



The future of travel distribution

Simon Ferguson

VP & Managing Director Northern Europe

Travelport

An opening thought.....

1902, the US patent office
recommended it be shut down...

...Because it didn't believe there
was anything left to invent!



Nothing left to invent...

None of these companies existed 12 years ago

Linked in.

twitter

skype™

GROUPON
Collective Buying Power

UBER

facebook.

airbnb

You Tube

Uber said to be raising \$2 billion, could soon be the most valuable startup of all time at over \$50 billion



MATT WEINBERGER



MAY 9, 2015, 8:35 AM

12,718

10

Airbnb Is Raising A Monster Round At A \$20B Valuation

Posted Feb 27, 2015 by [Ingrid Lunden](#) (@ingridlunden)



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CrunchBase

Airbnb

FOUNDED
2008

OVERVIEW

Alibaba.com
Global trade starts here.™

The need to travel
continues to
grow

By 2017
airlines predict
nearly

4 billion passengers
annually

Global leisure
travel
3% growth

**Global business
travel
6% growth**



Changing horizons

During the next 20 years, nearly half of the world's air traffic growth will be driven by travel to, from or within Asia

Over 25% of global air tickets on a low cost carrier

Global hotel growth driven by emerging markets

2015 Forecast by Region by Rooms



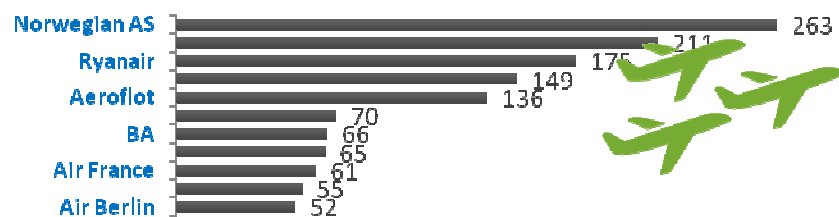
Changing horizons

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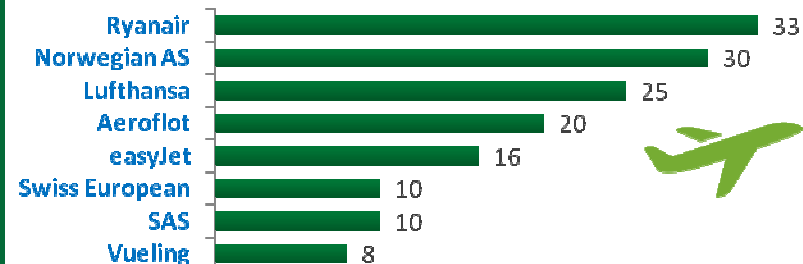


European Fleet Expansion Driven by LCCs

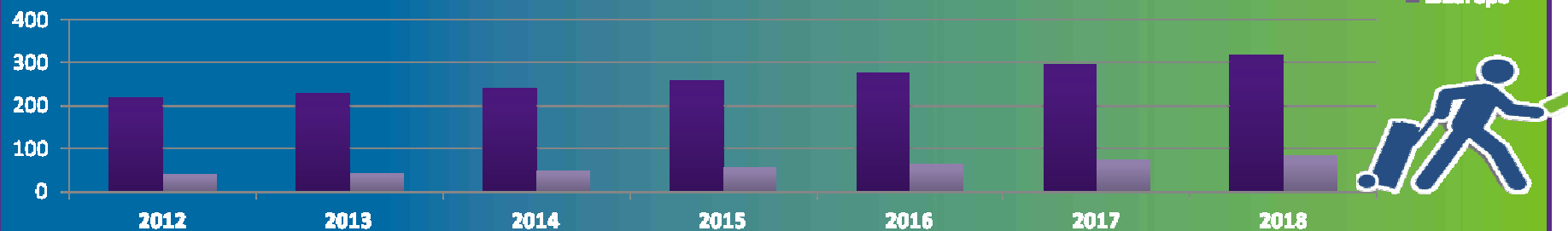
European Airlines With More Than 50 Upcoming Deliveries On Order Till 2029



European Airlines Fleet On Order For 2018

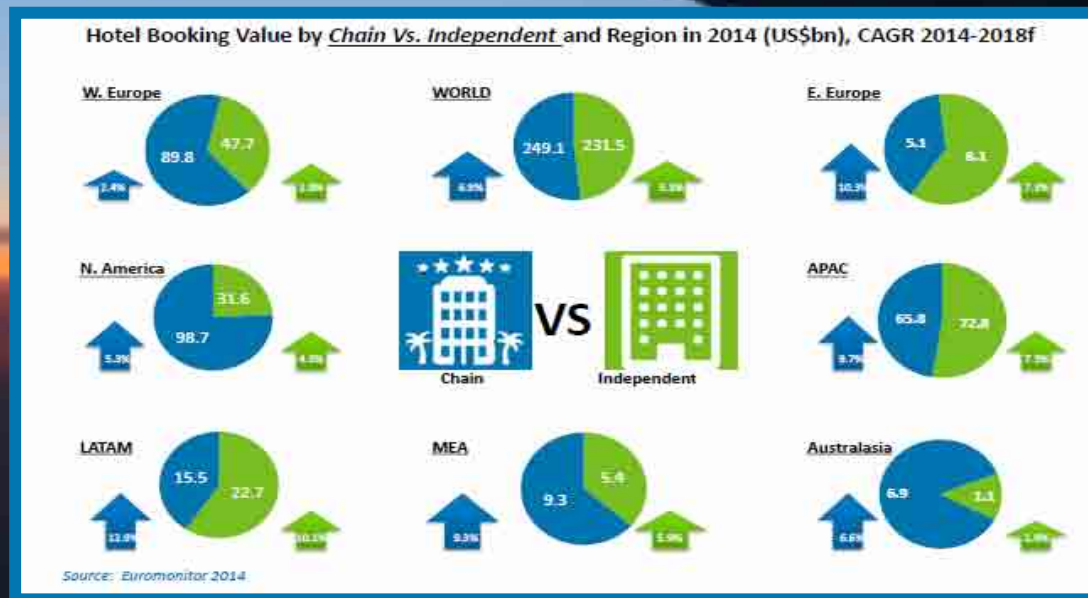
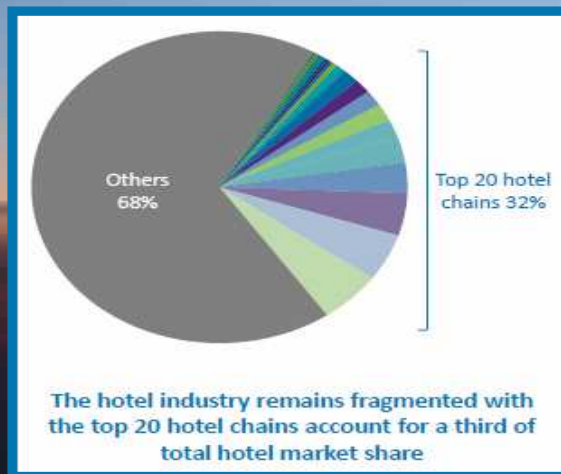


