

Anticipated acquisition by Global Business Travel Group, Inc of CWT Holdings, LLC.

Interim Report

ME/7096/24

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The Competition and Markets Authority has excluded from this published version of the Interim Report information which the inquiry group considers should be excluded having regard to the three considerations set out in section 244 of the Enterprise Act 2002 (specified information: considerations relevant to disclosure). The omissions are indicated by [✂]. Some numbers have been replaced by a range. These are shown in square brackets. Non-sensitive wording is also indicated in square brackets.

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GLOSSARY

SUMMARY

OVERVIEW OF OUR INTERIM REPORT

1. The Competition and Markets Authority (**CMA**) has provisionally found that the anticipated acquisition (the **Merger**) by Global Business Travel Holdings, Inc. (**GBT**) of CWT Holdings, LLC. (**CWT** and, together with GBT, the **Parties**), to create the **Merged Entity**, amounts to a relevant merger situation (**RMS**) that may be expected to result in a substantial lessening of competition (**SLC**) in the global market for the supply of business travel agency (**BTA**) services to customers with high total travel spend (**TTV**) (of over \$25 million) and requirements spanning multiple distinct regions of the globe.¹
2. This is not our final decision, and we invite any interested parties to make representations to us on these provisional findings by no later than **5pm on Wednesday 27 November 2024**. Please make any responses to these provisional findings by email to GBT.CWT@cma.gov.uk. We will take all submissions received by this date into account in reaching our final decision.

WHO ARE THE BUSINESSES AND WHAT PRODUCTS DO THEY SUPPLY?

3. GBT is a NYSE-listed travel management company (**TMC**) trading under the name 'Amex Global Business Travel'. It provides BTA services, including search, booking, and expense management, in the UK and globally.² GBT also operates Neo, an online booking tool (**OBT**), and Neo1, a cloud-based travel spend manager.³
4. GBT's 2023 turnover was approximately £1.8 billion worldwide and approximately £[~~1.8~~] million in the UK.
5. CWT is a privately owned TMC. Much like GBT, it provides BTA services, including search, booking and expense management, in the UK and globally.⁴ CWT also operates an OBT, via chat, web and mobile app (myCWT), and a hotel booking platform (RoomIt) which provides hotel inventory and booking solutions for business travellers, and a distribution platform for hotel chains.⁵

¹ All references to dollar (\$) amounts in this report are in US Dollars (USD).

² Final Merger Notice (**FMN**), 3 June 2024, paragraph 1.2.

³ FMN, paragraphs 3.3(a)-3.4.

⁴ FMN, paragraph 1.2.

⁵ FMN, paragraphs 1.3, 3.14-3.15 and 3.19.

6. CWT's 2023 turnover was approximately £[~~xx~~] million worldwide and approximately £[~~xx~~] million in the UK.

OUR ASSESSMENT

Why are we examining this Merger?

7. The CMA's primary duty is to seek to promote competition for the benefit of consumers. It has a duty to investigate mergers that could raise competition concerns in the United Kingdom (UK), provided it has jurisdiction to do so.
8. In this case, the CMA has jurisdiction over the Merger because the Parties' overlapping activities meet the 'share of supply' jurisdictional test. We have calculated shares of supply on the basis of TTV generated in the UK in 2023 by customers whose global TTV exceeds \$25 million. We provisionally found that the Parties' combined share of supply in the UK on this basis is [60-70%].
9. Both parties provide BTA services to customers which include a range of UK headquartered business and international businesses with significant operations in the UK.

What evidence have we looked at?

10. In assessing the competitive effects of the Merger, we looked at a wide range of evidence in the round.
11. We received submissions and responses to information requests from the Parties, including the Parties' response to the CMA's Phase 1 Decision,⁶ and held meetings with the Parties, including a teach in and the Initial Substantive Meeting. We examined the Parties' internal documents, which provide information on the types of customers they serve, who their rivals are, and the closeness of competition between the Parties and their rivals, as assessed by the Parties in the ordinary course of business.
12. We spoke to and gathered information from third parties to better understand the competitive landscape faced by the Parties and obtain views on the impact of the Merger. In particular, the CMA received evidence from the Parties' customers and TMC competitors.

⁶ CMA, [Decision on relevant merger situation and substantial lessening of competition \(Phase 1 Decision\)](#), 30 July 2024. [Parties' response to the Phase 1 Decision](#), 23 August 2024.

WHAT DID THE EVIDENCE TELL US...

... about what would likely happen if the Merger does not take place?

13. In order to determine what (if any) impact the Merger may be expected to have on competition, we have considered what would likely happen if the Merger does not take place. This is known as the counterfactual.
14. Our provisional conclusion is that the appropriate counterfactual against which to assess the Merger is the prevailing conditions of competition whereby GBT and CWT would continue to compete broadly in the same way as they do now. CWT [REDACTED] did not submit that it would exit the market but for the Merger and we have not seen any other evidence to indicate an exiting firm scenario. [REDACTED], although CWT entered Chapter 11 bankruptcy after its financial position suffered due to the COVID-19 pandemic, it has subsequently undergone recapitalisation [REDACTED], allowing it to both retain customers and win new customers, including from GBT. It has also received [REDACTED].

... about the customers that would be affected by the Merger?

15. The evidence we have received consistently indicated that there is recognition within the BTA services sector of a group of customers, often referred to as global multinationals or GMNs, who have distinct requirements to other customers. In particular, the evidence shows that these customers require sufficient capacity, service and support levels to be available to support a high volume of multi-regional travel. These customers also identify a more limited set of TMCs as suitable for their requirements than smaller customers. While there does not appear to be a universally accepted definition of these customers, the evidence we have received indicates that in the ordinary course of their businesses TMCs typically identify customers as falling within this group by reference to the value of their TTV, or the value of their TTV in combination with requirements for travel services that span multiple distinct regions of the globe.
16. Both Parties differentiate between groups of customers in this way in their internal documents. GBT uses a threshold of \$30 million annual TTV and CWT uses a threshold of \$25 million annual TTV to identify these customers.⁷ Other TMCs use different TTV thresholds to identify this group of customers. While the exact numbers used may differ, based on the information available to us, we consider that \$25 million annual TTV is an appropriate threshold for those customers.

⁷ We note that the Parties have claimed that CWT uses a threshold of \$[REDACTED] to identify these customers. However, this is not consistent with our review of the internal documents received from CWT which show CWT using a \$25 million annual TTV threshold.

17. Accordingly, we have assessed the effects of the Merger on the market for the supply of BTA services to customers with a high-volume (a TTV of over \$25 million) of business travel that spans multiple distinct regions of the globe (which we refer to in this report as **GMNs** or **GMN customers**).
18. We considered whether unmanaged travel (ie in-house management of travel services or permitting employees to book their own travel and expense it back through their employer) should be considered to be in the same market as the supply of BTA services to GMN customers. Evidence from GMN customers and the Parties' internal documents indicates that unmanaged travel is not viewed as an alternative to managed travel. Accordingly, we did not include unmanaged travel in the relevant market.
19. While we have provisionally found that the relevant geographic market is global, we note that both Parties have operations in the UK and that their customer bases include GMN customers which are based in and/or do business in the UK.

... about the effects of the Merger?

20. Our approach to assessing the Merger is forward-looking, and accounts for the future evolution of competitive conditions. This includes a consideration of any likely change in competitive strength, any expansion plans by the Parties and their rivals, any technological change, and their likely impact on competition. We adopted a time horizon of two years for our assessment, in line with the CMA Merger Assessment Guidelines. We consider that any impact from entry or expansion by rivals that only manifests itself after this time horizon would not be sufficiently timely to be relevant to our assessment of the loss of competition between the Parties resulting from the Merger.
21. We have provisionally found that the Merged Entity would be the clear market leader, and that the loss of competition between the Parties would not be offset by the constraint posed by other suppliers in the market.
22. The evidence from the shares of supply, bidding data, the Parties' internal documents, customers and competitors is consistent in showing that the Parties, alongside BCD, are by far the three largest TMCs supplying BTA services to GMN customers (with the Merged Entity around twice the size of BCD), and that the Parties and BCD compete closely for these customers, largely because of their scale and global coverage. While FCM is a credible alternative for some of those customers, it was regarded by others as not having the same capacity or global reach. The evidence is also consistent that CTM and Navan are relatively weak competitors in the supply of BTA services to GMNs. We found little evidence that any other TMCs compete for GMNs to any meaningful extent.

23. We recognise that CWT may be [redacted] than it was in 2019 and that its financial difficulties during the COVID-19 pandemic have had an adverse impact on [redacted]. However, CWT remains a significant and close competitor to GBT, one of very few close competitors and, more generally, one of a limited number of TMCs capable of serving GMN customers. This is evidenced by: customers retained since 2019, including in bids against GBT; customers won since 2019, including from GBT; customer and competitor ratings. Furthermore, the evidence indicates that CWT [redacted] it has taken steps to recover, improving its financial performance, and that it [redacted]. We therefore consider that it is likely that CWT will continue to be a significant competitor to and constrain GBT in the supply of BTA services to GMNs.
24. As regards the impact of innovation on the competitive landscape, while some customers and competitors recognised technological changes in the market, such as digital solutions reducing the need for agents to book travel, they also highlighted the continued importance of in-person support, alongside technological solutions, to meet GMN customer needs. We have seen evidence of a tech-entrant partnering with TMCs in order to provide a comprehensive set of BTA services to GMN customers. Accordingly, while we acknowledge the ongoing technological innovation in this market, we have not seen evidence indicating that technology could substitute a comprehensive BTA offering, or that tech-led competitors are likely to become material standalone competitors in the next two years.
25. Finally, we have found that any TMC looking to enter or gain more scale in BTA services for GMN customers would face substantial barriers to entry and expansion. Our evidence consistently indicates that a combination of demonstrated track record, geographic footprint, and overall scale and consistency of service is required to compete for GMN customers.
26. Therefore, the effect of this Merger would be to combine two significant and close competitors in a market for GMN customers, with few meaningful alternatives and significant barriers to entry and expansion.

... about the overall impact of the Merger on GMN customers?

27. Business travel plays a vital role in maintaining a successful economy, in particular for open trading economies such as the UK which are highly dependent on global trade, supply chains and international investment. Both Parties' GMN customers include companies, whether headquartered in or outside the UK, that play an important role in the UK economy. A cost-effective, good quality and efficient business travel sector is therefore a necessary underpinning element of UK productivity and economic growth.

28. Our statutory duty is to assess whether the Merger may be expected to result in an SLC within any market or markets in the UK for goods or services. Any such reduction in competition can have a potential impact on consumers.
29. In this case, our provisional finding is that this Merger, by removing the constraint that GBT and CWT exert on each other, would lead to a significant reduction in competition in the supply of BTA services to GMN customers, which in turn would allow the Merged Entity to raise prices and/or degrade non-price aspects of its competitive offering to GMN customers, including those who operate in the UK.

PROVISIONAL CONCLUSION

30. For the reasons explained in this report, we provisionally conclude that the Merger, if implemented, will result in the creation of an RMS, and that situation may be expected to result in an SLC in the global market for the supply of BTA services to GMN customers, including the customers served by GBT and CWT, a number of which are based in the UK and/or do business in the UK. The Merger may therefore be expected to result in an SLC within the UK.

WHAT HAPPENS NEXT?

31. We invite any interested parties to make representations to us on these provisional findings by no later than **5pm on Wednesday 27 November 2024**.
32. As a result of the provisional SLC identified, the Parties are required to confirm to the CMA within three working days of the publication of this Interim Report whether they intend to submit a completed Phase 2 Remedies Form (**Remedies Form**), and to submit this by no later than **5pm on Wednesday 20 November 2024**. Following submission of the Remedies Form (or confirmation by the Parties that they do not intend to submit such a form), the CMA will publish an Invitation to Comment on Remedies in order to consult on possible action to remedy, mitigate or prevent the SLC and the resulting adverse effects provisionally identified. For more information on the phase 2 process, see chapter 12 of [Mergers: Guidance on the CMA's jurisdiction and procedure \(CMA2\)](#).

FINDINGS

1. INTRODUCTION

- 1.1 This is the Interim Report of the Inquiry Group appointed to consider the acquisition by Global Business Travel Holdings, Inc. (**GBT**) of CWT Holdings, LLC (**CWT**).^{8,9} On the basis of the evidence to which we refer in this Interim Report we propose to find that the Merger may be expected to result in a substantial lessening of competition (**SLC**).
- 1.2 The purpose of this Interim Report is to provide interested parties with an understanding of the evidence the Inquiry Group has received and considered in the investigation to date and the findings which we propose to draw from it. This includes evidence received in the phase 1 investigation and additional evidence received in our phase 2 inquiry to date. When considering evidence referred to in the Phase 1 Decision,¹⁰ the Inquiry Group has applied the evidential thresholds that are applicable in phase 2.
- 1.3 The provisional findings presented in this Interim Report are not our final decision. This will be made at the conclusion of the investigation and may vary from that presented in this Interim Report. Interested parties are invited to make written representations on any aspect of this Interim Report by **5pm on Wednesday 27 November 2024**.
- 1.4 Following this, the Inquiry Group will conduct a face-to-face hearing at which the Parties will have an opportunity to expand upon or supplement any written representations they wish to make. The CMA may also request and/or receive further evidence following the hearing which may inform the Inquiry Group's final decision.

Evidence in our investigation

- 1.5 In conducting our investigations in phase 2, we have had access to and considered evidence gathered during the phase 1 investigation.

⁸ On 12 August 2024, the Competition and Markets Authority (**CMA**) made a reference to its Chair under [section 33](#) of the Enterprise Act 2002 (the **Act**), for the constitution of a Group of CMA Panel Members (the **Inquiry Group**) to investigate and report on the anticipated acquisition by Global Business Travel Group, Inc. (**GBT**) of CWT Holdings, LLC. (**CWT**) (the **Merger**). GBT and CWT are each a **Party** to the Merger; together they are referred to as the **Parties** and, for statements relating to the future where GBT acquires CWT (if the Merger was to proceed), as the **Merged Entity**. The relevant terms of reference can be found on the [CMA website](#).

⁹ Published and notified to the Parties in line with [CMA rules of procedure for merger, market and special reference groups \(CMA17\)](#), 25 April 2024, Rule 11.

¹⁰ CMA, [Decision on relevant merger situation and substantial lessening of competition \(Phase 1 Decision\)](#), 30 July 2024.

- 1.6 In addition, during the course of our investigation we have received additional evidence and carried out further analysis as follows and this has informed our assessment of the nature of competition, market definition, closeness of competition between the Parties and their rivals, the implications of CWT's financial position for its competitive strength and barriers to entry and expansion:
- (a) The Parties' submissions summarised in Appendix A.
 - (b) Our analysis of shares of supply presented in Appendix B.
 - (c) Our analysis of the Parties' tender data and of the Parties' tender analysis, presented in Appendix C.
 - (d) Our review of internal documents from the Parties, presented in Appendix D.
 - (e) Responses from customers to our questionnaire and other evidence from discussions with customers, which together form Appendix E.
 - (f) Responses from competitors to our questionnaires and information requests, and other evidence from discussions with competitors and their internal documents, which together form Appendix F.
 - (g) The Parties' submissions and internal documents on CWT's financial position and our assessment in Appendix G.

2. RELEVANT MERGER SITUATION

Introduction

- 2.1 This chapter addresses the first of the two statutory questions which we are required to answer under [section 36\(1\)](#) of the Enterprise Act 2002 (the **Act**), namely, whether arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation (**RMS**).
- 2.2 The concept of an RMS has two principal elements: (a) two or more enterprises cease to be distinct enterprises within the statutory period for reference;¹¹ and (b) the turnover test and/or the share of supply test is met.¹² We address each of these elements in turn below.
- 2.3 For the reasons set out below, we provisionally consider that the Merger, if carried into effect, will result in the creation of a RMS, on the basis that the Parties will cease to be distinct and that their combined share of supply exceeds 25% for the purposes of establishing jurisdiction.

Enterprises ceasing to be distinct

Enterprises

- 2.4 The first element of the jurisdictional test is whether two or more enterprises will cease to be distinct as a result of the Merger.¹³
- 2.5 The Act defines an ‘enterprise’ as ‘the activities or part of the activities of a business’.¹⁴ A ‘business’ is defined as including ‘a professional practice and includes any other undertaking which is carried on for gain or reward or which is an undertaking in the course of which goods or services are supplied otherwise than free of charge’.¹⁵ CMA guidance explains that the enterprise in question need not be a separate legal entity.¹⁶
- 2.6 GBT and CWT are both active in the supply of business travel agency (**BTA**) services (see paragraph 5.4 below). In 2023, GBT generated turnover of approximately £[~~£~~] million and CWT generated turnover of approximately £[~~£~~] million in the United Kingdom (**UK**).

¹¹ Sections [23](#) and [24](#) of the Act.

¹² [Section 23](#) of the Act.

¹³ [Section 23](#) of the Act.

¹⁴ [Section 129\(1\)](#) of the Act.

¹⁵ Section [129\(1\)](#) of the Act. See also sections [129\(3\)](#) and [130](#) of the Act.

¹⁶ [Mergers: Guidance on the CMA's jurisdiction and procedure \(CMA2\)](#), 25 April 2024, paragraph 4.6. Nor is there a requirement that the transferred activities have generated, or are expected to generate, a profit or dividend for shareholders: indeed, the transferred activities may be loss-making or conducted on a not-for-profit basis.

2.7 Our provisional view is that each of GBT and CWT is a 'business' within the meaning of the Act and that, accordingly, the activities of each of GBT and CWT constitutes an 'enterprise' for the purposes of the Act.

Ceasing to be distinct

2.8 The Act provides that any two enterprises 'cease to be distinct' if they are brought under common ownership or common control.¹⁷

2.9 The Merger concerns the acquisition by GBT of the entire issued share capital of CWT. Accordingly, on completion of the Merger, GBT and CWT will be brought under common ownership and control within the meaning of section 26 of the Act.

2.10 Our provisional conclusion is therefore that the Merger will, if carried into effect, result in two or more enterprises (namely, the enterprises of GBT and CWT), ceasing to be distinct.

Turnover test or share of supply test

Turnover test

2.11 The second element of the jurisdictional test seeks to establish sufficient connection with the UK on a turnover or share of supply basis.

2.12 The turnover test is met where the value of the turnover in the UK of the enterprise being taken over exceeds £70 million.¹⁸ As the turnover of CWT in the UK in its last financial year prior to the Merger agreement was approximately £[~~8~~] million,¹⁹ the turnover test is not met. We are therefore required to consider whether the share of supply test is met.

Share of supply test

2.13 The share of supply test is met where, as a result of enterprises ceasing to be distinct, the following condition prevails or prevails to a greater extent: at least one quarter of goods or services of any description which are supplied in the UK, or in a substantial part of the UK, are supplied either by or to one and the same person.²⁰ The requirement that the condition prevails or prevails to a greater extent means that the Merger must result in the creation or increase in a share of supply

¹⁷ [Section 26](#) of the Act.

¹⁸ [Section 23\(1\)\(b\)](#) of the Act.

¹⁹ CMA, [Phase 1 Decision](#), 30 July 2024, paragraph 19.

²⁰ Section [23\(2\)](#), [\(3\)](#) and [\(4\)](#) of the Act. The reference to supply 'by' or 'to' one and the same person catches aggregations with regard to the supply or purchase of goods or services. The test is also met where at least one quarter of the goods or services is supplied by the persons by whom the enterprises concerned are carried on, or are supplied to or for those persons.

of goods or services of a particular description and the resulting share must be 25% or more.

- 2.14 The description of goods or services identified for the purposes of the jurisdictional test does not have to correspond with the economic market adopted for the purposes of the SLC question.²¹ The CMA will have regard to any reasonable description of a set of goods or services to determine whether the share of supply test is met.²² Importantly, however, parties must together supply or acquire the same category of goods or services.²³
- 2.15 At phase 1, the Parties submitted that they had a combined UK share of supply of BTA services (excluding self-managed travel) to all customers of [30-40%] (with an increment of [5-10%] arising from the Merger) on the basis of total travel spend (**TTV**) in 2023, and that the share of supply test was met on that basis.²⁴ At phase 2, the Parties have presented further UK shares of supply that they claim shows a combined share of supply of BTA services to all customers of only [20-30%]. The Parties' state that by applying a bottom-up approach to the TTV values stated within a Business Travel News' (**BTNs**) Top 50 travel management companies (**TMCs**) in the UK, the combined UK share of supply for the Parties was only [15-25%] and [15-25%] in 2022 and 2023 respectively ie below the 25% jurisdictional threshold.²⁵
- 2.16 We recognise, as noted above, that the description of goods and services used for the purposes of the jurisdictional test does not have to correspond with the economic market adopted for the purposes of the SLC question. However, we also note that BTN's Top 50 list as used by the Parties is likely to include a number of TMCs that are not able to serve customers with high volume of TTV and multi-regional needs and therefore shares calculated on that basis are not a good indication of the Parties' position in the UK in connection with the relevant market we have provisionally defined at paragraph 5.16 below.
- 2.17 We have obtained directly from TMCs their actual UK TTV and note that the actual data provided to us suggests that BTN has overstated the UK TTVs of a number of TMCs (and therefore the shares of supply as calculated by the Parties' using that BTN data may understate the Parties' combined share).²⁶

²¹ [CMA2](#), paragraph 4.59(a).

²² [CMA2](#), paragraph 4.59(b).

²³ [CMA2](#), paragraph 4.59(e).

²⁴ FMN, 3 June 2024, paragraph 5.1.

²⁵ GBT submission to the CMA, 4 October 2024, slide 3.

