

## Global Distribution Systems GDS

Bringing Long-lasting Value to Independent Hotels











### Introduction

Securing regular and reliable bookings is the lifeblood of every hotel. But finding a strategy that enables hotels to thrive in a tempestuous landscape is tough. Properties need to reach high-value travellers, and they need opportunities to increase revenue per guest beyond room rates. All of this requires a strong and resilient approach to distribution.

Direct bookings are the dream, but most hotels cannot rely on a loyal customer base alone to achieve all the bookings they need. And visibility against competitors on search engines such as Google brings its own volatility, due to shifting algorithms and the uncertainty of wider influences such as the EU's Digital Markets Act (DMA).

Online travel agencies (OTAs) can offer great visibility, but relying on them too heavily puts hotels at the mercy of seesawing commissions and policy changes.

Yet one channel that has stood the test of time is the Global Distribution System (GDS). This is a dominant booking channel that has prevailed for both business and leisure travel. At HotelREZ, the GDS is the top booking channel for hotels, and our data shows it's been growing consistently since 2014. Post-pandemic, it was one of the first channels to rebound, and it has continued to grow and be a stable booking channel for hotels ever since.



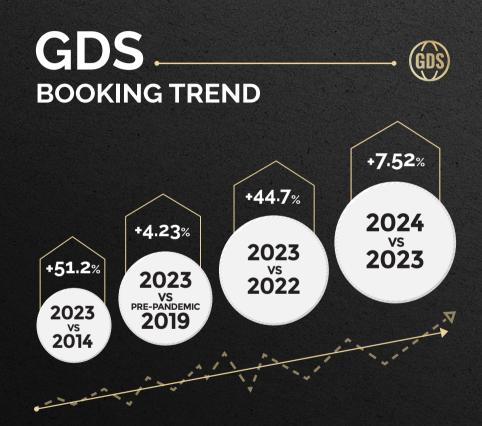


### What is the GDS?

The GDS is an online platform that connects travel bookers and suppliers worldwide in real-time. It connects to a hotel's property management system (PMS) or Channel Manager, which sends live rates and availability to both the GDS and online booking websites.

The GDS is a direct marketing tool for a hotel. It's not 'just another platform' to try to attract guests. It's a way to ensure hotels are visible and available to travel agents who have serious booking opportunities from clients. There is more than one GDS, in fact HotelREZ works with the four major players with access to half a million travel agents worldwide.

Some liken the GDS to having a sales manager in every country. It's a quick way to capture bookings from other travel markets and reach travellers worldwide.







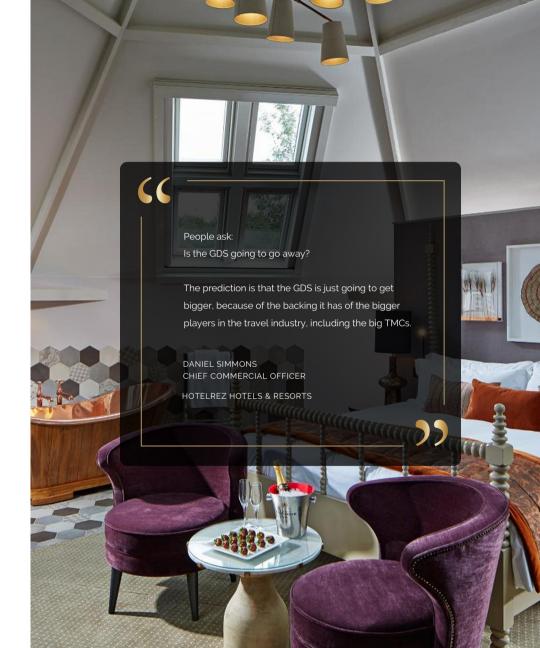
### **A Fascinating Journey**

The GDS was created by American Airlines and IBM in the 1960s, and they called it the Semi-Automated Business Research Environment (Sabre) system. The purpose was to distribute flight details to travel agencies across the world, enabling computerised reservations.

Over time, GDS functions expanded, facilitating bookings for hotels, car rentals, train tickets, excursions and other travel-related services.

Sabre is still a popular GDS used by professionals across the industry, but now there are multiple GDS platforms, including Amadeus, Galileo/Apollo (Travelport) and Worldspan Global Distribution Systems.

Incredibly, the first GDS pre-dates the internet. We believe any technology that can maintain relevance after more than 60 years is worth a closer look.







