

# POS-PMS-OTA-GDS

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# Point of Sale (POS)



A Point of Sale (POS) is a point where customers pay for their goods or services. It can be as simple as a cash register which does not connect to any network or a system that accept several kinds of payment (e.g. credit, QR, ...). In many cases, transactions can be completely done online.



Cash Register



POS



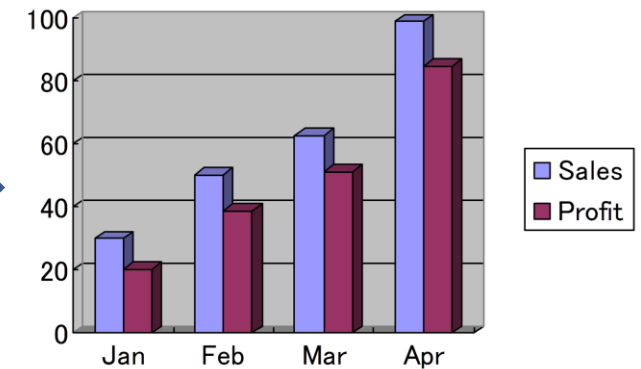
Online Transaction

# Point of Sale (POS)

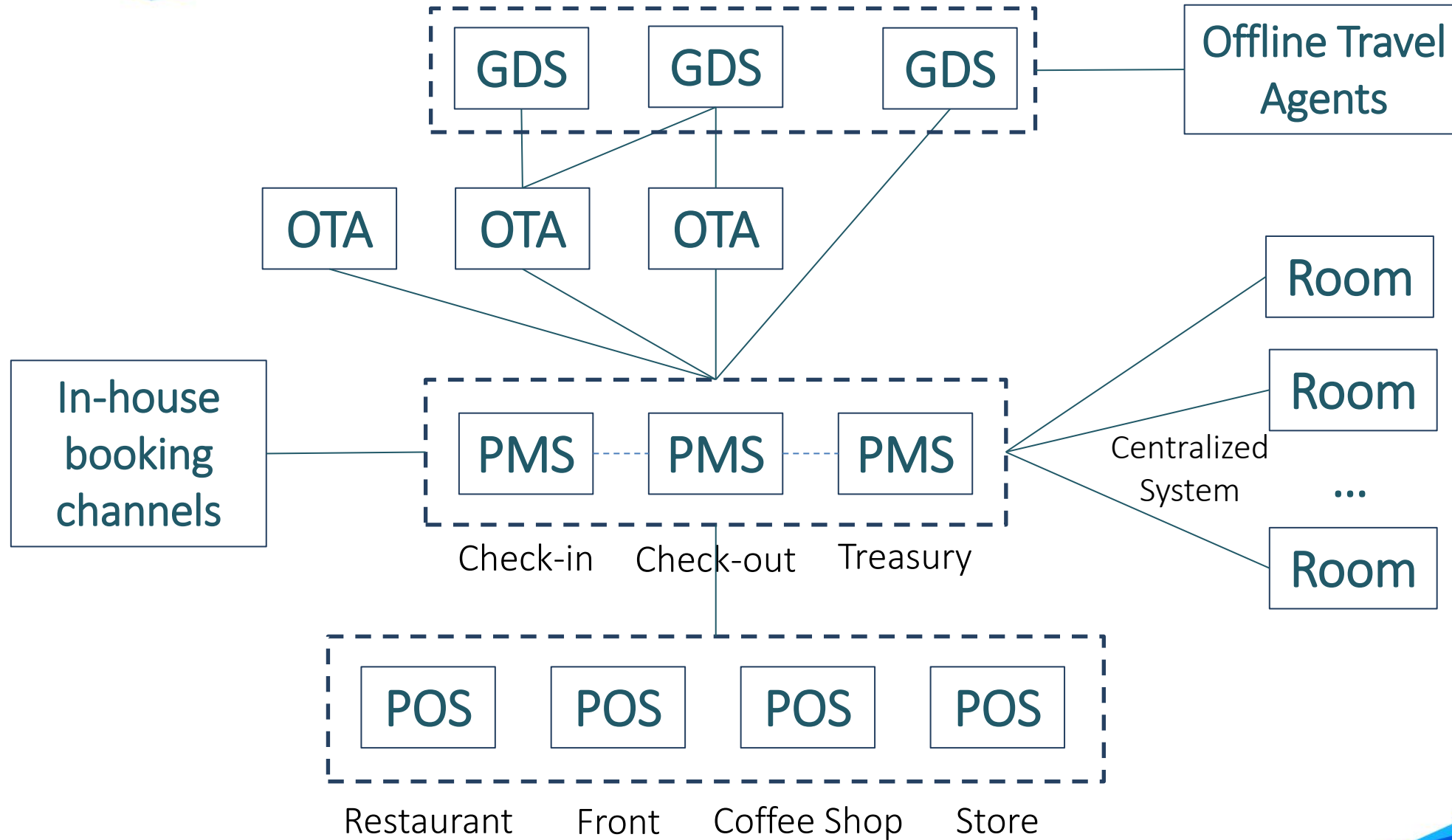
At the end of the sales period, the manager can export sales data as an (Excel) spreadsheet. Then the data can be analyzed using a pivot table. Charts can also be created.



