Chapter III

BookingFax:
A New Concept of Tourism Intermediation

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Abstract

In this case we analyze the creation process of a firm from the tourism sector that has exploited a business opportunity opened up by new technologies. BookingFax acts as an intermediary between wholesalers of tourism offers and retailers, travel agencies, and even the final consumers themselves. The main objective of this case is to analyze how information technology in the tourism sector has constituted the basis of an idea to create a firm, and the role the firm plays in the tourism market. In addition, as the case develops it will become clear that information technology provides the competitive basis of BookingFax. The firm has used this key tool to enter the market, be competitive, and become the number-one firm in its sector in Spain.
Background

The firm of interest in this case was founded in July 2002, a transformation of the firm Avantur, created one year earlier. The earlier firm’s mission was to inform just a few hotels of the existing offers. BookingFax was born out of “the need to improve the quality and speed of the communications between wholesalers and travel agencies” (Antonio Mariscal, CEO). Thus, the firm needed to go deeper into the world of technology and tourism to use, apart from the fax, the media the Internet provides to communicate offers. Tourism-sector firms did not sufficiently exploit these media at that time. BookingFax is a new formula for the communication and management of travel in Spain, and in a short space of time the new firm has gone international, entering the Portuguese market.

The company’s name, BookingFax, is an amalgam of two terms relating to its activity: booking, a word that is well known and widely used in the tourism sector in Spain, and fax, which was the method firms once used to transmit information.

In July 2002, the firm’s founders constituted a Sociedad Limitada (private limited company) with the name of BookingFax, S.L. Despite the high level of activity and business that the firm has attained in its short life to date, its three partners currently employ just six employees. From the day the firm started operating to the present, the following key milestones stand out in the expansion of the company:

• After one year, in August 2003, BookingFax earns its first profit.
• In November 2003, the firm introduces a new technology and begins to work on networks.
• After less than two years, in March 2004, BookingFax enters the Portuguese market.

Nevertheless, in order to get a better idea of the rapid growth and evolution of the company, we now offer a timeline of the main activities during the firm’s first three years of life:

• **July 2002:** BookingFax S.L. is founded, introducing a new form of communication between the agents in the tourism sector.
• **August 2002:** The firm launches the first system for consulting travel offers on to the market, exclusively for the agents.
• **September 2002:** The system passes 3,000 registered travel agencies.
• **November 2002:** The firm introduces a new version of the system, which improves and speeds up communications between all the players.
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