

# BRINKMANSHIP

Image credit: www.photolibrary.com

## Travelport-AA stand-off has implications for all GDSs (and agents)

By Ian McMahon

AS TRAVELBULLETIN went to press, it was still possible that Travelport and American Airlines (AA) would resolve their differences by December 20.

That was the date from which AA planned to impose a surcharge on agents outside the US using the Travelport GDSs, Galileo and Worldspan to make bookings.

In the case of Australia and New Zealand, AA set its "booking source premium" at \$US11.75 per segment to be collected from agents post-transaction (presumably by ADM).

Industry optimists hoped that the two companies would pull back from the brink of a precipice that could, ultimately, see the existing airfare distribution system plunge into disarray.

They pointed out that it would not be the first time conflict between airline and GDS was resolved at the eleventh hour. It is understood, for example, that an earlier dispute between Swissair and Sabre was resolved just 20 minutes before the carrier's fares were to be removed from the GDS.

The dispute between Travelport and AA is symptomatic of the tension which, of necessity, exists between airlines and GDSs and centres on the fundamentals of access to fare inventories and charges for segment bookings.

Australian agents saw another aspect of it a decade ago when Qantas threatened to impose a surcharge on GDS bookings unless the GDSs lowered their segment booking charges.

Agents rely on GDSs as the single, efficient means of booking fares on airlines across the board, and a move such as AA's, erodes their effectiveness.

Clearly penalties imposed on GDS bookings will place financial pressure on agents to book direct with individual airlines – a far more complex and inefficient approach.

Ironically AA, now accused of attempting to drive agents to its DirectConnect system, pioneered the modern multi-airline GDS with the launch of Sabre (which subsequently became a separate listed company).

Pointing to the wider implications, Association of Canadian Travel Agents (ACTA) president David McCaig was quoted last month saying that AA "appears to be firing initial salvos at Travelport as a prelude to driving travel agents away from all major GDSs and to AA's direct connect system."

Flight Centre boss Graham Turner clearly sees the dangers and has called on airlines to continue their support of GDSs.

Flight Centre is a Galileo agent and Turner said AA's surcharges would add significant complexity to the in-store

and online reservation process.

"There is no doubt that the GDS represents the most efficient and cost effective way of distributing and booking airfares," he said in a statement issued earlier this month.

"This is, after all, one of the main reasons why airlines originally developed GDSs.

"If this continues, a confusing and complicated situation will arise, with the AA fares that are displayed in the GDS not necessarily an accurate reflection of the ticket's cost.

"Obviously, this will create confusing scenarios for customers and for travel agents, who both want easy access to the full range of airfare and airline choices."

He also warned AA that charging agents after the booking would create considerable ill feeling and that other airlines offering their fares through GDSs would benefit at AA's expense.

■ The simmering tension between AA and Travelport reached boiling point early last month when Travelport took legal action prevent AA from pulling its fares out of Orbitz (48 per cent owned by Travelport) on December 1.

AA and Orbitz were in dispute over the airline's requirement that Orbitz link to its Direct Connect system for flight inventory and ancillary services.

In court documents, Travelport

claimed: "This case is about AA putting its corporate knee on the neck of one of Travelport's largest customers, Orbitz Worldwide, to force a result that violates AA's contract with Travelport."

On November 19, Travelport won a temporary restraining order but AA expressed confidence it would win when the case was heard – "In the meantime, we will continue to pursue our efforts to bring newer technologies and lower costs to the distribution of our product", the carrier's statement said.

Travelport president and chief executive Gordon Wilson said his company did not condone AA's move to impose surcharges outside the US.

"The true cost of booking AA will need to be shown to consumers at the point where a buying decision is made," he said.

He accused AA of "penalising the very people who deliver valuable revenue to AA in these international markets.

"Travelport remains committed to resolving the dispute with AA which has arisen through what Travelport regards as an attempt by AA to force travel agencies into their Direct Connect model thereby inhibiting consumer choice between multiple airline providers, pushing more costs to travel agencies and resulting in a less efficient and fair industry model."

# 2010 – a RED-letter year for Sabre Pacific and 2011 looking good

SABRE Pacific general manager product and marketing Richard Morgan believes this year's roll-out of Sabre Red was probably the most successful exercise of its kind in the history of travel industry IT.