Region	Country	Item Type	Sales Channel	Order Priority	Order Date	Order ID	Ship Date
Central America and the Caribbean	Antigua and Barbuda	Baby Food	Online	M	12/20/2013	957081544	1/11/2014
Central America and the Caribbean	Panama	Snacks	Offline	C	7/5/2010	301644504	7/28/2010
Europe	Czech Republic	Beverages	Offline	C	9/12/2011	478051030	9/29/2011
Asia	North Korea	Cereal	Offline	L	5/13/2010	892599952	6/15/2010
Asia	Sri Lanka	Snacks	Offline	C	7/20/2015	571902596	7/27/2015
Middle East and North Africa	Morocco	Personal Care	Offline	L	11/8/2010	412882792	11/22/2010
Australia and Oceania	Federated States of Micronesia	Clothes	Offline	H	3/28/2011	932776868	5/10/2011
Europe	Bosnia and Herzegovina	Clothes	Online	M	10/14/2013	919133651	11/4/2013
Middle East and North Africa	Afghanistan	Clothes	Offline	M	8/27/2016	579814469	10/5/2016
Sub-Saharan Africa	Ethiopia	Baby Food	Online	M	4/13/2015	192993152	5/7/2015
Middle East and North Africa	Turkey	Office Supplies	Offline	C	9/25/2013	557156026	10/15/2013
Middle East and North Africa	Oman	Cosmetics	Online	M	5/12/2013	741101920	5/17/2013
Asia	Malaysia	Cereal	Offline	L	7/31/2016	333942162	8/25/2016
Central America and the Caribbean	Saint Lucia	Cosmetics	Offline	H	7/6/2015	795100581	7/16/2015
Central America and the Caribbean	Saint Vincent and the Grenadines	Baby Food	Online	L	11/28/2010	504313504	12/3/2010
Middle East and North Africa	Lebanon	Meat	Offline	H	12/17/2015	611629760	1/31/2016
Europe	Austria	Cereal	Offline	C	8/13/2014	987410676	9/6/2014
Europe	Bulgaria	Office Supplies	Online	L	10/31/2010	672330081	11/29/2010
North America	Mexico	Beverages	Online	C	3/13/2017	127374303	3/20/2017
Central America and the Caribbean	Trinidad and Tobago	Baby Food	Offline	C	4/16/2013	783842170	6/1/2013
Middle East and North Africa	Libya	Beverages	Offline	L	1/18/2010	000000000	2/2/2010