LCC Passenger Forecast (millions)



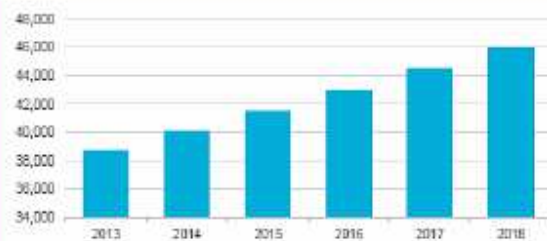
Source: CAPA, Travelport Internal Model

Hotel landscape continues to fragment



Growth of private rentals

Value Shares for Private Accommodation US\$m 2013



Although APAC and W. Europe account for the bulk of sales, N.America is expected to grow the fastest, driven by, value in both monetary and cultural terms as well as allowing longer stays or more trips.

This may become a growing threat, particularly to smaller independent properties



Source: Euromonitor

Figure 11: Space Renters as a Share of Rental Traveler Population, by Country



HomeAway®

Travellers want a unique experience...

**72% would rather spend money on experiences,
than on things**

Demand grows for adventurous and personalized travel, attuned to local culture driving niche travel

Digital is the top source of travel inspiration

65% of leisure travellers are inspired by online sources, most via social, video sites and search



...and a hyper-**PERSONAL** service

56% are comfortable with companies using their data if it makes shopping easier






**Social media ranks
second to friends and
family as source of travel
ideas**

Facebook/Deloitte



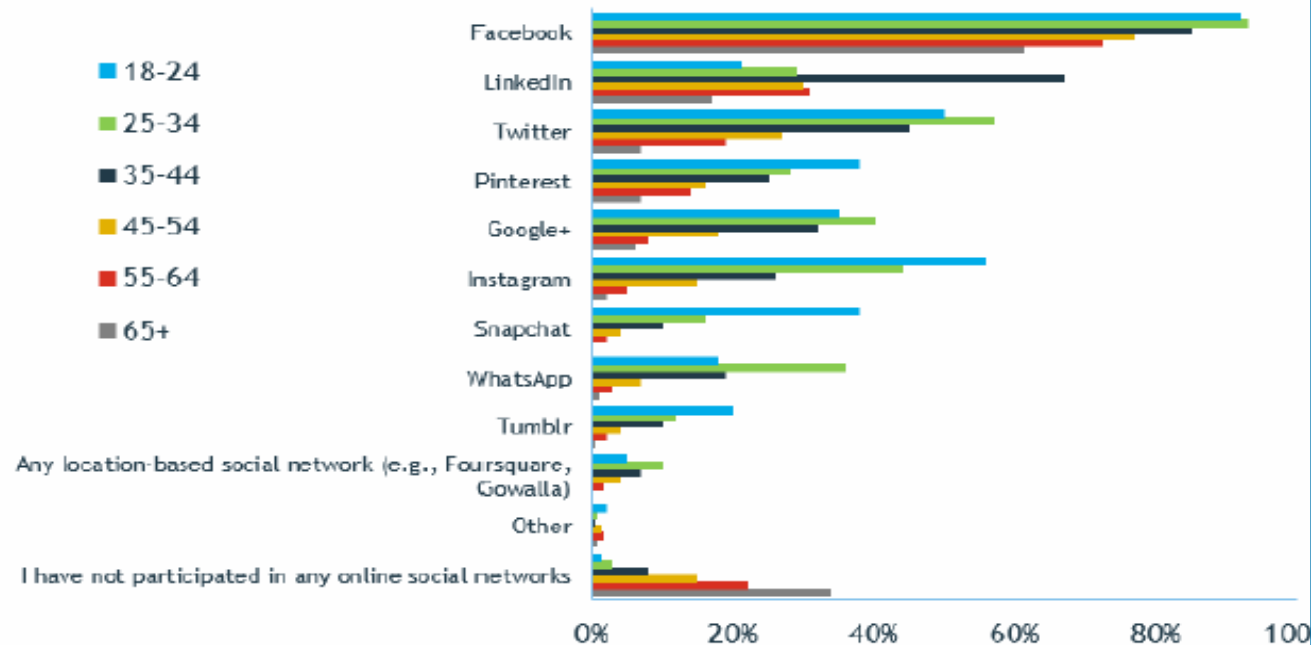
A photograph of a young man and woman taking a selfie on a balcony. The man is holding a selfie stick with a smartphone attached, and both are smiling. They are wearing jackets and sunglasses. The background shows a city with many windows, slightly out of focus. The entire image has a reddish-brown tint.