Within six months, he says, the new product was up and running in 55,000 agencies worldwide including around 2000 Australian agencies.

Acknowledging that it is a human characteristic not to like change, Morgan says there was little resistance to the new, updated Sabre.

Indeed he claims that agents have embraced the NASA-developed technology and the graphical solutions which are features of Sabre Red,

"The industry may not have been ready for fully graphical applications in the 1990s but that has certainly changed," he says, promising more graphical options in the year ahead.

There will also be further developments "in the mobile/PDA space", he says.

And he foreshadows further developments on the bundling and unbundling of airfares.

Echoing the comments of Traveport's



Shelley Beasley and Amadeus' Sari Vahakoski, Morgan affirms that, while "airlines may posture around their direct-sell strategy", there is "definitely no technical issue" preventing the sale of airline ancillary services by agents,

He says GDSs can not only enable agents to sell ancillary services such as baggage allowance, inflight entertainment or meals but they can also facilitate comparison shopping.

They can equip agents to inform their clients what is the better deal between, say, a Qantas domestic fare with all elements included and a Virgin Blue fare plus the client's chosen extras.

He welcomes the "significant" agreement between the GDSs and major corporate agencies on adopting a standardised approach to this.

■ Latest enhancements to Sabre's itinerary tool "Virtually There" will help agents offer a better service to their clients particularly in the mobile phone area, Morgan claims.

He says Sabre agents will now be able to offer clients more choices, including online check-in on a network of carriers, graphical itineraries and the ability to track flight departures and delays.

He adds that agents can customise the Virtually There itineraries with

their own emails and branding.

He says FlightStats – well known for extensive coverage in the South Pacific and Asian region – will be providing Virtually There's flight information.

Virtually There also gives travellers the convenience of checking-in with more than 55 airlines via the web or a mobile device.

■ In the wake of winning sole preferred status at Jetset Travelworld, Sabre Pacific head of sales Carl Frier says the company is "extremely pleased" with the number of JTG agents that have migrated to Sabre which now includes a Jetset Travel Insurance by QBE option.

■ JTG is by no means the only group which Sabre Pacific is cultivating.

The GDS company had a significant presence at the recent conference of Orient Express Travel Group's Independence conference.

"OETG were the first of our customers to go live with two end-to-end solutions within the Sabre Red workspace – Agency Fares and Travel Protection by QBE," says Frier.

"Hundreds of OETG's Independence, Select, Ticketing and wholly owned agencies have already been upgraded."



As the holiday season approaches, the team at Amadeus would like to thank all our industry partners for their support in 2010 and wish everybody a very happy and safe holiday season. We look forward to working with all our present and future partners in another successful year and make it a Brighter Bolder Better 2011 for everyone.

Tell us what you need: [sales@au.amadeus.com](mailto:sales@au.amadeus.com)  
[www.au.amadeus.com](http://www.au.amadeus.com)

**amadeus**  
Your technology partner

# Sari Vahakoski's team set to kick goals for Amadeus in 2011

HUMAN capital has been a key focus for Amadeus IT Pacific managing director Sari Vahakoski in the 14 months since she took up her Sydney-based position.

Because Amadeus has an "extremely diversified" customer base – comprising large corporate clients, online travel agents, wholesalers, tour operators and leisure agents – Vahakoski is aiming for "a more segmented approach to sales, service and the products we bring to market".

She has set out to assemble an executive team that blends IT knowledge with travel industry experience and the fresh perspectives of someone from outside the travel industry.

The team's in-depth IT expertise is supplied by head of product management Fergus Park who has spent the past 10 years with Amadeus.

Bringing an extensive travel industry background to the team is head of corporate solutions, Oliver Tams, formerly general manager of Jetset Travelworld's Business Select. A onetime travel agency owner, he has also been national sales manager with Travelscene American Express.

Recruited from outside the industry is head of sales and marketing David Katz who arrived at Amadeus five months ago after a 16 year career with Optus – a background which, Vahakoski says, equips him well to succeed in "a competitive industry where innovation is a key".

She values the "outside" viewpoint that Katz adds to the team.

Katz has recently announced "significant" changes to Amadeus' sales team,

intended to "better focus on travel agencies' particular needs".

Key appointments within the new structure include Amadeus veterans Yvonne Castle and Kim Staughton as



Sari Vahakoski

head of global customer IT sales and head of key accounts respectively.

