Booking.com benchmarking tool: Take control of your travel costs using the power of data
Room for negotiation: Take control of your travel costs using the power of data

1. Introduction and overview: The data-driven benchmarking tool that finds you the best deals
2. How it works: A look at what makes the benchmarking tool tick - and why we built it
3. Pricing up the top cities: We put the top destinations through their benchmarking paces
4. What do I do next: Ready to give it a try? We’re here to help
Without a doubt, one of the most important yet time-consuming responsibilities of a travel manager has always been negotiating deals with hotel chains that save the company money. In a survey by GBTA, 61% of Travel Managers said building and maintaining travel supplier relations was one of the three greatest challenges of their role.

The traditional, ‘old school’ way of doing things offered a measure of certainty and security, knowing they could budget for the year ahead without the fear of fluctuating costs blowing a big and unexpected hole in the business bank account.

These negotiated rates are all well and good when they work out, but as well as the massive amount of time and effort trying to get them set up in the first place through painstaking meetings - there are also two added, and rather big problems.

One issue is that negotiated rates are getting more expensive. According to research carried out by AlphaWise and Morgan Stanley, average rates negotiated by buyers went up in 2017, and they’re expected to climb again in 2018 by between 1-2%. This could have a big impact on the company’s finances, with even slight increase having an undesirable impact on the bottom line.

Another major and perhaps even more worrying problem is that, even when they negotiate the rates and apparently save their company money over the coming year; many travel managers find a discrepancy between their negotiated rates and what the company is actually charged.

According to a report from the GBTA, a quarter of 23,000 rates analysed were wrong or failed to correctly incorporate amenity details, while 11% of the rates were higher than originally negotiated between the company and hotel.
In fact, a massive third of travel managers (33%) find discrepancies between their negotiated rates and the rates offered more than 20% of the time. This money could theoretically be clawed back over time, but that relies on travel managers having the time and the resources to audit every negotiation – a huge task indeed in any modern company setting.

So what’s the solution? How do you know if the rate you’ve negotiated is the best deal out there? In short - you need more information. That information needs to be accurate and up-to-date too, and that’s where the benchmarking tool comes in. It gives you the rates in different cities at different times a year at the touch of your button - all of the latest information right at your fingertips - which then gives you the ability to compare them to rates you may have already negotiated.

Once you’ve got that comparison in front of you, you’re able to see instantly whether you’ve made the right call, or whether you need to switch and save your company some cash. You can then set up your budget and travel policy for the year ahead with total confidence you didn’t miss a trick.

Crucially, the tool also allows you to ‘cap’ your spending on a particular city, allowing you to keep control of your budgets from the offset.

Meera Lakhani, Key Account Manager Business Travel at Booking.com is one of the experts who works with clients using the new system. She said: “City caps allow you to set a budget for a city. “As a business traveller, if you are going to london you must book within the budget of £150 per night.

“The benchmarking tool will allow you to see what the average is in the city and then give your travellers a decent budget for that city.”
What is it?
So what is this mysterious piece of technology we’ve been talking about? In truth there’s nothing mysterious about it, it’s simply an interface that harnesses all the masses of data we hold on hotels, cities and costs right around the globe. Easy to use - especially with one of our experts to run through it with you absolutely free.

Why we built it
Going to individual hotel companies for deals can be an extremely time-consuming and, as is shown by the figures reported above, expensive. But unlike these chains, Booking.com does not own any hotels. Instead, it’s in the unique position of acting as the go-between, connecting you with the deals that suit you best. To make this easy for you, we built our benchmarking tool to sift through all our data and give you the information you need to get the right deals done, as quickly and as easily as possible.

How it works
Designed and developed by Booking.com’s business intelligence team - the system just asks for a few simple inputs such as destination, date, what star of hotel you’d like, then voila - click the button and there are the best deals right in front of you.

It now shows you the average prices - genius or standard, depending on what properties offer - for all Booking.com properties in cities and districts you select.

