

**ME/7096/24  
ANTICIPATED ACQUISITION BY GBT OF CWT**

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**WRITTEN RESPONSE TO THE CMA'S PHASE 1 DECISION OF 30 JULY 2024**

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**23 August 2024**

**GBT/CWT Merger Inquiry**  
**Written Response to the Phase 1 Decision**

This submission is the response of GBT and CWT (the **Parties**) to the CMA's Phase 1 decision of 30 July 2024 (the **Decision**) that GBT's acquisition of CWT (the **Transaction**) may give rise to a substantial lessening of competition (SLC) in the supply of business travel agency (BTA) services to global, multinational customers (GMNs).

**1. Executive Summary**

1.1 The evidence shows that the Transaction will not result in an SLC in the supply of BTA services to GMNs as:

a. The market for business travel services is highly competitive with a large number of strong competitors for customers of all sizes.

b. GBT and CWT are not each other's closest competitors. CWT's [REDACTED]

c. The combined GBT/CWT (the **Merged Entity**) will continue to face strong competition from at least four global competitors (BCD, FCM, CTM, and Navan) and many others (Spotnana/Direct Travel, Blocksbye/Kayak for Business/Gant Travel, and more) with the credibility and track record to fight for and win contracts to serve customers of all sizes with the most complex needs, as well as those with simpler requirements.

1.2 The Decision contains a number of errors in its assessment of the market, the competitive dynamics, and the impact of the Transaction, including:

a. The Decision incorrectly focused on a separate market for GMNs and certain small and medium-sized enterprises (SMEs) with global and complex needs (**Section 2**);

b. The Decision dismissed evidence from various sources indicating consistently that the business travel market is highly fragmented and intensely competitive for customers of all sizes and needs (**Section 3**);

c. The Decision misunderstood the way in which business travel customers procure business travel services and the way they create competitive tension between travel management companies (TMCs) (**Section 4**);

d. The Decision over-emphasised the importance of competition between the Parties and placed insufficient weight on the strong evidence of the competitive constraint from at least four global competitors that, together with other competitors, will continue to compete vigorously post-Transaction (**Section 5**);

e. The Decision did not take into account the highly dynamic nature of the market, with (i) customers increasingly demanding digital solutions, (ii) TMCs providing

global coverage through tech solutions, travel partner networks, and business process outsourcing solutions (BPOs), and (iii) [REDACTED] other players (such as FCM, CTM, Navan, and Spotnana) are growing significantly (Section 6);

- f. The Decision significantly overstated the barriers to entry and expansion to supply business travel services to customers with global and complex needs (Section 7); and
- g. The Decision accepted without question certain suppliers' arguments that GBT could slow the development of NDC which has no basis in fact (Section 8).

1.3 For these reasons, as further set out below, the Transaction will not result in an SLC. In fact, it will benefit customers by creating a more efficient travel platform that will allow the Merged Entity to offer more value and better technology and services to customers post-Transaction (Section 9).

**2. There is no separate market for GMNs and SMEs with complex needs: customers of all sizes have a continuum of requirements that all TMCs are able to serve**

2.1 The Decision defined the relevant market to comprise GMNs, which it defined in turn as “larger customers” that “generally require global coverage” and “have complex needs”.<sup>1</sup> The Decision used a threshold of \$25 million total transaction value (TTV) to identify these GMNs.<sup>2</sup> But it accepted that there are customers below this “somewhat arbitrary” threshold (i.e., SMEs) that have complex and global requirements and therefore also fall within the alleged relevant market.<sup>3</sup>

2.2 The Parties have provided substantial evidence which shows that many SMEs have complex and global requirements, but also provided clear evidence and live examples demonstrating that the complexity and geographic scope of GMN customers' needs varies.<sup>4</sup> Accordingly, despite what the Decision's analysis appears to suggest in places, there is no separate market for customers above a particular TTV threshold or with certain characteristics. Customers of all sizes can have global and/or complex needs or simple and/or regional needs. There is in fact a continuum of requirements for customers of all sizes based on factors such as their online and/or offline requirements, service levels (e.g., time to respond to phone calls and messages), locations of travellers, nature of the customer's operations (e.g. oil rig workers, travellers to major

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<sup>1</sup> Decision, para. 62.

<sup>2</sup> Decision, para. 62.

<sup>3</sup> Decision, para. 62.

<sup>4</sup> See Issues Letter Response dated 11 July 2024, para. 2.3; also see [REDACTED]

cities only), and other preferences (e.g., for certain hotels or airlines). All TMCs could serve the full range of customer requirements if they wished to do so.

2.3 This section identifies three errors in the Decision’s approach to market definition which contributed significantly to its mistaken conclusion that the Transaction may result in an SLC:

- First, the Decision incorrectly suggested that GMN customers’ needs are global and high-touch and distinct from smaller customers (para. 2.4);
- Second, the Decision did not take into account the full range of TMCs that serve customers with global and high-touch needs (para. 2.5); and
- Third, the Decision did not take into account supply-side substitution (para 2.6-2.9).

2.4 ***GMN customers do not have distinct travel requirements.*** The Decision relies heavily on a sample of customer responses to the CMA’s market investigation to infer that GMNs have “*distinct needs*”, namely, “*large geographic coverage*”, “*consistent and high service levels*”, and “*personal support*”.<sup>5</sup> This inference is contradicted by numerous sources of evidence showing that customers of all sizes have a continuum of requirements:

a. ***The Parties’ data show that customers of all sizes have global requirements.*** GBT serves around [REDACTED] times more SMEs in multiple geographic regions than GMNs, evidencing that many SME customers have global needs. GBT’s SME clients<sup>6</sup> that require extensive global coverage include: [REDACTED]

b. [REDACTED] Moreover, CWT has numerous customers with travel spend far below \$25 million per year which require global services. For example: [REDACTED]

c. ***The Parties’ data show that customers of all sizes have [REDACTED] service requirements and that with the rapid digitalisation of business travel, these requirements are more technology (and digital) focused [REDACTED].***

d. Approximately [REDACTED] of GBT Select’s GMN transactions in 2024 were conducted online – an increase of approximately [REDACTED] percentage points since 2016 [REDACTED]. Furthermore, approximately [REDACTED] of GBT Select’s 2024 GMN transactions were not just online; they did not require any human interaction with GBT Select’s travel

<sup>5</sup> Decision, para. 144.

<sup>6</sup> Using the CMA’s \$25 million TTV threshold.

counsellors at all (i.e., they were ‘touchless’). Similarly, around [REDACTED] of CWT’s 2024 GMN transactions were carried out online [REDACTED], with [REDACTED] of CWT’s 2024 GMN transactions being touchless. [REDACTED]

[REDACTED] This shows that the Decision is incorrect to suggest that GMN customers’ needs are [REDACTED], let alone that they are [REDACTED] than SMEs.

- e. Overall, GMN and SME customers require [REDACTED] level of human contact per booking: [REDACTED]

[REDACTED] Neither does the number of ‘touches’ per transaction necessarily correlate with a customer’s TTV. For example, [REDACTED] and [REDACTED] required on average [REDACTED] touches per transaction, respectively. By contrast, [REDACTED] and [REDACTED] required on average [REDACTED] touches per transaction, respectively. Of GBT’s customers, the highest number of human interaction is required by Ovation customers. [REDACTED]

- f. The fact that many high-touch SMEs choose to use the Ovation platform underlines the existence of numerous SMEs with global and complex needs, which the Decision attributed mainly to GMNs. SMEs with complex and global needs are not outliers. [REDACTED]

[REDACTED] Similarly, around [REDACTED] GBT’s TTV in 2022 corresponded to ‘higher touch’ SME-sized customers [REDACTED]<sup>9</sup> Approximately [REDACTED] of GBT’s [REDACTED] specifically arose from SMEs with “ [REDACTED]” – including SME customers using Ovation.<sup>10</sup> The Decision is therefore incorrect to suggest that SMEs generally do not have complex needs.

<sup>7</sup> A ‘touch’ refers to any interaction between the customer and one of GBT’s travel counsellors, regardless of whether this is carried out remotely (e.g., via email or telephone call) or in person.

<sup>8</sup> See Amex GBT Ovation, Corporate Travel. Done Right, at <https://www.ovationtravel.com/corporate> (listing testimonials from DS Tech, with \$7.8 million in revenue, to MediaMath, with over \$100 million in revenue) (last visited August 15, 2024).

<sup>9</sup> See Annex GBT.Q10.007, [REDACTED], page 59.

<sup>10</sup> See Annex GBT.Q10.007, [REDACTED], page 59.

g. Accordingly, the Parties' data show that the Decision was incorrect to infer that SMEs with global and complex needs are somehow exceptional.<sup>11</sup> Rather, they represent a significant portion of the Decision's alleged market for customers with such needs. And as explained further below, they - together with GMNs - can be effectively serviced by a wide array of competing TMCs, which undermines the Decision's competitive analysis.

h. ***The Parties' data show that GMNs have differing levels of global requirements and complex needs.*** Around [REDACTED] of CWT's<sup>12</sup> and around [REDACTED] of GBT's<sup>13</sup> current GMN customers require services in fewer than [REDACTED] countries.

[REDACTED] Similarly, GBT has [REDACTED] GMN customers with relatively simple, 'low-touch' needs, who use the more straightforward Egencia travel solution:

[REDACTED] Touchless customer transactions are [REDACTED] for Egencia customers of all sizes, with around [REDACTED] of all 2024 bookings requiring no travel counsellor assistance. Significantly, there is no correlation between the global coverage of the above customers' travel programmes and the complexity of them. This further confirms why it was incorrect for the Decision to rely on travel spend as a reliable proxy for global and complex customer requirements.

i. ***The Parties' data show that [REDACTED] of GMNs have a single TMC with a consistent global service proposition.*** The Decision relied on customer feedback to its market investigation to infer that GMN customers "*preferred using a single TMC across their organisation*".<sup>14</sup> This is contradicted by the fact that c. [REDACTED] of GBT Select's GMN customers ([REDACTED] of GBT Select's TTV from GMNs) use multiple TMCs around the world. Similarly, around [REDACTED] of CWT's current customers with TTV above \$15 million use multiple TMCs. The data clearly demonstrate that multi-sourcing of TMCs is common and indicates that the Decision relied on evidence from a small sample of unrepresentative customers.

j. ***The [REDACTED] survey confirms that [REDACTED]*** "The Decision dismissed the [REDACTED] as "*not representative*" because it is based on a "*sub-sample*" of customers."<sup>15</sup> This is misguided. The [REDACTED] survey gathered information from [REDACTED] including [REDACTED] with TTV exceeding \$25 million. In other words, the sample size is significantly larger than the sample of customers that appear to have been surveyed by the CMA in Phase 1. The [REDACTED] survey demonstrates that [REDACTED]

<sup>11</sup> Decision, para. 60.

<sup>12</sup> Based on CWT's internal estimates.

<sup>13</sup> These GMNs comprise [REDACTED].

<sup>14</sup> Decision, paras. 39, 67 and 144.

<sup>15</sup> Decision, para. 139.

[REDACTED] GMNs assign low importance to “[REDACTED] with some of the “*most important*” buying factors instead being “[REDACTED]”.<sup>16</sup> In fact, “[REDACTED]” was found to be the [REDACTED]. This is because most, if not all, TMCs have the necessary geographic coverage to meet customer needs (as discussed below). Therefore, it is not a significant differentiator amongst most TMCs.

k.

[REDACTED]

[REDACTED]<sup>18</sup>

1. ***Customer feedback shows that global coverage is one of many factors that customers take into account.*** For example, [REDACTED] listed technology, commercials, supplier network, and sustainability among its key decision-making factors, alongside global support.<sup>19</sup> [REDACTED] analysed pricing, technology, and site visit when selecting its TMC.<sup>20</sup> [REDACTED]

<sup>16</sup> See Annex CWT.Q10.029, [REDACTED].

<sup>17</sup> See Annex GBT.Q10.007, [REDACTED], page 366.

<sup>18</sup> See Annex GBT.Q10.007, [REDACTED], page 366.

<sup>19</sup> See Annex RFII GBT.Q14.002, [REDACTED].

<sup>20</sup> See Annex s109 GBT.Q3.005, [REDACTED].

[REDACTED] explained that technology was the “number one” driver behind its decision, followed by program consolidation.<sup>21</sup>

m. SMEs with complex needs likewise analyse a varied set of parameters when selecting TMCs.

[REDACTED] because of its “  
”<sup>22</sup>  
chose [REDACTED] by evaluating not only its “  
but also “ [REDACTED]  
”<sup>23</sup>

n. **Customer feedback shows that GMNs are increasingly using digital solutions and have reduced needs for in-person support.** The Parties are increasingly losing GMNs to a range of competitors because customers prefer rival digital solutions or

[REDACTED] As mentioned before, [REDACTED] all named technology as one of the deciding factors for choosing another TMC [REDACTED] [REDACTED] Further examples of GMNs who prioritise digital solutions include:

- i. [REDACTED] selected [REDACTED] over [REDACTED] due to the latter’s “ [REDACTED] ” and “ [REDACTED] ”.<sup>24</sup>
- ii. [REDACTED] left [REDACTED] for [REDACTED] due to its “ [REDACTED] ”.<sup>25</sup>
- iii. [REDACTED] left its incumbent TMC in search of “latest technology advancements” and specifically “different booking tool technologies” [REDACTED].

2.5 **The Decision did not take into account all the TMCs that serve customers with global and high-touch needs.** As outlined above, the Decision accepted that SMEs with complex and global needs fall within its alleged market.<sup>26</sup> Despite this, the Decision failed to consider what proportion of SMEs actually meet these criteria. Both industry research and the Parties’ data show that the number of SMEs with global and complex needs is significant (see para. 2.2(e)). Yet, the Decision dismissed the TMCs serving these SME customers as a weak competitive constraint for GMNs partly because they are said currently to have an SME-focus.<sup>27</sup> This reasoning is flawed. TMCs that service SMEs with global and complex needs are the Parties’ direct and credible competitors for both GMNs and SMEs with global and complex needs. In failing to appreciate this

<sup>21</sup> See Annex s109 GBT.Q3.004, [REDACTED].

<sup>22</sup> See Annex s109 GBT.Q3.010, [REDACTED].

<sup>23</sup> See Annex RF11 GBT.Q14.003, [REDACTED].

<sup>24</sup> See Annex s109 GBT.Q3.009, [REDACTED].

<sup>25</sup> See Annex s109 GBT.Q3.006, [REDACTED].

<sup>26</sup> Decision, paras. 60 and 62.

<sup>27</sup> Decision, footnote 51.



reality, the Decision strongly downplays the highly competitive and fragmented nature of BTA services for GMNs.

2.6 ***The Decision did not take into account supply-side substitution.*** A TMC’s core offering is the same in respect of customers of all sizes and therefore TMCs can easily supply customers of any size. As noted by [REDACTED]

[REDACTED] ”.<sup>28</sup>  
[REDACTED] observed that [REDACTED] was not “  
[REDACTED]”.<sup>29</sup>

This means that from the supply side, TMCs are capable of servicing all business travel customers, including GMNs and SMEs with global and complex needs.

2.7 Even TMCs that do not currently target GMNs (or smaller customers with global and complex needs) could [REDACTED] expand to supply them if this proved commercially attractive. As described above, the needs of customers are [REDACTED] whatever their size or global coverage. And as a result barriers to serving different types of customers [REDACTED]. As discussed further below in Section 7, TMCs can [REDACTED] expand their offering to serve complex global customers as evidenced by the number of tech-led TMCs that have done so within a short period of being founded, such as: (i) Navan which was founded in 2015 and won Heineken [REDACTED]; (ii) Spotnana which was founded in 2019 (and exited stealth mode in 2021) and won Walmart [REDACTED], Amazon [REDACTED] Meta [REDACTED] [REDACTED]; and (iii) Blocksky / Kayak for Business /Gant Travel which served PwC US [REDACTED] in the same year it was established.

