

The Global Travel Ecosystem & The Long Tail

Opening Comments for Panel
OpenTravel Advisory Forum
April 16, 2008



**BEYOND
THE TRAVEL
TRANSACTION**



**2008 ADVISORY FORUM
APRIL 14-16
ATLANTA, GEORGIA**

Our Panelists

- Kevin Short, EDS
- Scott Ahlsmith, Virtuoso
- James O'Leonard, PEAK 15 Systems
- Mark Hoare, IBS
- Bill Peer, Intercontinental Hotel Group



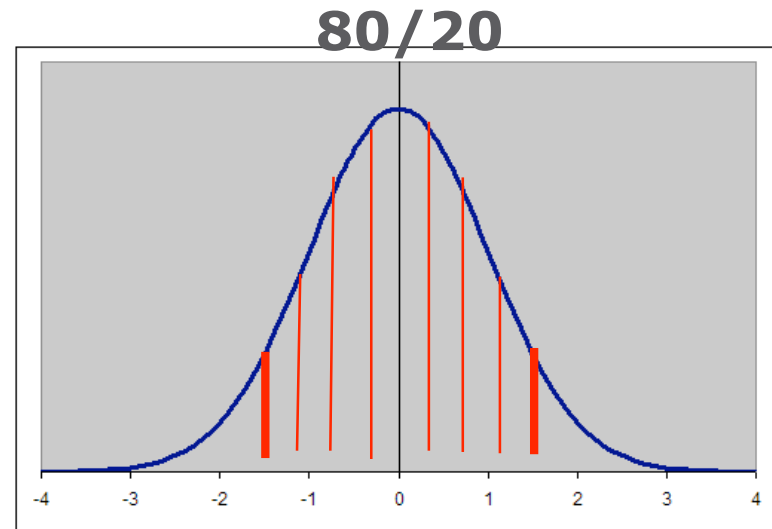
Panel Objectives

- To frame the business problem of interoperability in marketing terms and in light of current market realities and trends
- To stretch our thinking on the possibilities of interoperability and how we can impact both the customer experience and our own companies' financials

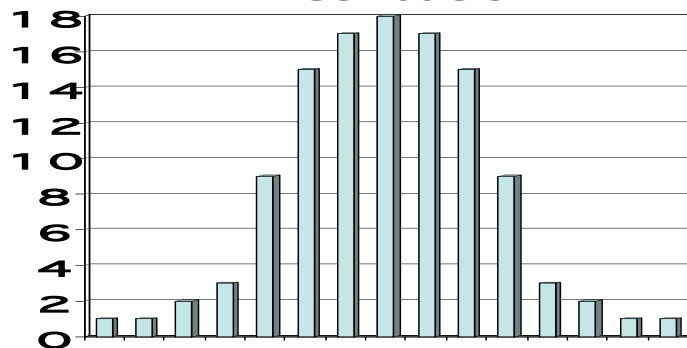


The Normal Distribution

The Normal Distribution, or any of the typical bell-shaped curves, focuses us on the higher probability events or customers



Frequency Distribution

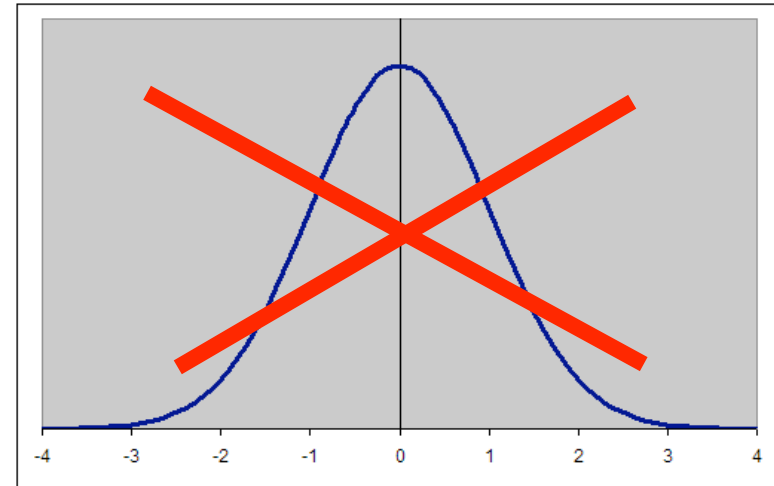


Pareto Chart

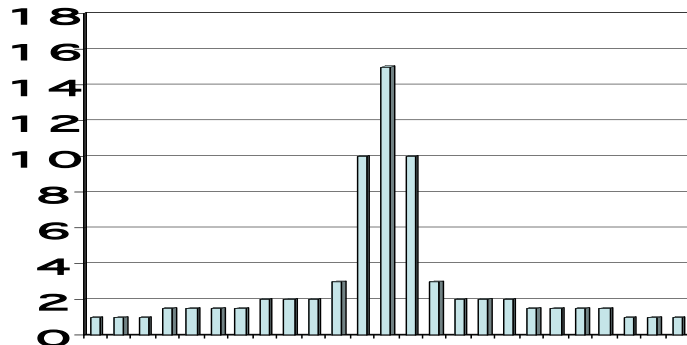


What about more typical distributions...?

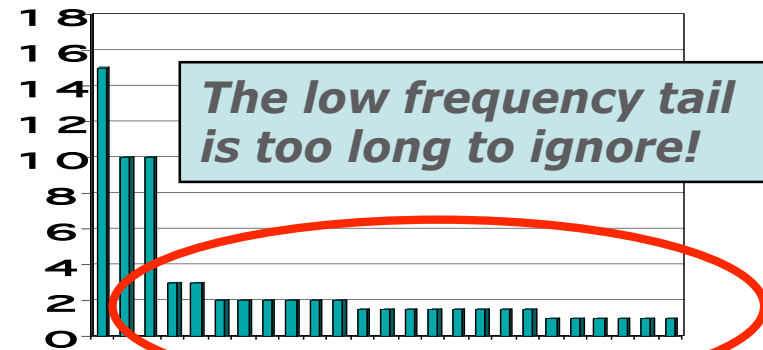
More common in real life is a view of customers that are much more unique and less clustered than the 80/20 distribution



Frequency Distribution



Pareto Chart



What is causing The Long Tail phenomenon?

Cultural Drivers

- Generational differences
- Growth of Social Computing

Product Proliferation

- Dynamic packaging
- Timeshare, rental, etc.

Technology Enablers

- Data storage
- Granular, transaction or customer level data models
- Communication capabilities and channel proliferation
- Efficiencies at low level of granularity

Growth of Social Networks			
Social Networking Site	Total Unique Visitors (000)		
	Jun-06	Jun-07	% Chg
MySpace	66,401	114,147	72
Facebook	14,083	52,167	270
Hi5	18,098	28,174	56
Friendster	14,917	24,675	65
Orkut	13,588	24,120	78
Bebo	6,694	18,200	172
Tagged	1,506	13,167	774

Source: comScore World Metrix

The Global Travel Ecosystem

- Thinking of the travel industry as The Global Travel Ecosystem is a way of framing the opportunity and focusing the The Long Tail
- Consider an individual customer's entire travel experience



- The multitude of unique combinations that can be created are all low frequency events in The Long Tail
- Technology and Standards can enable greater operating efficiencies, higher customer capture/retention, higher guest satisfaction, improved financials



Implications for Travel Companies

- Standards are a path to EFFICIENT delivery models
- All categories – air, car, hotel, activities, packages, cruises, etc. – can benefit from thinking more broadly and behaving with greater coordination
- Success will require different marketing thinking enabled by new technologies



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