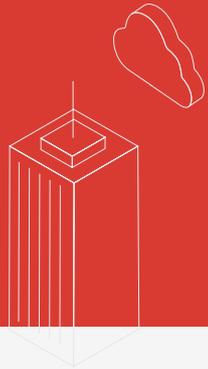


CHOOSING THE RIGHT HOTEL SUPPLIERS FOR YOUR OTA



HOTEL SUPPLIERS - HOW DO I CHOOSE?

Choosing the hotel suppliers that best suit your OTA's needs can be tough. Here are a few of the factors you should consider when making those choices.



PROPERTY TYPE

Every supplier has different types of properties: some have inventory from mostly 4 and 5 star hotels, some concentrate on hostels, while others will be more of a mixed bag. So how should you choose? Find the supplier that has the most inventory that suits your target audience. You don't need to offer 5 star hotels if you're positioned to sell to young sightseers and backpackers.



BUY RATES

Profitability is largely determined by how much you pay for each booking. Every supplier has different agreements with hotels or secondary suppliers, as well as different pricing and business models. This means that the same property may be offered by two suppliers at significantly different price points. What can you do? Look into the buy rates the supplier is offering, your profits are in those margins.



QUANTITY

It takes the same amount of time to add a supplier with 2,000 properties as it does to add one with 200 or 20,000. While you may need a particular supplier with limited inventory to service a specific market, the general consensus is more is more. The more hotels your suppliers offer, the more likely your customer is to find what they are looking for. So you might as well minimize the time you spend on adding suppliers by choosing the ones with the largest number of properties.



DISTRIBUTION AREA

Look into the location and dispersion of properties a supplier offers. Some will provide you with coverage of massive areas, while others may specialize in inventory from a particular region, if your audience frequents those areas then these niche suppliers may be right for you.





RATE TYPES

There are numerous rate types that suppliers work with, these will play a significant role in how you'll market and sell hotel bookings. For example, some suppliers provide net-rates where you can set your own markups, while other work with commissioned rates that are final, but give you a cut of the profits.



TERMS

You're not the only one who is particular about what they want. Suppliers have certain criteria too, such as a look-to-book ratio they require you to maintain. Make sure you select suppliers whose sales quotes, services fees and other requirements fit into your business model.



BUNDLED SERVICES

You want to maximize what you get from each supplier: less integrations, connectivity and communication issues all mean lower costs and less trouble for you. Cars, flights, tours, and other services are also sold by many hotel suppliers. Keep these in mind when choosing your hotel suppliers, but don't give up on the "perfect hotels" in exchange for a mediocre jack of all trades. Your hotels need to hit the bullseye.



NUMBER OF INTEGRATIONS

Not all data is provided equally: some suppliers require one integration, while others involve multiple API integrations to connect their inventory to your systems. This varies depending on the number of products and inventory volume they provide, in addition to how they handle their data. Minimize your integrations. The more APIs you need to integrate, the higher the setup costs and the greater your delay in actually starting to sell.



You're all set! Now you have the tools to find the right suppliers for your OTA