2.8 The ease of expansion is not limited to tech-led TMCs. For example, Fox World Travel is a “midsized” TMC that currently serves “some companies among BTN’s Corporate Travel 100”.<sup>30</sup> Fox is in “growth mode” and is being “being aggressively sought out by much larger customers”.<sup>31</sup> While Fox was primarily U.S. focused, it now supplies a “large number of global clients” through a partnership with BCD, including many with over \$50 million in air spend.<sup>32</sup> Fox has “already doubled the size of its business over the past few years” and plans to “double its size over the next five years.”<sup>33</sup> Similarly, Direct Travel was historically a U.S. focused TMC which has expanded

<sup>28</sup> See Annex s109 GBT.Q3.004, [REDACTED] (emphasis added).

<sup>29</sup> See Annex s109 GBT.Q3.010, [REDACTED] (emphasis added).

<sup>30</sup> See <https://www.businesstravelnews.com/Management/Fox-World-Travel-Lays-Out-Plans-to-Double-Its-Business>.

<sup>31</sup> See *Ibid.*

<sup>32</sup> *Ibid.*

<sup>33</sup> See [https://www.businesstravelnews.com/Management/Fox-World-Travel-Lays-Out-Plans-to-Double-ItsBusiness?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=eltrdaily&oly\\_enc\\_id=3547D1896112A9X](https://www.businesstravelnews.com/Management/Fox-World-Travel-Lays-Out-Plans-to-Double-ItsBusiness?utm_source=newsletter&utm_medium=email&utm_campaign=eltrdaily&oly_enc_id=3547D1896112A9X).

globally and into serving larger customers. As explained further below, Direct Travel which currently generates >\$300 million revenue per year **plans to grow 10 to 20 times** over the next 10 years.<sup>34</sup>

2.9 In short, the Decision was incorrect to define a market limited to GMN customers (by travel spend) or GMN and certain SME customers with global and complex needs. From the demand side, customers of all sizes have a continuum of requirements that are broadly similar and converging rapidly with the digitalisation of business travel. From the supply side, TMCs that are currently able to service customers with global and complex needs and many more could [REDACTED] expand to do so. It is therefore inappropriate to artificially segment the business travel market as the Decision did. In a properly defined market, it is implausible that the Transaction could result in an SLC, as the following sections explain.

### **3. The supply of business travel services is fragmented and intensely competitive for customers of all sizes**

3.1 This section explains that even if – contrary to all the evidence and explanations above – it were appropriate to define a market limited to GMN customers, that alleged market would still be highly fragmented and competitive. The Decision made numerous errors in reaching the opposite conclusion:

- The Decision incorrectly dismissed evidence showing the highly fragmented and competitive nature of business travel in the alleged GMN segment (para. 3.2);
- The Decision acknowledged that at least six TMCs compete for GMN customers yet incorrectly maintained that GMN customers would have limited choice of TMCs post-Transaction (para. 3.3);
- The Decision incorrectly dismissed certain TMCs as being strong only in the SME segment (para. 3.4); and
- The Decision over-estimated the Parties’ combined market shares by artificially shrinking the market size (para. 3.5).

3.2 ***The Decision dismissed evidence showing the fragmented and competitive nature of business travel.*** Based on feedback from what appears to be an unrepresentative sample of GMN customers, the Decision discarded ordinary course competitive analysis, customer case studies, and the Parties’ internal documents which clearly demonstrate that more than six TMCs compete for customers, including the GMNs that were the focus of the Decision’s analysis.

a. ***GBT’s GMN analysis.*** In [REDACTED], GBT conducted an ordinary course analysis of existing GMNs [REDACTED]. GBT’s research established that there

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<sup>34</sup> See [https://www.businesstravelnews.com/Interviews/5Qs-with-Madrona-Ventures-Group-Steve-Singh?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=eltrdaily&oly\\_enc\\_id=3547D1896112A9X](https://www.businesstravelnews.com/Interviews/5Qs-with-Madrona-Ventures-Group-Steve-Singh?utm_source=newsletter&utm_medium=email&utm_campaign=eltrdaily&oly_enc_id=3547D1896112A9X).

were [REDACTED] GMN customers (with TTV exceeding \$30 million) [REDACTED]. This figure is far from exhaustive, as it does not reflect all GMNs existing worldwide [REDACTED]. Nonetheless, the analysis demonstrates that hundreds of GMNs are served by many TMCs other than GBT or CWT.

- b. [REDACTED] *survey data*. In [REDACTED], CWT commissioned [REDACTED] to conduct a survey to review business travel market trends. [REDACTED] respondents participated in this study, out of which [REDACTED] reported a TTV exceeding \$25 million. The survey showed that [REDACTED].
- c. *Customer case studies*. GMN customers are serviced by multiple TMCs which the Decision arbitrarily excluded from the Parties' close competitor set.

- i. *Spotnana* is increasingly attracting some of the largest GMNs in the world. At present, Spotnana services several GMN clients via partnerships:

[REDACTED]

All of these accounts are supported by Spotnana's technology stack, with the partner providing the in-person and other support services as required. Spotnana's website states that "*in the first few months*" of 2024 it has "*launched multiple Fortune 100 companies on [its] platform*"<sup>35</sup> and is "*handling large, complex Fortune 50 global companies*."<sup>36</sup>

It was suggested in the Phase 2 Teach-in that Spotnana may simply be the OBT for these customers, with the remainder of the TMC offering provided by Spotnana's traditional TMC partners [REDACTED]

[REDACTED] This is not the case. As Steve Singh has publicly stressed, Spotnana is "*not just an OBT*"; it is the "*core infrastructure*" on which customers are serviced and "*key*" to "*improving quality of service*".<sup>37</sup> Spotnana provides the "*front-to-back tech stack which includes: global data repository, trip records system, agent and traveler-facing booking applications, policy management, reporting and analysis tools, multi-source supplier content aggregation, and an open-API orientation*."<sup>38</sup> Its technological offering

<sup>35</sup> See <https://www.spotnana.com/blog/this-is-what-great-partners-are-made-of/>.

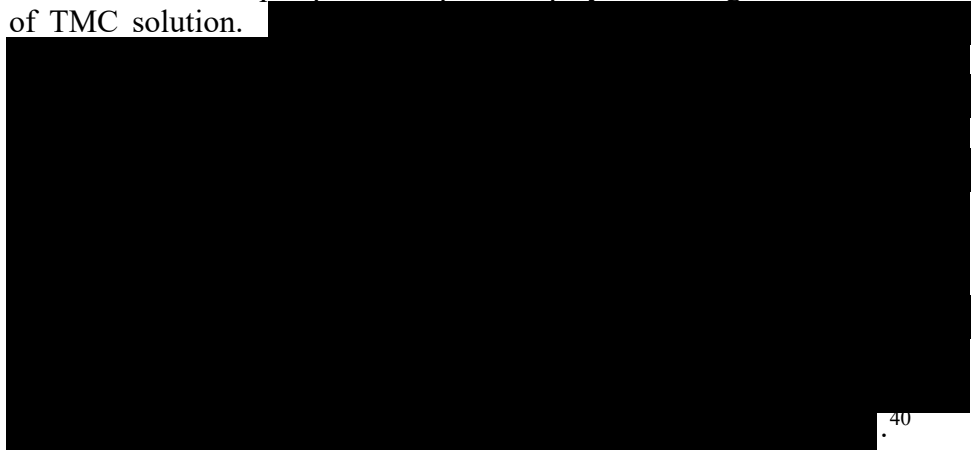
<sup>36</sup> See <https://www.thebeat.travel/News/What-Is-Spotnana#:~:text=In%20a%20recent%20interview%2C%20Spotnana,Travel%2C%20%22%20Waghmar%20said.>

<sup>37</sup> See [https://www.businesstravelnews.com/Interviews/5Qs-with-Madrona-Ventures-Group-Steve-Singh?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=eltrdaily&oly\\_enc\\_id=3547D1896112A9X](https://www.businesstravelnews.com/Interviews/5Qs-with-Madrona-Ventures-Group-Steve-Singh?utm_source=newsletter&utm_medium=email&utm_campaign=eltrdaily&oly_enc_id=3547D1896112A9X).

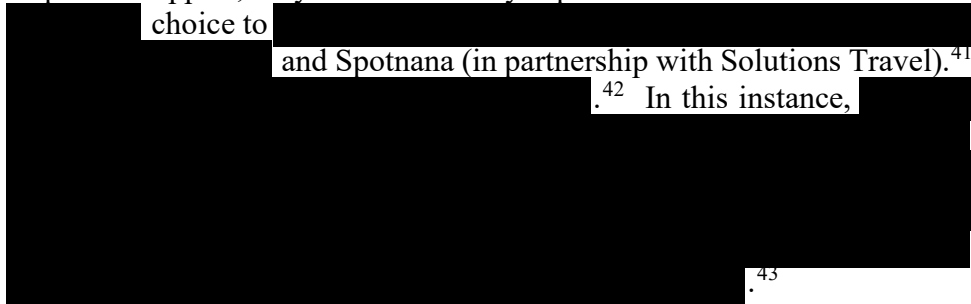
<sup>38</sup> See Annex GBT.Q10.005, [REDACTED].

will soon become even more advanced, with Singh investing in generative AI.<sup>39</sup> The traditional TMC partner simply provides the in-person servicing component (i.e., answering calls, emails, etc.) – similar to the role of Gant Travel in the Kayak for Business / Blocksky / Gant Travel partnership.

From the customer perspective, Spotnana plays a leading role in the choice of TMC solution.



Since the role of Spotnana’s traditional TMC partners is mainly to provide in-person support, they are more easily replaceable. This is evident from choice to



and Spotnana (in partnership with Solutions Travel).<sup>41</sup>

<sup>42</sup> In this instance,

And the disintermediation risk for Spotnana’s TMC partners (including [redacted], and others) has increased world.<sup>44</sup> Steve Singh is the CEO of Spotnana and plans to combine the best of Spotnana’s tech and Direct Travel’s customer service to provide a “*far better client service than anybody else in the industry*” and expand “*further into the enterprise*

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<sup>39</sup> See [https://www.businesstravelnews.com/Interviews/5Qs-with-Madrona-Ventures-Group-Steve-Singh?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=eltrdaily&oly\\_enc\\_id=3547D1896112A9X](https://www.businesstravelnews.com/Interviews/5Qs-with-Madrona-Ventures-Group-Steve-Singh?utm_source=newsletter&utm_medium=email&utm_campaign=eltrdaily&oly_enc_id=3547D1896112A9X).

<sup>40</sup> See Annex RF11 GBT.Q19.002 - [redacted].

<sup>41</sup> See <https://www.solutionstravel.com/>.

<sup>42</sup> See <https://www.spotnana.com/podcast/mark-walton-of-solutions-travel/>.

<sup>43</sup> See Annex GBT.Q10.007, [redacted], page 186

<sup>44</sup> See [https://www.businesstravelnews.com/Interviews/5Qs-with-Madrona-Ventures-Group-Steve-Singh?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=eltrdaily&oly\\_enc\\_id=3547D1896112A9X](https://www.businesstravelnews.com/Interviews/5Qs-with-Madrona-Ventures-Group-Steve-Singh?utm_source=newsletter&utm_medium=email&utm_campaign=eltrdaily&oly_enc_id=3547D1896112A9X).

segment”.<sup>45</sup> As noted, Singh expects Direct Travel, a “world class TMC” to grow 10 to 20 times in the next 10 years.<sup>46</sup>

The threat that Spotnana represents for traditional TMCs, including [REDACTED], and the Parties, has been expressed by BCD’s CEO, Stephan Bars, who recently observed that Steve Singh’s Direct Travel acquisition has transformed Spotnana from “a pure technology provider to a real competitor in our space.”<sup>47</sup> This present and significant threat for traditional TMCs is also apparent from [REDACTED]

[REDACTED] that are currently considering a move to Spotnana. This includes

[REDACTED] as well as [REDACTED]

[REDACTED] Consistent with this, CWT’s customers were mentioned in the Decision as identifying Spotnana as one of CWT’s close competitors.<sup>48</sup>

ii. *Direct ATPI* – the global partnership between Direct Travel and the UK-based TMC ATPI – currently services multiple GMN customers, [REDACTED]

[REDACTED] Just Eat, [REDACTED]

[REDACTED] GBT’s customers referenced in the Decision named Direct ATPI as one of GBT’s competitors.<sup>49</sup>

iii. *Blockskye / Kayak for Business / Gant Travel* supplies PwC U.S. [REDACTED] and TripAdvisor. This partnership is also publicly stated to be serving Diageo [REDACTED]

iv. *TravelPerk* has won several GMN accounts, such as Fujifilm [REDACTED] Airbus, Red Bull [REDACTED] Farfetch, and Revolut.<sup>50</sup>

<sup>45</sup> See <https://www.businesstravelnews.com/Procurement/Investor-Group-Led-by-Steve-Singh-Acquires-Direct-Travel>.

<sup>46</sup> See [https://www.businesstravelnews.com/Interviews/5Qs-with-Madrona-Ventures-Group-Steve-Singh?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=eltrdaily&oly\\_enc\\_id=3547D1896112A9X](https://www.businesstravelnews.com/Interviews/5Qs-with-Madrona-Ventures-Group-Steve-Singh?utm_source=newsletter&utm_medium=email&utm_campaign=eltrdaily&oly_enc_id=3547D1896112A9X).

<sup>47</sup> See <https://www.thebeat.travel/News/What-Is-Spotnana#:~:text=In%20a%20recent%20interview%2C%20Spotnana,Travel%2C%20%22%20Waghmar%20said>.

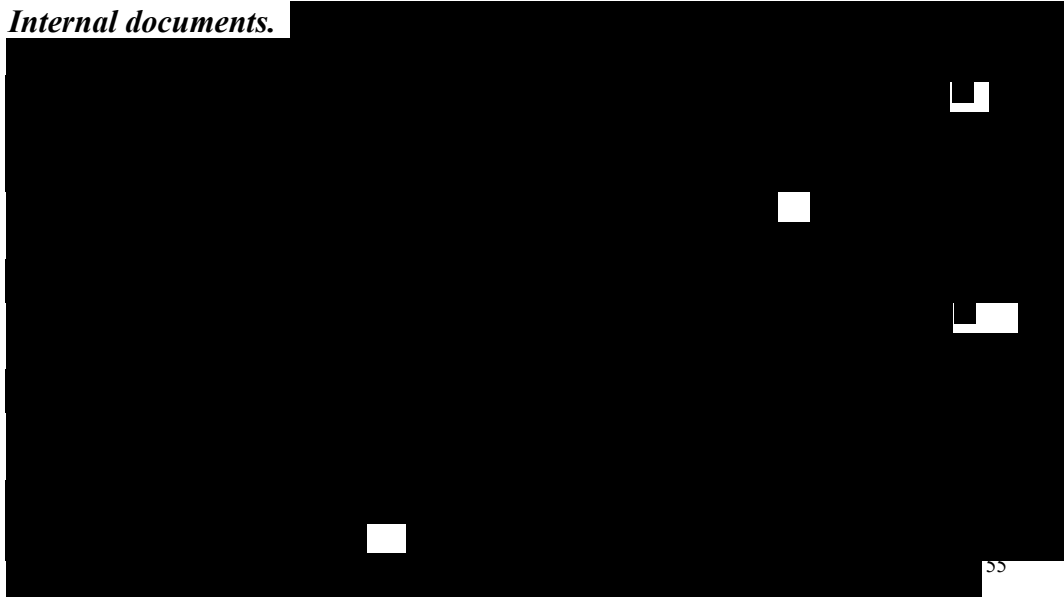
<sup>48</sup> Decision, para. 147.

<sup>49</sup> Decision, paras. 146, 161.

<sup>50</sup> See <https://www.travelperk.com/uk/>.

