

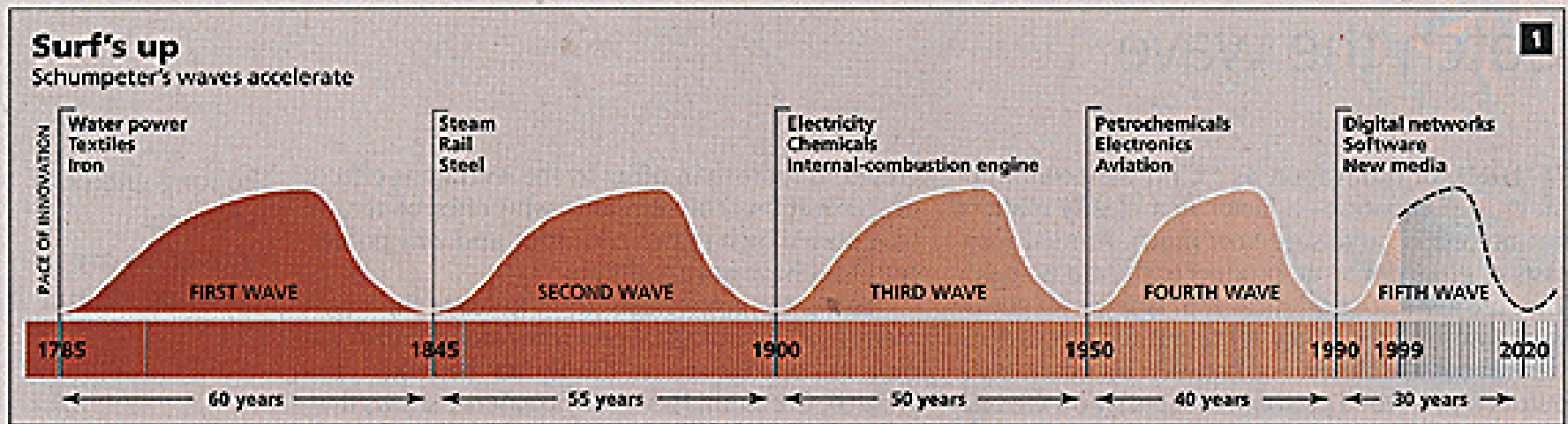
# *New Paradigms in Corporate Travel Buying*



*First Class*

# INFORMATION AGE

## SURVEY INNOVATION IN INDUSTRY



THE ECONOMIST FEBRUARY 20TH 1999

# INDUSTRIAL AGE

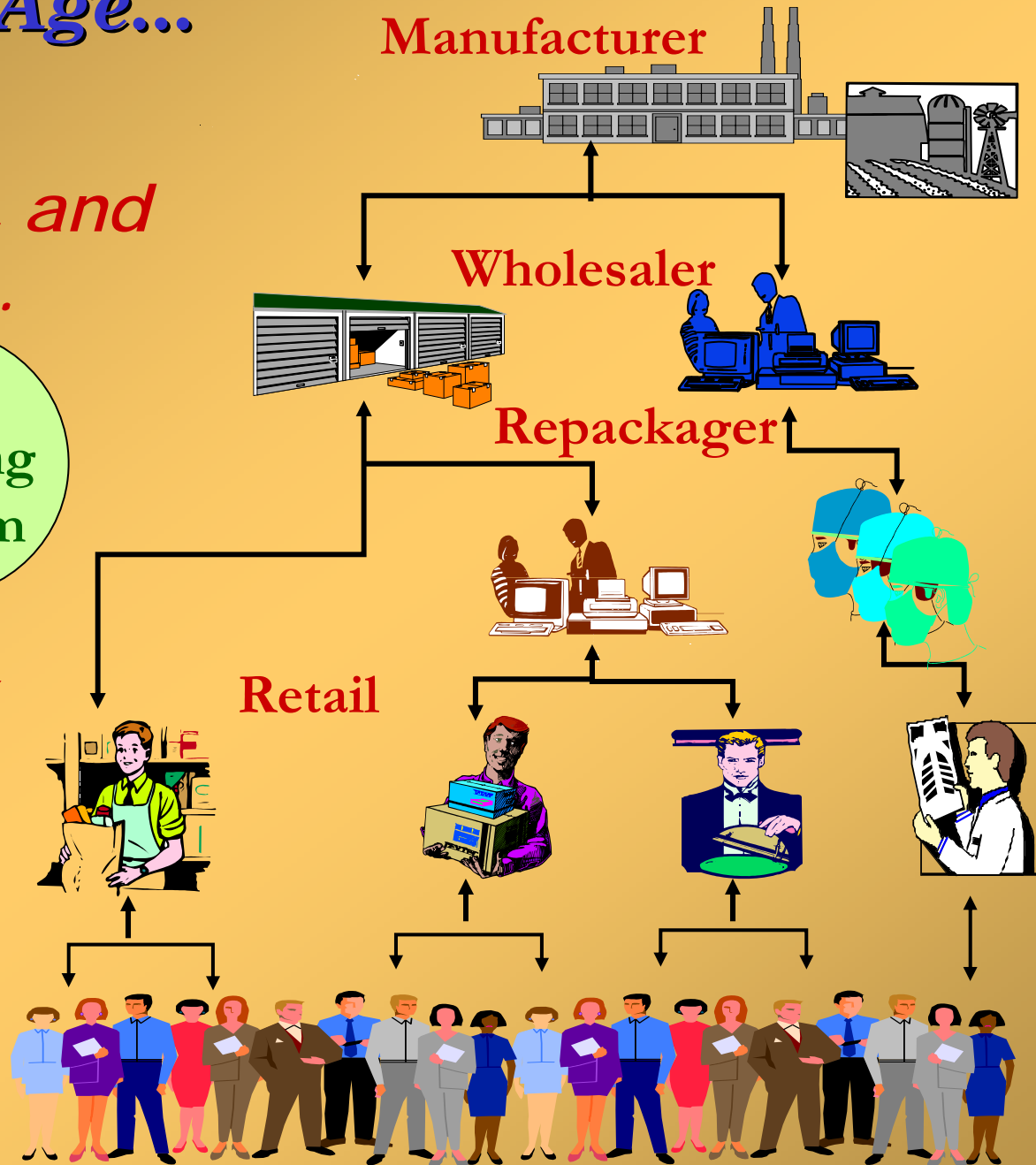
Society *and* Travel Industry in Transition