They have been joined by Nick Ward who was recruited by Amadeus in June as manager, sales and account management SME. Ward came to Amadeus from Tourism Victoria and previously held a range of roles with STA Travel.

Asked to look back on 2010, Vahakoski rates the successful float of Amadeus on the Madrid Stock Exchange as one of the company's big achievements, noting that the IPO succeeded "in relatively difficult financial circumstances (in the wake of the Global Financial Crisis)".

She says the public company is "striking a good balance between

returning dividends to shareholders and investing in product".

According to Vahakoski, Amadeus invests around 250 million euros a year in product development "and in 2009 we actually increased investment".

Next year will see Amadeus in Australia providing more local content, boosting its hotel offering and linking to insurance providers.

Vahakoski says the Amadeus Custom Desktop, which integrates local content and external applications directly into Amadeus Selling Platform, will enable agents to increase productivity and grow sales.

Designed around individual agents' workflow, the tool will provide Amadeus agents with a customised display which, the company claims, will reduce manual errors while cutting the time spent on the booking process.

Already the company has enhanced content with the release of Hotels Plus and Cars Plus and Vahakoski foresees more on airlines ancillary services.

She is in furious agreement with her counterparts in the other GDS companies that, despite some carriers claiming the contrary, the technology is available to enable agents to sell these ancillary services – but standardisation is the key to moving forward.

Currently being piloted by an airline and an online travel agency is the aspirational (or affinity) search engine developed by Amadeus in the wake of its acquisition of Traveltainment.

The aim is to present users with a range of travel options based on factors other than price.

For example, the information supplied to the search engine may be: family of five, three children under six years old, baby sitting services critical, one member of the family plays golf and holiday budget is \$10,000. The family will then be presented with a range of options that meet its needs.

With its move away from price-led searches, "this will bring quite exciting changes to the way we sell travel", predicts Vahakoski.

Awaiting patent is "Cryptic Magic" software that will, among other things, assist agents migrating from another GDS to Amadeus.

If an agent forgets the appropriate Amadeus command, they will be able to use the corresponding command of their former GDS and, thanks to Cryptic Magic, they will get the desired result, according to Vahakoski.

She says the overall aim is to provide agents with the tools to do business more efficiently and cites Ticket Changer which, she says, reduces the process of re-calculating fares and re-issuing tickets from 30-40 minutes to two minutes.

"It's a relatively small development but it makes a massive difference to travel agents," she says.

Vahakoski says Amadeus is keen to work with innovative agents in developing product and points to the company's partnership with World Travel Professionals in the development of OneClick (*travelBulletin*, November).

"Many of our customers want to try and test new products. We walk this road together to bring innovation and efficiencies," she says.



## Innovative Status Verified.

Our commitment to innovation was rewarded recently at the Microsoft Partner Awards, where SERKO® Online was voted ISV Solution of the Year. As Australasia's leading OB, we were gratified indeed to receive such a resounding and independent endorsement of our product, our people and our capabilities. Most importantly, it reinforces to our clients that SERKO® Online is the market leader, one committed to making your job easier, more efficient and more effective.

SERKO® Online. Our innovation, **your** advantage.

sales@serkoonline.com

www.serkoonline.com



# Simply the Best ...again



Guess who's been voted Best GDS in Asia Pacific for the second year running? You've got it – Travelport.

We're delighted that our continuing quest to provide you with the world's best technology and customer support has been recognised yet again in the prestigious TTG Travel Awards.

And we'd like to thank you for helping us get there!

If you would like to know more about Travelport, please call us on +61 2 9391 4000 and ask to speak to one of our sales team.



# Cummins: Range of initiatives will boost Travelport in 2011

ASK Sean Cummins about Travelport's achievements in 2010 and the challenges that await in 2011 and there are no surprises in his answer.

Travelport's country manager for Australia and New Zealand has no hesitation in identifying the renewal of the company's contract with Flight Centre and the development of its Universal Desktop travel agency solution.

The two are linked as the claims made for the Universal Desktop played a crucial role in Travelport's Galileo retaining the Flight Centre business globally in the face of intense competition from rival GDSs Sabre and Amadeus.

And next year the successful implementation of the Universal Desktop with Flight Centre and with other Galileo users, such as Harvey World Travel, will be at the top of the company's agenda.

