

# Shaping the Future of Travel

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Juan Torres

FUTURE OF TRAVEL IS  
ONLINE

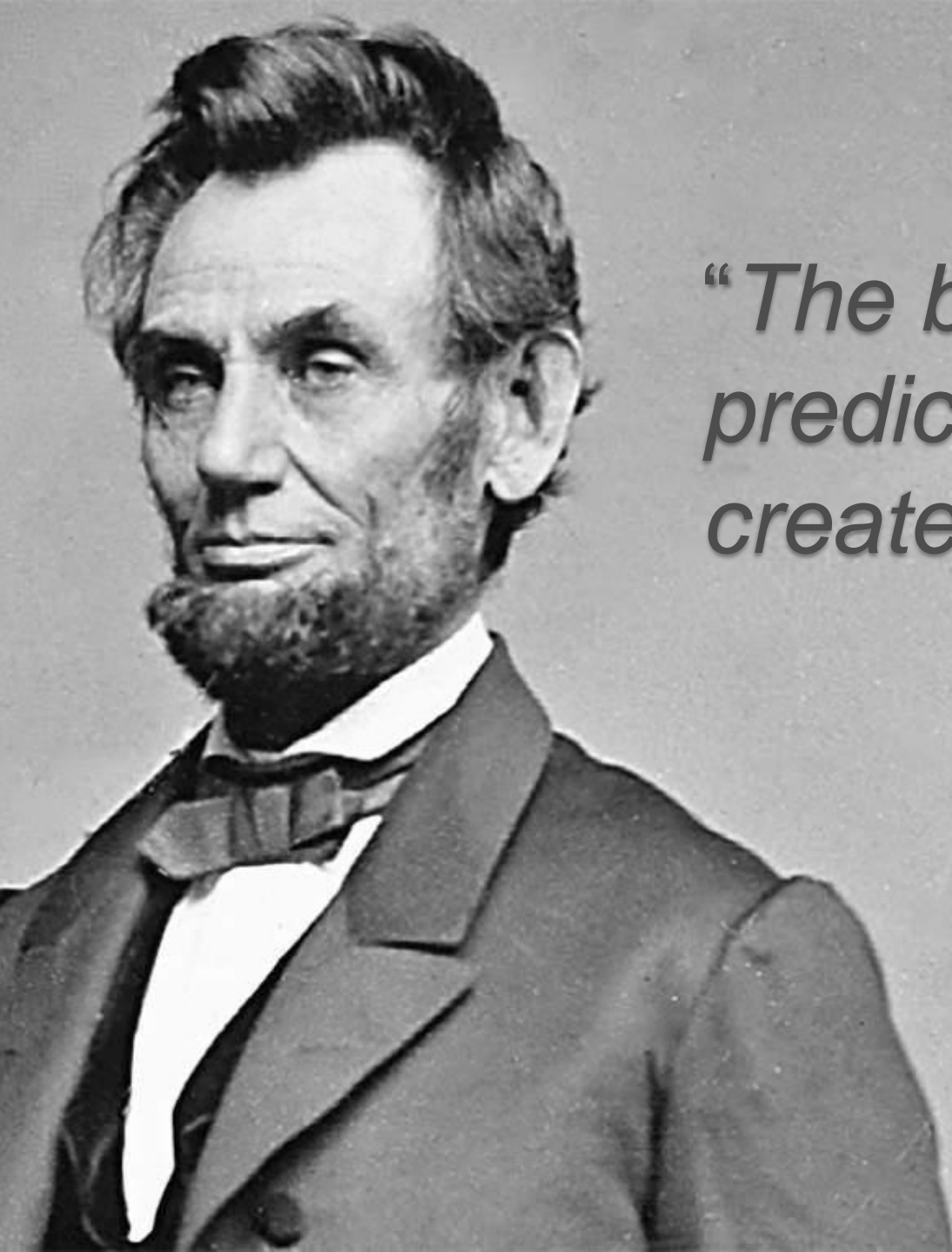
Nairobi

Kempisnky, 7th Nov 2014

# Agenda

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1. How do we shape the future of travel?
2. What are the Market and trends
3. What does it mean for my business?
4. Are there Opportunities?



