

# INTO 2009

## How we see eTravel Business

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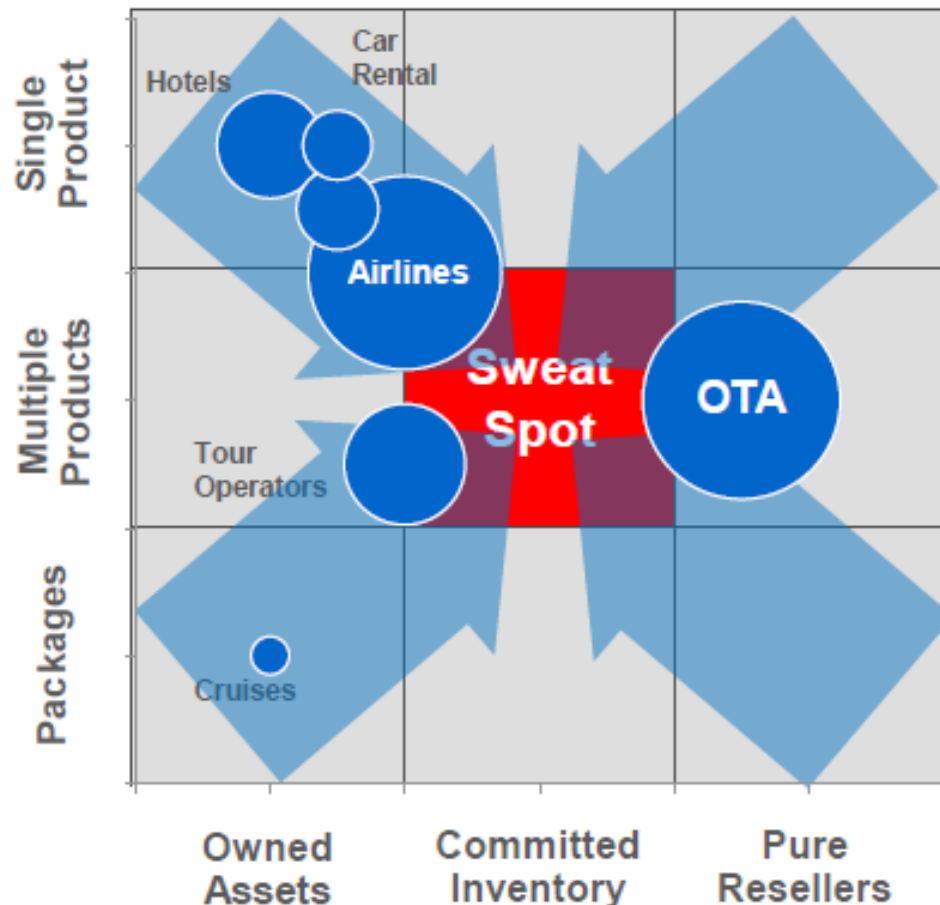
# Understanding the basics

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- New technologies make possible, model and uncover our needs and desires, but rarely create them
- Every person uses the technology, in each moment, according to his idiosyncrasy and his mood, moving from one side to the other of the different options

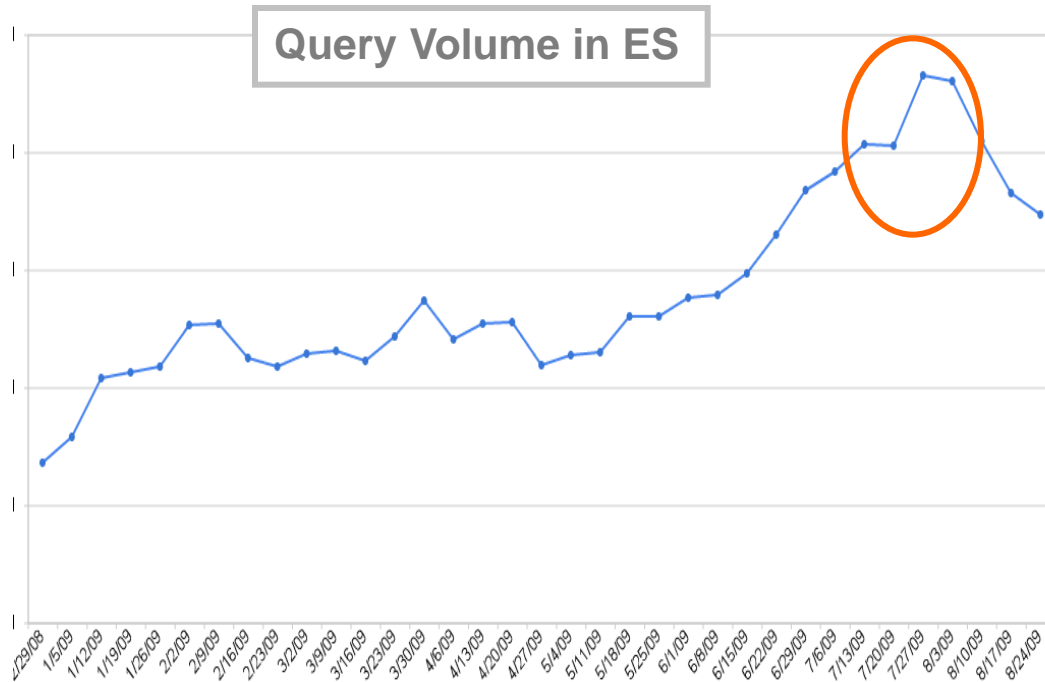
# Travel players are moving towards one sweat spot

