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Marketing Hotels: Using Global Distribution System

Rita Marie Emmer, Chuck Tauck, Scott Wilkinson and Richard G. Moore
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Marketing Hotels

Using Global Distribution Systems

Hotel operators can gain room sales via the “silicon highway” by making certain their electronic listings for travel agents are complete and up-to-date. Moreover, in the near future, guests will make direct bookings via their own computers

by Rita Marie Emmer,
Chuck Tauck,
Scott Wilkinson,
and Richard G. Moore

TRAVEL AGENTS ARE changing the way they make hotel reservations. They are turning away from toll-free telephone numbers to booking hotel rooms directly through their computer systems. Travel agents' computer systems,

which were referred to as computer reservation systems (CRSs) for years, are now called global distribution systems (GDSs) because of their “global” marketing reach.

Exhibit 1 shows the dramatic shift away from telephone sales

and toward GDS bookings that occurred between 1991 and 1992. The primary benefits of electronic reservations for hotels are the cost and labor efficiencies achieved compared to using the telephone for reservations. Travel agents gain from the convenience

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and efficiency of "one stop shopping" for all their travel reservations. Guests benefit from the agents' ability to make instant hotel reservations in almost every country in the world.

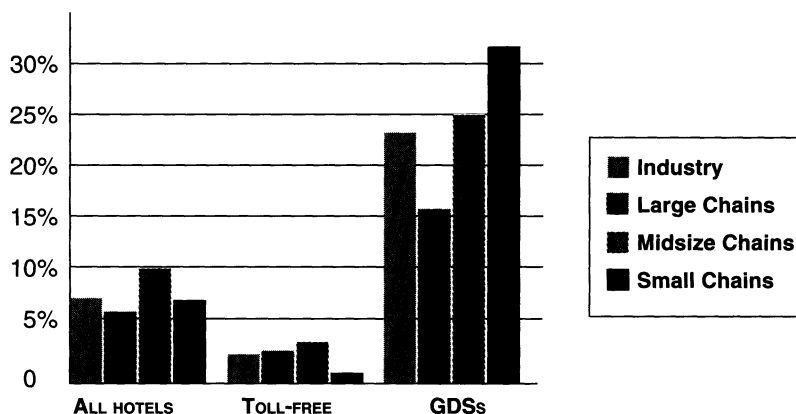
As recently as five years ago it was not essential for a hotel to be listed in a GDS. Today, however, computer reservation terminals are a travel agent's lifeline, and hotels that want travel-agent business must be listed in a GDS. Understanding the electronic reservation process and using various GDS marketing features will allow hoteliers to market their products more effectively through those systems. This article explains the global distribution network (GDN) and offers specific suggestions that will enable a hotel to increase the marketing effectiveness of its GDS participation.

History and Evolution

In the late 1950s, airlines developed computer systems to manage their reservations. The early '70s saw airline computer-reservation terminals installed in travel agencies to enable agents to book airline seats without using the telephone. Airlines expanded their reservation systems in the late '70s to encompass hotel bookings and other travel-related services. During the '80s that hotel-reservation function improved so dramatically that the system shifted from merely being a distribution channel to being an effective, efficient marketing tool. Today, 96 percent of all travel agencies in the United States have computer reservation terminals. In Europe and Asia the percentage of automated travel agencies varies greatly from country to country (see Exhibit 2).

As shown in Exhibit 3, the number of worldwide hotel

EXHIBIT 1
Percentage increase in bookings, 1991-1992



Source: The Graycon Group, Inc., ResTRAK™

EXHIBIT 2
Percentage of travel agencies using computer reservation terminals, 1992

USA	96%	Korea	98%
France	85%	Australia	91%
Italy	85%	Japan	85%
Scandinavia	61%	Hong Kong	65%
Spain	53%	Singapore	56%
Germany	48%	Taiwan	50%
United Kingdom	23%	Malaysia	32%
Greece	16%	Philippines	32%

Source: The Graycon Group, Inc.

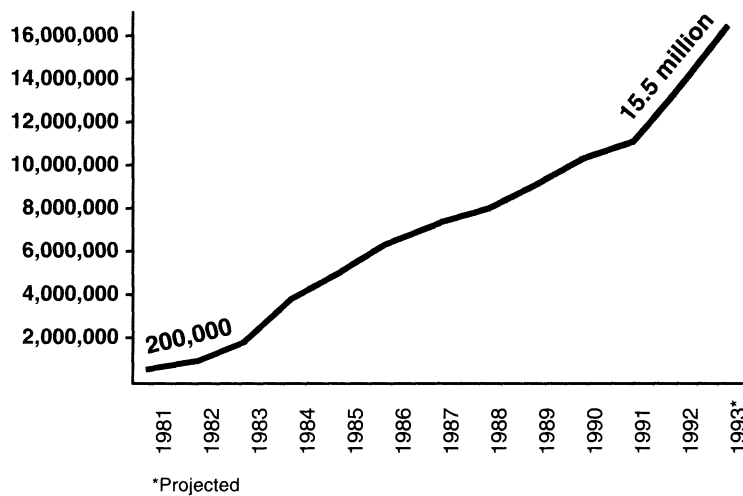
reservations booked electronically exceeded 13 million in 1992 and that figure should pass 15.5 million in 1993. This sharp increase in electronic bookings is primarily due to enhancements that allow confirmation numbers to be generated in three to seven seconds. GDSs now reach more than 125 countries.

