

A common myth about travel program “leakage” is that it costs companies more when employees book outside the mandated agency channel. However, with more sophisticated pricing tools now available on the market to monitor corporate travel spend, some companies are finding opportunities to save money by allowing employees to book direct. Additionally, by providing itinerary details into risk management services, off-channel bookings can save companies money while still ensuring proper duty of care needs are met. Read on to see how Traxo helps clients capture incremental program savings by managing their off-channel spend.

### HOW TO **ACHIEVE SAVINGS** WITH A HYBRID TRAVEL PROGRAM

#### 1. Lower rates.

Because many suppliers want direct bookings, they frequently offer better rates on their website and to loyalty members than are typically available via third parties. Supplier-direct bookings can also include extra perks, like seat assignments, upgrades, and wifi. With in-channel bookings, these extra costs remain hidden until expense reports are submitted.

#### EXAMPLE TWO

A Traxo client who conducted an audit of their TMC vs hotel-direct spend found that their TMC rates beat the hotel-direct rates for only **23% of bookings** – meaning for **77% of hotel reservations** made directly with hotel suppliers, employees found better rates from the hotel.

#### 2. Price monitoring & re-shopping.

Because Traxo can supply travel data to multiple price monitoring services, companies can automatically re-shop their leaked bookings. This means they can access the lowest fare or rate available for maximum value, whether the rate is offered by the TMC or directly with the supplier.

#### EXAMPLE TWO

A Traxo client monitored daily hotel booking leakage for a 17-day period to find price decreases before the cancellation windows closed. Roughly **24% of these bookings saw a price decrease averaging \$106** (same hotel and room type), which could then be re-booked to achieve additional savings.

#### 3. Reduced transaction fees.

When employees book directly with a supplier, there are no added transaction fees assessed for those purchases. When direct booking makes sense, this method results in roughly \$5 to \$25 in savings per transaction.

#### EXAMPLE THREE

One Traxo client saw a **one-year savings of \$60k** in transaction fees by allowing road warriors to book with United Airlines directly. As they expand this direct booking privilege, they forecast a \$225k annual savings.

### KEY TAKEAWAYS

- With Traxo, off-channel bookings can be sent to risk management services so they still receive full duty of care coverage
- Combining Traxo with your price monitoring service allows you to save money by re-shopping TMC and supplier-direct rates
- Supplier-direct bookings can drive savings in transaction fees and rates

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