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THE MIDDLE SEAT

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Homing In on Lower Airfares

**Web Sites Offer New Features
To Help Users Time Purchases
To Get a Better Travel Deal**

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When the price of an airline ticket can change several times a day, it's hard to feel secure about locking in the lowest fare. But several Web sites are adding features intended to help you feel confident about the price you're paying.

FareCompare.com offers historical prices for trips in 77,000 markets in the U.S. and Canada -- data that haven't been available before to consumers. Farecast.com goes a step further, using sophisticated data-mining techniques to predict whether prices for a particular trip are likely to go

up or down over the next week. Kayak.com now has a feature called Buzz that shows the best prices found by other Kayak users on the most searched destinations over the past 48 hours.

Airlines monkey around with ticket prices as much as three times a day for domestic itineraries and prices can change on international trips as often as five times a day. What's more, fares on a particular flight can change quickly -- up or down -- as seats sell or remain empty. A lack of sales can prompt airline computers to offer more seats at a lower price.

"You need to know what a decent price is," says Rick Seaney, chief executive and president of FareCompare. "Consumers should be more educated about purchases."

Booking air travel is increasingly a self-service business, with airline Web sites taking a bigger share of bookings and growing even faster than online agencies such as Expedia, Travelocity and Orbitz. They all provide lots of prices, but little historical context. In a way, sites like FareCompare, Farecast and Kayak perform the functions of a good travel agent, who would often track pricing changes and know how to spot deals. Since the Internet has turned many consumers into their own travel agents, the new online tools can help them make better buying decisions.

FareCompare shows the lowest prices offered by month for the next 11 months in any U.S. market, and offers a "Fare Trend" graph showing whether the lowest prices have been increasing, decreasing or holding steady. You can quickly see whether prices in that market bounce around or stay consistent. And with the current prices, FareCompare offers a one-star to four-star rating of how good the offering is compared with past prices.

The lowest price available for a round-trip ticket in September between Boston and Miami, for example, was priced yesterday by FareCompare at \$198 (not including taxes). That's expensive compared with last year, when the lowest price available for September 2005 was \$158. But prices were higher in April, May and June, according to FareCompare. The Web site showed American dropped its lowest price on that route by \$80 two weeks ago.

SCOUTING FOR TRAVEL DEALS

- Air fares shift with the seasons. But just how do the airlines play that game and what's the best way to get deals? Read a [Q&A](#)⁵ with the CEO of FareCompare.com.
- See tips on finding end-of-summer Europe travel deals in [Go Figure](#)⁶.

With FareCompare, it takes a few clicks to get available prices on specific dates since the site first offers lowest price in a month, then prices broken down by week. Drill a bit deeper, and you can break down prices by airline on the same route. While Delta Air Lines has consistently charged about \$400 for its lowest advance-purchase round trip between Atlanta and Cincinnati over the past three months, prices at Continental Airlines yo-yoed in that market between \$100 and \$400 in the same period, according to FareCompare. Delta offers nonstop service between its two

biggest hubs; Continental offers only connecting flights.

FareCompare, a Dallas company that started doing sophisticated travel data-crunching for businesses then decided to add a consumer site, has accumulated 22 months of prices. The site also tracks first-class and business-class fares, and is a quick way to find "Y-Up" fares -- coach tickets that get you automatic first-class upgrades.

You can't book tickets at FareCompare, Farecast, Kayak and other such referral sites such as SideStep. One click will send you to an airline Web site or other vendor for booking.

Farecast.com grew out of a University of Washington professor's research into whether air fares were rational, meaning could they be predicted with data-mining computing that looks at historical patterns and recent changes. It's like forecasting the weather. While far from perfect, Farecast believes it can make accurate forecasts.

Farecast spent three years developing its system, which crunches huge amounts of data including indicators of airline inventory, pricing history and consumer demand. Farecast doesn't replicate the "yield management" systems that airplanes run, which try to maximize revenue generated by each airline seat. Instead, Farecast evaluates price movements over time -- what happened to the actual prices airlines posted.

Fare Forecasting			
Here are some Farecast.com predictions on how airfares will change in the next week			
ROUTE	LOWEST PRICE	PREDICTED CHANGE	CONFIDENCE LEVEL
Boston-NY JFK	\$121	up \$13	80%
Boston-Seattle	\$429	up \$44	80%
Boston-Las Vegas	\$375	down \$35	80%
Boston-Honolulu	\$717	up \$41	68%
Seattle-Newark	\$420	down \$25	75%
Seattle-Miami	\$403	down \$33	76%
Seattle-San Francisco	\$329	Holding steady	80%

Fares are for travel Aug. 11-Aug. 14. Source:Farecast.com. Predictions taken yesterday.

"We've identified over 100 indicators of what air fares will do, some intuitive and some not so obvious," says Chief Executive Hugh Crean.

So far, Farecast is running only in a public "beta" test mode, with about 120 markets into or out of either Seattle or Boston. By year end, the Seattle-based company says it will be running with all domestic markets available. Farecast breaks fares down by airlines, as well as by time of day.

Farecast takes into account special events like a convention or graduation, seasonal travel patterns, and both pricing and inventory trends. It doesn't factor in external pressures like the price of fuel, which has forced airlines to trim flight schedules and raise ticket prices. But it does pick up those trends from the price and inventory changes.

Farecast won't be able to forecast events like the entry of a low-cost carrier into markets, or retaliatory pricing wars between airlines when one carrier dumps cheap prices into a market trying to punish a competitor, or at least voice displeasure with a sale somewhere else. Mr. Crean notes those are the exceptions and that most pricing is surprisingly rational.

Still, Mr. Seaney of FareCompare says his company has tried data-mining and predictive techniques, and found airfares were difficult to predict. "A lot of times it is just random. Someone does a sale, and that triggers a whole series of events," he said.

Bob Harrell, president of consulting firm Harrell Associates in New York, says air fares follow the laws of supply and demand, and that consumers can rarely know what demand will be. The sites "address an issue that is quite vexing to travelers: Book now or book later?" he said.

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