

ADVITO

TRAVEL PRICE INDEX

PREDICTIVE ANALYTICS
Q1 2025



How to use this index



+5%

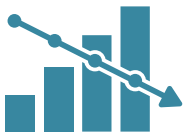
VARIANCE

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 Q1 2025

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	+4%	↓	+3%	↓	+2%	↓	+1%	=
Asia	+3%	↑	+4%	↑	+1%	↑	-2%	↓
Europe	+3%	↓	+3%	↑	-1%	↓	+3%	=
Latin America	+2%	↓	0%	↓	-7%	↑	-8%	↑
Middle East	+5%	↓	+4%	↓	+1%	↓	+1%	↓
North America	+4%	↓	-1%	↑	+4%	↓	0%	↑
Southwest Pacific	+3%	↓	+3%	↑	+15%	↓	+12%	↑

VARIANCE = Q1 2025 vs. Q1 2024 TREND = Q1 2025 vs. Q4 2024

= Flat ↑ Increase ↓ Decrease

- **Intercontinental airfares are resisting, especially in business class.** We're now back to a certain normality with modest year-over-year fare increases. Leisure travel demand has weakened and is increasingly influenced by seasonality. However, the airline industry's focus on capacity discipline and increasing or adopting new surcharges (fuel, environment, distribution) contributes to this fare uptrend.
- **Domestic and regional fares in economy class are marking a pause.** Air travel demand shows signs of decline in some regions (Europe, China, Latin America) in line with the economic slowdown. But, the current industry challenges, including supply chain constraints and aircraft grounding, impact domestic supply and help airlines maintain their yields.



Global Hotel Price Index Q1 2025

Variance in average daily rates Q1 2025 vs. Q4 2024

	Variance Year-over-Year	Trend Quarter-over-Quarter
Africa	+6%	↓
Asia	+1%	↓
Europe	+1%	↓
Latin America	-4%	↓
Middle East	+4%	↑
North America	+3%	↓
Southwest Pacific	+1%	↓
GLOBAL	+2%	↓

- Easing of leisure travel demand is driving softer **cost increases in many markets** as we move into the **first quarter of 2025**.
- According to STR benchmark data, occupancy levels have increased year-over-year in most regions except North America.
- 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 = Q1 2025 vs. Q1 2024 **TREND** = Q1 2025 vs. Q4 2024

