

## **Hotelbeds tackles rate integrity challenge on behalf of hotel partners**

Submitted by AnnaMonreal on Mon, 04/11/2019 - 11:04

- Reported rate integrity issues for hotel partners reduced by 90% to a historic low over the last six months – falling to 0.01% of total room night production.
- Results driven by investment into automated technology unavailable elsewhere in the market, creation of team dedicated to monitoring rates, and introduction of strict ‘three strikes’ policy for policy offenders.
- Hotelbeds has stopped approximately €300 million of otherwise profitable sales during last year to enforce new policy as part of commitment to hotels.
- Continued focus on further growing portfolio of +60,000 B2B buyers with client types highly valued by hoteliers, including Tour Operators, Travel Agents and Airlines.

**Palma, Spain 4<sup>th</sup> November 2019** – [Hotelbeds](#), the world’s leading bedbank, has today provided an update on the successful implementation of new distribution management rules that directly address the rate integrity challenge for its 180,000 hotel partners globally.

As part of its policy to collaborate only with travel distribution companies that clearly add incremental value to hotel partners, Hotelbeds has invested heavily in new and market-leading automated technologies unavailable elsewhere in the market.

Using data analytics, tracking travel sellers’ flows and monitoring on a regular basis, Hotelbeds is able to accurately segment and monitor how contracted products are distributed.

To efficiently manage these processes Hotelbeds has established a team of professionals dedicated to ensuring that rates intended for offline channels are not sold by OTAs.

Additionally Hotelbeds has also implemented a strict ‘three strike policy’ that disconnects – after only three warnings – offenders that have been found to distribute opaque rates in the OTA channel.

These changes have meant that during the last year Hotelbeds has stopped around €300 million of otherwise profitable sales to ensure compliance with the new policy as part of its commitment to hotel partners.

As a direct result of the above changes, Hotelbeds is pleased to confirm that over the last six months the number of incidences have been reduced by 90% to reach a historic low, bringing reported issues down to just 0.01% of total room night production.

**Carlos Muñoz, Managing Director at Hotelbeds**, said: *“We fully recognize the importance of the rate integrity challenge that the industry is facing and have been consulting with our hotel partners in private to quietly introduce change.*

*“Whilst it is still early days and we recognise that more remains to be done, I am nonetheless pleased to confirm the significant impact we have made already and the positive feedback from hotel partners about the automated technologies we are using that are unavailable from any other bedbank.*

*“Understandably some have asked ‘why are you doing this and how are you able to forgo €300*

*million in otherwise profitable sales?'. The answer is simple: we are totally committed to adding real value to our hotel partners and we know the best way to achieve this is by providing incremental, high-value bookings from long-haul source markets that don't compete with their direct channel.*

*"We achieve this by leveraging our B2B network of over 60,000 travel agents, tour operators, airline and points redemption schemes - all of whom offer a high proportion of incremental long-haul, long-stay guests that hotels find really valuable.*

*"Soon we'll be announcing further initiatives and providing more updates on how we feel that we can encourage the whole sector to take this topic more seriously: watch this space."*

Bookings via B2B channels provide hotels guests that typically book further in advance, cancel less, pay a higher ADR, spend and tip more in-destination, and come back more often - in particular because of the high percentage of non-domestic and long-haul bookings these channels tend to generate.

## **About Hotelbeds**

Hotelbeds is the world's leading bedbank.

In a fragmented and complex travel landscape, Hotelbeds provides over 180,000 hotels across the globe with access to high-value, complementary distribution channels that significantly increase occupancy rates and optimise RevPAR - whilst not competing with the hotelier's direct distribution strategy.

Hotelbeds does this by offering hoteliers access to a network of over 60,000 hard-to-access B2B travel buyers such as tour operators, retail travel agents, airline websites, and loyalty schemes in over 140 source markets worldwide. These channels provide hotel partners with returning guests that book further in advance, cancel less, spend more in-destination and stay longer.

In addition to accommodation, Hotelbeds is also the world's largest B2B seller of travel ancillaries, offering 24,000 transfer routes and 18,000 activities, as well as attractions, tickets and car hire. Operating under the 'Beyond the Bed' product line, it provides both hoteliers and travel distribution partners with an efficient platform and powerful tools to easily integrate and commercialise its leading portfolio of high-margin products.

The company is headquartered in Palma, Spain and employs around 5,000 employees across over 60 offices globally.

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