European Hotel Distribution Study 2020

Results for the Reference Year 2019

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Executive Summary (I)

The study

- HOTREC, the European umbrella association of hotels, restaurants and cafés, conducted at the beginning of 2020 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 fourth study since the series began in 2013.
- 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 reference year 2019, based on observations from more than 2'800 hotels across Europe, show that the dependency of hotels on OTAs continues to increase, while the share of direct bookings decreases.

Executive Summary (II)

Evolutions in the distribution market between 2013 and 2019

- HOTREC's distribution study shows that between 2013 and 2019, the market shares of OTAs have steadily increased in the European hotel sector from 19.7% in 2013 to 29.9% in 2019 (weighted results including data from hotel chains).
- At the same time, the share of direct bookings has decreased across Europe by over 10 percentage points from 57.6% in 2013 to 45.5% in 2019.

Executive Summary (II)

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 92%.
  - Booking.com is by far the most influential player, with a share of 68.4% in the OTA market. The dominance of Booking.com has been rising over the last 6 years by more than 8%, from 60.0% in 2013 to 68.4% in 2019.
  - Expedia could maintain its market shares during the last 4 years (16.3% in 2019, compared with 16,6% in 2017 and 16,8% in 2015).
  - HRS has seen a steady decrease of market shares, from 16.6% in 2013 to 7.2% in 2019.

Executive Summary (IV)

The OTA – hotel relationship

- Regarding some aspects of the relations with OTAs, most hoteliers (56%) feel pressured by OTAs to accept platforms terms and conditions (e.g. regarding cancellation policy, special discounts) that hotels would otherwise voluntarily not offer. As expected, the higher the volumes of room nights generated by OTAs in a hotel, the higher the perceived pressure.
- Nearly 60% of hotels had disagreements with OTAs and only one out of four of these hotels (26%) with conflicts found a fair and effective solution.
- The standard commission rate stayed the same for nearly 69% of respondents, but for a significant part of the hotels (27%) the commission rate increased.
- Two third of hotels use the online payment options of Booking or Expedia and every second hotel makes use of the various possibilities offered by OTAs to improve effectively the ranking.

Executive Summary (V)

Distribution Technology

- Compared to 2013, the proportion of hotels managing rates and availability in a manual way has decreased from 56% to 37% and the use of channel managers has increased from 39% to 54%.
- 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 41% of hotels.
- Back in 2013 TripAdvisor was the dominant meta-search platform in the market with a usage share of 71%. In 2019, Hotel Ads by Google seems to be the market leader (60%) followed by Trivago (54%) and TripAdvisor (51%).

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The survey

The survey: background

- In order to monitor the current situation of distribution (online as well as offline) within the European hotel industry, especially in relation to the role of online travel agencies (OTA), **HOTREC**, the umbrella association of Hotels, Restaurants and Cafés in Europe, has decided to conduct an online survey between February and March 2020 **together with hotel associations from HOTREC member countries across Europe for the reference year 2019**.
- 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.** The present study allows therefore to illustrate the evolution of distribution channels and players for the years 2013, 2015, 2017 and 2019.

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 market shares of the OTAs (such as Booking.com, Expedia, and HRS).
- Further questions queried the hotel-OTA relationship 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, amount of overnight stays, its location, main target group, etc.)

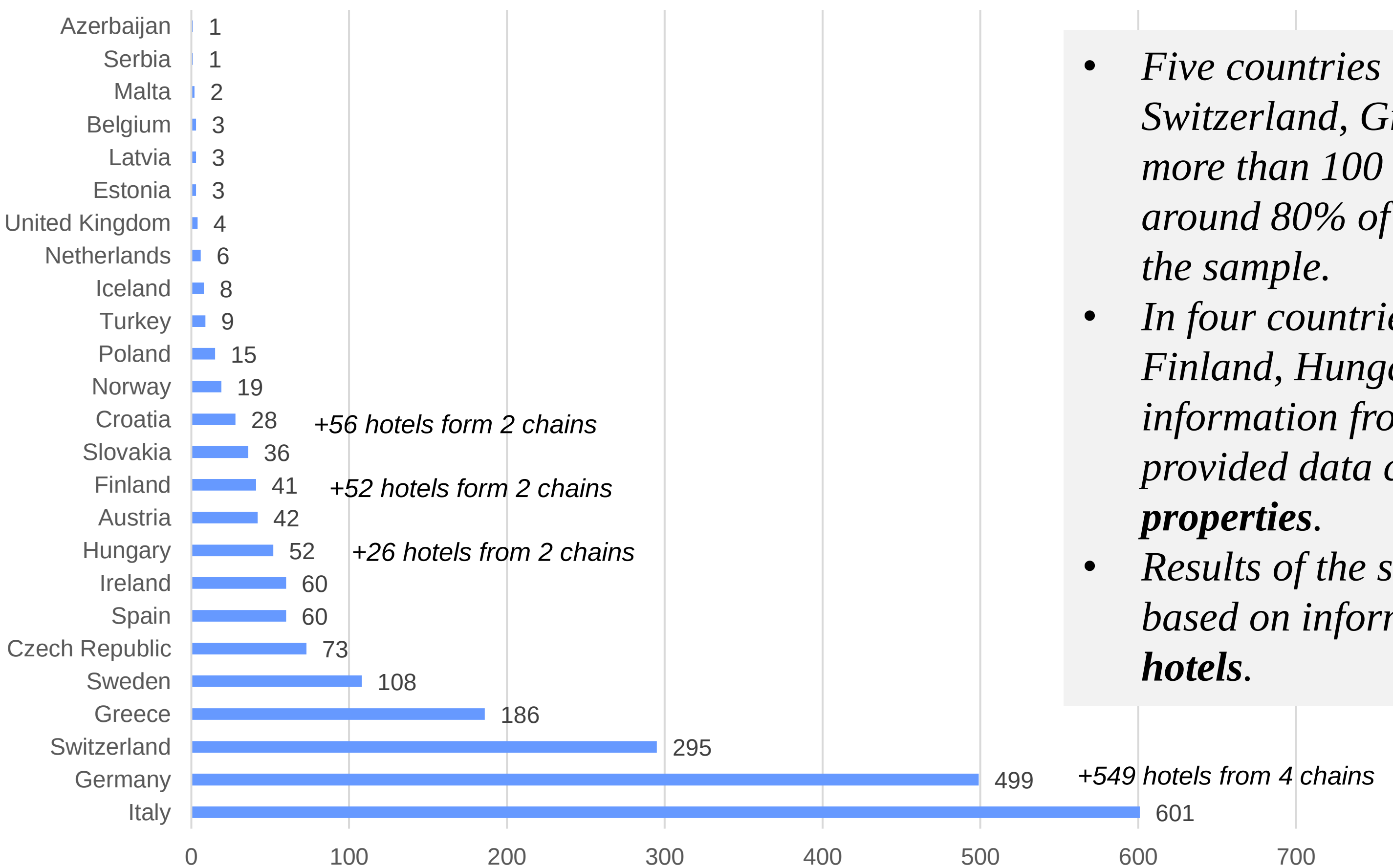
➢ See **annex 1** for a copy of the questionnaire

The survey administration

- The questionnaire was translated in more than 20 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 January (Switzerland) and February to July 2020 for the other European countries**. The collected data cover the **reference year 2019**. The different hotel associations contacted their members either by email or through newsletters.
- The **Covid-19 crisis** hit the European hotel industry in March 2020 and impacted also the data collection process of our survey. For many countries with low response rates a relaunch was planned for mid to end of March. Yet, these **relaunches could not be conducted, reason why for several countries we have very low response rates.**
- In addition to information of individual hotel owners, **data from hotel chains** could be integrated, either on an **aggregated level (country)** or a **property-level**.
- As not all hotels replied to all questions, the number of responses can vary from one question to another question.

