European Hotel Distribution Study 2024

Results for the Reference Year 2023

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Executive Summary (I)

The study

- HOTREC, the European umbrella association of hotels, restaurants and cafés, conducted between February and April 20224 in collaboration with the University of Applied Sciences of Western Switzerland Valais (HEV-SO Valais-Wallis) its biennial study on the European hotel distribution market. This is the **sixth study** since the series began in 2014.
- The objective of the study is to monitor the evolution of distribution channels within the European hotel industry with a specific focus on the role of online travel agencies (OTA).
- Results for the **(pandemic) reference year 2023**, are based on observations from over **3000 hotels across Europe.**

Executive Summary (II)

Hotel Distribution

- **Direct booking channels** (telephone, fax, walk-ins, email, form or booking system on the hotel's own website) continue to be the most important sales channels for the European hotel industry, accounting for 50.9 % of overnight stays.
- **Electronic distribution** continued to increase: A total of 45.1% of overnight stays were generated in real time via online channels (Online Travel Agency OTA, Internet Booking Engine of the hotel IBE, GDS, CRS of hotel chains, social media).
- A majority of hotels use an **Internet Booking Engine (IBE)** on their website showing that the industry is successfully taking steps towards digitalisation. IBEs allow guests to book hotel rooms directly on hotel websites in real time, providing a seamless and user-friendly booking experience. This is reflected in the increasing use of such systems by customers who appreciate the benefits of real-time bookings and direct contact with the hotels (12.3% in 2023 compared to 7.4% in 2013).
- A **significant portion of hotels heavily relies on Online Travel Agencies** (OTAs) for distribution, with 28% having OTA market shares of 30-49% and every fifth hotel exceeding 50%. This **reliance is more pronounced among smaller hotels with under 20 rooms**, where 27% have 30-49% OTA shares and another 27% generate over half their bookings through OTAs. These figures underscore OTAs' substantial role, especially for resource-constrained smaller properties.

Executive Summary (III)

Evolutions in the distribution market between 2013 and 2023

- In the post-pandemic world, the **distribution landscape in the European hotel sector has seen a return to pre-pandemic trends**. **Direct bookings have once again declined**, approaching the levels seen in 2019, which were marked by the erosion of direct bookings' market share due to the increase of global distribution players such as OTAs. By 2023, the share of direct bookings decreased by nearly 7 percentage points from 57.6% in 2013 to 50.9%.
- During the COVID-19 pandemic in 2021, however, there was a notable shift. Hotels' reliance on OTAs remained almost at the same level as in 2019, with OTAs holding a 28.8% share. Conversely, direct bookings saw a significant increase, reaching 55.2%, an 8 percentage point increase compared to 2019. This spike in direct bookings during the pandemic indicates a temporary shift in consumer behavior during the crisis period.
- Overall, the **long-term trend from 2013 to 2023 highlights a 10 percentage point increase in the average market share of OTAs in the European hotel sector**, rising from 19.7% in 2013 to 29.6% in 2023. This underscores the growing influence of OTAs over the decade.

Executive Summary (IV)

Who dominates the Online Travel Agent market?

- The 3 main players within the OTA market remain Booking Holding, Expedia Group and to a lesser extent HRS, with an aggregated market share of 90%.
    - **Booking Holding** is by far the most influential player, with a share of 71% in the OTA market (compared to 68.4% in 2019 and 71,2% in 2021). The dominance of Booking has been rising over the last 8 years by 11-percentage points, from 60.0% in 2013 to 71% in 2023.
    - **Expedia** was not able to maintain the market share it gained between 2015 and 2019 during the pandemic. The relative market share fell from 16.3% in 2019 to 12.5% in 2021, but then increased to 14.4% in 2023. This increase can be explained to some extent by the increase in American tourists to Europe in recent years.
    - **HRS** has seen a steady decrease of market shares, from 16.6% in 2013 to 6.7% in 2021 and now to 4.6% in 2023.

Executive Summary (V)

The OTA – hotel relationship: Undercutting and Multi-Sourcing

The relationship between Online Travel Agencies (OTAs) and hotels is crucial for the hospitality sector, but it often comes with challenges that can impact pricing, operations, and guest experience.

- **Key Findings**
  - **Undercutting**, a practice where an OTA cuts the price set by a hotel by waiving part of its own commission, affects four out of ten hotels. Among these, 16% report frequent undercutting. Notably, three out of four hotels have not agreed to these price cuts. More than half of the affected hotels see undercuts ranging from 6% to 10%, while every tenth property experiences undercuts between 11% and 15%.
  - **Multi-Sourcing**, a practice where an OTA or tour operator offers rates and availabilities from other OTAs or wholesalers on its own platform (often within affiliate programs), affects nearly one in two hotels (44%). Additionally, one in four hotels are unaware of the problem. Hotel comments highlight **significant challenges** related to OTA multi-sourcing practices, including **pricing inconsistencies, booking errors, lack of direct guest contact, poor customer service, financial losses, operational strain, and reputation damage**.

Executive Summary (VI)

Distribution Technology

- Over the past decade, there have been significant advancements in distribution technology within the hotel sector. Compared to 2013, the proportion of hotels managing rates and availability manually has decreased from 56% to 27%. This shift is largely due to the increased use of **channel managers**, which have grown from 39% usage in 2013 to 62% in 2023.
- Channel Managers are systems that allow hotels to manage their room rates and availability across multiple online distribution channels (like OTAs and direct booking platforms) from a single interface. This technology simplifies the process, reduces the risk of overbooking, and ensures consistency across different booking platforms.

Executive Summary (VII)

Distribution Technology

- Ten years ago, almost half of hotels were unaware of the opportunities for integration with **travel meta-search engines**. Today, around 80% of respondents in this survey are aware of this distribution channel, which is used by 46% of hotels.
- Meta-Search Engines are platforms that aggregate hotel rates and availability from various sources, allowing consumers to compare prices and options in one place. Examples include Google Hotel Ads, TripAdvisor, and Trivago.
- In 2013, TripAdvisor was the dominant meta-search platform in the market with a usage share of 71%. However, by 2023, **Google Hotel Ads** has become the **market leader** with an 80% usage share, followed by TripAdvisor at 44% and Trivago at 36%. Both TripAdvisor and Trivago have lost market share over the past decade, reflecting shifts in consumer behavior and preferences in the meta-search landscape.

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> The Survey

The survey: background

- In order to monitor the current situation of distribution (both online and offline) within the European hotel industry, in particular with regard to the role of Online Travel Agencies (OTAs), **HOTREC**, the Association of Hotels, Restaurants and Cafés in Europe, has decided to **conduct an online survey between February and April 2024, together with hotel associations from HOTREC member countries across Europe for the reference year 2023**.
- Similar studies have been conducted in 2014 for the **reference year 2013,** in 2016 for the **reference year 2015,** in 2018 for the **reference year 2017 and** in 2020 for the **reference year 2019** and in 2022 for the **reference year 2021.**
- The present study allows therefore to illustrate the evolution of distribution channels and players for the pre-pandemic years 2013, 2015, 2017, 2019, the pandemic year 2021 and the post-pandemic year 2023.

The questionnaire

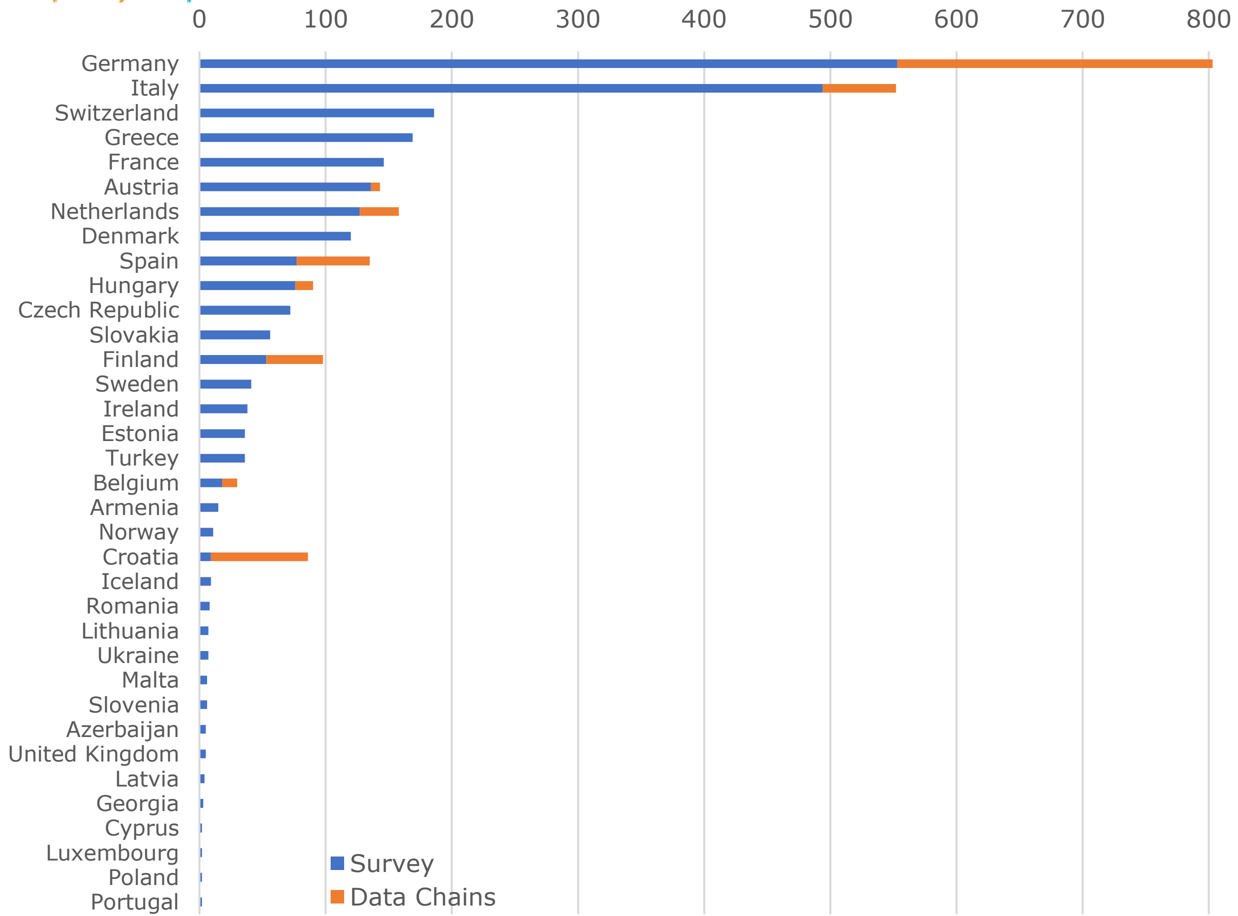
- The online questionnaire asked for market shares of different direct and indirect distribution channels (in terms of **overnights**) as well as the specific **relative market shares of the OTAs** (such as Booking.com, Expedia, and HRS).
- Further questions queried the **hotel-OTA relationship** with regard to issues such as **undercutting** and **multi-sourcing** and analyzed the way how hoteliers **manage online distribution channels** and interfaces with meta-search engines.
- The final part comprises questions covering **characteristics of the hotel property** (star rating, the size of the hotel in terms of rooms offered, number of overnight stays, its location, main target group, etc.)

➢ See **annex 1** for a copy of the questionnaire

The survey administration

- The questionnaire was translated in 27 languages with the help of the respective national hotel associations.
- The survey was addressed to the member hotels of the different hotel associations and **conducted between February and April 2024**. The collected data cover the **reference year 2023**. The different hotel associations contacted their members either by email or through newsletters.
- In addition to information of individual hotel owners, **data from some hotel chains** could be integrated on an **aggregated level (country)**.
- **As not all hotels replied to all questions, the number of responses can vary from one to another question**.

Methodological remarks: sampling



- Overall, **2’537 responses** from individual hotels could be collected through the **online survey** (from 35 countries). Yet, response rates by country vary strongly in the survey.
- 8 countries with over 100 responses account for 76% of survey responses.
- In 9 countries **aggregated information** from 10 hotel chains provided additional data covering **552 properties**.
- Results of the study are therefor based on information from **3089 hotels**.

