

Optimizing the merchandising of airline ancillary services through Travel Management Companies

Sari Okura



Author	
Okura Sari	
Degree programme	
Degree programme in Tourism	
Report/thesis title	Number of pages and appendix pages
Optimizing the merchandising and sales of airline ancillary services via Finnish Travel Management Companies	61 + 25
<p>The thesis studies the merchandising of airline ancillary services to business travellers through two anonymous Travel Management companies' (TMC) and one anonymous Online Business Travel Agency (OLBTA) operating in the Finnish market. It assesses the tools available and the practices in place, and whether these could be optimised in a reasonable manner.</p> <p>The thesis also looks into various obstacles the TMCs face during the merchandising and sales process of these products and identifying the various bottlenecks along that process, what causes them, how these problems could be prevented and what could be done to improve those issues. The thesis aims to get a better understanding of the value and the need of these services to the business travellers as end users.</p> <p>The theoretical frame of the research introduces the theory of merchandising and sales process in business travel. In order to get a deeper understanding of the processes, two surveys were conducted; one for the sales personnel of the TMCs and one for the business travellers who use the TMCs' services.</p> <p>The main findings of the thesis were that the TMCs lack time to properly serve their customers. They would therefore benefit from better and faster technical tools for booking the airline ancillary services and better tools and instructions on how to present them to the customers, as well as more training and time to practise booking them, including better product information. The BTs are looking for enhanced and personalized travel experiences and clear communication relating to the ancillary services. They expect to be able to find out more easily which services are included in their booking. Finally, improvement suggestions were provided to the commissioner along with suggestions for further research.</p>	
Keywords	
Airline ancillary services, Merchandising, Travel Management, Business Travel	

Table of contents

1	Introduction	1
2	Airline ancillary services	2
2.1	Definition of the airline ancillary services	3
2.2	Selling and merchandising ancillary services	6
2.2.1	Customer Experience Management (CEM)	8
2.2.2	Social Media	9
2.2.3	Trends	10
3	Amadeus IT Group	12
3.1	Global Distribution Systems (GDS)	13
3.1.1	Electronic Miscellaneous Document (EMD)	14
3.2	Competitors	15
3.2.1	Sabre	16
3.2.2	Travelport	16
3.2.3	IATA NDC	17
3.2.4	GDS New Entrants (GNE)	18
3.2.5	Non-traditional airline distributors	19
3.2.6	Airline websites	20
3.3	Amadeus Finland Oy	21
4	Target groups	22
4.1	Business Travellers	22
4.2	Travel Management Companies (TMCs)	24
5	Research	27
5.1	Objective	27
5.2	Methods	27
5.3	Implementation	29
6	Results	30
6.1	Data	30
6.1.1	The Business Traveller survey	30
6.1.2	The Travel Management Company survey	46
6.2	Analysis	54
6.3	Business travellers	54
6.4	Business Travel Agents	55
6.5	Reliability and validity	56
6.6	Conclusions	58
6.7	Suggestions	58
6.7.1	The booking tool	59
6.7.2	Presenting the ancillary services	60
6.7.3	Training the TMCs	60

6.7.4 Further research.....	61
6.8 Evaluation of the thesis process.....	61
References	62
Appendices.....	71
Appendix 1. TMC Survey questions in Finnish.....	71
Appendix 2. TMC Survey questions in English.....	77
Appendix 3. BT Survey questions in Finnish	83
Appendix 4. BT Survey questions in English	90

1 Introduction

The thesis was written as part of the author's studies in Haaga-Helia University of Applied Sciences (UAS), as a commission to Amadeus Finland, from October 2014 until October 2015. The objective was to study Amadeus' product development needs, as a system provider, in regards of optimizing their merchandising of the airline ancillary services through TMCs within the Finnish market. The research also aims to clarify the expectations from the business travellers side regarding how the ancillary services are being offered to them by the TMCs, as well as what the expectations from the TMCs towards Amadeus are, in order to support them in selling and merchandising the ancillary services.

In order to understand the key concepts of the research, Chapter 2 discusses the airline ancillary services as a phenomenon including the distribution structure surrounding them. It focuses on its selling channels and merchandising, and the future development of the airline ancillary services.

Chapter 3 introduces Amadeus IT Group as the parent company of the commissioner of the research. Its history and field of business as an IT Solutions Provider, and especially as a Global Distribution System (GDS) are being discussed. We will also take a closer look into Amadeus Finland itself, its operation, products and competitors.

Chapter 4 introduces the target groups of the research, the Travel Management Companies (TMCs) and Business Travellers (BTs).

Chapter 5 covers the research process and its methods. It also introduces and discusses the two surveys created, one for the TMCs and for the BTs each. The experiences of selling and purchasing the ancillary services create the main framework for the research on which basis also the survey questions have been built. In the end of this chapter, the validity and reliability of the research are reviewed.

Chapter 6 presents and summarizes the gathered data and results of the surveys through the key findings. It presents the conclusions of the research and offers improvement suggestions for Amadeus Finland and the TMCs studied, as well as suggestions for further research on the topic. At the end of the thesis, there is a list of references and the appendices related to the thesis.

2 Airline ancillary services

This chapter will discuss the factors that lead to the emergence and evolution of airline ancillary services as a source of revenue in addition to the airline fares, challenging the pricing model of the traditional full-service airlines. It will also define airline ancillary services and take a look at what various airline ancillary services are, what their sales channels and merchandising methods are, as well as what their future is.

In the past, the flight product was a standard for everyone, largely due to the immense regulation by the Civil Aeronautics Board (CAB). The regulations impacted the investment and operating decisions of the airlines, limiting the routes and controlling prices. The airlines were restricted to only compete with the service and frequency of their operations. (Library of Economics and Liberty, 2008) The airlines were providing uniform products, such as economy, business and first class flight tickets, which included features such as standard amount of luggage, meals and the check-in services. (Ikkunapaikka, 2015, 17) Nowadays this is considered as the full-service concept operated by the legacy carriers.

The aviation market deregulation in the US in 1978, led to a very different kind of aviation market where the competition is based on price. This has also enabled the rise of the low-cost carriers. (Library of Economics and Liberty, 2008) By the late 2000s, flying had become more affordable to consumers than ever. It was the business model of the no-frills low-cost carriers (LCCs) that initially created the airline ancillaries. Due to their young age and vigorous efforts to minimize costs, it was easier for the LCCs to launch new business strategies varying from the full-service airlines. (Goyal, 2014, 1)

The market structure of the low-cost carriers has allowed them to keep their margins higher compared to the network carriers, in some cases even creating more revenue from ancillary services than from ticket sales alone. (IATA, 2011, 47) The LCC business model differed greatly from the full-service concept, cutting all costs possible and separating the flight fare and all additional flight related products and services, such as baggage, meals and check-in services. These were unbundled from the ticket and sold according to "A La Carte" pricing, where passengers pay an additional fee for the desired additional or ancillary services. (Shaw, 2011, 253)

Many traditional carriers have since then followed the example of LCCs in order to increase the passenger revenue and profitability. (Ikkunapaikka, 2015, 17) They have created highly complex pricing models in order to cater for the price and quality sensitive travellers. Fare and service combination packages, or fare families were designed to

serve this purpose. The LCCs operate on much simpler price structures to answer to the market demand for low prices and increased demand for price transparency online. (Library of Economics and Liberty, 2008)

The service models among various airlines have since become vague. In order to distinguish themselves, each airline has their individual characteristics on the cabin classes and configurations offered, some offering pure economy flights, and others introducing premium economy between the economy and business class. (Seat Guru, 2015) The vigorous competition in the industry has led the airlines to develop ideas and cultivate their ancillary products in order to serve the best interest of the consumers. (German Aerospace Center, 2008, 7)

They have become effective retailers, implementing merchandising strategies in order to compensate for the lost revenues. They have developed their offerings, relying on both ancillary revenues and fare families in order to stay profitable. (Amadeus, 2014)

2.1 Definition of the airline ancillary services

The Merriam-Webster dictionary defines ancillary as "providing something additional to a main part or function" and gives an example as follows: "The company hopes to boost its sales by releasing ancillary products". (Merriam-Webster Dictionary, 2015)

IdeaWorksCompany, a consulting organization specialized in ancillary revenue improvement, specifies the definition as "revenue beyond the sale of tickets that is generated by direct sales to passengers, or indirectly as a part of the travel experience."

(IdeaWorksCompany, 2014) They further opened the airline ancillary concept in their "Ancillary Revenue 2014" report as being "revenue consisting of various a la carte charges, commissions on travel-oriented services, and the sale of frequent flier points, which now provide the power to allow airlines to be profitable". (IdeaWorksCompany, 2014, 1)

In Figure 1, Williams and O'Connell have well illustrated the airline core product, being the transportation of the passenger, where the top priorities are the safety and security, punctuality and reliability. (Williams & O'Connell, 2011, 166)

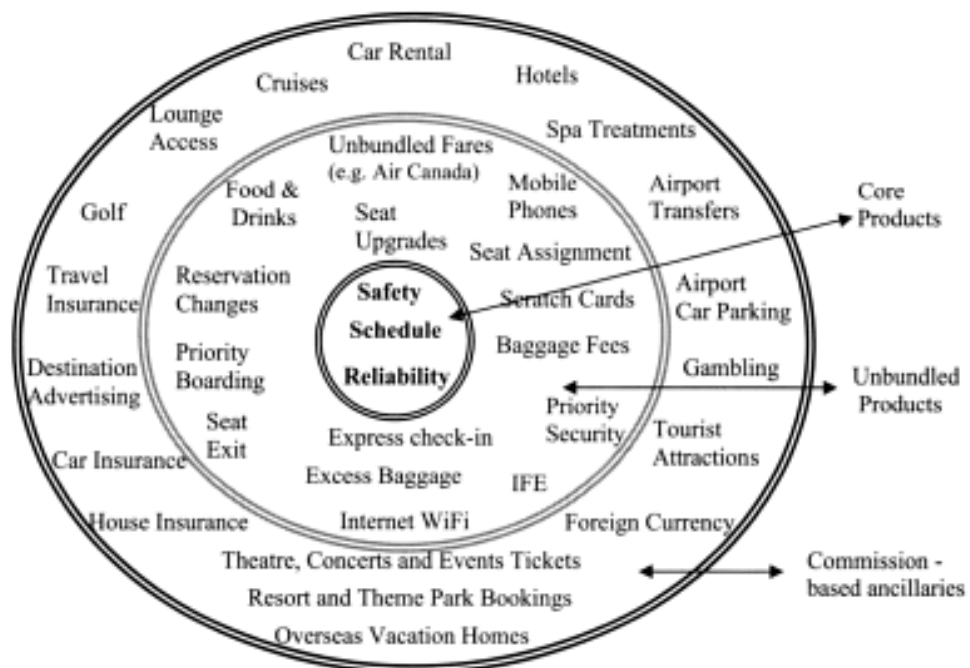


Figure 1. Map of core airline products (non-revenue) and revenue producing products (Williams & O'Connel, 2011, 166)

The core product provided by airlines is shown in the middle of Figure 1, presenting the air transportation. It consists of safety, schedule and reliability, but could also be described as safety, security and punctuality.

Ancillary services are divided into two categories, the services unbundled from the flight fare, or the so called à la carte products provided by the airlines (shown in Figure 1 in the middle circle) and commission-based ancillaries provided by third parties, such as insurance and car rental companies, accommodation providers and tour operators (shown in Figure 1 in the outer circle).

This study focuses on the unbundled ancillary services provided directly by the airlines.

Similarly to Williams and O'Connel, IdeaWorksCompany (IdeaWorksCompany, 2014) describes the à la carte features as items the consumers can purchase in addition to their air travel experience, naming typical ancillaries as:

- On-board sales of food and beverages
- Checking of baggage and excess baggage
- Assigned seats or better seats such as exit rows
- Priority check-in and screening
- Early boarding benefits

- On-board entertainment systems
- Wireless Internet access (Wi-Fi)

Amadeus names also transportation of pets and other travel related services, lounge access, passenger assistance, inflight entertainment and carbon offset, duty free products and mileage accrual as common airline ancillary services. (Amadeus, 2014) Some airlines allow their passengers also to make changes in their reservation, or even in the passenger name against a fee. The number of the ancillary products is growing continuously. (Williams & O'Connell, 2011, 152)

Depending on the airline business model, some or even all of the services may be available against a fee. Some of the airlines offer fare packages, or the so called fare families, where they have bundled the core product (the flight ticket) together with standard products, such as baggage, meals and mileage accrual. (Amadeus, 2014) Dynamic packaging of the airline ancillaries could be one answer to sustain the airlines' profitability and a new method to produce airline revenue. (Williams & O'Connell, 2011, 162)

The airlines aim to distinguish themselves through market niches, creating innovative hybrid business models in order to cater for their target markets. (German Aerospace Center, 2008, 13) According to Mr Jarkko Konttinen, the vice president of Product Development and Ancillary Business of Finnair, "The identity of the airline and the core product attributes to its features, forming the company brand." (Jarkko Konttinen, 2015)

During the year 2014 the sales of airline ancillary revenue was according to IdeaWorksCompany \$38.1 billion, which made almost a 21 per cent increase compared to the previous year. The study was conducted on 130 airlines globally, of which 63 had ancillary services as a part of their business operation. (IdeaWorksCompany, 2015)

Ancillaries have quickly become a core competence within the airline marketing. Their profit margins are up to 40 per cent higher, compared to the bundled airfare, largely due to the low costs of online sales. It is unlikely that ancillaries, such as baggage, would be re-bundled to the airfare, as this would make the airline disadvantaged on the price based Internet searches. According to Williams & O'Connell, the customers are more willing to pay for rather than an increased base fare. (Williams & O'Connell, 2011, 148, 151, 160)

In the 2014 CAPA World Aviation Summit, one of the speakers Mr Philippe Cornet the Global Head of Travel Insurance stated that "maximising ancillary revenues is a key element for airlines and ancillaries are currently the fastest growing revenue category."

(Cornet, 2014) According to Amadeus, the ancillary services have grown substantially and will continue their growth in the future. They have great potential in profitability and enhancing a personalised travelling experience for each traveller.

Amadeus estimates that by the year 2020 the merchandising revenue for airlines could reach \$130 billion. The strongest revenue channel is forecasted being the airlines' website and other direct channels. (Amadeus, 2014)

2.2 Selling and merchandising ancillary services

Today airlines operate in fiercely competitive online markets, which have made the fares increasingly transparent due to the online adoption. Passengers are increasingly changing to lower, although more restricted fare classes. In order to generate additional revenue streams, the industry needs to be innovative with new ideologies and products. (Williams & O'Connell, 2011, 146) The carriers are increasingly developing innovative ancillary products throughout the customer journey. The technology has advanced greatly, which has provided tools and methods to offer the ancillaries to the customers in very personalized ways. (Future Travel Experience, 2013)

Distributing tourism products and services, such as the airline ancillaries, can take place through the service providers (direct) and through intermediaries and agents (indirect). (Sheldon&Fesenmaier, 2014 41)

The modern information and communications technology (ICT) has enabled the airlines to sell ancillaries directly to consumers, either directly via their own offline (ticket offices) or online channels (telephone and Internet sales systems), or via online or offline travel agencies. This has created a new, competitive setting between the airlines and the travel agencies. (Bigné, 2011, 141-143) The travel agencies were encouraged to think more like a retailer by the major Global Distribution Systems (GDSs).

According to Sheldon & al., indirect distribution works "through third party intermediaries, being traditional travel retailers, business travel agencies, better known as Travel Management Companies (TMCs), Online Travel Agents (OTAs), tour operators and wholesalers". (Sheldon&al., 2014 41) This report will focus on the TMCs as ancillary services distributors, and will further open the concept in Section 4.1. Travel Management Companies (TMCs). Both travel agencies and TMCs operate through Global Distribution Systems (GDSs) when booking airfares and ancillary services. The concept of the GDSs and the booking of ancillaries through them will be discussed later in the Section 3.1. Global Distribution Systems (GDS).

The ancillaries and their prices vary between the airlines and online travel agencies' websites, which causes confusion when comparing the ancillary prices. The carriers do list the ancillary fees on their website, however each airline has its own way of displaying information and booking the ancillaries. Rice suggests, that the most convenient channel to book the ancillaries would be through a travel agency as they have familiarized themselves with the process. Nevertheless, the travel agents still describe process as inefficient due numerous booking channels creating additional work for the agents, such as separate invoicing. For the consumer this can be even more bothersome. (Rice, 2012)

Booking the ancillary services challenges many travel agencies. Supporting Rice, Rautanen discovered in her 2012 research "Airline ancillary services in travel management process" that Travel Management Companies (TMCs) prefer using bundled fares with inclusive services. Her research concluded that the sales of ancillary services separated from the airfare made the travel management process both costly and complex.

When airlines unbundled their services, this led to a situation where each ancillary was charged separately on an individual receipt. Due to the fact that not all airlines pay commission for selling the ancillaries to the TMCs, they needed to start charging their customers service fees for the additional work spent on selling them. This is the case especially if the ancillaries were not booked in the same transaction with the flight ticket. (Rautanen, 2012 67-68)

Around the same time, in 2012, Amadeus had launched an automatized ancillary solution covering the entire sales process, the Amadeus Ancillary Services. It provides the travel professionals to access the ancillaries through the selling platform in their GDSs. According to Tarja Lahti, the Senior Product Manager in Amadeus, the service was aimed to help the travel agencies in the sales of ancillary services, as well as provide their customers better service in a more versatile manner. It gathers the ancillaries and their prices in one service catalogue where they are automatically priced daily by the airline. (Amadeus Finland, 2012 9)

Corporate buyers have been calling for more transparency in the ancillary fees in order to better compare the total price of the airfare and to control their travel expenses. It is often difficult for the consumers to find the appropriate information about what is included in the airfare and what the total price is, including the ancillaries.

In September 2014 the Global Business Travel Association (GBTA) stated in their survey conducted on business travel agents that only 21 per cent of the business travel agents

had clarified the ancillary fees. The survey also found out that during the year ancillary costs had accounted for more than 8 per cent of total corporate travel spend. (Carlson Wagonlit Travel, 2015 4)

It seems also that not all of the travellers are aware of all the means of buying the ancillary services. According to the 2014 NCR Traveller Experience Survey, one in four consumer who had not used their mobile device or airport kiosk to purchase the ancillary services were unaware of them as ancillary booking channels. 10 per cent of them also stated they would not buy ancillaries because they were either unavailable or the offer was not tailor-made. 66 per cent of the respondents indicated, however, that they would prefer to be able to purchase the ancillaries throughout the journey. (NCR, 2014)

2.2.1 Customer Experience Management (CEM)

Airlines around the world are more and more focusing on their customers. Customer Experience Management (CEM) has become an important part of their business strategy, where each passenger's individual needs are being served by tailoring services accordingly throughout the journey. The goal is to increase profitability through product differentiation and customization. (Travel Tech Consulting, Inc., 2014, 3) Ancillary services are a convenient tool in catering the consumers with unique services for individual needs and tastes.

Nowadays airline customers have access to a lot of information and are able to book and experience travel more freely than before. They are also enabled and eager to provide feedback, commonly online on various social media. Consumers, especially the younger generations are more open in providing information about their travel experiences and expectations, provided that it will have an impact on the way the services are being provided. This means that there is also more data available for the service providers to take advantage of. (Jagannathan, 2014 1)

Frequent flyer programmes are a source for the travel service providers to gather behavioural, historical and personalised information about their passengers. For some airlines, however, only 15-20 per cent of their passengers are active frequent flyer members. This makes creating an airline wide CEM solution extremely challenging. Also the country or area related rules and regulations, such as European Commission Passenger Rights proposal restrict the use of the customer's personal information related to marketing messages. The use of personal data can be even more restricted, depending on country specific rules. (Travel Tech Consulting, Inc., 2014, 7)

According to Jagannathan, during the time the airline product has gone into turmoil, also the customers have accustomed to this, many being willing to pay additional fees, provided that they receive better value from the airline. They wish the airline to contact them according to their preferences via their preferred channels.