²⁶ One competitor said that TTV generated in the UK in 2023 was c.£[~~30~~] million vs £[~~30~~] million reported by BTN (Third party response to the CMA's competitor questionnaire); one competitor said that TTV generated in the UK in 2023 was c. £[~~30~~] million vs £[~~30~~] million reported by BTN (Third party response to the CMA's competitor questionnaire); and one competitor said that TTV generated in the UK in 2023 was c. £[~~30~~] million vs £[~~30~~] million reported by BTN (Third party response to the CMA's competitor questionnaire).

- 2.18 For these reasons, we do not consider that the shares of supply as submitted by the Parties are the appropriate basis on which we should assess jurisdiction in this case.
- 2.19 In any event, at phase 2 we have calculated UK shares of supply on the basis of TTV generated in the UK²⁷ in 2023 by customers whose global TTV exceeds \$25 million,²⁸ which more closely aligns with what we consider is the relevant market for the assessment of the Merger, as set out in paragraphs 5.1-5.21 below. Our calculations are based on information obtained directly from TMCs. As set out in Table B.2 in Appendix B, we have calculated the Parties' shares of supply to be:
- (a) GBT's UK TTV amounts to £[~~xxx~~] million and therefore GBT has a UK share of supply of [40-50%]; and
 - (b) CWT's UK TTV amounts to £[~~xxx~~] million and therefore CWT has a UK share of supply of [20-30%].²⁹
- 2.20 Therefore, the Parties' combined share of supply of business travel services based on UK TTV in 2023 from customers with global TTV in excess of \$25 million is [60-70%].
- 2.21 In view of the above, our provisional view is that the share of supply test in [section 23](#) of the Act is met.

Provisional conclusion on relevant merger situation

- 2.22 In view of the above, we have provisionally found that arrangements are in progress or contemplation which, if carried into effect, will result in the creation of a relevant merger situation in respect of the acquisition of a controlling interest in CWT by GBT.

²⁷ The Parties confirmed that [~~xxx~~]. Specifically, the following methodologies were relied on by the Parties respectively: (1) GBT confirmed that [~~xxx~~]. GBT explained that [~~xxx~~]. GBT further explained that [~~xxx~~] (GBT second follow up response to the CMA's request for information (RFI) 4, 14 October 2024). (2) CWT confirmed that [~~xxx~~]. For example, [~~xxx~~] (CWT second follow up response to RFI 4, 14 October 2024).

²⁸ GBT response to the CMA's RFI 4, 14 October 2024, question 1 (GBT); CWT response to the CMA's RFI 4, 14 October 2024, question 1 (CWT); third party responses to the CMA's RFI; third party responses to the CMA's competitor questionnaire; and third party response to the CMA's competitor questionnaire.

²⁹ GBT subsequently submitted an amended RFI response which takes into account the spend of a customer not included in the original submission. GBT's amended RFI response includes an updated UK TTV figure of \$[~~xxx~~] million (£[~~xxx~~] million) ie approximately \$[~~xxx~~] million (£[~~xxx~~] million) greater than the originally submitted figure of £[~~xxx~~] million. The CMA has not amended its share of supply calculation to reflect this updated figure for the reason that this additional spend [~~xxx~~]. Given that the CMA's RFI question was drafted to capture the TTV of business customers, it would be inconsistent to include a type of expenditure that may not be captured in other TMCs responses.

3. COUNTERFACTUAL

- 3.1 In phase 1, the Parties did not submit any alternative counterfactual to the prevailing competitive conditions.³⁰
- 3.2 In phase 2, the Parties submitted that, as a result of its [X]. The Parties submitted that this should be taken into account when interpreting the evidence and considering the constraint that CWT would impose on GBT in the future.³¹ The Parties have not, however, presented an ‘exiting firm’ argument to the CMA,³² and CWT has confirmed [X].³³ We have also not received any other evidence indicating that CWT should be considered an exiting firm.
- 3.3 There is also evidence within CWT’s internal documents [X].
- 3.4 We discuss these submissions and evidence in our assessment of the counterfactual below.

Framework for assessing the counterfactual

- 3.5 The framework for assessing the counterfactual is set out in our published guidance on the assessment of mergers (the **CMA129**). As set out in the CMA129, at phase 2, we have to make an overall judgement as to whether or not an SLC has occurred or is likely to occur. To help make this assessment, we will select the most likely conditions of competition as the counterfactual against which to assess the merger. In some instances, we may need to consider multiple possible scenarios before identifying the relevant counterfactual (eg a merger firm being purchased by alternative acquirers). In doing this, we will consider whether any of the possible scenarios make a significant difference to the conditions of competition and, if any do, we will find the most likely conditions of competition absent the merger as the counterfactual.³⁴
- 3.6 The counterfactual is not, however, intended to be a detailed description of the conditions of competition that would have prevailed absent the merger. Our assessment of those conditions is better considered in the competitive assessment.³⁵ We also seek to avoid predicting the precise details or circumstances that would have arisen absent the merger.³⁶

³⁰ FMN, 3 June 2024, paragraph 5.1 and Tables 9 and 11.

³¹ CWT submission to the CMA, 4 October 2024, paragraph 1.3.

³² [Mergers Assessment Guidelines \(CMA129\)](#), 18 March 2021, paragraphs 3.21 to 3.32.

³³ Parties’ Initial Substantive Meeting slides, 3 September 2024, slides 93-94.

³⁴ [CMA129](#), paragraph 3.13.

³⁵ [CMA129](#), paragraph 3.7.

³⁶ [CMA129](#), paragraph 3.11.

3.7 The time horizon that the CMA considers when describing the counterfactual will depend on the context but will be consistent with the time horizon used in the CMA's competitive assessment.³⁷

Assessment of the counterfactual

3.8 We have considered what would likely have happened to CWT absent the Merger and whether the business would have likely continued in its current form.

3.9 First, we review the evidence regarding CWT's financial position and whether it would continue to compete absent the Merger.

3.10 As set out more fully in Appendix G, our provisional view is that while CWT's financial position did suffer due to COVID-19, since exiting the pre-packed bankruptcy in November 2021 its financial performance has improved, [REDACTED].³⁸ We consider that, based on CWT's internal documents and public press releases, CWT [REDACTED] to continue competing in the supply of BTA services to global multinational (**GMN**) customers as defined in the market definition section below.³⁹ Therefore, [REDACTED], we consider that CWT would continue to operate and compete absent the Merger.

3.11 We further discuss the evidence regarding CWT's position as [REDACTED] in our competitive assessment below.⁴⁰

3.12 Second, [REDACTED]r.

3.13 Various CWT internal documents [REDACTED].⁴¹

3.14 CWT told us that [REDACTED].⁴² [REDACTED].⁴³

3.15 Based on the evidence reviewed [REDACTED].

3.16 However, we have not received any submissions or seen evidence to suggest that if [REDACTED] alternative purchasers had acquired CWT, this would have led to any meaningful difference compared to the pre-Merger conditions of competition.

Provisional conclusion on counterfactual

3.17 Based on our assessment above, our provisional view is that the appropriate counterfactual is that CWT, either under its current ownership or the ownership of

³⁷ [CMA129](#), paragraph 3.15.

³⁸ See Appendix G, paragraphs G.12 and G.13.

³⁹ See Appendix G, paragraph G.22.

⁴⁰ [CMA129](#), paragraph 3.25.

⁴¹ See Appendix G, paragraph G.25.

⁴² These companies included: GBT, [REDACTED].

⁴³ CWT response to the CMA's s109 notice, 10 October 2024, question 1.

an alternative investor or purchaser, would continue to compete in the supply of BTA services GMN customers as defined in the market definition section below, broadly in line with the prevailing conditions of competition.

4. NATURE OF COMPETITION

- 4.1 This chapter sets out background information about BTA services, where companies like GBT and CWT operate as TMCs to support the business travel of customers in the UK and globally. In this chapter, we consider:
- (a) the importance of business travel;
 - (b) the role of TMCs in supporting business travel;
 - (c) how TMCs are selected, including how many TMCs are used and switching between TMCs.

The importance of business travel

- 4.2 Business travel is necessary for a number of reasons, such as attending seminars, training and internal meetings, meeting suppliers and customers, and the provision of consulting and professional services.⁴⁴ Despite improvements in IT and the rising prevalence of online meetings, it retains a critical role in communications between businesses and with customers.
- 4.3 Business travel therefore also plays an important role in maintaining a successful economy, in particular for open trading economies such as the UK which are highly dependent on global trade, supply chains and international investment. A cost-effective, good quality and efficient business travel sector is a necessary underpinning element of UK productivity and economic growth.
- 4.4 Many small businesses will take care of their own business travel, with staff booking travel in much the same way that a leisure traveller will book travel (for example via websites of airlines, hotels or online travel agents). Larger businesses however usually require a more formalised approach to business travel. This is because, among other reasons, they spend very large amounts on travel, they operate across the globe and they have a duty of care to their employees.
- 4.5 Both of the Parties have customers across this spectrum from small to large, but we focus in this report on those which we describe in the Market Definition section below as GMN customers. In the rest of this chapter, we examine how these customers manage their business travel.

The role of TMCs in supporting business travel

- 4.6 GMN customers require many services to support their business travel, and these are typically provided by TMCs. There are many different types of TMC, and the

⁴⁴ Parties' teach-in slides, 21 August 2024, slide 4.

CMA considers them to be broadly grouped into (i) TMCs (like the Parties, BCD, FCM and CTM) who are present across multiple regions, (ii) tech-led TMCs which entered the market more recently with a slightly different offer for booking business travel, focussed around technology, some of whom (like Navan) now also offer a TMC service and (iii) regional/national TMCs.⁴⁵

- 4.7 TMCs operate between the travel suppliers, such as hotels and airlines, and the customers, who are companies who require services to manage their business travel. TMCs access travel products either direct from travel suppliers or through a global distribution system (**GDS**), and then present these to customers to book. The bookings are made either through an online booking tool (**OBT**) or through call centres.⁴⁶
- 4.8 As well as the initial booking of travel, there are other important BTA services that TMCs typically provide. For example, TMCs modify bookings for travellers either prior to or while on the trip, provide comparison shopping for the best deals and provide travel reporting and monitoring services. Additional optional services are also offered, such as management software and the integration of expense and payment systems.⁴⁷ TMCs will also allow for corporate negotiated rates to be offered to travellers.⁴⁸
- 4.9 An important service that TMCs also provide is helping customers comply with 'duty of care' regulations.⁴⁹ This refers to the obligation companies have to protect employees during business travel, addressing common travel risks and implementing procedures to mitigate them.⁵⁰ TMCs can provide services to enable this by providing traveller location reports and enabling the clients to locate and communicate with their travelling employees during emergencies, for example through an app.
- 4.10 According to the Parties, duty of care and safety assistance is a standard service provided by TMCs to their customers, regardless of the client's size or geographic footprint, and both GBT and CWT offer specialised tools for it.⁵¹ The Parties also submitted that duty of care could be provided by external providers, and so is not a service for which customers are dependent on TMCs.⁵² However the third-parties that we spoke to during the investigation explained that being able to provide this duty of care is a very important feature for a TMC:

⁴⁵ The Parties have referred to TMCs being 'large-scale, boutique, regional and/or tech-led', and also referred to 'next generation tech-led TMCs' (see Parties teach-in slides, 21 August 2024, slides 10 and 31). The CMA considers these differences to be reflected in this categorisation.

⁴⁶ Parties' response to the CMA's RFI 2, question 2.

⁴⁷ Parties' teach-in slides, 21 August 2024, slides 5 and 9.

⁴⁸ FMN, 3 June 2024, paragraph 3.14.

⁴⁹ Parties' teach-in slides, 21 August 2024, slide 5.

⁵⁰ Parties' response to the CMA's RFI 2, question 2.

⁵¹ Parties' response to the CMA's RFI 2, question 2.

⁵² Parties' submission to the CMA, 4 October 2024.

- (a) Many customers explained that duty of care was an important reason why they needed a TMC to manage their business travel. For example, they said that TMCs allowed them to quickly respond to disruptions and provide sufficient data reporting (see Appendix E for further details).⁵³
- (b) Competitors also told us that providing duty of care is essential for GMN customers due to the complexity and scale of their travel needs.⁵⁴ Competitors said that the requirement for data tracking and security measures cannot be accommodated by individual employees making their own bookings,⁵⁵ and that TMCs are essential for global oversight and immediate response capabilities,⁵⁶ and also for maintaining employee safety by offering tailored support during disruptions caused by weather, strikes, or political instability.⁵⁷

4.11 GMN customers have operations across a number of different countries and regions and some have near global operations. TMCs service these customers through a combination of their own proprietary presence in key countries and regions and the use of Travel Partner Networks (TPNs) in others. For example, GBT has a proprietary presence in [X] countries⁵⁸ and offers services in more than 120 countries through partnerships.⁵⁹ CWT offers services in approximately [X] countries, with [X] of these through a proprietary presence.⁶⁰ Both Parties have a proprietary presence in the UK.

How TMCs are selected

4.12 GMN customers typically procure BTA services through competitive tender processes.⁶¹ The Parties told us that these are typically run every three to five years, and involve companies inviting many TMCs to bid in competitive processes where they respond to requests for proposals (**RFPs**).⁶² According to the Parties, GMN customers negotiate [X] and pricing,⁶³ including at renewal points which are subject to [X].^{64,65}

4.13 The procurement process for these opportunities takes [X], and often happens in stages. For example, GBT said that it prepares for renewals typically [X], and that

⁵³ Third party call notes.

⁵⁴ Third party call notes.

⁵⁵ Third party call note.

⁵⁶ Third party call notes.

⁵⁷ Third party call note.

⁵⁸ Parties' teach-in slides, 21 August 2024, slide 22.

⁵⁹ FMN, 3 June 2024, paragraph 2.1; and [Parties' response to the Phase 1 Decision](#), 23 August 2024, paragraph 7.4.

⁶⁰ FMN, 3 June 2024, paragraph 2.2.

⁶¹ Parties' Initial Substantive Meeting slides, 3 September 2024, slide 14.

⁶² Parties' response to the CMA's RFI 1, 27 August 2024, paragraphs 16.1-16.2.

⁶³ Parties' response to the CMA's RFI 1, 27 August 2024, paragraphs 4.8-4.9.

⁶⁴ Parties' updated response to the CMA's RFI 1, 27 August 2024, paragraph 8.4.

⁶⁵ Parties' response to the CMA's RFI 1, 27 August 2024, paragraphs 7.4 and 8.8.

the customer [X] to allow for sufficient time to engage with other TMCs.⁶⁶ CWT typically contacts its customers [X] in advance of an existing contract's expiration, and they reach out to proactively [X].⁶⁷

- 4.14 The Parties submitted that GMN customers are very sophisticated, with experienced procurement teams and the use of third-party consultants allowing them to source the best solutions at the optimal price.⁶⁸ Customers that we spoke to said that they select TMCs according to many different criteria,⁶⁹ use consulting companies to support the process,⁷⁰ and start with Requests for Information (**RFIs**) to several TMCs and then have RFPs to a smaller number.⁷¹

Whether one or multiple TMCs are used by customers

- 4.15 As summarised in Appendix A, the Parties submitted that 'multi-sourcing' (ie using more than one TMC) is common,⁷² and refer to those instances when GMNs appoint different TMCs for different regions or countries ([X]).⁷³ GBT reported that [X]% of its GMN customers use at least one other TMC,⁷⁴ while CWT estimated that [X]% of its largest clients engage multiple TMCs.⁷⁵ The Parties submitted that the flexibility to work with more than one provider allows customers to tailor their travel management to specific regional or operational needs.⁷⁶

- 4.16 However, customer and competitor evidence shows that GMN customers generally prefer to limit the number of TMCs that they appoint and that they often appoint a single TMC globally.

- 4.17 Customers told us that they may use multiple TMCs but only for specific reasons and that they would rather use fewer TMCs. In particular:⁷⁷

- (a) Half of the respondents to our customer questionnaire (45) use a single TMC to manage their business travel and most respondents (72 out of 90) have a global TMC, which in some circumstances is appointed alongside other regional or country level TMCs. For most respondents 70% of their TTV sits with one single TMC (see Figure E.1 in Appendix E).

⁶⁶ Parties' response to the CMA's RFI 1, 27 August 2024, paragraph 8.1.

⁶⁷ Parties' response to the CMA's RFI 1, 27 August 2024, paragraph 8.3.

⁶⁸ Parties' Initial Substantive Meeting slides, 3 September 2024, slide 14.

⁶⁹ Third party call notes.

⁷⁰ Third party call note.

⁷¹ Third party call note.

⁷² [Parties' response to the Phase 1 Decision](#), 23 August 2024, paragraph 4.14. See Appendix A for further explanation of the Parties' submissions.

⁷³ [X]. Parties' response to the CMA's RFI 1, 10 May 2024, paragraphs 21.5.

⁷⁴ Parties' response to the CMA's RFI 1, 10 May 2024, paragraphs 21.1.

⁷⁵ Parties' response to the CMA's RFI 1, 10 May 2024, paragraphs 21.2.

⁷⁶ Parties updated response to the CMA's RFI 1, 27 August 2024, paragraphs 4.4 and 21.3; and Parties teach-in slides, 21 August 2024, slide 25.

⁷⁷ Further details are set out in Appendix E.

- (b) The majority of respondents said that they either want to continue with their current number of TMCs (49 out of 90) or consolidate and use fewer TMCs (21 out of 90). By contrast, only five indicated that they want to increase the number of TMCs that they use.
- (c) Some respondents told us that they use multiple TMCs for specific reasons like supporting a specific geography,⁷⁸ providing special services or maintaining the ability to switch.⁷⁹ However, even in the context of using multiple TMCs, customers wanted to limit this and did not find regional TMCs suitable, with one customer saying that using regional firms would mean losing control over the programme⁸⁰ and another saying that regional TMCs cannot comply with their procurement processes.⁸¹ Almost all questionnaire respondents who use multiple TMCs use one of the Parties together with either BCD, FCM or CTM.⁸²
- (d) Other customers pointed to efficiency,⁸³ consistency,⁸⁴ simplicity,⁸⁵ and easier management of relationships with flight and accommodation providers⁸⁶ as the reasons for preferring a single TMC. One customer specifically told us that there are no meaningful advantages to appointing more than one TMC,⁸⁷ while others who do currently use multiple TMCs told us they would prefer to have fewer TMCs rather than more.⁸⁸

4.18 Many competitors suggested it was uncommon for GMN customers to use multiple TMCs⁸⁹ and identified several main reasons why GMNs prefer using a single TMC globally. In particular:⁹⁰

- (a) Having a single point of contact allows for standardisation and service consistency,⁹¹ simplifies data collection, analysis, and reporting,⁹² and makes it easier to comply with duty of care obligations by avoiding the administrative burden of reconciling data provided by each TMC.⁹³
- (b) A few competitors indicated that, in limited circumstances, some GMN customers may benefit from appointing multiple TMCs. Reasons included

⁷⁸ Third party call notes. See also questionnaire responses described in Appendix E.

⁷⁹ See also questionnaire responses described in Appendix E.

⁸⁰ Third party call note.

⁸¹ Third party call note.

⁸² Third party responses to the CMA's customer questionnaire.

⁸³ Third party response to the CMA's questions; and Third party call note.

⁸⁴ Third party response to the CMA's questions; and Third party call note.

⁸⁵ Third party call notes.

⁸⁶ Third party call note.

⁸⁷ Third party call note.

⁸⁸ Third party call notes.

⁸⁹ Third party call notes.

⁹⁰ Further details are set out in Appendix F, paragraphs F.15 to F.18.

⁹¹ Third party call note.

⁹² Third party call note.

⁹³ Third party call notes.

that it meets bespoke requirements,⁹⁴ or that it can make it easier for TMCs to manage GMN customers by reducing the geographic scope of the contract.⁹⁵

- (c) However, several competitors suggested that there has been a trend towards consolidation in recent years.⁹⁶ One competitor explained that it did not know of any examples of customers switching back to multiple TMCs after choosing to consolidate.⁹⁷

4.19 The recognition of a trend towards consolidation is also consistent with the (albeit limited) documentary evidence relating to the use of multiple providers. The available evidence within the Parties' internal documents indicates that [REDACTED].^{98,99}

4.20 Based on the evidence set out above, we consider that GMN customers have a strong preference to use as few TMCs as possible, and many prefer to appoint a single TMC globally. There is a trend toward consolidation and customers generally do not tend to switch back to having several TMCs. While a small number of customers indicated that the reasons for having more than one TMC included easier comparison of service and switching, in most instances it was to support a specific geography or for legacy reasons. In any case, the evidence suggests that using more than one TMC does not widen the set of alternatives for GMN customers.

Switching between TMCs

4.21 As summarised in Appendix A, the Parties submitted that GMN customers are able to switch between TMCs easily as there are minimal barriers to switching due to the absence of [REDACTED].¹⁰⁰ According to the Parties, in the rare instances where [REDACTED], they do not prevent GMN customers from switching TMCs.¹⁰¹ The Parties also submitted other reasons that make switching possible, including that the [REDACTED] covers the cost of transfer and that the use of third-party OBTs [REDACTED].¹⁰²

4.22 On the basis of evidence we have seen we consider that switching between TMCs is a relatively difficult and time-consuming process for GMN customers, resulting in low levels of churn in the market.¹⁰³

⁹⁴ Third party call note.

⁹⁵ Third party call note.

⁹⁶ Third party call notes.

⁹⁷ Third party call note.

⁹⁸ CWT internal documents.

⁹⁹ CWT internal document.

¹⁰⁰ Parties' updated response to the CMA's RFI 1, 27 August 2024, paragraphs 4.1-4.3.

¹⁰¹ Parties' updated response to the CMA's RFI 1, 27 August 2024, paragraphs 4.2.

