

ADVITO

TRAVEL PRICE INDEX

PREDICTIVE ANALYTICS
Q4 2024



How to use this index



+5%

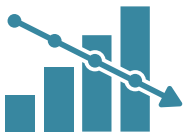
VARIANCE

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 Q4 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	-1%		+0%		+1%		+2%	
Asia	-5%		-5%		+2%		-2%	
Europe	+2%		+3%		+1%		+10%	
Latin America	-2%		-8%		-5%		-10%	
Middle East	-3%		+1%		+1%		+5%	
North America	+1%		-14%		+8%		-5%	
Southwest Pacific	-2%		+3%		+15%		+10%	









VARIANCE = Q4 2024 vs. Q4 2023 **TREND** = Q4 2024 vs. Q3 2024

 Flat  Increase  Decrease

- **Intercontinental airfares return to normality.** Global capacity is in the process of being restored for all regions. This leads to a wider availability of lower fares in economy cabin. Business fares are however resisting due to solid recovery of corporate travel in 2024 mixed with the rise of premium leisure travel.
- **Savings opportunities to book cheaper intercontinental fares** vs. last year are common **from Asia, North and Latin America** to most intercontinental destinations.
- **Domestic fares in economy cabin are still rising significantly year over year in most regions.** Strong capacity discipline mixed with robust demand are fueling the fare increase. NDC fares (out of the scope of this analysis), commonly available on short and medium-haul flights, can slightly reduce the pricing gap (vs last year), especially with European carriers.




Global Hotel Price Index Q4 2024

Variance in average daily rates Q4 2024 vs. Q4 2023

	Variance Year-over-Year	Trend Quarter-over-Quarter
Africa	+7%	
Asia	+4%	
Europe	+9%	
Latin America	-0%	
Middle East	+0%	
North America	+5%	
Southwest Pacific	+8%	
GLOBAL	+6%	

- Inflation and hotel internal costs are still driving **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 accelerated as we've moved into the **fourth quarter of 2024**, even as leisure and business travel continue to slow.
- Revenue per available room (RevPar) as reported by STR has started to slow in Asia, Southwest Pacific, and North America, but still record setting in Europe, Middle East, and Africa markets.

VARIANCE = Q4 2024 vs. Q4 2023 **TREND** = Q4 2024 vs. Q3 2024

 Flat  Increase  Decrease

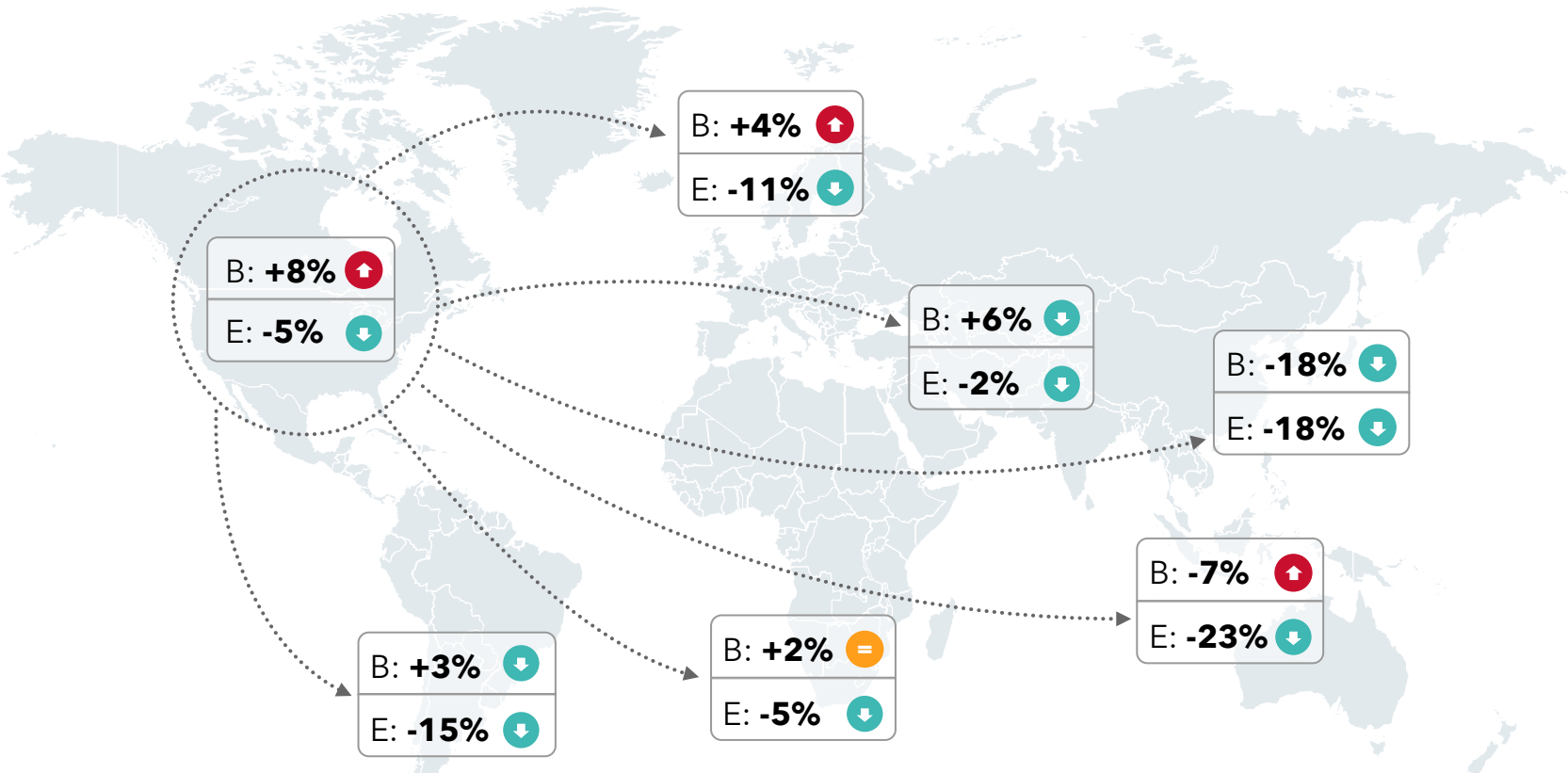
MARKET SNAPSHOT:

