

## DESTINIA CONSIDERS NOT SELLING LUFTHANSA FLIGHTS

**The online travel agency claims the battle between the airline and Amadeus negatively impacts the consumer and looks to remove agencies from the market**

**Madrid June 26, 2015.** [Destinia](#) studies the possibility of not selling Lufthansa flights in addition to the rest of the group's airlines (Austrian Airlines, Brussels Airlines, Lufthansa y SWISS), given the decision made by the group to charge a 16 euros fee to bookings made through global distribution systems (GDS). "This battle with Amadeus is not new. American Airlines tried to implement a similar strategy in 2010, aiming to redirect the majority of bookings through its direct channel and pressuring GDS to negotiate. We will wait to see how talks finalise before making a final decision", comments **Amuda Goueli, CEO of Destinia**.

Destinia has several factors to consider: the dominant position the Lufthansa group has in some routes, with quotas up to 80%; the cost implications of integrating a direct booking platform that Lufthansa is looking to impose and the problems that could arise with the competition that "impact the consumer, as consumers will see a decrease in their booking options", adds Goueli.

As of today, what we know is that Lufthansa has a specific web for travel agencies to make bookings manually, which is limiting and increases the operational cost given that it is not an automated process. However, an integrated online platform currently does not exist. "If we want to display Lufthansa flights on our web, we are only allowed to do so with an imposed penalization of 16 euros, which reduces the selection capacity of our clients. This is a clear attempt to push us out of the market", claims Goueli.

If the medium-term intention is to create a platform through which Lufthansa can work with agencies, the integration would take months of programming work, "an effort that not only implies costs that we would need to assume, however many smaller agencies would not have the capacity, nor the means to do so", adds the CEO. We must keep in mind that Destinia, for example, works with close to 600 airlines, and if each airline decided to impose its own direct platform, it would imply a costly operation difficult to maintain.

"The airlines created the GDS; later they cut travel agency commissions and now are attacking the GDS. If more airlines follow this path, it will be unfavourable for competition within the industry. We believe Brussels should keep a close watch as to how this plays out", concludes Goueli.

### About Destinia

[Destinia.com](#) is an international online travel agency with offices in Spain, Egypt and Dubai and 65.7 unique users in 2014. Founded in 2001, the agency has 150 employees, close to 2 million clients and an offering of 300.000 hotels and 500 airlines, permitting reservations in 32 languages. Destinia pioneered offering **space travel** (2006) and accepting **bitcoin** payments (December 2013); launched the first app for **Google Glass** to book hotels (May 2014) and has developed a **virtual reality** experience with the Oculus Rift (April 2015).



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