¹⁰² Parties submission to the CMA, 4 October 2024, paragraph 1.2-1.6.

¹⁰³ CMA, [Phase 1 Decision](#), 30 July 2024, paragraph 134.

- 4.23 Customers indicated that, although switching is possible, there are some barriers to doing it which may encourage customers to remain with their incumbent at the end of a contract period:
- (a) The respondents to our questionnaire indicated a number of barriers to switching, with the most commonly identified being the time cost and the integration of a system. Only some customers (14 out of 90) indicated that there would be no or limited barriers to switching between TMCs.¹⁰⁴
 - (b) Several customers told us that they thought switching was difficult or took a long time.¹⁰⁵ One of these customers said that switching was very difficult and so it would stick with their current TMC unless there was a big reason to switch.¹⁰⁶
 - (c) Some customers did indicate a willingness to switch provider or had recently switched away from one of the Parties.¹⁰⁷ The comments from customers who have switched recently or are going through a procurement process suggest that whilst switching is difficult and takes time they are willing to do it, and the TMCs help to facilitate it.¹⁰⁸
- 4.24 Competitors also told us that switching was difficult for GMN customers. In particular:¹⁰⁹
- (a) All competitors indicated that switching was at least somewhat difficult for GMN customers, and a majority told us switching was difficult or very difficult.¹¹⁰ Many competitors indicated that switching was a lengthy process with high costs for GMN customers as RFP processes are complex¹¹¹ and achieving a smooth transition requires significant time and resource commitments.¹¹² Similarly, many competitors identified that the challenges associated with switching, such as travel disruption,¹¹³ migrating data between TMCs,¹¹⁴ re-engineering IT infrastructure,¹¹⁵ and retraining staff,¹¹⁶ reduced GMN customers' willingness to switch. Some competitors identified additional switching barriers in relation to the bundling of ancillary services within TMC contracts,¹¹⁷ and the perception amongst GMN customers that

¹⁰⁴ See Appendix E, paragraph E.83.

¹⁰⁵ Third party call notes.

¹⁰⁶ Third party call note.

¹⁰⁷ Third party call notes.

¹⁰⁸ Third party call notes.

¹⁰⁹ Further details are set out in Appendix F, paragraphs F.54 to F.57.

¹¹⁰ 6 of 10 valid third party responses to the CMA's RFI.

¹¹¹ Third party responses to RFI.

¹¹² Third party response to RFI.

¹¹³ Third party responses to RFI.

¹¹⁴ Third party responses to RFI.

¹¹⁵ Third party responses to the CMA's RFI.

¹¹⁶ Third party responses to the CMA's RFI; and third party call note.

¹¹⁷ Third party response to the CMA's RFI.

few TMCs could meet their requirements.¹¹⁸ These barriers are discussed further in Appendix F.¹¹⁹

- (b) Some competitors suggested that switching takes longer or is more challenging for GMN customers,¹²⁰ although one competitor suggested that GMN customers' experienced in-house travel staff and sophisticated internal processes makes this easier.¹²¹
- (c) Competitors' estimates for the time required to implement a new contract after winning an RFP range considerably from three months to two years, though 75% of competitor estimates fall between six and twelve months.¹²² Additionally, no competitors indicated that switching was frequent and almost half explicitly indicated that switching levels were low.¹²³ One competitor told us that it was common for customers to remain with their TMC for over a decade to avoid incurring switching costs, even if not fully satisfied with the TMC's service.¹²⁴ However, one competitor told us that switching had increased in recent years.¹²⁵

4.25 Overall, the customer and competitor evidence indicates that, while switching is possible and does happen, it is not easy and there are material barriers. While GMN customers may have experienced staff that can ease the transition process and TMCs can facilitate switching, it still represents a considerable challenge requiring substantial investment in time and resources to migrate data and re-engineer IT infrastructure, while avoiding travel disruption during the transition. Competitors generally consider the level of switching to be low.

¹¹⁸ Third party response to the CMA's RFI.

¹¹⁹ See Appendix F, paragraphs F.54 to F.57.

¹²⁰ Third party response to the CMA's RFI; and third party call note.

¹²¹ Third party call note.

¹²² Third party responses to RFI. Exact estimates varied. 6 of 8 valid responses to the CMA's RFI fell within the 6–12-month window. [REDACTED] and [REDACTED] suggested 3-month lower bound; [REDACTED] suggested 2-year upper bound.

¹²³ Third party responses to RFI; and third party call notes.

¹²⁴ Third party response to the CMA's RFI.

¹²⁵ Third party response to the CMA's RFI.

5. MARKET DEFINITION

Framework

- 5.1 Where the CMA makes an SLC finding, this must be ‘within any market or markets in the United Kingdom for goods or services’.¹²⁶ An SLC can affect the whole or part of a market or markets.
- 5.2 Market definition provides a framework for assessing the competitive effects of a merger. The assessment of the relevant market is an analytical tool that forms part of the analysis of the competitive effects of the merger and should not be viewed as a separate exercise.¹²⁷ The boundaries of the market do not determine the outcome of the analysis of the competitive effects of the merger, as it is recognised that there can be constraints on merging parties from outside the relevant market, segmentation within the relevant market, or other ways in which some constraints are more important than others. We will take these factors into account in the competitive assessment.
- 5.3 Product market definition starts with the relevant products of the merger firms. In identifying what other significant competitive alternatives should be included in the relevant market, we will pay particular regard to demand-side factors. We may also consider supply-side factors.¹²⁸

Product market

- 5.4 We have taken the overlaps between the Parties as the starting point for our assessment of the relevant market. The Parties overlap in the supply of BTA services. Both Parties supply BTA services to a range of business customers – from those with more limited travel needs, to customers with high TTV and multi-regional travel requirements.
- 5.5 The Parties also overlap in the supply of meeting and events organisation services and travel consultancy services in the UK. However, as the Parties have only a limited presence in these activities, we consider that the Merger does not give rise to competition concerns in relation to either of these products. Therefore, the Parties’ activities in these areas are not considered further.
- 5.6 The Parties submitted that the most appropriate relevant market was the supply of business travel services.¹²⁹ They submitted that there is no basis to distinguish between (i) managed travel and unmanaged travel (ie in-house management of

¹²⁶ [Section 36\(1\)\(b\)](#) of the Act.

¹²⁷ [CMA129](#), paragraph 9.1.

¹²⁸ [CMA129](#), paragraph 9.6.

¹²⁹ As summarised in Appendix A, paragraph A.15.

travel booking services or permitting employees to book their own travel and expense it back through their employer)¹³⁰ and (ii) customers based on their size, geographic requirements or industry sector.¹³¹

Unmanaged travel as an alternative

5.7 The relevant product market is identified primarily by reference to demand-side substitution.¹³² On that basis, we have considered whether unmanaged travel (ie in-house management of travel booking or permitting employees to book their own travel and expense it back through their employer) should be considered to be in the same market as the supply of BTA services.

5.8 As described more fully in Appendix A, the Parties submit that unmanaged travel is an alternative to managed travel and that customers are [X] using in-house solutions.¹³³ The evidence we have received from customers, competitors and other market participants as well as the Parties' internal documents, indicates that unmanaged travel is not viewed as an alternative to managed travel. In particular:

- (a) Customer evidence shows that customers do not consider unmanaged travel as an alternative to managed travel.¹³⁴ In particular, almost all customers that responded to our questionnaire in phase 1 told us that they did not consider unmanaged travel – either where employees booked their own travel or where travel is wholly managed in-house – as a suitable alternative to using a TMC for their business travel needs.¹³⁵ This view was confirmed by customers that we have spoken to during our phase 2 inquiry.¹³⁶ For example, customers said that having a TMC was essential to meet duty of care requirements, contain the costs of business travel and enforce a travel policy.¹³⁷
- (b) Competitor evidence similarly indicates that customers require a TMC to provide specialist services such as employee tracking to comply with duty of care requirements, visa procurement, disaster response, disruption mitigation and expense tracking.¹³⁸ The evidence gathered during the phase 1 investigation also showed that most competitors do not consider in-house travel management a competitive threat to their business.¹³⁹

¹³⁰ As summarised in Appendix A, paragraph A.16.

¹³¹ As summarised in Appendix A, paragraph A.17.

¹³² [CMA129](#), paragraph 9.7.

¹³³ As summarised in Appendix A, paragraph A.16. In particular the Parties rely on BTN's Corporate Travel 100 list, which identifies the TMCs that supplied the 100 businesses with most business air travel spend in the US in 2023.

¹³⁴ See Appendix E, paragraphs E.9 to to E.10.

¹³⁵ CMA, [Phase 1 Decision](#), 30 July 2024, paragraph 56.

¹³⁶ The relevant evidence is set out in Appendix E, paragraph E.10.

¹³⁷ The relevant evidence is set out in Appendix E, paragraph E.10. Third party call notes.

¹³⁸ See Appendix F, paragraphs F.13(a) to F.13(c) for details. Third party call notes.

¹³⁹ Five out of seven third party responses to the CMA's competitor questionnaire; and third party response to the CMA's competitor questionnaire.

- (c) No competitors indicated that TMC customers commonly switched back to unmanaged travel and one competitor explicitly indicated this was very uncommon.¹⁴⁰

5.9 On the basis of the evidence received, we do not consider that managed and unmanaged business travel are substitutable from a demand-side perspective and therefore we do not consider that they form part of the same product market.

Differentiation based on customer requirements

5.10 We have considered the extent to which we should differentiate between different customer types when defining the relevant product market.

5.11 The evidence we have received consistently indicates that there is a distinct group of customers within the BTA services sector, often referred to as global multinationals or 'GMNs'. There does not appear to be a universally accepted definition of GMN customers, however the evidence we have received indicates that in the ordinary course of their businesses TMCs almost always identify customers as falling within this group by reference to the value of their TTV, or the value of their TTV in combination with requirements for travel services that span multiple distinct regions of the globe (referred to as **multi-regional travel needs** for the purposes of this report). Both Parties differentiate GMN customers in this way in their internal documents.¹⁴¹ GBT uses a threshold of \$30 million annual TTV¹⁴² and CWT uses a threshold of \$25 million annual TTV.¹⁴³ Other TMCs also use similar thresholds. For example, [REDACTED] uses a threshold of \$30 million TTV and services in more than one country and region,¹⁴⁴ and [REDACTED] uses a threshold of \$[REDACTED] million annual TTV.¹⁴⁵ For the purposes of this Interim Report, we have therefore considered the extent to which we should define a separate product market for GMN customers which, for these purposes, we consider means customers with high annual TTV and multi-regional travel needs.

5.12 As summarised in Appendix A, the Parties submit that there is not a separate market for the supply of BTA services to GMN customers. In particular, they consider that: (i) GMN customers do not have distinct travel requirements or complex needs; (ii) GBT's GMN and SME categories reflect [REDACTED] and; (iii) there is supply-side substitution and TMCs can easily supply customers of any size.¹⁴⁶ The

¹⁴⁰ See Appendix F, paragraph F.13(c). Third party call note.

¹⁴¹ The relevant evidence is set out in Appendix D, paragraphs D.16 to D.34.

¹⁴² GBT internal documents.

¹⁴³ We note that the Parties have claimed that CWT uses a threshold of \$[REDACTED] to identify these customers. However, as set out in Appendix D, paragraph D.18 this is not consistent with our review of the internal documents received from CWT which show CWT using a \$25 million annual TTV threshold. CWT internal document.

¹⁴⁴ See Appendix F, paragraph F.10; and third party response to the CMA's competitor questionnaire.

¹⁴⁵ See Appendix F, paragraph F.10; and third party call note.

¹⁴⁶ See the summary in Appendix A, paragraph A.18.

Parties also submitted that GMNs have varying levels of global requirements, and that global coverage is one of many factors that customers take into account.¹⁴⁷

- 5.13 In respect of demand-side factors, as noted above, the evidence consistently shows that in the ordinary course of business the Parties¹⁴⁸ and other TMCs¹⁴⁹ differentiate GMN customers from other customers. The evidence shows that the reason for this differentiation is that GMN customers have distinct requirements to other customers. In particular, the evidence shows that these customers require sufficient capacity, service and support levels to be available to meet their high TTV and multi-regional travel needs:
- (a) Competitor evidence shows TMCs consistently recognise that GMN customers have distinct needs, primarily due to the size and scope of their travel programs.¹⁵⁰ For example, one competitor told us that GMN customers require ‘high touch’ services with dedicated teams and global traveller tracking.¹⁵¹ Another competitor explained that customers with high TTV typically have bigger international coverage, more complicated policy, more integrations and other compliance requirements.¹⁵²
 - (b) The vast majority of GMN customers that we heard from also reported that they required consistent global coverage (encompassing multiple regions/continents), consistently high service levels across all geographies and a high level of personal support including dedicated travel agents and a 24/7 help desk.¹⁵³
 - (c) In their internal documents the Parties recognise GMN customers as a distinct group. For example, GBT refers to its market share in the ‘GMN’ market in several instances.¹⁵⁴ The Parties also expressly recognise that ‘GMN’ customers have distinct needs. For example, the Parties note that GMN customers have different requirements [REDACTED].^{155,156,157} The Parties also indicate in their documents that [REDACTED].¹⁵⁸ For example, in a town hall speech in February 2023 when explaining the business’ ‘new operating model’, GBT’s CEO stated that ‘global multi-national’ and ‘SME’ customers require [REDACTED].¹⁵⁹

¹⁴⁷ See Appendix D, paragraph A.18; and [Parties’ response to the Phase 1 Decision](#), 23 August 2024, paragraph 2.4.1.

¹⁴⁸ The relevant evidence is set out in Appendix D, paragraphs D.16 to D.34.

¹⁴⁹ See Appendix F, paragraphs F.6 to F.12; and third party call notes.

¹⁵⁰ The relevant evidence is set out in Appendix F, paragraphs F.6 to F.12.

¹⁵¹ The relevant evidence is set out in Appendix F, paragraph F.11; and third party call note.

¹⁵² Third party call note.

¹⁵³ The relevant evidence is set out in Appendix E, paragraph E.7.

¹⁵⁴ See Appendix D, paragraphs D.36 to D.38. GBT internal document.

¹⁵⁵ See Appendix D, paragraph D.24; and GBT internal document.

¹⁵⁶ See Appendix D, paragraph D.24; and GBT internal document.

¹⁵⁷ See Appendix D, paragraph D.24; and GBT internal document.

¹⁵⁸ The relevant evidence is set out in Appendix D, paragraph D.23; and GBT internal document.

¹⁵⁹ The relevant evidence is set out in Appendix D, paragraph D.22; and GBT internal document.

- 5.14 In respect of supply-side factors, the evidence also shows that not all TMCs can readily serve GMN customers.
- (a) Customer evidence shows that most GMN customers only view a limited number of TMCs (GBT, CWT, BCD, and to a lesser extent FCM) as suitable for their requirements.¹⁶⁰ For example, GMN customers explained that other TMCs were not suitable due to their geographic coverage,¹⁶¹ ability to support the largest contracts¹⁶² and lack of offline or on-trip support.¹⁶³
 - (b) Competitor evidence, including TMCs identified by the Parties as being competitors, also shows that there are material barriers to entry to serve GMN customers. Some TMCs have explained that they have withdrawn from or not participated in RFP processes for GMN customers because they did not think that they would have the capabilities to adequately service their needs.¹⁶⁴ TMCs explained that it takes significant time and investment to enter into the GMN segment¹⁶⁵ and that challenges include building a global service infrastructure,¹⁶⁶ developing technology customisation,¹⁶⁷ expanding geographic coverage¹⁶⁸ and meeting regulatory requirements.¹⁶⁹
 - (c) The Parties' internal documents recognise that [REDACTED] and as a result only certain TMCs are able to serve GMN customers.¹⁷⁰ This is consistent with [REDACTED].¹⁷¹
- 5.15 For the reasons explained above, we consider that there is a category of customers, referred to as GMN customers, which have high annual TTV and multi-regional travel needs that can only be served by a more limited group of TMCs. As noted above, most competitors employ TTV in some capacity to categorise customers.¹⁷² While the exact TTV numbers used by market players to identify GMN customers may differ, based on the information available to us, we consider that \$25 million annual TTV is an appropriate threshold to identify GMN customers. However, this is not a bright-line threshold, and, in conducting our competitive assessment we have, where appropriate, carried out sensitivity analyses at \$15 million and \$20 million annual TTV.¹⁷³

¹⁶⁰ The relevant evidence is set out in Appendix E, paragraphs E.25 and E.26.

¹⁶¹ The relevant evidence is set out in Appendix E, paragraphs E.67(c), E.71, E.74, E.8.1, E.82 and E.87. See also third party responses to the CMA's customer questionnaire; and third party call note.

¹⁶² The relevant evidence is set out in Appendix E, paragraph E.73, E.79, E.80 and E.88. See also third party responses to the CMA's customer questionnaire; and third party call notes.

¹⁶³ The relevant evidence is set out in Appendix E, paragraphs E.81-82 and E.89. See also third party call notes.

¹⁶⁴ The relevant evidence is set out in Appendix F, paragraphs F.27 and F.29. See also third party call notes.

¹⁶⁵ See Appendix F, paragraphs F.45 to A.47; and third party call note; and third party response to RFI.

¹⁶⁶ See Appendix F, paragraph F.49; and third party response to RFI.

¹⁶⁷ See Appendix F, paragraph F.49; and third party response to RFI.

¹⁶⁸ See Appendix F, paragraph F.49; and third party response to RFI.

¹⁶⁹ See Appendix F, paragraph A.50; and third party responses to RFI.

¹⁷⁰ The relevant evidence is set out in Appendix D, paragraphs D.26. GBT internal documents.

¹⁷¹ Third party response to the CMA's section 109 notice (**s109 notice**).

¹⁷² See Appendix F, paragraph F.12.

¹⁷³ See paragraph 6.18.

Provisional conclusion on product market

5.16 For the reasons set out above, we consider that the relevant market for the assessment of the Merger is the supply of BTA services to GMN customers (namely customers with a high volume of travel (indicated by a TTV of over \$25 million) and multi-regional travel needs (meaning requirements for travel services that span multiple distinct regions of the globe)).

Geographic market

5.17 As summarised in Appendix A, the Parties submit that the most appropriate geographic market is global.¹⁷⁴ The Parties submitted that this was on account of the TMCs' geographic coverage and explained that TMCs have the ability to serve a business customer's employees in different countries, as well as to offer travel services in different destination countries.¹⁷⁵

5.18 As with product market, defining the geographic market involves identifying the most important competitive alternatives to the merger firms.¹⁷⁶ The evidence we have received supports the Parties' submission that this is a global market:

- (a) Both Parties have a global customer base and support travel across the globe with each offering services in more than 120 countries.¹⁷⁷ This is reflected in the nature of the customers that we have spoken to during the investigation, with the vast majority of respondents to our questionnaire appointing a TMC to serve them globally.¹⁷⁸
- (b) Tender processes for GMN customers are generally conducted on a global basis. We also understand that services provided by the TMCs are generally consistent regardless of where the customers are travelling to or based around the world.¹⁷⁹
- (c) The evidence we have received from customers indicates that most GMN customers would not generally consider using country-specific or regional TMCs.¹⁸⁰

¹⁷⁴ See Appendix A, paragraph A.19; and FMN, 3 June 2024, paragraph 12.12.

¹⁷⁵ See Appendix A, paragraph A.19; and FMN, 3 June 2024, paragraph 12.12.

¹⁷⁶ [CMA129](#), paragraph 9.13.

¹⁷⁷ FMN, 3 June 2024, paragraph 2.1-2.2; and [Parties' response to the Phase 1 Decision](#), 23 August 2024, paragraph 7.4.

¹⁷⁸ See paragraphs 4.16 to 4.18, in addition to paragraph E.15(a) in Appendix E.

¹⁷⁹ CMA, [Phase 1 Decision](#), 30 July 2024, paragraph 69.

¹⁸⁰ The relevant evidence is set out in Appendix E, paragraph E.14.

- (d) Customers located in different countries also had consistent descriptions of the market, the TMCs they would consider as competitors and the parameters of competition.¹⁸¹

Provisional conclusion on geographic market

- 5.19 On the basis of the evidence described above, we consider that the relevant geographic market is global.
- 5.20 While we have found that the relevant geographic market is global, we note that both Parties have operations in the UK and that their customer bases include GMN customers which are based in and/or do business in the UK. In our competitive assessment we focus on competitive dynamics that are relevant to the Parties' GMN customers and on the strength of the competitive constraints between the Parties and rival suppliers who serve those customers.

Provisional conclusion on market definition

- 5.21 We provisionally conclude that the relevant market is the global market for the supply of BTA services to GMN customers.

¹⁸¹ CMA, [Phase 1 Decision](#), 30 July 2024, paragraph 70.

6. COMPETITIVE ASSESSMENT

Introduction

- 6.1 We have investigated a horizontal unilateral effects theory of harm, namely whether the Merger, by removing the competition between the Parties in the market for the supply of BTA services to GMN customers, would allow the merged entity to profitably increase its prices, or worsen non-price aspects of its offering (eg quality, service, innovation). This is the same theory of harm that was assessed in the Phase 1 Decision. For the avoidance of doubt, in our investigation we are assessing the phase 1 evidence afresh, together with the evidence gathered in phase 2, and by reference to the Phase 2 standard.
- 6.2 We set out our provisional assessment in this section as follows:
- (a) First, we set out a high-level summary of the Parties' submissions that are most pertinent to our competitive assessment.
 - (b) Second, we set out the shares of supply submitted by the Parties, our assessment of these and our own preferred approach.
 - (c) Third, we set out our assessment of the bidding data of the Parties and our own approach.
 - (d) Fourth, we set out our assessment of the customer evidence received during our investigation.
 - (e) Fifth, we set out our assessment of the competitor evidence received during our investigation.
 - (f) Sixth we set out our assessment of the implications of CWT's financial position for its competitive strength and the impact of technological change on the competitive landscape.
 - (g) Seventh, we consider the barriers to entry and expansion.
 - (h) Finally, we set out the provisional findings of our competitive assessment.

