



Purchasing Airline Tickets in advance: Does it really matter?

For years, many of us that have flown and purchased airline tickets have always played a game to try and figure out when is the right time to purchase an airline ticket. Do we purchase it six months in advance (if we are lucky enough to know our travel plans) or should we wait until a month in advance, a week or just a couple of days? The answer used to be that the earlier we purchased an airline ticket, the lower the cost because the last minute seats were most likely the highest price. But is that still true today?

In order to answer this question, Topaz International completed a study in 2009 of advance purchase patterns for airline tickets. The premise of the study was completed with a focus on business travel programs. The rationale was determined because of our customer and readership base. It is uncommon for the average business traveler to book trips more than a few weeks in advance, with most trips booked within a week of travel. Therefore, while the nature of the trips in the study could be used for either business or leisure travel, only trips booked less than three weeks in advance of actual travel dates were applied.

The review of this study will look at both the methodology as well as the actual results. In addition there will be some analysis done of the results and the pitfalls of making some assumptions for your travel program and what you can do for your own program. As with everything Topaz International provides, we always appreciate comments and suggestions for future studies and analysis.

Methodology: How did we do the study?

City Pairs: The traveled city pairs that were chosen were based on the most frequented business travel cities based on the Topaz International Database of business travel data. This includes the most typical business central locations including but not limited to the following cities: Boston, New York, Chicago, Los Angeles, Dallas, San Francisco, London, Paris, Frankfurt, Tokyo, Singapore, Shanghai, and Dubai. Travel to these various cities and others would be via a combination of both non-stop and connection service, based on convenient travel connection times. In other words, connection times that were over four hours in length or might require an overnight in an airport (late night arrival followed by an early morning departure) were not considered. Over 500 Domestic and 400 International City Pairs were reviewed.



Number of days booked in advance or Saturday night stays: To conduct studies like this it is necessary to place parameters on what will be looked at. However every situation can be determined in advance and included in the study. Trips that were 3 days, 7 days, 14 days and 21 days in advance as well as a combination of trips that both included and did not include a Saturday night stay over.

The booking engines and formats: Finally, there are many ways to book travel today. There are a host of GDS systems, airline direct websites as well as numerous independent websites that can be used to book air travel. For purposes of this study all four major GDS's were utilized. During the collection of data all four GDS's were accessed simultaneously and in each of the systems, formats were used that are common low price search formats. All results found were tested to ensure they could be booked. This is important since many airfares found are not bookable.

Domestic United States Results

The results for domestic United States travel when there is no Saturday night stay over suggest that booking in advance pays off with cheaper airfares. However, it also suggests that if you book too early you may pay a little more. The dollar savings for booking in advance pays off much more than international travel, possibility indicating it pays to develop policy enhancements that differ for US domestic travel from International travel.

U.S : No Saturday Night	Airfare	Savings over previous	Savings over 3 day
3 Day	\$421.67	n/a	n/a
7 Day	\$310.48	(26%) lower	(26%) lower
14 Day	\$224.63	(28%) lower	(47%) lower
21 Day	\$228.84	2% higher	(46%) lower

How do the results change when there is a Saturday night stay over? Overall, airfares are more expensive unless you book 21 days in advance, regardless of a Saturday night stay. However, the resulting differences are very similar when compared to the results



above for no Saturday night stay over. Generally a Saturday night stay over may save money and allow the business traveler to do personal visitations, but it should be examined on a case by case basis to see if it is cost effective.

U.S : Saturday Night	Airfare	Savings over previous	Savings over 3 day
3 Day	\$459.56	n/a	n/a
7 Day	\$336.27	(27%) lower	(27%) lower
14 Day	\$226.63	(33%) lower	(51%) lower
21 Day	\$224.69	(1%) Lower	(51%) lower

International Results

The results for International travel when there is no Saturday night stay suggests that booking in advance pays off with cheaper airfares. However, these are more expensive airfares than the domestic US tickets, and there are less of a percentage savings between the 3 day advance airfares and those that are booked more in advance of the travel.

International : No Saturday Night	Airfare	Savings over previous	Savings over 3 day
3 Day	\$715.71	n/a	n/a
7 Day	\$667.96	(7%) lower	(7%) lower
14 Day	\$648.09	(3%) lower	(9%) lower
21 Day	\$601.59	(7%) lower	(16%) lower

How do the results change when there is a Saturday night stay over? Overall the airfares are cheaper for all advance purchase options, but there is a decreasing savings opportunity depending on how far in advance you do purchase.



International : Saturday Night	Airfare	Savings over previous	Savings over 3 day
3 Day	\$628.44	n/a	n/a
7 Day	\$522.87	(17%) lower	(17%) lower
14 Day	\$491.22	(6%) lower	(22%) lower
21 Day	\$475.35	(3%) Lower	(24%) lower

Pitfalls to consider for business travelers

There are some considerations that must be taken into account when considering this study and the changes that you may consider to your company's travel policy.

Change Fees: The biggest effect on purchasing airline tickets in advance are the fees that are levied when there is a change to the ticket purchased. Business travelers are notorious for changing their air tickets late in the game – and those fees would quickly negate any savings you find by purchasing in advance.

How long do you stay: The difference in price between staying over a Saturday night or not may not be worth the savings when extra hotel and meal costs are included as well as the affect on home life. The total cost of the trip should be considered when making a decision.

Your Travel Program may yield very different results which is why you might consider a customized Topaz Analysis.

About Topaz International: We provide strategic support to the corporate travel management professional with a suite of audit products designed to evaluate travel programs and save corporations millions of dollars on their travel spend worldwide.