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Delivering multimodal ticketing for smarter travel

TRAN hearing

15 June 2022

eu travel tech: technology is changing travel, let us tell you how!

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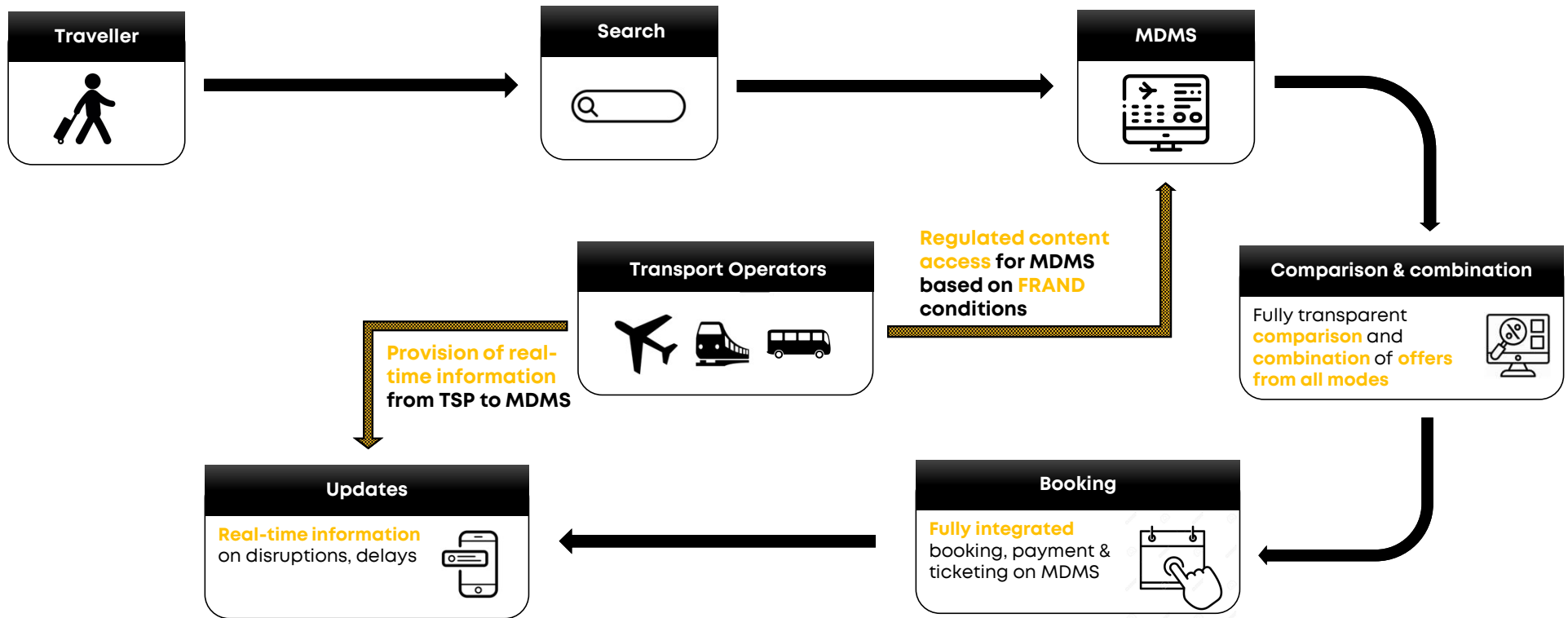**eu travel tech**

Multimodality in Europe – The vision

"Mobility in Europe should be based on an **efficient and interconnected** multimodal transport system. Multimodality takes advantage of the **strengths of the different modes**"

European Commission, Sustainable and Smart Mobility Strategy, 2020

"The deployment of multimodal mobility services can provide the user with a more seamless travel experience through **more and better information on travel options** and facilitated booking/ticketing"

European Commission, MDMS IIA, 2021

Multimodality in Europe – The Vision

Traveller

Search

MDMS

Transport Operators

Regulated content access for MDMS based on **FRAND** conditions

Comparison & combination
Fully transparent **comparison** and **combination** of **offers from all modes**

Provision of real-time information from TSP to MDMS

Updates
Real-time information on disruptions, delays

Booking
Fully integrated booking, payment & ticketing on MDMS

Multimodality in Europe – The Problem

Case study: Brussels - Graz

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Single-mode trip:
Brussels - Frankfurt (air)
Frankfurt – Graz (air)

Price: EUR 128
Duration: 4:30 h (+ transfer)
Emissions: 181 kg CO2

→

- **Highly visible**
- Easily searchable, bookable, payable
- Indirect channels impacted by unfair practices (e.g. withholding cheapest options)

