

SKNappRevenue & Distribution Management Glossary of definitions, terms and acronyms

*Sources: [SKNapp Consulting](#), [Phocuswright](#), [Cornell University School of Hotel Management](#), [Oracle](#), [SiteMinder](#), [HSMAI](#)

A2A	A term used in e-commerce. Short for “anyone to anyone.”
ACCESS CODE	Unique identifying code that is used to securely book a predefined rate. These codes are determined by the individual company advertising the special rate.
AIRPORT CODE	A three-letter identifier designating a specific airport. Hotels are often referenced to airport codes in the GDS.
ANALYTICAL MARKET SEGMENTATION	A rule-based process used to create optimal revenue management segmentation from reservation data to support both the best basis for forecast and optimization and key organizational reporting and business intelligence requirements.
ABVPOR	Average Booking Value Per Available Room (ABVPOR), calculated by ADR minus your CPOR and multiply it by the number of rooms occupied.
ARPOR	Adjusted Revenue Per Occupied Room (ARPOR)
AVERAGE DAILY RATE (ADR)	Figure derived by dividing actual accommodation revenue for a single day into the total number of rooms sold. Also see RevPAR.
AVERAGE ROOM RATE (ARR)	Figure derived by dividing actual accommodation revenue (daily/monthly/weekly/annual/defined period of time) by the total number of rooms sold. Also see RevPAR.
AVERAGE LENGTH OF STAY (ALOS)	Figure derived by adding the total number of nights and dividing by the number of bookings.
APCD – AVAILABLE PASSENGER CRUISE DAYS	Available Passenger Cruise Days (“APCD”) are the Cruise Industry’s measurement of capacity and represent double occupancy per cabin multiplied by the number of cruise days for the period.
AXESS	A global distribution system owned by Japan Airlines and Sabre Inc. to serve primarily Japanese travel agents and Japan Airlines tickets offices. Hotel reservations are booked using the Sabre Hotels database.
B2B	A term used in e-commerce. Describes business to business transactions.
B2C	A term used in e-commerce. Describes business to consumer transactions.
BAR	Best Available Rate = The lowest (cheapest) unqualified, publicly available room rate for a given day. Also referred to as the “daily rate” or “rate of the day”. This rate may also serve as the base rate, on which negotiated discounts will be based (and therefore change dynamically as well) and is room-only. BAR flexes with demand and is distributed to all public channels.
BOOKING PACE	The speed at which bookings materialize over a period of time from the booking date to the arrival date. Booking pace is expressed as a fraction of bookings received on certain days in advance. A pace calculation is a key component of a forecast.
BUR	Best Unrestricted Rate (for example: utilized on Accorhotels.com)
BUSINESS MIX	The blend of different market segments that occupy a hotel, measured as a value or percent of occupancy.
BLOCKED SPACE	Space that is reserved with a travel provider usually by a tour operator, consortia or wholesaler with the goal of reselling the space. The unsold space is usually returned to the travel provider within a specific period before arrival.
BOOKING ENGINE	The behind-the-scenes system that provides reservations functionality on an Internet site. This functionality may be provided by a GDS or other reservation software provider such as a switch company. Some GDS examples include: Sabre is the booking engine for

	Travelocity.com; Worldspan is the booking engine for Priceline.com; Amadeus is the booking engine for onetravel.com; and Galileo is the booking engine for Cheaptickets.com.
CENTRAL COMMISSION PROCESSING	Centralised commission payments to travel agents worldwide, in local currency.
CENTRAL RESERVATION OFFICE (CRO)	Operated by hotel companies to process toll-free telephone reservations and electronic reservations as well as to perform other marketing and service functions.
