

# DISTRIBUTION SERIES: PART ONE



By Natalie Kimball, Dir., Demand Generation & Sara Duggan, Dir., Marketing | Travelclick Inc.

WHITE PAPER

As part of our mission to increase our customer's awareness and understanding of emerging issues, opportunities and trends we are offering a Knowledge Series on Distribution. In the first of a three part series, we will identify what distribution is and how it looks in today's electronic landscape. In the later series, we will focus on ways to effectively manage your distribution channels and maximize profitability.

## WHAT IS DISTRIBUTION?

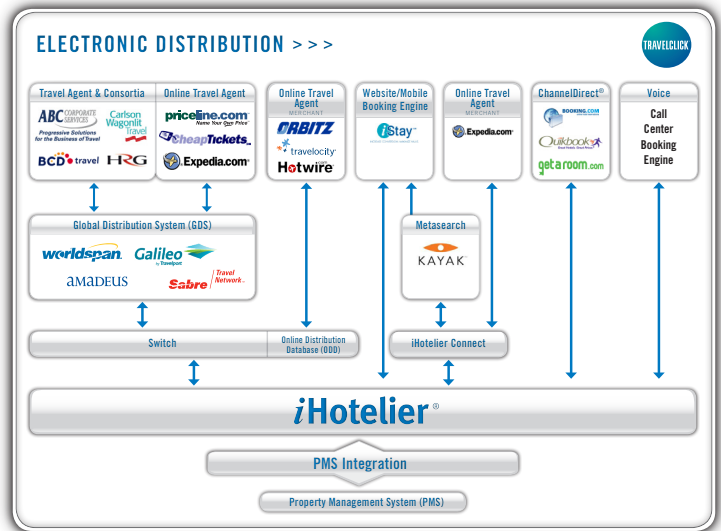
All hotels want to distribute their product to the widest possible audience in the most profitable manner. Yet not all distribution opportunities are created equal.

The hotel industry is made up of many distribution partners, and opportunities come in many shapes and sizes, from traditional brick-and-mortar travel agencies to advanced online tools that target customers based on length of stay, purchase patterns, and even bidding models. There is no such thing as a perfect distribution channel for any property. Striking the most effective balance between these distribution opportunities is the key to driving profitability.

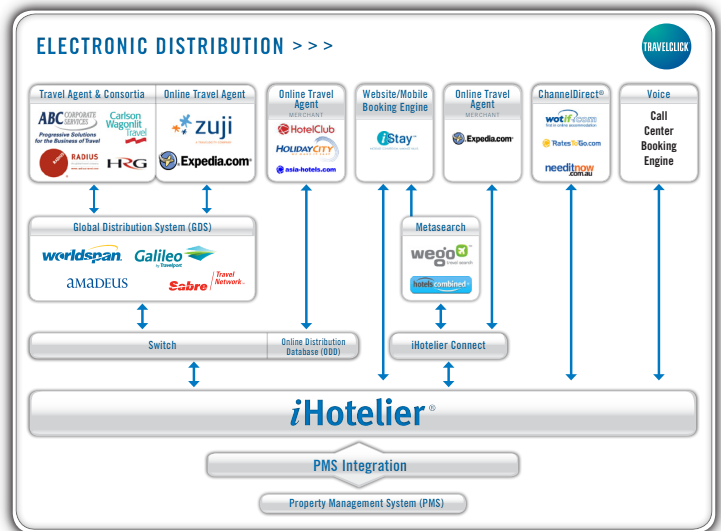
Travelclick iHotelier customers have access to a robust distribution system that provides multiple connections through one portal. This Internet-based, state-of-the-art Central Reservations System (CRS) offers a complete, integrated reservations and marketing solution. iHotelier may be used to manage booking engine rates and inventory through either OneScreen or iStay, or for next-generation seamless connectivity to all four GDS systems, or both.

## Q: ARE YOU LEVERAGING IHOTELIER TO ITS FULL POTENTIAL?

A: In this series, we will explain what distribution is and what that looks like in today's electronic landscape. The following Integrated models demonstrate electronic distribution and the power and global reach available through iHotelier.



Electronic Distribution Model for Americas



Electronic Distribution Model for Asia-Pacific

Travelclick Global Offices

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New York, NY USA



Atlanta, GA USA



Chicago, IL USA



Barcelona, Spain



London, England



Dubai, UAE



Houston, TX USA



Melbourne, Australia



Shanghai, China



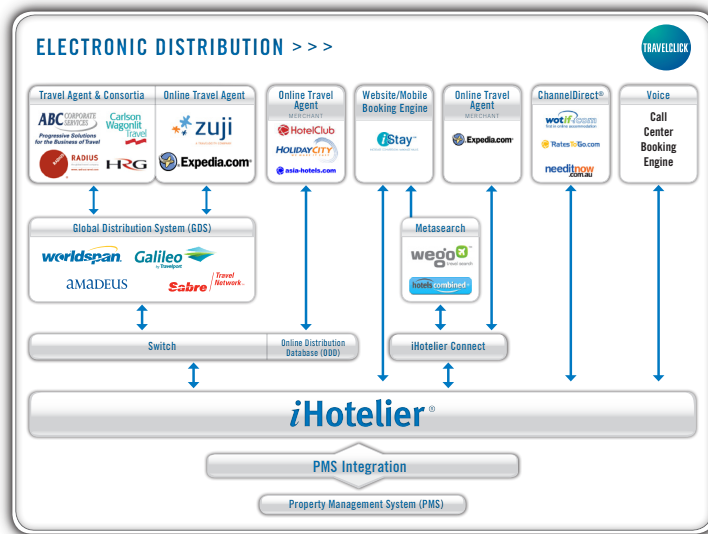
Tokyo, Japan

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*Electronic Distribution Model for Europe, Middle East and Africa*

