

**2007-12-28**

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Dear Kenrick,

**Re: Proposal for Destination Marketing, e-commerce channels and online bookings**

Thank you for the opportunity to submit this proposal for AXSES BookingsFranchise travel platform including the provision of online reservation services.

We Offer three options.

**In Option 1 - Total Turn Key Service:** Axses provides a turn key solution, and is responsible for all sales, marketing and administration, the solution is similar to <http://BookingsBarbados.com>, where we market and manage the portal and share revenue with you.

**In Option 2 – You Own/Run it:** You own the URL and take over administration, this is similar to <http://BookingsStlucia.com>, where you own the name BookingsYourName.com and generate all revenue from it.

**In Option 3 – Customised:** Axses develops a customized solution where the e-commerce tools and bookings are embedded in your website as in <http://IntimateHotelsBarbados.com>.

**We recommend Option 1.** In this BHA marketing will be substantially increased using Strategic Search Engine Optimization (SEO) on Multiple Channels and linkages as part of the BookingsFranchise platform. The current Bookings system will be replaced with a **direct to Hotel system** that maximizes **member’s Brand recognition**, revenue and profitability. It **has minimal cost & overhead** and generates a **sustainable revenue** to BHA.

Thank you for the time and patience afforded us in the preparation of the proposal.  
If there are any queries, please contact us at your convenience.

We look forward to a positive response and to working with you to complete this very important step in the evolution of your Internet presence.

Very truly yours

Ian  
.....  
Ian R Clayton, CEO

**PROPOSAL TO**  
**BELIZE HOTEL ASSOCIATION**  
**C/O Kenrick Raymark Theus**  
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**FOR**  
**BookingsFranchise.com Travel Platform**  
**Including Online Reservation Services**  
**& Internet Marketing**

**Presented by**  
**Akses Systems Caribbean Inc**  
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**Date: 2007-12-28**

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## **PROPOSAL**

**Date: 2007-12-19**

### **EXECUTIVE SUMMARY**

The Belize Hotel Associate (BHA) website is well positioned on the Internet for the keyword Belize Hotels. Its marketing can be significantly improved, especially in relation to increased brand awareness of individual properties and niche markets of particular relevance to Belize. The Bookings Service used website is tour operator centered system and is not optimised for destination marketing.

**Belize Hotel Association (BHA) wishes to improve market expose and technology services to its members. It wishes to maximize revenue at minimal cost.**

AXSES propose a BookingsFranchise marketing venture. In this scenario the BHA cost of operation and management are minimal, with AXSES providing ALL marketing, training, management and support.

BHA marketing will be substantially increased by the strategic use of Search Engine Optimization (SEO) on Multiple Channels and linkages as part of the BookingsFranchise platform. The current Bookings system will be replaced with a direct to Hotel system that maximizes member's Brand recognition, revenue and profitability.

The costs are cover by optional services offered to BHA members and a small fee for service to BHA.

**Annual Revenue is estimated at over \$100,000US approx. to a possible total of twice that in 5 years.**

**Revenue will be shared on a 50/50 split with AXSES proving all marketing, management, training and support.**

The venture fullfills the needs of BHA to support its members with marketing and training and the acquisition of leading edge technology that will enhance linkages, collaboration, productivity and profitability of BHA members and the Belize Tourism industry.

## BACKGROUND

The **Belize Hotel Association (BHA)** is a group of over 120 properties consisting of hotels, apartment hotels, apartments, villas and guesthouses. It is a non-profit company formed under the umbrella of the BHA.

Its goal is to bring together all Belize hotels and apartments in a cooperative environment in order to effect sustainable growth in product and service quality through the facilitation of marketing, training and technology services.

Its mission statement is: “The Belize Hotel Association will encourage and support the sustainable growth of member hotels through lobbying efforts, national and international linkages, marketing initiatives and training opportunities”.

As part of its marketing efforts, BHA owns and manages the website <http://www.BelizeHotels.org>

### **Existing website evaluation - The Site has poor overall rating**

Alexa traffic rank: **N/A**. (not in top 100,000 and not analysed. ie: 9,528,5472482 (very poor)

Google page rank is 3 (OK but Keyword recognition is poor).

Backlinks 2 (Poor).

It is indexed by Google with relevance on the phrase Belize hotels.

It is not optimized for Niche channels, and for target markets and vacation themes.

It is not optimized for individual properties brand website.

The bookings system is currently operated by Orchid.

