

# How the GDS companies fought for the allegiance of Australia's major retail chains

By Ian McMahon

AUSTRALIA'S GDS companies are catching their breaths after a whirlwind of activity over the past 12 months.

Every major retail account was up for grabs in 2009 and rivalry was fierce as the GDS companies scrapped to simultaneously increase and protect their existing market shares.

The jewel in the crown was the Flight Centre account, widely considered the biggest global opportunity available to GDS companies for the next five years.

The Brisbane-headquartered global giant undertook an exhaustive evaluation process. Its negotiating team conducted multiple meetings with

"It is a fantastic opportunity to work with a great company. They push us, they present us with the challenge of providing technology to achieve Skroo's (Flight Centre managing director Graham Turner's) vision for Flight Centre five, 10, 20 years down the track."

She is eagerly anticipating working with Flight Centre on the introduction of Travelport's much-heralded Desktop Solution.

Beasley implicitly acknowledges her company's advantage of incumbency, saying: "The highest levels of our company were involved in the negotiations, but this is not new. We have had a 20-year relationship with Flight Centre."

"Skroo and Gordon (Wilson) have a peer relationship and respect for each other. They can sit together, cut to the chase and get down to the business of doing business."

While retaining Flight Centre's custom ensures Galileo also retains market leadership in Australia, it is by no means the only win for the Travelport GDS over the past 12 months.

It has also, for example, signed up Reho Travel and renewed its preferred deals with Harvey World Travel and the Concorde Group.

At Sabre Pacific, chief executive Gai Tyrrell admits to disappointment at Flight Centre's ultimate decision but pays tribute to the company for conducting "one of the most thorough and professional processes I have been through."

She clearly relished the fact that Sabre Pacific took the lead in the GDS's bid and she has no doubt that the decision was a close one.

"Of course I am disappointed but Flight Centre and Galileo had a long-standing 20-year relationship," she says.

To help salve her Flight Centre disappointment, Sabre Pacific has achieved a string of other significant victories over the past 12 months.

Notably, Sabre Pacific clinched sole preferred status with Jetset Travelworld Group (JTG), ousting Galileo from what had been a joint preferred situation.



Shelley Beasley ... set to introduce Travelport's Desktop Solution to Flight Centre

senior Travelport, Sabre and Amadeus executives in locations around the world.

Months passed as Flight Centre management agonised over a decision which clearly went down to the wire. Eventually the incumbent, Travelport (Galileo), emerged as the winner of the five-year, nine country deal.

Travelport's Pacific managing director Shelley Beasley says: "The decision has generated a lot of internal pride, particularly as Flight Centre conducted such a rigorous process looking not just at financials but at a range of issues including content and long-term plans."

Of course, JTG's retail outlets are independent businesses so preferred GDS status is only the first step in winning the business of individual agencies. And Beasley has indicated Travelport will be fighting hard to retain the allegiance of the 40-50 per cent of JTG agencies using Galileo.

"We are quite confident that the combination of our onshore service centre - we're the only GDS to have one - and CCT (the Cross Check Travel back office system), which is quite beloved by agents, will give us an edge in retaining agents' business," she says.

Tyrrell is unfazed. "Of course they (Galileo) will fight - they'd be a pretty ordinary company if they didn't," she says. But she is convinced that Sabre

Pacific can leverage the first JTG sole preferred GDS agreement in many years to great advantage.

"For the first time the whole JTG sales force will be focused on Sabre," she says and also points to the ability to exploit both JTG's and Sabre Pacific's reward programs.

JTG is by no means the only prize won by Sabre Pacific in last year's scramble for major chains' business.

Travelscene American Express and BCD are among other major groups who renewed preferred deals with Sabre in 2009.

Sabre Pacific also retains the business of global corporate travel giant, Carlson Wagonlit, in Australia.

In recent weeks an Amadeus press



Sabre Pacific's Gai Tyrrell with Travelscene American Express' Mike Thompson ... Re-signing TSAX was one of a string of victories for Sabre Pacific in 2009

release spoke of “a new long-term global GDS agreement” with CWT and a Travelport press release announced a deal with CWT in India.

But Tyrrell confirmed that CWT in Australia remains with Sabre for practically all its business.

Meanwhile, Amadeus, has been steadily making up ground in the battle for Australia’s leisure and corporate travel retailers.

Its partnership with major New Zealand group, House of Travel, negotiated by former Amadeus Australia managing director Tim Russell a couple of years ago, is now paying dividends in Australia.

House of Travel’s Australian investments in Fiji Travel Specialists and the burgeoning home travel agency chain, Travel Managers, have seen Amadeus gain significant business in this country.