For decades the telephone provided hotels with their primary reservations link. The telephone-based reservations model is familiar to generations of hotel operators. Guests either called a hotel directly or dialed a toll-free number at a central reservations office (CRO) to book a room. Travel agents typically called the central reservations

office unless immediate confirmation was absolutely necessary; for example, at particularly high-demand locations the agent might have called the hotel directly.

Before a reservation is made, the guest or travel agent goes through a selection process to determine which hotel will best suit the guest's needs and budget. For years travel guides and indexes, such as the *Mobil Travel Guide*, *Fodor's*, the *AAA TourBook*, *Hotel and Travel Index*, and the *OAG*, have provided information for leisure guests, travel agencies, and corporate travelers. Such published sources effectively provide considerable information about hotels, but details involving rates

EXHIBIT 3
Growth of electronic hotel reservations



and room types are intentionally limited since the guides are published relatively infrequently. (Even with *Hotel and Travel Index's* quarterly schedule, details on prices and room availability can be out of date.) As a result, a search for a hotel room can be concluded only by calling a property to determine rates, room types, and availability before an actual booking is made. This traditional three-step process of searching, calling, and booking is both time consuming and costly for everyone involved.

As the speed of GDS systems and the accuracy of hotel data have improved, travel agents are less inclined to consult the published guide books and indexes. Instead, they favor the fast search-and-selection process made possible by their computers. The behind-the-scenes electronic reservation path between the travel agent and hotel may be more complex than a telephone conversation, but it also reduces human error and is faster. In only a few seconds, information travels between the travel agency and the hotel via (1) the GDS,

(2) an electronic or manual switch, and (3) the hotel's central reservations office.

Travel agents are now accustomed to booking airline and car-rental reservations electronically through sophisticated and accurate electronic reservation systems. Agencies are increasingly dependent on GDS computers to display hotel selections and reserve rooms instantly in any geographic location worldwide. The airline flight information provided by the GDS has been accurate and dependable for years. Now agents need the same accuracy and dependability from hotel descriptions, especially in room types and rate information.

As computerized hotel reservation processing has evolved over the past 20 years, great strides have been made toward perfecting automated reservation links between guests and travel agents on one side and individual hotels on the other. The most important advancement is the ability of each hotel to list all of its different room types, descriptions, rate categories (including negotiated rates, as described later), policies,

Glossary of Acronyms and Terms

Global Distribution System (GDS)

—The computer systems that travel agents use to book airline seats, rental cars, hotel rooms, and other travel reservations and services. The U.S. systems are: Apollo (COVIA), SABRE, System One, WORLDSPAN PARS, and WORLDSPAN Datas II. The Canadian system is Gemini; European systems are Amadeus and Galileo; and Asian systems include AXESS, Fantasia, and Abacus.

Central Reservation Office (CRO)—

Chain hotels operate central reservation offices, which process both toll-free telephone reservations and electronic reservations. The CRO is the individual chain hotel's connection to the global distribution system.

Hotel Representative Company (Hotel Rep)—

Firms that provide reservation and marketing services for independent hotels and hotel chains that do not operate their own CRO. The hotel rep is the hotel's link to the travel-agent computer systems.

