

CRS Regulations

1. I am a business travel agent and have been working as such for some 20 years. These comments are written from personal experience.

The CRS is a unique piece of technology. Ever bearing in mind that such has been with us since the 1980's we can but marvel at its ability. We (by we, I mean travel agents) have, since that time, been able to book people from anywhere in the world, to anywhere in the world with confidence and security.

The greatest effect of recent changes in air travel has been to substantially increase the costs of doing business in the EEC and indeed, the world for EEC based companies. All the low fares have to be paid for. It is the business traveller which currently foots this bill. Prices in the front cabins/ for flexible tickets have increased substantially over the last few years. Indeed, I once witnessed an overnight increase of GBP100 in the cost of a return business class flight to Copenhagen. Whilst a "right" to cheap air travel seems to become enshrined in our populations, that "right" is resulting in a great burden on commerce.

2. Neutral Displays. There is a great concern about neutral displays. I do not understand why. This may be because the EEC have looked at the issue from every angle, save from that of a front line travel agent or user. Any agent of experience only regards the first response of any CRS to a journey request as an indication, not as a selling screen. A CRS is regarded as a display of information, not as some kind of advanced sales pitch. An agent will change the display through various airline specific displays, will add in their own intermediate points and generally combine their own experience and knowledge to review various options. The critical thing (if that is the correct expression) is that as many airlines as possible are included who appear on a "neutral" display, for a business travel clerk, is wholly academic.

Many airlines have removed certain of their booking classes from CRS sale and making these only available on their websites. Deregulation could make this practice more widespread. This explains why, in Ireland, so many bookings are made online. In Ireland the main carriers are Aer Lingus and RyanAir. The only way that these can be booked (in the case of Aer Lingus for the cheaper fares) is online. Telephone reservations incur extra costs. Therefore, everyone in Ireland books online. The statistics, as shown, do not make any attempt to reflect this. If people in Ireland (or anywhere else) prefer online, is an unanswered question.

3. Airlines did remove airline commission to travel agents. More precisely, the cost element of commissions erstwhile paid, has been moved from "agent commission" to "technology" or "marketing". Close examination of recent British Airways shows that the cost of distribution via the internet has not reduced the overall total, merely shifted cost to another cost centre. Indeed, British Airways (BA) offer website owners an affiliate programme which pays a "bounty". In other words, a "travel agent" is no longer paid "commission" (from the distribution budget) but an "affiliate" is paid "bounty" from the marketing budget. That bounty is greater, at 2%, than the last commission paid to travel agents at 1%.

4. The CRS systems cover the world, not just EEC. There are many travel agent's clients who are unable to make their booking either through any one airline or indeed, on a website. Websites that presently exist are very restrictive and heavily biased in the options they offer. The question which has not been addressed is when is a (flight booking) website a surrogate CRS? The EEC must take more views from front line CRS users. The principal result of the past changes has to make travel agents become proper travel agents. They are now used for their knowledge, skill and understanding of travel and how best to action a travel request. Up to the present, the CRS has provided the main support for factual, unbiased, neutral information display. Even if a CRS were biased in its first response to a request, any agent (as mentioned, worth their salt is well able to frame their question to get the variations in their results. There are still a great number of clients who book multi sector trips, across several airlines and even across several continents. The ability to book these through any one airline directly has been lost with, for example, the move to call centres far abroad (eg Lufthansa, British Midland) and the reduction holistic travel training given to reservation staff. (Though British Airways do retain, perhaps, the best trained staff). This means that any diversion from simple point to point reservations on that specific airlines' route network results in a blank response.

Before airlines are "encouraged" to divert bookings to alternative sources, they should be - must be - in a position to service all airline booking requests. This includes multi sector trips across continents and in an unbiased way, across strategic airline alliances also in an unbiased way. The only people now able to do this are the travel agencies.

