

# **SABRE / FARELOGIX MERGER INQUIRY**

## **SUMMARY OF HEARING WITH TRAVELPORT HELD ON 6 NOVEMBER 2019**

### **Services offered**

Travelport said its Global Distribution Systems (GDS) are a commercial exchange where Travelport provides services to suppliers of travel, such as airlines and distributes products and services of the airlines to buyers of travel. Travelport explained it normally distributes to the travel agency community, including online travel agencies and brick-and-mortar travel agents.

Travelport said it operates an electronic exchange to facilitate buying and selling of travel.

Travelport said one of its primary functions is the aggregation of multiple sources of content. Travelport said it brings in air travel content through NDC APIs, ATPCO and other non-NDC API sources. Travelport added that it also brings in content on cars and hotels from multiple sources. Travelport said it then aggregates this content through its GDSs.

Travelport said the aggregated content is typically delivered to travel agents in one of two ways. Travelport said the first way is through Travelport APIs. Travelport explained these are programming interfaces for travel agents. Travelport said travel agents can access the content and display it how they like. Travelport explained that typically Travelport does not have control over how content is displayed by travel agents.

Travelport said the second way content is delivered to travel agents is through Travelport's own applications. Travelport said that Travelport typically provides desktop software to brick-and-mortar travel agents.

Travelport said the aggregated content it shows to the travel agents is shown irrespective of how that content is sourced. Travelport explained that the content is displayed in a neutral way, whether it is sourced from an NDC API, ATPCO or any other source.

### **Competition**

#### ***Comparison to other GDSs***

Travelport said it is comparable to Amadeus and Sabre in what it offers to travel agents and airlines with respect to GDS distribution. Travelport added that it operates in similar geographic areas as Amadeus and Sabre.

#### ***Non-GDS providers and Farelogix***

Travelport said it considers non-GDS providers as alternative providers of distribution functionality to airlines. However, Travelport said non-GDS providers of which Travelport is aware typically do not offer the level of functionality or range of services that Travelport offers to airlines and buyers of travel.

### **Aggregators**

Travelport said it considers other aggregators to be an alternative to Travelport in terms of the provision of distribution services to airlines. Considering the needs of travel buyers, Travelport said the scale and reach of other aggregators, and the level of functionality provided to travel agencies, for example, is significantly lower than what Travelport offers in terms of functionality. Travelport added that it competes on the basis that it provides a higher level of functionality and a higher level of reach and scale in its platform than the alternative aggregators can offer today.

Travelport indicated that the level of functionality offered by a GDS is a core reason why a travel agent would use a GDS over an aggregator. Travelport said it makes content available for 480 airlines, 650,000 hotels and many others across the whole travel content spectrum.

Travelport said it offers many products and services beyond aggregation that are offered to travel agents to support their businesses in terms of automation, efficiency, back office, shopping, searching, the API and Travelport's desktop solution.

### **NDC**

Travelport said NDC is another method of exchange between buyers and sellers of travel. Travelport said it uses NDC as a technology to connect to airlines as a source of content.

Travelport said it accesses airline content through either an NDC API or, more traditionally, through EDIFACT.

Travelport clarified that it does not provide NDC APIs as a capability. Travelport accesses NDC APIs as one type of connectivity to get access to online content.

Travelport said it conducts live NDC bookings. Travelport explained that live NDC bookings are like other travel agency bookings, but the source comes through an NDC API connection with the airline rather than a legacy non-NDC connection.

Travelport stated that it has invested heavily over recent years in building its capabilities to ensure it can acquire content through an NDC API as a source of content. Travelport said it can make these bookings as a result of its investment.

### **Direct Connect**

Travelport said the services it offers are more comprehensive than typically offered by a direct connection between an airline and a travel agency. Travelport explained that it is an aggregator of content.

Travelport added that a direct connection from an airline to a travel agent only provides one airline's content to that travel agent. Travelport explained that it does not typically provide the full breadth of services that the travel agent would need.

### **Airline.com as a competitive constraint on GDS**

Travelport stated that typically airlines will have a multi-channel strategy including marketing directly to consumers. Travelport explained that GDSs is one of the channel options available to airlines as is their own website.

Travelport said the travel agent community is providing value to business travellers above and beyond what the airline.com channel offers business travellers. Travelport explained that the additional value the travel agent community provides to business travellers over airline.com includes policy management, reporting and duty of care. However, Travelport said airline.com will always be an alternative for any traveller.