

What's the big deal about Big Data?

Opinion Piece

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'Big Data' is a buzzword on many lips in the travel industry today. Reg Warlop goes beyond the hype to explain what it actually means and how travel agencies can use it to their advantage.

If there is one thing that's not in short supply at the moment, it's data. We've produced more data in the last few years than in all of human history. What's more, our appetite for data seems to know no bounds since we're doubling it every two years¹.

But it's not only the volume that's expanding. So too, is the complexity of the datasets being analyzed. And, with the insight the datasets offer, we are rapidly learning to spot new business trends, determine the quality of research, prevent diseases and even combat crime.

In fact, very few industries remain untouched by the power of Big Data – and travel is no exception.

So, what exactly is travel-specific Big Data? And – more to the point – how can you use it to your advantage?

Big benefits

Travel agents typically generate and deal with two types of Big Data. First, there's the huge volumes of booking and profile data created regarding your own customers. You might not use it to its full potential, however, you generate this information none the less.

Secondly, there is the vast amount of information produced by travel agencies around the world every day, such as search, booking and itinerary details. At Travelport, we process up to 1.2 billion itineraries every day, with over 50 million bookings live in our system at any one time. Each booking could possibly be accessed 2-3 times a day. With Big Data technology, we can now start to analyze this in real time, identifying key patterns and trends.

These two types of data represent a genuinely powerful resource for today's travel agencies. It should, for example, be possible for you to gain a much better understanding of the behavior of both your own customers as well as of travellers around the world. And this matters because when you can better understand your customers' behavior, you can start to offer true personalization, more targeted sales, while continuously maximizing profitability.

By extrapolating trends, travel agencies should be able to predict how this behavior will change in the future and ensure their businesses move with the times, rather than lag behind.

¹ BBC 2 Horizon: The Age of Big Data. First broadcast 4 April 2013.

Because of the strategic insights Big Data can provide, it has a clear role within corporate travel agencies who need to provide clients with tailored reports designed to help them better manage their travel programs.

In fact, many travel agencies are already working with both their own datasets and those supplied by third parties to make significant business improvements.

For example, using Big Data you can:

- **Negotiate better rates with suppliers**
Third party benchmarking reports can be acquired to illustrate key negotiation considerations such as supplier loyalty and share of wallet.
- **Maximize margins**
Big Data technologies can constantly monitor transactions so that when one supplier limit is reached, agents can be redirected to focus on promoting another supplier.
- **Maximize revenues for each booking, whilst maintaining agent productivity**
Big Data can produce trip and traveller profiles which predict the likelihood of being able to upsell other travel options such as a hotel, upgrade or ancillary service. Workflows can then be created using this information to improve the profitability of the business as a whole.
- **Reduce travel policy violations**
Particularly relevant for corporate travel agencies is the capability to analyze everything that's being booked outside standard workflows to ensure travel policy violations are reduced to a minimum.

How big are the technical challenges?

As the amount of information we produce has increased, the processing power needed to access and use it has increased too. So much so, in fact, that traditional database systems can no longer manage this information as fast as some companies need.

And yet the pace of technological change is always remarkable. Today, so-called 'Big Data

Travelport's Booking Feed™

Travelport produces a Big Data set specifically designed to help travel agencies of all sizes improve their operations. The Travelport Booking Feed pro-actively captures booking data through the lifecycle of a travel booking. Data is streamed to an agency every time a booking is created or changed, until it's ticketed. For example, agencies can search remarks fields for keywords and set up alerts when non-compliant travel arrangements are found. Technically, this feed is a modern, XML API that is part of Travelport's open platform. A number of third parties are developing applications for it, ranging from general business dashboards to sophisticated alerts that address your specific needs. These can be found in the Developer Directory at www.travelportdeveloperdirectory.com. For more information about Booking Feed, please visit www.travelport.com/Products/Travelport-Booking-Feed.

technologies' that just a couple of years ago were only available to the largest organizations, are now becoming mainstream. Large agencies with significant internal IT resources are able to create their own Big Data solutions; continuously analyzing large, disparate sets of travel data to produce real-time insights that were never possible before.

But, thanks to datasets being provided by organizations such as Travelport, even smaller organizations can now take advantage of Big Data technology. These datasets can be used directly or via a community of third party software developers who are using the Big Data feeds to create solutions that add value to travel agency operations.

No matter how large your agency, Big Data is already having an impact. If you haven't incorporated its benefits into your business yet, then it is perhaps time to explore what's available. After all, if there's one thing out there apart from data that's not in short supply, it's competition.

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