



World Travel Market 2014 Big Data Panel



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INDUSTRY

AT A CROSSROADS

Separation of
Ownership/Brand/
Mgmt

1970s

Product
Segmentation;
Financial
Engineering

1980s

First Online
Booking;
Enter Expedia

1990s

Online
Distribution
Explodes-
Complexity

2000s

Crowded
Value Chain

2010s

Meta Search;
Enter Tech Giants
New Gatekeepers

2013

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1970

1980

1990

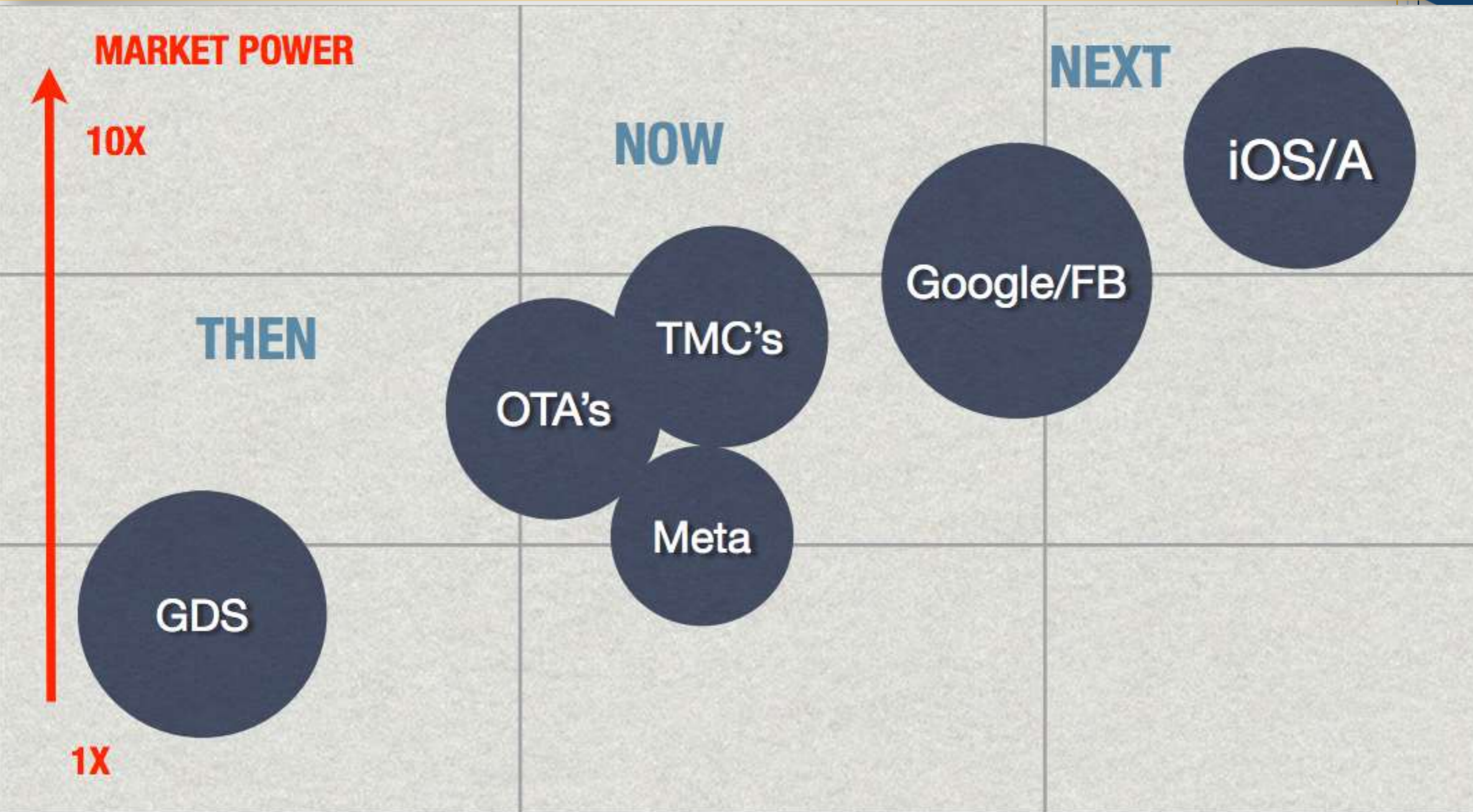
2000

2010

2013

RISE OF GATEKEEPERS

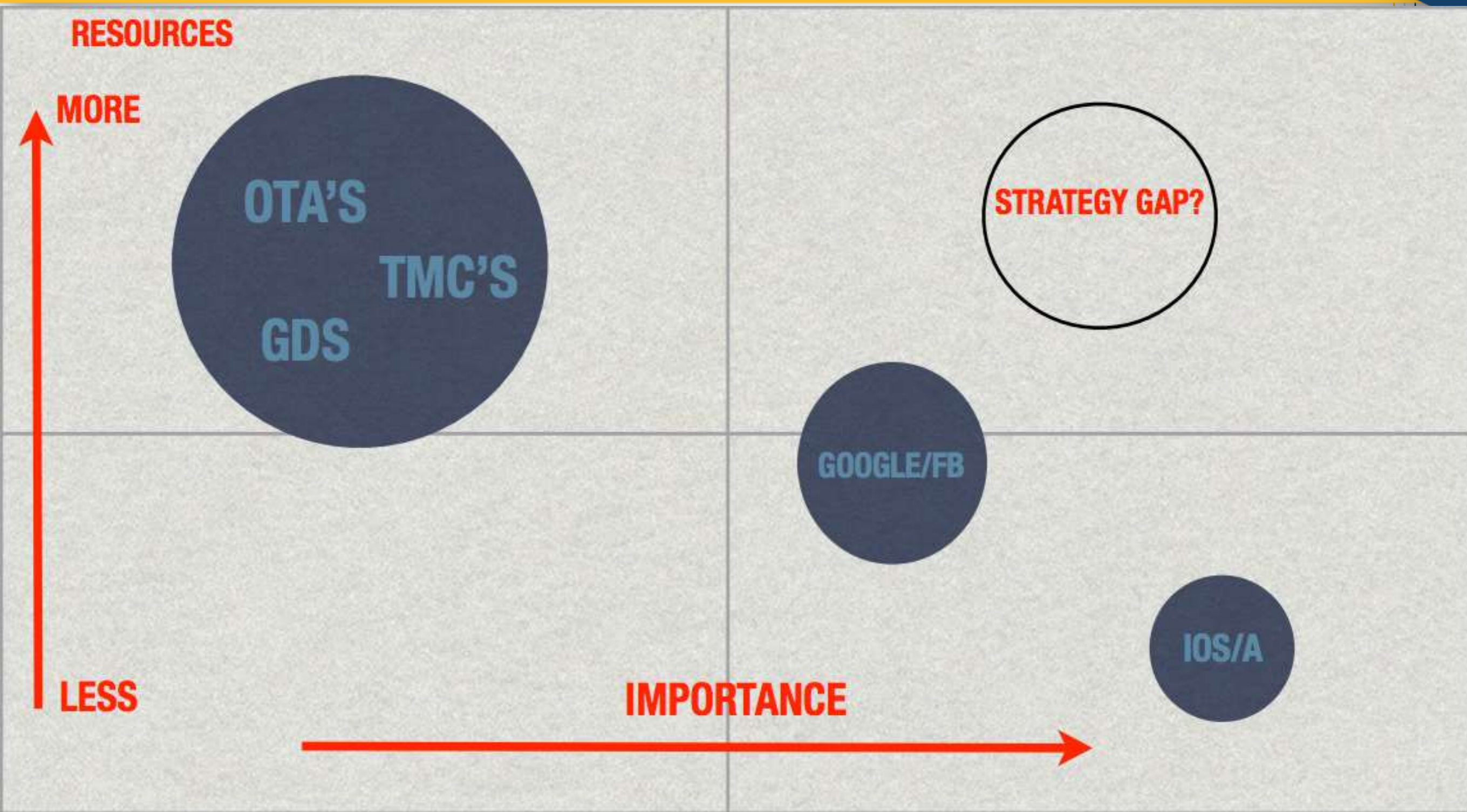
THREATS AND OPPORTUNITIES



- Courtesy of Jeff Katz

RESOURCES vs IMPORTANCE

STRATEGIC GAP



- Courtesy of Jeff Katz

NEW PLAYERS

VALUE SHIFT



> \$203B



> \$589B



> \$402B



tripadvisor®

> \$14.1B

priceline.com®

> \$62.7B



Expedia

Where you book matters.