Summary of sample characteristics (Europe)

- Overall, the following main observations can be made regarding the sample characteristics (further details are in annex):
  - **Hotel Classification** – 76% of properties in the sample are classified. 3 stars (46%) and 4 stars (35%) hotels make up most of the classified hotels in the sample.
  - **Size** – The average size of the hotels in the sample is 34 rooms (median value), 44% of hotels have less than 30 rooms.
  - **Customer segment** – The leisure segment is the dominant target group for 65% of hotels, followed by business clients for 29% of properties
  - **Management** – Nearly 75% of hotels are individual SME properties whereas 17% belong to a hotel chain and 10% to a hotel cooperation.

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> Distribution channels

Hotrec Hospitality Europe

Market shares of distribution channels in Europe 2023: <u>weighted</u> values (without aggregated data from chains)

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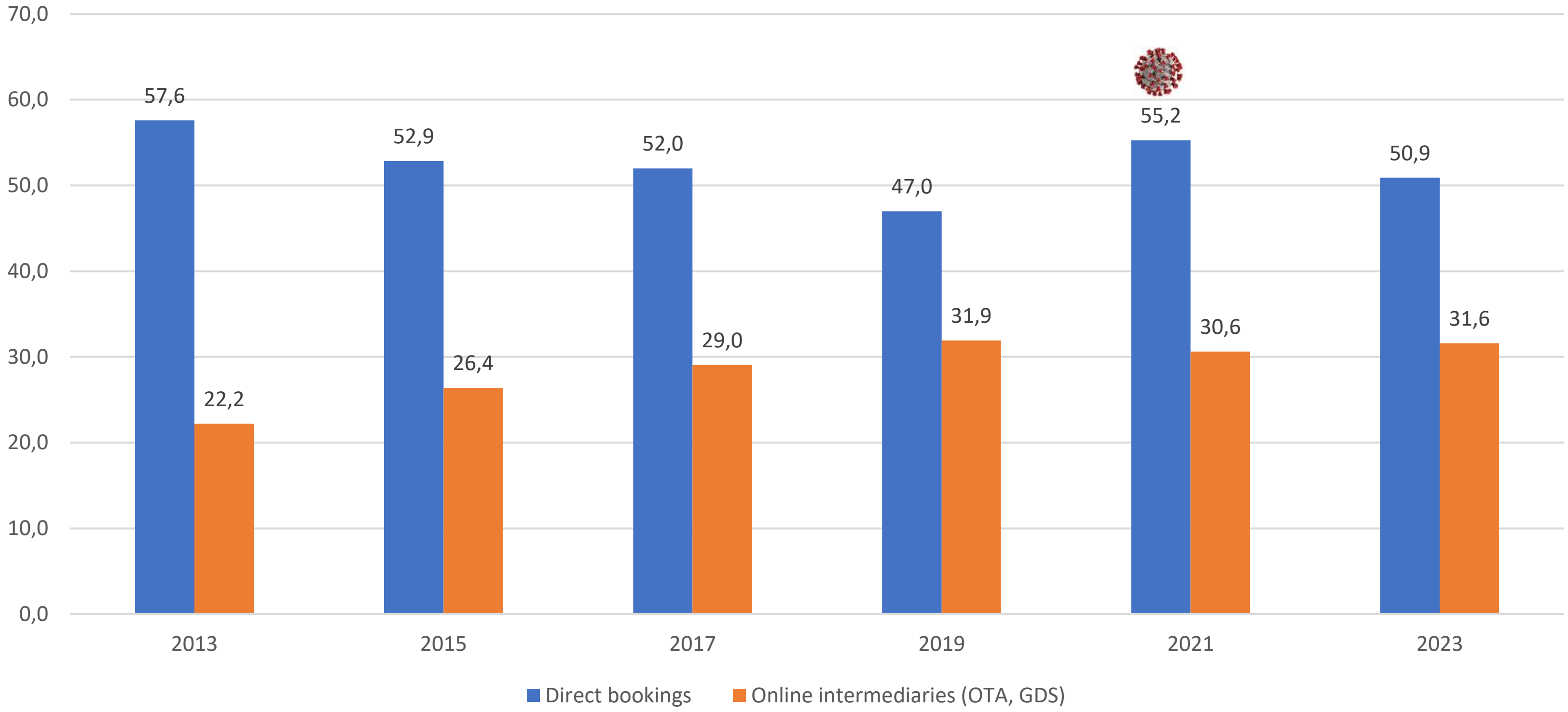
	Rest Europe	Austria	Czechia	Denmark	Finland	France	Germany	Greece	Hungary	Italy	Netherlands	Slovakia	Spain	Switzerland	**Weighted Values 2023**		Un-weighted Values 2023	
weigthing (based on Eurostat overnights 2022)	*25,6%*	*3,7%*	*1,6%*	*1,2%*	*0,7%*	*14,5%*	*12,9%*	*4,3%*	*1,0%*	*13,3%*	*4,3%*	*0,4%*	*14,6%*	*1,8%*				
Direct - Phone	13,7	14,1	12,5	12,8	22,2	20,5	19,6	18,1	6,3	19,7	9,3	16,9	7,7	14,1	**15,4**		16,4	
Direct - Mail / fax	1,7	1,2	0,8	1,0	0,2	0,3	0,8	0,5	0,3	2,1	4,3	1,1	1,8	0,7	**1,4**		1,3	
Direct - Walk-In (persons without reservation)	4,5	3,3	3,1	2,7	3,0	4,5	2,9	4,3	2,0	4,4	2,2	4,5	2,2	3,2	**3,7**		3,5	
Direct - Contact form on own website (without availabilty check)	3,5	8,4	6,8	4,7	7,7	2,9	6,6	3,1	6,6	8,6	2,9	4,3	3,9	5,3	**4,9**	**50,9**	5,9	55,0
Direct - Email	13,8	19,1	14,8	12,3	18,5	8,5	17,4	7,9	13,1	21,4	9,7	17,0	5,9	18,7	**13,2**		15,8	
Direct - real time booking over own website with availabilty check	11,5	13,0	12,2	9,5	14,6	16,1	11,9	8,4	17,3	7,5	19,1	14,3	12,9	18,1	**12,3**		12,1	
Destination Marketing Organization (DMO) / trade associations	1,0	2,3	0,5	0,4	0,2	0,2	0,5	0,5	0,0	1,0	0,3	0,1	0,2	1,0	**0,7**	**0,9**	0,7	1,0
National Tourism Organization (NTO)	0,1	1,0	0,2	0,2	0,0	0,2	0,4	0,0	0,1	0,2	0,0	0,0	0,0	0,7	**0,2**		0,3	
Tour operator / Travel agency	11,1	4,9	7,9	9,3	4,3	5,1	2,5	26,2	5,0	6,9	2,0	4,2	18,9	3,3	**9,4**		7,1	
Hotel chains and cooperations with CRS	1,5	0,4	0,5	8,3	1,0	2,2	0,9	0,1	2,5	0,3	0,5	0,1	0,9	0,4	**1,2**		1,0	
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	2,9	0,7	0,8	1,2	0,3	2,2	0,3	4,7	1,2	1,7	1,3	2,2	4,6	1,9	**2,4**	**15,1**	1,7	11,6
Event and Congress organizer	3,6	1,0	2,4	0,2	2,1	2,1	1,3	0,5	5,6	1,0	1,6	5,1	2,7	2,4	**2,2**		1,8	
Online Booking Agency (OTA)	26,4	28,4	35,7	27,6	20,8	30,1	32,5	23,5	36,8	22,3	44,3	22,5	36,3	27,2	**29,6**		29,1	
Globale Distributionssysteme (GDS)	2,1	0,5	0,8	2,9	1,0	2,2	1,0	0,2	0,7	0,5	1,3	2,2	1,5	1,1	**1,4**	**31,6**	1,1	30,8
Social Media Channels	0,8	0,6	0,5	2,6	0,4	0,3	0,4	0,5	0,4	0,8	0,3	1,3	0,2	0,4	**0,6**		0,6	
other distribution channels	1,7	1,1	0,4	4,2	3,9	2,8	0,9	1,4	2,1	1,4	1,0	4,3	0,3	1,6	**1,5**	**1,5**	1,5	1,5
nbe of observations	192	130	72	120	53	146	553	169	74	494	124	54	71	186				

Evolution of market shares of distribution channels in Europe 2013 - 2023: weighted samples (without aggregated data from chains)



Market shares of distribution channels in Europe 2023: weighted values (with aggregated data from chains)

*Countries with *: data from hotel chains integrated*	Rest Europe	Austria	Czechia	Croatia*	Denmark	Finland*	France	Germany*	Greece	Hungary*	Italy*	Netherlands*	Slovakia	Spain*	Switzerland	**Weighted values 2023 with chain data**		Un-weighted Values 2023	
weigthing (based on Eurostat overnights 2022)	*22,7%*	*3,7%*	*1,6%*	*2,9%*	*1,2%*	*0,7%*	*14,5%*	*12,9%*	*4,3%*	*1,0%*	*13,3%*	*4,3%*	*0,4%*	*14,6%*	*1,8%*				
Direct - Phone	13,9	14,1	12,5	11,5	12,8	18,8	20,5	13,8	18,1	6,6	17,0	6,5	16,9	10,1	14,1	**14,4**		16,4	
Direct - Mail / fax	1,6	1,2	0,8	1,7	1,0	0,1	0,3	0,5	0,5	0,3	1,6	2,8	1,1	0,6	0,7	**1,1**		1,3	
Direct - Walk-In (persons without reservation)	4,5	3,3	3,1	4,0	2,7	2,4	4,5	2,0	4,3	1,8	3,7	1,4	4,5	2,1	3,2	**3,4**		3,5	
Direct - Contact form on own website (without availabilty check)	3,6	8,4	6,8	1,3	4,7	3,7	2,9	4,5	3,1	5,7	7,5	1,5	4,3	2,1	5,3	**4,0**	**51,9**	5,9	55,0
Direct - Email	13,7	19,1	14,8	12,9	12,3	13,3	8,5	22,7	7,9	12,9	20,7	13,8	17,0	16,6	18,7	**15,5**		15,8	
Direct - real time booking over own website with availabilty check	11,7	13,0	12,2	15,4	9,5	27,2	16,1	15,1	8,4	15,8	8,4	18,4	14,3	15,4	18,1	**13,4**		12,1	
Destination Marketing Organization (DMO) / trade associations	1,0	2,3	0,5	0,0	0,4	0,1	0,2	0,4	0,5	0,0	0,8	0,3	0,1	0,0	1,0	**0,6**	**0,7**	0,7	1,0
National Tourism Organization (NTO)	0,1	1,0	0,2	0,0	0,2	0,9	0,2	0,3	0,0	0,0	0,2	0,0	0,0	0,0	0,7	**0,2**		0,3	
Tour operator / Travel agency	11,0	4,9	7,9	14,4	9,3	5,4	5,1	3,0	26,2	6,7	9,3	8,5	4,2	13,8	3,3	**9,4**		7,1	
Hotel chains and cooperations with CRS	1,6	0,4	0,5	1,6	8,3	0,5	2,2	0,6	0,1	2,1	0,1	0,6	0,1	0,0	0,4	**1,0**	**14,6**	1,0	11,6
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	2,9	0,7	0,8	2,8	1,2	0,6	2,2	0,4	4,7	1,0	1,6	1,5	2,2	1,7	1,9	**2,0**		1,7	
Event and Congress organizer	3,4	1,0	2,4	3,1	0,2	1,3	2,1	1,0	0,5	4,8	1,2	2,2	5,1	3,1	2,4	**2,2**		1,8	
Online Booking Agency (OTA)	26,3	28,4	35,7	20,3	27,6	16,1	30,1	31,2	23,5	37,8	24,1	38,3	22,5	23,8	27,2	**27,3**		29,1	
Globale Distributionssysteme (GDS)	2,2	0,5	0,8	0,2	2,9	7,1	2,2	2,4	0,2	0,7	1,8	3,3	2,2	7,7	1,1	**2,8**	**30,7**	1,1	30,8
Social Media Channels	0,9	0,6	0,5	0,0	2,6	0,2	0,3	0,2	0,5	0,4	0,7	0,3	1,3	0,7	0,4	**0,6**		0,6	
other distribution channels	1,5	1,1	0,4	10,8	4,2	2,4	2,8	2,1	1,4	3,3	1,3	0,6	4,3	2,4	1,6	**2,1**	**2,1**	1,5	1,5
nbe of observations		130	72	85	120	93	146	747	169	88	497	151	54	138	186				

Distribution channels for selected countries (n>100)

- Austria
- Denmark
- France
- Germany
- Greece
- Italy
- Netherlands
- Switzerland