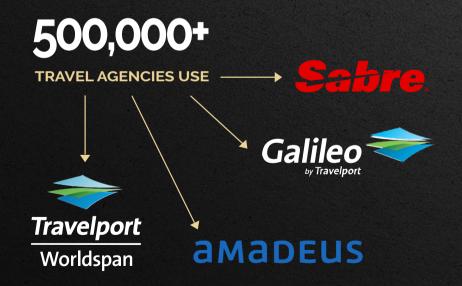
### **The Market Opportunity**

The GDS is a valuable platform for hotels to secure more bookings. Some hoteliers assume that with the rise and dominance of online travel agents (OTAs) and digital marketing, the GDS is outdated and less relevant today. But industry data shows otherwise.





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### **The Market Opportunity**

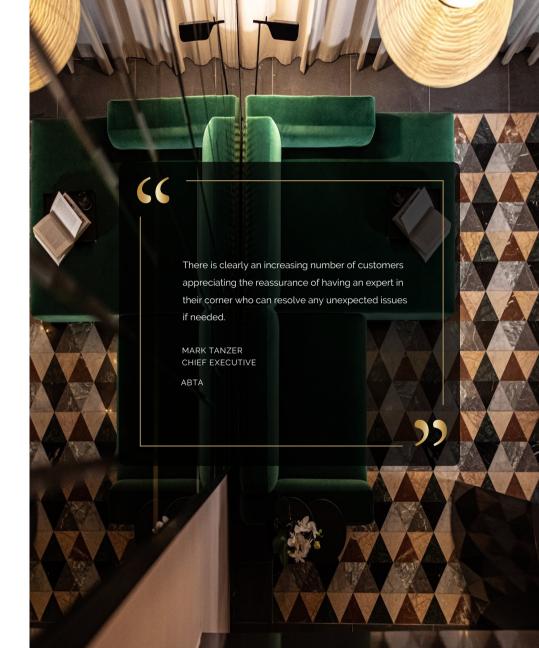
There's an upward trend of people booking via travel agencies and travel management companies (TMCs).



TravelAge West

travel advisor now than in the past

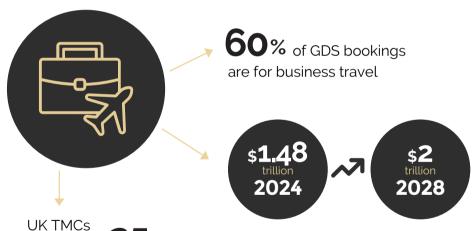






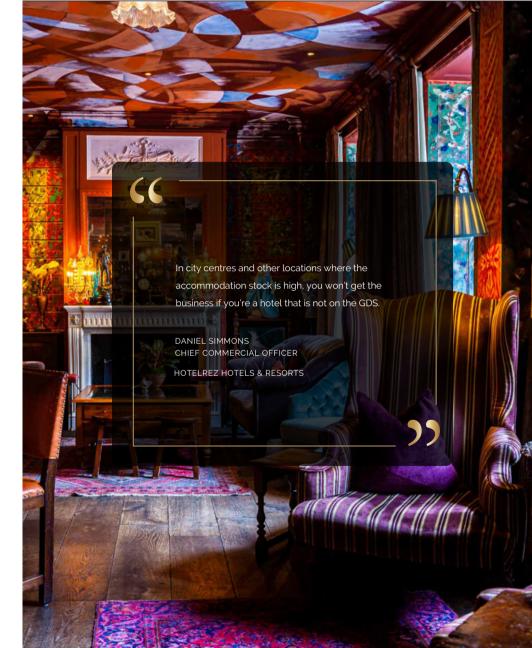
### **The Market Opportunity**

The GDS secures lucrative corporate bookings. Businesses of all sizes are increasingly relying on TMCs, who are in turn using the GDS.



predicted a **25**% increase in sales in 2024 compared to 2023
(Business Travel News Europe)

Business travel spending is expected to rise from a record \$1.48 trillion in 2024, to over \$2 trillion by 2028 (GBTA)







## A Key Channel For Hotels

Having a GDS presence is an opportunity for hotels to capture bookings that might not be possible otherwise.



### A global marketplace

Travel agents across the world use the GDS.

Many leisure and corporate travellers will
only use a travel agent or TMC to make
bookings. It's an efficient way to connect
hotels with customers who are ready to book.



### Consistent, 24/7 presence

Digital marketing campaigns and advertising both involve an element of luck, and you hope a serious prospect will click at the time they've been targeted. With a strong GDS profile, hotels will always be in front of travel advisors motivated to create the right travel package for their clients.