# Industrial Age...

*Risk,  
Information, and  
Standards ...*



*... tied to  
"Hierarchy"  
of the  
Distribution  
Channel*

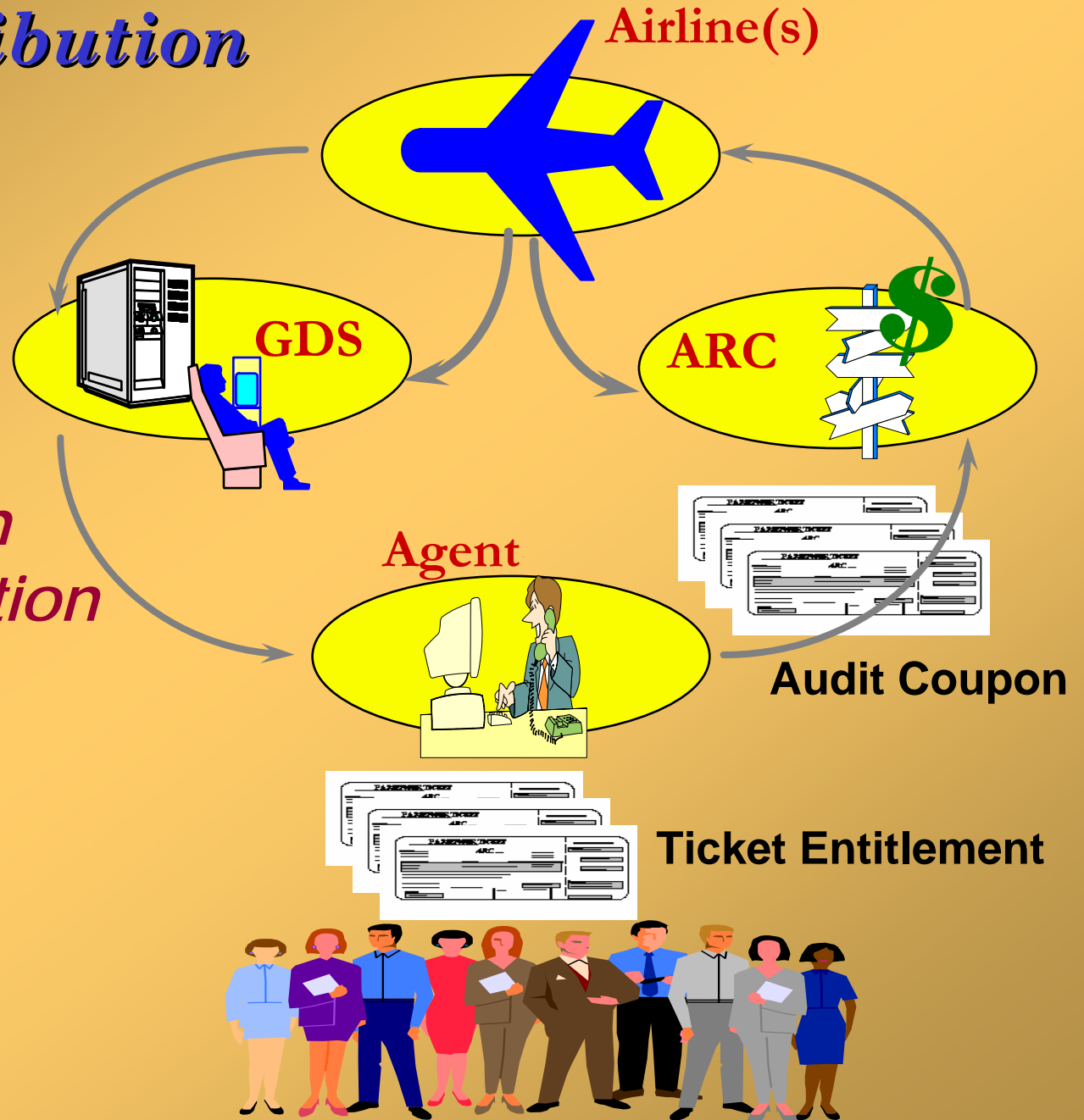


# *Airline Distribution*

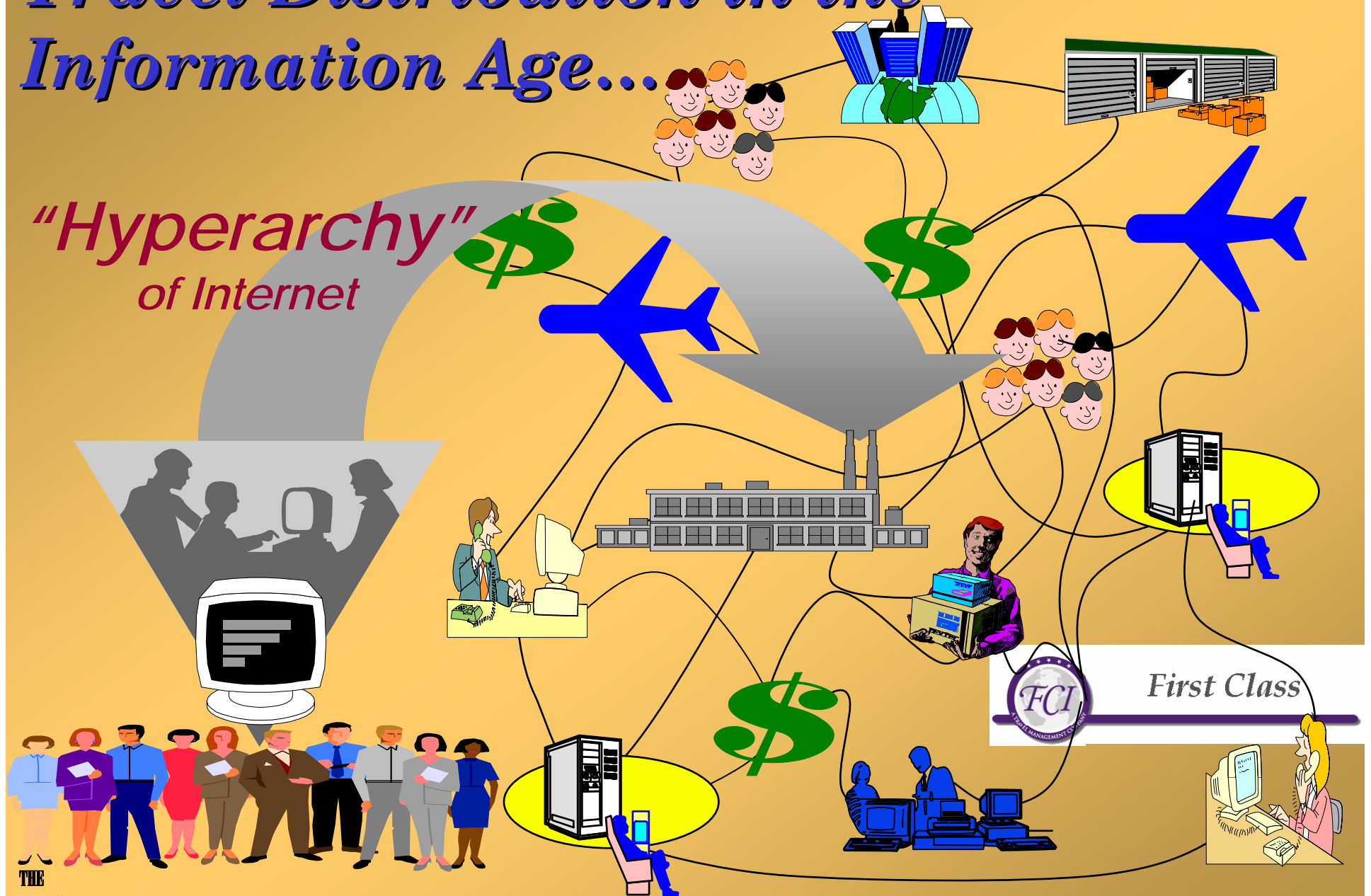
*“Holistic” tool  
of the mid-era  
Industrial Age*

