price Index Q2 2024

Average ticket prices % period-over-period

## EUROPE



B: BUSINESS E: ECONOMY VARIANCE / TREND

VARIANCE = Q2 2024 vs. Q2 2023 TREND = Q2 2024 vs. Q1 2024

= Flat ↑ Increase ↓ Decrease



## EUROPE OVERALL

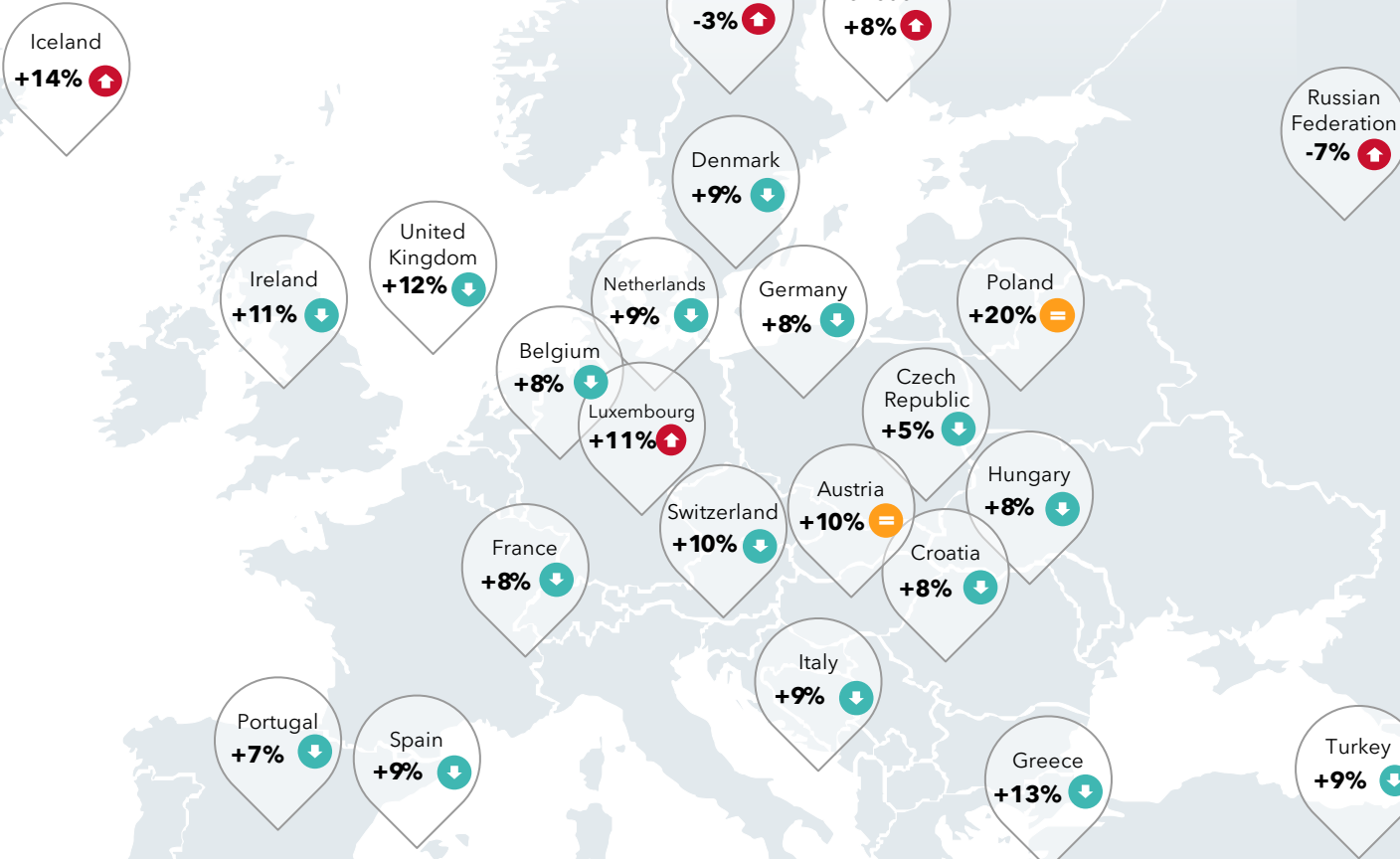
INTERCONTINENTAL			
BUSINESS		ECONOMY	
VARIANCE	TREND	VARIANCE	TREND
Year-over-Year	Quarter-over-Quarter	Year-over-Year	Quarter-over-Quarter
+1%	↑	-6%	↑
DOMESTIC & REGIONAL			
BUSINESS		ECONOMY	
VARIANCE	TREND	VARIANCE	TREND
Year-over-Year	Quarter-over-Quarter	Year-over-Year	Quarter-over-Quarter
+2%	↑	+3%	↑

- **Intercontinental economy fares are dropping driven by strong capacity growth** from Europe to main destinations in North and South America, Middle East and Asia.
- **Fares to China are significantly decreasing** due to a slowdown of economic activity combined with the reinstatement of international airline network.
- **Intercontinental business fares from UK are growing faster compared to Germany and France** that are lagging behind.

# Hotel Price Index Q2 2024

Variance in average daily rates Q2 2024 vs. Q2 2023

## EUROPE



**VARIANCE** = Q2 2024 vs. Q2 2023 **TREND** = Q2 2024 vs. Q1 2024

○ Flat   ↑ Increase   ↓ Decrease

## EUROPE OVERALL

VARIANCE Year-over-Year	TREND Quarter-over-Quarter
+9%	↓

- Most countries are seeing decreases in the best available rate (BAR) quarter over quarter.
- Most markets in Europe are seeing decreases except for Iceland, Norway, Luxembourg, Russia, and Sweden.
- **Europe's occupancy levels are trending higher than 2023.**



# METHODOLOGY

## AIR

2024 vs. 2023 comparison of average fare available in GDS in Q2.

Weighted average based on travel booking window:

- April : 60%
- May : 30%
- June : 10%

Shopping dates: Feb.26 – Mar. 8 for departures in April, May and June 2024.

## HOTEL

2024 vs. 2023 comparison of average Flexible Best Available Rate (BAR) in the GDS and OTA for April, May and June.

Shopping: BAR is shopped 3-10 days prior to each month including 16 days Monday-Thursday for one-night stays.

## ABOUT ADVITO

Advito was founded in 2006 as the consulting arm of the global travel management company, BCD Travel. We were born out of a desire from clients for valuable, independent advice to help their organizations streamline and optimize the increasingly complex sphere of corporate travel. Since then, we have continuously delivered objective consulting services and a highly customized approach. As the innovators of cutting-edge offerings like Dynamic Performance Management™ and Traveler Engagement™, we are committed to helping clients prove the value of travel and elevate their business travel programs.

**For more information, visit [www.advito.com](http://www.advito.com)**

## ABOUT THE TRAVEL PRICE INDEX REPORT

Advito's Travel Price Index Report is a predictive analysis of air fare and hotel rate pricing trends. With the understanding that market volatility caused by a variety of external factors makes accurate annual forecasting very challenging, Advito's consulting team calculates the index on a quarterly basis. At the beginning of each quarter, predictive analytics tools produce realistic future price index calculation based on future price points shopping enables for the upcoming quarter that looks at variance to the same time versus the previous period and the trend versus the previous quarter. The report is published on a quarterly basis and seeks to address and analyze the key factors impacting hotel and air pricing in the short- to medium- term.

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