

Supply chain analysis of travel industry intermediaries

A person is holding a map of London, with the title 'Supply chain analysis of travel industry intermediaries' overlaid. The map shows various streets and landmarks, including 'BRAMSHAW CP' and 'Long Cross'. The person's hand is visible on the right side of the map.

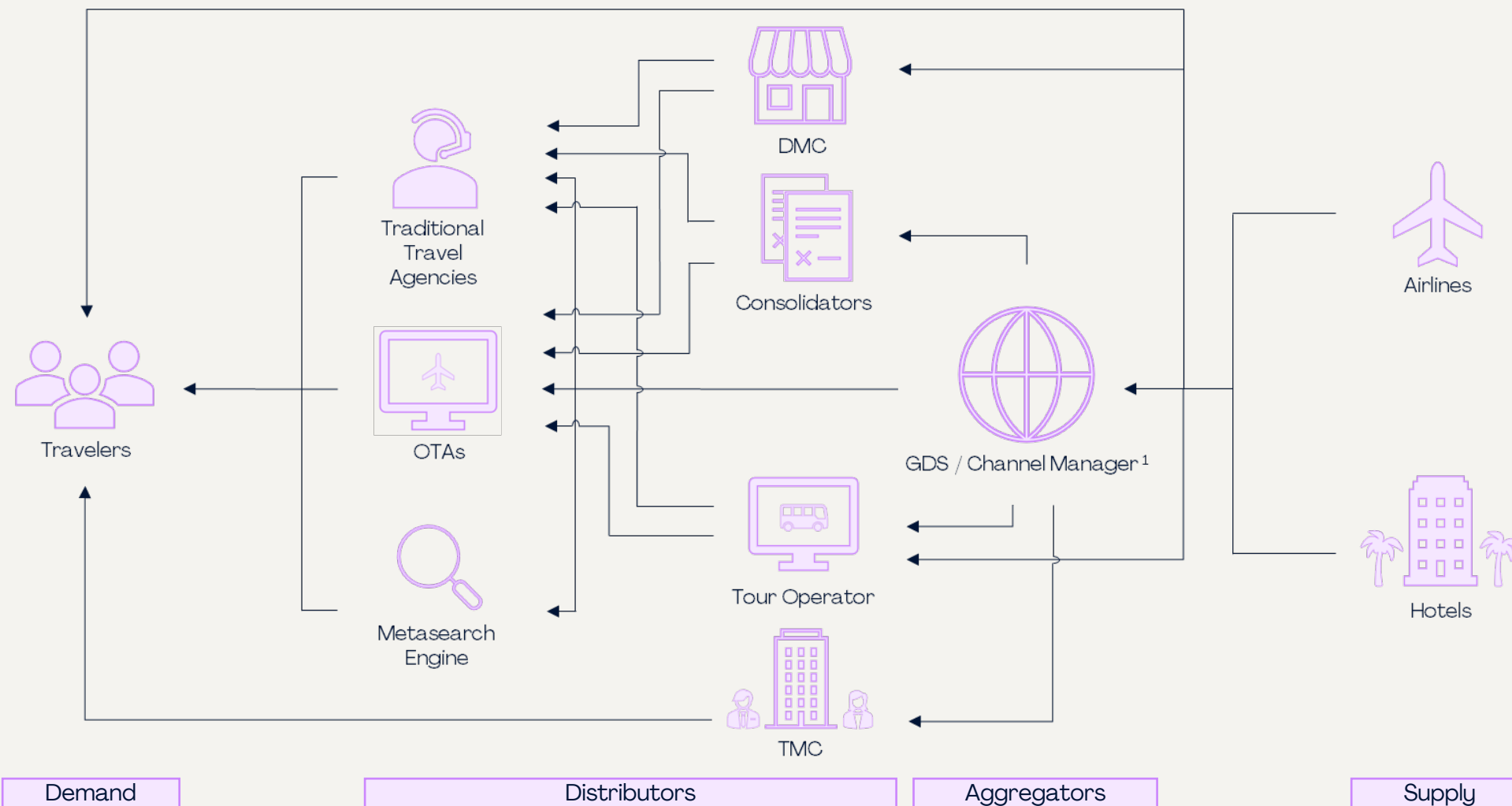
Overview of the principal intermediaries in the industry

A travel intermediary can be defined as a distribution agent that participates in the sale and/or brokerage of travel and tourism-related products and services, and these act as middlemen between suppliers and consumers. It is an industry with high involvement with technology, especially in the latest years after the COVID-19 pandemic.