At the same time it has won the

business of new and established travel management companies Platinum Travel Corporation and Voyager Travel and achieved preferred status with fledgling high-end chain, Magellan Travel.

One of the challenges which Amadeus faces in Australia is the incumbency of Sabre and Galileo but Sari Vahakoski, who has replaced Russell at the helm of Amadeus in Australia, is keen to reassure agents: “At Amadeus we are migration experts.

“One of our global IT customers said not too long ago that Amadeus is probably the best company in the world to work with when it comes to migration.

“Amadeus is the youngest of the GDS providers, with 23 years of experience, we have done nothing but migrations to Amadeus in the 220 countries we are present...

“Eighty per cent of all recently migrated Amadeus customers in



Sari Vahakoski ... Amadeus are migration experts

Australia and New Zealand rated their satisfaction with the service Amadeus provided during the implementation phase as very good to excellent, and more importantly 100 per cent of survey respondents reported significant productivity gains using Amadeus compared to what they were achieving with their previous GDS.”

## Merchandising, upselling keys to the future, say GDSs

DESKTOP solutions, graphic interfaces, merchandising platforms and up-selling are among the buzz phrases being used by GDS executives as they plan future products.

Travelport GDS vice president advertising and merchandising solutions, Paul Hesser, says Galileo is becoming more than a travel distribution tool.

It is, he says, in the process of transition to “a strategic sales and marketing platform for airlines, hotels, car rental companies and other travel providers”.

Chicago-based Hesser was in Australia and New Zealand earlier this month to brief airlines and local Travelport executives on moves that, he says, will help suppliers and agents to better merchandise and up-sell products to their clients.

His focus on airlines during this visit reflects that point-of-sale merchandising has become a “hot button” issue for them in recent years. Low cost and legacy carriers are now acutely conscious of maximising revenue at point of sale by pre-selling “extras” on top of basic economy fares



Paul Hesser ... turning Travelport’s GDSs into strategic sales and marketing platforms

or up-selling clients to highly differentiated products such as premium economy.

But Hesser stresses similar opportunities are also available to other suppliers of GDS inventory. He links the new emphasis on merchandising opportunities to the planned roll-out, later this year, of the Travelport Universal Desktop which will present greatly enhanced graphic user interfaces.

Vowing to bring “the relevance and clarity of Google-like search advertising” to agents’ desktops, Hesser is promising suppliers

“more integrated and targeted messaging opportunities, as well as the ability to deliver robust graphical ads”.

In a key move, Travelport says it has become the first global GDS company to use only in-house consultants to sell its GDS advertising.

He argues this will deliver “close co-ordination of several key functions – consultative advertising account managers, travel expertise, and leading edge technology. We evaluated third-party providers, but determined we could best meet the needs of our customers through a direct relationship.”

Travelport’s internal advertising operations and support team will use “a leading edge ad serving platform” to deliver campaigns across its product portfolio, says Hesser.

“The platform will be positioned to support merchandising when used with the Travelport Universal Desktop which will seamlessly unify selling and merchandising programs, automate processes

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## Hamilton Island signs on with SiteMinder

SITEMINDER says Hamilton Island has joined the almost 3000 properties in 20 countries that have signed up for its booking site management service.

"The new connection means Hamilton Island will have availability and pricing for its 380 rooms distributed automatically to dozens of online accommodation booking sites such as Expedia, Wotif, Booking.com and Agoda," says a statement from SiteMinder.

The statement quotes Hamilton Island revenue manager Emma Perham saying: SiteMinder will enable the resort to manage rates and room availability for its five properties on a single system while widening distribution through SiteMinder's connections with third party booking sites around the world.

SiteMinder sales and marketing general manager Gary Fog says his company will "simplify, centralise and improve" Hamilton Island's inventory management and distribution.

## SERKO adds new 'direct connect' hotel content option

SERKO Online is now able to provide hotel content through an alternative distribution method in addition to the traditional GDS channel, according to the company's general manager sales and marketing Michael Thorburn.

"Utilising the SERKO Integrator search engine, a new API has been developed with internet accommodation provider THN Australia (The Hotel Network)," he said.

According to Thorburn, the SERKO Online/THN "direct-connect" API will source and present hotel availability, room rates and images from the THN website, during the SERKO Online booking process.

"The advantage to SERKO Online and THN customers is a significantly improved workflow, combined with lower cost hotel rooms," said Thorburn.

"Clients' hotel policies are configured in a similar way to low cost carriers in Air policies, providing them with a seamless 'multi-channel' booking process for hotels.