Weighted market shares of distribution channels in Germany: 2011 to 2023

Weighted samples	Market share 2023 (n=747)		Market share 2021 (n=1262)		Market share 2019 (n=1028)		Market share 2017 (n=1038)		Market share 2015 (n=994)		Market share 2013 (n=966)		Market share 2011* (n=1406)		DELTA (2023-2011)	
Direct - Phone	13,8	58,5	21,2	58,9	19,6	58,5	20,8	61,0	22,6	63,5	55,6	63,7	25,0	64,4	-11,2	-5,9
Direct - Mail / fax	0,5		1,0		1,5		2,1		4,4				4,9		-4,4	
Direct - Walk-In (persons without reservation)	2,0		4,5		3,5		3,7		4,2				5,3		-3,3	
Direct - Contact form on own website (without availabilty check)	4,5		4,6		4,5		5,3		5,3				6,2		-1,7	
Direct - Email	22,7		17,3		20,5		18,0		18,1				17,1		5,6	
Direct - real time booking over own website with availabilty check	15,1		10,3		8,8		10,9		9,0		8,1		5,9		9,2	
Destination Marketing Organization (DMO) / trade associations	0,4	0,6	0,8	0,9	0,3	0,6	0,4	0,6	0,6	1,1	0,7	1,2	2,3	2,8	-1,9	-2,2
National Tourism Organization (NTO)	0,3		0,1		0,3		0,2		0,5		0,6		0,5		-0,2	
Tour operator / Travel agency	3,0	5,0	2,8	4,7	2,4	5,6	2,7	5,9	2,9	7,3	4,3	10,7	5,9	9,6	-2,9	-4,9
Hotel chains and cooperations with CRS	0,6		0,4		0,2		0,4		2,6		0,4		1,8		-1,2	
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	0,4		0,5		1,8		1,0		0,9		1,2		na		-0,8	
Event and Congress organizer	1,0		0,9		1,2		1,8		0,9		4,8		1,9		-0,9	
Online Booking Agency (OTA)	31,2	33,8	32,8	34,3	29,6	32,7	27,8	31,5	24,1	27,4	20,9	23,7	19,5	22,4	11,7	11,4
Globale Distributionssysteme (GDS)	2,4		1,2		2,7		3,4		3,1		2,6		2,7		-0,3	
Social Media Channels	0,2		0,2		0,3		0,3		0,2		0,2		0,2		0,0	
other distribution channels	2,1	2,1	1,2	1,2	2,6	2,6	1,1	1,1	0,7	0,7	0,7	0,7	0,9	0,9	1,2	1,2

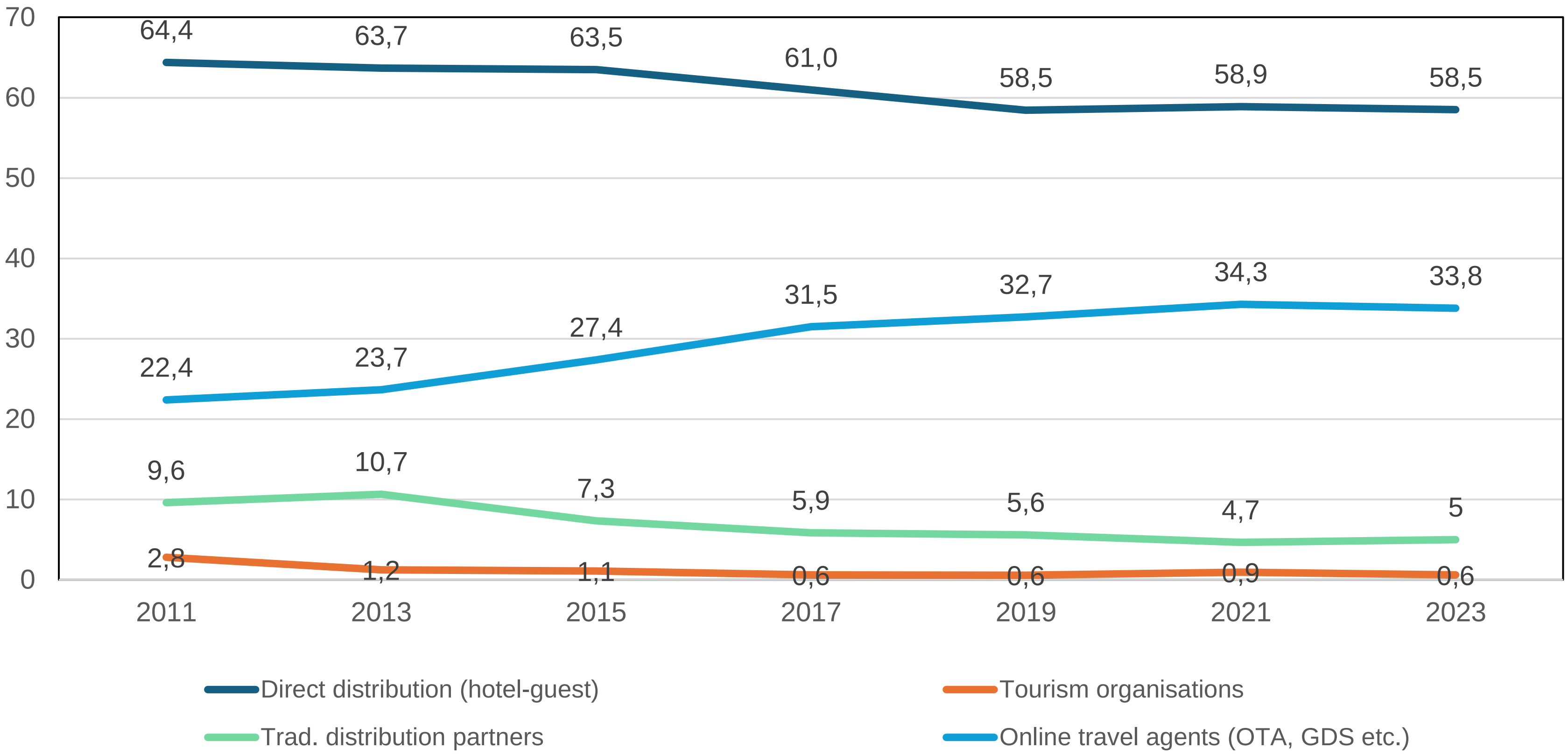
Weighted samples (including data from hotel chains). Market shares in % of overnights. *Data source 2011: Schegg, R. & Fux, M. (2012). Die Macht der Buchungsportale. Resultate einer Online-Umfrage zur Vertriebssituation auf den Hotelmärkten Deutschland, Österreich und Schweiz für das Jahr 2011. Studienbericht HES-SO Valais-Wallis für IHA, ÖHV & HotellerieSuisse, Siders, Schweiz.

Weighted market shares of distribution channels 2023: Germany

	Survey: SME hotels (n=382)		Chain hotels total (n=365)		Weighted values (n=747)	
Weighting (keys)*	53,40%		46,60%			
Direct - Phone	20,4	61,1	6,2	55,6	13,8	58,5
Direct - Mail / fax	0,7		0,3		0,5	
Direct - Walk-In (persons without reservation)	3,0		0,8		2,0	
Direct - Contact form on own website (without availabilty check)	7,5		1,1		4,5	
Direct - Email	18,1		27,9		22,7	
Direct - real time booking over own website with availabilty check	11,4		19,3		15,1	
Destination Marketing Organization (DMO) / trade associations	0,5	0,9	0,2	0,3	0,4	0,6
National Tourism Organization (NTO)	0,4		0,1		0,3	
Tour operator / Travel agency	1,9	2,9	4,2	7,4	3,0	5,0
Hotel chains and cooperations with CRS	0,1		1,1		0,6	
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	0,1		0,8		0,4	
Event and Congress organizer	0,8		1,2		1,0	
Online Booking Agency (OTA)	33,5	34,3	28,7	33,3	31,2	33,8
Globale Distributionssysteme (GDS)	0,5		4,5		2,4	
Social Media Channels	0,3		0,1		0,2	
other distribution channels	0,8	0,8	3,5	3,5	2,1	2,1

Market shares in % of overnights. Data for chain hotels from survey (n=115) and from aggregated data from 3 chains (n=250).

Distribution trends in Germany: 2011 to 2023 (weighted values)



Weighted samples. Market shares in % of overnights.

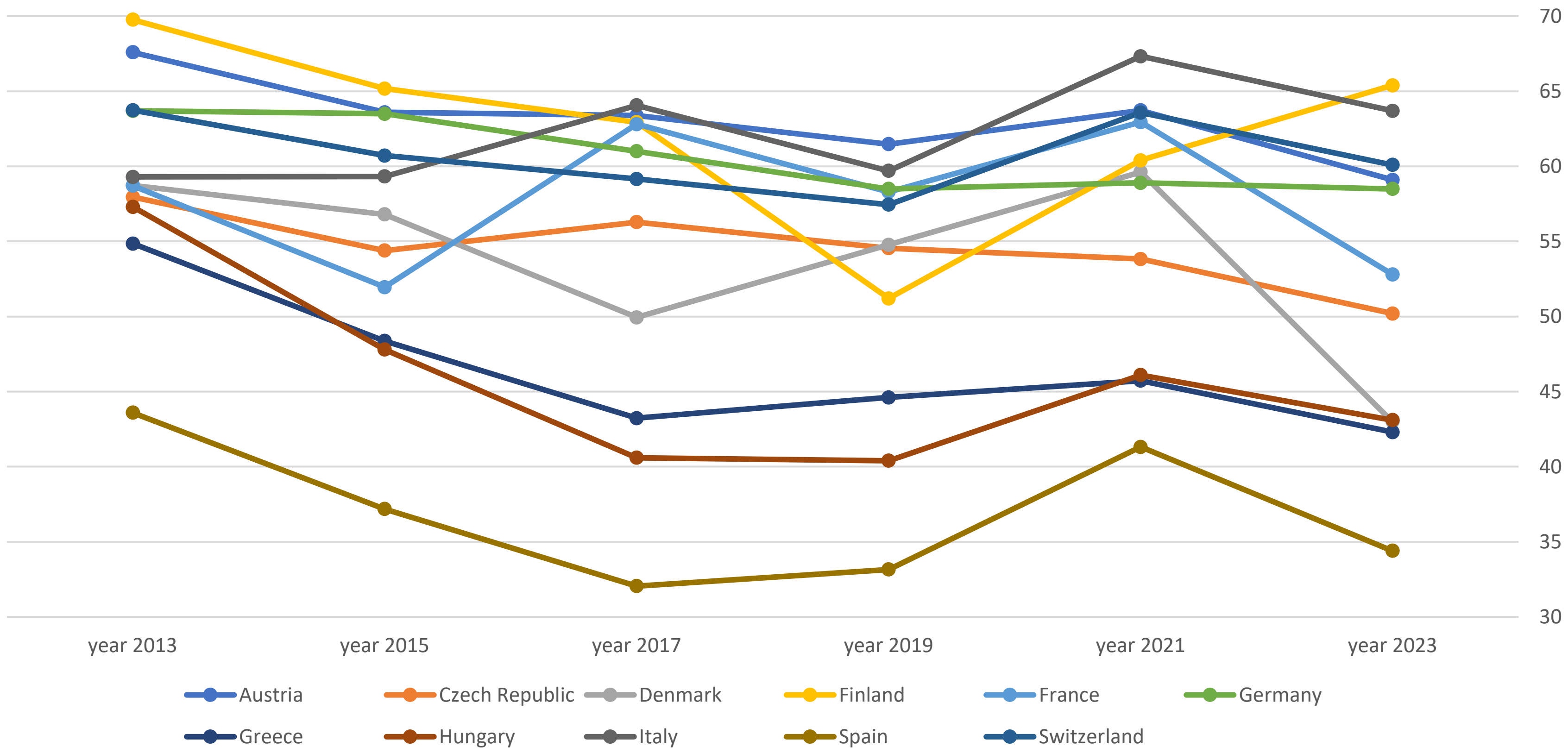
Analysis of direct booking market shares

Direct booking shares for selected countries

Country	2023	2021	2019	2017	2015	2013	Delta 2023-2013	Delta 2023-2021
Austria (299 / 40 / 32 / 130 / 58 / 130)	59,1	63,7	61,5	*63,4*	63,6	67,6	-8,5	-4,6
Croatia (85 / 86 / 81 / 32 / 0 / 26), weighted values 2019 and 2021	46,9	33,3	29,6	*51,3*		*52,4*	-5,5	13,6
Czech Republic (72 / 90 / 69 / 65 / 51 / 82)	50,2	53,8	54,6	56,3	54,4	58,0	-7,8	-3,6
Denmark (120 / 66 / 0 / 31 /98 / 73)	43	59,6		*49,9*	56,8	58,7	-15,7	-16,6
Finland (93 / 53 / 91 / 109 / 50 / 66), weighted values	65,4	60,4	51,2	62,9	65,2	69,8	-4,4	5,0
France (146 / 108 / 878 / 158 / 22 / 49)	52,8	63,0	58,3	62,8	*52,0*	*58,7*	-5,9	-10,2
Germany (747 / 1258 / 1028 / 1038 / 994/ 966), weighted values	58,5	58,9	58,5	61,0	63,5	63,7	-5,2	-0,4
Greece (169 / 236 / 179 / 121 / 177 / 266)	42,3	45,7	44,6	43,2	48,4	54,9	-12,6	-3,4
Hungary (88 / 69 / 77 / 130 / 98 / 75), weighted values	43,1	46,1	40,4	40,6	47,8	57,3	-14,2	-3,0
Italy (494 / 574 / 601 / 344 / 260 / 101*)	63,7	67,3	59,7	64,1	59,3		63,7	-3,6
Spain (71 / 62 / 57 / 156 / 132 / 153)	34,4	41,3	33,2	32,1	37,2	43,6	-9,2	-6,9
Sweden (39 / 61 / 108 / 140 / 73* / 17*)	46,7	55,6	51,8	53,7	*38.9**	*74,7*	-28,0	-8,9
Switzerland (186 / 245 / 287 / 252 / 226 / 272)	60,1	63,6	57,5	59,2	60,7	63,7	-3,6	-3,5

Number of observations in brackets for 2023, 2021, 2019, 2017, 2015 and 2013 respectively. Values marked in gray and italic when n<=35 or italic when data n <50. Values marked with * have a reliability issue.