### **Tour operator solution has several deficiencies:**

1. Individual hotel brand website are NOT promoted. Brand Names are not SEO.
2. Accommodation search results and hotel pages have NO page rank
3. <http://www.orchidbelize.com/> does not promote Belize in any way
4. It does not promote High Profit Direct Sales
5. It is not a marketing system and provides only a bookings service
6. It offers very few features and options to users. No advanced search by criteria. No specials and packages.

7. It does not generate a record of client who looks and do not book, and provides no marketing option re those who have shown interest in a particular hotel. The database of travelers belongs to Orchid.
8. Hotels family plans and terms are not incorporated (orchid child ages etc. supercede hotel rules)
9. BHA has little or no control over technology, rates, marketing and revenue.

Refer to [AXSES Blog](http://axses-ianclayton.blogspot.com/2007/11/need-for-bookings-franchise.html) on the disadvantages of Tour Operated systems for Destinations  
<http://axses-ianclayton.blogspot.com/2007/11/need-for-bookings-franchise.html>

## Objectives of a new system

- **To provide a superior market service** to members and to generate revenue from the provision of these services.
- **To minimize costs and maximize revenue** while meeting the objective of supporting members sustainable growth.
- **To offer services that are affordable to members without commission and transaction fees that inflate rates and reduce revenue.**
- **To expand its marketing using relevant technology** including; channel marketing, content management, affiliate marketing, dynamic packaging, RSS feeds marketing as well as revenue and productivity enhancements.
- **To have a state of the art collaborative system** working in conjunction with members, to **enhance members capability** via training, marketing and technology. Options should include: Group Marketing, Dynamic Rates, Packages and Specials, as well as advanced Channel Management and Global Distribution (GDS, POS , PMS, RMS, CRS, CRM).

## OUR PROPOSAL

### SUMMARY

#### **AXSES to Supply a Turn Key BookingsFranchise.**

Hosted by AXSES, setup by AXSES, marketed by AXSES and managed by AXSES.

The cost to BHA is minimal.

Net Revenue will be split between AXSES and BHA (50% to both) annually.

In addition AXSES will remit 10% of setup fees to BHA.

**This represents a Net Revenue to BHA of \$45,000 PA potentially rising to twice this in 5 years**

### BOOKINGS FRANCHISE APPLICATION

#### **Built on AXSES Travel Platform**

Technology to build, manage and market powerful e-commerce destination portals.

see <http://bookingsfranchise.com/>

With **BookingsFranchise**, the **BHA** Portal can be configured with the widest choice and mix of merchant models in the marketplace: Subscription, Distribution, GDS, Private Agent Networks, Merchant Partners, Call Centers, Direct Sales and Supplier Direct are supported simultaneously. This means that members can be given the choice of how they want to do business according to their own rules.

In addition the **BookingsFranchise** portal will be configured with multiple channels such as: Cost & Compare, Themes, Directory Listings and Niche Channels. All are optimized for Internet Marketing. Specials, Packages, Dynamic Packaging. and many other options may be added as appropriate.

Because of the many features, easy customization, marketing power and low cost of the arcRes Bookings-Solution, individual resorts will install it as their own Branded Web based Reservation Engine. The use of arcRes by members will reduce **BHA** operations overhead, increase collaboration and improve technology use.

BookingsFranchise includes options for content management and multiple modules for interactive functionality on members websites including:

<ul style="list-style-type: none"> <li>• bookings-engine</li> <li>• groups and multiple Rate Plans</li> <li>• global distribution, GDS, IDS</li> <li>• channel management</li> <li>• content management, dynamic content</li> <li>• rss feeds and content distribution</li> <li>• affiliate marketing (travel agents)</li> <li>• integrated property management</li> <li>• integrated accounting systems</li> </ul>	<ul style="list-style-type: none"> <li>• guest books</li> <li>• photo galleries</li> <li>• activity calendars</li> <li>• mailing lists</li> <li>• direct mail systems</li> <li>• dynamic packaging</li> <li>• dynamic specials</li> <li>• rates and availability calendars</li> <li>• newsletters</li> </ul>
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All components are a single interface and easily integrated without the need for third-party APIs.

**There is no other product that we know of that provides this level of flexibility and functionality.**

Further details on arcRes Features and Benefits can be found in APPENDICES 1 & 5.

