



**TURISMO: DESAFIOS E RESPONSABILIDADES**  
XL CONGRESSO NACIONAL APAVT | 5 a 8 DE DEZEMBRO '14 | ÉVORA

# Travel agents in 2015 and beyond

What challenges lie ahead for us?



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Who am I.....?

56 years (old...), Travel agent & lawyer.

- Kilroy travels & AMEX 1974 – 1983.
- SAS, Scandinavian Airlines 1983 – 2002.
- Mg. director, DRF (Denmark) 2002 - ?
- President WTAAA (World) 2012-2014 & President ECTAA (Europe) 2014 – 2016.
- A close friend of Portugal since 1980!



## What are the facts:

- Over the past 10 years, major changes have occurred in the travel industry.....
- Which ones?



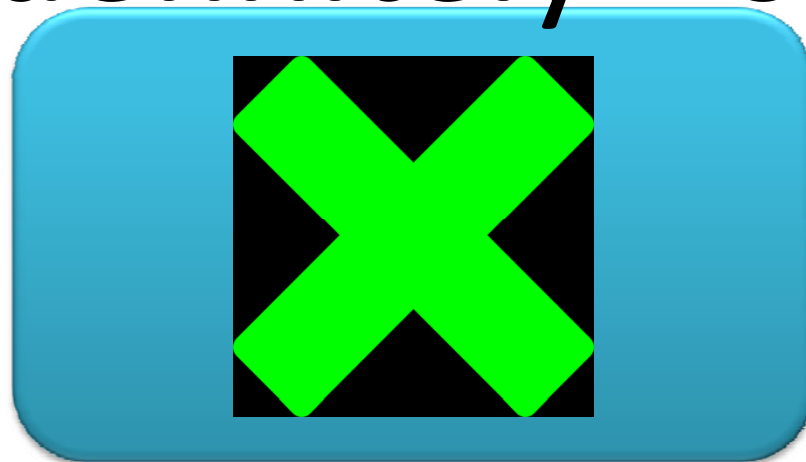
## Distribution 1990 - 2014

- GDS's have expanded their model, now also supporting airline operations.
- Suppliers have been looking for more direct contact with customers
- GDS' are (looking at) changing their distribution models, also vs. travel agents.
- Agregators and comparison internetsites have emerged
- The sharing economy (UBER, AirBnB etc).



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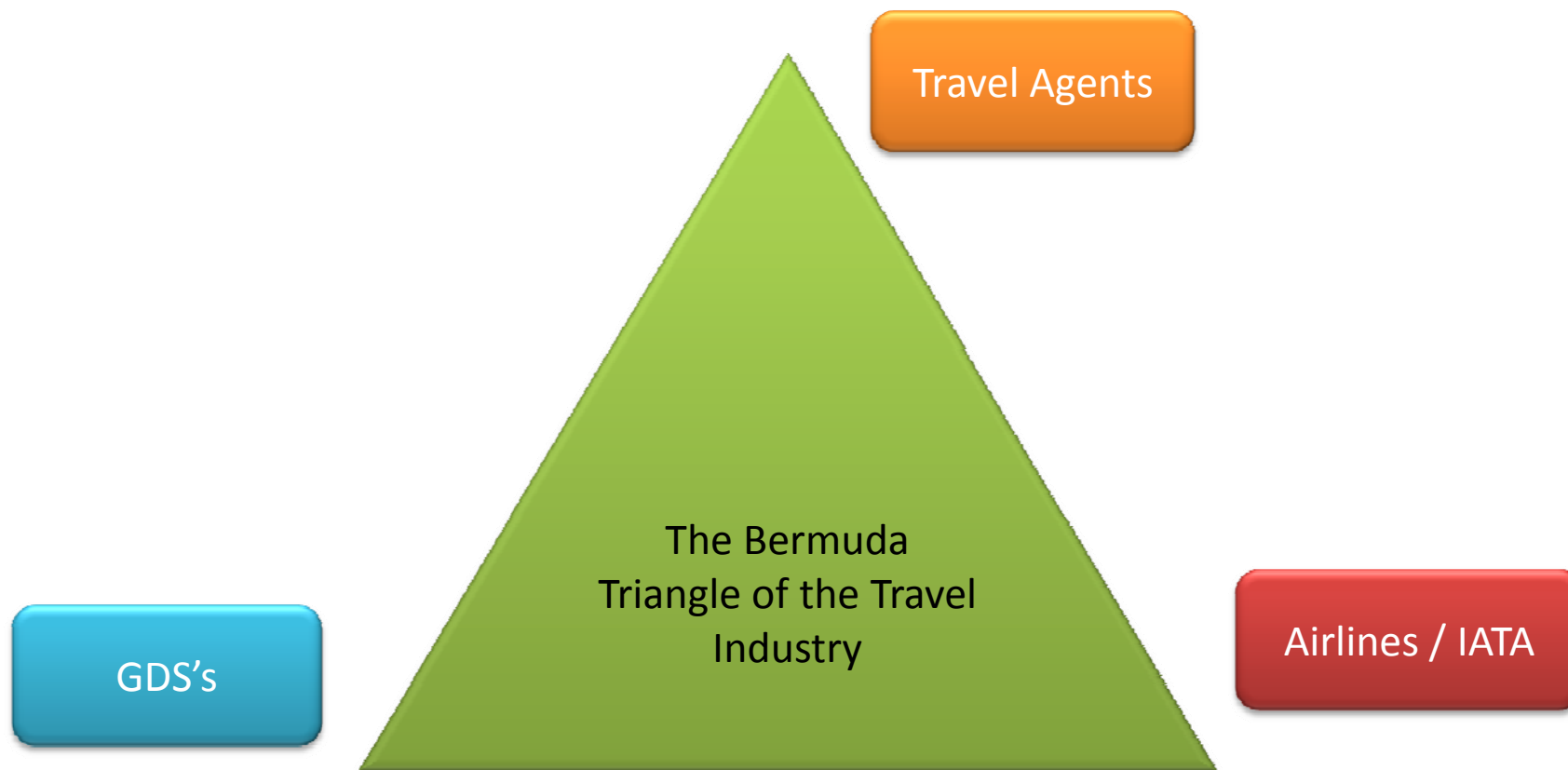
Airline Commissions  
are definitely "out"





