

POSITIONS

ENABLING THROUGH TECHNOLOGY

A TASK FORCE INVESTIGATION

WORLD  
TRAVEL &  
TOURISM  
COUNCIL



# WORLD TRAVEL & TOURISM COUNCIL

The World Travel & Tourism Council (WTTC) is the forum for global business leaders in Travel & Tourism comprising the presidents, chairs and chief executive officers of 100 of the world's foremost companies. It is the only body representing the private sector in all parts of the Travel & Tourism industry worldwide.

## WTTC'S MISSION

The mission of the Council is to raise awareness of the economic and social contribution of Travel & Tourism and to work with governments on policies that unlock the industry's potential to create jobs and generate prosperity.

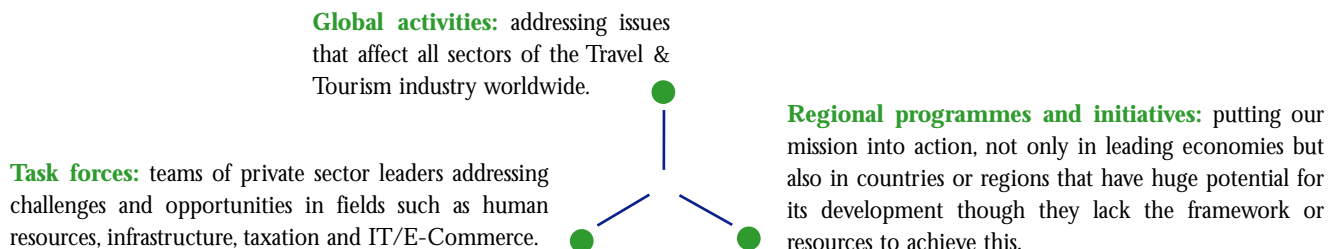
## SEVEN STRATEGIC PRIORITIES

This is the policy framework for sustainable Travel & Tourism development, which WTTC recommends to governments.

- 1 **Vision** the future for Travel & Tourism – a future for everyone
- 2 **Measure** and promote the economic importance of Travel & Tourism
- 3 **Communicate** a positive image of the industry as a provider of jobs and career opportunities
- 4 **Encourage** free access, open markets, open skies and the removal of barriers to growth
- 5 **Match** infrastructure development and customer demand
- 6 **Facilitate** access to capital resources and technological advancement
- 7 **Promote** responsibility in natural, social and cultural environments

## WTTC ACTIVITIES

The activities of the Council form a three-pronged approach:



## WTTC VISION

“ Let us share a vision of the world where Travel & Tourism benefits everyone, making a positive, growing and sustainable contribution to the prosperity, understanding and well-being of people, shared by those who travel and the communities they visit, and their natural, social and cultural environments. ”

# WTTC IT/E-COMMERCE TASK FORCE

Travel & Tourism is one of the fastest growing industries as well as being one of the largest. It is also one that has adapted rapidly to the use of technology and accounts for more business transacted on the Internet than any other industry. Yet many of the distribution systems were developed in the pre-Internet era and do not lend themselves to easy customer access.

At the World Travel & Tourism Council's Annual General Meeting in Vancouver in May 2001, the Council set up an IT/E-Commerce Task Force, comprising CEOs, CIOs and senior executives from WTTC Member companies from different sectors of the Travel & Tourism industry.

The key challenge that the Task Force set itself was to explore a 'route map' to move travel distribution from efficient processing of transactions to a process of engaging in meaningful conversations with customers that produce profitable bookings.

The Task Force adopted two interlinked approaches towards this goal. The first is a White Paper addressing the issues and challenges and showing a way forward. This White Paper has been prepared by Accenture and is set out in Part Two of this report. The second approach was to review the work of other bodies in this field and to identify those striving toward a similar vision to that of the Task Force. This work is set out in Part Three.

This report is by no means the end of the road. The Task Force's next step will be to review the 'route map' and determine where our energies need to be focused next.

I am grateful to all of the members of the Task Force for their participation and lively discussions throughout the year. I would also particularly like to thank Accenture for their time and effort in preparing the White Paper.

President & CEO  
Globus & Cosmos Inc

Chairman  
WTTC IT/E-Commerce Task Force

# ENABLING THROUGH TECHNOLOGY

A REPORT BY THE IT/E-COMMERCE TASK FORCE

May 2002

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# **PART ONE: INTRODUCTION**

## **1. The growth of Travel & Tourism**

Each year, the World Travel & Tourism Council (WTTC) measures the contribution that the industry makes to the economies and jobs of more than 160 countries of the world. According to WTTC's 2002 Tourism Satellite Accounting research, Travel & Tourism this year will account for nearly 200 million jobs and will contribute 10 per cent of global GDP – some US\$3.3 trillion, which is forecast to grow by four per cent each year to US\$6.4 trillion in 2012.

