The Changing World of E-Travel

A slew of emerging new products and processes testify to the way technology is revolutionising distribution patterns, industry alliances, booking systems and marketing theories. Many were on show at the 1999 World Travel Market in London. How they will affect each segment of the Pacific Asia travel industry is becoming eminently clear. The following are a few that we found to be of interest.

The Threat

British tour operators nearly all agree that e-commerce is critical to their survival, but are struggling to resolve technology and business problems that threaten to stop their e-commerce plans from taking off.

Independent research commissioned by iE, a leading supplier of e-commerce solutions, found Britain's biggest tour operators preparing to use e-commerce to move from agent-based to direct distribution via the Internet. The need to cut costs, and commissions paid to agents make that group an obvious target. The survey points to an expected reduction in business conducted through agents of at least 15% over the next three years.

At the same time, tour operators plan to expand the range of services offered directly to customers via the Internet to include everything from travel information, online bookings and payment, sale of value-added services such as insurance and car hire. Today, with one or two exceptions, they offer nothing more than marketing information, flight details and general tourist information on their Web sites.

Three-quarters of the 36 companies in the survey, who account for more than three-quarters of the £8 billion UK travel market, identified "technical barriers" as the biggest obstacle they face. While they struggle to overcome this hurdle, a new breed of travel firms, operating exclusively on the Internet, threatens to move in.

Fear of new market entrants, including lastminute.com, deckchair.com and the Microsoft-owned Expedia, emerged as the biggest worry for tour operators, with Expedia named by half the respondents.

Mr. Roger Willcocks, Chief Executive, iE, said: "Tour operators are carrying excess baggage that some of the new players don't have. First they need to integrate their existing back-office systems and equip them with the transactional capabilities needed to support self-service applications. They also need to tackle the issue of making the transition from third party to direct distribution. If travel follows the pattern of other industries, it will be the newcomers not the established players that seize the initiative."

Last-Minute Bookings

lastminute.com (www.lastminute.com) has signed a global deal with Forte Hotel Group giving its customers access to more than 250 Meridien, Posthouse and Heritage hotels around the world, all at the last minute. More such deals are planned with hotel chains worldwide.

At present, more than half a million registered customers use the lastminute.com Web site to meet a variety of last minute requirements including entertainment, gifts, auctions and travel. Most of them purchase less than a week in advance.

Launched in November 1998, lastminute.com has opened offices and Web sites in both France and Germany. Further international expansion will be accompanied by a rollout of the service to new technologies such as interactive TV, personal organisers and mobile phones.

Virtual Box Office Tickets

ticketingsolutions.com is an online ticketing service developed by Community Internet plc, an e-commerce specialist, which has been involved in large-scale ticketing for organisations ranging from global entertainment companies to the Badminton Horse Trials.

By registering on ticketingsolutions.com every travel business can sell tickets via their Web site. Organisations can utilise the optional "e-commerce module," a cross-selling tool that targets visitors with offers specific to the service they are purchasing, e.g., an airline could sell branded merchandise alongside tickets.

An optional "mail module" enables travel businesses to inform visitors about forthcoming special offers that may appeal to them. This helps an organisation to build up a database of visitors. Customers visit the virtual box office via the organisers' own site and purchase tickets online. As soon as an order is placed, the customer is automatically sent an e-mail with full details about the booking.
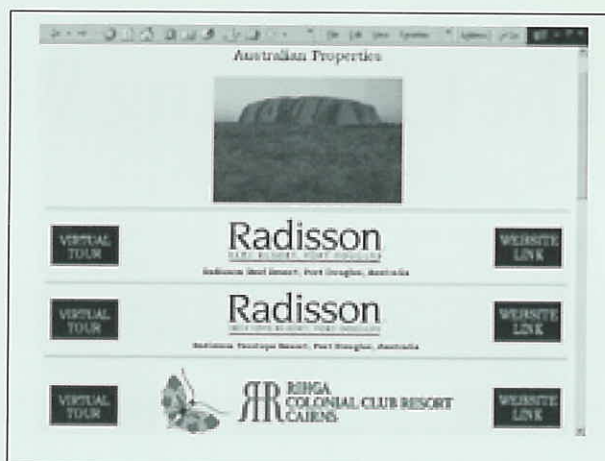
Systems can handle more than ten billion ticket sales per year, and customers can pay via the approved secure credit card system.

