

## DEFINING DISTRIBUTION FOR WHOLESALERS AND TOUR OPERATORS

**Wholesalers (open distribution group)** – distribute to many 3<sup>rd</sup> party distribution partners. Hotelbeds is an example of this distribution model. Once rates are sent to distribution partners, control is lost regards their onward distribution. Therefore there is a high likelihood of parity & competitiveness rate issues. Fencing is important. There are more fencing options with dynamic rates than static rates, and fenced dynamic rates loaded into SynXis with a 2 way or 2 way enhanced PMS interface is best.

**Wholesalers (closed distribution group)** – distribute to their owned businesses. DNATA is an example of this distribution model. Some rate leakage is likely with DNATA even with internal partners – Travel Republic for example when contracted for room only rates. It is important to contract for package rates only, but if room only is contracted as well, then fencing is needed for those rates.

**Tour Operators (open distribution group)** – distribute to their own B2C channels as well as other tour operators. Pleasant Holidays is an example of this distribution model. As with wholesalers, either contract for package only rates or fence when contracted for both package and room only rates. Another example are Expedia package rates. The Expedia package rate tool is a ‘white label’ product sold to many tour operators. Be careful not to give a ‘special deal’ to Expedia for package rates thinking that this is only for Expedia – it is not!

**Tour Operators (no distribution group)** – no onward distribution so only sell on their own website. BA Holidays an example of this selling model. Directly contracted rates only appear on the BA Holidays website. However these rates are compared to wholesaler rates such as Travco and Hotelbeds. If these wholesaler rates are cheaper, then these display, not the directly contracted rates.

**For further information, please contact your Preferred Revenue Optimization Director.**