



Central Reservation Solutions For Cooperatives

Definition - A tightly formed group of accommodation service providers who work in cooperation to cross marketing each other's service. This may include group marketing, operating a call center, and simple processes that allow consumers to book direct and members to make bookings for other members.

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Introduction

BookingCenter provides a combination of Property Management Systems (3 different types for differing needs), Central Reservation Services, Global Distribution/OTA Channel Management, and marketing intelligence services to serve association's needs - on an individual property and group basis. BookingCenter is a Nevada company based in Stateline NV, USA. We work in partnership with Global Network Partners to provide international access to consumers and travel agents through the top booking systems on Earth (Booking.com, Expedia, Sabre, WorldRes, WorldSpan, Galileo, Amadeus, etc).

An Association Cooperative enables the Association to maintain a 'single image of inventory' on their Portal and allow partner organizations (PR firms, marketing and advertising agencies, and tourism authorities) to work to create a brand image and buying network. By working together, an association can work directly with travel agencies and OTAs (Travelocity, Expedia, Orbitz, etc) and the large travel portals to bring the association direct to the world's travelers, providing consumer and travel agent experiences at reduced commission levels.

The solution is fully integrated with a comprehensive marketing analysis and booking engine. The Booking Engine can be accessed from the Internet in a variety of ways to complete online bookings. This integrated system accomplishes the following –

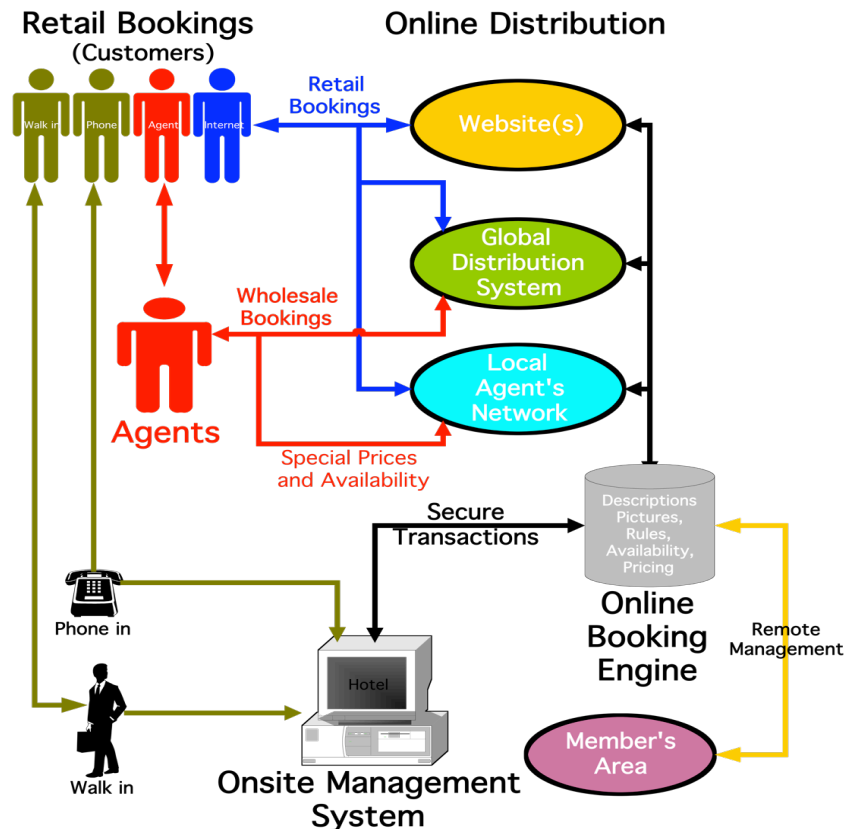
- High quality presentation of property and room features along with rules and policies for usage.
- Dynamic room pricing calculated based on customer criteria, sales channel, and pricing policies (seasons and holidays, length of stay, days of the week, etc.)
- Room Availability automatically derived from actual availability and in 'sync' with thousands of other travel sites.
- Safe and secure payment systems. Each operator can have unique advance payment rules and policies. All payments go directly to EITHER the individual member or the cooperative.
- Ultimate control to accept or reject all bookings resides with the individual inn.
- Seamless integration of Guest, Booking and Payment detail from Internet booking to the BookingCenter Property Management System (if they use BookingCenter) or to an property's Member's Area (if they use other systems).
- Central control over a diverse and growing number of Internet sales channels.
- Central Reservation Capability that allows operators to see availability, make new bookings and cancel existing bookings. No special equipment, or software required as everything runs through a simple browser interface.

The Booking Engine can be integrated into any website that will allow outside links, or urls. Clicking these links will open a new browser window that will either step the guest through an availability search, or provide property profile information.

- **Availability Search** (to be used for demonstration)
<http://requests.bookingcenter.com/enquiry.phtml?site=DEMO> *or*
<https://book.bookingcenter.com/03/?site=MYPMSDO>

Every link has a unique source id to provide better visibility over where bookings originate. It is also used to pay rewards to distribution sources for listing your service. We call these **Affiliate Payments**. There is no extra cost to inns for Affiliate payments as they are inclusive in basic commission rates. Affiliate payments will increase your distribution, and encourage better placement than other accommodations that don't pay rewards for bookings.

Creating an Online Distribution Network



Customers come in 4 basic manors – Walk-in, Phone-in, through agents, or directly through websites. Customers may be repeat or referral customers, or they may be totally new. The BookingCenter system supports every sales opportunity, all integrated into one complete solution. Customers like the convenience of online booking. Accommodations like the simplicity to managing availability. The opportunity to buy online closes more sales. The ability to further the cooperative's brand to consumers is enhanced and the value to membership is increased.

personal assistance to come aboard as we show at:

<https://www.bookingcenter.com/products/>

All locations will need a smart phone, tablet, or computer (both Mac and PC supported). It is also to have a website for individual properties, and BookingCenter can provide one.