- *Inventory Driven*
- *Limited Information*
- *Contained Risk  
equates ...*

*Control*



# "Hyperarchy" of Internet

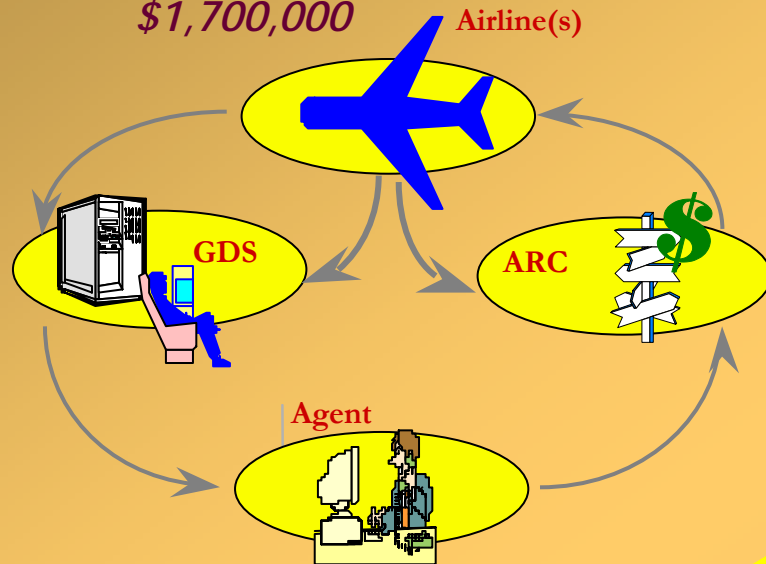


# Dilemma of GDS/CRS Revenue Stream

## GDS/CRS "Barrier to Entry"

"Hook to the GDS's"

\$500,000 to  
\$1,700,000



## Other Factors



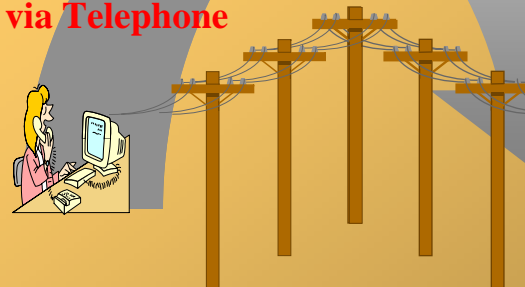
\$3.30 to process Ticket  
versus  
\$0.33 to process Electronic  
Funds Transfer Transaction



\$18.00 & \$22.00  
automated book via CRS

\$48.00 & \$37.00  
to book via Telephone

\$11.00 & \$17.50  
integrated book via Internet



AutoLink™/Tours Client

# Holistic Control

liuf

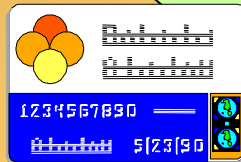
Continental

AutoLink™

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Direct...



Shared Risk...

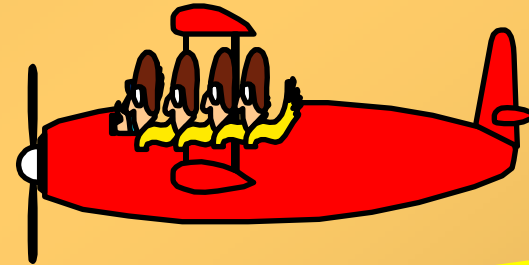
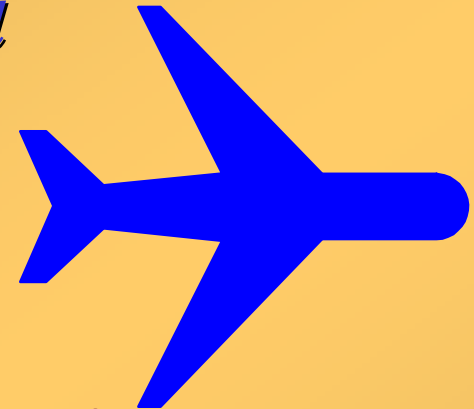
MIDWEST EXPRESS AIRLINES