76% of social media
users have a dream
trip list, but only 8%
have been everywhere
on the list

Source: Facebook /Deloitte

65% of over 65s have participated in social media

Figure 3: Participation in Popular Online Social Networks, by Age



Generational shift

26% of European travellers
are millennials

Asian millennial travellers
already account for 35% of
the \$600Bn spent on
international travel in Asia

Millennials will make up
75%
of the world's workforce by 2025





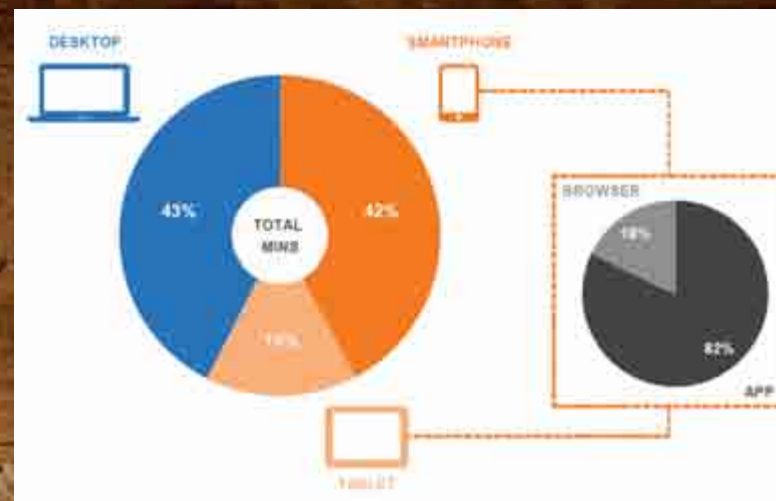
“The generation that likes to be alone.....together”

Travel experiences built around a new generation of travellers



Mobile-enabled travel experience

**Mobile to overtake
desktop usage in
Europe 2016**





2005

Inauguration of Pope
Benedict XVI.....

Luca Bruno / AP

2013

Inauguration of Pope Francis



Michael Sohn / AP

75% of travelers use smartphones
and tablets when traveling

20% Travel bookings on mobile
device by 2017

60% of mobile hotel bookings
happen within 24 hours
of a stay

**Mobile is now a key element of the entire
customer experience**

Messaging Apps

Figure 2: Top Apps by Sessions Per Active User, Q1 2015

Rank	United States	United Kingdom	Germany	Japan	South Korea
1	Facebook	WhatsApp Messenger	WhatsApp Messenger	LINE	KakaoTalk
2	Chrome Browser	Facebook	Facebook	Chrome Browser	CashSlide
3	Snapchat	Chrome Browser	Chrome Browser	Twitter	Facebook



Figure 7: Travel Companies Experiment with Messaging



Marriott Mobile App



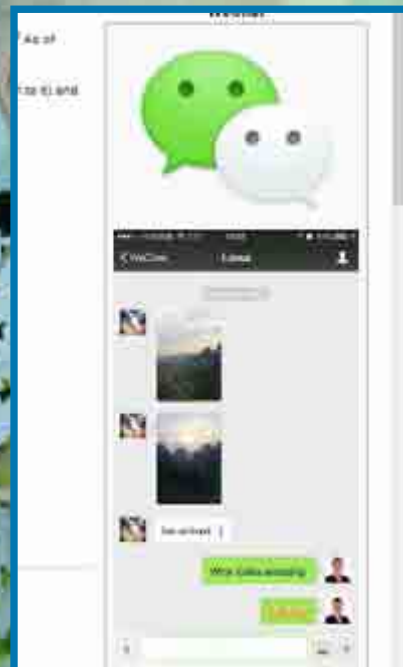
Airbnb Local Companion



Sources: Phocuswright Inc.
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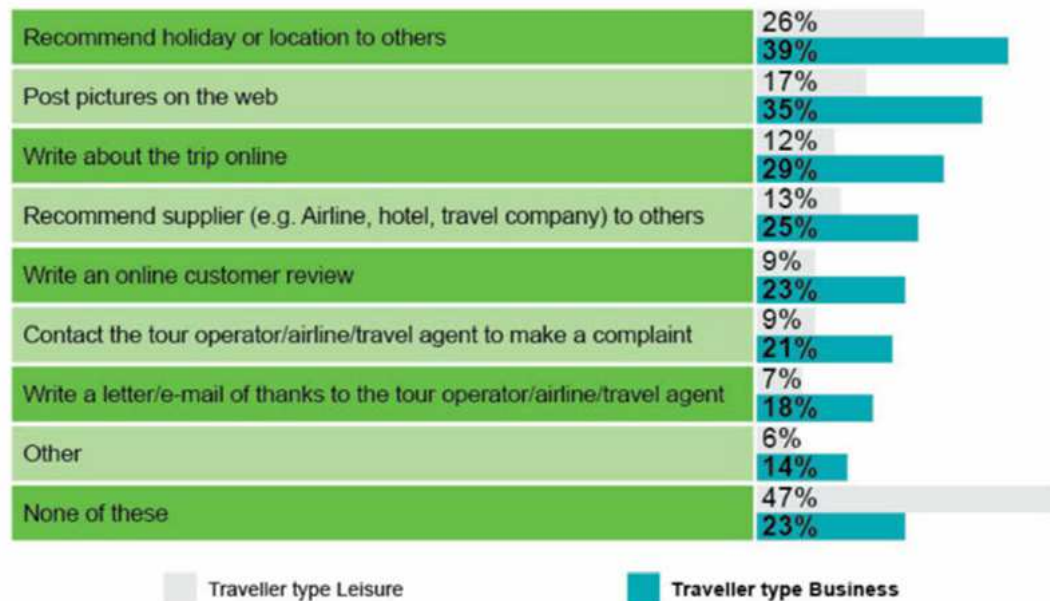
Conversational commerce

WeChat- over 450 million users, 70 million outside China



Consumerisation of business travel

“ Did you do any of the following during your last trip? ”



“Uber accounts for 50% of all taxi expenses submitted.”

Certify

Airbnb Taps Business Travel Market With Concur

ARTICLE

COMMENTS (1)

WARRIOR BUSINESS TRAVEL | CONCUR

By DOUGLAS MACMILLAN | 4 min read



Business Travel priorities changing

1. Safety & security ↑
2. Cost control
3. Traveller satisfaction and experience ↑
4. Growing online adoption
5. End-to-end travel ↑
6. Compliance to travel policy
7. Mobile strategy ↑



Personalisation- Hotel multi-brand strategy



Economy tier targeting Millennials



Full-service Lifestyle brand



HYATT ZIVA™

Family-friendly resort s



HYATT ZILARA™

Couples-only resort



Individual hotels that do not fit into other Hilton brands



Aimed at travelers who value design, social common areas and advanced technology



Economy tier targeting Millennials



Curated collection of luxury hotels



Lifestyle brand targeting Millennials

73% of airlines intend to have a customer relationship app by 2017
64% intend to personalize the trip via mobile app