Cummins says the GDS has met its Flight Centre targets with the Universal Desktop now undergoing "user-acceptance testing" prior to a roll-out to the retail chain's outlets from early next year.



By the second half of next year the company will be well and truly engaged in introducing the Universal Desktop to other Galileo agencies and agency chains. It is already in preliminary discussions with HWT about issues such as work flow structures.

But Cummins says he has much to be excited about in addition to the Universal Desktop. This includes:

- The establishment of "Travelport Opinion" to enable agents around the world to network with each other.

Available to all travel agents (not just Galileo/Worldspan users), Travelport Opinion will facilitate agents seeking advice from peers who may have expertise in a particular destination.

It will enable agents to write and search reviews of hotels around the globe and search destinations, people and companies.

They will be able to invite contacts and build global professional networks.

- The introduction of Cross Check Travel Enterprise (CCTE), the latest version of Australia's most popular mid-back office system which, Cummins says, will deliver increased workflow efficiencies to agents.

Among the new features are quote-to-booking tracking and reporting functions, and the trip forward sales report that provides an overview of future bookings.

Cummins highlights the multi-branching capabilities and improved corporate functionality in a pitch for CCTE aimed at small to medium leisure and corporate agencies.

- Travelport's acquisition of Singapore-based Spruce, developer of the hotel and

travel meta-search engine Spruce.com.

As a result of the acquisition, Galileo and Worldspan agents will gain access to Spruce's portfolio of over 240,000 international hotels, a comprehensive suite of hotel reviews, merchandising options and comparison tools.

It will help Travelport deliver a much broader range of hotel options to its travel agency customers, supported by comparison features.

- The launch of Travelport "Universal API" which, says Cummins, is the GDS industry's first application programming interface (API).

Travelport is promising a "seamless booking experience" for customers using applications built with its Universal API.

They will be able to use Travelport's Universal Record which the company describes as "a true Super PNR".

According to Travelport its Universal Record is "an off-host database that stores data for all segments booked through the Travelport Universal API - regardless of content source - with full synchronisation back to the GDS PNR to maintain mid and back office integration".

tramada  
office  
management  
by travel agents for travel agents

A new generation  
has arrived...

tramada®

To see for yourself call  
**02 8227 7320**  
or email  
**sales@tramada.com**

WINNER btTB 2009 Technology Provider |  
TOP 50 Business Review Weekly - Best companies  
to work for 2009 |

tramada  
smart simple seamless

## Tramada plans new OBE moves, brand refresh in 2011

TRAMADA chief executive Jo O'Brien looks back on 2010 as the company's "busiest and most challenging ever" but assures she and her team are looking to the future with plans for new online booking engine alignments and a brand refresh among the projects in the pipeline.

"We now employ about 20 people in our development team and they have been working harder than ever to bring our Next Generation product to market," she says.

"During 2010 we have had 57 technology releases across both our core products - Classic and Next Gen. Contained in these releases were more than 1000 pieces of discrete development.

"Tramada was able to offer the Australian travel industry's first cloud based mid office system, and at a great price.

"The Next Generation tramada system continues this tradition of innovation and has now combined web-services connectivity and a JAVA platform.

"This modern, open architecture means that integrations with any number or kind of travel supplier is possible and this is where many of the important new features that will be released during 2011 will come from."

Tramada is often portrayed as a system particularly suited to large corporate agencies.

But O'Brien says, the company will next year be aiming to improve processes "for

agents whether they are leisure agents, home-based agents, business agents or the biggest TMCs".

According to O'Brien, Tramada has established strategic partnerships with organisations here and overseas "which will take the product to a new level".

She says: "We are looking to integrate the content of any number of tour operators and cruise operators and in fact are well down the track with a number of these projects.

"We are soon going to be releasing auto reconciliation of consolidator statements.

"We are creating data feeds that will assist agents with providing sales information to agency groups to allow performance benchmarking and contract management. We can streamline the data collection by offering real-time online travel related information."

Meanwhile Tramada is looking at a number of online booking engine integration options.

She says: "Independent and GDS offerings that operate in Australia and New Zealand are being considered. These integrations will be designed to enhance processes for the leisure and/or corporate agents they target."

She says the planned brand refresh "will keep the name that has such currency in the travel industry but will reflect the new, fresh and exciting product in the way we present ourselves to the world.

"We are now developing our concepts into new collateral ready to go in the New Year."