TYPE	BUSINESS MODEL	EXAMPLES	DESCRIPTION	SOFTWARE ADOPTION
GDSs Global Distribution Systems	B2B Listing fees, Transaction fees, Subscription	Amadeus, Sabre, Travelport	GDSs charge transaction fees to travel agents and travel service providers. These connect travel agencies with mainly with airlines, but also with hotels, and other service providers, offering a real-time inventory and pricing	HIGH
Channel Managers	B2B Subscription, Commissions	SiteMinder, Cloudbeds	Channel Managers typically charge subscription and commission fees to hotels. Even though GDS are also common to book hotels, the most common way is through a Channel Manager, which will update, in real-time, the property distribution data across all the connected channels.	HIGH
Consolidators	B2B, B2C Markup on Bulk inventory	Hotelbeds, Albatravel	These intermediaries purchase bulk inventory from suppliers at discounted rates and resell them to OTAs, travel agents, or directly to consumers. They help filling up excess inventory for suppliers, often at lower prices.	HIGH
OTAs Online Travel Agencies	B2C, B2B Commissions, Advertising fees	Expedia, Booking.com, TripAdvisor, Travelocity, Agoda	OTAs operate on a commission-based model, taking a percentage of each booking. These aggregate various travel services like flights, hotels, car rentals, and vacation packages into a single platform, making it easier for the consumer to compare and book	HIGH
Metasearch Engines	B2B2C Referral fees, Advertising	Kayak, Skyscanner, Google Flights, Trivago	Metasearch engines earn revenue through cost-per-click (CPC) or cost-per-acquisition (CPA) models. They aggregate data from OTAs and direct service providers to allow consumers to compare prices	HIGH
Traditional Travel Agencies	B2C, B2B Commissions, Service fees	American Express Travel, Viajes el Corte Inglés	Traditional travel agencies earn commissions from travel service providers and may also charge service fees to clients	MEDIUM
Tour Operators	B2C Markup on packages, Commissions, Service fees	TUI Group, Thomas Cook	Tour operators package travel services (flights, accommodations, activities) and sell them as a single product. They earn profits from markups on these packages	HIGH
DMCs Destination Management Companies	B2B, B2C Service fees, Markup on local services	Destination Kenya, Ovation Global DMC	DMCs are local experts that provide ground services such as hotel bookings, airport transfers, excursions, and event planning in specific destinations. They work with travel agents and tour operators to offer customized local experiences	MEDIUM
TMCs Travel Management Companies	B2B Management fees, Commissions, Transaction fees	American Express GBT, BCD Travel, Egencia	TMCs specialize in managing travel for corporate clients, providing services like booking, policy compliance, expense management, and duty of care solutions. They use GDSs and have direct relationship with suppliers to provide tailored corporate level solutions	HIGH
NDCs New Distribution Capabilities	B2B Commissions, Subscription	Duffel, Travelfusion, Amadeus NDC	NDC intermediaries provide APIs and platforms that allow travel sellers (OTAs, TMCs, metasearch engines, etc.) to access airline content directly bypassing traditional GDSs. NDC was developed by IATA to modernize airline distribution and enable richer, personalized content (e.g., ancillaries, branded fares, dynamic pricing).	HIGH