- v. *Booking.com for Business* services multiple large customers, including AWS, FatFace, Petronas, and Paul Smith.<sup>51</sup>

d. *Internal documents.*



3.3 *The Decision acknowledged that at least six TMCs compete for “GMN” customers.* The Decision found that the “*evidence consistently shows [...] a pool of six TMCs (GBT, CWT, BCD, FCM, CTM and Navan) [competing] for GMN customers*”.<sup>56</sup> Despite this finding, the Decision suggested that “*only a handful of TMCs are considered by GMN customers to be capable of meeting their needs*”<sup>57</sup> and compete “*successfully*”.<sup>58</sup> This suggestion is incorrect and unsupported by the evidence. All of the main four competitors remaining post-Transaction are very strong competitors (as evidenced by the nature of their existing customers) with all the capabilities that the Decision identified as important for GMNs.

<sup>51</sup> See [https://business.booking.com/?aid=2139500&label=ORG\\_Z29vZ2xlX19XaW5kb3dzX0Nocm9tZV8xNzI0MTU1NDk0Xy9fSG9tZV9lbi11c19VUw%3D%3D](https://business.booking.com/?aid=2139500&label=ORG_Z29vZ2xlX19XaW5kb3dzX0Nocm9tZV8xNzI0MTU1NDk0Xy9fSG9tZV9lbi11c19VUw%3D%3D).

<sup>52</sup> Decision, para. 132(d).

<sup>53</sup> See Annex RF11 GBT.Q19.001, [REDACTED]; Annex RF11 GBT.Q19.007, [REDACTED]; Annex RF11 GBT.Q19.002, [REDACTED]; Annex RF11 GBT.Q19.003, [REDACTED]; Annex RF11 GBT.Q19.004, [REDACTED]; Annex RF11 GBT.Q19.005, [REDACTED]; Annex RF11 GBT.Q19.006, [REDACTED]; Annex, RF11 GBT.Q19.008, [REDACTED].

<sup>54</sup> Decision, para. 130(g). See Annex CWT.Q10.027, [REDACTED], page 48.

<sup>55</sup> See Annex CWT.Q10.027, [REDACTED], page 48.

<sup>56</sup> Decision, para. 94, emphasis added.

<sup>57</sup> Decision, para. 13.

<sup>58</sup> Decision, para. 132.

a. *At least BCD, FCM, CTM, and Navan all have significant global coverage.*

- i. *BCD* is present in “over 106 countries worldwide” and provides a “consistent” service to customers. This TMC is a “global leader” whose clients benefit from a “personal approach [...] coupled with the global reach of the world’s most admired TMC”.<sup>59</sup>
- ii. *FCM* has very strong global capabilities, as evidenced by it winning “Travel Partner of the Year – Global TMC” at the Business Travel Awards Europe in 2022.<sup>60</sup> *FCM* is a “global partner” with “teams in over 95 countries” with “global and local travel experts [that] can support regional businesses as well as large internationals”.<sup>61</sup> The TMC’s “globally consistent travel technology software” “solve[s] clients’ biggest pain points and travel woes”.<sup>62</sup>
- iii. *CTM* is “an award winning global provider” of innovative and cost-effective travel management solutions that can meet “the complex needs of businesses large and small in every global market.”<sup>63</sup> It provides clients with “consistency and assurance wherever they travel” through a combination of *CTM*’s wholly owned operations and “a global network of best-in-class independent travel management companies across approximately 100 countries.”<sup>64</sup>
- iv. *Navan* attracts clients through “global inventory, worldwide offices, teams, and support networks” in over 65 market locations, with “24/7 dedicated” and “first-class travel support ... wherever you may be.” The TMC’s “high satisfaction ratings and a robust market presence” are “why organisations of every size across multiple continents choose Navan above all other competitors.” *Navan*’s teams demonstrate “on-the-ground expertise” “across the globe”.<sup>65</sup>

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<sup>59</sup> See <https://www.bcdgroup.com/companies-bcdtravel/>; <https://www.bcdtravel.com/get-to-know-us/affiliate-program/>.

<sup>60</sup> See <https://www.fcmtravel.com/en-gb/resources/news-hub/fcm-named-travel-partner-year-global-tmc-business-travel-awards-europe>.

<sup>61</sup> See [https://www.fcmtravel.com/sites/default/files/2022-11/FCM\\_AMER\\_Brochure\\_2022.pdf](https://www.fcmtravel.com/sites/default/files/2022-11/FCM_AMER_Brochure_2022.pdf).

<sup>62</sup> See <https://www.fcmtravel.com/en-gb/what-we-do/corporate-travel-management#:~:text=With%20FCM%20Platform%2C%20you%20get,need%20to%20pull%20number%20stat>.

<sup>63</sup> See <https://uk.travelctm.com/global/>.

<sup>64</sup> See [https://www.travelctm.com/global/wp-content/uploads/2023/02/CTM-Global-Brochure\\_VIEW.pdf](https://www.travelctm.com/global/wp-content/uploads/2023/02/CTM-Global-Brochure_VIEW.pdf).

<sup>65</sup> See <https://reedmackay.com/global-reach>.

b. ***At least BCD, FCM, CTM, and Navan all offer high-touch services.***

- i. *BCD* provides “*high-touch, white-glove service*” with “*global scope*”.<sup>66</sup> Its travel counsellors “*know their way around travel like no other in the business*” and have a “*yes-we-can attitude*” whilst providing a “*wide array of services*”.<sup>67</sup>
- ii. *FCM* offers “*high touch*” services to give “*executives everything they need to perform at their best, no matter where they are going.*”<sup>68</sup> *FCM*’s customers enjoy “*world-class design teams*” who will “*ensure your program is made-to-fit from the start*” and are “*available 24/7*”.<sup>69</sup>
- iii. *CTM* provides a “*unique blend of high-touch service and intuitive technology*” to its global clients.<sup>70</sup> *CTM*’s global COO, Laura Ruffles, has noted that *CTM* delivers a “*truly unique offering to global and multi-national accounts [...] through the provision of consistent and customisable service [and] technology.*”<sup>71</sup>
- iv. *Navan* delivers “*exceptional*” experiences by “*tailoring [its] service to meet [the customers’] specific needs.*”<sup>72</sup> Its “*personalised*” services are “*miles ahead of the pack*” with the help of *Navan*’s “*award-winning global team*” that is “*selected for their client-first mindset,*” and gets “*year-round training, ensuring [...] up-to-date knowledge and skills*”. The team is available to customers “*24/7, 365 days a year*”.<sup>73</sup>

c. ***At least BCD, FCM, CTM, and Navan all provide integration with OBTs.***

- i. *BCD* offers a proprietary OBT, TripSource, which is characterised by “*convenience, personalization and anytime access*”. The OBT “*removes pain points and enhances [user] experience*” while relying on “*intuitive*” navigation.<sup>74</sup> *BCD* also “*supports more online booking tool solutions than other travel management companies*” and helps clients find their “*perfect fit*”.<sup>75</sup> For example, *BCD* supports SAP Concur, Cytric, and GetThere.<sup>76</sup>

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<sup>66</sup> See <https://www.bcdtravel.com/>.

<sup>67</sup> See <https://www.bcdtravel.com/>.

<sup>68</sup> See <https://www.fcmtravel.com/en-gb/what-we-do/specialist-services/vip>.

<sup>69</sup> See <https://www.fcmtravel.com/en-gb/what-we-do/corporate-travel-management>.

<sup>70</sup> See <https://us.travelctm.com/news/ctm-announces-new-global-structure-to-drive-growth/>.

<sup>71</sup> See <https://us.travelctm.com/news/ctm-announces-new-global-structure-to-drive-growth/>.

<sup>72</sup> See <https://reedmackay.com/our-approach>.

<sup>73</sup> See <https://navan.com/uk/why-navan>.

<sup>74</sup> See <https://www.bcdtravel.com/travel-management/tripsource/>.

<sup>75</sup> See <https://www.bcdtravel.com/travel-management/simplify-business-travel-booking-experience/>.

<sup>76</sup> See <https://www.businesstravelnewseurope.com/Europes-leading-TMCs/2024/BCD-Travel>.



- ii. *FCM's* proprietary OBT (FCM Booking) is “*the beginning of a new era of corporate travel booking*”, with “*intuitive user experience*”, “*market-leading rates*”, and an “*all in, agile set-up*”. Additionally, FCM explains that if a client’s program “*requires use of other OBTs such as Concur, Deem, Serko, Cytric, and more, the FCM Platform’s flexible API structure is ready to integrate with [customer’s] choice of OBT*”.<sup>77</sup>
- iii. *CTM* has a proprietary OBT, Lightning, an “*innovative technology*” with “*user-centric interface*” and an “*AI-powered trip builder*”, which can “*increase adoption*” and “*improve efficiency*”.<sup>78</sup> Still, the TMC has an “*agnostic approach*” to technology, being able to support “*a range of online OBTs, including proprietary and third-party solutions*” to meet customers’ “*specific travel needs and preferences*”. CTM promises clients “*a seamless OBT implementation and ongoing support of [their] preferred OBT*”.<sup>79</sup> At present, CTM supports SAP Concur and Cytric, among others.<sup>80</sup>
- iv. *Navan* offers “*a user-friendly mobile app that provides a seamless booking travel experience*” and overall presents a “*user-friendly platform*” with an “*intuitive user interface*” and 24/7 support through an AI-agent.<sup>81</sup> Navan’s product is “*highly customisable*” to meet customers’ specific needs, including in respect of technology.<sup>82</sup> In addition to its own tech solution, Navan explains that it integrates with SAP Concur and Cytric.<sup>83</sup>

3.4 ***The Decision incorrectly dismissed certain TMCs as being strong only in the SME segment.*** The Decision observed that there are “*a number of strong competitors*” for SMEs<sup>84</sup> that only exert a limited constraint in the alleged GMN segment. It suggests that “*CTM, FCM, Navan, and Spotnana*” fall into this category,<sup>85</sup> which is contradicted by the evidence showing that these TMCs, amongst others, regularly compete for and win customers of all sizes (including GMNs) with global and complex needs. The Decision’s suggestion that these TMCs compete only for customers with regional or simple needs is unsubstantiated. These TMCs each have an evidenced and extensive global network and infrastructure (see para. 3.3) and are well positioned to compete for GMN and SME customers with all requirements including those with global, complex

<sup>77</sup> See <https://www.fcmtravel.com/en-us/technology/booking>.

<sup>78</sup> See <https://au.travelctm.com/lightning/>; <https://uk.travelctm.com/news/lightning-obt-trip-builder/>.

<sup>79</sup> See <https://uk.travelctm.com/technology/online-booking-tools/>.

<sup>80</sup> See <https://uk.travelctm.com/technology/online-booking-tools/>.

<sup>81</sup> See <https://navan.com/uk/product/business-travel>; <https://navan.com/blog/business-travel-management/corporate-travel-booking-companies>.

<sup>82</sup> See <https://navan.com/uk/why-navan>.

<sup>83</sup> See <https://www.businesstravelnewseurope.com/Europes-leading-TMCs/2024/Navan-Group>.

<sup>84</sup> Decision, footnote 51.

<sup>85</sup> Decision, para. 131.

needs (see below and para. 3.2(i)). With respect to FCM, CTM, and Navan, they all have won many GMN contracts (and compete aggressively for others). For example:

- i. *FCM* has won GMN customers such as [REDACTED] and [REDACTED]. For more examples, see para. 5.2.(e)(i).
- ii. *CTM* has won GMN customers such as the [REDACTED]. For more examples, see para. 5.2.(e)(ii).
- iii. *Navan* has been chosen by multiple GMN customers to meet their complex travel needs, including Thomson Reuters [REDACTED], Unilever [REDACTED], Adobe [REDACTED] and [REDACTED]. For more examples, see para. 5.2.(e)(iii).

### 3.5 **The Parties' combined market shares are much lower than the Decision suggested**

- a. ***The Decision's bottom-up reconstruction artificially limited the market size to six TMCs.*** Despite the evidence above demonstrating clearly that the Parties operate in a highly fragmented market, for the purposes of its market share analysis the Decision restricted the market size just to six TMCs. The Decision excluded from its analysis many TMCs that serve GMN customers (with significant TTV) (e.g., Spotnana,<sup>86</sup> TravelPerk<sup>87</sup>, Blocksky/Kayak for Business/Gant Travel<sup>88</sup>) and many more TMCs that serve SMEs with global and complex needs.<sup>89</sup> Accordingly, the market reconstruction is artificial and misconceived and provides no insight into the real market structure or the strength of the Parties in the alleged GMN market.
- b. ***The Decision's calculation of market shares with IATA data also arbitrarily restricted the market.*** The Decision used the 2023 value of airline sales attributed to BTN's Top 30 European TMCs to reconstruct the Parties' and their competitors' shares of supply.<sup>90</sup> The Decision stated that these shares were "indicative of the strength of each TMC and their global position across wider BTA services".<sup>91</sup> This is not accurate for the following reasons.

86 [REDACTED] Walmart [REDACTED]  
Meta [REDACTED]

87 TravelPerk currently services Fujifilm, Airbus, Red Bull, Farfetch, and Revolut. See <https://www.travelperk.com/uk/>.

88 This partnership has several GMN clients, including PwC and TripAdvisor. [REDACTED]

89 Decision, paras. 146-147, 161.

90 Decision, para. 97.

91 Decision, para. 97.

- As the Decision confirmed, its “*analysis only relates to air travel spend*” and does not cover (i) other types of travel content and (ii) other forms of BTA services, apart from booking flights.<sup>92</sup> Therefore, any conclusions drawn from these shares will not be representative of the defined market which covers all BTA services and not just air travel.
- The Decision only estimated shares for the top-ranking European TMCs. Thus, TMCs servicing GMNs and SMEs with global and complex needs which are mainly active outside EMEA were excluded, despite being relevant competitors in the defined market, given their respective global offerings.
- The Decision [REDACTED] GBT’s share. On the basis of data that GBT receives in the ordinary course of business from IATA, GBT’s share of business travel flights globally in 2023 is around [20-30]%, [REDACTED] the [30-40]% estimate quoted in the Decision.<sup>93</sup>

The Decision’s IATA analysis is therefore seriously flawed and not indicative of the Parties’ market position.

- c. ***The Decision’s analysis of BTN survey data is not informative of global shares.*** The Decision relied on BTN’s 2023 ‘Corporate Travel 100’ survey to decide that “*only few TMCs*” can cater to GMN needs.<sup>94</sup> Yet, the survey’s results are heavily US-centric and relate only to air-volume. BTN’s methodology explains that it only analysed customers’ “*business travel spend in the United States based on full-year 2022 U.S.-booked air volume*”.<sup>95</sup> Consequently, the survey is not representative of the global geographic market used in the Decision. Even for the 100 analysed GMNs, the survey does not provide the full list of TMCs serving those customers; for 60% of customers, the survey only names the consolidated U.S. TMC, excluding references to other TMCs which may service those customers outside of the U.S. In other circumstances, BTN lists the global TMC when customers may have other TMCs in different regions. For example, Fox World Travel notes that it supplies several of “*BTN’s Corporate Travel 100 among its accounts today*”<sup>96</sup> yet the BTN Survey only identifies Fox World Travel as servicing one of the 100 accounts (Epic Systems). Moreover, similar to the IATA data, the BTN survey is only based on air spend and therefore does not reflect the full range of services included in the BTA services market.

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<sup>92</sup> Decision, para. 97.

<sup>93</sup> The above share estimate is calculated on the basis of IATA data which GBT regularly receives as part of its ordinary course monitoring of the competitive landscape. GBT engages with its supplier managers responsible for different geographic regions to submit to IATA a list of TMCs whom they consider relevant competitors globally. IATA then provides GBT’s share, GBT’s travel partner network’s share, and the consolidated total share for the identified competitors. The share estimate reflects GBT’s share in the global market for managed business travel.

<sup>94</sup> Decision paras. 61, 100.

<sup>95</sup> See <https://www.businesstravelnews.com/Corporate-Travel-100/2023>.

<sup>96</sup> See <https://www.businesstravelnews.com/Management/Fox-World-Travel-Lays-Out-Plans-to-Double-Its-Business>.

