

## Internet Distribution Systems IDS

The **Global Distribution Systems (GDS)** provides consumers the ability to book airline tickets, hotel rooms and rental cars through Internet gateways called the **Internet Distribution System (IDS)**. The Internet Distribution System is a collection of more than 2000 internet reservation systems, travel websites, online reservation systems and travel portals which specialize in internet marketing of travel and related services directly to consumers. These online systems have distinctive features that can be used to drive potential travelers to a given destination and/or travel company. Unlike booking through a travel agent or tour operator, any consumer with access to the World Wide Web has the ability to book travel on their own.

The **Internet Distribution System** offers technology that allows customers to build complete trips that combine flights, hotels and other lodging, transportation, and destination activities. Travelers have the ability to research, plan, and book their travel needs from a broad selection of partners. Technology allows the travel suppliers to change offers quickly so consumers may find great last minute deals to purchase.

So why is it important to be visible via the **Internet Distribution System**? The simple answer is, the more Internet distribution channels you are on, the more likely you are to be booked. The advantages include the following:

- Visibility on the Internet to Anyone, Anytime and Anywhere, 24/7
- Seamless connectivity to thousands of travel websites with inventory availability
- Offers presented to the consumer in to 21 major languages
- Increase ROI and revenue by direct sales to travelers
- Ability to change rates quickly based on demand
- Reduce "No-Shows" by guaranteed reservations
- Receive payment instantly
- Reduce support staff who has to build TA relations
- Decrease administration costs
- Manage "last minute" bookings effectively
- Maximize occupancy, ADR and Revenue
- Establish pricing strategy for each unit
- Capture reviews and important marketing statistics

### **GDS Hotels will provide you the ability to manage the Internet Distribution System by:**

- Getting your property loaded on all Internet reservation systems
- Helping you load all property information with focus on keyword density.
- Loading room-types & information about room amenities with focus on keyword & key phrase density.
- Writing professional SEO content pages
- Optimizing content

- Loading photos, maps, etc.
  - Loading rates, specials, packages, allotments, cut-off dates & minimum length of stays
  - Maintaining allotments (open/closed) based on market demand
  - Monitoring actions and rates of competitive hotels.
  - Mining data through guest reviews
  - Providing periodic analysis reports
  - Building appropriate links
  - Insuring your META NAME= "DESCRIPTION" CONTENT and META NAME= "KEYWORD" CONTENT is correct
  - Updating your website regularly
- Benefits:
- Your hotel will be competitively placed and well presented on the Internet Distribution System
  - You will save your reservation agent's time to focus on quality service.
  - By focusing on direct customers, you will get more satisfied guests.
  - You will save your sales manager time to focus on building relations with corporate customers
  - You will save your revenue manager time to focus on marketing strategy analysis
  - It is an effective and easy way to place your hotel on the Internet market.
  - Internet Market is available 7 days a week, 24 hours a day.
  - It is extensively used by travel agents and some travel websites.
  - It allows you implement an online distribution strategy – offer your inventory to new online distribution channels is an effective method to capture new market share.

### **3rd Party Merchants - Internet Distribution System**

The events of September 11, 2001 had an impact on every aspect of life in the USA. American behavior immediately changed and few industries were hit as hard as the travel and hospitality sector. Simply, people stayed home. Both business and leisure travel realized immediate new lows and within weeks operators throughout the United States started pushing the yield management panic button – the Internet Distribution System (IDS) channel.

Following 9/11 and as a result of the rapid decline in demand, 3rd party web sites such as Travelocity (Sabre Holdings) and Expedia (formerly Interactive Corp.) were the only entities with marketing dollars. Owners and operators traded profitability for visibility and in some cases were paying margins of 40 or more percent. Then people began to travel again and the "love-hate" relationship with merchant providers was spawned. Though 3rd party relationship have warmed-up during the last few years smart operators are now keen to the relative profitability of this channel and are managing it appropriately. You can too with the help of GDS HOTELS! The Hospitality Performance Group distribution philosophy is based upon balanced channel management and bulk rate merchants are important to any hotel or resort operation's success. GDS HOTELS can help you determine which merchants are appropriate to your market and operation, assist with negotiation of margins, process agreements and integrate the sites within your channel management platform. GDS HOTELS can also help you determine the cost and efficacy of 3rd party marketing and yield-related promotions.

Generally 3rd party merchant sites can be an effective contributor to your operation's distribution programs due to the strength of their marketing efforts. The keys to success in working with them is margin (3rd parties expect a parity rate) and inventory negotiation during the contracting process and acquisition cost management within yield processes to ensure maximum overall profitability of your distribution architecture. The Hospitality Performance Group knows this space well and will be your best vendor-partner in the complex world of 3rd party merchants.

## **IDS Proprietary**

Remember the Hotel Travel Index? For younger hospitality professionals the HTI was a very fat annual publication of the world's hotels and resorts. When it was not being used as a resource for travel professionals it doubled as a door-stop and booster seat in that it was about 10 inches thick and required two travel agents to lift from desk to desk! Though it served its purpose at the time the HTI was cumbersome and in some measure unfair. Larger operators could afford the 10's of thousands of dollars to buy display adds while smaller operators were relegated to listings and crowded group ad pages.

The Internet has "leveled the playing field" for operations of all sizes and in all markets – you just need to get into the game. A smaller independent property with a quality web site and solid online marketing program can effectively compete with a much larger operation and even the major brand sites. However, you must invest appropriately and you need an electronic commerce vendor with the experience to guide you through the many complications of a proprietary Internet Distribution System (IDS). You would do very well by selecting the Hospitality Performance Group!

GDS HOTELS is a comprehensive provider of Internet Distribution Service technology and marketing. The process starts by identifying your guest demographics, comp-set and positioning. GDS HOTELS then creates a highly-searchable web site that drives your operation's value proposition to site visitors – your potential guests. GDS HOTELS will integrate an online booking engine to capture bookings and will provide the recurrent search engine marketing to ensure your web site's visibility to the 80% of potential guests that use search to find accommodations in their selected destination.

Not unlike your operation's investment in a group sales department or print and broadcasting ads to drive transient and group call-in business, your investment in the IDS will determine your success. A quality web site with no marketing support will languish in Internet anonymity. A poor web site and weak merchandising that is well marketed will not convert booking business. Today independent property web sites (and for that matter a number of free-standing branded property sites) generate in excess of 20-40% of room sales. This is \$2-\$4,000,000 in an operation that produces \$10,000,000 annually. Comparatively, is it logical to spend hundreds of thousands of dollars on a group sales team that produces the same 20-40% and only \$10-\$20,000 of a proprietary web site and booking engine? Similarly, spending \$50,000 on a chandelier or pool furniture and not expecting to invest the same amount on a highly productive web site and marketing program seems incongruous at best.

Building and maintaining a highly-productive, scalable and pervasively visible proprietary Internet distribution system is a sound investment. And doing so will not require you to re-finance your property – when you work with the Hospitality Performance Group. Our clients are now realizing, as many are the leaders in their markets, a minimum 10:1 return on investment from theirs'. GDS HOTELS can help you get into the game – not just to play but to win!