Global Distribution Network (GDN)—

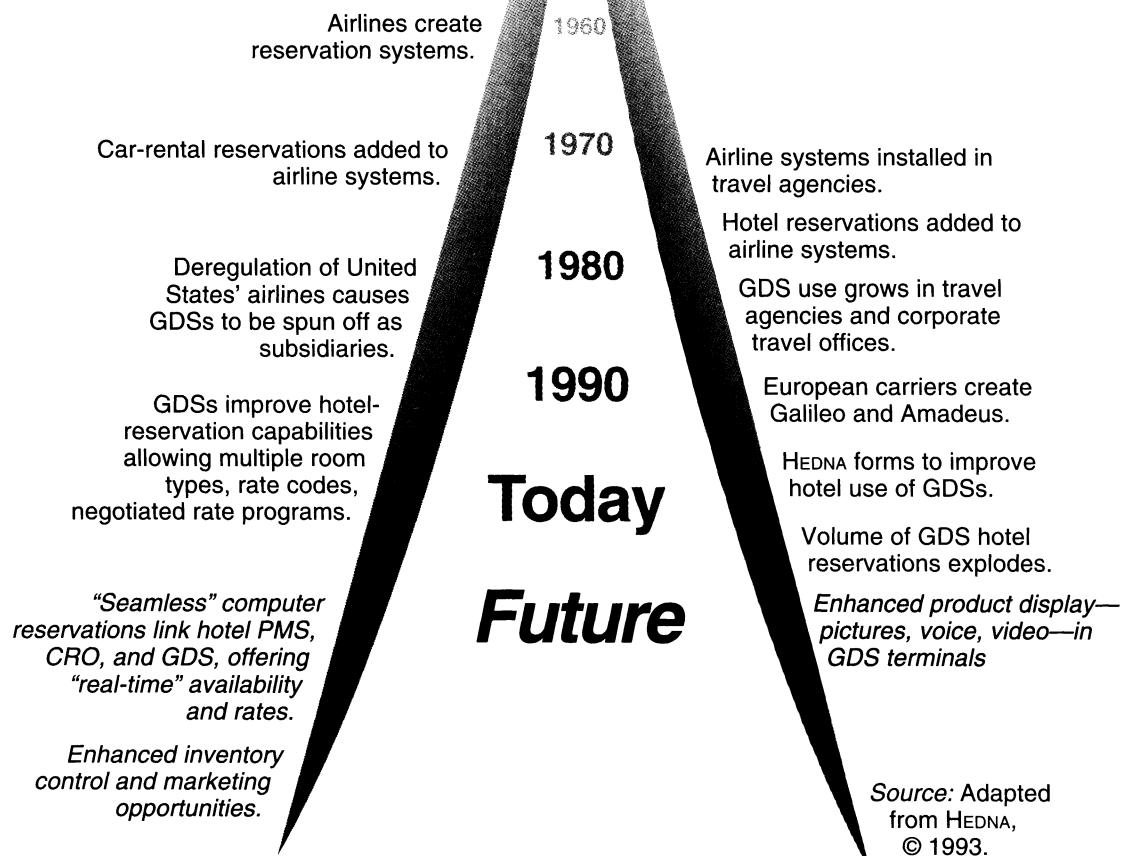
The entire electronic travel network; it includes the travel agent, the GDS, the switching company, the CRO, and the individual hotel. Global distribution and electronic distribution are interchangeable.

Travel Agent—

In addition to the well-known retail travel counselor, this designation also embraces a commercial travel agent or a corporate on-site travel department (in-plant).

and special packages in the GDS. The information is then available to hundreds of thousands of travel agents worldwide, as well as to individual consumers, all of whom are connected to one of several global distribution systems. Each GDS competes for its own network of travel-agency subscribers to gain a greater market share. GDS companies continually expand and enhance

Evolution of Global Distribution Systems for the Travel and Hotel Industry



their travel products and services to make their systems more attractive.

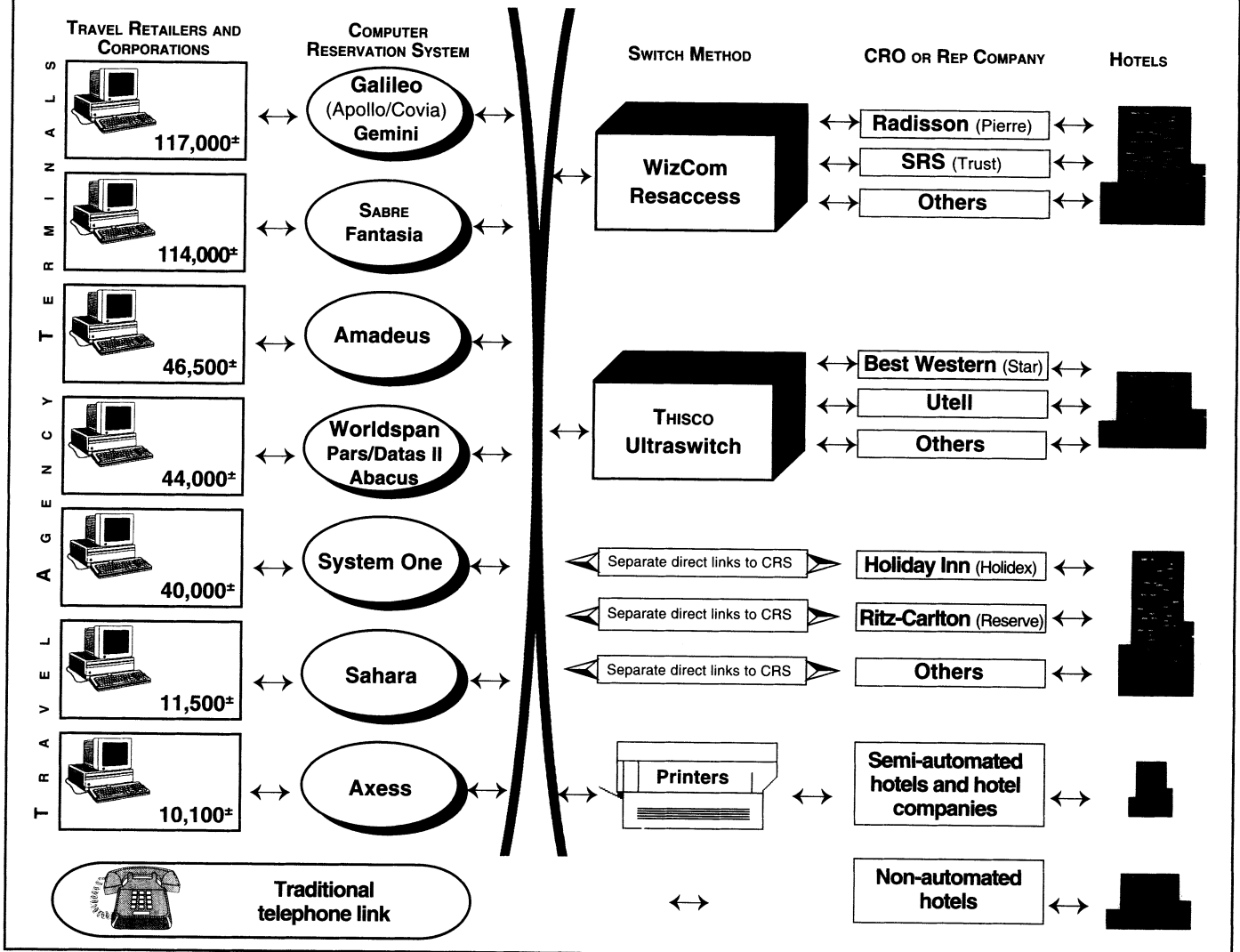
For years hotels struggled to fit their numerous rates, varied room types, and multiple services into the highly standardized computer programs that were designed to process airline reservations. Hoteliers were frustrated that hotel descriptions, rates, and availability took up to 15 days to change and that the response time on a GDS inquiry took 10 to 60 seconds. Hotel marketing managers believed that business travelers were the only market segment reached through GDSs.

