
Certificate in Corporate Travel Management

Global Distribution Systems

Global Distribution Systems (GDS)

Global Distribution Systems (GDS) are computerized networks that enable transactions between travel industry service providers, mainly airlines, hotels, car rental companies, and travel agencies. GDS systems serve as a central reservation system, allowing users to access real-time information, check availability, make reservations, and process payments for various travel services.

Key Concepts:

- Reservation System: A system used to store and manage information related to reservations, such as booking details, availability, pricing, and customer data.
- Real-time Information: Data that is updated instantaneously, providing users with the most current information available.
- Centralized Platform: A single platform where users can access multiple travel services and providers in one place.

Related Terms:

- Online Travel Agencies (OTAs): Websites that allow users to book travel services online, often connected to GDS systems for real-time availability and pricing.
- Computer Reservation System (CRS): A type of GDS used specifically for airline reservations, providing airlines with a platform to manage flight inventory and bookings.

Explanation:

Global Distribution Systems (GDS) play a crucial role in the travel industry by connecting various service providers and enabling seamless transactions. Travel agencies, both online and traditional, rely on GDS systems to access a wide range of travel options and provide customers with up-to-date information on flights, accommodations, and other services. GDS systems streamline the booking process, making it easier for travelers to compare prices, check availability, and make reservations through a single platform.

Example:

When a traveler visits a travel agency website to book a flight, the website connects to a GDS system to check available flights, compare prices from different airlines, and complete the booking process. The GDS system retrieves real-time information on flight options, seat availability, and pricing, allowing the traveler to make an informed decision and secure their reservation.

Practical Application:

Corporate travel managers utilize GDS systems to efficiently book flights, hotels, and rental cars for employees traveling on business trips. By accessing a GDS platform, travel managers can compare rates, manage travel itineraries, and ensure compliance with company travel policies. GDS systems help corporate travel managers save time and resources while providing employees with a seamless booking experience.

Challenges:

Despite their efficiency and convenience, GDS systems face challenges such as system outages, data security concerns, and high transaction fees. Travel service providers must continuously update their inventory and pricing on GDS platforms to ensure accuracy and avoid overbooking. Additionally, the reliance on GDS systems for distribution can lead to increased costs for both service providers and consumers, impacting the overall competitiveness of the travel industry.