AutoLink™



Seat  
Commodization



Internet as  
GDS/CRS



SYDNEY (Reuters) - British Airways Plc.

aims to see half of its reservations made over the Internet by the year

2003, BA sales director Dale Moss said Wednesday. "It is our aspiration to have 50 percent of our bookings online by 2001, and we are building the necessary infrastructure to make that happen," he told reporters.

(Reuters - March 3)



**THE GENERAL SERVICES Administration will soon call for bids from U.S. airlines to provide discount fares for federal employees traveling on official business.**

(Travel Management Daily, 11 January, 1999)



## GelcoGovernmentNetwork

The Vision: Reengineer defense travel to a seamless, paperless, automated system that meets the needs of individual travelers, force commanders, and process owners ... reduce costs to the government ... and provide superior customer service ....

(www.defensetravel.com/dtsweb/home)

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Study...

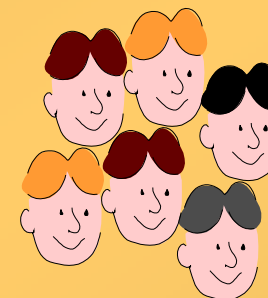
**Deloitte &  
Touche LLP**

Deloitte Touche  
Tohmatsu  
International



AutoLink™

## Interactive Repackagers



**PRICELINE.COM now claims to be selling about 3% of all leisure airline tickets sold in the U.S.**

(Travel Management Daily, 6 January, 2000)

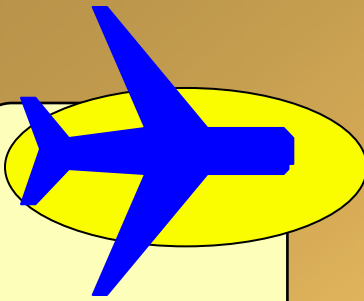
4 Month : 9 Agencies : \$32m : 3 CRSs

### D&T Client - One Market Pair Example

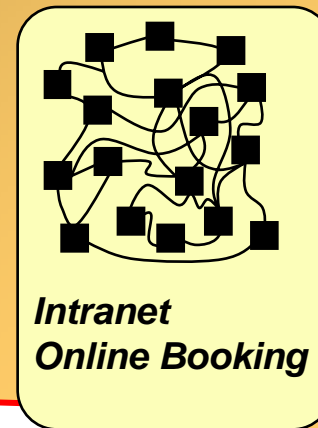
- \$2m : Mkt. Pair Region : 4 Carriers : 695Flt/Mo.
- Average Cost Round Trip ... \$240
- Low of \$78 ... High of \$260
- ~ ~ ~
- D&T Client Negotiated \$140 Net Direct Direct
- More than \$700,000/Yr. in Cost Savings



# Targeted - Niche ...



**4 Airlines  
Serving Target  
Market  
Destinations ...**



**Intranet  
Online Booking**



**156-Plus  
Travel Agency  
Locations**

**Central Financial Acceptance Corp**

**VuelaBarato.com 4 GreatFares.com**

**Central Travel Network...**

**AutoLink™**

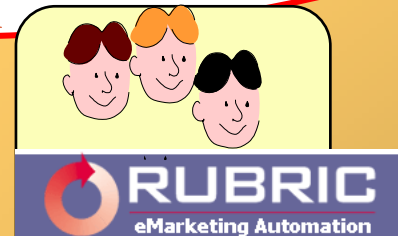
**Banking  
System**



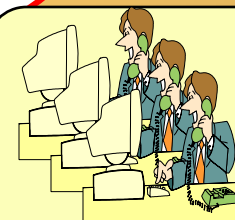
**CFAC  
Credit and  
Banking  
Services ...**

