

ARE UNUSED TICKETS COMPROMISING YOUR CASH POSITION?

WHEN COVID-19 HIT, PROTECTING OUR CLIENT'S BUSINESS WAS A GIVEN

When COVID-19 hit, global lockdowns saw the levels of unused tickets jump to over 85% for purchases made in the first quarter of 2020. A considerable hike on the normal 7% industry average.

For one client alone, that meant a potential loss of \$500,000. Rapid action, a determination to help our client to keep cash in their business and some out of the box thinking resulted in the protection of 80% of that total.

That's \$400,000 of cash, preserved as an asset within the client's business that could have been lost for good.

How did we secure **80%** of the dollars for future use?

1. Requested refunds for tickets with a value of \$1,000 or higher, regardless of the airlines rules
2. Extended expiration dates to 2022 for those tickets which we were not able to refund
3. Converted funds to a UATP card extending the life of the tickets and providing the ability to utilize the funds for any traveler

THE SCALE OF THE CHALLENGE

The global pandemic meant we weren't just faced with cancelled flights. Where airlines were still flying, the tickets were non transferrable. In an economic climate where layoffs became common, we were met with limited ability to implement a name change or refund dollars.

TRACKING AS STANDARD

Tracking unused tickets is standard practise at Reed & Mackay. Automated within our tech platform, it's easy to prompt travelers to use their tickets within future bookings.

The challenge? Although airlines were forthcoming with extended life for qualifying tickets and waived change fees and full refunds where cancellations took place - they didn't update this centrally within their systems.

To protect our client's bottom lines, we manually updated over 6,800 records to include the new expiration date and change fees.



THE REAL WORK BEGINS

After the change fees and expiration dates were updated, we reviewed each ticket that was due to expire by March 2021 and proactively worked with our airline partners to process a refund for the ticket and/or extend the expiration date.

For clients who downsized their employee numbers due to the pandemic, we proactively leveraged our supplier relationships to work with the airlines to accept name changes, not currently within the airline policies, and extend the expiration dates.

We also utilized our preferred airline funds, typically used for upgrades, premium seating, etc. to minimize the financial impact to our clients.



AN EVOLVING SOLUTION

We've been working hard behind the scenes to enhance our tech solutions and provide even greater support to our clients. If you're looking to talk to an expert about making the most of your unused tickets we're here to help.

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