

ME/7096/24
ANTICIPATED ACQUISITION BY GBT OF CWT

RESPONSE TO THE CMA's INTERIM REPORT

27 November 2024

GBT/CWT Merger Inquiry
Response to the CMA's Interim Report

This submission contains the response of GBT and CWT (the **Parties**) to the CMA's interim report dated 6 November 2024 (the **IR**). The Parties' strongly disagree that GBT's anticipated acquisition of CWT (the **Transaction**) may result in a substantial lessening of competition (**SLC**) in the UK or elsewhere. Contrary to the IR's provisional conclusions, the data and other evidence available shows clearly that business travel is and will remain a highly competitive market, with CWT having [X] in recent years, and customers having numerous [X] TMC options to choose from. This will act as a significant constraint on GBT post-Transaction (the **Merged Entity**) and effectively prevent any SLC from arising.

1. Executive Summary

- 1.1 **Business travel is a \$1 trillion market with many TMCs competing for companies of all different profiles and sizes around the world.** It is not disputed that GBT and CWT combined manage a <[0-5]% share of business travel spend globally, of which [X] is UK TTV and an *even smaller fraction* is UK TTV from customers with >\$25 million TTV in multiple regions (**GMNs**, adopting the IR's definition). Many travel management companies (**TMCs**) operate globally because it is relatively simple to manage business travel globally. It involves making and managing travel bookings, providing a range of travel content and fares, ensuring compliance with duty of care, and enabling monitoring and reporting of travel spend and trends. Customers have a spectrum of travel requirements. But they are, in essence, substantially similar. It is impossible to determine a customers' travel spend from its requirements alone, or *vice-versa*.
- 1.2 The requirements of all customers (including GMNs) are met by many TMCs. The Parties compete with a significant number of TMCs, including BCD, FCM, Navan, CTM, Spotnana/Direct Travel, Kayak for Business/Blocksky, among numerous others. The Parties are also constrained by powerful travel suppliers (e.g., airlines and hotels). Supplier direct and other unmanaged channels already account for around \$600 billion out of \$1 trillion of business travel TTV and they are increasingly competing directly for travellers and winning direct bookings. If travellers book directly, TMCs do not get paid.
- 1.3 **The IR's provisional concerns relate to the possible impact of the Transaction on a few hundred of the largest and most powerful companies in the world.** The IR has adopted a fundamentally erroneous market definition, having defined a market for GMN customers that does not exist in reality, which is based on a limited and unrepresentative sample of unsubstantiated and misinformed views about different customers' requirements. This error has been compounded by the IR's exclusion from this artificial "GMN market" of hundreds of GMN customers with the same requirements served by many different TMCs. As a result, the IR's focus is on an arbitrarily defined group of GMNs that represent <[0-5]% of global TTV (of which around [X] percentage points is in the UK). The IR has no concerns about >[90-100]% of business travel spend, including from small and medium-sized enterprises, companies that operate regionally, or larger, global companies that just happen to spend <\$25 million TTV annually. The IR's concern, surprisingly, is in relation to the world's most sophisticated companies including enormous tech firms [X], pharma companies [X], and banks [X]. These are huge and sophisticated purchasers with experienced

procurement teams that regularly tender for large and fixed-term contracts using intensely competitive tender processes. The fees these customers pay to TMCs reflect a tiny fraction of their travel budgets [REDACTED]. This reflects these GMNs' extraordinary bargaining strength, which they use to demand high-quality services and constant innovation.

- 1.4 GMN customers can and frequently do switch between TMCs to get better terms or to extract more value. This is evident from [REDACTED] – the IR fails to account for that data. Some customers prefer to remain with their incumbent whatever the strength of alternatives because they are satisfied with the current service including the improved terms and conditions offered by the said incumbent for fear of losing the account to one of the multiple competitors. As changing TMC is straightforward and inexpensive relative to the value that can be unlocked from switching to a new provider. And this possibility represents a significant constraint on TMCs. The idea that the Transaction may enable GBT to raise prices or reduce quality to GMNs, or further still the highest spending group of GMNs, is impossible to comprehend.
- 1.5 **The business travel industry has evolved significantly in the past few years with many strong competitors for GMNs emerging and strengthening.** The market of today and the one of tomorrow looks nothing like the pre-Covid or even 2021-2022 landscape captured in the IR; any proper assessment must reflect this in a forward-looking analysis. Competition in this sector has been driven by tech-led TMCs—fuelled by customer preference for more digital, cost-effective, and sustainable solutions—with the likes of Navan, Spotnana, and Kayak for Business / Blockskye (Booking) disrupting the market significantly, and threatening to overtake the legacy providers, including for GMNs. Other more established TMCs, such as FCM and CTM, have embraced the market evolution, invested in technology, and expanded significantly their reach and global customer portfolios.
- 1.6 New and expanding TMCs have secured far larger new GMN customers since 2021 [REDACTED]. For example: FCM has won [REDACTED], Shell ([REDACTED]), and BASF ([REDACTED]); Navan has won [REDACTED]; CTM has won [REDACTED]; Spotnana has won [REDACTED] Walmart's travel program [REDACTED], as well as ZS ([REDACTED] from Frosch in partnership with Direct Travel); and Kayak for Business / Blockskye has won PwC US ([REDACTED]). Based on the IR's view that the value of TTV won reflect a TMC's competitive strength, this evidence should be dispositive that the Transaction will not result in an SLC.
- 1.7 **CWT is a [REDACTED] competitor.** [REDACTED]. CWT filed for bankruptcy in 2021 and since then [REDACTED]. This is reflected in the fact that, [REDACTED].
- 1.8 CWT is [REDACTED]. Numerous tech-led and traditional TMCs represent a more significant constraint on GBT [REDACTED]. The evidence cited in the IR shows that all of BCD, FCM, Navan, and CTM won [REDACTED] GMN customers and TTV [REDACTED]. It is clear that CWT has won [REDACTED] new GMN customers from 2021-2024 [REDACTED] all of these TMCs, as well as Spotnana/Direct Travel, Kayak for Business / Blockskye, and possibly several others. In these circumstances, and in light of CWT's [REDACTED], the IR's contention that CWT [REDACTED].
- 1.9 **The IR's findings are undermined by an unrepresentative and backward-looking market investigation,** which fails even to comply with the CMA's own best practice guidance. As result, the IR's findings in relation to market definition, market shares, closeness of competition between the Parties, and competitive constraints from other

TMCs are all not properly substantiated by complete, cogent, relevant, and convincing evidence and hence incorrect. Among other things, the market investigation was based on fundamentally flawed survey evidence, which was restricted to a small sample (90) of the Parties' own customers, which are not representative of the target segment (i.e., it excludes the >[80-90]% of GMNs that have selected other TMCs to meet their needs), and which involved sending ambiguous, confusing, and leading questions to customers on several issues that are critical to the IR's findings.

1.10 According to the CMA, two-thirds of the 90 respondents have *not tested the market in the last two years*. On the basis of the Parties' customer data, less than a [X] of respondents to the CMA's questionnaire are GMNs which have recently run a procurement. Of these limited GMNs, only a fraction has actually raised concerns about the Transaction.¹ Accordingly, the number of relevant customers supporting the IR's conclusions is tiny, with such *de minimis* evidence insufficient to derive sufficiently robust results, as the CMA's own guidelines on survey design confirms, let alone sufficiently robust results to block a merger. The inadequate sample size, selection and questioning constitute serious flaws in the CMA's methodology and mean that this customer feedback to the CMA cannot be safely relied upon – much less to found key conclusions in the report and, ultimately, to find that the Transaction may result in an SLC and block the Transaction.

a. **The backward-looking nature of the IR's approach is clear from its focus on offline servicing (answering calls and emails)** when most servicing is online and increasingly automated. The IR's assessment of the Transaction through the rear-view mirror misses that business travel – like many industries – is in the midst of a technological, AI-accelerated transformation.² The vast majority of services to GMNs and SMEs are already provided online and are increasingly going touchless. Some of the largest customers in the world, like PwC US, are switching to modern, tech-driven solutions (Kayak for Business / Blockskeye in that case) in order to significantly reduce the number of agent interactions and costs. With this obvious and significant drive online trend, the IR is out of touch in unduly focusing on how many travel agents and physical offices TMCs have around the world.

1.11 **Independent, expert-designed survey of >1,500 travel managers confirms the limited customer feedback to the CMA does not reflect reality.** In this Response, the Parties submit *new evidence* to supplement the previously submitted – and extensive – data, documents, customer views, competitor statements, and industry commentary, which demonstrate *consistently* the highly competitive and dynamic nature of the business travel market. GBT has commissioned an independent, expert designed survey of >1,500 customers, which demonstrates conclusively that the limited, mostly

¹ See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraph 5.5(a).

² See GBT internal document, Annex GBT.Q10.007, [X], and GBT internal document, Annex GBT.Q10.010 [X]; see also On Rec, 7 Ways AI is Revolutionizing Business Travel for Employees (14 November 2024) (“*Planning a business trip often involves multiple steps: finding flights, booking accommodations, arranging transportation, and coordinating itineraries. AI apps like TripActions and Lola use predictive analytics and personal data to create optimized travel plans. These apps consider user preferences, company policies, and even historical booking data to recommend the best options, cutting down hours of planning into minutes. AI also helps users adapt to last-minute changes, such as rescheduling flights or finding new accommodations due to delays.*”).

backward-looking and unrepresentative customer feedback to the CMA does not reflect market dynamics or competitive conditions in business travel, particularly for larger customers.

- 1.12 The new survey corrects the critical flaws in the CMA’s methodology and approach. Its results therefore are more comprehensive and robust than the CMA’s results and show that, for GMNs which have procured TMC services in the *last two years*, at least six TMCs meet their requirements as frequently as the Parties. The sample size includes 765 GMN customers, which is more than **12 times** larger than the CMA’s sample and over **60 times** the CMA’s sample when focusing only on GMNs that have recently tested the market. Over [X] GMNs (c. [X]) that have tested the market in the last two years selected [X].
- 1.13 Based on the [X] respondents currently evaluating their options, which is the most relevant and up-to-date pool of respondents, and a larger sample than that relied on in the IR, the survey shows that each of [X] meet the needs of GMNs more often than CWT and that [X] meets their needs as frequently as CWT. The survey results complement and corroborate the Parties’ evidence and explanations, which in both individually and in combination show that critical elements of the IR’s reasoning and analysis are incorrect, unsubstantiated, and untenable.³
- 1.14 **GBT’s bidding data confirms that the Transaction is unlikely to result in an SLC.** The IR acknowledges that it is required to undertake a prospective assessment of competition. The outcome of GBT’s more recent bidding opportunities *can* provide a basis to determine reliably the strongest competitive constraints on GBT currently and in the future. For this purpose, it is *new GMN customer wins* that are most informative. It is necessary to down-weight opportunities in which a customer decided to stay with its incumbent because that outcome does not, in itself, tell you *anything* about why the customer chose the incumbent.
- 1.15 It is *impossible* – without further evidence – to determine whether the decision was impacted by the strength of competition and the capabilities of alternatives, or e.g. simple inertia. When a customer switches to a new TMC, on the other hand, the customer must have switched because the alternative offered a better service/price/technology proposition, such that it was worthwhile for the customer to incur any switching effort and costs. In other words, non-incumbent wins can safely be attributed to the strength of competition on the merits and better reflects who is currently exerting a competitive constraint on GBT and likely to continue to do so in the future.
- 1.16 GBT’s bidding data shows that [X]. This demonstrates that there is a strong cohort of competitors that is competing and will continue to compete successfully for GMN customers against the Merged Entity.
- 1.17 **The IR’s errors illustrate an approach that is self-proving and circular.** The IR focuses on a particular model of procurement and service provision (i.e., a single, global TMC service from a traditional TMC), excluding alternatives outside of that model

³ See Annex 7 – Independent Survey Results (27 November 2024), section III.

from the evidence it relies upon. The IR then relies on that same (selective) evidence to conclude that there is no effective constraint outside of that specific service model.

- 1.18 This reveals itself in at least three ways. First, the IR’s bidding analysis, which should seek to analyse *all opportunities* tendered by customers in the putative “GMN market”, specifically excludes *opportunities valued at under \$25m TTV*, or opportunities focussed on a single country. Accordingly, if a GMN customer pursues a multi-sourcing model – as around [8<] of GMN customers do – that data will simply not show up, and the TMCs that are successful in bidding for these opportunities will not feature in the artificially restricted range of competitive constraints identified. Second, the IR notes evidence that customers seek to avoid the inconvenience of dealing with multiple TMCs by consolidating with a single TMC. Yet the IR incorrectly dismisses Spotnana, which provides a single interface to customers (leveraging a range of TMC partners for servicing) on the basis that it does not operate on a “standalone” basis. Third, the IR dismisses the constraint posed by Navan, operating a different business model, on the basis that its customers represent a particular “subset” of companies who are looking for a different solution. It effectively excludes those customers who chose Navan from the competitive assessment purely on the basis that they did not select a “traditional” TMC. The IR therefore dismisses the possibility – without evidence – that these customers turned to a different business model as a competitive alternative.
- 1.19 **Accordingly, it is clear that the market dynamics and competitive conditions described in the IR do not reflect reality.** The evidence does not support the IR’s contention that GBT may be able to raise prices or reduce quality to GMN customers, or further still to an even smaller group of the highest spending GMN customers. The IR’s finding does not reflect the numerous and varied individual and collective constraints that the Parties encounter every day from competitors, customers, and suppliers, and that the Merged Entity will continue to face post-Transaction.
- 1.20 The remainder of this Response addresses in detail the main errors in the IR’s approach and its assessment of the evidence. These errors are critical, since when they are corrected, it is clear that the Transaction will not result in an SLC but will in fact increase competition.
- 1.21 The following sets out the structure and overview of the Response:
- a. **Section 2: Addresses the IR’s incorrect focus on GMNs:** The IR incorrectly focuses on a narrow group of customers with more than \$25 million TTV in multiple distinct regions⁴ (i.e., **GMNs**, adopting the IR’s definition for simplicity) and in particular on the GMNs with the largest travel spend.⁵ The evidence shows that:
- i. **Customers large and small have similar business travel requirements.** This fact is supported by the CMA’s own market investigation, which resulted in

⁴ The IR does not define what it means by “*multiple distinct regions*” or what the evidential basis is for this as a distinguishing characteristic for customers.

⁵ For the avoidance of doubt, the Parties disagree with the CMA’s definition of GMNs, which is an entirely new definition which neither Party adopts or is aware that other TMCs adopt. The term **SMEs**, as used in the IR and, therefore, in this Response refers to all customers that are not GMNs because they have TTV <\$25 million or have travel requirements in a single region.

around half of SME respondents indicating that they have the so-called “complex” needs that the IR considers to be unique to GMNs.⁶ The CMA’s market investigation provides no basis to segment between higher spending and lower spending GMNs.

- ii. The similarity of business travel needs among SMEs and GMNs is also supported by the new evidence in this Response. Specifically, independent survey results from 765 GMNs and 765 SMEs confirm [§<]. The similarity of customer requirements among SMEs and GMNs is also consistently supported [§<], as well as by [§<]⁷ and other third-party evidence.
- iii. Customer requirements are met by many TMCs. The IR limits the alleged GMN market to the small number of TMCs that it considers are potentially able to compete for GMN customers (including higher-end GMNs) that require global coverage and high-levels of offline servicing. But independent survey results shows that [§<]. This is also confirmed by [§<], and even the CMA’s own market investigation.

The IR has, therefore, adopted an inappropriate market definition which is not supported by (and inconsistent with) the evidence, and which has unduly limited the universe of TMCs that are allegedly able to meet the requirements considered by the IR as characteristic of GMNs. The IR’s incorrect market definition has infected and undermined its competitive assessment. There is no basis to find an SLC when an appropriate frame of reference is considered.

b. **Section 3: Addresses the IR’s miscalculation of GMN segment shares:** The IR’s methodology for calculating the GMN segment size is fundamentally flawed in, at least, three respects:

- i. The IR excludes the TTV from many TMCs that demonstrably supply business travel services to (large) GMN customers; the IR deems they were not considered by a sufficient number of the (unduly small sample of) the Parties’ own customers that responded to the CMA’s questionnaire. It is arbitrary and unreasonable to restrict the GMN segment just to the TMCs that an utterly unrepresentative and excessively small sample of customers believe should be included in it. The 90 respondents represent c. 18% of the IR’s alleged “GMN market”, c. [§<] of the GMNs that responded to [§<], c. [§<] of the GMNs identified in [§<], and c. [§<] of the GMN’s identified in [§<] equivalent analysis. On any view, this is insufficient. Like any market definition exercise, the alleged “GMN market”, must be defined in an objective manner, rather than by reference to the subjective views of individual customers— if such an approach had been adopted, it would show that the purported “GMN market” does not exist;
- ii. The IR includes TTV within the GMN segment only if it derives from a GMN customer that spends >\$25 million with the same TMC. This

⁶ See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraph 5.1.

⁷ [§<].

approach is totally unfounded, self-proving, *inconsistent with the CMA's own definition of GMN*, and economically incoherent. It excludes the TTV of GMN customers that spend >\$25 million (a) across multiple TMCs and/or (b) across its TMC(s) and unmanaged channels (e.g., bookings directly with suppliers or via OTAs). For example, a GMN customer with \$100 million TTV split across North America via FCM (\$20 million), Europe with CTM (\$20 million), APAC with Trip.Biz (\$20 million), and with \$40 million TTV via unmanaged channels would be excluded from the IR's GMN market shares.⁸ The CMA's own survey suggests that c. 50% of GMN customers multi-source and market data shows that c. 60% of total business travel spend is unmanaged, which means that it is likely very common for GMNs to both use multiple TMCs and book travel through managed and unmanaged travel. There is no reasonable basis to exclude customers who adopt this procurement approach, which the CMA's market investigation and the Parties' data confirms is common for GMNs.⁹ Excluding such customers inexorably skews the results of the IR.

- iii. The IR ignores evidence on the size of the GMN segment. Prior analyses of the GMN segment carried out in the ordinary course by the Parties demonstrate that the segment is around [~~3x~~] *times* larger than suggested in the IR. The IR's conclusion on GMN segment size is unsubstantiated and not credible because it indicates that that fewer than 500 business operating multi-regionally spent more than \$25 million on business travel in 2023. Independent survey results unambiguously confirm that the IR has understated the number of GMN customers by *at least* several hundreds of customers, as there were over 750 GMN respondents from just seven countries. Moreover, this figure relates to respondents that have procured TMC services in the last two years. In the CMA's market investigation, to which a tiny proportion of customers (90) responded to the CMA's questionnaire, only a third of customers had tested the market in the last two years. On this basis, the number of respondents to [~~3x~~] survey suggests that there are at least [~~3x~~] GMNs worldwide.

Accordingly, the IR's market reconstruction and market share calculations cannot be relied upon to support the IR's conclusions that GBT and CWT are close competitors, that the Parties have a 60-70% share of GMNs, nor that the Parties face limited competition from other TMCs for GMNs.

- c. **Section 4: Addresses the IR's failure to appreciate current and increasing competition from, in particular, tech-led TMCs and CWT's position as a [~~3x~~].** The IR recognises that it must undertake a forward-looking assessment of the Transaction. This means that it cannot take undue account of *backward-looking* evidence while failing to take account of evidence that would more reliably inform a forward looking assessment. It is clear from recent, relevant evidence that CWT

⁸ See also GBT internal document, Annex RFI 2 GBT.Q16.002; and GBT internal document, Annex RFI 2 GBT.Q15.001.

⁹ See Appendix E to the IR, paragraph E.12; see also Response to Phase 1 Decision (23 August 2024), section 4.

is a [REDACTED] in a competitive landscape that has changed significantly in recent years and will continue to change over the next few years:

- i. The IR relies on evidence reflecting no longer relevant past competitive conditions. The IR finds installed-base market shares “*informative*” when this contradicts well-established precedent that market shares in bidding markets are lumpy and unreliable because they reflect contracts awarded many years ago. The IR relies heavily on a small sample of the Parties’ customer feedback taking no real account of the fact that *two-thirds* of these respondents had not procured services in the last two years. The IR also focuses on bidding data cuts which largely reflect incumbency advantages not competition on the merits, exaggerating the strength of TMCs like GBT and CWT that have been established for longer, and which are not informative as to the current and growing competitive constraints of TMCs which were less prominent 3-5 years ago.
- ii. It is wins against incumbents that best predict the competitive constraints on the Merged Entity. The IR dismisses non-incumbent wins and focuses instead on historic, backward looking, data which is untenable. A company [REDACTED], recently exited bankruptcy [REDACTED] cannot credibly considered to be a strong competitor on the basis of TTV derived from contracts won 3-5 years ago.
- iii. The IR dismisses evidence showing that CWT’s competitiveness is [REDACTED] while many other TMCs’ competitiveness is increasing. [REDACTED]. Since 2019, CWT filed for bankruptcy, [REDACTED].
- iv. GBT’s bidding data shows that when [REDACTED].¹⁰ Other named TMCs also [REDACTED]. [REDACTED] the CMA’s market investigation which shows that CWT won [REDACTED] GMN customers [REDACTED] BCD, FCM, Navan, CTM, and Spotnana. The IR tries to side-step this issue by pointing to CWT’s success [REDACTED]. But these opportunities are economically less relevant for the competitive assessment and in any event CWT [REDACTED].
- v. The IR’s assessment of CWT’s future prospects is inconsistent with its assessment of FCM, Navan, and CTM and in any case incorrect. While accepting CWT’s [REDACTED], the IR ignores this in suggesting that CWT will be a [REDACTED] competitor in the future [REDACTED] – and is retaining and winning [REDACTED] customers. The IR [REDACTED].
- vi. The IR applies an entirely different, inconsistent and much harsher standard for assessing other TMCs, however. It accepts that FCM, Navan, and CTM are *growing* and that they have won [REDACTED] new GMN customers [REDACTED]. Yet, the IR determines that *none* of them – individually or collectively – will represent an effective constraint on GBT in the future. This is because a *handful* of the *Parties’* customers and competitors have raised concerns about their capabilities, which more often than not are contradicted by the evidence. Had the CMA approached these TMCs’ customers, they would likely have described how competitive their services are and how well they

¹⁰ See Appendix C to the IR, Tables C.5 and C.6.

meet all their requirements. Otherwise they would not have selected them. Along with competitors' own public statements on their global capabilities for large customers, both the bidding data and the independent and representative survey evidence show that each of these TMCs has the capabilities to meet all GMN's requirements. The CMA's differing approach is unsubstantiated, unjustified and incorrect.