## Convergence of the Online Travel Industry



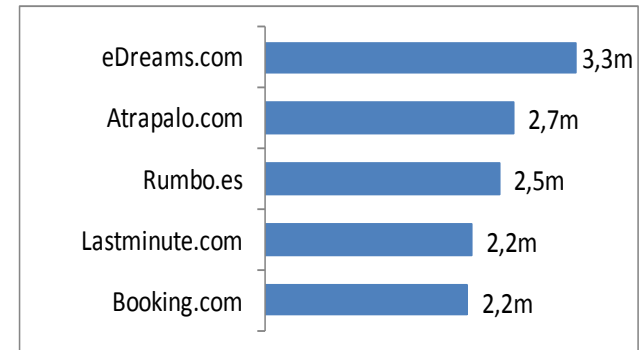
- **Tour operators** historically selling pre-packaged, fixed-duration holidays based on pre-contracted inventories switch to dynamic packaging and pricing at the point of sale – replicating the OTA model
- **OTAs** are beginning to increase inventory risks by buying guaranteed hotel and airline capacity and in parallel cooperate with white-label tour operators (e.g. Traveltainment) to bundle components into full-service travel packages
- **Suppliers** like airlines and hotel chains are increasingly selling directly to the customer and widen their product portfolio in parallel – becoming travel intermediaries and even tour operators themselves

