

ADVITO

TRAVEL PRICE INDEX

PREDICTIVE ANALYTICS
Q3 2024



How to use this index



+5%

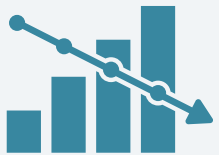
VARIANCE

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 Q3 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%	↓	+3%	↑	+3%	=
Asia	-10%	↓	-8%	=	-6%	↑	-7%	↓
Europe	+1%	↓	+4%	↑	+2%	=	+7%	↑
Latin America	-8%	↓	0%	↓	+3%	↓	+4%	↑
Middle East	+3%	↓	+1%	=	-9%	↓	-9%	↓
North America	+1%	↓	-5%	=	+5%	↑	+3%	=
Southwest Pacific	-10%	↓	-8%	↓	+2%	↑	+1%	↓

- **Intercontinental airfares are decreasing.** Last year demand largely outstripped supply, as travel rebounded faster than airlines could reactivate their fleets, and the imbalance helped spur record profits for many airlines.
- **Yield growth is declining on every intercontinental sector,** even though business fares are resisting from North America, Europe, the Middle-East, and Africa.
- **Fares from Asia and Southwest Pacific continue to drop sharply** due the rise of capacity and competition in the international market as airlines restore more routes.
- **Domestic fares are still up in North America and Europe.** Air travel demand is strong. Current industry challenges, including supply chain constraints and aircraft grounding, impact domestic supply. This capacity limitation also benefits yields.

VARIANCE = Q3 2024 vs. Q3 2023 **TREND** = Q3 2024 vs. Q2 2024

= Flat ↑ Increase ↓ Decrease

Global Hotel Price Index Q3 2024

Variance in average daily rates Q3 2024 vs. Q3 2023

	Variance Year-over-Year	Trend Quarter-over-Quarter
Africa	+10%	↑
Asia	-0%	↓
Europe	+8%	↓
Latin America	+8%	↓
Middle East	+5%	↑
North America	+3%	↑
Southwest Pacific	+7%	↑
GLOBAL	+6%	=

- Inflation and hotel operational costs are still driving **rate 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 second 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 Europe, Middle East, and Africa markets.