Ancillaries a key driver for airline/hotel financials

\$13.93
per passenger

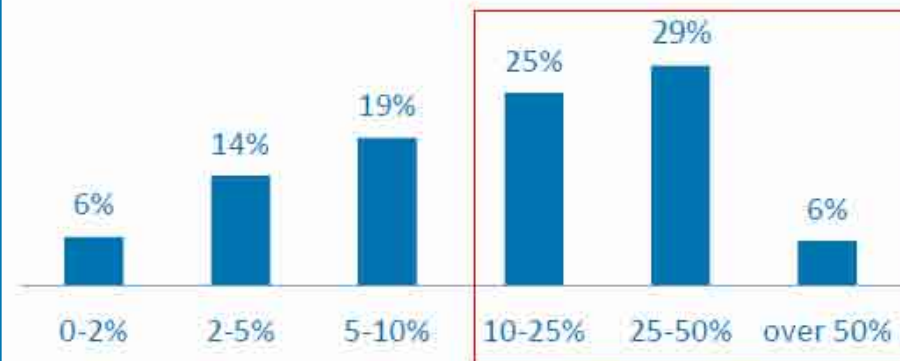
 estimated
ancillary
revenues
earned in 2015



...revenues
from
ancillaries

\$45
BILLION
by next year

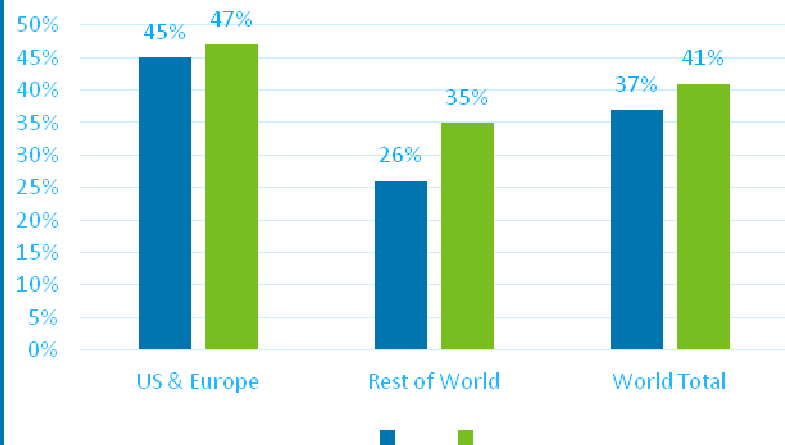
Ancillary revenue as a proportion
of total revenue for hotels



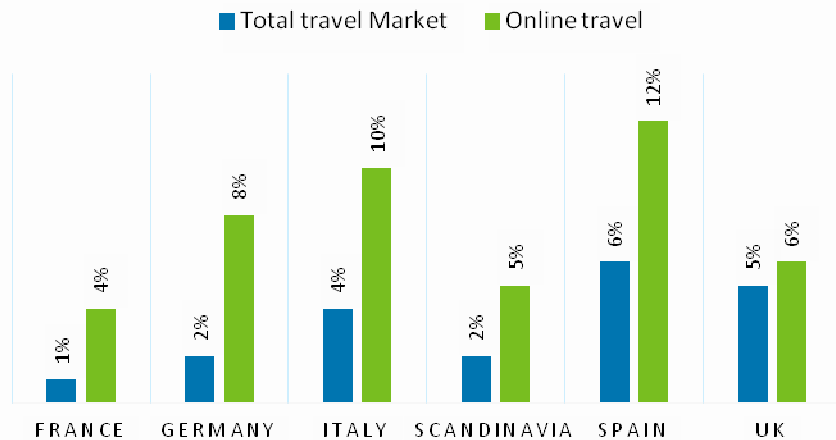
*60% of hotel executives said ancillary revenue
accounted for at least 10% of their total revenue*

Online travel booking SLOWING

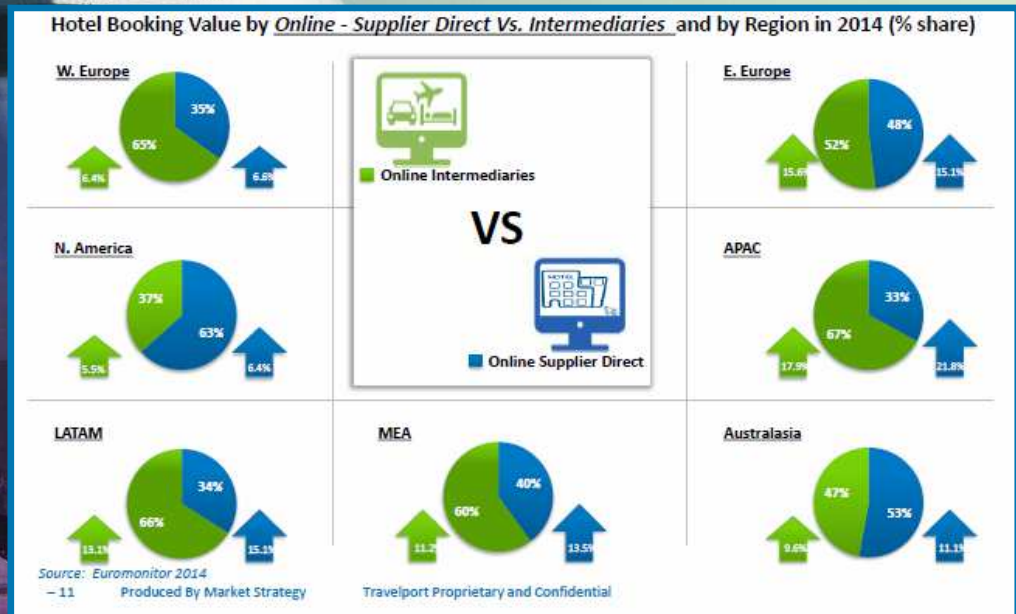
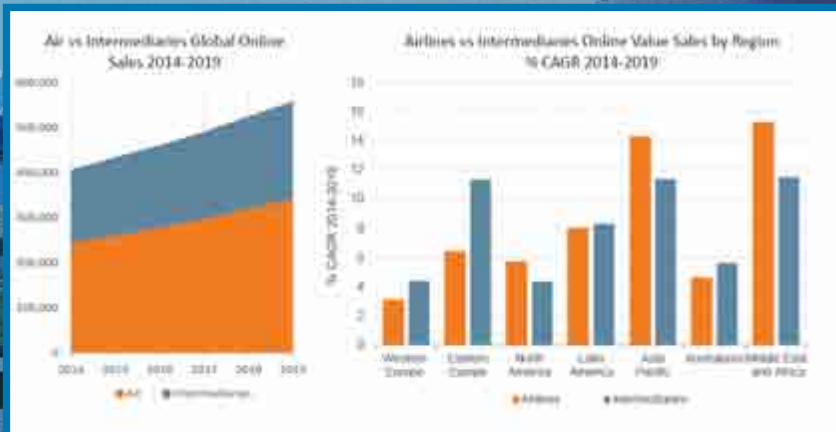
Online Travel penetration 2014 vs 2017



