

# Mercer Airfare Report and Calculator FAQ



This guide is designed to answer your most common questions, provide clarity, and enhance your overall experience. We've compiled a collection of frequently asked questions based on user interactions, addressing key aspects and concerns.

## **Q. Mercer airfare data is different from the ticket prices available for booking.**

The amounts listed represent recommended budgets rather than actual ticket prices. This is because airfares fluctuate frequently due to multiple factors (seasonality, late booking, oil prices and other charges added by carriers). Mercer provides estimates of airfare costs for budgeting purposes, not actual ticket fares.

## **Q. How are airfare costs calculated?**

We use a Skyscanner API to pull data on all available flights for specific routes and then select the top 30 results to estimate airfare costs, based on one of three approaches:

- The most convenient flights (fastest: sorted by total travel time and ticket price)
- The most affordable flights (cheapest: sorted by ticket prices)
- Mercer recommended flights (sorted based on Mercer's proprietary algorithm which uses total travel time and ticket price, with direct flights prioritized)

**Q. What are the five budget levels provided by Mercer?**

Mercer's five budget levels are based on the top 30 results and calculated as follows::

- Lowest: 10th percentile (the value in a sample, for which 10% of values are lower)
- Low: 25th percentile
- Medium: median (the value separating the higher half from the lower half of a data sample)
- High: 75th percentile
- Highest: maximum value in the sample

**Q. The budgets seem high/low.**

Mercer's Airfare report provides five budget levels (Lowest, Low, Medium, High, Highest) for selecting appropriate budget levels aligned with your organization's internal pay philosophy.

The final budgets depend on selected criteria such as: flight options (the most convenient, the most affordable or Mercer recommended flights), flight dates (peak or non-peak) and time of research.

**Q. When does Mercer perform airfare research?**

Research is performed at the time of placing an order (live airfare budgets).

**Q. Is the database updated daily?**

Mercer does not use a static airfare database. All research is performed at the time of placing an order (live airfare budgets), giving you the most current information.

**Q. Does Mercer conduct fares research based on any specific airlines or carriers?**

In order to provide recommended budgets, Mercer conducts fares research using public ticket search sites. All possible airlines are included.

When ordering the report from Mercer, we provide an option to exclude specific airlines, include only specific airlines of the Company's selection (subject to meeting minimum aggregation criteria) or narrow down the list of airlines to Star Alliance, Oneworld and Sky Team alliances.

**Q. What travel classes are available?**

Four cabin classes are available: coach (economy), premium economy, business and first class (if available).

**Q. Is there a travel period that needs to be defined by the Company?**

We can use custom dates provided by the Company or the Mercer standard peak/off-peak assumptions. Peak season is defined as Christmas or July depending on when the price research is conducted. Off-peak is defined as the March/October timeframe.

**Q. What is the recommended time frame for collecting flight prices in advance? When is best time to collect flight prices?**

Flight prices are heavily impacted by early and late flight searches. In both cases, ticket availability will be lower and late search prices might be significantly higher. Mercer recommends collecting airfare data approximately 3-6 months in advance. Companies may adjust this timeframe based on their travel policy.

**Q. Are the budgets based on refundable or non-refundable fares?**

Both refundable and non-refundable fares are included.

**Q. Do fares include all additional sub-charges and taxes?**

Budgets are calculated based on fares collected through the public ticket search sites. The sites always include an estimate of all mandatory taxes and charges, but some airlines/agents may apply additional fees for baggage, insurance, use of credit cards, or other services.

**Q. Are we able to choose between direct and non-direct flights?**

Prices are a blend of direct flights and non-direct, depending on availability per route. However, direct flights have higher priority because they are shorter when comparing to non-direct flights. Companies have the option to exclude flights with a specific number of stops from the results in the online Airfare Calculator.

**Q. How are the budgets determined for families of varying sizes?**

Adult budgets are used, where a single adult budget is multiplied by the number of family members.

**Q. How do we factor in discounted fares for children that are lower than adult fares?**

Mercer does not provide discounted fares for children; the adult rate is used in all cases.

**Q. Does the Airfare calculator use the same assumptions as Mercer Services Team?**

Yes. The online calculator and Mercer- Services Team generated reports are based on the same assumptions.

## Q. What is the difference between the online calculator results and the airfare report prepared by Mercer Services Team?

Airfare reports prepared by Mercer provide additional customization options, including the following:

| Online calculator                                   | Mercer prepared report  |
|---|---|
| Research for up to 30 location combinations at once | Research for hundreds of combinations   |
| User finds and selects airports                     | Mercer Services Team finds and selects airports   |
| Customized options not available                    | Customized options available (excluding/ including specific airlines, calculating averages rates, etc.) |
| Standard layout and Excel report formats            | Customized layout and report formats  |
| Results are available immediately                   | Depending on order size, minimum one working day up to 15 working days or more.                         |

## Q. Is the calculation process taking carbon footprint into consideration?

No. Companies can consider carbon footprint when booking flights according to their policy.

## Q. What FX rates are used for converting the budgets into a reference currency?

The latest weekly average rates are used for the online service. For Mercer generated reports, the latest monthly FX rates are also used; however, Companies can request to apply any other Mercer FX rates (e.g. average of 12 months) or their own FX rates.

## Q. Can we use historical data?

No. Mercer calculates the five price points based on current flight prices available at the moment of the research. Both the online Airfare Calculator and the Mercer-generated report uses future dates.

## Q. Do you distinguish between flight directions (i.e., is Prague – London the same as London – Prague)?

Yes. Companies are asked to provide departure and arrival locations.

**Q. Is it possible to extract average airfares using several peak or non-peak periods?**

Yes. When using the Airfare Calculator, you can select multiple scenarios and export results to Excel to calculate averages (or other statistics) manually. When ordering reports from Mercer, averages can be included.

**Q. What is the Airfare Calculator pricing model based on?**

The Airfare Calculator pricing model is based on token fee per combination. Access is granted at the Company account level and all users who have access to the Company account can use the Airfare Calculator.

**Q. How do we price the upgrade between the bulk options (e.g., 25 to 26 tokens)?**

You can add a single token on top of a bulk order of 25 tokens.

**Q. Does asking for both Economy and Business for the same destination double the price?**

Yes, when using the Airfare Calculator as another token will be used. When requesting a report from Mercer, when you purchase one airfare report to include two travel classes (or 2 flight dates, etc.), the second calculation cost 50% less.

**Q. Can we see previously run calculations and used tokens?**

No. However, we do provide current token count on the Start page.

**Q. How long are my tokens valid for? Do tokens expire?**

Tokens are valid for a period of 12 months, starting from the date of purchase.



**Experience what Mercer's Airfare Report can do for you today.**

Contact Mercer at [ast.europe@mercer.com](mailto:ast.europe@mercer.com).

**Questions?**

Email us at [mobility@mercer.com](mailto:mobility@mercer.com).

For more information, visit our [website](#).