**BookingsFranchise fulfills the needs of BHA to support its members with marketing and training and the acquisition of leading edge technology that will enhance linkages and collaboration.**

**BHA will improve its exposure on the Internet and offer superior service to its members. It assist members in marketing their brand, increasing direct business and profits.**

**BHA members will have access to advanced marketing and productivity technology and leading edge supplier centered supply chain management solutions, including: Group Marketing, Dynamic Rates, Packages and Specials, as well as advanced Channel Management and Global Distribution. (GDS, PMS, RMS, CRS, CRM).**

**BHA will and members will have a platform for Advanced Travel Management and productivity using state of the art collaborative system designed specifically for destinations tourism associations and their members.**

**BHA will be able to monitor members subscriptions, marketing leads and bookings using BookingsFranchise online admin tools and reports (see appendix 5)**



## RESPONSIBILITIES

### BHA

BHA will have input into setting rates that are fair for its members.  
 BHA will provide FTP access to AXSES who will replace the bookings systems with links to BookingsFranchise: <http://BookingsBelize.com>.  
 BHA will provide AXSES with content and images.  
 BHA will promote <http://BookingsBelize.com> to its members offer service suitable to each.  
 BHA will market its own website on the Internet and continue to enhance it.  
 BHA will organise a seminar or seminars where AXSES will present to its members.  
 BHA arrange accommodation for AXSES reps to complete sales presentation as required.  
 Provide office facilities required to contact and meet with members.  
 Assist FRANCHISOR local marketing with a trained person to follow up and process enquires.

### AXSES

AXSES provides an established, tested and proven business system.  
 AXSES provides experience, know-how, training and support services  
 AXSES provides technology, applications, hosting and marketing services  
 AXSES provides the right to use the system of the business  
 AXSES provides exclusive rights to BookingsBelize.com to BHA  
 AXSES provides several free directory listing for all members  
 (as in: <http://bookingsstlucia.com/encyc/carib/stlucia/hotellocation.cfm> )  
 AXSES will call each hotel and quote based on their needs (i)  
 (refer to proposed client costing as attached)  
 AXSES will invoice clients accordingly (i)  
 AXSES will provide training to a designated BHA administrator in use of the online reporting tools  
 AXSES will provide sales training and collateral to a designated BHA person  
 AXSES will provide training in use of the online reporting tools  
 AXSES will Manage and support the business and remit payments to BHA

## REVENUE

Based on our assumptions we project the following Revenues.  
 Assumptions per property billable max \$ 1325 setup 2375 annual  
 - Using 70% approx.=927 setup and 1662 pa

- |  |                              |
|--|------------------------------|
| 1. Core billable for direct Business:<br><b>average 50%</b> of above   | \$464 setup.<br>\$831 annual |
| 2. Distribution: GDS,IDS etc Ave maximum per property<br>ADR \$125, stay 7 days, 50 room. GDS 1.70% rev.increase 2%<br>Total \$2326.88. assume 50% of this | \$1160 annual                |

**Total per property**

**setup \$464 annual \$1,991**

The maximum revenue at 100 hotels is	\$ 46,400 setup
and	\$199,125 annual
Assume 50% attainable in 3 years:	\$23,188 setup
	\$99,563 pa

**BHA NET REVENUE POTENTIAL**

BHA ANNUAL NET REVENUE * (projected at 50% at year 3)	<b>\$49,781 pa</b>
Annual increase 6% price increase + growth=9%	<b>incr. 15% pa</b>
BHA SETUP at 10% of total billings	<b>\$ 2,300 su</b>

\* Net Revenue is total revenue less direct costs. No direct costs are associated with this biz model. Direct costs will include Visa charges if they apply and cost of good sold if using the distribution model.

**BHA COST**

Setup of Admin tool & Training of BHA staff:	\$2000 us\$
Yearly cost are ½ of the minimum license and hosting fee ie:	\$3000 us\$ pa

**PAYMENT**

BHA will pay 50 % on signing 50 % when the core templates are completed.  
 Annual billings are due on the anniversary of 2<sup>nd</sup> payment.  
 AXSES will remit BHA its share of Revenue 30 day after collection,  
 in amounts not less that 200\$us

**NOTES**

Content will be maintained by suppliers (members)  
 Revenue will be determined by the success of our joint sales effort and marketing  
 We expect 15% in year 1. 35 % in year 2 and 50% in Year 3

**TERM**

The Contract is for a term of 5 years. Either party may cancel for any reason within 30 days notice.

**AGREEMENT**

The parties will sign a standard franchise agreement governing; obligation, term, renewal, right to use and transference, termination and contingency.

ALL suppliers (BHA members) will be required to sign a agreement on the use of the technology

## **ALTERNATIVE OPTIONS**

BHA may do more and earn a greater share. Option 1 additional revenue

BHA may finance marketing and own the URL. Option 2 additional costs

BHA may have AXSES develop, host and market a revised BHA site. Option 3.