5. Travel Agents have managed, on balance, to successfully incorporate a fee based model into their businesses. What should be looked at is what determines a "tax" and "charge" as imposed on ticket prices. The current situation is that taxes and charges often come to more than the fare, likewise these elements make up a significant part of the ticket cost. The UK has gone from no tax, to GBP5 tax to up to GBP80.00 tax (on some journeys) over a very short period of time. Taxes and charges that are shown should either be only those taxes or levies imposed by a properly constituted regional or local elected authority (ie a National Government) or, if the present free-for-all is to continue, then such items as travel agents or other fees should be able to be included in the ticket tax and charge combination. There is nothing in the EEC to this day that has less transparency than an airline ticket's tax and charges. Buried at the bottom of the ticket, using (for the consumer) meaningless two letter codes. How, for example, should a consumer identify that the UK "UB" "tax" boils down to a charge for being able to walk through a UK airport or that YQ represent, basically, the aviation fuel?

6. It is vital that all EEC rail journeys are incorporated onto the CRS systems as soon as possible. This will require the Rail companies to simplify their booking systems. A old joke amongst the front line travel agents was "If there is a way of making something easy, difficult, the railway will find it" To move a human on an aeroplane from one point in the globe to another, may all be done on a PNR that combines up to 5 letters or digits. Eurostar, which has, effectively, only two routes, requires 8 or 9. The present ELGAR rail booking system is old fashioned, unwieldy and difficult to use. The rapid incorporation of rail into the standardised CRS systems is of great significance to travel agents and to corporate clients. The ability to cross issue tickets to include rail would be a welcome addition. The systems and technology to achieve this are all in place.

7. The growth of web based airline reservation systems cause place severe cost burdens on business travel. The EEC seems to ignore that a large proportion of travel is NOT point to point. In these cases (and where a travel agent is usually of paramount importance) a trend away from CRS systems will place an enormous burden on business travel budgets through:

7.1 The move away from interlining. The trend to make fewer and fewer fares work on interline tickets, leaving only the most expensive (cf Aer Lingus, British European) fares for this purpose.

7.2 The loss of the benefit of Minimum Connecting Times. This has in cases, made cross European travel impossible to arrange, especially where a change involves a legacy to low cost carriers, this and point 7.1 made certain journeys unmanageable. Certain airlines are trying to stop baggage transfers from one airline to another (CF British Midland website) at intermediate points.

7.3 The loss of composite fare structures (closely related to 7.1) As airlines polarise, only the most expensive fares can be combined on multi-sector tickets.

7.4 Time. The CRS offers the ability to have all options in one place. Websites do not. By their nature, airline websites only offer that airline. Unless the client is fully aware of how airline systems work, by moving to web based bookings, choice is limited. Travel Agents, since the loss of commission are the only truly "neutral" judge.

7.5 Collusion. From years of booking business travel, there is no competition between (legacy) carriers. Many routes which are operated on a codeshare basis and no low cost carriers operate, have de facto monopoly pricing structures. London LHR to Madrid or Barcelona and London to Brussels (!) are very good examples. (Codeshare BA/IB and BA/SN) Airlines may say low(-er) fares are available, in practice, these are, to say the least, a trifle difficult to find.

7.6 Stupid Rules. There has been an increase in the small but significant changes in fare rules. British Airways offer flexible fares. They do not. Short haul EEC fares are flexible "... up to day before travel"

which rule, for business travel precludes nearly all fares save for the full price fares. Some fares are banal. Anyone using a website works mainly on price, not best value and unless the person has a good knowledge of airline fares can be easily misled. Compare Lufthansa Y class European fares. The Y "combi" is a few Euros cheaper than a Y "flex" - both are quite high priced tickets . The former offers no refund and costly changes, the latter is fully flexible. In other words, web based booking, easily leads to mis-selling as the web booking tool offers no ability to analyse a request.

Summary.

The main thrust of this is that the EEC appear to be barking up the wrong tree. Though submission to the EEC may come from "interested parties", it will be interesting to hear the views of those who work the system at the sharp end on a day to day basis. EEC business is being made to pay in no small measure for the low cost leisure traveller by what, in many cases, moves not too far from sharp practice. The lack of ticket transparency and the gradual erosion of those aspects of air travel (MCT's and interlining especially) which made the system "work" is adding substantial costs to business travel. The concern should be moved away from a system that is not broken (the CRS) to one that is being rapidly broken.

"An airport full of people paying £2000 a head is a success story. An airport full of people paying £2 a head is an environmental disaster area"

Murray Harrold
10 Joiners Way
Chalfont St. Peter,
Bucks - UK
SL9 0BH
01753 889529
07768 180314