- a. The Decision also assumed apparently without question that all 100 customers surveyed by BTN have global travel needs. This is not true, given some referenced customers: (i) have negligible global presence (Home Depot active in 3 countries); (ii) spend the vast majority of their reported TTV on domestic US travel (90% for Verizon; 85% for Leidos); and/or (iii) primarily have U.S.-based staff (93% for Lockheed Martin; 80% for Textron). Rather, the BTN survey reiterates that GMNs have varying requirements (i.e., some more simple; some more complex), which cannot be used to consistently segregate them into a distinct customer segment.
- b. Ultimately, the BTN survey is only informative about a selection of U.S.-based clients based on non-verified data. As such, it does not accurately reflect global market shares. A focus on North-America headquartered GMNs distorts the reality of other global GMNs particularly those headquartered in the largest and most dynamic region, APAC, where many TMCs fight for and win contracts for GMNs, including those with complex needs.
- c. ***The Parties top-down market share analysis is robust and contradicts the Decision's findings.*** GBT and CWT have conducted a separate market share analysis, relying on the global share of business travel services which is managed (versus unmanaged). The Decision described the Parties' approach as "*unreliable*" because it used an estimate for the share of managed business travel, which the CMA had been unable to validate.<sup>97</sup> This finding is unsatisfactory in circumstances where, the Parties' estimate is not only supported by public industry studies (such as data from BTN Top UK rankings), but also GBT's Annual Report which states that GBT estimates "*approximately 40% of business travel spend in the United States, and approximately 36% of business travel spend in Europe*" has been "*managed in recent years*".<sup>98</sup> Similarly, CWT's internal documents in relation to the [REDACTED] survey imply a similar ratio of [REDACTED].<sup>100</sup> The Parties' top-down analysis, which does not arbitrarily restrict TMCs within the relevant market, shows that the Parties' combined share of managed business travel is only around [10-20]%. Based on the Parties' market size estimate, which is even smaller than the estimate in the context of the [REDACTED] study (recorded in one of the documents relied on elsewhere in the Decision), the Parties' combined share would remain below [10-20]% even if the managed travel segment is limited to GMNs.<sup>101</sup>

**4. Business travel customers are sophisticated customers who create competitive tension between TMCs and engage in multi-sourcing**

- 4.1 The Decision noted that "*buyer power*" is not relevant for its competitive analysis because GMNs will have "*reduced*" choice of "*suitable alternatives*" post-

<sup>97</sup> Decision, para. 92.

<sup>98</sup> See Annex GBT.Q8.001, [REDACTED], page 6.

<sup>99</sup> See Annex CWT.Q10.029, [REDACTED].

<sup>100</sup> See Annex CWT.Q10.001, [REDACTED].

<sup>101</sup> See Annex RFI 1 Q13.001; Final Merger Notice dated 3 June 2024, paras.15.54 – 15.57.

Transaction.<sup>102</sup> This conclusion is inconsistent with the Decision's finding that at least six TMCs compete for large GMNs. As outlined in Section 3 above, the Parties' competitive landscape is extremely fragmented. All customers with global and complex needs have a large number of TMC options, including the more traditional players and the tech-led innovators. Customers are sophisticated and use this to create competitive tension between TMCs to obtain the best possible terms when tendering for a new TMC or negotiating a contract renewal options, through playing TMCs off against each other. They also sponsor new entry and engage in multi-sourcing to create competitive tension and facilitate switching. Customers will continue to have a wide variety of choices for their business travel needs post-Transaction.

4.2 This section explains that:

- Business travel customers are sophisticated customers and create competitive tension between TMCs to obtain the optimal solution at the lowest price (paras. 4.3-4.4);
- No competition concerns can arise when powerful customers have at least five credible options post-Transaction (para. 4.5);
- GMNs in particular exercise significant bargaining power and hold the upper hand in negotiations with TMCs (para. 4.6);
- Customer ██████████ reflects customers' negotiating strength and choices which will remain post-Transaction (paras. 4.7-4.8);
- Long-term customer relationships are evidence of customer satisfaction with high-quality service and competitive terms from the incumbent, not customers' reluctance to switch. Customers can and do switch (paras. 4.9-4.10);
- Customers can and do sponsor new entry and expansion (para. 4.11);
- Customers can and do manage travel in-house (paras. 4.12-4.13); and
- Multi-sourcing is common and represents an alternative to using a single global TMC (paras. 4.14-4.16).

4.3 ***Business travel customers are sophisticated customers and create competitive tension between TMCs to obtain the optimal solution at the lowest price.*** GMNs and SMEs with global and complex needs are some of the largest, most successful, and capable businesses in the world. They typically employ in-house travel specialists, hire third-party procurement consultants, or have experienced procurement departments that are responsible for sourcing travel management solutions (whether directly or with the assistance of industry consultants) to meet their needs at the optimum price. This is the case even for many SMEs. ██████████  
██████████

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<sup>102</sup> Decision, para. 172.

Customers' negotiating power is reaffirmed in the Decision, which observed that GMNs "frequently have direct arrangements with travel suppliers" to establish their "own corporate rates" to be uploaded to the "chosen TMC platform".<sup>104</sup> Such arrangements further expand GMNs' willingness and ability to switch TMCs for the most advantageous offering.

- 4.4 Business travel customers typically run tenders every three to five years. The customer structures the procurement process to meet its requirements: it specifies the services needed, which TMCs to invite to participate, and the criteria that will be used for evaluating participating TMCs. Typically the customer retains several TMCs in the final stages of the procurement process to maintain competitive tension. During the bidding process,

- 4.5 ***No competition concerns can arise when powerful customers have at least five credible options post-Transaction.*** Supplier and customer feedback to the CMA's questionnaire confirmed that the Merged Entity will have at least four close competitors: BCD, FCM, CTM, and Navan.<sup>105</sup> All these TMCs have the capabilities to service customers of any size with global and complex needs (*see* para. 3.2 for more detail). As noted in the Decision, TMCs compete in a bidding market through tender processes.<sup>106</sup> In bidding markets, the critical factor for evaluating a merger's competitive effects is whether a sufficient number of credible, actual or potential competitors will remain to ensure future competitive bidding. For example, the European Commission has noted "[f]or a bidding market to be competitive, the main requirement is that there exist a sufficient number of credible bidders that are willing to compete."<sup>107</sup> As long as there is a "sufficient number of credible [...] bidders left to maintain prices at competitive levels,"<sup>108</sup> a transaction in a bidding market is unlikely to raise concerns. Post-Transaction, GMNs and SMEs will continue to have a choice

<sup>103</sup> See Annex RF11 GBT.Q14.006, [REDACTED].

<sup>104</sup> Decision, para. 38.

<sup>105</sup> Decision, paras. 146-148.

<sup>106</sup> Decision, para. 40.

<sup>107</sup> Case M.2816 – *Ernst & Young France/Andersen France*, para. 60.

<sup>108</sup> Case M.1882 – *Pirelli/BICC*, para. 95.

of at least four credible and strong alternatives (i.e., sufficient options to maintain a competitive bidding market).

4.6 ***GMNs in particular exercise significant bargaining power and hold the upper hand in negotiations with TMCs.*** This is reflected in the [REDACTED] contract terms that GMNs are able to demand from their TMCs. [REDACTED]

[REDACTED] GMNs' considerable negotiating leverage is further evidenced by [REDACTED], as recognised in the Decision.<sup>109</sup> In these circumstances, the Decision's concern about the impact of the Transaction on GMNs in particular is hard to comprehend.

4.7 ***Customer [REDACTED] reflects customers' negotiating strength and choices which will remain post-Transaction.*** After taking account of inflation, GBT's revenue per transaction for GMN customers that renewed their contracts has [REDACTED]

[REDACTED] over the past [REDACTED] [REDACTED] 110 [REDACTED], as shown in **Figure 2** below. [REDACTED]

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<sup>109</sup> Decision, para 184(b).

<sup>110</sup> [REDACTED] The pricing trend was extracted from an internal GBT pricing analysis and shows that prices have [REDACTED] in real terms over the past [REDACTED] years. When asked in the Issues Meeting about the [REDACTED] GBT explained that [REDACTED] This trend is not consistent with the Decision's suggestion that business travel customers have a limited number of good choices available and therefore do not exercise bargaining power. In this submission, we have provided the revenue per transaction [REDACTED]

[REDACTED]

4.8 [REDACTED]. CWT cites [REDACTED] as the main reason behind such losses. [REDACTED]. GMN customers will continue to be able to leverage a wide variety of choices post-Transaction [REDACTED].

4.9 ***Long-term customer relationships are a sign of customer satisfaction with high-quality service and competitive prices, not a reluctance of customers to switch.*** The Decision is wrong in assuming that GMNs “*favour the incumbent TMC provider*”.<sup>111</sup> The reality is that larger customers are particularly strong negotiators, forcing TMCs to fight to retain contracts on renewal. [REDACTED]

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<sup>111</sup> Decision, para. 186.





4.10 Moreover, if a GMN customer is dissatisfied with their TMC’s service, they can easily switch to a rival TMC. This is clearly illustrated by [REDACTED]. Consequently, long-term relationships between clients and TMCs only evidence the highly competitive nature of such TMCs’ offerings/prices and customer satisfaction with the service provided, not customer stickiness.

4.11 ***Customers can and do sponsor new entry.*** Competitive tension in business travel does not just arise through bidding processes. Customers can exert additional pressure on TMCs by sponsoring new entry into the market. For example, PwC US [REDACTED] co-developed with Blockskye/Kayak for Business/Gant Travel a “transformative solution” that “helped PwC bring [their] travel program strategy to life.”<sup>112</sup> This “first-of-its-kind” offering has “challenged the corporate travel landscape”,<sup>113</sup> whilst “enabling a seamless corporate travel experience that sets a new industry standard.”<sup>114</sup> The partnership’s enterprise solution is constantly evolving (with the latest interoperability improvements dated June 2024).<sup>115</sup> PwC US is now collaborating with the partnership to roll out the solution to additional customers (e.g., [REDACTED]). [REDACTED], given this TMC was established in September 2023 — so recently, that it will not have been an option for many customers when they last renewed their contracts which must be taken into account

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<sup>112</sup> See <https://www.kayak.com/c/enterprise/>. Blockskye /Kayak for Business/Gant Travel offer this solution to other customers.

<sup>113</sup> See <https://uk.finance.yahoo.com/news/kayak-business-launches-enterprise-solution-141500330.html>.

<sup>114</sup> See <https://www.prnewswire.com/news-releases/kayak-for-business-enhances-its-enterprise-solution-in-collaboration-with-blockskye-and-pwc-us-302199357.html>.

<sup>115</sup> *Ibid.*

when analysing customer feedback.<sup>116</sup> [REDACTED]

4.12 ***Customers can and do manage travel in-house.*** Clients can potentially switch to in-house travel management to create competitive tension. Despite some respondents to the CMA’s questionnaire describing this approach as unattractive,<sup>117</sup> there are real-life examples of GMNs managing their travel internally. These include [REDACTED]

[REDACTED]. Two “larger” customers who participated in the CMA’s questionnaire also considered in-house management, with one of them willing to review this option in the future.<sup>118</sup> In practice, [REDACTED] moving (some) travel management in-house can be effective to create competitive tension. For example, when [REDACTED]

[REDACTED].<sup>119</sup> As an alternative to full in-house management, larger customers [REDACTED]

[REDACTED]. This approach is used by [REDACTED] is inconsistent with the labour intensity and cost concerns for unmanaged travel which customers raised in the Decision.<sup>120</sup> Ultimately, clients have the flexibility to decide what proportion of travel they want to manage in-house. And even if they do not select the approach (or even intend to use it), [REDACTED]

4.13 Similarly, customers can allow their employees to book their travel directly (and expense back to the firm). Some respondents to the CMA’s questionnaire said that they would permit their workers to do this.<sup>121</sup> Other real-life examples of this approach include: [REDACTED].

Similarly, [REDACTED] uses a flexible approach for its travellers’ bookings — employees book c. [REDACTED] % of travel directly, with trips then consolidated through a reporting technology, [REDACTED]. Meanwhile, [REDACTED] chose to switch from [REDACTED] to unmanaged business travel (with its employees being able to book travel directly, without any internal mandate). Even when not expressly permitted, GMNs’ employees still [REDACTED] make bookings directly – GBT Select’s experience is that around [REDACTED] % of [REDACTED] is not booked through the GBT Select programme and so is made by travellers outside of their company’s

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<sup>116</sup> Decision, para. 170.

<sup>117</sup> Decision, para. 54.

<sup>118</sup> Decision, para. 163.

<sup>119</sup> Annex RFI1 GBT.Q19.006, [REDACTED], page 1.

<sup>120</sup> Decision, para. 54.

<sup>121</sup> Decision, para. 53.

managed travel programme.<sup>122</sup> [REDACTED] data from Traxo suggests that around 40% of business travel bookings are made outside a managed travel programme.<sup>123</sup> This further underlines that the option to allocate some of their travel management in-house [REDACTED].

4.14 ***Multi-sourcing is common and represents an alternative to using a single global TMC.*** The Decision’s customer sample indicated that GMNs may prefer to use a single TMC across their entire organisation for “operational efficiency”, “consistency of service”, and “ease of use”.<sup>124</sup> This is not correct for all customers. The Decision confirmed that some business travel customers “work with more than one TMC, using a main TMC for the majority of their business travel needs across countries and a regional or national TMC for travel in specific countries.”<sup>125</sup> This arises because no single TMC can provide an entirely ‘consistent’ service in every country worldwide. Even the larger TMCs, including the Parties, provide global coverage through a variety of solutions, such as a proprietary presence, third-party networks and BPO solutions. Some TMCs may be stronger in certain geographies than others. Some customers may also have local or regional preferences for certain TMCs.

4.15 The Decision placed significant weight on the BTN Top 100 corporate travel companies survey.<sup>126</sup> However, of the 100 customers cited, a significant proportion use more than one TMC for BTA services (c. 70%),<sup>127</sup> which is inconsistent with customer feedback to the CMA’s questionnaire that most GMNs want a single TMC globally. This reinforces the fact that the CMA’s Phase 1 client sample is not representative of all GMNs. If the BTN survey is truly indicative of GMN customers’ preferences, as the Decision suggested, this demonstrates that it is common practice to use more than one TMC.

4.16 The Decision further suggested that GMNs who multi-source all wish to “consolidate their TMCs in the future”.<sup>128</sup> While this is the case for some customers, it is certainly not the case for all. [REDACTED]

But many GMNs still

<sup>122</sup> [REDACTED]

<sup>123</sup> Traxo (2021), citing Grasp Technologies.

<sup>124</sup> Decision, para. 168.

<sup>125</sup> Decision, para. 40.

<sup>126</sup> Decision, para. 61.

<sup>127</sup> The figure is based on the data provided in the BTN survey, that identifies which of the customers among the top 100 use a global TMC and which multi-home (specifying the U.S. TMC in the latter instances).

<sup>128</sup> Decision, para. 144.

prefer to multi-source as evidenced by the Parties' data (as explained below) and the Decision itself which quoted a customer who explained that if GBT was not available, it would “*take a split regional view*”, switching to BCD and FCM.<sup>129</sup> If GMNs truly preferred to have a single TMC, they would have done so. There is nothing preventing them from selecting a single TMC to service their travel globally. The reality is that global customers often actively choose to use different TMCs in different regions/countries.