CHAIN CODE / GDS CHAIN CODE	The two letter code used in the GDSs to identify hotel chains. HEDNA administers the list of available chain codes. For example: Accor Hotels: RT Hilton Hotels: HH Marriott Hotels, Resorts and Suites: MC Renaissance Hotels and Resorts: BR Courtyard by Marriott: CY Radisson Hotels: RD Full List of Global Chain Codes
CHANEL MANAGER (CM)	Software utilised in the planning and distribution of room availability and room rates across multiple channels of sale. To ensure maximum potential exposure and to avoid overbookings, a property's accommodation inventory needs to be continually updated across all of the distribution channels they may use including direct online bookings, travel wholesalers, contact centres, and OTAs to name a few.
CLOSED TO ARRIVAL (CTA)	A room inventory control function. Indicates that a reservation for arrival on this date can not be confirmed.
CPOR	Cost Per Occupied Room, or "CPOR"
COMMISSION	The payment which a travel agent receives from a supplier for selling transportation, accommodations, or other services.
CONFIRMATION NUMBER	An alphabetic, numeric, or alphanumeric code used to identify and document the reservation of air transportation, hotel or car reservations.
CONSORTIA	In general, a group of organizations, companies, and/or people forming a grouping to achieve common interests and buying power. While maintaining their individual activities which may in some cases be in direct competition to other consortium members. A consortium is defined as a coalition of incorporated companies formed for marketing and service purposes. While the term is commonly used in the travel industry it is not specific to the travel business. Airline alliances are one well known type of travel consortium. Examples of these are many national and international travel agency consortia such as Flight Centre Management (FCM) and Carlson Wagonlit Travel (CWT). Hotels which have preferred status with agencies such as American Express and Carlson Wagonlit travel get access to their consultants, preferred ranking in their systems, and pay significant fees for the privilege – therefore they need to ensure their Sales and Revenue Managers maximize these partners and channels.
CORPORATE ID	Unique identifying code that is used to securely book a pre-negotiated rate. These codes are determined and requested by the individual company, and sometimes unavailable due to duplication within some GDS systems.
CRM	Customer Relationship Management. The name given to increasingly sophisticated programs to maintain close, lasting relationships between a company and its customers, between a hotel and its guests.

CRS	Central Reservations System / Services. Originally, the term used for a Global Distribution System. Now used in the hotel industry to refer to a hotel company's central reservation system or its central services department which typically operates from a single platform performing multiple functions across multiple hotels/properties.
CUG (CLOSED USER GROUP)	A CUG is defined as a specific group of people whom, through their own actions, have enrolled or qualified for membership. Communications are restricted to this group whereby a login and password and/or special access code is required so that the general public cannot view or book the promotional offer. Proof of membership maybe required upon check-in. Offers to CUGs can never be advertised in general publications that have visibility outside of the CUG.
CTA	Closed To Arrival; a reservation restriction applied to disallow arrivals on a particular day.
DBA	Days Before Arrival
DBP: DEMAND-BASED PRICING	In the Hospitality Industry, prices for services do not have to be permanently set. They can be adjusted, depending upon how many rooms, meals, etc. are needed by customers at any a particular time. This is what Demand-Based Pricing is all about – the price of something changes depending upon how much demand there is at a given time.
DEMAND FORECAST	A demand forecast can exceed 100% occupancy.
DEPOSIT	A specified amount or percentage of the total bill due to a hotel on a specified date prior to arrival or a certain number of days prior to arrival.
DISTRESSED INVENTORY	The term which refers to the (historical) practice of discounting hotel rooms or airline seats at the last minute to ensure that the property or aeroplane will fill to capacity on a given night/flight.
DOUBLE	Hotel room with a double bed that may be occupied by one or two people.
DYNAMIC PACKAGING	Online reservations booking process including demand-based hotel rooms pricing and flights and other non-hotel package components such as car hire, tours, etcetera. It is the term used to describe the ability for consumers to create their own packages by choosing the components of the package as they shop, where the individual component prices are not shown to the consumer.
DYNAMIC PRICING	Also known as “fluid pricing”, Market-driven, demand-based pricing, dynamic because rates change with forecasted demand rather than being static. Automated pricing strategy whereby prices are derived from a Base Rate and altered based on strategic configured settings. Dynamically based prices are distributed through a CM from a PMS.