"Internet-based hotel reservation data, can now be combined with GDS content for greater policy adherence and accommodation reporting."

In another development, SERKO Online has also released new "External Service Links" that provide information for the travel booker classed as "essential" from both the booking page and during the booking process.

**'The advantage to SERKO Online and THN customers is a significantly improved workflow, combined with lower cost hotel rooms'**

"Items such as maps, airport, destination, hotel information, car information, contact services and airline check-in pages, can now be configured and published as 'service links' in SERKO Online," said Thorburn.

"Any additional services that can be booked at a destination, can now be included as an 'external service link' in SERKO Online to further enhance the corporate traveller and travel booker experience."

■ Meanwhile SERKO, which this year celebrates a decade of marketing its online booking tool in Australia and New Zealand, is highlighting its special-

ised approach to handling government and university travel requirements.

"SERKO has recognised the need for government/university travel to be managed differently to normal corporate travel," said Thorburn, claiming this has led to success in "securing various government agencies and universities throughout New Zealand and Australia".

According to Thorburn: "SERKO is endorsed as the online travel solution for best practice across Government, with specific success stories with integration to Government SAP Systems.

"SERKO is investing heavily in research and development around this area – an Australasian first."

He claimed scheduled new features covering duty of care and corporate employee governance issues are helping SERKO to grow its government and high-end corporate business.

"SERKO is the only tool that monitors in real time the user booking process, actively making changes to the user interface to streamline the travel experience which has seen adoption rates of more than 90 per cent," he added.

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Navigator app for iPhone is under test at Frankfurt Airport

## Lufthansa uses new technology

LUFTHANSA has introduced "MySkyStatus" using new technology that automatically updates passengers' departure, location and arrival information on their Facebook and Twitter status update feeds while they are in the air.

On long haul flights, the functionality posts 10 or more updates about the flight's altitude and location. It works with all Star Alliance partners and also on other airlines including Qantas and Virgin Atlantic.

It is available in both English and German and can be accessed under <https://myskystatus.com>.

Another new development currently being tested by Lufthansa at Frankfurt

Airport is "Navigator" – an iPhone application that guides users from their current position to their desired destination at the airport – for example, to check-in, to a lounge or directly to their gate.

The iPhone app (version OS 3.0 or higher) also enables passengers to call up scheduled and expected departure times for individual flights and also allows customers to book flights or check in online via [www.lufthansa.com](http://www.lufthansa.com).

It can be downloaded for free from the Apple App Store. The test phase will last several months and it remains to be seen if the application will be offered in future as a standard service and extended to other airports.



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# Agents lose when they fail to leverage data and technology

TRAMADA Systems general manager Jo O'Brien says many travel agents may be missing opportunities to improve processes, maximum customer relationships and, in an overall sense, run better businesses.

"It seems that the catch cry in business and technology everywhere at the moment is about the availability of data, the amount of data and how businesses can use it," she says.

"Everybody in business wants to reduce costs and improve customer service but these goals are often seen to be at odds.

"For traditional travel agents this is even more salient at the moment as they are constantly bombarded with reports about how well various Australian online businesses are doing, how close overseas online businesses are to cracking this market and how yet another travel insurance provider is sticking the boot in and taking their product direct to market to cut out the agent.

"In most travel businesses two of the biggest ticket expense items are people and technology.

"For those businesses that invest in technology systems and use them effectively they will get the mix of these two items right.

"Maximising the benefit of your technology means you can gain maximum use of your people and have them engaged in actually selling product, which is what they do best.

"One of my great frustrations is that many agents have invested in and have access to great systems – Tramada in particular – but they use such a small



'One of my great frustrations is that many agents have invested in and have access to great systems – Tramada in particular – but they use such a small portion of the functionality and barely analyse the data beyond straight sales, payments and collections' – Jo O'Brien, Tramada

portion of the functionality and barely analyse the data beyond straight sales, payments and collections.

"Not that these aren't important, but there is so much more that can be done.

"In relation to processes – how seriously is a client profile taken in a typical travel business.

"The database of travellers is probably the single most valuable asset in most of these businesses.

"Used properly they will save consultants time and ensure accuracy and good customer service.

"Is it mandatory in the business to put every piece of data on the profile, are consultants encouraged to ask for particular pieces of information, do you know the source of every client who walks through the door, can you

find a list of the high value clients on the spot?

"Here's a secret, the online agents aren't successful because they have fully functional, feature rich booking engines.

"Of course that is part of it but the real secret to their success is their supplementary technology and, most significantly, their use of these systems.

