

Airlines Reporting Corporation (ARC) and Expedia Group have collaborated for the fifth consecutive year to review global travel pricing trends. This 2019 Travel Pricing Outlook report includes airfare and, for the first time, lodging savings tips.

Data insights / Glossary of terms:

- Premium cabin is defined as seating/tickets in the First and/or Business cabin
- Economy cabin is defined as seating/tickets either in the Economy and/or Premium Economy cabin where available
- ATP refers to Average Ticket Price (as shown in USD throughout the report)
- ADR refers to Average Daily Rate (as shown in USD throughout the report)



Data specialists from both ARC and Expedia Group analyzed ARC's global flight data and Expedia Group's lodging trends to distill actionable information to help people save money on travel. While it's impossible to guarantee when to find the lowest prices, after examining the variables—including when travelers make their online bookings, the days they begin their journeys and the length of their trips—one central theme stands out: timing matters.

Five key tips for saving on travel in 2019

1. Book flights at least three weeks ahead of travel
2. Book flights on a weekend
3. Book hotels on a Friday night
4. Start the journey on a Thursday or Friday
5. Extend short, weekday-only trips to include a Saturday night

1. Book flights at least three weeks ahead of departure¹

From most parts of the world—regardless of destination—average ticket prices (ATPs) for economy and premium cabins tend to rise as the departure date gets closer. Waiting to book at the last minute can be an expensive gamble. Booking three weeks ahead of a trip is the "sweet spot" for fare savings.

2. Book flights on a weekend²

Economy and premium cabin ATPs tend to be lower when booked on a weekend, usually on a Sunday. (New Zealand is one exception, where Tuesday is usually the least expensive day to book air travel.) Many people save up to **20%**, and some can save as much as **36%** by booking on a Sunday. The most expensive tickets tend to be booked on Thursdays and Fridays.

3. Book hotel stays on a Friday³

Drawing from Expedia Group's inventory of **more than 895,000** properties offered, data analysts compared the average daily rates (ADR) across different reservation days. Results reveal travelers generally find lowest ADRs on Fridays. Unlike airfares, the most expensive day to book a hotel is generally on a Sunday.

4. Start your journey on a Thursday or Friday⁴

Global trends show ATPs for most economy and premium cabin travel are lowest for flights departing on a Thursday or Friday. **Travelers can save around 10% on airfares** simply by choosing flights that take off on Thursday or Friday.

Cost-conscious travelers should avoid starting their journey on a Sunday, as those trips generally have the highest ATP.

Offering lower airfares or lodging-stay rates can help drive consumer interest in travel a highly competitive, USD 1.6 Trillion global travel marketplace*.

5. Extend short, weekday trips to include a Saturday night stay⁵

For almost 75% of the weekday-only trips analyzed, the cost of economy class airfares dropped when the trip was extended to include a Saturday night. By extending weekday travel (Monday-Friday) to include a Saturday night in-destination, **travelers can save around 25%** of the weekday-only return fare. In other words, stay a bit longer in destination and you'll probably save money on the total cost of the flights.

For some popular corporate travel destinations, where weekday travel is in high demand, the data shows return-airfare costs can be almost halved if travelers add a Saturday stay to a weekday trip. The London-New York City route is one example.

* Travel market size estimates based on Phocuswright data for 2018

Taking the guesswork out of flight decisions

Deciding on the right flight can be time-consuming and complex. Expedia Group research reveals people can make up to 50 searches online before deciding on which flight to book. To help travelers search and book with more confidence, Expedia Group and ARC present additional findings to ease the search experience.

1. Weighing the benefits of non-stop flights

Comparing the cost of non-stop, one-stop and two-stop journeys between a range of popular destinations revealed value is in the eye of the beholder. For many, a stretch or the chance for a stopover may be valued more than the cost. For others, the convenience of non-stop travel wins out.

Our tips:

- **Don't assume direct flights will cost more than those with stops.** This is only true in some cases. Direct flights may actually cost less than flights with stops for a wide range of reasons, including newly added routes, low-travel season or travel to predominantly business-travel destinations over a weekend.
- **Consider savings on the total costs of a trip:** Travelers can unlock discounts on the total cost of a trip when they bundle flights and hotel stays, and in some cases with other travel products and experiences. For example, **adding a flight to an existing hotel booking through Expedia.com can result in hotel savings of up to 43%⁶.**

2. Deciding between basic economy and other economy cabin fares⁷

Travelers can face a conundrum when weighing their unique travel needs against the many available fare options. The best choice of fare type comes down to more than price—it will depend on the underlying motivator that is most important to the individual: cost, flexibility, or comfort.

Our tip:

- While travelers may save money by booking a basic economy fare (i.e., a fare with seat-only, no bag and potentially other limitations), it pays to choose carefully. If bags are added to a basic economy fare, the total cost of travel almost always exceeds that of other economy fares (i.e., where checked bags are included in the cost of the ticket).

3. Challenging the assumption that air ticket prices change when oil prices fluctuate⁸

Analysts compared ATPs and commodity pricing trends over five years to investigate short term impacts of oil/jet fuel pricing changes on economy cabin airfares.

Our tip:

- When oil and/or airline fuel prices jump, travelers need not delay booking a trip based on the assumption that airfares will immediately rise. Comparing the price of commodities (i.e. oil/jet fuel) and ATP trends over many years show the days and weeks after an oil price jump may actually be the most cost-effective window to book flights, as any effect that fluctuation may have on ATPs is more likely to appear over a longer time period. This is due to a range of reasons, including when airlines purchase their fuel as well as their common ability to negotiate or set standard rates for fuel purchases over time.

