The Beat ~ a travel business newsletter

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Ultramar: Yapta Worth The Work

Looks like airfare tracker Yapta's pivot to corporate travel is about to get easier.

Some corporate travel managers during the past year or so have tried to give the find-it-cheaper-and-exchange-it model a chance, but integrating Yapta's FareIQ product into the managed travel air ticketing process has been challenging.

On top of certain practical matters of integration, perhaps Yapta's biggest challenge—one faced by nearly every new provider in corporate travel—was a lack of customers and partners who would go to bat for the company. Neither BCD Travel nor Carlson Wagonlit Travel, each referenced by Yapta as partners, would provide commentary about Yapta when contacted by *The Beat*.

Even CorpTrav Management Group, which in May 2012 lent its name to a Yapta press release, declined at the time to offer more details. Yapta's inability to tell travel managers about other travel managers who were using the service at least for a time made it a non-starter for some.

Now comes Ultramar Travel Management, which may be putting Yapta on the map for good.

After two clients asked Ultramar to try the service, and the results showed 1.5 percent to 3.4 percent savings on those customers' overall air travel bills (averages of $223 and $275 savings per changed ticket), the New York-based travel management company and unit of Travel and Transport now is embarking on a campaign to offer Yapta to all its clients. And Ultramar is happy to testify that while the system is not without its challenges, it's worth the work. "For us, it's a no-brainer," said Ultramar COO Michel Botbol.

Yapta's "patent-pending technology" monitors bookings, including those of negotiated fares, and sends alerts to travelers, agents or travel managers when a cheaper ticket is available, net of rebooking fees. "The solution integrates seamlessly with agents' workflow by dynamically monitoring pricing on individual passenger name records that are placed on a queue by the corporation or its travel management company," according to the company.

Yapta's fee can vary but typically is 35 percent of the amount saved. "They get money only when they save you money," said Botbol.

He said that while Yapta "provides all tracking of the opportunities and missed opportunities, that puts the pressure on us to deliver savings. It's up to the TMC to convert the opportunity." Ultramar is using web services to ease the process.

According to Pam Massey, senior manager of global travel at the Bill & Melinda Gates Foundation, the organization's pilot with Yapta has been extended "while CWT and Yapta work on streamlining their integration."

"It won't work without very active TMC participation," agreed Ultramar CIO Thomas Chermack. "They have automated a lot and have reporting, but it's still up to the agency to come up with processes to actively convert these reservations to the lower fares. A lot of people say, 'Well, agencies have been doing this for years in the mid-office with low-fare search.' Yapta closed the loop in really an end-to-end solution, and they prove it out. They prove the actual savings, which is where a lot of mid-office products have fallen down."

Some travel managers have expressed a desire for Yapta to build its fee into the partner TMC's transaction fee. Ultramar's two testing clients have different models with the TMC. One has a management fee-based agreement, which means the cost of Yapta services are passed through to the client, said Botbol. The other client pays based on transactions, but even there Ultramar does not build Yapta's fee into the point-of-sale transaction cost. "We provide a file to the company with different cost centers, and they're able to allocate the Yapta charge to those cost centers," said Botbol.

It's here where some travel managers have lost interest. When travel departments charge back services to internal departments, or especially when they bill external clients, such as consulting or other professional services firms, figuring in Yapta's fee gets tricky.

Botbol admitted that in the case of clients who bill external clients, "It would be more complex."

Some travel managers have been concerned that the solution really works best for unrestricted fares, of which they don't use many, and that the benefit is smaller with nonrefundables. Not only does Yapta suggest changes only based on the customer's chosen thresholds, but also Botbol pointed out that a lot of the opportunities come up within the typical 24-hour window for penalty-free voids.

Others have said that Yapta won't work for them because of how much direct business they do with Southwest Airlines or Air Canada.

Another concern is about the risk of releasing seat assignments. Ultramar essentially grabs a new seat just as it lets go of the old one, Chermack said. "That is something where there's intervention involved," he said. "So it's one part of not automating 100 percent of the process. When you go through something like this, you might think, 'We've already got a mid-office process, so now let's find reasons not to do it.' But when a certain customer says, 'I really want to try this,' you might. We did, and it worked."

No one is saying Yapta is perfect. While it is "pretty efficient," said Chermack, he's hoping the company can reduce demands on the GDS since searches or "hits" result in reductions in the TMC's GDS incentives, although he said this is not a major issue.

Part-owned by Concur, Yapta this week revealed that FareIQ has saved more than $1 million for corporate clients, with an average of $159 saved per itinerary. The company has found that more than one in 10 itineraries end up being worth changing.

The company is exploring an expansion beyond the U.S. point of sale, considering a new option in the service that would prompt travel agents to suggest alternative flights and evaluating getting in to lodging.

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