- vii. The IR mischaracterises the strong competitive constraint from Spotnana. The dismissal of Spotnana as a competitor results from the IR's mistaken focus on form over substance. Spotnana operates a different business model to traditional TMCs, which involves largely outsourcing the mostly commoditised offline servicing component to other TMCs. Still, Spotnana's success in winning large, global GMN customers nevertheless shows that it is a significant constraint today. Spotnana has recently won new GMN TTV from at least three *publicly known* contract wins ([§<]), which is [§<].¹¹ Spotnana already has a proven track record and is expecting to be the "*large scale market leader*" in the "*next five years*."¹²
- viii. The IR fails to consider the ability of actual and/or potential competitors to 'scale up' as and when required (e.g., TMCs can partner with relationship management systems or BPOs to quickly scale customer support). This is a key consideration, which needs to be assessed by reference to a proper evidential basis, not just anecdotal quotes from "*some TMCs*". In fact, the evidence suggests that multiple TMCs have the capability to scale up their operations and surmount any barriers to serve GMN customers, to the extent they do not yet do so already (which the bidding data and survey results show that many do).

The IR has therefore failed to discharge its burden to undertake a prospective assessment of the Transaction.

- d. **Section 5: Addresses the IR's incorrect assessment of closeness of competition:** The IR suggests that only three TMCs (GBT, CWT, and BCD) currently have the capabilities to meet the needs of *all GMNs*, including those at the so-called higher end that the IR does not meaningfully identify. The evidence shows clearly that many TMCs have all the capabilities required by all GMNs and are actually competing for GMNs of all sizes and profiles, including BCD, FCM, CTM, Navan, Spotnana/Direct Travel, Kayak for Business (Booking) / Blocksky, and many others:
 - i. Independent survey evidence shows that many TMC have all the capabilities to serve all GMN customers, including the largest GMNs. The IR identifies several capabilities that it considers necessary to serve all GMNs, including global coverage, offline servicing and support, scale, and track-record. Survey results confirm that over [§<] **GMNs** value all these requirements

¹¹ CWT won [§<] in 2023 with contracted TTV of >\$25 million ([§<]). [§<]. In 2024, CWT won [§<] customers with contracted TTV of >\$25 million: [§<]. [§<].

¹² See <https://traveltechinsider.buzzsprout.com/2283730/episodes/15987075-innovation-in-corporate-travel-with-steve-singh>.

and shows that there are at least [X] TMCs which very much meet the relevant requirements as frequently as the Parties.

- ii. The CMA’s analysis of newly acquired GMN customers shows that at least six TMCs successfully compete for new GMN customers. The analysis, covering GBT, BCD, FCM, Navan, CTM and CWT’s newly acquired GMNs in the period 2021-2022, shows that CWT gained [X]. According to this data, CWT is [X].
- iii. The IR misrepresents the significance of “capacity” and “scale”. The IR does not specify what it means by these terms. The Parties infer that capacity relates to having enough travel counsellors to support a customer’s needs. If that is the case, it is fundamentally incorrect. [X].¹³ [X]. As to “scale”, [X] relative to smaller scale TMCs like FCM, CTM, Navan, Spotnana/Direct Travel, and Kayak for Business / Blocksbye show conclusively that scale is not a competitive advantage. [X].
- iv. The IR is incorrect to suggest that FCM, Navan, and CTM are not focused on GMN customers. Again, the IR applies a different and inconsistent standard when assessing the competitiveness of CWT compared to other TMCs. The IR takes no account of the fact that CWT [X]. For FCM, CTM, and Navan on the other hand, the IR relies on scant, unsubstantiated and likely self-serving (likely based on their marketing materials) competitor views to suggest that there are some GMNs at the higher end that they are unable or unwilling to compete for.
- v. The IR does not recognise, as the CMA usually does, that such competitor statements are often highly unreliable given rival’s incentive to stop a Transaction that may *increase* competition for them. Indeed, several competitors told the CMA that they were concerned about the Merged Entity’s ability to *reduce* prices, including one which was concerned that the Merged Entity may “*undercut [their] pricing*”.¹⁴ This is a pro-competitive effect of the Transaction. Yet the IR appears to accept without question the rival’s suggestion that these lower prices could lead to “*reduced competition*.”¹⁵ In any event, [X].

The IR has therefore concluded incorrectly that GMN customers, or an unquantified and vaguely defined sub-segment of the largest GMNs, have only three credible alternatives when in fact they have multiple.

¹³ See Submission on New Supportive Evidence from BTN and Clarity Travel (9 October 2024), paras. 3.2-3.3 (Pat McDonough, CEO of UK-based TMC Clarity Travel, commented on the CMA’s Phase 1 Decision and remarked that “*Members in [global network] organisations are local market experts who know everything there is to know about their territory and are equipped with the people and technology to serve those markets in the very best way possible. What they don’t know about their region isn’t worth knowing.*” (see <https://www.businesstravelnewseurope.com/Columnists/Monolith-mergers-Is-there-a-global-alternative-to-the-mega-TMCs-in-corporate-travel>)).

¹⁴ See Appendix F to the IR, paragraphs F.62 and F.63.

¹⁵ *Ibid.*

- e. **Section 6:** Addresses the IR's incorrect assessment of the prevalence and relevance of multi-sourcing: The IR suggests that GMN customers require a single global TMC in circumstances where: (i) GBT's data shows that [X] of its GMN customers use multiple TMCs; (ii) [X] of CWT's GMN customers multi-source, and (iii) 50% of respondents to the CMA's questionnaire confirmed that they use multiple TMCs, with a significant proportion of them clarifying that they intend to continue doing so. When the IR's findings are so heavily reliant on geographic coverage and capacity to provide servicing support, it is incorrect and unreasonable for the IR to ignore the fact that GMNs can *and do* choose (or at least threaten to choose) between a single, global TMC and a combination of multiple TMCs in different regions.
- f. **Section 7:** Addresses the CMA's failure to adequately investigate self-supply through in-house or unmanaged travel: The IR misunderstands and underestimates the competitive constraint that TMCs face from customers' (including GMN customers') ability to (i) manage travel in-house without a TMC or (ii) *book travel outside their managed programme* (i.e., the TMC manages only a portion of the travel budget). The CMA has not adequately investigated either issue, relying mainly on limited feedback from Phase 1 on whether in-house or unmanaged travel are *alternatives* to a TMC. This limited customer feedback is in any event contradicted by [X]. They clearly represent a significant competitive constraint.
- g. More significantly, the CMA has seemingly not considered *at all* the constraint TMCs face from GMN customers using in-house management and/or unmanaged travel *alongside* a TMC. The IR cites evidence showing that larger customers can and do manage some part of their travel in-house (i.e., partially in-house management), which can increase the options available to them.
- h. In addition, GMN and other customers frequently and consistently book travel directly with suppliers instead of via their TMC (i.e., partially unmanaged). GBT's and third-party data are consistent in showing that around [X]-40% of a TMC customer's TTV is spent outside of managed programmes. The wide-spread adoption by customers of all sizes (including GMNs) of (partially) unmanaged travel is reflected in the fact that 60% of business travel spend (\$600 billion out of \$1 trillion) is spent directly with travel suppliers or via OTAs. Travel suppliers are increasingly trying to win more direct sales with incentives, surcharges, exclusive fares, and by providing services to enable customers to manage direct bookings in a consolidated manner (i.e., TMC-like services).
- i. Internal documents show that unmanaged bookings (i.e., leakage or share of wallet) represent a [X] constraint on GBT, which further ensures that it must offer value to customers and competitive prices. Customers' use of unmanaged travel alongside a TMC enables them to constantly benchmark the TMC services they receive, requiring TMCs to provide competitive pricing and services to ensure that customers channel the majority of TTV through them instead of unmanaged alternatives. If suppliers win direct bookings, TMCs do not get paid. This is clearly a strong competitive constraint, which the IR has failed to take into account.
- j. **Section 8:** Addresses the IR's underestimation of the bargaining strength of GMNs and the options available to them to create even more choice: The IR does not take proper account of the significant buyer power of GMNs and the constraint that they

exert on the Parties, and will continue to exert on the Merged Entity. [X]. Larger GMNs in particular have the in-house capabilities to sponsor and have actually sponsored new entry and expansion if and when their existing options do not stay competitive. This has occurred on numerous occasions, including with Unilever (Navan), PwC US (Kayak for Business / Blocksky), and Walmart (Spotnana). No competition concerns can arise when GMN customers have so many credible options available to switch or threaten to switch to.

- k. **Section 9: Addresses the IR's incorrect assessment of switching barriers/costs:** The IR significantly overstates the costs that customers incur to switch TMCs. But more significantly, it misunderstands the barrier switching costs presents to competition for GMNs. The IR seems to translate the existence of switching costs to a conclusion that switching does not happen—and fails to consider this against any proper assessment of actual switching. This is at odds with the extensive evidence of churn, and entry and expansion of tech-led TMCs serving GMN customers. GBT's bidding data also shows that switching is common. Even for TMCs like GBT that provide a high-quality service, with high net promoter scores, a [X] proportion of customers contracts up for renewal will leave every year (c. [X] of TTV up for renewal). For TMCs which may provide a lower level of service, they can lose much more (e.g., [X]). Evidence shows that switching can take a matter of [X]. In any event, switching costs are easily surmountable: CWT estimates the implementation/deployment cost for a large, global customer with [X]. All of this is consistent with the evidence of actual switching and, which confirms that the IR's findings on barriers to switching cannot be maintained.

- l. **Section 10:** Provides concluding remarks.

1.22 These and other errors follow from the IR's failure to consider properly, or simply to ignore, all the evidence before it (including that submitted by the Parties), the failure to investigate key issues, as well as IR's misinterpretation of some of the evidence and data submitted by the Parties, their customers, and competitors. The result is that the IR describes an artificial business travel market that does not reflect reality and finds competition concerns that are not substantiated and cannot be maintained based on all the evidence.

1.23 Far from adversely affecting competition, the Transaction will in fact enable the Merged Entity to compete more effectively in a rapidly changing market.

2. **GMNs have similar needs to other smaller or more regional customers which means that they can be and actually are served by many different TMCs**

2.1 **The IR's finding that GMNs have materially different requirements from SMEs is based on an inadequate market investigation and feedback from an unrepresentative sample of customers.** Multiple sources of evidence consistently show that GMNs have similar needs to other business travel customers and that, as a result, the alleged requirements of GMNs identified in the IR can be satisfied by multiple TMCs (including those that the IR finds are more focused on SMEs). Accordingly, there is no basis to define a market for GMNs:

- a. ***The CMA's own market investigation confirms that no separate market for GMNs exists.*** It shows that customers with less than \$25 million TTV or with more

than \$25 million TTV but in a single region (e.g., North America only) (collectively SMEs adopting the IR’s definition) have similar business travel needs and/or preferences to GMNs:¹⁶

- i. The IR’s approach to market definition is misconceived. It accepts that there is no “*universally accepted*” definition of global multi-national customers and that the Parties and other TMCs “*use different TTV thresholds to identify this group of customers.*”¹⁷ Yet the IR suggests that “*\$25 million annual TTV is an appropriate threshold*” to use as a strict cut off and defines on that basis a market for the supply of business travel services to GMNs. This is despite the CMA’s Phase 1 Decision recognising that this hard TTV cut-off is entirely “*arbitrary*”¹⁸ and that the Parties (and other TMCs) use different thresholds.¹⁹
- ii. The IR’s approach is unreasonable and inconsistent with the CMA’s own Merger Assessment Guidelines (MAGs), which anticipate that “*there is often no ‘bright line’ that can or should be drawn.*”²⁰ Despite this, and evidence showing clearly that significant variation in the definition of global multi-national customers exists, the CMA constructs its own category of GMN customers and treats competition for this novel customer segment as hermetically sealed from the rest of the market. It then excludes from the alleged “GMN market” multiple TMCs that demonstrably serve GMN customers as well as other TMCs that mainly serve SMEs but with the capabilities also to serve GMNs.
- iii. The IR’s competitive assessment does not recognise or address the dangers of drawing such a bright-line and arbitrary distinction. This is made worse by the fact that the IR does not “*carefully*” consider the “*constraint posed by firms*” that are supposedly “*outside*” the market either, as the MAGs also require.²¹ The result of the IR’s misguided approach is that the evidence relied upon does not support its conclusions on the requirements of GMNs nor on the TMCs that serve GMNs or could serve GMNs if they were sufficiently incentivised.

¹⁶ See Appendix E to IR, paragraph E.7.

¹⁷ See IR, paragraphs 15 and 16.

¹⁸ See Phase 1 Decision (30 July 2024), paragraph 96.

¹⁹ GBT’s current starting point for determining whether to manage a customer as a GMN or SME is whether the customer spends more or less than \$30 million TTV. [§<], and “*can vary by country and client need*” (see GBT 2023 Annual Report, page 3). [§<]. FCM categorises customers with \$50 million to \$100 million TTV as “Global” and those above \$100 million TTV as “Enterprise”. Another competitor categorises customers as “Enterprise” if their TTV exceeds \$30 million and they have operations in at least two regions. A third competitor considers customers to be “complex” if their TTV exceeds \$5 million and they operate in at least three different regions. Meanwhile, a fourth customer has until recently segmented customers on the basis of their employee figures, rather than TTV, with “Large Global” clients having over 800 employees.

²⁰ MAGs, paragraph 9.4 (emphasis added).

²¹ *Ibid.*

iv. The CMA’s market investigation was biased and unrepresentative. [§<], an expert in survey design and consumer behaviour, has reviewed the questionnaire sent to GBT customers and identified a “*series of critical flaws in the design of the survey’s sample and questionnaire*”²², namely:

- The CMA “failed to ensure that the sample is representative of the target market [...] which raises concerns about the validity and applicability of the findings.” To understand the potential effect of the Transaction “it is important to survey customers across the market”, rather than just the Parties’ own customers, which are not representative and introduces “potential bias” on suitability of TMCs.²³
- The IR’s analysis involved “*small sample sizes, which reduces the statistical power of the survey and impacts the CMA’s ability to detect statistically significant results.*” Only 32 respondents had entered a procurement process in the last two years, which is well below the 100 respondents that the CMA’s own guidelines suggest for a “rigorous” analysis.²⁴ With this sample size, the IR’s analysis is likely not statistically significant.
- The CMA revealed the purpose of the survey to customers, including that it had already identified “*some concerns*”, therefore “*potentially biasing the response rate and their response.*” This, again, runs directly counter to the CMA’s own guidelines which explain that “*care should be taken when drafting [cover] letters/emails*”, such that “*framing effects should be avoided so there must be no mention of a merger inquiry: the survey’s purpose should be described as seeking customer views more generally.*”²⁵
- The CMA’s survey questions were “*ambiguous*”, “*confusing*”, or “*leading*” and “*response options raise similar concerns*”, rendering results “*unreliable*”²⁶ [§<] considers that the wording is likely to result in “*biased responses*” leading and nudging customers to particular responses. In his view, it is “*unsurprising*”, therefore, that all 90 respondents indicate having at least one of the characteristics of “*complex requirements*”.²⁷

²² [§<]. GBT received a copy of the CMA’s customer questionnaire from a customer which forwarded the email upon receiving the CMA’s request.

²³ See Annex 5 – [§<] Expert Report on the CMA’s Customer Survey (27 November 2024), paragraphs 2(a), 5, 25.

²⁴ *Ibid.*

²⁵ *Ibid.*

²⁶ For example, Q2 of the CMA’s survey is leading by asking respondents if they have “*complex requirements*” in a non-neutral manner. The framing of the question, “*does your company have...*,” may nudge respondents to believe they should have requirements that are complex; see also Annex 5 – [§<] Expert Report on the CMA’s Customer Survey (27 November 2024), paragraph 16.

²⁷ *Ibid.*

- The IR’s analysis is likely to “*underestimate the number of TMCs that individual respondents find meet their requirements.*” By measuring average suitability, ratings do not consider differences in ratings across customers. A rating of “2” could occur if half of customers rated the TMC as suitable (“3”) and the other half rated it as unsuitable (“1”). This issue is compounded by the small sample size and the inclusion of customers that have not recently procured TMC services.²⁸
 - The IR provides “*insufficient information*” to assess how calls with customers were administered, and details of the questions asked and responses collected, including not providing details of the questions asked and responses collected. It is therefore “*impossible to independently assess the design, analysis, and results of these calls.*”²⁹
- v. As a result, [X] concludes that the issues are “*likely to render results from [the CMA’s] questionnaire and calls unreliable for assessing the effects*” of the Transaction.
- vi. Customer feedback does not support a distinct market for GMNs.³⁰ Far from supporting the IR’s conclusions, the CMA’s market investigation confirms the opposite: that GMNs and SMEs have materially similar if not the same needs. Every single respondent to the CMA’s investigation, including 100% of the SMEs surveyed at Phase 2, confirmed that they have at least one of the four “*complex*” requirements that the IR suggests are unique to GMNs. Out of the 83 respondents that indicated that they require “*consistent global coverage*”, nearly a third were SMEs. Of the 79 that want “*consistently high service levels across all geographies*”, nearly a third were likewise SMEs. And of the 63 that want “*high-level of customization*”, a quarter were SMEs.³¹ Moreover, of the SMEs included in the CMA’s Phase 2 market investigation, nearly half listed all four of the identified so-called complex requirements and over two thirds selected at least three. Only slightly more GMNs selected all four of the requirements and the majority selected at least three.
- vii. Had the CMA investigated adequately the requirements of SMEs, as the Parties suggested it should at the beginning of Phase 2,³² instead of contacting a much smaller number of SMEs than GMNs as it has decided to do, the survey would likely have confirmed that these customer groups have substantially similar needs. This is because business travel customers have the same spectrum of requirements which do not necessarily depend on their travel spend and/or geographic coverage.

²⁸ See Annex 5 – [X] Expert Report on the CMA’s Customer Survey (27 November 2024), paragraph 2(e).

²⁹ *Ibid.*

³⁰ See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraph 5.1.

³¹ See Appendix E to the IR (14 November 2024), paragraph E.7.

³² See ISM Transcript, page 55, lines 17-26 [X], and page 56, lines 9-13: [X].

- viii. Customer feedback is not always reliable. Some statements from customers do not stand up to scrutiny.³³ In some instances, the IR appears to conflate customers’ requirements with their preferences (i.e., “*nice-to-haves*”). For example, a customer may prefer a TMC with a long track-record or a larger portfolio of customers but this does not mean that a newer TMC cannot meet the customers’ requirements just as well if not better than a more established one.
- ix. The IR does not acknowledge the fact that customers’ TTV can fluctuate, and therefore, that they can move between the GMN and SME segments over time as their travel spend varies. While their spend may change, there is no reason why their requirements would change materially. Accordingly, depending on when such a customer is asked about its requirements, its views could either be supportive of or contradictory to the IR’s findings. This is not a reliable evidential basis on which to reach a decision.
- b. ***GBT commissioned an independent survey of >1,500 decision-makers, who confirmed there are minimal differences between GMN and SME requirements.*** Because the CMA appeared unwilling to investigate the issue properly, GBT commissioned an independent survey to test, among other things, whether customers with >\$25 million TTV in multiple regions (i.e., GMNs) have different needs to customers with <\$25 million in multiple regions (i.e., SMEs). The independent survey results show that both GMNs and SMEs consider the same core TMC features and value each of them in a similar way:
- i. Expert-designed questionnaire in compliance with survey best practices. With the assistance of GBT and [§<], [§<] prepared a survey which asked GMNs and SMEs to evaluate the core features of a TMC service. Rather than asking leading questions of the sort included in the CMA’s questionnaire, [§<] sought, based on his research and customer interviews, to identify the objective elements of a TMC service that customers consider and underlie the supposedly “*complex*” requirements identified by the CMA.³⁴ [§<].
- ii. Large and representative sample confirmed the list of included features was complete. Consistent with the Parties’ submissions, as shown in **Table 1** below, GBT’s survey of 765 GMNs and 765 SMEs confirms [§<]. Respondents were asked to allocate 100 points across the “*features you would consider when choosing a TMC in order to indicate their relative importance.*”³⁵ Respondents were also offered the opportunity to add any other features not listed that they would consider when choosing a TMC.³⁶ [§<].³⁷ This indicates that the list accurately represents the core features of

³³ See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024).

³⁴ See Annex 5 – [§<] Expert Report on the CMA’s Customer Survey (27 November 2024), section VII.

³⁵ See Annex 6 – Independent Survey Programming Instructions (27 November 2024), Q2.

³⁶ *Ibid.*

³⁷ See Annex 6 – Independent Survey Programming Instructions (27 November 2024), Q2.

a TMC service that customers find important and that such amorphous factors as “consistency” and “scale”, highlighted in the CMA’s questionnaire and/or some customer responses to the CMA, are covered by other features (e.g., an adequate offline service).

Table 1: [X]

Feature	All	GMN	SME
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]

iii. Independent survey results support the Parties’ submissions. [X].³⁸ [X].³⁹

iv. Survey results are consistent with customer feedback to the CMA from SMEs and GBT’s bidding data, both of which the IR misinterprets. The results of [X] survey for SMEs are *fully corroborated* by the responses from SMEs to the CMA’s own customer survey. This is despite the CMA having limited its investigation to an unrepresentative sample of SMEs. Together, the independent survey results and the CMA’s own survey results show conclusively that the IR is incorrect to suggest that GMNs and SMEs have distinct needs. This is supported by GBT’s bidding data which shows that the competitive landscape is not fundamentally different when considering all customers and GMNs specifically. This removes the lynchpin of the IR’s provisional SLC finding which depends on GMN customers having distinct requirements that only a few TMCs can meet.

³⁸ See Submission to CMA on the GMN Category of Customers (19 September 2024), paragraph 2.4.

³⁹ *Ibid.*, paragraph 3.4.