As a response, airlines have realized that in this manner they are able to impact their brand and enhance their customer's loyalty and therefore enforce their business. In order to do so, they need to be on top of their game and differentiate their services to their advantage when compared to their competitors. Due this, the customer interactions have become increasingly social, creative, personal and mobile. Some companies are even collaborating with their consumers to develop their products and services. (Jagannathan, 2014 1-2)

2.2.2 Social Media

The variety of ancillary products has within the last few years become vast, even to such extent that it has become increasingly challenging for both the travellers and the business travel agents alike to keep track of the market offerings. (Ikkunapaikka, 2015, 17) As the new airline business model emphasizes the customer as the ultimate source of revenue, it is crucial for the airlines to keep their customers up to date of the offered products. Social media can easily facilitate real-time customer interaction, which has become increasingly important to the travel distributors. (Aviation Business, 2010) Today's travellers are extremely tuned in to using social media. Amadeus estimates that by 2030 the usage of social media will grow up to 80-90% globally. (Future Foundation, 2015, 14)

Airlines dependency on their audience to share their experiences online is growing constantly. (Airline Trends, 2013) Effective airline marketing consists of a hybrid model of Internet and social media marketing. (Airline Trends, 2013, 2) Besides that, the consumers are willing to engage with the service providers in spreading the good word. There lies a potential for the travel product producers to benefit from this source of positive publicity and consumer engagement by being transparent, responsive, and helpful towards their customers online. (Airline Trends, 2013) In Autumn 2012, Amadeus launched a pilot social media tool called Social Media Suite. The tool enabled the travel agencies to build a holistic social media coverage and thus better serve their customers on their preferred channel. The travel agencies were able to utilize the easy-to-use tool, which made it possible for them to build various online channels and accounts and deploy mobile applications and distribution. (Amadeus Finland, 2012 5)

The players in social media marketing are websites that support the content generated by the users of the site, e.g. reviews, blogs and forums. Sites such as Tripadvisor.com, Travelpod.com and Wikitravel.org work on the idea of word of mouth (WOM) where consumers communicate with each other about a particular product, service or service provider. According to Sheldon & al., the fore mentioned phenomena is called electronic word of mouth (eWOM). Online travel portals, such as Virtualtourist.com, combine booking tools, social media and related articles, etc. to provide the traveller tools to plan their travels. (Sheldon&al., 2014 98, 125)

Online social networks and relations are possibly some of the most powerful factors in the decision making for consumers buying travel products. For example, TripAdvisor provides a tool called Trip Friends, which serves information from the user's social network. Intelligent recommendation engines will also take place to provide suggestions to the user, based on the preferences of the users' social network, utilizing their and previous users' recommendations in order to provide tailor-made suggestions that are likely to interest potential customers. (Tnooz, 2013)

Social media can and are used to gather information about customer behaviour in, or as mentioned previously, Big Data. When properly analysed, the data is a useful tool for the service providers to provide actionable, relevant content back to the customer. (Travel Tech Consulting, Inc., 2014, 15) There has been a discussion about the balance between protecting your personal information (privacy) and delivering relevant content (personalization). Nowadays, the limit between the two has become vague and therefore actual. (Rose, 2011)

2.2.3 Trends

Ancillary services have grown substantially and will continue their growth in the future. They have great potential in profitability and enhancing a personalised travelling experience for each traveller. (Amadeus, 2014) Within the last decade also airline marketing has developed tremendously. The travellers are not only looking for flight transportation, but are also expecting to buy travel experiences as well. The ancillary business has evolved to merchandising with a multiplied product field as the result of unbundling of the flight product. (Airline Trends, 2013, 2)

Airline marketers have extremely powerful new tools to run their campaigns, such as crowd-sourcing and location-based campaigns, etc. Due to the constant stream of advertising, modern consumers routinely ignore the commercials and ads. The airlines are in-

venting new ways to break through by various experimental approaches, such as brand spaces, on-board events, flashmobs, surprise gifts etc. (Airline Trends, 2013, 2)

According to Fusion, a digital platform provider, airline customers value personalization at the time of the purchase. The distributor should put emphasis on creating unique purchase experiences, presenting the right offers to the right customer at the right moment. Customers are more likely to buy when they feel that they have experienced a unique and relevant experience. This leads to increased revenues and thus stronger brand relationships. (Dufour, 2015)

As an example, in a four-day TED2013 conference Delta Airlines organized a “Power Up” lounge, a space designed to revitalize and energize the attendees. They were able to use a “Photon Shower”, a personalized, rejuvenating light treatment chamber for a short period of time, receive Delta’s amenity kits, utilize their charging stations and a juice bar. For relaxation they offered a “Power Down” lounge, another “brand space” featuring flatbed seats with Westin Heavenly In-Flight bedding, nap pods, and calming music. Additionally, they had a ‘Sleep Bar’ at the Westin Long Beach promoting their new inflight amenities in partnership with Westin Hotels. (Airline Trends, 2013, 4-5)

IdeaWorksCompany describes the innovation of new ancillary products by stating that “smart airlines will treat the marketplace as an open laboratory, to test consumer reactions, perfect service delivery, and identify optimal price points. Some of these services may thrive and eventually be copied, while some might quietly be discontinued as commercially unattractive.” (IdeaWorksCompany, 2012)

This type of marketing would be beneficial also in merchandising the airline ancillaries, in an event gathering the target group, the business travellers and the business travel agents. To reach them, the airlines could either utilize their loyalty programmes, or organize an event in cooperation with a TMC and their personnel, inviting the TMCs customers, allowing them to try out the products, experience their benefits and learn what is included in each ancillary.

These kinds of events also allow the organizer to better connect with their customers, creating more opportunities for interaction and creating a sense of partnership. By utilizing big data the service provider will be able to optimize their services through responding to the customer feedback and therefore enhancing the customer experience. (Brown, 2015)

3 Amadeus IT Group

Amadeus was founded in 1987 by four airlines: Air France, Iberia, Lufthansa and SAS. The mission of the company was to connect travel providers with travel agencies in real time. (Amadeus IT Group, 2014 11) With that mission, Amadeus became a global travel industry technology solutions provider. Amadeus' customers include "travel providers (e.g. airlines, hotels, rail and ferry operators, etc.), travel sellers (travel agencies and websites), and travel buyers (corporations and travel management companies)". (Amadeus IT Group, 2015 3)

In 2014, Amadeus employed over 13,200 people worldwide. (Amadeus IT Group, 2014 19) Its corporate headquarters are located in Madrid. Other major locations are the product, research and development centre in Sophia Antipolis, Nice, France and operations and data processing centre in Erding, Germany. In addition to these, there are 71 local Amadeus Commercial Organisations (ACOs) around the world. The principal roles of the ACOs are providing customer support and to execute commercial activities in the travel agency market. (Amadeus IT Group, 2014 13)

Since January 1st 2011, Mr Luis Maroto has served as the President and the Chief Executive of Operations (CEO) of Amadeus IT Group. (Amadeus IT Group, 2015)

In 2014 the company's revenues were reported as €3,417.7 million and EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) of €1,306.0 million. The company is listed on the Spanish Stock Exchange. (Amadeus IT Group, 2015 3)

By the year 2002 Amadeus had become the number one Computer Reservation System (CRS) in the world with 395 million bookings. (Amadeus IT Group, 2013 10) Amadeus has focused strongly in innovation. In December 2014, it was recognised by the EU Industrial Research and Development (R&D) Investment Scoreboard as the leading European investor in R&D for the travel and tourism sector. Amadeus has invested close to €3 billion in R&D between the years 2004 and 2013. (Amadeus IT Group, 2015 3)

Amadeus' business is divided into two complementary businesses, which operate hand in hand, the global distribution business, catering for travel providers and travel agencies, and the IT Solutions for a variety of travel providers, primarily the airline industry and increasingly to other travel providers, e.g. airports, hotels and railway companies.

There are also several distribution related services included in the IT solutions for both providers and travel agencies, such as new functionalities in the airline distribution plat-

form to sell ancillary services in order to maximise the airline's income. (Amadeus IT Group, 2014)

3.1 Global Distribution Systems (GDS)

Global Distribution Systems (GDS) are computer networks for connecting travel providers, e.g. airlines, with travel distributors, such as travel agencies and Travel Management Companies (TMCs) globally. (Bigné, 2011, 144, Amadeus IT Group, 2014) Their role as an electronic intermediary is crucial for the travel distribution system. The GDSs enable the suppliers to reach numerous global markets and provider inventories in order to make bookings for their customers. (Beckendorf;Sheldon;& Fesenmaier 2014, 54)

Bigné defines GDSs as “a worldwide-computerized network with multi-access to a single source database for booking airline tickets, hotel rooms, rental cars and other related services by travel agents, transporters and hotels”. (Bigné, 2011, 144)

In Figure 2 below, Travelport has pictured the travel distribution originating from the provider and being distributed through the GDS to the intermediaries (TAs, TMCs or OTAs) to the end-user.



Figure 2. Travel distribution model through GDS by Travelport (Travelport, 2015)

The GDSs provide the access to schedules, fares, availability and bookings for travel intermediaries. The core functions of the GDSs also include the passenger information and special requests, related to e.g. special meals or assistance due limited mobility, the fare conditions e.g. payment deadlines and change and cancellation policies, and e-ticketing

and itinerary management. The GDSs also allow the sales of interline tickets, meaning booking several individual carrier flights on the same ticket. (Beckendorf;Sheldon;& Fesenmaier 2014, 59)

The GDSs provide an integrated interface, which allows the user to view a wide variety of products, itineraries and prices. Their strengths are the broad geographical reach and the vast range of travel content available, creating a powerful network effect. The GDSs attract a large number of travel agencies and sales offices globally, all being able to cooperate and communicate in real-time through the system.

The core value of the GDSs is the ability to display a vast amount of travel data from multiple suppliers in a comprehensive manner, offering enhanced functionalities and enabling travel agents to efficiently provide their customers with an extensive variety of choices. (Amadeus IT Group, 2014)

The GDSs were originally developed for the airlines' direct use and later extended to serve travel agents as well. GDSs have developed from simply being a booking tool for travel businesses into gathering several suppliers and providing channels through which various services are being distributed. The GDSs are able to provide up-to-date information on availability of travel products, such as hotel rooms, flight schedules and seats. They can include data from numerous service providers. (Bigné, 2011, 144)

In mid-1990s, the development of the Internet provided the GDSs opportunities to cooperate with technology providers. The GDSs developed an e-Commerce version, enabling the airlines, web-based travel agencies and direct sales companies, such as Online Travel Agencies (OTAs) and the GDSs themselves to sell the GDS content directly to the end-user online. Via this development, individual entrepreneurs created meta-search engines that combined the GDS and OTA results.

It is noteworthy that most Internet-based travel services have their individual company branded user interface, but the website actually functions via a GDSs. (About travel 2014; Bigné 2011, 144; Sheldon & al 2014, 54-58)

3.1.1 Electronic Miscellaneous Document (EMD)

Electronic Miscellaneous Documents (EMDs) are used to issue electronic documents for individual flight related services, such as the ancillary services. The paper version, which

EMDs were developed from, are called Miscellaneous Charges Order document (MCO). They are still partly in use, but will eventually be fully replaced by the EMDs.

Like tickets, EMDs have an identification number. (Airlines Reporting Corporation, 2015) Amadeus lists the key benefits of the EMDs for the airlines as enabling the sales and servicing of ancillary services and therefore increasing their revenues through the indirect channels, reducing costs due simplified accounting through systematic tracking of revenue, and fraud reduction. (Amadeus, 2015)

The airline ancillary services are likely to be issued as associated EMDs (EMDA), which link them to an electronic ticket as a coupon. Multiple EMDAs can be issued for on e-ticket. The ancillary could also be issued on an individual, stand-alone EMD (EMDS). The EMD type depends on the carrier providing the service. (Airlines Reporting Corporation, 2015)

The travel agents and business travel agents benefit from the Electronic Tickets (ETs) and electronic Miscellaneous Documents (EMDs) as receipts and accounting documents for their customers. However, it is challenging for them to book the flights and ancillaries consistently as each airline has their individual business model, including complex booking and fare rules. According to IATA, the intermediaries would benefit from a modernized single customer order, such as their New Distribution Capability (NDC), which will be discussed in the upcoming section 3.2.3. According to IATA, the servicing, tracking and accounting of the travel product purchases should be supported further. (IATA 2014, 11)

3.2 Competitors

The major GDSs are Amadeus, Sabre and Travelport (former Galileo and Worldspan). (Bigné 2011, 144-145) In 2014 Amadeus led with the global market share of 39 per cent, mainly in Western Europe, Middle East and Asia Pacific. Sabre comes second with a market share of 30 per cent, and its focus in the US and Asia Pacific, having also a strong global presence. Travelport has a market share of 26 percent, operating globally, with a strong presence in the US and in Europe. (Beckendorf;Sheldon;& Fesenmaier 2014, 54) On July 1st 2014, Sabre finalized the acquisition of Abacus International, the leading global distribution system (GDS) in the Asia-Pacific region. (Sabre Airline Solutions, 2015) This increased its market share by 5 per cent and enhanced its impact on the Asia Pacific market. (Beckendorf;Sheldon;& Fesenmaier 2014, 54)

3.2.1 Sabre

Sabre describes itself as being “An innovative technology company that leads the travel industry by helping our customers succeed”. (Sabre Corporations, 2015) In 1953 American Airlines and IBM, a global technology provider originated the idea of a Semi-Automated Business Research Environment, Sabre. Sabre was created in 1960, being the first automated reservations system providing real-time business application replacing handwritten passenger reservations system. (Sabre Airline Solutions 2014) According to Bigné, American Airways, All Nippon Airways (ANA), Cathay Pacific Airways, China Airlines and Singapore Airlines have participated in the development of Sabre. (Bigné 2011, 144-145)

In the 1980's Sabre Airline Systems launched the first revenue management system in the travel industry and begun providing software, consulting and systems management solutions to airlines.

In 1998, Sabre formed a joint venture with ABACUS International, an Asia-Pacific based GDS developed by Singapore Airlines and Qathay Pacific. Together they established the SabreSonic passenger solution and gain market leadership in the Asian region. As mentioned earlier, Sabre finalized the acquisition of Abacus International on July 1st. (Sabre Airline Solutions 2014; Sabre Airline Solutions, 2015)

The President and CEO of Sabre is Mr Tom Klein. Its headquarters are located in Southlake, Texas US. For 2014, the total consolidated revenue was 2.631 billion USD, a 4.3% increase compared to the previous year. (Sabre Corporations, 2015; Sabre Corporations, 2015; Sabre Corporations, 2015) Sabre GDS holds a 51 per cent share of global TMCs, the Sabre GDS holding the largest share of corporate bookings worldwide. (Sabre Airline Solutions, 2010)

It is noteworthy that both Amadeus and Galileo were established in 1987, although Galileo's roots extend to 1976 to a company called Travicom. Worldspan dates back to 1990, but it was also a result of a merge of PARS (1964) and DATAS (1968). In this sense, Sabre can be considered a pioneer in the GDS industry. (Beckendorf; Sheldon; & Fesenmaier 2014, 54-58)

3.2.2 Travelport

Travelport was created through numerous mergers of travel companies and GDSs. In 2006 and 2007 Travelport purchased Galileo and Worldspan, two major GDSs. Especially

Worldspan had long roots, dating back all the way to the establishment of Sabre in 1960. (Beckendorf;Sheldon;& Fesenmaier 2014, 57)

Travelport describes itself as follows “We lead the world with innovations our competitors are yet to imagine. Ground-breaking technologies, pioneering products and industry-leading ideas that will help the travel economy grow.” (Travelport, 2015)

Their Travel Commerce Platform provides distribution, technology, payment and other solutions for the travel and tourism industry. It is marketed under the names Travelport Apollo, Travelport Galileo and Travelport Worldspan. They also hold 73 per cent of eNett virtual payment provider dedicated for the travel industry. (Travelport, 2015)

The President and Chief Executive Officer of Travelport is Mr Gordon Wilson. (Travelport, 2015) Travelport is headquartered in Langley, United Kingdom and is listed on the New York Stock Exchange under the symbol “TVPT”. Travelport has offices in over 170 countries worldwide and it employs approximately 3 400 employees. In 2014 their net revenue was 2 billion USD. (Travelport, 2015)

3.2.3 IATA NDC

The GDSs have struggled in developing their technologies at the same pace as airlines have adapted the Internet distribution on their own direct channels. In the mean time the airline product range has grown vast. (Shaw 2011, 253)

When selling through intermediaries, airlines still have limited capabilities on retailing and merchandising. The travel agencies and TMCs lack a full access to the content and choices available in the airline websites. The airlines use millions on developing these products and services, but the TMCs might not be able recognise the change in their system, or might even be unaware of new products due to the quantity of offerings. (IATA, 2015; Newcombe, 2014)

The GDS architecture makes it challenging for the airlines to differentiate or personalize their products and bring out their features, unlike on the airlines websites. This would also require the airlines to provide the GDSs with relevant and up-to-date material to display in their system, as it is a rather lengthy process to implement the developed ancillaries via the intermediaries. (Newcombe, 2014)

Also the customer expectations have changed. The customers look for more transparency when purchasing the ancillaries. They want to be able to compare the ancillary based on the value they provide and not only by their price. (IATA, 2015)

The International Air Transport Association (IATA) is providing their solution as a part of its Simplifying the Business initiative in 2012. This is called Resolution 787 New Distribution Capability (NDC). Its aim is to provide new standards and protocols for the reservation systems. (IATA 2015; Sheldon & al 2014, 58)

In its 2015 report "New Distribution Capability (NDC) Together Let's Build Airline Retailing", IATA specifies the vision and objectives of the NDC as follows.

NDC (New Distribution Capability) is a travel industry-supported program (NDC Program) launched by IATA for the development and market adoption of a new, XML-based data transmission standard (NDC Standard). The NDC Standard will enhance the capability of communications between airlines and travel agents. (IATA 2015, 5)

The business structure of the NDC is still unsure and there might be additional costs for the TMCs and the consumers. The airlines could potentially start charging TMCs for inquiries and bookings, however these costs might not be related to the NDC. Provided that the operations costs of the NDC are reasonable, it has a potential to provide the TMCs with innovative new ways to deliver air content to their customers. The NDC enables the TMCs to have access to information about available offers to share with their customers and therefore increase their own value. (Newcombe, 2014)

3.2.4 GDS New Entrants (GNE)

GDSs are facing increasing competition from new entrants, or GDS New Entrants (GNEs), that use newly developed technologies open system architectures that gather information from several GDS. Examples of GNEs are e.g. Farelogix and ITA Software. (Sheldon & al 2014, 57-58) This section will briefly review such potential competitors of GDSs.

Farelogix claims to offer a cost-efficient value by adding global travel distribution to merchandising technology provider. In November 2014, Farelogix was awarded at Airline Information Loyalty, Ancillary & Co-Brand Conference Mega Event in New Orleans, for Innovation of the Year in the Ancillary Revenue & Merchandising category. The victory was due to the success of Farelogix FLX Merchandise product. According to United Airlines, FLX helped them to increase their ancillary revenues by 3 billion US during the same year. (Farelogix, 2014)

Google acquired ITA Software in April 2011, after which Google Flights was launched. ITA technology is still used by travel companies. Its technology can be integrated with various Google functions. (ITA Software, 2015) ITA has provided websites support for multiple airlines and has the potential to lever Google to major player in the travel-retailing scene. (Shaw 2011, 253)

3.2.5 Non-traditional airline distributors

As mentioned before, traditional airline distribution channels consist of their own channels, third party channels via the GDSs, meta-search and travel agencies, both on and offline. In addition to these, new forms for merchandising have emerged. (Atmosphere Research Group 2012, 20)

Without abandoning the traditional distribution channels, airlines will take inspiration from other business models, such as existing search engines. They know countless things about their consumers, what they search, their location, the services they use or visit, etc.

According to the Atmosphere research group, there is a group of big five to follow regarding the future airline merchandising. In short CAFGA, standing for five companies, Concur, which owns the Triplt itinerary management tool, Apple, Facebook, Google, and Amazon. None of them are traditional airline distribution players. (Atmosphere Research Group 2012, 20)

With the information and analytics they (CAFGA) posses, they will be able to accurately predict consumer behaviour. This enables them to develop the best strategy for service development and merchandising. The companies also have the required financial resources and marketing power needed for potential entrants to the global marketplace. The CAFGA also possess the ability to provide personalised services and to enable meta-search and semantic search. (Tnooz, 2014)

The rise of search engines, especially Google, is a development that is taking place in the airline distribution. Search engines already have considerable, increasing power through access and possession of immense amounts of data. Their search results also weigh heavily on the consumers decision-making. Airlines and other service providers need to pay the search engines to get the best online visibility. (Shaw 2011, 253)

Unlike the existing travel services providers, Google, Facebook and Apple have a different aspect to the travel merchandising. Each of them has evident impact in the travel-

shopping journey. Google is likely to continue its to organise global travel related information with its commercial touch, Facebook's user data incredibly valuable to marketers, and Apple could develop it services from being a device manufacturer to a travel service provider. (Tnooz, 2013)

Google offers countless products and services including travel inspiration and planning tools, selling and managing trips; it basically covers all the aspects of airline distribution from e-Commerce to marketing. Google is a creative company offering numerous technology products. Due to the overall nature of the online services and its search engines, Google has the power to facilitate or interfere into the relations between the airlines and its customers. This enables it to make its facilitating services extremely expensive. (Atmosphere Research Group 2012, 22)

Google also has potential in offering the passenger reservation capabilities in their Cloud service, potentially signaling a major change in the airline distribution. The Cloud based reservation system has the potential of providing more power to the airlines, as Google places airlines on top of their ecosystem, enabling them to have stronger say on their distribution terms, which poses a potential threat to the current distribution systems. (Travel Tech Consulting, Inc., 2010)

Currently, GDS are strong travel distributors. Yet, the emergence of the non-traditional airline distributors, combined with the cooperation with airlines will likely pose strong competition for the GDS in the future. (Travel Tech Consulting, Inc., 2010)

3.2.6 Airline websites

The airline websites altogether are a major competitor when considering the distribution of the airline ancillary services as they contain all the relevant data and are available to all travellers. According to Atmosphere Research Group, the airline websites will produce 59% of booking volume by 2017, up from 35% in 2012. (Atmosphere Research Group 2012, 19) As an example, mobile applications create direct opportunities for the airlines to distribute their content directly to the customers, without any additional fees. (Travel Technology, 2015)

For many decades, the GDSs have held a monopoly over the distribution of air travel. The airline websites are now increasing their pressure on the major GDSs, such as Amadeus, Sabre and Travelport. (Williams & O'Connell 2011, 147)

3.3 Amadeus Finland Oy

The local company of Amadeus IT Group in Finland is Amadeus Finland Oy. It is a subsidiary company to a Finnish airline Finnair Oyj. (Taloussanomat, 2015; Kauppalehti, 2015; Largest Companies, 2015) Kaitosalmi defined the ownership of Amadeus Finland Oy as being shared between Finnair (95 %) and Amadeus IT Group (5 %) (Kaitosalmi, 2013; Finnair, 2014). The CEO of the company is Ms Paula Maarit Punkari. (Kauppalehti, 2015)

According to the description by a Nordic market information website Largest Companies, Amadeus is an international technology partner in travel industry, providing solutions to travel industry stakeholders, such as travel agencies, travel service providers, corporates and individual travellers. It operates to connect various stakeholders in the travel industry and their functions in order to create service chains, enabling easy availability of travel services and flexible execution of the travel arrangements. (Largest Companies, 2015)

Amadeus Finland originates from the year 1988. It was the Amadeus IT Group's first National Marketing Company (today called local Amadeus Commercial Organisation (ACO)). It was the first country operation created to serve the travel distribution needs of Finnish travel agencies. (Amadeus, 2007)

Amadeus Finland's primary product is Amadeus Selling Platform. According to Amadeus,

"The Amadeus Selling Platform is the world's most widely used retailing application. This browser-based point-of-sale platform makes it faster and easier than ever to sell all air and non-air travel content and perform all pre and post-sale activities – all on a single screen interface. With greater content access and superior sales efficiency, you'll have more to sell at your fingertips. You'll be able to maximise your sales in less time, every time." (Amadeus IT Group, 2011)

Other products for travel management companies include e.g. of Amadeus eTravel Management, Amadeus Ancillary services and Amadeus Electronic Miscellaneous Documents, to name a few. (Amadeus IT Group, 2015)

4 Target groups

The study targeted business travellers (BTs) and Travel Management Companies (TMCs). More specifically, the frame of the study specified the BT group as Finnish business travellers who use or have used a TMC when booking their work related air travel. For the TMCs, the targeted TMCs all operate in the Finnish market and use the Amadeus reservation system when making their bookings. The target respondent group within the TMCs were their employees who preferably work related to booking trips, e.g. a business travel agent (TA) or a travel manager (TM). Previous knowledge or experience of the airline ancillary services was not a prerequisite for the participants.