**Consolidata Live**

**Teamwork  
Solutions Ltd.  
Private Fares  
Database**



**Customer -  
Enterprise  
Marketing  
Automation**



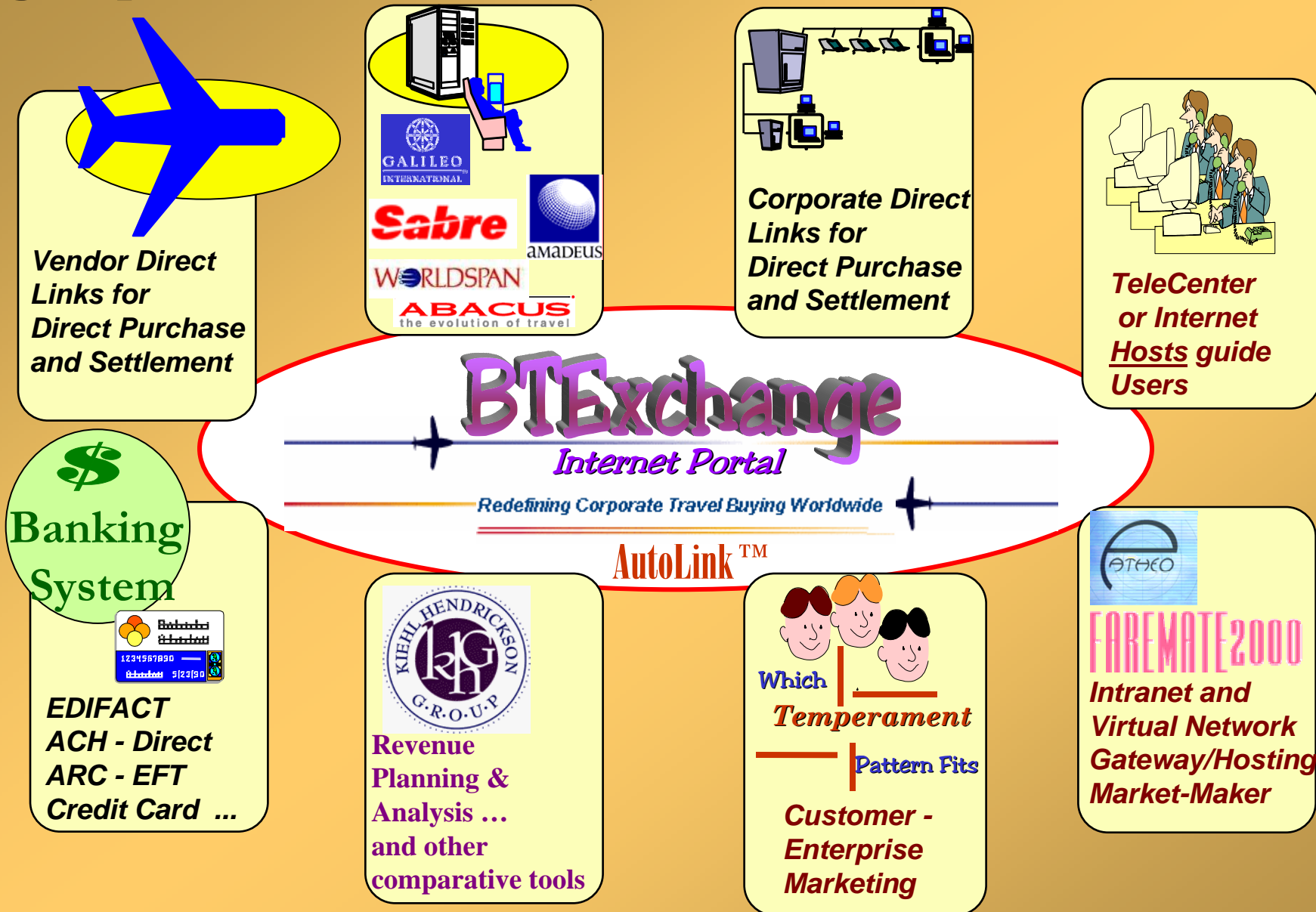
**TeleCenter  
~  
32 Positions**

**“ ... expect to bid via airline auction for seat inventory**

**(Tony Fortunato, Presicent, CFAC ~ Sep '99)**

**by the year 2002 ...”**

# High Speed Interactive Information ...



# Agent Knowledge Brokers



- Margins
- Commissions
- Service Fees
- Niche Packaging
- Specialty Services

## Who is the Customer...

**The only way to managed the increasing complexity of these expanded customer relationship factors is through ... automation**



Hyperarchy's  
low cost,  
high speed,  
two-way,  
communication  
makes it  
possible for  
a company  
of any size  
to manage ...  
targeting

***e-Corporate, e-Commerce and e-Business***  
***Simple Reason for Customer Relationship Management***  
 The One to One Manger, Peppers & Rogers, 1999  
***Need ... Because Everybody Can!***

