



DerbySoft.com

# Hotel Modern Retailing

Breaking Free from  
Outdated B2B Channels

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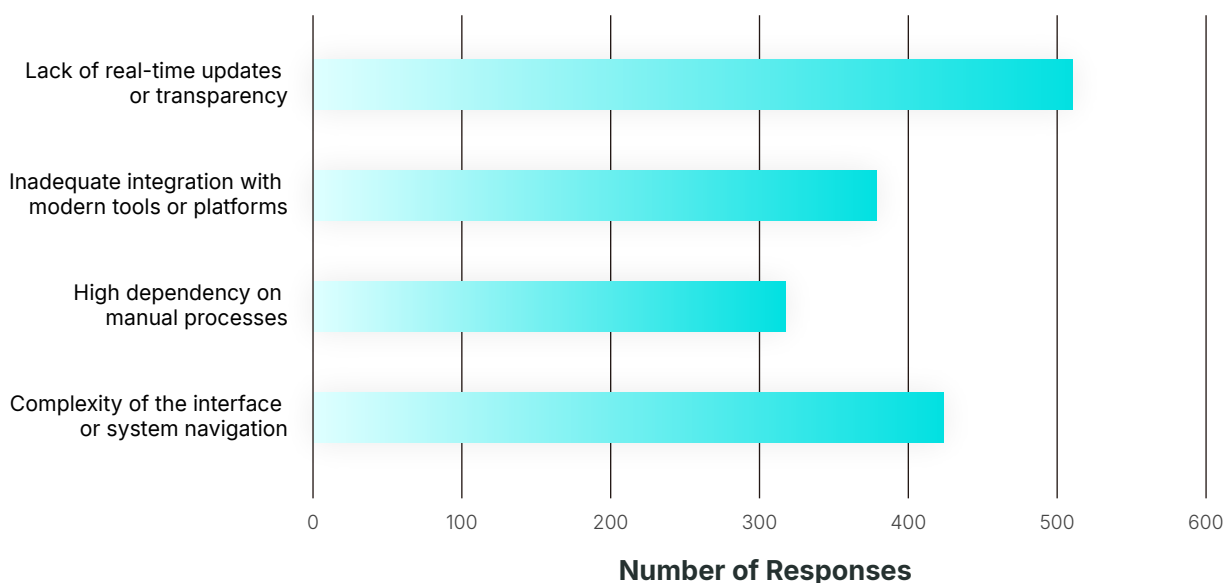
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# Introduction

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The hotel industry is at an inflection point. Traditional B2B channels—specifically the Global Distribution Systems (GDS)—have long been the foundation of corporate travel procurement. However, these legacy systems severely limit how properties can communicate their story, differentiate their value, and meet modern traveler expectations. The gap between consumer and business travel booking experiences has never been wider, creating inefficiencies, frustration, and program leakage that impact properties, corporate buyers, and travel management companies alike. The industry must act now to modernize hotel retailing.

## Challenges Faced



The chart highlights key challenges faced by agents using GDS, with **the lack of real-time updates or transparency** being the most reported issue, reflecting the need for more accurate and timely information.





# The Mismatch Between Corporate Travel Programs and Traveler Expectations

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Business travelers now expect a booking experience that mirrors consumer travel sites—rich content, dynamic pricing, and transparent inclusions. Yet channels that source through the GDS fail to provide this level of detail, leaving travelers frustrated and forcing them to shop on consumer channels before booking through mandated corporate systems. Some ultimately book on non-compliant channels, increasing leakage and making it difficult for corporate buyers and travel management companies to provide effective support and oversight.



*Until GDS matches the level of content from Booking.com and Expedia, TMCs will maintain direct relationships with these aggregators.*

~ Managing Director, TMC





Recognizing traveler dissatisfaction, some corporate buyers have reluctantly accepted greater leakage in their programs, as neither the hotel industry nor travel management companies have yet provided a better alternative. Others allow travelers more flexibility to book outside the system as long as rates remain within negotiated thresholds—prioritizing traveler satisfaction over strict compliance.