The next subchapter discusses the concept of business traveller and as well as business travel as a phenomena. It aims to define who business travellers are and describe their preferences, habits and expectations regarding business travel and their TMCs.

The subchapter following to this is regarding TMCs, opening the definition and functions. The TMCs that took part in the survey are also introduced.

These will be further studied in Chapter 5, focusing on the research conducted for both business travellers and the TMCs named in the report.

4.1 Business Travellers

Business travellers are individuals travelling for work. Therefore they have very different needs, and different kind of services and products are targeted to them, compared to the leisure travellers. Travel Management Companies (TMCs) provide services for the corporate travel market, which is being discussed further in the next section. (GTMC, 2015)

Davidson (2003, 3) defines the concept of business travel as any travel that has a purpose related to the traveller's employment or business interests. This kind of travel may take place to execute the work or to educate the employee to execute his/her work more effectively, or might even be an incentive for the employee for a successful work. (Davidson & Cope 2003, 3)

Global business travel consists of both national and international travel, including accommodation, additional transportation and other travel related amenities needed by the traveller. It is a constantly growing multi-billion business and in 2015 the industry spending increased by 8.6 per cent. (Statista, 2014)

There are several types of jobs that can merely be done effectively when on location away from home or the main office for the business and require traveling for business on regular basis e.g. politicians, journalists, transportation mechanics, etc. The purpose of the individual business travel can be to conduct presentations, consulting, investigations and one-to-one meetings, all requiring a physical presence of an expert. (Davidson & Cope 2003, 3-4)

The increased online utilization has pushed businesses to be more global than ever. One of the consequences is that they and / or their employees need to be physically around the globe, frequently meeting with their customers, partners, suppliers and distributors. The development of internet, electronic devices and the means of transportation have made it easier for the companies to send their employees to meet these parties to attend a business meeting or a conference. (Statista, 2014)

The U.S. Travel Association stated in 2013 that during the year, 452 million business-related trips took place, conducted by the US residents alone, which counts to as many as 1.2 million trips a day. (Virgin Atlantic, 2014)

Statista, one of the largest statistics portals, publish various industry reports. According to their report "Leading countries in business travel spending from 2012 to 2014", the biggest players in business travel expenditure in 2014 were the United States (288 billion USD), China (262 billion USD), Japan (62 billion USD), Germany (58 billion USD) and the United Kingdom (44 billion USD). All of the top countries showed steady growth during the two consecutive years, with the exception of Japan. China stood out as a positive exception, with over 30 billion USD growth on both 2013 and 2014, and is expected to take over the US in the future. (Statista, 2014)

In their report "Business Travel Insights: Business Travel Gets Personal", Amadeus researched the requirements and experiences of UK and Irish business. The key findings were that travellers value efficiency together with personalisation and productivity. Related to efficiency, the report finds that many travellers (48%) are able to make their own corporate travel bookings through an online system, and most are capable of booking services, e.g. book hotel (79%), flight (77%) and train (60%) by themselves. Yet, half of the travellers surveyed use a TMC to make their bookings and to make changes in the booking, if necessary. The age and the position of the traveller impacted the willingness of receiving the support from the TMC. On average, nearly 60 % of the older travellers and

travellers in higher position (e.g. director level and above) named TMC as their preferred booking channel. (Amadeus 2014, 6-7)

Realistically, business travel hardly ever takes place during normal business hours and the traveller might spend several days in a destination with a different time zone. In 2014 Virgin Atlantic sent a survey to their business travellers in premium economy and upper cabin classes regarding their interests when travelling for business. According to the findings of the survey, the business travellers have developed their work-related travel to mix their work and free time. Travellers have individual preferences and needs defining whether they will spend their time at the airport or on-board working or relaxing. The survey showed that either way, there is a great potential for the service providers to offer the travellers tools to enable them to better cater for both needs. The business travellers want to spend their time well and are willing to pay for that, provided that it is also beneficial for them. (Virgin Atlantic, 2014)

4.2 Travel Management Companies (TMCs)

Travel Management Companies (TMCs) are intermediaries in the travel industry, providing services to meet that travel needs of businesses and organizations. They specialize in retailing for the corporate travel market. (Sheldon & al, 2014 43, 74-75)

The business travel agencies provide a range of products and services targeted to benefit the business travellers, whose needs vary greatly compared to the leisure travellers. Some of the business travel agencies started providing consultancy services in addition to distributing travel products and services, which has led to the emergence of Travel Management Company (TMC) concept.

To clarify, TMCs provide a range of services including e.g. transportation, accommodation, sourcing facilities for meetings and videoconferences, but also consulting and implementing travel policies for their corporate clients. They provide their customers with extensive amounts of management information from cost-efficiency to corporate social responsibility (CSR), and also gather and report information regarding their customers travel habits and expenditure the help them manage their travel better. (GTMC, 2015; Harrison, 2014)

Related to the consultation by travel management, TMCs provide their customers with tools to manage and report their expenses. TMCs also assist their customers with information related travel safety, security and wellbeing. They provide advice related to e.g.

visa regulations and the political situation in the destination. Their technology allows the companies to easily track and reach their employees in an unexpected emergency situation. (Carlson Wagonlit Travel, 2015 13-15)

The four major players in the travel management industry are American Express, Carlson Wagonlit (CWT), BCD Travel and HRG, who as a group represent approximately 50 per cent of the global corporate market volume. There are also thousands of regional TMCs throughout the world. (Rose, 2014)

The biggest TMCs operating in Finland are SMT, CWT, HRG, Via Egencia and BCD, in the order of the size of their market share. (Laine, 2014) There are also several Online Business Travel Agencies (OLTAs) operating in the field, providing similar services online. The TMCs participating in the TMC survey were selected together with the commissioner, but their identities were kept anonymous.

In recent years, TMCs have faced challenges in the form of online adoption. Nowadays consumers are increasingly capable of comparing and purchasing their travel products online, also the service providers, e.g. airlines have become talented in selling and merchandising their products and services directly via their own website.

TMCs are also pushing their clients to use their online booking tools to increase the amount of bookings and to allow their customers to be cost-effective and to better enable themselves in the travel process. Yet, the service fees that the TMCs receive from their online booking tools are noticeably lower than via their traditional sales channels. During the last decade, also the corporate versions of Online Travel Agencies (OTAs) the online TMCs have taken a share of the market due to low online fees. (Rose, 2014)

The introduction of airline ancillary services has also been challenging to the TMCs as they are not always paid a commission for selling the ancillaries. This led TMCs to seek additional sources of revenue in charging their customers service fees for selling them. (Rautanen, 2012 67-68)

It can be rather inconvenient and time-consuming for consumers to compare the total cost of an airline ticket, including the desired ancillary services, as they would need to visit each of the involved airline's websites to do so. In this sense it can be more cost-efficient to the customer, especially a corporate customer, to leave this to their travel manager. Due to the fact that some ancillaries are more common compared to others, the travel managers have a better grasp on the offerings between the airlines, and are advanced in

memorizing the prices and the booking procedures. They also benefit from the technology provided by the GDSs enabling to access advanced tools and information. (Rice, 2012)

According to Ms Eija Kurttila, the Global Travel Manager of TeliaSonera, in order for the companies to be cost-effective, the price and quality ratio needs to be balanced. It is important for the corporates to consider possible benefits gained from stronger steering of their travel management. When individual travellers book their own travel, it easily leads to chaos and stress. The core idea is to simplify the processes e.g. by centralizing the services, which leads to faster and more effortless booking and travel processes, decreasing both the costs of the company and the stress level of the employees as travellers. This results in increases in both expenditure savings and the wellbeing and satisfaction of the traveller. (Amadeus Finland, 2012)

5 Research

This chapter presents the objective, the problem, and the target group of the research. The research method is explained and examined and as a conclusion, the implementation of the research method will be reviewed by explaining how the results were collected. The results will be further presented in Chapter 6. Results.

5.1 Objective

The objective of the research was to map the opinions and expectations related to the airline ancillary services and their merchandising. There were two focus groups selected, 1) the TMC employees, in particular business travel agents and 2) business travellers who fly for work and who work for companies or organizations who are operating in Finland. As TMCs present the distributor and business travellers the end-users, they have a different view on the ancillaries. Thus two surveys were created, one for each target group.

The research question to be answered was whether Amadeus' services and IT solutions provided in their GDS were sufficient for the TMCs to merchandise the airline ancillary services to the end-users, i.e. business travellers.

The aim of the TMC survey was also to map any possible shortcomings in the system, in the services provided and in the current reservation process and to provide improvement suggestions for Amadeus as a reservation system provider.

The aim of the BT survey, on the other hand, was to figure out the needs of business travellers related to airline products, in particular the ancillaries and how to book them. The BT survey also focused on do the business travellers receive the expected service from the TMCs and whether this process could be improved. Ultimately, the aim was to figure out the improvements that could be made in the Amadeus GDS that would enable the TMCs to sell and merchandise the ancillaries better.

5.2 Methods

Online survey was chosen as a research method for the survey in order to ensure gathering and analysing the data in the most efficient manner. Two surveys were created for the research due to the individual research aims of each target group. One survey targeted the three TMCs and the other business travellers. They aimed to take approximately 5-10 minutes of the respondent's time and to be as user-friendly as possible. The surveys were

implemented both in Finnish and in English, allowing the participant to select the preferred language.

The surveys were created in Webropol and consisted of open-ended, closed, multiple choice and scale questions. The scale questions were designed according the Likert scale where the respondent could evaluate the statements according to how strongly he/she agrees with it. (Menetelmä opetuksen tietovaranto, 2007)

Webropol as the chosen survey tool enabled effective design of the survey and allowed easy distribution, control and analysis. It enabled gathering both quantitative and qualitative data for the research. The survey was easy to access and to answer for the respondents.

Even though an online survey was the most efficient tool for conducting the surveys, it did pose weaknesses. Survey as a research tool does not enable relevant follow-up questions to specify the participant's responses if needed. The qualitative data can also be rather time consuming to analyse.

The design and the outlook of the surveys were simplistic to allow the respondents focusing on the survey questions without distractions. The survey was designed as one page, allowing the participants to scroll it through and preventing them from clicking through several pages. Each of the questions was designed carefully to accurately approach the research problem without misunderstandings, placing the questions in a logical order.

The survey began with an introduction, presenting the research and its parties, the objective and the target group. In the introduction the participants were also informed that the survey is conducted anonymously and that the results will be published as a part of this thesis.

Any previous knowledge about airline ancillaries was not a prerequisite for the participants. The concept of the airline ancillary services was introduced and defined for the participants in the introduction of the survey in order to ensure a unified understanding of the ancillary services concept among the participants and to ensure a unified understanding of the concept throughout the survey. The anonymity of the respondents was ensured through Webropol, as it was not required for the participants to give any personal details in the survey.

The commissioner was active in giving feedback on the surveys, which helped in improving the survey and making updates in order to get the best choice of words and to ask the right questions for the purposes of the thesis. Additionally, another student member of the Amadeus thesis project who shared the same topic, Elina Salmi, participated in giving valuable feedback on both the applicable questions and with suggestions on the most accurate language for the surveys.

The final versions of the surveys can be found as attachments in the Appendices 1, 2, 3 and 4.

5.3 Implementation

The links to the surveys were sent via email, both in Finnish and in English. The TMC survey was sent to three (3) travel management companies, which were contacted either via telephone and / or email during December 2014, or face-to-face at the Nordic Travel Fair in Helsinki on January 2015.

Business travellers were mainly reached by contacting travel managers and management assistants of multiple companies, who passed the surveys onwards to the applicable employees filling the criteria of a business traveller flying due their work. These contacts were made via email during December 2015 and January 2014. The BT survey was distributed to a total of eighty-three (83) companies and organizations operating in Finland.

Due to the challenging timing of the survey, including Christmas and New Year's holidays and the fact that many of the businesses and TMCs follow their own internal schedules, the time frame when the surveys were conducted was rather flexible. The surveys were closed in January 31st 2015. The analysis of the results was finalized in fall 2015 by using the tools provided by Webropol. Due to the fact that both surveys had both Finnish and English links, the data were also combined and presented with the help of Microsoft Excel and PowerPoint.

6 Results

This chapter will gather the results of the two surveys and take a deeper look into their results. Some of the data that were considered relevant are presented as graphs in order to visualize and easier understand the results. The chapter will also examine and evaluate the trustworthiness and the ethical viewpoints of the study. Additionally, it discusses the conclusions based on the results and offers suggestions and ideas for the commissioner and for further research. Finally, the report ends with a short evaluation of the thesis process.

6.1 Data

This section presents the data gathered by the two surveys. The total number of responses for the business traveller survey was 223 responses and for the travel management companies 12. These include combined results both in Finnish and in English.

6.1.1 The Business Traveller survey

Due to the fact that the sampling in the BT survey was very vast, the results were examined based on the overall responses, as well as age, sex and professional position of the respondents. This was to study if there were any significant deviation within the responses of these groups.

The demographics of the survey show that one-third of the respondents were female and two-thirds were male.

Figure 3 illustrates this division between the age groups as well as presents the variation between the sexes. The age of the respondents was measured in ranges of 10 years with a group of 18- to 28-year-olds (3%), 29- to 38-year-olds (32%), 39- to 48-year-olds (30%), 49- to 58-year-olds (28%), 59- to 68-year-olds (7%) and finally a group of over 69-year-olds (0% with only one respondent). The majority of the respondents were between the ages of 29 and 58-years-old and the division between the three age groups was rather equal. It is likely that the age distribution of the respondents is due a natural distribution of personnel in working life.

2. Age

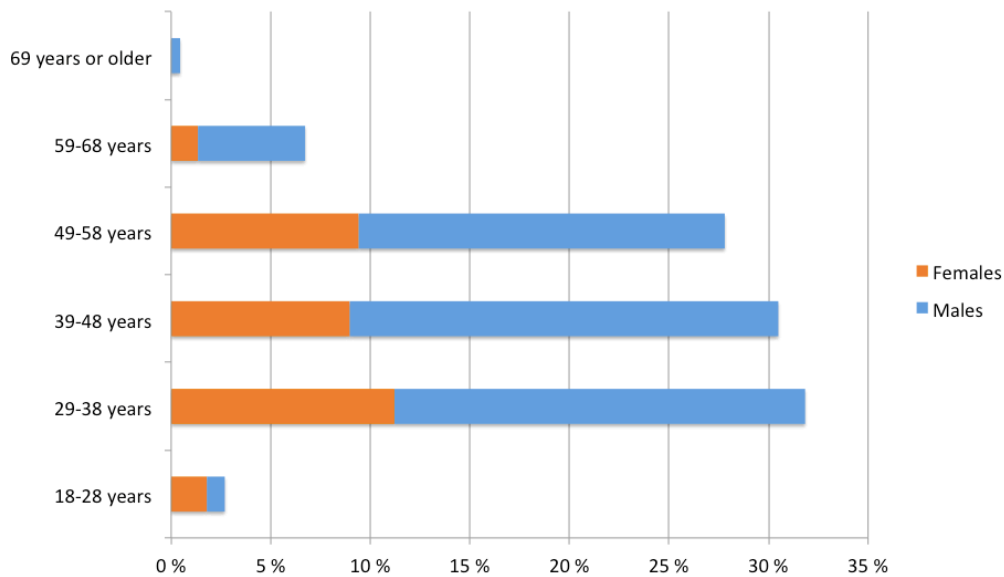


Figure 3. The age division among the business travellers

Business travellers were asked to indicate their employment position within their company. The division of employment positions among the business travellers has been presented in Figure 4. A vast majority (55%) of business travellers were positioned as senior staff. The second largest respondent group were the managerial staff (20%). The remaining 25% of the respondents were supervisors (9%), junior staff (5%), travel coordinators (1%), company owners (1%) and others (8%). The rest consisted from e.g. experts, lecturers, management assistants, reporters and athletes.

Both sexes were equally represented across all positions. However, 25% of all of the male respondents worked in a managerial position, but only 10% of all female respondents. Additionally, all owners (two) were male and all business travel agents (three) were all women.

3. Position

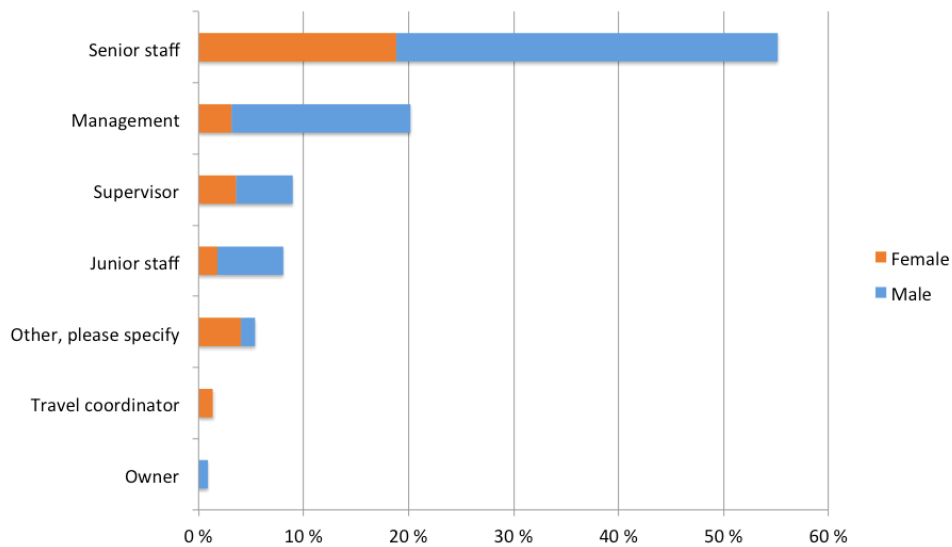


Figure 4. The division of employment positions among the business travellers

In order to map the travel habits of the business travellers, they were asked how frequently they fly for work and to which types of destinations. The results to these questions are shown in Figures 5 and 6.

All of the respondents (100%) stated they have or had flown for work. A majority (30%) of the business travellers stated that they fly for work 3 to 6 times a year. The second most common travel frequency was 7 to 12 times a year (27%), followed by 1 to 4 times a month (25%). The least common travel frequencies were the opposites; to fly for work weekly (3%) or to fly for work less than once a year (4%), meaning that the respondents do fly for work, but simply not annually. Some 12% estimated to fly for work once or twice a year.

There was some deviation between sexes; women flew slightly less frequently having higher percentages in the lesser often options compared to men. Most women stated they fly three to six (3-6) times a year (41% of all women) or one to two (1-2) times a year (21% of all women), where as the majority of men travel seven to twelve (7-12) times a year (33% of all men) or one to four (1-4) times a month (30% of all men). Also, up to 7% of all women flew less than once a year; where as only 2% of all men stated the same.

The travel frequency increased together with the respondent's age, meaning that the older the respondent was, the more often he/she would travel. The managers and owners were the most frequent traveller groups with majority travelling either seven to twelve (7-12) times a year or one to four (1-4) times a month. The only groups by position who flew weekly for business were management (11%) and supervisors (5%).

