

5th May, 2009

Expotel increases market share in downturn

Expotel has recorded good levels of hotel bookings in Q1 2009 reports CEO Ian Burnley.

“The aggregate spend across our top 20 hotel groups was slightly up on last year in the first quarter which is a really solid result in current market conditions”, Ian Burnley said. “There has obviously been a significant downturn in hotel and business travel expenditure in recent months, with a number of international corporate businesses running over 20% below last year. However, Expotel has secured some good new business wins and the First Option acquisition has also gone well.”

He also pointed to the ongoing value attached to clients’ negotiated hotel programmes. “We are constantly monitoring our clients’ hotel programmes and although the hotels are reporting a reduction in average room rates overall, our clients’ business rate programmes are still well based with negotiated rates generally running at a discount to best available rates”, added Burnley. “Given our high levels of activity* and wide coverage of the UK market, our market data gives us confidence we are delivering very good rates and hotel options to our clients in both public and corporate sectors.”

Expotel continues to work through a transition following the back office move to Manchester in January. “We are substantially through this major change programme and we expect the remaining key activities will be completed by the summer. Putting in place new systems supported by a completely new finance team has required a great deal of effort but we are nearly there,” said Burnley. “Our billback service is a great asset and we intend to make it even stronger in the future.”

Contemplating the future, Burnley predicts a lengthy downturn for the sector with the increased likelihood of consolidation. “With GDP forecast to fall 4%+ in the UK this year, it is difficult to believe that levels of business travel expenditure will begin to recover until 2010. We will make further acquisitions if opportunities arise although we are confident we will continue to increase our market share through new business wins. However, in this environment I am sure there will be fewer hotel booking agents and travel management businesses by the time we reach the other side of the recession.”