



Rethinking Business Travel Distribution & Payments

Toward a Future-Ready Model

The Travel Commerce Accelerator



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Executive Summary

Business travel is at an inflection point. After years of disruption, global corporate travel spend is projected to reach \$1.5 trillion by 2027 (1). Yet as the industry regains momentum, friction around distribution, payments, and reconciliation continues to frustrate hoteliers, complicate operations for travel management companies (TMCs), and erode the traveler experience.

At two recent industry roundtables—one in London ahead of the Business Travel Show 2025 and another in Denver before the GBTA 2025 Convention—DerbySoft convened leaders from across the corporate travel ecosystem to examine these challenges and chart a more sustainable path forward.

The discussions made one point clear: fragmented systems, legacy agreements, and opaque economics are no longer sustainable. The future of corporate travel requires smarter connectivity, greater transparency, and collaborative innovation—with DerbySoft positioned as the bridge that enables progress.



We are past the point of incremental fixes. Delivering a truly traveler-first experience means, the core tech connecting supply and demand must break down barriers that block innovation, automate as much as possible from booking to payments, and build partnerships on shared value and transparency—not on legacy incentives.

Nadim El Manawy, Head of Business
Travel Solutions at DerbySoft







The State of Business Travel Today

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Hotel Perspectives

Hotels report a mixed outlook. Corporate demand remains uneven, but segments such as SMB and workforce travel show resilience and growth (3). For hotel owners, however, rising costs and limited visibility into channel economics remain pressing concerns.

A hotel brand executive explained: *“Owners are struggling with costs of sale but often don’t have visibility into the true distribution economics. That lack of clarity makes it hard to make smart channel decisions.”*

Payment friction compounds the challenge. Virtual Credit Card (VCC) recognition is still inconsistent, with disconnects between central reservation systems and property-level execution (4).

As one hotel representative put it: *“On an ownership level, there’s fear around payments. If you don’t process the card transaction exactly right, you risk not getting paid. No-shows, chargebacks, fraud checks—it all drives cost and friction. And processing fees have only gone up.”*

Hotels also flagged attribution as an

emerging concern.

“Understanding total account production is incredibly difficult. OTAs obscure spend visibility, and now we’re facing similar gaps with corporate customers. Buyers say they’re spending a certain amount, but it doesn’t reconcile with what comes through our systems. That disconnect complicates negotiations and planning.”



TMC Perspectives

For TMCs, opportunity is growing, particularly in the corporate SMB segment where spend in the \$1–5M range is expanding (3). But the complexity of fragmented channels remains a daily operational challenge.