The junior staff flew surprisingly frequently. Only 11% stated they flew less than once a year, whereas the biggest group among the junior staff (39%) stated they were flying seven to twelve (7-12) times a year.

The group flying least frequently were the business travel agents, of whom one out of three (33%) stated he/she flew three to six (3-6) times a year, and two of three (66%) stated that they flew less than once a year.

4. Travel frequency

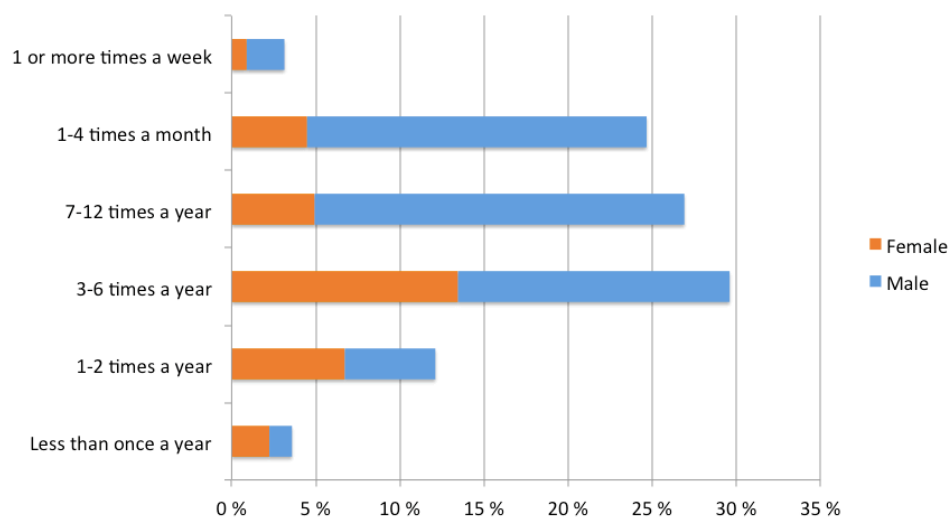


Figure 5. The travel frequency of the business travellers

The travel habits were also defined by what type of flights the business travellers had flown and how frequently. The types of flights were classified as domestic, Scandinavian, European, long haul and multiple-destination.

The most common travel destinations were Europe (89%), Scandinavia (65%) and domestic (43%) of all travel. Long haul flights had an equal share with multiple-destination travel, both scoring 35%. As shown in Figure 6, most of the flight types were flown less

than six times a year, although European, Scandinavian and domestic flights were flown frequently throughout the scale.

The study showed that it was more common for males to fly longer flights, e.g. 39% of all males and 26% of all females flew long haul flights and 41% of all males and 22% of all females flew multiple destinations flights. As mentioned previously, women also tend to travel less frequently. It is possible that this is due to women having children who they need to take care of, however the study does not identify whether or not the respondents had children or not.

5. Travel habits

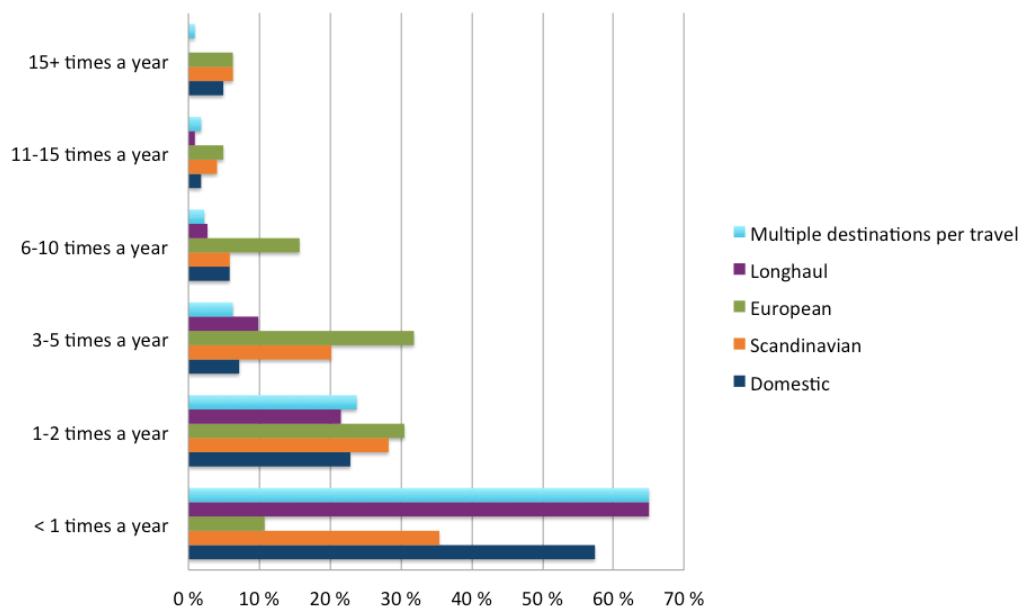


Figure 6. The travel habits of the business travellers

In order to figure how to improve the merchandising of the airline ancillary services through the TMCs, it was important for the study to find out what where the preferred means for the business travellers to book their flights. The study will focus on the preferred channels, times and methods of purchasing the ancillaries themselves in a later stage.

The respondents were asked to evaluate their preferences based on which channels they used on a scale from always to never, including milder options often or seldom. Figure 7 demonstrates that the business travellers' prefer to book their flights mainly either via their

company's travel agent or via their TMCs online booking tool (OBT). Both of the options had an equal share of respondents stated they always book via these options (29% each), however 39% stated they would never book via a TMCs online booking tool, whereas only 27% stated the same regarding booking via a company's travel agent.

Using a travel agency or a travel management company was clearly popular, as the next favoured options were to either call or email the company's TMC. Both had 4% of respondents stating they would always choose these options, and 10% would often call and 11% would email their TMCs in order to book their flights.

These were followed by booking online, either via the operating airlines website (0% always, 9% often) and via other online booking tools (1% always, 4% often).

According to the results women are more independent when making their bookings; while one third of men respondents (31%) would always book via their flights via their travel agent and another third (30%) would do so often. As much as half (49%) of the women state that they would never do so. In comparison, 36% of the women states they always book via their TMCs online booking tool, whereas only a quarter of the men (25%) state the same.

The least popular options were booking through mobile applications. 95% stated they never booked via their TMCs mobile application. Only 4% did so seldom and 1% stated they often book via this channel. The airlines' mobile applications were almost equally unpopular. 92% of the respondents never book through them and 7% does so seldom. None of the respondents booked consistently via their TMC's mobile app and only one per cent (male) stated they used it for making bookings. From all the females, only one person stated she would seldom book via their TMC's mobile app. The rest of the women stated they would never do so.

Only 2% stated they would always book elsewhere. Majority of these other channels were either via assistants or secretaries. One responding in this manner was apparently a business travel agent him-/herself booking via his/her company's booking system. One respondent stated he/she would always search through the comparison sites online and call his/her company's travel agency afterwards.

Out of all the responses 57% stated they would never book elsewhere other than the options, however it was not mandatory to select all options and no one stated to book elsewhere seldom or often, it is likely that this figure is bigger.

6. How do you book your flight tickets?

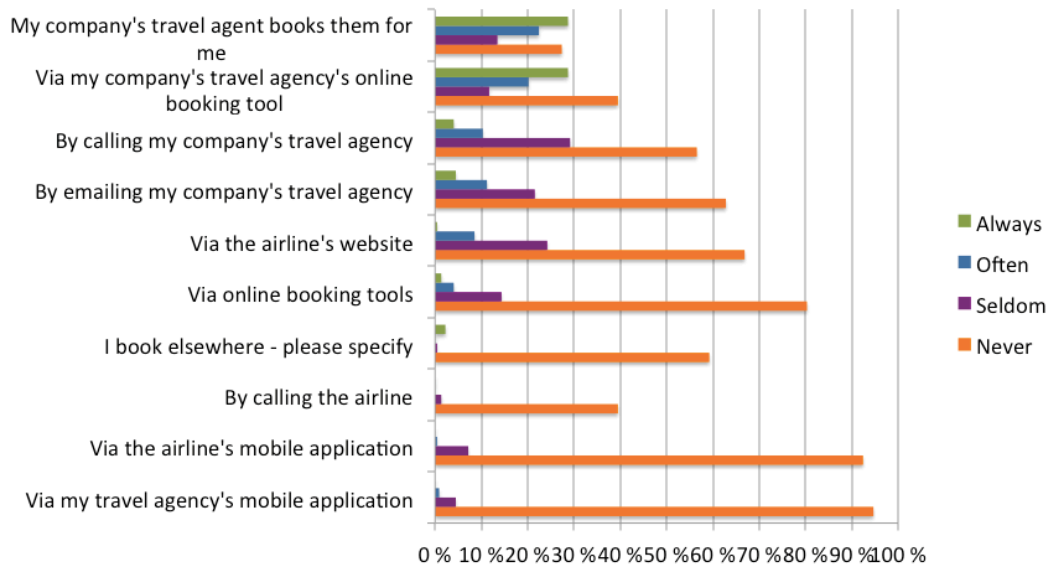


Figure 7. The booking preferences of the business travellers

When asked if the respondent was aware of what the airline ancillaries were 73% stated they were familiar with the ancillaries. 85% of them knew how to book them, where as 15% did not.

The amount of respondents unaware of what the airline ancillaries are was 22%. Half of them (50%) were interested on learning more about them and the other half (11% of the total respondents) was uninterested about the ancillaries.

The number of respondents who only bought tickets where the desired ancillaries were included or they were entitled to them due to their frequent flyer tier level was 5%.

Men were slightly more aware of the ancillaries compared to women (66% vs. 75% of all females/ males), however females who knew what the ancillaries were, were more capable of booking them (88% vs. 84% of all females/ males). From those who were unaware of the ancillary services, women were also more interested in learning about them in comparison to men (58% vs. 48% of all females/ males).

When comparing the respondent's familiarity of the ancillaries based on their position, the most familiar with them were the owners who were also aware of how to book them (100% of two owners). The awareness of the ancillaries followed the position hierarchy

from higher positions towards the lower positions except for two exceptions. Firstly, the junior staff was slightly more aware of the ancillaries than the senior staff. Secondly, the three respondents who identified themselves as travel coordinators in the survey were least aware of the ancillaries; only one (33%) stated he/she was aware of the ancillaries but was unaware of how to book them and the two others (67%) stated that they were not familiar with the ancillaries, but would like to learn how to book them. This was rather surprising, taking into consideration that the travel coordinators are expected to book the travel for the employees of the company. Perhaps this is correlated with the results related to the travel frequency, as the travel coordinators seldom travel themselves and therefore are less familiar with the travel products compared to the employees who travel more.

When considered age-wise, there was not much variation of the awareness of the ancillaries between the age groups 18 to 28, 29 to 38 and 39 to 48 year-olds (67%, 68% and 65% respectively). Surprisingly, the elder the respondents were the most familiar with the ancillaries.

There were 12 respondents (5% of the total amount) who stated that they only book tickets that include the ancillary services needed or that they are entitled to them through their frequent flyer membership level were mostly in between 29 to 38 years-old (42%) or 39 to 48 years-old (33%), male (67%) and senior staff (58%).

7. Familiarity with ancillaries and how to book them

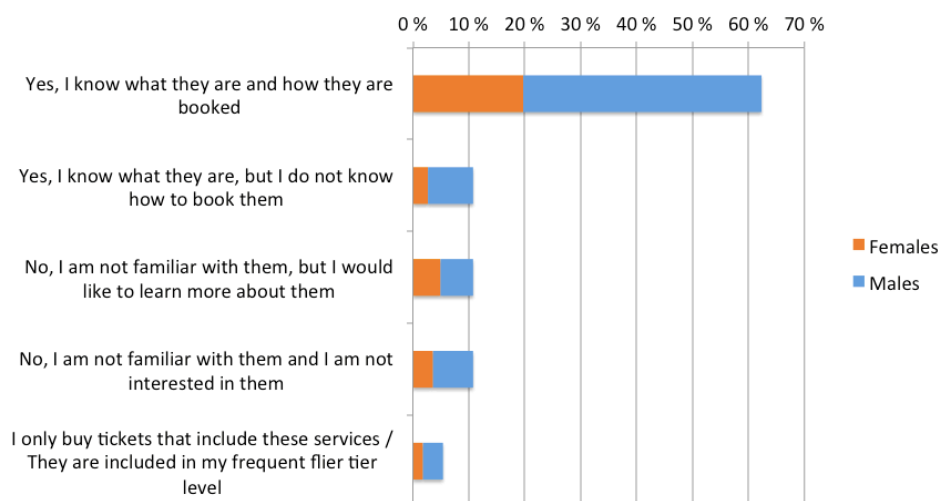


Figure 8. The familiarity of the airline ancillary services among the business travellers

The survey also asked whether the respondents feel that they are actively offered the ancillary services by their TMCs. Figure 8 shows that only 20% of the respondents consider that they are being actively offered the option to purchase the ancillary services. This number is rather low. If the TMCs are not actively offering the ancillaries, it provides the airlines as service providers a good opportunity to selling the ancillaries past the TMCs since once the booking is made, also they have the passengers booking and contact information.

Gender wise, women considered they were offered the ancillaries more actively compared to men (25% vs. 18%).

The most content of the way their TMCs offered them ancillaries were owners (100% of two), supervisors (30%) and senior staff (20%). Below the average were management (13%), junior staff (11%) and the travel coordinators (0%).

The older the age group the more satisfied they were (18 to 28 year-olds 17%, 29 to 38 year-olds 17%, 39 to 48 year-olds 19%, 49 to 58 year-olds 24% and 49 to 58 year-olds 27%). The only exception was the only above 69 year-old respondent who experienced he/she was not actively offered the ancillaries by his/her TMC.

Various factors could impact on how the respondents feel the ancillaries were offered to them. However, the results related to the age and position of the respondents correlates with the previous question of the familiarity of the respondent with the ancillaries. If the respondent is not familiar with the airline ancillary services it is possible that this is due that their TMC is not proactively offering or informing them about these options.

8. Does your TMC actively offer to book ancillaries?

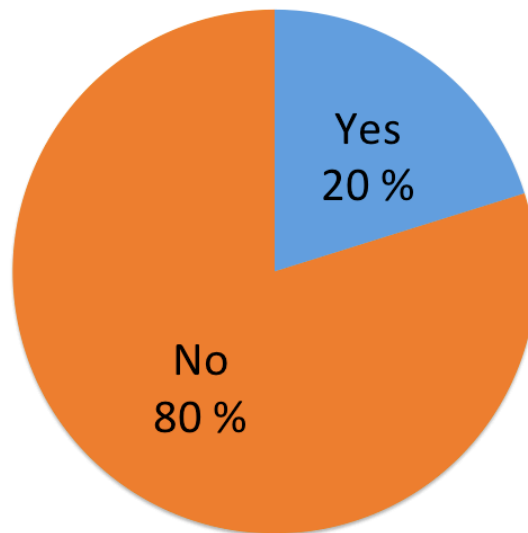


Figure 9. The business travellers' experience on how actively their travel management company is offering the airline ancillary services

Many companies have implemented a travel policy (TP) that dictates what the employer is and is not entitled to purchase when flying for work. This has an obvious impact on the previous question as if the company's TP denies all additional purchases it also restricts the business travel agents from offering the ancillaries. Therefore we asked whether respondents have a travel policy in place and, if yes, what sort of ancillaries it includes or if it does not allow purchasing any (Figures 10 and 11.).

When asking for the business travel agents to submit the business traveller survey further to their employees, the most common reason for declining was the company's existing travel policy, which did not include the ancillary services. In that light, it is likely that the percentage for business travellers having a travel policy that restricts the purchasing of the airline ancillary services would in fact be higher than according to the survey results.

Figure 10 demonstrates that only 1% of the respondents did not have a travel policy in their company and 7% were unsure whether or not they had one. 92% stated that they had a travel policy in place within their company, of which 67% was aware of the context of the travel policy and 33% was not aware of its context.

Like in previous results, women were slightly more aware of the context of the travel policies and also surer whether or not they had one in place in their company. The awareness was also correlated by the age and the position within the company; the higher the age or position, the more aware the business traveller was about the travel policy and its context.

Again, a surprising factor was that 67% (two of three) of the travel coordinators stated that they were unaware of the company's existing travel policy and 33% (one of three) was aware of the travel policy.

10. Awareness of company travel policies

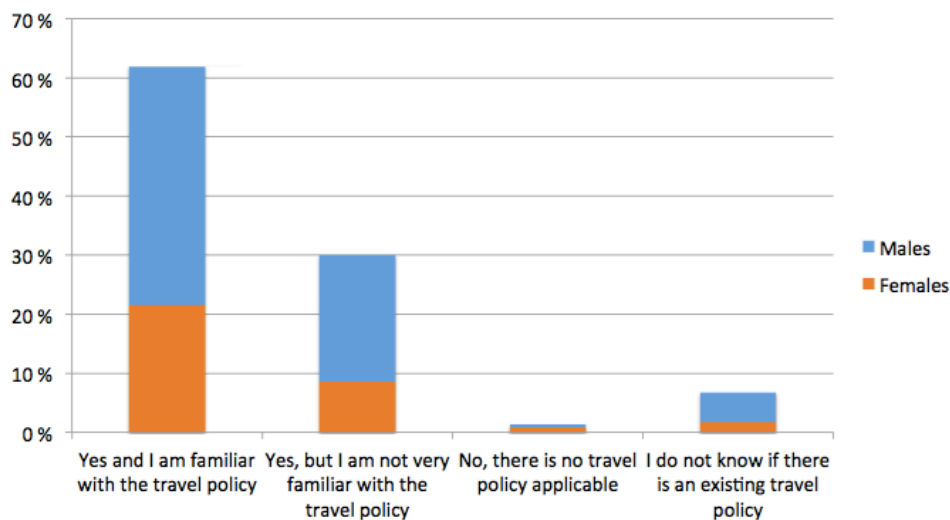


Figure 10. The business travellers' awareness of their company's travel policy

The research also wanted to measure how common it was for the companies to have the airline ancillary services included in their travel policy and which of them was considered the most popular within the travel policies and therefore the most useful for the business travellers from the employer company's point of view.

Figure 11 shows that out of the 92% respondents who had an existing travel policy 38% have a travel policy that does not include any ancillary services. The most common ancillary services included in the travel policies were the flexibility features of the ticket, such as changing and cancelling the ticket (42%), baggage (27%) and advance seat selection (23%). Other popular options were meals (11%) and extra legroom (9%). The option other (9%) consisted mostly of responses where the respondent was unaware which ancillaries were included in their travel policy.

11. Ancillaries included in travel policy

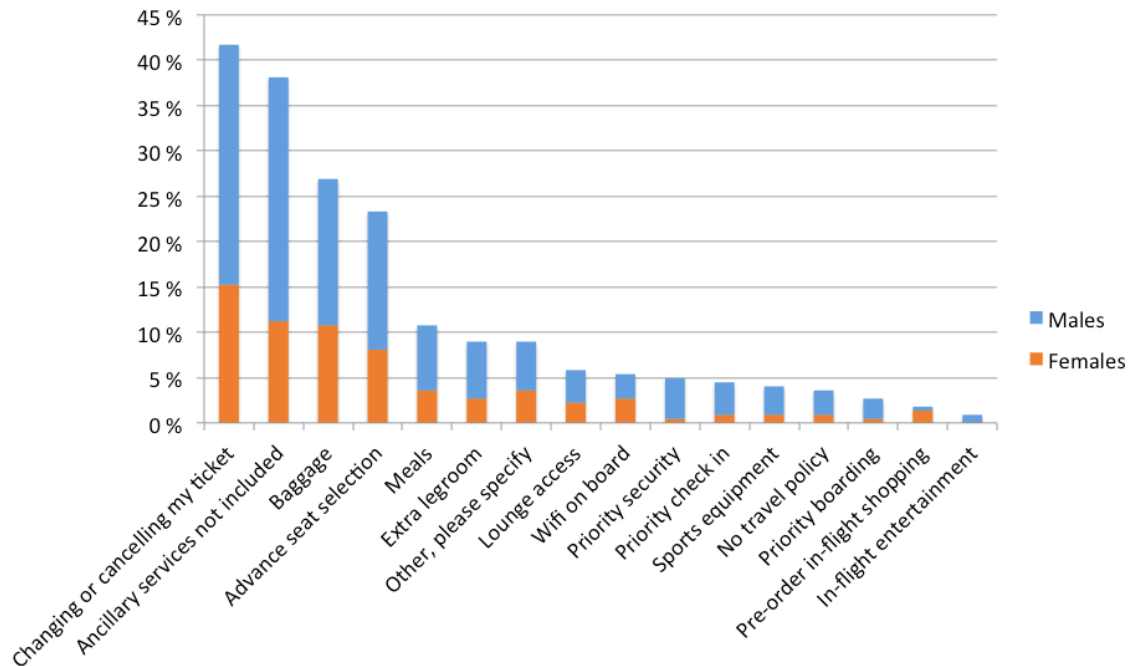


Figure 11. The airline ancillary services included in the company’s travel policy (if applicable)

To measure the business traveller’s interest towards the airline ancillary services the survey also asked them of which of these were they willing to pay by themselves in case they were not included in their company’s travel policy, as shown below in Figure 12.