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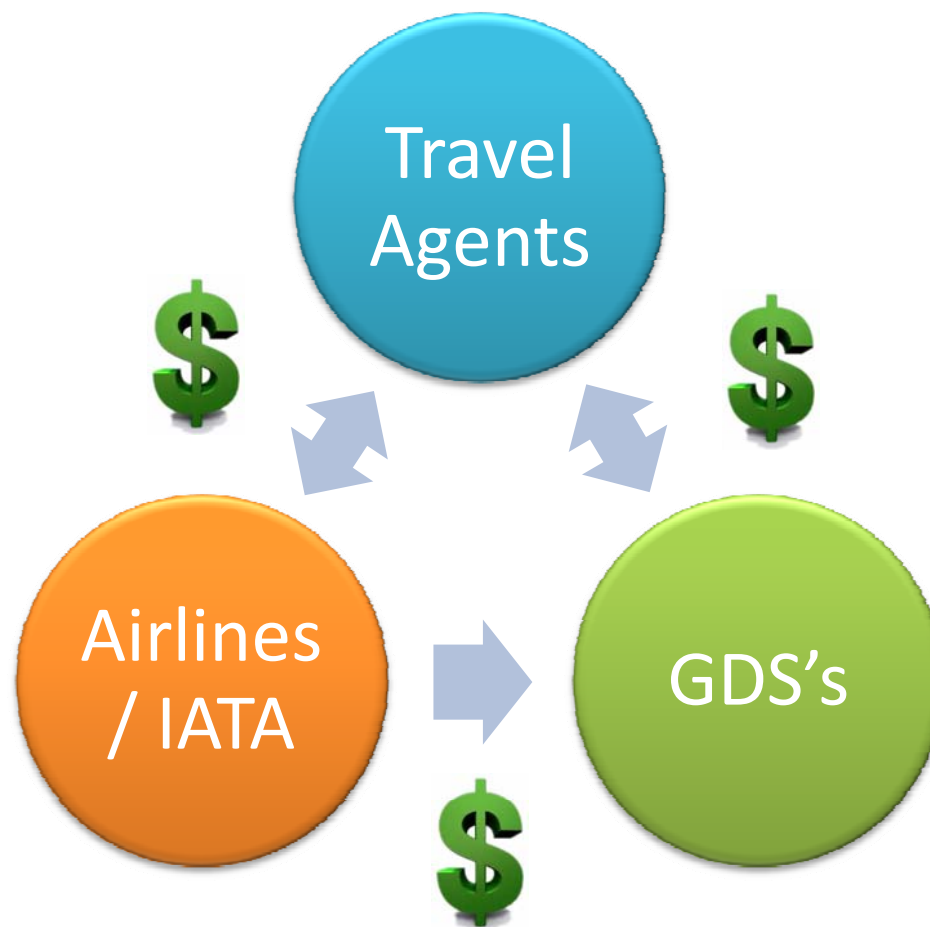
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## What's IATA & the Airlines doing

An update on their latest settlement  
("BSP") plans....