After making a selection, you can see things such as average price, minimum price, maximum price for the next 12 months.

You can also drill down into the finer details too, because the tool allows you to even select things such as city, or even the specific areas of the city, and then choose the class of hotel to search for. You can choose a meal plan, whether check-in is on a work day or weekend, and whether you want a flexible booking. Once the choices are made a list is generated giving you the average, minimum and maximum prices by month, for the whole year ahead. Simple.
“What we do have is a very large inventory of properties, and prices, so we can aggregate this and have benchmark for cities.” Says Oli Thuong, Team Lead & Data Scientist at Booking.com.

“It can help a travel manager setup travel budgets for their travellers, for any city in the world, based on particular criteria they might have.”

**Putting the tech to the test**
By looking at some of the most popular cities for business travel and running them through our benchmarking tool, let’s have a look at just how simple it is to get the most bang for your buck.

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**Most popular cities** for business travel

- **London GB** All districts London Avg Price
- **San Francisco** All districts San Francisco Avg Price
- **Sydney AU** All districts Sydney Avg Price
- **New York** All districts New York Avg Price
- **Singapore SG** All districts Singapore Avg Price
- **Tel Aviv** All districts Tel Aviv Avg Price
London
The British capital always features highly on business travel destinations. Indeed, London was named the most popular business travel destination in the Heathrow Express Business Travel Insights Report. Specifically 85% of business travellers surveyed for report, from the UK, the United States and Germany, have made a trip to London, with those from the finance sector topping the list. Also, 47% of respondents have visited the city for a conference.

But while its popularity probably comes as no surprise, did you know it could be so affordable? After running the destination through our tool, minimum prices for February were found to be as low as €47. If money’s no object, then the top price comes in at €865, while the average price was €150. Either way, there’s a broad selection there designed to keep any manager or business traveler happy, with a much more flexible and dynamic pricing range than you’d find with a blanket negotiated rate that’s been worked out months in advance - and all at the click of a button.
New York

Start spreading the news, because much like London there’s probably no prizes for guessing the ‘Big Apple’ would be right up there in terms of travel destinations. From banking and finance to tech, retail and tourism, almost every big name has a presence in New York City. The borough of Manhattan, as well as being the owner of arguably the world’s most stunning modern skyline, is also the world’s largest central business district, and its buildings are worth more than $300 billion. The city’s tech sector, often termed Silicon Alley – employs almost 300,000 people, around 7% of the total New York workforce.

Unfortunately for anyone holding the business purse strings though, it’s also one of the most expensive places in the world to travel on business, costing an average of US$549 per day according to an Expert Market analysis of data from Business Travel News’ Corporate Travel Index. The rankings factored in the cost of accommodations, taxis or car rental, and food. In New York, the most expensive component of business travel was the cost of a hotel room, which averages US$385 per night, the study found.

With that in mind, every nickel and dime counts when you’re planning your business travel. With the benchmarking tool, you can find minimum prices as low as €72 for a February stay. At the top end, you can book for €628, or right in the middle is a very reasonable €193.

![New York US All districts New York Avg Price](image-url)
San Francisco
From the east coast of the states to the west coast, the Golden Gate city is home to the infamous island jail of Alcatraz, but with the benchmarking tool harnessing all our data to find you the best prices, you won’t need to be a prisoner of fortune when you’re after the best deals.

San Fran was founded on a gold rush, and with companies like Twitter and Google moving into new facilities in the city, their second gold rush is well underway.

However, Business Travel News ranked San Francisco as the most expensive US city for business travellers in their Corporate Travel Index, so it’s always a good idea to shop around - and that’s where the benchmarking tool excels.

The minimum price it found come in at €106 for February, €188 as an average, and a top price of €382. So while the minimum price may be higher than the two previous destinations, the gap between the top and bottom is nowhere near as big - which is something else you can factor in when you’re booking.
Looking east, Singapore is a true powerhouse. With a thriving tech startup scene, this bastion of modern enterprise has established itself as one of the major business destinations on the planet, and is also the top business destination in the Asia-Pacific region.

