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## Introduction to Global Distribution Systems (GDS)

The purpose of this training program is to provide an educational resource for hotel operations, sales and marketing, and management staff to better understand and use global distribution systems as an effective marketing and distribution tool. Travel agents, wholesalers, tour operators, GDS employees and other travel industry audiences may also benefit from the information provided in this educational series.

Each Module includes several “One Minute Quizzes” where you can check your progress in learning about the GDSs. In addition, suggestions and tips are provided along with definitions of frequently used terms and acronyms. We’ve tried to make the Modules fun to use as well as informative.

### Introduction to this Training Module

This Training Module introduces the global distribution network and is intended for a broad hotel audience including:

- General Managers
- Sales and Marketing personnel
- Front Desk staff
- Reservation staff

**GDS:** Global  
Distribution  
System

In order to assist you in understanding some of the jargon or technical terms used by the global distribution systems, there is a full glossary at the end of this module. As well, terms are briefly defined in an on-line glossary. Example:

This Training Module is available in three variations:

- Self-guided workbook
- PC-based training and workbook
- Instructor’s graphics for group presentations

Other Training Modules in this Educational Kit are:

- “Hotel Roles in the Electronic Reservation Process” (Module 2)
- “Selling Your Hotel Through the Global Distribution Network (Module 3)

**Throughout this training program you will be asked to personalise the various sections of your workbook. Take a moment now and describe three objectives you hope to accomplish in completing this workbook.**

## SETTING THE STAGE

Today the travel marketplace is a global arena with hundreds of thousands of buyers (travel agents or "TAs") and sellers (hotels, airlines, car rental companies, etc.) working with each other to reserve and deliver services to the ultimate buyer -- the traveller.

Increasingly, the "shelves" on which the buyers look for those travel services are the world's global distribution systems (referred to by the initials GDS). These systems have become the electronic supermarket that links seller to buyer, allowing the reservation to be made, the "sale" to take place quicker and easier than ever before.

**GDS:** Global  
Distribution System

## WHAT IS A GLOBAL DISTRIBUTION SYSTEM?

A global distribution system can be defined in two different ways. **It is:**

**A company (largely or completely owned by one or more airlines) which operates a computer system for reserving air flights and other travel services.**

**It is also:**

**The community of users -- travel agents, airlines, hotels, car rental companies and others -- who are linked by that computer system. Together the GDS users present services and process reservations on behalf of their clients -- the travelling public**

### The Global Distribution Network

The major world-wide travel industry computer reservation systems -- which total seven in number -- link together hundreds of thousands of travel agents, suppliers, vendors and consumers, comprising one of the largest computer networks in the world.

**CRS -**  
Computerised  
Reservation  
System

Virtually every North American travel agency as well as many in Europe and in Asia/Pacific, are connected to a GDS and use these systems to search for and reserve travel services

## Early Travel Planning

To understand the role and importance of today's GDS (which used to be called computerised reservation systems or "CRS"), it is useful to look back at the development of the hospitality industry's reservation process.

In the beginning when you wanted to take a vacation, you tightened the animal skin wrapped around you and headed out of the cave! Over time, while conditions changed considerably in other areas of the travel industry, hotel reservations continued to be made directly with each property, via letter initially, then later by telegram, telex, telegraph or telephone. As recently as the 1960s most people still made their hotel reservations in one of these ways.

## Early Airline Reservation Systems

In the late 1950s and early 1960s the popularity of air travel increased. In response, several airlines began development of computerised reservation systems (CRS) to accept and store flight reservations. Airline companies also established huge reservation centres to handle telephone calls world-wide. When an individual (or their travel agent) wanted to make an airline booking they would telephone the airline reservation centres directly and the airline representative or agent would use their CRS terminal to book the flight reservation. They would then make other telephone calls to book hotel accommodation and a rental car.

## A Reservation Booking Before GDSs

As air travel continued to grow, the call volume into the airline reservation centres increased dramatically. Then a major step was taken to reduce costs and further increase their bookings. They began installing CRS terminals in

their most productive travel agencies. Airline management knew it would be less

### Primary Global Distribution Systems

Amadeus  
Axess  
Galileo International/Apollo  
SABRE/Fantasia  
SAHARA  
System One Amadeus  
Worldspan/Abacus

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expensive to have travel agents booking the reservations than to hire additional staff for airline reservation centres.

Because travellers frequently required flight information and price quotes from a variety of airlines, each system was eventually enlarged and reconfigured to access the inventory, fares and flight information of not only the CRS's owner airline but also all other major airlines as well.

## A Reservation Booking

Following initial installation of GDS CRTs in Travel Agencies

As travel agents grew more comfortable using airline system CRTs for booking flights, they realised that those same CRTs might become a convenient tool for booking other travel services. Their requests prompted the airlines to add a booking capability for rental cars and, later, for hotels and other travel needs.

**CRT:**  
Computerised  
Reservation  
Terminal or  
Cathode Ray  
Tube

Hotels were enthusiastic about the opportunity to present and sell their services to the thousands of travel agents using those airline reservation systems. It soon became clear, however, that the airline systems, designed to list and sell airline flights, were not structured properly for listing and selling other travel services.

## The Travel Agent Linked to Air, Hotel and Car Reservations

In particular, hotels needed display formats that could include the wide variety of room types, the complex rate structures and the detailed text descriptions necessary to communicate what made a Best Western a Best Western or a Sheraton a Sheraton. The airline systems did not provide an "easy fit" for hotel information. As we all know, there may not be a large difference in airline seats but there is a VAST difference in hotel products. Nonetheless, the importance of this sales opportunity was immediately apparent and hotel companies became major participants in airline reservation systems.

## Hotel Central Reservation Offices

The growth in travel that prompted airlines to develop computerised reservation systems put similar pressures on hotel chains and their hotels. Individual hotels were receiving growing volumes of telephone calls, letters and telexes. Hotel chains determined that the best way to face this challenge, and provide a valuable service to the hotels within the chain, was to develop their own central reservation offices (CROs). Until the early 1970s, taking reservations at a central office had been rare.

**CRO -**  
Central  
Reservation  
Office/Centre

## **Travel Agent Makes Reservations Directly With Hotel**

The event that made these central reservation offices (CROs) possible was the

introduction of toll free telephone services in the United States in the mid-1960s. Hotel chain executives recognised this new telephone technology as an opportunity to offer a new service to both the travelling public and their member hotel properties, thereby gaining a competitive advantage.

The most popular location for hotel central reservation offices in the U.S. quickly became Omaha, Nebraska. This was due to three reasons: excellent communication links already existed for the Strategic Air Command and other military complexes in the area, low communication costs and the neutral accent of a motivated work force. To service their clientele around the world, hotel companies added international reservation offices to provide regional central reservation services in Europe, the Middle East and the Far East.

Calls to the first CROs were answered by agents seated at banks of telephones who checked availability information by looking at walls covered with "Availability Blackboards" or at massive books, which were updated by hand. As calls steadily grew in number, these operating methods were quickly overwhelmed.