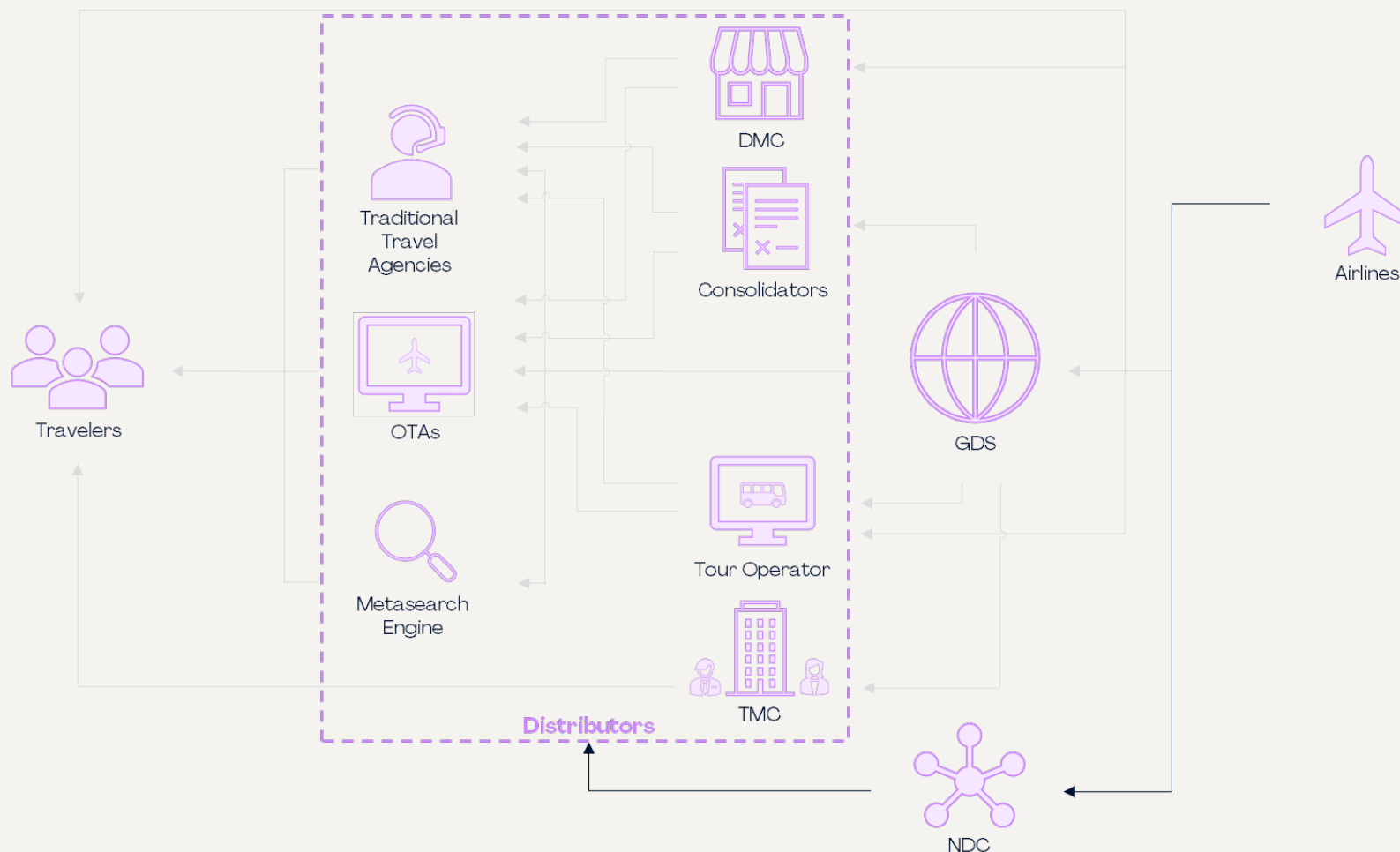
Value chain of the travel industry: Traditional representation

Travel planning and booking is the first phase of a traveler's customer journey. Online penetration of global travel sales increased from 57.8% in 2019 to 66.2% in 2023 and travel intermediaries transformed digitally to provide a seamless online booking experience.