- c. ***The Parties' data and internal documents confirm it provides the same services to GMNs and SMEs*** which would be impossible if the needs of these customer groups were distinct, as the IR suggests:
- i. GMNs and SMEs are supplied the same products and services. While the Phase 1 decision had incorrectly suggested otherwise, the IR has resiled from that position. More than [X] of GBT Select customers and more than [X] of CWT customers are SMEs.⁴⁰ There is no evidence from customers or competitors that TMCs supply different products to GMNs and SMEs. For example, FCM explains that its product is suitable for customers ranging from less than \$10 million to more than \$100 million TTV.⁴¹
 - ii. GBT's data shows that it provides the [X] service to GMNs and SMEs. Customer feedback to the CMA indicates that some customers are mistaken in believing they need [X] a different service because of their travel spend and scale. The IR chooses not to engage with GBT's data, which shows that both GMNs and SMEs (i) want global, regional, and national programmes,⁴² (ii) demand [X] levels of support from travel counsellors,⁴³ and (iii) want bespoke travel programmes.⁴⁴ It is unreasonable for the IR to ignore this data and rely instead on GMN customers' misperceptions of how their requirements compare to smaller and/or more regional customers of which they are unlikely to have first-hand knowledge. The error in the IR's approach is confirmed by the fact that more robust and representative, independent customer survey designed by [X] supports fully what GBT's data suggests: that GMN and SME customers require [X] services from TMCs.⁴⁵
 - iii. GBT's documents do not support the IR's conclusions. Numerous documents confirm that GMNs and SMEs have similar needs.⁴⁶ The IR refers to a few documents which have been read as suggesting otherwise, but the IR's interpretation is incorrect: the documents have been misunderstood and taken out of context.⁴⁷ In any event, were the IR's interpretation correct, which it is not, the documents cannot support the IR's

⁴⁰ *Ibid.*, paragraph 3.7(a).

⁴¹ See Issues Meeting Presentation (10 July 2024), slide 53.

⁴² [X] (see Submission to CMA on the GMN Category of Customers (19 September 2024), paragraph 3.1). It is likely that other TMCs like FCM, CTM, Navan, Spotnana, and Kayak for Business / Blockskeye have many more SMEs active in multiple regions than GMNs [X].

⁴³ [X] (see Submission to CMA on the GMN Category of Customers (19 September 2024), paragraph 3.2).

⁴⁴ GBT Select is one such bespoke travel programme because it allows customers to "Select" the overall package that meets their specific preferences. Other TMCs, for example, BCD, FCM, CTM, Spotnana, and Navan offer similar programmes that allow customers to customise their service offering, e.g. through integration with third-party OBTs. See submission to CMA on the GMN Category of Customers (19 September 2024), paragraph 3.3).

⁴⁵ See Table 1.

⁴⁶ See GBT internal document, Annex GBT.Q10.007 [X], page 366, and GBT internal document, Annex RFI 1 GBT.Q2.001, slide 1.

⁴⁷ See Annex 3 – Observations on IR Appendix D's Assessment of Internal Documents, section C. For example, [X].

findings about the requirements of GMNs and SMEs because GBT defines these customer segments differently from the IR. GBT's starting point for categorising a customer as GMN or SME is based on [§<].⁴⁸ The IR appears to accept GBT's rationale for the categorisation, which has [§<] on the type, scope, or quality of service provided to customers.⁴⁹

- iv. This means that GBT's GMN category of customers, which the IR claims incorrectly to have distinct needs according to GBT's documents, would include many SMEs when applying the CMA's definition. So far from supporting the IR's conclusions, GBT's documents instead further undermine the suggestion that customers with >\$25 million TTV in multiple regions have distinct needs to smaller or more regional customers. It also illustrates the IR's error in seeking to draw bright-line distinctions between GMNs and SMEs when none can or should be drawn.

- d. ***Industry evidence and data demonstrates that many SMEs have all the needs that the IR finds are distinct for GMNs.*** According to the IR, >95% of business travel spend derives from SMEs. The data set out below on this SME segment of the market is *impossible* to square with the IR's suggestion that GMNs have uniquely global, high-touch, or bespoke needs:

- i. Many SMEs have global requirements. Consistent with responses to GBT's and the CMA's customer surveys, industry evidence shows that SMEs have multi-regional requirements and that these requirements are met by multiple TMCs with their own or third party networks. The IR ignores the numerous global TMC networks that specifically serve global customers and emphasise their ability to offer features like a "*customizable, global solution*", "*global consistency*", "*cohesive solutions around the world*", and "*greater visibility and control of all multi-national locations*".⁵⁰ Radius Travel generated c. €32.4 billion TTV (\$35 billion TTV) in 2023 in over 130 countries. It is implausible that GMNs are the only multi-regional customers when a single global TMC network manages roughly an equivalent amount of TTV to what the IR considers is spent by *all GMN customers combined*.⁵¹ The top four global TMC networks, including Radius Travel, Travel Leaders Network (€19.4 billion TTV), The Advantage Travel Partnership (€18.5 billion TTV), and Global Star (€11.1 billion TTV) together manage over €80 billion TTV (\$86.5 billion TTV).⁵² This indicates that a significant proportion of SMEs must have global requirements. The IR has not conducted a proper investigation in this regard or provided any reason to explain what this TTV relates to if it is not to the travel spend of global business travel customers.

⁴⁸ See Submission to CMA on the GMN Category of Customers (19 September 2024), paragraphs 2.8-2.11.

⁴⁹ See IR, paragraph 5.13; see also Submission to CMA on the GMN Category of Customers (19 September 2024), paragraphs 2.8-2.11.

⁵⁰ See Response to Phase 2 RFI2, paragraph 17.1.

⁵¹ See Appendix B to the IR, Table B.1.

⁵² Conversion performed on the basis of the average exchange rate for 2023 (€1 = \$1.0813).

- ii. Many SMEs have high-touch requirements. TMCs like Reed & Mackay (now owned by Navan), ATG, ATPI, TAG and others have for many years been focused on a broad range of sectors such as the legal industry, financial services, entertainment, and energy that have a significant proportion of customers with high-touch needs. Partners, executives, and senior management of smaller customers still want a comprehensive and high-quality service. They want it just as much (if not more sometimes) than individuals at very large corporates. This is why the above-named TMCs and many others emphasise their ability to provide high-touch, “white-glove” or “VIP” services.⁵³
- iii. Many SMEs integrate third-party services into their managed travel programmes. The IR’s suggestion that GMNs are exceptional in wanting to integrate third-party tools, such as OBTs and duty of care solutions, is bluntly contradicted by the penetration of these third-party services. For example, SAP Concur is used by 75 million users worldwide, which clearly extends well beyond the few hundred customers that the CMA classifies as GMNs.⁵⁴ Likewise, duty of care solutions such as International SOS, Crisis24, Global Guardian, and others, work with numerous TMCs that the IR suggests mainly or only serve SMEs (e.g., CTM, Internova, Direct Travel, World Travel, ATPI, GlobalStar, Frosch, Travelperk, JTB, AmTrav, and LCC).⁵⁵
- iv. As the Parties have explained, it is common for customers of all sizes to use tools from various third-parties (i.e., modular solutions).⁵⁶ The IR’s suggestion that integration of third-party tools is a complex requirement that is unique to GMNs does not make sense when SMEs are integrating the exact same tools. The IR’s misconception is confirmed by the results of [§<] customer survey, [§<].
- e. In short, multiple sources of evidence confirm that GMN and SME customers have similar if not the same business travel requirements. The IR’s provisional findings on customer requirements are incorrect and result from a failure to survey a representative sample of GMNs and to engage inadequately with the Parties’ evidence and explanations. There is no reasonable evidential basis to conclude that GMNs have unique needs and/or preferences that are only serviceable by a small number of TMCs.

2.2 The evidence shows that competitive conditions are similar for GMNs and SMEs. Not only are GMN and SME requirements materially similar, the IR is incorrect to define a separate market for GMNs because TMCs can and do easily serve GMNs and SMEs. As [§<] observed “*almost all TMCs are the same, providing the same services*

⁵³ See Submission on Competitive Constraints from Many Other TMCs (20 September 2024), paragraphs 1.7, 3.1.

⁵⁴ See <https://www.businesstravelnewseurope.com/Online-booking-tools/concur-travel/>; see also Final Merger Notice (3 June 2024) (the FMN), paragraph 19.5.

⁵⁵ See Key Considerations and New Evidence (4 October 2024), page 20.

⁵⁶ See Submission to CMA on the GMN Category of Customers (19 September 2024), paragraph 3.3.

and capabilities.”⁵⁷ In economic terms, there is supply-side substitution. This is demonstrated by the sheer number of TMCs that can and do serve GMNs and SMEs:

- a. ***GBT’s bidding data confirms that there is no separate market for GMNs and SMEs.*** The similarity of GMN and SME customer requirements on the demand-side is supported by the consistency of competitive conditions on the supply-side, as evidenced by GBT’s bidding data. As explained by [X].⁵⁸ The IR does not explore whether competitive conditions on the supply-side are consistent for GMN opportunities and other opportunities, as it does not make any comparisons, and therefore its analysis is incomplete.
- b. ***GBT’s bidding data shows that [X] TMCs compete for customers with >\$25 million TTV.*** Compass Lexecon’s analysis of GBT’s bidding data shows that at least [X] TMCs have won opportunities for customers that spend >\$25 million on business travel.⁵⁹ All these TMCs also compete for SMEs. The IR seeks to dismiss this analysis on the basis that it includes “*hundreds of small value opportunities*” which “*are not relevant to the assessment of the competitive constraint faced by GBT for GMN customers.*”⁶⁰ This suggestion is illogical, unreasonable and thus untenable. [X]. These opportunities are clearly relevant to assessing the constraint that GBT faces for (what GBT considers to be) “GMN” customers.⁶¹ There is no reasonable basis to exclude them. While the IR suggests that these represent small opportunities, combined they represent over [X] TTV as well as significant effort and investment from GBT to participate in the tenders.
- c. In any event, the IR does not provide any evidence to suggest that GMN customers have different requirements when they tender for individual country opportunities separately. There is no reason why they should. Accordingly, the data show that many TMCs can and do meet the requirements of both GMN and SMEs, including many TMCs that the IR considers only compete for SMEs.
- d. ***Internal documents and analysis shows that many TMCs compete for all customers.*** Numerous TMCs – which the IR dismisses as only servicing SMEs – currently serve and meet the needs of GMN customers. Evidence from [X] GMN customers in the Parties’ internal documents shows that such customers [X].⁶² This represents over [X] of the number of customers that responded to the CMA’s market investigation and likely a similar amount of the customers that responded to the CMA’s questionnaire, which had considered new options in their last tender ([X]).⁶³

⁵⁷ See Response to Phase 1 Decision (23 August 2024), paragraph 2.6.

⁵⁸ See Submission to CMA on bidding analysis (3 October 2024), paragraph 5.12.

⁵⁹ See Submission to CMA on bidding analysis (3 October 2024), Table 13.

⁶⁰ See IR, paragraph C. 14(b).

⁶¹ See Submission to CMA on bidding analysis (3 October 2024), paragraph 6.

⁶² See Submission on Competitive Constraints from Many Other TMCs (20 September 2024).

⁶³ See Annex 7 – Independent Survey Results (27 November 2024), section VI.

- e. GBT's GMN segment analysis identifies nearly [X] TMCs that serve (and must therefore meet) the needs of GMN customers.⁶⁴ This represents [X] of the respondents to the CMA's market investigation and possibly more than the customers that responded to the CMA's questionnaire *and* that had considered other options in their last tender.
- 2.3 In short, based on all the evidence submitted to the CMA, and in light of the new, independent customer survey data, it is impossible to maintain that GMN customers have materially distinct needs from SMEs. On the supply-side, GBT's bidding data shows that competitive conditions are not materially different for GMNs and SMEs which is confirmed by independent customer survey results (and not challenged by the IR). As a result, it is clear that the IR has defined a market for GMNs when no such market exists. This mistake has tainted the IR's competitive assessment, as it has resulted in the IR making findings in relation to the market structure, market shares, and closeness of competition which are clearly incorrect when an appropriate frame of reference is considered.

3. **GBT and CWT have a <[10-20]% Share of Supply Globally**

- 3.1 **The Parties' combined share of business travel is <[0-5]%**. The IR rejects the Parties' top-down analysis of global market shares on the basis that "*it is likely to be significantly inflated due to the inclusion of all customers regardless of their TTV.*"⁶⁵ But the IR raises no other criticisms about the robustness of the methodology. And, as explained above, the IR was incorrect to focus only on GMN customers. Accordingly, contrary to the IR's contention, the Parties' top-down analysis is "*informative*" of the relevant market structure and the Parties' relative market positions, much more so than the CMA's "*market re-construction*".
- 3.2 Even if it were correct to define a market for managed travel only, which GBT does not accept given the significant constraint from in-house management and unmanaged travel, the Parties' top-down analysis indicates that the Parties' combined share of managed travel globally is still <[10-20]%.⁶⁶
- 3.3 **The IR's alleged "GMN market" share re-construction is fundamentally flawed.** The IR suggests that GBT and CWT have a combined 60-70% share of the GMN segment by both TTV and number of customers. This does not reflect reality, however. If the IR's estimated range were correct, this would mean that there are fewer than [X] customers with >\$25 million TTV globally ([X]);⁶⁷ CWT has [X] customers that meet the CMA's GMN definition based on 2023 TTV spend) and that, together, these customers spend less than \$40 billion on business travel annually. This is fanciful, not supported by the evidence, and driven by errors in the IR's market share methodology:
- a. ***The IR excludes TTV from many TMCs that demonstrably supply business travel services to GMN customers.*** This is because they were deemed in the IR not to have been considered by a sufficient number of the Parties' customers. The IR

⁶⁴ See Supplementary Submission on GMN Shares (4 October 2024).

⁶⁵ IR, paragraph B.15.

⁶⁶ See GBT internal document, Annex RFI 1 Q13.001; see also FMN, paras.15.54-15.57.

⁶⁷ See GBT internal document, Annex s109 GBT.Q2.002.

only includes TTV managed by TMCs that have been considered by more than five of the Parties' customers which responded to the CMA's questionnaire. The IR does not explain, however, why these views of the Parties' customers, particularly where many of them have not renewed their TMC in the last two years, should override evidence of which TMCs actually currently serve GMNs. It is unclear why this small sample of the Parties' customers would have sufficient insight into this dynamic. And the results of [REDACTED] survey suggests that [REDACTED].⁶⁸ This is also apparent from GBT's bidding data which shows that GBT has lost [REDACTED] GMN opportunities to TMCs that are excluded in the IR from the GMN segment.⁶⁹ It is unreasonable to restrict the GMN segment just to the TMCs that some customers believe compete in it. The GMN segment size is an objective metric, which should be measured based on a subjective evaluation of an unrepresentative sample of customers.

- b. ***The IR includes TTV within the GMN segment only if it derives from a GMN customer that spends >\$25 million with the same TMC.*** The IR's approach is unfounded, inconsistent with its own market definition, and economically incoherent. It seemingly would include the TTV of GMN customers that spend >\$25 million across multiple contracts with the same TMC but excludes the TTV of GMN customers that spend >\$25 million TTV across multiple contracts with different TMCs or via a TMC and unmanaged channels (e.g., directly with suppliers or with online travel agencies). The Parties' data shows that there are many GMN customers that have been incorrectly excluded.⁷⁰ The error results from the fact that the IR seeks to "reconstruct" the GMN segment by asking a (restricted) group of TMCs to provide data on the number of GMN customers that they currently serve and the related TTV. But this approach is incapable of estimating the GMN segment size. And the evidence shows that it is likely to exclude many customers with >\$25 million TTV annual spend and sometimes much more. Indeed, this approach artificially narrows the market to GMN customers spending >\$25 million on *one* TMC. The CMA does not seem to recognize this effect and presents no evidence suggesting this group has different requirements, particularly where a number of the identified GMN customers themselves multi-source (i.e., where the Parties service them only in a limited number of regions where those companies operate (e.g., [REDACTED], [REDACTED], [REDACTED])).
- c. ***The IR incorrectly assumes that GMNs manage 100% of their travel through a single TMC.*** This is contradicted by the IR's own evidence and is incorrect for two reasons:
- i. **Common use of multiple TMCs.** Customer feedback to the CMA confirms that customers frequently split their business travel between multiple

⁶⁸ According to [REDACTED] survey, the list of TMCs currently serving GMN customers is at least more than double the number suggested by the small sample of customers that responded to the CMA. See Annex 7 – Independent Survey Results (27 November 2024).

⁶⁹ See Annex 1 – Submission on Economic Evidence in the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraphs 3.10-3.18.

⁷⁰ Some examples of excluded GMNs: [REDACTED] (93,000 employees delivering services in 200 countries; [REDACTED]); [REDACTED] ([REDACTED]; multi-sources with [REDACTED] and [REDACTED], in addition to the Parties); [REDACTED] (c. 213,000 employees across 15 countries; [REDACTED]); [REDACTED] ([REDACTED]; multi-sources with [REDACTED] in addition to the Parties); [REDACTED] ([REDACTED]; multi-sources with [REDACTED], in addition to the Parties); [REDACTED] ([REDACTED]; multi-sources with [REDACTED]).

TMCs.⁷¹ Indeed, it suggests that *around half* of customers use multiple TMCs.⁷²

- ii. Booking travel via multiple channels. The Parties' data shows that customers spend a [X] proportion of their travel budget outside their managed travel programme(s). GBT's data shows that it manages [X] of its customers' overall travel budget, with the other [X] being spent directly with travel suppliers (airlines, hotels, etc.).⁷³ The Parties' data is corroborated by third-party sources. Travel data consolidator Traxo estimates that *up to 40%* of travel is booked outside approved company tools and SAP Concur, the leading OBT, estimates that *46%* of global business travellers book *directly with travel suppliers*.⁷⁴
- d. The result is that many customers which satisfy the IR's GMN criteria are likely not included in the IR's market reconstruction. For example, a GMN customer with \$100 million TTV split across North America via FCM (\$20 million), Europe with CTM (\$20 million), APAC with Trip.Biz (\$20 million), and with \$40 million TTV via unmanaged channels would be excluded from the IR's GMN market shares. There is no reasonable basis to exclude GMNs from the market because they multi-source or book some travel directly with travel suppliers.
- e. In a market in which multi-sourcing is common, it is impossible to reconstruct the market by asking TMCs how many GMN customers they serve and how much GMN TTV. A TMC may only be aware of the TTV managed through them and therefore may classify a company as an SME (by the IR's definition) when in reality they are a GMN and the TMC is simply unaware of the customers' total travel budget.⁷⁵ This demonstrates clearly the erroneous nature of the IR's approach to calculating market shares. If the CMA wanted to reconstruct the market accurately, it would have needed to ask customers for TTV data, not TMCs as the latter have limited visibility.
- f. The IR's methodology is therefore *incapable* of accurately estimating the number of GMN customers or their aggregate TTV. The methodology is focused on customers that spend >\$25 million with the *same* TMC, which does not match the IR's GMN definition. Not only does the methodology exclude a significant proportion of GMNs which spend significantly in excess of \$25 million, it also risks double counting some customers (e.g., which spend >\$25 million with both GBT and CWT).⁷⁶

⁷¹ In fact, more than [X]% of GBT's GMN customers and more than [X]% of CWT's source from multiple TMCs. See Response to the Phase 1 Decision (23 August 2024), paragraph 4.16(a).

⁷² See Appendix E to the IR (14 November 2024), paragraph E.12.

⁷³ See Response to Phase 2 RFI2 (6 September 2024), response to Question 15.

⁷⁴ See Response to Phase 2 RFI2, paragraphs 15.1, 15.4, and 15.1.

⁷⁵ See Submission to CMA on the GMN Category of Customers (19 September 2024), paragraph 2.9.

⁷⁶ For example, [X].

- g. ***The IR’s methodology ignores evidence on the size of the GMN segment.*** Prior analyses of the GMN segment carried out in the ordinary course demonstrate that the segment is at least [X] times larger than suggested by the IR:
- i. GBT’s ordinary course analysis from March 2024 estimates conservatively that there are at least [X] customers with >\$25 million TTV globally with [X].⁷⁷ The IR challenges the Parties’ methodology for calculating GMN segment shares from this analysis, but the IR’s criticism relates to the numerator (the Parties’ combined TTV) not the denominator (the segment size).⁷⁸ GBT is updating its GMN segment analysis, expanding beyond the Fortune 1000 and Global 500 lists of companies, and expects this will result in an increase in the overall number of GMN customers.
 - ii. The IR does not address the fact that [X] also carried out an analysis of the GMN segment for CWT and estimated that there are around [X] with c. [X].⁷⁹ The IR’s failure to confront this analysis is plainly an error and it is unreasonable in circumstances where an even higher figure ([X]) is recorded as the total addressable market for customers with >\$25 million in one of the two CWT documents cited by the IR in support of the GMN customer segmentation.⁸⁰
- h. The IR’s market share calculations are also inconsistent with the independent survey results. GBT obtained responses from over 750 GMNs in the UK, US, Germany, Spain, India, Australia, and Singapore with >\$25 million in multiple regions.⁸¹ The IR’s estimate that there are fewer than 500 GMNs globally must therefore be wrong. The survey results show that GBT’s and [X] ordinary course estimates were – as they were intended to be – conservative.

3.4 Based on the (conservative) GMN segment size estimates in the Parties’ ordinary course analyses, the Parties’ combined share of the GMN segment is likely to range from around [5-10]% to [10-20]%.⁸² By both failing to define the market and to determine or calculate correctly the market size, the CMA cannot answer the statutory

⁷⁷ See Submission on GMN Shares (4 October 2024), paragraph 3.1(a).

⁷⁸ See Appendix B to the IR (14 November 2024), paragraph B n.13(a). The CMA also critiqued the number of GMN customers not assigned a TMC in GBT’s ordinary course analysis; see Appendix B to the IR (14 November 2024), paragraph B.13(b). But again this does not dispute the overall segment size.

⁷⁹ See Submission on GMN Shares (4 October 2024), paragraphs 2.1-2.3.

⁸⁰ See CWT internal document, CWT.Q10.001 [X].

⁸¹ See Annex 7 – Independent Survey Results (27 November 2024), section I.

⁸² GBT’s ordinary course analysis from early 2024 indicated that total TTV for companies spending >\$25 million TTV on managed business travel is at least [X]. GBT’s analysis provides a conservative lower bound of the GMN segment size because it was not intended to capture all companies spending >\$25 million per year on business travel. GBT’s analysis of the GMN segment size implies that the Parties’ combined TTV share for customers spending >\$25 million TTV is around [X]. As part of its study of the business travel market on behalf of CWT, [X] created a [X], which estimated that the total TTV for customers spending >\$25 million TTV on managed business travel was around [X]. [X] analysis of the GMN segment on behalf of CWT implies that the Parties’ combined TTV share for customers spending >\$25 million TTV is [X].

question as to whether there is a substantial lessening of competition in a market properly defined.

