



MOBILE TECHNOLOGIES ARE KEY TO EXPANDING ELECTRONIC DISTRIBUTION, ATTENDEES LEARN AT HEDNA'S SPRING CONFERENCE

BUDAPEST, HUNGARY, 30 April 2009 -- Despite the economic challenges, profitable opportunities exist for the travel industry. Attendees at HEDNA's (Hotel Electronic Distribution Network Association) Spring Conference learned that to capture those opportunities, the travel industry needs to embrace mobile technology, understand consumers' expectations and needs, and provide the kinds of experiences demanded today by travelers. HEDNA's meeting was held 28-30 April at the Novotel Budapest Congress & World Trade Center in Budapest, Hungary.

There are four major trends in travel experiences right now - recession-chic, mobile, meaningful, and transparent, according to Daniel Levine, executive director of The Avant-Guide Institute. "Look for hotels, tours and destinations that speak to these sensibilities," he says.

While consumers remain value conscious, the news is that they are "more conscious about their values," notes Levine. Travelers are mindful about how they spend their money, yet they also want unique, braggable experiences. Personalization is one of the major trends that hoteliers need to address.

Consumers also want meaningful experiences that help them connect with the community, the environment, health and education. "Hedonism and flaunting wealth is out," says Levine. What's in? 'Green' countries and experiences; eco-tours; innovative and sustainable retail, buildings and communities; and vacations that allow consumers to experience a community and give back to that community through service.

Reaching customers through mobile technology is an important part of communicating with consumers. "Mainstream mobile technologies hold huge opportunities for the hotel industry," Levine believes, adding "consumers expect information to be mobile, giving them the freedom they seek."

Using mobile services to boost ROI

Mobile technologies are growing rapidly as evidenced by the popularity of devices such as the iPhone. What does this trend mean for the travel industry and how can hoteliers capitalize on the technology?

Accessing the Internet via mobile technology is becoming a daily activity for many, says Gerry Samuels, founder and executive director of Mobile Travel Technologies, Ltd. A study of US mobile phone users shows that daily mobile Internet access is up 107% in the November 2008-January 2009 period compared to the same period the previous year.

Hoteliers are actively participating in mobile technology with offers to consumers. Guests booked over \$2-million via the Marriott Mobile booking engine in the last part of 2008, Samuels points out. The mobile channel has generated a 22% return on investment for the brand, he says.

Mobile technology can be used to provide many services to consumers, including booking confirmations as well as the ability to view, change and cancel bookings; book and pay for services and ancillaries; receive travel service notifications and promotional offers; view destination information including maps; and provide weather and local travel information.

Return on investment for the hotelier is generated by customer service and convenience; cost avoidance, e.g. self service; engaging travelers during their stay; revenue opportunities for upselling and cross-selling; and building loyalty.

Adapting to emerging market needs

Tailoring service to customer needs and local market conditions remains essential for success in emerging markets. These markets are poised to keep growing in 2009, albeit modestly. For instance, China's economy is expected to grow 6% in 2009 and India is slated to rise by 5%.

To engage the rising market in the Asia Pacific, it's important to understand that 70% of business comes from within Asia Pacific, says Philippe Garnier, senior director of distribution sales for Hilton Hotels Corp. Some of the key distribution trends in China are: domestic business travel is growing even while long-haul inbound travel is in decline; hotel direct remains the dominant channel; there are some signs that credit card usage is growing; inbound leisure is still very small; and all the major online players in China are Chinese companies.

In India, there is still a shortage of hotels. There are "fewer branded hotels in the whole of India than in the city of New York," Garnier says. India has the "biggest development opportunity but also the biggest challenges in terms of infrastructure and development approval process."

In both India and China, consumers prefer to use mobile phones rather than accessing information through the Internet. Therefore mobile phone applications are important for hotel distribution strategies in those countries, Garnier says.

Understanding the idiosyncrasies of individual markets can't be emphasized enough. Distribution has to fit the culture. Notes Emerging Markets panelist Olivier Dombey, chief information officer of HotelTravel.com: "You have to change the model to adapt to the local culture. A lot of money has been wasted by not knowing local market conditions."

