

CONFERENCE REPORT

TTI SPRING CONFERENCE

London, 15 March 2001

This year's TTI Spring conference took place at the Royal Institute of Electrical Engineers at the Embankment, London, with the kind sponsorship of Eurostar, FSS and Worldspan.

The conference revolved around a theme that has engaged much discussion over the past few months: Travel Portals and Alliances. The definition of a portal is, itself, manifold: while some internet-based portals (e.g. Travelmole) offer an informational resource and starting point to customers, others have captured the concept as illustrating the provision of a B2B service, aiming to provide connectivity to small- and medium-sized travel agents and tour operators (e.g. Energis, Telewest, X-TANT).

The presentations of the day were kicked off by Worldspan's Tim Wright, who offered the GDS' take on trade partnerships. Mr. Wright recognised the role of agents in adding value to the travel purchasing process. He explained how he believes the Internet provides just another medium for agents to enhance their value proposition; in order to do so, they should team up with established connectivity providers who understand their needs, such as the GDS, while concentrating on niche marketing.

One of the highlights of the day was a panel shared by Mark Harris, Travel Sector Manager for Energis, Keith Webber, Head of Travel at Telewest, and Peter Whittle, Travel Marketing Manager for X-TANT. who illustrated the features and benefits of their innovative new extranets for the travel trade: Energis Travel Network, Endeavour and Traveleye. These products would ease the transition to IP based technologies for travel agents and tour operators, enabling the convergence between basic functionality (Viewdata, GDS access, back office system, inventory) and business tools such as email, internet access and credit card authorisation.

Elizabeth Hyde, Commercial Lead eBA Customer Proposition, presented yet another type of trade extranet, recently introduced by BA and targeted at travel agents as a means of streamlining distribution of product information while reducing costs, driving revenue and building/managing relationships.

Andrew Daines, Tourism Technology Development Manager for the English Tourism Council, presented a public sector view of the portal as a large, easily distributable database tool to enhance the visibility and business volume of small and medium sized tourism enterprises in Britain. Mr. Daines drew attention to the challenges involved in realising such a task, not least the reluctance of the businesses themselves to adopt new technologies.

Lucio Pompeo, Senior Engagement Manager for McKinsey & Company Inc, further analysed the concept of B2C travel portals, such as online travel agents. He explained that, after an initial buoyancy, the market for travel services had entered a consolidation stage. As a result, competitiveness, customer stickiness and revenue have increasingly become important challenges to be tackled. According to Mr. Pompeo, success is derived by the use of traditional, offline business models and will be achieved by those with structural, executional and insight advantage.

A case study on trade alliances was presented by Jean-Louis Dubrulle, Vice President Sales and Marketing for andbook.com, an on-line hotel reservation service borne of the partnership between Accor, The Forte Hotel Group and Hilton International and targeted at the corporate market. Mr. Dubrulle explained that such a partnership can be used to re-obtain control of inventory and share technology and CRM costs, while generating additional revenue and sharing distribution costs. He stressed that success, however, depends on the ability to find suitable partners who share common goals and a commitment to concentrate human resources on the project.

Mathew Prior, Managing Director of TheFirstResort, discussed the merits of partnerships as opposed to banner advertising, as a successful partnership may drive

higher revenues and give access to a larger customer database. Mr. Prior also highlighted the importance of providing a first-class online customer experience by providing a user friendly site with useful and effective content, while ensuring that the supporting customer service is of the highest standard.

Another trade portal view was presented by FSS' e-commerce director Ian Champness, who introduced the Company's new product, nowbookit.com, a leisure distribution system which allows travel agents to connect directly to tour operator inventory systems. Mr. Champness illustrated his vision for the establishment of an extranet providing leisure content to UK travel agents, Internet travel sites and online portals and substantially reducing costs traditionally associated with GDS use.

The final intervention of the day was provided by Jamie Cole, UK Director for Travelocity.com. Mr Cole added to the interesting consideration made by Mr. Dubrule on the criteria that determine the success of an online partnership. An online partnership can be highly beneficial for all parties involved, by means of increased access to online consumers, higher levels of brand recognition and acquisition of market share. However, according to Mr. Cole, partners should share the same strategic approach to business and possess a workable commercial arrangement. They should ensure that enough resources are devoted to the development and management of the project.

Many of the presentations are available for download from the TTI website (www.tti.org).

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