⬜ Flat ⬆ Increase ⬇ Decrease



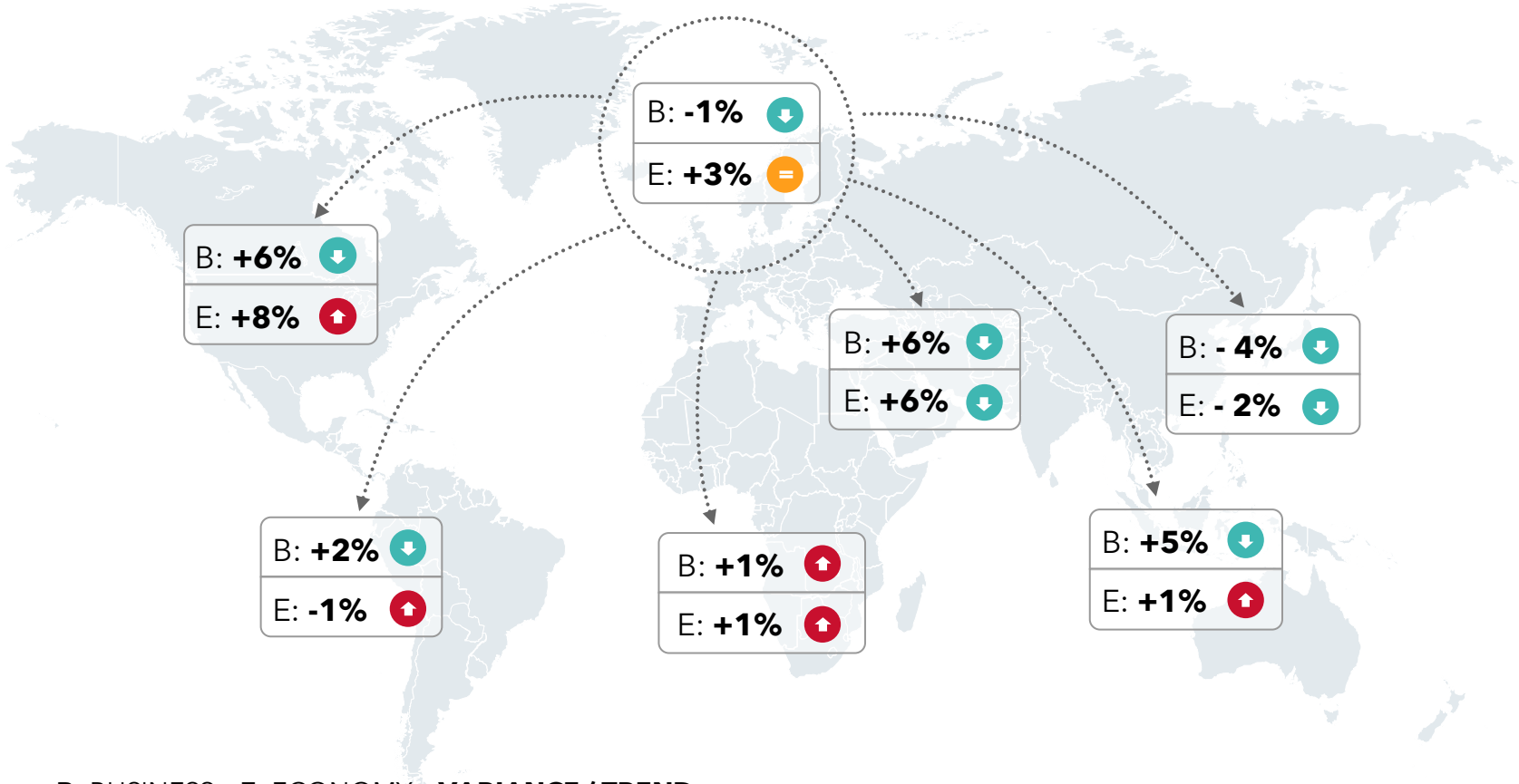
MARKET SNAPSHOT:

EUROPE

Air Price Index Q1 2025

Average ticket prices % period-over-period

EUROPE



B: BUSINESS E: ECONOMY VARIANCE / TREND
VARIANCE = Q1 2025 vs. Q1 2024 TREND = Q1 2025 vs. Q4 2024

Flat Increase Decrease

EUROPE OVERALL

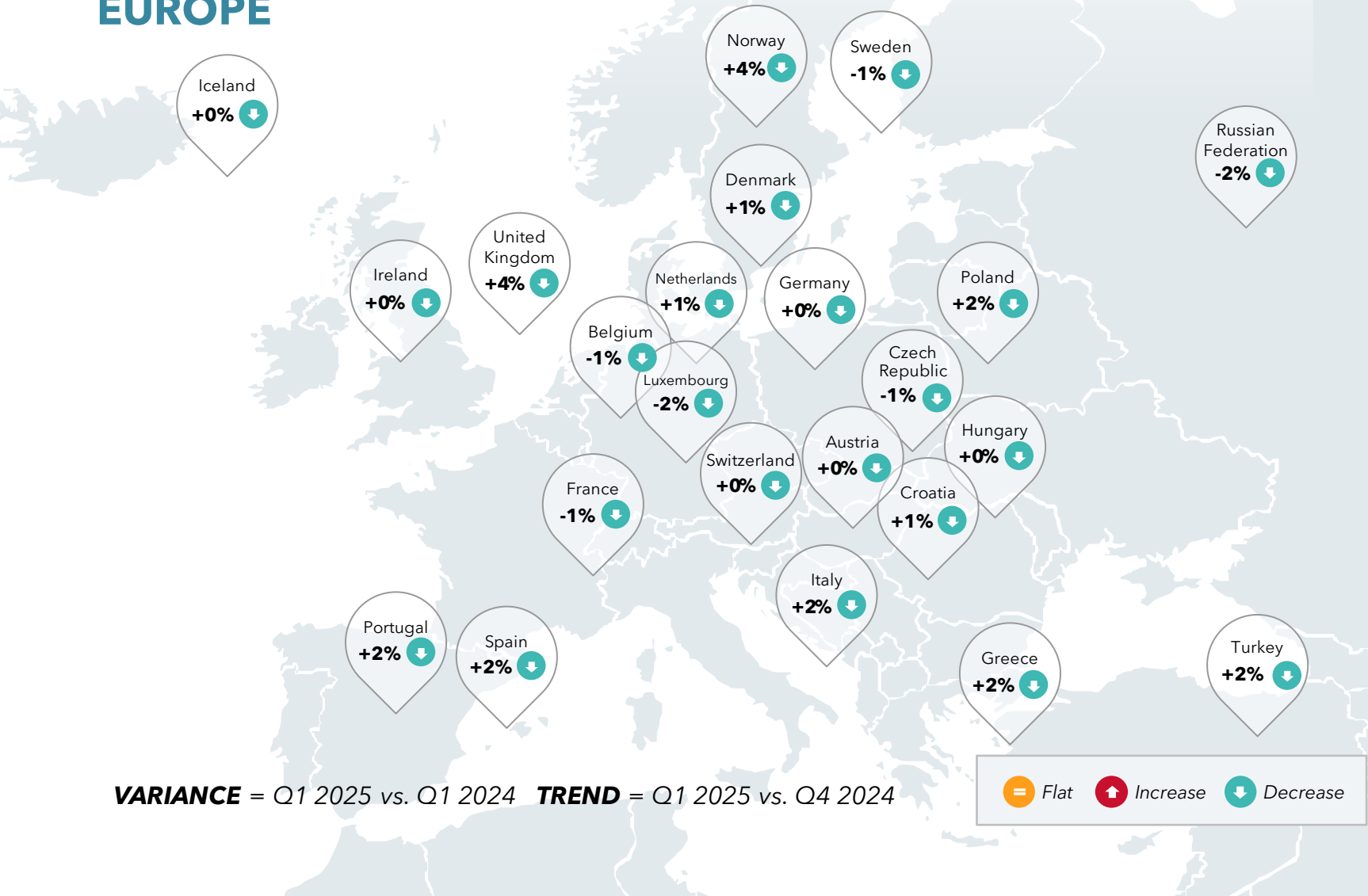
INTERCONTINENTAL			
BUSINESS		ECONOMY	
VARIANCE Year-over-Year	TREND Quarter-over-Quarter	VARIANCE Year-over-Year	TREND Quarter-over-Quarter
+3%	Decrease	+3%	Increase
DOMESTIC & REGIONAL			
BUSINESS		ECONOMY	
VARIANCE Year-over-Year	TREND Quarter-over-Quarter	VARIANCE Year-over-Year	TREND Quarter-over-Quarter
-1%	Decrease	+3%	Flat

- 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 the UK (2024 vs. 2019). This imbalance is fueling increasing fares.
- Intercontinental fares are going up to most destinations. This is due to strong demand and growing impact of increased charges like environmental surcharges from some European carriers.
- Drop of fares to Asia due to major addition of flights to China during the winter season. Chinese carriers fly over Russian airspace, which can be a no-go for some companies. Indian destinations are experiencing fierce competition as strong network rises from Indian carriers.