Methodological remarks: sampling

- Overall, **2’156 responses** from individual hotels could be collected through the online survey (from 24 out of 34 member countries of HOTREC). Yet, response rates by country vary strongly in the survey.



- *Five countries (Italy, Germany, Switzerland, Greece, Sweden) with more than 100 responses provide around 80% of all the responses in the sample.*
- *In four countries (Germany, Croatia, Finland, Hungary) aggregated information from 8 hotel chains provided data covering **683 properties**.*
- *Results of the study are therefor based on information from **2839 hotels**.*

Summary of sample characteristics (Europe)

- Overall, the following main observations can be made regarding the sample characteristics (further details are in annex 2):
  - Hotel Classification – 74% of properties in the sample are classified. 3 stars (48%) and 4 stars (32%) hotels make up most of the classified hotels in the sample.
  - Size – The average size of the hotels in the sample is 33 rooms (median value), 30% of hotels have less than 20 rooms.
  - Customer segment – The leisure segment is the dominant target group for 63% of hotels, followed by business clients for 29% of properties
  - Management – Nearly 81% of hotels are individual properties whereas 10% belong to a hotel chain and 9% to a hotel cooperation.

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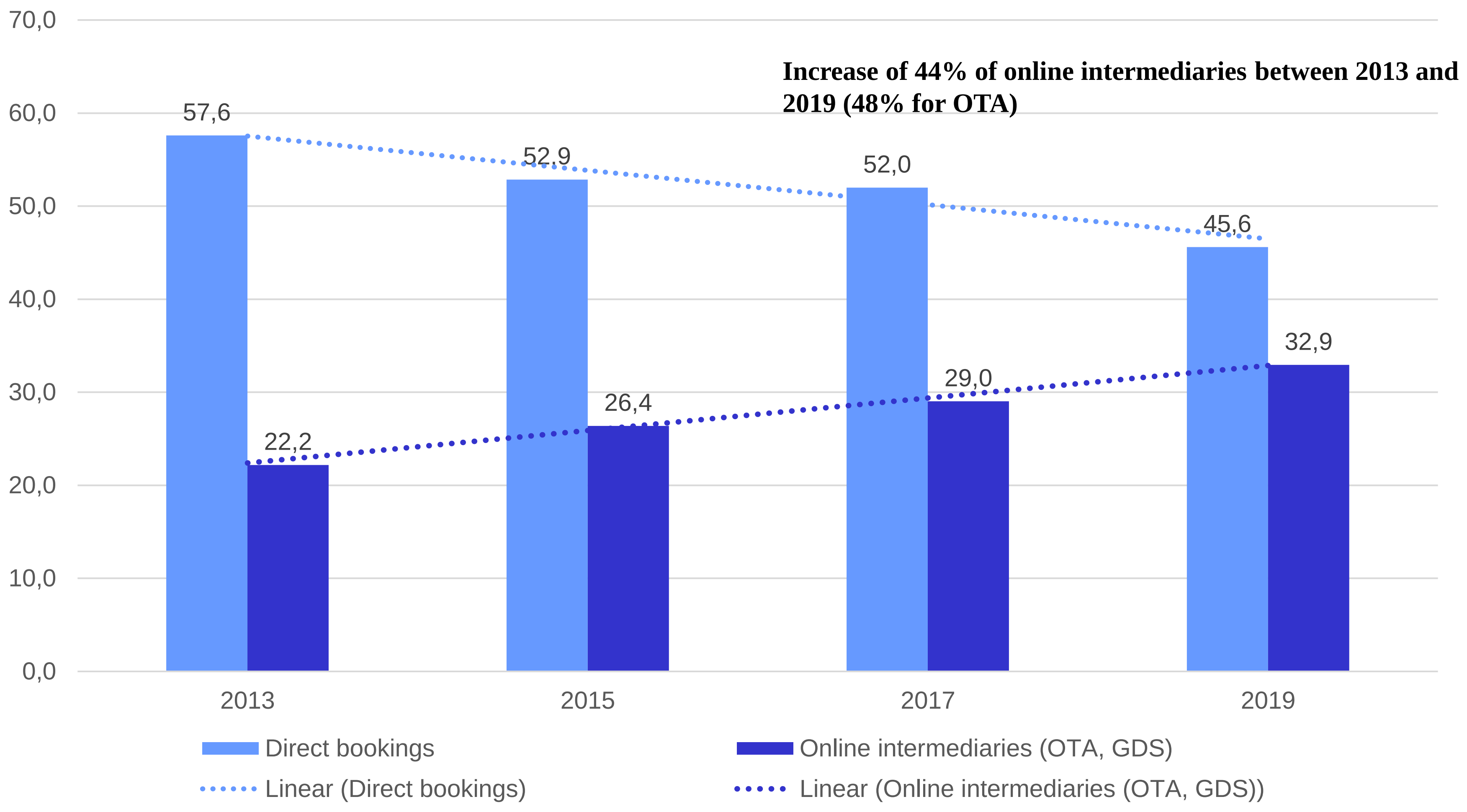
Distribution channels

Evolution of market shares of distribution channels in Europe 2013 - 2019: weighted samples

	Weighted market share 2019		Weighted market share 2017		Weighted market share 2015		Weighted market share 2013		DELTA (2019-2013)	
Direct - Phone	14.2	45.5	16.5	52.0	17.2	52.9	20.5	57.6	-6.3	-12.1
Direct - Mail / fax	1.7		2.1		2.4		3.2		-1.5	
Direct - Walk-In (persons without reservation)	3.7		4.5		4.5		5.8		-2.1	
availabilty check)	4.2		5.3		5.4		5.8		-1.5	
Direct - Email	12.9		14.6		15.6		14.9		-2.0	
with availabilty check	8.8		9.0		7.7		7.4		1.4	
trade associations	0.6	0.8	0.9	1.3	0.9	1.4	1.1	1.6	-0.5	-0.8
National Tourism Organization (NTO)	0.2		0.4		0.5		0.5		-0.3	
Tour operator / Travel agency	11.4	18.1	9.5	16.3	9.1	17.9	10.3	17.2	1.1	0.9
Hotel chains and cooperations with CRS	1.0		1.1		2.4		1.6		-0.5	
Transhotel, etc.)	3.1		3.2		3.5		3.4		-0.3	
Event and Congress organizer	2.5		2.6		2.9		1.8		0.6	
Online Booking Agency (OTA)	29.9	32.9	26.0	29.0	23.1	26.4	19.7	22.2	**10.2**	10.7
Globale Distributionssysteme (GDS)	2.4		2.5		2.9		2.0		0.3	
Social Media Channels	0.7		0.5		0.4		0.4		0.2	
other distribution channels	2.7	2.7	1.4	1.4	1.4	1.4	1.5	1.5	1.2	1.2

Market shares in % of overnights.

Evolution of direct bookings and bookings via online intermediaries in Europe 2013 - 2019



Weighted values. Market shares in % of overnights.