Majority of the respondents (38%) stated they were not willing to pay for the ancillary services from their own pocket. Out of these 30% were females and 41% males. There was no clear tendency between the age groups but rather according the positions of the respondents; of junior staff 22% stated they were not interested in paying for any ancillaries by themselves, where as the owners and travel coordinators were all willing to do so. The senior staff, supervisors and management were rather unified with 15-16% willingness to pay the ancillaries by themselves.

By far the most popular ancillary the respondents were willing to pay from their own pocket was meals (31%), followed by on-board Wi-Fi (16%), lounge access (15%) and extra legroom (13%).

It is rather logical that advance seat selection and changing or cancelling the ticket are not the most popular options (11% each), as these were the ancillaries that were most commonly included in the travel policies, as shown in Figure 11. The fact that the lower fare tickets do not necessarily allow any changes decreases the popularity of this option.

The least popular options can be considered as leisure ancillaries, which are not directly increasing the value of the travel workwise but rather to relax and unwind during the flight (in-flight entertainment 4%, pre-order shopping 4%, sport equipment 4% and priority boarding 2%).

The “Other, please specify” option (2%) consisted mostly of replies indicating that the respondent was either not familiar with the airline ancillary services in general or not familiar with their company’s travel policy. Only one respondent stated he/she would be interested in upgrading his travel with frequent flyer points and one stated he/she is entitled to the ancillaries he/she is interested due his/her frequent flyer tier level.

12. Willingness to pay for ancillaries if not included in the travel policy

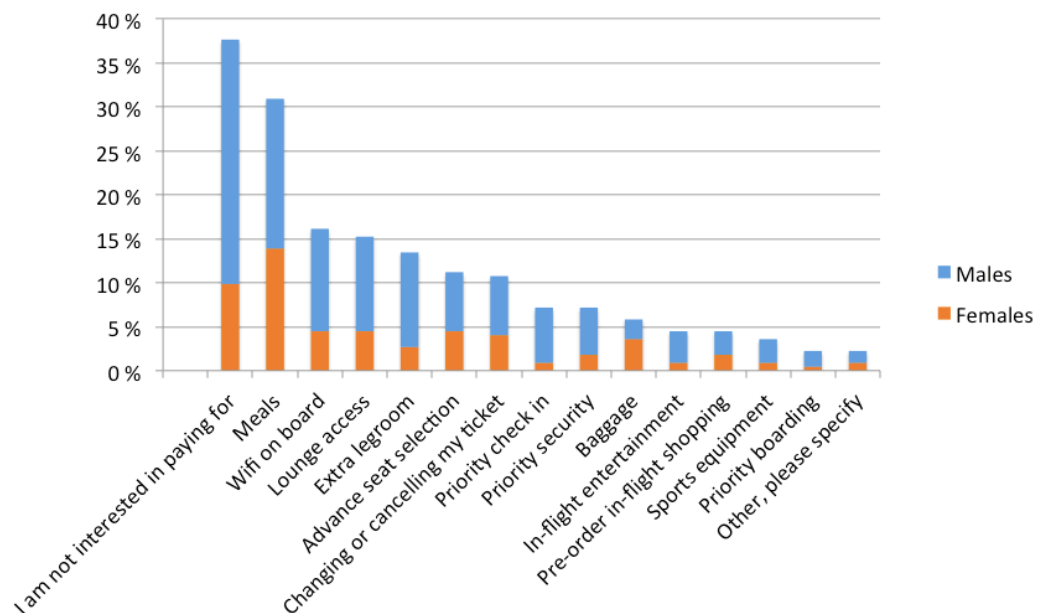


Figure 12. The business travellers’ willingness to pay for ancillaries not included in their company’s travel policy

To further specify the business travellers booking preferences when booking the airline ancillaries, the survey asked them how and when they would like to book the ancillaries. By far the most preferred time for booking the ancillaries was at the time of booking the ticket (70%), followed by during online check in (26%) and between the flight booking and the online check in (23%).

Figure 13 demonstrates that the service provider’s (the airline) website is the most popular booking channel among the business travellers when booking the ancillary services (42%). Many favoured also the TMC’s online booking tool (28%) and emailing their company’s TMC (25%).

Using mobile applications and calling was less popular options among the business travellers. The responses from the “Other, please specify” option indicated that either the respondents expected the services to be included in their ticket, or they would like to purchase the ancillaries from a service desk at the airport, either at the airport check in or at a service desk after the airport security.

14. Preferred booking method

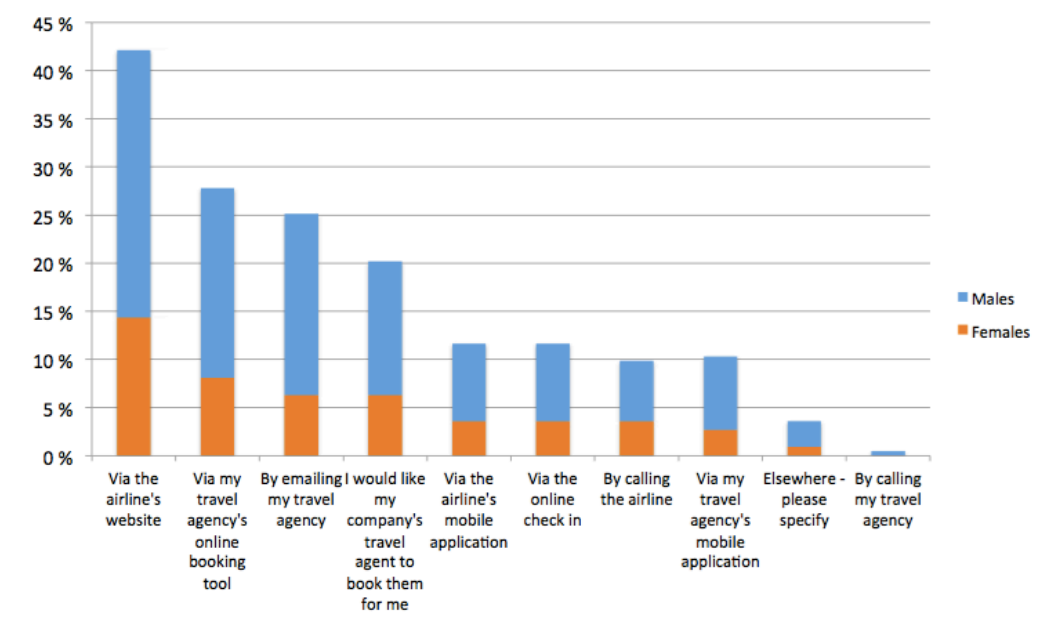


Figure 13. The business travellers’ preferred method to book the ancillaries

In order to improve the merchandising of the ancillaries the survey asked the business travellers how they wished the ancillary services were offered to them. The respondents

were asked to choose one option how they would like their TMC to improve on how they offer the airline ancillaries to them.

Majority of the respondents (35%) wanted to receive more information about the airline ancillary services from their TMC. There was not a significant difference between the sexes, but the biggest groups who had chosen this option were based on position junior staff, supervisors and owners and the ages between 29- to 38-years-old and 49- to 58-years-old.

The group who wished the TMC to offer them the ancillary services more personalized to their individual needs (23%), were mainly management and supervisors and their age was equally covered between the ages from 29- to 58-years-old.

A surprisingly large amount of respondents (23%) wished their TMC would better optimize the traveller's accrued frequent flyer mileage when booking ancillaries for their business travel. The responses came from all respondent groups, but there were slightly more females who felt this way (31% of all females vs. 24% of all males).

The remaining six per cent had their individual suggestions towards how they would prefer the ancillaries to be offered to them. The majority was satisfied to the current situation and did not want any changes on how the ancillaries were offered. Some mentioned that they wanted the ancillaries to remain included in their flight ticket.

15. I would like...

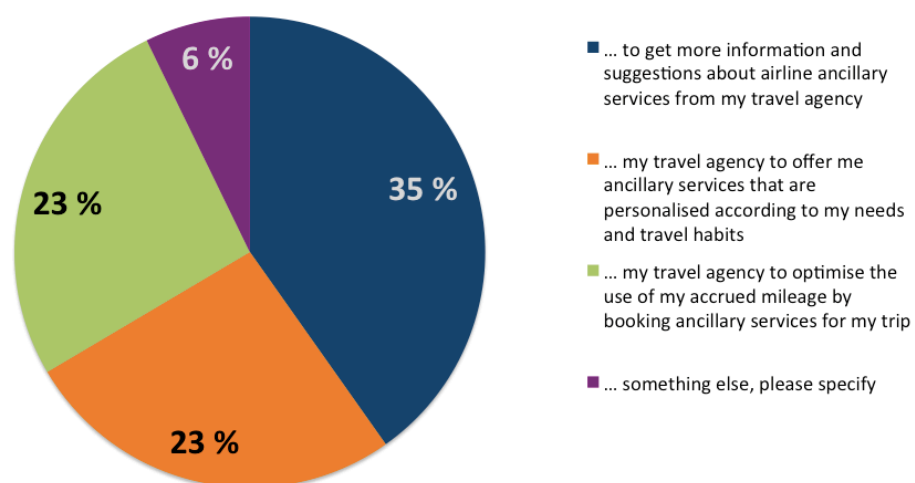


Figure 15. The business travellers' wishes regarding the offering of the ancillaries

The business travellers were also asked to specify how they would like the offering on how the airline ancillary services would be improved in an open ended questions. Many of the respondents stated they were satisfied on the current situation or that they were restricted by their travel policy.

There were also some individuals who were clearly disappointed that the ancillaries have become services against a fee. Some were also confused regarding the changing rules and regulations among the airlines and their company's travel policy and wished for clarity from their business travel agents in order to cope with the changes. The respondents want to be able to easier figure out which services are and which are not included in the ticket price, and if not included, to more openly receive the information how much they cost.

The respondents wished for clearer guidelines from their TMCs related to booking the ancillaries. They want their TMCs to provide them with information regarding the airline ancillaries and to help them evaluate the variation of the offered ancillaries between the airlines in order to better evaluate the total cost of the travel. They also expect the business travel agents to take the company's travel policy into consideration when offering these services. Many wished for easier booking methods related to the ancillaries accounting wise, as if they are being booked separately after the ticket has been bought, the employees have to apply for compensation for the booked ancillaries and this is very time consuming and confusing for them.

Many indicated that they would like to have more tailor-made suggestions actively offered to them by their TMC, provided that the services would make their travel easier and more pleasant. They wished to have more information about e.g. the meal and drink service on-board, lounge information and to have assistance when reserving a seat. Some suggested that they would like their TMC to provide an easy to read "Ancillary Menu" when booking their travel or prior to their flight.

The business travellers wish to be able to learn from their peers' experiences. The respondents wished to have more information of the quality and usefulness of the ancillary services from their TMC, as currently they are available mainly from peer travellers. They expect to also be able to utilize their existing loyalty points to buy the ancillaries with the airlines frequent flier points.

The more tech savvy travellers were looking forward to the TMCs mobile application enabling them to book the ancillaries through it e.g. during mobile check-in.

To conclude, overall the business travellers look for transparency, availability of quality ancillaries and effortlessness when booking them. In general they are loyal to their TMCs and prefer to book ancillaries from TMCs portal together when booking their flights. They expect their TMC to offer the ancillary services more effectively based on travel policy and preferences

6.1.2 The Travel Management Company survey

The business travel agent survey aimed to survey the business travel agents (BTAs) in three anonymous Finnish TMCs. The respondents were asked to indicate their job position in an open question of the survey and according to the results all of the respondents were either business travel agents or e.g. team leaders or sales managers of a travel manager team.

The final amount of the replies from the TMCs was 12, which was less than expected. This was most likely due inconvenient timing around the Christmas holidays and New Years, and the challenges faced with some TMCs in reaching the correct people within the TMCs to negotiate about the distribution of the survey within the TMC.

The majority of the TMC survey respondents were between the ages 38- to 47-years-old (33%), followed by 48- to 57-year-olds (25%). The third largest age groups were the 58- to 67-year-olds and 28- to 37-year-olds with 17% each. This is also demonstrated in Figure 16 below. In general the average age of the business travel agents was quite a lot higher in comparison with the average age of the business travellers.

2. Age

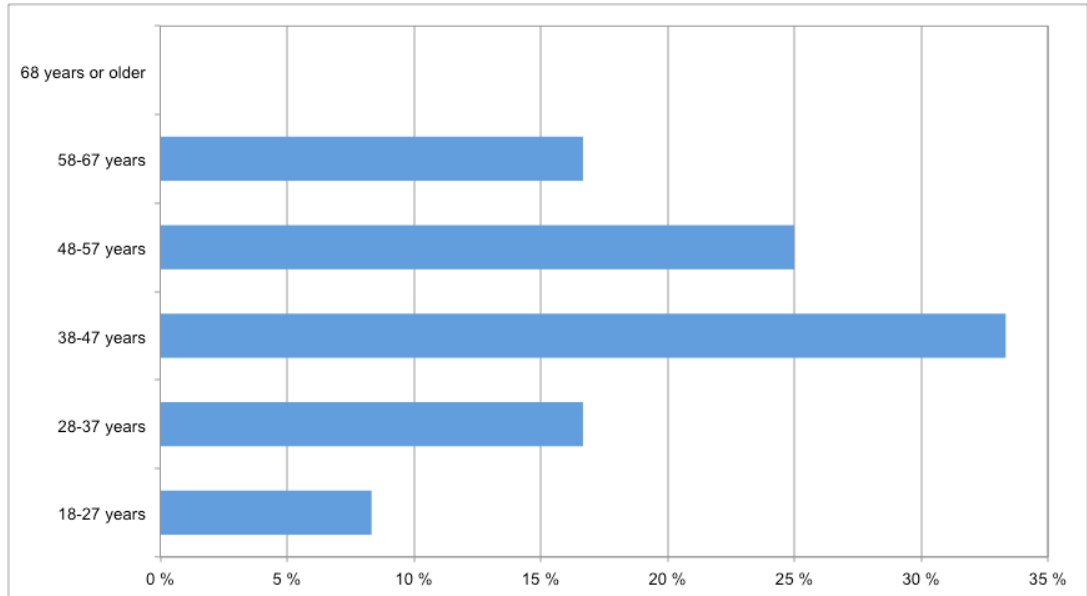


Figure 16. The age of the TMC survey respondents

In order to find out how the TMs felt about booking the ancillary services and how familiar they were with the services, the results were positive. Figure 17 shows that all of the TMs were familiar with the ancillary services and the respondents were equally divided into two groups: the other half was interested in learning more about them, where as the other half stated they felt fully comfortable when booking the ancillary services.

4. Familiarity with the airline ancillary services

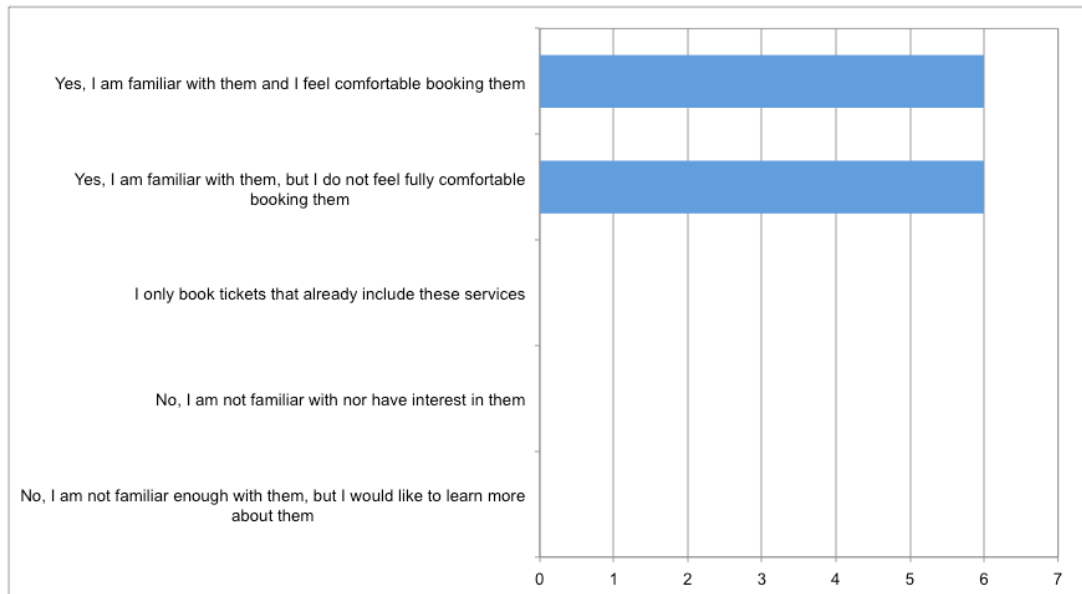


Figure 17. The TMs familiarity with the airline ancillary services

To further figure the TMCs feelings towards the ancillaries, they were asked to evaluate three statements related to them. Figure 18 demonstrates the results of these statements.

Most TMs surveyed agree that booking the ancillary services brings added value to their customers (67% fully agreed, 25% somewhat agreed and 8% somewhat disagreed). Almost equally many considered that booking the ancillaries also adds value to their own company (TMC) (58% fully agreed, 25% somewhat agreed and 17% somewhat disagreed).

More than half of the respondents somewhat agreed that booking the ancillary services was an essential part of their booking habits (58%) and a third of the respondents (33%) stated that they fully agreed with the statement. A minority (8%) somewhat disagreed with the statement.

5. Feelings towards the airline ancillary services

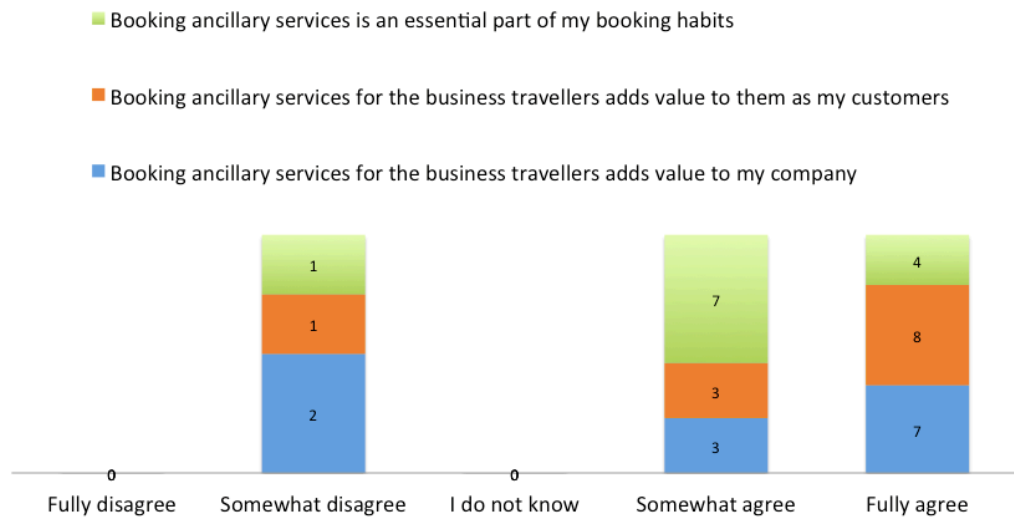


Figure 18. The TMs feelings towards the airline ancillary services

The respondents were asked for suggestions to better promote and book the ancillary services to their customers in an open-ended question. The suggestions included a request to have the information within one system (in Amadeus GDS) to make the TMs' work more efficient and simpler to execute.

Some of the respondents stated that proactively offering the ancillaries that are not included in the booked ticket would increase the sales of the ancillary services. In order to do so, the TMs wished that the ancillary options would be presented clearly already when making the reservation and the booking procedure and information for the ancillaries would be unified among the service providers.

According to the respondents, currently some of the information related is only available in the airlines website. Using several sources makes the TMs' work more scattered, confusing and inefficient.

Due to the BTs often being short of time, the TMs wished that they had better tools to inform their customers about the new products and services available, as this was experienced challenging to do over the phone. One suggestion for this was a short and comprehensive information package in the beginning of the customer relationship. The more experienced BTs are often very familiar with the various options and benefits and are therefore very active in requesting the desired services.

As mentioned in the BT survey resulted, at least 92% of the business travellers have a travel policy in place within their company. The TMC survey wanted to map also the impact of the company's travel policy's (TP) impact on the business travellers' booking behaviour.

As seen in Figure 19, the majority of the respondents considered that the business travellers were not always aware of which ancillary services were included in their company's travel policy (67% somewhat agreed and 33% fully agreed with the statement).

According to the results, there is no clear division between the booking habits of business travellers how have and do not have a company travel policy. When asked to answer to two statements: whether they considered a business traveller who lacks a company travel policy or a business traveller who is fully aware of his/her company's travel policy would book more ancillary services, the results were rather similar. 8% of the respondents fully agreed and 25% somewhat agreed with the two statements.

There were slight differences on the respondents as 58% of the respondents somewhat disagreed with the statement that the business lacking a travel policy would book more ancillary services and 8% of them stated they did not know if the statement was true or not. 50% of the respondents somewhat disagreed that the business travellers who were fully aware of their company's travel policy. Out of this option 50% of the respondents somewhat disagreed with the option, where as 17% did not know.