Don't focus on the method or tool used for distribution—i.e., online distribution database (ODD), GDS, iH Connect—but instead, on the end result. With single-source management through iHotelier, you can maximize the full power of your electronic distribution channels.

## Electronic channels include:

### Booking Engine

Leverage the popularity of searches through Online Travel Agencies to convert the booking on your hotel website. Whether you are a OneScreen or iStay user, converting reservations through this channel is your most cost-effective distribution method.

### Metasearch

Keeping in mind the ultimate goal of transacting reservations through your booking engine (for example iStay), metasearch engines will drive customers directly to your site. Sites like Kayak and WeGo enable customers to search multiple OTAs for the lowest rate. Development is underway to include iStay customers as the default rate, thus ensuring that customers are driven directly to your website.

## Travel Agents and Consortia

Don't believe rumblings that the GDS channel is no longer relevant; this channel continues to be critical to hotel success. Travel agencies and consortia are still actively booking hotels and generating business. Even OTA channels access GDS inventory when their merchant rates are closed or restrictions are applied.

## Online Travel Agent (OTA)

Focus on regionally relevant partners, but don't close the door on channels that have brands located globally. Industry leaders include:

- **Expedia:** Unlike many other OTAs that purchased and grew well established regional sites, Expedia has branded its name throughout the world, making their brand the best known among global consumers. Executing a partnership with Expedia secures global exposure for your hotel. iHotelier will feature Expedia Quick Connect™ functionality in late July, enabling you to update the extranet seamlessly from iHotelier. Contact your Expedia Market Manager to find out if you are eligible.
- **Orbitz Worldwide:** The Orbitz brand is well-known in North America but its reach is global. While extranet management limits your global distribution, by managing your inventory through iHotelier, you have a single point of entry into all Orbitz sites and customers, including HotelClub, eBookers, Cheaptickets, Away, and Asia-hotels.
- **Priceline:** Priceline's opaque pricing model (Name Your Price®) has revolutionized the way customers shop and book, enabling them to have full control of pricing. Predominately a US product, Name Your Price recently launched in 30 international markets and continues to grow. Bookings.com, one of the largest channels in Europe, is part of the Priceline family.

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## Voice

Although this channel will continue to decline as customers favor robust online content and the flexibility of search, voice/call centers remain a fundamental channel in a holistic strategy.

## WHAT ARE THE BENEFITS OF AN INTEGRATED MODEL?

This model offers a common technology platform that allows for:

- ☑ Centralized point of entry—for rate and inventory management via CRS
- ☑ Databridge technology allows for full interface with PMS—single image inventory
- ☑ Maximizing yield management strategies using linked BAR (best available rate)
- ☑ Streamlined connectivity to Online Travel Agencies

## DOES THIS REQUIRE MORE INPUT OR WORK FROM YOUR HOTEL?

An undeniable reality in the hospitality industry is high turnover. That said, you can opt to train and retrain employees on multiple extranet and inventory management systems — or on just one central system that controls all inventory touch points.

Nominal toll transaction fees are involved for the convenience of management through iHotelier but, fortunately, Travelclick has negotiated lower margins and in many cases, premium programs on behalf of our hotels that you can access only by managing through iHotelier.

If you're ready to make the move from a manual extranet to seamless management through iHotelier, Travelclick will assist you, contact your Director of Sales or Revenue Optimization Manager to learn more and reduce time spent with manual updates.

At Travelclick our commitment is to help you integrate seamlessly by opening doors for connectivity with those that really matter. In the next series, Maximize your Electronic Channel, we will provide you with best practices for effective channel management.



As Director of Demand Generation for Travelclick, Natalie develops strategies and solutions that generate demand for customers from new programs and channels. Natalie has over 11 years of experience in the hospitality industry and extensive knowledge of travel agencies, online travel agencies (OTAs), electronic distribution, travel agencies and onsite hotel operations. She has worked with OTA leaders Expedia and Orbitz and also in corporate leisure sales for several upscale hotels and resorts.



Drawing on global experience in Operations, Distribution, Revenue Management & Marketing, Sara Duggan is currently Director of Marketing for Travelclick. Born and raised in Southern Africa, she received her Post Graduate degree in Business Hospitality at IHTTI Hotel School in Switzerland. Prior to joining Travelclick and moving to Canada, she worked extensively as a consultant in both Revenue Management and Marketing.

She has created and led the Revenue Management and Distribution Departments for Blackstone's European properties. Sara also holds the designation of Certified Revenue Management Executive from the Hospitality Sales and Marketing Association. A recognized expert in her field, she is a frequent speaker and writer on revenue management and distribution at industry conferences and hospitality schools.