

Technology

AgentWare: The GDS Alternative

Technology that promises to make a winning combination out of suppliers and travel pros

For agents, it's all about content, content, content. In this age of the Internet and CRS deregulation, the question is: Can the GDS deliver enough of it? And for suppliers who control that content: Is the GDS a cost-effective distribution point?

Those uncertainties have left the door open for non-GDS alternatives. **AgentWare**, a technology solutions provider, believes it is just that.

Supplier Relations

Traditionally, AgentWare might be referred to as a Web aggregator or scraper because it captures data from other Web sites, although the company is moving away from that model in favor of more direct methods of accessing information.

"We make an effort to form relationships with our suppliers, including contractual ones whenever possible," says **Ivan Bekkers**, president of **AgentWare**. "And we don't charge an airline a booking fee. We don't believe in the booking fee strategy." As a result, the only cost to the airline is in the bandwidth (incurred from Web scraping), making this a low-cost method of distribution, he adds.

Traditional Value

AgentWare's revenue comes exclusively from the agent side. "We look at

EXCLUSIVE: The Numbers Are In

AgentWare has put its numbers where its mouth is. After conducting a price comparison of fares found by its Travel Console and WebPoint tools versus those provided by a major GDS's pricing tool, it appears that AgentWare searches yield better airfares the majority of the time.

Full results of the internal research will be included in a white paper the company plans to release this month, but **TRB** has an exclusive sneak preview of the following findings:

- ◆ AgentWare fares were lower than GDS fares in more than 68 percent of the markets studied (75 city pairs in the U.S. and 12 in Canada).
- ◆ AgentWare beat the GDS 100 percent of the time in the Canadian market alone.
- ◆ In cases where the GDS fare was lower, the difference against the AgentWare fare averaged between \$5 to \$27, while the AgentWare cost advantage ranged from \$88 for 14 days advance purchase to \$343 closer to the travel date.

this as a very traditional value chain. We create the value for our clients, therefore we should get compensated over there," Bekkers explains. The company's mission is to deliver unique inventory to the travel professional, whether that's an agency, corporate booking application or corporate travel manager. Tools such as Travel Console and WebPoint allow integration with agents' **Sabre**, **Galileo** or **Amadeus** systems so that they can still use those systems to create bookings and track reservations. What AgentWare provides is an overview of fares — very often non-GDS fares — from airlines, consolidators and fare aggregators, explains Bekkers.

Non-Traditional Content

"We very much focus on airlines and fares that are not readily available in the GDS," Bekkers asserts. He sees AgentWare as complementary in terms

of inventory, as well as an alternative for suppliers looking for another distribution avenue. "We definitely try to go after suppliers that are very well known for having a different distribution channel in mind," he adds.

An obvious group is the low-cost carrier. "A lot of no-frills airlines have expressed no interest in participating in a GDS. Certain no-frills airlines have been half-way forced into GDS participation because no real alternatives existed," Bekkers contends.

AgentWare has been especially successful in capturing low-fare air content in the European market. A February **Business Travel World** award honored **Sabre Travel Networks'** brand **GetThere** for advances in meeting the needs of European corporate travelers, in particular the ability to book travel on

continued on next page

Earnings Report

IAC Travel Brands Grow Together In Good First Quarter

Positive online trends have benefited **IAC Travel** (IAC), and it shows in the Q1 numbers.

InterActiveCorp revenue grew to \$1.5 billion in the first quarter of 2004, an increase of 23 percent over the prior year on a comparable net basis and 6 percent as reported, according to a May 3 release. Revenue for IACT grew 41 percent on a comparable net basis and bookings rose 51 percent for the quarter.

"The international, packages and merchant hotel businesses, as well as the inclusion of **Hotwire** in this year's results, led growth in the quarter," reported the company.

Total merchant hotel revenue increased 39 percent, and **Hotels.com** had its highest day of bookings in its history during the quarter, making good progress towards replacing volume lost from the termination of its deal with **Travelocity**, according to the release. Packages revenue grew 73 percent for Q1 due in part to Hotels.com's new packages product. Further, **Expedia** packages booked on Hotels.com increased 114 percent from Q4.

"The IACT companies are also beginning to drive revenue to each other, increasing the market position of all our brands," the company said. ■

continued from previous page

no-frill airlines. That feature was powered by AgentWare technology, explains Bekkers.

In the U.S., AgentWare's low-cost carrier sources include **AirTran**, **America West**, **Frontier** and **JetBlue**, among others. The company also obtains inventory from Canadian low-fare airlines **CanJet** and **WestJet** and European carriers such as **BMI Baby**, **EasyJet**, **Germanwings** and **Ryanair**.

In addition to low-cost carriers, AgentWare makes an effort to serve suppliers with aggressive Internet distribution strategies, and to deliver the Web fares agents' customers are demanding. "A lot of traditional airlines say they have their Web fares available in the GDS," says Bekkers. However, "in a fairly large number of cases, you will find that our tools will give you better fares than the GDS can offer," he contends. In fact, the company is backing up that claim through a recent internal study that compared the performance of its fare searches to those of a GDS (*see insert on previous page for preliminary results of the study*). The research indicates that dis-

tribution via the Internet is not just more cost effective for the suppliers, but is also more economical for travelers, which gives agents a competitive edge, says Bekkers.

That applies to both leisure and business travelers. "Traditionally Web fares may have been regarded as leisure options, but our research seems to indicate corporations could benefit tremendously from being offered these price advantages, especially the closer in you get to the travel date," Bekkers adds. "The success of the low-cost carriers in attracting corporate travelers could be linked to this."

AgentWare's mission is straightforward. "We're trying to help the mass confusion in the world of distribution, to try and make some sense out of that for the travel professional, yet at the same time bring a truly efficient channel to the travel supplier," Bekkers tells **TRB**. "We try to look for a triple-win combination where the supplier wins, the travel professional wins, and by providing the best solution for the two to connect, we win as well." ■

Online Travel

Priceline.com Profits And Plans Expansion

Priceline has made up for last year's loss with a Q1 profit and is already acting on expansion plans.

With a recent payment of \$20.8 million, Priceline.com now owns an 85.7-percent stake in travel distribution company **Travelweb**, according to a May 3 release. The company plans to purchase the remaining 14.3 percent from **InterContinental** later in the year.

"The Travelweb acquisition jump-starts our direct entry into the merchant hotel space," said Priceline President and CEO **Jeff Boyd**.

Priceline also has plans to launch a retail vacation package product in the next few days.

For related news, see "Orbitz And Travelweb Make Peace" (page 87). ■