7. The impact of company travel policy

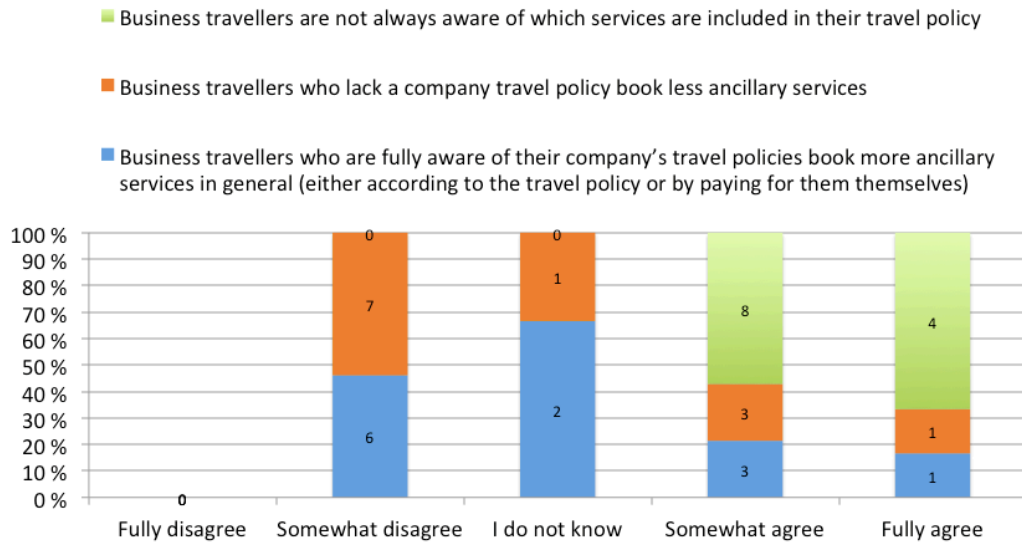


Figure 19. The impact of company travel policy from a TM point of view

When asked for improvement suggestions for companies to improve their travel policies, the TMs suggested that the business travellers should be able to receive guidance and training regarding their company's travel policy also via additional channels than only through their intranet but rather from their business travel agent. They also wished to be able offer the ancillary services more proactively, as according to the respondents, some companies allowed ancillary services to be booked to their employees but only if the employees asked for it.

A vast majority of the respondents considered that it is more beneficial for the business travellers to book their ancillary services via their TMC. The reasoning provided in the open-ended questions included that booking the airline ancillaries through the company's TMC, the business travellers save time and energy as they can receive the information they need from a single source. This way the customer can also be reassured that the services work for them as well. Should there be any need for changes or cancellation, the customer knows who to contact with.

It also eases the customer company to have the billing from one source and therefor also simplifies their bookkeeping. This also saves the business traveller from additional reporting as the expenses are charged directly from the employer according to the travel policy.

This clarifies the booking and accounting process and also allows the TMCs to provide added value for their customers. In exchange the TMC can charge a service fee to cover their costs.

There were some responses that disagreed with the claim, stating that it is easier to handle the booking of the airline ancillary services without intermediaries but directly with the provider. When there are intermediaries involved, there is also a possibility for misunderstandings and technical challenges. It is also cheaper for the customer to book directly with the service provider.

In order to be able to better book the ancillary services to their customers the business travel agents stated it would be useful for them to have more time to serve their customers (67%). The second stage was shared with three options: to have more training and/or time to practice booking the ancillary services, to have better sales commission and to have more information about their customers' needs related to ancillary services. Each of these options received 58% of the respondents.

50% of the business travel agents wished for more information about their customers' needs and willingness to purchase the ancillary services and 42% for better tools and instructions on how to present the ancillaries to their customers.

Only three (25%) respondents considered that a better sales commission would motivate them to better sell the ancillary services to their customers. Considering that this is one quarter of the respondents, it cannot be ignored as a potential motivator.

One respondent stated that he/she would like to have a better billing system, but the system he/she referred was not directly related to Amadeus' reservation system.

10. In order to book ancillary services for my customers I would find it helpful to have...



Figure 20. Useful tools and means for the TMs to better book the airline ancillary services

In correlation to the previous question the survey also asked the business travel agents what would be the key elements that would help them to improve their sales of ancillary services. It is logical that as most of the respondents wished for more time to serve their customers, the responses (shown in Figure 21) reflect this. The respondents consider that in order to best serve their customers in a limited time frame, they would best benefit from better and faster booking tools (67%), more training and time to practice booking the ancillaries and better product information (50% each) and better tools and instructions on how to present the airline ancillary services to their customers (42%). A third of the respondents (33%) stated they would like to have more information about their customers' needs related to the ancillary services.

It seems clear that the respondents are more motivated to book the ancillary services when provided better tools, time and knowledge about the services, rather than due to a sales commission. Only two of the respondents (8%) stated that the commission would be a key factor for them to improve their ancillary sales.

11. What are the key elements to improve the sales of ancillary services?



Figure 21. Key elements for TMs to improve their sales of airline ancillary services

In addition to the previous mentioned, the business travel agents wished to have unified processes for the ancillary service providers (here being the airlines) and to have all their services available in the Amadeus reservation system. Also, in case of changes in the booking, the system should remind the agent to transfer also the ancillary services to the new flights.

6.2 Analysis

In this section the research further studies and explains the results of the two surveys. The chapter aims to point out the patterns in the responses of both the business travellers and the TMCs. It also aims to highlight any differences within the results.

6.3 Business travellers

Based on the survey results, the business travellers expect to be able to easier find out which services are included in their booking. Even though BTs are often restricted by their company's travel policy, 60% state that they would be willing to purchase certain ancillaries with their own money, whom of many wished to be able to utilize their existing loyalty points. Acknowledging individual needs was highly appreciated among the BTs.

The BTs are looking for enhanced and personalized travel experiences and clear communication relating to the ancillary services. They expect to be able to easier find out which services are included in their booking.

Even though they are often restricted by their company's travel policy, 60% stated that they would be willing to purchase certain ancillaries with their own money. Of these 60%, many wished to be able to utilize their existing loyalty points. Acknowledging individual needs was highly appreciated among the BTs. For them, the key features were transparency comparing the prices and the quality and effortlessness of the service. Many stated that they were willing to pay extra, provided that the offered products were good in quality.

Even though they are often restricted by their company's travel policy, 60% stated that they would be willing to purchase certain ancillaries with their own money. Of these 60%, many wished to be able to utilize their existing loyalty points. Acknowledging individual needs was highly appreciated among the BTs. For them, the key features were transparency comparing the prices and the quality of the services and effortlessness. Many stated that they were willing to pay extra, provided that the offered products were good in quality.

6.4 Business Travel Agents

The TMCs understand the value of the ancillaries to both their customers (93%) and to their company (83%). However, they are unable to fully provide the needed service to their customers due lack of time (67%) and suitable training (58%), as well as the overwhelming variety of available products between providers. Therefore they need clear and easy to use technology to compare the available ancillaries, based on the customer's individual needs and restrictions.

They wished for trainings to be able to better know about the provided ancillaries and that the airlines would offer info material dedicated to the TMCs in their portal. This would enable the TMs to better serve their customers and to better provide information related to the ancillary services to their customers. Transparency to compare the ancillary services was considered as a key feature. The TMs looked forward to functional tools to persuade the customers to buy, as many mentioned they were difficult to sell over the phone, given the limited time they had.

The TMCs surveyed want faster and improved tools and processes to book the services (67%) and functional tools to persuade the customers to buy. They are unable to fully provide the needed service to their customers due lack of time to serve their customers

(67%) and suitable training regarding the ancillary services (58%), which was partly due the overwhelming variety of available products between providers, but they also indicated that they were in need of faster booking tools and more efficient processes (67%).

Time, tools and clarity of available information are the essence for TMCs to better serve their customers with the airline ancillary services. Also training was considered needed by half of the business travel agents surveyed (50%). This would help them to book the ancillaries faster and to have better knowledge over the products in order to provide to their customers. They wished that all of the airlines would offer info material regarding the ancillary services dedicated to the TMCs in their portal. Transparency to compare the ancillary services was considered as a key feature.

The business travel agents also referred to three important phases that they considered crucial in order to better sell the ancillary services. These phases were comparing the available ancillary products, persuading the customers to booking them and the actual booking of the products. Some of the business travel agents mentioned they were difficult to sell over the phone, given the limited time they had.

6.5 Reliability and validity

The data for the research was gathered through two online surveys through Webropol survey tool. Reaching the applicable target group was the most challenging part of the research. It was rather time consuming to find the key persons to contact and to persuade them to participate to the survey and also submitting it forward to the target group. However, using the necessary time ensured that the surveys were directed to the right respondents and guaranteed the validity of the research. In addition to this, the target group was identified with questions to scale out respondents not included in the target groups.

In order to guarantee a sufficient amount of respondents, a vast amount of travel managers were contacted regarding the BT surveys because not all of the requests to submit the surveys were reacted to. It is impossible to estimate how many travel managers forwarded the surveys as not all responded to the email, and on the other hand, one travel manager submitting the survey could result in numerous responses.

The declined responses received from the travel managers were mainly addressing the tight schedule of the company and the travellers, or the amount of other surveys, e.g. internal research. Some travel managers declined to distribute the survey as they considered that it would have been contradicting with the company's decision to decline to pay

their employers for the airline ancillary services. The travel managers considered the survey would be in contradiction with this and it would send the business travellers a wrong kind of message if the survey were forwarded within the company.

This impacts the validity of the research as if the business travellers working for these companies would have received the survey, the overall results could have been different. Especially the results regarding the existing travel policies would have had a higher amount of responses.

The survey did also receive positive feedback from several travel managers, confirming the distribution to the travellers. In the end, a total of 223 responses were collected from the BT surveys, guaranteeing the reliability of the survey.

One of the biggest challenges of the survey was reaching the business travel agents to respond to the TMC survey. The final results of 12 respondents offers an idea of how the BTAs feel about merchandising the ancillary services, however, it also raises a question of the reliability of the results; did the respondents reply to the survey as they felt strongly about the ancillary services, whether it was positive or negative, and was there another reason for not responding to the survey besides tight schedules or lack of interest towards the airline ancillary services.

It is also possible that some of the TMCs were not comfortable giving out the data related to their operations. They were informed that the results of the survey would be published in this thesis, even though the data was being collected anonymously. Also the nature of the commissioner as the selected TMCs direct reservation service provider could have possibly impacted the TMCs willingness to participate, as well as the truthfulness of their responses. All in all, having a larger amount of data would have given a deeper perspective on how the TMCs feel about the merchandising of the airline ancillaries.

The respondents' awareness of the commissioning party may have also affected on their responses, posing a potential impact on the research ethics. Amadeus Finland Oy was introduced to the respondents as the survey commissioner, which may have lead the respondents to alter their responses and prevent them from providing fully truthful responses, in comparison to a survey conducted e.g. solely in academic purposes. This kind of behaviour poses a limitation to the research reliability and is known as demand characteristic. However, based on the replies provided in the open-ended questions it seems that the respondents felt comfortable in sharing also negative replies and various opinions related to the survey topics.

6.6 Conclusions

This chapter offers conclusions based on the examination of the most relevant data of the results and analysis chapters.

In order to optimize the merchandising of ancillary services the following should be taken into consideration. The business travel agents are looking for automatized and unified processes and methods within one booking tool. In the survey results they indicated that they needed a clear and easy to use comparison tool to efficiently compare the ancillary products between the service providers. This tool would need to take the customer's individual needs and restrictions into consideration, as requested by the business travellers.

For the business travellers, the most important aspects are the transparency of the provided service in order for them to be able to compare the offered services. They want to be offered quality ancillaries based on their personal taste and needs. The effortlessness of the purchase process is highly appreciated among the business travellers.

The TMCs should be offered more training related to the ancillary services, in order for them to better allow them to understand the various offerings and to adopt the process of merchandising the ancillary services. By strengthening the communication about available ancillaries between all parties, the TMCs would be able to easier offer the ancillaries to the business travellers as they both have a common understanding of the provided product and its suitability to the customers needs.

The business travel agents also referred to three important phases that they considered crucial in order to better sell the ancillary services. These phases were comparing the available ancillary products, persuading the customers to booking them and the actual booking of the products. In order to be able to improve these actions, the TMs indicated that they needed a clear and easy to use comparison tool to efficiently compare the ancillary products between the providers, which would need to take the customer's individual needs and restrictions into consideration. They were looking for automatized and unified processes and methods within one booking tool.

6.7 Suggestions

The suggestions were designed to comply with Amadeus product development needs. They were divided in three main categories: improving the booking tool of ancillaries, sug-

gestions for the training and the marketing methods of the ancillary products. In the end of this sub-chapter also suggestions for further research are being provided.

6.7.1 The booking tool

In order for the TAs to fast and efficiently book the ancillaries, they should have one common way to book the ancillaries. For this, they would need an automatized system recognizing customer's pre-defined ancillary preferences and travel policy based on customer profiles. The system could include the company's travel policy already within the customer information to indicate to the business travel agent whether they should offer the ancillaries to the customer or not. If allowed by the travel policy e.g. pop-up notifications could be offered during the booking if e.g. a meal or baggage is not included in ticket price even though preferred by the passenger. If not included in the booking class or even provided by the carrier, the system could also suggest other options including the desired services. In order to do so, it could use graphs to compare availability and process of included ancillaries between operators and legs.

Based on the results the TMCs should definitely take advantage of better utilizing their customer profiles. Amadeus would be able to improve their services by offering a solution that would enable the TMCs to more efficiently link the customer profile data to the booking process. The customers should be able to easily indicate via their TMCs portal account his/her willingness to purchase additional ancillaries by themselves, even though not included in his/her travel policy in order to prevent them to purchase the services themselves directly with the service providers.

The 2h rule should also be taken into consideration: the BTs indicated, that two hours or more waiting time, either at the airport or on board triggers their interest of purchasing ancillaries, either an access to the lounge, or to add comfort or facilitate working possibilities. If this sort of preference is indicated on the traveller profile, the system should automatically notify for the possibility to buy lounge access or ancillaries to make the travel more comfortable and efficient. This feature could also be adjusted for e.g. intercontinental flights or individually defined waiting times.

The traveller feedback could also be directly updated in the customer profile, if so requested by the customer. The BTs should also be able to read feedback and ratings from peer peers regarding ancillary services on their TMCs portal. Another issue that was voiced by the BTs is that they are very interested in using their frequent flyer points to purchase ancillaries. The TMCs should therefore actively offer this option, and in order to

do so, they should receive encouragement and training from the airlines providing this option.

6.7.2 Presenting the ancillary services

The TMC survey results indicated that the business travel agents need clearer, comparable information to provide to customers and more tools on how to present the ancillaries and to provide tailor-made information. It is important that these tables utilize visualization and should enable to effortlessly make comparisons by including e.g. clear tables, Info-graphs, reviews and videos.

In order to familiarize both the TMCs and BTs with the existing ancillaries that are being offered, it is suggested that Amadeus would create a unified online database or table, in which the all the airlines could add and update all the required information about their ancillary products and the services included in various ticket types. This would help the TAs to easier learn about the provided services and prices per airline. The table could also be provided to the BTs use in the TMCs portal so that they would be able to get familiar with the services and plan their travels in advance.

6.7.3 Training the TMCs

Finally, in order for the TMCs to better offer the ancillary services to their customers, Amadeus could offer adjustable training packages to fit each TMC's needs. These could be modified in terms of content, channel, method and length of the training. This will ensure correct and efficient use of the booking system and provide the TAs with the required information and skills to actively sell the ancillaries.

According to the survey results we received from the TMCs, it is clear that the travel agents (TAs) understand the value of the ancillaries for both to their customers (93%) and to their own company (83%). For the TAs, the key issues related the booking of ancillaries were time, training and tools. They are unable to fully provide the needed service to their customers due lack of time to serve their customers (67%) and suitable training regarding the ancillary services (58%), which was partly due the overwhelming variety of available products between providers, but they also indicated that they were in need of faster booking tools and more efficient processes (67%).

In order to optimize the merchandising of ancillary services the following should be taken into consideration improving the booking tools used by the TMCs and BTs who book independently, to aim to strengthen the communication about available ancillaries between

all parties and to offer training to the TMCs, in order to better adopt the process of merchandising the ancillary services. Amadeus Finland could also study in cooperation with the TMCs the business traveller types related to their ancillary purchasing habits and restrictions due to e.g. their company's travel policy (TP). By doing so would enable them to guarantee personalized service for each BT type and by customizing their sales approach. This would eventually lead to increasing the sales of ancillary services.

6.7.4 Further research

The results of the two surveys indicated that it would be beneficial for the TMCs to receive more accurate information and training regarding the ancillary services. Also a database or a table for the existing ancillaries was suggested. In order to take the research further, it would be beneficial to study what kind of training the business travel agents would prefer to have and what they would find most effective. The same would apply to the table offered regarding the airline ancillaries; it would be useful to study what is the preferred channel to view this sort of a table, what information is considered valid and how it could be executed.

6.8 Evaluation of the thesis process

The thesis process took place from October 2014 until October 2015. The time period was divided into various phases, as the surveys were created between October and December 2015 and sent out in mid-December the same year. The thesis process was put on a hold for spring and summer semester due to the writer's student exchange and the analysis of the results was done mainly in autumn 2015.

The thesis was commissioned by Amadeus Finland Oy and was conducted according to the common agreement with the thesis author. Its findings aim to assist the commissioner to further develop their reservation system product to optimise the merchandising of the airline ancillaries to business travellers via travel management companies. Additionally it has provided the commissioner with solutions and further research suggestions.

References

- About travel. (2014, November 12). *Glossary GDSs*. Retrieved August 10, 2015 from About travel: <http://businesstravel.about.com/od/faqs/g/Glossary-GDDS.htm>
- Airline Trends. (2013, April 1). *The state of airline marketing*. Retrieved June 30, 2015 from Airline Trends: http://www.airlinetrends.com/wp-content/uploads/2013/04/The-State-of-Airline-Marketing_airlinetrends_simplifying_April2013.pdf
- Airlines Reporting Corporation. (2015, January 1). *Electronic Miscellaneous Document (EMD)*. Retrieved August 23, 2015 from Airlines Reporting Corporation: <https://www.arccorp.com/solutions/electronic-miscellaneous-documents-agencies.jsp>
- Airways News. (2015, May 8). *European full-service carriers likely to join fee craze*. Retrieved July 22, 2015 from Airways News: <http://airwaysnews.com/blog/2015/05/08/european-full-service-carriers-likely-to-join-fee-craze/>
- Amadeus. (2015, January 1). *Amadeus Electronic Miscellaneous Document (EMD)*. Retrieved August 24, 2015 from Amadeus: [http://www.amadeus.com/web/amadeus/en_1A-corporate/Airlines/Airline-Needs/Amadeus-Electronic-Miscellaneous-Document-Server-\(EMD\)/1400000055071-Solution_C-AMAD_ProductDetailPpal-1319637765525?industrySegment=1259068355670](http://www.amadeus.com/web/amadeus/en_1A-corporate/Airlines/Airline-Needs/Amadeus-Electronic-Miscellaneous-Document-Server-(EMD)/1400000055071-Solution_C-AMAD_ProductDetailPpal-1319637765525?industrySegment=1259068355670)
- Amadeus. (2015, January 1). *Amadeus Press Kit*. Retrieved May 14, 2015 from Amadeus: http://www.amadeus.com/web/amadeus/en_1A-corporate/Amadeus-Home/News-and-events/Media-centre/Press-kit/1319560218637-Page-AMAD_DetailPpal
- Amadeus. (2014, October 4). *Business Travel Insights 2014 Business Travel Gets Personal*. Retrieved July 11, 2015 from Amadeus: http://www.amadeus.com/web/binaries/blobs/88/725/Amadeus_Business_Travel_Insights_2014,0.pdf
- Amadeus Finland. (2012, September 1). *Amadeus on the move magazine*. Retrieved April 13, 2015 from Amadeus: http://www.amadeus.com/web/binaries/blobs/937/826/Amadeus-lehti%202_2012.pdf
- Amadeus Finland. (2012, January 1). *Amadeus-lehti 1*. Retrieved June 18, 2015 from Amadeus: http://www.amadeus.com/web/binaries/blobs/586/721/Amadeus-lehti%201_2012.pdf
- Amadeus Finland. (2012, September 1). *Amadeus-lehti 2*. Retrieved June 8, 2015 from Amadeus Finland: http://www.amadeus.com/web/binaries/blobs/937/826/Amadeus-lehti%202_2012.pdf
- Amadeus IT Group. (2015, January 1). *About us: Our senior management: Executive-Committee*. Retrieved April 30, 2015 from Amadeus IT Group:

http://www.amadeus.com/web/amadeus/en_1A-corporate/Amadeus-Home/About-us/Our-senior-management/Executive-Committee/our-senior-management_luis-maroto/1319588447715-Page-AMAD_DetailPpal?assetid=1319477726380&assettype=Contact_C

Amadeus IT Group. (2011, November 1). *Amadeus*. Retrieved August 17, 2015 from Amadeus Selling Platform:

<http://www.amadeus.com/web/binaries/blobs/418/838/Amadeus-SellingPlatform-SalesSheet-Nov11.pdf>

Amadeus IT Group. (2015, April 11). *Amadeus*. Retrieved August 17, 2015 from Travel Management Companies - Our portfolio: http://www.amadeus.com/web/amadeus/en_SA-SA/Travel-management-companies/Our-portfolio/1319647803701-Page-AMAD_SolServIndustrySubsegmentPpal?industrySegment=1319609075305

Amadeus IT Group. (2012). *Amadeus Press Kit 2012*. Global Corporate Communications. Madrid: Amadeus IT Group.