# Models



# Models

**Standalone/Distributed** – Use each system individually, does not connect to one another, but may share data

**Centralized** – Use one system to control the others

**Online-enabled** – Allow 3rd-party systems to manage reservations



# Property Management System (PMS)



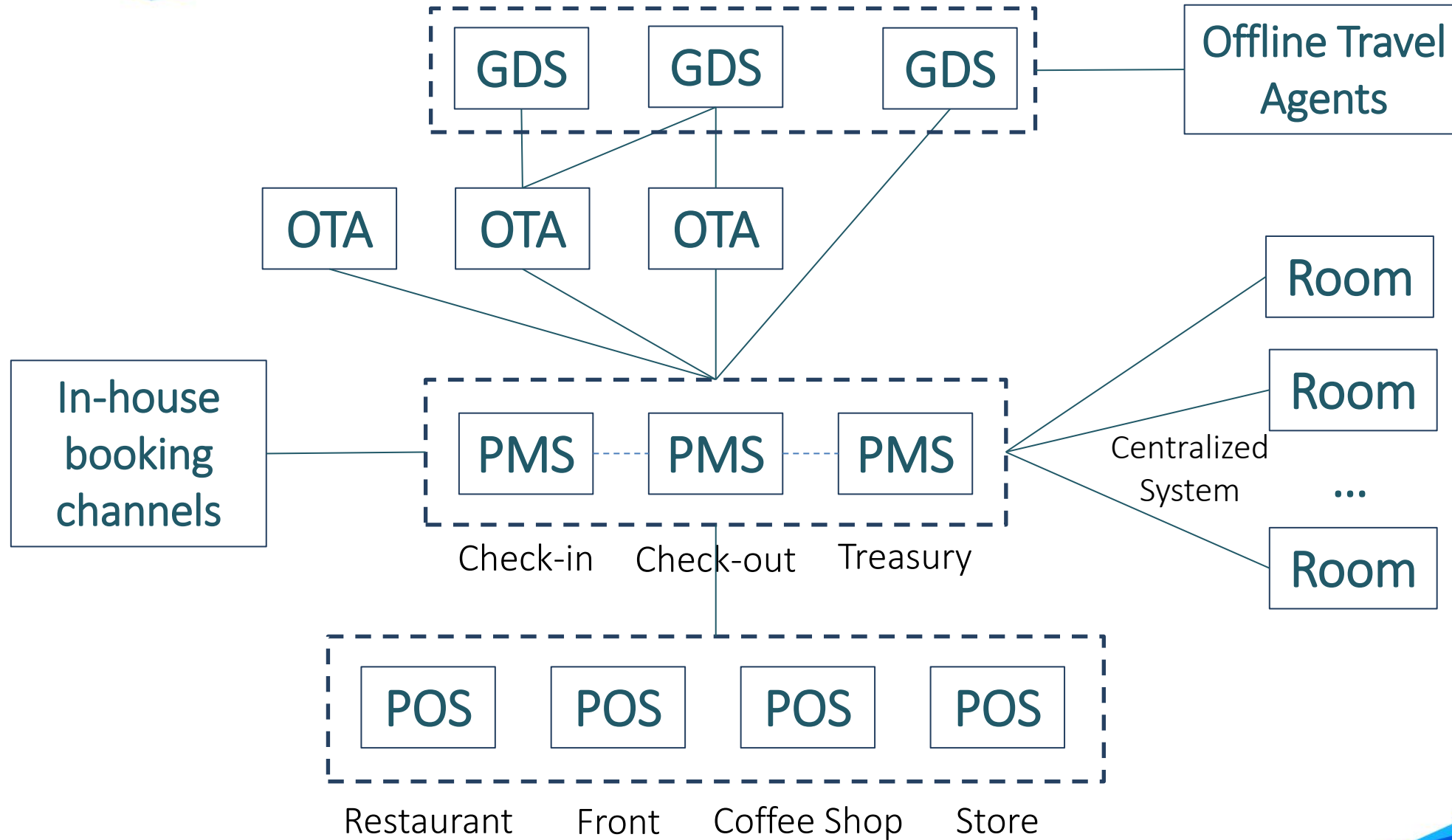
Image from Flickr  
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- Manage bookings & reservations
- Coordinate with other departments (e.g. sales, housekeeping, restaurant, stores, marketing, customer relations, ...)
- Automate the operations (i.e. key cards)
- Connect with OTA/GDS



KWHotel

# Models





# Online Travel Agent (OTA)



Online travel agents or agencies (OTAs) are businesses that expertise in selling travel products such as tickets, tours, hotel room, shows, and transportations. They make profits by:

- Receive payments from customers, transfer the net rate to the property, and keep the difference. *Or*
- Having customers book via their systems but pay directly to the property. Then charge the property for commissions.