### A revenue generator

The GDS clearly displays the key information hotels need prospective customers to know – availability, live rates and key hotel features. Travel agents and TMCs can easily find this information, making it easy for them to find the best available option for their customers. And this translates into revenue for hotels who have maximised their GDS information.



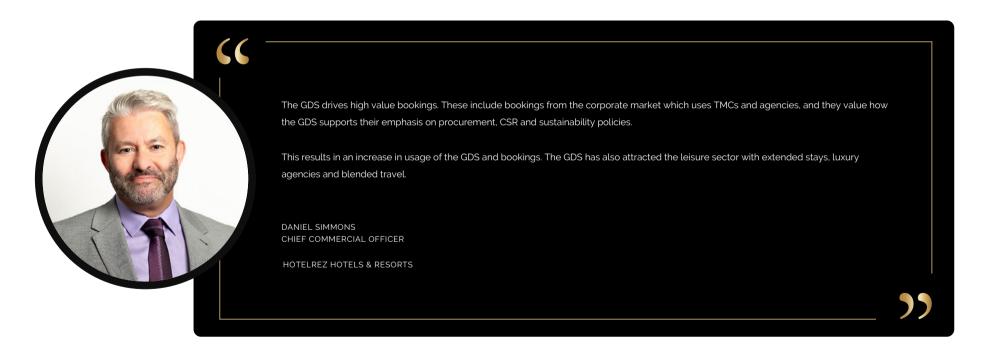
### A level playing field for smaller and independent hotels

Smaller hotels find it tough to compete against the big brands and franchises. Hotels who want to be seen as worthy competitors to these larger entities need to be on the GDS. It's a place where any participating hotel will be seen against all the options in a more equitable way.





### A Key Channel For Hotels







### How Should Hoteliers Take Advantage of the GDS?

To get onto the GDS, a hotel needs to either work with a technology partner or a representation company. But what's the difference?

A **technology company** will organise and manage your access to a GDS channel. However, technology companies do not have the expertise to help hotels optimise distribution strategies.

When a hotel joins the GDS with a representation company that wants to drive genuine results, it's more than a 'plug in and go' exercise. Just like any new channel, a hotel needs to consider: its unique selling points (USPs), what makes it competitive and how it's relevant in the context of current travel trends.

A **representation company** offers end-to-end distribution support. As such, distribution companies provide full account management, which includes:

- Distribution on GDS and MICE channels
- Links to Demand Generation networks
- Access to high end leisure programmes
- Web services, web design, SEO/PPC, booking engine & meta
- Targeted sales and marketing activities
- Niche marketing campaigns
- Best in class service and support
- Increased RevPAR





## The Power of a Strong GDS Profile

Each GDS has numerous questions for hotels to answer to help them define their offer and brand positioning. Hotels should answer these questions in as much depth as possible to strengthen their hotel description (HOD), wider profile and hotel information. This must be done on every GDS it has a presence on.

Once the hotel profile has been maximised on the GDS, hotels can incentivise travel agents through special rates or enhanced commissions. Hotels should focus on ensuring the Best Available Rate (BAR) is always correctly loaded, visible and bookable on the GDS.





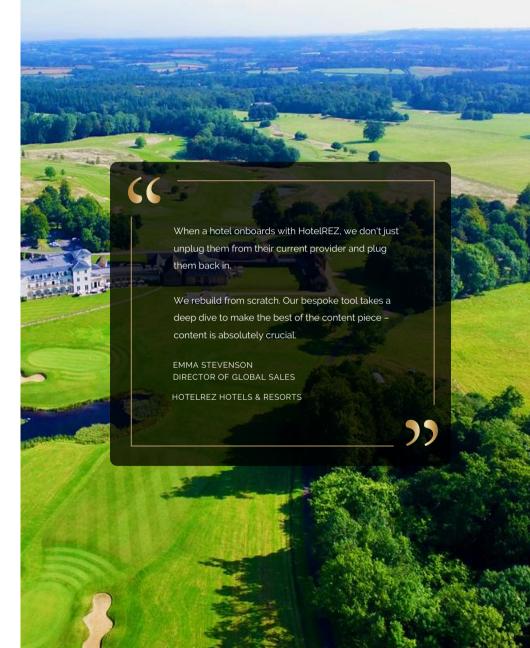


### The GDS with HotelREZ

HotelREZ is a representation company that helps hotels get more out of the GDS.

Through our consultation and content process, we work with hotels on a GDS strategy that will drive business.