Direct booking shares for selected countries 2013-2023



Direct booking shares by segment 2023 (overall sample Europe)

Seasonality	open all year round	two seasons business	one season business (winter)	one season business (summer)	***Total***		
	54,2%	66,3%	63,5%	49,8%	***54,8%***		

Star category	1*	2*	3*	4*	5*	other category	***Total***
	60,1%	56,3%	55,7%	49,8%	47,9%	51,9%	***53,1%***

Size of hotel (rooms)	Less than 20	From 20 to 50	From 50 to 100	100 and over	***Total***		
	59,5%	57,5%	52,4%	45,2%	***54,9%***		

Main customer segments of hotels	Business	Vacation / leisure	MICE	Other segment	***Total***		
	57,1%	52,6%	54,8%	64,6%	***54,4%***		

Location of hotel (I)	City with more than 250'000 inhabitants	City between 50'000 and 250'000 inhabitants	City between 10'000 and 50'000 inhabitants	small city (less than 10'000 inhabitants)	***Total***		
	39,6%	50,1%	57,0%	61,3%	***54,3%***		

Location of hotel (II)	Seaside	Alpine / Mountain regions	Rural region	Urban area	Other location	***Total***	
	51,0%	65,2%	62,3%	46,4%	58,8%	***54,40%***	

Type of hotel	Independant hotel	Hotel chain	Hotel cooperation	***Total***			
	56,3%	44,9%	53,8%	***54,3%***			

Values highlighted in blue are significantly higher than sample average. Cells marked in orange are significantly lower.

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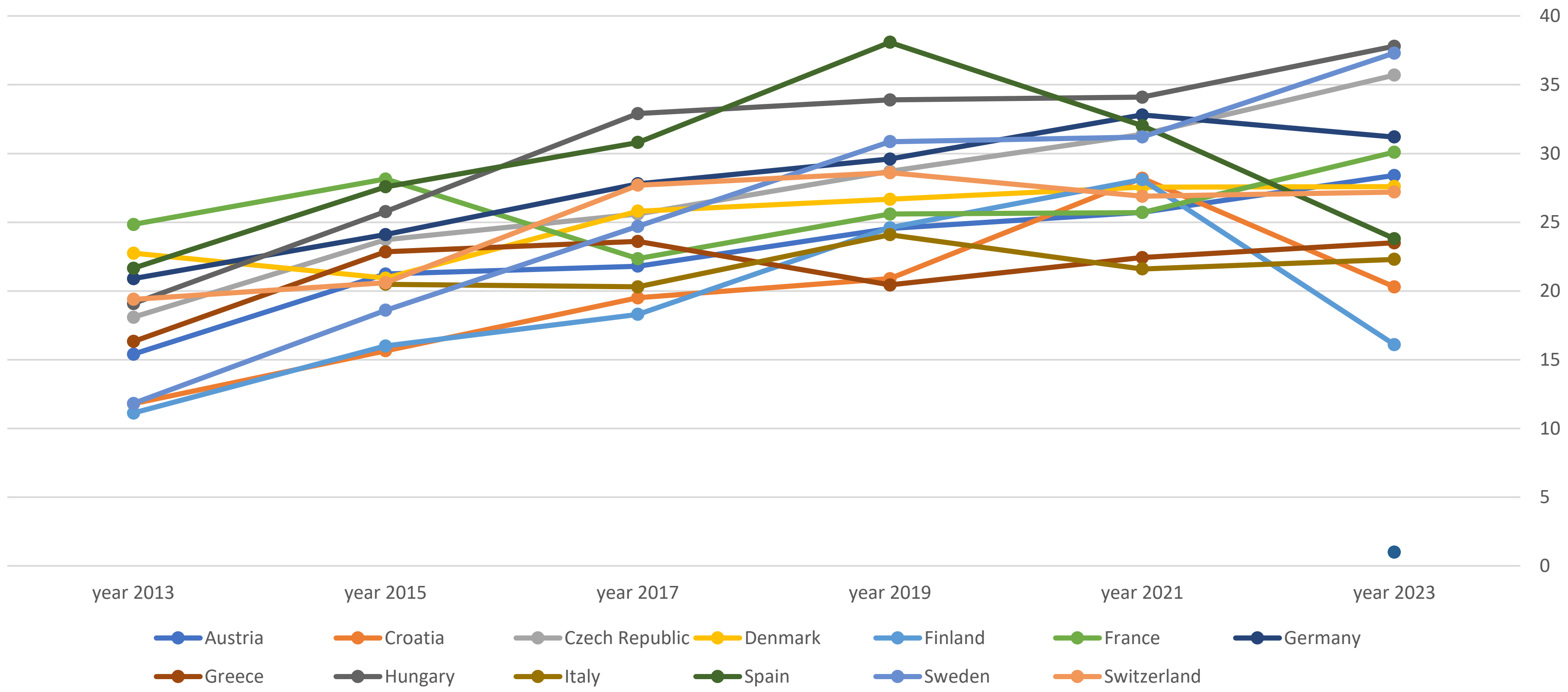
> Analysis of OTA market shares

OTA market shares 2013 to 2023 for selected countries

	2023	2021	2019	2017	2015	2013	Delta 2023-2013	Delta 2023-2021
Austria (130 / 299 / 40 / 32 / 130 / 58)	28,4	25,7	24,6	*21,8*	21,2	15,4	13,0	2,7
Croatia (85 / 86 / 81 / 32 / 0 / 26), weighted values 2019 2021	20,3	28,2	20,9	*19,5*	na	*11,8*	8,5	-7,9
Czech Republic (72 / 90 / 69 / 65 / 52 / 82)	35,7	31,4	28,7	25,6	23,7	18,1	17,6	4,3
Denmark (120 / 66 / 0 / 31 / 120 / 73)	27,6	27,6	na	*25,8*	20,9	22,8	4,9	0,1
Finland (93 / 53 / 91 / 116 / 77 / 66), weighted	*16,1*	28,1	24,6	18,3	16,0	11,1	5,0	-12,0
France (146 / 108 / 878 / 158 / 22 / 49)	30,1	25,7	25,6	22,4	*28,1*	*24,8*	5,3	4,4
Germany (747 / 1228 / 1028 / 1038 / 994 / 966), *weighted*	31,2	32,8	29,6	27,8	24,1	20,9	10,3	-1,6
Greece (169 / 236 / 179 / 121 / 179 / 266)	23,5	22,4	20,4	23,6	22,9	16,3	7,2	1,1
Hungary (88 / 69 / 77 / 130 / 78 / 76), weighted	37,8	34,1	33,9	32,9	25,8	19,1	18,7	3,7
Ireland (28 / 28 / 51 /28 / 55 / 33)	22,4	*24,0*	29,5	*26,7*	25,7	*15,3*	7,1	-1,6
Italy (494 / 574 / 601 / 344 / 260 / 101)	22,3	21,6	24,1	20,3	20,5	na*	1,8	0,7
Spain (138 / 62 / 57 / 156 / 132 / 153)	23,8	32,0	38,1	30,8	27,6	21,7	2,2	-8,2
Sweden (39 / 61 / 108 / 219 / 157 / 17)	37,3	31,2	30,9	24,7	18,6	*11,8*	25,5	6,1
Switzerland (186 / 245 / 287 / 252 / 226 / 272)	27,2	26,9	28,6	27,7	20,6	19,4	7,8	0,3
Turkey (32 / 29 / 9 / 40 / 56/ 52)	20,7	*23,8*	*21,4*	14,8	17,3	12,1	8,6	-3,1

Number of observations in brackets for 2023, 2021, 2019, 2017, 2015 and 2013 respectively. Values marked in gray and italic when n<=35 or italic when data n <50. Values marked with * have a reliability issue

OTA market shares (in %) 2013 to 2023 for selected countries



OTA market shares by segment 2023 (overall sample Europe)

Seasonality	open all year round	two seasons business	one season business (winter)	one season business (summer)	Total		
	31,4%	22,6%	19,7%	26,0%	***29,7%***		

Star category	1*	2*	3*	4*	5*	other category	Total
	24,1%	28,1%	29,7%	29,4%	22,2%	36,2%	***29,1%***

Size of hotel (rooms)	Less than 20	From 20 to 50	From 50 to 100	100 and over	Total		
	32,1%	29,7%	28,1%	27,3%	***29,7%***		

Main customer segments of hotels	Business	Vacation / leisure	MICE	Other segment	Total		
	30,1%	30,3%	20,9%	21,7%	***29,7%***		

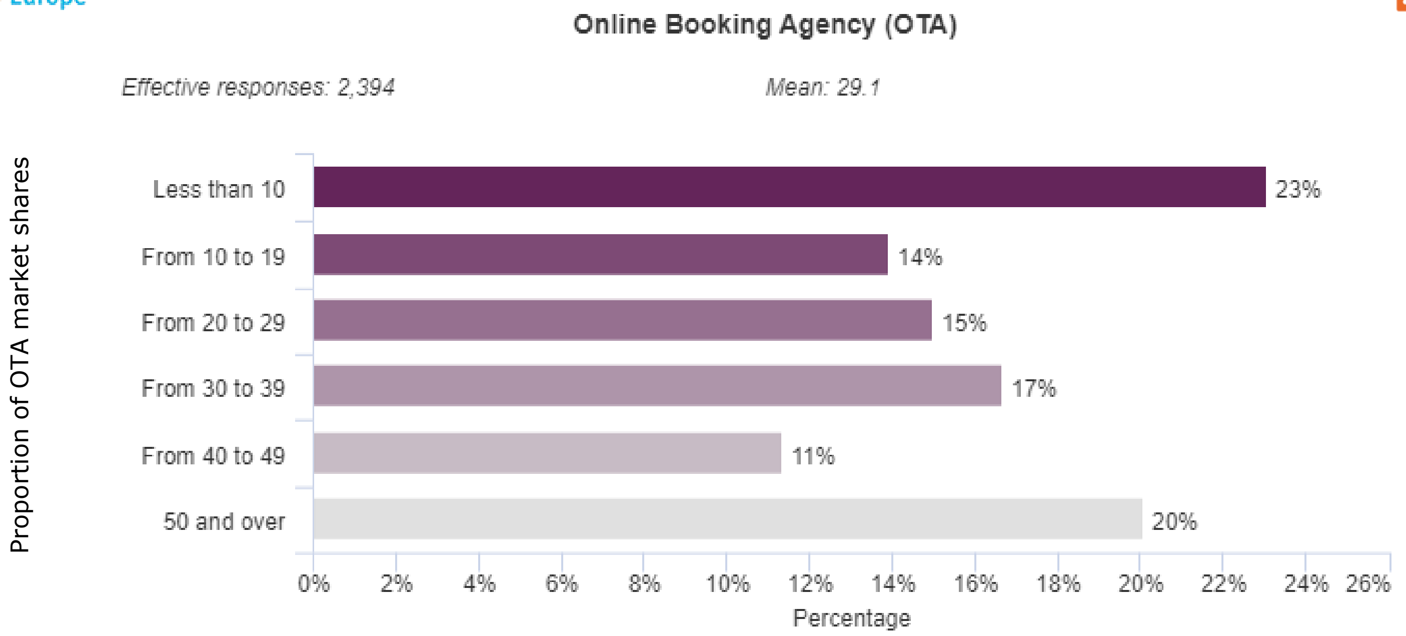
Location of hotel (I)	City with more than 250'000 inhabitants	City between 50'000 and 250'000 inhabitants	City between 10'000 and 50'000 inhabitants	small city (less than 10'000 inhabitants)	Total		
	40,2%	33,1%	28,4%	24,4%	***29,8%***		

Location of hotel (II)	Seaside	Alpine / Mountain regions	Rural region	Urban area	Other location	Total	
	26,2%	21,9%	27,4%	36,5%	27,8%	***29,60%***	

Type of hotel	Independant hotel	Hotel chain	Hotel cooperation	Total			
	30,1%	29,8%	25,5%	***29,7%***			

Values highlighted in blue are significantly higher than sample average. Cells marked in red are significantly lower.