"It is the way their clients are 'forced' to provide profile information, it is the way the data about every booking a client makes is collated and more importantly it is about the discipline of mining that data and communicating to clients with information about trips that have a high likelihood of appealing to that individual.

"They use the technology they have

because it's all they have. If a retail agent can harness that information, and they potentially have much richer data because they see and talk to the client, then they too can have increasing success.

"If retail agents ensure that data is included in the client profile, iteratively as it is collected, then the booking process is streamlined and there are productivity benefits.

"Do they record every client trip to the profile, can they track when the welcome home email was sent, can they see who accompanied these travellers, do they know what they need to know? Then they use their technology to cut and dice this information to learn about their business, their consultants and their clients.

"Tramada can help agents achieve these goals. Our advice to any agent is to take time out of the day to day, review your systems capabilities and learn how to use it effectively.

"Assess whether you are getting the data you need for your business and if not make a change. Find out how your technology can support your goals.

"There is lots of positive talk around at the moment about improved trading conditions for travel agents and let's hope that is true. I suspect many agents are finding that there is a sting in the tail of the GFC and some of the problems of last year have continued on this year.

"There is no question that analysing data is the key – you just have to look at the evidence. Invest in excellent technology – designed for travel agents and use it.

## Net Trans hotel commission recovery now available to Travelport agents

TRAVELPORT has linked with Net Trans to provide Galileo (and Worldspan) agents with hotel commission recovery, potentially boosting average agents' commission income by up to 40 per cent, according to Travelport GDS head of global partnerships and alliances Chris Zando.

"The agreement (with Net Trans) will provide Travelport agents with fully automated commission reporting and collection processing, increasing their commission income while lowering operating costs," the Travelport announcement said.

It continued: "The Net Trans solution gives agents full transparency of their

data so they know exactly how much commission has been paid and how much is still owed.

"Net Trans also chases the unpaid commission wherever in the world the hotel booking is done.

"All commission collection and reporting will be based on the data going through the Galileo and

Worldspan systems, with reports provided to agents each month.

"Net Trans handles all hotel bookings for every property and every brand throughout the world.

"It is a complete outsourcing service where Net Trans takes care of all the aspects of hotel commission collection."

## TDS adds mobile application to ARENA travel distribution system

TRAVEL Distribution Systems (TDS) has added a mobile application to its ARENA distribution system.

TDS has invited suppliers and wholesalers to distribute their product inventory to travel agents via the system free of charge.

According to a statement issued by TDS chief executive Norm Collins: "ARENA is only available to industry members and provides a

cost effective distribution solution for service suppliers/wholesalers to reach a broader global audience.

"Access to ARENA is free of charge for both suppliers and agents and caters for bookings within 10 major travel component types.

"As a further value added service, ARENA now includes an integrated mobile application for clients' of travel agents to book travel

via their mobile phones. This will provide industry members an advanced service and a competitive advantage over many online booking facilities.

"Travel agents, using ARENA, are able to register their clients for the mobile service, which forms a link between the agent and client. The agent can then view or maintain mobile bookings within ARENA and retain

all commissions generated from the client's mobile reservations."

Collins says TDS is establishing international representation to promote the ARENA system and grow the distribution network.

Industry members can register for access to ARENA on the TDS website, [www.tdsworld.com](http://www.tdsworld.com), which also gives details of the system including the mobile application.

# Merchandising, upselling keys to the future, say GDSs

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for travel agencies and allow diverse content to be accessed easily.”

Hesser says this will enable suppliers to enlist agents in up-selling opportunities.

■ Sabre Travel Network is pilot testing a new travel agent workflow solution among American travel agencies, including large regional and multi-national travel management companies.

In Australia, Sabre Pacific is short listing agencies for the pilot, envisaging a launch next month.

An announcement claims the solution's enhanced graphical interface will reduce the training needs of new consultants while a customer profile system will ensure client policies and preferences are reflected in shopping and booking processes

It will operate with any GDS, so TMCs that use more than one GDS can maintain a standardised workflow across their client base, and it will integrate with Sabre's merchandising platform, “providing efficient access to airline merchandising in the agent workflow”, according to the company.

The company says its merchandising platform “efficiently integrates traditional and new forms of content – such as seat selection and fare families – through a variety of technologies and connectivity approaches, including traditional EDIFACT and XML.”

The solution will deliver additional sources of content to agents' desktops via XML, according to Sabre which claims the technology has already proven its capabilities with 2000 Brazilian agents.

“Travel agencies are challenged today by complex product offerings from suppliers and evolving service requirements from clients,” said Sabre Travel Network president Greg Webb.

“The new workflow solution simplifies everyday shopping and selling routines for agents, efficiently incorporating supplier merchandising offerings while reducing the time it takes to review and book options.