Multimodal trip:
Brussels – Vienna (air)
Vienna – Graz (rail)

Price: EUR 76 (61 air + rail)
Duration: 6:00 h
Emissions: 119 kg CO2 (107 + 12)

→

- **Invisible** to travelers
- Not easily searchable, comparable, bookable, payable
- **Lack of content access and unfair practices** preventing fair competition and combination of modes

Multimodality in Europe – The Solution

1. **Access to content** **of transport operators is the fundamental precondition for multimodal platforms to be able to transparently distribute all modes of transport and play their role as modal shift enablers.**

2. **Multimodal platforms must be allowed to access contents of transport operators within "fair, reasonable and non-discriminatory (FRAND)" distribution agreements providing a level playing field.**

3. **Such obligations and rights must be supported by a strong enforcement framework: designated enforcement authorities, clear procedural framework.**

⟶ **The upcoming Regulation on Multimodal Digital Mobility Services offers a unique opportunity to address current market challenges and facilitate fair competition, increased consumer choice and more sustainable travel options.**

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Thank you!

Emmanuel Mounier
SECRETARY GENERAL

M +32 499 80 13 74

Avenue Marnix 17
B – 1000 Brussels

emounier@eutraveltech.eu

www.eutraveltech.eu
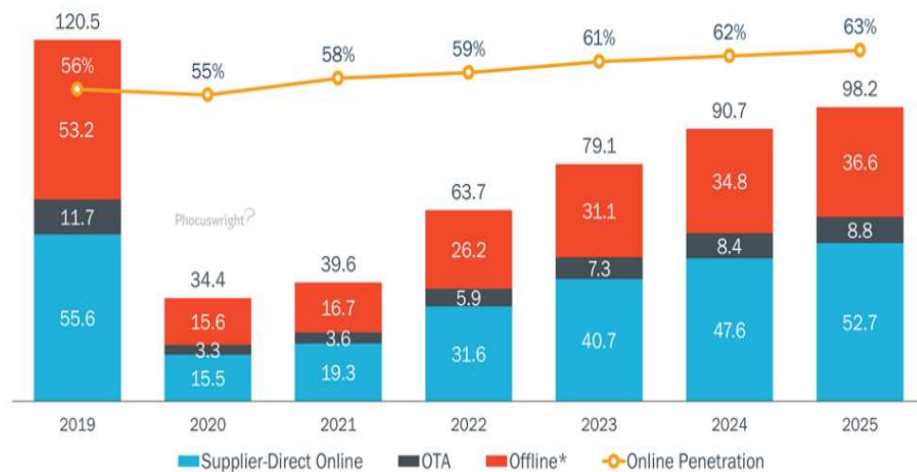
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Annex

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Development of multimodal booking platforms

Independent online platforms remain a secondary booking mode

Figures concerning sale of passenger air transport services

based on research by trade publication Phocuswright.