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Agent Demand for New Models

Industry Evolution

Major Defaults

Financial Security Challenges



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## Accreditation Model



Standard (Single Country)

OR

Multi-Country

## Methods of Payment



Cash Facility

Credit Card

IATA EasyPay



➤ The Agent's choices determine the applicable risk management



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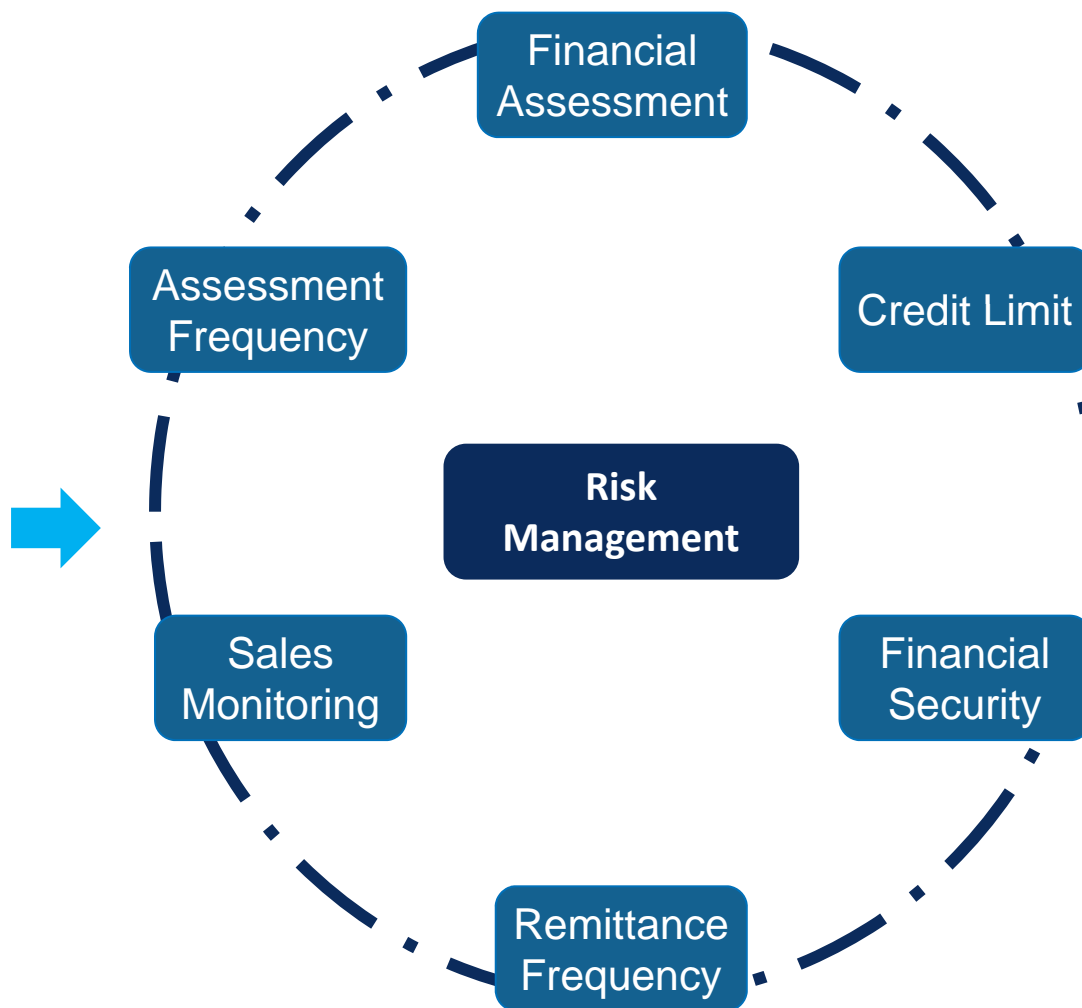
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Travel Agent

Accreditation Model

Methods of Payment





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## Standard Accreditation no Cash Facility (Lite)