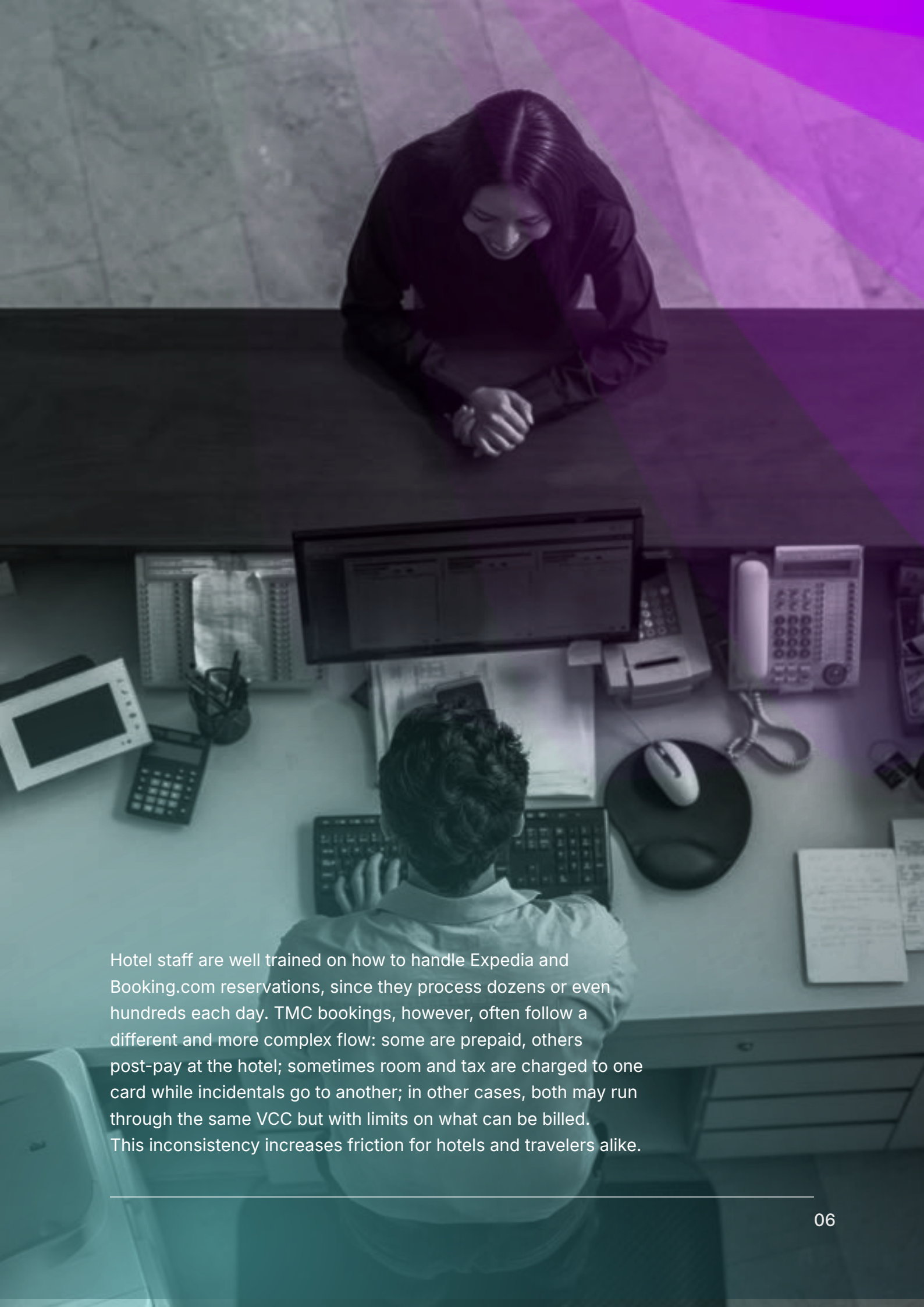
// *Every customer is different—some demand OTA rates, others only want GDS, while others push for direct. Managing that fragmentation without adding friction for the traveler is our biggest challenge.*

//

Payments are another sticking point. OTAs have built loyalty among corporates by solving payment settlement—something traditional channels have yet to master.

// *Payments are just so antiquated. Corporate travelers need confidence their hotel is prepaid and won't be rejected at check-in. OTAs solved this years ago, but corporate travel programs still can't guarantee pre-payments. That one factor alone pushes business to OTA rates.*


//



Hotel staff are well trained on how to handle Expedia and Booking.com reservations, since they process dozens or even hundreds each day. TMC bookings, however, often follow a different and more complex flow: some are prepaid, others post-pay at the hotel; sometimes room and tax are charged to one card while incidentals go to another; in other cases, both may run through the same VCC but with limits on what can be billed. This inconsistency increases friction for hotels and travelers alike.

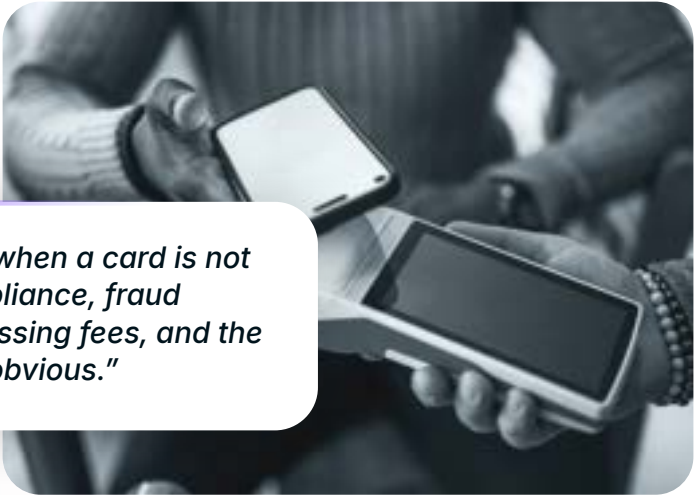
Payment Provider Perspectives

Payment providers echoed these concerns, highlighting inefficiencies that ripple across the value chain. As one executive summarized:



"We still don't have full transparency into where the money flows—or what the true return on a booking actually is."

