

eu travel tech position on the recovery of the travel and tourism sector

As key contributors to the travel and tourism ecosystem, eu travel tech members have experienced first-hand the impact of COVID-19 on the European travel industry. Our members are still dealing with its severe consequences: the OECD predicts a decline of the global tourism economy by 45%-70% in 2020. WTTC estimates that 75 million jobs related to tourism and travel are at risk worldwide, 27 million being in Europe.

The adoption of the Tourism and Transport package by the European Commission is vital for the restart of the European tourism sector in the medium to long term.

The Commission's common and coordinated approach to lift blanket restrictions and restore free movement at EU internal borders, and transport services, and the recommendations to develop health protocols for hospitality establishments are timely and conducive to resume travel and tourism in a safe way.

As we move forward, the critical next step is to identify and implement the most effective instruments for the economic recovery and the green transition of the sector. EU policymakers, Member States and industry need to work together to find solutions that put travel and tourism at the center of the recovery plans, stimulate demand, restore consumer confidence and support the shift towards a more sustainable sector. In order for Europe to continue benefiting from a diverse tourism marketplace, these policies will have to support the whole travel ecosystem, including travel agents (online and offline), technology solutions providers such as global distribution systems, travel platforms for accommodation, metasearch and travel management companies.

eu travel tech as a key contributor to travel and tourism in Europe:

Our members are providing the technology that help **power Europe's travel** sector, adding value for European consumers and travel suppliers (accommodation services providers, transport services providers):

- 50% of air travel globally and around 30% of rail travel in Europe are booked through the indirect channels (eu travel tech members), therefore as the airlines and railways are impacted by the health crisis, so too are the travel entities responsible for booking essential components of air and rail travel.
- Global distribution systems are integral to air travel, not just for booking tickets, but as critical IT providers that manage airlines' most complex systems.
- 81M hotel nights in Europe would not happen without online travel agencies.
- Metasearch represents an important digital channel for driving direct bookings for independent hotels, generating 12% of their total online room revenue in Europe.

How can eu travel tech members contribute to the recovery

Technology will play a crucial role as an enabler and accelerator of recovery, and our members are well placed to help tackle some of the challenges during this phase, in particular by:

Contributing to adequate competition in the travel market:

- The European digital travel sector is key for the EU economy. Half of travel bookings are now made online¹. Thanks to the services provided by eu travel tech members, consumers have access to greater choice, flexibility and value, leading to healthy competition between travel service providers. Large and small companies, and new market entrants – be they airlines, railways, boutique hotels or local attractions – benefit from this technology because they are instantly able to reach a worldwide customer base.
- eu travel tech members have made available a number of support measures and new programmes to partners to ensure that the whole travel ecosystem is prepared to recover swiftly, whilst removing friction and improving the traveller experience.

Some examples:

- *Amadeus has led the cross-industry initiative to extend the lifespan of a Passenger Name Record from 4 days (after which no modification to the booking is possible) to 12 months. This protects consumers, who are able to use that same booking for a longer period and supports airlines and Travel Agencies better manage their cash flow, facilitate passenger servicing and has eased manual workload in handling cancellations and re-accommodations.*
- *eDreams ODIGEO is offering free flight rebooking to provide reassurance to passengers looking to book their next trip, this means customers have the certainty they can change their travel plans if needed.*
- *Booking.com launched a rebook campaign to incentivise customers who cancelled trips in recent months to rebook with the same accommodation, waiving their commission fee and providing a 15% discount to customers for a future stay or to be paid out post stay (Booking absorbs the discount). This incentive is intended to support accommodation partners in recuperating lost bookings and helping them with their margins.*
- *Expedia Group has set a recovery program, accessible to all its partners. For each property that participates in the program, the company will reinvest 25% of the compensation earned in 2019 from the property into marketing credits for use with Expedia Group. The*

¹ PhocusWright Online Travel Overview Europe 2018

company is also reducing its compensation on all new bookings made within the three-month program period, regardless of the actual stay dates, and is extending payment terms for Hotel Collect bookings to 90 days to provide additional financial relief.

