

**From:** Theo Kruijssen  
**Sent:** Monday, November 14, 2016 10:32 PM  
**To:** Jim Davidson; John Stewart; Tim Reiz; Edna Lopez  
**Subject:** FW: INTERVIEW: HRG Chief Information Officer Bill Brindle

See below. By the way, Cytric is IFOA's corporate product – owned by Amadeus of course.

So the threat for us is that [REDACTED]

[REDACTED] but the opportunity is that if LH wants to maintain negotiation power over IA they need us.

Theo

**From:** The Beat [mailto:thebeat@northstartravelmail.com]  
**Sent:** Monday, November 14, 2016 10:37 AM  
**To:** Theo Kruijssen <tkruijssen@farelogix.com>  
**Subject:** INTERVIEW: HRG Chief Information Officer Bill Brindle

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INTERVIEW: HRG Chief Information Officer Bill Brindle

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*"The current model is going to change." So says HRG chief information officer Bill Brindle, who should know. He addressed British Airways' New Distribution Capability conference in London last month, and has supported its client, Volkswagen, which has established a direct connection to Lufthansa (as has Siemens). Brindle spoke with The Beat contributing editor Amon Cohen about why emerging alternative distribution channels present huge opportunities but need to become as robust as more established technologies.*

Cohen: What role has HRG played in plumbing in Volkswagen's connection to Lufthansa?

Brindle: Access is through Volkswagen's online booking tool, Cytric. The elements we have worked on are the [passenger name record] and the acquisition and making sure it all runs smoothly through the travel management company process in case there needs to be interface with the booking.

Cohen: Can you give a tangible example of what you mean?

Brindle: If a Lufthansa booking is made through Cytric, then it has to be charged for and financed to make sure it comes back into our world, which is derived from a [global distribution system]-based PNR. We have been working with the customer, Lufthansa and Cytric to make this quite complicated process as simple as possible.

Cohen: Do you think this particular model is better, worse or just different?



Brindle: It's different. Ultimately, it comes down to the commercials. Whatever agreements are made between Lufthansa and the client and what content they can get through that channel are what drive the value. The thing Lufthansa has done, which is brave, is to say it wants to distribute however it wishes.

Cohen: Siemens told us it sees an opportunity to personalize what it buys from airlines. Can you see potential in furthering that idea through introducing alternative forms of distribution?

Brindle: Absolutely. The airline knowing who you are and being able to give you that different element of personalization is one of the main benefits I see in direct connect facilitated by NDC and other methods. It knows who you are at the time you start interfacing with it. The corporate deal is made available along with any other services negotiated into that particular package, such as onboard Wi-Fi. Then, when I, the traveler, access the airline, it can recognize I am John Smith from this particular company and send me a message that says something like: "Would you like to be upgraded to business class on this flight for X price?"

There could be other things like what sort of bags you have included in the price, pre-ordering your meal, ... More can be done through that channel than can be done today, when they are invariably done post booking. Every time you use Amazon, it sends back information about what you did the last time you used the service. In the direct model, you get that from the carrier, as well. It gives the client the ability to negotiate differently, and it also gives the travel management company the ability to negotiate differently and bundle in offers from different airlines. Not all clients have their own deals. There is an ability to push out messages. If a flight is running half empty, you can see if somebody wants to move across to it.

Cohen: So what is HRG's distribution strategy in light of these evolving technologies?

Brindle: I believe distribution is going to change. NDC is really just a messaging set. There are three ways of doing that. There is nothing to stop GDSs using NDC standards. Aggregators like Travelfusion are also using NDC, or the airline can do it directly depending on how it wants to set up its agreements. NDC needs to evolve. We are at the first versions, and some airlines still need to embrace it. From my perspective, and from a corporate client viewpoint, it needs to have stability. It needs the service functions I am looking for and to give me all the relevant operational support in the background.

Cohen: BA has announced it is now able to distribute negotiated fares using NDC messaging. Is that something you have either begun to do or are interested in doing with BA?

Brindle: We have started discussions on how it can be done.

Cohen: Is that imminent?

Brindle: It's not imminent. Accessing something and putting it on a screen is all well and good. The issue comes when it stops working: getting the relevant service level agreements put in place, making sure it has the robustness and speed we are used to getting out of today's environments. We are starting to explore these issues with several airlines. If those services come through an aggregator or the GDS, we've already got those links in place.

It's then a question of seeing what the differences would be by channel. The future will be: What channel are you gaining your content from? Will a carrier distribute through each of these channels at a different price? Will it say to a client, "Look, I can do you this fare with all these things bundled through this channel, but I won't do it at the same rate through this other channel"?

Cohen: Are your clients already interested in alternative distribution, or is it something you anticipate will be good for them in the near future?

Brindle: Some are interested now. If you've got a chunk of business running with a carrier, maybe it would make sense to connect in a particular way to get a relevant deal. I go back to what was said by Siemens: that personalization, that identification is starting to become more relevant, especially to the sort of people entering the workforce today. Corporate travel is difficult to explain when newcomers ask: "How come they don't know who I am when I start a query? Why can't I just use the BA app?" Our challenge from the TMC point of view is that air is just one part of the trip. You may have booked a hotel, you may have got to the airport by train, so we have to add the other elements around the air segment.

Cohen: How are we going to marry the good parts of the new types of distribution with the reliability, uniformity and depth of the GDSs, which is what has made them so successful for all these years?

Brindle: That's where suppliers will have to grow up a bit. BA.com has a good uptime; easyJet has a good uptime. It's making sure when these kinds of connections are in place that they have the relevant contracts behind them to keep stable. There's no point me direct-connecting with a client only to find that actually the thing goes down every Friday afternoon because of an upgrade. The NDC stack covers a lot of services. What we are asking for as an industry is that there is at least a standard in place, not versions of a standard, so we can keep the process running without too much of an issue. That's also in the carriers' interests because it would not make sense for them if it became too onerous.

Cohen: Does this mean that, although NDC is intended to bring some uniformity to application programming interfaces in the indirect distribution channel, it is still not as narrowly standardized as you would like?

Brindle: It's being implemented slightly differently by different airlines. We'd all like to get to a world where if I created just one NDC set I could change the carrier name inside it and it would work for the next one, but I don't think that's going to be the case.

Cohen: It sounds like we're in one of those situations where having more than one way of distributing is both a threat and an opportunity. The threat is that there could be additional complexity for everyone, not least for yourselves as the TMC but also for the corporate client. Do you think this complexity is going to be tough to cope with, or will it be relatively manageable?

Brindle: Any kind of change is never simple. It's a question of trying to take some of the noise and confusion out of the process and making sure each channel's value is understood. We are entering a potential paradigm shift in distribution, and that means some things are going to be complex and others aren't. The current model is going to change. If we don't understand or start to accept that, we are just ignoring evolution. We can't stay as we are. We've been [using this model] for 30 to 40 years, but the people coming through now who want to book travel are expecting more of an experience during that process. Carriers and other suppliers—hotellers, as well—want to promote their products with more of a push service instead of everything being a pull. It's going to create a bit of confusion, but it's up to us to take that confusion out.

Cohen: Will that be the essence of the TMC's role in distribution?

Brindle: Yes. People talk about the carriers taking over and stealing the data—they get the data anyway. The client still needs servicing. Airlines have spent years trying to thin down their call centers. The last thing they want to do is start pumping them back up again. A lot of the new models haven't been tested yet, but they are beginning to come. It would be remiss of us not to work with the new technologies to manage that change accordingly.

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