*“The best way to  
predict your future is to  
create it”*

Abraham Lincoln

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# We do it **together**

by fully understanding the environment we are in, who the end customers are and how they behave



A person wearing a grey sweater is holding a tablet computer. Their right hand is touching the screen, while their left hand supports the device from the bottom. The background is a soft-focus outdoor scene with trees and foliage, creating a bokeh effect with warm, golden light. The overall mood is professional and modern.

We do it **together**

by anticipating trends

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# 3

## key trends will shape the future of online travel



### **Changing consumer behaviour**

Smarter and empowered  
consumers will be  
in the drivers seat



### **Technology Explosion**

New technologies will  
enhance the  
shopping experience



### **Pressure on the OTA Model**

from suppliers and  
other competitors,  
consumers and  
multiplication of channels.  
Strategy change  
will be required.

1

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## Changing consumer behaviour

Smarter and  
empowered  
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in the drivers seat



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# Structural changes in society



Crisis in  
the developed  
world



Emerging  
consumerism



Ageing  
population  
with \$

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A man in a blue suit and sunglasses is running through a shower of falling confetti. He has his arms outstretched and a joyful expression. The background is dark and out of focus, suggesting an outdoor night event.

## New consumer values



Nouveau Niche



Statusphere



Newism



Infolust

**New consumer values**

=

**new products needed**

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62% of Millennials  
Personalization will  
change the way they look  
at social shopping tools  
before shopping





# Digital **Revolution:**

interiorization  
of technology

**Can the travel  
industry keep up  
with these  
demands?**

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# Changing consumer behavior: Smarter and empowered consumers will be in the driver seat

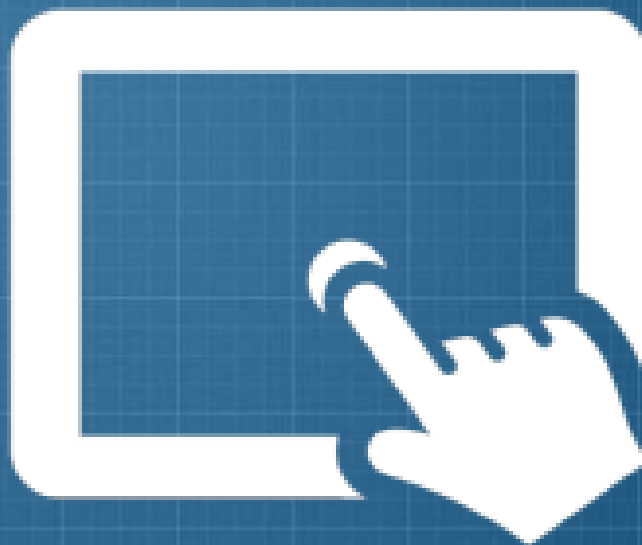


- ✓ **Consumers looking for new and unique experiences** → shorter product life cycles, personalization and innovation
- ✓ **Bargain-hungry travel shoppers will search more** → pricing logic and yield management will become even more critical
- ✓ **Consumers on the go** → need to embrace m-commerce

# 2 key trends will shape the future of online travel

## Technology Explosion

New technologies will  
enhance the  
shopping experience



Mobile  
80%  
of online sales for  
travel comes from  
a mobile device  
revolutionise the  
travel space



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instant search for inspirational packaging



Instant  
search will  
become the  
new norm

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# BIG DATA

Business  
currently  
Intelligence  
Geofencing in large  
volumes of  
cross-sell  
unstructured data  
personalization  
time  
sources in real time  
to create "on the  
fly" value