- a. ***It is incorrect that GMNs generally want a single TMC globally.*** Evidence clearly shows that many GMNs have a strategy of using multiple TMCs around the world. For example, [REDACTED] of GBT's GMN customers multi-source. [REDACTED]

[REDACTED]. Similarly, around [REDACTED] of CWT's current GMN customers (with a TTV >\$15 million) multi-source. [REDACTED]

[REDACTED]

While some of these GMNs may multi-source because of “*legacy arrangements*”, “*recent acquisitions*”, or “*very bespoke*” requirements, the reality is that multi-sourcing of business travel is common practice and is used by customers [REDACTED]

[REDACTED]<sup>130</sup>

- b. ***Customer case studies clarify that GMNs use multi-sourcing as a strategy.*** By way of example for each of the Parties:

- i. [REDACTED] has managed travel on a local country basis for many years. [REDACTED] announced that it was considering centralising its travel management and invited its existing TMCs to actively compete for a global role, offering improved terms. [REDACTED]

[REDACTED] ultimately decided, however, to retain multiple TMCs, [REDACTED]. Currently, this customer uses [REDACTED], and a range of local TMCs in lower priority countries.

- ii. [REDACTED] currently uses [REDACTED] for its NORAM and EMEA regions, whilst employing [REDACTED] in APAC, LATAM, Japan, South Africa, and a limited number of European countries. [REDACTED] is pursuing a ‘dual strategy’ for pricing and technology-related reasons. Specifically, [REDACTED] chose to split travel

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<sup>129</sup> Decision, para. 152(b).

<sup>130</sup> Decision, paras. 40, 168.

management between [REDACTED] because [REDACTED] (i) outbid [REDACTED] on incentives and payment terms and (ii) [REDACTED]

”.

iii.

iv. These are examples that are known to the Parties. The [REDACTED] survey showed that [REDACTED]

c. ***Sourcing from multiple TMCs is a credible alternative to using a single global TMC.*** Some of the respondents to the CMA’s Phase 1 market investigation confirmed that they currently use multiple TMCs or would consider switching from a single to multiple TMCs post-Transaction.<sup>131</sup> Consistent with this, many GMNs have chosen to stop using a single TMC globally, in favour of multi-sourcing. For example, during its tender, [REDACTED] chose to only engage [REDACTED] for its air and car travel needs, with another TMC being selected as hotel content provider. [REDACTED] initially positioned its tender to cover its global account, but ultimately chose to implement different TMCs regionally for greater convenience. [REDACTED] ran its tender to select between “ [REDACTED] ”, matching its commercial zones. Similarly, [REDACTED] used to rely on [REDACTED] globally; however, in [REDACTED] it moved its US business [REDACTED] to [REDACTED] and left only EMEA with [REDACTED]. Accordingly, for the past four years, [REDACTED] has intentionally maintained its dual-sourcing strategy. [REDACTED] likewise used [REDACTED] for its global travel in the past. Over time, however, [REDACTED] moved its global account [REDACTED] and is [REDACTED].

d. ***GMNs often choose not to have a consistent global service.*** Many of the Parties’ GMN clients that use them globally still choose to have different service configurations, booking technologies, and service levels for their travel management around the world, depending on preferences in different regions. As a result, the Parties often service the same client differently in distinct countries/regions. For example, [REDACTED] GBT’s GMN clients prefer to use multiple OBTs. Examples of specific GBT customers who use several OBTs include: [REDACTED]; uses 9 OBTs); [REDACTED] uses 14 OBTs); [REDACTED]; uses 10 OBTs); and [REDACTED]; 14 OBTs). Customers use different OBTs around the world because the strength of OBT offerings varies geographically. This means that even if a global customer has

<sup>131</sup> Decision, paras. 67, 144, 152(b).

a single, global TMC, the solution that travellers use in different countries can differ

- e. Many of CWT's GMN clients likewise rely on multiple OBTs across different regions. For example, [REDACTED] uses 5 OBTs, with [REDACTED] used in 45 countries and the 4 remaining [REDACTED] each serving one country; in 5 countries [REDACTED] has no OBT at all. [REDACTED] employs 5 OBTs across 19 countries [REDACTED] with 11 countries having no OBT service. Similarly, [REDACTED] uses 10 different OBTs; [REDACTED] uses 10 OBTs; [REDACTED] uses 9 OBTs; [REDACTED] uses 8 OBTs; [REDACTED] uses 7 OBTs; and [REDACTED] uses 7 OBTs.
- f. GMNs may also decide that they want different cost models for different locations. For example, [REDACTED] has chosen that for [REDACTED] out of the [REDACTED] countries which [REDACTED] services, all expenses will be paid by [REDACTED] for the remaining [REDACTED] countries, [REDACTED] charges will be based off [REDACTED]. Similarly, [REDACTED] has chosen to pay for all of its expenses in [REDACTED] out of [REDACTED] countries which [REDACTED] serves. Customers can also decide the level of service they receive in different countries. To illustrate, [REDACTED] services [REDACTED] in [REDACTED] different locations – in [REDACTED] of these locations, [REDACTED] enjoys a designated team of travel counsellors which only assist [REDACTED] and another limited pool of customers; in [REDACTED] remaining countries [REDACTED] employees work with an undesignated pool of travel counsellors, shared by all of [REDACTED] clients. Meanwhile, [REDACTED] (countries covered) only has pre-specified service configurations in [REDACTED] countries. Specifically, it has a [REDACTED] team dedicated to it in [REDACTED] countries, relies on [REDACTED] travel counsellors servicing a small pool of clients in [REDACTED] countries, and uses the undesignated pool of counsellors for the remaining [REDACTED] countries.
- g. Additionally, GMNs may choose what proportion of their travel is serviced onshore, offshore, or outsourced to approved third-party vendors.<sup>132</sup> [REDACTED]

[REDACTED] Many of [REDACTED] GMN clients select distinct service configurations for different countries.

<sup>132</sup> Offshore refers to clients serviced by GBT travel counsellors in offshore, low cost locations [REDACTED]. Onshore refers to clients serviced by GBT travel counsellors in the same location as the client. Outsource refers to clients serviced by third-party vendors pre-approved by GBT whose locations may vary.

5. **The Parties are not each other’s closest competitors and the Merged Entity will face at least four strong competitors for customers with global and high-touch needs**

5.1 This section explains that:

- The Decision acknowledged that the Parties are not each other’s closest competitor (para. 5.2); and
- The Merged Entity will continue to face at least four strong competitors, including for customers with global and high touch needs (para. 5.3).

5.2 ***The Decision acknowledged that the Parties are not each other’s closest competitor.*** The Decision concluded that BCD is “*the main competitor*”<sup>133</sup> that will constrain the Merged Entity post-Transaction. The Decision also noted that “*different evidence sources consistently identified BCD as the closest competitor to the Parties*”.<sup>134</sup> For example, the “*vast majority*” of both GBT and CWT customers named BCD as each of the Parties’ closest rival.<sup>135</sup> This observation was also confirmed by the “*vast majority*” of the Parties’ travel suppliers.<sup>136</sup>



5.3 ***Moreover, the Merged Entity will continue to face at least four strong competitors, including for customers with global and high touch needs.*** As outlined in Sections 3 and 4 above, the Parties face a highly competitive and fragmented landscape with many strong TMCs fighting to win and retain customers. There is no evidence to suggest that this would change post-Transaction. On the contrary, multiple sources of evidence, including customer feedback, bidding data, and internal documents, demonstrate that the Parties compete now and will continue to compete post-Transaction with at least four credible rivals for GMN customers, namely: BCD, FCM, CTM, and Navan. These TMCs will significantly constrain the Merged Entity and ensure that customers with global and complex requirements retain sufficient choices when selecting TMC(s).

- a. ***The Decision marginalised FCM, CTM, and Navan because they are “less close” competitors than BCD.***<sup>137</sup> However, FCM, CTM, and Navan are still close competitors to the Parties and each act as strong competitive constraints, even if

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<sup>133</sup> Decision, para. 174.

<sup>134</sup> Decision, para. 174

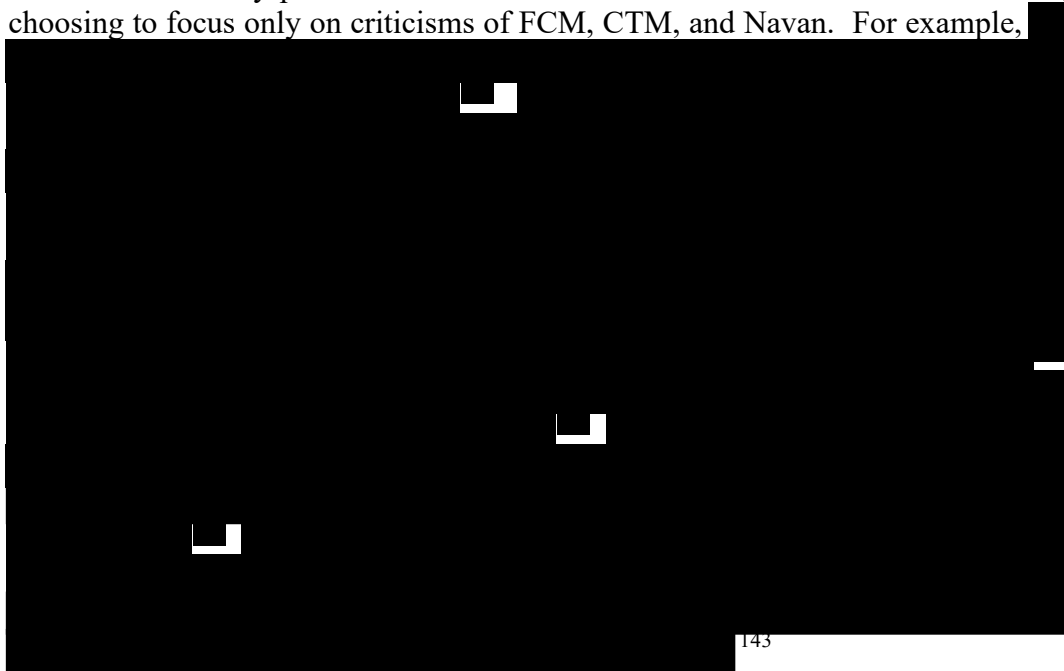
<sup>135</sup> Decision, paras. 146-147.

<sup>136</sup> Decision, para. 148.

<sup>137</sup> Decision, para. 151.

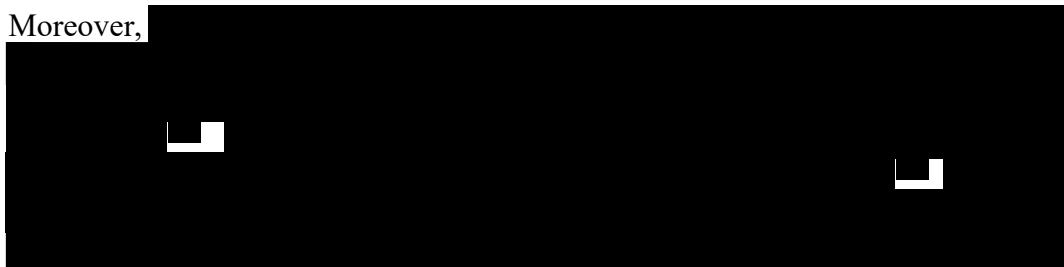
BCD is each of the Parties' closest competitor. There is a group of very strong TMCs competing closely with each other, including the Parties. Accepting only the closest competitor (BCD) as a strong constraint and dismissing the other close competitors as weak creates an artificial view of the competitive landscape. Likewise, the Decision's over-emphasis of the Parties as each other's close competitors<sup>138</sup>, ignores the fact that there are several TMCs who all closely compete together – CWT and GBT are not unique in this regard.

- b. The Decision cherry-picked evidence from GBT's and CWT's internal documents, choosing to focus only on criticisms of FCM, CTM, and Navan. For example,



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- c. Moreover,



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<sup>138</sup> Decision, para. 173.

<sup>139</sup> Decision, para. 132(d).

<sup>140</sup> See Annex RF11 GBT.Q19.004, [REDACTED].

<sup>141</sup> See Annex RF11 GBT.Q19.007, [REDACTED].

<sup>142</sup> Decision, para. 132(f)(iii).

<sup>143</sup> See Annex RF11 GBT.Q19.003, [REDACTED].

<sup>144</sup> See Annex RF11 GBT.Q19.008, [REDACTED].

<sup>145</sup> See Annex RF11 GBT.Q19.006, [REDACTED].

<sup>146</sup> Decision, para. 132(d).



[REDACTED]<sup>147</sup> It is unreasonable for the Decision to rely on the weaknesses of some competitors, but ignore the shortcomings of others from the same series of documents.

d. *It is incorrect that FCM, CTM, and Navan lack a consistent global offering.* Rather, these TMCs have shown to have a well-established global presence. Customer feedback also reiterates the consistency of their global services.

i. FCM operates in +95 countries, and offers “local knowledge; on-the-ground support from dedicated travel managers; and after-hours assistance wherever you find yourself in the world”.<sup>148</sup> Its “regional strategy experts and local travel agents make global travel services a breeze”.<sup>149</sup> Many customers have selected FCM over the Parties in light of its global services.

- P&G [REDACTED] was swayed by FCM’s “technology platform that provides consistency across all markets”.<sup>150</sup> The same technology attracted Shell [REDACTED], with the GMN praising “FCM platform’s baked-in ability to deliver a globally consistent user experience”.<sup>151</sup>

- [REDACTED]

- A global food, candy & pet supply manufacturer (with over 130,000 employees across 60 countries) had “over 95 TMCs managing [its] travel needs”, however, “was facing lack of global visibility into their travel programme”.<sup>153</sup> The customer chose FCM to consolidate its travel management. A travel manager at the manufacturer noted that the company is “delighted with [FCM’s] online booking tool” and that “bringing in FCM has been the highlight of [their] career”.<sup>154</sup>

<sup>147</sup> See Annex GBT.Q10.012, [REDACTED].

<sup>148</sup> See <https://www.fcmtravel.com/en-gb/resources/insights/global-reach-local-insight>.

<sup>149</sup> See <https://www.fcmtravel.com/en-gb/your-new-tmc>.

<sup>150</sup> See <https://www.fcmtravel.com/en-gb/resources/news-hub/procter-gamble-selects-fcm-manage-corporate-travel>.

<sup>151</sup> See <https://www.fcmtravel.com/en-gb/resources/news-hub/shell-awards-global-travel-business-fcm>.

<sup>152</sup> See Annex s109 GBT.Q3.017, [REDACTED].

<sup>153</sup> See <https://www.fcmtravel.com/en-gb/resources/case-studies/consolidation-manufacturer>.

<sup>154</sup> *Ibid.*

- ii. **CTM** operates in over 130 countries and provides an “*extensive, reliable and flexible*” solution for “*global businesses*”.<sup>155</sup> Its “*global service*” is delivered “*consistently and expertly*”, with the TMC offering its customers a “*dedicated team of regional travel experts*” in “*every market*”.<sup>156</sup> Clients also emphasise the consistency of CTM’s global services.
- “*A global pharmaceutical company had experienced double-digit growth year over year for four years and added over 10,000 new employees*”. It sought “*to partner with a TMC that could support these global needs*” across 39 markets which proved to be CTM.<sup>157</sup>
  - “*A global leader in diversified wound care and regenerative medicine*” (with annual global air spend of \$14 million) selected CTM as its TMC to improve “*traveller profile accuracy, profile maintenance, approval processes and critical date reporting*”.<sup>158</sup> CTM managed this client’s travel across Europe, Asia, and South America.
  - Another GMN client (\$24 million TTV), active in NORAM, LATAM, EMEA, Australia, and Indonesia, selected CTM to achieve “*complete visibility into their traveller locations*”, a task exacerbated by “*borders closing amid the Covid-19 pandemic*”.<sup>159</sup> This client was serviced by “*a customised dedicated on-site travel team*”.
  - “*One of UK’s largest retailers (\$23 million TTV)*” decided that CTM would manage its business travel across 10 countries because it could overcome the challenge of “*collecting and consolidating the travel data across all regions in a timely and efficient manner*”.<sup>160</sup>
- iii. **Navan** can “*work seamless across borders*”<sup>161</sup> in over 65 market locations. It provides “*consistently high service level*” from a “*dedicated global team*” which supplies “*first-class travel support ... wherever you may be*”. Navan’s service offering was significantly strengthened following its acquisition of Reed & Mackey — the UK-based TMC with a well-established reputation for providing high touch services around the world.<sup>162</sup> Client feedback supports the strength of Navan’s global offering.