Hotels

The global online hotel reservation network WorldRes.com enables hotels to take confirmed room reservations over the Internet 24 hours a day. World Res.com is free to join, with no up-front fees or monthly costs - properties pay only a transaction fee for confirmed reservations.

Whether the hotel is a small guesthouse or a large chain hotel, WorldRes.com will give the property access to its network of online partners at no additional cost. These partner sites include AOL, Yahoo!, Lycos and Travelocity.

"The WorldRes.com system provides hotels with a central system that puts them in front of millions of potential guests via our heavily-trafficked partner sites," says Mr. Richard Lewis, WorldRes.com's UK president. Hotels have complete control over the information they display about themselves and about room availability and rates.

Goodbye, Brochures?

"Virtual" destination guide Keyholetours.com was launched at WTM, combining the forces of a travel agent and an IT expert after two years of research and development. It is initially aimed at hotels and tour operators and offers keyhole tours of their hotel or holiday destination on a Web site.

Within five years, directors Mr. Stuart Sperduti and Mr. Ross Garvey predict the travel brochure will be playing second fiddle to the virtual tour. Instead of flicking through a resort brochure, the consumer will pull up a Web site, click on the Virtual Tour button and within seconds be offered a keyhole tour of hotel bedrooms, restaurants, foyers, swimming pools and so on.

Keyholetours.com offers a wide viewing frame, high quality graphics, a navigational aid and a download time of seconds rather than minutes. Already signed up are two Fred Olsen cruise ships and the Marriott Courtyard in Beijing. The product has also been tested in Australia.

The images span up to 360 degrees to give a clear impression of the venue. Keyholetours.com then inserts a click button onto the client's Web site to allow instant access to the tours. The client can offer the virtual tour click button from as many Web sites or linked sites as required.

Anyone Can Earn a Commission

Virtually anyone with a Web site can now earn travel commissions by making online hotel reservations through the new "CommissionClub" introduced by USAHotelGuide.com.

The company's CommissionClub makes it possible for any site to offer visitors online hotel reservations through a simple link on the user's home page.

USAHotelGuide.com will pay the site owner approximately 4% of online hotel bookings made through the Web site link. For example, if a visitor books a hotel room for three nights at US$100 per night, the CommissionClub member site will earn four percent of the US$300 total sale, resulting in a US$12 commission upon the completion of the visitor's hotel stay.

CommissionClub participants are linked to a database of over 30,000 hotels and resorts and an extensive collection of online brochures. Discounts on rates of up to 65% are available when reserving online. When linked to the site, travellers can search for a hotel by name, chain, city, state, country and zip code. They can also check availability, rate information and then book with a credit card. Reservations are confirmed within seconds.

The programme is free. To sign up, individuals and business owners with existing sites go to the USAHotelGuide.com Web site, review the operating agreement, and fill out a brief application. Code for the link is generated immediately for the participant to place on their site.

Participants can track their commissions by logging onto their own account home page.

Virtual Tour of Hotels

The same feature as keyholetours.com is available at www.hotelbook.com, the Web site belonging to REZsolutions, a provider of distribution systems and solutions for the hospitality industry, recently bought by Pegasus Systems. The "Electronic Showround" represents a guide to the property. Every property at which the feature is available is given a "Virtual Tour" icon in www.hotelbook.com. REZsolutions can even place a "Virtual Tour" icon on a hotel's own Web site, with a hyperlink into HotelBook, so that the Electronic Showround can be accessed from the property's own Web pages.

Coming up in HotelBook is City Panoramas, which will enable customers to locate the most convenient accommodation for key destinations and tourist attractions. City Panoramas will provide a map of a destination, with information on the location and on associated tourist and visitor attractions. By clicking on any one of the landmark icons, customers will be able to view a list of the closest properties.

Travel is the number one spending segment for the online consumer market and of the top 10 most visited web sites worldwide, nine have affiliations with travel. HotelBook properties are available through every one of these nine, through partnership agreements with organisations such as Travelweb, Travelocity and Microsoft Expedia.

Data Warehousing

Pegasus Business Intelligence, PBI, a unit of Pegasus Systems, Inc., is building a chain-wide data warehouse for Accor North America that houses and links all guest information from Accor's Novotel and Sofitel hotels in North America. The data warehouse will collect guest folio history information from all Sofitel and Novotel North America properties and provide Accor North America with customised analysis reports.