Parties' submissions

- 6.3 During the course of our inquiry, we received various submissions from the Parties, including their written response to the Phase 1 Decision¹⁸² and the submissions they made to us orally at the teach-in held on 21 August 2024 and the Initial Substantive Meeting held on 3 September 2024. We also considered

¹⁸² CMA, [Phase 1 Decision](#), 30 July 2024.

their submissions made during the phase 1 investigation. We set out below a high-level summary of those submissions that are most pertinent to our competitive assessment. The Parties' submissions are summarised more fully in the Appendices.

6.4 The Parties submitted the following:

- (a) The market is fragmented and intensely competitive for all customers.¹⁸³ GBT's own analysis, [REDACTED] survey data and customer case studies evidence that the market is fragmented and competitive and that there are a number of alternative TMCs other than GBT and CWT, such as BCD, Spotnana, APTI, Blockskye, TravelPerk and Booking.com that are able to service customers' needs.¹⁸⁴
- (b) They are not each other's closest competitors and the Merged Entity will continue to face competition from at least four strong close competitors (BCD, FCM, CTM and Navan).¹⁸⁵
- (c) Customers are sophisticated and able to multi-source. Customers create competitive tension between TMCs and hold significant bargaining power. No competition concerns can arise when such powerful customers have at least five credible options post-Merger. [REDACTED] reflects customers' negotiating strength and choices and long-term customer relationships are evidence of customer satisfaction with high quality service, rather than a reluctance to switch. Customers can and do sponsor entry, manage travel in-house or multi-source as an alternative.¹⁸⁶
- (d) Business travel is a dynamic market and requires a forward-looking view.¹⁸⁷ Customers' increasing demand for digital solutions and technology-focused TMCs ability to partner with Travel Partner Networks (**TPNs**) and Business Process Outsourcing (**BPOs**) to achieve global coverage.¹⁸⁸ [REDACTED].¹⁸⁹ In contrast, other players are growing significantly, and, under a dynamic assessment, these new and growing players impose a greater competitive constraint.¹⁹⁰
- (e) Barriers to entry are insignificant.¹⁹¹ New entrants Navan, Spotnana and Kayak/Blockskye are already winning GMN customers and global networks, switching costs and regulatory requirements do not represent a barrier to

¹⁸³ [Parties' response to the Phase 1 Decision](#), 23 August 2024, section 3.

¹⁸⁴ [Parties' response to the Phase 1 Decision](#), 23 August 2024, pages 13-14; and Parties' submission to the CMA, 20 September 2024, pages 11-15.

¹⁸⁵ [Parties' response to the Phase 1 Decision](#), 23 August 2024, paragraphs 5.1-5.3.

¹⁸⁶ [Parties' response to the Phase 1 Decision](#), 23 August 2024, paragraphs 4.3-4.16.

¹⁸⁷ [Parties' response to the Phase 1 Decision](#), 23 August 2024, section 6.

¹⁸⁸ [Parties' response to the Phase 1 Decision](#), 23 August 2024, paragraph 6.5.

¹⁸⁹ CWT submission to the CMA, 4 October 2024.

¹⁹⁰ Parties' submission to the CMA, 25 September 2024, page 20.

¹⁹¹ [Parties' response to the Phase 1 Decision](#), 23 August 2024, section 7.

entry.¹⁹² TMCs can win GMN customers [✂].¹⁹³ TMCs can easily supply customers of any size.¹⁹⁴

Closeness of competition between the Parties and their rivals

Framework and evidence for assessing closeness

- 6.5 We have conducted a forward-looking assessment, including a consideration of any likely expansion of TMCs already active in serving GMN customers and any likely new entry. We have assessed the scale and impact of any expansion plans and whether technological change will impact competition within the two-year typical timeframe envisaged in the Merger Assessment Guidelines.¹⁹⁵
- 6.6 To carry out this assessment, we have taken into account a range of evidence including bidding data from both Parties, evidence from customers (including customers who are active in the UK), competitors and other third parties, and from the Parties' and third parties' internal documents.
- 6.7 Bidding data provides direct evidence of the competitive constraints existing between the Parties and their competitors in recent tenders. We have also asked customers of the Parties about the alternatives considered during their most recent procurement process and analysed the responses from all customers, as well as from those customers who undertook this process in the last two years to capture any recent changes in competitive conditions. For the same reason, we also asked all customers whether their view of alternatives would change if they were going through the same process today.
- 6.8 We supplemented the above evidence with further qualitative evidence from customers and competitors on current competitive conditions. As regards customers (which included customers currently served by third-party TMCs), we also asked them about their views of tech-led entrants and the impact of innovation on alternatives available to them. In relation to competitor evidence, we asked TMCs (and those providing complementary services) about the current competitive landscape for GMN customers, their expansion plans and their views of tech-led entrants. Finally, we have reviewed the Parties' and third parties' internal documents, including in relation to expansion plans and views on and/or reactions to entry and innovation in the market.

¹⁹² [Parties' response to the Phase 1 Decision](#), 23 August 2024, paragraph 7.2.

¹⁹³ [Parties' response to the Phase 1 Decision](#), 23 August 2024, paragraph 7.21.

¹⁹⁴ [Parties' response to the Phase 1 Decision](#), 23 August 2024, paragraph 2.6.

¹⁹⁵ [CMA129](#), paragraph 8.33.

Shares of supply

- 6.9 This section sets out the evidence on TMCs' shares of supply. We recognise that there is a degree of differentiation between TMCs' offerings, and other evidence we collected is more directly informative of closeness of competition between TMCs for GMN customers (eg, bidding data and customer evidence). However, we consider shares of supply to provide a useful indication of TMCs' relative market positions and, by reflecting TMCs' scale, to be informative of their ability to cater to GMN requirements. Therefore, we consider that shares of supply supplement other evidence set out in this report that we have used to assess closeness of competition.¹⁹⁶
- 6.10 In what follows we first set out the Parties' submissions on shares of supply and present evidence from the Parties' internal documents. We then present our analysis which reconstructs shares of supply based on competitor data and which we consider to be the most accurate measure of the relative positions of different TMCs in the GMN customer segment. We finally set out our assessment of the shares of supply submitted by the Parties.
- 6.11 Our analysis shows that the Parties, alongside BCD, are the largest TMCs in the GMN segment by a considerable margin. The Merged Entity, with a share of supply of [60-70%] based on TTV and [60-70%] based on the number of customers, would be more than twice the size of its largest competitor, BCD, which has a [20-30%] and [20-30%] share respectively. All other competitors, including FCM, CTM and Navan, have relatively low shares of supply, with other TMCs having a very limited presence in the GMN segment. Other sources of evidence on shares of supply, including the Parties' internal documents, are consistent with these results.

Parties' submissions on shares of supply

- 6.12 The Parties argued that their real shares of supply are lower than those set out in the Phase 1 Decision¹⁹⁷ and that the CMA's reconstructed shares, as well as the IATA shares and BTN Top 100 data arbitrarily restricted the market and are not informative of global shares. GBT has additionally argued that based on the data it receives from IATA in the ordinary course of business its global market share is [20-30%].¹⁹⁸
- 6.13 The Parties submitted two alternative sets of shares of supply. The first set is based on a top-down approach which estimates the size of managed business travel spend in aggregate. The Parties then submitted that their total TTV (for all

¹⁹⁶ A firm with a higher share of supply is more likely to be a close competitor to its rivals ([CMA129](#), paragraph 4.14).

¹⁹⁷ CMA, [Phase 1 Decision](#), 30 July 2024.

¹⁹⁸ [Parties' response to the Phase 1 Decision](#), 23 August 2024, paragraph 3.5(b).

customers) as a share of this number is less than [10-20%].¹⁹⁹ The second set of shares is based on what GBT has described to be an ‘ordinary course of business analysis’ which combined the Fortune 1000 list of US firms and the Forbes Global 500 list²⁰⁰ and estimated the individual TTV of each of those businesses based on their revenue. The Parties submitted that their combined share of TTV for a subset of these customers with TTV above \$25 million was [10-20%].²⁰¹ Further detail on the Parties’ submissions in relation to the shares of supply is set out in Appendix A.

Internal documents on shares of supply

- 6.14 The Parties’ internal documents refer to higher share of supply figures than those included within the Parties’ submissions.²⁰² In one investor facing document, GBT notes, ‘[X]’.²⁰³ This is consistent with the analysis in analyst reports commissioned by GBT which also refer to GBT having a [X]% share of the GMN market.²⁰⁴

Our reconstructed shares of supply

- 6.15 We reconstructed the shares of supply for GMN customers for 2023 using data submitted to us by a number of TMCs (see Table 6.1 below). In particular, we have included the four TMCs that the Parties have argued compete most closely with them (BCD, FCM, CTM and Navan) and all other TMCs that were considered (or would be considered today) as alternatives to the Parties by more than five respondents to our customer questionnaire.²⁰⁵ We consider that, based on this and other evidence we have received, there are no other TMCs active to any meaningful extent in the GMN customer segment.
- 6.16 We based the shares of supply calculation on TMCs’ TTV and customer numbers for customers with annual TTV equal to or higher than \$25 million which is in line with our definition of the GMN customer group, as set out in paragraphs 5.10 to 5.16 above. We consider that the level of TTV is correlated with geographic footprint (see for example Appendix F, paragraph F.7) and hence, whilst these shares of supply may include some customers who do not have multi-regional travel needs, we consider that their inclusion is unlikely to materially affect the relative positions of the TMCs shown by the shares of supply. This is particularly the case considering that the shares of supply of the Parties’ and BCD are very far

¹⁹⁹ Parties’ internal document.

²⁰⁰ GBT response to the CMA’s RFI 1, 12 August 2024, question 10.

²⁰¹ GBT submission to the CMA, 4 October 2024, slide 7.

²⁰² Parties’ issues meeting slides, 10 July 2024, slides, 4, 32-33 and 35.

²⁰³ GBT internal document.

²⁰⁴ GBT internal document; and GBT internal document.

²⁰⁵ Blocksky, who was mentioned eight times by respondents to our customer questionnaire, has not provided data. However, based on other evidence (paragraphs 6.55 to 6.59 and 6.83) we consider that it does not have a material share in the GMN customer segment.

apart from the shares of the other TMCs (as shown below).²⁰⁶ Therefore, we consider our reconstructed shares of supply relevant to assessing the relative positions of TMCs in the market for GMN customers. The detail of the shares of supply calculation is provided in Appendix B.

- 6.17 Our analysis shows that GBT and CWT have a combined share of supply of [60-70%] ([30-40%] GBT and [20-30%] CWT) based on TTV and [60-70%] ([40-50%] GBT and [20-30%] CWT) based on the number of customers. BCD is the second largest TMC with a [20-30%] and [20-30%] share respectively; FCM's share is [0-5%] and [5-10%] respectively; CTM's share is [0-5%] and [0-5%] respectively and Navan's share is [0-5%] and [0-5%] respectively.

Table 6.1: Reconstructed shares of supply (12 TMCs), by TTV and number of customers, for customers with TTV equal or above \$25 million in 2023

Name of TMC	(%)	
	By TTV (\$[25] billion)	By number of customers ([25])
GBT	[30-40]	[40-50]
CWT	[20-30]	[20-30]
Parties' combined share	[60-70]	[60-70]
BCD	[20-30]	[20-30]
FCM	[0-5]	[5-10]
Navan	[0-5]	[0-5]
CTM	[0-5]	[0-5]
ATPI	[0-5]	[0-5]
Booking	[0-5]	[0-5]
Clarity	[0-5]	[0-5]
Internova	[0-5]	[0-5]
Spotnana	[0-5]	[0-5]
TravelPerk	[0-5]	[0-5]
Total	100	100

Source: CMA calculations based on GBT response to the CMA's s109 notice 1, 16 August 2024, question 2; CWT response to the CMA's s109 notice 1, 16 August 2024, question 2; third party responses to the CMA's s109 notice; and third party responses to the CMA's RFI.

- 6.18 In order to test whether the shares of supply we calculated are sensitive to the particular TTV threshold used to identify GMNs, we recalculated the shares by lowering the TTV threshold. As discussed in Appendix B, the shares of supply are not sensitive to the lowering of the TTV threshold to \$15 million, with the Parties' combined TTV share decreasing only to [60-70%] and the Parties' combined share by number of customers decreasing only to [50-60%].
- 6.19 We consider that the shares of supply presented in Table 6.1 above are broadly consistent with shares based on other data indicative of the relative size of TMCs, such as the data submitted to the CMA by IATA (as set out in the Phase 1 Decision²⁰⁷ and in Appendix B) and the latest BTN Top 100 survey for 2024. Whilst we consider that both of these sets of data present a number of

²⁰⁶ We note that this conclusion is further supported by the results of our bidding analysis, where the data allows us to factor in the multi-regional dimension of GMN customers' requirements by removing single country opportunities from the Parties' datasets. We find that each of the Parties and BCD won even higher proportions of GBT's and CWT's tenders when we exclude those which may have been for single country contracts.

²⁰⁷ CMA, [Phase 1 Decision](#), 30 July 2024.

limitations,²⁰⁸ we found them to be useful cross checks for the TMCs' relative scales.

6.20 We recognise that the Parties have argued that they compete with a wide range of TMCs. As set out above, we consider that our shares of supply analysis includes all TMCs who can be realistically considered to be competitors to the Parties for GMN customers, based on the evidence from a range of sources, including bidding data, customers and competitors. In any case, we consider that given that the total share of GMN customers and their TTV that can be attributed to TMCs other than the Parties, BCD, FCM, CTM and Navan is [0-5%], widening the set of suppliers further to include additional TMCs would have no or very limited impact on the Parties' combined shares.

Our assessment of the Parties' preferred shares of supply measures

6.21 The first set of shares submitted by the Parties (referred to in paragraph 6.13) relates to all customers. As such, we do not consider this set of shares to be informative of TMCs' relative market position in relation to GMN customers and we place no weight on this evidence.

6.22 We consider that the second set of shares of supply (referred to in paragraph 6.13), ie the shares based on Fortune and Forbes customer lists, has a number of limitations which means we can put only limited weight on them. First, as we explain in Appendix B, in calculating their shares of supply, the Parties appear to use two inconsistent figures for their own TTV. By correcting this (without any further changes in the methodology), the Parties' combined share would be much higher at [30-40%]. Second, a large proportion of customer TTV ([30-40%]) is not allocated to any specific TMC, which makes the shares of supply figures unreliable, especially where, like in this case, they do not align with the other evidence on the Parties' scale in the GMN customer segment. Notwithstanding these limitations, we note that the relative positions of the TMCs based on the Fortune and Forbes customer lists, are broadly in line with our reconstructed shares of supply ie GBT is the largest, BCD is the second largest and CWT is the third largest TMC, whilst Navan and FCM have minimal shares (CTM's share was not presented by the Parties in their analysis).

6.23 In relation to the Parties' submission that IATA data received by GBT shows that GBT has a much lower share of supply, the information provided to us by the Parties was insufficient to fully assess the methodology used.²⁰⁹ We consider our reconstructed shares of supply to provide a reliable indication of the TMCs' relative

²⁰⁸ The IATA data refers to air travel spend only and the BTN data further limits the set of customers to the largest customers (based on air travel spend) and does not provide shares by TTV.

²⁰⁹ For example, we could not check whether all of providers identified by GBT that this IATA dataset capture are relevant to our investigation and it is unclear whether GBT correctly allocated all of its revenues to itself. See Appendix B for further discussion.

market positions in the GMN segment, and note that they are broadly consistent with the shares based on IATA data from phase 1 and with BTN Top 100 data, as well as the Parties' internal documents. We therefore do not consider that this set of alternative IATA data-based shares provided by GBT would materially shift the balance of evidence on the shares of supply.

Provisional conclusion on shares of supply

- 6.24 We consider our reconstructed shares of supply to be an informative measure of assessing the relative positions of TMCs in the market for GMN customers. Based on our reconstruction, the Parties, alongside BCD, are the largest TMCs supplying GMN customers by a considerable margin. The Merged Entity's share of supply would be more than twice that of BCD – its largest competitor. All other competitors, including FCM, CTM and Navan, have relatively low shares of supply, with other TMCs having a very limited presence. Other sources of evidence on shares of supply, including the Parties' internal documents, are consistent with these results.

Bidding analysis

Parties' bidding analysis

- 6.25 Compass Lexecon, acting on behalf of the Parties, submitted its analysis of GBT's bidding data for the period of 2021-2023 which included several sets of results based on different subsets of tenders. Compass Lexecon argued its analysis shows that CWT is a [redacted] for GBT, GBT faces [redacted] competition from many more than five other strong competitors²¹⁰ and that the in-house option is [redacted] considered and chosen by customers.²¹¹ Based on its bidding analysis for all customers, Compass Lexecon submitted that [redacted].²¹² Compass Lexecon stated that there are no qualitative differences in the results between the analysis conducted for all customers and that restricted to only GMN customers, irrespective of how they are defined.²¹³
- 6.26 Compass Lexecon also submitted that of all of the analyses presented, its analysis of a subset of GBT's tenders which satisfies two conditions: first, GBT was not the incumbent and second, it lost to a TMC who was not the incumbent, is the most relevant. Compass Lexecon argued that this is because other opportunities may exhibit an incumbency bias and assessing closeness of competition is best done

²¹⁰ GBT submission to the CMA, 3 October 2024, paragraph 7.3.

²¹¹ GBT submission to the CMA, 3 October 2024, paragraphs 7.1-7.2.

²¹² GBT submission to the CMA, 3 October 2024, paragraph 7.1.

²¹³ GBT submission to the CMA, 3 October 2024, paragraph 7.2.

when alternatives are ‘similarly situated’.²¹⁴ It stated that the results of this subset of analysis show that [REDACTED].²¹⁵

- 6.27 Compass Lexecon submitted that [REDACTED], which must be done using GBT’s bidding data. It stated that in any event, the findings of the analysis of CWT’s bidding data are no different from those resulting from GBT’s bidding data.²¹⁶

Our assessment of the bidding data

- 6.28 This section summarises the results of our analyses of GBT’s and CWT’s bidding data (with the full results set out in Appendix C) and of some additional data we received from the Parties and other TMCs. Our analysis of the relevant GBT tenders (ie those where the estimated annual TTV is over \$25 million) shows that BCD and CWT won the largest amount of TTV against GBT. TTV won by FCM was worth half of that won by CWT. All other TMCs and the in-house option won very small shares of TTV. Our analysis of CWT’s tenders where the estimated annual TTV is over \$25 million shows that BCD and GBT won the largest amounts of TTV against CWT, with FCM again winning around half of the TTV won by GBT. CTM won just over a third of the TTV won by GBT with other TMCs and in-house options winning very small proportions of TTV. BCD and the other Party won even higher shares of GBT’s and CWT’s tenders when we excluded those which may have been for single country contracts. Our analysis of the additional data we received from the Parties and other TMCs shows that over the period of 2021-2023 there was an upward trend in the amount of TTV that CWT won in terms of new customers and those customers who retendered in those years (although a relatively small share of this TTV was driven by new customers compared to tender-based renewals) and this was also true to some extent for CTM, but not for FCM and Navan. The analysis of CWT’s and GBT’s customer losses shows that a large proportion of CWT’s lost customers switched to GBT and [REDACTED] of the [REDACTED] GBT lost customers switched to CWT.

- 6.29 Before we set out these results in more detail, we consider it important to make the following points.

- (a) First, we have analysed the results based on both the number of opportunities and TTV. However, we consider that the results based on TTV are more informative of firms’ incentives and ability to compete for and win contracts at the higher end of scale of TTV within the GMN customer group.

²¹⁴ Compass Lexecon stated that any incumbency advantage that any TMC (eg CWT) currently enjoys will become less significant over time as customers’ awareness of other TMCs increases. GBT submission to the CMA, 3 October 2024, paragraph 1.13.

²¹⁵ GBT submission to the CMA, 3 October 2024, paragraphs 4.13 and 7.1d.

²¹⁶ It stated that the analysis of CWT’s bidding data shows that [REDACTED]. GBT submission to the CMA, 3 October 2024, paragraph 1.6.

We consider that competing for and winning customers with higher TTV (even within the GMN group) is indicative of scale and competitive strength.

- (b) Second, we do not consider Compass Lexecon's analysis of all tenders relevant to our assessment of competition in tenders for GMN customers and have not discussed it further. We also do not consider that any of Compass Lexecon's approaches to identifying 'GMN' tenders (these are set out in Appendix C) align with our definition of GMN customers. However, even on the basis of Compass Lexecon's preferred, and broader, definition of GMN tenders²¹⁷ its own analysis shows that in the 2021-2023 period, BCD won and participated in most of these opportunities, followed by CWT (once the [REDACTED] win is correctly attributed to CWT),²¹⁸ with FCM and other TMCs participating and winning fewer opportunities. The differences based on TTV are more pronounced.
- (c) Third, in relation to Compass Lexecon's approach of breaking down the subsets of opportunities further and focussing on GBT's new opportunities where the incumbent did not win as the most relevant subset of opportunities (see paragraph 6.266.25), we did not find the economic arguments for this convincing. The approach ignores those opportunities when a competitor won against GBT where GBT was the incumbent – this is clear evidence of competitive constraints on GBT and should be taken into account in the analysis. Additionally, it ignores the tenders won by incumbents, where the customer has gone through a procurement process.
- (d) Fourth, we disagree with Compass Lexecon that CWT's bidding data is not relevant to our assessment of the Merger (see paragraph 6.276.27). It is highly relevant for the assessment of the Merger to understand the degree of closeness between GBT and CWT, and between CWT and other competitors, as this is indicative of the extent to which the Merged Entity could raise prices or deteriorate its offering to customers who would have previously chosen or considered CWT and no longer have this option. The CWT data allows us to assess this by looking at GBT's participation and win rate compared to other TMCs in the opportunities that CWT participated in.