Others pointed to rising costs as card-not-present transactions become more common.



"Costs are higher when a card is not present. Add compliance, fraud checks, and processing fees, and the margin erosion is obvious."



Yet not all participants were pessimistic. Fintech innovators see a chance to re-frame payments as a source of efficiency and profit rather than frustration. By introducing automation, AI fraud detection, and direct settlement models, they are building solutions that cut costs, reduce risks, and speed reconciliation (5).

Where the Pain Lies

Across the roundtables, three consistent pain points emerged:

Fragmented Distribution

Hotels lack visibility into true costs, TMCs struggle to ensure content parity, and corporates grapple with mismatches between fixed-rate expectations and dynamic pricing.

Payment & Reconciliation Gaps

VCC acceptance is inconsistent (4), reconciliation remains heavily manual (6), and OTAs continue to capture share by offering frictionless payment solutions.

Opaque Costs & Incentives

GDS overrides, OTA margins, and card incentives distort decision-making (7), with hotels shouldering costs while other players in the corporate space capture the benefits.

Signs of Innovation

Despite these barriers, signs of progress are visible:

GDS Bypass Models

Direct partnerships between TMCs and hotels are proving that costs can be reduced while delivering better value for travelers. It's not just about reducing costs—it's also about enabling better capabilities, greater transparency, and stronger process automation between hotels and TMCs.

AI in Procurement & Personalization

AI reshopping tools, bundled offers, and predictive optimization can deliver up to 20% cost savings (2). As one TMC executive described:

"If a traveler doesn't book a hotel with air, AI can instantly surface three relevant options. It's just click and book. The attachment opportunity is enormous."

Data Standardization

Industry pilots are testing unified hotel IDs and shared reporting protocols that could finally bring attribution clarity.