Moreover, the trust between hotels and travel agents deteriorated as availability and room rates in the GDS differed from those quoted by reservationists answering the 800 line. Travel agents felt obligated to double-check electronic bookings by phone.

Today, GDSs have evolved from narrowly focused airline-distribution channels to generic broad-based travel-reservation systems. In 1990, most of the major GDSs dramatically improved their hotel programs and introduced the ability to carry negotiated rates, limitless rate

categories, and multiple room types. GDSs' ability to give travel agents direct access to hotels' inventories has enabled agents to provide their clients with instant confirmation numbers. The response time for each transaction is normally three to seven seconds for those hotels that are directly connected to a GDS. Interface capabilities are advancing rapidly, and GDSs will soon communicate directly with hotel-reservation systems (i.e., seamless connectivity), which will eliminate much of the rate and availability discrepancies. Some hotel chains already have seam-

EXHIBIT 4
Overview of global distribution network



less connectivity with the GDSs, and in the near future those interfaces will be commonplace.

Other integral parts of GDS evolution are visual-imaging programs and GDS applications in personal computers. The current visual imaging programs are Spectrum (Galileo/Apollo) and Jaguar (SabreVision). Those user-friendly programs allow hotels to market themselves to travel agents through the display of images and maps on the computer screen. The leisure market is gradually being addressed by global distribution networks. GDS applications in personal

computers are enabling consumers to plan their travel and make reservations from their homes and offices, expanding the GDSs' marketing reach directly to the consumer.

How It Works

For a hotel to be available to all travel agents, it must be linked to every GDS. To simplify and speed the process, automatic switching methods such as WizCom's "ResAccess" and THISCO's (The Hotel Industry Switching Company) "Ultraswitch" were developed to connect hotels' central reservation offices directly to the

GDSs. Travel agents benefit greatly from these switches because they give the agent access to updated availability information and instant confirmation numbers.

CROs and hotel reps. Central reservation offices and hotel representative companies provide the same basic services for hotels. Generally, they provide a central toll-free reservation service, GDS services, and other marketing services. If a guest calls the hotel directly, the hotel reservations office typically processes the reservation in-house. Otherwise the reservation comes through

the CRO or hotel rep. By maintaining a comprehensive database of rates, availability, special packages, negotiated rates, and descriptions of each property, these reservation centers are able to confirm bookings instantly.

Exhibit 4 depicts the entire global distribution network, beginning with the guest who asks the travel agent to make travel arrangements. The reservation then passes through a GDS and on to the CRO (either directly or through a switching company), and then finally the reservation is passed to the property.

What the agent sees. Exhibit 5 illustrates the difference between the hotelier's perspective of the hotel and a travel agent's perspective of the same hotel. An explanation of the travel agent's automated booking process will help hoteliers "decode" the information displayed by the GDS. Marketing personnel should consider this information as an "electronic brochure" that reaches over 377,000 travel agents. This understanding will enable hotel marketing personnel to enhance the "image" of their facilities and services within travel agents' computers.