# The Rise of Multi-Sourcing and Its Consequences

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To compensate for GDS shortcomings, travel management companies (TMCs) have adopted multi-sourcing strategies, integrating online travel agencies (OTAs) into corporate programs. Unlike traditional GDS channels, OTAs offer richer content, dynamic pricing, and better hotel merchandising capabilities. However, this shift presents new challenges for properties.

Properties do not provide OTAs with loyalty-eligible rates, as OTA rates are deeply discounted, and properties reserve loyalty benefits for higher rates and direct brand channel bookings. Travelers booking through OTAs are ineligible for loyalty points and often cannot use mobile key access, which is tied to loyalty membership. Because TMCs include OTA rates in their online booking tools, travelers often mistakenly believe they are booking a loyalty-eligible rate. Given that these bookings are frequently made on mobile devices, the exclusion of loyalty points—though

referenced in the fine print—is often overlooked. This creates friction at check-in when travelers realize they are not earning loyalty points on their stay.







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*Sometimes there are more rates than we should be showing... it's very confusing to travelers. We try to limit the rates available to them. Otherwise, they have problems such as booking consortia rates and not being able to redeem their loyalty points.*

~ Program Management VP, TMC

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Frequent travelers highly value their loyalty points, viewing them as a critical perk of corporate travel. When properties cannot recognize corporate travelers due to OTA bookings, they lose the ability to deliver personalized service, track business volumes, and offer accurate reporting to corporate travel managers—key factors in negotiating preferred rates based on actual demand.

# Hotel Supply Sourcing is Broken—A New Approach is Needed

The current state of hotel supply sourcing is inefficient and misaligned with the needs of hoteliers, corporate buyers, and TMCs. Because GDS remains the primary corporate travel sourcing channel, TMCs attempt to bridge the gap by incorporating OTA content, which only introduces new problems. Properties need better tools to showcase their full value proposition—including rate inclusions like breakfast, parking, wellness amenities and sustainability commitments—as well as booking conditions, cancellation policies, and loyalty eligibility.

**Only about 40% of hotels currently feel they have a strong partnership with TMCs.**







At the same time, corporate buyers need more efficient sourcing solutions to ensure travelers receive the correct negotiated rates with all relevant inclusions, seamless payment processing, and proper tracking to manage compliance and duty of care. Without modernization, hotels will continue to struggle with visibility and profitability, and corporate travel managers will remain stuck with inefficient systems that fail to meet traveler needs.

# Conclusion

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The hotel industry is at an inflection point. Traditional B2B channels—specifically the Global Distribution Systems (GDS)—have long been the foundation of corporate travel procurement. However, these legacy systems severely limit how properties can communicate their story, differentiate their value, and meet modern traveler expectations. The gap between consumer and business travel booking experiences has never been wider, creating inefficiencies, frustration, and program leakage that impact properties, corporate buyers, and travel management companies alike. The industry must act now to modernize hotel retailing.