EUROPEAN TOTAL AND ONLINE TRAVEL MARKETS 2013-2016



Agents and Tour operators bookings still outweigh Supplier direct



The future of retail

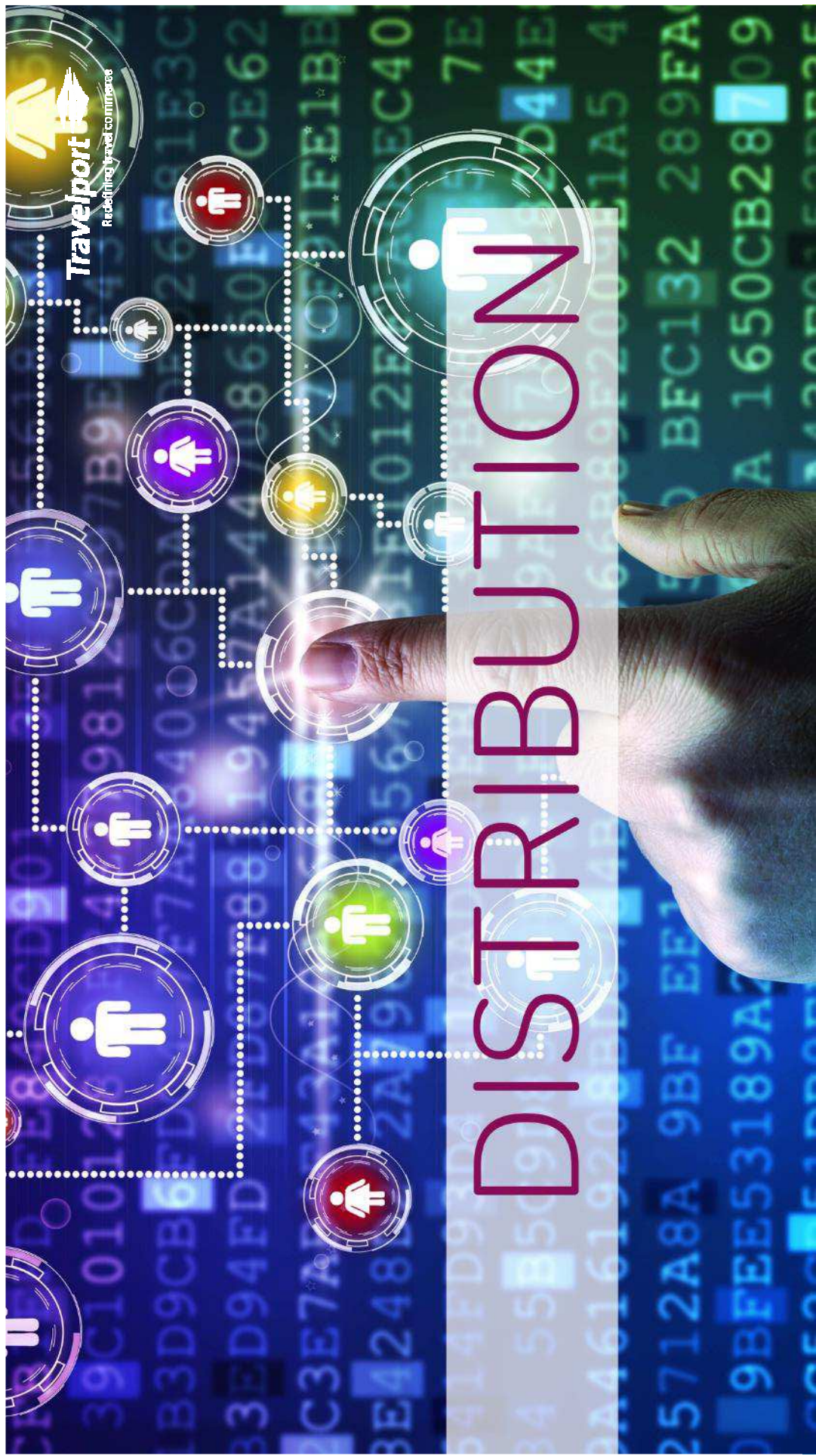


New-breed travel retail



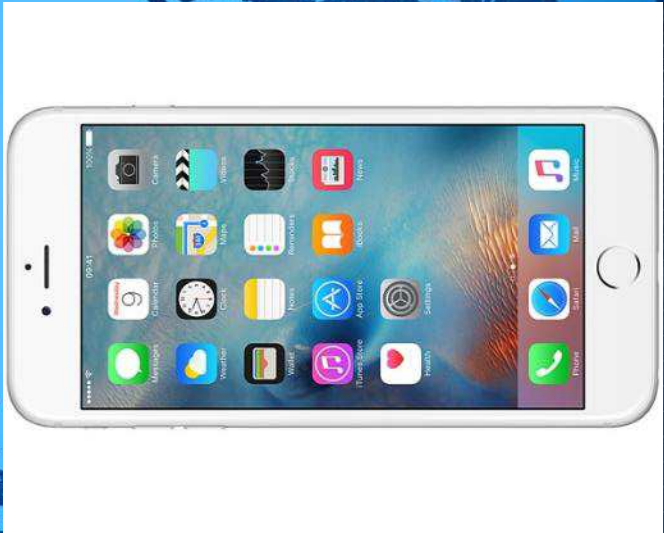
Next- generation travel retailers will combine the best of online and offline environments







Remember this?