Step by Step

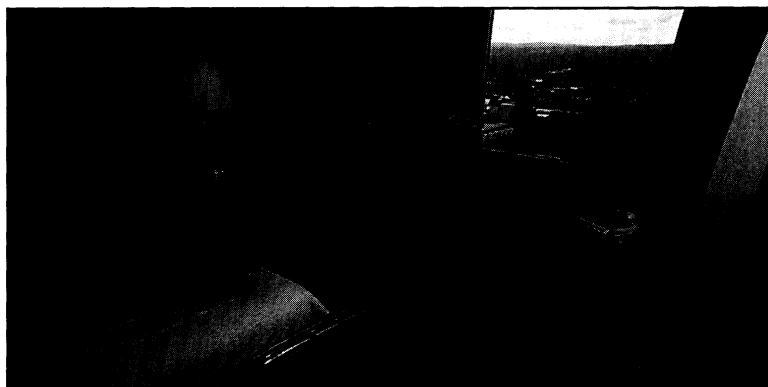
Travel agents and hoteliers see hotels from very different perspectives. To market effectively to travel agents through computer systems, hoteliers must know how the agent sees their hotel.

1: Display availability. The travel agent first determines the location, date(s), and rate category (including negotiated rates) desired by the client. Frequently the request is for a specific chain or property. The travel agent uses additional qualifiers such as landmarks or nearby attractions to find hotels that meet the

EXHIBIT 5

Two views of the Statler Hotel, Ithaca, NY

THIS IS WHAT THE HOTEL IS SELLING:



THIS IS WHAT THE TRAVEL AGENT SEES:

LR 1038 THE STATLER HOTEL PHONE 607 257 2500 TELX 6713054
 ADDRESS 1 CORNELL UNIVERSITY CHECK-IN 2PM
 ITHACA NY 14853 CHECK-OUT 12N

TAX RATE 3	FAM PLAN Y	MEAL PLAN N	CURR USD	MI/KM M	
PRIMARY CITY		ST/CNTRY	LOC	DIS	DIR TRANS
ITHACA		NY	C	2	N O
PRIMARY AIRPORT - ITH			C	3	N O

TRANSPORTATION TO/FROM AIRPORT

TAXI FARE-\$10.00 LIMO FARE-\$6.00

FACILITIES

150 ROOMS / 10 MEETING ROOMS / ALL ROOMS HAVE MINIBARS / 2 INDOOR POOLS-CORNELL UNIVERSITY FACILITIES / GOLF-ROBERT TRENT JONES-CORNELL COURSE \$20.00-FEE \$18.00 CARTS / TENNIS-OUTDOOR

SERVICES

ROOM SERVICE 6AM-12AM / AIRCONDITIONING / BABYSITTER AVAILABLE W/ ADVANCE NOTICE / VALET / TOURS AVAILABLE / 120 VOLTAGE

RESTAURANTS

TERRACE RESTAURANT-CASUAL

BREAKFAST 6:30AM-11AM / LUNCH 11AM-2PM / DINNER 5PM-9PM.

BANFI'S-AMERICAN CONTINENTAL CUISINE-CASUAL

LUNCH 11:30AM-2:30PM / DINNER MON-SAT 5:30PM-10PM / SUN BR 10AM-2PM

POINTS OF INTEREST

LOCATED CENTER CAMPUS CORNELL UNIVERSITY-AN IVY LEAGUE SCHOOL.

Hotel description of the Statler Hotel as it appeared in Hotel Select, August 1993

© 1993 Hotel Electronic Distribution Association

guest's needs. The use of qualifiers limits the number of hotels that appear on the travel agent's screen, making it extremely important for hotels to be as accurate and detailed in their indexing as possible. In some systems travel agents may use services and facilities as additional qualifiers for guests who

have specific needs, such as a modem connection for a laptop computer.

The system then displays a list of hotels that match the agent's criteria and includes basic information about each property (see Exhibit 6). That stage is of critical importance for the hotel since agents determine which

EXHIBIT 6

Typical GDS display

```
>HOA11FEB-5NTDEN/D-50M
      STAPLETON INTL CO      11FEB-16FEB 5 1ADULT MI
1 +RD HOTEL DENVER SOUTH $ 6 S ENGLWOOD CO      12S L
USD A1K-105.00      B1K-100.00      SPL+      C1K-80.00
COR+      PKG-85.00      GOV-55.00

2 *HI HI DENVER CO-SOUTH/      G S 3200 S PARKER RD      9S C
US B2D-83.00      C1K-83.00      N2D-83.00      P1K-100.00
COR+73.00      PKG+65.00

3 *SI SHERATON DENVER WST $ 4 S LAKEWOCK CO      15W L
USD A1Q-95.00      B2Q-85.00      C1Q-95.00      D1Q-85.00
COR+94.5

>HOA*PD]      >HOD].../BOOK]
>
```

Information as it appeared in Room Master, July 2, 1993.

hotel(s) on the list to investigate further based only on the limited information displayed in that first inquiry. Location and rate are usually the most important criteria established by travel agents and their clients. A client may specifically require a corporate, government, or promotional rate, for example. If such a rate is displayed at this stage, a travel agent will be more likely to choose the hotel that displays the requested rate over another that doesn't. Special rates can attract the attention of travel agents and prompt them to look further into the hotel's detailed description. Some systems display rack rates in the initial availability listing and others display the lowest rate. It is important that hotels know which rates are displayed in which system at this initial stage so that they position themselves properly against their competition.

