



From Travel Business Analyst

People-in-Travel

Tracking Travel's Leaders

Heads in the sky

Jeffrey Shane, the US government's man for the country's air transport policy, is a firm believer in 'open skies' for aviation. *Well, er, as long as we can decide how far 'open'.*

What does he think about the proposed US/European Union liberalisation?

"A US/EU agreement can be expected to enhance the quality of competition across the Atlantic in a dramatic way...[etc etc]...It would take liberalisation to the next level...[etc etc]... It would instantly become a new multilateral template for aviation liberalisation elsewhere in the world...[etc etc]...It would be, quite simply, the most important thing we could do to enhance the contribution that air transport makes to all our economies...[etc etc]...It is an opportunity we should not squander."

Sound sentiments, except the US wants to protect its vision of liberalism.

As has been seen with the extraordinary reaction to the possibility of a Dubai government-owned company running US ports, US airlines must remain majority US-owned as well, according to Shane.

In the past year, the US has lost its credibility as a liberaliser. It is, in fact, becoming more protectionist.

Fine sentiments like those of Shane's do not yet reflect this new US position.

Sound bites*

From heads of their companies:

- **Stephen Bollenbach**, Hilton Hotels Corporation.

I believe the hotel business is about customer service and providing a great guest experience. But the reality is you have to be a big company in order to offer this effectively. The solution to the paradox is electronic systems – the ability to recognise guests when they come, and know their needs. If you're not

able five years from now to give a potential guest a virtual tour before they buy a room you're not going to get customers.

- **Simon Cooper**, Ritz Carlton.

Pent-up demand for travel means that new destinations, new hotels and new services of a luxury calibre can thrive. The exceptional growth in luxury travel is a result of an improved world economic climate and new levels of personal wealth as the baby boom generation retires or inherits unprecedented sums money from their parents.

This generation considers travel a lifestyle priority.

- **Maurice Flanagan**, Emirates Group.

The intimate relationship between the Arab world and the US is being disrupted and distorted – and as a result much of that high-value tourism is going instead to the UK, Germany, even the Australian Gold Coast.

There should be no protection for airlines – that way the most efficient survive. Too many countries are stopping traffic growth by protectionism, hindering development of tourism and economy.

- **Sir Rocco Forte**, Rocco Forte Hotels.

Staffing is not going to be a problem for our level of hotel – because many aspire to work at this level.

Staff in a Ritz-Carlton hotel addressed me as Sir Rocco – not Lord Forte, Sir Forte, as often in my own hotels – so I asked my people what Ritz-Carlton was doing to achieve this.

- **Michael Frenzel**, TUI.

The effects of [low-fare airlines] are visible not only in the airline industry itself, but also in neighbouring economic topics such as destination structures and real estate business. Their effect is also visible with regard to markets and related business model in our industry.

An increasing convergence of

low-cost and charter models will take place.

The internet has not only turned the US airline industry upside down, it has also brought great change about the whole European and US travel market.

The development of travel in the new growing economies will not take a similar path as it did in the US or Europe. Several decades will be skipped and the internet will play a vital role in travel right from the start.

By delivering unique online performance and experience with these new technologies we foster long-lasting customer relations in the future and support profitable growth.

- **A J Hackett**, AJ Hackett (bungee, and similar).

We have had 2mn jumps, and we haven't killed anyone yet.

- **Mei Yunxin**, Beijing Tourism Group.

We are at a historic turning point. After huge domestic growth in tourism, now many Chinese people are preparing for their first foreign travel, and one of the key issues in their choice of country, alongside geography and culture, will be their safety abroad.

- **Tony Wheeler**, Lonely Planet.

We should remember the young people doing their first solo trip, often opening up markets with little infrastructure – because they don't need air-conditioning, and the money they spend in many destinations goes straight into local pockets.

But they have high expectations of features such as internet access, and they will be more demanding clients of upmarket hotels in future.

Is travel sustainable? Do we have the right to travel so much in the face of global warming and oil prices? These are growing concerns we must take account of.

**Most of this derived from Travel Impact, and most from the WTTC gathering in Washington in April.*

An annual subscription to People-in-Travel, costing US\$100, is delivered only via email in PDF format. A small extract from PinT is normally included in the Asia Pacific and Europe editions of Travel Business Analyst.

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