

INFORMATION TECHNOLOGY AND THE TRAVEL TRADE

Making The Right Decisions

Information technology (computers) has revolutionised the travel industry, more so than most others, but, a survey undertaken earlier this year by Consensus Consulting Ltd. in connection with a travel industry publisher suggests that a great deal more needs to be done before the travel trade optimises its IT investment. Among other things, nearly half of the travel agents surveyed thought they were investing either too much or too little in computers: hardware and software; that an effective strategy for IT investment coupled with a good business strategy leads to growth and thereby higher profits; four out of ten travel agents think their staff need more training; and forty per cent believe their timing of investment has been wrong.

The agents with the most problems in this field are the smaller ones; this is due partly to lack of confidence but also to the fact that many suppliers are not interested in the small agencies. Just buying expensive equipment is no guarantee of increased profits; to be effective, a business strategy must be followed, ideally with independent advice, but, with computer prices continuing to fall, the average travel agent is likely to reap the benefits, provided he maintains an adequate level of investment to keep up with his competitors.

DRIVEN INTO THE GROUND

The recession and the Gulf War have meant the end of the road for many small, independent car rental operators, and even big boys like Avis and Hertz are coming under pressure. A major segment of such firms' business comes from airport rentals, but operating from airports is a mixed blessing.

Harvey Kingsland, Managing Director of Kenning, a company which has been operating in the U.K. for four decades, said in a recent interview: "At Heathrow it is expensive to be inside the terminal and there is little if any time saving for the customer." Kenning now operates from neighbouring sites and believes it is able to offer a more competitive service as a result. However, Paul Batchelor, General Manager of rival British Car Rental claims that for international travellers, riding in comfort is more important than cutting costs (and corners).

At least other two US rental companies, Alamo Rent A Car and Thrifty Car Rental have earmarked the UK for major expansion plans. Alamo is introducing a new 'Express Card' which will give business renters priority service and special rates.