## **2. The need for a task force**

The mission of WTTC is to raise awareness of the economic and job-creating importance and to enable the expansion of the industry by removing barriers to its development. The purpose of the IT/E-Commerce Task Force is to raise awareness of issues related to IT within the industry. Technology has a crucial role to play in the expansion of the industry, because it is an important enabler of Travel & Tourism.

Certain industries have successfully transitioned to a state in which technology is a true industry enabler. However, the relationship between technology and Travel & Tourism is more complicated because of barriers obstructing the full exploitation of technology.

Travel & Tourism's development in IT was initially a transaction/channel-centric focus using global distribution systems (GDS). With the inevitable development of technology and the movement of the industry towards the Internet and consumer focused systems, the transaction-based systems no longer serve the industry generically.

Due to this shift towards the Internet the GDS systems are reaching the end of their natural cycle and the industry now has to rethink its relationship with technology to guide investment towards common systems that are focused on the consumer and more information-based.

## **3. The goal of the Task Force**

The Task Force's ultimate goal is to plot a 'route map' towards convergence and integration of distribution systems in Travel & Tourism, and towards consumer orientated systems.

The Task Force decided in its first year to pursue two projects as steps towards this goal. The first was to prepare a White Paper that describes the current position of the industry with regards to technology and to examine the major barriers and issues that are facing the industry as it attempts to make the shift from transaction-centric systems to more information-based/consumer-centric systems.

The White Paper, prepared by Accenture, explores the opportunity for the Travel & Tourism industry to make more effective use of emerging technologies, and identifies barriers that are preventing more rapid growth of the industry. The main barriers explored in the White Paper are:

- Transaction-centric systems
- Simple product representation
- Lack of advanced technology
- Non-standard communication channels
- An industry consisting of many independent small-to-medium sized enterprises (SMEs).

The second project was to explore the associations and bodies that have been researching the relationship between technology and Travel & Tourism. The aim was to identify those bodies that have similar visions and goals to those of the Task Force and that are making useful progress, with a view to lending weight and helping to draw attention to their activities in the future. Dr Dimitrios Buhalis was chosen to undertake this research. Dimitrios has set up the Centre for eTourism Research and the world's first eTourism course and is senior lecturer at the School of Management Studies for the Service Sector at the University of Surrey in England.

It was decided that the Task Force be made up of a working group of six members who led the various tasks, and an advisory group that would offer advice and support to the tasks through regular conference calls. The working group consisted of Paolo Mantegazza, Bernard Frelat, Patrick O'Shea, Nick Price, Julian Sparkes and Graham Wason (a full list of members of the Task Force is set out in Appendix I.)

## 4. Internal and external stakeholders

It is the responsibility of both internal and external stakeholders to transform the Travel & Tourism Industry to reach this future state where technology is a true enabler. Internal stakeholders include suppliers and intermediaries who make up the industry's distribution network. Independently and jointly, internal stakeholders have responsibility for executing a broad transformation programme to build a new infrastructure that enhances the traveller's experience, better services his/her needs and profitably grows the industry.

This transformation programme is comprised of seven major initiatives that suppliers and intermediaries must jointly and independently execute:

- Intermediary Infrastructure Transformation
- Supplier Integration and Service Transformation
- Online Systems Transformation
- Offline Systems Transformation
- Experience Delivery Transformation
- Revenue Management Transformation
- Distribution Management Transformation.

The external stakeholders include a large number of peripheral entities ranging from associations and research organizations to consultancies and Information Technology and Communication (ITC) companies. These external stakeholders must take on a range of responsibilities from raising awareness of the key issues to providing the technical products and services that will make up the transformed customer-centric technology infrastructure. WTTC understands the important role these stakeholders play and is taking proactive steps to ensure they have an opportunity to participate.

These external stakeholders take on the responsibility for:

- Facilitating standards
- Representing constituencies
- Fostering fair competition
- Distributing knowledge and insight
- Creating the technology "building blocks"
- Incorporating cross-industry expertise
- Developing thought leadership.

## 5. This report

This report presents work undertaken on the two projects initiated by the Task Force. The Accenture White Paper is set out in full in Part Two, and is supported by a PowerPoint presentation in Appendix II. The White Paper provides the 'route map' for the evolution from transaction orientated systems to consumer-focused distribution.

The research into 'Critical Stakeholders for the Future of eTourism', prepared by Dr. Dimitrios Buhalis, provides additional information on external stakeholders exploring IT and Travel & Tourism and provides short, medium and long term recommendations for the industry to adopt. The research is set out in full in Part Three of this report.

## 6. Next steps

The WTTC IT/E-Commerce Task Force will meet again to plan the next steps. This might involve dissemination of this report and construction of a new vision/model of consumer needs and behaviour. Such a model might then be used to encourage software developers to construct systems aimed at making Travel & Tourism more efficient and customer-centric. Such a model would also give a financial analysis of the need for investment and research into IT/E-Commerce for the industry.