Amadeus IT Group. (2015). *Amadeus Press Kit 2014*. Global Corporate Communication. Madrid: Amadeus IT Group.

Amadeus IT Group. (2013). *Global Report 2013*. Madrid: Amadeus IT Group.

Amadeus IT Group. (2014). *Global Report 2014*. Madrid: Amadeus IT Group.

Amadeus IT Group. (2015, January 1). *Our Company*. Retrieved June 18, 2015 from Amadeus IT Group: http://www.amadeus.com/web/amadeus/en_FI-FI/Amadeus-Home/About-us/Our-company/1319477564126-Page-AMAD_DetailPpal

Amadeus. (2014, January 1). *Merchandising*. Retrieved June 11, 2015 from Amadeus: <http://www.amadeus.com/merchandising/>

Amadeus. (2014, January 1). *Merchandising for travel agencies*. Retrieved July 12, 2015 from Amadeus: <http://www.amadeus.com/web/binaries/blobs/852/444/Brochure%20-%20Merchandising%20for%20travel%20agencies%20-%20Opportunities%20in%20all%20shapes%20and%20sizes%20-%2006%20Aug%202014.pdf>

Amadeus. (2007, July 1). *Press Kit 2007*. Retrieved July 11, 2015 from Amadeus: http://www.amadeus.com/us/documents/aco/us/en/Amadeus_Press_Kit_Q2_07_English.pdf

Amadeus. (2014, January 1). *Sales sheet: seat and ancillary services catalogue*. Retrieved July 1, 2015 from Amadeus: <http://www.amadeus.com/web/binaries/blobs/1018/894/Sales%20sheet%20-%20Seats%20and%20ancillary%20services%20catalogue%2024%20Sep%202014,0.pdf>

Amadeus. (2014, January 1). *The evolution of airline merchandising*. Retrieved June 22, 2015 from Amadeus: http://www.amadeus.com/images/130by2020/The_evolution_of_airline_merchandising.pdf

Atmosphere Research Group. (2012, December 5). *The Future Of Airline Distribution: A Look Ahead To 2017*. Retrieved July 2, 2015 from IATA:
<http://www.iata.org/whatwedo/stb/documents/future-airline-distribution-report.pdf>

Aviation Business. (2010, January 5). *Ancillary revenues critical to new airline business model*. From Aviation Business: <http://www.aviationbusiness.com.au/news/ancillary-revenues-critical-to-new-airline-business-model>

Beckendorf, P., Sheldon, P., & Fesenmaier, D. (2014). *Tourism Information Technology*. Oxfordshire, UK: CABI International.

Bigné, E. (2011). The transformation of distribution channels . In L. Moutinho, *Strategic Management in Tourism* (p. 313). Glasgow, UK: CABI Tourism Texts.

Boer, M. D. (2013, June 21). *Hold that thought about Big Data in travel – what about Little Data?* Retrieved August 25, 2015 from Tnooz: <http://www.tnooz.com/article/hold-that-thought-about-big-data-in-travel-what-about-little-data/#sthash.VXWleuYm.dpuf>

Brown, M. (2015, July 21). *Big Data: Why is it a Big Deal?* Retrieved August 8, 2015 from Fusion: <http://www.fusion.com/big-data-big-deal/>

Buhalis, D. (2011). eTourism Strategy. In L. Moutinho, *Strategic Management in Tourism* (p. 313). Glasgow, UK: CABI Tourism Texts.

Centre for Aviation. (2015, January 1). *Ancillary revenues*. Retrieved June 30, 2015 from Centre for Aviation: <http://centreforaviation.com/profiles/hot-issues/ancillary-revenues>

Cornet, P. (2014, November 20). Airline Boardroom LIVE! Building an Airline. (C. W. Summit, Interviewer)

CWT. (2015, April 4). *Travel Management Priorities for 2015*. Retrieved June 5, 2015 from CWT: <http://www.carlsonwagonlit.com/export/sites/cwt/en/global/insights/tmp-2015/pdf/CWT-TMP-2015.pdf>

Davidson, R., & Cope, B. (2003). *Business Travel: Conferences, Incentive Travel, Exhibitions, Corporate Travel*. Pearson Education Limited.

Dufour, B. (2015, February 26). *How Repeat Business In Travel Can Really Take Off*. Retrieved May 10, 2015 from Fusion: <http://www.fusion.com/aov-travel-business/>

eDreams ODIGEO. (2014). *Press Kit 2014*. Madrid: eDreams ODIGEO.

Evans, N., Campbell, D., & Stonehouse, G. (2015). *Strategic Management for Travel and Tourism*. England: Butterworth-Heinemann.

Farelogix. (2015, January 1). *Company*. Retrieved August 11, 2015 from Farelogix: <http://www.farelogix.com/company.html>

Farelogix. (2014, November 21). *Farelogix Wins 2014 Ancillary Innovation Mega Award*. Retrieved May 20, 2015 from Farelogix: <http://farelogix.com/news/Farelogix-Wins-2014.html>

Farelogix. (2015, January 1). *Technology*. Retrieved August 11, 2015 from Farelogix: <http://farelogix.com/ourTechnology.html>

Finnair. (2014). *Annual Report 2014*. Helsinki: Finnair.

Future Foundation. (2015, June 2). *Future traveller tribes 2030: Building a more rewarding journey*. Retrieved July 3, 2015 from Amadeus:
<http://www.amadeus.com/documents/future-traveller-tribes-2030/amadeus-traveller-tribes-2030-airline-it.pdf>

Future Foundation. (2015, April 23). *Future traveller tribes 2030: Understanding tomorrow's traveller*. Retrieved May 28, 2015 from Amadeus:
<http://www.amadeus.com/documents/future-traveller-tribes-2030/travel-report-future-traveller-tribes-2030.pdf>

Future Travel Experience. (2013, August 1). *Increasing onboard ancillary revenues through data, connectivity and a retailing mindset*. Retrieved July 13, 2015 from Future Travel Experience: <http://www.futuretravelexperience.com/2013/08/increasing-onboard-ancillary-revenues-through-data-connectivity-and-a-retailing-mindset/>

German Aerospace Center. (2008, April 1). *Analyses of the European air transport market - Airline Business Models*. Retrieved June 15, 2015 from European Commission:
http://ec.europa.eu/transport/modes/air/doc/abm_report_2008.pdf

Goyal, R. (2014). *Impact of Global Economic Crisis on Airline Industry*. India: IRACST – International Journal of Commerce, Business and Management (IJCBM).

Greenberg, P. (2014, November 17). *Ancillary revenue changing airline industry game*. Retrieved June 27, 2015 from Peter Greenberg:
<http://petergreenberg.com/2014/11/17/ancillary-revenue-changing-airline-industry-game/>

GTMC. (2015, January 1). *What is a TMC?* Retrieved July 3, 2015 from GTMC:
<http://www.gtmc.org/about-us/what-is-a-tmc/>

Harrison, L. (2014, August 14). *5 reasons why you need a business travel management company*. Retrieved August 3, 2015 from Click travel: <http://www.clicktravel.com/travel-management-blog/5-reasons-why-you-need-a-business-travel-management-company>

Hogg Robinson Group PLC. (2013, June 21). *HRG Annual Report 2013*. Retrieved June 9, 2015 from Hogg Robinson Group PLC:
http://investors.hoggrobinsongroup.com/hrg/uploads/reports/HRG_13AR_interactive_web.pdf

HRG Global. (2015, January 1). *HRG worldwide network*. Retrieved June 8, 2015 from HRG. (2015, February 4). *Muuttuva liikematkustus*. Retrieved August 7, 2015 from HRG:
<http://www.hrgworldwide.com/fi-fi/Media/HRG-Perspective/Pages/An-evolving-travel-management-industry.aspx>

IATA. (2015, April 1). *New Distribution Capability (NDC): Together Let's Build Airline Retailing*. Retrieved August 11, 2015 from IATA: <http://www.iata.org/whatwedo/airline-distribution/ndc/Documents/ndc-strategy-paper.pdf>

IATA. (2014, October 1). *StB White Paper 2014*. Retrieved July 22, 2015 from IATA: <http://www.iata.org/whatwedo/stb/Documents/StB-White-Paper-2014.pdf>

IATA. (2011, February 12). *Vision 2050*. Retrieved July 10, 2015 from IATA: http://www.iata.org/pressroom/facts_figures/documents/vision-2050.pdf

IdeaWorksCompany. (2012, November 14). *Airlines profit from innovation*. Retrieved June 22, 2015 from Amadeus: http://www.amadeus.com/web/binaries/blobs/861/593/2012_ideaworks_report_airlines_profit_from_innovation.pdf

IdeaWorksCompany. (2014, July 16). *Ancillary Revenue 2013*. Retrieved July 22, 2015 from IdeaWorks Company: <http://www.ideaworkscompany.com/wp-content/uploads/2014/07/Press-Release-89-Ancillary-Revenue-Top-10.pdf>

IdeaWorksCompany. (2015, July 13). *Ancillary Revenue 2014*. Retrieved July 27, 2015 from IdeaWorksCompany: <http://www.ideaworkscompany.com/wp-content/uploads/2015/07/Press-Release-99-Ancillary-Revenue-Top-10-for-2014.pdf>

IdeaWorksCompany. (2014, May 1). *Ancillary Revenue Defined*. Retrieved June 8, 2015 from IdeaWorksCompany: <http://www.ideaworkscompany.com/ancillary-revenue-defined>

Ikkunapaikka. (2015, June 1). Finnairin tuotekehitys seuraa megatrendejä: Nyt keskitytään matkustajien yksilöllisiin tarpeisiin. *Ikkunapaikka*, p. 1.

ITA Software. (2015, April 16). *About*. Retrieved August 10, 2015 from ITA Software: <http://www.itasoftware.com/about/index.html>

Jagannathan, B. (2014, January 1). *Airlines Customer Experience Management*. Retrieved July 29, 2015 from TATA Consultancy Services Limited: <http://www.tcs.com/SiteCollectionDocuments/White-Papers/Airlines-Customer-Experience-Management-0714-1.pdf>

Jarkko Konttinen, F. V. (2015, June 1). Finnairin tuotekehitys seuraa megatrendejä: Nyt keskitytään matkustajien yksilöllisiin tarpeisiin. (Ikkunapaikka, Interviewer)

Kaitosalmi, T. (2013, April 8). Company visit, Amadeus Finland Oy. *Solution Specialist*. Helsinki, Uusimaa, Finland: Amadeus Finland.

Kauppalehti. (2015, June 14). *Amadeus Finland Oy*. Retrieved June 14, 2015 from Kauppalehti: <http://www.kauppalehti.fi/yritykset/yritys/amadeus+finland+oy/01154861>

Laine, E. (2014, October 24). Company visit. (H.-H. UAS, Interviewer)

Largest Companies. (2015, June 14). *Amadeus Finland Oy*. Retrieved June 14, 2015 from Largest Companies: <http://www.largestcompanies.fi/yritys/Amadeus-Finland-Oy-118238>

Library of Economics and Liberty. (2008, January 1). *Airline Deregulation*. Retrieved July 3, 2015 from Library of Economics and Liberty: <http://www.econlib.org/library/Enc/AirlineDeregulation.html>

Menetelmä opetuksen tietovaranto. (2007, February 18). *Menetelmä opetuksen tietovaranto*. Retrieved September 18, 2015 from Mittaaminen: Muuttujien ominaisuudet: <http://www.fsd.uta.fi/menetelmaopetus/mittaaminen/ominaisuudet.html>

Merriam-Webster Dictionary. (2015, July 1). *Merriam-Webster Dictionary*. Retrieved July 25, 2015 from Merriam-Webster Dictionary: <http://www.merriam-webster.com/dictionary/ancillary>

Moutinho, L. (2011). *Strategic Management in Tourism*. United Kingdom: CABI.

NCR. (2014, June 6). *Becoming retailer part 1 connect*. Retrieved July 2, 2015 from NCR: <http://www.ncr.com/company/blogs/travel/becoming-retailer-part-1-connect>

Newcombe, T. (2014, June 2). *Just what exactly is NDC*. Retrieved August 23, 2015 from Buying business travel: <http://buyingbusinesstravel.com/feature/0222557-just-what-exactly-ndc>

Rautanen, P. (2012). *Airline ancillary services in travel management process*. Porvoo: Haaga-Helia University of Applied Sciences.

Rice, K. (2012, October 10). *Travel agents take airline ancillary sales into their own hands*. Retrieved June 21, 2015 from Travel Weekly: <http://www.travelweekly.com/Travel-News/Travel-Agent-Issues/As-airlines-GDSs-bicker-agents-take-ancillaries-sales-into-their-own-hands/>

Rose, N. (2014, April 1). *How Can Regional TMCs Adapt to New Financial Models?* Retrieved June 19, 2015 from Travel Technology: <http://www.traveltechnology.com/2012/04/will-regional-tmcs-adapt-to-new-financial-models/>

Rose, N. (2011, December 6). *Privacy versus personalization*. Retrieved June 18, 2015 from Travel Technology Consulting: <http://www.traveltechnology.com/2011/12/privacy-versus-personalization/>

Rose, N. (2014, April 30). *Will regional TMCs adapt to new financial models?* Retrieved June 6, 2015 from Travel Technology: <http://www.traveltechnology.com/2012/04/will-regional-tmcs-adapt-to-new-financial-models/>

Sabre Airline Solutions. (2008, April 1). *Blending Models*. Retrieved July 22, 2015 from Sabre Airline Solutions: http://www.sabreairlinesolutions.com/pdfs/BlendingModels_APR_2008.pdf

Sabre Airline Solutions. (2010, July 1). *Hybrid Model Brochure*. Retrieved July 22, 2015 from Sabre Airline Solutions: http://www.sabreairlinesolutions.com/images/uploads/Hybrid_Model_Brochure.pdf

Sabre Airline Solutions. (2014, December 15). *Our history*. Retrieved August 7, 2015 from Sabre Airline Solutions: <http://www.sabre.com/index.php/about/our-history>

Sabre Airline Solutions. (2015, July 1). *Sabre completes acquisition of Abacus International*. Retrieved August 18, 2015 from Sabre Airline Solutions:

<http://www.sabre.com/insights/releases/sabre-completes-acquisition-of-abacus-international/>

Sabre Corporations. (2015, April 4). *Executive Leadership*. Retrieved August 18, 2015 from Sabre Corporations: <http://www.sabre.com/about/executive-leadership>

Sabre Corporations. (2015, April 2). *Locations*. Retrieved August 18, 2015 from Sabre Corporations: <http://www.sabre.com/about/locations>

Sabre Corporations. (2015, July 1). *Sabre*. Retrieved August 17, 2015 from Sabre Corporations: <http://www.sabre.com/>

Sabre Corporations. (2015, February 18). *Sabre Reports Fourth Quarter and Full Year 2014 Results*. Retrieved August 17, 2015 from Sabre Corporations:

<http://investors.sabre.com/releasedetail.cfm?ReleaseID=896860>

Seat Guru. (2015, January 1). *Travel Tips*. Retrieved July 13, 2015 from Seat Guru: http://www.seatguru.com/traveltips/premium_economy.php

Shaw, S. (2011). *Airline Marketing and Management*. England: Ashgate Publishing Limited.

Sonokpon, K. (2015, June 29). *Ancillary revenues: Is charging extra fees bad for business?* Retrieved July 22, 2015 from Airline Profits Magazine:

<http://magazine.airlineprofits.com/ancillary-revenues-is-charging-extra-fees-bad-for-business/>

Statista. (2015, January 5). *Global business travel spending growth forecast for 2014 and 2015*. Retrieved July 11, 2015 from Statista:

<http://www.statista.com/statistics/324786/global-business-travel-spending-growth-forecast/>

Statista. (2014, November 5). *Leading countries in business travel spending from 2012 to 2014*. Retrieved July 22, 2015 from Statista:

<http://www.statista.com/statistics/225879/countries-ranked-by-total-business-travel-spending/>

Taloussanomat. (2015, June 14). *Amadeus Finland Oy*. Retrieved June 14, 2015 from Taloussanomat: <http://yritys.taloussanomat.fi/y/amadeus-finland-oy/helsinki/0115486-1/>

Taloussanomat. (2013, August 6). *Nimitykset*. Retrieved June 8, 2015 from Taloussanomat: <http://www.taloussanomat.fi/yritykset/nimitykset/nimitys-30909/>

Tele2. (2015, January 1). *Our history*. Retrieved June 11, 2015 from Tele2: <http://www.tele2.com/about/our-history/>

The Economist. (2014, January 30). *Flight comparison websites: Comparative advantage*. Retrieved June 23, 2015 from The Economist:

<http://www.economist.com/blogs/gulliver/2014/01/flight-comparison-websites#GTpqqmXleUtVQ2kD.99>

The Economist Intelligence Unit. (2014). *The Future of Air Travel: Improved personalisation and profits through the integrated use of customer data*. Sabre Airline Solutions.

Tnooz. (2014, April 23). *Future shocks – Google, Amazon, Facebook and Apple in an airline world*. Retrieved August 25, 2015 from Tnooz: <http://www.tnooz.com/article/future-shock-airline-world-amazon-facebook/#sthash.eNbGl6Fz.dpuf>

Tnooz. (2013, June 3). *Travel-retailing in 2023 - A brief look into the future*. Retrieved June 23, 2015 from Tnooz: <http://www.tnooz.com/article/travel-retailing-in-2023-a-brief-look-into-the-future/#sthash.Se7hlp9i.dpuf>

Travel Tech Consulting, Inc. (2014, March 1). *Customer Experience Management: Delivering a More Personalized Airline Journey*. Retrieved June 15, 2015 from Travel Tech Consulting, Inc.: http://www.traveltechnology.com/wp-content/uploads/2014/08/CEM_Report_Final.pdf

Travel Tech Consulting, Inc. (2010, July 27). *Google ITA and the GDS*. Retrieved July 15, 2015 from Travel Technology Consulting: <http://www.traveltechnology.com/2010/07/google-ita-and-the-gds/>

Travel Technology. (2015, June 1). *The impact of the lufthansa gds fee will metasearch be coming to airline.com sites*. Retrieved August 17, 2015 from Travel Technology: <http://www.traveltechnology.com/2015/06/the-impact-of-the-lufthansa-gds-fee-will-metasearch-be-coming-to-airline-com-sites/>

Travelport. (2015, February 17). *Our executive team*. Retrieved August 23, 2015 from Travelport: <http://www.travelport.com/Media-Centre/Our-executive-team>

Travelport. (2015, February 17). *Our history*. Retrieved August 11, 2015 from Travelport: <http://www.travelport.com/About-Travelport/Our-history>

Travelport. (2015, February 17). *Overview*. Retrieved August 22, 2015 from Travelport: <http://www.travelport.com/About-Travelport/Overview>

Travelport. (2015, January 2). *Privacy policy*. Retrieved August 28, 2015 from Travelport: <http://www.travelport.com/Privacy-Policy/Travelport%20GDS>

Wachman, R. (2012, February 3). *Hungary's airline Malev grounded*. Retrieved July 22, 2015 from The Guardian: <http://www.theguardian.com/business/2012/feb/03/hungary-malev-bankruptcy-airline-grounded>

Williams, G., & O'Connell, J. F. (2011). *Air Transport in the 21st Century: Key Strategic Developments*. England: Ashgate Publishing Limited.

Virgin Atlantic. (2014, October 18). *Ten Maxims of the New Business Traveler*. Retrieved August 22, 2015 from Virgin Atlantic: <http://www.virgin-atlantic.com/us/en/the-virgin-experience/the-new-business-traveler.html>

WNS. (2015, January 30). *5 Trends for the Global Airline Industry*. Retrieved July 20, 2015 from WNS: <http://www.wns.com/Resources/Articles/Article-Details/104/5-Trends-for-the-Global-Airline-Industry.aspx>

Appendices

Appendix 1. TMC Survey questions in Finnish



Lentojen lisäpalveluiden markkinointikysely liikematkatoimistoille

Tämä kysely on osa HAAGA-HELIA ammattikorkeakoulun opiskelijalopputyötä, joka toteutetaan Amadeus Finland Oy:n tilauksesta. Kyselyn tavoitteena on mitata ja todentaa suomalaisten liikematkatoimistovirkailijoiden kokemuksia ja odotuksia lentojen lisäpalveluiden myynnistä ja markkinoinnista.

Kyselyyn vastaaminen kestää n. 5-10 minuuttia. Vastaukset käsitellään anonyymisti. Lopputyö ja vastauksista saatavat tulokset julkaistaan www.theseus.fi -palvelussa. Kyselyn kohderyhmänä ovat Suomessa toimivat liikematkatoimistovirkailijat.

Vastauksesi on erittäin kallisarvoinen osa tutkimusta, ja kiitos siitä jo etukäteen!

Lentojen lisäpalvelut

Lentoyhtiöiden lisäpalvelut käsittävät kaikki matkalipun hintaan sisällyttömät palvelut, joita matkustaja voi ostaa lentomatkalipunsa. Lennon hintaan sisältyvät palvelut riippuvat lipputyypistä, matkustusluokasta, lentoyhtiöstä sekä kanta-asiakkuustasosta. Yleisimpiä lisäpalveluita ovat esimerkiksi ennakkopaikanvaraus, business lounge-palvelut, maksulliset ateriat, (lisä)matkatavarat, sekä viihdejärjestelmän tai internet-yhteyden käyttö lennolla.