# Online Travel Agent (OTA)

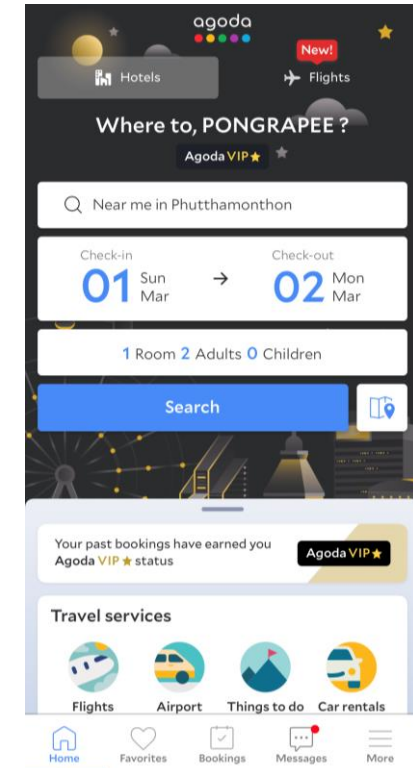
## In the travelers' view

### Benefits:

- Easy booking, everything you need in one place
- Can compare prices
- Can read customer reviews
- Keep information for future usage
- Wide-range of promotion

### Drawback:

- Sometimes, OTA is not the cheapest option
- Inaccurate information (i.e. price, number of rooms left)



\* More information from the attached document.



# Online Travel Agent (OTA)

## In the property owners' view

### Benefits:

- OTAs have a huge customer database
- OTAs do advertisement & promotion for us
- OTAs can fill in empty rooms very quickly

### Drawback:

- High commission rates



# Online Travel Agent (OTA)

## In the property owners' view

### Profits (from highest to lowest):

1. Walk-in customers
  - They have a reason to stay there
  - They are likely to pay at any rate you request
2. In-house booking channels – Phone, e-mail, website
3. VIP customers – You have to make sure they got the best rate
4. OTA, GDS

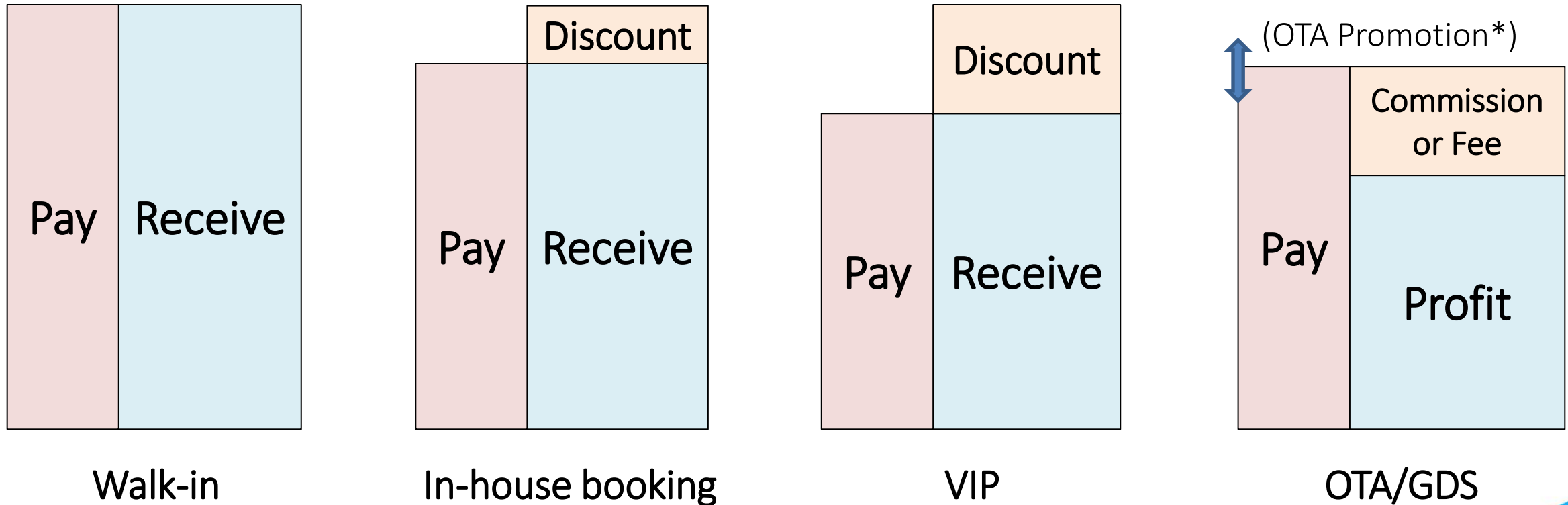
The key to get the maximum profit is to allocate the right amount to each selling channel. If you are certain that there will be a lot of walk-in customers, you can block OTAs.

