### **Ideas for Tackling Rate Parity in Wholesale Contracts**



# Definitions of your different rates are important to ensure clarity when disputing redistribution challenges. Some examples are below.

"Package Rates" means those net, non-commissionable rates and associated terms and conditions offered by [Your Hotel] under this Agreement for Rooms that may only be distributed to Authorized Distribution Partners or ultimately sold to Customers as part of a Travel Package.

"Standalone Rates" means those net, non-commissionable rates and associated rules, terms and conditions offered by [Your Hotel] under this Agreement for a Room only.

"Travel Package" means the combination of a Room with at least one other travel-related component (e.g. airline ticket, rental car or overnight cruise) with a common or closely related commencement date consumed by a single Guest or multiple Guests and that is displayed as a single price and presented to the Guest as a single billing item.

Protect your hotel by using language that clearly identifies what the distributor is allowed, and not allowed, to sell. This includes language to stop redistribution to another party without permission from your hotel.

[Your Hotel] hereby grants Distributor a non-exclusive, non-transferable, temporary, revocable license to access and receive rate, availability and other information and to transmit booking information through the CRS solely for Distributor's performance hereunder. The foregoing license is to Distributor only and nothing in this Section or Agreement shall be interpreted or construed as granting Distributor the right to transfer, sublicense or share the access rights granted herein, including to any Authorized Distribution Partners.

#### Define how pricing can be distributed for the types of rates defined earlier.

Standalone Rooms. Distributor shall offer and make Rooms available on a standalone basis to its Authorized Distribution Partners through the Channels and shall apply a margin\* to the applicable Rate before distributing such Rooms to any Authorized Distribution Partner. Under no circumstances may Distributor disclose the Rate, directly or indirectly, to any Authorized Distribution Partner, to Customers or any third party.

\*Note: if operating on a commission, you can indicate this and also indicate "In no situation can Distributor or Authorized Distribution Partner modify the commission to reduce the room price to the Customer."

Travel Packages. Distributor shall offer and make Rooms available as part of Travel Packages to Authorized Distribution Partners or shall offer and make such Rooms available to Authorized Distribution Partners who intend to offer such Rooms as part of Travel Packages through the Channels. Distributor shall ensure that Rooms offered are not offered in a manner that discloses to Customers or the Authorized Distribution Partners, directly or indirectly, the Package Rates for such Rooms.

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#### Be sure to include language that clearly identifies

- a) to whom they can distribute, and
- b) what your hotel can do in a breach of disclosure by its distribution partners.

Rooms may only be offered by Distributor to those Distribution Partners approved by [Your Hotel] and identified in the attached Exhibit (as amended in writing from time to time by mutual agreement of the Parties). Notwithstanding the foregoing, [Your Hotel] may, in its sole discretion, elect to exclude any or all Rooms from being offered by one or more Authorized Distribution Partners if (a) the Authorized Distribution Partner(s) has a practice of offering Rooms in violation of the terms and conditions of this Agreement; or (b) the Authorized Distribution Partner(s) engages in practices that [Your Hotel] determines may expose [Your Hotel] to liability or a loss of good will or reputation. Upon receipt of any such request from [Your Hotel], Distributor shall promptly remove or cause to be removed the excluded Rooms as well as all other references to the relevant Participating Hotel. Failure to remove or cause to be removed the excluded Rooms shall constitute a material breach of this Agreement.

### Ensure that they take responsibility for their onward distribution of your rates!

Without limiting any of its specific obligations under this Agreement, Distributor acknowledges and agrees that (a) the terms and conditions of this Agreement applicable to Distributor's offering of Rooms shall apply in the same manner to the offering of Rooms by any Authorized Distribution Partner as if such Authorized Distribution Partner was a party hereto including, without limitation, the obligation to apply margins to Standalone Rates, except that Authorized Distribution Partners may offer rooms for sale directly to Customers; (b) it is solely responsible for, and shall take whatever steps necessary to ensure, the prompt and proper performance of the terms and conditions of this Agreement by any Authorized Distribution Partner and (c) it remains liable for violations of this Agreement by any Authorized Distribution Partner.

# Stop distributors from reselling your rates and content through unauthorized methods, including resellers such as Cancelon.

Distributor shall offer, and shall ensure its Authorized Distribution Partners offer, display or list Rooms at [Your Hotel] using only the rate and inventory information received from the [Your Hotel] and shall not and shall not permit the offer, display or listing of Rooms at [Your Hotel] using rate or inventory information obtained from any other third party or other distribution channel.