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Three Trends Driving the Future of Travel
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Introduction

Good afternoon.

It's great to be here today to take part in an outstanding event. Today, I'm honored to introduce Seth Meyers, the first of three GBTA keynote presenters this week – and one of my favorite comedians and actors in today's very crowded and extremely competitive comedy game. As the next two keynote speakers are former Presidents Bush and Clinton, you can consider this the "comedy relief" section of your programming.

Before I introduce Mr. Meyers, please indulge me in a set of recent observations. We all know that there are few things that are timeless – like the Mona Lisa, the Rolling Stones, airline distribution deal negotiations...and lost luggage. Certainly, our impulse to get up and go...to travel...is timeless. It is alive in each of us – and glaringly evident if you look around this hall. This impulse stretches back to the beginnings of time – and as a room full of travel industry veterans, you – more than anyone – understand how critical travel is to the modern world.

I'd argue that humor is another part of our lives that is timeless...beginning with the plays of Aristophanes. (I will admit I had no idea who this was until I started working on this speech, but he told a good joke about a Greek warrior, a Roman Centurion and Genghis Khan walking into a bar...but I'm sure you have heard that one?)

Comedy is as old as tragedy, and binds many of the classic performers – and performances – across the ages. From Shakespeare to Charlie Chaplin to Richard Pryor – and Pryor, of course, crossed all sorts of boundaries with his sharp takes on big themes. Indeed, he is considered one of the best – if not THE best – stand-up comic of all time. Not only by peers like Jerry Seinfeld and Bob Newhart, but by Comedy Central's viewership – that would be you and me. We revere comedians because they hold up a mirror and let us see ourselves for all that we are – at our best – as well as showing us our vast, sometimes hilarious, shortcomings.

If our urge to travel is about understanding what is beyond the horizon – about tomorrow – then maybe humor is about understanding what is in front of us right now. What we're experiencing and thinking at this moment in time...whether it's on topics like the human condition, responding to the headlines or merely making the best out of the worst in this world.

Well, few entertainers today have created as distinct a voice as this afternoon's guest speaker. As a comedy writer, he brings an incisive wit to our modern times. The best of "*Saturday Night Live*" in recent years has come from his pen (or keyboard, as the case may be) as the show's head writer. And as a performer, he uses his sly delivery to sneak up on us with deeply funny and sharply cutting observations.

In fact, in 2011, as host of the White House Correspondent's dinner – in what would later become the height of irony – he told a number of jokes cracking wise about Osama bin Laden still being in hiding. Seth was unaware – like the rest of us – that U.S. Intelligence had found bin Laden and would be conducting the fatal raid within a matter of hours. It's a powerful example of how edgy comedy can be – on equal footing with our edgy, modern condition. Comedians spend countless hours looking into the future to innovate new ways to view the world and ultimately make us laugh.

Big Trends

Today, I represent three businesses that embody innovation in today's modern marketplace – Sabre Travel Network, GetThere and Travelocity Business. Between the three businesses, we have more than 75 years of combined global insight, technology expertise and customer knowledge – across 118 countries. It gives us the unique ability to look beyond the current environment to what's on the horizon and its effect on travel. With that said, there are a number of areas in which Sabre is investing its time and resources, and I'll cover a few of them briefly in the next ten minutes.

It is really all about data right now and the way in which it can make us better consumers, better buyers, better technologists and better suppliers. There are a number of interesting challenges to the way we have traditionally looked at data: the first is Big Data; the second is the magic of social search and what that means to analyzing consumer trends; and the third is the evolution of social, local, mobile – or "SoLoMo." Investing time and resources to understand these realities is the first step in developing technology that will allow our industry to evolve with the times.

Consumerization of Travel

So let's take a step back so we can better understand what lies ahead. A decade ago, many companies drove technology investment purely with business needs in mind, with consumer needs coming in a distant second. Over the years, advances in technology – software and hardware, information and data – have cascaded down to consumers, providing a convergence of their personal and professional expectations. Today's consumers are both enabling – and driving – technology organizations to provide new types of services, customer experiences and information. On top of this, consumers want an enriched experience – anywhere, anytime and on any platform they choose. Nowhere is this more obvious than in the mobile space.

We've seen it and likely experienced it ourselves...we move in and out of technologies at a torrid pace. This type of constant motion requires constant innovation, whether it's in new products, better functionality or new service models. With so many technology options in the marketplace, it's clear tech companies must deliver – or at least die trying. If companies can't deliver, the consumer will.

You see this with kids today. In fact, in my house I don't even have to look up anymore when I hear my 9-year-old son yell "WHAT THE...!" from the other room (Parent of the Year, right?!). But I know he has just walked up to the computer and touched the screen and nothing happened. He hates the mouse because he has grown up in a world of touch screen devices, and the idea that he can't interact with all technologies with a finger makes him crazy.