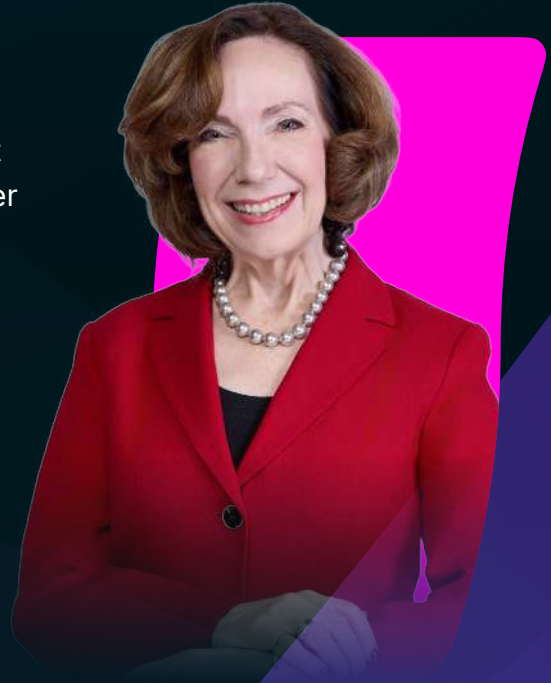
# About the Author

## Dorothy Dowling

Dorothy is a seasoned management consultant and growth advisor, with Horwath HTL with over 40 years of experience in the global hospitality industry. As the former Global Chief Marketing Officer and SVP of Sales at Best Western, she excelled at shaping marketing and commercial strategies.

Her industry leadership earned her prestigious Lifetime Achievement awards from HSMIAI, the NYU Investment Conference, and GBTA. an Honours BA and MA from the University of Waterloo, completed executive programs at

Harvard and MIT, and holds postgraduate certifications in D&I and ESG from Cornell. Dowling is also a public trustee at CubeSmart (NYSE:CUBE), the third largest Storage REIT, and is Director-certified by the National Association of Corporate Directors.



## Special Thanks

We greatly appreciate the following individuals who so graciously shared their time and industry expertise with us:

*Nicolas Besse*

*Tom Bruno*

*Mike Carlo*

*Jim Chung*

*James Dawson*

*Carmen Ducker*

*Adrian Emmanuel*

*Kristina Geier*

*Phelipe Farrah*

*Kelly Kuhn*

*Samuel Lindfield*

*Ross McGrath*

*Sean Nygren*

*Nicholas Smith*

*Robin Smith*

*Sue Spear*

*Sandy Taylor*

*Phyllis Tess*

*Denise Truso*

*Jan Latenstein van*

*Voorst*

*Clive Wratten*

TAMS is a grassroots society that is focused on addressing industry challenges and leverage opportunities for the travel and meetings industry





# Powering Business Travel with **DerbySoft's** Proven Connectivity

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The Travel Commerce Accelerator




The good news is that technology providers, like DerbySoft, are exploring ways to bridge the disconnect between consumer and business travel booking experiences. For more than two decades, DerbySoft has achieved unparalleled expertise in connectivity, helping leading companies in the travel industry accelerate commerce. With a long track record of success, DerbySoft has earned its reputation as the technology provider to go to when a vendor is needed who will partner closely to understand the customer's leisure travel business processes and deliver solutions that can solve even their most complex challenges. Now, the company has extended its deep expertise in connectivity to offer a solution that is purpose built for business travel.





Built on its trusted technology foundation, **Business Travel Solutions** by DerbySoft extends its existing capabilities to provide TMCs with direct connections to hotel chains for real-time access to rates and availability, along with high-quality content to enhance traveler satisfaction. It also streamlines operations through automation and offers flexible payment solutions tailored to TMC needs. By combining DerbySoft's proven connectivity expertise with a focus on meeting the specific needs of corporate travel, this solution enables TMCs to modernize their processes, deliver exceptional traveler experiences, and unlock new revenue opportunities.

A high-angle, black and white photograph of two business professionals, a man and a woman, sitting at a desk. The man is in the foreground, wearing a dark suit, looking at a laptop. The woman is behind him, also looking at the laptop. The laptop screen displays a dashboard with various charts and graphs. The background is a blurred office environment with large windows.

**Business Travel Solutions** by DerbySoft are an attractive alternative to existing solutions because they are designed to streamline corporate travel. With a single connection, properties can easily reach more TMCs, while TMCs gain access to a broader range of lodging options and corporate rates. Together, this powerful ecosystem increases efficiency, reduces costs, and enhances experiences for corporate travelers.



# Why DerbySoft

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Leading hotel companies around the globe trust DerbySoft to provide seamless solutions that enhance operations, improve traveler experiences, and drive growth for its partners.

DerbySoft works with more than **a quarter of a million properties** and supports more than **750 integrated global connections**. This extensive network enables DerbySoft to facilitate tens of millions of room bookings every month.



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