<sup>155</sup> See <https://uk.travelctm.com/global/>.

<sup>156</sup> See <https://www.travelctm.com/global/>.

<sup>157</sup> See <https://us.travelctm.com/corporate-travel/case-studies/global-travel-program-consolidation/>.

<sup>158</sup> See <https://uk.travelctm.com/case-study-global-implementation-healthcare/>.

<sup>159</sup> See <https://uk.travelctm.com/corporate-travel/case-studies/case-study-repatriation-mining/>.

<sup>160</sup> See <https://uk.travelctm.com/corporate-travel/case-studies/case-study-cost-savings-large-retailer/>.

<sup>161</sup> See <https://reedmackay.com/global-reach>.

<sup>162</sup> See <https://www.businesstravelnews.com/Interviews/Reed-Mackay-Building-North-America-Business-with-Steady-Stream-of-Clients>.

- [REDACTED] picked Navan [REDACTED] because its platform “ [REDACTED] ” and possesses a [REDACTED].<sup>163</sup>
- [REDACTED] which left [REDACTED] for Navan [REDACTED], cited “ [REDACTED] ” as one of the criteria for switching.<sup>164</sup>
- “ [REDACTED] ” were also some of the features which Navan ticked for [REDACTED].<sup>165</sup>
- Prior to Navan, Amobee (one of the leading independent digital advertising platforms globally) “*lacked direct support abroad*”.<sup>166</sup> The Global Procure-to-Pay Manager has described Navan’s global offering as “*a 12 out of 10*”.<sup>167</sup>
- Pluralsight, a global technology education platform, chose Navan because it was “*looking for a one-stop shop that could be used globally*” with “*equal access whether [employees] were in the U.S., Australia, Europe, India, or Singapore*”.<sup>168</sup>
- Similarly, [REDACTED] chose to consolidate its \$ [REDACTED] global TTV with Navan because of the [REDACTED].
- [REDACTED] have all selected Navan for their expansive global travel programs.

e. ***Global bidding analysis shows that FCM, CTM, and Navan are all strong competitors individually.*** The Decision presented a competitor participation analysis (for bids and renewals) and a winner identity analysis (excluding renewals) for GMN customers with a TTV per opportunity above \$25 million in the UK. This approach arbitrarily restricted the sample to only 7-10 opportunities despite the CMA using a global geographic market in its Decision.<sup>169</sup>

<sup>163</sup> See Annex s109 GBT.Q3.003, [REDACTED].

<sup>164</sup> See Annex RF11 GBT.Q14.003, [REDACTED].

<sup>165</sup> See Annex RF11 GBT.Q14.006, [REDACTED].

<sup>166</sup> See <https://engage.navan.com/amobee>, page 3.

<sup>167</sup> *Ibid.*, page 4.

<sup>168</sup> See <https://engage.navan.com/pluralsight>, page 3.

<sup>169</sup> Decision, Table 3 and Table 4.

- i. A global bidding analysis (equivalent to the Decision’s UK bidding analysis) shows that each of FCM, CTM, and Navan, as well as BCD, compete for and win opportunities against the Parties.
  - ii. Moreover, active participation from at least all of FCM, CTM, and Navan in GMN opportunities is itself a strong indicator of their competitive significance – in a bidding market the presence of credible rivals in a tender process provides a competitive constraint. The fact that each of them wins a significant amount of TTV from the Parties further demonstrates that they are strong competitors for GMN customers.
- f. ***Customer case studies show that FCM, CTM, and Navan are each a strong alternative for complex, global customers.*** All these TMCs successfully service a wide range of customers with global and high touch requirements, which shows that their GMN offerings are comparable to those of the Parties and BCD.

- i. Since [REDACTED] FCM has won numerous tenders from large customers (in which GBT participated and missed out), including [REDACTED]  
[REDACTED]  
[REDACTED] years,  
[REDACTED] FCM also services such giant  
travel customers as [REDACTED]  
[REDACTED]

- ii. CTM has won multiple larger customer opportunities from the Parties in recent years, including the [REDACTED]  
[REDACTED] and  
[REDACTED].

- iii. Navan has proven that it can compete for the largest global customers. It has won [REDACTED]  
[REDACTED] and Heineken [REDACTED], won from BCD).  
[REDACTED]  
[REDACTED]

- g. ***Customer feedback confirms that FCM, CTM, and Navan are each a strong competitor for customers with global and high-touch needs.*** For example:

### For FCM

- The Decision quoted several customers who described FCM as a strong competitor. For example, one customer noted that FCM is “capable of servicing their global footprint”.<sup>170</sup> Another customer stated that FCM is “relevant and sufficiently global to meet their requirements”.<sup>171</sup>
- Similarly, [REDACTED] left [REDACTED] for FCM because it offered a “[REDACTED]”.<sup>172</sup>
- During its [REDACTED] RFP, [REDACTED] chose to stay with FCM, rather than switch to either of the Parties, because it “[REDACTED]”, providing “[REDACTED]”, along with a “[REDACTED]”, and a “[REDACTED]”.<sup>173</sup>
- Meanwhile, [REDACTED] chose FCM [REDACTED] due to its [REDACTED]”.<sup>174</sup>

### For CTM

- Customers also describe CTM as a strong TMC for customers with complex needs. Wesfarmers [REDACTED] chose CTM [REDACTED] and praised it for “successfully deliver[ing] a complex travel programme”, noting that CTM’s “attention to detail and ability to go above and beyond made the transition process (which only took 3 months) seamless”.<sup>175</sup>
- Challenger remarked that “partnering with CTM to implement their travel forecasting technology was a common sense decision.”<sup>176</sup>

<sup>170</sup> Decision, para. 152(c).

<sup>171</sup> Decision, para. 152(d).

<sup>172</sup> See Annex s109 GBT.Q3.006, [REDACTED].

<sup>173</sup> See Annex RF11 GBT.Q14.001, [REDACTED]. The Parties understand that Diageo has recently moved from [REDACTED] to Blockskeye / Kayak for Business / Gant Travel.

<sup>174</sup> See Annex s109 GBT.Q3.009, [REDACTED].

<sup>175</sup> See <https://uk.travelctm.com/corporate-travel/case-studies/case-study-implementation/>.

<sup>176</sup> See <https://uk.travelctm.com/corporate-travel/case-studies/case-study-cost-savings-forecasting/>.

- Meanwhile, Logos observed that dealing with CTM is “*always an easy experience; the service delivery from consultants is world class.*”<sup>177</sup>
- Westside Corporation found that “*CTM’s staff are unsurpassed in travel experience; supported by their online platform and reinforced with 24/7 emergency help – why would you use anyone else.*”<sup>178</sup>

**For Navan**

- The strength of Navan’s offering is likewise reflected in customer reviews. Unilever chose Navan over GBT for its “*global corporate travel*” because it wanted a “*future fit digital program that empowered employees to self-serve everyday travel with just a few clicks.*”<sup>179</sup>

- [REDACTED] selected Navan over [REDACTED] because of [REDACTED]” which competitors were “ [REDACTED] ”<sup>180</sup> [REDACTED] emphasised that it was choosing among “ [REDACTED] ” – which included the winner Navan, along with [REDACTED] wanted a supplier that is “ [REDACTED] ”, just like the customer themselves.

- [REDACTED] in favour of Navan, as its “ [REDACTED] ”. The client emphasised that Navan was “ [REDACTED] ” but still one of the “ [REDACTED] ”.<sup>181</sup> [REDACTED] was searching for a “ [REDACTED] ”.

h. ***Internal documents show that FCM, CTM, and Navan are regularly mentioned as competitors for GMNs.*** The Decision acknowledged that CWT is “*one of [several] main competitors*” for GMNs mentioned in GBT’s internal documents but suggested that the documents show that “*only a few competitors are identified as successfully competing*”.<sup>182</sup> This is incorrect and based on a misreading of the documents. For example, [REDACTED]

<sup>177</sup> See <https://us.travelctm.com/corporate-travel/service/>.

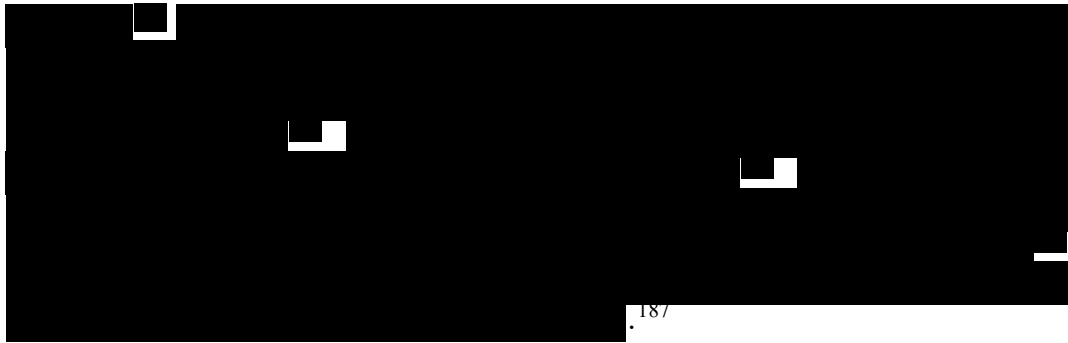
<sup>178</sup> See <https://us.travelctm.com/corporate-travel/service/>.

<sup>179</sup> See <https://navan.com/about/press/unilever-selects-navan-to-modernize-global-travel-program>.

<sup>180</sup> See Annex RFII GBT.Q14.004, [REDACTED]

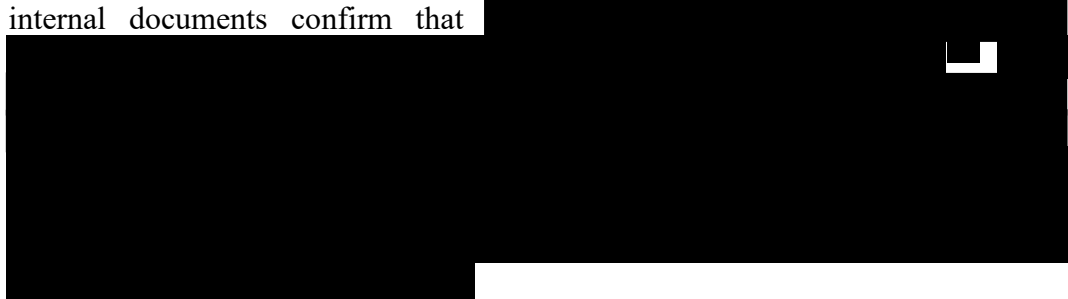
<sup>181</sup> See Annex RFII GBT.Q14.006, [REDACTED].

<sup>182</sup> Decision, para. 132.



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- i. The Decision was also wrong to conclude that CWT’s internal documents show only “a small number” of “referenced TMCs” which “can be considered close competitors for GMN customers, namely, GBT, CWT, and BCD”.<sup>188</sup> CWT’s internal documents confirm that



- j. More generally, the Decision often failed to contextualize the Parties’ internal documents, overlooking important details in respect of the broader competitive landscape. For further explanation, please see [Annex 1](#)

<sup>183</sup> See Annex RFII GBT.Q13.001, [redacted]; Annex RFII GBT.Q19.044, [redacted]; Annex RFII GBT.Q19.034, [redacted]; Annex RFII GBT.Q19.039, [redacted], page 4; Annex RFII GBT.Q19.040, [redacted], page 7; Annex RFII GBT.Q19.041, [redacted], page 5.

<sup>184</sup> See Annex RFII GBT.Q19.001, [redacted]; Annex RFII GBT.Q19.007, [redacted]; Annex RFII GBT.Q19.002, [redacted]; Annex RFII GBT.Q19.003, [redacted]; Annex RFII GBT.Q19.004, [redacted]; Annex RFII GBT.Q19.005, [redacted]; Annex RFII GBT.Q19.006, [redacted] Annex, RFII GBT.Q19.008, [redacted].

<sup>185</sup> See Annex RFII GBT.Q19.003, [redacted]

<sup>186</sup> See Annex RFII GBT.Q19.040, [redacted]

<sup>187</sup> See Annex RFII GBT.Q19.007, [redacted]

<sup>188</sup> Decision, para. 131.

<sup>189</sup> See Annex CWT.Q10.027, [redacted], page 48.

6. **Business travel is a dynamic market with (i) customers increasingly demanding digital solutions, (ii) TMCs providing global coverage, including through BPOs, partner networks and tech solutions, and (iii) [REDACTED] other TMCs are growing rapidly**

6.1 This section explains that:

- Merger control requires a prospective assessment (para. 6.2);
- The Decision erroneously focused on competitive conditions in the past rather than the current conditions of competition (para. 6.3);
- The Decision relied heavily on data that reflects out-dated and historic competition (para. 6.4);
- The Decision did not take into account the reasons why technology-focused competitors have been winning customers with global and complex requirements from so-called traditional TMCs (para. 6.5);
- The Decision ignored the growth of competitors relative to the Parties (para. 6.6);
- The Decision ignored evidence on [REDACTED] (paras. 6.7-6.9);
- Anticipated entry and expansion in the alleged GMN market will be “timely, likely, and sufficient” to constrain the Merged Entity post-Transaction (paras. 6.10 – 6.11); and
- CMA guidance emphasises the importance of assessing competition dynamically (para. 6.12).

6.2 ***Merger control requires a prospective assessment.*** As stated by the CMA’s Chief Executive Officer, “*Merger assessments are, by definition, forward-looking. The CMA has to judge how market conditions will develop absent the merger and weigh that against the likely competitive impact of the deal.*”<sup>190</sup>. Yet the Decision failed to consider the prevailing conditions of competition in the BTA services market for GMN customers, which have changed considerably in recent years. Customer needs are ever-changing – with increased demand for digital/online solutions fuelling the rapid growth of tech-led TMCs. So-called traditional TMCs are also reducing costs to compete more efficiently through providing local presence through BPO solutions and other technology solutions to assist customers e.g., the provision of chatbots to answer customers’ messages. [REDACTED]

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<sup>190</sup> See Speech by Sarah Cardell, Chief Executive of the CMA to the UK Competition Law Conference 2023 on 27 February 2023: <https://www.gov.uk/government/speeches/uk-merger-control-in-2023>.



- 6.3 ***The Decision erroneously focused on competitive conditions in the past rather than the prevailing conditions of competition.*** In its counterfactual analysis, the Decision stated that the “*the CMA ... considers the prevailing conditions of competition to be the relevant counterfactual*”.<sup>191</sup> The Parties agree this is the correct counterfactual in principle, but the Decision has not considered it.<sup>192</sup> Instead, the Decision relied on evidence that reflects historic and out-dated competition without considering how the competitive landscape is evolving today and how it will continue to evolve over the next few years. Put simply, the Decision did not consider how customers’ needs have changed (including customers that have global and complex needs) and what impact that has on the TMCs that can compete effectively to meet those needs.
- 6.4 ***The Decision relied heavily on data that reflects out-dated and historic competition.*** The evidence relied on in the Decision in relation to the Parties’ competitive position (such as the market share data and bidding data, as well as some third party comments) placed too much weight on their past performance and historic market positioning, including information from customers won many years ago. Insufficient weight is given to current market conditions and trends, and customer feedback, including the increased win rate and growth of technology-led competitors, such as Navan and Spotnana. To illustrate this, the Parties’ bidding data reflects the competitive landscape at the time the tenders took place and the Parties’ pipeline data shows contracts that are known to be coming up for renewal reflecting opportunities that were won by the incumbent at least 3-5 years ago. The market has changed since those tenders were won, with technology-focused TMCs growing rapidly and winning contracts for GMNs and SMEs, including those with global and complex needs.<sup>193</sup> Given the market dynamics, the Decision does not place sufficient weight on the TMCs that are currently among the strongest competitors and winning contracts and those that will be in the next few years.
- 6.5 ***The Decision did not take into account the reasons why technology-focused competitors have been winning customers with global and complex requirements from traditional TMCs.*** As noted above (*see* para. 2.3(c) and para. 2.3(m), both GMNs and SMEs are increasingly requiring digital/online solutions for their travellers, which has benefited the technology-focused competitors who have strong digital solutions. With “*technology*” comprising a “*foundational change*” within the BTA industry,<sup>194</sup> the significance of local presence has been rapidly diminishing. For GMNs who may still retain global focus, some of the technology-focused TMCs have been expanding their local presence offerings. For example, Navan accelerated its growth by acquiring

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<sup>191</sup> Decision, para. 34.

