

# Explorer



## Travel Agents Newsletter

### WORDS BY



Dear Amadeus Users,  
I was very proud to share with you that Amadeus IT continues to enjoy the undisputed Market leadership in the industry. The on going successful provision of e-ticketing solutions in the distribution field further affirms its efforts to move positively forward steadfastly-to support the paper free travel-keeping in line with the need of time / rapidly changing technology. You would also be pleased to note that the Company has grown / advanced in its e-ticket distribution network, the largest in the Industry to include 209 Airlines and 144 Markets. As such, to date, 78% of tickets issued through the Amadeus System were e-tickets.

Specially in the technological front, Amadeus also has agreements with 65 Airline Partners as it was fully equipped to host the Airline Partners complete e-ticketing activities. Furthermore, to date, it has the privilege to build the IT links to enable 394 interline agreements between the Airlines. The figures were far ahead of those achieved by any of the Amadeus' Competitors, globally.

Needless to highlight that the benefits of e-ticketing were significant. For instance, e-tickets were much more economical to issue, extremely difficult to counterfeit and additionally also helps to strengthen / facilitate self service Kiosks at the Airports. In addition to considerably enhancing the security and speed of the ticket data, it also provides the basis for distribution analysis with real-time information on Tickets, Fares, Customers and the Sales Channels. The flexibility available in the process, combined with to-the-minute accountability, further opens up the new possibilities for the Revenue Management and the much needed Last Minute Sales. As an outcome of that, the IATA estimates that full e-ticketing was expected to generate the industry savings of US \$3 billion per year.

Keeping abreast / following the Global trend, we at Amadeus Pakistan have implemented / migrated thirteen Airlines to E Ticket, effectively under the BSP environment. My team at Amadeus Pakistan continues to play a leading / vital role in this process. There has been incidents when we have implemented E Ticket for the Airlines in Pakistan on even a very short notice of two hours!! A few of such Airlines include British Airways, Cathay Pacific, Emirates, Etihad Airlines, Gulf Air, Kuwait Airways, Lufthansa, Qatar Airways, Singapore Airlines, Thai International, Turkish Airline, Srilankan Airlines- we were now in the process to welcome Air France into our fold.

A few of the above outstanding achievements of Amadeus IT have been largely possible mainly due to our Partners cooperation along with the continued support / acknowledgement from the Amadeus valued Customers as well. We now look forward to continue to lead the industry in the technology field / GDS industry & in the process Amadeus was committed to deliver the technology innovation ( as it takes place ) to our Customers' door step.

Many thanks

**H.ZAFAR AHMED**  
Executive Vice President

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## NEWSLINE

### Amadeus and Destinations of the World announce strategic partnership

Madrid, Amadeus, a global leader in technology and distribution solutions for the travel and tourism industry, and Destinations of the World (DOTW) the only dedicated global wholesale travel company and a leader in the travel wholesale industry, today announced a strategic partnership. The agreement will enable the organisations to share each other's content, boosting their ability to serve the global travel agency community, the hospitality industry and travellers.

The partnership will enable travel agents using Amadeus' distribution system to access DOTW rates and inventory content for hotels and apartments in the Middle East, Indian Sub Continent, South East Asia and Australia. DOTW will connect to the CRS of hotels through the Amadeus system to enable access to continuously updated rates and inventory.

In addition, travel agents using the DOTW portal will have access to the thousands of hotels worldwide available on Amadeus. These hotels will also be made available through DOTW's new advanced online reservation system 'DOTWconnect'. This will increase DOTW's hotel portfolio globally and provide their customers with a much wider choice of available product. Travel agents using DOTWconnect will not only have access to inventory and rates, but will also enable them to undertake commission clearing and pre-payment.



The tie up between the two companies offers a multitude of benefits to both the travel trade and suppliers worldwide:

Benefits to the Travel Trade

- ▶ Multiple Payment Choices
- ▶ Market Specific pricing
- ▶ Comprehensive range of products
- ▶ Local sales and operations support
- ▶ Access to the hotels dynamic pricing
- ▶ User-friendly on-line Reservation system with rich multimedia content
- ▶ Reliable booking application
- ▶ Seamless communication
- ▶ Guaranteed Hotel Commission Payments, from Destinations of the World, in local currency, fortnightly and direct to the travel agent's account

Keith Fernandez, Group Managing Director of Destinations of the World Group, said, "We are pleased to announce this new partnership that includes perfect synergies and equal opportunities for both companies. Destinations of the World will open doors for Amadeus in markets where we have a strong presence and Amadeus provides us with the opportunity to distribute our products via the GDS in territories where Amadeus have the largest penetration".