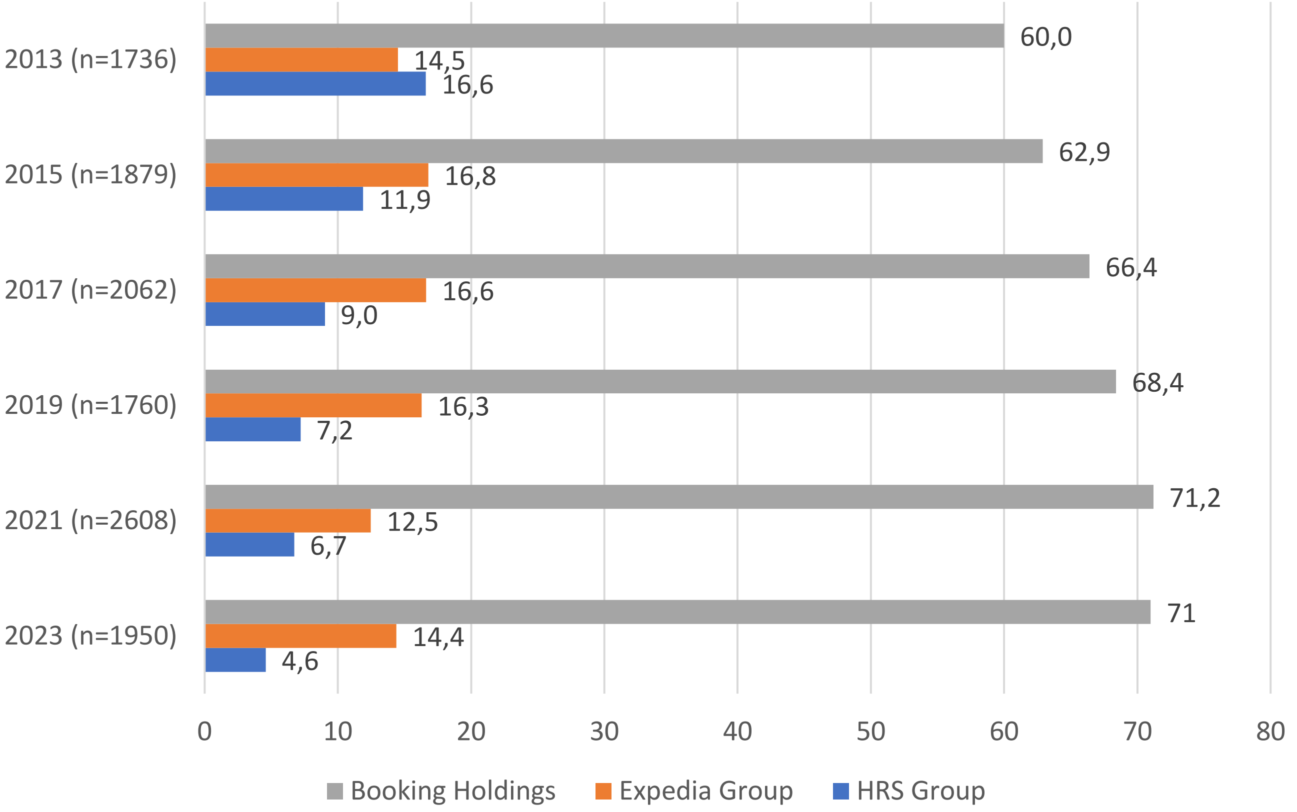
Degree of OTA Reliance



The graph illustrates that a significant portion of hotels heavily relies on Online Travel Agencies (OTAs) for their distribution mix. 28% of the hotels have OTA market shares ranging from 30% to 49%, while a considerable 20% have market shares exceeding 50%. For **smaller hotels** with fewer than 20 rooms, which constitute 28% of the sample, the reliance on OTAs is even more pronounced. 27% of these smaller properties have OTA market shares between 30% and 49%, and an equal proportion of 27% generate more than half of their room nights through OTA bookings. These figures highlight the substantial role OTAs play in the distribution strategies of hotels, particularly for smaller establishments with limited resources and reach.

Analysis of OTA market players and their relative market shares

Unweighted relative market shares (in %) of major OTAs in Europe (2013-2023)



	Europe 2023 (n=2068)
Agoda	1,7
Booking.com	69,3
Booking Holdings	**71,0**
HRS	3,6
hotel.ch	0,0
Hotel.de	0,9
Tiscover	0,1
HRS (total)	**4,6**
Expedia	11,5
Hotels.com	2,1
eBookers	0,7
Orbitz Travel	0,1
Expedia Group	**14,4**
TOTAL	**90,0**

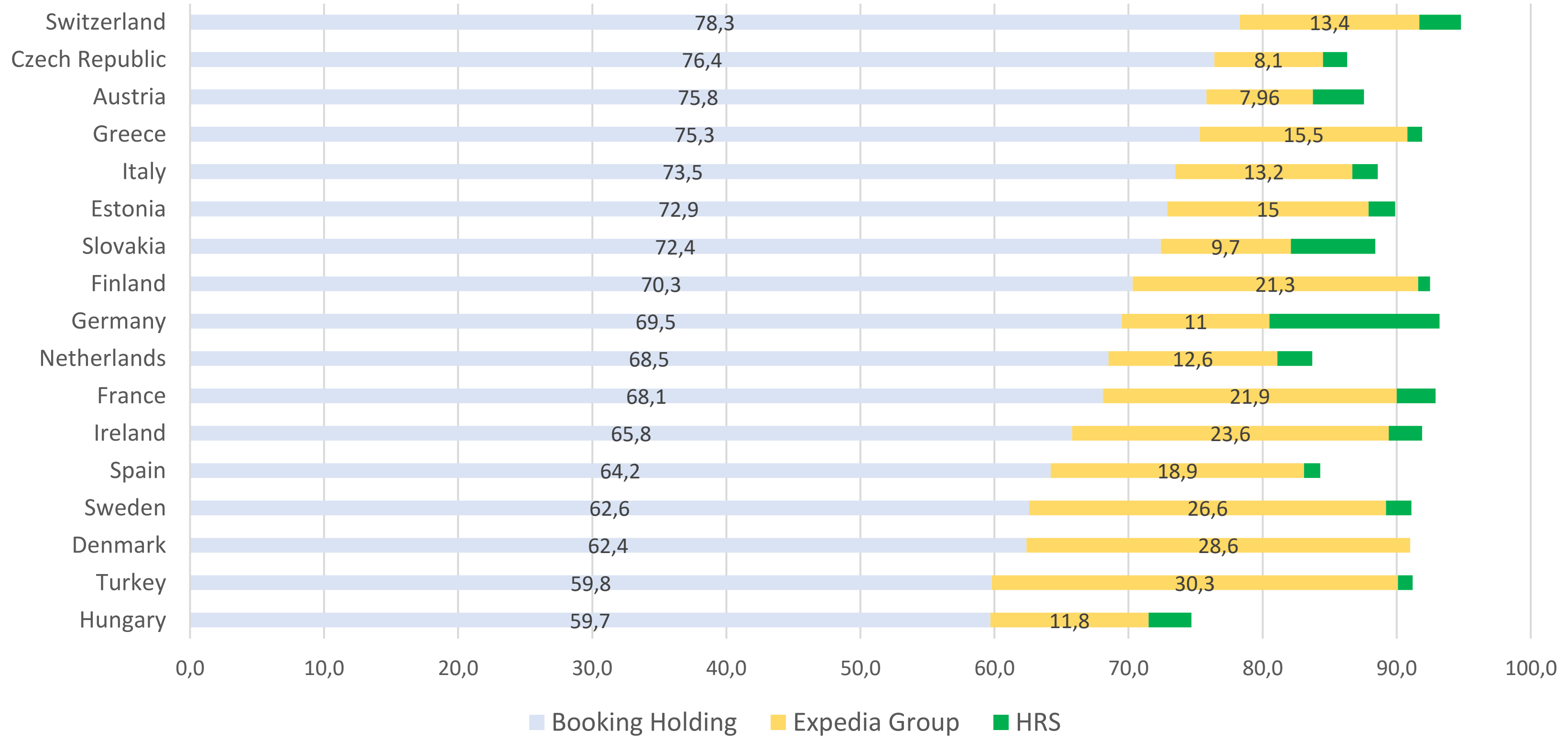
➔ Airbnb: 1,0 %

➔ Trip.com: 0,3%

Unweighted relative market shares (in %) of major OTAs for selected countries in 2023

	Austria	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Ireland	Italy	Nether-lands	Slovakia	Spain	Sweden	Switzer-land	Turkey	Unweighted European sample
Number of observations	*113*	*55*	*67*	*24*	*30*	*111*	*458*	*118*	*71*	*29*	*456*	*112*	*43*	*62*	*37*	*147*	*29*	*2068*
Agoda	1,8	1,4	0,0	1,4	0,6	2,7	1,1	4,2	3,2	1,1	0,9	2,4	0,7	2,2	0,4	2,3	5,6	1,7
Booking.com	74,0	75,0	62,4	71,5	69,7	65,4	68,4	71,1	56,5	64,7	72,6	66,1	71,7	62,0	62,2	76,0	54,2	69,3
Booking Holding	**75,8**	**76,4**	**62,4**	**72,9**	**70,3**	**68,1**	**69,5**	**75,3**	**59,7**	**65,8**	**73,5**	**68,5**	**72,4**	**64,2**	**62,6**	**78,3**	**59,8**	**71,0**
HRS	2,5	1,3	0,0	1,5	0,9	2,4	10,3	1,1	2,7	1,2	1,3	1,9	5,3	0,7	1,7	2,0	0,7	3,6
Hotel.ch	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,0	0,3	0,1	0,0
Hotel.de	0,9	0,5	0,0	0,5	0,0	0,5	2,3	0,0	0,5	1,3	0,6	0,7	1,0	0,4	0,2	0,8	0,3	0,9
Tiscover	0,4	0,0	0,0	0,0	0,0	0,0	0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,1
HRS	**3,8**	**1,8**	**0,0**	**2,0**	**0,9**	**2,9**	**12,7**	**1,1**	**3,2**	**2,5**	**1,9**	**2,6**	**6,3**	**1,2**	**1,9**	**3,1**	**1,1**	**4,6**
Expedia.com	6,7	5,7	28,6	10,6	9,7	17,4	9,1	10,3	10,0	16,4	10,4	10,1	7,7	16,4	16,2	10,4	26,9	11,5
Hotels.com	0,6	1,9	0,0	2,1	10,1	3,5	1,3	4,4	1,5	3,9	2,0	1,2	2,0	2,0	10,4	1,6	2,4	2,1
eBookers	0,6	0,4	0,0	2,1	1,5	0,9	0,5	0,6	0,3	2,7	0,7	1,3	0,0	0,3	0,0	1,3	0,7	0,7
Orbitz Travel	0,1	0,1	0,0	0,2	0,0	0,1	0,1	0,2	0,0	0,6	0,1	0,0	0,0	0,2	0,0	0,1	0,3	0,1
Expedia Group	**8,0**	**8,1**	**28,6**	**15,0**	**21,3**	**21,9**	**11,0**	**15,5**	**11,8**	**23,6**	**13,2**	**12,6**	**9,7**	**18,9**	**26,6**	**13,4**	**30,3**	**14,4**
TOTAL	**87,6**	**86,3**	**91,0**	**89,9**	**92,5**	**92,9**	**93,2**	**91,9**	**74,7**	**91,9**	**88,6**	**83,7**	**88,4**	**84,3**	**91,1**	**94,8**	**91,2**	**90,0**

Relative OTA market shares (in %) for selected countries 2023



Unweighted samples.