Our Vision

The platform that is
redefining travel commerce
for our customers



Scale, reach
and payments





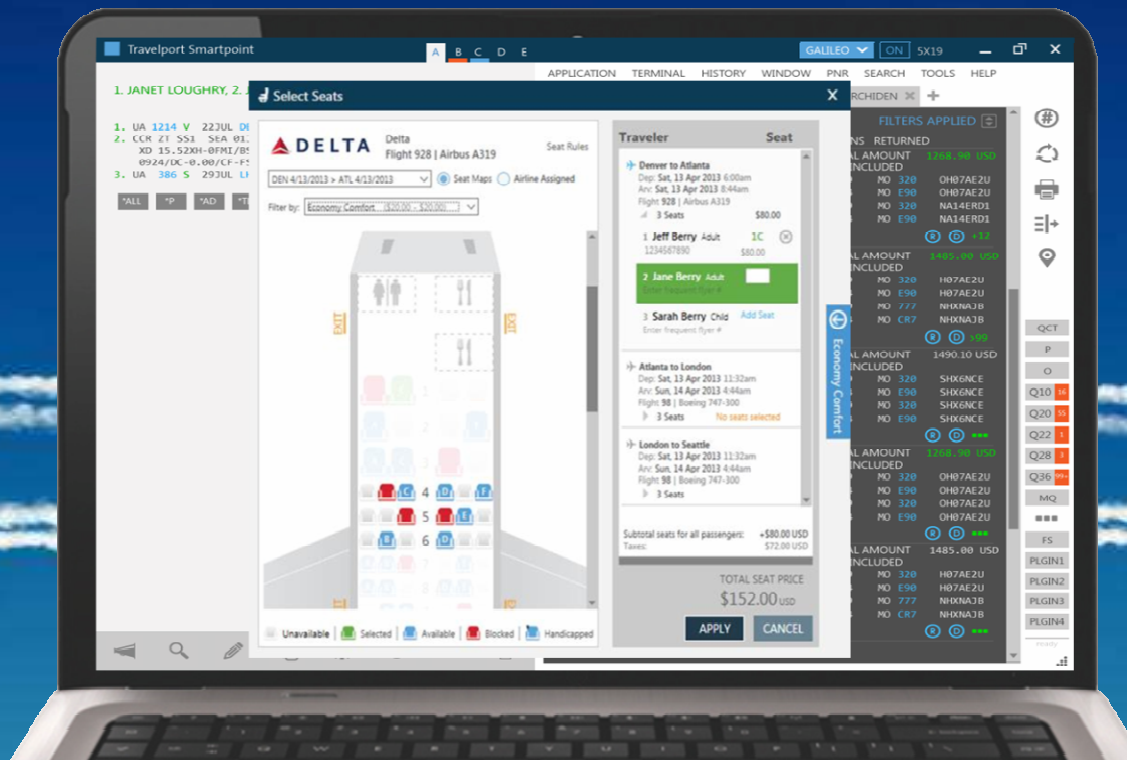
Redefining the air
experience – from black
and white to colour

Travelport Merchandising Platform

A new way of displaying air content



Fully interactive seat maps



☐ **FLEXI FARE**
+91.70 GBP

1/ADT:122:29



The Inclusive Fare combines important services, such as a bag and seat selection, with easyJet's famous low fares.

1 x 20kg hold luggage.

Free seat selection (excluding Upfront and Extra legroom).
No additional payments fees.

One piece of hand luggage (50x40x20) included.

Ancillaries Additional ancillaries available after booking. Prices are approximate.

 Hold luggage
Included

 Cabin Baggage Included

Buy on Board
2-20 GBP

FAQ>LTN*
23.00

All prices are approximate.
*Excluding Tax

FARE QUOTE

CANCEL

Ancillary Services

Passenger: HAZELMS DCOSTA

Note: Frequent Flyer number may affect pricing.
Add Frequent Flyer numbers prior to selecting ancillaries.

Filter: All

HAZELMS DCOSTA - Frequent Flyer	1 LGW>FAO	2 FAO>LGW
New bag charge - Web/Call	0.00	0.00
Sales (U2) 20.00	0	20.00
New bag charge - Web/Call	0.00	22.00
Sales (U2) 22.00	0	9.00
3kg top up for Baggage weight - 3kg top up for Baggage weight	0.00	9.00
(U2) 9.00	1	0.00
Sales (U2) 0.00	0.00	0.00
New bag charge - Web/Call	0.00	0.00
Sales (U2) 0.00	0	0
Large Sports Equipment Charge - Bicycle - Maximum	0.00	0.00
Sales (U2) 0.00	0	0

FLIGHTS + ANCILLARIES
247.58 GBP

ANCILLARY TOTAL
0.00 GBP

REVIEW CANCEL

Ancillary Services

Passenger: HAZELMS DCOSTA Filter: All

Note: Frequent Flyer number may affect pricing.
Add Frequent Flyer numbers prior to selecting ancillaries.

HAZELMS DCOSTA - Frequent Flyer	1 LGW>FAO	2 FAO>LGW
	0.00	0.00
New bag charge - Web/Call		
Sales	0	20.00
(U2) 20.00		
New bag charge - Web/Call		
Sales	0	22.00
(U2) 22.00		
3kg top up for Baggage weight - 3kg top up for Baggage weight		
Sales	0	9.00
(U2) 9.00		
New bag charge - Web/Call		
Sales	1	0.00
(U2) 0.00		
Large Sports Equipment Charge - Bicycle - Maximum		
Sales	0	0.00
(U2) 0.00		
FUGHTS)	247.58	247.58
FLIGHTS + ANCILLARIES		
ANCILLARY TOTAL	0.00	0.00
GBP		

REVIEW CANCEL

Live



Rich Content & Branding – live today with Lufthansa

Product Features	Direct Channel			Indirect Channel	
	Lufthansa	Travelport RC&B	Industry Standard		
Distinguish between Fare Families	✓	✓	✓		
Branded Fares	✓	✓	✓		
Flexible Branding by Equipment Type	✓	✓	✗		
Tailor Airlines Branding by Cabin	✓	✓	✗		
Airline Branding Imagery	✓	✓	✗		
Display Upsell Hierarchy Results	✓	✓	✓		
Sales Messaging for Branded Fares	✓	✗	✗		
Adaptable Branding for Code Share	✗	✓	✗		
Universal ATPCO Ancillaries	✓	✓	✓		
Airline Specific Ancillaries	✓	✓	✗		
Depict Ancillaries using icons	✓	✓	✗		
Sales Messaging for Ancillaries	✓	✓	✗		



Lufthansa
Nonstop you.

