

### **With profitability at the forefront of all our minds at the moment it is a good time to evaluate your distribution strategy.**

#### **When you have two room left to sell and seven extranet sites, what do you do?**

You look for efficiency across all extranet sites, through a pooled inventory. A channel management tool offers you the power of putting your entire last minute inventory in one place.

More than seven in ten NEXTgen travelers consider the ability to check the lowest available fares or rates (77%), photos of the hotel/resort (73%) and guarantees of the lowest available fares or rates (72%) influential web site features when making decisions about travel destination or services. What's more, the majority of NEXTgen travelers check last minute air, hotel and car rental availability (55%), and schedule and confirm vacation activities in advance of arrival (54%).

*Source: PhoCusWright and Y partnership's the NEXTgen Traveler.*

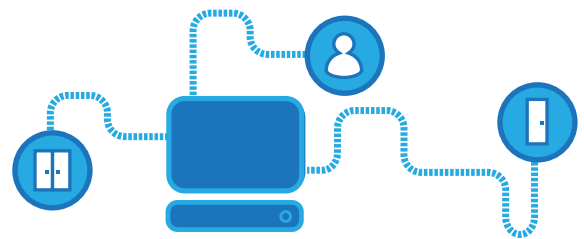
#### **Are you capturing your share of this last minute inventory?**

A channel management tool allows you to keep your extranet inventory available on multiple distribution sites for last minute bookings. This reduces your risk of not selling that room through limited exposure and eliminating the tough decision of which channel to allocate inventory to.

As the online leisure and unmanaged business travel market in the U.S. has matured, supplier web sites and Online Travel Agencies (OTAs) appear to have reached relatively stable market share.

According to PhoCusWright's Online Travel Overview, Eighth Edition, supplier sites account for 61% of the online market vs. 39% for OTAs in 2008. Forrester's research concurs. "We're seeing more and more people researching from the travel agency sites and booking from the supplier sites," said Henry Harteveltdt, Vice President, Principal Analyst, Forrester.

When it comes to profitability, not all electronic channels are created equal. Strike that balance between website direct distribution and distribution through OTAs. Each of the three primary electronic channels—hotel website, OTAs and the GDS — offer a different return. Although the first place to maximize your online exposure is your hotel website, all channels have a place in an effective distribution strategy.



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## White Paper Analysis: Internet Distribution Insights

All three channels are recommended for maximum demand and to optimize exposure. Managing rates and inventory via extranets effectively is critical to delivering the highest return, but can also result in lost labor ensuring all sites are up to date. ChannelDirect offers an efficient way of ensuring that all channels are in parity. With efficient channel management, you can control and extend your distribution reach efficiently.

- 1. Am I driving the majority of my business through the most profitable channels?**
- 2. How many extranets am I currently working with?**
- 3. How much time is currently spent managing these extranets?**

Distribution via OTAs is an option worth revisiting during times of economic uncertainty, as marketing budgets and technology investments are usually low. OTA web sites attract customers looking for special deals.

As the global economy continues to fluctuate, more than ever, hospitality professionals are being forced to search for new revenue generating opportunities. One way to increase your revenue is to recognize the untapped revenue that can stem from new international target market groups. Targeting new international markets can help you gain market share over your competitors.

Here is an update on what is currently going on in other regions.

Look outside your traditional local distribution sites and strike up new partnerships. There are many other channels out there. Once you have a contract you can hook them up via a channel management tool like ChannelDirect and efficiently manage them in one place.

### The current top 10 most requested sites via ChannelDirect users

Region	Asia Pac	Europe	US
Channel Name	Wotif RatesToGo needitnow quickbeds check-in.com.au API Qantas-Ready Rooms Travelocity HotelClub LastMinuteAU	Booking.com Expedia HRS lastminute.com LateRooms hotel.de(API) RatesToGo Venere Orbitz CentralR	Expedia Orbitz Travelocity Booking.com Quikbook(Retail) Venere HotWire VenereAPI ARES

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### The ASPAC Perspective

Wotif.com Holdings Limited has posted a record half-year profit of \$20.6 million. The group delivered a 21% increase in after tax profits for the six months to 31 December 2008. According to Wotif, this record \$20.6 million profit was underwritten by strong contributions from the Asia Web Direct and travel.com.au limited businesses acquired by the Wotif Group during 2008.

The group's expanded operations assisted it in selling just over three million room nights in the reporting period, representing a 37% uplift on the same period last year. Wotif Group's Managing Director and Group CEO, Robbie Cooke, said, "It is clear that there is still an appetite for travel but customers are very focused on deals and are coming online to find them. We are seeing this behaviour not only from leisure customers but corporate travellers are also discovering the benefits and value that can be achieved by making their accommodation bookings direct with Wotif.com. We received about 3.5 million hits on our site every month. The fact that travellers can now book three months ahead has been a big plus," said Cooke.

### The European Perspective

Due to high fragmentation and low chain penetration across the European lodging landscape, OTAs dominate the online hotel space. With growth in the overall lodging market expected to slow significantly in 2009, hotels will leverage their lower cost distribution channel to spur demand; the online hotel market, as a result, may actually see a boost during the economic downturn.



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### Strategy:

Sustain and diversify your hotel's exposure through international and domestic tourism by expanding your distribution landscape and working with OTAs popular with the consumer. Consider more than the three key North American players, of Expedia, Travelocity and Orbitz.

*For example:*

Wotif.com is the preferred channel for consumers in Australia and New Zealand. Booking.com is Europe's leading online hotel reservations agency by room nights sold, attracting over 30 million unique visitors each month via the Internet from both leisure and business markets worldwide.

### The benefits of ChannelDirect are many:

More and more hotels are reconsidering and expanding their distribution landscape. Hotels can now target customers, regionally based on the sites they contract with. Extranet channel management tools are an integral part of successfully executing this strategy.

- Reduce time spent managing extranets with the efficiency of one interface
- Easily load inventory into channels to sell excess inventory
- Construct and update parity groups to easily accommodate dynamic pricing decisions
- Access a display of current inventory, prices and restrictions across multiple sites in real-time
- Build consumer confidence with rate parity
- Savings in labor costs and reduces the chance of human error

### Action:

Identify segments in the international and national markets that you may not have considered recently to replace travel from regions more heavily impacted by the either the volatile currency markets or economic slowdown, and those that are emerging, and their booking channel. Execute partnerships or contracts with those sites as well as use ChannelDirect as a labor and time saver ensuring your exposure through multiple partners.