Market shares of distribution channels in Europe 2019: weighted values

	Rest Europe	Croatia*	Czech Republic	Finland*	Germany *	Greece	Hungary*	ireland	Italy	Spain	Sweden	Switzerland	Weighted Values 2019		Un-weighted Values 2019	
weigthing (based on overnights 2019)	*38.0%*	*2.4%*	*2.3%*	*0.6%*	*7.3%*	*7.4%*	*1.4%*	*13.9%*	*1.3%*	*22.3%*	*1.0%*	*2.2%*				
Direct - Phone	13.3	9.7	14.9	18.3	19.6	19.3	7.1	17.7	20.5	9.9	18.5	16.7	**14.2**		18.2	
Direct - Mail / fax	2.7	4.0	0.7	0.0	1.5	1.0	0.4	1.4	1.9	0.5	0.4	1.0	**1.7**		1.5	
Direct - Walk-In (persons without reservation)	4.3	1.8	3.7	3.1	3.5	6.9	1.7	2.1	5.6	2.9	1.9	4.7	**3.7**		4.4	
Direct - Contact form on own website (without availabilty check)	4.9	0.7	12.0	11.7	4.5	3.8	6.5	4.2	8.0	2.2	3.6	5.2	**4.2**	**45.5**	6.1	54.5
Direct - Email	16.6	4.9	16.2	12.8	20.5	8.8	13.0	8.4	18.4	7.7	17.6	19.9	**12.9**		16.5	
Direct - real time booking over own website with availabilty check	6.9	8.4	7.1	5.2	8.8	4.8	11.8	14.5	5.3	9.9	9.7	9.9	**8.8**		7.8	
Destination Marketing Organization (DMO) / trade associations	0.6	0.1	0.3	0.9	0.3	0.5	0.2	0.9	1.0	0.7	0.8	1.2	**0.6**	**0.8**	0.8	1.1
National Tourism Organization (NTO)	0.3	0.0	0.1	0.0	0.3	0.1	0.1	0.2	0.4	0.0	0.0	0.6	**0.2**		0.3	
Tour operator / Travel agency	10.8	25.9	10.0	5.1	2.4	23.6	17.6	9.8	8.6	11.9	4.8	5.0	**11.4**		8.7	
Hotel chains and cooperations with CRS	1.0	0.0	0.1	10.3	0.2	0.1	0.9	1.3	0.4	1.5	4.1	0.6	**1.0**		0.8	
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	1.7	1.6	1.7	1.7	1.8	5.5	1.5	1.6	1.3	6.9	0.8	0.9	**3.1**	**18.1**	1.6	12.8
Event and Congress organizer	3.4	4.5	2.4	1.8	1.2	0.6	2.6	2.0	1.1	2.3	1.4	1.2	**2.5**		1.7	
Online Booking Agency (OTA)	27.8	20.9	28.7	24.6	29.6	20.4	33.5	29.5	24.1	38.1	30.9	28.6	**29.9**		27.3	
Globale Distributionssysteme (GDS)	2.0	0.2	0.9	3.6	2.7	0.9	0.6	3.5	1.1	3.3	4.0	1.0	**2.4**	**32.9**	1.4	29.4
Social Media Channels	1.0	0.7	0.8	0.3	0.3	0.8	0.7	1.1	0.9	0.1	0.5	0.6	**0.7**		0.7	
other distribution channels	2.8	16.4	0.4	0.5	2.6	3.0	2.0	1.8	1.4	2.1	0.9	2.9	**2.7**	**2.7**	2.3	2.3

Market shares in % of overnights.
** countries where weighted values between SME and chain hotels have been used.*

Distribution channels for selected countries (n>100)

- Germany
- Greece
- Italy
- Sweden
- Switzerland

Weighted market shares of distribution channels in Germany: 2013 to 2019

	Market share 2019 (n=1028)		Market share 2017 (n=1038)		Market share 2015 (n=994)		Market share 2013 (n=966)		DELTA (2019-2013)	
Direct - Phone	19.6	58.5	20.8	61.0	22.6	63.5	55.6	63.7	-5.9	-5.2
Direct - Mail / fax	1.5		2.1		4.4					
Direct - Walk-In (persons without reservation)	3.5		3.7		4.2					
Direct - Contact form on own website (without availabilty check)	4.5		5.3		5.3					
Direct - Email	20.5		18.0		18.1					
Direct - real time booking over own website with availabilty check	8.8		10.9		9.0		8.1		0.7	
Destination Marketing Organization (DMO) / trade associations	0.3	0.6	0.4	0.6	0.6	1.1	0.7	1.2	-0.3	-0.7
National Tourism Organization (NTO)	0.3		0.2		0.5		0.6		-0.3	
Tour operator / Travel agency	2.4	5.6	2.7	5.9	2.9	7.3	4.3	10.7	-1.9	-5.1
Hotel chains and cooperations with CRS	0.2		0.4		2.6		0.4		-0.2	
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	1.8		1.0		0.9		1.2		0.6	
Event and Congress organizer	1.2		1.8		0.9		4.8		-3.6	
Online Booking Agency (OTA)	29.6	32.7	27.8	31.5	24.1	27.4	20.9	23.7	8.8	9.0
Globale Distributionssysteme (GDS)	2.7		3.4		3.1		2.6		0.1	
Social Media Channels	0.3		0.3		0.2		0.2		0.2	
other distribution channels	2.6	2.6	1.1	1.1	0.7	0.7	0.7	0.7	1.8	1.8

Weighted samples. Market shares in % of overnights.

Market shares of distribution channels in Greece: 2013 to 2019

	Market share 2019 (n=179)		Market share 2017 (n=121)		Market share 2015 (n=179)		Market share 2013 (n=266)		DELTA (2019-2013)	
Direct - Phone	19.3	44.6	17.6	43.2	18.6	47.8	22.4	54.7	-3.04	-10.06
Direct - Mail / fax	1.0		0.9		1.3		1.6		-0.59	
Direct - Walk-In (persons without reservation)	6.9		5.6		7.9		11.0		-4.12	
Direct - Contact form on own website (without availabilty check)	3.8		4.4		4.9		4.7		-0.92	
Direct - Email	8.8		8.4		9.9		9.0		-0.21	
Direct - real time booking over own website with availabilty check	4.8		6.5		5.3		6.0		-1.18	
Destination Marketing Organization (DMO) / trade associations	0.5	0.6	0.1	0.3	0.5	1.0	0.8	1.3	-0.24	-0.71
National Tourism Organization (NTO)	0.1		0.2		0.5		0.6		-0.47	
Tour operator / Travel agency	23.6	29.7	25.5	29.0	19.3	24.7	19.4	24.3	4.12	5.42
Hotel chains and cooperations with CRS	0.1		0.0		0.4		0.6		-0.50	
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	5.5		3.1		4.4		3.9		1.62	
Event and Congress organizer	0.6		0.4		0.7		0.4		0.18	
Online Booking Agency (OTA)	20.4	22.1	23.6	25.4	22.9	24.5	16.3	18.1	**4.11**	4.05
Globale Distributionssysteme (GDS)	0.9		0.8		0.7		0.5		0.45	
Social Media Channels	0.8		1.1		0.9		1.3		-0.51	
other distribution channels	3.0	3.0	2.0	2.0	2.0	2.0	1.5	1.5	1.50	1.50

Unweighted samples. Market shares in % of overnights.

Market shares of distribution channels in Italy: 2015 to 2019

	Market share 2019 (n=601)		Market share 2017 (n=344)		Market share 2015 (n=260)		DELTA (2019-2015)	
Direct - Phone	20.5	59.7	18.1	64.1	20.4	59.3	0.09	0.36
Direct - Mail / fax	1.9		1.4		2.0		-0.11	
Direct - Walk-In (persons without reservation)	5.6		4.3		5.1		0.50	
Direct - Contact form on own website (without availabilty check)	8.0		10.2		7.3		0.65	
Direct - Email	18.4		24.7		18.6		-0.12	
Direct - real time booking over own website with availabilty check	5.3		5.5		6.0		-0.65	
Destination Marketing Organization (DMO) / trade associations	1.0	1.4	1.9	2.9	0.6	1.4	0.40	-0.02
National Tourism Organization (NTO)	0.4		1.0		0.8		-0.42	
Tour operator / Travel agency	8.6	11.4	8.1	10.1	9.8	15.4	-1.11	-3.99
Hotel chains and cooperations with CRS	0.4		0.2		0.9		-0.53	
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	1.3		1.2		2.9		-1.59	
Event and Congress organizer	1.1		0.6		1.8		-0.76	
Online Booking Agency (OTA)	24.1	26.1	20.3	21.4	20.5	22.6	**3.60**	3.50
Globale Distributionssysteme (GDS)	1.1		0.3		1.6		-0.42	
Social Media Channels	0.9		0.9		0.6		0.32	
other distribution channels	1.4	1.4	1.5	1.5	1.3	1.3	0.12	0.12

Unweighted samples. Market shares in % of overnights.

