Travelport and IBM pioneer hotel commission reconciliation on blockchain with BCD Travel

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Travelport is working with IBM Services and BCD Travel, as well as a number of major hotel chains, to develop a blockchain solution to enhance the hotel commission reconciliation process.

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, according to Travelport.

Travelport has teamed up with IBM and BCD Travel to develop a blockchain solution to improve the hotel commission reconciliation process

Blockchain technology behaves like an online ledger with the ability to collect data, build upon that data in real-time, 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.

Solving for this current friction is critical to ensure all stakeholders in a hotel transaction are duly compensated and ultimately to ensure customers receive an optimal travel experience; and, blockchain is an ideal solution to address this. Travelport and IBM are currently working in partnership with industry stakeholders to evolve the solution into an active pilot program.

Travelport's senior product director, Ross Vinograd, said: "Blockchain technology applied to commission reconciliation has the potential to deliver real ROI to both a travel agency and the hotel. Traveller 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 traveller. 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 traveller."

One Farrer Hotel

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