- *Trainline worked closely with the rail industries in several European countries to quickly relax refund rules on non-refundable tickets at the start of the coronavirus crisis, so that fees were waived and customers were not left out of pocket – the goodwill that has come from this quick action, will be crucial in giving customers confidence to travel by train again when the time is right. Trainline also enabled quick and easy refunds online, so customers did not have to wait to speak to a customer support advisor. Throughout the crisis, it has helped the rail industry and governments share important safety messaging with customers in prominent placements across its website and app.*

Regularly sharing data to help identify trends and track the rate of recovery:

- Travel tech players have access to a wide pool of data which can help identify trends (number of bookings, destinations, types of travelers), offer insights on travel behavior or the rate of sector recovery.

Examples of initiatives undertaken by eu travel tech members include:

- *Amadeus launched Building a Pathway to Future Recovery, which utilizes the company's insights to provide data-based guidance for destinations as they begin to emerge from this crisis. It is currently being used in several European countries including France, Germany, Italy and Spain.*
- *Travelport unveiled a COVID-19 resource hub² for the agent community, where agents are able to examine global travels trends, up-to-date safety measures and opinions from leading voices in the industry. The site houses a variety of helpful information including airline, hotel and car policy trackers, direct links to support services and guides on the best way to use technology during the crisis.*
- *eDreams ODIGEO is tracking how extra incentives to accept airline vouchers (such as additional voucher value provided by eDreams ODIGEO) is impacting the take up rates of airline vouchers for cancelled flights.*
- *Booking.com is launching a rebook campaign to incentivise customers who cancelled trips in recent months to rebook with the same accommodation.) This incentive is intended to support accommodation partners in recuperating lost bookings and helping them with their margins.*

² For more information: <https://www.travelport.com/covid19>

- *Expedia Group is providing their partners proprietary data to track trends – such as stay dates, demand source markets - through a new analytics tool.*
- Some of our members regularly share statistics relating to short-term rental accommodation with EUROSTAT.³ This can allow public authorities to better understand the development of the collaborative economy and support evidence-based policies.
- **Through forecasting tourism flows, our members' data can also promote the diversification of European destinations and help prevent over tourism. For instance, Expedia Group is rolling out a series of global brand campaigns to help customers discover new destinations.**⁴

Using technology to ensure that travelers and suppliers get sound and up to date advise for safe travel:

- Our members' access to a wide customer base put them in a unique position to support government and travel service providers in the dissemination of reliable information regarding health, safety protocols and travel restrictions. We also have an important role to play in feeding information to our providers as they adapt their own operations in light of COVID-19. However, it is crucial that clear, EU – wide guidelines are provided on the level and type of information that will be required to communicate.

Our members stand ready to offering concrete support to the European **Commission's initiative to set up a dedicated website** to provide real-time travel information to consumers. Other concrete initiatives include:

- *Expedia Group created a new feature for lodging partners to highlight the health and hygiene measures at their properties. These include contactless check-in and check-out, hand sanitizer available to guests, enhanced cleaning measures, and social distancing plans..*
- *Amadeus has developed Travel – 19, an AI powered bot which provides real-time answers to questions on travel restrictions and safety precautions.*
- *Trainline is disseminating key travel safety information, such as the importance of using digital tickets and wearing face coverings, in prominent placements across its website and app, Messaging is tailored by country and carrier, and is constantly updated. In addition, real-time updates on delays and disruption to journeys are being shared with customers.*

³ eu travel tech press release: <https://eutraveltch.eu/wp-content/uploads/2020/03/EU-travel-tech-EHHA-Press-release-on-data-sharing-with-EUROSTAT-5-March-2020-1.pdf>

⁴ Campaign Where Next <https://wherenext.expediagroup.com/us/>. Other customer campaigns include new [virtual travel experiences](#) on Expedia.com such as performances of the Berlin Philharmonic, among others.