EDM	Electronic Data Marketing/Email marketing occurs when a company uses e-mail to promote the sale of their products or services or to build customer relations with past guests/customers.
EMEA	An acronym for Europe, the Middle East and Africa.
EXTRANET	The secured connection of two or more Intranets, generally between companies. Extranets are often used by online agencies to allow hotels to maintain their rates and availability.
FAMILIARISATION TOUR (FAM)	A free or reduced-rate or free-of-charge travel program for travel agents, contact center sales agents and/or airline employees that is designed to acquaint them with specific hotels or destinations to stimulate their sale.
FENCED	Rates that a property uses to provide a series of options to guests. The rate is determined by which fences a guest accepts, which might include nonrefundable and non-cancelable reservations, advanced purchase reservations, and staying over a weekend.
FENCING	Using restrictions (minimum length of stay, pre-payment requirements, etc) to filter out reservations on dates and/or room types which have excess demand.
F.I.T.	Acronym for a segment of travellers labelled as “Free Independent Travellers” or also “Foreign Individual Traveler”

FREESALE	The practice of selling rooms at a negotiated/confidential/contracted rate with no set allotment or number of rooms, until such time as the rate code is closed. Freesale basis is an excellent option to sell negotiated (discounted) rates in a “yieldable” fashion, as the contract rate may be opened and closed based on forecasted demand. Rooms sold under freesale basis still comply with all rate conditions and applicable contract terms. Utilize an “elastic” group block code in Opera PMS.
FPLOS	Full/Fixed Pattern Length Of Stay: A pricing pattern indicating whether a rate is open (available) for the arrival date and length of stay. Calculated and deployed by automated revenue management systems (IDeaS, Duetto, EzRMS, etc)
FORECASTING MODEL	The statistical patterns used for predicting demand, occupancy and revenue.
FLOOR RATE	The lowest acceptable amount that an individual or group can be charged, regardless of conditions, demand, or yield. The property’s operating cost and revenue budget are factors in setting the floor rate.
GDPR	General Data Protection Regulation
GENERAL SALES AGENT (GSA)	A person or company contracted by a hotel chain to promote that chain in a city or country where the hotel chain does not have offices. In some cases, general sales agents accept hotel reservations.
GEOCODING	The process of indexing locations using degrees longitude and latitude.
GHA	Global Hotel Alliance www.globalhotelalliance.com
GLOBAL DISTRIBUTION SYSTEM (GDS)	These are computerized reservation networks through which users – travel agents, airline employees or travellers – view data on a wide range of travel services, including air, hotel, auto rental and like services. Several GDSs provide their services to users worldwide (e.g. Amadeus, Galileo International, Sabre,) while others provide regional or national coverage. Online services and the Internet are increasingly regarded as GDS systems as well.
GNR	See Guest Name Record.
GOP	Gross operating profit. Basically, bottom line in financials – operating revenues minus costs of goods sold.
GROSS OPERATING PROFIT PER AVAILABLE ROOM (GOPPAR)	Figure derived from taking the revenue minus expenses divided by the number of available rooms.
GUARANTEED RESERVATIONS	Hotel reservations booked with a guarantee of payment. They normally require a credit card at time of booking or deposit within a specified period. The hotel guarantees availability and if it does not have a room available must arrange alternate comparable accommodation.
HEDNA	Hotel Electronic Distribution Network Association: http://www.hedna.org/ International not-for-profit trade association formed by hoteliers to promote the booking of hotel rooms through the use of Global Distribution Systems. Also known as the “GDS police”, it is a governing body of rules and policies that relate to native global distribution systems.
HIDDEN BRAND MODEL	See Opaque
HOTEL ID	The code assigned to each property by each GDS.
HOTEL PACKAGE	A package offered by a hotel, sometimes consisting of no more than a room and breakfast, and other times, especially at resort hotels, of transportation, room, meals, sports facilities and various other components.