4. The Business Travel Market is in a Period of Transformation and a Prospective Assessment of the Transaction Shows that no Competition Concerns Arise

4.1 **The IR recognises the need to undertake a prospective assessment of the Transaction yet it relies almost exclusively on backwards-looking evidence and data** which do not reflect current competitive conditions, let alone how the market would evolve in the counterfactual. This fundamental error is inconsistent with the CMA’s own Merger Assessment Guidelines (**MAGs**) and past decisions. And it results in a mistaken conclusion about the impact of the limited loss of competition between the Parties following the Transaction. More specifically, it ignores the existing competitive structure of the market, the continuing decline of CWT, and the growing strength of the competitive constraint from other tech-led TMCs like Navan, Spotnana/Direct Travel, and Kayak for Business/Blocksky, as well as others such as FCM and CWT, and many more.

- a. ***The MAGs emphasise the importance of undertaking a dynamic assessment.*** Merger assessments are “*prospective*” in nature and require the CMA to assess how competitive conditions would evolve in future absent the Transaction.⁸³ The “*time horizon*” over which to look forward “*will depend on context*”, recognising that “*relevant developments may not take place for some years.*”⁸⁴ In “*sectors that are characterised by fast-moving technological and commercial developments*”, it is “*recent evidence from the pre-merger period [that] will be a good indicator of future competitive conditions.*”⁸⁵
- b. ***The IR adopts an unsubstantiated time horizon for competition from expanding TMCs.*** The MAGs explain that the time horizon for assessing entry or expansion is determined on a case-by-case basis. The IR adopts a two-year time period simply because this is the period mentioned in the MAGs. However, while this time horizon is “*typical*”, the MAGs clarify that it is necessary to take into account the “*specific characteristics and dynamics of the market.*”⁸⁶ As the CMA has recognised, “*[i]n markets characterised by rapid growth and a significant degree of product development and innovation (which can be either incremental and drastic), the CMA is aware that the competitive constraint posed by a firm may not be captured by a ‘snapshot’ of its market position at any one time. For that reason, a fuller assessment is liable to provide greater insight on how the market dynamics will continue to develop over time.*”⁸⁷

⁸³ MAGs, paragraph 2.7.

⁸⁴ MAGs, paragraph 3.15.

⁸⁵ MAGs, paragraph 2.28.

⁸⁶ MAGs, paragraph 8.33.

⁸⁷ *PayPal/iZettle*, Final Report, paragraph 5.4.

- c. For example, the CMA considered a time horizon of up to five years in the cases of *Amazon/Deliveroo*,⁸⁸ *Sabre/Farelogix*,⁸⁹ and *Brookfield & Cameco/Westinghouse*.⁹⁰ Here, the IR has not attempted to take into account the fact that business travel is both a dynamic market, experiencing significant technological developments, and a bidding market in which customers tender for large and lumpy contracts over a three to five year period.
- d. The business travel market is characterized by rapid technological changes, frequent entry and expansion, and heightening competition, which is driven by tech-led TMCs. The market was also impacted by COVID-19, which has changed customer demands and [§<] CWT. There will be many, if not most, GMN customers which will not come to market at all during the next two years, and therefore the continued strengthening of competition over a longer time-horizon should have at least been considered in the IR.
- e. In any event, the Parties submit that the strength of competition today and *within the next two years would be more than sufficient to rule out any SLC*. The evidence on the development of tech-led TMCs over the next few years could not be clearer (e.g., with Spotnana predicting that it will *dominate* the market within five years).⁹¹ If Spotnana is set to dominate the market within five years, it must clearly have a significant impact within the next two. The IR's dismissal of a significant current constraint from Navan, Spotnana/Direct Travel, Kayak for Business / Blockskeye, and others, is unsubstantiated and incorrect. The dismissal of these fast-growing TMC as a significant constraint within the next two years is clearly irrational.
- f. ***The IR relies on installed-base market share data which is by its nature backwards-looking, particularly in a bidding market.*** The IR accepts that technology is transforming business travel, which is confirmed by third-party evidence that technology is disrupting the industry and is and will continue to spur radical change in the next five years.⁹² A proper prospective assessment should take account of industry dynamics, including the long-term nature of customer contracts, and try to discern from recent evidence how the market would evolve over a reasonable time horizon. The IR does not do any of this.
- g. On the contrary, the IR places undue reliance on market share data which is by its nature historic and not reflective of how competitive dynamics are evolving. This approach is clearly flawed. It would consider a TMC with a large roster of existing clients a significant competitor even if it has no new wins in recent years. And it would consider a newer entrant a weak competitor even if it had won a significant proportion of the recent opportunities. This analytical framework does not make economic sense:

⁸⁸ *Amazon/Deliveroo*, Final Report, paragraph 6.199.

⁸⁹ *Sabre/Farelogix*, Final Report, paragraph 11.95

⁹⁰ *Brookfield & Cameco/Westinghouse*, Clearance Decision, paragraph 95.

⁹¹ See <https://traveltechinsider.buzzsprout.com/2283730/episodes/15987075-innovation-in-corporate-travel-with-steve-singh>.

⁹² See Appendix E to the IR (14 November 2024), paragraph E.86.

- i. Market shares are not informative of TMCs' current competitiveness. The IR considers its *“reconstructed shares of supply to be an informative measure of assessing the relative positions of TMCs in the market for GMN customers.”*⁹³ Setting aside the distorted nature of the IR's market reconstruction and market share calculations, as described above, market shares in business travel more generally do not reflect the outcome of recent competition.⁹⁴ Rather, they are largely a product of competition that occurred several years ago in a fundamentally different competitive environment. Taking CWT as an example, CWT lost [X] TTV during January – October 2024 [X].⁹⁵ As a result, market shares are not a reliable proxy for the current competitiveness of the Parties or their competitors, let alone their future competitiveness.
- ii. It is well-established in CMA precedent that it is inappropriate to rely on market shares in bidding markets. The CMA determined only last year in *Viasat/Inmarsat* that *“shares of supply have limited evidentiary value in assessing suppliers' current competitive strength [given] that the [relevant] market is a primarily a bidding market and shares of supply may be the result of contracts awarded many years ago.”*⁹⁶ There is nothing new in this approach. It is well-established that market shares are *“lumpy”* in bidding markets and not *“a good indicator of market power.”*⁹⁷ Typically, market shares in bidding markets are *“primarily to understand how [...] suppliers' relative market positions have changed over time and whether particular [...] suppliers are growing, losing or maintaining their market position”*.⁹⁸ They cannot be used for a prospective assessment because *“contracts awarded many years ago”* are *“uninformative as to suppliers' future competitive strength.”*⁹⁹
- iii. This approach makes good economic sense and there is no reasonable basis for the IR to depart from it. Business travel is a bidding market and a significant proportion of customers were won many years ago. The IR's error is significant because the evidence shows that [X] over recent years while several other TMCs (including FCM, CTM, Navan, Spotnana/Direct Travel, and Kayak for Business / Blocksbye, and many others) have expanded significantly and won new GMN customers. This makes the IR's reliance on market shares all the more unreasonable.
- h. ***The IR relies on feedback from customers which have mostly not tested the market in the last two years.*** The views of the 90 customers that replied to the CMA Phase 2 market investigation do not reflect how the business travel market

⁹³ IR, paragraph 6.24.

⁹⁴ To-date in 2024, CWT has lost approx. [X] TTV worth of contracts related to customers whose TTV in 2024 is > \$25 million.

⁹⁵ See [X].

⁹⁶ *Viasat/Inmarsat*, Final Report, paragraph 8.116.

⁹⁷ *Delachaux S.A./Pandrol Holdings Ltd.*

⁹⁸ *Viasat/Inmarsat*, Final Report, paragraph 8.117

⁹⁹ *Ibid*, paragraph 8.116

has changed in the last few years nor how it would likely develop in the counterfactual. The customer feedback does not constitute “*recent evidence*” that may be a “*good indicator of future competitive conditions*”:¹⁰⁰

- i. Two-thirds of customers have not tested the market in the last two years.¹⁰¹ Internal documents show that [REDACTED].¹⁰² Customers that have not recently undertaken a procurement exercise are therefore likely to be reliant on historic and outdated information that does not reflect the current competitive landscape. According to the CMA, of the 90 customers that responded to the CMA’s questionnaire, only 32 carried out their procurement exercise in the last two years.¹⁰³ Of these, only 30 provided suitability ratings (10 GBT customers and 20 CWT customers). Within this 30, a smaller number still were GMNs and it is likely that a significant proportion were not open to considering and/or did not explore the suitability of new TMC options. [REDACTED] survey, which includes the replies of 765 GMNs, indicates that around [REDACTED]% of GMNs did not consider new options when they last went to market.¹⁰⁴ While this figure relates to a different group of customers, it suggests that the sample size of recent customers relied upon by the CMA that may have up-to-date knowledge of the capabilities of the TMCs included in the CMA’s questionnaire is likely to be as small as [REDACTED] ([REDACTED] GBT customers and [REDACTED] CWT customers). The number of GMNs is therefore likely to be even lower.¹⁰⁵
- ii. This is a tiny sample size. It represents [REDACTED] of the GMNs in even the CMA’s narrowly defined GMN segment, around [REDACTED] of the GMN respondents to [REDACTED] survey that have *tested the market in the last two years*, and it represents [REDACTED] of the number of GMNs that are estimated to exist globally in the Parties’ ordinary course analyses. The views of this small sample cannot, on any view, be representative of all GMNs and cannot be relied upon to find that the Transaction may result in an SLC.
- iii. The CMA’s prospective questions do not remedy the historic nature of the evidence. While the CMA asked customers whether their ratings would be different if they were to consider their options afresh today, responses from customers that have not recently tested the market would still be based largely on the knowledge from their prior experience. Many customers are

¹⁰⁰ MAGs, paragraph 2.28.

¹⁰¹ See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraph 5.5.

¹⁰² See, for example, [REDACTED]: GBT internal document, Annex RF11 GBT.Q14.005 [REDACTED]; GBT internal document, Annex s109 GBT.Q3.007 [REDACTED]; GBT internal document, Annex s109 GBT.Q3.008 [REDACTED]; GBT internal document, Annex s109 GBT.Q3.010 [REDACTED].

¹⁰³ IR, paragraph 6.56.

¹⁰⁴ See Annex 7 – Independent Survey Results (27 November 2024), section VI. The Parties note that the CMA asked a question along these lines to customers about what actions they would take when their current contract comes to an end, but the results are not presented in the IR; see Appendix E to IR (14 November 2024), paragraph E.34.

¹⁰⁵ See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraph 5.5.

unlikely to have a basis to change their assessment, which is evident from the fact that around one-third of respondents to the CMA’s more prospective question “*did not know*” how they would rate TMCs afresh today.

- iv. If the CMA wanted to gather more up-to-date views on the strength of competitors, it should have isolated the customers that have explored their option most recently.¹⁰⁶ This is what [X] survey has done with the group of [X] customers that are *currently evaluating* their options.
- v. Another accurate way to assess effectively whether customers take into account the changing landscape is to consider TMCs’ recent wins, and in particular to identify those customers which have not simply renewed (whose decision may reflect incumbency advantages) but have considered new options and determined which TMC to select based on competition on the merits. That is what the Parties’ non-incumbency bidding data analyses shows. And the results demonstrate that CWT is not one of GBT’s closest competitors.
- vi. The CMA’s prospective analysis combines historic and revised ratings. In calculating the results for how TMCs would be rated today, the IR assumes that customers, which indicated that they did not think TMCs’ suitability would have changed today, had therefore formed a view based on a more up-to-date knowledge of TMCs’ suitability. However, customers’ responses are equally if not more likely to be driven by them not having turned their mind to the question of changes in TMCs’ capabilities between procurement processes. Internal documents suggest this is more likely the case.¹⁰⁷
- vii. Accordingly, instead of being backward looking, unrepresentative and tainted by selection bias, the CMA’s market investigation should have focused on respondents that *did update* their suitability assessments *i.e.* focusing on those respondents that have discovered information to change their minds. The IR’s approach biases the revised suitability ratings for TMCs like Navan, Kayak for Business / Blockskye, and Spotnana downwards.
- viii. The survey results do not align with customers’ revealed preferences. The IR fails to square its submission that customers generally consider CWT and GBT close competitors with its analysis of CWT loss data and new customer acquisitions. This data, indicative of the customers’ revealed preferences, shows that [X] ([X] as opposed to [X]), and that CWT is [X] GBT, BCD, FCM, CTM, and Navan.¹⁰⁸
- i. Accordingly, feedback from customers must be read with its backward looking lens in mind. The IR is incorrect to elevate this very limited and unrepresentative customer feedback over other sources of evidence. The results of this fundamentally flawed market investigation should have been dismissed or, if at all,

¹⁰⁶ See Annex 5 – [X] Expert Report on the CMA’s Customer Survey (27 November 2024), paragraph 26.

¹⁰⁷ See footnote 102.

¹⁰⁸ IR, paragraph C.39.

should have been taken into account alongside other evidence and given much less, if any, weight than more recent evidence that is demonstrably a better indicator of future competitive conditions.

- j. The IR relies on cuts of bidding data that reflect historic outcomes and incumbency advantages and are unreliable for predicting future competitiveness. Like market shares, bidding data is by its nature a reflection of historic competition. It is nevertheless a useful tool for assessing competition in the counterfactual because past performance and, in particular, recent performance, can inform the assessment of future competitive conditions. But the bidding data must be interpreted with that end in mind, which the IR has not adequately done:
- i. Some bidding data cuts are less useful for assessing the competitive constraint on GBT post-Transaction. The bidding data reflects the outcome of competitive opportunities in the past. Some of those opportunities are not informative of the future constraint that GBT would face in the counterfactual from CWT and, therefore, they should be given limited weight. For example, CWT's success in tenders before 2021 are not informative because they reflect customer decision-making at a time when [redacted]. The IR seems to accept this. Similarly, CWT's success in opportunities for its existing customers (i.e., GBT's misses of CWT customers) are not particularly informative because they are more likely to reflect incumbency advantages (e.g., customers' lethargy, unwillingness to consider new options due to different priorities or to switch at all) and not the identity and credibility of current competitors.
 - ii. It is necessary to exclude historic outcomes that resulted from incumbency advantages. The IR has not adequately addressed the analysis from Compass Lexecon which explains why it is necessary to exclude competitive outcomes that resulted from any potential incumbency advantages.¹⁰⁹ Assessing closeness of competition is best done when it is evident that an outcome has been won on the merits.
 - iii. The importance of controlling for incumbency advantages is underlined by the results of the CMA's market investigation. For example, some customers have explained that they would be unwilling to switch even if they received uncompetitive terms. The IR refers to incumbency advantages and loyalty as barriers to switching.¹¹⁰ These types of existing customers are thus unlikely to be affected by the Transaction and their decisions are, therefore, less relevant for the competitive assessment of the Transaction than those customers who may be willing to switch, as explained by Compass Lexecon.¹¹¹
 - iv. The IR is focused on cuts of data that most reflect incumbency advantages. The IR focuses on competitor participation and wins in each of GBT's and

¹⁰⁹ See Submission to CMA on bidding analysis (3 October 2024), paragraph 1.13.

¹¹⁰ See IR, paragraph 6.117.

¹¹¹ See Annex 1 – Submission on Economic Evidence in the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraphs 3.23-3.32.

CWT's bidding datasets. Compass Lexecon has expanded upon why it is only GBT's bidding data that is economically relevant for an analysis of horizontal unilateral effects in this case.¹¹² Compass Lexecon also explains that CWT's participation and success in tenders against GBT is [REDACTED]. CWT's win rate overall in GBT's bidding is [REDACTED], of which [REDACTED] percentage points relate to renewals (of which [REDACTED] percentage points relates just to the [REDACTED] renewal) and [REDACTED] percentage points relate to new GMN wins. CWT has an incumbency advantage in competing to retain existing customers (e.g., switching costs and customer lethargy) and the IR has provided no evidence to *prove* that CWT retained these customers because of competition on the merits as opposed to the incumbency advantages (which the IR itself recognises). The decision-making of these customers is therefore less relevant and potentially uninformative (without further evidence) for a prospective competitive assessment of the Transaction. Renewal wins risks not reflect a decision made based on competition on the merits (e.g., [REDACTED]).¹¹³

- k. The IR focuses on TMCs' offline capabilities (answering calls and emails) when most servicing is online and increasingly automated, including through use of AI. The IR's assessment of the Transaction through the rear-view mirror is particularly unreasonable in circumstances where the Parties' evidence and submissions show that business travel is in the midst of a technological, AI-accelerated transformation.¹¹⁴ This has been confirmed by customers and competitors who forecast significant change in the near future. And this is from a base in which the vast majority of servicing is already done online.¹¹⁵ Given the significant increase in touchless transactions over the past few years, it is not hard to imagine a world with very little human intervention required to book and change travel plans. Indeed, for many GMN customers this world already exists. As at September 2024, PwC US, [REDACTED] left for Kayak for Business/Blocksky, has achieved a "mind-blowing" 92% reduction in agent interactions out of more than one million bookings.¹¹⁶ These technologies are already having a significant impact today, which is why the likes of Spotnana are gaining so much traction.
- l. ***The IR's finding that technology could not substitute a comprehensive business travel service in the next two years totally misses the point.*** The Parties have not suggested that technology will replace the need for a comprehensive TMC service.

¹¹² See Submission to CMA on bidding analysis (3 October 2024), paragraph 1.6.

¹¹³ See GBT internal document, Annex RF11 GBT.Q19.006, [REDACTED].

¹¹⁴ See GBT internal document, Annex GBT.Q10.007, [REDACTED] ([REDACTED]); and GBT internal document, Annex GBT.Q10.010 [REDACTED]. See also On Rec, [7 Ways AI is Revolutionizing Business Travel for Employees](#) (14 November 2024) ("Planning a business trip often involves multiple steps: finding flights, booking accommodations, arranging transportation, and coordinating itineraries. AI apps like TripActions and Lola use predictive analytics and personal data to create optimized travel plans. These apps consider user preferences, company policies, and even historical booking data to recommend the best options, cutting down hours of planning into minutes. AI also helps users adapt to last-minute changes, such as rescheduling flights or finding new accommodations due to delays.").

¹¹⁵ See Response to Phase 1 Decision (23 August 2024), paragraph 2.4.

¹¹⁶ Presentation by BTN Group, PwC, Blocksky & Kayak for Business, [Revolutionizing Corporate Travel: An Insider's Look into PwC's Journey with Kayak and Blocksky](#) (25 September 2024), slide 5. See also on Blocksky/KAYAK for Business' capabilities, CWT internal document [REDACTED].

They have explained that technology reduces the need for offline support, with personnel located in offices around the world. This has been confirmed to the CMA by a competitor.¹¹⁷ This is relevant because most of the unsupported and erroneous allegations about the shortcomings that the IR has identified about TMCs like FCM, Navan, CTM, Spotnana, and Kayak for Business/Blocksky relate to the quality and capacity of their offline servicing. Technology has not removed the need for offline servicing but it has significantly reduced it and enabled it to be done more seamlessly across borders.

- m. In other words, technology is [S<].¹¹⁸ In circumstances where TMCs can easily scale up servicing support, there is no basis for the IR to maintain that TMCs do not have, let alone, cannot develop the offline capabilities to service GMN customers within the next two years. This is clearly the case for TMCs such as FCM, Navan, CTM, Spotnana, and Kayak for Business/Blocksky that are **already serving multiple GMNs**. The IR's conclusion is unsubstantiated and unreasonable.

4.2 *Several sources of evidence show consistently that business travel has changed significantly in recent years and will continue to evolve over the next few years.* In these circumstances, the IR's focus on backwards-looking evidence is incorrect and unreasonable.

- a. *GBT's bidding data on non-incumbent wins identifies the TMCs that are increasingly competitive and likely to be GBT's closest competitors in the future.* Compass Lexecon has explained why GBT's new opportunity tenders when GBT lost but when the winner was not the incumbent is the most relevant cut of bidding data for assessing the potential price effect of the Transaction.¹¹⁹ The IR does not "find the economic arguments for this convincing" for several reasons, each of which misses the point:

- i. The IR is incorrect to suggest that renewal wins should be given equal weight for a prospective assessment. The IR suggests that incumbent wins should be included "where the customer has gone through a procurement process."¹²⁰ The reasoning is not provided and is in any event weak. Excluding renewal wins is necessary to control for outcomes that reflect incumbency advantages rather than competition on the merits. Only the latter should be taken into account in determining the price effect of the Transaction. As Compass Lexecon explains, if incumbent wins are included, it is impossible to disentangle whether a TMC won against GBT because of a better price-quality proposition or because it was the incumbent (e.g., the customer was unwilling to incur switching costs, had not considered alternatives, needed to offer a rock bottom price to keep volumes,

¹¹⁷ IR, paragraph 6.111.

¹¹⁸ See Response to Phase 1 Decision (23 August 2024), paragraph 7.17.

¹¹⁹ See Submission to CMA on bidding analysis (3 October 2024), paragraph 1.13.

¹²⁰ IR, paragraph C.16(b)(i).

etc).¹²¹ Excluding incumbent wins makes it possible to assess who wins against GBT when opportunities are similarly situated. Not only are incumbent wins less informative, they also should be given less weight for a prospective analysis, as incumbency advantages lessen over time as customers' awareness of other credible TMC options increases.¹²² [X].

