

"Millions of euros in additional costs"

VDR: new surcharge will have massive impact on business processes

Frankfurt am Main, 2 June 2015: "Lufthansa's new booking surcharge will have a massive impact on the business processes used by German companies to organise their business trips," says Dirk Gerdorf, President of the German Business Travel Association, VDR. This will generate considerable additional costs for companies, in the region of millions of euros, which the VDR simply cannot endorse, comments Gerdorf. Although Lufthansa's announcement is not entirely unexpected, the fee is being implemented at relatively short notice and will be introduced on 1 September 2015. "Important changes to processes in established market systems require preparation. Companies have the highest turnover among Lufthansa's customers and should really have been taken into consideration," adds Gerdorf.

Lufthansa announced in a press statement today that they would add a fee of 16 euros to every GDS (Global Distribution System) booking from 1 September 2015. Lufthansa argued that they needed to strengthen their own sales channels and referred to a re-orientation of their sales strategy. Gerdorf comments: "The issue of price differences across the various booking channels will force companies to rethink their existing booking strategies. If business travellers book direct with Lufthansa online, these processes will no longer be controllable and transparent for companies." This could result in a loss of bargaining power and the companies might lose control over their business travellers, which could be a problem in emergency situations in particular.

"The challenge companies now face is the need for their corporate travel managers to react quickly to the changed market conditions and make the right decisions at the right time." The increasing complexity of supplier structures requires the exercise of great care and responsibility towards business travellers, companies and the German economy.

The VDR represents the interests of German companies and deals with the general and competitive conditions surrounding business trips and business

mobility. The association has around 550 member companies and represents a total annual turnover in the business travel sector of more than ten billion euros or 25% of the total market.

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