VARIANCE = Q3 2024 vs. Q3 2023 **TREND** = Q3 2024 vs. Q2 2024

= Flat ↑ Increase ↓ Decrease

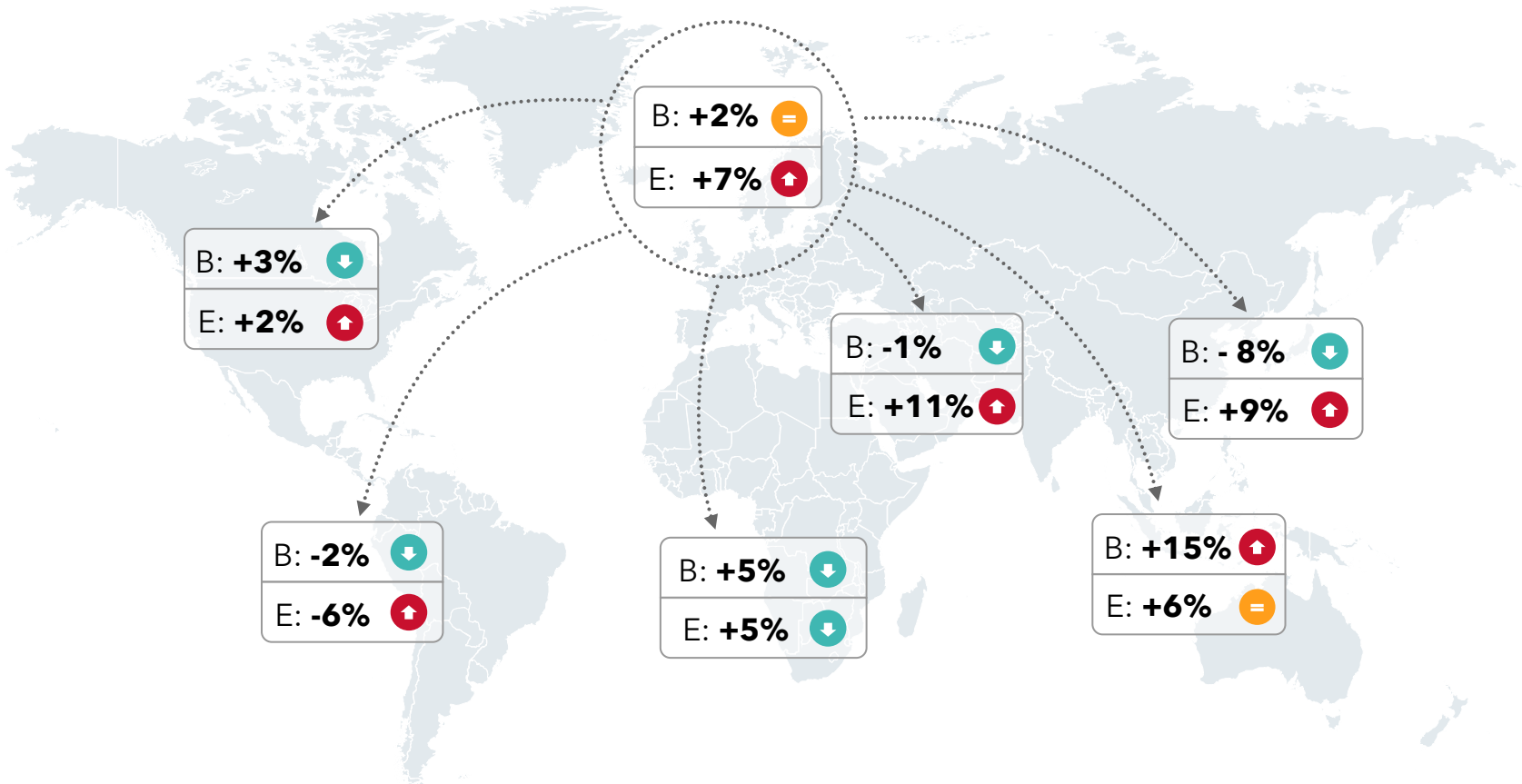
MARKET SNAPSHOT:

EUROPE

Air Price Index Q3 2024

Average ticket prices % period-over-period

EUROPE



B: BUSINESS E: ECONOMY VARIANCE / TREND
VARIANCE = Q3 2024 vs. Q3 2023 TREND = Q3 2024 vs. Q2 2024

Flat Increase Decrease



EUROPE OVERALL

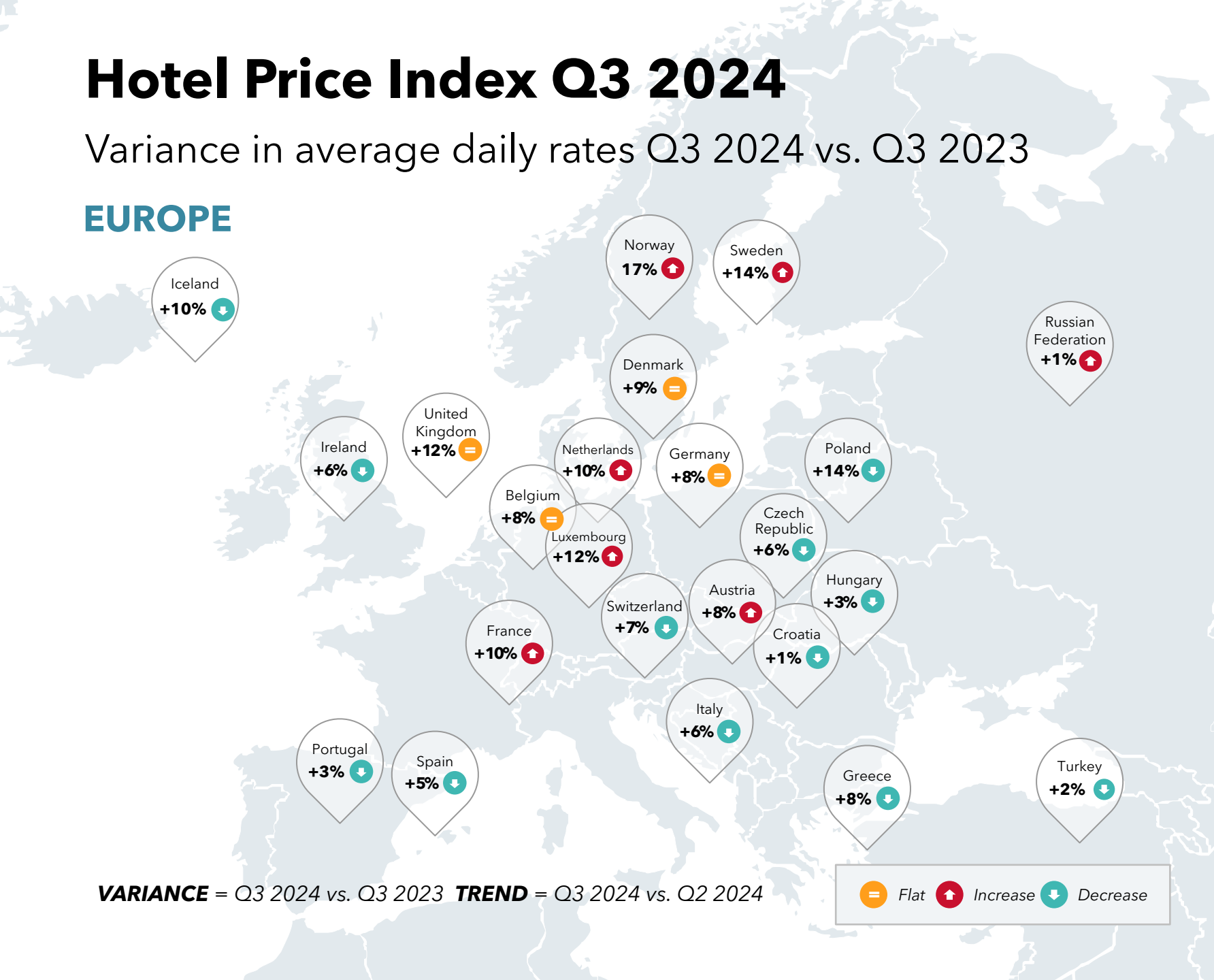
INTERCONTINENTAL			
BUSINESS		ECONOMY	
VARIANCE Year-over-Year	TREND Quarter-over-Quarter	VARIANCE Year-over-Year	TREND Quarter-over-Quarter
+1%	Decrease	+4%	Increase
DOMESTIC & REGIONAL			
BUSINESS		ECONOMY	
VARIANCE Year-over-Year	TREND Quarter-over-Quarter	VARIANCE Year-over-Year	TREND Quarter-over-Quarter
+2%	Flat	+7%	Increase

- Domestic and regional fares are up driven by a combination of solid demand and a decrease in domestic capacity and frequency in Germany, France and UK (2024 vs. 2019). This imbalance is fueling increasing fares.
- Intercontinental fare increase is softening from Europe to North America due to the full recovery of airline networks on all geographical sectors.
- Business fares from Europe to Asia are down, impacted by lower demand from Germany to China, while economy fares are increasingly influenced by very strong demand to India.