Our analysis of GBT's bidding data

6.30 As set out above, we consider it appropriate to limit the GBT dataset to the [REDACTED] opportunities where the bidding opportunity involved TTV above \$25 million (a total TTV of \$[REDACTED] billion). We then analysed both participation and win

²¹⁷ The one that includes the largest number of smaller TTV tenders as described in paragraph C.3(b).

²¹⁸ [REDACTED] in GBT's bidding data [REDACTED]. When reporting the results, [REDACTED]. We consider that any Spotnana/CWT wins should be attributed to CWT and paragraph 6.130 sets out our views on Spotnana. [REDACTED]. GBT submission to the CMA, 3 October 2024, footnote 19; and third party call note.

frequencies/values by other TMCs in GBT's tenders.²¹⁹ We also analysed a subset of tenders removing those which may have been country-specific rather than multi-regional.

- 6.31 In relation to tender wins, as shown in Table 6.2, out of the opportunities with TTV above \$25 million GBT participated in over the three-year period between 2021 and 2023, BCD won [20-30%] of TTV and CWT won [20-30%] of TTV. The rest of the TMCs won much smaller shares of TTV – FCM won [10-20%], Navan won [0-5%] and CTM won [0-5%]. All other TMCs jointly won [0-5%] of TTV.
- 6.32 When we consider the number of opportunities won rather than the TTV, BCD won [20-30%] of these opportunities whilst CWT and FCM each won [10-20%]. Navan won [0-5%] and CTM won [0-5%]. All other TMCs collectively won [0-5%].²²⁰
- 6.33 As set out above in paragraph 6.29(b), we do not consider Compass Lexecon's broader selection of tenders to be in line with our definition of GMN customers. However, we present the analysis for completeness in Table 6.2. As the table shows, BCD, CWT and FCM are still winning the largest shares of tenders that GBT participated in – both in terms of TTV and number of opportunities, especially when the [redacted] win is correctly allocated to CWT rather than CWT/Spotnana.

Table 6.2: Winner identity analysis (GBT data)

Winners	CMA's approach		Compass Lexecon's analysis	
	TTV (\$[redacted] million)	Number of opportunities ([redacted])	TTV (\$[redacted] million)	Number of opportunities ([redacted])
GBT	[30-40]	[30-40]	[30-40]	[40-50]
CWT	[20-30]	[10-20]	[5-10]	[5-10]
CWT/Spotnana	[0-5]	[0-5]	[10-20]	[0-5]
BCD	[20-30]	[20-30]	[20-30]	[10-20]
FCM	[10-20]	[10-20]	[10-20]	[5-10]
Navan	[0-5]	[0-5]	[0-5]	[0-5]
CTM	[0-5]	[0-5]	[0-5]	[0-5]
Spotnana	[0-5]	[0-5]	[0-5]	[0-5]
Blockskye/Kayak/Gant Travel	[5-10]	[0-5]	[0-5]	[0-5]
Other TMCs	[0-5]	[5-10]	[5-10]	[20-30]
In-house	[0-5]	[0-5]	[0-5]	[5-10]
Unknown	[5-10]	[5-10]	[5-10]	[0-5]

Note: Compass Lexecon's analysis is based on the GMN customer definition described in Appendix C, paragraph C.3(b). Renewal wins have been removed from this table.

Source: CMA calculations based on GBT response to the CMA's RFI 3, 11 September 2024.

- 6.34 In relation to participation in tenders, as shown in Appendix C, Table C.1, out of all opportunities with TTV above \$25 million GBT participated in over the three-year period between 2021 and 2023, BCD competed for [70-80%] of TTV and CWT for [50-60%] of TTV. The rest of the TMCs competed for much smaller shares of TTV

²¹⁹ The winner identity analysis excludes GBT renewal wins so the total number of opportunities considered in this analysis is [redacted].

²²⁰ At least [redacted] of the [redacted] customers that chose in-house used this option previously according to GBT's bidding data.

– FCM competed for [20-30%], Navan for [10-20%] and CTM for [5-10%]. All other TMCs jointly competed for [10-20%] of TTV.

- 6.35 When we consider the number of opportunities rather than the TTV, BCD participated in [60-70%] of these opportunities, CWT in [50-60%] and FCM in [20-30%]. Navan and CTM each participated in [10-20%]. All other TMCs collectively participated in [10-20%].
- 6.36 Considering Compass Lexecon’s analysis for completeness, Appendix C, Table C.1 shows that BCD, CWT and FCM participated in the largest shares of tenders that GBT participated in – both in terms of TTV and number of opportunities.
- 6.37 When the analysis of GBT bidding data is limited further to the [§] opportunities that result by removing single country opportunities from GBT datasets²²¹ to factor in the multi-regional dimension of GMN customers’ requirements, CWT and BCD won larger shares of TTV ([20-30%] and [20-30%] respectively), FCM won a smaller share of TTV ([5-10%]) and all the rest of the TMCs also won smaller shares of TTV compared to those set out in Table 6.2. CWT’s and BCD’s participation increased by approximately [5-10] percentage points in terms of both measures and participation did not change significantly for the rest of the TMCs in either measure.

Our analysis of CWT’s bidding data

- 6.38 Similarly to the approach we took with GBT bidding data, we limited the CWT bidding data to the [§] opportunities where the bidding opportunity involved TTV above \$25 million (a total TTV of \$[§] billion). We then analysed both participation and win frequencies/values by other TMCs in CWT’s tenders.²²²
- 6.39 In relation to tender wins, as shown in Table 6.3, out of the opportunities with TTV above \$25 million CWT participated in over the three-year period between 2021 and 2023, BCD won [40-50%] of TTV and GBT won [20-30%]. The rest of the TMCs won much smaller shares of TTV – FCM won [10-20%], Navan won [0-5%] and CTM won [5-10%]. All other TMCs jointly won [0-5%] of TTV.
- 6.40 When we consider the number of opportunities rather than the TTV, BCD won [30-40%] of these opportunities, GBT won [20-30%] and FCM won [10-20%]. Navan won [0-5%] and CTM won [0-5%]. All other TMCs collectively won [5-10%].
- 6.41 Considering Compass Lexecon’s analysis (which follows the same approach as in the case of GBT’s bidding data) for completeness, Table 6.3 shows that BCD,

²²¹ [§]. GBT response to the CMA’s RFI 3, 11 September 2024, question 9.

²²² The winner identity analysis excludes CWT renewal wins so the total number of opportunities considered in this analysis is [§].

GBT and FCM are still winning the largest shares of tenders that CWT participated in – both in terms of TTV and number of opportunities.

Table 6.3: Winner identity analysis (CWT data)

Winners	CMA's approach		Compass Lexecon's analysis	
	TTV (\$ million)	Number of opportunities (%)	TTV (\$ million)	Number of opportunities (%)
CWT	[10-20]	[10-20]	[10-20]	[30-40]
GBT	[20-30]	[20-30]	[10-20]	[10-20]
BCD	[40-50]	[30-40]	[40-50]	[20-30]
FCM	[10-20]	[10-20]	[10-20]	[5-10]
Navan	[0-5]	[0-5]	[0-5]	[0-5]
CTM	[5-10]	[0-5]	[5-10]	[0-5]
Amadeus	[0-5]	[0-5]	[0-5]	[0-5]
China Travel	[0-5]	[0-5]	[0-5]	[0-5]
Internova	[0-5]	[0-5]	[0-5]	[0-5]
MSC Cruises	[0-5]	[0-5]	[0-5]	[0-5]
QBT	[0-5]	[0-5]	[0-5]	[0-5]
Travelgo	[0-5]	[0-5]	[0-5]	[0-5]
Local agent	[0-5]	[0-5]	[0-5]	[5-10]
Other	[0-5]	[5-10]	[0-5]	[10-20]
Unknown	[0-5]	[0-5]	[0-5]	[0-5]
In-house	[0-5]	[0-5]	[0-5]	[0-5]

Note: Compass Lexecon's analysis is based on the GMN customer definition described in Appendix C, paragraph C.3(b). Renewal wins have been removed from this table.

Source: CMA calculations based on Parties' response to the CMA's RFI 1, 12 August 2024, question 15.

- 6.42 In relation to participation in tenders, as shown in Appendix C, Table C.3, out of the opportunities with TTV above \$25 million CWT participated in over the three-year period between 2021 and 2023, BCD competed for [60-70%] of TTV and GBT for [40-50%] of TTV. The rest of the TMCs competed for much smaller shares of TTV – FCM competed for [20-30%], Navan for [0-5%] and CTM for [5-10%]. All other TMCs jointly competed for [5-10%] of TTV.
- 6.43 When we consider the number of opportunities rather than the TTV, BCD and GBT each participated in [50-60%] of these opportunities. FCM participated in [20-30%], Navan in [0-5%] and CTM in [0-5%]. All other TMCs collectively participated in [20-30%].
- 6.44 Considering Compass Lexecon's analysis for completeness, Appendix C, Table C.3 shows that BCD, GBT and FCM participated in the largest shares of tenders that CWT participated in – both in terms of TTV and number of opportunities.
- 6.45 When the analysis of CWT bidding data is limited further to the [] opportunities that result by removing single country opportunities from CWT's dataset,²²³ to factor in the multi-regional dimension of GMN customers' requirements, BCD and GBT won larger shares of TTV ([40-50%] and [20-30%] respectively), FCM won a smaller share of TTV ([10-20%]) and all the rest of TMCs also won similar or smaller shares of TTV compared to those set out in Table 6.3. BCD's and GBT's participation increased by approximately [0-5] percentage points in terms of both

²²³ []. GBT response to the CMA's RFI 3, 11 September 2024, question 9.

measures and FCM's participation decreased in terms of TTV and CTM's participation decreased in terms of both measures.

Other win/loss data analysis

- 6.46 We analysed the bidding data in relation to opportunities with TTV above \$25 million submitted by the Parties and other TMCs for any trends over the three-year period between 2021 and 2023. TTV won and renewed by CWT increased year on year (as did the total number of wins and renewals) and in 2023 it won and renewed the highest amount of TTV within the GMN customer group after GBT and BCD. We did not see an upward trend in the data for FCM and Navan. FCM won less TTV in 2023 than in 2022 and Navan won less TTV in 2023 compared to 2021. For CTM, its value of wins has increased in each year but it still remained relatively low in 2023. The full results are set out in Appendix C, Tables C.5 and C.6.
- 6.47 Throughout the Phase 2 investigation the Parties have made submissions that they [redacted] lose customers to a [redacted] range of TMCs. We asked the Parties to indicate which GMN customers²²⁴ have been lost recently (approximately over the period from the start of 2022 to mid-2024) and, if known, submit which TMCs the customers switched to regardless of whether this information is recorded in the bidding data. The list provided by the Parties shows that CWT [redacted] ([redacted] compared to [redacted]). [redacted] of GBT's lost customers were lost to CWT while the other [redacted] went to World Travel and Adtrav.²²⁵ Of the [redacted] customers that CWT lost, most went to GBT ([redacted] customers) and BCD ([redacted] customers). [redacted] switched to FCM, [redacted] to CTM and the remaining [redacted] to unknown TMCs. [redacted] switched from CWT to Spotnana and Navan. The full results are set out in Appendix C, Tables C.9 and C.10.
- 6.48 We also asked the Parties and other TMCs to tell us the acquisition dates for their current customers. According to the data, [redacted] and the [redacted] among the Parties, BCD, FCM, Navan and CTM. The full results are set out in Appendix C, Tables C.7 and C.8 and this evidence is discussed further, together with the other evidence on CWT's recent performance, in paragraphs 6.90 to 6.105.

²²⁴ Those who generated more than \$25 million in TTV in 2023.

²²⁵ We note that there is no support for these two TMCs being competitors to any material extent to GBT for GMN customers in any of the evidence we collected from third parties or the Parties' internal documents. World Travel was considered by one respondent to our questionnaire and was rated by that customer as a 1 (not suitable) because it was considered to be 'not to the calibre of a global program'. Third party response to the CMA's customer questionnaire. Adtrav was considered by one respondent to our questionnaire and was rated as a 2 (somewhat suitable) because 'their global partner network vs wholly owned did not offer the global consistency we required'. Third party response to the CMA's customer questionnaire.

Provisional conclusion on bidding analysis

6.49 We consider that both GBT's and CWT's bidding data shows that BCD and CWT are the closest competitors to GBT, and GBT and BCD are the closest competitors to CWT in the market for BTA services to GMN customers, as indicated by the high participation and win rates, with results more pronounced when considering the share of TTV than they are in terms of number of opportunities. FCM also competes with both GBT and CWT but participates in and wins a much smaller share of TTV. Navan and CTM participated in fewer tenders than FCM and won a very small proportion of TTV. Accordingly, we consider that this evidence does not support the Parties' submissions that many TMCs are able to compete for GMN customers. The closeness of competition between GBT and CWT is also confirmed by the analysis of the Parties' customer losses which shows that a large proportion of their lost customers switched to the other Party.

Customer evidence

6.50 This section summarises the results of our analyses of the TMCs that the Parties' customers with high TTV consider as alternatives to GBT and CWT and their suitability for their requirements. The vast majority of these customers required consistent global coverage encompassing multiple regions of the globe. Customer evidence is a very important source for assessing the closeness of competition between the merging parties and their rivals in differentiated product markets. We consider that in this case this evidence source is particularly reliable due to the sophistication of the customers, which is in line with the Parties' own submissions (see paragraph 4.14 and Appendix A paragraph A.13). GMN customers typically have specialist teams which conduct formal procurement processes (often using an RFP process) and some monitor the market during the period between those processes. This was reflected in the extent to which customers engaged with our evidence gathering exercise – we received 90 responses to our customer questionnaire and held 11 calls to probe some key issues in more depth. We found the customer evidence informative, rich and generally consistent. The approach to customer outreach and the detail of customer evidence is set out in Appendix E.

6.51 In what follows we first set out the responses to our questions about which alternative TMCs the Parties' GMN customers considered when they appointed their current TMC and their suitability ratings. As part of our forward-looking assessment, we then consider whether the responses from those customers who tendered more recently differed and whether customers would view the market differently today. We also consider the reasons for why customers viewed some TMCs as more or less suitable to their requirements by analysing their qualitative responses.

6.52 The vast majority of both GBT and CWT customers told us that they considered the other Party and BCD as alternatives, whilst only around half of both GBT and CWT customers considered FCM and around a quarter considered CTM and Navan. BCD and the other Party also received higher suitability ratings on average than FCM from GBT and CWT customers, and CTM, Navan and Spotnana received low average ratings. Although the difference between the other Party, BCD and FCM was less pronounced when only the responses from those customers who appointed either GBT or CWT in the last two years are considered, the difference in how customers viewed these four TMCs compared to CTM, Navan and Spotnana remained significant. Whilst more customers would consider Navan and Spotnana if they were evaluating their options today as opposed to when they last procured, both would still have a low average suitability rating.

Suitability of alternative TMCs

Alternatives considered when GBT or CWT were selected

6.53 We asked the Parties' customers about the most recent procurement process in which they appointed one of the Parties as their TMC. The vast majority of these customers (83) required consistent global coverage encompassing multiple regions of the globe.²²⁶ We asked about the TMCs that they considered at the time and the degree to which each was suitable for their requirements (customers were asked to rate the TMCs they considered, including the one that they chose, from 1 to 4, where 1 was 'not suitable', 2 was 'somewhat suitable', 3 was 'suitable' and 4 was 'very suitable').²²⁷

6.54 Figure 6.1 below summarises the responses which show the following:

- (a) We received 48 responses from GBT customers, of which 47 provided ratings for the TMCs that they considered (including GBT, which they appointed). GBT received an average rating of 3.5 (between 'suitable' and 'very suitable') from these customers. Given GBT won the contract and received the highest rating from these customers, GBT's rating can be used as a benchmark to assess the other TMCs' scores. 36 of these 47 customers considered CWT and gave it an average rating of 3.0 ('suitable').²²⁸ 39 considered BCD and gave it an average rating of 3.1 (marginally better than 'suitable').²²⁹ 22 considered FCM and gave it an average rating of 2.6 (between 'somewhat suitable' and 'suitable')²³⁰ and 15 considered CTM and gave it an average rating of 2.1 (marginally better than 'somewhat

²²⁶ See Appendix E, paragraph E.7.

²²⁷ We presented respondents with a list of 14 options that they could select and rate, and also gave them the option to add other TMCs. See Appendix E, paragraph E.20 for details of this question.

²²⁸ See Appendix E, paragraph E.30.

²²⁹ See Appendix E, paragraph E.30.

²³⁰ See Appendix E, paragraph E.30.

suitable').²³¹ 12 considered Navan and gave it an average rating of 1.7 (between 'not suitable' and 'somewhat suitable').²³² Spotnana was considered by 3 GBT customers and given an average rating of 1.0 ('not suitable')²³³ and Spotnana in partnership with CWT was considered by 2 GBT customers with an average rating of 1.0 ('not suitable').²³⁴

- (b) We received 42 responses from CWT customers, of which 36 provided ratings for the TMCs that they considered (including CWT, which they appointed). CWT received an average rating of 3.8 (close to 'very suitable') from these customers. Given CWT won the contract and received the highest rating from these customers, CWT's rating can be used as a benchmark to assess the other TMCs' scores. 26 of these 36 customers considered GBT and gave it an average rating of 3.4 (between 'suitable' and 'very suitable').²³⁵ 29 considered BCD and gave it an average rating of 3.3 (between 'suitable' and 'very suitable').²³⁶ 18 considered FCM and gave it an average rating of 2.6 (between 'somewhat suitable' and 'suitable').²³⁷ 10 considered Navan and gave it an average rating of 1.8 (between 'not suitable' and 'somewhat suitable')²³⁸ and 8 considered CTM and gave it an average rating of 1.6 (between 'not suitable' and 'somewhat suitable').²³⁹ Spotnana was considered by 6 CWT customers and given an average rating of 1.8 (between 'not suitable' and 'somewhat suitable').²⁴⁰ Spotnana in partnership with CWT was considered by 4 CWT customers with an average rating of 1.5 (between 'not suitable' and 'somewhat suitable').²⁴¹

²³¹ See Appendix E, paragraph E.30.

²³² See Appendix E, paragraph E.30.

²³³ See Appendix E, paragraph E.30.

²³⁴ See Appendix E, paragraph E.30.

²³⁵ See Appendix E, paragraph E.30.

²³⁶ See Appendix E, paragraph E.30.

²³⁷ See Appendix E, paragraph E.30.

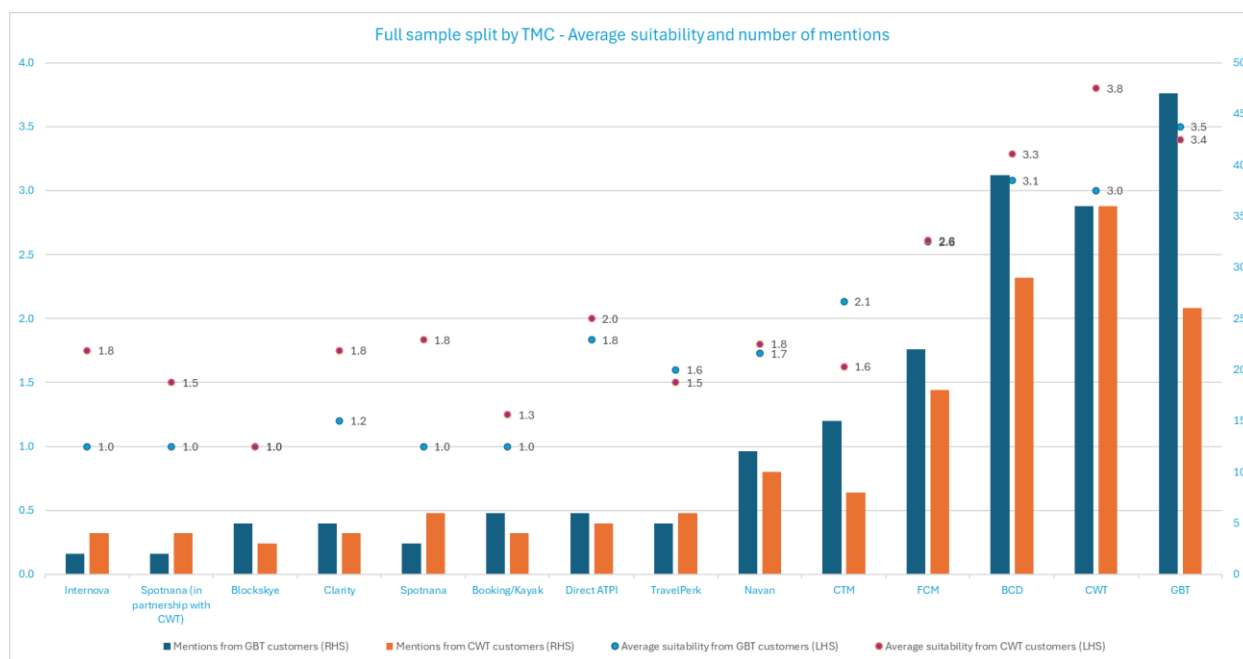
²³⁸ See Appendix E, paragraph E.30.

²³⁹ See Appendix E, paragraph E.30.

²⁴⁰ See Appendix E, paragraph E.30.

²⁴¹ See Appendix E, paragraph E.30.

