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## Magnuson credits direct distribution platform to occupancy growth

by Jena Tesse Fox | Feb 28, 2019 11:59am



*The Magnuson Hotel Fort Wayne (Ind.) North is part of the company's collection. Photo credit: Magnuson Hotels*

Magnuson Hotels has reported a chainwide occupancy increase of 8 percentage points across its branded and soft-brand portfolios for the last six months of 2018. Driving the revenue increase was the launch in May 2018 of Magnuson Direct, the company's direct distribution and hotel management platform.



The system provides direct connections to Expedia, Booking.com, Hotwire, Agoda, Priceline as well as an exclusive connection to China's Ctrip with 300 million members. This is meant to improve on Magnuson's existing global alliance with China's Jin Jiang Hotels and its 120 million rewards members. The Magnuson Direct platform also connects to 650,000 travel agents via global distribution system services Travelport, Sabre, Amadeus, Worldspan and Apollo.

"In only the first six months of operation, all of our initial goals for growth, profit and scalability have been surpassed," company CEO Thomas Magnuson said in a statement. "With our new platform, we have been able to connect 100 percent of the hotel inventory to 100 percent of the global hotel market, with automated pricing and revenue management running 24/7 for our affiliate hotels."

For hotels in highly competitive markets, the system offers yield-management pricing. This means that as occupancy rises, room rates automatically increase across all online channels. When the hotel is nearly full, the system will shut off commissionable channels so that the last, high-demand rooms are sold direct to the hotel without commission.

In addition to providing the new system at no additional cost to its affiliates, Magnuson has significantly cut fees and eliminated transaction or GDS channel charges. "Because Magnuson's new system has lower costs with higher volumes, Magnuson Worldwide can now offer reduced fees for hotel owners," the CEO added.

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