# The Spanish market still represents a fantastic opportunity



## Competitor's Ranking\*\*

Unique Audience in July 09

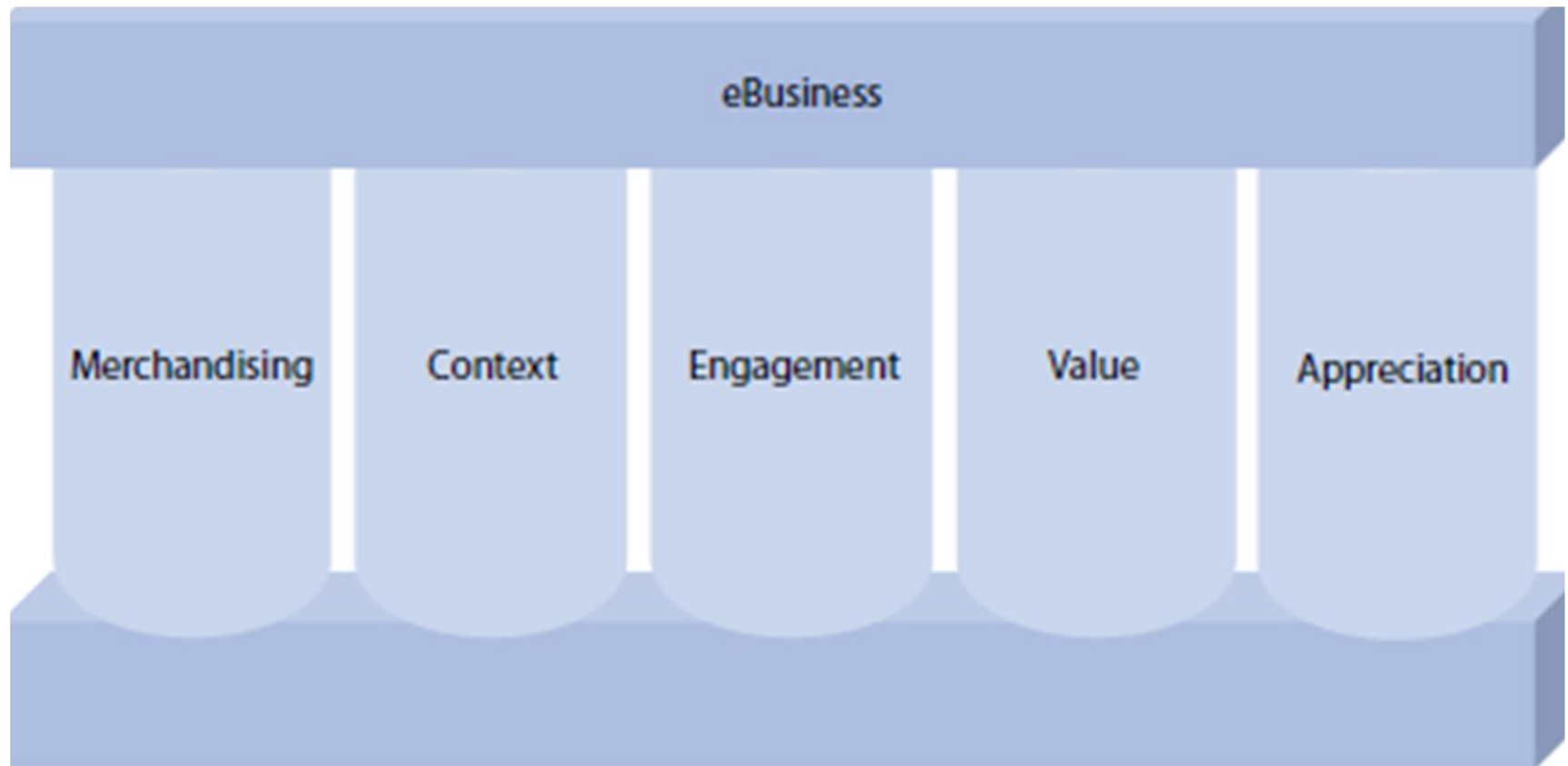


Strong travel query growths (19% and 24% yoy in July and August)

**However, need to bear in mind for 2010:**

- More price driven decisions than ever, increasing the length of the search&buying process
- Bookings occur closer to departure date
- Less trips involving flights
- Higher air fares due to reduced inventory
- Even more consolidation of players, especially suppliers

# How we see Travel eBusiness



Sustainable success should be based on these five pillars

# Merchandising is more than just cross-selling and upselling

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To generate revenue, travel organizations have increased their emphasis on cross-selling and upselling various services beyond the “base” product the traveler buys. However, travel organizations generally push their upsell or cross-sell offers in an almost-blind manner, lacking any sense of relevance.

For example, a traveler who buys an inexpensive airline ticket may be offered a three-star hotel, even though she’d consider a four-star property. Travel cross-sell and upsell offers and related product descriptions generally lack useful details and emotional resonance.

**To succeed, merchandising in travel eBusiness must embrace more thoughtful, retail-like merchandising practices**

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# Context empowers travelers to make better-informed decisions

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As we enter the sustained period of “neo-frugal chic,” travel organizations will need to do everything they can to encourage travelers to look beyond price as they make their purchase decisions. To achieve this, **travel organizations need to invest in the software and front-end user interface (UI) so travelers can make well-informed purchases.**

Travel organizations like Tripkick, Fly.com, InsideTrip, and Pan Pacific Hotels and Resorts provide useful context that helps shift the purchase decision away from price and toward other important criteria that travelers value.

Like merchandising, context will be most useful in travel eBusiness in the learning, planning, and booking phases

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# Engagement is needed to form true customer relationships and be a part of the social Web.

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Engagement involves nearly every aspect of the eBusiness processes and user experience. To successfully engage travelers, travel eBusiness professionals must recognize that the opportunity to engage the traveler is the point where he starts to think about a trip.

eBusiness professionals must be open to embracing new planning and booking processes, they must understand the role Social Computing plays in traveler engagement. As the future of the social Web shifts increasingly to a shared social experience, travelers will rely more and more on their peers to help in their decision-making.

The mobile channel will also be critical to engaging travelers. Travel organizations have numerous revenue-generating opportunities to reach and engage them through their mobile devices, especially when they are en route and on their trips.

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# Value is essential to sell in the era of neo-frugal chic

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Making sure that value is easy to find through travel eBusiness channels is another point that appears to be easier said than done. Some fixes, like ensuring that your promotional offers are visually prominent on the home page, are easy and inexpensive, so address them first.

One of the more complex projects is trying to understand what travelers value when they take a trip so you can be more effective when suggesting destinations, products, price points, and activities across channels.

Enhance user profiles with relevant questions regarding your travelers' make and model of car, the type of mobile device they use, and their willingness to trade up for better service or to save time — even their travel related life goals.

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# Customer appreciation is core to making the traveler know her business is recognized

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Just as important as communicating your commercial offers will be how you help travelers know you recognize and understand the value they contribute to your business. In some cases, this may require nothing more than a “thank you” acknowledgment via email or when travelers log in to their account.

More valuable customers deserve more. To please them, consider extending privileges in terms of Web site customization or configuration; access to private content not available to the general public, whether commercial offers or editorial features; or even creating special private communities, as United Airlines and Embassy Suites Hotels have done.

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Thank You

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