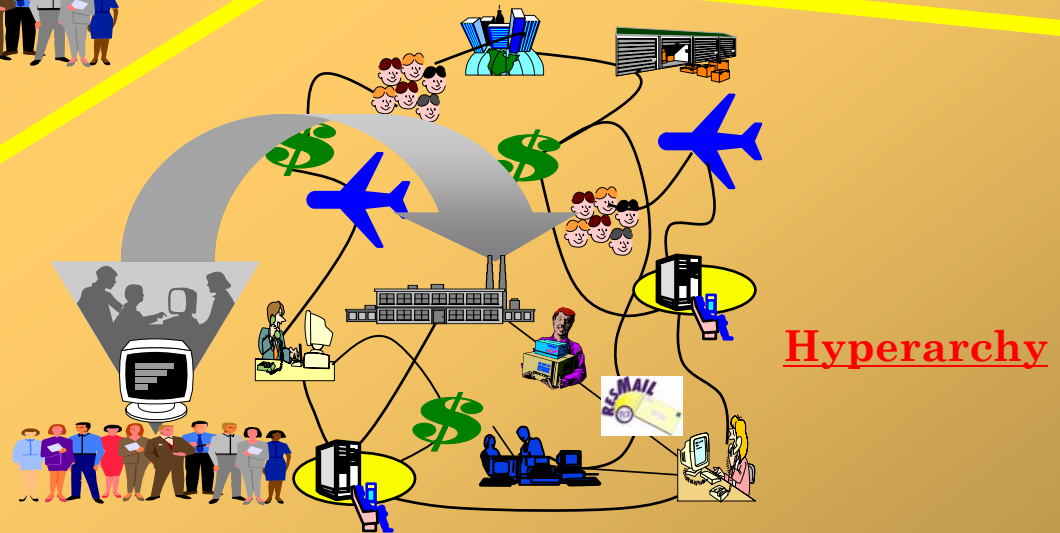
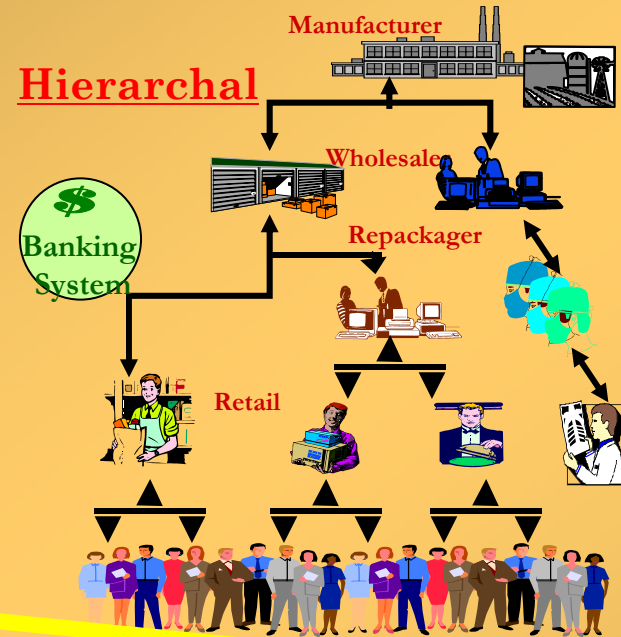
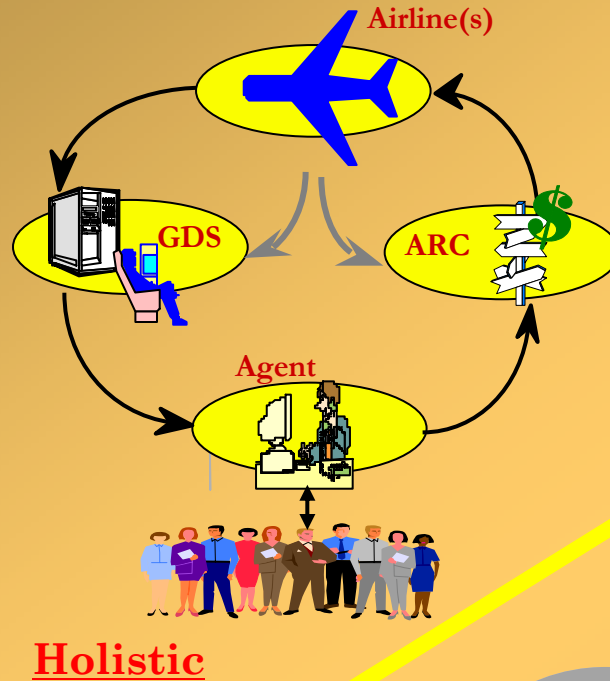
### The One to One Manger, Peppers & Rogers, 1999

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# Immediate Challenges ...