HSMAI	Hotel Sales and Marketing Association International Founded in 1927 to support the Hospitality industry through training and events.
IBE	Internet Booking Engine
INVENTORY	The term used to describe the supply of guest rooms at a hotel and their status – available/sold; open/closed.
HOLDINGS	Bookings on the books (or currently held for future dates) also sometimes referred to as “B.O.B.”
JUNIOR SUITE	A large hotel room with a partition separating the bed and sitting areas.
KING ROOM	A hotel room with a king-sized bed.
LAST ROOM AVAILABILITY	An Agent’s ability to book the last available room in a hotel.
LENGTH OF STAY (LOS) ALSO MLOS	The number of nights that a guest stays at a your property. This value is also the difference between the departure date and the arrival date.
MARKET SEGMENT	A portion of the customers who possess a common set of 1) reasons for travel 2) motivations 3) a combination of unique purchasing (i.e advance purchase vs. walk-in) & usage patterns (i.e. single night vs. weekly)
MARK-UP	The difference between the supplier’s selling price and merchant’s price offered to the consumer.
MERCHANT MODEL	The merchant model is a business model, usually used by online hotel distribution sites. This business model requires the hotel to offer net rates so that the merchant can mark up the rates for sale to the public. Normally, the consumer must prepay their entire stay at the hotel to the Web site, who is the merchant of record.
META SEARCH ENGINES	Meta search engines allow a user to search for travel on multiple sites from one location and book the best available rate. Examples include Kayak.com, Mobissimo.com and SideStep.com.
MLOS MINIMUM / MAXIMUM LENGTH OF STAY	A room inventory filter function. Indicates that a reservation for arrival on this date must be for a minimum or maximum number of nights (two or more). Reservations which arrive on a date where this restriction is in place must meet or exceed the defined value. MLOS restrictions are a filter not a force! They filter out shorter stays in favour of longer high-revenue yielding reservations during periods/days of excess demand.
MINIMUM STAY THROUGH	Any part of a reservation which falls (stays) on restriction dates must not be less than the set value (two or more), regardless of arrival date.
MULTI CHANNEL DISTRIBUTION	This is the concept of selling a product in many different channels. For hotels, it could mean via phone, mobile device, Internet, smart TV, webchat/online chatbot services, and even walk-in.
NEGOTIATED RATE	A term used in global distribution systems to describe rates negotiated by a hotel company with a specific client. Viewership of these rates in the GDS by a travel agent or other GDS user is restricted, and the rate may be booked only after entry of either the agent’s or client’s authorization code.
OBP: OCCUPANCY-BASED PRICING	A useful revenue management practice is called in hotel lingo “pricing by occupancy”. Pricing by occupancy is a revenue management technique used by accommodation providers to maximize room revenue in leisure destinations in particular.
OBR – ON-BOARD REVENUES	Cruise itineraries are structured to allow enough time at sea, so that the cruise line can maximise the on-board revenues from all ships’ facilities (e.g. bar, casino, duty-free shopping - shops can only be open when the ship is sailing)

OBT – ONLINE BOOKING TOOL	An OBT is the graphic user interface (GUI) which sits atop a GDS that travel consultants use for corporate/business travellers
OCCUPANCY - HOTELS	The “fill” measure of an accommodation property. Occupancy = total number of rooms occupied / total number of rooms available x 100 (i.e. 75 occupied rooms in a 100 room hotel = 75% occupancy).
OCCUPANCY – CRUISES	Occupancy, in accordance with cruise vacation industry practice, is calculated by dividing Passenger Cruise Days by APCD. A percentage in excess of 100% indicates that three or more passengers occupied some cabins.
OCCUPANCY FORECAST	The constrained operational occupancy that the property is expected to achieve for a specified period of time. This value may be expressed either as a specific number of rooms or as a percentage of available rooms. An occupancy forecast does not exceed 100%.
OPAQUE PRICING	This refers to pricing that a retailer, or meta-search company don't make available to the public to see. For example, hotel might offer their Loyalty/ Rewards Club members a special price which is not available on public websites or other marketing channels.