NORTH AMERICA

Air Price Index Q4 2024

Average ticket prices % period-over-period

NORTH AMERICA



B: BUSINESS **E:** ECONOMY **VARIANCE / TREND**
VARIANCE = Q4 2024 vs. Q4 2023 **TREND** = Q4 2024 vs. Q3 2024

= Flat ↑ Increase ↓ Decrease



NORTH AMERICA OVERALL

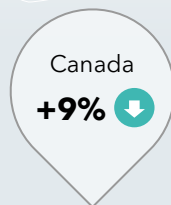
INTERCONTINENTAL			
BUSINESS		ECONOMY	
VARIANCE Year-over-Year	TREND Quarter-over-Quarter	VARIANCE Year-over-Year	TREND Quarter-over-Quarter
+1%	↓	-14%	↓
DOMESTIC & REGIONAL			
BUSINESS		ECONOMY	
VARIANCE Year-over-Year	TREND Quarter-over-Quarter	VARIANCE Year-over-Year	TREND Quarter-over-Quarter
+8%	↑	-5%	↓

- US domestic economy fares have started declining.** Airline capacity discipline relaxes on domestic US routes, leading to lower economy airfares. **US transcontinental fares show an opposite trend**, especially in business cabin, with significant YOY growth.
- Intercontinental economy fares drop** due to increased market competition between airlines in a fast-growing capacity environment, especially on Europe, Asia, Southwest Pacific and Latin America routes.
- Intercontinental business fares still grow** benefiting from solid corporate traffic and a rise of leisure travelers in the premium segment. Due to the strong capacity recovery this year, air prices to Asia and Southwest Pacific are going down.

Hotel Price Index Q4 2024

Variance in average daily rates Q4 2024 vs. Q4 2023

NORTH AMERICA



VARIANCE = Q4 2024 vs. Q4 2023 **TREND** = Q4 2024 vs. Q3 2024

Flat Increase Decrease



NORTH AMERICA OVERALL

VARIANCE Year-over-Year	TREND Quarter-over-Quarter
+5%	↑

- Most markets are seeing BAR increases except markets in California and Arizona.
- Canada's Ottawa market is seeing higher increases compared to other markets.
- Increases in BAR in New York, Chicago, Washington, Boston, and Seattle contributed to the overall increase in the United States.
- **North America occupancy levels are trending below 2023.**

Rail Price Index Q4 2024

NORTH AMERICA

United States

-3% ↓

VARIANCE = Q4 2024 vs. Q4 2023 **TREND** = Q4 2024 vs. Q3 2024

Flat Increase Decrease



NORTH AMERICA OVERALL

VARIANCE
Year-over-Year

TREND
Quarter-over-Quarter

-3%



- **Northeast Corridor with Acela** high speed train serves over 700,000 passengers daily. This presents a **unique opportunity for a shift from air to rail in the US** in these markets.
- **Fares are decreasing on the 3 major routes** : New York-Washington (-5% YOY), New York-Philadelphia (-1%) and New York-Boston (-3%).

Car Price Index Q4 2024

NORTH AMERICA

Canada

+0% ↓

United States

-1% ↓

VARIANCE = Q4 2024 vs. Q4 2023 **TREND** = Q4 2024 vs. Q3 2024



Flat



Increase



Decrease



NORTH AMERICA OVERALL

VARIANCE
Year-over-Year

TREND
Quarter-over-Quarter

-1%



- **Slight drop in the daily rate trend is expected in North America.** The rate decrease can be explained by the larger availability of cars as supply chain constraints are less of a worry compared to previous quarters.
- **Daily car rates are still at a very high level** considering that 2023 was a record year in terms of yield for rental car companies in the US.

METHODOLOGY

AIR

2024 vs. 2023 comparison of average fare available in GDS in Q4.

Weighted average based on travel booking window:

- October : 60%
- November : 30%
- December : 10%

Shopping dates: September 1-10 for departures in October, November and December 2024.

HOTEL

2024 vs. 2023 comparison of average Flexible Best Available Rate (BAR) in the GDS and OTA for October, November and December.

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 Q4 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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