

Commission Intelligence:

How To Leverage Your Commission Data For Success



One of the biggest challenges

... for travel agencies is access to market data. Leveraging that data to see how they measure compared to competitors in the industry can help agents gain an advantage. Agencies that don't have this information may miss growth opportunities and could put themselves at financial risk.

Those at financial risk may fall victim to increased competition. There were 78,800 travel agents in 2018, a number that's expected to decline by 6% over the next 10 years, according to data from the Bureau of Labor Statistics. That means having a well-run agency that gathers revenue from all sources is critical to survival.

Agencies need information about key performance indicators (KPIs) and how they're trending over time in order to proactively react to issues as they arise. Yet, obtaining these critical insights can be challenging and time consuming.

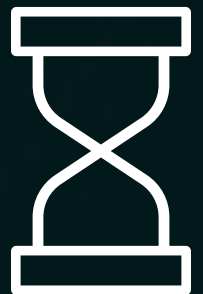
New technology that leverages data and machine learning gives travel agencies insights into KPIs including commissions, booking data and rate codes, creating visibility into operational information and trends to enhance agent and agency performance.

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Stay Ahead of Competition With Data

Many agencies use multiple systems for running and managing their businesses, making gathering and analyzing data an onerous task. Accessing and compiling data about revenue, bookings and other insights can provide a competitive advantage.

Pulling data from multiple sources into one location is a critical upgrade agencies need to consider. Leveraging these previously disparate databases—and reporting the information in easy-to-use dashboards—delivers a more comprehensive view of what drives your business and what's holding you back.

It's important to analyze the data from transactions that drive revenue.

Bookings-versus-confirmations data shows the likelihood of a recent booking being converted to a confirmed stay. Over time, this information provides a deeper understanding of expected versus actual booking results so you can reduce revenue risk from unconfirmed bookings and address anomalies.

Commissionable-versus-non-commissionable transactions data lets you anticipate how many booked nights your hotel partners deem commissionable. This information is useful for projecting future revenue and ensuring you're paid what you're owed, when, for example, a client stays an extra night.

“Most successful agents are already working with some kind of automation, but even then, the commissions — especially when booking smaller hotel brands that use third-party booking—aren't applied correctly. That means extra time.”

Arik Anderson,
CEO of the Americas for [Executive Travel Center](#).

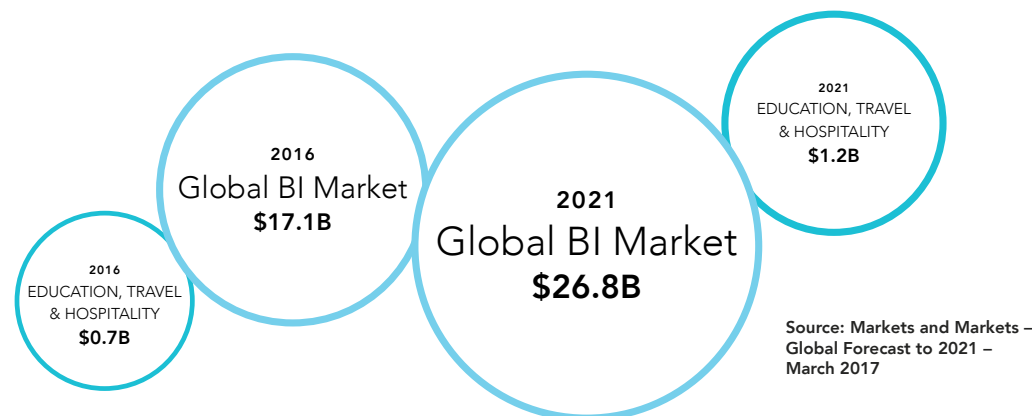
Hotels' turnaround time directly impacts your productivity, cash flow and revenue. Monitoring time to pay can help identify exactly which accounts require reminders. Advanced reporting highlights hotels that provide service needs but are slow to pay or meet revenue goals.

Amplify Your Hotel Partnerships

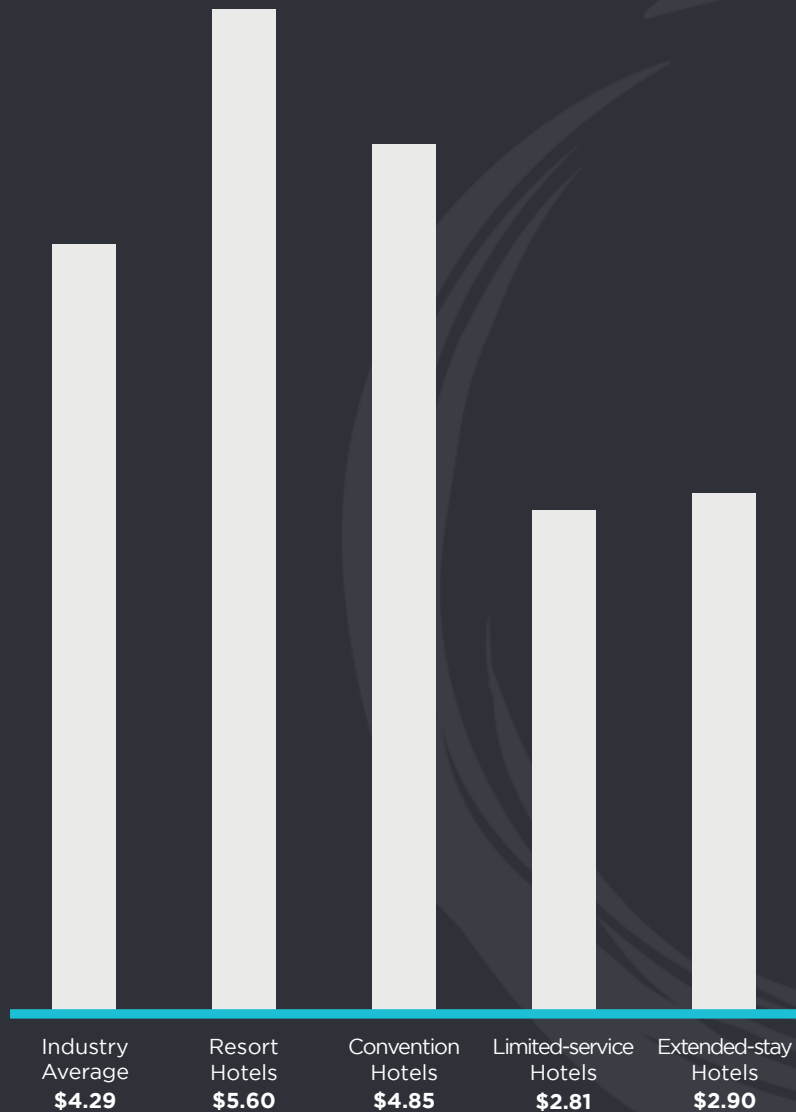
Verify which chains and properties are the most lucrative with visibility into how much partners are paying and how long it takes you to receive payment