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# Opt in Cumulative personalisation Intelligence: in the future:

(profiling using

behavioral data)

## 4 out of 10

travellers are

willing to share  
data in the interest  
of personalization



Expedia

ORBITZ

Booking.com

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# Semantic Search and Voice Recognition

Semantic/natural  
search + voice  
recognition in its  
infancy



Future will be game  
changing



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# Technology explosion: new technologies will transform the shopping experience

- ✓ **New technologies:** key for survival and to stay ahead of the pack
- ✓ **Multiplication of channels:** being accessible across all channels is critical but expensive
- ✓ **Make vs. Buy:** technology strategy decisions will be critical to sustain margins

**Tesco South Korea Case Study**

# 3

key trends will  
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**Pressure on  
the OTA Model**  
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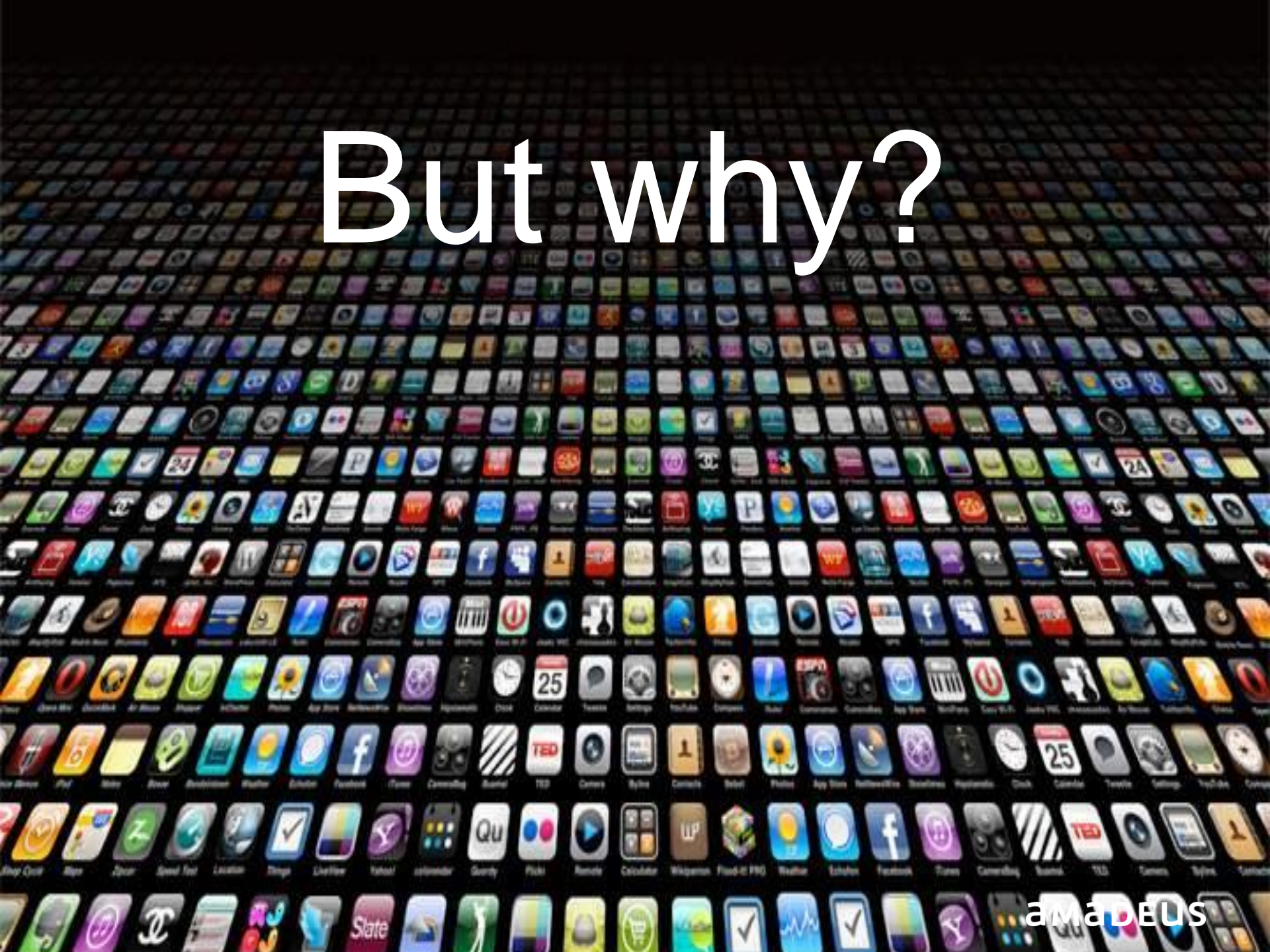