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Fundamental imbalance between travel platforms and large transport providers
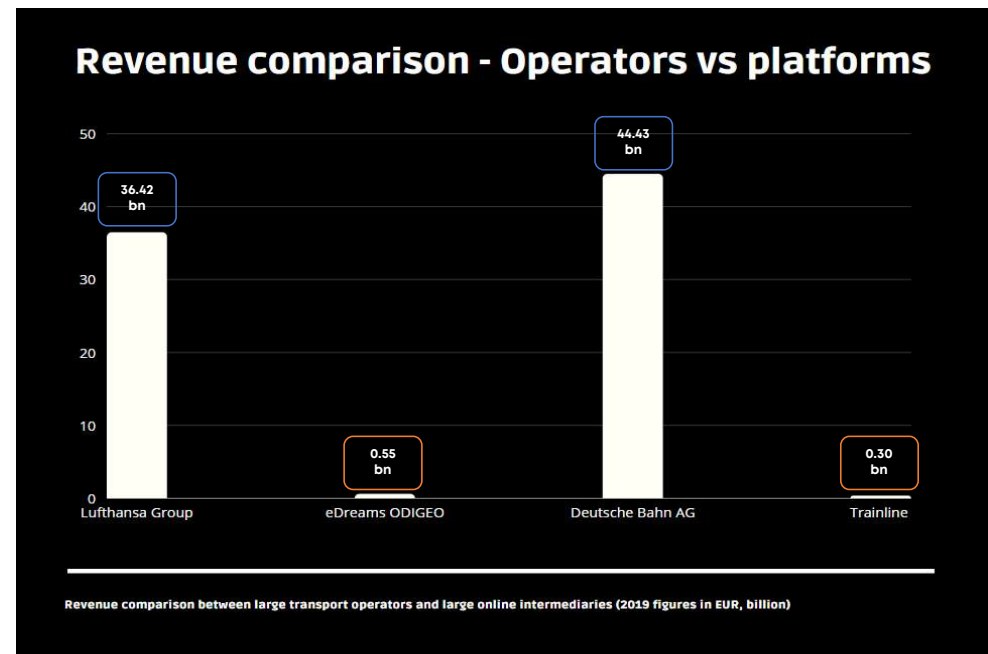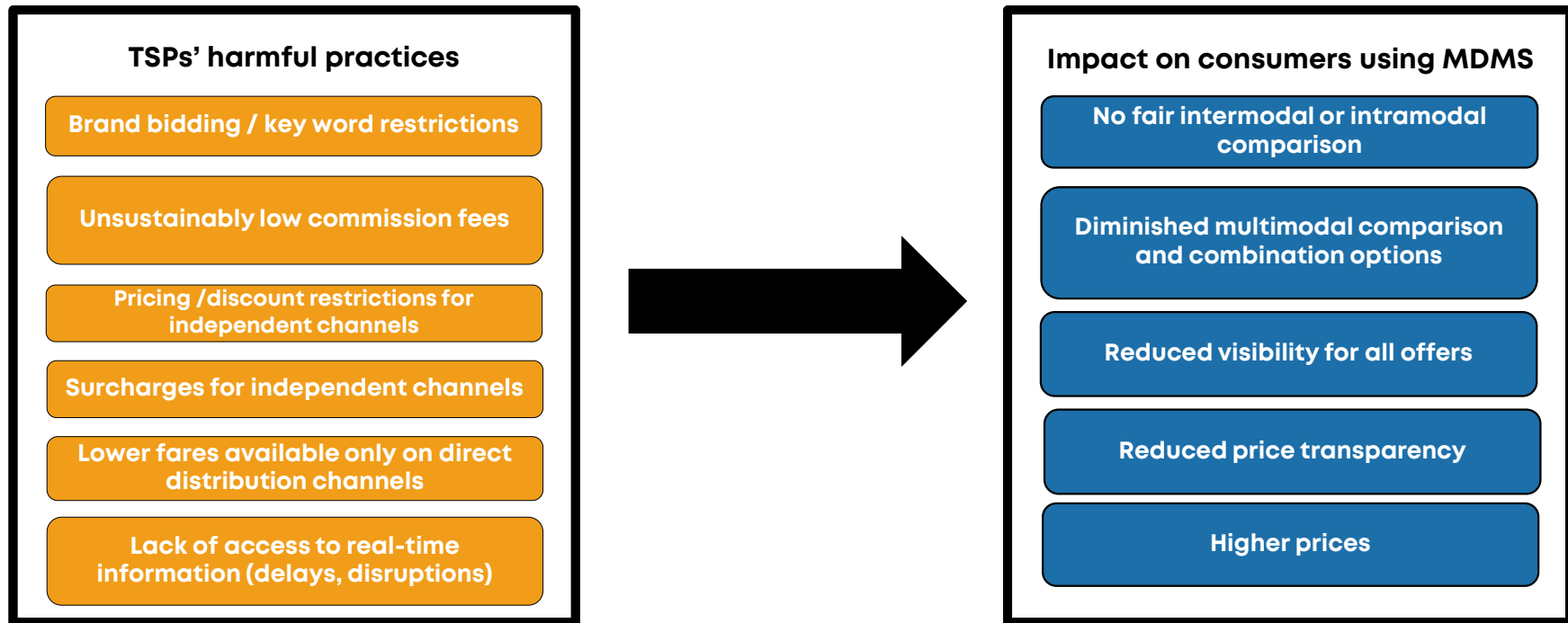
Obligations on MDMS Platforms

➢ The approach to regulating MDMS platforms themselves should be carefully considered: the regulation should address concrete existing market failures.

➢ The main concern should be potential self-preferencing practices by MDMS platforms owned by large transport undertakings, in line with the original logic of the CRSs CoC.

How to address self-preferencing?

✓ Two possible paths : targeted ban vs complete neutral display

✓ Need to consider applicable legislation (P2B, UPCD, DMA)

✓ Need to enable MDMS platforms to innovate to facilitate consumer transparency and competition

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Impact of disintermediation strategies

TSPs' harmful practices

- Brand bidding / key word restrictions
- Unsustainably low commission fees
- Pricing /discount restrictions for independent channels
- Surcharges for independent channels
- Lower fares available only on direct distribution channels
- Lack of access to real-time information (delays, disruptions)

Impact on consumers using MDMS

- No fair intermodal or intramodal comparison
- Diminished multimodal comparison and combination options
- Reduced visibility for all offers
- Reduced price transparency
- Higher prices

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