More Indian than you think



on

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Blogs

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Book Your Flight >

**Punctuality: expected.
Precision: expected.
Everything else: unexpected.**

More Indian
than you think



Welcome aboard Lufthansa, an airline that is more Indian than you think!

The unique spirit of India is clearly evident in all Lufthansa flights. After over half a century of service to India, it is woven into our tradition of efficiency, reliability, innovation and technological excellence.

You will find a touch of India at every step of the journey -- be it in our hospitality, in-flight meals or entertainment. Our long partnerships have helped us appreciate Indian culture and customize our products to your preferences. This relentless effort has earned your trust and made us the No. 1 European airline in India.

Brands and Ancillaries

FRA>DEL

DEL>FRA

DETAILS

MATRIX

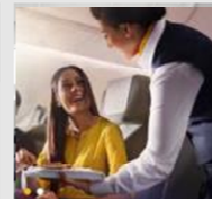
☒ **Economy Basic**
Included

☐ **Economy Basic Plus**
+100.00 EUR



Currently Selected
Economy Basic

450.00
EUR INCLUDING TAX



With more flights to India than any other European carrier,
Lufthansa is more Indian than you think!

- Local language cabin crew.
- Delicious meals including Hindu and Muslim options.
- 2 pieces of checked baggage, max 23 kg each.
- 1 piece of carry on luggage (max 8 kg).
- Easy online check in.
- Earn frequent flyer points and save more.
- Extensive in flight entertainment including the latest Bollywood movies.

Ancillaries Additional ancillaries available after booking. Prices are approximate.

- Online check in
Included
- Meals & drinks on board
Included
- 2 pieces checked baggage
Included
- Hand luggage + laptop
Included
- Miles and More
Included
- In flight entertainment
Included

ORIGINAL SELECTION
INCLUDING TAX

450.00 EUR

TOTAL
INCLUDING TAX

450.00 GBP

FARE QUOTE

CANCEL

4th
largest
Hotel
distributor
in the world

346

priceline.com[®]

Travelport 
Redefining travel commerce

184

 **Expedia[®]**

67

 **Ctrip**
携程

61

Travelport 
Redefining travel commerce

Approximate room nights sold, million 2014

650k hotel properties bookable

Travelport 
Redefining travel commerce

Travelport Rooms and More[®]

Travelport Hotelzon 
Redefining corporate hotel solutions

Chain hotels

Independent



Parking, attractions & transfers

Heathrow Express - Booking Screen

Booking Details Payment Details

Passenger Details:

Passenger: MR EOSTE ROTHMAN

Ticketing Email: EOSTE.ROTHMAN@TRAVELPORT.COM

Adults: 1 Children (5-15 years): 0

Route Details:

Select Flight: BA 31 X 20/09 LHR-CDU 10:15 12:15 WEDS

PAUSEMOTION HEATHROW

Price Options:

Select Ticket Type: EXPRESS SAVER RETURN Total Amount: 34.00 GBP

Adult Price: 34.00 GBP

Proceed to payment >>>





Next generation interfaces

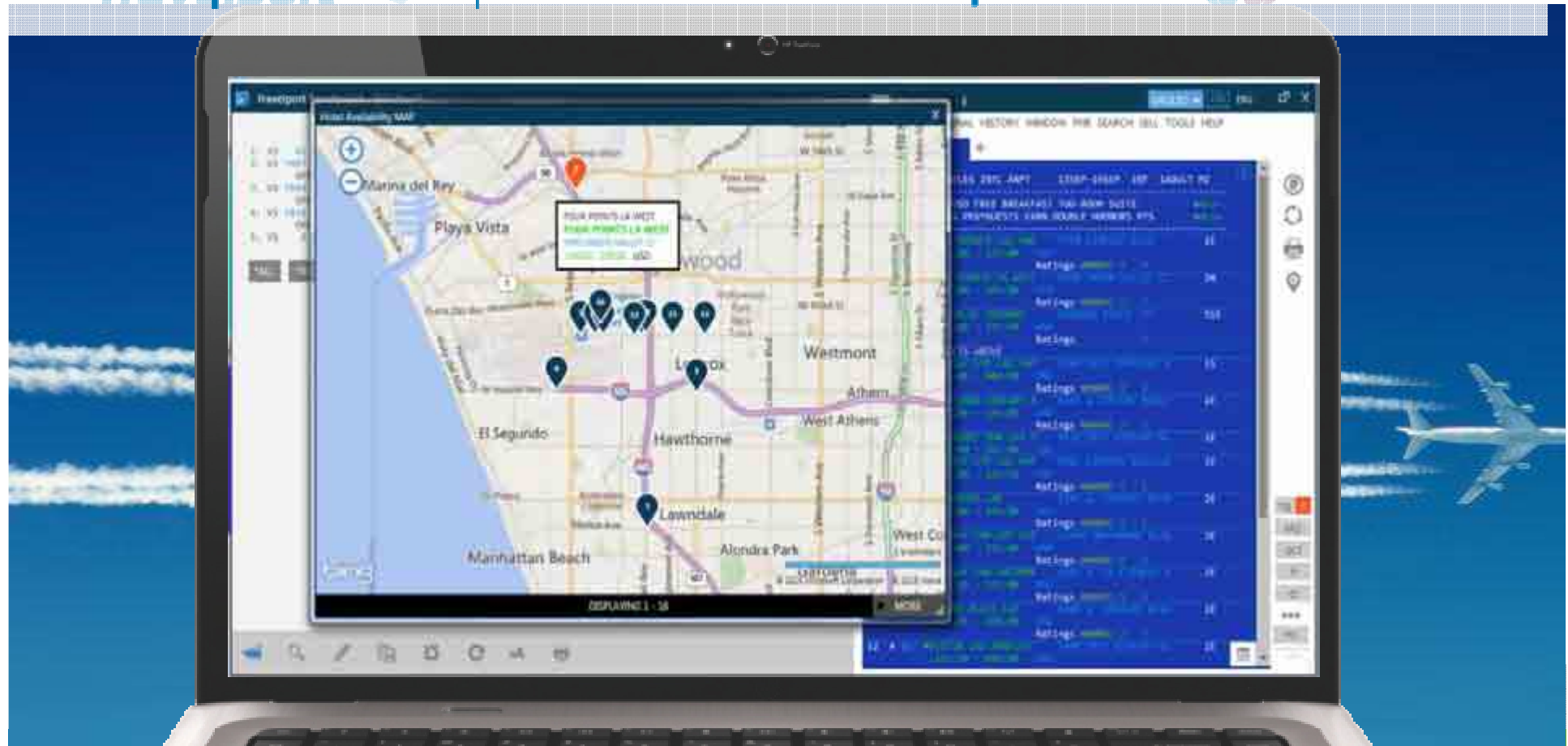
Travelport Smartpoint **Travelport Universal API**