# There is a fight for the killer travel app

Google



# But why?



Marketing still  
**represents**  
a very  
**high cost**

**\$505/**  
**£505/**  
**¥505/**

of a predicted 61% cost  
overspending by 2017



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**OTAs** are embarking on ambitious **growth strategies**

**Geographic expansion**

**Focus on non-air – hotel and packaging**

**New segments: business travel**

**Diversification into media and media model**



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3

So what does it mean for my business?



You need to avoid the 3 I's

**I** don't know you  
don't find you  
don't need you



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Don't try to  
become king  
of the world

- Selling. Start doing sales
- Knowing your end customers
- Creating loyalty
- Service, differentiate yourself





# HOW

to select the right IT partner

# Amadeus Value Proposition

## Portfolio for online travel retailers



Changing consumer  
behaviour



Technology  
Explosion



Pressure on  
the OTA Model



### Amadeus Portfolio for Smart Retailers

Web Services

E-travel Manager

AMM

E-Power

Mobile - Checkmytrip

Featured Results

E-packages

Mobile - AeTM

Extreme Search

Social  
Trip  
Planning

Shopping & Search Technology

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# Amadeus is the world's largest processor of online bookings

## Airlines

**Over 115** airlines use Amadeus e-commerce solutions today



Amadeus Mobile product in use by **30 airlines** today

Airlines sold over \$30b worth of tickets in 2013 using **Amadeus e-commerce solutions**

# Leading online players partner with Amadeus

Amadeus powers online travel agency brands globally



~ 11% of  
our  
Volumes

Amadeus powers Travel Agents to move Online for Corporations

**Amadeus e-Travel Management**

used by **over 6,600 corporations worldwide.**

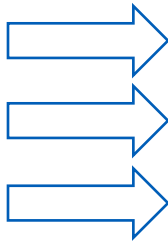
**+ 6 Mio Bookings processed**

# The Opportunity

# Africa's ecommerce promise

- 16-20% of Africa's 1 billion population is estimated online
- Still many challenges and opportunities
  - Infrastructure, Payments, core services**

E-Commerce is growing but not as in other regions



Emergence of hybrid online/offline  
Mobile Internet and M-payments  
Quality service & Referral influence to drive adoption

Africa is very diverse



Purchase and payment methods must be adapted to local infrastructure and shopping culture (e.g. Mpesa in SAF)