We provide full account management for hotels using the GDS, and we run regular training to help hotels maximise GDS sales.







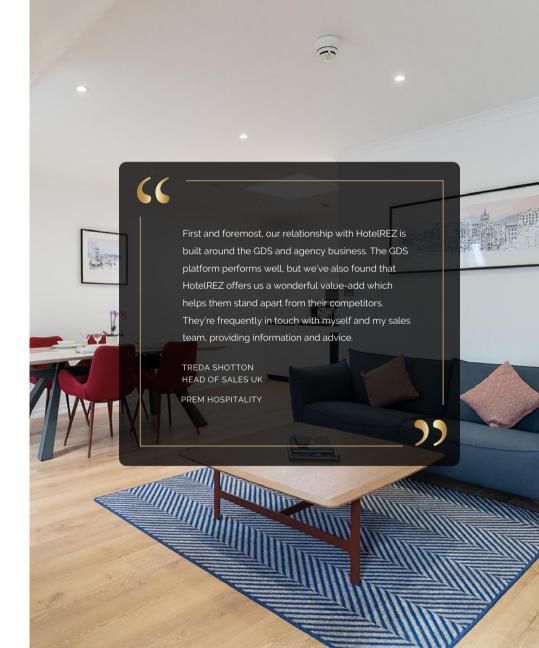
### The GDS with HotelREZ

### Case Study: PREM Hospitality discovers more than just a GDS-partner

HotelREZ has been working with PREM Hospitality since 2018 following a competitive tender process.

The initial brief from PREM Hospitality to HotelREZ was to provide connectivity to the GDS agency network to improve corporate sales and generate demand from travel agencies for long-stay and transient business.

PREM Hospitality has experienced consistent results, the most recent being: an **83% increase** in room nights, a **78% increase in reservations**, and a **99% increase in revenue** (year-on-year comparison for full year 2023 vs 2022).





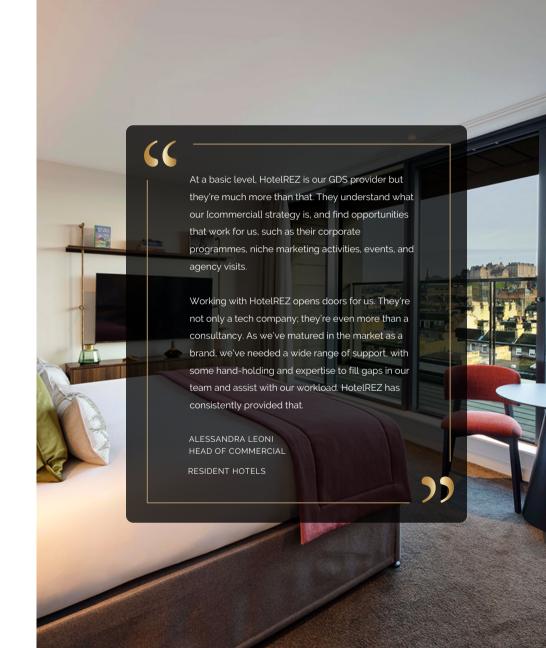


### The GDS with HotelREZ

### **Case Study**: Resident Hotels grows with HotelREZ

One of the marks of a true partnership is growing together, and that's certainly the case with Resident Hotels.

The independent hotel group has expanded to ten properties since its inception in 2006, with HotelREZ providing sales support to help them achieve continued success.







## How Can Hoteliers Maximise the GDS Opportunity?

On the GDS, hotels need a strong profile that reflects the brand, the offer and the unique selling points. But to maximise opportunities on the GDS, savvy hoteliers are staying abreast of industry trends and opportunities to stand out even more.

Staying informed helps hotels refine their messaging and the information they put on the GDS.

These are some of the current travel trends hotels should focus on when working on their GDS content.



### Sustainability

There are several questions on the GDS to help hotels drill into their sustainability messaging. This is increasingly important to travellers, and hotels need to clearly explain their sustainability goals and the key points of their Corporate Social Responsibility (CSR) strategy.

Many hotels follow the sustainable procurement standards set by the Global Business Travel Association (GBTA), and the GDS ensures hotels can highlight the ways they follow these responsible practices.



### Objective stacking and blended itineraries

With concerns about the carbon footprint of business travel, plus value for money becoming a growing focal point, traditional business travel is changing. Instead of flying somewhere for a single meeting, business executives travel to fulfil multiple goals – known as objective stacking. The same rule applies for teambuilding days, which are morphing into longer strategic getaways.