“These enhancements also address key sources of inefficiency, helping agencies manage their costs even as they offer a growing number of travel options to corporate and leisure clients.”

■ Amadeus claims it is the first to

launch “fare families”, a merchandising solution for online agencies and the online sites of bricks and mortar agencies

It says Amadeus Master Pricer Agent Fare Families, a new option within the Master Pricer portfolio, will make it easier for agents' customers to compare airlines' fares and their associated conditions online.

“The solution permits a more transparent purchase process for the end consumer – who can clearly compare fares with the same conditions,” according to an Amadeus statement.

In addition, it claims, the Amadeus Master Pricer Agent Fare Families solution improves the travel agency's ability to direct customers to their most profitable content and upsell higher fares with more flexible conditions.

It claims that Master Pricer Agent Fare Families will enable travel agencies to group together fares with similar conditions, but offered by different airlines, into categories or fare families such as non-refundable fares, fares which are refundable but with a penalty, fully flexible fares and so on up to six categories.

## Multi-traveller feature added to Sabre Online

SABRE Pacific has introduced a new multi-traveller booking functionality for its corporate online booking engine, Sabre Online.

“Corporate travel arrangers can now avoid having to duplicate travel plans for a group of people travelling together, which saves time for both the travel agency and the corporate,” says Sabre Pacific general manager sales, marketing and product, Richard Morgan.

“The multi-traveller booking functionality also reduces booking errors and ensures travellers are using the same fare.

“This in turn assists travel arrangers meet company compliance targets and makes budgeting much easier.

“The multi-traveller feature fits with our goal of developing more efficient booking systems with fewer clicks required from users.”

According to Sabre Pacific, a “multi-traveller booking” is suitable for groups of up to four colleagues travelling together on identical itineraries, and can be used for air, hotel, and car segments.

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## Technotalk

### Amadeus interviews Alex Snead, Founder and Executive Director, Jetabroad



#### What has been your key success and what makes Jetabroad different from its competitors?

What makes us unique is that we sell fares from everywhere, to everywhere, to everyone. From Day 1 we focused on long-haul and international flights, and therefore tackling the more complex bookings first and servicing the world from one small office in Sydney. Of course in order to do this it is critical that we know our business and each market involved, and that we are smart about marketing in order to be successful. It is important for us to know our consumers' behaviour, to invest smartly into advertising and promotion, and to focus on main functionalities and competitive advantages.

#### What technology developments have you undertaken as a company and what benefits have these brought to your customers?

With Amadeus, Jetabroad has made it possible to sell travel from anywhere to anywhere from an Australian and a New Zealand office ID, thus having a direct effect on profit, as well as enabling us to stay competitive to our customers and implement new techniques to increase profitability. Jetabroad has taken the best of a number of technology providers, including Amadeus, various net fare engines as well as our own API to connect to third party providers in order to be able to offer the best and broadest content to our customers. We have also been able to use Amadeus' technology to identify and solve one of the biggest problems a lot of businesses in this industry face: failed bookings, erroneous availability displays and erroneous fares. Across the board, around twenty-three percent of total bookings are failed bookings. We have been able to come to a point where we identify and solve these issues very early in the process,

reducing our average amount of failed bookings to two percent and being able to minimise the impact and significantly improve the experience for our customers.

Through Amadeus' unique technology capabilities we have been able to offer unique features such as being able to display and sell combinations of traditional and low-cost airline flight tickets. We were also the first online travel agency to allow premium economy bookings and remain being the only online travel agency to offer mixed business/economy and mixed business/first bookings in the world!

#### What are your thoughts regarding the future of the travel industry and what does the future hold for Jetabroad?

I definitely believe that the period of economic downturn has come to an end and that from now on we will observe a rapid growth of the industry. The move to online is also evident, as well as their being a clear indication of consolidation in the industry. Finally, the model will continue to develop, with

airlines moving to zero commission, for example, which I personally welcome, but that could mean difficult times for some online players.

#### What is your vision for the travel and tourism industry in the next years and how is Amadeus supporting it?

Knowing how to use Amadeus well gives you an advantage that other companies don't have. Whereas other GDS technology providers are more focused on traditional technology, Amadeus truly understands the online business and provides the right solutions for it. Amadeus is a truly global company and is designed to work for companies with a presence in several markets, and therefore has the relationship with other global players that they need to understand the business and deliver the right solutions for our success in the future.

For more information please visit [www.au.amadeus.com](http://www.au.amadeus.com) or go to [www.jetabroad.com.au](http://www.jetabroad.com.au)