Figure 6.1: Full sample split by GBT/CWT customers – TMCs’ average suitability ratings and number of mentions



Source: CMA analysis of third party responses to the CMA’s customer questionnaire.

Note that the vertical bars are measured on the right-hand axis and show the number of times that a TMC was considered by a customer, while the dots are measured on the left-hand axis and show the average suitability that a TMC received from these customers.

6.55 All other TMCs were considered very infrequently. Within this group, Travel Perk and ATPI were considered by the greatest number of respondents (11 GBT and CWT customers in total) but with low average ratings between ‘not suitable’ and ‘somewhat suitable’. This includes 18 other TMCs that are not presented in the figure above, 17 of which were considered by only one respondent.²⁴²

Alternatives considered when GBT or CWT were selected in the last two years

6.56 We analysed the subset of respondents who carried out their procurement exercise in the last two years. This subset consisted of 32 respondents, of which 30 provided suitability ratings, made up of 10 GBT customers and 20 CWT customers.

6.57 Figure 6.2 below summarises the responses which show the following:

- (a) GBT received an average RH rating of 3.7 from the 10 GBT customers (between ‘suitable’ and ‘very suitable’).²⁴³ 8 of these customers considered CWT (average rating of 3.0),²⁴⁴ 9 considered BCD (average rating of 3.1),²⁴⁵ 7 considered FCM (average rating of 3.1),²⁴⁶ 6 considered CTM (average

²⁴² See Appendix E, paragraph E.26.

²⁴³ See Appendix E, paragraph E.33.

²⁴⁴ See Appendix E, paragraph E.33.

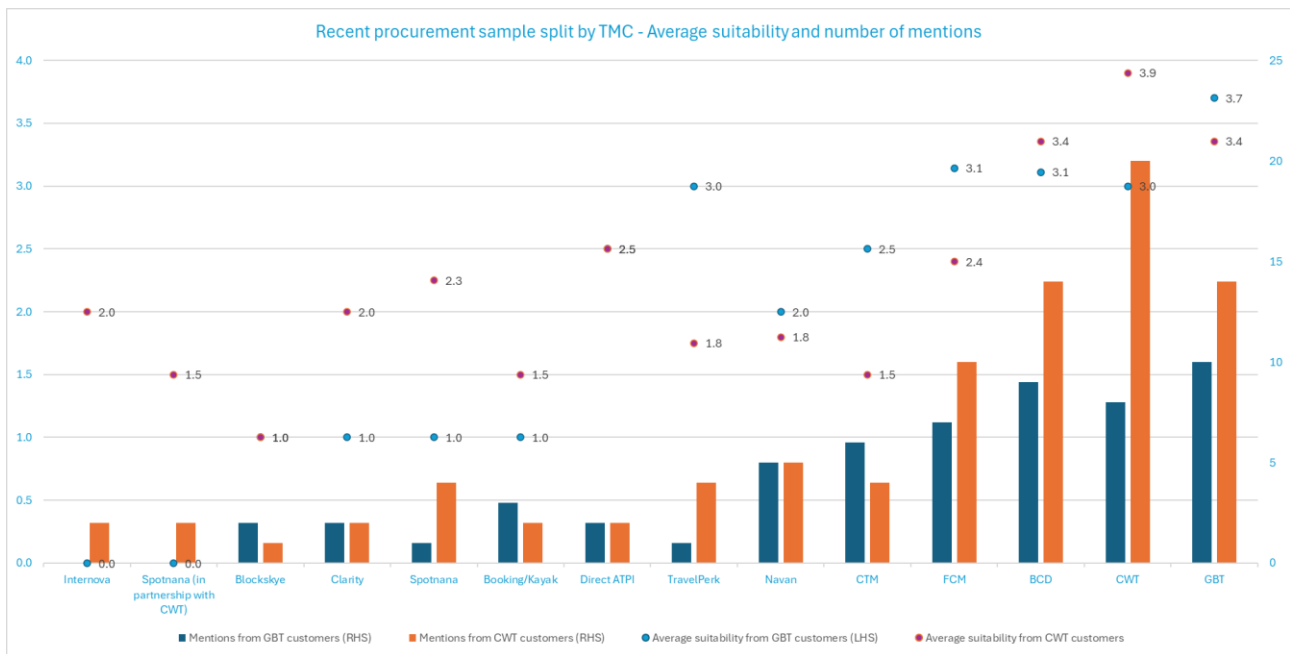
²⁴⁵ See Appendix E, paragraph E.33.

²⁴⁶ See Appendix E, paragraph E.33.

rating of 2.5),²⁴⁷ 5 considered Navan (average rating of 2.0)²⁴⁸ and 1 considered Spotnana (rating of 1.0).²⁴⁹

- (b) CWT received an average rating of 3.9 from the 20 CWT customers (close to ‘very suitable’).²⁵⁰ 14 of these customers considered GBT (average rating of 3.4),²⁵¹ 14 considered BCD (average rating of 3.4),²⁵² 10 considered FCM (average rating of 2.4),²⁵³ 4 considered CTM (average rating of 1.5),²⁵⁴ 5 considered Navan (average rating of 1.8)²⁵⁵ and 4 considered Spotnana (average rating of 2.3).²⁵⁶

Figure 6.2: Recent procurement sample split by GBT/CWT customers – TMCs’ average suitability ratings and number of mentions



Source: CMA analysis of third party responses to the CMA’s customer questionnaire. Subset of 30 respondents.

Changes in suitability if TMC selection was carried out today

6.58 We asked customers whether the TMCs they would consider and/or their ratings would be different if they were to consider their options today. Approximately a third told us that their views would be different (32),²⁵⁷ approximately a third said

²⁴⁷ See Appendix E, paragraph E.33.
²⁴⁸ See Appendix E, paragraph E.33.
²⁴⁹ See Appendix E, paragraph E.33.
²⁵⁰ See Appendix E, paragraph E.33.
²⁵¹ See Appendix E, paragraph E.33.
²⁵² See Appendix E, paragraph E.33.
²⁵³ See Appendix E, paragraph E.33.
²⁵⁴ See Appendix E, paragraph E.33.
²⁵⁵ See Appendix E, paragraph E.33.
²⁵⁶ See Appendix E, paragraph E.33.
²⁵⁷ See Appendix E, paragraph E.34.

that they would not (30)²⁵⁸ and approximately another third (28) did not know.²⁵⁹ Of these 62 respondents who did have a view on alternatives, 58 provided a list of TMCs they would consider today and their suitability.²⁶⁰ We compared the results to how these same 58 customers viewed the market in the most recent procurement process.

6.59 Figure 6.3 below summarises the responses which show the following:

- (a) Each of the Parties, BCD, FCM and CTM would be considered by a similar number of customers for a procurement today as at the most recent procurements, and their average suitability ratings are largely unchanged.
- (b) A small number of customers who did not consider Navan and Spotnana during their last procurement told us that they would consider them today (net of 7 in the case of Navan and 8 in the case of Spotnana), and the average ratings across customers would be higher, albeit still between 'somewhat suitable' and 'suitable' (up from 1.7 to 2.2 for Navan and up from 1.3 to 2.1 for Spotnana) and below the ratings for the Parties and BCD. 6 more customers (in net terms) also told us that they would consider the Spotnana/CWT partnership, and its rating would be relatively high at 2.4, although we note (based on other sources of evidence – see paragraph 6.80) that Spotnana would not operate as a TMC in this partnership but as a technology provider.²⁶¹
- (c) There was no notable change in the number of customers who would consider other TMCs and no additional TMC names put forward.

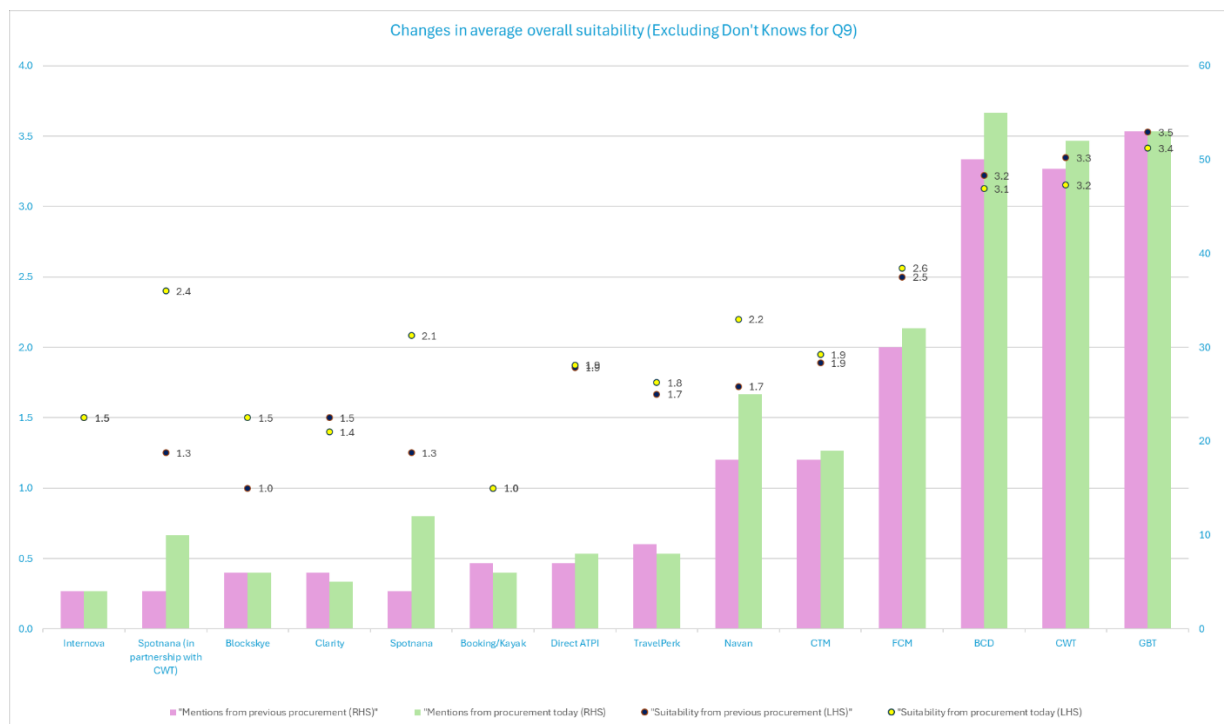
²⁵⁸ See Appendix E, paragraph E.34.

²⁵⁹ See Appendix E, paragraph E.34.

²⁶⁰ See Appendix E, paragraph E.35.

²⁶¹ See Appendix E, paragraph E.36.

Figure 6.3: Changes in TMCs' average suitability ratings between today and last procurement



Source: CMA analysis of third party responses to the CMA's customer questionnaire. Subset of 58 respondents.

Qualitative evidence on TMCs' suitability

6.60 We also examined the qualitative views about each of the TMCs from both the questionnaire responses and the calls that we held with customers. Not all customers who provided ratings provided comments. The detail of the qualitative views we received are set out in more detail in Appendix E, paragraphs E.39 to E.82.

- (a) CWT's customers made a number of positive comments about GBT,²⁶² referring to its global coverage (11 comments from customers, out of 23) and its capabilities and similarities to CWT (8 customers).²⁶³ Customers also pointed to its competitive pricing (2)²⁶⁴ and good technology (1).²⁶⁵ CWT customers also noted some weaknesses in GBT's offering as reasons for why they did not choose it.²⁶⁶ These included pricing (5 customers),²⁶⁷ quality of service (2),²⁶⁸ and a lack of flexibility (1).²⁶⁹

²⁶² See Appendix E, paragraph E.39.

²⁶³ For example, one customer said that it 'is a very valid alternative to CWT', while another customer said that it 'was a close second to CWT and could meet all of our global requirements'. Third party responses to the CMA's customer questionnaire.

²⁶⁴ Third party call notes.

²⁶⁵ Third party call note.

²⁶⁶ See Appendix E, paragraph E.40.

²⁶⁷ Third party responses to CMA's the customer questionnaire; and third party call note.

²⁶⁸ Third party responses to CMA's the customer questionnaire.

²⁶⁹ Third party response to CMA's the customer questionnaire.

- (b) GBT's customers made a number of positive comments about CWT,²⁷⁰ such as its global coverage (10 comments from customers, out of 27), its reputation (2) and its pricing (1).²⁷¹ One of Navan's customers told us that CWT has a very strong service offering and is one of the best TMCs at process management,²⁷² while a GBT customer said that CWT had embraced disruptive technology and focusses on customers.²⁷³ GBT customers also noted some weaknesses in CWT's offering and told us they did not choose it because it was more expensive (4),²⁷⁴ had a worse service (3)²⁷⁵ or was not global enough (2).²⁷⁶ Two customers also commented negatively about CWT's financial situation,²⁷⁷ while three said that they would consider CWT to be less suitable for a procurement today as a result of the Merger.²⁷⁸
- (c) Customers made a number of positive comments about BCD,²⁷⁹ referring to its global coverage (6 customers), its similarity to GBT (2),²⁸⁰ its technology and financials (1),²⁸¹ and its white-glove service offering (2).²⁸² Customers that we held calls with said that BCD had an excellent solution and technology (1),²⁸³ and that it had the highest score across all procurement criteria (1).²⁸⁴ However, some other customers noted weaknesses in BCD's offering,²⁸⁵ including that it lacked complete global coverage (4)²⁸⁶ and industry experience (1),²⁸⁷ and that it was more expensive than alternatives (3).²⁸⁸
- (d) A few customers made positive comments about FCM,²⁸⁹ saying that it is a large TMC able to serve large global customers (2)²⁹⁰ and has advanced technology (1).²⁹¹ However, other customers were more reserved about

²⁷⁰ See Appendix E, paragraph E.47.

²⁷¹ Third party response to CMA's the customer questionnaire.

²⁷² Third party call note.

²⁷³ Third party call note.

²⁷⁴ Third party responses to CMA's the customer questionnaire.

²⁷⁵ Third party response to CMA's the customer questionnaire.

²⁷⁶ Third party responses to CMA's the customer questionnaire.

²⁷⁷ One customer rated CWT as a 3 ('suitable') noted that 'many of their services have equivalence to GBT' but that [redacted]. Third party responses to CMA's the customer questionnaire. One customer rated CWT as a 4 (very suitable) and said that 'CWT scored highest but there were concerns about their financial health' Third party responses to CMA's the customer questionnaire.

²⁷⁸ Third party responses to CMA's customer questionnaire.

²⁷⁹ See Appendix E, paragraph E.53.

²⁸⁰ Third party responses to CMA's the customer questionnaire.

²⁸¹ Third party response to CMA's the customer questionnaire.

²⁸² Third party call notes.

²⁸³ Third party call note.

²⁸⁴ Third party call note.

²⁸⁵ See Appendix E, paragraph E.55.

²⁸⁶ Third party responses to CMA's the customer questionnaire; and third party call notes.

²⁸⁷ Third party response to CMA's the customer questionnaire.

²⁸⁸ Third party response to CMA's the customer questionnaire; and third party call notes.

²⁸⁹ See Appendix E, paragraph E.59.

²⁹⁰ Third party responses to CMA's the customer questionnaire; and third party call note.

²⁹¹ Third party response to CMA's the customer questionnaire.

FCM,²⁹² saying that it is too decentralised (2),²⁹³ small (1)²⁹⁴ or inexperienced (1).²⁹⁵ Others were negative,²⁹⁶ pointing to a lack of global coverage (3),²⁹⁷ weaknesses in regions other than APAC (2)²⁹⁸ and lacking proprietary technology (1).²⁹⁹

- (e) Customers were on the whole negative about CTM,³⁰⁰ with the most positive comments suggesting that it has adequate infrastructure (1)³⁰¹ or that it can deliver a UK service (1).³⁰² On the other hand, considerably more customers noted that CTM lacks global coverage (10), whilst others noted that it has servicing issues (1)³⁰³ and an incomplete reporting platform (1),³⁰⁴ or is focussed on SMEs (1).³⁰⁵ Only one additional customer (in net terms) told us that it would consider CTM if it were to carry out a procurement process today and it gave CTM a 'not suitable' rating of 1 due to a lack of sufficient global coverage.³⁰⁶ Similarly, no customers we held calls with told us they would seriously consider CTM if they were to carry out a procurement exercise today, with [X] being the only one to include them in the final three of a procurement.³⁰⁷
- (f) Almost all of the customers we have heard from told us that they had not considered Navan to be suitable at their most recent procurement.³⁰⁸ One customer told us that it did view Navan as suitable and switched to them from GBT in 2020 mentioning Navan's excellent user experience as the driving factor.³⁰⁹ [X], the customer indicated that [X]. Some other customers that told us they did not view Navan as suitable still provided some positive comments about its access to content (1)³¹⁰ and NDC solution (1).³¹¹ A few more customers were positive about it for a hypothetical procurement taking place today, noting that it has an interesting value proposition (1)³¹² and a focus on end-to-end service (1).³¹³ However, customers generally expressed reservations about Navan's offering, including that it does not have global

²⁹² See Appendix E, paragraph E.60.

²⁹³ Third party responses to CMA's the customer questionnaire.

²⁹⁴ Third party responses to CMA's the customer questionnaire.

²⁹⁵ Third party response to CMA's the customer questionnaire.

²⁹⁶ See Appendix E, paragraph E.61.

²⁹⁷ Third party responses to CMA's the customer questionnaire; and third party call note.

²⁹⁸ Third party response to CMA's the customer questionnaire; and third party call note.

²⁹⁹ Third party call note.

³⁰⁰ See Appendix E, paragraph E.66.

³⁰¹ Third party responses to CMA's the customer questionnaire.

³⁰² Third party responses to CMA's the customer questionnaire.

³⁰³ Third party responses to CMA's the customer questionnaire.

³⁰⁴ Third party responses to CMA's the customer questionnaire.

³⁰⁵ Third party responses to CMA's the customer questionnaire.

³⁰⁶ Third party responses to CMA's the customer questionnaire.

³⁰⁷ Third party response to the CMA's questions.

³⁰⁸ [X] selected Navan as their TMC in their most recent procurement process.

³⁰⁹ Third party call note.

³¹⁰ Third party response to CMA's the customer questionnaire.

³¹¹ Third party response to CMA's the customer questionnaire.

³¹² Third party response to CMA's the customer questionnaire.

³¹³ Third party response to CMA's the customer questionnaire.

coverage (4),³¹⁴ cannot provide offline support (2)³¹⁵ and cannot support high-touch (1),³¹⁶ complex (1)³¹⁷ or large volume (1)³¹⁸ programs.

- (g) Several (4) customers told us that they thought of Spotnana as an OBT rather than a TMC.³¹⁹ Only one respondent considered Spotnana to be suitable for their most recent procurement, but this was in partnership with CWT.³²⁰ We received some positive comments about Spotnana for a procurement today, such as being an interesting value proposition (1)³²¹ and providing a new service model (1).³²² However, customers generally expressed reservations about Spotnana's offering, saying that even for a procurement today it does not have the necessary global footprint, account management and offline support³²³, cannot support a global complex organisation,³²⁴ has a limited offline service³²⁵ and is not suitable even after partnering with Direct Travel (all 1).³²⁶

Provisional conclusion on customer evidence

- 6.61 The customer evidence set out above shows that the Parties and BCD compete closely for GMN customers, which is reflected in the large number of GBT and CWT customers who considered the other Party and BCD in their last procurement and their higher average suitability ratings relative to other TMCs. FCM is considered by a material but significantly smaller number of customers and has a lower average suitability rating, which indicate it competes less closely with the Parties for GMN customers. CTM, Navan and Spotnana, as well as other TMCs, are weaker alternatives still.
- 6.62 These findings largely hold when we look at the responses of customers that have a more recent experience of market testing as well as at the responses of all customers as to how they would view the market today. In relation to customers who tendered in the last two years, we note in particular that, as expected, CWT was rated very highly by the 20 customers who appointed CWT, but it was also considered and rated highly on average by those respondents who appointed GBT as their TMC. FCM received a similar average suitability rating as CWT (and BCD) from GBT customers, however its suitability rating from CWT customers was lower and it was mentioned as an alternative by fewer customers overall. The evidence

³¹⁴ Third party responses to CMA's the customer questionnaire; and third party call note.

³¹⁵ Third party response to CMA's the customer questionnaire; and third party call note.

³¹⁶ Third party response to CMA's the customer questionnaire.

³¹⁷ Third party response to CMA's the customer questionnaire.

³¹⁸ Third party response to CMA's the customer questionnaire.

³¹⁹ Third party call notes; and third party response to the CMA's questions.

³²⁰ Third party response to CMA's the customer questionnaire.

³²¹ Third party response to CMA's the customer questionnaire.

³²² Third party response to CMA's the customer questionnaire.

³²³ Third party response to CMA's the customer questionnaire.

³²⁴ Third party response to CMA's the customer questionnaire.

³²⁵ Third party response to CMA's the customer questionnaire.

³²⁶ Third party call note.

does not indicate that CTM, Navan and Spotnana are seen as close alternatives to the Parties by customers who tendered in the last two years.

Competitor evidence

- 6.63 In this section we summarise evidence collected from a range of TMCs on the extent of competition between the Parties and rival TMCs active in the GMN customer segment, the current offering and competitive strength of each TMC in this segment and their expansion plans, including by Spotnana. We found the information that competitors provided about themselves and their rivals to be valuable in informing our understanding of how differentiated their offering is relative to the Parties' offering and which TMCs they see themselves competing with. The competitor evidence was also helpful to understand their current and future strategy, including any potential expansion, in the GMN segment. More detail is provided in Appendix F.
- 6.64 The competitor evidence was consistent with customer (and other) evidence in that it showed that the Parties and BCD have similar offerings and compete very closely in the GMN space. Whilst FCM and, to a lesser extent, CTM and Navan are actively competing for GMN customers, they are seen to be more distant competitors due to a lack of capabilities, such as global coverage, and a greater focus on the small to mid-market customer segment. Spotnana was seen as providing a complementary tech service and the remaining competitors were not seen as active in the GMN segment to any meaningful extent. None of the competitors set out any specific plans to expand beyond continuing to bid for GMN customers that fit with their capabilities.

