

# Ancillary Fees Bring Billions to Airlines

## We help organizations track the tangle of unbundled costs

When the line on air carriers' balance sheets took a nosedive, they looked to their customers to pull themselves out of the tailspin. Passengers had to open their wallets for checked baggage, on-board meals, seat assignments, extra leg room, airport-club access, entertainment and Wi-Fi. The airlines' corrective action proved a success—unbundling core services saved carriers from crashing into the red. This turnabout is good news for the air transport industry, but a frustrating and costly development for travelers.

### How can organizations track ancillary-fee spend?

Travel managers want to track this spend, but it's no easy task; they have to rely on employees to supply minute transaction details on their expense reports. Most companies don't have a consistent method for documenting these fees. Organizations are left in the dark about what these costs represent. How do companies identify each fee and determine if the charge is within corporate policy? How can travel managers budget and report on ancillary spend?

### Our innovative technology changes the game

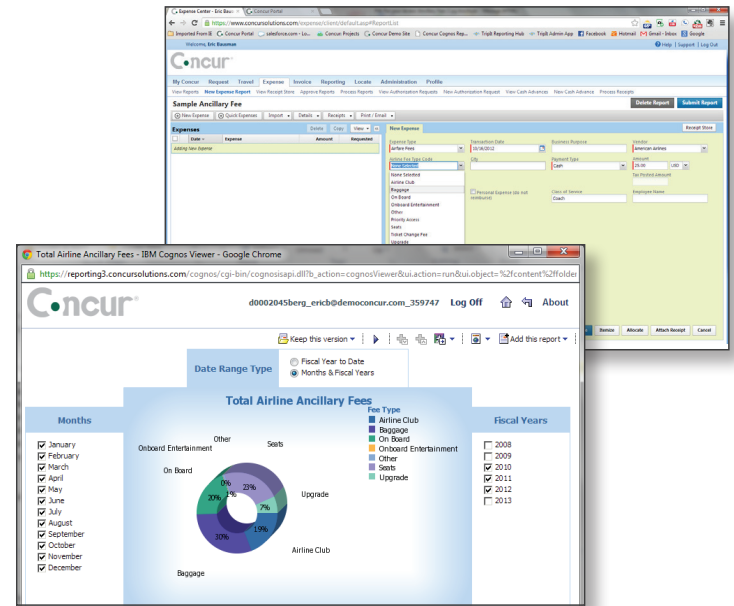
We are the only travel booking and expense management provider that helps organizations decipher and report on ancillary fees. Our solution differentiates these fees from the actual cost of the ticket. On average, two percent of the airline fees that we process for our clients goes toward ancillary spend—for some organizations, this can add up to millions.

### How have organizations handled these fees?

Many companies simply look for any airline charges that are less than \$50, and flag them as ancillary; this method gives organizations a general idea of how much spend is funneled toward unbundled services. Other companies have taken a different approach—they'll allow \$100 per airline ticket to account for baggage fees and any other ancillary purchases the traveler deems necessary. While the extra cost is accounted for in the overall travel budget, both approaches are inadequate.

### We automatically track ancillary spend and give you greater control

Ancillary fees are automatically defined when an expense report is filed with Concur. This innovative capability gives organizations more visibility into travel costs. In fact, companies can define audit rules that govern airline fees, so travelers always stay in compliance. You could set up audit rules that allow for reimbursement of baggage fees but not airline-club fees, or you could reimburse your employees for on-board meals but not seat upgrades.



We can give you access to:

- Better reporting – gain a clearer picture of how these fees are affecting your bottom line
- Greater control – set standards for reimbursable services

Now, organizations have both control and visibility into how travelers are reimbursed for ancillary fees. Increased visibility into air-travel spend gives companies more leverage for airline-contract negotiations.

### Increase compliance

When processing these costs is automated, organizations won't have to ask their business travelers to spend time on tedious expense tasks; and when the reporting process is easier, compliance improves.

As it stands, airlines haven't standardized their codes for ancillary fees, and credit-card vendors don't typically provide transaction-data minutiae. But as more granular information becomes available, you can remain confident you'll be ready to capture it—your Concur solution is already configured to pre-populate these fees into your travelers' expense reports!

### About Concur

Concur is a leading provider of integrated travel and expense management solutions. Our adaptable Web-based and mobile solutions help companies and their employees control costs and save time.

**Learn more at [www.concur.com](http://www.concur.com)**