Hotel Price Index Q1 2025

Variance in average daily rates Q1 2025 vs. Q4 2024

EUROPE



VARIANCE = Q1 2025 vs. Q1 2024 **TREND** = Q1 2025 vs. Q4 2024

Flat

Increase

Decrease

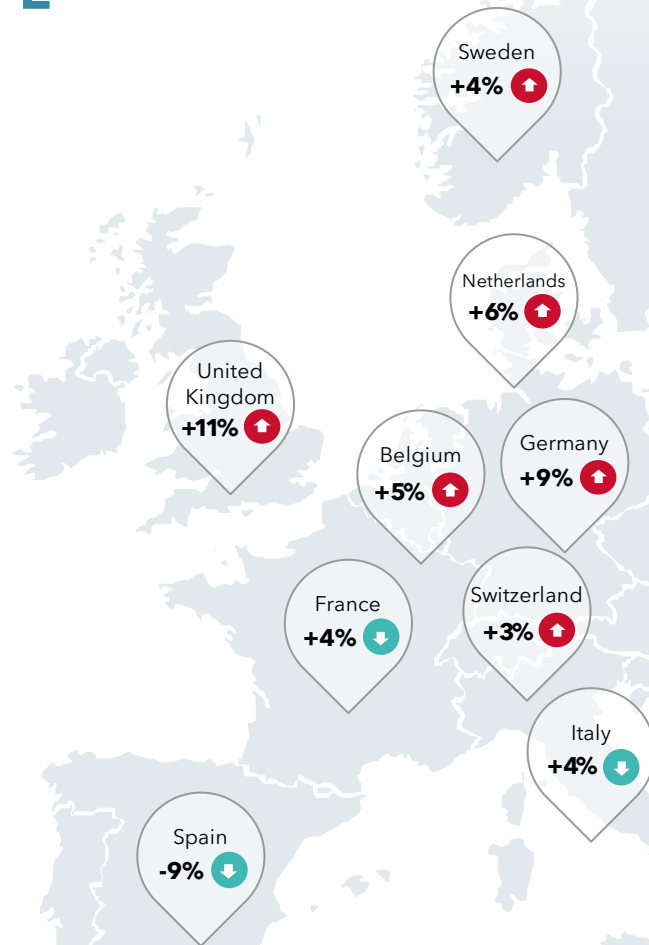
EUROPE OVERALL

VARIANCE	TREND
Year-over-Year	Quarter-over-Quarter
+1%	

- Most countries in Europe are seeing decreases in the best available rate (BAR) quarter over quarter and soft increases year over year.
- Most major markets in Europe are seeing flat to moderate increases year over year.
- Gdynia, Antalya, Tromso, Heraklion, and Oulu will see double-digit increases.
- **Europe’s occupancy levels are trending higher than in 2023.**