Consumer-based innovation is flooding the marketplace. Gartner Research estimates within the next two to three years, 25 percent of new business applications will be built by citizen developers. I already see credibility in this statement. Sabre Red App Centre, Sabre's business-to-business travel app marketplace, has a number of third-party entities developing for our app community – many of whom have never been involved in the travel space, but see it as a new way to get their applications to consumers. Consumers are no longer willing to wait for corporate-sanctioned innovation...they'll innovate and build it on their own.

If you're like me, you've probably already formed the question... "If consumers are driving technology change, how do we – the travel industry – stay a step ahead?" The first step is to find technology partners that know the game. But we can't stop there. As an industry, we need to be diligent in recognizing the present realities that impact the travel marketplace, as well as to continue focusing on

the impact those realities have on the future of travel. We need to put customers first and find partners to help.

Using Big Data in Travel

So let's talk about Big Data in travel. In marketplaces around the globe, businesses are fighting to capture the value of Big Data. Big Data is exactly as it sounds – data so big that it can't be stored or searched effectively using conventional database tools. To better understand the scope of Big Data, let's look back to 2010. According to a global research firm, just two years ago enterprises across the world – and industry sectors – stored more than seven Exabytes of new data. To put this into perspective, one Exabyte of data is equal to more than 4,000 times the information stored in the U.S. Library of Congress.

This is compounded when you consider the amount of data voluntarily generated through social media. Millions of people constantly communicate, share and access social media outlets through use of their smartphones, tablets and other personal devices. All the while, adding to the already abundant enterprise data stream. Combine these sources and you have an untapped wealth of information just waiting to be optimized.

So where's the value in having Terabytes, Petabytes or Exabytes of seemingly random data? The value lies in the analysis and extraction of that information. There are a number of benefits depending on the sector, but the value Big Data brings to travel should be the focus for everyone in the room. Imagine a scenario where you can analyze mass amounts of data, isolate common trends, and then create a customized solution to meet a precise need. This means taking current profiling capabilities to the next level and creating true personalization. It means ensuring a seamless experience regardless of channel. A traveler would get a tailored offer based on his or her specific wants, needs, search history, purchase patterns, and location...versus a generic 'type cast' of what is believed to be their travel behavior.

Sabre has already headed down this path. We have the capability for travel suppliers to deliver custom offers to consumers based on prior travel history, as well as other personal identifiers like frequent flyer number. Along with the idea of custom offers, I firmly believe there is value in non-customer specific data. For example, Sabre processes a staggering amount of travel data. The Sabre system is comprised of more than 8,200 open systems servers and processes 60,000 transactions per second at peak times – which equates to more than 1 Billion transactions daily. This processing power places Sabre with a select group of companies such as Google, Twitter, Facebook and Amazon, and in the top 10 of all business computer systems.

Sabre is in the early stages of understanding the applications of Big Data. We see a number of future opportunities from the supplier standpoint. For example, we may see 100 requests for first class flights at 6 a.m. from Atlanta to Dallas/Fort Worth – but we know that there are only flights starting at 8 a.m. Traditionally, the analysis just shows the volume of seats purchased at 8 a.m. because the analysis is of what was purchased, not what was shopped. By looking at the shopping behavior, we can provide suppliers the analysis of customer behavior that might show the value of adding more capacity at 6 a.m. In the end, with the right data and analytics, we can unearth substantial value for airlines while providing improved purchasing power for consumers.

Social Search

So what's social media's play in this Big Data picture? Without a doubt, social is the new search. People already use social media to tap into the combined wisdom of their virtual network – not only to help make travel decisions, but also to share their own travel experiences online. Traveler-generated reviews are great, but an endorsement from a trusted source can sometimes be more powerful.

Within the last year, my 14-year-old son joined Facebook. I was initially concerned with the potential trouble a teen could get into in a social media environment. Then I had the added concern of cyber-stalking. However, I've become more comfortable over the last year as I realized two things. One, 14-year-old boys are really goofy. And two, it appears I'm the only one stalking him on Facebook.

One of the outcomes of his Facebook experience is that he already recognizes the value of social search. This summer he actually pitched family vacation ideas based solely on the status updates of his very wise 600 closest friends who had been to "sick places"....(I'm told "sick" is the new word for "cool.")

But social media has the opportunity to be more than search.

As I said, social media sites gain amazing amounts of data from their millions upon millions of users. The problem is that a large majority of the data created today is still vastly unstructured – it's basically free text. While social media companies have made good headway in classifying comments with use of things like hash-tags, trending stories and categories, the largely unstructured format of social media still makes it difficult to effectively search and store relevant data. It's a problem I believe will eventually be solved, but in the meantime we're missing out on the use of billions of Gigabytes of information. Just imagine the day when structured Big Data merges with unstructured social media...the impact on travel will be amazing.

