

Trade News

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Travelport, IBM and BCD Travel to develop blockchain solution for hotel commission reconciliation

By TBM Staff | Mumbai

Travelport has announced the development of a blockchain solution to enhance the hotel commission reconciliation process. Working with IBM Services and leading travel management company BCD Travel as well as a number of high-profile hotel chains, the blockchain technology solution aims to optimise hotel commission processing on a distributed ledger by managing reconciliation, tracking and accounting for commission payments owed from hotel chains for services purchased by travellers via booking agencies.

By creating an accurate and shared view of the booking status and commissions – all parties stand to win. Blockchain technology behaves like an online ledger with the ability to collect data, build upon that data in realtime, and then independently and securely report information to any number of parties based on permission. Following an IBM Garage engagement, Travelport and IBM Services, together with partner BCD Travel, developed an MVP solution using distributed ledger technology to streamline commission reconciliation between BCD and three high profile hotel chains.

Hotel commission reconciliation processes include a range of challenges from the operational lack of audit trails driving escalations and manual data mapping, to the financial impairment of revenue forecasting, to the more commercial impact on commission flexibility and duty of care.

Ross Vinograd, Senior Product Director, Travelport said: “Blockchain technology applied to commission reconciliation has the potential to deliver real ROI to both a travel agency and the hotel. Traveler modifications at property, no shows, and complimentary room nights are just a few examples that drive commission discrepancies which in turn generate escalations, cost, and revenue loss. Our aim is to put the lifecycle of a booking on the blockchain and we believe doing so will drive transparency, trust, and ultimately booking volume.”

Kurt Wedgwood, IBM Blockchain Leader - Travel added: “Global distribution companies and providers would benefit from this use of blockchain technology to remove their never-ending work of reconciliation to spend that time adding new experiences and insights for the traveler. Eliminating the hours spent addressing dollars in dispute or the timeliness and accuracy of information allows all participants to focus on what matters most: the traveler.” Sandeep Dwivedi, COO, InterGlobe Technology Quotient (ITQ) commented: “Blockchain is a disruptive technology with enormous potential to improve hotel commission reconciliation process and Travelport's blockchain solution will certainly address various challenges surrounding it. Further, as we are in the industry that revolves around customer satisfaction, the technology will surely impact their experiences in the best possible way.”

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