<sup>192</sup> The prevailing conditions of competition include entry and expansion that would have occurred absent the Transaction (*See* MAG, para. 3.10 “*Significant changes affecting competition from third parties which would occur with or without the merger [...] form a part of the counterfactual*”).

<sup>193</sup> *See* paras. 3.2(c); 3.3(d)(iv); 5.3(d)(iii).

<sup>194</sup> *See* <https://www.businesstravelnews.com/Interviews/5Qs-with-Madrona-Ventures-Group-Steve-Singh>.

Reed & Mackay in the UK, an established traditional TMC, which gave Navan access to an established global network in 65 countries and a portfolio of UK head-quartered GMNs. However, even before this acquisition, Navan had succeeded in winning GMNs. [REDACTED]

[REDACTED] Similarly, the common ownership of Spotnana and Direct Travel, provides Spotnana with access to Direct Travel's and ATPi's global network in >50 countries. This only further increases its already established attraction for GMNs (*see* para. 3.2(c)(i)). In response, traditional TMCs have been seeking to lower their costs of providing local presence through using (i) BPO (outsourcing) solutions for mid-and-back office support and remote call centers and/or (ii) technology such as chatbots to deal with traveller queries. These options are also available to the technology-focused competitors [REDACTED]. In addition, when a TMC wins a GMN customer, it is common for any dedicated customer support staff to transfer to the new TMC (sometimes under TUPE regulations) [REDACTED].

6.6 ***The Decision ignored the growth of competitors relative to the Parties.*** For example, the Decision did not take into account the fact that the Parties' post-Covid recovery rates [REDACTED]. To-date, GBT has only recovered [REDACTED] of its pre-pandemic TTV; [REDACTED] CWT with [REDACTED]. Meanwhile, BCD has recovered [REDACTED] Internova— [REDACTED] World Travel— [REDACTED] FCM— [REDACTED] and CTM— [REDACTED]. Navan has increased its [REDACTED] since 2021. Similarly, competitors are [REDACTED] in revenue growth. For example, Navan is growing revenues by around [REDACTED] on average.<sup>195</sup> “Direct Travel is growing by about [REDACTED] each year”.<sup>196</sup> Following its recent acquisition by Madrona (the investor consortium led by Steve Singh), Direct Travel is expected to “push that growth meaningfully above market rates for the foreseeable future, hitting the [REDACTED]”.<sup>197</sup> Meanwhile, GBT's year-on-year revenue growth is estimated [REDACTED].<sup>198</sup> CWT's growth rate for 2023 (when compared to 2022) was [REDACTED].<sup>199</sup> CWT has also [REDACTED] other TMCs in terms of [REDACTED]. As indicated by **Table 1** below, CWT [REDACTED] two criteria when compared with CTM, FCM, BCD, and GBT.

<sup>195</sup> See <https://www.cnbc.com/2024/05/20/navan-is-not-far-from-ipo-on-track-for-2024-profitability-ceo-says.html>

<sup>196</sup> See <https://skift.com/2024/04/02/concur-founder-steve-singh-and-firms-acquire-direct-travel/>.

<sup>197</sup> See <https://www.businesstravelnewseurope.com/Management/Investor-group-led-by-Steve-Singh-acquires-Direct-Travel>.

<sup>198</sup> See [https://s201.q4cdn.com/264815268/files/doc\\_financials/2023/q4/Amex-GBT-Q4-FY-2023\\_Earnings-Report-vFinal.pdf](https://s201.q4cdn.com/264815268/files/doc_financials/2023/q4/Amex-GBT-Q4-FY-2023_Earnings-Report-vFinal.pdf).

<sup>199</sup> See Annex CWT.Q8.005, [REDACTED], page 43.

**Table 1:** [REDACTED]

[REDACTED]

6.7 *The Decision ignored evidence on CWT's financial position* [REDACTED]

[REDACTED] The Decision focussed on CWT's alleged status as one [REDACTED].<sup>200</sup> This characterisation does not accurately reflect [REDACTED]

6.8 CWT's [REDACTED]. GMNs and SMEs with complex and global needs increasingly seek innovative, digital solutions (see paras. 2.3(c) and 2.3(m)), [REDACTED]

<sup>200</sup> Decision, para. 173.

<sup>201</sup> See Submission to CMA on Supply of Business Travel Services to Larger Customers, para 3.1(c).

<sup>202</sup> See <https://disclosure.spglobal.com/ratings/pt/regulatory/article/-/view/type/HTML/id/3086908>.

<sup>203</sup> E.g., TravelPerk raised \$135 million in debt financing from private equity firms Blackstone and Blue Owl for the acquisition of AmTrav in June 2023, Spotnana raised £75 million in a Series B funding round led by Durable Capital Partners, with participation from Madrona Venture Group, ICONIQ Growth, Mubadala Capital, and Blank Ventures, and Navan received investments from a number of investors, including Goldman Sachs and Silicon Valley Bank. See <https://www.cnbc.com/2024/06/18/travelperk-acquires-us-rival-amtrav-bags-135-million-for-expansion.html>; <https://www.businesswire.com/news/home/20220726005040/en/Spotnana-Raises-75M-in-Series-B-Funding-to-Rebuild-the-Antiquated-Infrastructure-of-the-Travel-Industry>; <https://navan.com/about/press/navan-secures-400m-credit-facilities-goldman-sachs-silicon-valley-bank>.

[REDACTED]

6.9

[REDACTED]

6.10 ***Consistent with CMA precedent, anticipated entry and expansion in the alleged GMN market will be “timely, likely, and sufficient” to constrain the Merged Entity.*** The Decision accepted that “*some newer entrants*” have already “*succeeded in winning*” some larger customers.<sup>208</sup> It also noted that some customers “*emphasised the appeal of the tech entrants’ OBT products*”.<sup>209</sup> Nonetheless, the Decision placed greater weight on the few quoted customers who indicated that competition for larger customers from “*newer entrants*” is “*still several years away*”.<sup>210</sup> Under the CMA’s Merger Assessment Guidelines (MAGs), the ‘timeliness’ of new entry will depend on “*the industry and the characteristics and dynamics of the market*”; with entry or expansion within two years generally considered ‘timely’.<sup>211</sup> The Parties compete in a bidding market where tenders are run every three to five years and therefore entry would be ‘timely’ in the supply of BTA services even if it takes more than two years.

6.11 The CMA has previously found that entry over a two to three year period was sufficient to present a competitive constraint. For example, in Sony / AWAL, smaller rivals were

<sup>204</sup> See Annex CWT.Q10.013, [REDACTED], page 47.

<sup>205</sup> See Annex RFI 1 CWT.Q13.002, [REDACTED], page 9.

<sup>206</sup> See Annex RFI 1 CWT.Q13.001, [REDACTED], page 3.

<sup>207</sup> See Annex CWT.Q10.021, [REDACTED], page 6; Annex CWT.Q10.006, [REDACTED], page 2.

<sup>208</sup> Decision, para. 188.

<sup>209</sup> Decision, para. 156.

<sup>210</sup> Decision, para. 155.

<sup>211</sup> MAG, para. 8.33

expected to become close competitors in “*the foreseeable future*” which was estimated to comprise “*the next two to three years*”.<sup>212</sup> Similarly, in Viasat / Inmarsat, the CMA “*adopted a time horizon of a few years*” to assess forward-looking competitive conditions.<sup>213</sup> Consequently, entry and expansion within the “*next several years*” is sufficient to provide an effective competitive constraint upon the Parties.

6.12 ***CMA guidance emphasise the importance of assessing competition dynamically.*** The CMA has stated recently that it has “*increased [its] focus on dynamic competition.*”<sup>214</sup> This is not reflected in the Decision. A dynamic assessment is particularly important in the supply of BTA services given that the competitive landscape has seen the recent successful entry and expansion of players such as Navan, Spotnana, and Blocksbye/Kayak for Business/Gant Travel (for more detail, *see* para. 3.2(c)). Whilst already active competitors for GMNs (including those with global and complex needs), it is reasonable to expect these TMCs to pose an even greater competitive constraint in the near future and in any event in the next two to three years.

## 7. **Barriers to entry and expansion are insignificant as evidenced by numerous new entrants winning contracts for global customers with complex needs**

7.1 The Decision found that barriers to entry and expansion for servicing GMNs are “*high*”.<sup>215</sup> In particular, it noted (i) global coverage and consistency of service,<sup>216</sup> (ii) personnel hiring costs,<sup>217</sup> and (iii) difficulties in switching TMC provider<sup>218</sup> among the reasons preventing newer TMCs from competing for GMNs. These alleged barriers are not supported by the evidence of entry and expansion by a number of TMCs that are now strong competitors for customers with global and complex needs, including GMNs.

7.2 This section explains that:

- Newer entrants are already winning customers with global and complex needs (para. 7.3);

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<sup>212</sup> See [https://assets.publishing.service.gov.uk/media/6231d78dd3bf7f5a8a6955f4/Sony\\_AWAL\\_-\\_Final\\_Report.pdf](https://assets.publishing.service.gov.uk/media/6231d78dd3bf7f5a8a6955f4/Sony_AWAL_-_Final_Report.pdf), para. 7.153 (“We have examined whether the Parties are close competitors and/or would likely become closer competitors in the foreseeable future, which is where any loss of competition would most likely arise.”). See also para. 48 (“The Orchard would most likely have become a closer competitor to AWAL in the provision of artist services in the foreseeable future”).

<sup>213</sup> See [https://assets.publishing.service.gov.uk/media/645b8da5c6e897000ca0fc92/Final\\_report\\_A.pdf](https://assets.publishing.service.gov.uk/media/645b8da5c6e897000ca0fc92/Final_report_A.pdf), para. 17.

<sup>214</sup> See <https://www.gov.uk/government/speeches/uk-merger-control-in-2023>.

<sup>215</sup> Decision, para. 188.

<sup>216</sup> Decision, paras. 184(a) and 185.

<sup>217</sup> Decision, para. 184(b).

<sup>218</sup> Decision, para. 186.

- Global networks do not represent a barrier to entry (paras. 7.4-7.9);
- Switching costs do not represent a barrier to entry (paras. 7.10-7.12);
- The [REDACTED] survey demonstrates the ease of switching (paras. 7.13-7.16);
- Personnel hiring and costs do not represent a barrier to entry (paras. 7.17-7.20);
- TMCs often win GMN customers and [REDACTED] (para. 7.21) and [REDACTED];
- Regulatory requirements do not represent a barrier to entry (para. 7.22-23).

7.3 ***Newer entrants are already winning customers with global and complex needs.*** If entry barriers were high, tech-led entrants would not yet have won GMN customers. Yet, multiple newer players have won and continue winning GMN customers from the Parties and other TMCs. [REDACTED]

[REDACTED]  
 Kayak/Blocksky/Gant Travel (launched September 2023) supplies PwC [REDACTED]

[REDACTED] Meanwhile, Spotnana (founded in 2019 and existing stealth mode in 2021) has attracted such clients as Amazon (the world’s largest business travel customer according to BTN, [REDACTED])

[REDACTED], and [REDACTED], Walmart [REDACTED] Meta [REDACTED]. Some of the [REDACTED] strong interest in Spotnana (*see* para 3.2(c)(i) for more detail). The evidence shows that there are no significant barriers to entry or expansion to winning contracts for customers with global and complex needs, including huge GMNs.

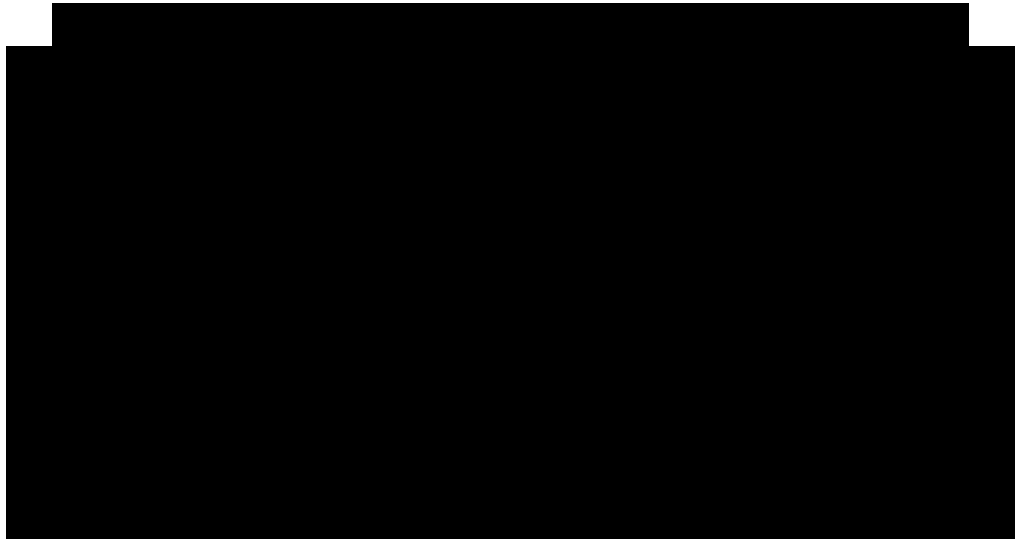
7.4 ***Global networks do not represent a barrier to entry.*** The Decision stated that global coverage is a requirement for GMN customers which newer players struggle to achieve.<sup>219</sup> One competitor stated that “*finding appropriate partners*” for global presence could “*take years*”.<sup>220</sup> This is simply not correct. There are a number of networks readily available to new entrants that already serve a broad range of geographies. These include RadiusTravel [REDACTED];<sup>221</sup> Travel Leaders Network

<sup>219</sup> Decision, para. 184(a).

<sup>220</sup> Decision, para. 184(a).

<sup>221</sup> See <https://www.radiustravel.com/>.

██████████ ATG Business Travel Management ██████████.<sup>223</sup> Joining one of these networks grants new entrants immediate access to a wide range of countries, ██████████. In fact, even mature TMCs, like the Parties, rely on networks to expand their global presence. GBT has a presence in ██████████ countries through its owned operations but can support customers in more than ██████████ other countries worldwide through its network of third-party travel partners. CWT similarly has proprietary operations in ██████████ countries (including joint ventures) but can serve customers in a further ██████████ countries through third party partnerships. **Figure 4** provides an illustrative example of how a GMN client may be serviced by a TMC, with the TMC's proprietary operations servicing the customer's travellers based in the UK and US, while a TPN partner services the customer's travellers based in ██████████



- 7.5 Alternatively to third-party networks, entrants can secure global coverage through partnerships with (or acquisitions of) specific TMCs that already have a global network. For example, as noted in para. 6.5 above, Navan acquired Reed & Mackay in the UK, with an established global network in ██████████ (and likely other TMCs in other countries). Similarly, the common ownership of Spotnana and Direct Travel, provides Spotnana with access to Direct Travel's and its partner ATPI's established global network in ██████████ countries.
- 7.6 In addition, when a TMC wins a GMN customer, it is common for any dedicated customer support staff to transfer to the new TMC (sometimes under TUPE regulations) ██████████. As such, TMCs can ██████████ meet any global presence criterion if they win a GMN contract and this is not a barrier to entry or expansion (*see* para. 2.3(g) on global presence not being a GMN pre-requisite).

<sup>222</sup> See <https://www.travelleadersnetwork.com/>.

<sup>223</sup> See <https://www.atgtravel.com/>.