\* This information is on the hotel side. It doesn't mean that customers pay the least on OTA or pay the most when walk-in.



# Online Travel Agent (OTA)

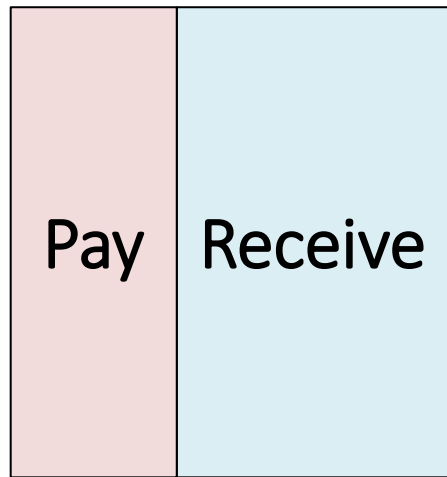
## Price Breakdown (Normal)



\*OTA promotion will bump the price up or down and it is not controllable by the property.

# Online Travel Agent (OTA)

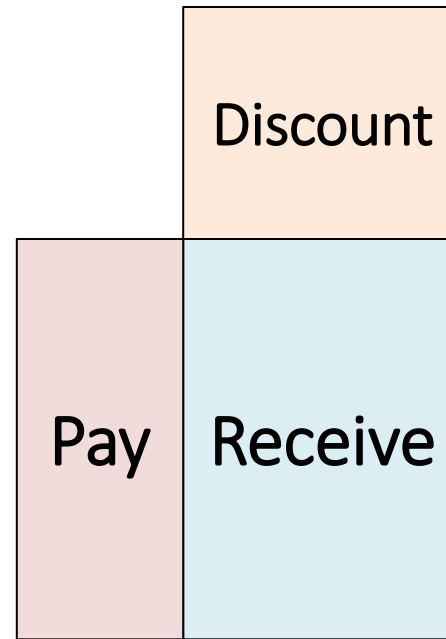
## Price Breakdown (Last Minute)



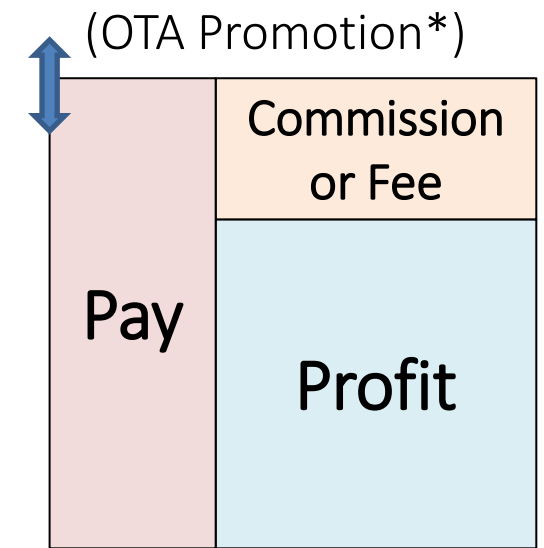
Walk-in

(Not available)

In-house booking



VIP



OTA/GDS

\*OTA promotion will bump the price up or down and it is not controllable by the property.



# Online Travel Agent (OTA)

## To list your property in the OTA:

1. Contact sales
2. Sign a contract
3. Install a compatible PMS. In most cases, they will give you software for free or let you rent it.
4. Complete your property settings in the PMS
5. Allocate rooms to the OTA

