



A Managed Travel Program vs. Individual Random Reservations

University travelers searching for the best deal on the internet spend a lot of time doing exactly that – searching. Furthermore, lowest fares found online do not always signify the best value since there are purchase conditions to be considered. Studies have indicated that a managed travel program reduces traveling costs and improves process efficiencies, among many other benefits. A managed program addresses the most basic rule of market economics – by influencing demand, it is possible to influence supply. Below is a comparison between the capabilities and limitations of random online research adopted by individual travelers in search of the best deal, and the potential of a strategy that groups together the demand of all travelers at the university to systematically leverage the deal.

Criteria	Specifics	Airline, Hotel and Car Rental Supplier Websites	Online Travel Agencies	A Managed Program – Travel Management Company or Companies (TMCs) with an Online Booking Tool (OBT)
Easy to Navigate – time factor	Product Offerings	Products only related to that supplier’s inventory – cannot be considered objective Booking directly with the supplier by phone may incur fees	Products may be skewed to agency’s interests – cannot be considered objective Search sites are not “all inclusive” nor comprehensive Most sites are leisure oriented	Includes all products available in the market Fares and availability are in real time
	Accessibility	When price shopping the Traveler must check many sites to compare prices, schedule and date/time availability	“Purchase” option may no longer be available after searching and comparing several sites (not real-time displays, 25% of advertised fares are unavailable for booking) ⁱ	Real time search engine compares <u>all</u> suppliers for air, hotel and car rentals
	Consistency	Purchases made randomly on one site or another	Purchases made randomly on one site or another	1 site only - retains historical data of trip details
	Accuracy & Efficiency	Time consuming No set process or structured approach	Comparisons cannot be considered objective or truly accurate Time consuming;No set process or structured approach	1 site 1 search - booking process mapped out
	McGill Contracted Suppliers & Customizable Features	Not featured	Not featured	All McGill contracted suppliers and pricing embedded in OBT and with Councilors User tools, training and guidelines customized for McGill’s needs
	Travel Regulations & Expense Reimbursement Policy	Not featured	Not featured	McGill’s Travel Regulation and Expense Reimbursement Policy will be accessible on OBT and through Councilors
Lowest Fares - research	Restrictions	Lowest fares come with restrictions and penalties	Lowest fares may not being available when trying to make final “purchase”	All fares are available in real time
	Biased Displays	Travelers may be (mis)led by promotions at the risk of inconvenient times, multiple connections, 3rd rate carriers, out of the way hotel locales or car rental company with off-airport location, etc. Consolidator fares not available to the public	Traveler maybe directed to purchase a promoted product which may not really meet needs. More connections than necessary, inferior product etc.	Access to private fares distributed only through TMCs Fare options are presented objectively and without bias

