

A bumpy ride along the 'digilution' path

Paul Richer (*below*), senior partner at Genesys, charts the rise of 'digilution' in travel

I first heard the word "digilution" when it was used by William El Kaim as the title of his presentation at the WTM Travel Innovation Summit that I organised last November. El Kaim is marketing technology director at Carlson Wagonlit Travel. In a phrase, he neatly summed up that our industry has been undergoing a digital revolution.

Travel has certainly been undergoing digilution over the course of nearly 20 years. It has seen the industry change out of all recognition, from the early days of online players such as Expedia and lastminute.com (now the granddaddies of online travel) to the current trend of SoLoMo - social, local and mobile being brought together on consumers' handheld devices.

At the start of the dotcom era, the new online entrants caused some interesting reactions among established travel companies.

Digital deviations

Do you remember Airtours rebranding as MyTravel? What was the Airtours board thinking when they threw away decades of brand-building because generic internet domain names seemed to be fashionable?

What about Thomson's Digital Travel Group which consisted of 20+ businesses? Did it not think it would take a massive budget to sustain the market presence of so many start-ups?

There was also high-profile utravel.co.uk (backed by the

giant United News & Media) that closed down in 2000 after just one year on account of fierce competition in the emerging online sector.

The year 2001 saw the demise of dreamticket.com - set up by Lawrence Hunt (now chief operations officer at Lowcosttravel Group) and Jo Rzymowska (now managing director at Celebrity Cruises). And finally, even Bob Geldof has contributed to the history of digilution - his deckchair.com OTA venture, worth £30 million at the height of the dotcom boom - was sold in March to Online Travel Company for £150,000.

Since then, though, many of the pre-internet players have settled down alongside the newer online entrants. They are competing very favourably, reaching out to the consumer via their multi-channel mix of retail, call centre and online.

The beginning of the dotcom era was a turbulent time, requiring a paradigm shift in how best to operate a profitable travel business, but even though much time has gone by the digilution of travel has not settled down.

New models

Innovations and developments in the digital world have continued to arrive thick and fast. New entrants such as Google and TripAdvisor have gained incredible influence.

Firms such as Airbnb have introduced new business models that



Richer: watchful eye on the digital revolution



simply could not have existed before. Meta-search businesses such as Skyscanner have built significant market presence. Skyscanner has been expanding in all directions. Originally just offering flight search, it has moved into hotels and car rental and developed slick mobile apps that take it beyond the confines of the web as it expands beyond Europe with new offices in Singapore and Beijing. As a result, its turnover has nearly doubled

in the past year to £65.8 million.

Many innovations that are now taken for granted by consumers have gone beyond anyone's predictions. In the 1990s, no one expected mobile to become a major travel sales channel. Mobile phones were simply a convenient way to make phone calls.

No one predicted the advent of the tablet that has replaced the home computer as the de facto domestic online access device. Tablets were for making your ailments better. Social media, now so prevalent, was once no more than sharing a newspaper in the pub.

Speaker line-up

For the next TTI conference, I wanted to put together a speaker list that would encompass a broad range of presenters who would lay down some markers on where travel is heading.

John Straw, chairman of Thomas Cook's Digital Advisory Board, will talk about how Cook is being transformed by its forward thinking. Initiatives such as Ask & Answer that provide online customers with access to expert answers to their questions are transforming Cook's customer engagement and online conversion rates.

Caroline Bremner, head of travel and tourism at Euromonitor International, will share the latest online travel research showing how trends such as the demand for more personalised real-time services and the continued trend for sharing travel experiences are having a big impact on the competitive environment.

Peter Ward, co-founder and chief executive of Wayn.com (Where Are You Now?) will talk about how the company has monetised one of the very first social travel communities, manoeuvring it from a paid user subscription model to one where travel and tourism organisations are paying to reach Wayn.com's ever-growing community of travellers.

The digilution of travel continues apace. All we know for sure is that change looks set to be a constant.

■ **The TTI's The Digilution of Travel spring conference takes place on March 18, tti.org**