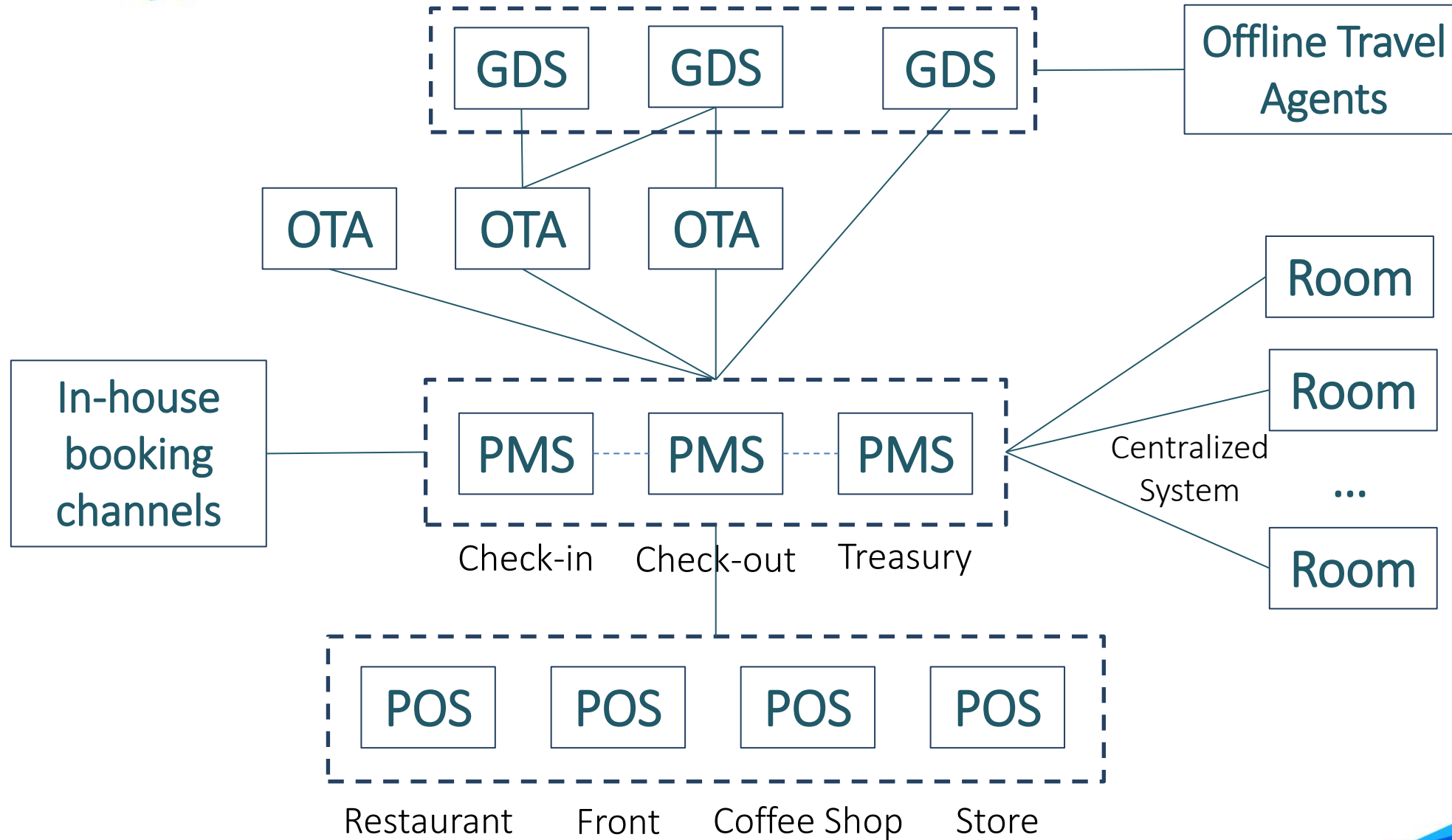
# Online Travel Agent (OTA)

## Price for using an OTA (Pay by the property to the OTA)

- Commission (often high)
  - Discount
  - Others based on the contract (e.g. annual fee, installation, ...)
- } The more commission rates and discount you give, the more chance your property will appear on the top list.



# Models



# Global Distribution System (GDS)

**AMADEUS**

**Sabre**

**Travelport** 

Galileo & Worldspan

A global distribution system (GDS) connects between travel agencies and service providers, mainly airlines, hotels, car rental companies, and travel agencies. The system, or the company, does not hold any inventory. But it provides real-time inventory management (e.g. number of hotel rooms available, number of flight seats available, or number of cars available) to corporate customers.

Unlike an OTA, a GDS commonly charges the customer per booking or transaction.

This makes a GDS an ideal option for travel agents who often book in groups.

Private customers normally don't use a GDS.



# Global Distribution System (GDS)

## To list your property in the GDS:

Normally hotels registered through a GDS service provider which will list the properties in all three major GDSs. The other requirements are similar to the OTA (i.e. need a compatible PMS with proper setup).