Relative market shares of Booking.com by hotel segment 2023

Seasonality	open all year round	two seasons business	one season business (winter)	one season business (summer)	***Total***		
	67,5%	80,0%	83,9%	75,3%	***69,8%***		

Star category	1*	2*	3*	4*	5*	other category	***Total***
	74,4%	76,1%	71,7%	66,1%	58,7%	70,0%	***69,2%***

Size of hotel (rooms)	Less than 20	From 20 to 50	From 50 to 100	100 and over	***Total***		
	74,6%	72,7%	64,7%	62,9%	***69,8%***		

Main customer segments of hotels	Business	Vacation / leisure	MICE	Other segment	***Total***		
	65,5%	71,8%	67,5%	63,4%	***69,6%***		

Location of hotel (I)	City with more than 250'000 inhabitants	City between 50'000 and 250'000 inhabitants	City between 10'000 and 50'000 inhabitants	small city (less than 10'000 inhabitants)	***Total***		
	61,9%	66,0%	69,7%	74,4%	***69,5%***		

Location of hotel (II)	Seaside	Alpine / Mountain regions	Rural region	Urban area	Other location	***Total***	
	73,5%	76,5%	68,4%	64,1%	74,3%	***69,50%***	

Type of hotel	Independant hotel	Hotel chain	Hotel cooperation	***Total***			
	71,8%	61,6%	64,4%	***69,3%***			

Values highlighted in blue are significantly higher than sample average. Cells marked in red are significantly lower.

Relative market shares of Expedia.com by hotel segment 2023

Seasonality	open all year round	two seasons business	one season business (winter)	one season business (summer)	*Total*		
	12,1%	5,7%	3,4%	8,9%	*11,0%*		

Star category	1*	2*	3*	4*	5*	other category	*Total*
	5,4%	8,7%	10,3%	14,1%	22,5%	8,6%	*12,2%*

Size of hotel (rooms)	Less than 20	From 20 to 50	From 50 to 100	100 and over	*Total*		
	6,4%	9,6%	14,4%	15,6%	*10,8%*		

Main customer segments of hotels	Business	Vacation / leisure	MICE	Other segment	*Total*		
	13,7%	10,5%	12,9%	8,0%	*11,4%*		

Location of hotel	City with more than 250'000 inhabitants	City between 50'000 and 250'000 inhabitants	City between 10'000 and 50'000 inhabitants	small city (less than 10'000 inhabitants)	*Total*		
	17,7%	14,4%	10,7%	7,7%	*11,5%*		

Type of hotel	Seaside	Alpine / Mountain regions	Rural region	Urban area	Other location	*Total*	
	10,7%	5,0%	8,4%	16,5%	9,60%	*11,50%*	

Type of hotel	Independant hotel	Hotel chain	Hotel cooperation	*Total*			
	9,9%	18,0%	16,3%	*11,9%*			

Values highlighted in blue are significantly higher than sample average. Cells marked in red are significantly lower.

Insights from the analysis of comments of hoteliers on OTAs (I)

- Overall, while OTAs remain a crucial part of the booking landscape for many hotels, there is a clear and growing trend towards increasing direct bookings and reducing reliance on OTAs to avoid high commissions and improve profitability. Hoteliers are also calling for more fairness and transparency in OTA practices.
- Dependency on OTAs
  - Many hotels report using Booking.com as their primary OTA.
  - A significant portion of bookings (80%) from Agoda and Expedia are made more than 40 days before arrival.
  - Some hoteliers exclusively rely on Booking.com for their online bookings.
  - OTAs like Booking.com and Expedia are seen as essential, but they dominate the market and control pricing.
- Challenges with OTAs
  - High Commissions:
  - There is a widespread complaint about the high commission rates charged by OTAs.
  - These high costs are seen as a burden on hotel profitability.

Analysis of 86 open comments

Insights from the analysis of comments of hoteliers on OTAs (II)

- Market Power and Practices
  - Booking.com and Expedia are frequently mentioned for their monopolistic practices.
  - OTAs are known for undercutting hotel prices using their marketing budgets, which makes it difficult for hotels to compete directly.
  - Issues with unauthorized discounts and promotions by OTAs without hotelier consent.
  - Concerns over the fairness and transparency of OTA practices, including listing and reselling from other platforms.

Specific Issues Highlighted

- Management Difficulties
  - Hoteliers find it difficult to manage OTA listings, pricing, and availability due to the complexity and lack of transparency.
  - Problems with contacting OTAs for support, particularly Booking.com, are common.
- Booking Quality
  - OTAs often lead to last-minute cancellations or no-shows, especially with bookings made through Expedia for visa purposes.
  - There are issues with tracking bookings from multiple OTA sources, leading to confusion and mismanagement.

Analysis of 86 open comments

Insights from the analysis of comments of hoteliers on OTAs (II)

- Customer Relations
  - Negative comments on OTA platforms can severely damage hotel reputations, even if the complaints are unfounded.
  - Poor communication with guests booked through OTAs is a recurring problem.
- Diverse Strategies
  - Some hoteliers report using multiple OTAs but try to avoid those with high commissions.
  - Wholesalers and third-party platforms reselling through OTAs complicate the booking process and pricing strategy.
- Refusal to Collaborate
  - A few hoteliers have taken a stand against OTAs, refusing to list their properties or collaborate due to high costs and unfair practices.
- Concerns over OTA Dominance
  - The overwhelming power of OTAs like Booking.com is seen as a significant concern, with calls for more regulation and fairer practices.
  - Hoteliers express a desire for alternative solutions that could provide the same reach without the high costs.

Analysis of 86 open comments

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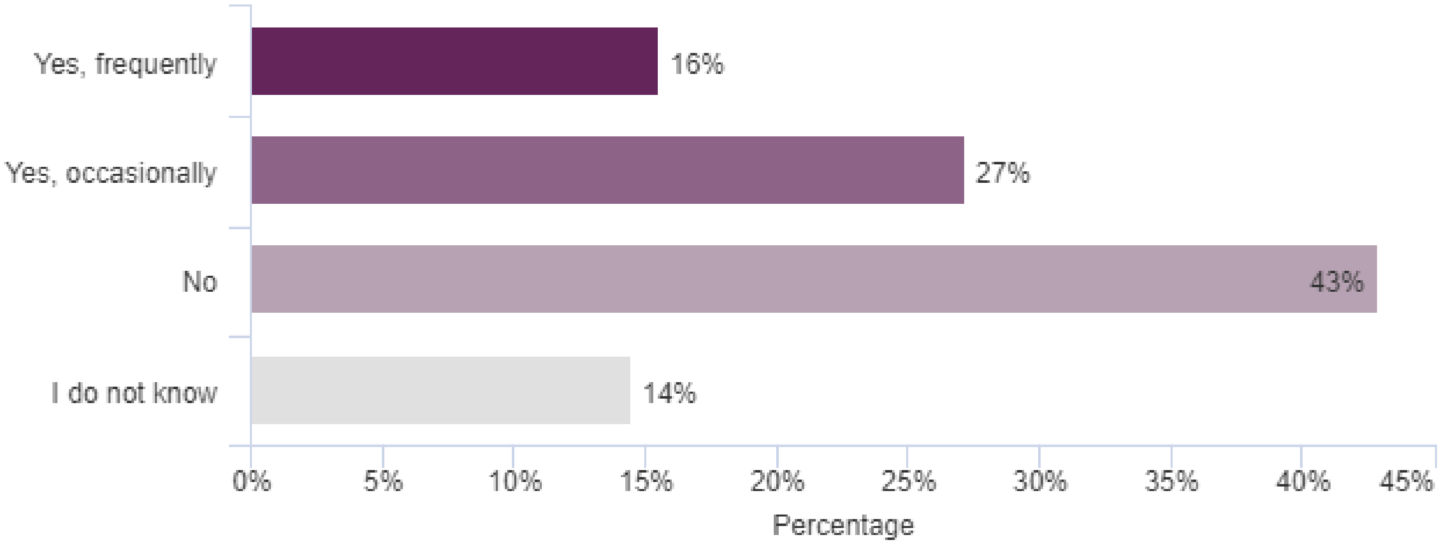
> OTA – hotel relationship

Undercutting and Multi-Sourcing

Undercutting practices (I)

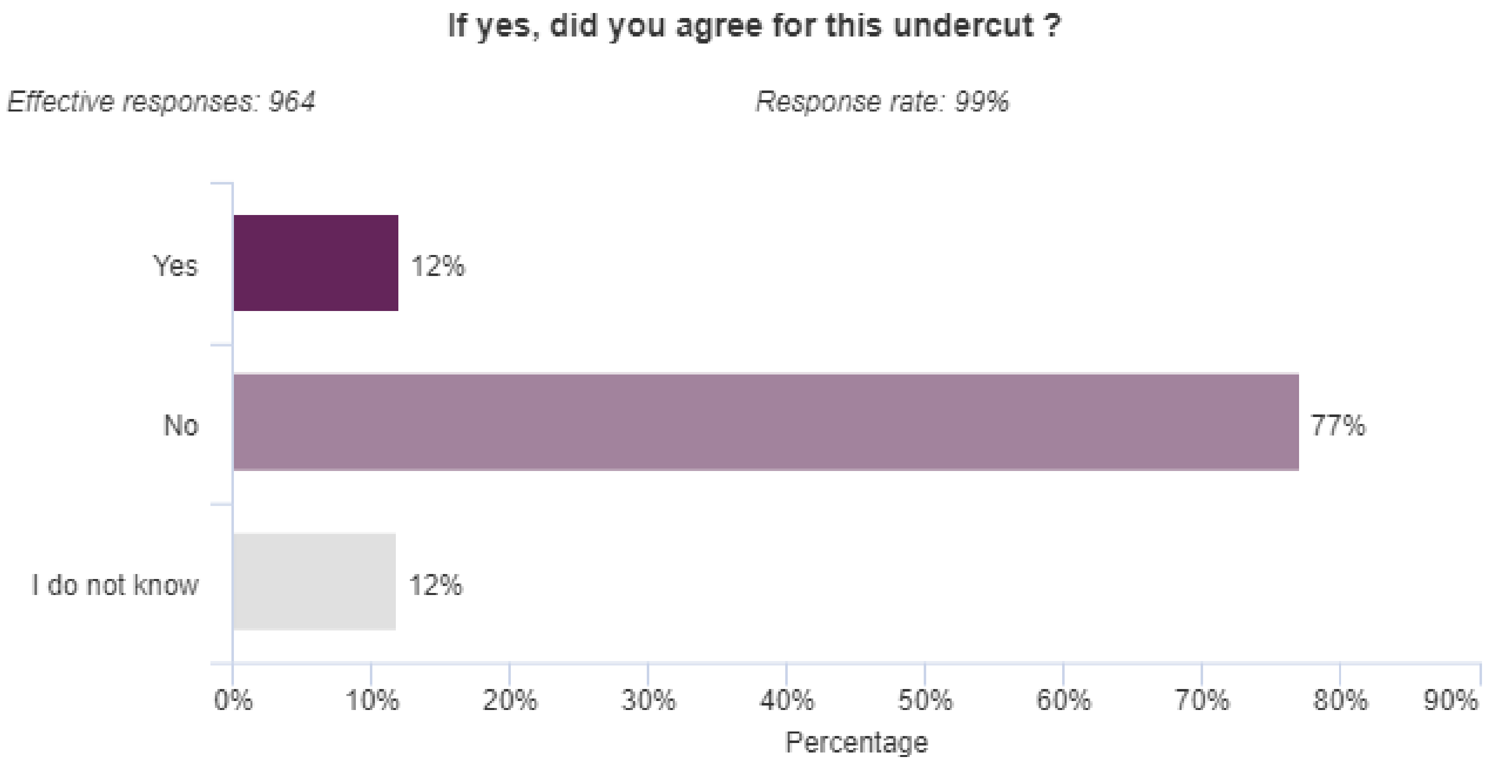
Have the prices you set with Online Travel Agencies (OTAs) ever been undercut by the OTA waiving (renouncing) part of its commission (so-called undercutting)?