2: Hotel description. After the initial selection, the agent calls up a more-detailed description of the selected hotels and discusses the options with the client. The second screen shows exact rates, room types, facilities

available, services offered, and reservation policies. The GDS allows the travel agent to choose other hotels if the detailed description does not meet the client's needs. The quality of information provided by the hotel will determine how "good" the hotel looks to the agent and the client. Like a paid advertisement or a listing in a published guidebook, this electronic brochure should be as clear and pleasing as possible to the travel agent.

3: Rate descriptions. In most systems, travel agents can display rate descriptions to determine any amenities that may be included in the rate as well as any special requirements. Actual rate codes (rack, corporate, weekend, convention, government, packages, etc.) are unique to the individual hotel and can be modified at any time. With the hotel rate description, the travel agent and the client have all the necessary information visible on the computer. That is in contrast to a telephone reservation during which details are described orally, allowing the possibility for errors and misunderstandings to occur.

4: The room sale. After the choice has been made, the travel agent books the room using just a few key strokes. Some hotels are listed as "linked" or "connected" with their CRO, indicating what is called a "Type A" link that provides an immediate confirmation number—a feature that is highly desirable to travel agents. Hotel CROs not directly connected with the GDS communicate via a series of manual requests and responses commonly referred to as queues, and confirmation can take from a few minutes to several hours. In many cases, the GDS provides the information necessary for the entire transaction, from search to selection to booking.

Working in Concert

The degree of trust among travel agents, hotels, GDSs, hotel representatives, and central reservations offices is a major concern. Travel agents want to take advantage of the convenience of the GDS to book hotel rooms but find it difficult to maintain the same level of confidence in the hotel portion of the GDS as they have in the airline function. The following typical situations are primary sources of distrust.

- A hotel appears unavailable in the system but rooms are actually available when the hotel is contacted directly;
- Lower rates than are shown on the GDS are quoted through the toll-free number or directly by the property;
- A reservation goes askew and no single reservationist can be held accountable;
- A computer booking is changed at check-in or over the telephone, interfering with payment of the agent's commission;
- Special requests made through the GDS are not honored; and

- It is difficult to identify the quality or "rating" of a hotel through the information given in the GDS.

Hotels that value travel agents' business can do much to build agents' trust and maximize their investment in global distribution networks. While a number of specific strategies are described later, the most important action hotels can take is to ensure that rates and availability shown on the GDS are complete, current, and accurate. Hotels that have historically provided complete and accurate information have reaped the benefit of travel agents' reliance and have profited from increased bookings.

A hotel must focus on three aspects to make the most of its investment in a GDS: awareness, commitment, and maintenance and enhancement.

(1) Awareness. *Determine the number of bookings and revenues generated by travel agents.* The role that travel agents play in selling hotel rooms varies from property to property. How important are travel agents to the economic success of each property? What rank does this source of business have relative to the hotel's other sources (e.g., group, convention, directly marketed transient)? A hotel's managers may determine that travel agents have not previously provided a significant portion of business, but they should recognize that this business could be lost entirely if the hotel is not connected with the global distribution network. Managers should also consider the speed with which electronic distribution is becoming a direct marketing channel for home use through PCs.

(2) Commitment. *Foster team commitment for using global distribution networks.* Thus far, we have focused on developing an

About HEDNA—

The Hotel Electronic Distribution Network Association (HEDNA) emerged in 1991 as the result of the hotel industry's need to represent itself within the computerized travel network. Its purpose is to promote and improve the use of travel-agent computer systems (e.g., Apollo and SABRE) as a means of increasing hotel reservations through automation. It is accomplishing this goal through educating its membership, developing new ideas, exchanging information, and providing support on operational issues. HEDNA's current membership represents hotels, global distribution systems (GDSs), hotel representative companies, switching companies, travel-agency consortia, and other players in the electronic distribution network.

HEDNA has emerged not only as a lobbying organization for the hotel industry but has also created an arena in which the major players cooperate in resolving issues and promoting electronic distribution systems.

HEDNA recognized that hotel personnel have, until now, been left out of the mainstream of GDS education. To remedy this situation, HEDNA, in conjunction with Cornell University, developed the Hotelier's GDS Educational Kit, which comprises a training manual, handouts, worksheets, and quizzes. The purpose of the kit is to provide an educational resource for hotel operations and sales personnel to better understand and use this valuable marketing tool and distribution channel. Hospitality educators, trade associations, travel-agency groups and consortia, GDS employees, trainers, wholesalers, tour operators, and other travel-industry audiences may also benefit from the information provided in the kit. The manual provides a general overview of the global distribution network, cost-benefit information, an explanation of the travel-agent booking process, suggestions for maintaining and modifying hotel information, and ways the front desk can successfully resolve any GDS booking discrepancies. The accompanying article covers some of the points explained in detail in the manual.