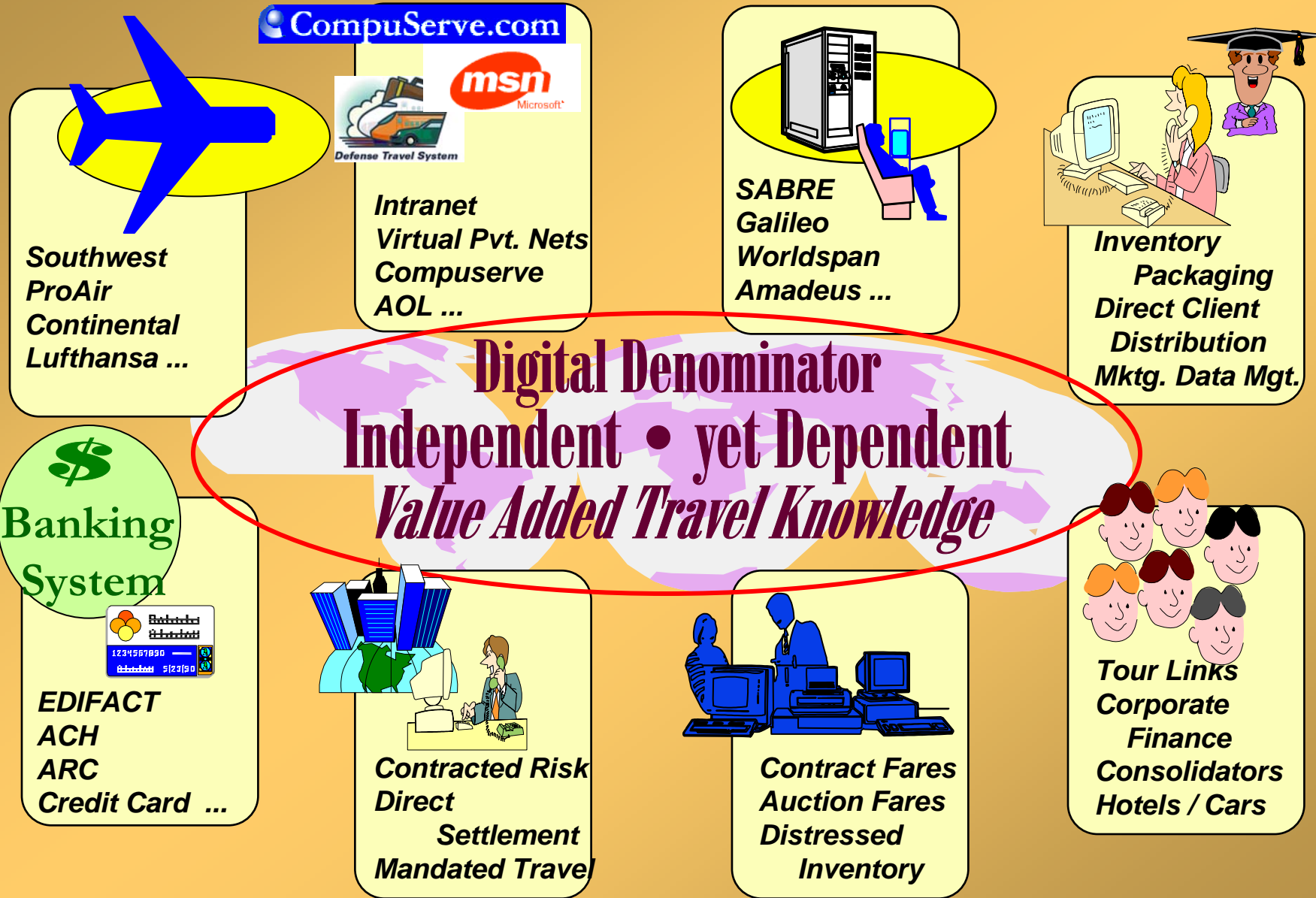
*Balancing  
Traditional  
System(s)  
with the  
new needs  
of the  
Internet  
Hyperarchy ...*



*De-emphasizing Operations Process' in favor of  
New Driver, **Targeted** Customer Relations Management ...*



# Interactive Travel Distribution ...



**THE  
EASTMAN  
GROUP, INC.**

**Thank You!**

**Travel Software Productivity Tools  
Technology Consultants  
2280 University Drive  
Suite 104  
Newport Beach, CA 92660-3328  
USA**

**949/574-1505 : Fax/574-8369  
reastman@eastmangroup.com**



*First Class*