Effective responses: 2,275 *Response rate: 90%*



Based on unweighted (raw) sample data

Undercutting practices (II)



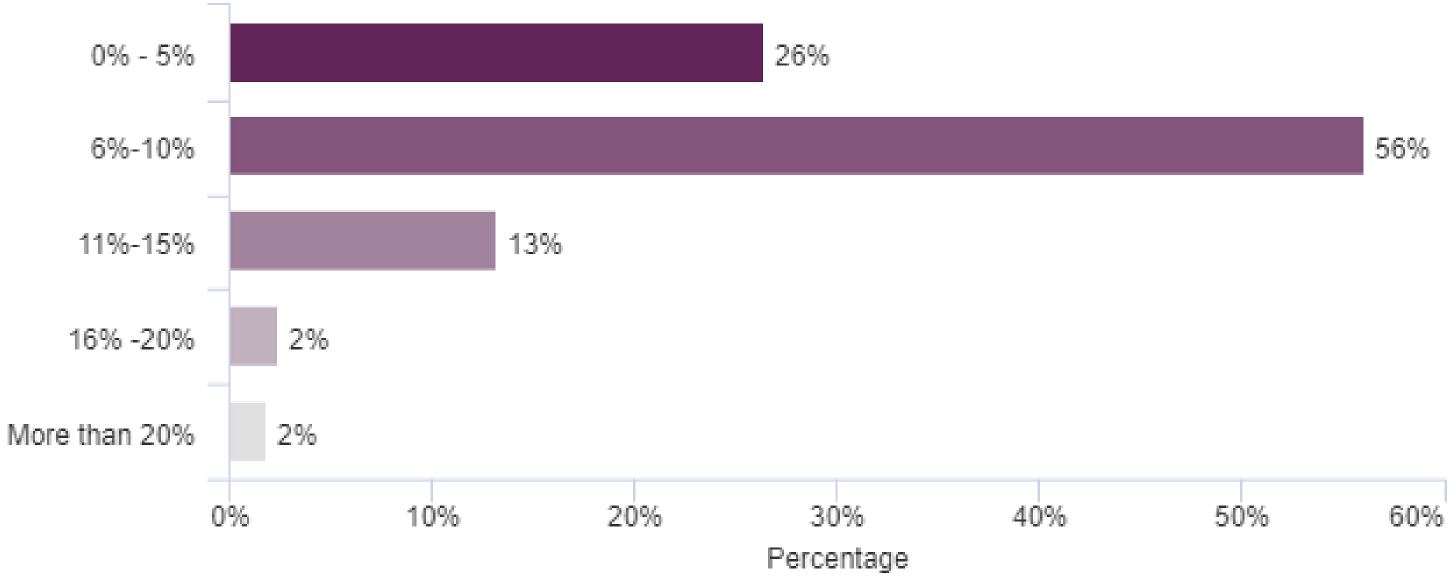
Based on unweighted (raw) sample data

Undercutting practices (II)

If yes, by what percentage (on average) the prices you submitted to the OTA were undercut?

Effective responses: 911

Response rate: 94%



Based on unweighted (raw) sample data

Undercutting: summary of overall results

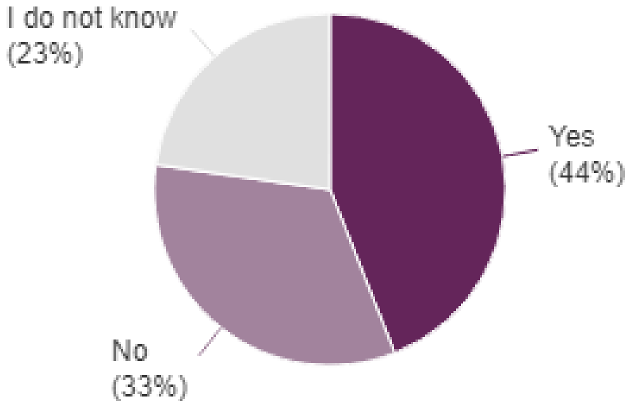
- **Four out of ten hotels report undercutting** by OTAs, with 16% reporting frequent undercutting. **Three out of four hotels have not agreed** for the undercut! More than half of concerned hotels see undercuts of 6%-10% and every tenth property see undercuts between 11% and 15%.
- **Undercutting seems to be more common in 4* hotels** than in other categories (21% frequently compared to 16% overall and 32% occasionally compared to 27% overall).
- **Size matters**: Hotels with more than 50 rooms experience undercutting more often (4 to 5 percentage points above the overall sample average) than small hotels with less than 20 rooms (5 to 6 percentage points below the overall sample average).
- **Location matters**: Hotels located in **large cities** (with populations over 250,000) and **urban areas** are **significantly more likely to experience undercutting** by Online Travel Agencies (OTAs) compared to hotels in other locations. This trend aligns with the finding that hotels in large cities have an average OTA share of 40% in their distribution mix, compared to the overall sample average of 29%. The **high market strength of OTAs in such contexts likely contributes to these undercutting practices**. Additionally, there is a clear positive correlation between OTA market share and undercutting, independent of location.
- There is no effect by hotel type (independent versus chain).

Multi-Sourcing (I)

Have you been affected by the policy of Online Travel Agencies (OTAs) to offer rates and availabilities from other OTAs (so-called "multi-sourcing")?

Effective responses: 2,277

Response rate: 90%



Based on unweighted (raw) sample data

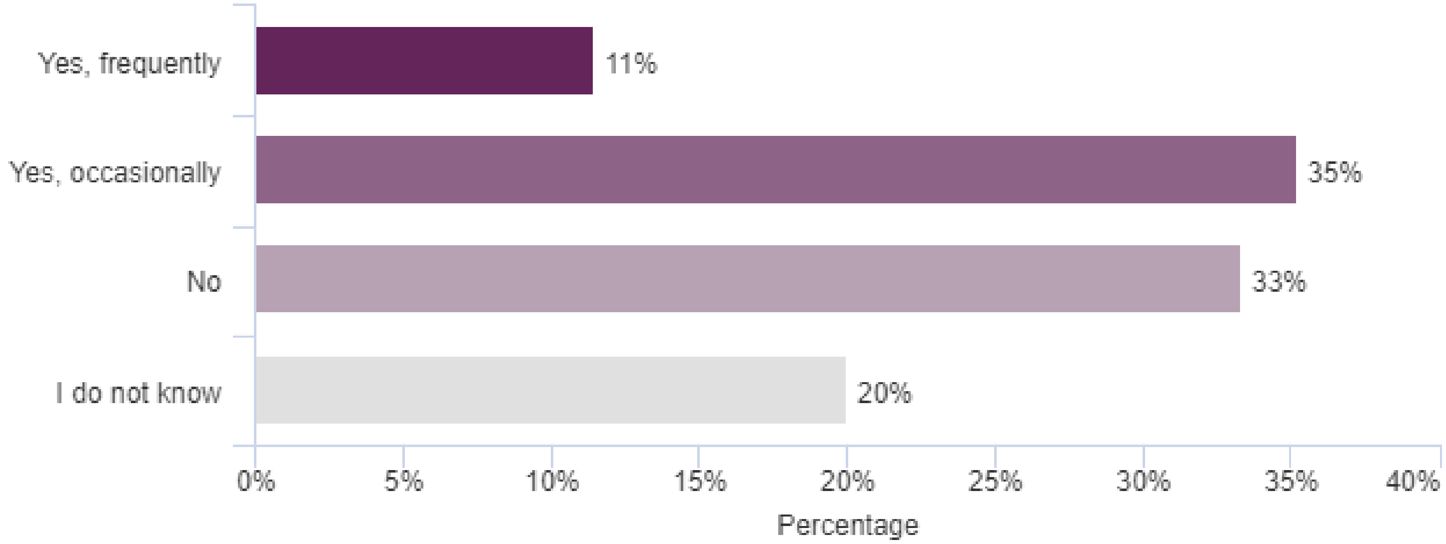
Multi-Sourcing: summary of overall results

- **Nearly one in two hotels (44%) are affected by multi-sourcing** issues and one in four are unaware of the problem.
- **Multi-sourcing is much more common in 4* and 5* hotels** (51% resp. 61%) than in any other category.
- **Size matters**: Hotels with more than 50 rooms experience multi-sourcing more often (more than 55%) than small hotels with less than 20 rooms (29%).
- **Location matters**: Hotels located in **large cities** (with populations over 250,000) and **urban areas** are **significantly more likely to be affected by multi-sourcing** (64% resp. 58%) compared to hotels in other locations.
- **Hotel type matters**: Hotels belonging to **chains or cooperations** are significantly more likely to be affected by multi-sourcing (62% and 63% respectively) than independent hotels (39%).
- Additionally, there is a clear positive correlation between OTA market share and multi-sourcing.

Multi-Sourcing (II)

Have you encountered any negative experiences related to the multi-source of Online Travel Agencies (OTAs)?

Effective responses: 1,969 *Response rate: 78%*



Based on unweighted (raw) sample data

Multi-Sourcing (III)

If you have had any negative experiences, can you briefly describe them?

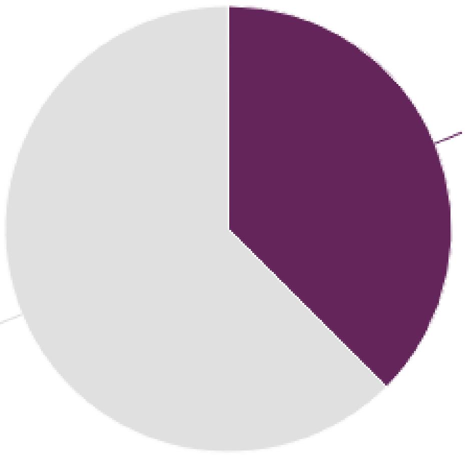
The synthesis of hotel comments highlights significant challenges related to OTA multi-sourcing practices. These include pricing inconsistencies, booking errors, lack of direct guest contact, poor customer service, financial losses, operational strain, and reputation damage. Hotels frequently struggle with specific OTAs like Agoda, Expedia, and Booking.com, which according to the comments of hotels do not seem to respect contract terms or fail to provide adequate support, exacerbating these issues.

Sales restrictions with Tour Operators and Wholesalers (I)

Have you included specific restrictions or bans on selling unpackaged overnight stays ('room only' services) in your contracts with tour operators or wholesalers?

Effective responses: 1,658

Response rate: 65%

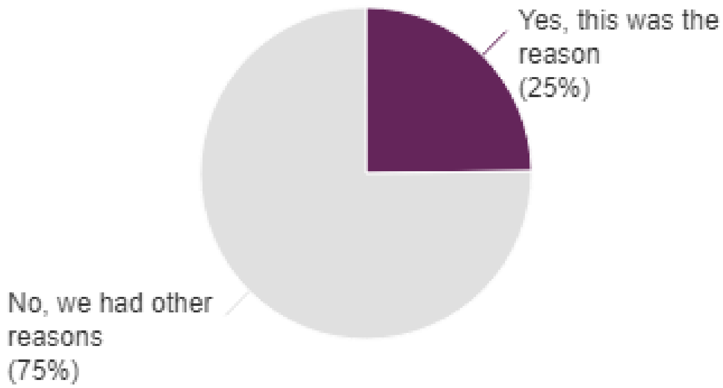


Sales restrictions with TO and Wholesalers (II)

If no, were you unable to enforce such restrictions in the contracts with tour operators/wholesalers?