Value chain of the travel industry: Emerging trends of Airlines

In recent years, the airlines segment inside the traveltech industry, has experienced a major shift as a result of the introduction of the NDCs as a new aggregator source for airlines. These new intermediaries developed by the IATA, has fragmented the market that was priorly dominated by GDSs.



Notes

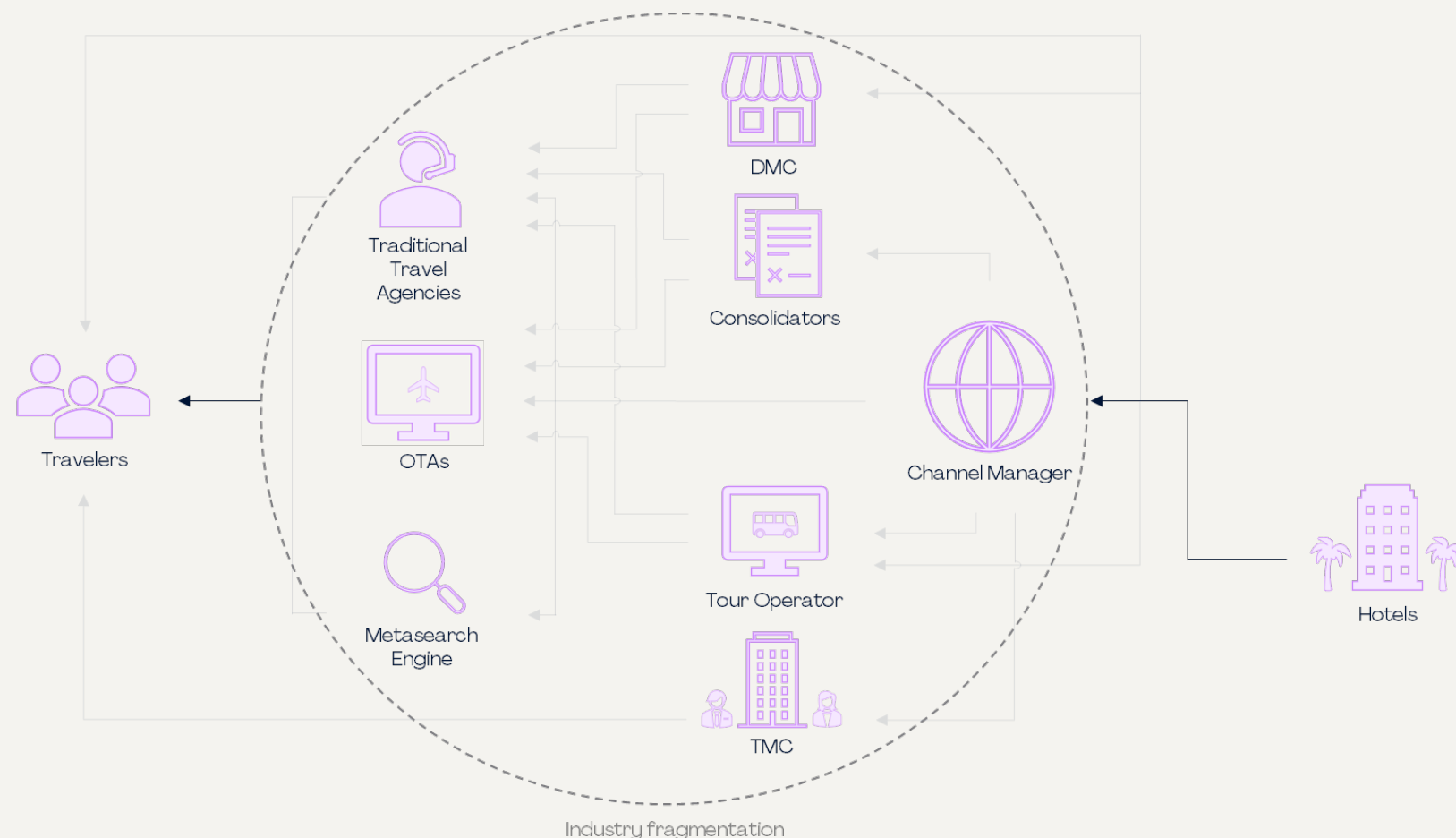
The introduction of NDCs has transformed how airlines connect with distributors and travelers by enabling decentralized distribution and reducing overreliance on GDSs.