To find out more about HEDNA or to receive the GDS Educational Kit contact:

Scott B. Heintzeman
Worldwide Reservation Services
Radisson Hotel Corporation
Phone: 612-449-3333
Fax: 612-449-3400

awareness and understanding of the global distribution network and the players that make it work. However, commitment to electronic distribution from top management is a critical factor in successfully implementing change. General managers, sales managers, front-office managers, and reservation managers must be committed to the time and effort required to understand electronic distribution. At first, some of the technical elements of the systems and processes may be difficult to comprehend and appear overwhelming, but these systems are a critical link to the travel-agent market.

• *Develop GDS policies and procedures.* One department

should have the responsibility of ensuring that descriptions, indexes, rates, and availability information are accurate and complete. Some hotels have developed policies to ensure that the rate in the GDS is the lowest rate available for the hotel.

• *Incorporate a GDS plan into the overall marketing plan for the hotel.* Target a desired percentage of electronic reservations among all reservations. Estimate increases in the number of corporations with negotiated rates. Set training plans so that the sales, marketing, front-desk, and reservations staffs can fully use electronic systems.

(3) Enhancing GDS data. *Understand how travel agents use*

EXHIBIT 7

Example of a hotel description as it appeared 8/93 in Amadeus Hotel listings

```
GB LON  SX LONAWH AUDLEYS WOOD THISTLE-BASINGSTOKE
LOC  -ALTON ROAD
      -BASINGSTOKE, HAMPS, RG25 2JT GREAT BRITAIN
      -PHONE 44 256 817555      FAX 44 256 817500
      -LHR 35/56KM LGW/104KM   TAXI: GBP 40
      -CATEGORY: SUPERIOR FIRST      RATING:
      -M3 JUNCTION 6 1.5 MILES FROM PROPERTY
      -** A MEMBER OF SUPRANATIONAL HOTELS **
EXT  -EX/RA/RC      CRO
      -MAXIMUM 3 PERSONS PER ROOM
POL  -CHECK IN 1200      CHECK OUT 1200
      -PETS ACCEPTED
      -CHILDREN 14 YEARS AND UNDER FREE IN PARENTS ROOM
      MAX 1 CHILD
      -CREDIT CARDS AMERICAN EXPRESS/DINERS CLUB/
      MASTERCARD/VISA/ENROUTE/EUROCARD
FAC  -LAUNDRY/LOUNGE/MEETING ROOMS/NON SMOKING ROOMS/
      RESTAURANT/SAFE DEPOSIT BOXES/TV/HANDICAP FAC-REQ/
      BABYSITTING-REQUEST/ROOM SERVICE/CONCIERGE
      ROOMS 71      BUILT 1889      RENOVATED 1989
DEP  -NO DEPOSIT
      -CREDIT CARD USED FOR GUARANTEE
      -IF GUARANTEED - CANCEL BY 1800 HRS DAY OF ARRIVAL
GNT  -ARRIVALS AFTER 1800 HRS - CREDIT CARD OF TO AGENCY
STA  -NO MINIMUM STAY REQUIRED
OTH  -RATES BASED ON CURRENT CURRENCY EXCHANGE FACTOR
      CURRENCY FLUCTUATION MAY OCCUR
      -RATES DO NOT INCLUDE MEALS/TAXES ARE INCLUDED
COR  -MUST SHOW CORPORATE ID AT CHECK IN
END OF DISPLAY
```

the GDS to book hotel rooms. To maintain and enhance the information, hotel management must know how it is used.

- *List all attractions, businesses, points of interest, and landmarks that attract business and leisure guests to the area as "qualifiers" in the GDS.* One of the most important elements of the hotel description is the index of demand generators in the geographic location of the hotel. That index is a listing of nearby attractions, landmarks, and companies that travel agents use to locate the hotel. For example, an audit of the Statler Hotel, Cornell University's teaching hotel, revealed that the property is indexed under "Ithaca" but not "Cornell University." Not only should Cornell be included, but

nearby corporations such as Borg Warner and NCR should be listed, as well as such attractions as Watkins Glen and Corning (both the company and the glass museum), which are no more than an hour away. Careful consideration of the actual reasons guests are attracted to the region is the key to successful indexing.

- *Use availability options (status options) to maximize yield.* If a hotel closes out availability for a particular date, it often is unwittingly closing out availability several days before and several days after the actual sell-out date. If one date is closed out during the period requested by a potential guest, the hotel will not appear on the initial availability screen at all. Therefore hotels should use minimum-stay

requirements to maximize yield during peak periods. Say, for instance, that the travel agent is checking availability for July 1–9; if the hotel has closed out availability for July 5th the hotel will not be displayed.