Effective responses: 870

Response rate: 84%



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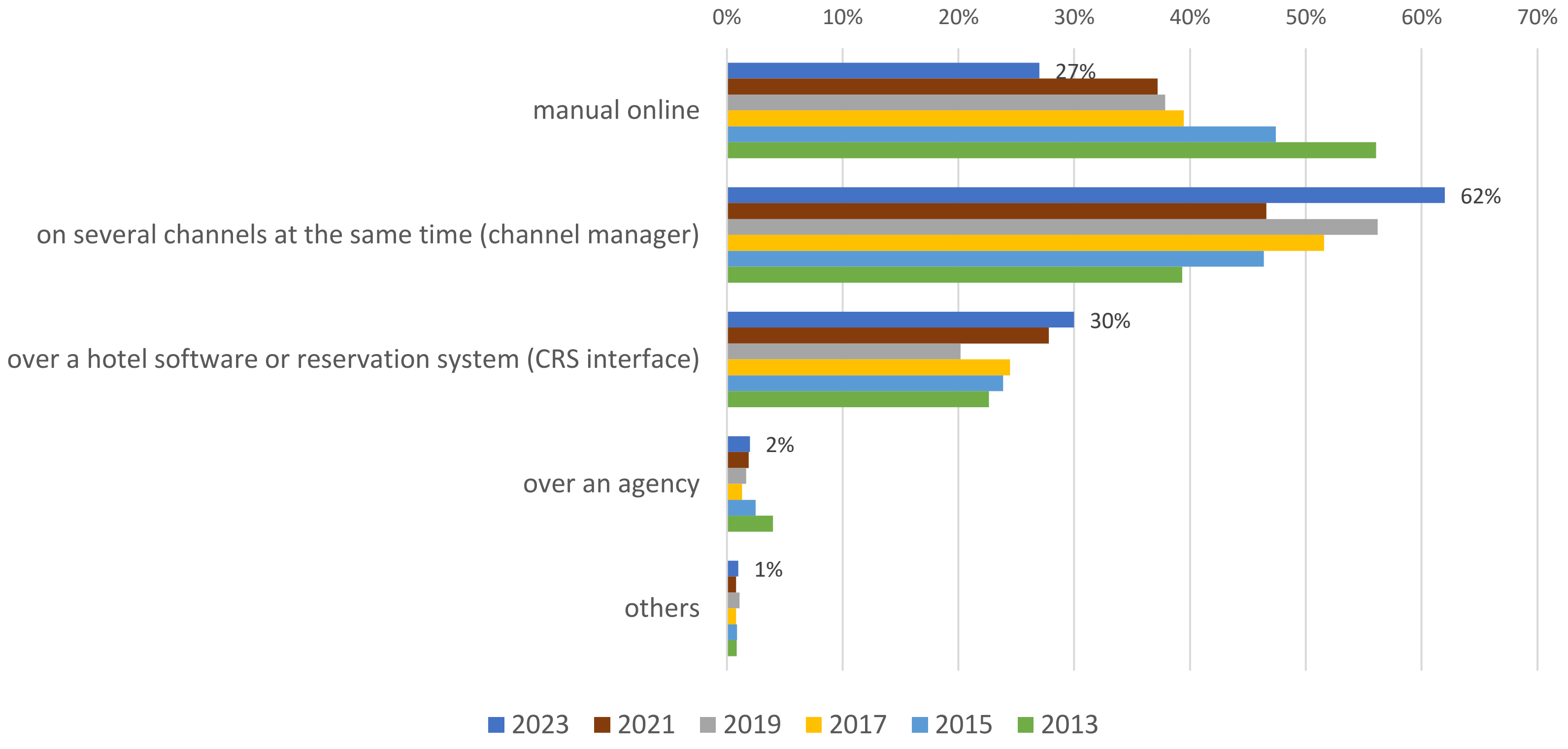
> Distribution channel management

How do you maintain your rates and availabilities on the online booking channels?



Based on unweighted (raw) sample data (2013-2023).

Channel management: summary of overall results

- Compared to 2013, the proportion of hotels managing rates and availability in a manual way has decreased from 56% to 27% and the **use of channel managers has increased from 39% to 62%.**
- In contrast to previous years, **channel managers** (61% of properties) **are used at the same rate in chain and independent hotels**. As expected, PMS-CRS systems (50%) are used significantly more by chain hotels than by independent hotels (24%), which still manage channels manually most of the time (31%).
- **In 4* and 5* hotels, the use of channel managers (65% and 62%, respectively) and CRS hotel software (35% and 45%, respectively) is clearly higher** than in other types of hotels. In 1* and 2* hotels half of properties still manage channels manually (59% in 1* and 49% in 2* hotels).
- **Size matters**: 72% of hotels with more than 50 rooms use channel managers whereas in hotels with less than 20 rooms, 53% use a channel manager and 43% still manage channels in a manual way.
- **Hotels in big cities have a higher channel manager penetration rate (70%)** than the overall sample.
- **Hotels with a higher proportion of OTA bookings (over 30%) use channel managers more often (roughly 70%)** than hotels with less than 10% of OTA bookings where channel managers are used in 43% of establishments.

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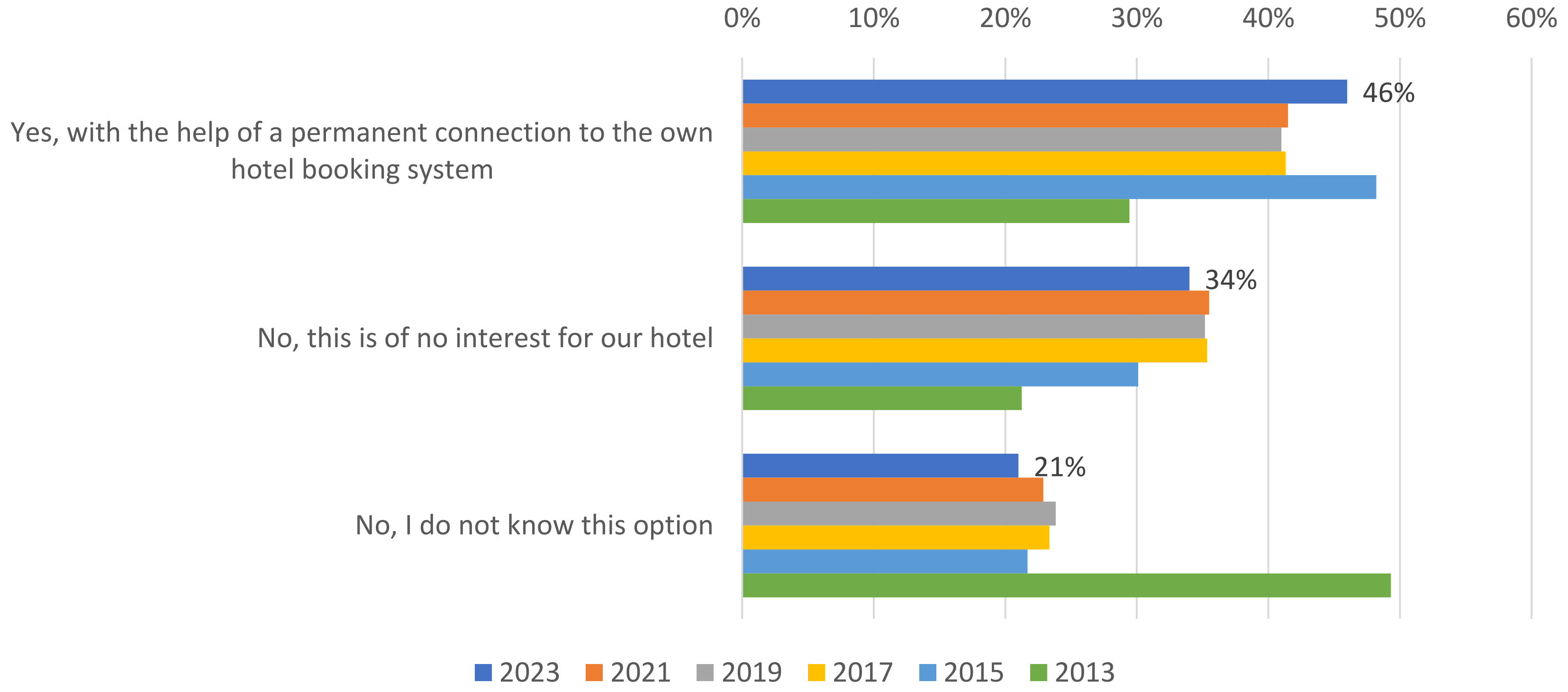
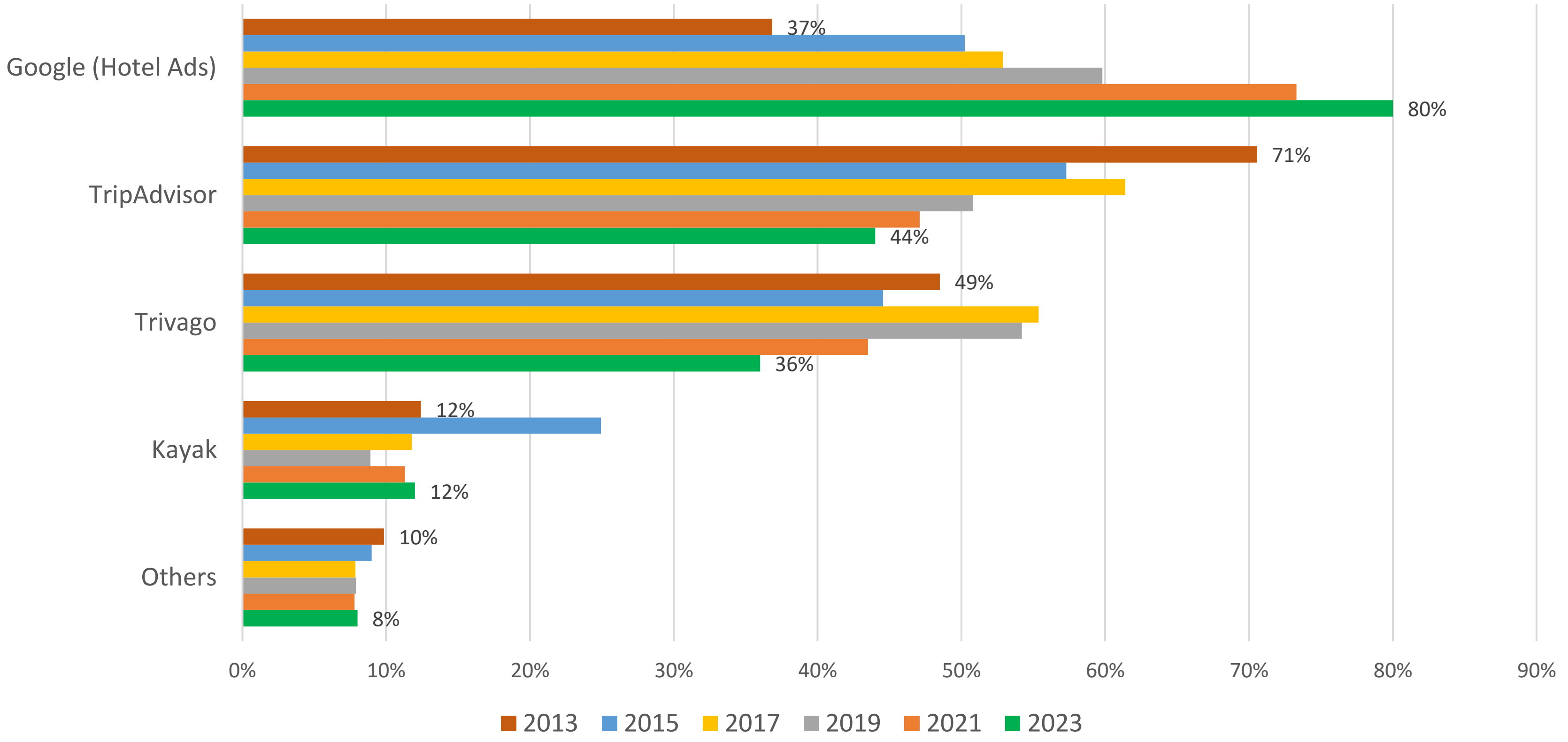
> Use of meta-search engines

Are your rates and availabilities accessible with a direct interface with a meta-search engine?



Based on unweighted (raw) sample data

Used meta-search engines



Based on unweighted (raw) sample data.

Meta-search engines: summary of overall results

- Compared to 2013 where nearly half of the hotels did not know the integration options with travel **meta-search engines**, roughly 80% of respondents in the present survey are aware of this distribution channel which is **used by 46% of hotels**.
- **Highest proportions of permanent connection to meta-search engines** can be observed in the following hotel segments:
  - **chain hotels** (68% compared to independent hotels with 40%)
  - hotels with **50-100 rooms** (52%) and **more than 100 rooms** (65%)
  - **4 and 5 star hotels** (54% resp. 71%)
  - Hotel in **cities with more than 250’000 inhabitants** (57%)
  - **Hotels with more than 30-39% of bookings through OTAs** (51%), compared to 33% for hotels with less than 10% OTA bookings
- Back in 2013 TripAdvisor was the dominant meta-search platform in the market with a usage share of 71%. In 2023, **Google Hotel Ads has become the market leader (80%)** followed by TripAdvisor (44%) and Trivago (36%) which both have lost market during the last 10 years.

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