This shift allows airlines to offer richer, more personalized content—such as ancillary services, dynamic pricing, and tailored bundles—beyond standard fares. As a result, competition has intensified, the GDS monopoly has weakened, and customer experience has improved.

Finally, direct channels give airlines better access to customer data, enabling smarter marketing and more targeted services.

Value chain of the travel industry: Emerging trends of Hotels

In the hotel segment, the main data aggregator is the Channel Manager, which, in simple terms, serves a similar role to GDSs in the airline industry. However, this landscape has become increasingly fragmented in recent years.



Notes

Hotel distribution has become highly fragmented, with properties selling through OTAs, metasearch, direct sites, wholesalers, and new platforms.

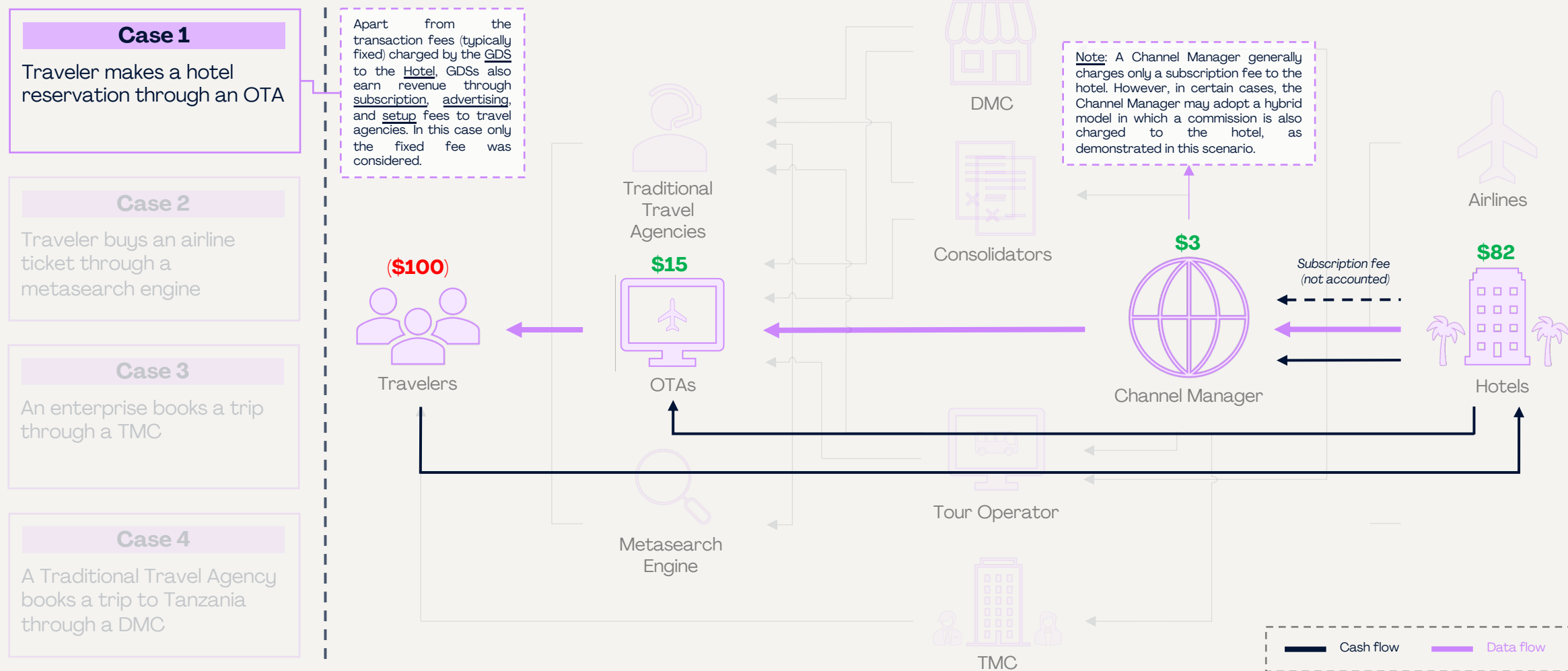
Diverse booking behaviors and the rise of niche and boutique hotels have increased market complexity and segmentation.