Next generation interfaces

Travelport Smartpoint

Travelport Universal API

Leadership Forum



Next generation interfaces

Travelport Smartpoint

Travelport Universal API





Open Platform



Travelport Developer Network

> Discover more about the Network

We're
redefining
how developers
build business success



verbalisiert



**MANTIC
POINT**

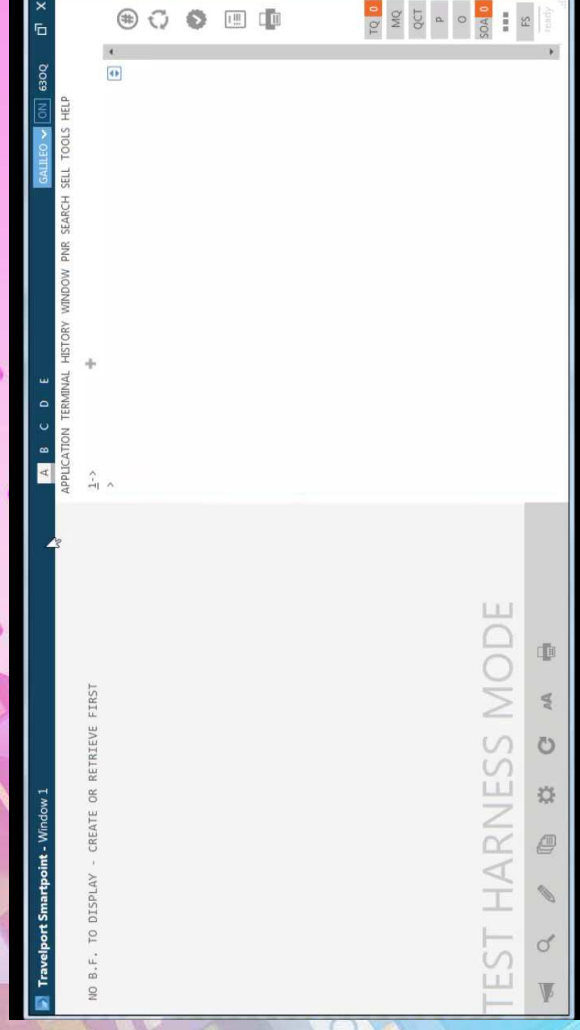


WORLDWIDE REACH, HUMAN TOUCH.



OneGlobalBI

signup⁴
meetings solved.



Redefining travel commerce

Full majority ownership of eNett



Incubator programme



Creating the next generation of disruptive innovation

Schöne neue (Digitale) Welt?



Schöne neue OMNI-CHANNEL Welt!





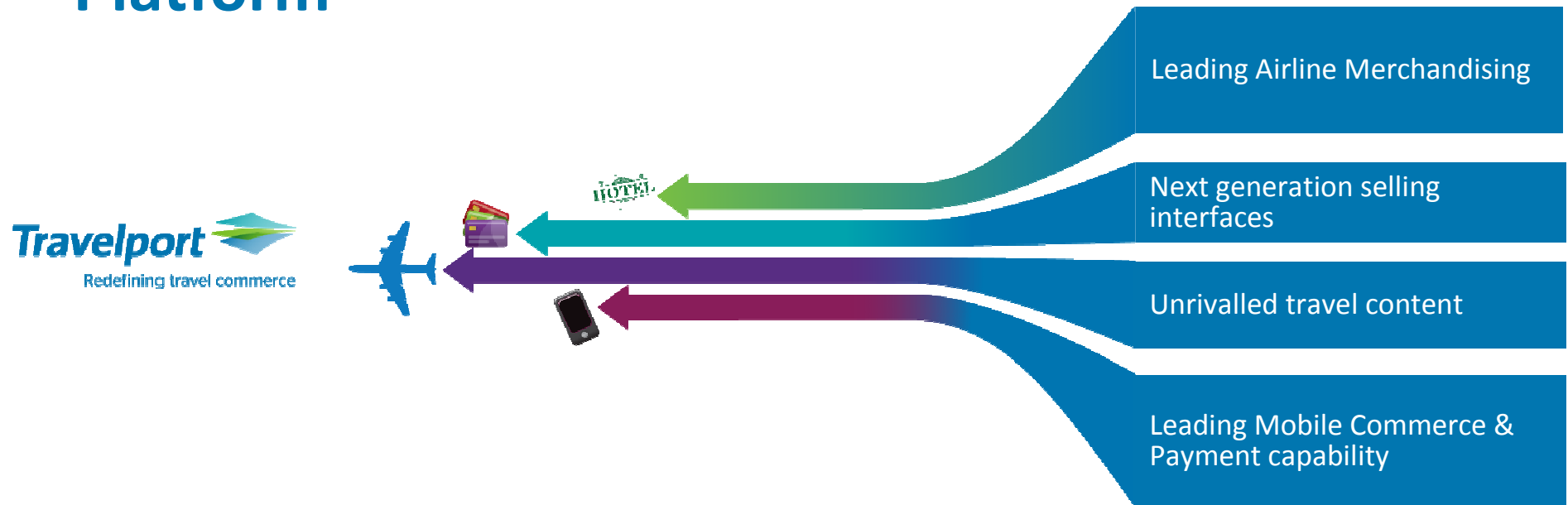
Travelport
Redefining travel commerce

Travelport


Redefining travel commerce

TraviAustria
The CETS Company

Investment in leading Global Travel Commerce Platform



Investment in AUSTRIA



The best way to predict
the future is to INVENT
it.....(William Gibson)

Let's RE-INVENT the future
together.....