OPAQUE MODEL	This refers to a business model where the consumer does not know what product/brand they are buying before they purchase it. They know the rate, but not the product.
OTA	Online Travel Agent (such as Expedia, Booking.com, Agoda.com) OTAs are online companies which allow consumers to book various travel related services via the Web. They are 3rd party agents reselling trips, hotels , cars, flights, vacation packages etc. provided organised by others. The most prominent two in Australia are Booking.com & Expedia.com
OTA	(the other definition) Open Travel Alliance
OVERBOOKING	Practice by a supplier of confirming reservations beyond capacity, either in expectation of cancellations or no-shows, or in error. Overbooking is also an effective yield management tool when utilized in measured forecasted capacity.
OXI	Opera Exchange Interface (pronounced oxee) Oracle OXI reference
PACE	The speed at which bookings materialize over a period of time from the booking date to the arrival date. Booking pace is expressed as a fraction of bookings received on certain days in advance. Also referred to as Booking Pace. A pace calculation is a key component of a forecast.
PASSENGER CRUISE DAYS	Passenger Cruise Days represent the number of passengers carried for the period multiplied by the number of days of their respective cruises.
PASSIVE SEGMENT	This is a term used by travel agents using the GDS. Bookings made by travel agents for purposes of itinerary printing and invoicing when an agent has called the hotel supplier to make the booking. Passive segments do not send or receive messages to/from the supplier. Sometimes called a ghost segment.
PAX	“ PAX ” means people / persons / occupants. Pax is the international shorthand version of Passengers, used almost exclusively by the travel industry.
PCC	Pseudo City Code, used as a measure of security within GDS systems for travel bookers to access confidential rates.
PROPERTY MANAGEMENT SYSTEM (PMS)	RMS, GuestCentrix, NewBook, Opera, Opera Cloud
PNR	Travel Agent's 'Passenger Name Record' which stores all traveller details including hotel, airline, car hire
PPC	Pay Per Click advertising

QUALIFIED RATE	A rate that the guest must qualify for: such a corporate rate for the guest's company, a rate available due to an affiliation or membership such as NRMA, AAA, Big4, or a promotional package rate with specific booking conditions.
RATE PLAN	The definition and practical application of a Rate Plan varies per PMS, CRS, and channel manager. The most common definition is simply a room rate that is offered with additional value items included in the price, such as breakfast or wine on arrival. A rate plan is typically defined by season, day-of-week, demand period, etc. A rate plan may also be a "room only" price that is configured/assigned to a particular room type.
REPRESENTATION COMPANY	An organization providing reservation services, including voice reservation processing and/or GDS connectivity for hotels or small hotel companies that prefer not to operate these services and systems themselves.
REPUTATION PRICING	Pricing science that integrates a hotel's online reputation, guest reviews and ratings into its revenue management strategy.
RESERVATIONS ON HAND ALSO REFERRED TO AS BUSINESS ON BOOKS (BOB)	The number of confirmed bookings in a hotel for a given date or series of dates. An accurate forecast results from ROH/BOB plus unconstrained demand.
RETAIL MODEL	The retail model is similar to the traditional agency in terms of theory. The rates and inventory are "pulled" from one of the GDSs, or wholesalers, and displayed directly to the consumer to book.
REVENUE MANAGEMENT	The practice of airlines, hotels and car rental and travel companies (any industry with perishable inventory and fluctuating demand for their product) of controlling the supply and price of their inventory to achieve maximum revenue or profit.
REVENUE OPTIMISATION	A business discipline and culture that focuses on balancing supply and demand in a rational and systematic way to maximize revenue and profit while managing risk under current and anticipated market conditions.
