



ISO Software Systeme GmbH

ICT Strategies and Trends in the Tourism Industry

Author Frank Schröder, et al.
ISO Software
Systeme GmbH
Berliner Straße 257
63067 Offenbach a.M.

Telephone +49(69)800710-0
Fax +49(69)800710-29

Document-Id ISO-Touropoperator-
ICT-Strategy-Study-
2007-06_final_public

Version 1.5

Date 2007-06-18

Filename ISO-Touropoperator-ICT-
Strategy-Study-2007-
06_final_public_EN.doc

Release- Notes:

	Name	Place, Date	Signature
Author + KM	Frank Schröder, et al.	Nbg., 2007-06-18	
QS + Protocol	Frank Schröder	Nbg., 2007-06-18	
Release	Frank Schröder	Nbg., 2007-06-18	

The transmission, reproduction or usage of a part or the entire document is not permitted without the author's written acknowledgement. All rights reserved. This includes in particular the patent and the copyright for development and design.

Table of Contents

0	General Remarks	4
0.1	Change History	4
0.2	Abbreviations and project specific terminology	4
1	Preface	6
2	Summary	7
3	New ways of production	13
3.1	Flexible product offering.....	13
3.2	Just in time production	14
3.3	White label package production.....	15
3.3.1	Retail.....	15
3.3.2	TV Travel Shops	17
3.3.3	Travel Portals.....	18
3.4	Virtual Tour Operator	20
3.4.1	Definition.....	20
3.4.2	Differentiation to traditional tour operators.....	21
3.4.3	Presence in the Market.....	22
3.4.4	Potential and Tendencies	23
3.5	Dynamic Packaging	25
3.5.1	Basic Concept.....	25
3.5.2	Online-Packaging (Single Production)	28
3.5.3	Pre-Packaging (Serial Production).....	29
3.5.4	Booking Workflow	30
3.5.5	Details of Packaging Strategies	31
3.5.6	Resumée	38
3.6	Process optimization and customer orientation	39
3.6.1	Overview	39
3.6.2	Integrated Workflow Management.....	40
3.6.3	Automatic request handling	43
3.6.4	Additional potentials for process optimization.....	43

4	Business Relationship Management	45
4.1	Heterogeneous environment at Point-of-Sale	45
4.2	Customer Relationship Management.....	47
4.2.1	Support at Point-of-Sale	48
4.2.2	Analysis of customers	48
4.2.3	Community Management and Rating Portals for the Operator	49
4.2.4	“My Travel Portal“	51
4.2.5	Agency Management.....	52
4.3	Multi Media Publishing	53
4.4	Multi Channeling	54
5	New entrants in tourism.....	56
5.1	New players	56
5.2	Market Consolidation	57
5.3	Specialist and niche market tour operators.....	57
5.4	Business Process Outsourcing	58
6	Technology and tourism	60
6.1	Caching Strategies.....	61
6.1.1	Overview	61
6.1.2	Common Caching Strategies	61
6.1.3	Example of Cache Implementation of an Internet Vacancy for an Airline.....	62
6.2	Service oriented architectur (SOA)	66
6.2.1	General Overview	66
6.2.2	Impacts for tour operator solutions	67
6.2.3	Summary	69

0 General Remarks

0.1 Change History

Version	Editor	Changed parts	Cause for changing	Release date
0.9	F. Schröder	all	Creation	2007-04-20
..				
1.4	F. Schröder	Accord. to Review	Final Release	2007-06-18
1.5	F. Schröder	-	Public Version	2007-06-18

0.2 Abbreviations and project specific terminology

Term	Explanation
B2B	Business-to-Business; Relationship between companies
B2C	Business-to-Consumer; Communication and relationship between a company and its customers
Bit	Binary digIT;
BPO	Business Process Outsourcing;
Byte	eine Maßeinheit für eine Datenmenge von 8 Bit
CETS	Central European Touristic Solution – Touristikmodul; einer der Nachfolger für TOMA in Österreich und der Schweiz
CIO	Chief Information Officer
CMS	Content Management System
COBOL	COmmon Business Oriented Language (Programming Language)
CRM	Customer Relationship Management
CRS	Computerreservierungssystem
DB2	Universal Database (from IBM)
DBMS	Datenbank-Managementsystem
DER	DEutsche Reisebuero GmbH [Corporate name]
DMO	Destination Management Organisation
DMO	Direct Marketing Organization
FTI	Frosch Touristik GmbH – Reiseveranstalter [Corporate name]
Fuzzy	(englisch: fuzzy = unscharf) ist eine Theorie, eine Verallgemeinerung der zweiwertigen Booleschen Logik, die vor allem für die Darstellung menschlichen (und damit unscharfen) Wissens entwickelt wurde.
GB	Gigabyte = 10 ⁹ Byte
GDS	Global Directory Service
GIATA	Content-Provider für die Touristik
GNE	Global New Entrants