Cloud-based tools such as PMS and Channel Managers now allow even small hotels to distribute widely, reducing reliance on traditional gatekeepers.

As a result, pricing and content vary significantly across channels, leading to inconsistent customer experiences.

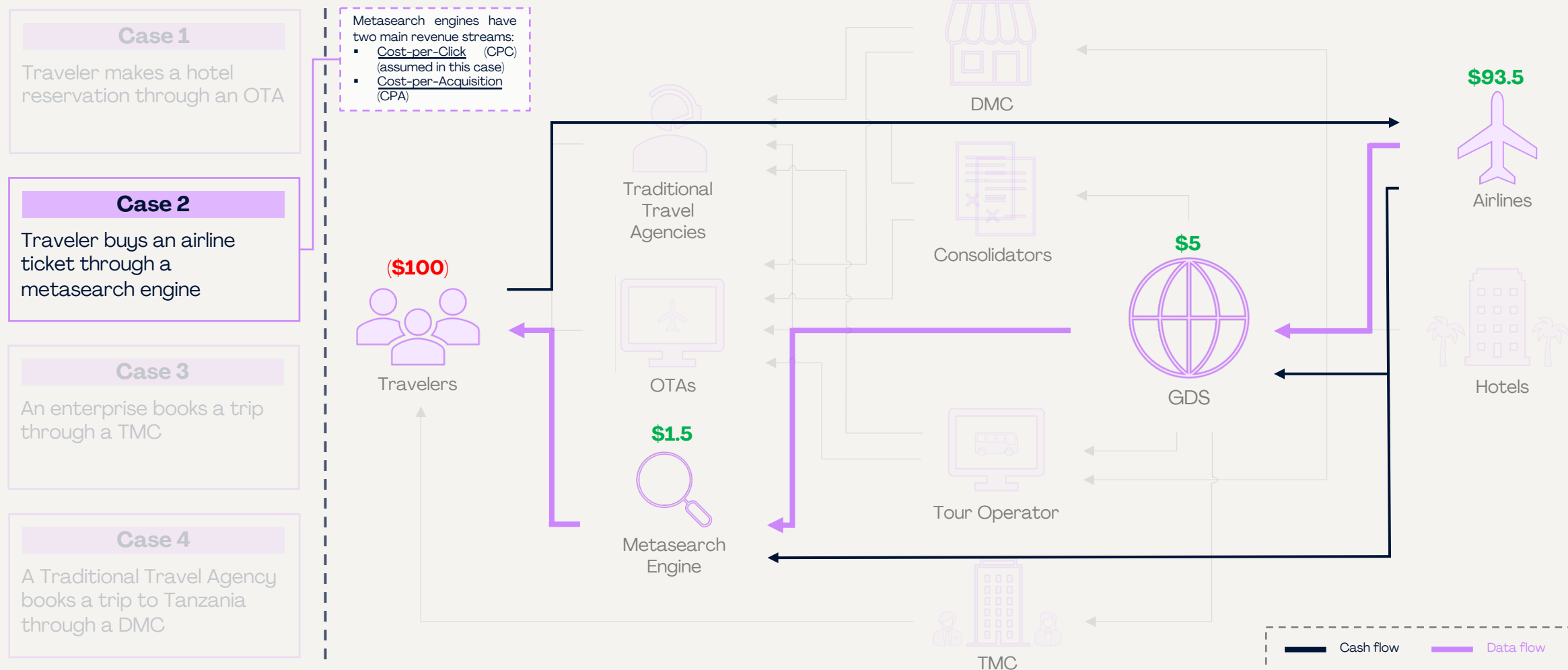
Revenue distribution among travel intermediaries

In the travel industry, revenue distribution among intermediaries like OTAs and suppliers varies significantly, impacting overall profitability and market strategies. This section explores four distinct scenarios to illustrate the diverse ways revenue might be allocated across different intermediaries in the travel ecosystem.