Market shares of distribution channels in Sweden: 2017 to 2019

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	Market share 2019 (n=108)		Market share 2017 (n=140)		DELTA (2019-2017)	
Direct - Phone	18.5	51.8	21.6	53.7	-3.1	-1.9
Direct - Mail / fax	0.4		0.2		0.2	
Direct - Walk-In (persons without reservation)	1.9		3.2		-1.3	
Direct - Contact form on own website (without availabilty check)	3.6		3.4		0.2	
Direct - Email	17.6		17.6		0.1	
Direct - real time booking over own website with availabilty check	9.7		7.7		2.0	
Destination Marketing Organization (DMO) / trade associations	0.8	0.8	1.3	1.4	-0.5	-0.6
National Tourism Organization (NTO)	0.0		0.1		-0.1	
Tour operator / Travel agency	4.8	11.1	5.3	10.5	-0.4	0.6
Hotel chains and cooperations with CRS	4.1		3.1		1.0	
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	0.8		0.4		0.5	
Event and Congress organizer	1.4		1.8		-0.4	
Online Booking Agency (OTA)	30.9	35.3	29.6	33.7	1.3	1.7
Globale Distributionssysteme (GDS)	4.0		3.4		0.6	
Social Media Channels	0.5		0.7		-0.2	
other distribution channels	0.9	0.9	0.7	0.7	0.2	0.2

Observations for 2013 and 2015 not sufficient and reliable.
Unweighted sample. Market shares in % of overnights.

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Market shares of distribution channels in Switzerland: 2013 to 2019

	Market share 2019 (n=284)		Market share 2017 (n=252)		Market share 2015 (n=329)		Market share 2013 (n=279)		DELTA (2013-2019)	
Direct - Phone	16.7	57.4	18.3	59.2	19.9	60.7	20.6	63.7	-3.84	-6.31
Direct - Mail / fax	1.0		1.7		2.0		2.2		-1.20	
Direct - Walk-In (persons without	4.7		5.1		4.7		5.9		-1.18	
Direct - Contact form on own website (without availabilty check)	5.2		6.9		5.0		6.4		-1.13	
Direct - Email	19.9		18.9		21.6		21.2		-1.36	
Direct - real time booking over own website with availabilty check	9.9		8.2		7.5		7.5		2.40	
Destination Marketing Organization (DMO) / trade associations	1.2	1.8	1.4	2.5	1.4	2.1	1.4	2.5	-0.14	-0.65
National Tourism Organization (NTO)	0.6		1.1		0.7		1.1		-0.51	
Tour operator / Travel agency	5.0	7.7	3.8	6.4	4.6	10.3	4.6	10.0	0.46	-2.31
Hotel chains and cooperations with CRS	0.6		0.6		1.1		1.3		-0.68	
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	0.9		0.7		2.3		2.7		-1.74	
Event and Congress organizer	1.2		1.3		2.3		1.5		-0.35	
Online Booking Agency (OTA)	28.6	30.2	27.7	29.0	20.6	24.3	19.4	22.5	**9.24**	7.67
Globale Distributionssysteme (GDS)	1.0		1.1		3.4		2.8		-1.84	
Social Media Channels	0.6		0.2		0.4		0.3		0.27	
other distribution channels	2.9	2.9	2.9	2.9	2.5	2.5	1.3	1.3	1.61	1.61

Unweighted samples. Market shares in % of overnights.

Analysis of direct booking market shares

Source: http://www.brackenrothwell.com/services/intermediary-business

Direct booking shares for selected countries 2013-2019

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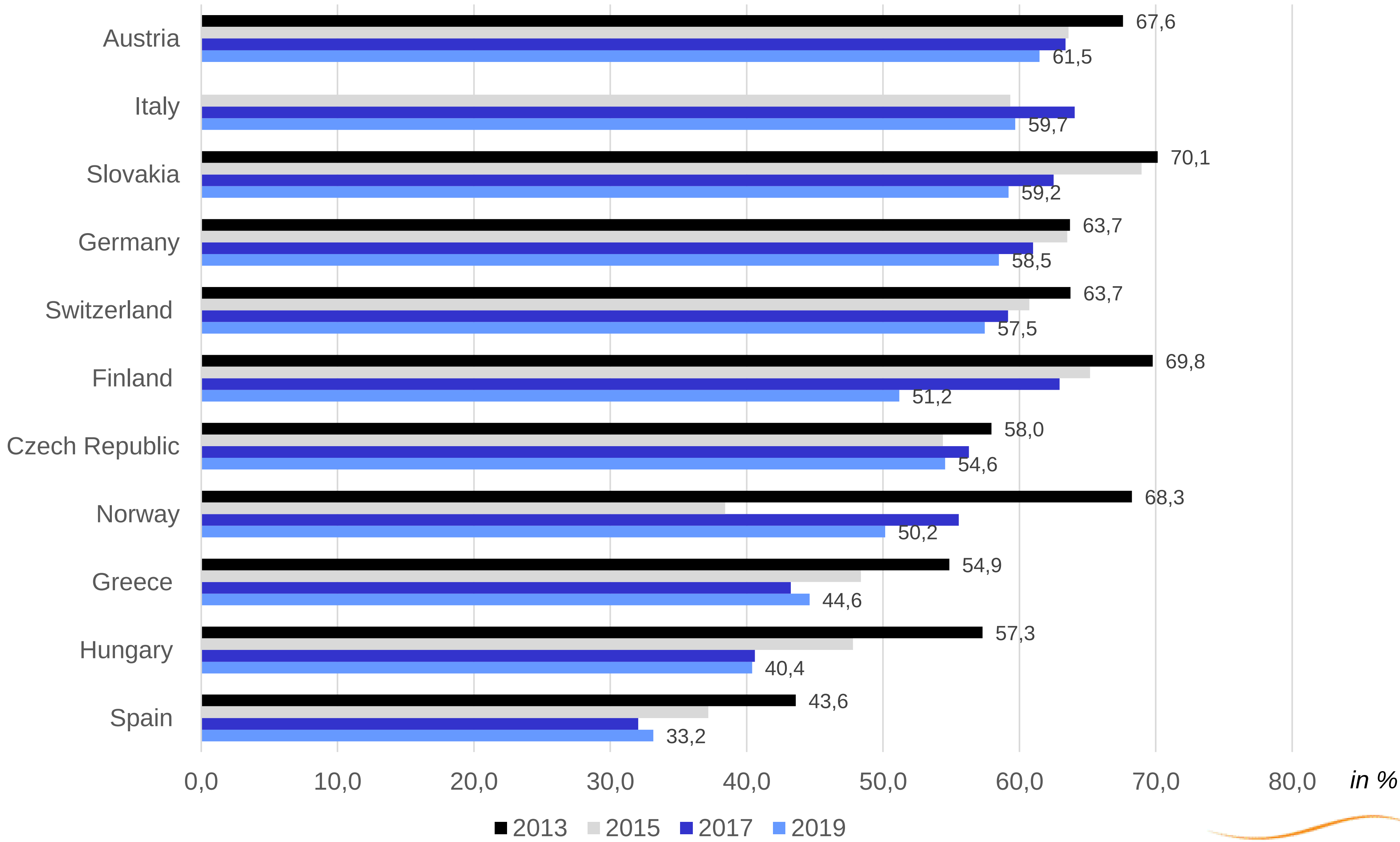

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Direct booking shares by segment 2019 (overall sample Europe)