Mobile as "the" device



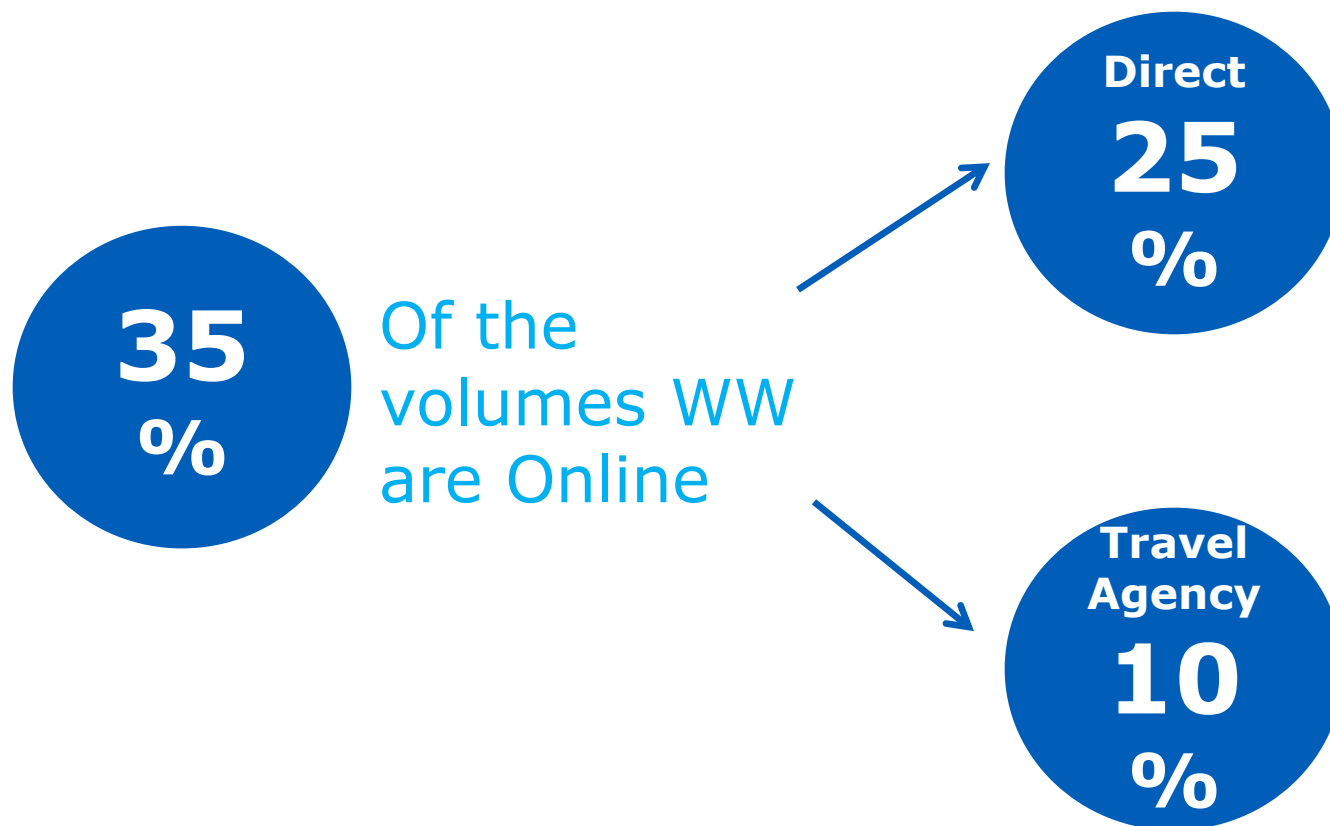
Mobile money by +85 Mio customers expected to grow to 281 Mio by 2017  
Mobile devices key to access internet