This will help Accor better analyse its customers, identify and target its primary feeder markets, more accurately measure the effectiveness of its advertising and marketing promotions, measure and manage its corporate accounts and more.

In-Room Systems

PCC's E@siSolutions enables hotel guests to carry out a range of business and leisure activities from their room. Its E@sisystem gives guests access to all the traditional software applications, information services, Internet shopping, entertainment and leisure facilities.

The system is integrated within a desk, the design of which is tailored to complement the existing decor of a hotel room. All the PC components including printer and scanner are concealed within the drawers and cupboards of the desk. The only visible equipment are the TFT flat screen, keyboard and mouse. The facilities can only be accessed by an E@siCard which reformats the system after each guest has finished use, to ensure confidentiality and privacy.

A range of personalised marketing tools includes the E@siCard, a smart card that controls access to the E@sisystem but which can be developed to represent a recognised loyalty card or merged with current loyalty cards. Hotels can also brand one side of the card.

The complete system is provided free. Payment is only required when the sale of an E@siRoom is made. Additional revenue is generated from the sale of the E@si Attractor Screen advertisements, viewed by the guest on entering the room and as screen savers; plus banner advertising sites viewed when visiting the E@siMall. This income is shared between the hotel and PCC.

Sales Teams

In 1998, research carried out by the UK Department of Trade and Industry revealed that only 5.8% of UK employers were using permanent teleworkers, despite the emergence of increasingly sophisticated technology to facilitate mobile working. Businesses were facing the logistical problem of tracking and costing each employees' use of technology while on the move.

They were receiving numerous different bills relating to each teleworking employee's use of email and Internet, and had virtually no way to monitor an individual's online usage. In addition, it was very difficult and time-consuming to collect every individual VAT claim from every teleworker's bill, resulting in a considerable amount of VAT going unclaimed.

One company facing this problem was Knauf UK, part of The Knauf Group, a building materials company with 60 manufacturing plants in Europe and 60 travelling salesmen. Working with its Internet service provider, Community Internet plc, the company came up with 0800net.

Salespeople are given an 0800 number which they simply dial into to send e-mails or access the Internet from anywhere in the UK. The company then receives one bill detailing each employees' usage. The itemised bill also means that the company can claim all VAT due to them quickly and easily.

By getting a single itemised bill at the end of each month, detailing every employee's Internet/e-mail usage with a total cost, Knauf can monitor more precisely their usage patterns and exert greater control over what time teleworkers are spending online and for what reasons.

The Future

The next few years will see the arrival of advanced mobile devices with the processing power of a standard PC. Faster mobile connection and data transmission speeds will mean the mobile phone will be transformed from a mere voice communicator into an essential lifestyle tool.

"Within two years, mobile data will be sent five to ten times faster than today. By 2003 more people could be accessing the web from mobile devices more frequently than from desktop PCs," says Mr. Peter Richardson, Director of BT Cellnet Corporate. This will convert the mobile phone into a mobile device usable for an array of applications, turning it into a banking terminal, electronic cash dispenser, games player and a personal media device, giving users tailored news, listings and up-to-the-minute financial information.

In March 1999 BT Cellnet launched the first MISP in the UK, called U.Genie (www.u.genie.co.uk), which targets 16-24 year olds and is branded with BT Cellnet's successful "U" brand, which it launched for pre-pay phones. It contains a range of entertainment services, independent travel information and games relevant to this audience.

The big technological leap forward in mobile Internet services will come with the introduction of GPRS (General Packet Radio Service), turning the convergence of the Internet with the mobile from vision into reality. Using GPRS, mobile users will be able to browse the Internet, view e-mails and access company Intranets at speeds over five times faster than is currently possible and potentially up to 10 times faster, making the mobile office a reality for many.

PATA Cooperative Market Segmentation Studies

Special Limited Time Offer
$200 Per Study
For PATA Members

Each of these comprehensive studies, commissioned by sponsoring members but available to others, is the result of interviews with 600 to 1,325 qualified vacation travellers from the originating country under consideration. These studies were designed to identify potential market segments for outbound holiday travel, to determine the demographic and socio-economic profiles of these potential outbound holiday travellers and to indicate marketing directions and make recommendations for action. Most studies include a separate volume of computer tables, in which the questionnaire responses are tabulated by various categories. Information in these studies is not available through any other sources.