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Seasonality	open all year round	two seasons business	one season business (winter)	one season business (summer)	***Total***		
	55%	61%	53%	49%	**55%**		
Star category	1*	2*	3*	4*	5*	other category	***Total***
	70%	52%	56%	51%	43%	49%	**53.8%**
Size of hotel (rooms)	Less than 20	From 20 to 50	From 50 to 100	100 and over	***Total***		
	58%	58%	50%	45%	**55.0%**		
Main customer segments of hotels	Business	Vacation / leisure	MICE	Other segment	***Total***		
	59%	52%	53%	66%	**54.5%**		
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***		
	41%	51%	53%	60%	**54.4%**		
Type of hotel	Independant hotel	Hotel chain	Hotel cooperation	***Total***			
	56%	45%	55%	**55%**			

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

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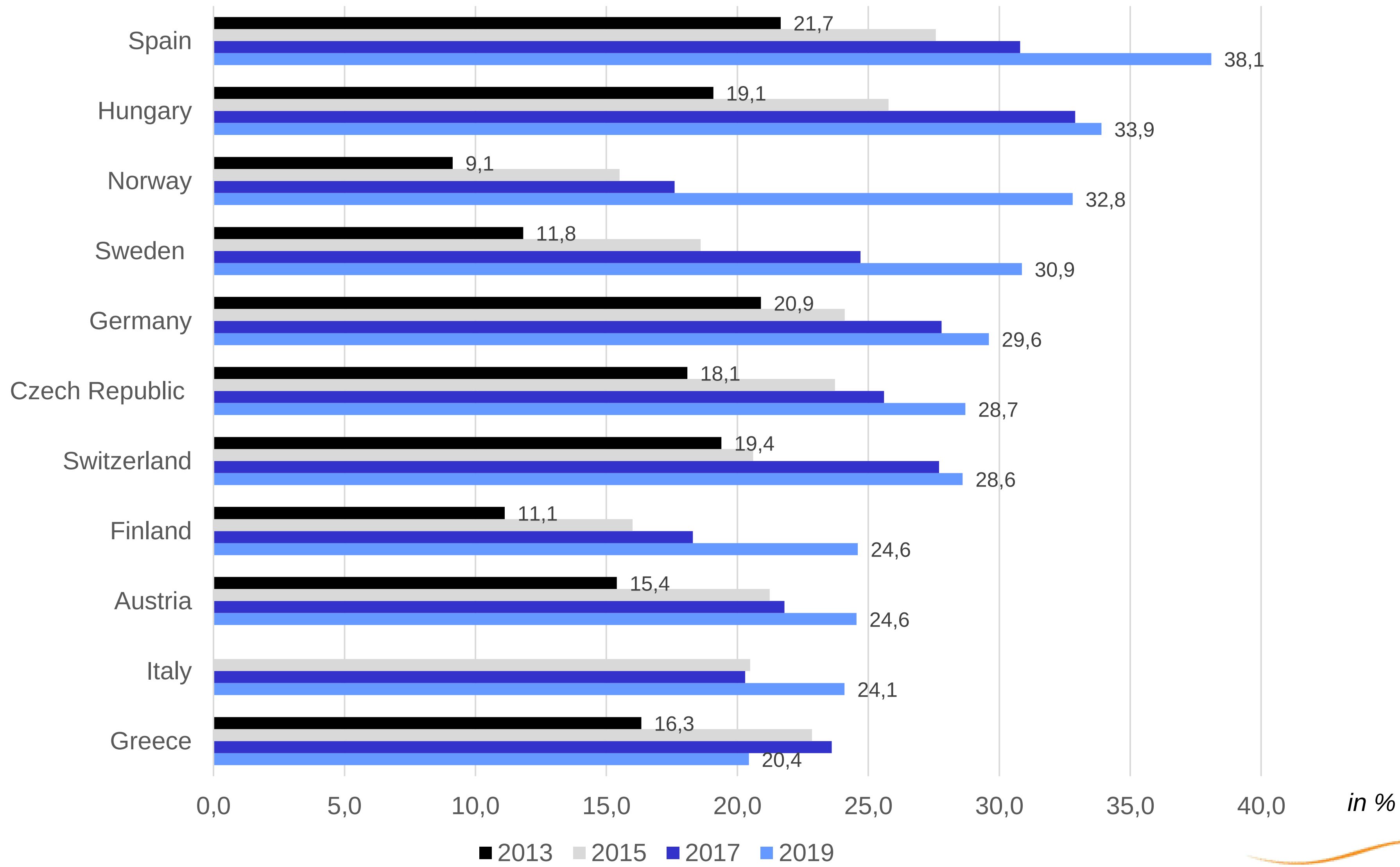
Analysis of OTA market shares

Source: http://www.brackenrothwell.com/services/intermediary-business

OTA market shares 2013 to 2019 for selected countries



OTA market shares by segment 2019 (overall sample Europe)

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Hochschule für Wirtschaft

Seasonality	open all year round	two seasons business	one season business (winter)	one season business (summer)	***Total***		
	29.8%	23.0%	6.3%	24.8%	***28.2%***		
Star category	1*	2*	3*	4*	5*	other category	***Total***
	14.7%	27.1%	27.6%	26.0%	24.1%	34.8%	***26.8%***
Size of hotel (rooms)	Less than 20	From 20 to 50	From 50 to 100	100 and over	***Total***		
	31.3%	27.0%	27.0%	23.1%	***27.7%***		
Main customer segments of hotels	Business	Vacation / leisure	MICE	Other segment	***Total***		
	28.5%	29.0%	23.5%	18.3%	***28.1%***		
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***		
	39.2%	30.6%	27.5%	24.6%	***28.3%***		
Type of hotel	Independant hotel	Hotel chain	Hotel cooperation	***Total***			
	28.7%	27.1%	24.2%	***28.1%***			

