

# Travelocity

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**Travelocity** is an online travel agency and was founded and owned by Sabre Corporation. It is now wholly owned by Expedia.<sup>[1]</sup> Travelocity is based in Dallas, Texas, in the United States. lastminute.com in Europe was a sister site of Travelocity, sold to Swiss-based Bravofly Rumbo in December 2014.<sup>[2]</sup> In recent years, businesses and sites once owned and operated by Travelocity, including Travelocity Business, Zuji and IgoUgo, were sold or shut down as Travelocity focused on its core consumer travel business.<sup>[3][4]</sup>

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## History

American Airlines began offering customer access to its electronic reservation system, Sabre, in 1978 to travel agencies, and in the mid-1980s on the CompuServe Information Service and GENie to consumers under the "Eaasy Sabre"<sup>[5][6]</sup> brand name. This service was extended to America Online in the 1990s.

Travelocity was created in 1996 as a subsidiary of Sabre Holdings, itself a subsidiary of American Airlines, and was run by long-time Sabre information technology executive Terry Jones. As one of the pioneers of web-based disintermediation, Travelocity.com was the first website that allowed consumers themselves not only to access Sabre's fare and schedule information, but also to reserve, book, and purchase tickets without the help of a travel agent or broker. In addition to airfares, the site also permits consumers to book hotel rooms, rental cars, cruises and packaged vacations.

Travelocity gained momentum after AOL's travel portal became associated with the brand in 1999. In 2000, Sabre negotiated a merger of Travelocity with another early web travel company, Preview Travel. The resulting company was independently quoted on the NASDAQ exchange, with Sabre continuing to own around 70 percent of the combined company's outstanding stock. In 2002, with Travelocity's fortunes suffering from competition including Expedia and Orbitz, Sabre consummated a tender offer for the remainder of the outstanding shares in Travelocity and remerged the business into Sabre as a subsidiary. Jones left the company shortly afterward.

Also in March 2002, Travelocity acquired last minute travel specialist Site59.com. Site59's CEO and founder, Michelle Peluso joined Travelocity with the acquisition as senior vice president, product strategy and distribution. Peluso became Travelocity's COO in April 2003 and was then named president and chief executive officer of Travelocity in December 2003.

In 2004, Travelocity introduced "The Roaming Gnome". Voiced by Harry Enfield, the Gnome has been a staple in Travelocity's advertising ever since. The original campaign was invented by Lisa Shimotakahara and Philip Marchington of McKinney & Silver, an advertising agency in Durham, North Carolina. The tagline, "You'll never roam alone", was written by John Guynn, a copywriter at the same agency. Avant Garde Studio, with lead artists, Amy Medford and Leonid Siveriver, worked with Philip Marchington to

Under Peluso's leadership, Travelocity has developed and launched a merchant hotel business, dynamic packaging functionality, and a private-label (ASP) distribution network, the Travelocity Partner Network. Many members of Peluso's former management team at Site59 held senior management positions at Travelocity; namely, Jeffrey Glueck (Chief Marketing Officer), Tracey Weber (President, North America), Josh Hartmann (Chief Technology Officer) and Jonathan Perkel (Senior Vice President and General Counsel).

On January 8, 2009, the company announced that its CEO, Michelle Peluso would tender her resignation in order to get married and focus on bringing up a family, and that she is being replaced by long-time Sabre Sr. Executive, Hugh Jones.<sup>[7]</sup> In 2011, president and CEO Hugh Jones moved to sister company Sabre Airline Solutions, and Gilt Groupe president Carl Sparks was brought in as president and CEO of Travelocity. Sparks had been general manager of Hotels.com and before that was chief marketing officer at Expedia.<sup>[8]</sup>

In August 2013, Expedia Inc. announced it had signed a marketing agreement with Travelocity, where Expedia would power Travelocity's United States and Canadian points of sale, and Travelocity would focus solely on advertising their website. Beginning in November 2013, Expedia's hotel supply began flowing into Travelocity, with expected completion to take place in early 2014.<sup>[9]</sup>

In May 2014, CEO Carl Sparks stepped down from his position as CEO of Travelocity.<sup>[10]</sup> After the departure of Sparks, Roshan Mendis, President of Travelocity was named to manage operations of Travelocity's operations in the Americas, while Matthew Crummack, CEO of lastminute.com was named to manage operations in Europe.

In January 2015, Travelocity was sold by Sabre Corporation to Expedia, Inc. for \$280 million.<sup>[11]</sup>

In November 2015, Travelocity hired Assembly in New York to handle US media. Until then, media had been handled by Publicis Groupe's Zenith Media.<sup>[12]</sup>

## Controversies

In July 2012, the U.S. Department of Transportation fined Travelocity \$180,000 after discovering that Travelocity's "flexible dates tool" did not always include fuel surcharges that were part of many international airfares in violation of the Department's rules requiring all carrier-imposed surcharges and fees to be included in every advertised fare. In addition, the DOT found that the customer was informed only on the final page before purchasing the ticket that some itineraries required a paper ticket with a minimum additional delivery fee of \$29.95.<sup>[13]</sup>

In August 2012, Travelocity faced a viral controversy when it offered a \$200 coupon code to attendees at the National Federation of the Blind annual conference in Dallas. After the NFB posted the code on Twitter without mentioning the attendee restriction, Travelocity retweeted it without noticing the error but deleted the tweet a day later. After some travel blogs and message boards reposted the code, many ineligible travelers used the code.<sup>[14]</sup> Travelocity responded by cancelling all trips that used the code who weren't on the list of attendees at the NFB annual conference. This resulted in a barrage of complaints from customers angry to see their trips suddenly cancelled.<sup>[15]</sup>

## AllHotels

AllHotels.com was an online hotel reservation site owned by Travelocity. The site was founded in 1997 by Richard Irwin, acquired by Online Travel Corporation (OTC) in 2002,<sup>[16]</sup> and later acquired by lastminute.com in 2004.<sup>[17]</sup> AllHotels joined the Travelocity portfolio of companies through Travelocity's acquisition of lastminute.com in 2005. AllHotels was a hotel only site where customers book online, but pay the hotel at checkout.

## Travelocity Business

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## External links

- Official website (<http://www.travelocity.com/>) (Mobile (<http://m.travelocity.com/>))
- Canadian (<http://www.travelocity.ca/>) 🇨🇦 🇨🇦 CAN<span class="languageicon" style="font-size:0.95em; font-weight:bold; color:#555;">(French)</span> (<http://www.travelocity.ca/?&langid=3084>)

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