- ii. The IR criticises the exclusion of GBT losses as incumbent but their inclusion still contradicts the IR's findings. The Parties agree that GBT's losses are evidence of competitive constraints that should be taken into account in the analysis. This is why [X] presented a separate cut of data for TMCs that win in GBT's renewal opportunities. The results of this analysis showed that [X]. In other words, the IR seeks to criticise the completeness of the non-incumbent wins data for failing to include another cut of data that also contradicts the IR's conclusion that Transaction may result in a 3-to-2 or even 4-to-3 for some customers.
 - iii. To illustrate the hollow nature of the IR's criticism, [X] have combined GBT's loss data with the non-incumbent wins data so that the results are provided together. The results show that [X],¹²³ which based on the IR's reasoning that TTV opportunity size reflects competitive strength, makes [X].
- b. ***The independent customer survey commissioned by GBT shows results for customers that are currently evaluating TMCs.*** Unlike the CMA's market investigation, [X] customer survey was designed in a way that isolates the customers with the most up-to-date and relevant knowledge of TMCs. This enables a comparison of the TMCs that very much meet the needs of GMN customers based on the GMNs that tested the market in the last two years and those that are currently evaluating.
- i. The survey results show that there are at least six TMCs that very much meet the needs of GMNs (i.e., the same needs that are highlighted in the IR) as often, if not more often, than the Parties. Of the [X] GMN customers currently evaluating their options, (more than [X] times the number of customers who responded to the CMA that had organised a tender within the last two years), CWT is not in the top five TMCs selected as very much meeting GMNs needs, [X].¹²⁴
 - ii. When including all 765 customers that have tested the market in the last two years in addition to those currently evaluating, there are still six TMCs that very much meet the needs of GMNs as frequently as the Parties: [X]. The IR's conclusion that only GBT, CWT, and BCD meet the needs of GMN

¹²¹ See Annex 1 – Submission on Economic Evidence in the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraphs 3.23-3.32.

¹²² *Ibid.*

¹²³ *Ibid.*

¹²⁴ For completeness, the statistics are based on all GMN respondents who are currently evaluating their options, including those who are presently unsure of which TMC they will pick.

customers is clearly incorrect and cannot be sustained in light of these results.

- iii. The survey results show how quickly the competitive landscape is evolving as the difference between customers that are currently evaluating options and those that evaluated options in the last two years is [X], with a substantial strengthening of the position of tech-led TMCs like Navan and Spotnana as well as fast-growing TMCs like FCM. These results confirm the Parties' submissions in relation to the trajectory of the growing tech-led TMCs relative to the decline of CWT and are also consistent with Compass Lexecon's analysis of the bidding data. On the basis of this evidence, it is simply implausible that the Transaction may result in an SLC.
 - iv. The survey results also show that GBT and CWT are not particularly close competitors [X]. Of the 765 GMNs surveyed, [X] of them ([X]) considered GBT and CWT to mostly or very much meet their requirements.¹²⁵ To put that number into context, more than [X] GMNs (i.e., [X] of the 765 GMN respondents) considered at least 2 TMCs that are not GBT, CWT, or BCD as meeting their requirements. The survey results therefore show that GMN customers will have sufficient credible choices post-Transaction to meet their requirements and constrain the Merged Entity by playing TMCs off against each other in a competitive tender.
- c. ***The CMA's own market investigation confirms the competitive landscape has changed and continues to evolve.*** While the CMA's backward looking, selection-biased and unrepresentative market investigation is unable to isolate customers with the most up-to-date views on the market, the trend in the responses nevertheless supports the Parties' submission that the competitive landscape is changing. Among respondents that provided their TMC preferences for a procurement held today, around a third would invite Spotnana and nearly half would invite Navan to a new tender, with their suitability rating increasing by 29% and 60%, respectively.¹²⁶ While Spotnana in partnership with CWT was provided as an option (which also received an increased rating), the CMA did not include Spotnana in partnership with Direct Travel as an option. Blockskye's ranking has risen by 50%. This growth contrasts with the Parties and BCD whose ratings have slipped.¹²⁷
- d. These trends are consistent with trends seen in [X] survey when comparing customers that went to market within the last two years versus those that are currently evaluating their options. If the CMA had discarded customers with out-of-date knowledge and isolated those customers with the most up-to-date knowledge (and included all TMC options available to customers, including Spotnana/Direct Travel), it is likely that the CMA's survey results would have changed yet again, with a significant increase in ratings for TMCs that are

¹²⁵ See Annex 7 – Independent Survey Results (27 November 2024), section IV.

¹²⁶ See Appendix E to the IR, paragraph E.36(c).

¹²⁷ See Appendix E to the IR, figure E7.

expanding rapidly like Navan, Spotnana, and FCM. While the CMA did not investigate the issue, [REDACTED] survey provides the answer.

- e. ***Data from competitors confirms that CWT is winning [REDACTED] new GMNs (and GMN TTV) than at least five other TMCs.*** The IR seeks to downplay the fact that the CMA’s market investigation has confirmed that all of BCD, FCM, Navan, and CTM won [REDACTED] GMN customers and TTV [REDACTED].¹²⁸ There are likely several other TMCs that have also won more new GMNs [REDACTED], including Spotnana and Kayak for Business / Blockskeye.¹²⁹ [REDACTED], this customer list data shows that in recent years [REDACTED]. This is fundamentally inconsistent with the IR’s suggestion that CWT is one of GBT’s two closest competitors. The IR provides three reasons for placing limited weight on the customer list analysis:
- i. [REDACTED]. [REDACTED] new customers GMNs [REDACTED]. [REDACTED], CWT acquired [REDACTED] new GMNs [REDACTED]. Accordingly, updating the CMA’s analysis to include CWT’s newly acquired GMNs [REDACTED] may have no difference at all on the rankings. And this is without considering the large and significant GMN customers that BCD, FCM, CTM, Navan have won since 2021. To cite some examples, FCM has won [REDACTED], Shell ([REDACTED]), and BASF ([REDACTED]); Navan has won [REDACTED], CTM has won [REDACTED].
 - ii. Covers years most heavily impacted by Covid. It is unclear why the CMA chose to limit its investigation of competitor’s new GMN wins to 2021-2022 only. An adequate investigation would likely have revealed that CWT has won [REDACTED] new GMNs and TTV over the period 2021 to 2024 than [REDACTED] other TMCs. It is unreasonable to dismiss these results on account of the impact of Covid. The main impact of Covid that is relevant to the analysis is the one that it has had on CWT’s [REDACTED]. As the data shows, Covid has not had the same impact on other TMCs who have continued to win GMN customers since 2021, [REDACTED].¹³⁰
 - iii. Excludes CWT’s renewal wins. The IR is incorrect to suggest that renewal wins should be included in this analysis. As explained by Compass Lexecon, and discussed above, CWT’s renewal wins are not informative of the constraint that CWT would exert on GBT in the counterfactual or of the constraints exerted by other TMCs on CWT. The overall CWT win rate the IR relies on is driven [REDACTED].
- f. In short, the data the CMA has gathered from competitors on new GMN wins complements and corroborates the non-incumbent winners analysis in showing that CWT is currently [REDACTED] than several other TMCs when competing on the merits, including BCD, FCM, Navan, CTM, Spotnana, and Kayak for

¹²⁸ For detailed analysis, see Annex 2 – Observations on IR Appendix C’s assessment of TMCs’ customer lists (*Contains Confidentiality Ring Material*) (27 November 2024).

¹²⁹ See Annex 8 - Rebuttal of Appendix F to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraphs 1.29-1.36; 1.41-1.42; see also see Annex 2 – Observations on IR Appendix C’s assessment of TMCs’ customer lists (*Contains Confidentiality Ring Material*), paragraphs 12-14.

¹³⁰ See Response to the Phase 1 Decision (23 August 2024), paragraph 6.6.

Business/Blocksky. In these circumstances, the IR’s conclusion that the Transaction may result in an SLC is irrational and economically incoherent.

- g. [REDACTED]. The IR’s analysis of CWT’s financial position [REDACTED].¹³¹ It is a critical error in the IR’s analysis that this dynamic has not been taken into account in the prospective assessment of competitive conditions now and how they will evolve over the next few years or in the weighting that should be placed on more backward-looking sources of evidence.
- h. The IR dismisses CWT’s [REDACTED] competitive position because it has (i) “*retained a number of significant customers in a competitive bidding process and won new customers*”,¹³² and (ii) has the “*support of its shareholders*” and “*sufficient liquidity to continue competing*”¹³³ for GMNs. [REDACTED],¹³⁴ this does not make CWT one of the two closest competitors to GBT currently and in the counterfactual world absent the Transaction.
- i. [REDACTED].¹³⁵ And CWT has [REDACTED],¹³⁶ which is also confirmed by the IR’s own analysis. Table C.10 shows that CWT [REDACTED],¹³⁷ which is nearly [REDACTED].¹³⁸ Had the CMA investigated the TTV lost by other TMCs, it would likely be [REDACTED].¹³⁹ [REDACTED] estimates that [REDACTED].¹⁴⁰
- j. The IR’s failure to take account of CWT’s [REDACTED] when undertaking its prospective assessment of the Transaction, and when interpreting *and weighing* the evidence, represents a fundamental and manifest error in its assessment. Correcting for this error, the evidence shows that, in the counterfactual, CWT would continue to exert a diminishing constraint on GBT which will be more than outweighed by the already-effective, significant and increasing competition that GBT faces from many other TMCs, including BCD, FCM, Navan, CTM, Spotnana/Direct Travel, Kayak for Business / Blocksky, and many others. In these circumstances, the Transaction cannot possibly result in an SLC.

4.3 ***Spotnana represents a significant competitive constraint to GBT post-Transaction.*** The IR suggests that Spotnana provides complementary technology services to a TMC’s offline support (answering calls and emails) and therefore dismisses Spotnana

¹³¹ See [REDACTED].

¹³² IR, paragraph 3.10.

¹³³ *Ibid.*

¹³⁴ [REDACTED].

¹³⁵ See paragraph 4.2e above. See also Annex 2 - Observations on IR Appendix C’s Assessment of TMCs’ customer lists (*Contains Confidentiality Ring Material*) (27 November 2024).

¹³⁶ See [REDACTED].

¹³⁷ See Response to the CMA’s Phase 1 Decision (23 August 2024), paragraph 3.5

¹³⁸ See Annex 1 – Submission on Economic Evidence in the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraph 4.17.

¹³⁹ See [REDACTED].

¹⁴⁰ See Annex 1 – Submission on Economic Evidence in the IR (*Contains Confidentiality Ring Material*) (27 November 2024), Table 4.

as a competitive constraint on GBT. This misunderstands Spotnana’s position in the market and is not supported by the evidence:

- a. ***While Spotnana operates a different business model to GBT, it is nevertheless a significant competitive constraint.*** The IR’s fixation on Spotnana as a technology provider that complements other TMCs rather than servicing GMNs has resulted in a mischaracterization of the constraint Spotnana exerts on GBT now and in the future.¹⁴¹ Spotnana is a TMC that outsources the offline servicing component of the TMC service to other TMCs. Irrespective of whether third parties may think that Spotnana does not fit formally within the traditional definition of a “TMC”, Spotnana is clearly exerting the same competitive constraint on GBT as a traditional TMC whether it formally bids alone or in combination with another TMC; [§]. The IR’s focus on form over substance is incorrect and unreasonable.
- b. Spotnana CEO, Steve Singh, has explained that Spotnana is a platform, which “*regional and super regional TMCs are building their practices around.*” Spotnana provides the “*invoicing, the call center [...] the OBT, the mid office, all the things that are required to run a TMC.*” All the TMCs “*have to bring to it is service and support.*” As a result, “*if you work with a company that’s running its operations in 92 countries. That company might choose a large TMC like, let’s say Direct Travel as a primary TMC, but in five or six countries, maybe Direct Travel doesn’t exist there. Direct Travel can literally partner with any TMC in that particular region who happens to be on the this Spotnana platform.*” It is “*almost invisible to the traveller that they’re taking to a different TMC in that moment.*”¹⁴²
- c. If GBT or CWT currently serves this hypothetical GMN customer that is active in 92 countries or is competing to win it, Spotnana and its partner network, including its sister company Direct Travel, would clearly be a credible and strong alternative.¹⁴³ [§].¹⁴⁴
- d. ***It is incorrect to dismiss the significant constraint from Spotnana because it operates a different model.*** It is well-established that an integrated product from a single supplier can compete closely with a packaged offer from multiple suppliers. The CMA recognised this concept in its Final Report in *Viasat/Inmarsat* last year. A new entrant satellite network operator, OneWeb, which did not “*compete directly*” with the merging parties, was found to complement other

¹⁴¹ See Annex 8 - Rebuttal of Appendix F to the IR (Contains Confidentiality Ring Material) (27 November 2024), paragraphs 1.29-1.32; see also Annex 4 – Rebuttal of Appendix E to the IR (Contains Confidentiality Ring Material) (27 November 2024), paragraphs 4.8-4.10.

¹⁴² Travel Tech Insider, Season 2, Episode 1, [Innovation in Corporate Travel with Steve Singh](#) (29 October 2024).

¹⁴³ See Submission on Competitive Constraints from Tech-led TMCs (25 September 2024), paragraph 1.5-1.9; and [§].

¹⁴⁴ See Annex 7 – Independent Survey Results (27 November 2024), section III.

existing satellite connectivity providers (Panasonic and Intelsat) and strengthen the constraint that they in turn exerted on the merged entity.¹⁴⁵

- e. In the present case, the constraint from Spotnana is, if anything, more direct. Spotnana is complementing existing TMCs but the customers also interact directly with Spotnana's technology and staff and Spotnana may even own the client relationship. Indeed, Spotnana's model is not so different from GBT's model, which also relies on partnerships to extend GBT's global coverage and servicing capabilities (i.e., travel partner networks ("TPNs") [X]).¹⁴⁶ GBT only has a proprietary presence in [X] countries. The IR does not suggest that GBT is not a TMC because it cannot meet large global customers' requirements with its *own employees*. If that were so, no companies would classify as a TMC. The difference with Spotnana is that Spotnana has an advanced technology platform that enables it to outsource *more* of the plain vanilla servicing than other TMCs (e.g., [X]).
- f. ***The strong competition from Spotnana is evident from its success in competitive opportunities.*** By dismissing Spotnana as a competitive constraint because of its business model, the IR incorrectly and unreasonably ignores certain GMN opportunities that Spotnana has clearly won, such as Walmart ([X]) and [X], each in partnership with Solutions Travel, and ZS ([X] won from Frosch) in partnership with its sister company Direct Travel.¹⁴⁷ Based on the IR's view that TTV is an indicator of competitive strength,¹⁴⁸ these wins would suggest that Spotnana is just as strong if not stronger competitor than CWT over the past few years. These three public wins ([X]) [X]. More recently, [X], announced that it had switched to Spotnana and Solutions Travel (from [X]) because of the [X] (i.e., the same requirements that the IR attributes to the higher end of GMNs). [X] chose Spotnana/Solutions Travel following an RFP involving [X] TMCs, [X].¹⁴⁹
- g. Consequently, the IR's suggestion that Spotnana is unlikely to become a "*material*" competitor in the next two years is baseless and incorrect.¹⁵⁰ The IR wrongly focuses on whether Spotnana will compete on a so-called stand-alone basis. This is not the applicable legal test or an economically sound basis to assess the impact of Spotnana on the market. The reality is that Spotnana has already won more new GMN TTV in the last two years [X] while outsourcing the commoditised servicing component to a range of TMCs. [X]. And based on recent performance, Spotnana would likely win more new GMNs [X] in the next two years as well.

¹⁴⁵ *Viasat/Inmarsat*, CMA Final Report (9 May 2023), paragraph. 8.444 ("OneWeb has agreed to supply satellite capacity to Intelsat and Panasonic. It will therefore not compete directly with the Parties, but – by supplying satellite capacity to existing suppliers – it may strengthen the competitive constraint that those suppliers exert on the Parties").

¹⁴⁶ See Response to Phase 2 RFI2 (6 September 2024).

¹⁴⁷ See Submission on Competitive Constraints from Tech-led TMCs (25 September 2024), paragraph 1.3(c); [X].

¹⁴⁸ IR, paragraph 6.29(a).

¹⁴⁹ See The Company Dime, [Walton's 18-month-old, Spotnana-Powered Solutions Travel Nears Profitability](#) (21 November 2024); and GBT internal document, Annex s.109 GBT.Q15.003 – [X].

¹⁵⁰ IR, paragraph 6.131.

- h. Even if the IR were analytically correct in dismissing Spotnana as a constraint due to its business model, which it is not, the IR still fails to explain why Spotnana’s partners (e.g., Solutions Travel) and its sister company (Direct Travel) are not strengthened in the same way that Panasonic and Intelsat were strengthened in the *Viasat/Inmarsat* case. The new GMN wins, and the significant constraint on GBT, cannot simply disappear because Spotnana is not competing on its own. The IR’s analysis is unsubstantiated, analytically flawed, and cannot be maintained.
- i. ***Spotnana expects to become the leading TMC in the next five years.*** Steve Singh has predicted that, with Spotnana and Direct Travel together, “you are going to see” in “the next five years” a “large scale **market leader** in the corporate TMC space who will **dominate** their respective market in the same way Concur” (also founded by Steve Singh) “dominates the expense management market today.”¹⁵¹ He is not alone in thinking that. One of the GMN respondents to the CMA’s market investigation shared that already “Spotnana and Navan were **disrupting the TMC** industry with their technology offering by providing a **uniquely good user experience**” while another GMN predicted that “*Spotnana’s technology offering [...] may drive significant change over time*”.¹⁵² Meanwhile, a third GMN prophesied “**radical industry change** in the next five years as technology enables a seamless global experience”.¹⁵³ These three customers are not far off the total sample size of GMN customers that have tested the market in the last two years and believed the Transaction may have a negative impact on them.¹⁵⁴ This statement effectively summarises how Spotnana publicly positions its offering – “*seamless booking and servicing experiences powered by the world’s most advanced travel technology.*”¹⁵⁵ With this evidence in mind, the IR’s decision to turn a blind eye to market developments that are already taking place and that will intensify over the next two years is clearly unreasonable.
- j. [X].
- k. In short, the evidence consistently shows that Spotnana is already and will continue to represent a significant constrain on the Merged Entity post-Transaction. The IR’s suggestion to the contrary follows from its unreasonable and unsubstantiated mischaracterisation of the strength of Spotnana in combination with other TMCs today.

4.4 ***FCM, CTM, and Navan will represent a stronger constraint on the Merged Entity over the next few years [X].*** The IR recognises that there is evidence to suggest that each of these TMCs will be stronger competitors in the future.¹⁵⁶ This is in [X]

¹⁵¹ Travel Tech Insider podcast, Season 2, Episode 1, [Innovation in Corporate Travel with Steve Singh](#) (29 October 2024) (emphasis added).

¹⁵² See Appendix E to the IR, paragraphs E.86(a)-(b) (emphasis added).

¹⁵³ See Appendix E to the IR, paragraph E.86(c) (emphasis added).

¹⁵⁴ See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraph 5.5(b).

¹⁵⁵ See <https://www.spotnana.com/corporations/why-spotnana/traveler-experience/>.

¹⁵⁶ IR, paragraphs 6.128 and 6.129.

contrast to CWT [X].¹⁵⁷ The IR nevertheless concludes that the loss of the [X] competition from CWT would not be offset by any of FCM, CTM, or Navan (individually or combined). The rationale for the IR’s conclusion is clearly misconceived:

- a. The IR suggests that FCM and CTM lack the ability to “scale” sufficiently to change the current competitive dynamics in the next two years.¹⁵⁸ The IR does not, however, explain what this “scale” means or why FCM or CTM lack the ability to scale. The Parties assume it may mean that FCM and CTM do not plan to grow the number of TPN partners around the world or increase their travel counsellor count. But FCM and CTM already have partners in over 95 and over 130 countries, respectively, which is more than enough to service most, if not all, GMNs. To illustrate, CTM’s existing network is sufficient to service all of the respondents to the CMA’s investigation which questioned FCM and CTM’s global coverage.¹⁵⁹ Meanwhile, FCM’s existing global coverage is sufficient all except one of these GMNs.¹⁶⁰ As to travel counsellors, FCM and CTM, like all TMCs, clearly have the ability to hire travel counsellors. They would not do this in order to, or in anticipation of, winning new GMN business because it is not necessary and it does not make commercial sense to have spare travel counsellor capacity. Like other TMCs, they can simply and quickly hire and train (in a few months) more travel counsellors as and when they win new contracts.¹⁶¹
- b. The IR suggests that Navan only appeals 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.”¹⁶² This ignores the fact that Navan acquired Reed & Mackay in 2021, a UK-based TMC that has been active for more than 60 years. In any case, while Navan promotes a different value proposition to other TMCs, [X] and Navan’s new GMN customer wins show that Navan is already a stronger competitive constraint on GBT [X].¹⁶³ Based on the technological trends, more and more GMN customers are and will continue to transition over the next few years towards the modern, agile, and consumer-grade solutions offered by Navan and supported by its global network of partners and travel counsellors.

4.5 In short, the IR is wrong and baseless to conclude that none of FCM, CTM, Navan, or Spotnana, will more than offset the [X]. The IR fails to consider whether these TMCs alone or in combination, together with BCD and many other, would constrain the

¹⁵⁷ IR, paragraph 6.127.

¹⁵⁸ See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraph 5.2.

¹⁵⁹ See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraphs 1.4-1.9, 2.2-2.4.

¹⁶⁰ *Ibid.*

¹⁶¹ IR, paragraph 6.73: “FCM told us that it [...] expands its global presence when there are customer requirements that necessitate it”. There is no evidence that FCM faced any difficulties in expanding its global presence when necessary. See Response to the Phase 1 Decision (23 August 2024), section 7.

¹⁶² IR, paragraph 6.127.

¹⁶³ See paragraph 4.2a.ii4.2a) above.

Merged Entity. Based on the data available, it is clear that they would do and that the Transaction cannot possibly result in an SLC.