Ongoing Fees –Great flexibility in the business model can be offered, as the Association knows best what will work for their members. Commissions are a great way to charge for bookings, but there are other models that work - and the cooperative can work with these models as well. For example, we can work out flexible commission and/or subscription and/or flat booking fees. Even a mix – determined from where the booking originates from - of all there are supported.

The only strict policy is applied to bookings occurring through a GDS channel such as a Sabre or TravelPort. Because these business agreements require a % of the booking, these bookings require per transaction or commission charges. Only ‘completed & paid’ bookings, not booking attempts or early check-outs, are liable for commissions.

For a cooperative, fees vary based on the source of the bookings. An *example* fee structure might be:

1. **Retail (5% commission or \$5 flat fee)** - any booking that does not involve an agent or the GDS. Typically, these are retail direct bookings that come from consumers booking direct at www.Association.com or links on the individual websites.
2. **Agent Sales (5% + the agreed Agent's commission)** – Agents have the ability to log in and see special room availability and pricing specific to each Agent from each property. Agents can complete bookings online without the hassle of calling for availability or even confirmation. All advance payments are paid directly to the property. Properties and Agents have online administration facility to track bookings to completion – the Agents Area (<http://agents.bookingcenter.com>) and the Portal Admin. This system provides a low cost and efficient alternative to existing agent systems and can help your cooperative grow Agent-direct business.
3. **OTA/GDS Sales (15%)** - GDS, or Online TravelAgencies (OTAs) are made up of airline ticketing systems like Galileo, SABRE, WorldSpan, and Amadeus, plus over 7,900 Internet Travel Portals like Booking.com, CTrip, Expedia, and Dhisco. In some cases, travel agents will seek additional commissions.
4. **Member's Area Sales (1% or \$10/mo)** - This is a private area used by the accommodation to take bookings direct. It is your Central Reservation System. No special equipment is required, just Internet access.

The Association may decide that it is appropriate for members to get a small reward (commission) for making bookings with their associate member properties. It is advised that Association’s contribute a percentage of receivables *back* to a central fund. This fund can be used to pay for group marketing and advertising of the initiative.

Tracking the Business

Accommodations have many controls that allow them to manage what rooms are available online, and at what price. Commissions (Network and Agent) are collected after bookings are completed. On the first of every month, the property accountant receives a detailed activity statement showing completed booking from the previous

month. Operators reconcile their bookings, canceling all bookings that did not result in a completed stay.

Payment of Agent commissions who develop relationships with the Association can be included in this same process, or done direct to Agents. Agents usually agree to abide by the reconciliation process, leaving one simple process to manage commission payments. The system tracks all Agent relationships specific to every accommodation, assigning a commission/flat rate (controlled by the property or Association) for each booking.

All accommodation owners also have the opportunity to become Agents and get paid commissions. Commissions could be earned for booking into other Associations accommodations, or selling complimentary services such as airport shuttle transfers, tours, etc.

BookingCenter maintains an Affiliates Program whereby we pay distribution channels for placing links that lead to online bookings. This incentive drives more sites to carry Association's listings, and may eventually result in numerous free listings. BookingCenter or the Association pays Affiliates from the basic commission rate – there is no cost extra for the operator.

The BookingCenter Marketing Service Organization provides analytical intelligence about *who* books, from *what* sites, and at *what rates and dates*. With this service, the Association and the individual property has the capability to track the effectiveness of their Internet marketing efforts in ways that were previously impossible through website tracking programs. Examples can be viewed at:
<http://www.bookingcenter.com/products/mso.html>

Conclusion

BookingCenter has proven that participation by the small, independent provider is key to an Association's success. Here is an example of a independent, 11-room owner working with BookingCenter:

Matt Parker, *Seven Seas Street Inns*, Nantucket, MA

*I would recommend speaking to...BookingCenter as probably the best company able to implement such a system for<The Association>. This is based on personal experience with the company and observing their expertise and customer service over the last 12 months. Our 11 room Inn has taken just shy of \$50,000 in on-line bookings for 2003 which represents about 15% of our total booking revenue so far this year. These bookings are coming from 3 basic sources. Dedicated travel websites such as Travelocity, Travelnow.com (and The Association in 2004?), Travel Agent GDS systems, and directly from our web site. **The important point here is many of these bookings (25% ?) came during off peak times which otherwise would have remained unoccupied.** The argument against paying a commission is weakened significantly by the revenue that was realized by opening up a to new markets and thus improving overall occupancy and net revenue.*

BookingCenter maintains an ongoing relationship with all of our customers built upon mutual advantage. In other words, if the system doesn't work and we don't bring bookings and efficiencies, we don't get paid. Our long-term success comes from

providing excellent service to your Association and its members, agents, distribution services, and of course - the Guests.

We provide ongoing development of the system and continue to look for new ways to increase the opportunity to provide value that leads to ever increasing occupancy and inn owner's satisfaction. There are many opportunities with Internet marketing that will be explored as buyers and sellers and systems mature. We have built a truly revolutionary service.

The BookingCenter system supports Association's **now** without need for any modification and we could have any system up and running in one month. And you won't have to establish complex money handling procedures for commission collection – BookingCenter handles it all.

Adding new members is easy. Each new member simply registers the appropriate property management system or online Management Tool. Members that quit the Association will retain a valuable asset and can continue to operate their own independent online booking system.

We hope that your Association has been stimulated by the opportunities laid out here. Please feel free to contact BookingCenter with questions. We have served the independent hospitality market for over a decade and will continue doing so, hopefully in partnership with your Association.

Sincerely,

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