“That’s very important,” Anderson says. “We tend to book more preferred partners as we don’t have to chase commission and know that they will offer our guests additional amenities, such as a food and beverage credit, early check-in or late check-out, and complimentary upgrades at check-in.”

This information also helps you advocate for extended partnerships or favorable contract rates with the chains you use the most, and to discover segment trends that can create new opportunities.



Commissions Add Up



Losing out on one commission payment may not feel like a big deal, until you multiply these seemingly small amounts across agents' booking data or your agency as a whole. Then the lost revenue begins to add up. U.S. hotel commissions paid on average \$4.29 per occupied room for all hotel types in 2018, according to data from CBRE Hotels Research. Resort hotels led the way, paying \$5.60 per occupied room, followed by convention hotels at \$4.85. These commissions are slightly lower than they were in 2017. Limited-service hotels paid the lowest per occupied room at \$2.81. Extended-stay hotel per occupied room commissions rose 8.6% from 2017 to \$2.90. Getting every penny you're owed on commissionable transactions is an important factor in your agency's financial viability. Tools that create visibility into commissions paid and time to pay give you the power to enhance revenues.

Predict Tomorrow's Revenue Using Today's Data

“Most agencies have data, but it’s not delivered in a way that’s particularly useful,” notes Brian Clubb, senior vice president of product management at Onyx CenterSource, a developer of B2B payment solutions for the hospitality industry. “It’s one thing to have data, it’s another to know how to interpret it.”

The most innovative new data platforms use artificial intelligence and machine learning to take the noise out of analytics, delivering actionable and operational data to predict business trends at the agent level and across your entire agency or network.

With machine learning, software engineers use algorithms to program a solution that can recognize new data and analyze it. Predictive modeling uses that data to discover and evaluate key factors that affect performance and operations, revenue and profitability. In the travel agency context, that might include historical agency data from your own files plus external data from other industry sources. The technology gathers the data and prepares it to be compared and analyzed.



“Too much analysis is looking at the past, now we can use that data to help you look forward through predictive analytics, so you can make business decisions today that impact you positively tomorrow.”


Brian Clubb,

Senior vice president of product management at Onyx CenterSource.

When insights are reported as deeper predictive analytics, you can project future commission collections, expected versus actual commissions and more.

“For example, when you look at performance over time, you may see a spike in a given month or region,” Clubb explains. “That’s only useful if you understand what’s behind that spike—say the Super Bowl or a big festival. When you can remove those known events from the rest of the data, you uncover the true insights you didn’t know—the less obvious ones. You can see where your business is going, where the demand is coming from, and you can plan accordingly.”



A photograph of a white laptop open on a white bedspread. In the background, there is a window with light coming through and a sofa with blue and striped cushions.

Is Your Agency Positioned to Win?

Expanding the way you use data can increase efficiency and give your agency an edge over the competition. When data is readily available in an easy-to-understand format, you can:

- Assess and improve agency health
- Execute data-informed decisions about operations, performance and partner relationships
- Predict agency and agent bookings
- Analyze rate codes and vendor performance, including time to pay
- Evaluate geographic bookings by agent or agency
- Pinpoint best practices to deploy across your agency
- Identify trusted hotel partners with positive performance
- Make your financial decisions easier and more effective

Technology continues to radically transform the travel business. Now is the time to deploy advanced insights to focus your efforts on high-value activities and be more tactical in partner relations. Investing in data intelligence today ensures that you will have the insights you need for tomorrow.



Onyx CenterSource is a leading global provider of B2B payments and business intelligence solutions to the hospitality industry. The company strives to build long-lasting relationships with its partners and is passionate about providing quality customer service, consultative insight and cost-effective solutions. With a legacy dating to 1992, the company facilitates in excess of \$2.1 billion in payments annually, partnering with more than 150,000 hotel properties and 200,000 travel booking providers in 160 countries. In addition to its headquarters in Dallas, Onyx CenterSource has regional hubs in Seville, Spain and Tønsberg, Norway.

www.onyxcentersource.com