



“Future distribution of airline and travel services”.

The travel agency angle

Helsinki, January 21, 2016

The “distribution game” players:

- The customers:
 - Their needs & expectations

- The suppliers:
 - Distribution philosophy
 - Customer relationships

- The intermediaries:
 - Value propositions
 - Product tools

➔ Customer needs and expectations:

- Focus on “me” – individual needs, personalised and seamless experience.
- Brand loyalty??? Yes, if rewarded.
- Tech savvy? At least those that are under 50😊.
- Experienced travellers.
- Willing to shop and search, some even make it part of the (pre-)travel experience!
- 100 % control of own data.
- (Think) they know what they want but LOVE to be surprised in a positive sense😊!

➤ Suppliers

Provide a reliable and high quality individualised product, which is available on-line.

- Typically prefer direct customer relations (who wouldn't?) and MUST have a customer focus in all that they do. (Think Lufthansa.....!?)
- All Strive to be top of mind of consumers.
- Use big data to individualise and sometimes even personalize their products.
- Must be innovative.
- Have a product “soul” (Think Marriott and STARWOOD)
- Reduce leadtimes on new products (Think cruise lines)
- Collaborate with intermediaries and customers as required.



➔ Intermediaries:

Must provide full and reliable overview of travel options incl. Pricing, to consumers in order to be in business.

- Focus on Hi tech **AND** hi touch services to consumers
- Attractive Product pricing vs. Consumers (Packages).
- Provide individual products that suit each and every customers needs.
- Problem solver on demand 24/7.

Issues:

- Data ownership and data protection
- Suppliers may not want to cooperate with intermediaries
- Access to all products and prices
- Who pays for which services?



➔ What's needed:

All travel industry players must go from:

1. Commodity thinking to differentiation.
2. Product driven to customer driven
3. Mass offerings to personalization
4. Manual work to automated processes
5. Following others to leading innovation.
6. Separation to collaboration.

Major obstacles:

- Disruptive newcomers.
- Data ownership and data protection.
- Access to all products and prices for all.
- Payment of (data) services.