Indispensable for those trying to tap a particular new market

75% Or More Off
The Non-Member Price

South Africa
Item #MS-001-96
1996, 94 pages
Plus 44-page appendix
Non-members $1000

India
Item #MS-001-95
1995, 166 pages
Computer tables: 463 pages
Non-members $1,000

Singapore
Lifestyles
Item # MS-003-94
Four Studies. 1994
Women, Singles,
Family and Seniors
All four:
Non-members $ 800

China
Item # MS-001-94
1994, 92 pages
Computer Tables: 421 pages
Non-members $800

Only $200 Each for Members Ordering Before March 31, 2000

PLEASE SEND ME THE FOLLOWING STUDIES:

Item #	Qty	Title	US$ PATA Members	US$ Chapter /Non-members
MS-001-96		South Africa		
MS-001-95		India		
MS-003-94		Singapore		
MS-001-94		China		
		TOTAL		

Contact Information: [PLEASE PRINT CLEARLY]

Name _____ Position _____

Organisation _____ PATA Member No. _____

Address _____

_____

City/Province _____ Country/Postal Code _____

E-mail Address: _____

Bill My Credit Card:

☐ American Express   ☐ VISA   ☐ MasterCard

Card # _____ Expiration Date _____

Signature: _____

Payment Enclosed: Amount _____ Check # _____

DON'T BE LEFT BEHIND!

☐ **Please Add Me To Your E-mail Alert List**
(Please give name and e-mail address below)

☐ **Please Send A Copy Of The PATA Publications Catalogue**

COMMENTS:
Please note that we require payment in advance of shipping. Payment can be in the form of check, money order or bank transfer in **US Dollars** drawn on a **US branch of a US Bank**. Credit card payments are also accepted.

Please send to:
Pacific Asia Travel Association
One Montgomery Street
Telesis Tower, Suite 1000
San Francisco, CA 94104-4539
Tel: (1-415) 986-4646   Fax: (1-415)986-3458

ARAB GULF COUNTRIES & ISRAEL OUTBOUND REPORTS

PATA

This two volume set, PATA's first major study of the Middle East outbound market, explains how to tap the potential of this high-yield but culturally sensitive market.

The **Arab Gulf Countries Market Report** covers a small group of Arab countries that have the greatest near-term potential for generating visitor arrivals into the PATA region: the United Arab Emirates, Saudi Arabia, Kuwait, Qatar, Bahrain and Oman. Details on each country, travel market, sales tips and visitor profiles unlock the door to this elusive market.

PATA's **Israel Outbound Market Report** provides an overview and analysis of the Israeli travel market including market structure, visitor profile and how to launch a successful sales effort.

Item # MI-003-99
PATA Members US$ 175
Chapter/Non-members US$ 500

Order Form on Back!

PLEASE SEND ME THE ARAB GULF COUNTRIES & ISRAEL OUTBOUND REPORTS:

Item #	Qty	Title	US$ PATA Members	US$ Chapter/Non-members
MI-003-99		Arab Gulf Countries & Israel Reports		
		TOTAL		

Contact Information: (Please print clearly)

Name _____ Position _____

Organisation _____ PATA Member ID_____

Address _____

_____

City _____ Country/Postal Code_____

❑ Please bill my credit card

❑ American Express

❑ VISA

❑ MasterCard

Card #_____Expiration Date_____

Signature_____

❑ Payment Enclosed

Amount_____Check#_____

Don't Be Left Behind!

❑ **PLEASE SEND A FREE COPY OF THE PATA PUBLICATIONS CATALOG**

❑ **PLEASE ADD ME TO YOUR E-MAIL ALERT LIST**

E-mail_____

COMMENTS: Please note that we require payment in advance of shipping. Payment can be in the form of check, money order or bank transfer in **US Dollars** drawn on a **US branch** of a **US Bank**. Credit card payments are also accepted.

Please send to:
Pacific Asia Travel Association
One Montgomery Street
Telesis Tower, Suite 1000
San Francisco, CA 94104-4539 USA
Tel: (1-415) 986-4646 Fax: (1-415) 986-3458