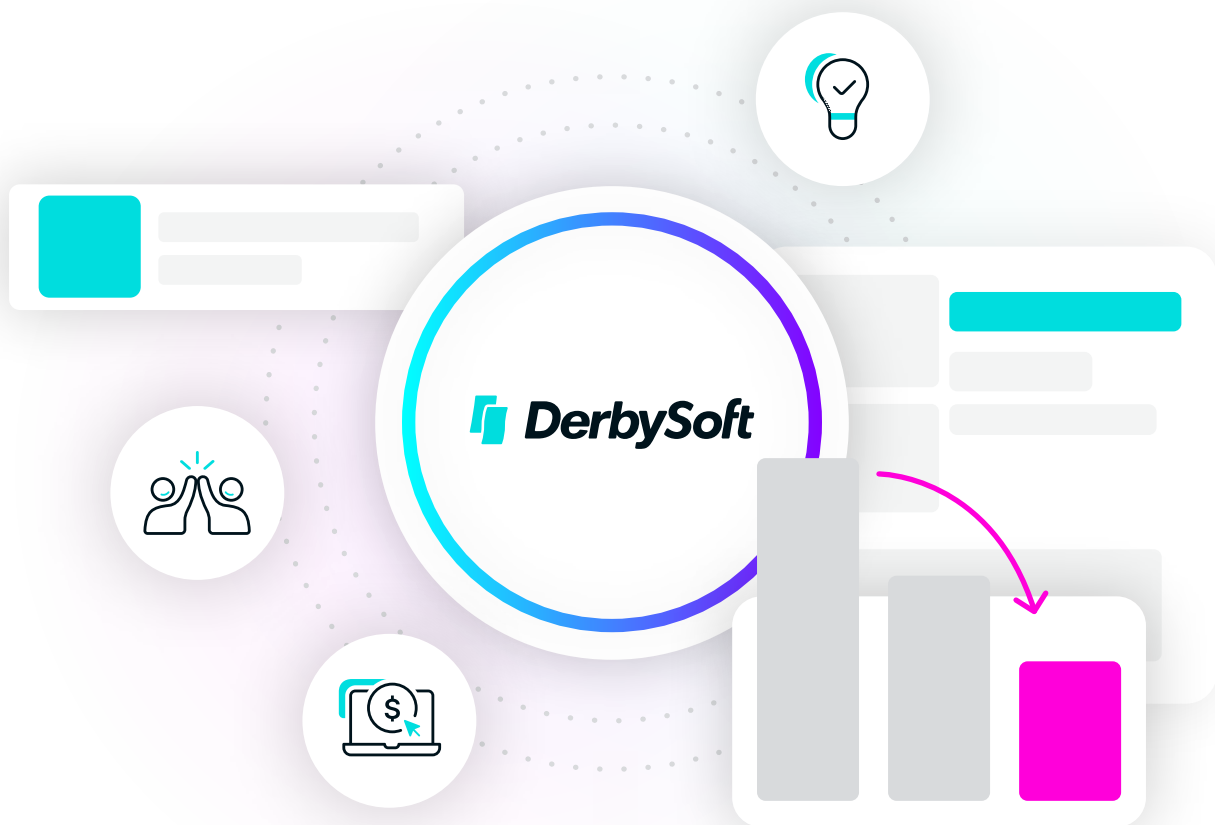
Payment Reinvention

Providers are piloting "pay now" models that integrate with ERP and expense systems, eliminating reconciliation delays (6).

// We need visibility into the total cost of sales and every fee applied along the transaction chain. That's the only way to evaluate profitability and make smart distribution decisions.

//

DerbySoft's Role as the Fixer



The discussions made clear that the industry doesn't need another short-term patch. It needs an infrastructure partner that can reduce friction, illuminate costs, and enable innovation across the ecosystem. DerbySoft fills that role across three critical dimensions.

Connectivity & Content Normalization

Distribution starts with content, and incomplete ARI feeds remain a persistent pain point. Inconsistent data undermines the traveler experience and forces TMCs into manual workarounds. DerbySoft ensures complete ARI delivery across chains and independents, provides normalized and structured data that TMCs cite as their greatest need, and delivers a cleaner shopping experience.

For hotels, the payoff is reduced leakage and stronger brand parity.



Managing fragmentation without creating traveler friction is our biggest challenge. We need reliable, structured content—otherwise the traveler experience breaks down.



Payments & Reconciliation

OTAs have captured share by simplifying payments, while corporate travel programs and hotels continue to struggle with fragmented and inconsistent systems. DerbySoft addresses these gaps by standardizing VCC acceptance at the PMS level, supporting both card-present and card-not-present flows, lowering chargeback risks, and simplifying reconciliation with automation.



Hotels not only face friction in reconciliation, they also struggle to maintain control and visibility over how their products are sold through TMCs and OBTs. With multi-sourcing now standard, hoteliers face challenges in ensuring cost efficiency while also protecting the quality and consistency of how their product is presented to corporate buyers. DerbySoft exists to restore that control while lowering costs.



Transparency & Innovation



We need visibility into the total cost of sales and every fee applied along the transaction chain. That's the only way to evaluate profitability and make smart distribution decisions.



Finally, attribution and profitability require visibility into the true cost of distribution. DerbySoft helps hotels and TMCs map bookings back to the system of record, uncovering the real value of accounts. Its open connectivity supports experimentation with bypass strategies, while its AI tools normalize disparate data, surface relevant content in real time, and automate manual workflows.



The Business Travel Industry Cannot Continue to Rely on **Outdated Infrastructure**

The Travel Commerce Accelerator

To build a traveler-first, cost-efficient, and future-ready ecosystem, stakeholders must:



Map the true cost of distribution and payments.



Establish shared standards for VCC processing and reconciliation.



Realign incentives toward value creation and traveler satisfaction.



Invest in AI and automation to simplify journeys across the chain.

DerbySoft is committed to working with hoteliers, TMCs, and payment innovators to make this vision a reality. Together, we can **transform business travel distribution and payments from friction to flow.**





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