Tähdellä (*) merkityt kysymykset ovat pakollisia.

1. Sukupuoli *

- Nainen
 Mies

2. Ikä *

- 18-27 vuotta
 28-37 vuotta
 38-47 vuotta
 48-57 vuotta
 58-67 vuotta
 68 vuotta tai vanhempi

3. Mikä on asemasi yrityksessänne? *

60 characters remaining

4. Ovatko lentojen lisäpalvelut ja niiden varaaminen sinulle tuttua? *

- Kyllä, ne ovat minulle tuttuja eikä minulla ei ole vaikeuksia niiden varaamisen kanssa
 Kyllä, ne ovat minulle tuttuja, mutta minulla on jossain määrin vaikeuksia varata niitä
 Ne eivät ole minulle riittävän tuttuja ja haluaisin oppia lisää niistä
 Ne eivät ole minulle tuttuja enkä ole kiinnostunut niistä
 Varaan ainoastaan lippuja jotka sisältävät jo nämä palvelut.

5. Millaisia kokemuksia sinulla on lisäpalveluiden tarjoamisesta? *

Ole hyvä ja arvioi väittämät kokemustesi perusteella.

Täysin Osittain En
eri eri tiedä

Osittain Täysin
samaa samaa

	mieltä mieltä			mieltä mieltä	
Lisäpalveluiden myynti tuo lisäarvoa yritykselleni	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lisäpalveluiden myynti tuo lisäarvoa asiakkaalleni	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lisäpalveluiden varaaminen on oleellinen osa varausten käsittelyäni	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. Onko sinulla ehdotuksia kuinka haluaisit markkinoida ja varata lentojen lisäpalveluita liikematkustajille tulevaisuudessa?

7. Miten matkustusohjeistukset vaikuttavat lentojen lisäpalveluiden varaamiseen? *

Ole hyvä ja arvioi väittämät kokemustesi perusteella.

	Täysin eri mieltä	Osittain eri mieltä	En tiedä	Osittain samaa mieltä	Täysin samaa mieltä
Liikematkustajat, jotka tuntevat yrityksensä matkustuspolitiikan hyvin, varaavat enemmän lisäpalveluita (joko matkustusohjeistuksen mukaisesti tai maksaen palveluista itse) *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Liikematkustajat, joiden yrityksellä ei ole matkustusohjeistusta, varaavat vähemmän lisäpalveluita *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Liikematkustajat eivät aina ole itse tietoisia

mihin lisäpalveluihin matkustusohjeistus

oikeuttaa *

Muu, ole

hyvä ja _____

tarkenna

8. Onko sinulla ehdotuksia miten yritykset voisivat parantaa liikematkustusohjeistuksi-
aan, jotta ne palvelisivat liikematkustajien tarpeita paremmin?

9. Onko liikematkustajien mielestäsi parempi varata lentojen lisäpalvelut liikemat-
katoimiston kuin lentoyhtiön internet-sivujen kautta? Miksi / Miksi ei? *

10. Lentojen lisäpalveluita varatessa olisi hyödyllistä jos liikematkatoimistovirkailijoilla
olisi... *

Ole hyvä ja valitse sopivat vaihtoehdot. Voit valita usean vaihtoehdon, mutta vähintään
yksi vaihtoehto tulee valita. Voit antaa lisätietoja ja/tai esimerkkejä valitsemiesi
vaihtoehtojen perässä.

Toimivampi ja nopeampi varausjärjestelmä

Paremmat välineet ja/tai ohjeistukset kuinka esitellä lisäpalveluita asiakkaille

Kattavammat tuotetiedot

Parempi myyntikomissio

Enemmän koulutusta ja/tai aikaa lisäpalvelujen varauksen harjoitteluun

Enemmän aikaa asiakkaan palvelemiseen

Enemmän tietoja asiakkaiden tarpeista ja valmiudesta ostaa lisäpalveluita

Jotain muuta, mitä?

11. Mitkä tekijät ovat avainasemassa lisäpalvelujen myynnin optimoimisessa? *

Ole hyvä ja valitse sopivat vaihtoehdot kokemustesi perusteella.

Toimivampi ja nopeampi varausjärjestelmä

Paremmat välineet ja/tai ohjeistukset kuinka esitellä lisäpalveluita asiakkaille

Kattavammat tuotetiedot

Parempi myyntikomissio

Enemmän koulutusta ja/tai aikaa lisäpalvelujen varauksen harjoitteluun

Enemmän aikaa asiakkaan palvelemiseen

Enemmän tietoja asiakkaiden tarpeista ja valmiudesta ostaa lisäpalveluita

Jotain muuta, mitä?

12. Onko sinulla muita ehdotuksia, joilla voitaisiin parantaa lentolisäpalveluiden varausprosessin käyttömukavuutta?

Suuri kiitos osallistumisestasi ja ajastasi!

Appendix 2. TMC Survey questions in English



Survey for business travel agencies regarding merchandising airline ancillary services

This survey is conducted as part of a Bachelor's thesis for HAAGA-HELIA University of Applied Sciences. It aims at identifying and measuring the habits, experiences and expectations of Finnish business travel agents in terms of selling and merchandising airlines' ancillary services. The research is conducted by HAAGA-HELIA students and commissioned by Amadeus Finland Oy.

Answering the survey will only take around 5-10 minutes of your time. All the replies will be kept anonymous. The results of the research will be later published on www.theseus.fi. The survey has been sent to you as it targets business travel agents operating in Finland. Your reply is highly valued, thank you in advance for taking part!

Ancillary services

Ancillary services are considered as all additional services provided by the airline a passenger is able to purchase on top of his/her flight ticket. The ticket type, cabin class and the air carrier, as well as the passenger's frequent flyer tier level defines which of the services the passenger is entitled to free of charge. Common ancillary services would be e.g. a seat with extra leg room, lounge access, meals, baggage or in-flight entertainment and Wi-Fi.

Asterisk (*) indicates a required field.

1. Gender *

- Female
- Male

2. Age *

- 18-27 years
- 28-37 years
- 38-47 years
- 48-57 years
- 58-67 years
- 68 years or older

3. Your position in your company *

60 characters remaining

4. Are you familiar with the airline ancillary services and how to book them? *

- Yes, I am familiar with them and I feel comfortable booking them
- Yes, I am familiar with them, but I do not feel fully comfortable booking them
- No, I am not familiar enough with them, but I would like to learn more about them
- No, I am not familiar with nor have interest in them
- I only book tickets that already include these services

5. How do you feel about booking ancillary services? *

Please evaluate the listed statements according to your experience.

	Fully dis- agree	Somewhat disagree	I do not know	Somewhat agree	Fully agree
Booking ancillary services for the business travellers adds value to my company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Booking ancillary services for the business travellers adds value to them as my customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Booking ancillary services is an essential part of my booking habits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. Do you have suggestions how to better promote and book ancillary services for business travellers in the future?

7. What is the impact of travel policies? *

Please evaluate the listed statements according to your experience.

	Fully disagree	Somewhat disagree	I do not know	Somewhat agree	Fully agree
Business travellers who are fully aware of their company's travel policies book more ancillary services in general (either according to the travel policy or by paying for them themselves) *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Business travellers who lack a company travel policy book less ancillary services *		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Business travellers are not always aware of which services are included in their travel policy *

Other, please _____
specify

8. In your opinion, how could the companies improve their travel policies to better serve the business travellers' needs?

9. In your opinion, is it more beneficial to the business traveller to book ancillary services with their travel agencies rather than directly on the airline's websites? Why / why not? *

10. In order to book ancillary services for my customers I would find it helpful to have... *

Please select the applicable options. You can choose multiple options, however at least one option needs to be selected. You may give examples in the boxes.

Better and faster technical tools for booking them

Better tools and/or instructions how to present them to the customers

- Better product information

- Better sales commission

- More training and/or time to practise booking them

- More time to serve the customers

- More information of my customers' needs and willingness to purchase them

- Something else, what?

11. What are the key elements to improve the sales of ancillary services? *

Please select the applicable options. You can choose multiple options, however at least one option needs to be selected.

- Better and faster technical tools for booking them
- Better tools and/or instructions how to present them to the customers
- Better product information
- Better sales commission
- More training and/or time to practise booking them
- More time to serve the customers
- More information of my customers' needs and willingness to purchase them
- Something else, what?

12. Is there anything else that would improve your experience of booking ancillary services for your customers?

Thank you very much for taking the time to participate - we appreciate your effort!

Appendix 3. BT Survey questions in Finnish



Liikematkustajien kokemukset lentojen lisäpalveluiden tarjonnasta

Tämä kysely on osa HAAGA-HELIA ammattikorkeakoulun opiskelijalopputyötä, joka toteutetaan Amadeus Finland Oy:n tilauksesta. Kyselyn tavoitteena on mitata ja todentaa suomalaisten liikematkustajien kokemuksia ja odotuksia lentojen lisäpalveluiden tarjontaa kohtaan.

Kyselyyn vastaaminen kestää n. 5-10 minuuttia. Vastaukset käsitellään anonyymisti. Lopputyö ja vastauksista saatavat tulokset julkaistaan www.theseus.fi -palvelussa. Kyselyn kohderyhmänä ovat Suomessa toimivat liikematkustajat.

Vastauksesi on erittäin kallisarvoinen osa tätä tutkimusta - kiitos jo etukäteen!

Lentojen lisäpalvelut

Lentoyhtiöiden lisäpalvelut käsittävät kaikki matkalipun hintaan sisältymättömät palvelut, joita matkustaja voi ostaa lentomatkallessa. Lennon hintaan sisältyvät palvelut riippuvat lipputyypistä, matkustusluokasta, lentoyhtiöstä sekä kanta-asiakkuustasosta. Yleisimpiä lisäpalveluita ovat esimerkiksi ennakkopaikanvaraus, lounge -palvelut, maksulliset ateriat, (lisä)matkatavarat, sekä viihdejärjestelmän tai internet-yhteyden käyttö lennolla.

Tähdellä (*) merkityt kysymykset ovat pakollisia.

1. Sukupuoli *

- Nainen Mies

2. Ikä *

- 18-28 vuotta
 29-38 vuotta
 39-48 vuotta
 49-58 vuotta
 59-68 vuotta
 69 vuotta tai vanhempi

3. Mikä on asemasi yrityksessänne? *

- Harjoittelija
 Alempi toimihenkilö
 Ylempi toimihenkilö
 Esimies
 Johtotehtävät
 Omistaja
 Yrityksen matkavirkailija
 Muu, ole hyvä ja tarkenna
-

4. Kuinka usein lennät työksesi? *

- Alle kerran vuodessa
 1-2 kertaa vuodessa
 3-6 kertaa vuodessa
 7-12 kertaa vuodessa
 1-4 kertaa kuukaudessa
 1 tai useamman kerran viikossa

5. Minkälaisia lentoja lennät työsi puolesta ja kuinka usein? *

	Alle ker- ran vuodessa	1-2 kertaa vuodessa	3-5 kertaa vuodessa	6-10 kertaa vuodessa	11-15 kertaa vuodessa	Yli 15 kertaa vuodessa
Kotimaan lennot	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Skandinavian lennot	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Euroopan lennot	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mannerten väliset lennot	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Useamman matkakohteen sisältävä matka	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. Miten varaat lentolippusi? *

	En kos- kaan	Harvoin	Usein	Aina
Lentoyhtiön nettisivuilla *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lentoyhtiön mobiiliapplikaation kautta *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Soittamalla lentoyhtiölle *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Nettimatkatoimistojen kautta *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Yritykseni matkatoimiston nettivaraustoiminnon kautta *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Yritykseni matkatoimiston mobiiliapplikaation kautta *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Soittamalla yritykseni matkatoimistolle *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Lähetämällä sähköpostia yritykseni matkatoimistolle *

Yritykseni matkakoordinaattori varaa ne minulle *

Varaan
muualla
- ole
hyvä ja
tarkenna

7. Ovatko lentoyhtiöiden lisäpalvelut ja niiden varaaminen tuttua sinulle? *

- Kyllä, tiedän mitä lisäpalvelut ovat ja miten niitä voi varata
- Kyllä, tiedän mitä lisäpalvelut ovat, mutta en ole tietoinen kuinka niitä voi varata
- Ei, lentoyhtiöiden lisäpalvelut eivät ole minulle entudestaan tuttuja, mutta haluaisin kuulla niistä lisää
- Ei, lentoyhtiöiden lisäpalvelut eivät ole minulle entudestaan tuttuja, enkä ole kiinnostunut niistä
- Ostan ainoastaan lippuja jotka sisältävät nämä palvelut / olen oikeutettu niihin jäsentasoni johdosta

8. Koetko matkatoimistosi tai yrityksesi matkavirkailijan aktiivisesti tarjoavan sinulle mahdollisuutta varata lisäpalveluita? *

- Kyllä
- En

9. Kaipaako muutoksia tapaan, jolla lisäpalveluita tällä hetkellä sinulle tarjotaan? Millaisia? *

10. Onko yritykselläsi selkeät matkustusohjeistukset, jotka määrittävät mahdollisuudet tai rajoitukset lisäpalveluiden varaamisessa? *

- Kyllä, yritykseni matkustusohjeistus on minulle tuttu
- Kyllä, mutten ole tietoinen matkustusohjeistuksen yksityiskohdista
- Yritykselläni ei ole voimassaolevaa matkustusohjeistusta
- En ole tietoinen yritykseni matkustusohjeistuksesta

11. Jos lisäpalvelut eivät sisälly lentolippusi hintaan, mitä lisäpalveluita voit varata yrityksesi matkustusohjeistuksen puitteissa? *

- Lounge-palvelut
- Istumapaikan ennakkovaraus
- Lisää jalkatilaa
- Lipun vaihto tai peruutus
- Priority-lähtöselvitys
- Priority-turvatarkastus
- Priority-koneeseen nousu
- Nettiyhteys lennolla
- Viihdejärjestelmän käyttö lennolla
- Ateriat
- Matkatavarat
- Urheiluvälineet
- Ennakkoon tilatut ostokset
- Muu, ole hyvä ja tarkenna
-

-
- Yritykselläni ei ole matkustusohjeistusta
 - Yritykseni matkustusohjeistus ei oikeuta lisäpalveluihin

12. Mistä lisäpalveluista olisit valmis maksamaan itse, jos ne eivät sisältyisi lentolippuusi, eivätkä yrityksesi matkustusohjeistukseen? *

- Lounge-palvelut
- Istumapaikan ennakkovaraus
- Lisää jalkatilaa
- Lipun vaihto tai peruutus
- Priority-lähtöselvitys
- Priority-turvatarkastus
- Priority-koneeseen nousu
- Nettiyhteys lennolla
- Viihdejärjestelmän käyttö lennolla
- Ateriat
- Matkatavarat
- Urheiluvälineet
- Ennakkoon tilatut ostokset
- Muu, ole hyvä ja tarkenna
- _____
- En ole kiinnostunut lisäpalveluiden ostosta

13. Mikä on sinulle mieluisin aika varata lisäpalveluita lennolle? *

- Yhdessä lentovarauksen kanssa
- Varauksen ja lähtöselvityksen välillä
- Internet-lähtöselvityksessä
- Lentokentän lähtöselvityksessä
- Lennon portilla
- Lentokoneessa

14. Miten haluaisit varata lentojen lisäpalveluita työmatkallesi? *

- Matkatoimiston online-portaalin kautta
- Matkatoimiston mobiiliapplikaation kautta
- Soittamalla matkatoimistooni

- Lähettämällä matkatoimistolleni sähköpostia
- Lentoyhtiön nettisivujen kautta
- Lentoyhtiön mobiiliapplikaation kautta
- Soittamalla lentoyhtiölle
- Internet-lähtöselvityksessä
- Haluaisin yritykseni matkavirkailijan varaavan ne minulle
- Muulla tapaa - Ole hyvä ja tarkenna
- _____

15. Haluaisin...

- ... saada matkatoimistoltani lisätietoa ja vinkkejä lentojen lisäpalveluista
- ... matkatoimistoni tarjoavan yksilökohtaisia tarpeitani ja matkustustottumuksiani vastaavia lisäpalveluita lennoilleni
- ... matkatoimistoni hyödyntävän lentopisteitäni varaamalla lisäpalveluita lennoilleni
- ... jotain muuta, ole hyvä ja tarkenna:
- _____

16. Jäikö jotain mainitsematta? Onko sinulla muita ajatuksia tai ehdotuksia lentojen lisäpalveluihin liittyen?

Suuri kiitos osallistumisestasi ja ajastasi!

Appendix 4. BT Survey questions in English



Business Travellers' preferences regarding airline ancillary services

This survey is conducted as part of a Bachelor's thesis for HAAGA-HELIA University of Applied Sciences. It aims at identifying and measuring the habits, experiences and expectations of Finnish business travellers in terms of purchasing airlines' ancillary services. The research is conducted by HAAGA-HELIA students and commissioned by Amadeus Finland Oy.

Answering the survey will only take around 5-10 minutes of your time. All the replies will be kept anonymous. The results of the research will be later published on www.theseus.fi. The survey has been sent to you as it targets business travellers in Finland. Your reply is highly valued!

Airline ancillary services

Ancillary services are considered as all additional services a passenger is able to purchase on top of his/her flight ticket. Depending on the ticket type, cabin class, air carrier flyer tier level, these services might already be included. Common ancillary services would be extra leg room, lounge access, meals, baggage or in-flight entertainment and Wi-Fi.

Asterisk (*) indicates a required field.

1. Sex *

- Female Male

2. Age *

- 18-28 years
 29-38 years
 39-48 years
 49-58 years
 59-68 years
 69 years or older

3. Your position in the company *

- Trainee
 Junior staff
 Senior staff
 Supervisor
 Management
 Owner
 Travel coordinator
 Other, please specify

4. How often do you fly for work? *

- Less than once a year
 1-2 times a year
 3-6 times a year
 7-12 times a year
 1-4 times a month

1 or more times a week

5. Please indicate the type of flights you fly for business and approximately how often?

*

	< 1 times a year	1-2 times a year	3-5 times a year	6-10 times a year	11-15 times a year	15+ times a year
Domestic	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Scandinavian	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
European	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Longhaul	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Including multiple des- tinations per travel	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. How do you book your flight tickets? *

	Never	Seldom	Often	Always
Via the airline's website *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Via the airline's mobile application *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
By calling the airline *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Via online booking tools *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Via my travel agency's online booking tool *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Via my travel agency's mobile application *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
By calling my travel agency *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
By emailing my travel agency *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My company's travel agent books them for me *	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I book else- where - _____ please specify	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. Are you familiar with the airline ancillary services and how to book them? *

- Yes, I know what they are and how they are booked
- Yes, I know what they are, but I do not know how to book them
- No, I am not familiar with them, but I would like to learn more about them
- No, I am not familiar with them and I am not interested in them
- I only buy tickets that include these services / They are included in my frequent flier tier level

8. Do you feel you are actively being offered the option of booking ancillary services by your travel agency or by your travel manager? *

- Yes
- No

9. Would you like to have something changed in how the ancillary services are being offered? If yes, what specifically? *

10. Does your company have a travel policy that gives clear guidelines on what kind of services you are allowed to book if any? *

- Yes and I am familiar with the travel policy
- Yes, but I am not very familiar with the travel policy
- No, there is no travel policy applicable
- I do not know if there is an existing travel policy

11. If not included in your ticket, which ancillary services does your company's travel policy allow? *

- Lounge access

- Advance seat selection
- Extra legroom
- Changing or cancelling my ticket
- Priority check in
- Priority security
- Priority boarding
- Wifi on board
- In-flight entertainment
- Meals
- Baggage
- Sports equipment
- Pre-order in-flight shopping
- Other, please specify

- My company does not have a travel policy
- My company's travel policy does not include ancillary services

12. If not included in your ticket or in your company's travel policy, which ancillary services would you personally be willing to pay extra for? *

- Lounge access
- Advance seat selection
- Extra legroom
- Changing or cancelling my ticket
- Priority check in
- Priority security

- Priority boarding
- Wifi on board
- In-flight entertainment
- Meals
- Baggage
- Sports equipment
- Pre-order in-flight shopping
- I am not interested in paying for any of these
- Other, please specify

13. When would you prefer to book ancillary services when travelling for business? *

- At the time of the booking
- Between booking and the online check in
- At the online check in
- At the airport check in
- At the gate
- On board the aircraft

14. How would you prefer to book ancillary services for your flight when travelling for business? *

- Via the airline's website
- Via the airline's mobile application
- By calling the airline
- Via the online check in

- Via my travel agency's online booking tool
- Via my travel agency's mobile application
- By calling my travel agency
- By emailing my travel agency
- I would like my company's travel agent to book them for me
- Elsewhere - please specify

15. I would like...

- ... to get more information and suggestions about airline ancillary services from my travel agency
- ... my travel agency to offer me ancillary services that are personalised according to my needs and travel habits
- ... my travel agency to optimise the use of my accrued mileage by booking ancillary services for my trip
- ... something else, please specify:

16. Did we miss something? Do you have any additional thoughts or suggestions regarding the ancillary services?

Thank you very much for taking the time to participate - we appreciate your effort!