HLX	Hapag-Lloyd Express GmbH (HLX) [Corporate name]
IBE	Internet-Booking-Engine
ICT	Information and Communications Technology
INFX	Format to deliver tourism products offline to 3rd party sales channels
ISO	ISO Software Systeme GmbH [Corporate name]
ITS	International Touristik Service - Reiseveranstalter der Rewe Group [Corporate name]
IT	Information Technology
JIT	Just-In-Time
KLM	Koninklijke Luchtvaart Maatschappij (Royal Dutch Airlines)
LCC	Low Cost Carrier
LCD	Liquid Crystal Display
OTC	Online Travel Corporation
PL/SQL	PL - Programming Language / Structured Query Language
PMS	Property Management Systeme
POS	Point-of-Sale
QS	Qualitätssicherung
REWE	Revisionsverband der Westkaufgenossenschaften [Corporate name]
ROI	Return On Investment
SAP	Systeme, Anwendungen, Produkte (in der Datenverarbeitung) [Corporate name]
SME	Small and medium enterprises
SOA	Service-Oriented-Architecture
STADIS	Format to deliver tourism products offline to 3rd party sales channels
START	Urspr. „Studiengesellschaft zur Automatisierung für Reise und Touristik GmbH“; heute „Amadeus Germany GmbH“ [Corporate name]
TB	Tera-Byte = 10 ¹² Byte
TC	Thomas Cook
TO	Tour Operator
TOPIX	Tour Operating System Unix (Buchungssystem der ISO z.B. für einen Teil der Thomas Cook Veranstalter)
TUI	Touristik Union International [Corporate name]
UK	United Kingdom (Vereinigtes Königreich Großbritannien und Nordirland)
USA	United States of America (Vereinigten Staaten von Amerika)

1 Preface

A word to the interested reader:

The information presented here is the result of research in the tourism market and personal impressions and points of view of employees at ISO, some of whom have been working in software development or sales for the tourism industry for over 20 years.

*

This study is therefore by no means objective but rather deliberately influenced by our expertise and evaluations when dealing with a large number of tourism companies such as Thomas Cook, TUI, Air Canada or Emirates.

We are, however, confident that this represents the added value of this work.

*

We also realise that some of the challenges listed here have already been successfully met by Touropoperators, although they still provide valuable information on further strategic IT developments.

*

We hope you enjoy reading it.

*

Your
ISO team
06 / 2007, Nuremberg, Germany

p.p. Frank Schröder

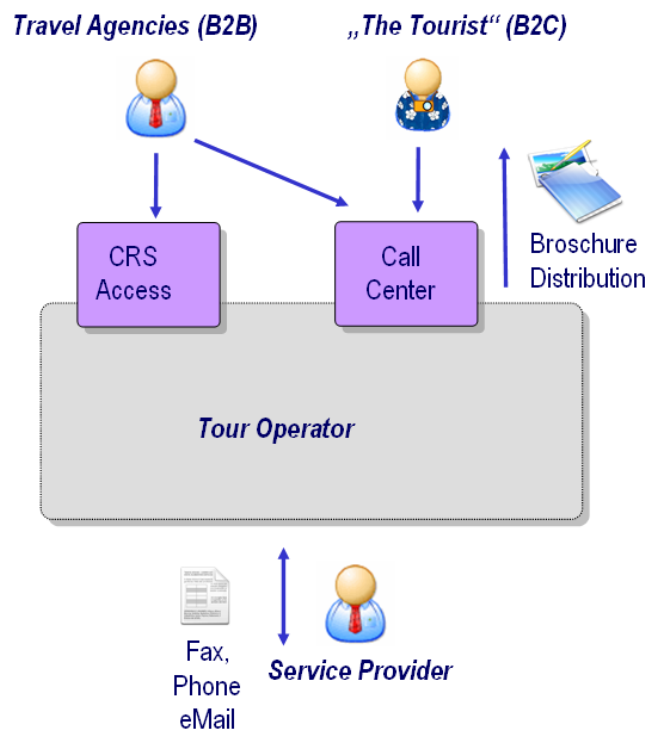
A handwritten signature in blue ink that reads 'Frank Schröder'.