7.7 The concern raised by a competitor in the decision that “*most appropriate*” partners in “*many countries*” already work with “*one of the three largest TMCs*”<sup>224</sup> is entirely unsubstantiated. And it is contradicted by the fact that FCM, CTM, Navan, Internova, JTB, and many others have established global networks. [REDACTED]

7.8 Most importantly, TMCs do not actually need a comprehensive local presence in order to compete for and win customers with global needs. [REDACTED]<sup>225</sup> GBT relies on its top [REDACTED] partners (out of [REDACTED] partners in total) for [REDACTED] of the TTV which it generates through its TPN partners. In fact, [REDACTED] of GBT’s GMNs do not use its third-party network, implying that they have operations in [REDACTED] or fewer countries. And of the GMNs that use GBT’s TPN network, [REDACTED] of their TTV [REDACTED] is in GBT’s proprietary countries. [REDACTED]

7.9 Moreover, contrary to the Decision’s finding, there is no evidence to support the suggestion that customers require a TMC with a physical presence in each of **their travel destinations**. Instead, many customers only require TMC presence in key travel markets – which can be covered through a third-party network or travel BPO.

7.10 **Switching costs do not represent a barrier to entry.** In the Parties’ experience, customers face [REDACTED] switching costs. [REDACTED]. GBT’s internal working assumption is that TMCs need [REDACTED] to deploy a new customer’s travel programme (after the scope has been agreed and all necessary data gathered). This is a realistic assumption, not a best case. [REDACTED]

7.11 Switching is further facilitated by the short notice period customers need to give to terminate TMC services – [REDACTED]

<sup>224</sup> Decision, para. 184(a).

<sup>225</sup> See Annex GBT.Q8.001, [REDACTED], page 6.



[REDACTED]

7.12 The ease of switching is only further demonstrated by the [REDACTED] customers which the Parties have recently lost (*see* paras. 3.2c; 3.3d; 5.4(e)), with the customers having chosen to switch to another TMC. This in turn shows that the [REDACTED] survey’s hypothesis [REDACTED] (which the Decision cited)<sup>226</sup> [REDACTED].

7.13 ***In fact, the [REDACTED] study demonstrates the ease of switching***, as customers [REDACTED] [REDACTED].<sup>227</sup> The survey found that (i) [REDACTED] of customers spending over \$25 million on business travel per year anticipate switching in the next three years, and (ii) around [REDACTED] of companies surveyed with TTV spend above \$25 million TTV per year find it “*easy*” or “*extremely easy*” to switch TMC. Moreover, the survey confirmed that switching was not only anticipated but also actively practiced by GMNs – [REDACTED] of clients spending over \$25 million TTV confirmed using more than 1 TMC in the past 3 years as a result of switching and/or multi-homing.

7.14 The Decision noted that the CMA has placed “*limited weight*” on the [REDACTED] survey, partly due to the survey being submitted “*late in the investigation*”.<sup>228</sup> [REDACTED]  
[REDACTED] The Parties encourage the CMA to consider the survey results in more detail in the Phase 2 investigation.

7.15 The other reasons given in the Decision for not giving weight to the survey results are illogical. The Decision states, for example, that the survey sample was “*made up of business travel customers using BTA services and not restricted to the Parties’ customers. It may therefore not be representative of the population whose switching behaviour is relevant to assessing the competitive impact of this Merger, which is the Parties’ GMN customers*”.<sup>229</sup> This is fundamentally incorrect. The Merger must be assessed in respect of its impact on the defined market, which includes *all* customers with global and complex needs, not just the Parties’ customers. Neither does lack of clarity over (i) the TMCs to which the survey’s participants have switched and (ii) the portion of switching<sup>230</sup> justify finding that the results are irrelevant. The competitive

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<sup>226</sup> Decision, para. 141.

<sup>227</sup> See Annex CWT.Q10.029 – [REDACTED], slide 40.

<sup>228</sup> Decision, paras. 136 and 138.

<sup>229</sup> Decision, para. 138.

<sup>230</sup> Decision, para. 138.

assessment is not limited to a defined set of TMCs. Neither must it solely consider full switching. Any TMC that successfully services clients with global and complex needs, regardless of the portion of BTA services it fulfils, remains relevant to the competitive analysis, especially the significant proportion of customers that use more than one TMC (see para. 4.12(a)).

7.16 Finally, [REDACTED] further supports the [REDACTED] findings. [REDACTED]

[REDACTED]<sup>236</sup> Consequently, the Decision’s scepticism over the [REDACTED] survey is unjustified.

7.17 ***Personnel hiring and costs do not represent a barrier to entry.*** Certain competitors identified the “*hiring of skilled service personal [sic]*” as a “*significant cost*”.<sup>237</sup> Yet, digitalisation has significantly reduced personnel costs. Latest advancements in digital channels, OBTs, and mobile technology remove the need for new staff to receive specialised training. For example, Navan’s point-and-click tool TravelXen enables travel managers to quickly access employees’ profiles and bookings, and swiftly resolve any related problems.<sup>238</sup> As a result, Navan has become less reliant on workers with specialised GDS training, which has greatly reduced its hiring costs.

7.18 Neither do TMCs necessarily need to develop proprietary technology to reduce personnel expenses. [REDACTED]

[REDACTED]. Additionally, many TMCs have partnered with client relationship management systems (e.g., Salesforce) and BPOs (e.g., Teleperformance, Concentrix, EXL, WNS, Cynergy) [REDACTED]

[REDACTED]<sup>239</sup> Such use of BPOs also assists with satisfying customers’ global requirements by providing an immediate pool of counsellors who speak a variety of languages – one of the main reasons clients may want their TMC to be active in multiple countries. Still

<sup>231</sup> See <https://investors.amexglobalbusinesstravel.com/investors/news/news-details/2024/American-Express-Global-Business-Travel-Reports-Strong-Fourth-Quarter-and-Full-Year-2023-Financial-Results-Introduces-2024-Outlook/default.aspx>.

<sup>232</sup> See <https://www.bcdtravel.com/travel-management/tailored-business-travel-services/>.

<sup>233</sup> See <https://www.fcmtravel.com/en-ae/resources/news-hub/swipe-right-build-great-travel-programm>.

<sup>234</sup> See <https://www.travelweekly.com/Power-List-2024/Corporate-Travel-Management>.

<sup>235</sup> See <https://reedmackay.com/why-us>.

<sup>236</sup> See <https://www.dt.com>.

<sup>237</sup> Decision, para. 184(b).

<sup>238</sup> See Inside TravelXen, <https://navan.com/blog/insights-trends/inside-travelxen-the-technology-powering-tripactions-travel-agent-support>.

<sup>239</sup> As explained by GBT during the Phase 2 Teach-in.

others, ( [REDACTED] )<sup>240</sup> employ Spotnana's ready-to-use tech stack which also replaces the need for extensive employee training.

7.19 Specifically for customers with dedicated travel counsellors (i.e., customers with high touch needs), it is common for the winning TMC to receive the option of transferring a certain proportion of relevant staff from the incumbent provider. Such lateral moves take place under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and allow the new TMC to immediately obtain trained, skilled resources that already know the customer. Training entirely new staff does not present a difficulty either — the Parties' experience is that new staff [REDACTED]. For example, [REDACTED], ensuring they have the skills and knowledge to join [REDACTED] servicing teams.

7.20 Meanwhile, the growing trend of customers preferring digitalised, touchless (i.e., purely automated) bookings, has freed up additional staff to assist with more high touch customer accounts. To illustrate, [REDACTED]. To summarise, digitalisation of TMC services is significantly reducing demand for in-person support.

7.21 *TMCs often win GMN clients and* [REDACTED]

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<sup>240</sup> See Modern TMC Stack, <https://www.spotnana.com/ways-to-partner/modern-tmc-tech-stack/>.

<sup>241</sup> [REDACTED]

[REDACTED]

7.22 ***Regulatory requirements do not represent a barrier to entry.*** The Decision concluded that ‘global needs’ of certain customers necessarily require a physical presence in *destination* countries of travel. Specifically, some competitors told the CMA that IATA ticketing requirements can present an entry barrier, given that IATA regulations require TMCs to have presence in countries where they book airline tickets.<sup>242</sup> This requirement however only applies to the country in which the travel is booked, not to the destination country, as shown by the Parties’ experience. [REDACTED], GBT has sold [REDACTED] flight tickets to locations where GBT has no presence (neither through proprietary entities nor its third-party network). The number of such tickets sold in [REDACTED]. CWT [REDACTED] sells tickets to destinations where it [REDACTED], mainly through [REDACTED]. This approach is possible under IATA’s licensing – TMCs can acquire travel credit accreditation to sell “*international and/or domestic tickets for multiple airlines*” under a single sales agency agreement (i.e., through a single servicing hub).<sup>243</sup> This virtual accreditation permits TMCs to sell tickets in respect of countries where they lack a physical presence and thus renders a TMC’s presence in every destination country unnecessary. Such approach is particularly facilitated through the wide availability of BPOs which further diminish the need for a local presence.

7.23 If a TMC wins a contract where the customer requires the TMC to be able to book airline tickets in a country where the TMC is not present, it can use a local TMC as an agent either through a bilateral arrangement or through using a network (*see* paras. 7.4 and 7.5 above). [REDACTED]

[REDACTED] One of the main reasons TMCs want a local presence (whether owned or via a TPN) is to access local content. The accelerating roll-out of NDC is, however, gradually removing the use of ‘local’ content and pricing.

## 8. **GBT will continue to support the development of NDC post-Transaction**

8.1 The Decision mentions some travel suppliers’ concerns that the Merged Entity could “*adversely impact the development and adoption of NDC airline booking technology*”.<sup>244</sup> This is incorrect. Instead the Transaction is likely to have a positive impact on NDC technology’s deployment. GBT is currently at the forefront of the

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<sup>242</sup> Decision, para. 184(a).

<sup>243</sup> See <https://www.iata.org/en/services/travel-agency-program/accreditation-travel/>.

<sup>244</sup> Decision, para. 164.

transition to NDC and is taking “an industry-leading approach to NDC and the changing air distribution landscape”.<sup>245</sup>

8.2 This section explains that:

- Speculation from suppliers that GBT may delay the adoption of NDC is baseless (paras. 8.3-8.4); and
- GBT cannot increase the cost of adopting NDC for competitors (para. 8.5).

8.3 ***Speculation from suppliers that GBT may delay the adoption of NDC is baseless.*** The Decision references travel suppliers worried that the Merged Entity could delay widescale NDC adoption.<sup>246</sup> Such fear has no factual basis. GBT has invested over \$10 million in 2023 alone for the development of NDC-related technology; with total investment to-date estimated [REDACTED].<sup>247</sup> Additionally, GBT has hired more than [REDACTED] engineers to assist with its NDC adoption. It would be illogical for GBT to invest such substantial resources to a project and then seek to hinder its adoption. Moreover, a failure to support NDC would not benefit GBT. Rather, it would result in a loss of customers to rival TMCs that supported NDC and direct bookings with airlines, as customers with global and complex needs demand access to the widest range of fares (which includes access to NDC fares). Without NDC fares, GBT would be like a business travel marketplace with rows of empty shelves. Neither is NDC’s significance for customers overstated. For example, [REDACTED] selected Navan because of its NDC content, as travel becomes “[REDACTED]”.<sup>248</sup>

8.4 Accordingly, GBT’s “mission” is to offer clients “the most comprehensive and competitive content” (including NDC-based fares).<sup>249</sup> Already, [REDACTED] GBT’s clients can access NDC fares, with GBT having made “hundreds of thousands” of NDC bookings.<sup>250</sup> In 2024 alone, GBT has booked around [REDACTED] flight segments with NDC technology, whilst being partnered with more than [REDACTED] airlines. [REDACTED].

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<sup>245</sup> See <https://www.amexglobalbusinesstravel.com/new-distribution-capability/#:~:text=We%20are%20taking%20an%20industry,our%20booking%20and%20servicing%20environments>.

<sup>246</sup> Decision, para. 165

<sup>247</sup> See <https://www.amexglobalbusinesstravel.com/the-atlas/interview-bruno-murray-ndc-evolution/>.

<sup>248</sup> See Annex s109 GBT.Q3.003, [REDACTED].

<sup>249</sup> See <https://www.amexglobalbusinesstravel.com/uk/the-atlas/amex-gbt-expands-ndc-marketplace/>.

<sup>250</sup> See <https://www.amexglobalbusinesstravel.com/uk/the-atlas/amex-gbt-expands-ndc-marketplace/>.

8.5 ***GBT cannot increase the cost of adopting NDC for competitors.*** Some third parties misleadingly state that GBT can shape NDC’s technological requirements to increase adoption costs for tech entrants.<sup>251</sup> This is simply incorrect. Airlines are driving the roll-out of NDC technology, not TMCs. Each of the airlines implementing NDC (of which there are >80) is building its own NDC-specific APIs with bespoke features (e.g., differences in the number of digits in the transaction number identifier for the booking, excess baggage units (kilos v pounds) or distance between airports (miles v kilometres)). Given each airline is developing its own capabilities in a different way and through a distinct combination of technology partners, TMCs must engage in new development work for each airline’s NDC fares. This exacerbates TMCs’ costs and delays NDC adoption.

[REDACTED]

[REDACTED]. Ultimately, GBT lacks both the incentive and ability to negatively impact NDC’s development.

9. **The Transaction will benefit customers by creating a more efficient travel platform**

9.1 ***Post-Transaction, the Merged Entity will be able to offer more value and better technology and services to customers.*** The Transaction will result in c. \$155 million annual, run-rate cost synergies [REDACTED]

[REDACTED].<sup>254</sup> Given the highly competitive nature of business travel, which includes at least six strong and well-resourced TMCs (see para. 3.3), the Merged Entity will use these synergies to compete more effectively and benefit customers. In particular, the Transaction will provide “*greater capacity for investment in software and services*”.<sup>255</sup> This is particularly important given (i) the accelerated digitalisation of the BTA services market (see para. 2.3(m) as well as (ii)

[REDACTED] (see para. 6.8). Post-Transaction, CWT’s customers [REDACTED]

[REDACTED].<sup>256</sup>

<sup>251</sup> Decision, para. 165.

<sup>252</sup> See <https://www.amexglobalbusinesstravel.com/the-atlas/how-were-striving-to-make-new-distribution-capability-work-for-business-travel/>.

<sup>253</sup> See <https://www.amexglobalbusinesstravel.com/the-atlas/how-were-striving-to-make-new-distribution-capability-work-for-business-travel/>.

<sup>254</sup> See Annex GBT.Q9.002, Annex GBT.Q9.002 - [REDACTED], page 7.

<sup>255</sup> See [https://s201.q4cdn.com/264815268/files/doc\\_presentations/2024/Amex-GBT-to-Acquire-CWT-Presentation-vFinal.pdf](https://s201.q4cdn.com/264815268/files/doc_presentations/2024/Amex-GBT-to-Acquire-CWT-Presentation-vFinal.pdf).

<sup>256</sup> [REDACTED]

This increases the Merged Entity's investment abilities to create "[REDACTED]"<sup>258</sup> Ultimately, the Transaction creates a "[REDACTED]" which will offer "[REDACTED]" to clients and suppliers alike.<sup>259</sup>

## 10. Conclusion

- 10.1 For the reasons set out above, the Decision's competitive assessment and conclusions were incorrect in numerous respects. The Transaction will not result in an SLC in the supply of BTA services to GMN customers or any other customers. The evidence shows that business travel is a highly competitive, fragmented, and dynamic market, that the Parties are not each other's closest competitors, that [REDACTED] absent the Transaction, and that the Merged Entity will be constrained by more than five strong competitors, as well as its powerful and sophisticated customers, post-Transaction.

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<sup>257</sup> See Teach-in Presentation from 21 August 2024, page 34.

<sup>258</sup> See <https://investors.amexglobalbusinesstravel.com/investors/news/news-details/2024/Amex-GBT-to-Acquire-CWT/default.aspx>.

<sup>259</sup> See Annex GBT.Q9.002, [REDACTED] page 7.