5. More than 6 TMCs will have all the Capabilities Required to Meet the Needs and Preferences of GMNs Post-Transaction

- 5.1 The IR suggests that only three TMCs (GBT, CWT, and BCD) have all the capabilities required to meet the needs of *all* GMNs. It contends as a result that CWT and BCD are the closest competitors to GBT and that other TMCs do not exert a significant competitive constraint on GBT. This is incorrect and is not supported by the evidence, which shows that *at least* FCM, Navan, CTM, Spotnana/Direct Travel, Kayak for Business / Blockskeye, ATPI, TAG, TravelPerk, and Trip, and others, have all the capabilities that the IR identifies as important for GMNs, including those at the supposed “higher end” of customer spend, and compete closely with GBT.¹⁶⁴
- 5.2 In a bidding market such as business travel, it is implausible that the Transaction may result in an SLC when customers have at least two or more options to choose from. In fact, the evidence shows that GMNs consistently have many more than six options to manage their travel successfully.
- 5.3 While the Phase 1 Decision was focused on the capabilities allegedly required to compete for GMN customers at all, the IR now identifies six factors which it contends are necessary to compete effectively for GMN customers of *all sizes*, including the highest spending GMNs: (i) consistent global coverage in multiple regions; (ii) sufficient capacity, service, and support levels; (iii) sufficient scale to develop supplier relationships and meet the needs of GMNs at scale, (iv) experience, reputation, and track-record in the GMN segment, (v) strategic focus on GMNs, and (vi) the necessary regulatory licences and legal capabilities. The evidence shows that each of FCM, Navan, CTM, Spotnana/Direct Travel, and Kayak for Business / Blockskeye, as well as many other TMCs, satisfy all of these conditions.
- 5.4 The Parties understand that some customers have said something different to the CMA. [REDACTED].
- a. Many TMCs provide consistent global coverage in multiple regions, as the evidence shows clearly:
- i. The Parties are not aware of any reason why some “higher end” GMNs would require more consistent coverage than “lower end” GMNs or than SMEs, which are also frequently active in multiple regions (and sometimes more countries than the higher-spending GMNs). The IR has not identified any reason for such a conclusion. The Parties would be surprised if many customers, whatever their size, would respond, if asked, that they do not want consistent coverage (i.e., a “range of travel options [...] across multiple regions / continents” in combination with 24/7 support and local

¹⁶⁴ The IR refers in several places to the concept of “lower end” GMN customers (see paragraphs 6.79 and 6.84). For evidence, see Annex 7 – Independent Survey Results (27 November 2024), section III.

expertise).¹⁶⁵ There is no obvious advantage to having an inconsistent service.

- ii. This is confirmed by the CMA’s own market investigation.¹⁶⁶ Out of 83 respondents which selected “*consistent global coverage*” as a TMC requirement, nearly a third comprised SMEs.¹⁶⁷ These respondents represent the overwhelming majority of the SMEs which were included in the CMA’s questionnaire.¹⁶⁸ Most of the SMEs that did not select consistent global coverage are only active in a single region.
- iii. This is also confirmed by the results of the independent, market-wide survey commissioned by GBT. Based on his research, [X] has determined that “*consistency*” of coverage is ambiguous. It is in essence captured by the following features, which [X] assessed within his survey:
 - [X], which ensures that multi-regional companies, which are global by the IR’s definition, receive a *consistent quality of offline service* wherever they are in the world (e.g., in terms of having local language and knowledge);
 - [X], which ensures that multi-regional companies have a *consistent quality and range of travel content* available;
 - [X], which ensures *consistent integration of technology* and third-party services; and
 - [X], which ensures *a consistent application of travel policies* wherever travellers are located.
- iv. This list captures all of the features identified in the IR as relevant for consistent global coverage.¹⁶⁹ [X].
- v. Based on a sample of 765 GMNs (more than 12 times the number that responded to the CMA) and 765 SMEs, it is clear that GMNs do not have different requirements for consistent coverage than SMEs. As shown in

¹⁶⁵ [X] interpretation of “*consistent global coverage*” based on research and customer interviews.

¹⁶⁶ See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraph 5.1(a).

¹⁶⁷ These customers comprised SMEs either due to their TTV falling below \$25 million or them being regional clients. See Appendix E to the IR, footnote 256.

¹⁶⁸ Of the 90 respondents to the CMA’s questionnaire, nearly a third had TTV below \$25 million and/or are serviced in only one geographic region. This conclusion is based on the information in the customer data submitted to the CMA in response to Question 2 of the S.109 Notice dated 16 August 2024.

¹⁶⁹ IR, paragraph 5.13(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*”). See also IR, paragraph 5.13(c) in relation to the need for technical integration.

Table 3 below, GMN and SME customers attributed value to the four TMC features potentially related to consistent coverage and allocated around [X].

Table 3: GMNs and SMEs have similar requirements for consistency coverage

Features related to consistency of global coverage	All	GMN	SME
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]
[X]	[X]	[X]	[X]

vi. **Table 4** below shows that, of the [X] respondents currently considering their TMC options ([X]), there are at least six TMCs that very much meet *these requirements* of GMNs as often as the Parties, namely [X].

Table 4: At least six TMCs very much meet the needs of GMNs as often as the Parties

TMCs which very much meet needs of GMNs as often as GBT or CWT	GMNs only	
	[X]	[X]
[X]	[X]	[X]
[X]	[X]	[X]
[X]	[X]	[X]
[X]	[X]	[X]
[X]	[X]	[X]
[X]	[X]	[X]
[X]	[X]	[X]
[X]	[X]	[X]
[X]	[X]	[X]

vii. [X].¹⁷⁰

viii. In addition, it is also clear that there are no material differences *among GMNs* such as to justify any further segmentation as between high end or low GMN customers. Not only do the results of [X] survey confirm that

¹⁷⁰ See paragraph 4.2c above.

GMNs and SMEs have similar requirements [3<], but they also demonstrate that [3<].

- ix. The fact that a small number of customers with limited knowledge of TMCs' capabilities have levelled some criticism does not support the IR's conclusions.¹⁷¹ The IR identifies a small number of customers (19 respondents, including SMEs) which have criticised the global coverage of FCM, Navan, CTM, and Spotnana/Direct Travel. Of these, only a handful have tested the market within the last two years and it appears that several of them are unaware of the coverage actually offered by these TMCs.¹⁷²
- x. For example, the overwhelming majority of these customers require coverage in fewer countries than are covered by *each* of FCM, Navan, CTM, and Spotnana/Direct Travel (i.e., in fewer than the 65 countries that Navan covers), and only a small fraction require coverage in more countries than FCM operates in (95), with none requiring coverage in more countries than CTM covers (130). More significantly, some GMN customers which currently use FCM, Navan, and CTM actually book travel in more countries than the GMNs which have criticised their coverage.¹⁷³ This shows that the critics views on the coverage of these TMCs is likely to be misinformed.¹⁷⁴
- xi. Competitor evidence corroborates both sets of survey results. Statements from FCM, Navan, CTM, Spotnana/Direct Travel and others confirm that they provide global coverage and a consistent service.¹⁷⁵ Some evidence submitted by competitors to the CMA suggests that these TMCs have more limited geographic coverage than the Parties and BCD. While that may be so, there is no evidence that they could not extend this coverage, if needed, or that it has made them a materially weaker competitor for GMNs, which GBT's bidding data and [3<] survey results show that it has not.¹⁷⁶
- xii. Moreover, the IR fails to appreciate that the Parties' competitors have a strong incentive to make submissions to the CMA that prevent the Transaction from completing. This is because the Transaction will allow GBT to invest more to improve services and increase innovation.¹⁷⁷ This will increase competition, which is something that they will clearly want to avoid. This is reflected by the competitor responses reported in the IR, stating that the Merged entity would be able to obtain "*pricing*

¹⁷¹ See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraph 5.3.

¹⁷² See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraphs 1.4, 2.3-2.4, 3.5, 4.5.

¹⁷³ See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraphs 1.4, 2.6, 3.7.

¹⁷⁴ *Ibid.*

¹⁷⁵ See Response to Phase 1 Decision, paragraph 3.3; Submission on tech-led TMCs (25 September 2024), Section 2.

¹⁷⁶ See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*), sections 1-4.

¹⁷⁷ See FMN, paragraph 2.13.

advantages".¹⁷⁸ Far from supporting the IR's conclusions, the fact that competitors are keen to fuel the CMA's Phase 1 theory of harm, which will have been apparent to them as it is publicly available and widely publicised in the trade press, confirms that the Transaction is likely to be *pro-competitive*. Competitors would be acting against their own self-interest if they were to confirm that they and others can and do successfully meet the needs of GMN customers. The CMA has on numerous occasions recognised this conflict of interest but it appears to have been ignored in the IR.¹⁷⁹

- b. Many TMCs have sufficient capacity, service, and support levels to meet the needs of GMNs.
 - i. Survey evidence shows that [X] are equally if not more important to SMEs as to GMNs and that there is [X].¹⁸⁰ As above in relation to the requirement for [X], SMEs responding to both the CMA's survey of the Parties' customers and [X] survey of the business travel market confirm that GMNs and SMEs place similar value on [X]. Indeed, many SMEs that responded to the CMA's market investigation indicated that they require "*consistently high service levels*", which represent nearly a third of all respondents who selected this requirement and the overwhelming majority of all SMEs.¹⁸¹ In addition, the majority of GMN customers under \$50 million told the CMA that they value consistently high service levels, which compares to a similar proportion of GMNs over \$50 million.¹⁸² On this basis, the IR's segmentation of customers into SMEs and GMNs, and higher and lower-end GMNs is unfounded.
 - ii. While there are multiple dimensions on which service may be measured, the IR's main focus appears to be on the requirement for offline servicing (i.e., answering travellers' calls and emails).¹⁸³ As part of his survey design, [X] identified [X] as one [X] feature ([X]). However, he also identified several other features that may be related to [X]. **Table 6** below shows that requirements of GMNs and SMEs are similar across these features with both customer groups attributing similar value to each of them. They are also consistent for [X].

¹⁷⁸ IR, paragraph F.61

¹⁷⁹ See *Sony/AWAL*, Final Report (16 March 2022), paragraph 7.73 ("*We have taken a cautious approach and placed limited weight on evidenced competitors views given that [...] competitors may have strategic incentives in providing views – for example [...] any reduction in competition may benefit existing competitors) and so unevidenced views would carry limited weight*").

¹⁸⁰ See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*), paragraph 5.1(b).

¹⁸¹ These customers comprised SMEs either due to their TTV falling below \$25 million or them being regional clients. See CMA's Customer Questionnaire, footnote 256.

¹⁸² See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*), paragraph 5.1(b).

¹⁸³ IR, paragraph 5.14 ("*Customers explained that other TMCs were not suitable due to their [...] lack of offline or on-trip support*"). See also Appendix E to the IR, paragraph E.8.

Table 6: GMNs and SMEs have similar requirements for service and support

Features related to service and support	All	GMN	SME
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- iii. In fact, of these service-related features, the one that the IR has highlighted as being most important to GMNs – and in particular higher-end GMNs – (i.e., offline servicing) is just as, if not more, important to SMEs. This is entirely consistent with the Parties’ submissions and was one of the main reasons why the Parties tried to encourage the CMA to send questionnaires to more SMEs at Phase 2.¹⁸⁴ Based on the Parties’ extensive experience serving customers, GMNs do not require more high-quality or high-intensity offline service and support than SMEs, which [REDACTED]. There is no basis for the IR to place more weight on the views of a small number of GMN customers that tested the market recently and *believe* they require more servicing support than smaller customers when, in fact, they are unlikely to have sufficient insight into other companies’ requirements to make that determination reliably.
- iv. Survey results show that there is no basis to distinguish between [REDACTED] and that many TMCs meet the service requirements of GMNs. Like GMNs and SMEs, [REDACTED] have substantially similar requirements. **Table 4** shows for GMN respondents that are currently considering their TMC options, there are at least 6 TMCs that very much meet the servicing requirements of GMNs as often as the Parties ([REDACTED]).
- v. This is also evident from GBT’s data on touches per transaction, which the IR has ignored. GBT’s data shows that GMNs using GBT Select have on average [REDACTED] touches per booking and SMEs have on average [REDACTED] touches. Ovation users, which are primarily SMEs, have on average [REDACTED] touches per booking.¹⁸⁵ This is entirely consistent with the survey results in **Table 6**. The quality of touches per booking are also similar for GMNs and SMEs which is evident from the fact that the same travel counsellors will

¹⁸⁴ See ISM Transcript, page 55, lines 17-26 [REDACTED], and page 56, lines 9-13: [REDACTED].

¹⁸⁵ See Response to Phase 1 Decision (23 August 2024), paragraph 2.4(e).

frequently be servicing both GMNs and SMEs simultaneously and may be unable to distinguish between them.

- vi. Put simply, the CMA has not adequately investigated whether SMEs require similar servicing and support to GMNs or whether TMCs provide lower levels or quality of services to SMEs than to GMNs. Nor has it investigated properly whether larger GMN customers have different requirements to smaller GMNs. Fortunately, [§] survey has asked more precise questions and got answers [§]. They are not unique to GMNs and there is no basis to distinguish between [§].
- vii. The IR misunderstands and misrepresents the significance of capacity. The IR refers on several occasions to the importance of capacity,¹⁸⁶ which appears to be based on the comment of a single customer. The IR does not, however, adequately explain what it means by capacity or why it is competitively significant. While this lack of clarity and uncertainty limits the Parties' ability to address the IR's reasoning, the Parties conjecture that the IR's references to capacity must relate to servicing and support (i.e., having enough travel counsellors to support a customers' needs). If that is the case, the IR is incorrect to suggest that some TMCs have more capacity than others.
- viii. [§].¹⁸⁷ [§].¹⁸⁸ . For example, [§].
- ix. There is no evidence to suggest, and the IR has provided none, that travel counsellors are a scarce resource which TMCs like FCM, Navan, CTM, Spotnana/Direct Travel, Kayak for Business/Blocksky, and others, are unable to hire on winning a new GMN account.¹⁸⁹ In any event, TMCs can easily access additional capacity from BPOs and its TPN partners.¹⁹⁰ [§]. Accordingly, the IR's assertion that these TMCs lack capacity to service the requirements of GMNs is wholly unsubstantiated, unfounded, and untenable.
- x. Unsubstantiated customer feedback to the CMA on service levels and capacity is misinformed. A small number of customers have identified shortcomings in the capacity, service, and support provided by TMCs such as FCM, CTM, Navan, and Spotnana. Most of these critics have an out-of-date view on the capabilities of these TMCs and others have expressed views that are demonstrably incorrect.¹⁹¹ In any event, and leaving aside GBT's

¹⁸⁶ IR, paragraph 5.13. *See also* IR, Glossary (GMN Customers are “TMC customers that require capacity, service and support levels that meet their high TTV and multi-regional travel needs”).

¹⁸⁷ *See* Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraph 2.7.

¹⁸⁸ *See* Response to Phase 1 Decision (23 August 2024), paragraph 7.21. *See also* ISM Transcript, page 41, line 8 ([§]).

¹⁸⁹ *See* Response to Phase 1 Decision (23 August 2024), (“TMCs often win GMN clients and [§]”).

¹⁹⁰ *See* Response to Phase 2 RFI2 (6 September 2024), responses to Questions 10,11,and 13.

¹⁹¹ *See* Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraphs 1.10, 2.5-2.7, 3.8-3.13, 4.5.

bidding data, it would be unreasonable for the CMA to place more weight on the views of a handful of GMN customers, when **multiple times more GMNs** have endorsed the servicing capabilities of these TMCs in response to [REDACTED] survey.

- c. **Many TMCs have sufficient scale to develop supplier relationships and meet GMN customers' needs.** As for the alleged requirement for capacity, the IR suggests that GMNs require “scale” without explaining clearly, let alone adequately, what scale means or why it is a competitive advantage. The Parties’ conjecture that the IR is suggesting that scale is, again, related to TMCs’ ability to provide offline servicing and support, and that it is also relevant for TMCs’ ability to price competitively due to incentive payments from travel suppliers. The evidence confirms, however, that scale does not materially impact TMCs’ capabilities in either respect:
- i. [REDACTED] survey shows [REDACTED] is not important. As described above, the survey results show that GMNs and SMEs have similar requirements [REDACTED] which are very much met for GMN customers by at least six TMCs as often as by the Parties for customers currently evaluating their options. While GBT, CWT, and BCD are the largest TMCs in terms of their share of TTV, the survey results show that GMN customers’ views in relation to TMCs’ capabilities to meet their requirements does not correlate with a TMCs’ putative [REDACTED]. [REDACTED].
 - ii. The IR also suggests, based on comments from a competitor, that increased scale is a competitive advantage for some TMCs as it enables them to lower pricing to customers.¹⁹² The IR appears to accept this suggestion without question. It fails to recognise, however, that this competitor complaint relates to the prospect that the Transaction may potentially enable GBT to *lower* prices to customers. In other words, the competitor is concerned that the transaction may *increase*, not reduce competition.
 - iii. In addition, the competitor in question does not provide any evidence that it could not compete on the merits and/or scale up, as needed, upon prevailing in any tender post-Transaction. This is precisely why it is necessary to have in mind when reading competitor statements that their interests are not aligned with the CMA’s in wanting to prevent an anti-competitive merger. In any event, there is no evidence to suggest that GBT’s or CWT’s scale enables them to price lower than other competitors.
 - iv. **Data on new GMN wins shows scale is not important.** [REDACTED] the CMA’s own analysis of TMCs’ customer lists shows that CWT has won [REDACTED].¹⁹³ As explained above, CWT has also won [REDACTED]. As the IR suggests, CWT is far larger in scale than any of these other TMCs and [REDACTED] than several of its

¹⁹² IR, paragraph 6.120 (“[Competitors] 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”).

¹⁹³ See paragraph 4.2e above.

smaller scale competitors, including FCM, CTM, and Navan. This demonstrates that scale is not an important factor for GMNs.

- v. Other than a handful of anecdotal impressions from customers, there is no empirical evidence that TMCs need up-front “scale” or “capacity” to win new GMN customer contracts. TMCs can and do win GMN contracts and then hire and train travel counsellors to service them afterwards. The IR provides no evidence or reasoning to dispute this. The IR’s position is, therefore, untenable.
 - vi. CWT’s [X] shows that scale is not a competitive advantage. Despite currently being the third largest TMC by TTV, CWT’s competitiveness [X] in recent years. CWT has [X]. Each year, CWT is [X]. In 2024, [X].¹⁹⁴ This is inconsistent with scale being a competitive advantage for CWT. [X]. This conclusion on scale is baseless and unsustainable.
 - vii. In short, the IR is incorrect to focus on scale (i.e., TTV or travel counsellors) when assessing TMCs’ current capabilities and competitiveness. As explained above in relation to market shares, scale is a reflection of past and not current competitiveness. It is not an advantage for CWT or a weakness for FCM, CTM, Navan, Spotnana, or others. This is clearly evident in the bidding data and new GMN wins, which show TMCs can and do scale easily as needed.¹⁹⁵
- d. ***Many TMCs have the reputation to win and the proven capabilities to serve GMNs.*** The IR’s conclusion that experience and track-record are factors preventing competition for GMNs from TMCs other than GBT, CWT, and BCD is both unfounded and based on a tiny sample size. It is misconceived in circumstances where TMCs like FCM, Navan, and CTM, and possibly even Spotnana/Direct Travel, have won more GMNs, including higher-end GMNs, than CWT. The IR cites FCM’s statement that it “*has been servicing GMNs for over 20 years*”,¹⁹⁶ yet the IR seemingly does not consider this relevant to experience or track record. Nor does it explain why FCM’s decades-long experience is insufficient. This is unreasonable. What is more important, GBT’s bidding data shows that each of FCM, Navan, CTM, Spotnana, Direct Travel, ATP, Kayak for Business / Blocksky, TravelPerk, Trip, and others have experience and the proven capabilities to serve GMN customers.
- e. [X] survey also explored specifically whether [X] are important for GMN customers. As shown in **Table 1** above, the survey results indicate that while GMNs [X] ([X]), SMEs value this feature more highly ([X]). The survey also shows that [X]. Moreover, as noted, [X] survey results show that there is no basis to distinguish between [X] and that many TMCs meet the requirements of the 765 GMNs surveyed as often as the Parties.¹⁹⁷

¹⁹⁴ See [X].

¹⁹⁵ See paragraph 4.2a) above.

¹⁹⁶ IR, paragraph 6.73.

¹⁹⁷ See Table 4 above.

- f. In light of this, the IR’s suggestion that FCM, CTM, Navan, Spotnana/Direct Travel, Kayak for Business / Blockskeye, and others have insufficient experience and track-record in the GMN segment to compete effectively for GMN customers or higher-end GMN customers is incorrect and cannot be maintained.
- g. ***Many TMCs actively compete for and win GMN customers.*** The IR suggests that FCM, Navan, and CTM do not compete for the full range of GMN customers (in particular for higher end GMNs) and therefore compete less closely with GBT than CWT does. This is incorrect and is based on a mischaracterisation and misinterpretation of evidence from competitors:¹⁹⁸
- i. [§<]. The IR interprets a small, unrepresentative, and outdated sample of customer views, and some unreliable competitor statements, to suggest that none of FCM, CTM, or Navan compete for all GMN customers. For example, the IR refers to some customers and competitors having stated, among other things, that FCM only competes for “*smaller deals*”, that CTM has “*occasionally withdrawn from RFP processes when it realised the client’s needs or company culture would not be a good fit*”, and Navan “*only pursues [opportunities] that fit its capabilities.*”¹⁹⁹ The IR’s suggestion is that these TMCs compete effectively for a smaller set of opportunities than GBT, BCD, and CWT. But this is incorrect.
 - ii. The bidding data shows that these competitors have competed for all sorts of GMNs. [§<].
 - iii. Statements from competitors are unreliable. The IR’s conclusion on the strategic focus of FCM, CTM, and Navan is based entirely on statements by competitors. For the reasons explained above, these statements are highly unreliable given competitors’ incentive to prevent a Transaction that may increase competition for them and are, in any event, contradicted by the facts.²⁰⁰ It is not reasonable for the CMA to rely on this evidence when there is empirical and objective data available, including [§<] survey and data, on the opportunities for which these TMCs are actually competing and are strong competitors.
 - iv. Number of opportunities is a better measure than TTV. The IR considers that bidding data results based on TTV are more informative of firms’ competitive strength in the higher end of GMNs than the number of opportunities. [§<] explains that the IR’s focus on TTV is mistaken because the results are heavily skewed by a small number of larger opportunity wins. [§<]. This metric gives the same weight to all opportunities within the GMN

¹⁹⁸ See Annex 8 - Rebuttal of Appendix F to the IR (Contains Confidentiality Ring Material) (27 November 2024).

¹⁹⁹ IR, paragraph 6.77.

²⁰⁰ See Annex 8 - Rebuttal of Appendix F to the IR (Contains Confidentiality Ring Material) (27 November 2024), paragraphs 1.7, 1.16-1.17, 1.27-1.28.

segment, which is more appropriate as analysis has already focused the analysis on GMN customers (i.e., customers with higher TTV).²⁰¹

h. **Regulatory licences and legal capabilities are basic elements of a TMC's offering.** The IR's suggestion that such basic factors as "tax reporting" and "ticketing rights" represent barriers for competing in the GMN segment or at the higher-end of the GMN segment have no evidential basis.²⁰² No GMN customers that participated in the CMA's market investigation or in [§<] identified regulatory licenses or other legal capabilities as features they consider when choosing a TMC.²⁰³ If these factors were important for higher-end GMN customers, you would have expected at least one of the numerous higher-end GMN customers that responded to the customer survey to mention it. The IR's contention that the likes of FCM, Navan, CTM, and Spotnana/Direct Travel, with their existing GMN customer portfolios, may lack these basic capabilities is baseless and incorrect.

