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It's a Constant Challenge to Keep Corporate Travelers from the Candy Store of a la Carte Goodies

*Travel managers admit to Congress that a survey of member companies reveals
58% are unable to track the total amount travelers spend on a la carte fees.*

June 7, 2012, Shorewood, Wisconsin – The popular idiom “like kids in a candy store” refers to the inability of children to restrain themselves from practicing prudent purchase behavior when surrounded by gummy bears, milk chocolate, or sugary confections of any kind. The idiom also describes the travails of today’s business travel marketplace with unconstrained travelers, frustrated corporate travel managers, and revenue-eager airlines. Corporate travel managers and CFOs want to know the complete cost of trips when comparing vendors. Many airlines today are happy to tempt any unmanaged traveler with sugary-sweet perks such as priority boarding, exit row seating, and airport lounge access.

The travel managers referenced in the headline are members of the National Business Travel Association. In their testimony to a Congressional committee, the group pleaded for “transparency and consistency” in the regulation of airline fees and taxes. The conflict with corporate travel occurs when the question is asked, “Who pays for these extras?” Mayhem apparently occurs when the traveler hits the road and begins to rack up expenses for services the company might like to exclude . . . if it had the chance. Results from a survey on the topic of corporate travel reveal 91 percent of companies will reimburse the expense of checking a bag . . . but reimbursement drops to 12 percent for extra legroom seating, and 8 percent for priority boarding.¹

Corporate travel managers are upset by control they’ve lost as a la carte fees have become prevalent in the airline industry. Carriers are by no means unique in tempting consumers with a la carte comforts and convenience. From the perspective of travel managers, this path to pricing perdition has already been well trod by hotels and car rental companies. A magic wand will not suddenly appear to fix reporting and control issues during 2012 or in the foreseeable future. But help is on the way as the ancillary revenue revolution becomes more predictable. In this report, IdeaWorksCompany offers predictions on how the actors in this story will someday benefit from the flexibility and frugality promised by a la carte pricing.

It’s a Constant Challenge to Keep Corporate Travelers from the Candy Store of a la Carte Goodies was released today as a free 13-page report sponsored by Amadeus and is available at the IdeaWorksCompany website: www.IdeaworksCompany.com.

About IdeaWorksCompany.com LLC: IdeaWorksCompany was founded in 1996 as an airline consulting organization building revenue through innovation in product, partnership and marketing. Its international client list includes airlines and other travel industry firms in Asia, Europe, the Middle East, and the Americas. IdeaWorksCompany specializes in ancillary revenue improvement, brand development, customer research, competitive analysis, frequent flier programs, and on-site executive workshops. Learn more at IdeaWorksCompany.com.

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¹ Corporate Travel Policy Benchmarking and Insight 2011 report sponsored by Global Business Travel Association and Egencia.