> \$11.1B

duetto

Marriott®
HOTELS & RESORTS

> \$20.6B

starwood

Hotels and
Resorts

> \$16.1B

IHG

InterContinental Hotels Group

> \$8.8B

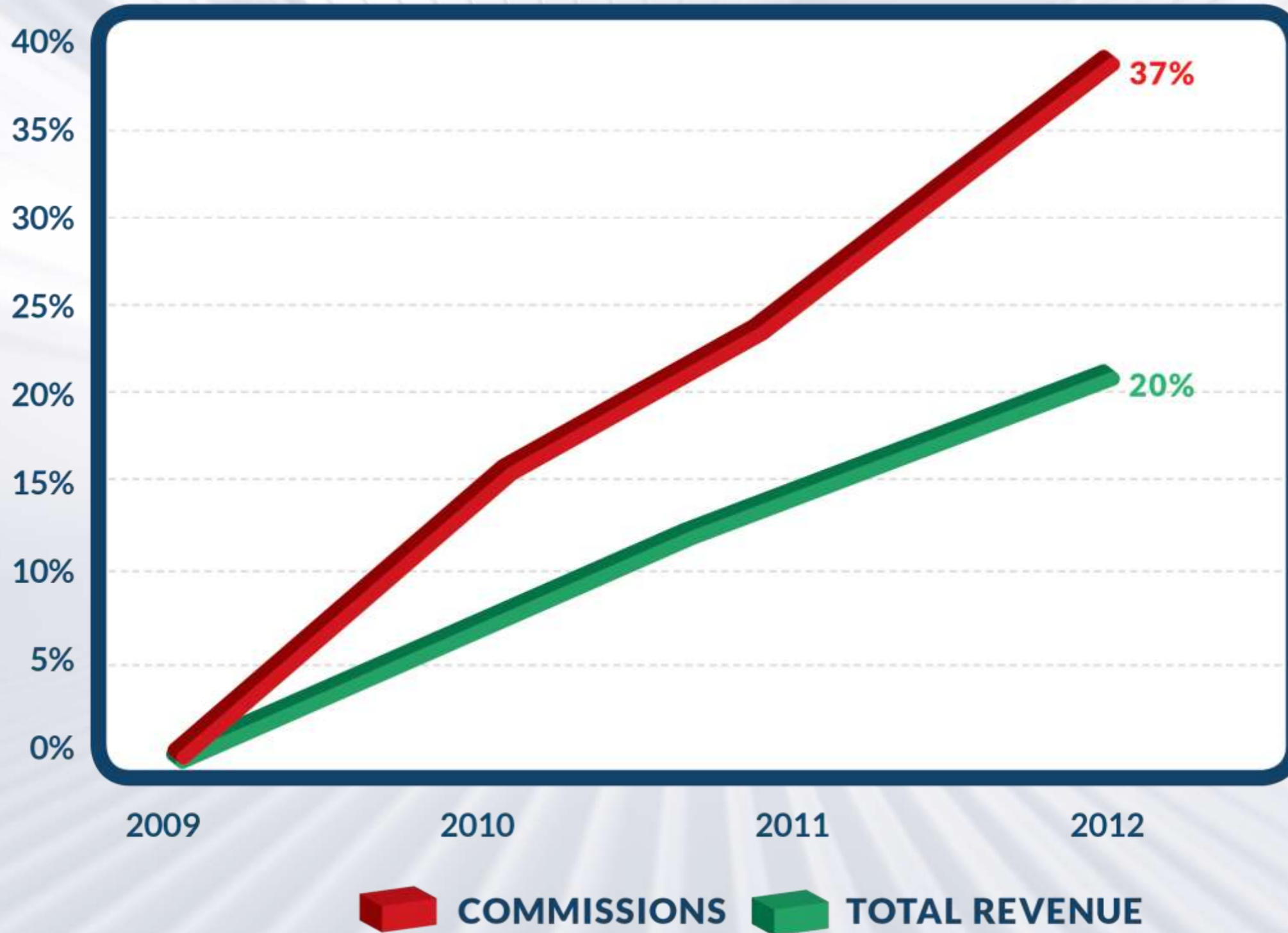
RAMIFICATIONS OF CHANGE

CUSTOMER ACQUISITION

COMPARATIVE COSTS

TRAVEL VENDOR	COST AS % REVENUE
AIRLINES	3-6%
CAR RENTAL	4-6%
HOTELS	15-25%

COMMISSIONS ARE SKYROCKETING



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RevPAR Drives Profit?

NOT ANYMORE

No correlation between RevPAR & Profit



WHAT IS REQUIRED TO THRIVE

HOW TO THRIVE

AGILITY, INFORMATION & COLLABORATION

- > Custom software is dead
- > Capture actionable, critical data
- > Experiment and measure
- > Connect with prospective customers

WIN WITH INSIGHTS

CUSTOMER-CENTRIC DATA SETS

Reviews & Social Media



Web Shopping



Weather



Competitive Rates



Air Travel



Macroeconomic Data



OPEN PRICING

FLEXIBILITY

- > Dynamic free-float pricing for all segments
- > Independently price room types
- > Leverage price elasticity

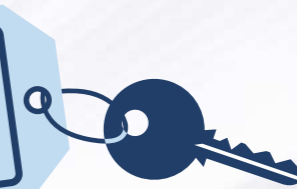
COLLABORATE

ACROSS THE HOTEL

Regional Office



Owner



Individual Hotel



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Property Management



CLOSING THOUGHTS

GREAT CONTENT WINS

- > The gatekeepers value content
- > If you provide rich content and value for consumers, Google and Apple will favor you



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