Closeness of competition between TMCs

Closeness scores

- 6.65 In our competitor questionnaires, we asked other TMCs how closely, in their view, GBT and CWT compete with each other and how closely other TMCs (including the respondent itself) compete with each of GBT and CWT, specifically for GMN customers.³²⁷ We asked the TMCs to assign scores from 1 to 5 to indicate the level of closeness, where 5 was very close, 4 was close, 3 was somewhat close, 2 was not close, 1 was not competing. The results were as follows:
- (a) Respondents considered that the Parties compete very closely with each other for GMN customers and gave an average score of 4.9.

³²⁷ In our competitor questionnaire, we described this group of customers as global multinational customers with complex needs (for example, consistent global coverage, consistently high service levels across all geographies, high levels of personal support or high levels of customisation) and high annual TTV (for example, in excess of \$25 million).

- (b) Although we gave the respondents the option to draw a distinction between how closely each TMC competes with GBT and how closely it competes with CWT, almost all respondents gave identical scores for both Parties and provided identical comments to explain their scores. We consider this to be additional evidence that is indicative of closeness of competition between the Parties for GMN customers.
- (c) The scores provided indicated that BCD is seen as competing very closely with each of the Parties and as closely as the Parties compete with each other (average score of 4.9).
- (d) FCM is considered on average to be a less close competitor than BCD, competing with the Parties somewhere between closely and very closely (4.2).
- (e) CTM (3.6), Navan (3.6) and ATPI (3.3) were considered on average to be less close to the Parties than FCM and competing somewhere between somewhat closely and closely.
- (f) The scores and comments indicated that Spotnana was considered a more distant competitor than the TMCs mentioned above and, while on average it competed 'somewhat closely' (3.0), its scores had a high variation, ranging from 1 to 5.
- (g) The average scores of other TMCs (TravelPerk, Internova, Clarity, Booking and Gray Dawes) placed them somewhere in between not competing very closely and not competing at all.

6.66 We consider the fact that no competitor scored BCD or each of the Parties less than 4 whilst the range of scores was wider for other TMCs (see table 6.4 below) is indicative of the consistent strength of GBT, CWT and BCD relative to other competitors.

Table 6.4: Competitive strength scores

<i>Competitor</i> <i>(11 responses)</i>	<i>Average strength</i> <i>vs Parties</i>	<i>Range of competitive strength</i> <i>score (GBT & CWT)</i>
GBT vs CWT	4.9	4-5
BCD	4.9	4-5
FCM	4.2	3-5
CTM	3.6	2-5
Navan	3.6	3-5
ATPI	3.3	2-5
Spotnana	3.0	1-5

Source: Third parties response to the CMA's RFI.

Qualitative evidence on individual competitors

GBT and CWT

- 6.67 Competitors consistently told us that GBT and CWT are very close competitors with similar geographical footprints and significant presence in the GMN customer segment. They are seen as strong alternatives to each other and often found in the final round for the same RFP. Together with BCD, some competitors described the Parties as ‘mega TMCs’.
- 6.68 Only two competitors acknowledged CWT’s financial challenges and customer retention issues, although one of them noted that CWT has been more active in RFPs in the past six months.³²⁸ A further two competitors pointed to some differences in CWT’s customer profile³²⁹ and CWT lacking proprietary technology,³³⁰ however both considered it to be a strong player.

BCD

- 6.69 BCD told us that it has a similar scope of work and geographical reach to the Parties’ and that its main competitors in the GMN segment are [X], while it views [X] as competing more in the small-to-mid customer segment.³³¹ All competitors viewed BCD as being able to fully compete with the Parties for GMN customers.
- 6.70 BCD told us that [X].³³²

FCM

- 6.71 FCM identified BCD as its main competitor because it considered it to have similar service offerings and customer bases.³³³ FCM also told us it competes with GBT, CWT, and occasionally Egencia (part of GBT) and CTM.³³⁴ FCM considers customers it refers to as mid-market customers ie those with TTV between \$3-50 million, to be its primary source of revenue³³⁵ and that the GMN segment is not their primary source of revenue.³³⁶ FCM told us that compared to their competitors, FCM has a relatively stronger offering in the APAC region and less experience with GMNs in North America, a key market for large corporate clients.³³⁷

³²⁸ Third party call notes.

³²⁹ Third party response to the CMA’s RFI; and third party call note.

³³⁰ Third party call note.

³³¹ Third party response to the CMA’s RFI; and third party call note.

³³² Third party response to the CMA’s RFI.

³³³ Third party call note.

³³⁴ Third party call note.

³³⁵ Third party call note.

³³⁶ Third party call note.

³³⁷ Third party call note.

- 6.72 Other TMCs viewed FCM as the fourth largest TMC and acknowledged its competition for GMN customers. However, some pointed to its primary focus on a small-to-mid segment,³³⁸ securing smaller deals,³³⁹ being second-tier³⁴⁰ compared to the Parties and BCD and facing challenges in delivering complex programs.³⁴¹
- 6.73 FCM told us that it already targets and services GMNs and it currently has no plans to change its existing strategy and service offerings.³⁴² FCM told us that it has been servicing GMNs for over 20 years³⁴³ and whilst [REDACTED].³⁴⁴ FCM told us that it is focused on organic growth,³⁴⁵ and that, at present, it only expands its global presence when there are customer requirements that necessitate it and its partner network has remained consistent for the past few years.³⁴⁶

CTM

- 6.74 CTM views itself as a TMC with a strong focus on technology³⁴⁷ but acknowledged limitations in its geographic scope when compared to competitors such as GBT, CWT, BCD and FCM.³⁴⁸ CTM emphasised that it considers it remains competitive globally, but it has occasionally withdrawn from RFP processes when it realised that the client's needs or company culture would not be a good fit for its capabilities.³⁴⁹
- 6.75 Other TMCs acknowledged CTM's strengths in some geographic markets³⁵⁰ but considered it to be a weaker competitor in global RFPs for GMN customers³⁵¹ and to the Parties³⁵² due to its more limited geographical scope³⁵³ and focus on the small-to-mid segment.³⁵⁴
- 6.76 CTM [REDACTED] submitted that CTM remains very active in developing its value proposition to support GMN clients.³⁵⁵ CTM told us that it will consider [REDACTED].³⁵⁶

³³⁸ Third party call note.

³³⁹ Third party call note.

³⁴⁰ Third party response to the CMA's RFI.

³⁴¹ Third party call note.

³⁴² Third party response to the CMA's RFI.

³⁴³ Third party response to the CMA's RFI.

³⁴⁴ Third party call note.

³⁴⁵ Third party response to the CMA's RFI.

³⁴⁶ Third party response to the CMA's RFI.

³⁴⁷ Third party call note.

³⁴⁸ Third party call note.

³⁴⁹ Third party call note.

³⁵⁰ Third party call note; and third party response to the CMA's RFI.

³⁵¹ Third party responses to the CMA's RFI.

³⁵² Third party call note.

³⁵³ Third party response to the CMA's RFI.

³⁵⁴ Third party call notes; and third party response to the CMA's RFI.

³⁵⁵ Third party response to the CMA's RFI; and third party call note.

³⁵⁶ Third party response to the CMA's RFI.

Navan

- 6.77 Navan told us that it serves SMEs and GMNs in Europe and the US and its acquisition of Reed & Mackay in 2021 helps with servicing clients with more complex needs,³⁵⁷ and whilst it is the strongest competitor to GBT and CWT after BCD,³⁵⁸ [REDACTED].³⁵⁹ While it is open to acquiring GMNs, it evaluates each opportunity to assess economic viability and strategic fit³⁶⁰ and it gave examples of GMN customer contracts it chose not to bid for recently.³⁶¹ It told us that GMNs often have specific and varied requirements, [REDACTED]³⁶² and it only pursues those that fit its capabilities.³⁶³ Navan [REDACTED] whilst it considered that this does not limit its ability to serve different customer segments, it acknowledged that [REDACTED].³⁶⁴ It also told us it is at the forefront of technology, particularly with respect to NDC bookings, which it views as a key differentiator in the market.³⁶⁵
- 6.78 Some competitors considered that Navan had limited geographical scope³⁶⁶ and that its reliance on its partner network limits its ability to compete with larger TMCs³⁶⁷ and consistently win GMN customer tenders.³⁶⁸ It was seen by some as being active in the small to mid-segment for customers with less complicated travel programmes³⁶⁹ and more of a future threat rather than an immediate competitor.³⁷⁰ One competitor pointed to Navan's (and Spotnana's) inability to integrate with customers' existing OBTA as a weakness.³⁷¹
- 6.79 Navan told us that [REDACTED].^{372,373} It added that [REDACTED].³⁷⁴ It told us that [REDACTED].^{375,376}

Spotnana

- 6.80 Spotnana told us it [REDACTED].^{377,378} It told us that [REDACTED].^{379,380}

³⁵⁷ Third party call note.

³⁵⁸ Third party call note.

³⁵⁹ Third party call note.

³⁶⁰ Third party call note.

³⁶¹ Third party call note.

³⁶² Third party call note.

³⁶³ Third party call note.

³⁶⁴ Third party call note.

³⁶⁵ Third party call note.

³⁶⁶ Third party call notes; and third party responses to the CMA's RFI.

³⁶⁷ Third party call note.

³⁶⁸ Third party call note.

³⁶⁹ Third party call note.

³⁷⁰ Third party call note.

³⁷¹ Third party call note.

³⁷² Third party response to the CMA's RFI.

³⁷³ Third party call note.

³⁷⁴ Third party response to the CMA's RFI.

³⁷⁵ Third party call note.

³⁷⁶ Third party call note.

³⁷⁷ Third party response to the CMA's RFI.

³⁷⁸ Third party call note.

³⁷⁹ Third party call note.

³⁸⁰ Third party call note.

- 6.81 One competitor viewed Spotnana’s offering to be different to its own and lacking the full capabilities of a traditional TMC.³⁸¹ Competitors viewed Spotnana as a technology firm with a strong online booking tool rather than a TMC active in the GMN segment,³⁸² with some expressing uncertainty about its future strategy.³⁸³ One competitor noted that the recent acquisition of Direct Travel by one of Spotnana’s investors may enable Spotnana to offer some TMC services independently of other TMC partnerships.³⁸⁴
- 6.82 Spotnana told us that [REDACTED].^{385,386} It told us that [REDACTED].^{387,388}

Other competitors

- 6.83 Competitor evidence suggested that ATPi, TravelPerk and Booking, as well as other smaller players are primarily competing for SME and mid-market clients or in niche segments.

Provisional conclusion on competitor evidence

- 6.84 All competitors consistently highlighted that GBT, CWT and BCD compete very closely with each other. They received similar scores and comments on their strengths have been similar in nature, highlighting overlap in their target customers, geographic reach and service offering. Whilst some competitors considered that FCM and, to a lesser extent, CTM and Navan, were actively competing against the three largest TMCs, the commentary around their capabilities was less consistent across responses, with some suggesting a lack of scale, geographic coverage and capability to effectively compete for the full spectrum of GMN customers. The evidence, including that submitted by FCM, CTM and Navan about themselves, overall pointed to all three being more focussed on the lower end of the GMN customers’ spend or on specific segments of GMN customers that fitted particularly well with their offer. Almost all competitors, [REDACTED], indicated that Spotnana provides tech services to customers and seeks to partner with TMCs rather than directly competing with other TMCs for GMN customers. The remaining competitors were not viewed as credible contenders in the GMN segment and were seen as focusing on mid-market and SME customers.
- 6.85 In relation to expansion plans, while [REDACTED] confirmed they were going to continue to seek GMN customers opportunities, these did not appear to translate into specific

³⁸¹ Third party call note.

³⁸² Third party call notes.

³⁸³ Third party call note; and third party response to the CMA’s RFI.

³⁸⁴ Third party call note

³⁸⁵ Third party call note.

³⁸⁶ Third party response to the CMA’s RFI.

³⁸⁷ Third party call note.

³⁸⁸ Third party response to the CMA’s RFI; and third party call note.

plans to expand and appeared to be in line with ‘business as usual’ as these TMCs continue to bid for GMN customers that fit with their capabilities.

Parties’ internal documents

- 6.86 The Parties’ internal documents consistently distinguish between ‘global’ TMC competitors ([REDACTED]) and other categories of competitor (eg regional and tech disruptor offerings).³⁸⁹ Internal documents also suggest that even within these distinct categories, the competitive strength of different TMCs varies. CWT internal documents consistently refer to GBT [REDACTED],³⁹⁰ whilst GBT internal documents refer to [REDACTED]. [REDACTED].³⁹¹ Conversely, other documents point to [REDACTED].³⁹² Each Party’s internal documents consistently refer to [REDACTED] as a strong competitor. GBT’s internal documents indicate that it considers [REDACTED],³⁹³ whilst CWT’s internal documents categorise [REDACTED].³⁹⁴ Conversely, the [REDACTED] are regularly questioned in both GBT’s and CWT’s internal documents.³⁹⁵
- 6.87 Each Party’s internal documents frequently refer to tech entrants (eg Spotnana and Navan) as [REDACTED].³⁹⁶ GBT’s internal documents suggest that Spotnana’s [REDACTED],³⁹⁷ whilst CWT’s internal documents largely refer to Spotnana [REDACTED].³⁹⁸ Each Party’s internal documents present Navan as belonging to the [REDACTED]. GBT’s internal documents describe [REDACTED] as strong in some areas ([REDACTED]) but weaker in others [REDACTED].³⁹⁹

Implications of CWT’s financial position for its competitive strength

- 6.88 CWT told us that as a result of its [REDACTED], it is a [REDACTED].⁴⁰⁰ In this section, we assess CWT’s recent financial performance and set out the evidence on its competitive position, in order to reach a view on its competitive strength.
- 6.89 The evidence presented in this section indicates that, while due to its financial difficulties during the COVID-19 pandemic, CWT may be a [REDACTED] to GBT than it was in the pre-pandemic period, [REDACTED], CWT has continued to compete and win GMN customers, including from GBT. Furthermore, the evidence [REDACTED].

³⁸⁹ GBT internal document; CWT internal document ; and GBT internal document.

³⁹⁰ CWT internal document.

³⁹¹ GBT internal document; and GBT internal document.

³⁹² GBT internal document.

³⁹³ GBT internal document.

³⁹⁴ CWT internal document.

³⁹⁵ GBT internal document; CWT internal document; and CWT internal document.

³⁹⁶ GBT internal document.

³⁹⁷ GBT internal document.

³⁹⁸ CWT internal document.

³⁹⁹ GBT internal document.

⁴⁰⁰ CWT submission to the CMA, 4 October 2024, paragraph 5.

Evidence on CWT's recent financial performance

- 6.90 CWT told us that it was particularly affected by [REDACTED], and during 2020, CWT [REDACTED]. It told us that it had filed for Chapter 11 bankruptcy in 2021, had required [REDACTED].⁴⁰¹ CWT told us that [REDACTED], and [REDACTED].⁴⁰² Appendix G sets out details of the Parties' submissions and our assessment of CWT's financial position.
- 6.91 While we recognise CWT's financial issues in the past, we note that, after the balance sheet recapitalisation, CWT has been able to reduce its debts and costs, and its financial performance has improved. It has forecasted revenue to grow [REDACTED], and [REDACTED].
- 6.92 We considered CWT's capital expenditure in the past year and its forecast capital expenditure. The analysis shows that its capital expenditure was [REDACTED], and it is expected to be [REDACTED]. It has [REDACTED]. In our view, this [REDACTED] has positioned the company [REDACTED], as seen by [REDACTED]. CWT told us that it had [REDACTED]. [REDACTED].
- 6.93 Based on the above, we consider that, notwithstanding its [REDACTED] financial performance has improved [REDACTED].

Evidence on CWT's recent competitive position

- 6.94 Given the Parties' submissions around CWT's [REDACTED] competitive position (see paragraph A.21 in Appendix G), we considered it helpful to bring together some of the evidence on CWT already set out above and set out some additional evidence that we consider relevant in assessing the Parties' submissions on this topic.
- 6.95 The evidence shows that CWT competes for and wins new GMN customers. Since 2021, CWT has won at least [REDACTED] new customers with TTV above \$25 million ([REDACTED]).⁴⁰³ In addition, CWT has won at least [REDACTED] customers with TTV above \$25 million who had previously split their business between CWT and GBT ([REDACTED]).⁴⁰⁴
- 6.96 CWT also appears to constrain GBT even in tenders when it did not ultimately win the contract. For example, as set out in Appendix D, paragraphs D.52 and D.53, [REDACTED]. Whilst GBT [REDACTED], GBT's internal documents indicate that [REDACTED].⁴⁰⁵
- 6.97 There is also clear evidence of competition to retain customers. According to GBT's tender data,⁴⁰⁶ CWT was the incumbent in [REDACTED] tenders and won [REDACTED], worth

⁴⁰¹ CWT submission to the CMA, 4 October 2024, Annex A.

⁴⁰² Parties' response to the Phase 1 Decision, Annex 1, 23 August 2024, paragraphs 6.8-6.9.

⁴⁰³ CWT response to the CMA's s109 notice 1, 16 August 2024, question 2.

⁴⁰⁴ Based on a version of GBT's tender data that was checked against with CWT's bidding data and customer list. GBT response to the CMA's RFI 3, 11 September 2024, question 9.

⁴⁰⁵ As described in Appendix D, email discussions between [REDACTED]. GBT internal document.

⁴⁰⁶ Based on a version of GBT's tender data that was checked against with CWT's bidding data and customer list.

§[REDACTED].⁴⁰⁷ As set out in paragraph 6.29(c) and in line with the Parties' submissions, we consider that being successful in tenders that go through a competitive process where other competitors are involved is indicative of competitive strength, irrespective of being an incumbent in these tenders.

- 6.98 As set out in the customer evidence section, CWT was viewed as a suitable alternative by customers in their last procurement, rated on average as 3.8 by CWT customers and as 3.0 by GBT customers. Considering only the customers who ran the procurement in the last two years, and who therefore have recent experience of market testing: CWT is rated very highly by CWT customers (3.9), and is also rated highly by GBT customers (average of 3.0). CWT was the second most frequently considered alternative (behind BCD). While it was rated similarly to FCM by GBT customers, it received more mentions than FCM overall. Its number of mentions and rating was substantially above the other TMCs.
- 6.99 There was a limited change in customers' consideration and rating of CWT if the procurement were to take place today relative to when they last procured, with a net increase of three additional customers considering it⁴⁰⁸ and their average suitability ratings are largely unchanged. We have examined the comments made by those customers whose views on CWT changed since the last procurement process:
- (a) Four customers explained why they would consider CWT today or would view it as more suitable than when they last procured, with three of these rating it as a 4 and referring to it as having 'a real worldwide network',⁴⁰⁹ being 'similar to GBT in terms of size and service'⁴¹⁰ and having 'Process efficiencies and advancement in technology space'.⁴¹¹ The other rated it as a 2 and said that it was 'New'.⁴¹²
 - (b) Five customers explained why they think CWT is less suitable today, although they would all still consider it (two as a 1, two as a 2 and one as a 3). Three of these customers referred to the Merger,⁴¹³ and the other two considered that its [REDACTED] since COVID-19⁴¹⁴ and that its '[REDACTED]' make it less suitable'.⁴¹⁵
- 6.100 Other customers also set out a number of reasons why CWT had a strong offering, despite its previous financial difficulties. For example:

⁴⁰⁷ GBT response to the CMA's RFI 3, 11 September 2024, question 9.

⁴⁰⁸ There were three customers who did not consider CWT during their last procurement but would consider it today, and one customer who did consider CWT during their last procurement but would not consider it today.

⁴⁰⁹ Third party response to CMA's the customer questionnaire.

⁴¹⁰ Third party response to CMA's the customer questionnaire.

⁴¹¹ Third party response to CMA's the customer questionnaire.

⁴¹² Third party response to CMA's the customer questionnaire.

⁴¹³ Third party responses to CMA's the customer questionnaire.

⁴¹⁴ Third party response to CMA's the customer questionnaire.

⁴¹⁵ Third party response to CMA's the customer questionnaire.

- (a) One customer, [REDACTED] is considering CWT alongside GBT, BCD and FCM, [REDACTED]. It explained that CWT had embraced disruptive technology in a way that GBT had not and focus on customers, which differentiates it from GBT (who is more focussed on size).⁴¹⁶
- (b) One customer, [REDACTED], said that it was chosen because of its technology, global reach, flexibility and streamlined approach to data and reporting.⁴¹⁷
- (c) One customer, [REDACTED], said that CWT has a very strong service offering and is one of the best TMCs for process management, and that although it has had some financial difficulties, it still has a strong overall offering.⁴¹⁸
- (d) One customer, [REDACTED], said that CWT had the best overall offer for a procurement [REDACTED] and provides more dedicated staff and a hub model which helps to reduce costs.⁴¹⁹ It also noted that it considered CWT's financial position as part of the financial due diligence and did not have any concerns about CWT's ability to meet its needs despite CWT's previous financial difficulties.⁴²⁰

6.101 Other customers noted that CWT's service had [REDACTED] since 2019. For example:

- (a) One customer, [REDACTED], explained that CWT did not score very well during procurement [REDACTED] due to concerns over their bankruptcy, a cyber incident and their general service level. However, it would still consider CWT in a procurement today.⁴²¹
- (b) One customer said that CWT had weak partners and technology [REDACTED], and that it has not recovered well since COVID-19. As a result of this, it did not consider CWT when it renewed the contract with GBT in 2023. However, it said that CWT would be invited to future procurements if CWT was financially stable.⁴²²
- (c) One customer, [REDACTED], said that due to bankruptcy CWT have lost many agents and clients, and that it would not be considered in a procurement today because it is no longer a true competitor to GBT.⁴²³
- (d) One customer, [REDACTED], noted that CWT was not supporting the account in a way that was needed to manage a global programme and did not scale as required, particularly following the end of the pandemic as travel increased.

