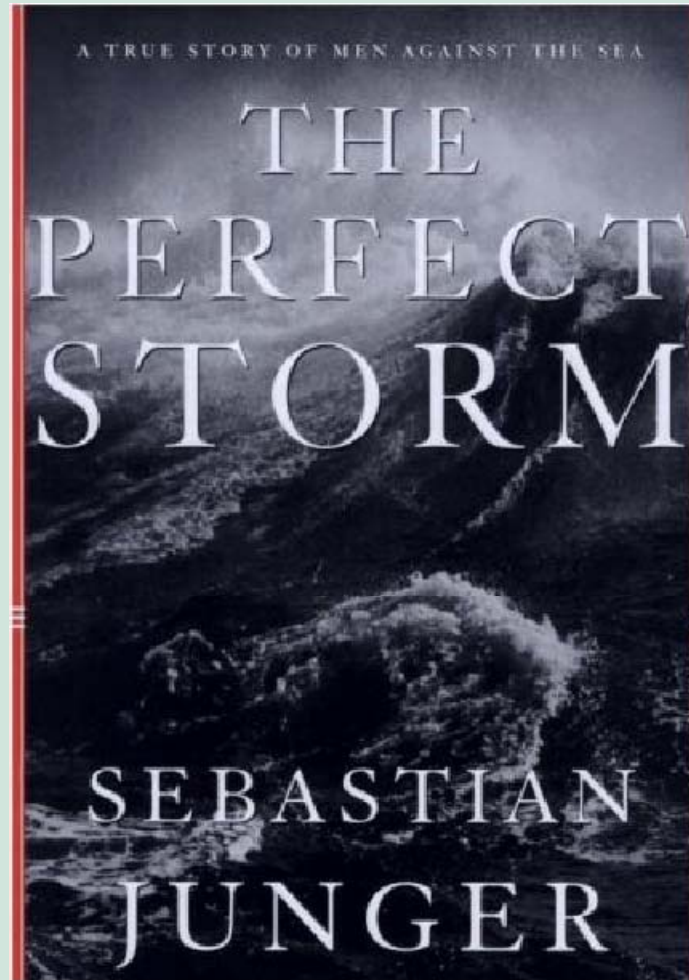


## “The Perfect Storm” in Travel



Losing the  
battle with the  
sea



Winning the  
battle in the  
marketplace



## Three Forces of The Perfect Storm



- Traveler Choice and Empowerment
- Blurring Business Models
- Traditional Value Chain Disrupted



## Three Forces of The Perfect Storm



We are in an unprecedented point in the travel industry, where millions of consumers worldwide are clicking millions of times on millions of sites, creating a massive “always-on” phenomenon that’s never before existed

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## Three Forces of The Perfect Storm



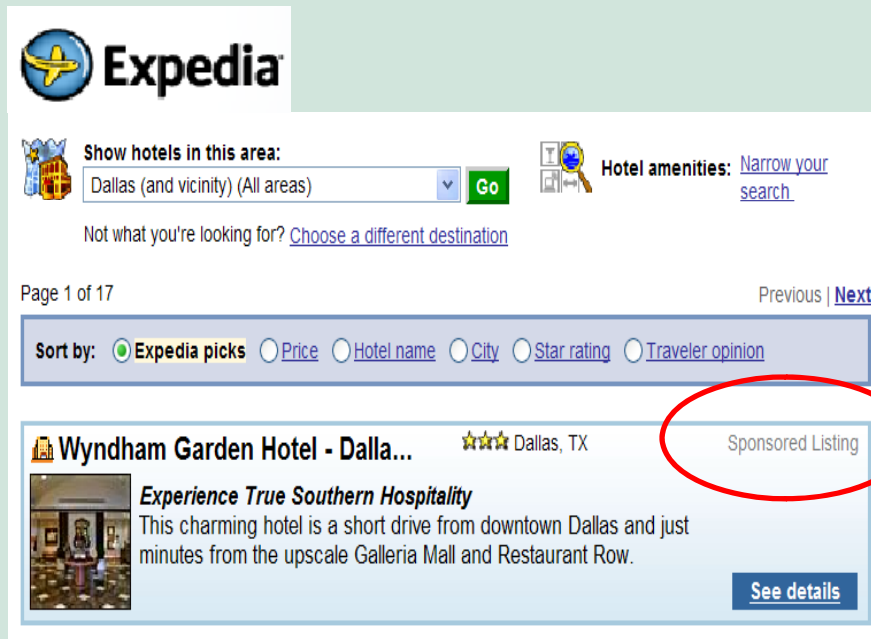
There's a proliferation of online business models that are blending together – media, referral, booking, itinerary

- Traveler Choice and Empowerment
- Blurring Business Models**
- Traditional Value Chain Disrupted

- **Media:** Media sites primarily provide or facilitate the exchange of travel information.
- **Referral:** Referral sites are those whose primary business model is based on referring travel transactions to booking sites.
- **Booking:** Booking sites are those that process travel bookings, for both traditional content (e.g., air, car, hotel) and niche/Long Tail content (e.g., activities).
- **Itinerary:** Sites that keep track of your itinerary and provide value add to the integrated components of the itinerary.



## Three Forces of The Perfect Storm



- 🗨️ Traveler Choice and Empowerment
- 🗨️ Blurring Business Models
- 🗨️ **Traditional Value Chain Disrupted**

It's hard to tell who's who anymore.  
 Transaction sites look like advertising sites.  
 Search portals look like OTAs.  
 Suppliers look like social media sites.  
 Computers get smaller...



**Losing the battle with the sea  
versus  
Winning the battle in the marketplace**

*Depends on excellent leadership, defined as...*

- ❏ **Exploiting fantastic advancements in technology and momentum**
- ❏ **Avoiding skills-focused decision making and business model preservation**
- ❏ **Rededicating businesses to solving big problems for customers**



“Companies get skills-focused, instead of customer needs-focused. When [companies] think about extending their business into some new area, the first question is “why should we do that – we don’t have any skills in that area.” That approach puts a finite lifetime on a company, because the world changes, and what used to be cutting-edge skills have turned into something your customers may not need anymore. A much more stable strategy is to start with, “What do my customers need?””

- Jeff Bezos, Amazon.com CEO

*BUSINESSWEEK*, April 28, 2008