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	Contracted Fares/Rates	Not featured	Not featured	McGill contracted rates appear in the options, discount is applied instantly at time of purchase
Profiles	Log-in	Traveler needs to keep track of multiple sign-ins	Traveler needs to keep track of multiple sign-ins	Sign-in profiles and passwords entered only once and on one site only
	Personal Preferences	Profile maintenance is cumbersome and time consuming Some preferences can be retained in association with membership numbers Each site will retain only their own frequent flyer numbers	Certain sites do allow for personal preferences storage Limitations in some instances to booking certain preferences, i.e. on some sites seat selection is not possible Traveler may need to contact the company directly to make requests after purchase - sometimes at cost, if they can be accommodated at all	Profile maintenance in one place only Seat selection can be booked directly in OBT Traveler preferences and frequent flyer numbers are stored in their profile
Assistance along the way	Who will help	Help is available through each supplier’s call center While away and post-travel, the traveler must contact each supplier separately for assistance	Depending on the site, there may or may not be telephone support available during the booking process (could be only via email). Post-travel, Customer Service of the online booking site May require contacting a multitude of companies	Help is available from the TMC directly Speak to a trained Counselor familiar with McGill’s account that provides advice, expertise & helpful solutions
	Accessibility	Can incur long waiting times – no preferential treatment	Can incur long waiting time to get through to call centers Possibilities to reach the online supplier may be limited by time zones depending on where call center located	TMC has legal and contractual obligations to assist and manage all incidents and look out for the travelers’ best interest TMC performance & McGill traveler satisfaction levels are evaluated on an ongoing basis
	Leverage	Traveler lost in a sea of customers with little leverage	Traveler lost in a sea of <i>indirect</i> customers with little leverage	Travelers are provided with opportunity for recourse via the team of dedicated McGill agents who will intervene and manage the dispute with the supplier TMCs have more leverage than any single individual with travel suppliers
	Efficiency	One delay or incident may have a snowball effect on all the other reservations, resulting in multiple calls and long waiting times, depending on circumstances, thousands of travelers could be trying to reach these suppliers simultaneously – imagine the impact	The traveler falls into a general queue and will be one of many trying to rebook, change or find alternative solutions which will be handled on a first-come first-served basis May have more than one site to contact	TMC or their 24/7 service is faced only with the calls of their customers This is part and parcel of what a TMC does on a regular basis for its customers It will be in the Terms and Conditions of the Contract
Mitigation of Travel Risks	Assistance Offered	There would be no crisis assistance from the supplier	Little to no crisis assistance offered Sites exclusively designed for booking	24/7 assistance for McGill and/or the traveler is part of the service package contract Emergency Procedures and Protocols are part of the services of a TMC

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Sustainability in Travel	Influencing	Neither the University nor the traveler can be proactive. Both are dependent on the supplier's policy and commitment to sustainability	No apparent reference to sustainability, green efforts or carbon emissions was found on the major online travel agency sites	Different flight options and their footprints are featured before choice of purchase on the OBT Efforts can also be made for hotel and vehicle choices
Payment Solution for airline tickets and other travel-related expenses	Method	Personal credit cards required (involvement of personal affairs with University-related business) Limitations of funds available Cash advances to pay for personal credit cards Late fees may be incurred	Personal credit cards required (involvement of personal affairs with University-related business) Limitations of funds available Cash advances to pay for personal credit cards Late fees may be incurred	Virtual card held by TMC to pay for all airfares upfront/clear distinction between personal and University affairs Provide an individual travel card for other expenses Greatly reduces number of advances
Studies on effectiveness of a Managed TMP		Based on research published by Google, the average traveler visits about 22 travel sites during 9.5 research sessions before booking ⁱⁱ	Based on research published by Google, the average traveler visits about 22 travel sites during 9.5 research sessions before booking ⁱⁱⁱ	In an analysis of one company's top 25 routes, economy fares booked through a TMP were on average 9% cheaper than those booked independently^{iv}

ⁱ Travelport, "Why cheap online bookings are not always what they seem" http://marketing.travelport.com/doc/Why_cheap_online_are_not_always_what_they_seem_bookings.pdf

ⁱⁱ Google, *The Five Stages of Travel* (interactive infographic) <http://www.carlsonwagonlit.com/export/sites/cwt/en/global/insights/travel-management-institute/open-booking/pdf/tmi-2013-open-booking.pdf>

ⁱⁱⁱ Google, *The Five Stages of Travel* (interactive infographic) <http://www.carlsonwagonlit.com/export/sites/cwt/en/global/insights/travel-management-institute/open-booking/pdf/tmi-2013-open-booking.pdf>

^{iv} BTN Group/TRX, "Dangerous Curves Ahead? Open Booking: Traveler Data and Security" (webinar), December 6, 2012, reported in *Business Travel News*, December 17, 2012
<http://www.carlsonwagonlit.com/export/sites/cwt/en/global/insights/travel-management-institute/open-booking/pdf/tmi-2013-roads-to-opportunities.pdf>