# APPENDIX I: MEMBERS OF THE IT/E-COMMERCE TASK FORCE

## CHAIRMAN

**Paolo Mantegazza**  
President & CEO  
Globus & Cosmos Inc

## WTTC MEMBERS

**Paul Blackney**  
President & CEO  
Worldspan

**Bill Brindle**  
Director of Ecommerce  
Hogg Robinson plc

**Dr Dimitrios Buhalis**  
Director, Centre for eTourism Research  
University of Surrey

**Tan Sin Chong**  
MD, E-commerce Division  
Reliance Pacific Berhad

**Dinesh Dhamija**  
Founder & CEO  
ebookers plc

**Bernard Frelat**  
President & CEO  
Rail Europe Group, Inc

**Tony Gavin**  
IT Manager  
Gullivers Travel Associates

**Tony McKinnon**  
President/CEO, North American National  
Marketing  
Amadeus Global Travel Distribution

**David Morton**  
Regional Marketing Manager, UK & Ireland  
Sabre Holdings Corporation

**Patrick O'Shea**  
Chief Market Development Officer  
FAR&WIDE Travel Corporation

**Mike Parks**  
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Worldwide Travel Distribution  
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**Nick Price**  
Director of Technology  
Mandarin Oriental Hotel Group

**James Robinson III**  
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**Rui Silvestre**  
Operational General Manager  
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**Julian Sparkes**  
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**Patrice A. Vinet**  
Partner  
Accenture

**Graham Wason**  
Vice President, Strategy & Development  
World Travel & Tourism Council

## WTTC COORDINATOR

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Project Manager

**CHAIRMAN:**  
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Chairman  
Six Continents PLC

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Chairman, President & CEO  
American Airlines

JEAN-MARC ESPALIOUX  
Chairman of Management  
Board & CEO  
Accor S.A.

ANDRÉ JORDAN  
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Lusotur S.A.

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Vice Chairman  
American Express Company

VINCENT A. WOLFINGTON  
Chairman  
Carey International, Inc.

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Rocky Mountaineer Railtours

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Club Méditerranée

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Hilton Hotels Corporation

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Sol Meliá

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MAURICE FLANAGAN CBE  
Group Managing Director  
Emirates

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Preussag A.G.

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Marriott International, Inc

DAVID MICHELS  
Group Chief Executive  
Hilton International

P.R.S. OBEROI  
Chief Executive  
The Oberoi Group

HENRY SILVERMAN  
Chairman & CEO  
Cendant Corporation

JONATHAN TISCH  
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Loews Hotels

BRETT TOLLMAN  
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The Travel Corporation

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Shangri-La Hotels & Resorts

DAVID AZEMA  
Chairman & CEO  
Eurostar Group Ltd

DAVID BABAI  
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PHIL BAKES  
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(International) Inc.

CHEONG CHOONG KONG  
Deputy Chairman & CEO  
Singapore Airlines

JENNIE CHUA  
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Chief Executive  
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Raffles International  
Hotels & Resorts

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President  
Allied Europe

STEPHEN HOLMES  
Vice Chairman  
Chairman & CEO,  
Hospitality Division  
Cendant Corporation

RAIMUND HOSCH  
President & CEO  
Messe Berlin GmbH

DIETER HUCKESTEIN  
President, Hotel Operations,  
Owned & Managed  
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XABIER DE IRALA  
Chairman & CEO  
Iberia

CLIVE JACOBS  
Chairman & CEO  
Holiday Autos Group

JOSÉ MARTINS DE JESUS  
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Sonae Turismo Gestao Servicos

NUNO TRIGOSO JORDÃO  
President & CEO  
Sonae Turismo Gestao Servicos

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Managing Partner  
DLA

CRAIG KOCH  
President & CEO  
The Hertz Corporation

KRISHNA KUMAR  
Managing Director  
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HANS LERCH  
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PAUL MC MANUS  
President & CEO  
The Leading Hotels of the World

MARK MILLER  
President & CEO  
Galileo International

ALAN MULALLY  
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Boeing Commercial Airplanes

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Noel Group

TOM NUTLEY  
Managing Director  
Reed Travel Exhibitions

ALAN PARKER  
Managing Director  
Whitbread Hotel Company

DIONISIO PESTANA  
Chairman  
Group Pestana

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LALIT SURI  
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HANI A. Z. YAMANI  
Executive Chairman  
Air Harbour Technologies

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Chairman  
British Airways plc

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Chairman  
Taylor Byrne Tourism Group

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Chairman of the Board  
The Hertz Corporation

GERARD PÉLISSON  
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RRE Ventures

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Retired Chairman & CEO  
American Express Co.  
WTTTC Chairman (1996 – 2001)

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Chairman  
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WTTTC Chairman (1994 – 1996)

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18 APRIL 2002





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