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## **SAVING MONEY WHEN YOU FLY: A PRIMER**

*".....you define a ghoud flight by negatives: you didn't get hijacked, you didn't crash, you didn't throw up, you weren't late, you weren't nauseated by the food.  
So you are grateful."*

- Travel writer Paul Theroux

Somehow, you just know that somewhere, someone has just bought a plane ticket on the flight you just booked, and they got a lower price. You've heard the stories, forty different fares in coach on the 747 crossing the Atlantic to London's Heathrow. The neighbor who has a source to fly Business Class for the price of coach. The friend who earned two free round-trips that can be combined with a promotional two-for-one because he included the coupon stuck to the bottom of a can of Spam.

Then there are those tiny little box ads in the Sunday paper. The ones that say "Jakarta - \$159". Isn't Jakarta in Indonesia, halfway around-the-world? Why that's less money than it costs to fly to Newark, plus the people are friendlier.

Let's try to demystify the Discount Airline Ticket business. I'd like to review the rules of the game with you and offer some specific advice. I warn you, it's going to be a bumpy ride, so snap on your seatbelt and please observe the no-smoking signs:

### **Do some agents get better air prices than others?**

Yes. There is a market, particularly in major cities, for discounted air tickets. The agencies that sell them rarely have face-to-face contact with their clients. They are referred to in the travel industry as "bucket shops". Many are legitimate companies. They sell tickets for both domestic and international flights at savings of 25%-60%, purchasing inventory directly from the airlines for resale to the public.

But beware. Many of these agencies are not appointed by ARC or IATA, the two official licensing arms of the airline industry. I would advise you to never purchase an air ticket from an agency that does not belong to one of these organizations.

Never buy an airline ticket from a travel agency that does not accept credit cards. That could be a sign that the bank has refused to set up a merchant account. Banks usually charge travel agencies between 2-4% in "finance charges". A discount airline ticket seller may not want to pay that fee.

The advantage of paying for your airline purchases with a credit card is very specific. It will offer you the option of automatic travel insurance and it gives you the authority to dispute charges by the company to your account.

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When purchasing airline tickets from a bucket shop, make certain that you receive your tickets soon after making payment. Many underfinanced firms will “float” your money until just a few days prior to departure.

The tactic of calling ten agents to get the best price may come back to haunt you. The agency giving you the best price may have sacrificed the concept of profit for cash flow. If they go under - you may be out a good deal of money.

## **Doesn't it make sense to shop by phone for the lowest airfare?**

To a degree. But put yourself in the position of the travel agent who specializes in discount air tickets. This agent is getting perhaps a hundred calls a day from people asking the exact same question “Whats the cheapest fare to . . . .”

Blitzing a dozen agencies by phone will seldom get you the best fare. Chances are that you will get a far better fare if you are friendly and straightforward. If you act as though you may be a long-term client, the agent is far more likely to go the extra mile to search for the lowest priced ticket.

## **Exactly how do the Discount Agencies get lower airfares?**

There are essentially three ways:

Commission contracts - The agent is offered a contract with a far higher level of commission. The difference between the regular commission and the override commission is refunded to the consumer.

Net rate contracts - This is the most common form of discounting. It works like this. The airlines give certain travel agencies specific net rates from certain cities on certain routes for a specific period during which travel must occur. The discount broker simply marks up the net rate. This results in savings of 20-40%.

Sale fares - These are the fares that are advertised heavily in the newspaper and they do appear in your travel agent's airline computer system. They are often two-for-one deals, three-day sales, or generally reduced fares. The down side of these offers is that they are usually capacity controlled - meaning the airline has made the offer, but actual space on the plane may be nonexistent by the time you book.

## **Can you count on the quoted price that a discount ticket broker offers you on the telephone?**

To be blunt, No! Prices and the rules governing usage may be changed at any time until the tickets are actually issued. Don't think of these tickets as items that are sitting in a display case to be sold by the discounter. In truth, the ticket you buy may have changed hands two or three times. Once you make up your mind to buy a ticket at a certain price, conclude the transaction that same day.

## **Are tickets sold by discount brokers always the least expensive?**

Usually, but not always. You will save the most of you're planning a long stay abroad or looking for routing that involves a number of stopovers. They are absolutely the best strategy if you are flying overseas at the last-minute. If you call any major airline a day or two before your departure for, say, Europe, you are

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going to be quoted a full-class Y coach price. That's because you are not eligible for sale fares, apex fares, or excursion fares, unless you have met advance purchase criteria. Many business people pay the full Y fare, not realizing that a discount broker could have saved them at least 50% off the price of a Y-class ticket. Airlines allow the brokers to waive advance purchase rules within the terms of their contracts.

## **Isn't it true that most consolidator tickets do not allow frequent flyer credits?**

Actually, most do. Here are some tips to get mileage credit:

- 1/ Don't try to get frequent flyer miles by phone. Do it at check-in at O'Hare. With a long line behind you, most res. agents at the airport will just give you the mileage rather than start a long discussion.
- 2/ Remember that most frequent flyer programs are run by travel agencies for the airlines. The person you speak to at the frequent flyer desk actually works for the travel agency - not the airline. You may get better service and have the rules bent more easily if you deal directly with airline personnel in an airline ticketing office.
- 3/ Always make a photocopy of your airline ticket or save the last coupon. You may have to send in this coupon if you are claiming mileage at a later date.
- 4/ Make absolutely certain that your name is correctly spelled on your airline ticket if you plan to claim mileage credits. If the spelling does not match your request can be denied.

Finally, a caveat. Rather than fooling around in the murky underbelly of the travel business, searching out deals with faceless parties at the end of 800 lines, you might consider asking your local travel agent to look for a consolidator ticket on your behalf. It wouldn't hurt to ask.

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