

The distribution channels' development

A historic perspective



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Online Travel Distribution Summit
11th April 2016
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Travel Distribution

How it began: Supply and the increasing need to manage it

- 19th Century – Thomas Cook, pen and paper
- From 1920s onwards – rapid growth of airline industry
- 1950s – airlines start to look for automating the booking process
- 1960s - Foundation of 1st GDS
- 1980s – other GDSs were developed, among them Amadeus

GDS reduce handling time of reservations and pricing enormously

Source: www.tnooz.com, 7.4.2016

Online Travel Distribution

The evolution goes on and on

- Early 1990s and the Internet – travel brands start developing websites and online booking capabilities
- Customers start looking for recommendations
- Metasearch allows to find results across multiple sites with one search only
- Mobile revolution facilitates dedicated applications
- Renaissance of direct connect approach
- Personalization

Sources: www.tnooz.com, 7.4.2016; Amadeus;

Stages of travel distribution

In very short:

- Create supply and make it available
- Internet provides direct access to/for wider customer base; one-stop-shop
- Metasearch, review websites, alternative marketplaces
- Mobile revolution

Next stage:

- Personalization (customer profiles, big data etc.)

→ Shift from supply to distribution to customer focused

Source: www.tnooz.com, 7.4.2016

Global Distribution Systems

Highlights

- Airline industry created first GDS in 1960s
- Its Purpose (and mission of Amadeus): connect providers' content with travel agencies and consumers in real time
- GDS have power to set industry standards
- Amadeus aspires to shape the future of travel

Sources: Amadeus; www.traveltechnik.com, 7.4.2016;

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