



B2B payments and distribution strategies

WEX is committed to providing exclusive insights and knowledge to our customers. That's why we commissioned proprietary research into the benefits and challenges of indirect distribution models, as the travel value chain rebounds from the impacts of COVID-19 and adapts to changing traveler preferences. Here are six key findings from the research we'd like you to know.



Indirect distribution is a key part of

- 60% of travel agencies
- Value of indirect distribution
- 50% of travel agencies
- 50%
- 50%

Travel agencies deliver value to their supplier partners by extending reach, driving demand, and growing sales. These benefits can be further amplified with fraud reduction and improved payment management when travel agencies use the merchant model.

COVID has caused travel suppliers to re-evaluate the importance of indirect distribution as the travel industry recovers.



Travel agencies operate two distinct business models: merchant model and agency model.

In the 'agency model' the travel agent takes the booking, but does not process the payment from the end traveler.

For hotel bookings, this typically means the end traveler pays the hotel directly on arrival or at check-out. And for airline bookings, the travel agent passes the end traveler's credit card details to the airline.

The 'merchant model' means the travel agent takes the booking and also processes the end traveler's payment, becoming merchant of record

† Pre-pandemic financial reports of leading, listed online travel agencies. ^ Analysis of selected 2017-2021 quarterly financial reports of leading, listed online travel agencies.