Hotel Price Index Q3 2024

Variance in average daily rates Q3 2024 vs. Q3 2023

EUROPE



VARIANCE = Q3 2024 vs. Q3 2023 **TREND** = Q3 2024 vs. Q2 2024

Flat Increase Decrease

EUROPE OVERALL

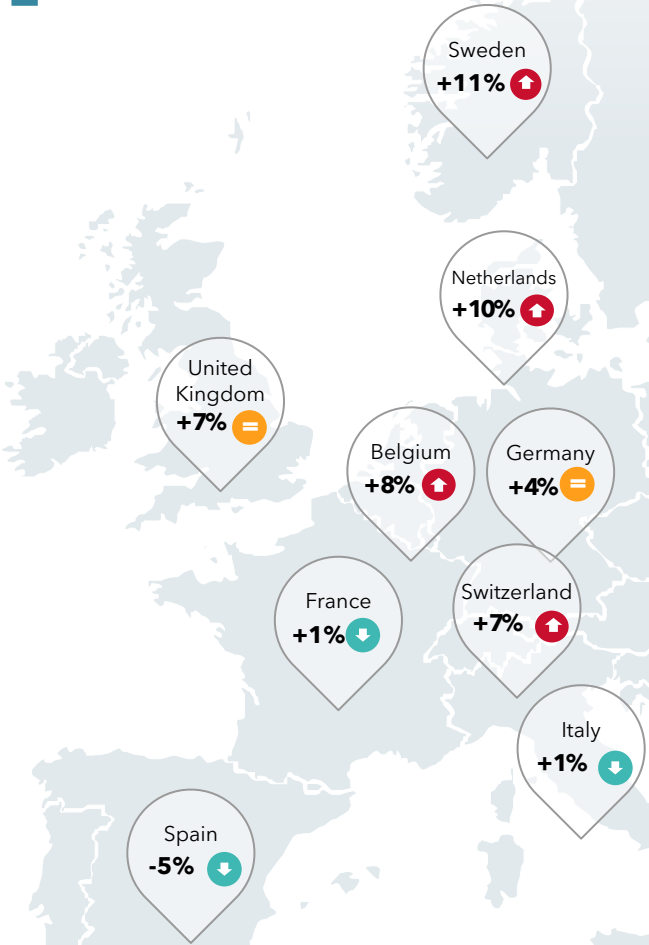
VARIANCE	TREND
Year-over-Year	Quarter-over-Quarter
+8%	Decrease

- Most countries are flat or seeing decreases in the BAR quarter over quarter.
- Most markets around Paris and Berlin are seeing significant increase due to the Olympics and UEFA EURO 2024.
- Even though most countries are flat or decreasing quarter over quarter trending, most major markets in Europe are seeing significant increases year over year.
- **Europe's occupancy levels are trending higher than 2023.**