On the other hand, if the hotel implements a minimum-stay requirement of, say, three nights starting on July 4, then occupancy on the fourth, fifth, and sixth should even out, and space would likely be available for the guests requesting an entire week.

- *Effectively list rate categories and room types.* List those room rates and types that are most commonly booked in the hotel, keeping in mind the steps that travel agents use to book a hotel room. Agents do not spend a great deal of time searching unless the customer's requests are unusual. Agents commonly look for rack, corporate, government, senior-citizen, negotiated, promotional, contract, or weekend rates.

- *Use negotiated rates.* Negotiated rates can give hotels a competitive edge by allowing professionals instant and convenient access to contracted rates. Hotels using this feature get a higher priority from participating agencies, and such rates can be extremely effective in keeping a hotel or chain in the travel agent's mind. Loading negotiated rates can be as simple as calling the CRO or hotel rep with the rate along with the agency's unique identifying code (an ID code that allows a specific agency sole access to classified rates). For some systems this code is called a "pseudo city code," others use an agency identifier, and still others use an Arc/IATA number. Negotiated rates are carefully secured to the geographic location of the agency so that only agents at that particular location can use the contracted rates.

- *Keep your hotel description (HOD) current.* As described earlier, the hotel description provides the travel agent with vital information about the hotel, including location, facilities, services offered, amenities, booking and cancellation policies, distance from the airport, and points of interest (see Exhibit 7). Like a description in a published guidebook, the HOD is written in detail just once, then modified occasionally as changes occur in the hotel and in the GDS. A travel agent finds all the information needed to book a room at the hotel after a quick review of the hotel description. Some travel agents have suggested that including a third-party rating, such as stars, diamonds, or affiliations, would bolster their confidence in the selection.

The same basic information is contained in most hotel descriptions regardless of the GDS. However, the terminology used by each GDS may differ.

- *Know your two-letter access code and include it on all promotional material.*

- *Know the "chain information" listed about your chain or representative company.* The chain-information feature (known in different systems as DRS, HOD [keywords], GRS, AIS, or HOI) provides a detailed description about the hotel chain or the hotel-representative company contracted by the hotel. Occasionally this space is used to describe the properties in more detail. The CRO or representative company usually writes the "chain information" section, but individual hotels should be aware of its contents and provide feedback to the CRO or hotel representative.

- *Get the hotel in the "system news."* Most GDSs offer a free daily marketplace-news listing. The likelihood of a hotel's being

Six Ways to Commit GDS Suicide

- (1) Allocate only a limited number of rooms to the GDS inventory.
- (2) Load only the highest rates into your GDS to cover the cost of electronic booking.
- (3) Never revise your hotel's description.
- (4) Depend on only one person to be completely responsible for the maintenance and updating of the GDS without teaching a second person.
- (5) Never ask the CRO or rep company to assist you in your efforts to use the system fully.
- (6) Avoid using status-availability options to maximize yield.

mentioned in the news system greatly increases if the hotel informs the GDS of major changes, special events, and other salient factors. Therefore, the hotel should communicate to its CRO or rep any news items it wishes to promote in the GDS, such as major changes, special events, and promotional rates.

- *Consider using "sign-on" and point-of-sale advertising.* Paid advertising is available on all domestic GDSs. When a travel agent signs-on to the computer for the first time each day, short ads are displayed on the screen. The names of these services differ from system to system, such as Front Page News, Sign On Message, PrimeSINE, Sign In Message, or Tag Lines. Hotels can use this opportunity to promote changes, special rates, and packages or to run contests encouraging travel agents to find out more about their chain. Point-of-sale advertising is a new development that allows the hotel to advertise when a particular destination is queried. The supplier is charged on a per-query basis.

Call to Action

No matter how beneficial global distribution is for all parties involved, reliable and complete information must be accessible to travel agents for GDSs to maintain their integrity. Maintaining accurate rates and current availability are key factors in making

the entire system work properly. Seamless connectivity will one day give GDSs direct access to a hotel's PMS, ensuring complete and accurate "real time" information for travel agents. It will be several years before connectivity with PMSs is a widespread reality; however, the trend today is seamless connectivity between the CRO and the GDS. To maximize the GDSs' marketing effectiveness, hoteliers will want to update and enhance their electronic brochures just as they would other written collateral.

The following are some ways hotels can maximize bookings from the global distribution network:

- ensure that hotels are indexed by all possible reference points;
- use the availability (status) options to maximize yield;
- keep the hotel description (electronic brochure) current;
- keep packages simple for uncomplicated booking;
- put the hotel's two-letter access code on all advertising;
- use messaging and marketplace news to advertise;
- use the negotiated-rate feature for high-volume agencies and corporations; and
- keep in touch with and work with the CRO or hotel rep.

Hoteliers must always remember that much of the effectiveness of electronic distribution lies in the hotel's ability to use its GDS as a marketing tool. **CQ**