"Amadeus is committed to providing even more choice and service to travel agents, hotels and international travellers. Enriching our hotel content continues to be one of our major priorities and we are delighted to be entering into this partnership as it significantly boosts our ability to offer value to the international hospitality community", said Julia Sattel, Vice President, Markets Europe, Middle East, Africa & Latin America, Amadeus.

"Our partnership with DOTW helps us to grow even more our content offering to our users worldwide and enables hoteliers to increase their global reach thus providing them with increased volumes of reservations", added Antoine Medawar, managing director, Amadeus Hospitality Business Group.

The interface between DOTWconnect and Amadeus will be developed in several stages starting with the hotel module followed by Car Rental, Air and finally an All Inclusive Dynamic Package module.

The development will commence mid this year with plans to complete the first phase before the end of 2007.

#### Zero commission is the biggest challenge for 34% of travel agencies: Amadeus research paper offers a solution

Madrid, Amadeus, a global leader in technology and distribution solutions for the travel and tourism industry, has published a research paper which offers advice to business and leisure travel agencies on how travel agencies can maximise service fee revenue.

The white paper, entitled "Service Fees and Commission Cuts: Opportunities and Best Practices for Travel Agencies", offers a brief history of the demise of airline commissions which have fallen steadily from around 10% of the ticket price in the mid-1990s to zero in many markets today. The report reveals results of an Amadeus survey which found that thirty-four per cent of travel agencies said reduced revenue from commissions was the number one challenge facing their business. In Western Europe, lost commission revenue is the number-one worry for half of all travel agents.

In the second half of the paper, experience is drawn from markets which have successfully implemented service fee models to compensate for the loss in

revenue. The most successful markets have seen their revenues grow even as commissions have fallen. Travel agencies adopting a service fee model charge the customer for services provided instead of receiving a commission from the travel supplier. Scandinavia and the US have been particularly advanced in this respect.

The report offers the following tips to travel agencies wanting to implement a successful service fee model: Educate staff and travel agents with formal training programs on service-fee schemes and high margin products.

Communicate service fees to customers up-front; inform them of the new service fee business model. Research suggests that customers are willing to pay for a service they see value in.

Automate processes for charging fees to avoid errors and increase travel agents' efficiency and productivity.

Identify the services for which customers see the highest value and are willing to pay for. The top five identified by the study are trip planning, hotel-only bookings, special coupons, cruises and frequent flyer reservations.

"As a global technology partner to the travel industry," says Claude Giafferri, Vice President, Travel Office Products & Solutions, Amadeus, "We feel we can add value by sharing our experience of markets and travel agencies which have successfully implemented new business models to help those who have yet to go through that transition. That is what we hope to achieve with this white paper."

## Lufthansa resumes flights to Pakistan Karachi and Lahore in winter timetable

Lufthansa is flying to Pakistan again in the coming winter flight schedules: Starting on 28 October 2007, the Lufthansa all year round connection comes on stream, with thrice-weekly flights from Frankfurt to Karachi and, for the first time, also to Lahore. The resumption of flights will strengthen the position of the biggest German carrier in this growth region in the Middle East. "Lufthansa will connect Pakistan direct with Germany and with our global route network", said Lufthansa's Dr. Karl-Rudolf Rupprecht, Head of Hub Management Frankfurt. "We expect a solid market growth in Pakistan and by that a further demand on this connection".

Lufthansa passengers stand to benefit from the new flights: This new non-stop connection from Frankfurt to Pakistan shortens the air journey there by up to four hours compared with the present stopovers in the Gulf region. In recent years, the economic situation in Pakistan has constantly improved. The direct investments have grown considerably and an array of international companies has established a local presence in this up-and-coming country.

With a population of around 160 million, Pakistan is after China, India, the USA, Indonesia and Brazil the sixth most populous country in the world. Karachi, the traditional commercial centre with around 13 million inhabitants on the Arabian Sea, is Pakistan's biggest city. Regional industrial development around Karachi, the region's biggest seaport and a major centre for raw materials processing, have made the city a key destination for business travellers from North America and Europe. Noted for its culture, Karachi hosts numerous universities, research institutes and museums. Lahore, with about eight million inhabitants, is Pakistan's second biggest city. This industrial city in the east of the country is characterised by innumerable small to medium-sized firms engaged in processing or production so that some important demand in business travel can be expected.