5.5 In sum, the IR's suggestion that only GBT, CWT, and BCD can meet all the requirements of GMN customers, or of a discrete and amorphous group of higher-end GMN customers, is incorrect and is based on an unsubstantiated, unrepresentative, backward-looking, biased, and unreliable evidential basis. [§<] survey shows that the requirements identified in the IR as unique to [§<] are in fact common to all GMNs and in fact shared by [§<] SMEs and are, more significantly, met by many TMCs, including FCM, Navan, CTM, and Spotnana/Direct Travel, Kayak for Business/Blocksky, and many others. This is corroborated by GBT's bidding and other data, as well as by third-party evidence from customers and competitors.

5.6 The IR is incorrect to suggest that CWT is one of GBT's closest competitors and exerts a more significant constraint on GBT than any of FCM, Navan, CTM, Spotnana/Direct Travel, Kayak for Business/Blocksky, and many others, individually or collectively. While some of the Parties' customers have chosen, to date, not to switch to other TMCs (e.g., because they do not know them, have not researched their capabilities, or are generally not inclined to switch), this does not prevent these other TMCs from exercising a significant constraint on GBT currently and post-Transaction. It is their obvious capability to serve GMN customers that will constrain GBT as it means that customers can and some will switch.

5.7 [§<].²⁰⁴ In these circumstances, it is implausible that the Transaction may result in an SLC.

6. Multi-Sourcing is Prevalent among GMN Customers and Provides an Additional Constraint on GBT post-Transaction

6.1 **The IR mischaracterises the prevalence and significance of multi-sourcing. The IR essentially dismissed multi-sourcing as relevant on the basis that "GMN**

²⁰¹ See Annex 1 – Submission on Economic Evidence in the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraphs 3.19-3.22.

²⁰² IR, paragraphs 5.14(b) and 6.121. The IR suggests that regulatory and legal requirements, specifically around tax and reporting, and obtaining ticketing rights, are barriers to entry.

²⁰³ Appendix E to IR, paragraphs E83-E84.

²⁰⁴ See Annex 3 – Observations on IR Appendix D's Assessment of Internal Documents, paras. 4-12.

customers have a strong preference to use as few TMCs as possible.”²⁰⁵ This statement does not support the contention that multi-sourcing is irrelevant or that GMN customers do not multi-source. The IR notes that half of the respondents to its market investigation multi-source. For a GMN customer, using as few TMCs as possible may still mean using multiple TMCs globally.

- a. The IR’s mistaken inference that GMN customers do not want to multi-source is contradicted by the evidence on the actual choices of GMNs. GBT’s data shows that [30] of its GMN customers use multiple TMCs. Similarly, >[30] of CWT’s GMN customers multi-source. This shows it is common for GMN customers to multi-source and it was likewise confirmed by the CMA’s own market investigation. Half of the respondents (45 out of 90) currently use multiple TMCs.²⁰⁶ Of these, again nearly half (19 respondents) do not intend to change their current number of TMCs, whereas another third (15 respondents) are considering reducing the number of TMCs but do not plan to single-source.²⁰⁷ In other words, 75% of GMN customers that multi-source intend to continue multi-sourcing. Accordingly, while there may be a “trend towards consolidation” for some GMNs,²⁰⁸ there is no evidence to suggest that multi-sourcing is not still a credible option for GMNs. Of the 21 respondents that indicated that they may consolidate, only a few have TTV >\$50 million. There is, therefore, scant evidence to suggest that multi-sourcing is not a credible alternative for GMNs or even higher-end GMNs. The CMA’s own evidence shows that multi-sourcing is credible option to meet a customers’ requirements for consistent coverage and consistently high service levels.²⁰⁹ Therefore, given the prevalence of multi-sourcing, there is a much broader group of TMCs that constrain at least part of any given customer’s demand than the IR appreciates, as consistently evidenced again by the bidding data.
- b. IR’s analysis and conclusions on multi-sourcing do not reflect market reality and result from a number of errors in the assessment and interpretation of the evidence:
 - i. ***The IR’s suggestion that GMNs prefer to use a single TMC is not supported by the evidence.*** The IR mentions that the majority of its respondents (72 out of 90) appoint TMCs, whether one or many, on a global basis.²¹⁰ It then proceeds to use this metric to affirm that all of these respondents “have a global TMC”.²¹¹ This conclusion cannot be made from this data. The responses simply indicate that customers make a global

²⁰⁵ IR, paragraph 4.20.

²⁰⁶ Appendix E to IR, paragraph E12.

²⁰⁷ Appendix E to IR, paragraphs E15(a)-(b).

²⁰⁸ IR, paragraph 4.19.

²⁰⁹ See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraph 5.4(a).

²¹⁰ Appendix E to IR, footnote 277. Question 3 of the CMA’s customer questionnaire said: “Thinking about all of the TMCs that your company currently uses worldwide, were they appointed on a global, regional or country basis?” The question is focused upon the manner in which customers appoint TMCs; not whether they prefer to have a single, global TMC instead of multi-sourcing.

²¹¹ IR, paragraph 4.17(a).

decision about the TMC or TMCs to appoint through a single team. This is entirely consistent with GMNs having the option to single or multi-source. Indeed, nearly all the customers who confirmed to the CMA that they plan to *increase* their number of TMCs, select their TMCs on a global basis.²¹²

- ii. In other words, the IR is incorrect in assuming that it is only the 20% of respondents (18 out of 90) who adopt a “*regional or country-by-country approach*” that want to or can use more than one TMC.²¹³ Besides, the CMA’s finding that customers generally do not “*tend to switch back to having several TMCs*” obscures the customer feedback: of the three customers that explained why they did not want to go back to multiple TMC, two had previously had 140 and 25-30 different TMCs, respectively.²¹⁴ Those customers are clearly not representative for most GMNs who engage with significantly fewer TMCs.
- iii. ***The IR emphasises that GMNs require consistent global service, but fails to recognise that consistency of service can be achieved via multi-sourcing.***²¹⁵ This is confirmed by the CMA’s own market investigation. The majority of respondents to the CMA’s market investigation (83 out of 90) indicated that they need “consistent global coverage”. Nearly half of these respondents currently multi-source. In other words, the overwhelming majority of the respondents to the CMA’s questionnaire that indicated that they require consistent coverage use multiple TMCs to meet these requirements. In these circumstances, the competitor comment relied on in the IR to suggest that customers might prefer to have a single TMC to meet their “high expectations for service quality and consistency”²¹⁶ has no weight. On this basis, the IR’s suggestion that multi-sourcing is not a credible option for (even higher end) GMNs is incorrect, unfounded, and untenable.
- iv. ***Customer preferences on the number of TMC to use globally can and do change, and not necessarily in favour of consolidation.*** While customers’ intrinsic travel needs generally remain the same, the way they satisfy these requirements can change, with customers switching from single to multi-sourcing and vice versa depending on company strategy. A single competitor’s comment that “*it did not know of any examples of customers switching back to multiple TMCs after choosing to consolidate*” cannot possibly be determinative and is contradicted by the facts.²¹⁷

²¹² Appendix E to IR, paragraphs E.14, E.15. See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraph 5.7.

²¹³ Appendix E to IR, paragraph E.14.

²¹⁴ Appendix E to IR, paragraph E.17

²¹⁵ See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraph 5.4.

²¹⁶ IR, Appendix E to IR, paragraph E.15(b).

²¹⁷ IR Appendix F to IR, paragraph F.17.

- v. For instance, the Parties have shown that [X] sourced from [X], switched to [X], and then decided to split regionally between [X].²¹⁸ Meanwhile, [X] because it was looking for a “*global company*” but now uses “*different companies in each country*.”²¹⁹ GMN customers can and do use the option of switching from a single to multiple TMCs, which will be a credible alternative for GMN customers of all sizes post-Transaction. Switching is made easier by the fact that customers can use the same OBT when single or multi-sourcing, such that travellers may not even realise the difference. The IR’s dismissal of multi-sourcing as an alternative to a single, global TMC is incorrect and unsubstantiated.
- c. ***Given multi-sourcing meets GMN requirements, it will exert a significant competitive constraint on the Merged Entity.*** GMNs do not give up consistency of global coverage or service when multi-sourcing, as the CMA’s customer survey confirms. As a result, GMN customers of all sizes can and do use the option of multi-sourcing strategically to obtain the best possible terms and derive the most value from their TMC(s).
- i. This approach was expressly recognised during the CMA’s market investigation. A competitor confirmed that “*informed GMN customers saw benefits in using multiple TMCs, including achieving greater value for money by utilizing a TMC only in the region where it has the most comprehensive coverage or lowest costs*”.²²⁰ This is supported by feedback to the CMA from GMN customers who also confirmed that having multiple TMCs allows “*flexibility where the incumbent doesn’t meet their needs*” and lets them “*review pricing and services with travel partners*”.²²¹
- ii. Another of the Parties’ competitors explained that “*using multiple TMCs made it easier to manage otherwise very complex GMNs by reducing the geographic scope of the contract*”²²². For example, if a GMN customer wanted to switch from GBT to FCM but believed, incorrectly, that FCM did not have sufficient coverage in North America, it could use FCM in all countries apart from North America and use any one of a number of TMCs in North America. In fact, many GMN customers do just this, with Fox World Travel partnering with BCD in a similar way.²²³ As explained previously,²²⁴ this is a common approach. And it provides an opportunity for TMCs to get a foot in the door with any global customers and can be used as a launch pad to compete for global programmes in the future.

²¹⁸ See CWT internal document, [X].

²¹⁹ See CWT internal document, [X].

²²⁰ Appendix F to IR, paragraph F.16.

²²¹ Appendix E to IR, paragraph E.15(d).

²²² Appendix F to IR, paragraph F.16.

²²³ Fox World Travel serves a “*large number of clients*”, including many with over \$50 million in air spend (see Response to Phase 1 Decision (23 August 2024), paragraph 2.8).

²²⁴ See Submission on Competitive Constraints from Many Other TMCs (20 September 2024).

- iii. For example, [REDACTED].²²⁵ Similarly, with a global pharmaceutical company, “ADTRAV easily expanded the RFP to include additional areas.”²²⁶ Meanwhile, with Legal & General, Clarity demonstrated that it provides a better service than the customer’s “Global TMC”, which will help it win more countries/regions in the future.²²⁷
- iv. A global GBT customer at Phase 1 told the CMA that if GBT were not available to them, “they would take a split regional view and likely use BCD and FCM.”²²⁸ Seemingly, this customer would prefer to multi-source than to select CWT for its global requirements.
- v. One of the GMN respondents noted that “being fragmented” can be “helpful” because it enables “internal benchmarking”.²²⁹ GMNs can easily compare the offerings of several TMCs at once and swiftly switch between them, if needed, given their business travel is already (at least partially) integrated within the TMCs’ systems.

6.2 Ultimately, multi-sourcing allows customers [REDACTED]. Even if a customer opts for a consolidated global programme, [REDACTED]. And this competition is only increasing, given multi-sourcing presents an opportunity for newer entrants to integrate themselves with GMNs to win global accounts in the future.

6.3 In short, the IR is incorrect to dismiss multi-sourcing as a credible option for GMN customers, including those at the higher end. The CMA’s own market investigation confirms that GMNs of all sizes multi-source, which successfully meets their requirements for consistent global coverage and consistently high service levels. The CMA has not adequately investigated whether GMNs’ clear ability to multi-source would effectively constrain the Merged Entity (e.g., by filling gaps in a TMCs’ global coverage). The IR’s dismissal as multi-sourcing as an option is therefore incorrect, unsubstantiated, and cannot be maintained.

7. Customers’ Ability to Book Some or All of Their Travel Outside a Managed Programme Represents a Significant Constraint on GBT

7.1 The constraint on TMCs from customers’ ability to manage travel in-house or to book travel outside a managed programme has not been adequately investigated. The IR contends that “unmanaged travel is not viewed as an alternative to managed travel” and therefore excludes it from the relevant market and, indeed, from consideration altogether, even as an out-of-market constraint.²³⁰ The IR’s approach is unreasonable and unsubstantiated:

²²⁵ See CWT internal document, [REDACTED].

²²⁶ See <https://www.adtrav.com/wp-content/uploads/2021/08/White-Papers-case-study-Global-Lodging-Services-Hotel-Programs-1.pdf>.

²²⁷ See <https://www.claritybusinesstravel.com/resources/customer-story-elevating-l-and-g-travel-experience-with-premium-service>.

²²⁸ Phase 1 Decision, paragraph 152(b).

²²⁹ Appendix E to IR, paragraph E.17(a).

²³⁰ IR, paragraph 18.

- a. ***In-house and unmanaged travel are different approaches which are used by different companies.*** The IR defines unmanaged travel as in-house management of travel services and permitting employees to book their own travel and expense, which the Parties adopt in this submission. But these are in reality two separate ways of managing travel. In-house management is more common for larger companies that can afford to employ staff to manage travel. Unmanaged travel is, however, far more common and used to some extent by most business travel customers in the world, whether they have a TMC or not.
- b. ***The investigation into competition from in-house and unmanaged travel has been inadequate.*** The Parties have explained and submitted evidence at Phase 1 and Phase 2 to show that GMNs can and do permit business travel outside a managed programme, and that this represents a significant constraint on TMCs.²³¹ The IR finds, based on evidence gathered during Phase 1, that GMN customers were unlikely to consider in-house or unmanaged business travel “*as an alternative to using a TMC.*”²³² Based on this evidence from an undisclosed number of GMNs and SMEs,²³³ and despite evidence to the contrary submitted by the Parties, the CMA decided to do “*limited further testing*” at Phase 2 during calls with a handful of customers.
- c. This approach is clearly inadequate when the Parties’ have provided 9 examples of GMN customers that have chosen to use in-house management as an option, including [X] (who are, to the Parties’ knowledge, managing their business travel entirely in-house (at least in some countries)), in addition to [X] (who, to the Parties’ knowledge, license technology from TMCs but supply the offline servicing themselves).
- d. In addition, many companies with a managed travel programme allow their employees to make bookings outside the managed programme (e.g., directly with suppliers or via OTAs like Booking.com and expense the travel back to the firm. Companies like [X] encourage employees in certain regions to book via a TMC but otherwise permitted to book elsewhere, while [X] employees are encouraged to book via TMC but permitted to book elsewhere. [X] to go fully unmanaged.
- e. While the fully unmanaged route is rare for GMNs, it is **very common** for GMNs to allow employees to book travel outside their managed travel programme (i.e., with a loose mandate). SAP Concur describes how “*employee empowerment*” is contributing to customers greater openness to allow travellers to book outside their TMC:

“[X].”²³⁴

²³¹ See Response to Phase 1 Decision (23 August 2024), paras. 4.12-4.13; Teach-In Presentation (21 August 2024), slides 18-20; ISM Presentation (3 September 2024), slides 9-10.

²³² IR, paragraph B.6.

²³³ See ISM Transcript, page 32, lines 14-20.

²³⁴ See GBT internal document, Annex RFI 2 GBT.Q16.011, [X].

SAP Concur identifies four models that a company’s travel programme may take, ranging from a closed mandate to a multi-channel approach (**Figure 1**).²³⁵ This is consistent with the Parties’ explanation at the Teach-in.²³⁶ Customers with models (b) to (d) in this illustration rely on or permit direct bookings with suppliers. Suppliers’ direct offerings strongly constrain TMCs, because the amount of travel budget that is spent via the TMC and in other channels can shift. If employees are not booking through the TMC, the TMC does not generate any transaction fees. This means that TMCs need to compete for travellers even after they have compete for and won a mandate with the customers.

If TMCs do not offer equal or better prices and services than are available to travellers directly from suppliers, they will not make any bookings and will not get paid. And ultimately, if travellers report to their employers that a TMC is not adding value, the TMC will be unable to retain customers on renewal or to win new ones.

Figure 1 - [REDACTED]

[REDACTED]

- 7.2 So far, the CMA’s investigation has been exclusively focused on the feasibility of in-house / unmanaged travel as a *full* alternative for GMNs to managed travel. The CMA has not adequately assessed—or indeed investigated at all—the constraint of in-house / unmanaged options when utilised by customers *alongside a TMC* for a share of their travel requirements.
- a. It is apparent from IR Appendix E that unmanaged travel did not form part of the CMA’s third-party questionnaire, and that the feedback gathered on calls related only to “*wholly unmanaged travel*.”²³⁷ The feedback quoted by the CMA in fact shows that one customer “*does do some tasks in-house*” and another “*does their operations management in-house*”, but there is no meaningful assessment of the competitive impact on TMCs.²³⁸ The IR also fails to assess in-house or unmanaged travel as an out-of-market constraint.
 - b. Moreover, Appendix D (appraising the Parties’ internal documents) is silent on the competitive constraints from in-house or unmanaged travel, despite the Parties’ documentary evidence showing that it represents a [REDACTED] competitive constraint. For example, [REDACTED].²³⁹

Figure 2 - [REDACTED]

[REDACTED]

²³⁵ See GBT internal document, Annex RFI 2 GBT.Q16.011, [REDACTED].

²³⁶ See Teach-in Presentation (21 August 2024), slide 18.

²³⁷ See Appendix E to the IR, paragraphs E.9-E.10 (emphasis added).

²³⁸ See Appendix E to the IR, paragraphs E.10 and E.87.

²³⁹ See GBT internal document, Annex RFI 2 Q16.001, [REDACTED], pages 1-2. See also GBT internal document, Annex RFI 2 Q16.002- Annex RFI 2 Q16.010 (emphasis added).

- c. ***GBT's bidding data shows that it is [X] an option for GMNs to manage travel without a TMC or outside a managed programme.***²⁴⁰ When in-house is the winner in opportunities in GBT's bidding data, this does not necessarily reflect customers choosing not to use a TMC. It may reflect customers' decision to use in-house or unmanaged travel alongside a TMC (e.g., for a particular country). Despite the Parties' submission on the constraint from in-house and unmanaged travel, the CMA has not adequately investigated the issue and the IR has no factual basis to dismiss the constraint from customers' ability to manage some of their travel without a TMC.
- i. Of global opportunities in 2021-2023 in which GBT bid, in-house and unmanaged appears often ([X]%), and indeed far more often than CWT ([X]%). In-house and unmanaged provision remains a competitor when focusing on GMN opportunities, appearing in [X]% of opportunities.
 - ii. Of global opportunities in 2021-2023 in which GBT bid, excluding renewal wins, in-house and unmanaged won [X]% of opportunities for all customers and [X]% of opportunities for GMNs. This is [X] of the GMN opportunities won by CWT ([X]%).
 - iii. [X].
 - iv. Of GBT's global opportunities in 2021-2023 relating to potential/new customers that GBT lost, in-house and unmanaged won [X]% of lost opportunities, and [X]% of lost GMN opportunities.
- d. There is no reasonable basis for the IR to ignore this clear evidence of a constraint on GBT from unmanaged travel, which will continue to constrain the Merged Entity post-Transaction, in combination with the constraint from other TMCs.
- e. ***GBT's data shows that its own GMN customers frequently book a [X] proportion of travel outside the managed travel programme.*** [X].²⁴¹
- f. ***GBT's efforts to increase [X] are directly responsive to the significant constraint it faces from unmanaged travel.*** [X]. For example, a [X].²⁴² [X].²⁴³

Figure 3 - [X]

[X]

- g. GBT's sustained investment into NDC is a further example of GBT's response to the strong competitive constraints from unmanaged and suppliers direct. As airlines increasingly prioritise NDC because it enables them to offer more price points, to change prices dynamically and to offer more complex and targeted bundles, GBT has invested \$[X] to date to develop NDC-related technology so

²⁴⁰ See Submission on GBT's Bidding Data 2021-2023 (3 October 2024).

²⁴¹ [X]. Data from Traxo suggests that around 40% of business travel bookings are made outside a managed travel programme. See Annex RFI 2 GBT.Q16.012, [X].

²⁴² See GBT internal document, Annex RFI 2 GBT.Q16.009, page 2.

²⁴³ See GBT internal document, Annex RFI 2 GBT.Q16.009, pages 6 and 8.

that it can continue offering business travel customers access to the most comprehensive and competitively-priced air content they demand.

- h. **Third-party feedback to the CMA on the viability of in-house and unmanaged travel is not consistent with the IR’s findings.** The CMA’s “*limited further testing*” of unmanaged travel consisted of calls with only 5 GMNs.²⁴⁴ And of these, one confirmed that it “*does do some tasks in-house*”,²⁴⁵ evidencing that GMNs can and do perform certain TMC functions themselves. The ability to manage some tasks in-house increased the customer’s options on what TMCs would be suitable to meet its needs.²⁴⁶
- i. The remaining four GMNs did not suggest that they could not manage some tasks internally or that they booked 100% of travel through their TMC, which seems highly unlikely. They merely expressed hesitation about a “*wholly unmanaged travel*” solution;²⁴⁷ not that unmanaged travel cannot satisfy at least part of their needs and none of their comments suggest that they do not allow employees to make some bookings outside the managed programme where, for example, the employees can access preferential rates.²⁴⁸ In practice, TMCs need to offer competitive prices and high-quality service to ensure that GMNs encourage their employees to book a higher share of travel through the managed programme. Ultimately, the minimal customer feedback gathered during Phase 1 and Phase 2 does not support the IR’s conclusion nor justifies the ignorance of in-house or unmanaged travel as a competitive constraint on the Merged Entity.
- j. Even if in-house or unmanaged travel is not a direct substitute for TMCs (which it is for some customers), the CMA fails to consider in-house or unmanaged travel as a “*competitive constraints on [the] merging parties from outside the relevant market*”²⁴⁹. Evidently, the GMNs ability to choose in-house or unmanaged alternatives is a source of continuous competitive constraint on TMCs.