⁴¹⁶ Third party call note.

⁴¹⁷ Third party call note.

⁴¹⁸ Third party call note.

⁴¹⁹ Third party call note.

⁴²⁰ Third party call note.

⁴²¹ Third party call note.

⁴²² Third party call note.

⁴²³ Third party call note.

Some employees had raised complaints about the service such as slow response times.⁴²⁴

- 6.102 All competitors consider GBT and CWT to compete ‘very closely’ and the vast majority of them raised no issues with CWT’s recent performance. Two competitors noted CWT’s reduced bidding activity, although one of these competitors also noted it has increased more recently:
- (a) One competitor explained that CWT has been less active in RFPs in the last five years. It said that CWT has been focused on client retention following their bankruptcy filing. [REDACTED]. However, it noted that CWT has been a more frequent competitor in the last six months.⁴²⁵ As already set out above, despite this, it told us that GBT and CWT compete closely with BCD, and to a lesser extent with FCM and CTM.⁴²⁶
 - (b) One competitor explained that CWT has not acted as a serious competitor to [REDACTED] since announcing the proposed Merger with GBT. It has not seen CWT appearing in tender offers very often recently. It stated that CWT’s financial concerns have made customers hesitant to sign on with CWT and that many customers have chosen to leave CWT after their contract expired.⁴²⁷ However, it also highlighted that it is extremely challenging to compete against GBT and CWT on price due to their scale.⁴²⁸
- 6.103 Our analysis of the Parties and other TMCs’ (BCD, FCM, CTM and Navan) customer lists shows that CWT [REDACTED] new TTV and number of customers among the these six TMCs. However, this analysis covers 2021-2022 only and does not include renewal wins due to data limitations.
- 6.104 In conclusion, the bidding data and information contained in the Parties’ customer list data shows that, while CWT has acquired [REDACTED] new customers ([REDACTED]) than the other five TMCs, it continues to compete for customers, including new customers, and maintains competitive pressure on GBT even when it does not win. Most customers consider GBT and CWT to be very good alternatives to each other and scored CWT highly, although a small number of customers noted a weakening in CWT’s offering. According to the customer questionnaire responses, 22 CWT customers considered their options in the last two years and appointed or retained CWT as their TMC. All competitors consider GBT and CWT to compete ‘very closely’, with only [REDACTED] and [REDACTED] noting a reduction in CWT’s bidding activity and some customer losses in the last few years, although [REDACTED] also noted an increase in bidding activity in recent months.

⁴²⁴ Third party call note.

⁴²⁵ Third party call note.

⁴²⁶ Third party call note.

⁴²⁷ Third party call note.

⁴²⁸ Third party call note.

Parties' internal documents

6.105 The Parties' internal documents [REDACTED]. CWT internal documents from 2023/2024 demonstrate that the company has [REDACTED].⁴²⁹ [REDACTED] reflected in some GBT documents⁴³⁰ but [REDACTED].⁴³¹ There is also some evidence within CWT's internal assessments/projections that the firm is experiencing [REDACTED].⁴³² For example, a [REDACTED] reflects positively on [REDACTED].⁴³³ Similarly a [REDACTED].⁴³⁴ This is consistent with another CWT internal document which refers to CWT's sales performance as '[REDACTED]'.⁴³⁵

Provisional conclusion on CWT's competitive strength

- 6.106 Based on the evidence set out above, we consider that CWT may be a [REDACTED] to GBT than it was in 2019. Its financial difficulties during the COVID-19 pandemic have had [REDACTED]. However, the evidence shows that CWT's financial performance has improved and that it remains a significant and close competitor to GBT, in a context of there being very few close competitors and a very limited number of TMCs capable of serving GMN customers. CWT was considered and rated highly by the Parties' GMN customers, including those who tendered in the last two years. CWT also continues to win customers, including against GBT, and competitors consider it to be a close competitor to GBT for GMN customers, with BCD being the only other TMC who competes closely for these customers. Accordingly, we consider that CWT continues to be a significant constraint on GBT.
- 6.107 In any event, we note that even if some GMN customers were to leave CWT in the near future, we consider that other TMCs competing for and winning these customers, subject to their respective capabilities, would be a better competitive outcome than these customers being transferred to GBT through the Merger, and that this would be the case even if GBT did not retain all of these customers.

Impact of technological change on the competitive landscape

6.108 The Parties submitted that customers are increasingly using digital solutions and have reduced needs for in-person support⁴³⁶ and that this is fuelling the rapid growth of tech-led TMCs.⁴³⁷ We have already assessed the evidence on tech-led entrants such as Navan and Spotnana and their ability to compete with the Parties for GMN customers. To supplement that analysis, we have also looked at the

⁴²⁹ CWT internal document.

⁴³⁰ GBT internal document; and GBT internal document.

⁴³¹ CWT internal document.

⁴³² CWT internal document; and CWT internal document.

⁴³³ CWT internal document.

⁴³⁴ CWT internal document.

⁴³⁵ CWT internal document.

⁴³⁶ [Parties' response to the Phase 1 Decision, 23 August 2024](#), paragraph 2.4(n).

⁴³⁷ [Parties' response to the Phase 1 Decision, 23 August 2024](#), paragraph 6.1.

evidence on technological trends more generally and the relevance of this to competition between TMCs.

- 6.109 Some customers noted that technology is an important aspect of the TMCs' offer⁴³⁸ and that Navan and Spotnana are leading the way in this regard,⁴³⁹ with TMC's technological capabilities varying⁴⁴⁰ and GBT's technology at the more superior end.⁴⁴¹ Better user experience,⁴⁴² greater price transparency,⁴⁴³ and a seamless global experience⁴⁴⁴ were listed as the benefits.
- 6.110 However, customers also highlighted the continued importance of the other aspects of a TMC's service, alongside the technological solutions, and that entrants like Navan and Spotnana did not provide⁴⁴⁵ and needed to build these aspects.⁴⁴⁶ Some customers saw innovation being limited to the OBTA rather than the TMC service aspect of booking travel and noted this will always be required⁴⁴⁷, with the TMC service needed regardless of technological progress.⁴⁴⁸
- 6.111 Competitors have recognised technological changes in the market, with Navan and Spotnana driving forward innovation that provides a different booking experience⁴⁴⁹ and the need for TMCs to innovate to remain competitive in response.⁴⁵⁰ One competitor told us that over the next five to ten years there would be significant changes in the industry⁴⁵¹ and that technology could remove the need for a centralised service with personnel in regional offices.⁴⁵² It told us that while large TMCs like GBT are equipped to adapt to these changes, small-to-medium TMCs will likely need to partner with third-party technology providers to stay competitive.⁴⁵³
- 6.112 However, competitors also stressed the importance of the full TMC service despite these changes, given the complexity of some customers' travel programmes,⁴⁵⁴ and the need to ensure the safety and security of travellers⁴⁵⁵ and track travellers

⁴³⁸ Third party call note.

⁴³⁹ Third party call notes.

⁴⁴⁰ Third party call note.

⁴⁴¹ Third party call note.

⁴⁴² Third party call note.

⁴⁴³ Third party call note.

⁴⁴⁴ Third party call note.

⁴⁴⁵ Third party call note.

⁴⁴⁶ Third party call note.

⁴⁴⁷ Third party call note.

⁴⁴⁸ Third party call note.

⁴⁴⁹ Third party call notes.

⁴⁵⁰ Third party call note.

⁴⁵¹ Third party call note.

⁴⁵² Third party call note.

⁴⁵³ Third party call note.

⁴⁵⁴ Third party call notes

⁴⁵⁵ Third party call note.

globally⁴⁵⁶ and pointed out tech-led entrants' limited ability to provide a high-touch service.⁴⁵⁷

Provisional conclusion on technological change

6.113 While some third parties recognised technological changes in the market, such as digital solutions reducing the need for agents to book travel, they also highlighted the continued importance of in-person support, alongside technological solutions, to meet GMN customer needs. The offering of some tech-led entrants is therefore considered complementary to traditional TMC's services. We have seen evidence of a tech-entrant partnering with TMCs in order to provide a comprehensive set of BTA services to GMN customers. Accordingly, while we acknowledge the ongoing technological innovation in this market, overall we have not seen evidence indicating that technology could substitute a comprehensive BTA offering by a TMC, or that tech-led competitors are likely to become material standalone competitors in the next two years.

Barriers to entry and expansion

6.114 This section examines barriers to entry within the TMC sector including the Parties' arguments regarding the ease of entry and expansion. In our assessment, we make references to the expectations and requirements that GMN customers typically have for TMCs and the perspectives of competitors on the challenges of entering and gaining scale.

Parties' submissions

- 6.115 As summarised in Appendix A ,the Parties submit that barriers to entry and expansion for servicing GMNs are insignificant and this is evidenced by numerous new entrants winning contracts for global customers with complex needs:
- (a) Newer, tech-led entrants Navan, Kayak/Blocksky/Gant Travel and Spotnana are already winning customers with global and complex needs.⁴⁵⁸
 - (b) Global networks do not represent a barrier to entry. Entrants can rely on readily available third-party networks or secure global coverage through partnership.⁴⁵⁹

⁴⁵⁶ Third party call note.

⁴⁵⁷ Third party call note. However, it also stated that Navan had recently made acquisitions to improve their high-touch service offering but was still significantly weaker on global implementation than their competitors.

⁴⁵⁸ [Parties response to the Phase 1 Decision](#), 23 August 2024, paragraphs 3.4(iii) and 7.3.

⁴⁵⁹ [Parties response to the Phase 1 Decision](#), 23 August 2024, paragraphs 7.4-7.5.

- (c) Switching costs do not represent a barrier to entry. Customers face [✂] switching costs.⁴⁶⁰
- (d) Digitalisation has significantly reduced personnel costs and personnel hiring and costs do not represent barriers to entry. TMCs often win GMN customers and [✂].⁴⁶¹
- (e) Regulatory requirements are also not a barrier to entry.⁴⁶²

Our assessment

- 6.116 As set out in paragraphs 1.66 to 1.70, evidence indicates that GMN customers face significant switching barriers, which we consider to be a barrier to entry and expansion for the provision of BTA services to GMN customers.⁴⁶³ This is backed up by the evidence from customers which suggests that there are typically a limited number of TMCs that can meet their requirements, and that in most cases the new entrants are not suitable options.
- 6.117 In addition, we consider that there are a number of other barriers that are present in this market, including initial set-up costs, reputation and track record, brand loyalty and incumbency advantages, as well as regulations.⁴⁶⁴
- 6.118 As set out in paragraph 1.83(e), GMN customers require consistent global coverage. Competitor evidence suggests that it is difficult to provide the breadth of services that GMNs require across multiple geographies in a consistent fashion, and the development of these service offerings takes significant time due to technological complexities, divergent customer requirements, and the need to develop market specific content and language, and currency capabilities.⁴⁶⁵ This is in addition to other major challenges, such as establishing local offices, the cost of staff and marketing, and building supplier relationships.⁴⁶⁶ As a result, expansion often takes years.⁴⁶⁷ Competitors told us that many new entrants rely on partnerships to achieve these goals, although leading TMCs' exclusivity agreements can restrict access to optimal partners, limiting new entrants' options.⁴⁶⁸

⁴⁶⁰ [Parties response to the Phase 1 Decision](#), 23 August 2024, paragraph 7.10.

⁴⁶¹ [Parties response to the Phase 1 Decision](#), 23 August 2024, paragraphs 7.17 and 7.21.

⁴⁶² [Parties response to the Phase 1 Decision](#), 23 August 2024, paragraph 7.22.

⁴⁶³ For example, one GMN customer told us that they would not switch to a TMC which does not have full functionality or global coverage because of the difficulty of becoming a global TMC. This suggests that there are some barriers that TMCs have to overcome to be viable to GMN customers.

⁴⁶⁴ [CMA129](#), paragraphs 8.40-8.43.

⁴⁶⁵ Third party responses to the CMA's RFI.

⁴⁶⁶ Third party response to the CMA's RFI.

⁴⁶⁷ Third party response to the CMA's RFI.

⁴⁶⁸ Third party response to the CMA's RFI.

- 6.119 Competitors' evidence also indicates that it is challenging to break into the GMN customer space without already having existing customers in this segment.⁴⁶⁹ Competitor evidence indicates that new entrants can face difficulties establishing reputation and trust, competing with established players who have customer loyalty and credibility,⁴⁷⁰ and GMN customers' expecting a TMC to be of a sufficient scale to have the capabilities to cater to their requirements.⁴⁷¹ One competitor told us that having experience in this segment is important in order to understand and cost the resources required to service a client and getting the pricing right.⁴⁷²
- 6.120 Several competitors noted that they face challenges in offering competitive rates due to their lack of scale, which makes it difficult for them to negotiate favourable deals with travel suppliers and limits their ability to serve GMNs at scale.⁴⁷³
- 6.121 Additionally, competitors told us that regulatory and legal requirements, particularly around tax and reporting, and obtaining ticketing rights, can take years to overcome and often drive acquisitions in the tech-led TMC space.⁴⁷⁴
- 6.122 The evidence also indicates that providing the 'high-touch' services that GMNs often expect⁴⁷⁵, such as customised solutions⁴⁷⁶, skilled staff, consistency of service⁴⁷⁷ and deep integration across multiple geographies⁴⁷⁸, is another challenge for newer entrants and smaller TMCs.⁴⁷⁹
- 6.123 Competitor evidence also suggests that integration with specific booking tools, such as SAP Concur, also affects competitiveness, as lack of compatibility with clients' chosen technology can exclude TMCs from RFP processes.⁴⁸⁰ Competitors noted that customising technology to meet GMN requirements, including integration with legacy systems, is both time-consuming and expensive.⁴⁸¹
- 6.124 Based on the evidence above, we consider that TMCs face significant barriers in establishing their presence and expanding in the GMN customer market.

⁴⁶⁹ Third party call note.

⁴⁷⁰ Third party response to the CMA's RFI.

⁴⁷¹ Third party response to the CMA's RFI.

⁴⁷² Third party call note.

⁴⁷³ Third party call note; and third party responses to the CMA's RFI.

⁴⁷⁴ Third party responses to the CMA's RFI.

⁴⁷⁵ Third party call note; and third party response to RFI.

⁴⁷⁶ Third party responses to the CMA's RFI.

⁴⁷⁷ Third party call note.

⁴⁷⁸ Third party call note.

⁴⁷⁹ Third party call note.

⁴⁸⁰ Third party call note.

⁴⁸¹ Third party response to the CMA's RFI.

Provisional conclusion

- 6.125 The evidence from the shares of supply, bidding data, customers and competitors was consistent in showing that GBT, CWT and BCD compete closely for GMN customers and that FCM is a credible alternative for some of those customers but does not have the same global reach and capacity to cater to a wide range of GMN customers. The evidence was also generally consistent that CTM and Navan were relatively weak competitors for GMN customers when compared to GBT, CWT, BCD and FCM. We found little evidence that any other TMCs compete to any meaningful extent for GMN customers.
- 6.126 We considered how the competitive landscape might change within the next two years, including whether CWT has become or will be [redacted] and whether the TMCs who are currently competing less strongly would expand and become a more significant constraint on GBT and CWT.
- 6.127 Based on the evidence, we consider that CWT may be a [redacted] to GBT than it was in 2019 and that its [redacted]. However, CWT remains a significant and close competitor to GBT, one of very few close competitors and, more generally, one of a limited number of TMCs capable of serving GMN customers. This is evidenced by: bidding activity; customers retained since 2019; customers won, including from GBT; customer and competitor ratings. Furthermore, the evidence indicates that CWT has [redacted], improving its financial performance, [redacted]. We therefore consider that it is likely that CWT will continue to be a significant competitor to and constrain GBT in the supply of BTA services to GMNs.
- 6.128 The evidence indicates that traditional TMCs such as FCM and CTM plan to remain active in the GMN segment and will continue to compete for some of these customers with the Parties and BCD. Both of these TMCs have been pursuing this strategy for a number of years. Some GMNs consider FCM as a suitable alternative to the Parties and BCD, and some view it as capable of meeting their requirements now or in the near future. However, FCM told us that it currently has no plans to expand beyond 'business as usual' and we consider that actively building the required capacity (including the geographic coverage) needed to take on GMNs at scale is important. The same appears to be true for CTM who we consider has the additional barrier of getting more traction with GMNs as it does not currently appear to be considered to be in the same tier as the larger three TMCs or FCM. While there is, therefore, some limited evidence to suggest that FCM, and less likely CTM, will be stronger competitors in the future, we consider it is unlikely that their ability to scale would increase sufficiently to change the current competitive dynamics in the next two years.
- 6.129 As a relatively new entrant who has recently gained a small number of GMN customers, some competitors considered that Navan could be on a growth trajectory and become a more credible option for GMNs, and some customers

considered that it has improved its offer recently. However, many raised its lack of global scale as a barrier, as well as its inability to cater to specific customer requirements around integration with their existing systems. Navan appears to appeal to a subset of customers who are looking for a different solution to what the traditional TMCs offer and are keen to adopt new technology, including making changes internally to adapt to the more limited set of TMC services that Navan provides. Navan appears to be [REDACTED].

- 6.130 Spotnana's service is considered to be complementary to a TMC's services by most competitors and there was little evidence of it being considered by customers as a suitable option. Spotnana itself submitted that [REDACTED].
- 6.131 As regards the impact of innovation on the competitive landscape, while some third parties recognised technological changes in the market, such as digital solutions reducing the need for agents to book travel, they also highlighted the continued importance of in-person support, alongside technological solutions, to meet GMN customer needs. We have seen evidence of a tech-entrant partnering with TMCs in order to provide a comprehensive set of BTA services to GMN customers. Accordingly, while we acknowledge the ongoing technological innovation in this market, overall we have not seen evidence indicating that technology could substitute a comprehensive BTA offering by a TMC, or that tech-led competitors are likely to become material standalone competitors in the next two years.
- 6.132 Finally, we have found that any TMC looking to enter or gain more scale in BTA services for GMN customers would face substantial barriers to entry and expansion. Our evidence consistently indicates that a combination of demonstrated track record, geographic footprint, and overall scale is required to compete for GMN customers.
- 6.133 Accordingly, our provisional view is that the Merger, by removing the constraint that GBT and CWT exert on each other, would lead to a significant reduction in competition in the supply of BTA services to GMN customers, which in turn would allow the Merged Entity to raise prices and/or degrade non-price aspects of its competitive offering to GMN customers, including those who operate in the UK. Both Parties' GMN customers, who spend very large amounts on travel, include companies, headquartered in and outside the UK, that play an important role in the UK economy.
- 6.134 We therefore provisionally conclude that the Merger may be expected to result in an SLC in the global market for the supply of BTA services to GMN customers, including the customers served by GBT and CWT, a number of which are based in the UK and/or do business in the UK. The Merger may therefore be expected to result in an SLC within a market in the UK.

7. PROVISIONAL CONCLUSIONS

7.1 As a result of our assessment, and based on the evidence that is set out above and in the appendices to this Interim Report, we have provisionally concluded that:

- (a) the anticipated acquisition of CWT by GBT, if carried into effect, will result in the creation of an RMS; and
- (b) the creation of that RMS may be expected to result in an SLC in the global market for the supply of BTA services to GMN customers, including the customers served by GBT and CWT, a number of which are based in the UK and/or do business in the UK. The RMS may therefore be expected to result in an SLC within a market in the UK.

8. NEXT STEPS IN THE PROCESS

- 8.1 This is not our final decision on the statutory questions, and we invite any interested parties to make representations to us on these provisional findings by no later than **5pm on Wednesday 27 November 2024**. We will consider submissions received in response to this Interim Report, along with any further evidence received following the Interim Report, and whether our provisional assessment should be altered in the light of these.⁴⁸²
- 8.2 As a result of the provisional SLC identified, we will consider possible remedies to address the SLC in parallel with considering any submissions received in response to this Interim Report.⁴⁸³ The Parties are required to confirm to the CMA whether they intend to submit a completed Phase 2 Remedies Form (**Remedies Form**) within three working days of publication of this Interim Report.⁴⁸⁴
- 8.3 In order to propose possible remedies for the Inquiry Group's consideration, the Parties are required to submit a Remedies Form⁴⁸⁵ by no later than **5pm on Wednesday 20 November 2024**.⁴⁸⁶ Following submission by Parties of the Remedies Form (or confirmation by the Parties that they do not intend to submit such a form), the CMA will publish an Invitation to Comment on Remedies in order to consult on possible action to remedy, mitigate or prevent the SLC and the resulting adverse effects provisionally identified.⁴⁸⁷ (For more information on the phase 2 remedy process, see chapter 12 of [Mergers: Guidance on the CMA's jurisdiction and procedure \(CMA2\)](#).)

⁴⁸² See [CMA2](#), 25 April 2024, paragraphs 11.61-11.63.

⁴⁸³ See [CMA2](#), 25 April 2024, paragraph 12.1.

⁴⁸⁴ See [CMA2](#), 25 April 2024, paragraph 12.5.

⁴⁸⁵ See: [Phase 2 remedies form - GOV.UK](#).

⁴⁸⁶ See [CMA2](#), 25 April 2024, paragraph 12.3.

⁴⁸⁷ See [CMA2](#), 25 April 2024, paragraph 12.6.