Cash



Credit Limit



CC



Financial Assessment



IATA EasyPay



Chargeback Insurance

## Standard Accreditation with Cash Facility



Cash



Credit Limit



CC



Yearly Financial Assessment



IATA EasyPay



Financial Security / Default Insurance

## Multi-Country Accreditation



Cash



Credit Limit



CC



Quarterly Assessment of Parent



IATA EasyPay



Parent Guarantee



Super BSP\*



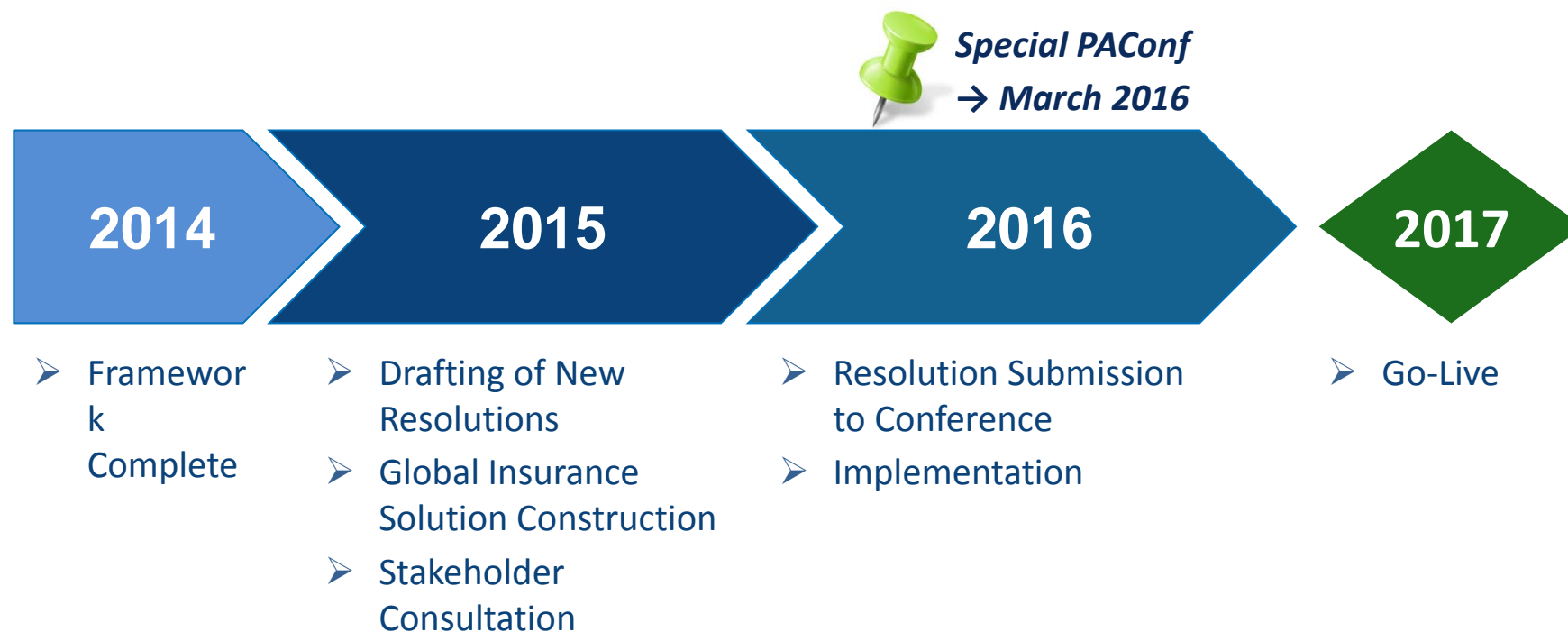
Financial Security / Default Insurance

➤ An Agent's available Remittance Frequency depends on the assessment outcome (credit status)



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## ECTAAs focus areas 2015 and beyond:

- Revision of the Package Travel Directive
- IATA's Agency programme, incl. the NDC project and the New Gen ISS project
- Revision of EU's Air Passenger Rights Regulation
- GDS – Travel agencies cooperation
- Multi-modality rail transport project (FSM-project).
- Revision of the data protection framework & EU PNR proposal



## EU's package travel directive

In terms of EU legislative initiatives, the revision of the Package travel Directive is certainly the most important topic for ECTAA.

- - Will change (=expand) which sellers of travel that are included in the scope of the directive.
- -Will allow easier inter-EU cross-border sales.
- -Includes Linked/Assisted travel set-ups.
- -Creates a “more level” playing field internally in the EU, but NOT globally!



## Airlines & IATA:

The biggest change needed vis-à-vis IATA as soon as possible is to get:

- A complete revision of the IATA passenger agency programme including the IATA-agency contract.
- On New Gen ISS: “The jury is still out”.
- On NDC:
  - Is NDC really “neutral”? Or does customer “ownership” change?
  - Will agents have access to all fares anonymously?
  - How will “non-NDC” airlines be serviced?





## Revision of EU's Denied boarding Reg.

- Equally important is the revision of the air passenger rights legislation. Because it will:
- -Introduce clearer definitions of which types of delays initiate compensation.
- -Introduces a limitation of the liability of the airlines(and travel agencies) in case of Force Majeure.
- -Improve compensation to passengers.



## The GDS's:

Issues vis-a-vis travel agents:

- Who owns the passengers' PNR?
- The Airline?
- The Travel Agent? Or.....
- The GDS'?
- Privacy issues – what passenger information can be collected for travel purposes & how long can/should the Information be stored?
- What'll be the dominant future mode of distribution and are the GDS' a part of that game?



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## Imagine.....:

....What the World would be like without IATA,  
GDS' & sharing economy-suppliers....☺.....!

Would it be better, the same or worse?