Rail Price Index Q1 2025

EUROPE



VARIANCE = Q1 2025 vs. Q1 2024 **TREND** = Q1 2025 vs. Q4 2024

○ Flat ↑ Increase ↓ Decrease



EUROPE OVERALL

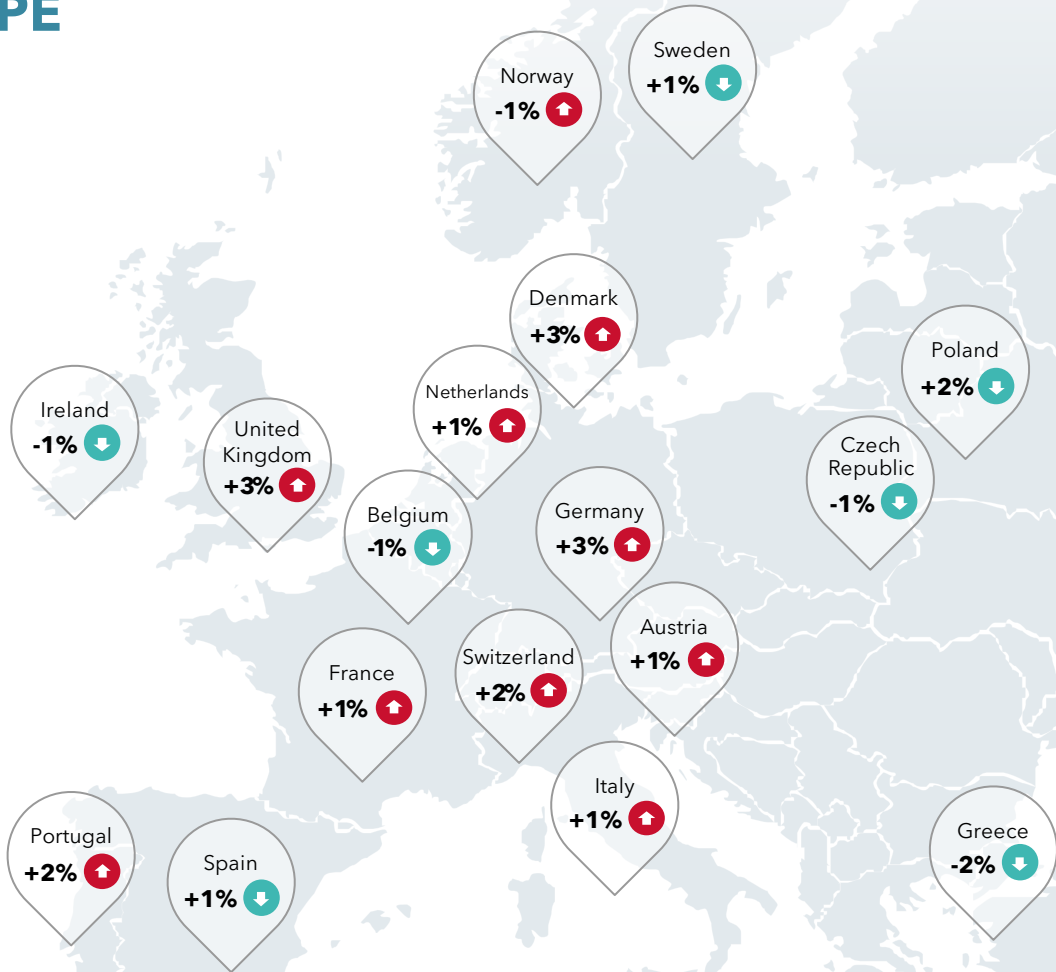
VARIANCE Year-over-Year	TREND Quarter-over-Quarter
+5%	↑

- Rail fares show a moderate upward trend for Southern European countries while Northern European countries are more exposed to stronger fare increases.
- The introduction of a so-called Germany ticket last year that allows travel on all regional and local trains for 49 euros a month led to a huge spike in passengers. This is considerably impacting fares.
- In the UK, the constant increase of regulated rail fares (above +5%) gives a boost to prices.
- The significant domestic **capacity decrease from airlines (Germany, UK, and France)** and actions taken for **more sustainable travel have strengthened rail demand.**

Car Price Index Q1 2025



EUROPE



VARIANCE = Q1 2025 vs. Q1 2024 **TREND** = Q1 2025 vs. Q4 2024

○ Flat ↑ Increase ↓ Decrease

EUROPE OVERALL

VARIANCE Year-over-Year	TREND Quarter-over-Quarter
+2%	↑

- **Car rental rates are expected to rise slightly.** The slowdown of the increase is due to softening demand.
- **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

2025 vs. 2024 comparison of average fare available in GDS in Q1.

Weighted average based on travel booking window:

- January: 60%
- February: 30%
- March: 10%

Shopping dates: December 1-10 for departures in January, February and March 2025.

HOTEL

2025 vs. 2024 comparison of average Flexible Best Available Rate (BAR) in the GDS and OTA for January, February and March.

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 Q1 2025 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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