Prepare now for the next upturn

The economic downturn is impacting the travel business now. Yet savvy organizations need to look ahead in order to prepare for the upturn in the future. That's the advice of Richard Wiegmann, managing director, Trust International. The thought process of any hotelier needs to be "what is the next step?"

All hotel categories - luxury, economy, limited - are showing a RevPAR decline this year, Wiegmann notes. Hoteliers are also faced with "doing more with less" due to reductions in the workforce. Still, hoteliers need to maintain initiatives that drive demand even though there are fewer employees on staff. Executives now care less about luxury and more about whether or not the hotel delivers on the basics.

Economic pressures are also impacting consumer decisions. Business travelers are more likely to stick with trusted brands than take a risk with the unknown, Wiegmann says.

However, hoteliers need to look ahead even while handling today's challenges. "The next upturn will only be there for those that are preparing now," he says.

Navigating the future

HEDNA is helping its members cope with the current economic situation while setting a course for the future. Melanie Ryan, HEDNA president and senior director of Global Strategic Accounts for Orbitz Worldwide, recapped HEDNA's recent activities and described the Association's plans for the near term.

HEDNA is proud to announce that 11 new members have joined the Association, says Ryan. The membership is truly global with 49% in North America, 43% in EMEA, 7% in ASPAC, and 1% in Latin America. HEDNA is reaching out to tour operators to include them in the electronic distribution community.

"Looking ahead for the balance of the year, we are holding again a meeting in the ASPAC region, in Singapore on July 23, 2009, and our winter conference themed 'Don't Gamble with Your Distribution Strategies' is scheduled for December 7 - 9, 2009," says Ryan.

"We are pleased that HEDNA is expanding its membership and seeking to encompass the entire distribution community," says Ryan. "Outreach is key to our growth. To that end, we are utilizing a number of social networking media such as Facebook and Twitter (HEDNA_ORG) to keep members and prospective members informed about key distribution trends like mobile technology and unique global identifiers (UGI)."

HEDNA is also revamping its website (<http://www.hedna.org>) to create value for its members. "We will launch in the coming weeks a new Members Only section and added e-commerce capabilities, making it easier than ever for members to engage with HEDNA," says Ryan. The Association is partnering with REBEL Travel to maintain content and TIG Global for website hosting.

Committee updates

Here are the latest updates from HEDNA's Committees:

*The results of the UGI study were delivered, and work is underway for planning the next steps for the UGI initiative.

*The Green Initiatives Committee is determining which green amenities are most common with hoteliers.

*The Payment Technology Committee is continuing its investigation of alternative forms of payments, credit card issues and bill-backs.

*The Standard Committee is working to provide recommendations on structured content for the industry.

*Online Groups and Meetings Committee says that adoption of online technology is growing especially as younger planners come into the industry.

*The Tour Committee discussed how to best automate the RFP process to reduce manual workloads and to increase efficiency.

Thanks to HEDNA's Budapest Conference Partners - TIG Global and VFM Leonardo - for their support. Thanks, too, to GIATA & TOURIAS for providing the HEDNA Mobile Guide during the Budapest meeting.

About HEDNA

The Hotel Electronic Distribution Network Association (HEDNA) is a not-for-profit trade association whose worldwide membership includes executives and managers from over 200 of the most influential companies in the hotel distribution industry. Founded in 1991, all of HEDNA's activities are intended to stimulate the booking of hotel rooms through the use of GDS, the Internet and other electronic means. HEDNA brings all segments of the hotel industry together to evolve systems and services into electronic distribution that is easy and efficient. Additional information on HEDNA is available by calling +1 202-204-8400 or by visiting www.hedna.org.

HEDNA contacts: Valerie Cooper, HEDNA Executive Director, at vcooper@kellencompany.com or phone: +1 202-204-8400. Melanie Ryan, Orbitz Worldwide and HEDNA President, at mryan@orbitz.com or phone: +1 312-894-6839.
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