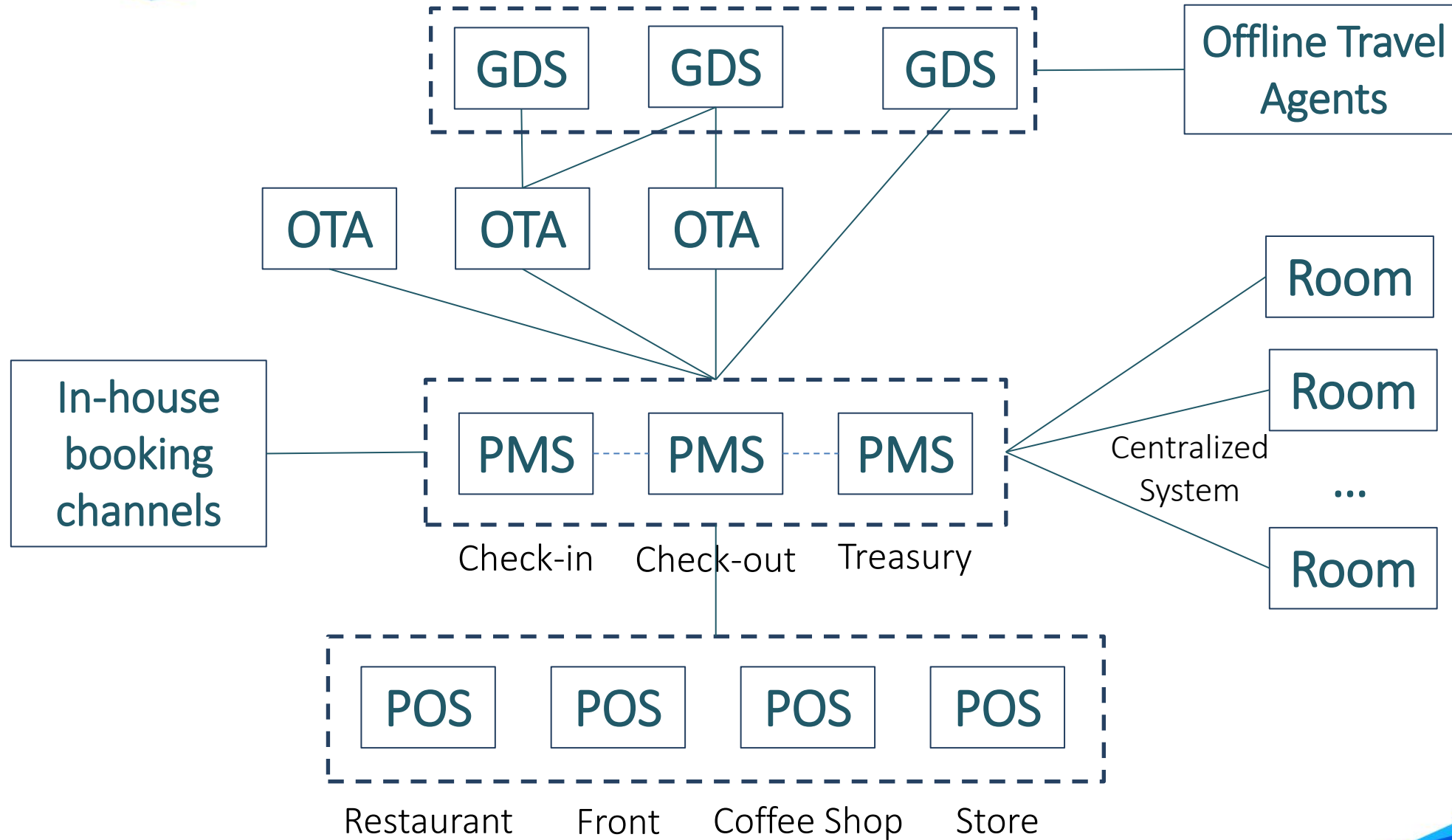
# Global Distribution System (GDS)

## Price for using a GDS

- The property pays installation & annual fees.
- The property pays transaction fee for each booking anyone made through the GDS. This fee can be lowered by booking in a batch (group reservation).
- Travel agents receive commissions when booking through a GDS.

Apply for a GDS only if the property focusses on corporate customers.

# Models





# Models

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THANK YOU