Continue to invest in R&D, developing new technologies that will support the recovery of the sector

- Looking ahead, **eu travel tech members'** remain committed to invest in R&D and to provide cutting edge solutions. Some of our members are actively exploring solutions to support the needs of a post-COVID travel and tourism industry. Developing technologies and applications to support the new health and safety measures for travel will be crucial to reduce risks, remove friction and improve consumer confidence that traveling is safe again.

For instance, Amadeus is working to deliver increased self-service and automation capabilities such as touchless check – in and drop – off solutions. The company is also working with airports to provide them with the technology needed to implement health screening, hygiene and social distancing protocols.

How the European Union can help in the recovery plans

1. The EU must take the lead in stimulating demand

The erosion on demand due to mobility restrictions and depressed incomes has led to a predicted recovery of the sector by Q2 2021⁵ at the earliest. The European Commission should instigate initiatives that counter these trends, such as:

- Tax credits: The EU should recommend national governments adopt a time-limited income tax credit for private expenditures of, for example, up to 100 EUR for a minimum trip duration of 3 days within the EU.
- Creation of EU and/or national marketing funds to support European destinations to progressively attract more visitors. The EU and Member States should work together on a solution to provide funds and use online travel agent digital marketing capability which helps the destination as well as the shift to (sustainable) transport. **We call on the European Commission to detail their plans on financial support to Europe's tourism sector to ensure liquidity of tourism businesses. Any available funds and aid to the sector should be made accessible to the whole tourism ecosystem, including travel tech companies.**

2. Coordinate the implementation of policies to restore consumer confidence in cross-border travel

eu travel tech supports the European Commission Tourism setting clear guidelines for a coordinated reopening of borders and a harmonised implementation of safety measures, that both Member State

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<https://www.mckinsey.com/~media/mckinsey/business%20functions/risk/our%20insights/covid%2019%20implications%20for%20business/covid%2019%20march%2025/covid-19-facts-and-insights-march-25-v3.ashx>

governments and European businesses can adhere to. eu travel tech calls on the European Commission to coordinate with the Member States to safeguard a minimum level of harmonization and that, where possible, they all follow the proposed approach, ensuring a smooth transition back to cross – border travel.

3. Prioritise measures to help reignite the sector and redesign the new way of travel:
 - Social and economic measures to safeguard employment in the tourism sector and income. Initiatives, such as the European Commission SURE program should prioritise tourism as a sector. Another suggestion is the creation of a European Guarantee Fund for Enterprises targeted directly at travel and tourism businesses, focused especially on protecting employment and preventing bankruptcy.
 - Fair Competition and Consumer Protection: Continue to ensure that COVID measures and policies (including EU and MS financial support) are applied equally across the travel value chain, respecting the fundamental principles of consumer protection and fair competition.
 - Specific regulatory work:
 - An applicable policy framework that accelerates the adoption of innovation to remove friction and improve traveller experience, such as biometrics and low-risk AI applications.
 - Use the Digital Services act (DSA) as an opportunity to underpin the recovery strategy with clear legal certainty and strengthen the internal market, while reducing fragmentation, associated in particular with the short-term rental market, which will be key to boost confidence and growth in the short and long term.
 - Sustainability: Travel intermediaries will be instrumental to help achieving the EU Green Deal. We have an opportunity to reinforce multimodality and facilitate passenger access to information on carbon footprints through access to information. The EU should be leading multimodal offerings globally: its transport system provides unique possibilities for the combination of all modes of transport, making travel more efficient but also more sustainable, allowing travellers to adopt the less polluting modes of transport, such as rail, whenever possible. Europe has the technological infrastructure to overcome fragmentation. However, to truly unleash the potential of multimodality, ensuring a level playing field between travel service providers and travel intermediaries as well as access to fare data are essential. Pooling data from all transport modes into a single system, without imposing prior obligations on travel service providers to share dynamic travel and reservation data (fares, real-time information) with travel intermediaries would be missing the point. Indeed, the sharing of such travel data is key to ensure that , ticketing and payments systems will not remain fragmented and to ensure a level playing field for travel intermediaries.