Rail Price Index Q3 2024



EUROPE



VARIANCE = Q3 2024 vs. Q3 2023 **TREND** = Q3 2024 vs. Q2 2024



EUROPE OVERALL

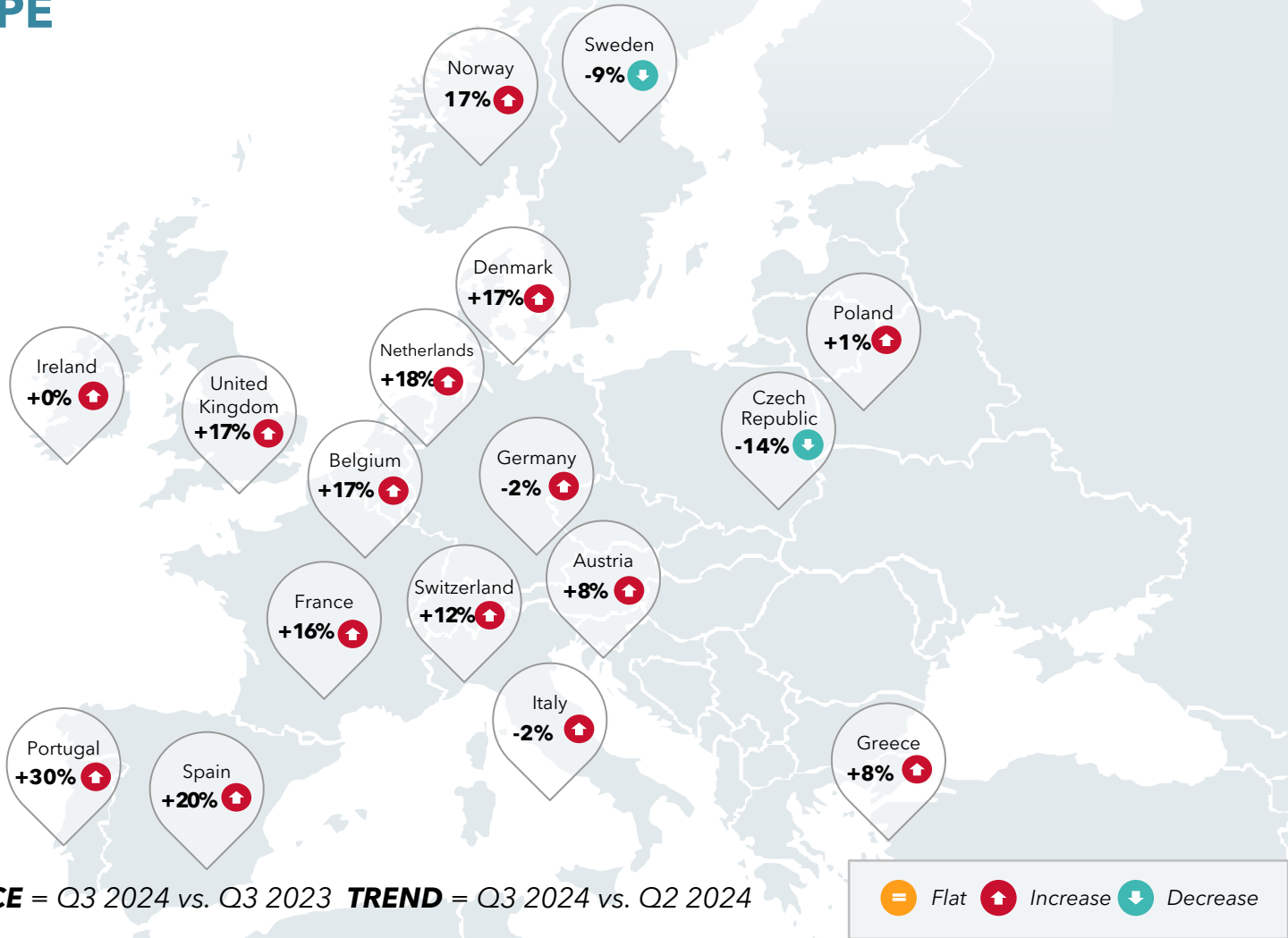
VARIANCE Year-over-Year	TREND Quarter-over-Quarter
+6%	↑

- **We’re seeing an upward trend for rail fares for most countries in Europe.** The significant domestic capacity decrease from airlines (Germany, UK, and France) and actions taken for a more sustainable travel have strengthened rail demand.
- The SNCF (French Railways) will offer 400,000 additional high-speed train tickets compared to last summer, in **anticipation of increased demand for the Paris 2024 Olympic Games.**
- **The Spanish government recently announced plans to move mainland domestic flights to rail services** where air journey times were under 2.5 hours and the routes did not carry connecting passengers.

Car Price Index Q3 2024



EUROPE



EUROPE OVERALL

VARIANCE	TREND
Year-over-Year	Quarter-over-Quarter
+11%	↑

- **Strong overall demand is** driven by increased flight capacity, high tour operator bookings and major upcoming events in 2024 (e.g., Paris Olympics, European Soccer Championships).
- **Car rental companies are further optimizing fleet and yield management**, maintaining a conservatively planned fleet at a tight level, where customer demand and vehicle availability are always at an optimum margin to achieve positive effects in terms of utilization and pricing.

METHODOLOGY

AIR

2024 vs. 2023 comparison of average fare available in GDS in Q3.

Weighted average based on travel booking window:

- July : 60%
- August : 30%
- September : 10%

Shopping dates: May 19 – June 2 for departures in July, August and September 2024.

HOTEL

2024 vs. 2023 comparison of average Flexible Best Available Rate (BAR) in the GDS and OTA for July, August and September.

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

RAIL AND CAR

Predictions are based on analysis of aggregated transaction data for Advito's corporate clients worldwide. We analyze and forecast on dynamic baskets using actual rail and car rental bookings for Q3 2024 to reflect potential shifts in travel patterns and booking behavior.

ABOUT ADVITO

Advito was founded in 2006 as the consulting division 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

ABOUT THE TRAVEL PRICE INDEX REPORT

Advito's Travel Price Index Report is a predictive analysis of airfare 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 price calculations based on future shopping data enabled for the upcoming quarter that looks at variance to the same time versus the previous year 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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