Despite being one of the world’s smallest countries, the city state has first-class infrastructure and wireless communication networks, also boasting English as one of its four main languages. It also has low corruption rates and a strong rule of law. With five first-class convention centres, more than 150 hotels, and around 55,000 hotel rooms - booking the right deal can still be a challenge.

As with most things though, increasing popularity and demand has pushed costs up. In fact, Singapore climbed from its previous rank to become the fourth most expensive location in the Asia Pacific for business travel, according to the latest Daily Rates research published by ECA International,

Our Benchmarking tool though puts the best deals available right in front of you. With a minimum price of only €50 for February, there’ll be plenty left in the budget to splash out on a few drinks and some nibbles for those brand new clients.
Sydney

The jewel in the antipodean crown, Sydney is a thriving metropolis that has turned itself into a true cultural bridge between east and west. Buoyed by the injection of prestige received after hosting the 2000 Olympics and by also managing to avoid much of the damage wrought on other developed economies by the Credit Crunch; Sydney is Australia’s leading economic city and is home to a large amount of national and multinational corporations in areas such as finance, banking, information and communications technology.

Home to more than four million people, it is a diverse and multicultural city, which makes it easy for international business travellers to forge new contacts and conduct successful business.

If you wanted to book a trip Down Under in February, our Benchmarking tool can get you deal for as little as €53. With savings like that, there’ll be plenty of opportunity to get out and see those sights after the business meetings are over, from the Sydney Opera House to the iconic Sydney Harbor Bridge - there’s something in this city for everyone.
Tel Aviv

The Israeli capital was listed for the first time in Travel and Leisure magazine’s “50 best places to travel in 2018”, in what is the latest example of its burgeoning reputation as a travel destination.

But it’s as a business destination that Tel Aviv has also been drawing attention in recent years. The home of a thriving tech and startup scene due to its tech talent and relatively low startup costs, Tel Aviv is one of the true hubs of the modern world economy. In fact, Israel has declared itself the “start-up nation” and says that technology is its prime export.

As well as all that it also boasts excellent hotels and conference facilities, and its location makes it ideally situated for travellers looking to do business in the Middle East.

The downside however is that it can be pricey. A World Economic Forum’s Travel and Tourism Competitiveness Report ranked Israel as the sixth most expensive city for international visitors, with food prices being one of the factors driving costs up.

Using our Benchmarking tool you can get a minimum stay in Tel Aviv in February for €112, with a maximum of just €350, helping you stay ahead of the game when it comes to keeping costs down.
I want to know more, what next?

To find out more about our benchmarking tool simply book an appointment with one of our business development coordinators who’ll be in touch with you soon.

This won’t take a penny from your budget, adds Meera: “Most companies will charge to carry out this task for a company and even then it is not with a sufficient database. “We do this task for free and we are the only hotel platform that has access to 1.5 million properties, so we can give companies a real comparison of what the average rate is in each city.”

So just click on the button below, and we’ll do the rest!
About Booking.com Business
As the world leader in online accommodation with over 1 million properties worldwide, Booking.com is bringing years of experience to the world of business travel with Booking.com for Business. We make booking and travel management easy, offering smooth integrations into your existing solutions plus access to our customer service - available 24/7 and in 43 languages. With no service costs or implementation fees, and even special company rates, Booking.com for Business is designed to meet the specific needs of corporate travel.

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Get total transparency over bookings and duty of care. Add to this destination budgets, exclusive rates, reporting, and smooth integrations into your existing solutions.

Customised
Ease of use meets traveller experience. Organise your travel team across 1.4 million available properties on Booking.com, and enjoy free 24/7 customer support wherever your do business.

Cost-effective
A cost-saving solution for complete control of your accommodation bookings, free to use and with no service or set-up fees.

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