



Egencia Releases Global Hotel Study

Research Examines Policy and Cost Control to Uncover Savings Opportunities; Global Study Shows Significant Losses from Unmanaged Hotel Programs

LONDON BUSINESS TRAVEL SHOW– (February 9, 2010) – Egencia®, an Expedia, Inc. company, today previewed results from a global study “Hotel Cost Control: Savings and Opportunities,” finding that companies risk tremendous annual budget losses through unmanaged travel activity. Pairing insight from corporate travelers, travel executives and real-world travel programs, the study also examines common areas of loss, ways to prevent leakage and emerging opportunities for cost savings in an effort to establish industry best practices.

“Managing travel policy and controlling hotel costs are two ways Egencia has been able to deliver huge value to clients around the globe,” said Pam Keenan Fritz, Senior Vice President, Egencia North America. “To help businesses understand these issues more acutely, we embarked on a dedicated study that will also yield best practices for the industry.”

A global survey of 433 travel executives revealed missed opportunities for corporations managing hotel spend, including that 30 percent said their companies did not have a hotel policy in place. Supporting data confirms other gaps including:

- 65% do not have city-specific hotel per diems
- 33% use expense reporting to monitor compliance
- 34% require pre-trip approval to monitor compliance
- To encourage compliance: 32% proactively inform all employees who book travel of the policy; 29% verbally reprimand those who book out of policy; 12% send email notification to those who book out of policy; and 12 percent do not enforce compliance at all.

These statistics are significant because defining hotel per diems by city or actively enforcing a policy once in place can help make a travel program more fiscally sound. Likewise, requiring pre-trip approval can boost compliance and deter unnecessary spending by palpable amounts.

“Having strong compliance and reporting data helps immensely with negotiating perks and rates, like those we offer through the Egencia Preferred Rate program,” said Chris Moreland, Vice President of Account Management, Egencia. “When employees book outside a travel program or company policy, that opportunity is lost, and the fix could be as simple as articulating existing policies better.”

This issue was further underscored by the results of a global survey of 1,000 travelers and arrangers. Fifty-five percent of those that responded noted that their company does not enforce or simply encourages them to follow a hotel policy; and 32 percent said that their company does not have a hotel policy at all.

The Hotel Cost Control study also takes a deeper look at the benefits of proactive policy management and reducing leakage. For example, for Egencia clients with an average travel spend of \$15 million or more, those actively enforcing policy saved roughly 17 percent on average daily rates (ADR) versus those companies that do not enforce hotel policy. Companies that enforce hotel policy also see 14 percent greater policy compliance and a 33 percent greater hotel trip attach rate versus un-enforced programs, meaning they are reducing leakage in their program.

Besides sharing best practices for policy implementation and enforcement, the study also examines topics such as:

- Preferred supplier strategy and negotiation
- Managing change within your organization
- Monitoring and policy oversight
- Benefits of mandating

In its 2010 Forecast and Hotel Negotiability Index, Egencia found that hotels represented fertile ground for buyers to negotiate better rates and realize travel cost savings. To address this issue in-depth, Egencia invested in this global study and will share this along with other best practices in a free web seminar “Hotel Cost Control: Best Practices and Opportunities” on March 11, 2010, 10:00 a.m. Pacific time/1:00 p.m. Eastern time/6:00 p.m. GMT at Egencia.com. To register for the Webinar or to receive a free copy of the white paper, go to Egencia.com or http://www.egencia.com/mktg/2010_q1_hotel/default.asp.

About Egencia, an Expedia, Inc. Company

Egencia is the fifth largest travel management company in the world. As part of Expedia, Inc., (NASDAQ: EXPE), the world's largest travel marketplace, Egencia helps businesses get ahead by offering the only truly integrated corporate travel service. Egencia's industry expertise helps drive results that matter, delivering meaningful advancements that have a real impact. By combining a powerful offline and online service, Egencia delivers a complete corporate travel offering supported by global market expertise and a best-in-class technology platform.

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