7.3 In sum, the IR’s preliminary finding that in-house and unmanaged travel do not impose a competitive constraint on GBT is unsubstantiated and incorrect. Both in-house and unmanaged travel provide an important competitive constraint on TMCs – as full alternatives for customers or for part of a company’s travel requirements or to ensure that their TMCs offer value and service through allowing employees to vote with their feet and make their own bookings where this is not the case. In this sense, the combination of a TMC with in-house or unmanaged travel is another form of multi-sourcing, which GMNs can and do use. It represents and will continue to represent a significant competitive constraint on GBT, which the CMA has not investigated and therefore the IR has not taken into account.

²⁴⁴ Appendix E to IR, paragraphs E.9, E.10.

²⁴⁵ Appendix E to IR, paragraph E.10.

²⁴⁶ Appendix E to IR, paragraph E.10. See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraph 5.6.

²⁴⁷ Appendix E to IR, paragraph E.10 (emphasis added).

²⁴⁸ *Ibid.*

²⁴⁹ IR, paragraph 5.2

8. GMN Customers are Powerful Customers that will Significantly Constrain the Merged Entity

8.1 Despite evidence from the Parties and competitors showing clearly that GMNs are large and powerful customers, the IR does not take account of the constraint that GMNs currently exert on the Parties and will continue to exert post-Transaction. The suggestion that GMN customers may lack options and therefore tolerate uncompetitive prices post-Transaction is fanciful both generally and, particularly, as regards the so-called high-end of the GMN market segment.

- a. ***The IR has not taken account of customers’ bargaining strength.*** The IR focuses on the potential adverse effects the Transaction may have on GMN customers and yet ignores evidence on the substantial bargaining strength they exert as some of the largest, most powerful companies in the world. GMN customers’ substantial bargaining strength can be demonstrated at least in three main ways:
 - i. ***Procurement resources.*** By the IR’s definition, GMN customers spend millions of dollars annually on business travel. As a practical corollary of this, GMNs tend to employ in-house travel specialists, consult business travel procurement specialists and/or have experienced procurement departments. These resources are dedicated and incentivised to procure travel management solutions that meet the GMN customers’ preferences and travel priorities at the optimum price.
 - ii. ***Contractual terms.*** GMN customers are powerful negotiators and have far superior bargaining strength to the TMCs, as illustrated by [REDACTED].²⁵⁰ For example, [REDACTED].
 - iii. ***Pricing.*** Due to the size of their travel spend and the sophistication of their procurement processes, GMN customers can and do [REDACTED]. TMC fees represent a tiny fraction of GMN customers overall travel budget [REDACTED].

Figure 4– [REDACTED]²⁵¹

[REDACTED]

- b. ***GMN customers have demonstrated an ability and incentive to sponsor new entry and expansion.*** Despite their relatively recent entry, GMN customers are selecting TMCs such as Navan, Spotnana and Kayak for Business/Blocksky for their business travel needs. Indeed, some of the world’s largest companies (i.e., higher-end GMNs that the IR appears to be focused on) are deliberately choosing newer, technology-led offerings that can improve the uptake, efficiency and sustainability of their travel programmes, as compared to more traditional solutions.

²⁵⁰ See Response to the Phase 1 Decision (23 August 2024), section 4.

²⁵¹ See ISM Presentation (3 September 2024), slide 56.

- i. **Navan** positions itself within “the new era of technology as a service” and as the “next generation of user-centric software.”²⁵² Navan’s GMN customers include:²⁵³
- [REDACTED].²⁵⁴
 - [REDACTED].
 - **Heineken** awarded its global account ([REDACTED]) to Navan due to its “modernised, global and traveller-centric approach, full 360-degree traveller visibility, a portfolio of sustainability tools, and access to global inventory”.²⁵⁵
 - [REDACTED];²⁵⁶ [REDACTED].²⁵⁷
 - [REDACTED] ([REDACTED]; a UK-headquartered customer with [REDACTED]) switched from GBT to Navan for its “global corporate travel” because it wanted a “future fit digital program that empowered employees to self-serve everyday travel with just a few clicks”.²⁵⁸
- ii. **Spotnana** positions itself as disrupting the “archaic infrastructure” on which the established TMCs’ reputations and track records are built;²⁵⁹ its unique selling point is delivering “travel redefined.”²⁶⁰ Although Spotnana started competing for customers only in 2021, Spotnana [REDACTED] and publicly noted that “in the first few months” of 2024 it has “launched multiple Fortune 100 companies on [its] platform”²⁶¹. Spotnana’s GMN customers include:
- **Amazon** ([REDACTED], the largest customer in the world according to BTN) switched to BCD/Spotnana from CWT [REDACTED].
 - [REDACTED].
 - [REDACTED] and Spotnana (in partnership with Solutions Travel).²⁶² [REDACTED].

²⁵² See <https://navan.com/uk/why-navan>.

²⁵³ See Submission on Competitive Constraints from Tech-led TMCs (25 September 2024).

²⁵⁴ See GBT internal document, Annex s109 GBT.Q3.006, [REDACTED].

²⁵⁵ See <https://thebusinesstravelmag.com/tripactions-wins-global-account-of-brewing-giant/>.

²⁵⁶ TTV as recorded by GBT. [REDACTED].

²⁵⁷ See CWT internal document, [REDACTED].

²⁵⁸ See <https://navan.com/about/press/unilever-selects-navan-to-modernize-global-travel-program..>

²⁵⁹ See <https://www.spotnana.com/about/>.

²⁶⁰ See <https://www.spotnana.com/>.

²⁶¹ See <https://www.spotnana.com/blog/this-is-what-great-partners-are-made-of/>.

²⁶² See <https://www.solutionstravel.com/>.

iii. **Blocksky/Kayak for Business/Gant Travel** co-developed with PwC US ([REDACTED]) a “transformative solution” that “helped PwC bring [their] travel program strategy to life.”²⁶³ This “first-of-its-kind” offering has “challenged the corporate travel landscape”;²⁶⁴ whilst “enabling a seamless corporate travel experience that sets a new industry standard.”²⁶⁵ The partnership’s enterprise solution is constantly evolving (with the latest interoperability improvements dated June 2024)²⁶⁶ and PwC US is now collaborating with the partnership to roll out the solution to additional customers.²⁶⁷ In August 2024, Blocksky’s COO, Hank Bendetti, announced that Kayak for Business / Blocksky / Gant Travel is “helping **multiple Fortune 500 companies** modernize their travel technology”.²⁶⁸ Blocksky/Kayak for Business/Gant Travel has gained interest among several very large GMNs:

- [REDACTED].
- [REDACTED].
- [REDACTED].

c. While some GMN customers may decide not to switch, it is not for lack of options and they and others would be able to switch if confronted with uncompetitive prices or service levels or technology. More than six TMCs have all the capabilities required to meet the needs of GMNs and accordingly individually and in combination will exercise a strong competitive constraint on the Merged Entity (see Section 5). [REDACTED]:

- i. [REDACTED]; and
- ii. [REDACTED].

d. **GMN customers’ dedicate considerable resources to procurement to ensure they get the best value service for their needs.** One of the Parties’ competitors explained that GMNs “find switching easier than smaller firms” and face a “reduced risk of travel disruption”, given their “experienced internal travel staff and sophisticated internal processes that smoothed the transition”.²⁶⁹ Therefore GMN customers’ ability to switch TMC – or threaten to switch – has a strong disciplining effect on the Parties today, which will not change as a result of the

²⁶³ See <https://www.kayak.com/c/enterprise/>. Kayak for Business/Blocksky/Gant Travel offer this solution to other customers.

²⁶⁴ See <https://uk.finance.yahoo.com/news/kayak-business-launches-enterprise-solution-141500330.html>.

²⁶⁵ See <https://www.prnewswire.com/news-releases/kayak-for-business-enhances-its-enterprise-solution-in-collaboration-with-blocksky-and-pwc-us-302199357.html>.

²⁶⁶ *Ibid.*

²⁶⁷ See <https://www.kayak.com/c/enterprise/> (“Having led their own implementation, PwC US has the know-how to help you bring the same transformative solution to your company. More on PwC’s consulting services here.”).

²⁶⁸ See https://www.linkedin.com/posts/activity-7236721845935202304-z9iq?utm_source.

²⁶⁹ IR, Appendix F, paragraph F.56.

Transaction. The IR has failed to assess this competitive dynamic and to recognise that the mere threat of switching strongly constrains the Merged Entity.

- e. ***GMN customers are important, valuable customers for TMCs, who fight to retain them.*** GMN customers are the largest, highest volume customers for TMCs, who work hard to satisfy their service needs and fight hard to retain them on renewal. GMN customers know this and use their bargaining strength to extract the best possible deals from their existing TMC, often threatening to switch if the TMC does not comply.²⁷⁰

9. Switching Costs are not Barriers to Entry or Expansion and will not Limit the Competitive Constraint that GBT will face from Many TMCs post-Transaction

9.1 The IR suggests that switching costs are material and therefore present a barrier to entry and expansion. The Parties agree that switching does take time and is costly, which is why there are some incumbency advantages. But importantly, the costs of switching are minimal relative to the value that can be unlocked from switching. This is why customers of all sizes can and frequently do switch.

9.2 The IR's findings on switching barriers are inconsistent with its failure to control for incumbency advantages in its bidding data analysis. The reality is that there are barriers to switching but that they are surmountable. Accordingly, the IR's finding that switching costs represent a barrier to entry is incorrect. The finding cannot be reconciled with the weight of evidence on actual entry and expansion of tech-led TMCs serving GMN customers, the data on switching by GMN customers, and the evidence from GMN customers that have switched or have indicated they would switch if there is a good reason to do so.

- a. ***Alleged barriers to switching are inconsistent with the entry and significant growth of tech-led TMCs.*** If switching costs were sufficiently high to prevent customers, including GMN customers, from switching away from their legacy TMCs, tech-led TMCs would not have been able to win GMN customers nor have achieved such rapid growth:

- i. Navan's revenues are growing by 40% per year on average and remarkably by 500% between 2021 and 2023. Navan was valued at \$9.2 billion in its most recent funding round, which is double its valuation in 2020, c. [X] and c. [X].
- ii. Kayak for Business / Blockskeye was "on track" to achieve \$1 billion in corporate travel sales during its first year of service (2022), with transactions expected to "triple by the end of 2023". This amount of TTV growth requires significant switching, including of GMN customers, which enables faster growth.
- iii. Similarly, TravelPerk has "increased revenue by more than 70% in 2023 while gross profit increased by 90% year over year". TravelPerk's annualised booking volumes in 2023 approached \$2 billion.

²⁷⁰ See Supplementary Submission on the 'GMN' Category of Customers (19 September 2024).

- iv. Spotnana experienced “*tremendous growth and evolution*” in 2023, “*elevating [its platform] for large enterprises*,” winning top Fortune 100 companies, and “*scaling globally*” through “*dramatically increasing*” its “*global points of sale*” and “*centers of excellence around the world*”. Spotnana forecasts revenue growth of 10 to 20 times over the next decade. This growth is demonstrably not limited to switching from SME customers, [X]. Tech-led competitors’ TTV growth is strongly driven by GMN wins, as is evident from the CMA’s own customer survey.²⁷¹
- b. ***The IR is incorrect to suggest that the level of customer churn in business travel is low.*** The suggestion that there are low-levels of churn appears to be based on the metric of churn is calculated on the basis of all existing TTV. Since only a fraction of TTV comes up for renewal each year, average churn rates are relatively low.²⁷² Calculated as a percentage up for renewal, churn rates are much higher. On the basis of the Parties’ bidding data, GBT and CWT have churn rates of TTV up for renewal of [X] and [X] in 2023, respectively. This shows that, even for TMCs like GBT that provide a high-quality service and have high net promoter scores, a significant proportion of customers whose contracts are up for renewal will still leave every year. [X]²⁷³ These statistics clearly demonstrate that switching is commonplace among TMC customers.
- c. Moreover, [X], as compared against the performance of its competitors, further reiterates the [X]. [X], whose equivalent annual customer base loss figures are: GBT (4%),²⁷⁴ BCD (3%),²⁷⁵ FCM (2%),²⁷⁶ CTM (3%),²⁷⁷ Navan (less than 3%),²⁷⁸ and Direct Travel (2%).²⁷⁹
- d. This shows that customers switch when they have a good reason to. This ease of switching when there is an incentive to switch is what will constrain the Merged Entity. Indeed, [X].²⁸⁰ This modelling assumption is fundamentally inconsistent with the IR’s findings on switching barriers and costs.
- e. The alleged barriers to switching identified by the limited sample of customers who replied to the CMA’s questionnaire are easily surmountable and are generally covered by the incoming TMC. Customers responding to the CMA indicated that

²⁷¹ See Annex 4 – Rebuttal of Appendix E to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), paragraphs 3.1-3.3, 4.1-4.3.

²⁷² See Submission on Switching (4 October 2024), paragraph 2.4.

²⁷³ See [X].

²⁷⁴ See <https://investors.amexglobalbusinesstravel.com/investors/news/news-details/2024/American-Express-Global-Business-Travel-Reports-Strong-Fourth-Quarter-and-Full-Year-2023-Financial-Results-Introduces-2024-Outlook/default.aspx>.

²⁷⁵ See <https://www.bcdtravel.com/travel-management/tailored-business-travel-services/>.

²⁷⁶ See <https://www.fcmtravel.com/en-ae/resources/news-hub/swipe-right-build-great-travel-programm>.

²⁷⁷ See <https://www.travelweekly.com/Power-List-2024/Corporate-Travel-Management>.

²⁷⁸ See <https://reedmackay.com/why-us>.

²⁷⁹ See <https://www.dt.com>.

²⁸⁰ See Submission on Switching (4 October 2024), paragraph 4.1; and ISM Transcript, page 11, lines 2-3.

“time cost” and “integration of system” are barriers to switching.²⁸¹ The Parties agree that these are costs that typically have to be incurred to switch. In practice, however, neither of these are significant barriers to switching. [X].

- f. Neither will the transition process normally require the customer to bring in additional resources. [X]. And the cost of transfer is minimal for the new TMC relative to the amount of business won. [X]. This is clearly not a significant cost in the context of a multi-million dollar travel budget. The IR’s suggestion that this level of cost represents a significant barrier to entry does not make any sense.
- g. Moreover, given the frequency of switching among customers, transition between TMCs is a well-established process that can be completed in [X]. Often, the duration of the switch will be further shortened by the customer retaining the same third-party OBT and so not requiring a switch of OBT. This is possible as the Parties and many of their competitors support multiple OBTs, in addition to any proprietary solutions.²⁸² As a result, a customer can choose to retain the same OBT with its new TMC, removing the need for integration of a new booking interface and reducing the time required for completing the overall switch. This is confirmed by one of the respondents to the CMA’s market investigation, with this GMN’s recent switch only taking two months and not “lead[ing] to much change to the experience for employees as they continued with the same OBT”.²⁸³ Further, the CMA’s description of the switching process shows there is plenty of time to ramp up to a new TMC and ramp down the existing one, given the length of RFP and contract processes.
- h. The ‘time cost’ associated with a potential switch of TMC does not deter GMN customers from considering potential switches or actually switching in practice. In fact, many GMNs choose to run RFP processes even when they have no firm intention to switch TMC. GMNs, such as [X], may have internal rules which require them to review their current TMC, with this GMN being “[X]”.²⁸⁴ Other customers, like [X], ([X]; over 4,600 employees booking travelling in 27 countries) may run a tender to [X].²⁸⁵ Finally, GMNs may investigate the market to put pressure on their incumbent TMC as illustrated by [X] informal tender in 2022 prior to its formal tender in 2023, which forced CWT to offer [X] to retain this client.²⁸⁶
- i. ***Alleged barriers to switching identified in the IR are mostly irrelevant to the competitive assessment.*** TMCs with GMN customers fight to retain these customers through offering competitive prices and meeting their servicing requirements. GMN customers keep their TMCs vigilant through being prepared to test the market and switch away if they consider they can get better value from an alternative TMC. This is illustrated by GBT’s bidding data, which provides

²⁸¹ Appendix E to the IR, paragraph E.83.

²⁸² See Response to the Phase 1 Decision (23 August 2024), paragraph 3.3.

²⁸³ Appendix E to the IR, paragraph E.85(c).

²⁸⁴ See GBT internal document, Annex s109 GBT.Q3.006, [X].

²⁸⁵ See CWT internal document, [X].

²⁸⁶ See GBT internal document, Annex RF11 GBT.Q19.006, [X].

evidence of GMN customers reviewing their TMC options and changing their current TMC.

- j. ***Competitors’ explanations about difficulty of switching lack factual basis.*** Out of 11 TMCs interviewed, only six suggested that switching was “*difficult or very difficult*”.²⁸⁷ However, the reasons given to support their position do not stand up to scrutiny. Four TMCs noted that “*GMNs’ RFP processes are complex and can take many months to complete.*”²⁸⁸ Whilst true for certain customers, this in no way precludes switching. It just reflects the procurement approach of many GMNs for their TMC and other suppliers, which enables them to create more competitive tension. It supports the obvious conclusion that very large customers have considerable negotiating leverage and control the RFP process to drive competition among many competitors to obtain the best value.
- i. Some interviewed TMCs noted that “*GMNs’ fear of travel programme disruption reduced their willingness to switch.*”²⁸⁹ This alleged fear finds no support in practice given the Parties’ churn rates and the amount of switching shown in GBT’s bidding data more generally. Even fewer TMCs mentioned that “*transitioning between TMCs can require major re-engineering of IT infrastructure and significant expenditure on staff retraining.*”²⁹⁰ Again, this view does not align with market practice, which shows that the incoming TMCs can integrate the necessary technology in a matter of a few months and a customer’s employees might not even notice a change in TMCs has occurred (*see* paragraph 9.1(g)).
- ii. One TMC suggested that “there was a perception amongst GMNs that there were a limited number of TMCs who could meet their needs, reducing their willingness to switch.”²⁹¹ The opinion of this one TMC is directly contradicted by the CMA’s customer survey – even within that limited group of respondents, GMNs identified 30 TMCs, which they considered for their procurement processes.²⁹² Meanwhile, [§<] customer survey has shown that GMNs are currently serviced by more TMCs. In practice, there is therefore a wide range of TMCs that can and do meet GMN customers’ needs. For the IR to latch on to this outlier impression from a single TMCs is not reasonable and does not remotely reflect the number of credible options available to GMNs.
- iii. Another TMC opined that “*switching away from the Parties was particularly challenging because, apart from BCD, other TMCs did not have sufficient scale to compete on pricing.*”²⁹³ This view is directly counteracted by the parties’ customer loss data. For example, CWT has lost some of [§<]

²⁸⁷ Appendix F to the IR, paragraph F.54.

²⁸⁸ Appendix F to the IR, paragraph F.54(a).

²⁸⁹ Appendix F to the IR, paragraph F.54(b).

²⁹⁰ Appendix F to the IR, paragraph F.54(d).

²⁹¹ Appendix F to the IR, paragraph F.54(f).

²⁹² Appendix E to the IR, paragraphs E.20, E.26, footnote 304.

²⁹³ Appendix F to the IR, paragraph F.54(g).

GMN customers to competitors other than GBT or BCD: [REDACTED].²⁹⁴ Since 2019, [REDACTED].²⁹⁵ Moreover, customer feedback indicates that competitors have successfully competed against the Parties on pricing. For example, [REDACTED].²⁹⁶

- k. ***Competitors overstate the time taken to switch.*** Eight competitors mentioned that “a period of six to twelve months was common” for implementing a new contract post-RFP.²⁹⁷ This estimate does not align with the Parties’ experience. As outlined above, GBT has onboarded several large GMNs in only [REDACTED]. Meanwhile, Wesfarmers ([REDACTED]) publicly shared that its move to CTM only took three months, with CTM’s “attention to detail and ability to go above and beyond [making] the transition process seamless”.²⁹⁸ This speedy integration was achieved despite Wesfarmers having a “complex travel programme”, with CTM having to meet the “unique needs” of the “group’s multi-faceted businesses” and help “implement travel policies tailored to business needs”.²⁹⁹ Please see **Annex 8 – Rebuttal of Appendix F to the IR** for more detail.³⁰⁰

10. **Conclusion**

- 10.1 The IR’s decision is fatally undermined by a biased and unrepresentative market investigation. [REDACTED] has explained that the CMA’s questionnaire to GBT’s customers was critically flawed and the sample set of customers was unrepresentative and too small to derive robust conclusions. The IR’s findings on (i) the requirements of GMN customers (including the highest spending GMNs), (ii) market definition, (iii) closeness of competition between the Parties, and (iv) the competitive constraint from other TMCs are all critically dependent on customer feedback to the CMA, which is fundamentally unreliable.
- 10.2 Of the 90 respondents to the CMA’s questionnaire, only 83 provided ratings for TMCs, of which 30 have tested the market within the last two years, and an even smaller subset are GMNs by the IR’s definition. Of this subset a handful have raised concerns about the Transaction. Accordingly, setting aside the reliability of responses, the IR is contending that the Transaction may result in an SLC based on the views of a subset of a tiny sample of customers with up-to-date views on competitive conditions. The views of [0-5]% or less of GMN customers is not a reliable or reasonable basis to determine the competitive effects of the Transaction.
- 10.3 By contrast, GBT’s bidding data and [REDACTED] survey show consistently across hundreds of GMN customers and bidding opportunities that there are at least six TMCs that will significantly constrain the Merged Entity. This data is supported by the Parties’ internal

²⁹⁴ See CWT internal document, Annex RFI 1 CWT.Q13.001, [REDACTED].

²⁹⁵ See CWT internal document, Annex RFI 1 CWT.Q13.002, [REDACTED].

²⁹⁶ See GBT internal document, Annex s109 GBT.Q3.006, [REDACTED].

²⁹⁷ Appendix F to the IR, paragraph F.55.

²⁹⁸ See <https://uk.travelctm.com/corporate-travel/case-studies/case-study-implementation/>.

²⁹⁹ See <https://uk.travelctm.com/corporate-travel/case-studies/case-study-implementation/>.

³⁰⁰ See Annex 8 - Rebuttal of Appendix F to the IR (*Contains Confidentiality Ring Material*) (27 November 2024), section 2.

documents, customer feedback, competitor statements (e.g. on their websites and in media interviews), and industry commentary. In these circumstances, the IR's conclusions are incorrect and cannot reasonably be maintained.

- 10.4 When the IR's errors are corrected, it is clear that the Transaction will not result in an SLC but will in fact increase competition and so should be allowed to proceed.