Business travellers are taking fewer but longer trips – and hotels should be using the GDS to actively promote special prices and packages that can secure some of this business.





## How Can Hoteliers Maximise the GDS Opportunity?



#### Target leisure travel too

The GDS has traditionally been seen as a platform for hotels to secure corporate business, but it's being increasingly used for leisure bookings too.

Hotels need to remember this in the context of their GDS presence, ensuring messaging and rates are targeted to both audience segments.

Keeping a constant eye on what's happening in the world can help hotels react quickly through all channels – including the GDS.



#### Track emerging world events

We're increasingly seeing world events directly impact hotel bookings. Covid-19 has had a lasting effect that means more people are booking through travel agents for peace of mind if plans change.

Taylor Swift's Eras Tour caused hotel bookings to skyrocket in every city it visited – creating an opportunity for hotels to increase room rates. The Olympic Games in Paris put some people off visiting the city for fear of overcrowding – meaning hotels had to ramp up their incentives for travellers





### **Opportunities for All Hotels**

Some hoteliers believe the GDS is just for the large hotel brands and chains, but at HotelREZ, we're noticing a growth in demand for other types of hotels and places to stay. These include:

### **Pubs with rooms**

These are increasingly attracting travellers in the middle market. There are many unique selling points to staying at a pub: it's easy and free to park, it feels more personal and unique compared to a big brand, and the food experiences feel authentic and homely. This niche includes breweries with hotels attached

### **Aparthotels**

Increasingly popular with long-stay business travellers, hotels can secure a steady stream of business if they can offer guests the comfort of hotel services with the flexibility to cook for themselves. Any hotels that can provide this should highlight this as an option on the GDS.

### Luxury

There's an increasing demand for luxury hotel stays from both business and leisure travellers. Any luxury hotel – big or small, independent or a large chain – should highlight the elevated experience travellers can have at their property.







## WHY CHOOSE



### **HotelREZ**

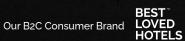
HOTELS & RESORTS















### **Case Study**

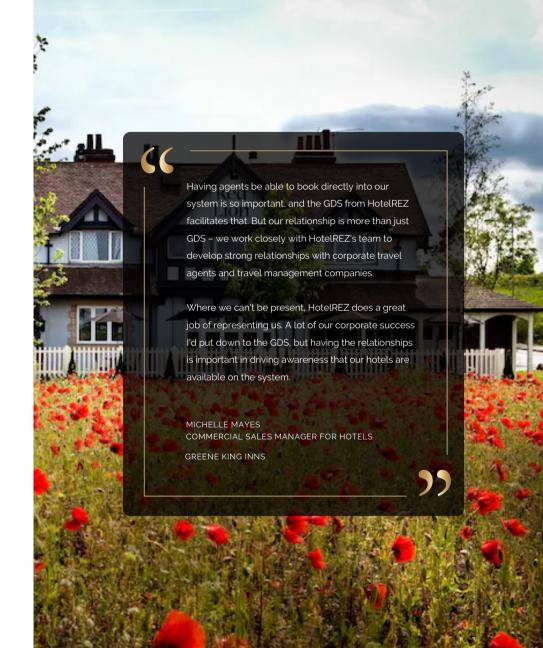
### Greene King pub hotels use GDS to attract corporate travellers

Well-known for its 2,500 pubs, Greene King also offers a welcome respite for travellers with almost 150 hotels throughout the UK. Having emerged post-Covid as a growing force in the hotel world, Greene King made significant investment in its properties, coupled with a refreshed brand positioning.

This led to a shift in the group's commercial strategy, placing greater emphasis on the corporate travel market.

As a result of working with HotelREZ and the GDS, their corporate travel revenue doubled from pre-Covid figures.







## Stand the Test of Time with the GDS

The GDS is a hotel booking channel that is more relevant now than it ever has been. At a time when travel agents are becoming a go-to route into hotel bookings – thanks to the protection they offer and their ability to work within company procurement policies – the influence of the GDS is strengthening for hotels.

As with any channel, the focus for hotels on the GDS should be to maximise its use of content, and have a forward-thinking strategy that accounts for wider travel trends and takes advantage of GDS marketing opportunities.

With the right approach, the GDS can be a stable source of regular bookings and revenue for hotels of all sizes.

At HotelREZ, we use our +20 years in the industry to help hotels thrive on the GDS. Our leading approach that blends data insights with the effectiveness of brilliant content enables us to consistently drive visibility and bookings through this powerful channel.



# 20 YEARS OF EXCELLENCE

HotelREZ



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