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

Hospitality Europe

Analysis of OTA market players and their relative market shares

Source: http://www.brackenrothwell.com/services/intermediary-business

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

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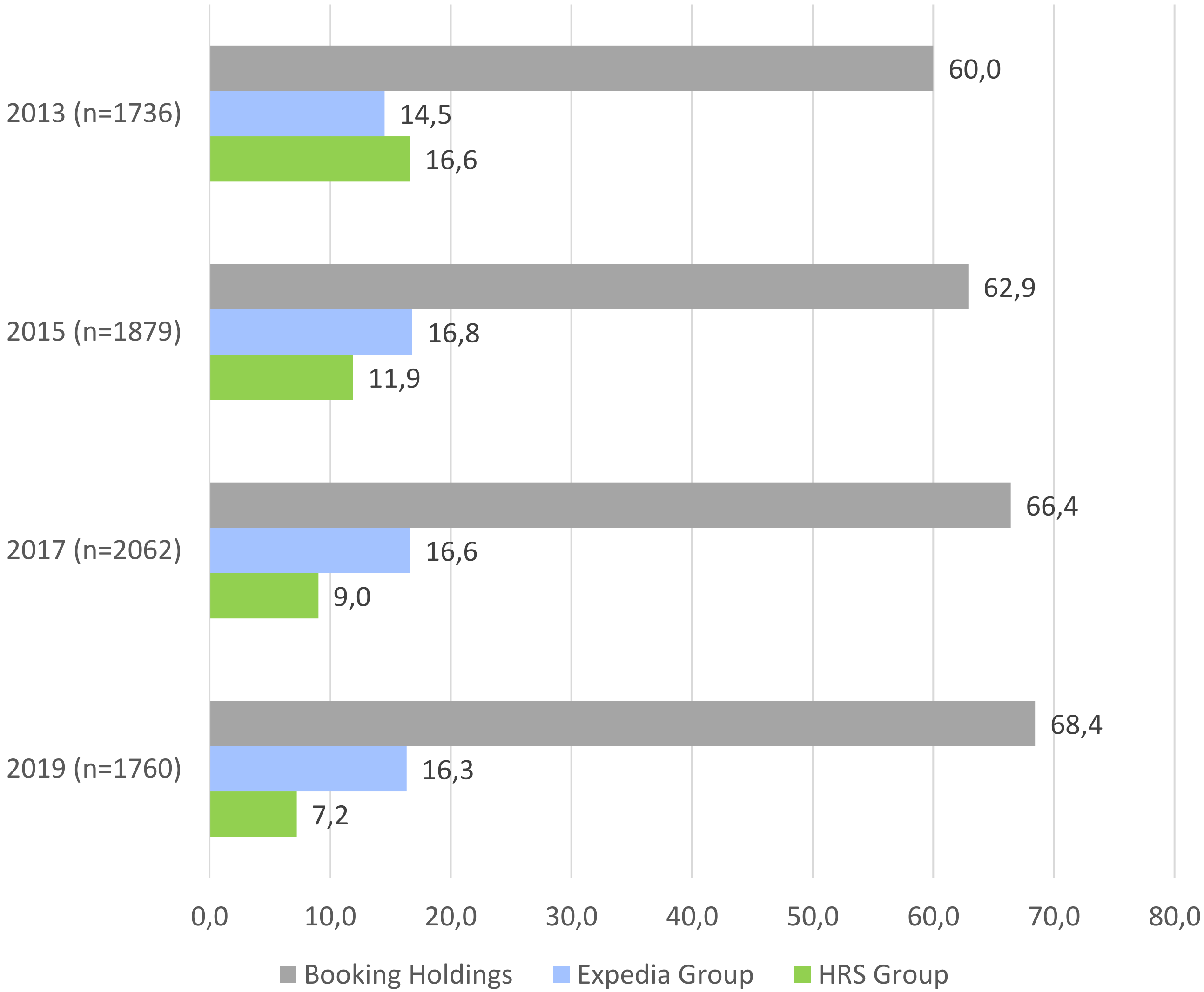

	Europe 2019 (n=1760)
Agoda	0.8
Booking.com	67.7
Booking Holdings	**68.4**
HRS	6.3
hotel.ch	0.1
Hotel.de	0.8
Tiscover	0.1
HRS (total)	**7.2**
Expedia	12.8
Hotels.com	2.1
eBookers	1.2
Orbitz Travel	0.2
Expedia Group	**16.3**
TOTAL	**92.0**

Relative OTA market shares (in %) of Booking.com for selected countries 2019

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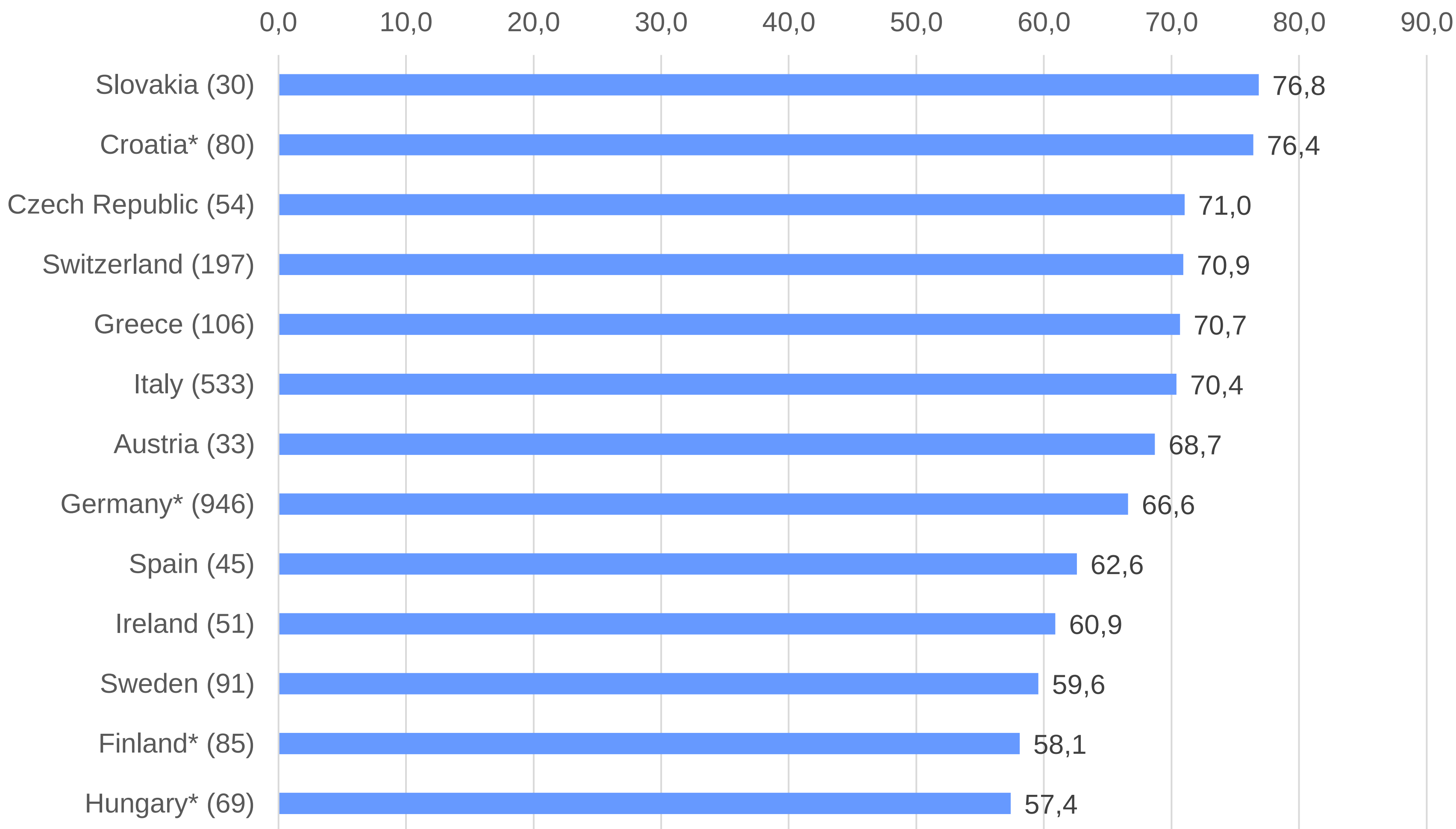

Unweighted and weighted* samples. Number of observations in brackets for 2019.

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Relative OTA market shares of Booking.com by hotel segment 2019

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Seasonality	open all year round	two seasons business	one season business (winter)	one season business (summer)	***Total***		
	65.2%	75.3%	73.5%	73.9%	***67.6%***		

Star category	1*	2*	3*	4*	5*	other category	***Total***
	59.0%	72.7%	70.2%	61.4%	56.2%	59.3%	***66.6%***

Size of hotel (rooms)	Less than 20	From 20 to 50	From 50 to 100	100 and over	***Total***		
	74.1%	68.7%	62.5%	58.6%	***67.5%***		

Main customer segments of hotels	Business	Vacation / leisure	MICE	Other segment	***Total***		
	61.7%	71.5%	56.6%	60.1%	***67.5%***		