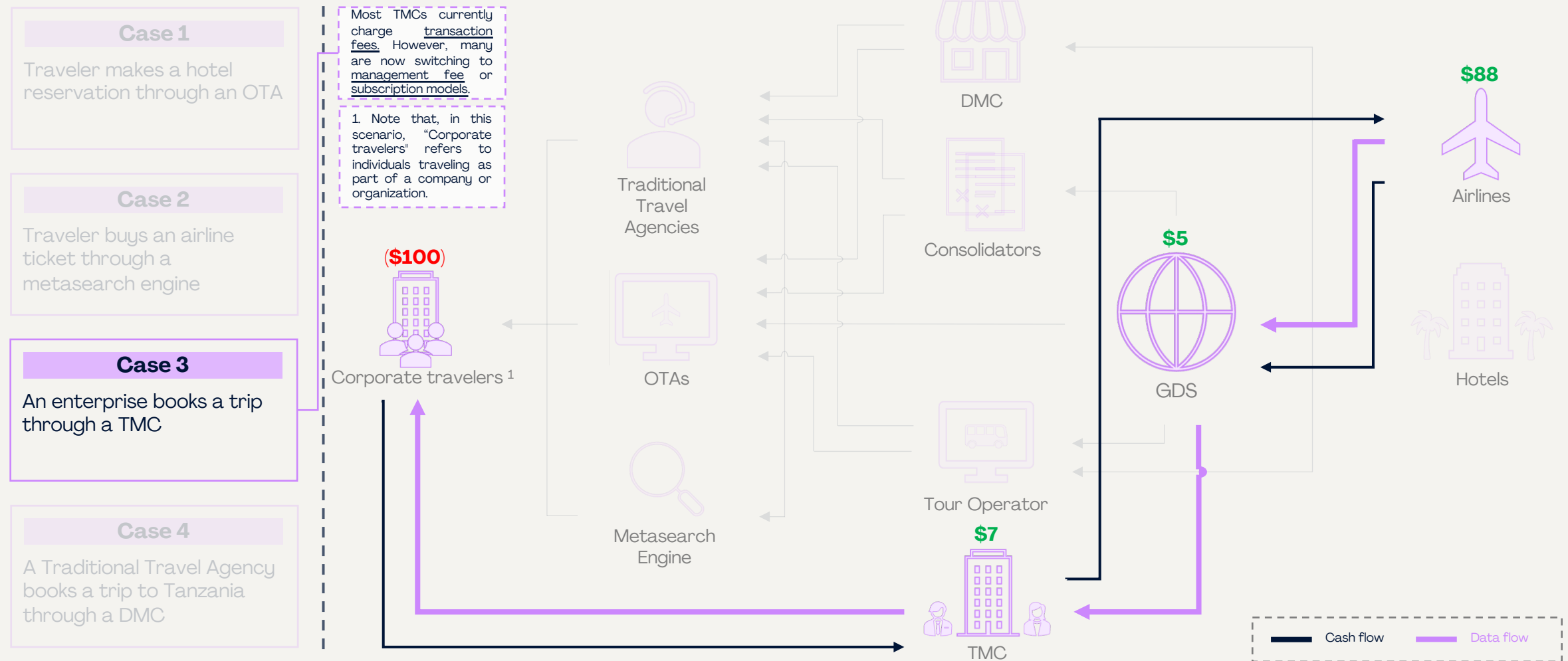
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