2 Summary

Tourism and its conventional tour operators are encountering fundamental changes in the market and their partners:

“The tour operator on its way to a networked company”

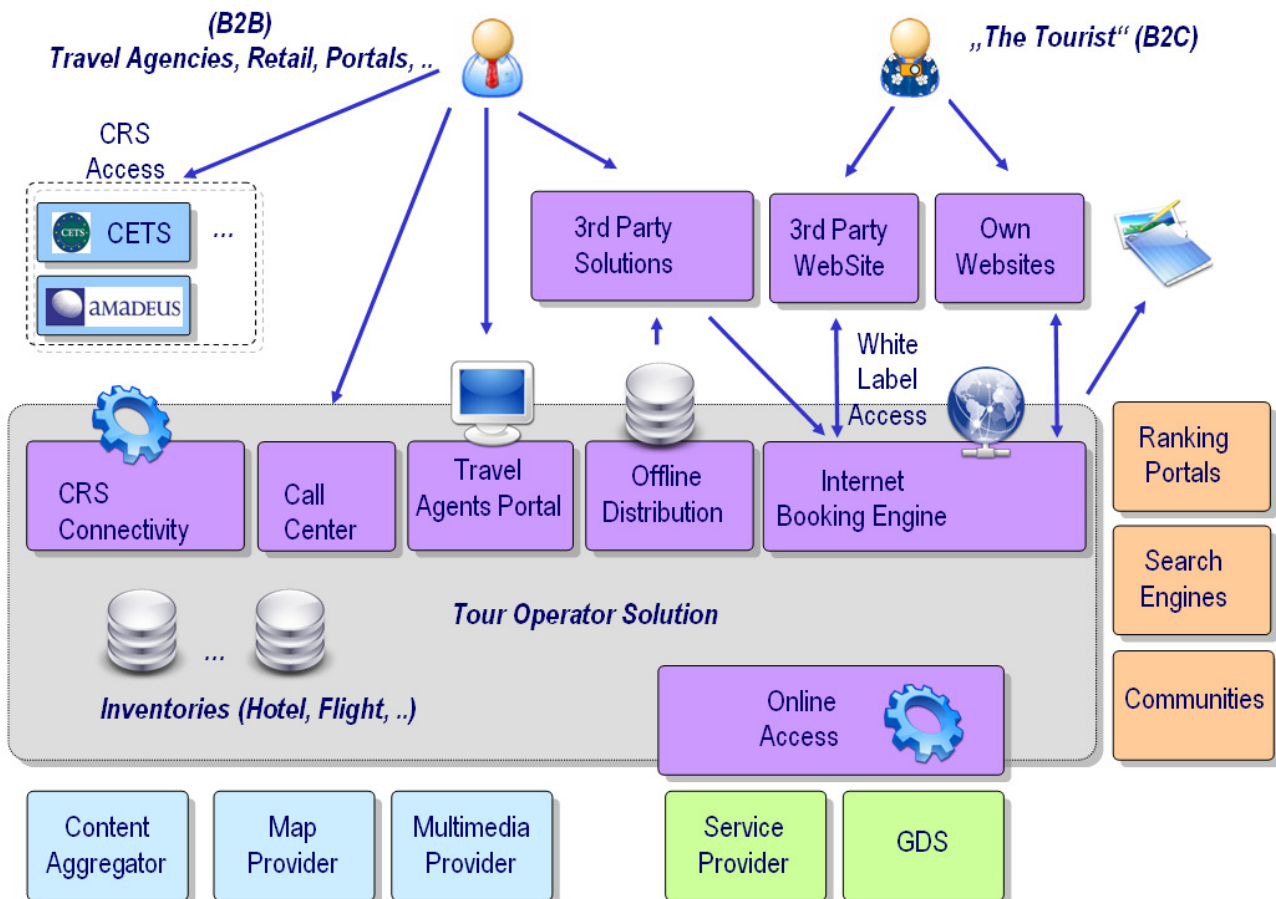
Analysing the past context of a tour operator shows clearly that there were only few external processes and business partner to handle. Essentially the service suppliers and the connection to a CRS sales channel.



Pic. 1: The historic context of a tour operator

An increasingly informed, demanding customer base with experience in tourism on the one hand and new, technologically innovative competitors on the other are the general conditions under which conventional tour operators must maintain their position in the value added chain in the tourism industry.

In anticipation of the results in this study the next picture shows the current (and future) network of relationships that a tour operator has to handle.



Pic. 2: The tour operator as a networked company

It is evident that the tour operator has to adapt their organisation, workflows and IT services to support the future business processes:

- better integration for an increasing number of service provider
- overall supervision and integration of additional sales channels
- new products assembled through new ways of production
- additional content complement existing knowledge about destination & products
- new market players (e.g. ranking portals, online portals) will be integrated