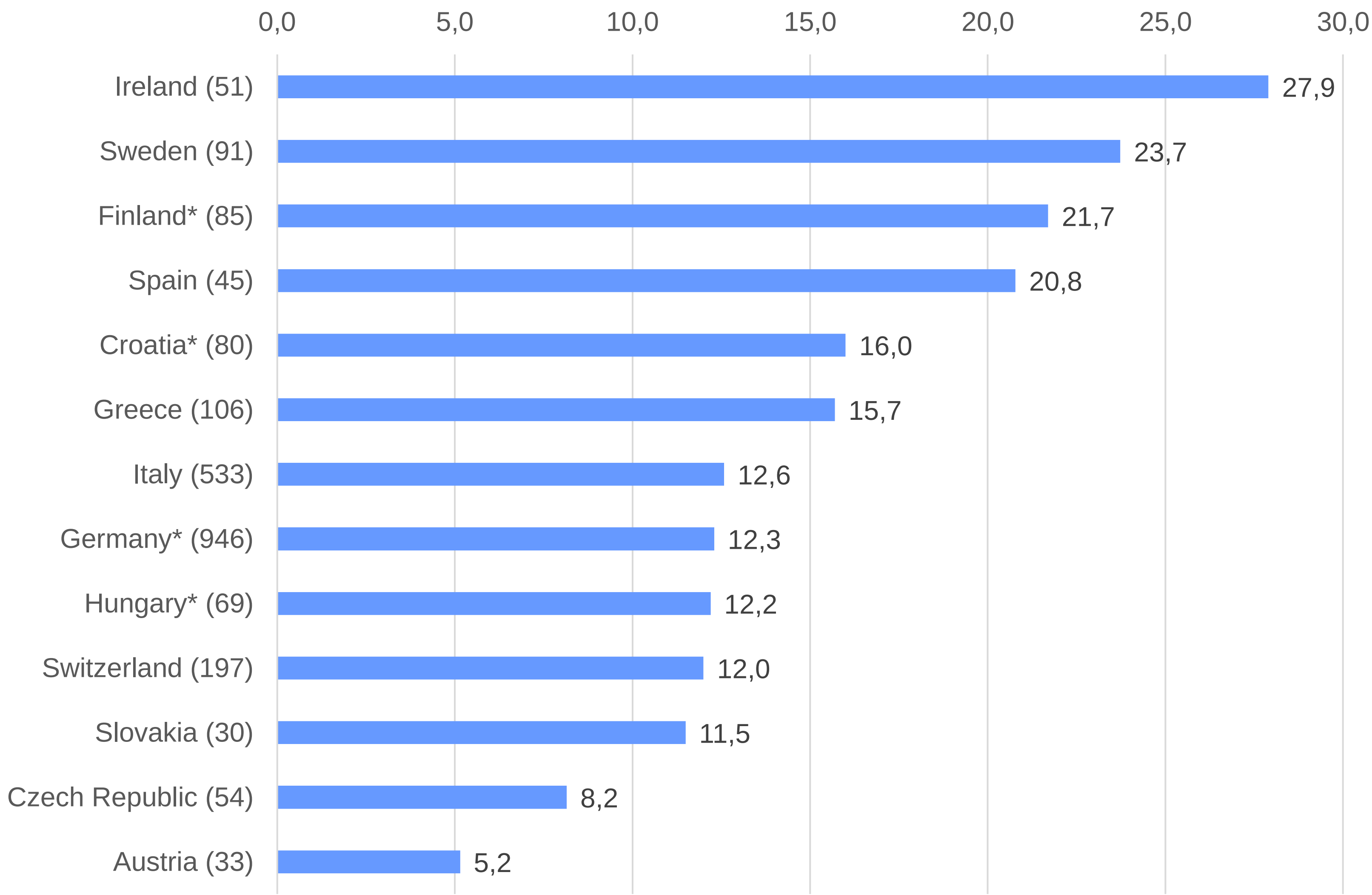
Location of hotel	City with more than 250'000 inhabitants	City between 50'000 and 250'000 inhabitants	City between 10'000 and 50'000 inhabitants	small city (less than 10'000 inhabitants)	***Total***		
	58.4%	64.6%	66.3%	72.2%	***67.6%***		

Type of hotel	Independant hotel	Hotel chain	Hotel cooperation	***Total***			
	69.2%	56.4%	64.0%	***67.4%***			

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

Hotrec Hospitality Europe

Relative OTA market shares (in %) of Expedia by country 2019



Unweighted and w eighted* samples. Number of observations in brackets for 2019.

Relative OTA market shares of Expedia by hotel segment 2019

Seasonality	open all year round	two seasons business	one season business (winter)	one season business (summer)	***Total***		
	12.9%	9.8%	0.3%	13.2%	***12.6%***		

Star category	1*	2*	3*	4*	5*	other category	***Total***
	10.9%	11.0%	11.2%	16.6%	24.6%	8.7%	***13.3%***

Size of hotel (rooms)	Less than 20	From 20 to 50	From 50 to 100	100 and over	***Total***		
	9.0%	12.0%	16.2%	17.8%	***12.8%***		

Main customer segments of hotels	Business	Vacation / leisure	MICE	Other segment	***Total***		
	13.7%	11.8%	22.2%	10.8%	***12.6%***		

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***		
	20.6%	15.9%	12.4%	9.1%	***12.7%***		

Type of hotel	Independant hotel	Hotel chain	Hotel cooperation	***Total***			
	11.5%	19.9%	14.6%	***12.7%***			

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

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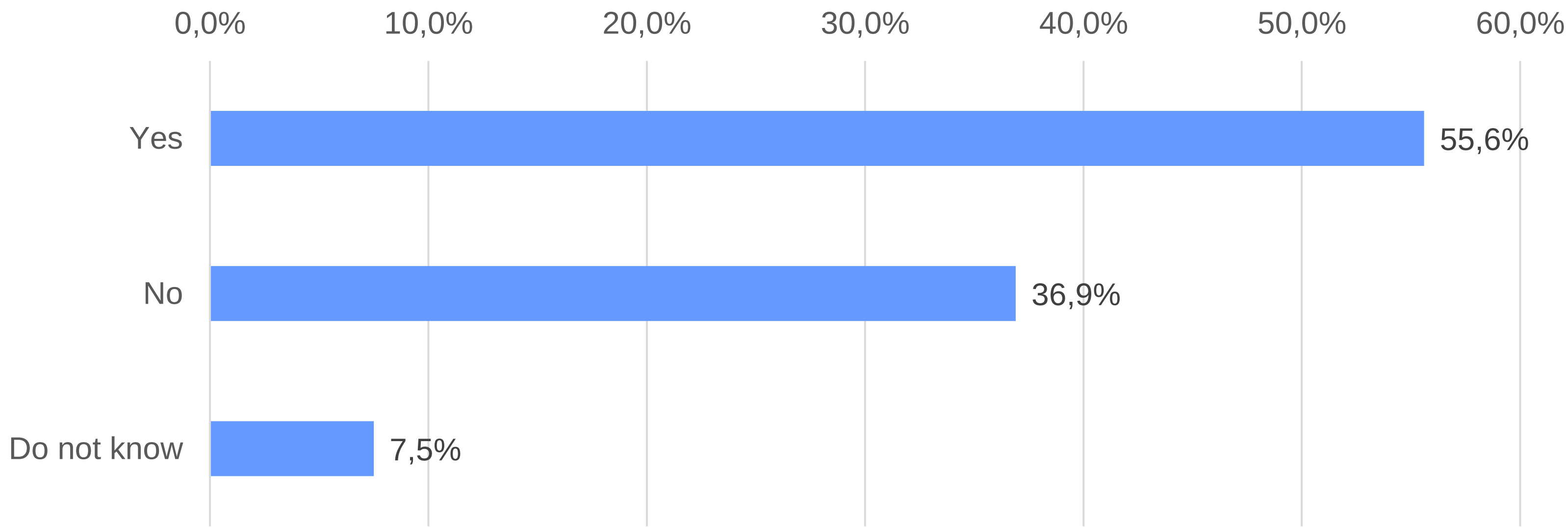
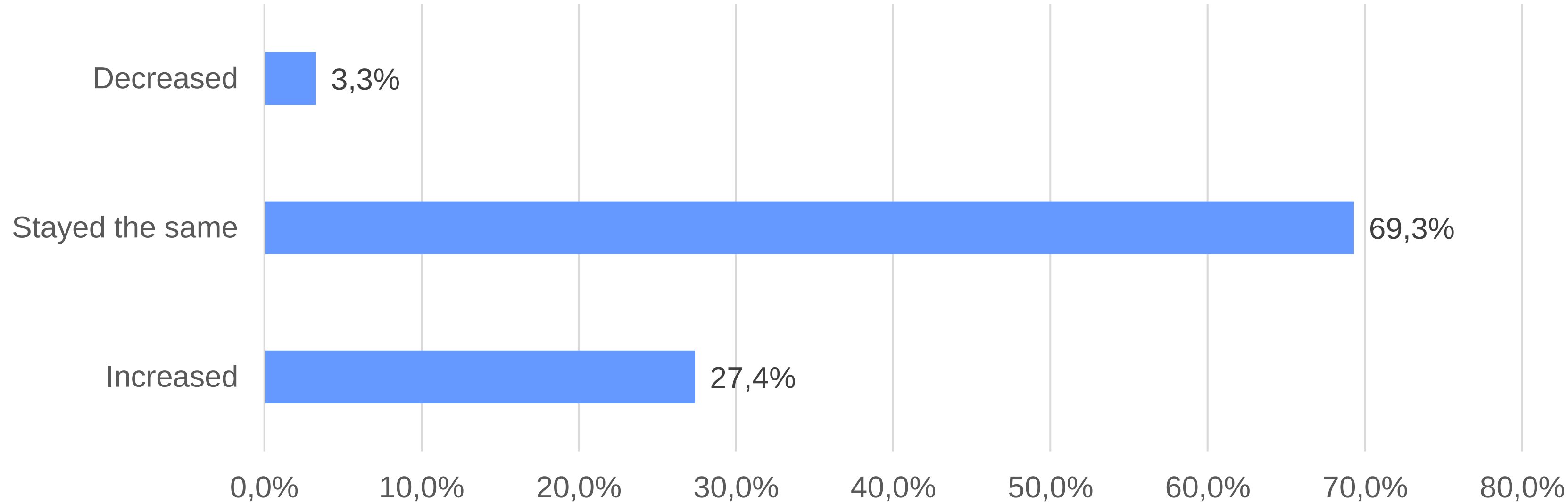
Do you feel pressured by OTA to accept their terms & conditions that you otherwise would not offer?