## New Amadeus Electronic Ticketing Direct removes one of last barriers to industry-wide e-ticketing

- ▶ The new addition to the Amadeus e-ticketing portfolio brings e-ticketing to non-BSP (Billing & Settlement Plan) markets
- ▶ Airlines will also be able to sell through select non-IATA travel agents, widening their distribution and capturing greater revenue
- ▶ Amadeus continues to register unmatched numbers of e-ticketing agreements

Madrid, Amadeus, a global leader in technology and distribution solutions for the travel and tourism industry, is stepping up the drive to eliminate the last barriers to industry-wide e-ticketing. The company's latest e-ticketing solution, Amadeus Electronic Ticketing Direct, enables airlines to issue e-tickets in non-Billing and Settlement Plan markets.

There are approximately 40 countries without a BSP, preventing a number of airlines from implementing e-ticketing on a worldwide basis. Amadeus Electronic Ticketing Direct, part of Amadeus'

electronic ticketing portfolio, will allow airlines operating in these countries to sell and receive payment for e-tickets via the Amadeus system, and thereby enable them to meet the extended IATA Simplifying the Business deadline at the end of May 2008. The new solution will make it possible for airlines to also sell through select non-IATA travel agents, widening their distribution and capturing greater revenue.

"Even though IATA has extended the e-ticketing deadline until the end of May 2008, it is still very much in everyone's interest to continue striving to meet this goal as early as possible. Global e-ticket penetration is now pushing 80%, but there still remain a few barriers to complete adoption. As IATA's preferred e-ticketing partner, we are committed to helping the industry overcome these," commented Frédéric Spagnou, Vice-President, Airline Business Group, Amadeus.

In 2006, Amadeus, together with Hahn Air, also implemented a solution to deliver interline e-ticketing capability to airlines with limited resources or limited distribution in certain markets.

## Cathay Pacific Airways signs 10-year contract with Amadeus to implement new technology systems

Amadeus announced that Cathay Pacific Airways has signed a landmark ten-year contract which will see the carrier and its subsidiary, Dragonair, adopt the complete Altéa Customer Management Solution (CMS) to manage their passenger service chain, including reservations, inventory and departure control systems.

Amadeus, a global leader in technology and distribution solutions for the travel and tourism industry, today announced that Cathay Pacific Airways has signed a landmark ten-year contract which will see the carrier and its subsidiary, Dragonair, adopt the complete Altéa Customer Management Solution (CMS) to manage their passenger service chain, including reservations, inventory and departure control systems. The deal will be used to support the airline's aggressive growth strategy and to increase operational efficiency. Edward Nicol, Director Information Management at Cathay Pacific Airways, said: "This agreement reflects our ongoing commitment to invest in new technology to support our growth plans and commercial objectives. We have chosen Altéa CMS, after a detailed selection process, because it is the best fit with the airline's business requirement to serve our customers better and to improve our operational efficiency and productivity."

Cathay Pacific Airways, which already uses Amadeus' internet booking engine to power its commercial website, has identified IT as a core component of its strategy as it seeks to expand operations and continue to grow in some of the world's fastest growing aviation markets like China, as well as the US and Europe.

The contract with Cathay Pacific Airways represents another significant milestone and underscores Amadeus' reputation as a leading technology provider to the airline industry. According to Hans Jorgensen, Vice President, Strategic Airline & Partner Programmes at Amadeus: "As one of the world's most successful airlines, in terms of both profitability and growth, we are delighted that they have selected Altéa CMS as their customer management system."

He continued: "We believe that Cathay Pacific's decision as the first Asian carrier to choose the whole Altéa suite of solutions, will be viewed positively by other airlines and catalyse growth for Amadeus in the Asia-Pacific region, as a leading IT provider in the travel industry."

Cathay Pacific Airways and Dragonair, who together carried 22 million passengers in 2006, join 42 airlines across the globe that has selected Altéa CMS.



Air France has recently implemented E-Ticketing in Pakistan through Amadeus. Picture taken during first Air France E Ticket issued by Aroma Travels. (Seen in picture: Mr. Azhar Hashim of Air France, Mr. Naem Shareef and Mr. Moazzam of Aroma Travels, Mr. H. Zafar Ahmed of Amadeus Pakistan and others)

### The Star Alliance Common IT Platform (CITP)

The new platform is based on the first next generation Customer Management System available in the airline industry. Built on state-of-the-art technological infrastructure and software, the CITP will enhance customer service functionalities, specifically for sales and airport environments, including such transactions as schedule, availability, inventory, reservations, fare quote and ticketing as well as passenger check-in. The improvement in customer service will come through ease of use as well as through the provision of better quality and common data for airline service agents when dealing with alliance customers. The CITP project was originally launched in 2005 with Lufthansa and United as the lead carriers. To date, Austrian Airlines and regional members Adria Airways and Croatia Airlines have joined CITP. Additionally, Star Alliance member carrier South African Airways is using Amadeus Altéa, based on a similar technology as CITP.

# amadeus

Your technology partner

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