I firmly believe that day is coming.

SoLoMo

Layer the reality of mobile on top of social and you have another steady stream of data. If you haven't heard of SoLoMo...you've most definitely experienced it. Social, Local, Mobile...is a convergence of the three channels. All three represent the mindset of today's consumer and traveler and is at the heart of the consumerization of travel. As previously stated, travelers today are social...sharing everything from experiences to photos. They also have a need for information that is geographically relevant. In 2011, it was estimated one in three smartphone searches was for information from their immediate location. And mobile? Let's just say, I'm willing to wager that only a handful of you in this room don't have your smartphone on you at this very minute.

We are a connected and on-the-go culture...and that includes our customers. We are already seeing the push of information, coupons and travel offers to travelers based on their geo-location... providing a level of personalized experience that is new to the industry. The impact to managed travel programs is significant, as companies look to determine appropriate policies to deal with the fact that travelers no longer live in an "only office" world.

In my opinion, there are some hurdles we must first clear before we can move further down the social and mobile commerce path. The last few years, the number of airline ancillaries has increased...and with that, we've seen a dramatic increase in the "look-to-book" ratio – that is, the number of searches performed before an actual purchase – has grown dramatically. A number of consumer groups have pointed out that the differing fees and value-added services across the airline community has made it difficult for the traveler to determine whether or not they're getting a fair deal.

Transparent and Competitive Marketplace

Earlier this year, Sabre launched an advocacy effort to promote the value of a transparent and competitive air travel marketplace that meets the needs of airlines, travelers and the travel agencies and travel management companies that connect them. Quite simply, the trends I mentioned above and our industry's progress will be compromised – possibly hampered – without a transparent and accessible marketplace.

While some of the challenges and opportunities facing our marketplace aren't new, it's clear that we're halfway through a watershed year – from potential government policies in the United States and

abroad, to debates over fragmentation in the marketplace. As part of this effort, Sabre has demonstrated the value a transparent, innovative and competitive marketplace provides travel suppliers and consumers around the world.

There are a number of industry groups and consumer groups working to identify an effective way to give transparency on fees, as well as a path to “transactability” – meaning, the ability to seamlessly transact the purchase of air travel ancillaries. And Sabre is certainly doing its part. In the end, a transparent marketplace is ultimately good for consumers and suppliers. Consumers have the ability to easily compare, select and purchase premium options...which will ultimately deliver more revenue to the airline and enhance the value of travel agents to consumers.

In addition to transparency, travelers still want to get the best deal for their dollar. Looking at Sabre’s data, we’ve found an interesting phenomenon. Travelers want to see the lowest fare, so they have confidence in the buying process. But when provided options...it’s actually rare for the consumer to simply select the lowest price.

Sabre recently conducted a survey to see what buyers really want in their air shopping experience. Results confirmed that options are top priority. Accessing merchandising content was at the top of the list. But in addition to that, respondents expressed interest in flexibility...expanded calendar shopping...30-60-180 day shopping and added customization at the time of the request. These are just a few of the results that came through loud and clear – and luckily, we’ve already created capability that is paving the way for a more robust air shopping experience.

Global Entry –expedite airport security

At the end of the day, all of us in the room have a common goal...that’s to keep our customers happy. As an industry, one way we can further enhance the travel process, is to continue to push the government to streamline airport security. Sam Gilliland, Chairman and CEO of Sabre Holdings, is the Vice Chair of the U.S. Travel and Tourism Advisory Board. With his support, this advisory board has recommended a risk-based security program and Customs has responded with the Global Entry program. By enrolling in this program, travelers can expedite the security process with little-to-no frustration. As travel professionals, we need to do what we can to help this program succeed. And that means stimulating participation in the program...starting with us in this room and spreading to the travelers we serve.

If you take one thing away from my time up here...it should be that our industry is affording all of us new opportunities to work together. Whether it's with government entities to further streamline the travel experience...or understanding the consumer base that's driving the demand for us to think outside of the box with Big Data and Social, Mobile commerce. Everyone in this room needs to face the marketplace realities, have a strategy in place to succeed and a set of partners to help you do it.

With that, I'd like to introduce today's keynote speaker.

We love him as the anchor of "Weekend Update" and the head writer of "*Saturday Night Live*"...where his comedy doesn't undermine, but instead, amplifies the news. Because of his wit and talent, the world is able to take a collective breath, step back a bit and look at things in an honest, hilarious and human way. It's a genuine pleasure to welcome a man who knows his way around not only a rewrite, but also a luggage carousel... Ladies and gentlemen, Seth Meyers.