REVPAR	Revenue Per Available Room; expressed on a currency/dollar amount, calculated by either Average Rate x Occupancy% or by Total Rooms Revenue ÷ total rooms available. Example: average rate of \$325 at an occupancy of 80% = RevPAR of \$260
REVPAC	Revenue Per Available Customer
REVPASH	Revenue Per Available Seat Hour, particularly useful in hotel dining outlets
RFP	Request for Proposal. The term applies to a process where a buyer's requirements for products or services are presented to potential vendors as an invitation to provide the specified products or services together with the pricing for them.
REVENUE GENERATION INDEX (RGI)	RGI compares your hotel's RevPAR to the average RevPAR in the market. It is used to determine if a hotel is gaining a fair share of revenue compared to its competitor set of properties. RGI Formula: $RGI = \text{Your Hotel's RevPAR} / \text{Hotel Market RevPAR}$ When: RGI = 1 The hotel RevPar is equal to the average RevPar of their comp set RGI > 1 The hotel RevPar is higher than the average RevPar of their comp set RGI < 1 The hotel RevPar is less than the average RevPar of their comp set
ROOM CODE	A series of alphanumeric characters used in a GDS to identify a particular room type in a hotel. (For example, an A1K is commonly defined as a deluxe room with 1 king bed).
ROOM NIGHT	One accommodation room occupied for one night.

ROOM TYPE	General room description by classification (superior, standard, etc.) and bedding (single, king, queen, double). Often associated with a rate code.
RUN OF THE HOUSE (ROH)	Rate A flat price at which a hotel agrees to offer any of its rooms regardless of room type. Guests are assigned to rooms at the hotel on an availability basis.
SELL THROUGH	A hotel CRS (Computer Reservations Systems) room inventory control function. Indicates that arrivals or short multiple night reservations can not be confirmed for this date, but reservations with arrival on a previous date and a long length of stay can be confirmed.
SHOULDER NIGHTS	Nights of less occupancy on either side of peak nights.
SINGLE	Any reservation, facility or service to be used by one person.
SWITCH COMPANY	An organization which provides communication connections, data communication and data reformatting services to link global distribution systems and hotel central reservation systems. The two principal switch companies are Pegasus Electronic Distribution and WizCom International, owned by Cendant.
THIRD PARTY PROVIDER	An organization which provides private label services – processing of voice reservation requests, GDS connectivity or data processing services for hotel companies which prefer not to operate these services and systems themselves.
THISCO	See Pegasus Electronic Distribution.
THIRD PARTY INTERMEDIARY (TPI)	Another term used for OTAs (Online Travel Agents such as Expedia, LastMinute.com, CTrip etc)
TMC	Travel Management Company, examples include Carlson Wagonlit, American Express, Flight Centre (FCM) which make reservations for business travellers through GDS, often on consortia programs.
TREVPAR	Total Revenue Per Available Room, performance metric in the accommodation industry. TRevPAR is calculated by dividing the total net revenues of a property by the total available rooms. Outlets such as restaurants, spa, and equipment hire also provide a source of revenue for these properties. TRevPAR is the preferred metric for accountants and hotel owners because it effectively determines the overall financial performance of a property, while RevPAR takes into account revenue from rooms. TRevPAR is useful for hotels where rooms are not necessarily the largest component of the business.
TRIPLE	Hotel room suitable for occupancy by three persons.
TWIN	Hotel room with two single beds.
UNCONSTRAINED DEMAND FORECAST	Defined as the number of customers/guests a hotel could accommodate if its capacity were unlimited. It is the total demand for what the hotel has to offer in the absence of all constraints. It is the sum of customers booked and the potential customers denied.
UNQUALIFIED RATES	Rates that are offered by the hotel to guests who do not have an agreed contract rate and that have no restrictions or booking conditions attached to them. Sometimes also referred to as Retail Rates.
WALK	Hotel industry term for placing an arriving guest at a substitute hotel due to lack of available rooms at the initially reserved property.
WHOLESALE MODEL	These sites contract directly with hotels, mark-up the rates, and sell the allotted inventory to the consumer at the new marked-up rate. Method of delivery is mostly via fax. It's hard to find a pure wholesale model, as most of them are a combination with other models.