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TOPAZ Internet Studies Produce Mixed Results

TOPAZ compared over 12,000 agency-booked itineraries with various internet travel sites including Orbitz, Expedia, Travelocity and carrier-specific sites during the 4th quarter of 2002. TOPAZ found that itineraries booked through a designated corporate travel agency averaged \$135 less than the same itineraries booked on the internet travel sites, saving corporations 23% in airfare expenses. The average agency-booked fare during this time period was \$451 while the average fare booked through the internet sites was \$586. This was the largest spread between corporate airfares compared to internet airfares recorded by TOPAZ for 2002.

Even though the average difference between corporate airfares and internet airfares grew, the news was not entirely rosy for managed travel programs. Corporations saw a higher percentage of their itineraries come back lower on the internet at 10.32%. This was the highest level of the year and was up from the 2nd quarter low of 6.24%. "Many airlines eliminated corporate discounts on their lower fare basis categories in the 3rd and 4th quarters which contributed to an internet site's ability to match or beat corporate fares," according to Valerie Estep, TOPAZ President. However, while more itineraries came back lower on the internet, the amount of savings decreased to their lowest level of the year at \$61, down from \$78 in the 2nd quarter. "Airlines tightened their belts in the 4th quarter and weren't discounting as deeply in as many markets," says Estep.

Corporate travel managers are increasingly turning to web-search technologies through their agencies or online booking systems to ensure all resources are used to find the lowest fares. "The challenge will be how hard a travel manager will chase internet fares. Volatility in airline pricing and rapid changes in the carrier's position on providing web fares through the GDS make it difficult to assess whether the effort and cost justifies the reward," stated Estep.

TOPAZ International, Ltd., based in Portland, OR is an airfare auditing, benchmarking, and statistical information firm specializing in the use of knowledge and technology to reduce travel costs for business. For more information about airfare audits, statistics, benchmarks, or training classes:

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Internet Comparisons October - December, 2002

Methodology

TOPAZ International, Ltd. is contracted by corporations and agencies to conduct comparison studies between the GDS booked fares vs. the internet fares. Itineraries are booked through a managed travel program (i.e. agency and/or online booking system). The itineraries are replicated on the requested internet booking sites. Sites included in the study include Orbitz, Expedia, Travelocity and various Airline websites.

Results

% of internet fares lower than corporate managed fares	10.32%
% internet fares higher than corporate managed fares	68.26%
Approx. # of itineraries in study	12,000
Average fare	
Agency	\$451
Internet	\$586
Average Savings	
Per itinerary	\$135
Overall	23%
Approx. total \$ included in study	
Agency	\$5.6 million
Internet	\$7.2 million
% of itineraries completed on each site	
Orbitz	16%
Expedia	34%
Travelocity	12%
Airline Site	38%



**TOPAZ International, Ltd.
Corporate Managed Fares vs Internet Fares
January - December, 2002**