Tendency of corporates to book online

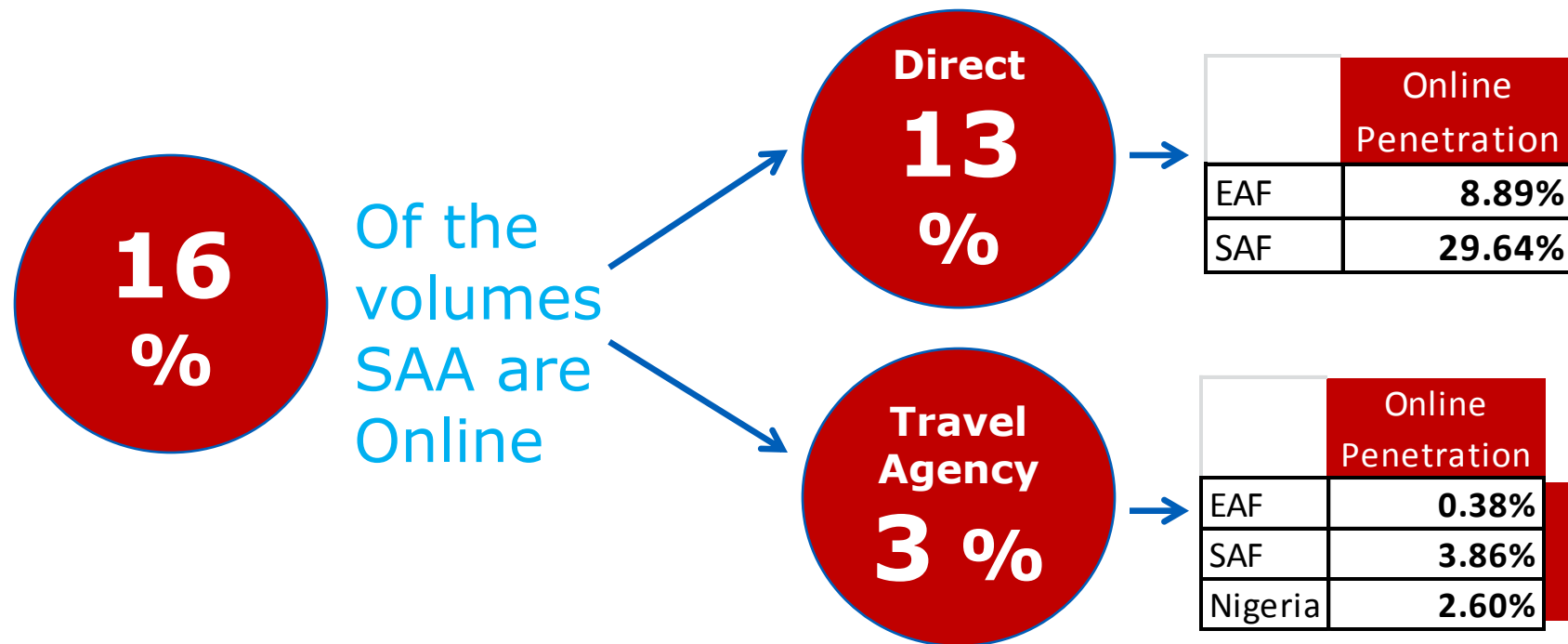
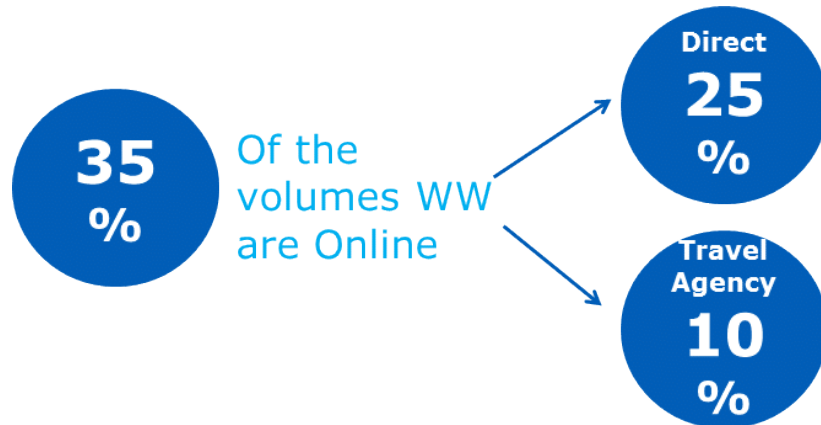


52% of respondents Online is preferred to book Air, Only 20% Hotel  
18% of companies intend to book online in the coming future.

# The Opportunity



# The Opportunity from the worldwide



**Growth 25%**

Q & A