ATPs for some of the world's most popular domestic and international routes rose around 5% in 2018 (vs. 2017)**.

This increase happened against a backdrop of consistently low ATPs that had continued for many years in the U.S. and around the world, indicating that if this slight upward cost trend continues, now may be the best time to book 2019 flights.

**The average ATP rise of 5% YoY based on analysis of ARC data based on popular air routes globally across all cabin classes 2017/2018.



About Expedia Group

Expedia Group (NASDAQ: EXPE) is the world's travel platform. We help knock down the barriers to travel, making it easier, more enjoyable, more attainable and more accessible. We are here to bring the world within reach for customers and partners around the globe. We leverage our platform and technology capabilities across an extensive portfolio of businesses and brands to orchestrate the movement of people and the delivery of travel experiences on both a local and global basis. Our family of travel brands includes: Brand Expedia®, Hotels.com®, Expedia® Partner Solutions, Egencia®, trivago®, HomeAway®, VRBO®, Orbitz®, Travelocity®, Wotif®, lastminute.com.au®, ebookers®, CheapTickets®, Hotwire®, Classic Vacations®, Expedia Group™ Media Solutions, CarRentals.com™, Expedia Local Expert®, Expedia® CruiseShipCenters®, SilverRail™, ALICE® and Trivildoo®. For more information, visit www.expediagroup.com.

ARC

An industry leader in air travel distribution and intelligence, ARC settled \$94.8 billion in ticket transactions in 2018 between airlines and travel agencies, representing more than 295 million passenger trips. ARC provides flexible distribution solutions, innovative technology and access to the world's most comprehensive air ticket transaction data, helping the global air travel community connect, grow and thrive. For more information, please visit www.arccorp.com.

Footnotes

- 1 - Where relevant, USD exchange rate calculated on day of ticketing.
 - Advance purchase days were calculated based on the first day of departure in the itinerary and the ticketing date.
 - Economy fares refer to ATPs in the economy cabin.
- 2 - Where relevant, USD exchange rate calculated on the date of ticketing.
 - Analysis based on ARC, round-trip flight data between 1 October 2017 – 30 September 2018 for Economy and Premium cabin ATPs on a global basis.
 - Median percentage saving shown, based on comparison of lowest-vs-highest average ATPs, for all cabin classes, based on day of ticketing across a range of global origins-destinations—the variance-to-the-average ATP savings for bookings made on a Sunday (ie. when Sunday was lowest ATP day-of-week to book) vs highest ATP day of week to book, savings range spanned 7 – 36%.
- 3 - Where relevant, USD exchange rate calculated on the date of demand.
 - Analysis based on lodging ADR data from 19 Brand Expedia sites between 1 October 2017 – 30 September 2018 for travel within 2018.
 - Expedia Group 895,000 property count correct as of 30 September 2018.
 - Lowest ADRs reflect lowest average price day to book (vs day to stay).
 - Note: Hotels control the information, availability and the rates they display on Expedia Group sites.
- 4 - Where relevant, USD exchange rate calculated on the date of ticketing.
 - Analysis based on ARC, round-trip flight data between 1 October 2017 – 30 September 2018 for Economy and Premium cabin ATPs on a global basis.
 - Median percentage saving shown, based on comparison of lowest-vs-highest ATPs, for all cabin classes, on the day of travel across a range of global origins-destinations. The variance-to-the-average ATP savings for flights departing on a Friday (ie. when Friday was lowest ATP day-of-week to fly) vs highest ATP day of week to book, savings range spanned 5-16%. Where Thursday departures were lowest, travelers saved, on average, 9%.
- 5 - Where relevant, USD exchange rate calculated on the date of ticketing.
 - Analysis based on ARC data for top global destinations (based on the number of travelers to destinations) for direct and indirect, one-stop return air tickets issued during 1 October 2017 – 30 September 2018 in the economy cabin. Three-day ATPs for travel taken between Monday – Friday (ie. 3-day stays between Monday – Wednesday and Wednesday – Friday) were compared to ATPs between the same origin-destination for 5-day travel which included a Saturday-night stay (i.e., Saturday-Wednesday / Wednesday-Sunday trips).
 - Seventy-five percent (75%) of trips analyzed resulted in ATP savings of 25% or more with the inclusion of a Saturday night stay.
 - Twenty-five percent (25%) savings is an average of ATP savings. Savings vary by destination, noting that for some destinations, particularly those with high leisure travel demand, the reverse can be true: i.e., ATPs may increase when a weekend component is added.
- 6 - Savings based on Expedia.com as at 18 January 2019: <https://www.expedia.com/addonadvantage>
- 7 - Cost of bag-as-extra fare comparison insights based on analysis of Expedia Group 2018 flight data. - Calculations drew on one-way and return, and/or 2x one-way-return flights.
 - Other economy refers to non-basic economy fares in the economy cabin.
 - Basic economy fares refer to seat-only fare class.
- 8 - Commodity/ies refers to oil/jet fuel.
 - Historic data for oil prices is based on West Texas Intermediate monthly benchmark. Historic data for Jet Fuel price is based on an average for U.S. jet fuel pricing across airports using BBL Commodities, Monthly Jet Fuel pricing and US Energy Information Administration were also core data sources used for comparing commodity pricing trends to ATP fluctuations according to ARC data for return, economy-cabin travel ATPs (generally the most price sensitive ATP cabin).
 - Short term/ immediately refers to month-over-month impact.
- 9 - Based on Brand Expedia data for the 12 months 1 October 2017 – 30 September 2018.
- 10 - Based on Brand Expedia data for the 12 months 1 October 2017 – 30 September 2018.
- 11 - Based on Expedia Group gross bookings for the trailing 12 months to 30 September 2018.