- On average, more than half of the hotels in the sample (56%) feel pressured by OTAs.
- Hotels that are highly dependent on OTA perceive a significantly higher pressure: 61% "yes" for hotels with an OTA share of 30-50% and 66% for hotels with an OTA share of more than 50% compared to 55% for the sample as a whole.
- Fewer establishments belonging to hotel chains (47%) express a feeling of pressure than other types of hotels.
- Business hotels (62%) and hotels in big cities with more than 250'00 inhabitants (62%) are under higher pressure from the OTAs than the average hotel.

Based on unweighted (raw) sample data (n=1755).

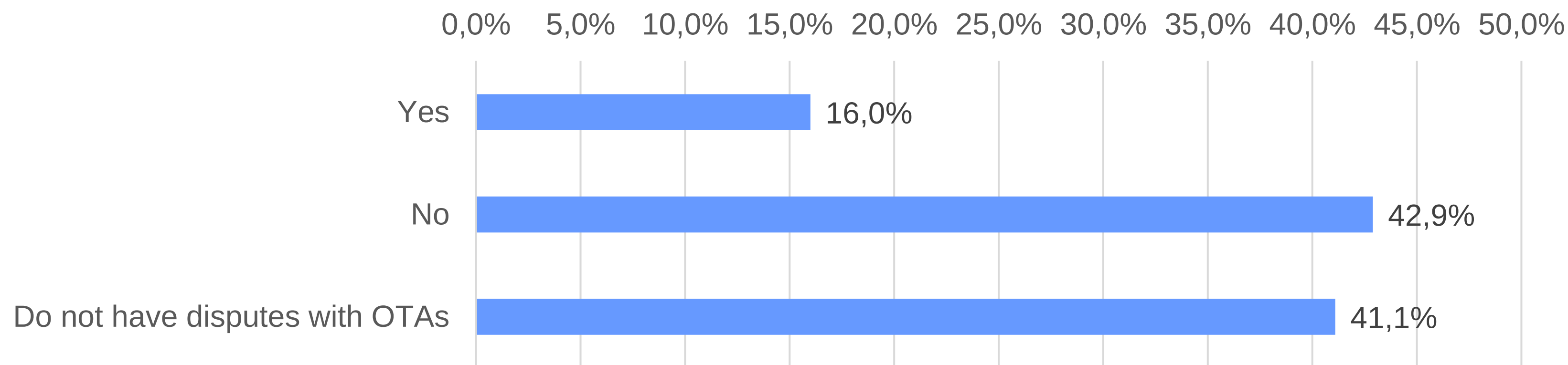
How have the (standard) commission rates of your OTAs developed over the last 3 years?



- On average, the standard commission rate stayed the same for nearly 70% of respondents, but for a significant part of the hotels (27%) the commission rate increased.
- Interestingly chain hotels see a much higher proportion of properties with a decrease in standard commission rates over the last 3 years, 11% compared with only 3% for the overall sample.
- Significant more business hotels (34%) than leisure hotels (23%) have seen an increase of commission rates.
- There are no significant differences in the evolution of standard commission rates for hotels with a high or low proportion of room nights generated by OTAs.

Based on unweighted (raw) sample data (n=1202).

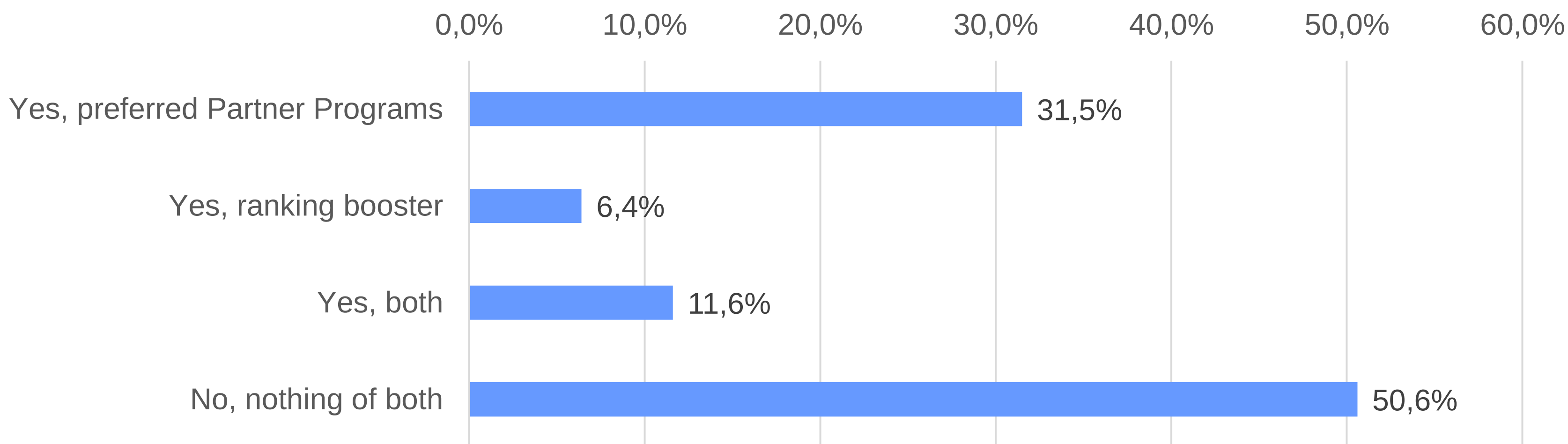
In case of a dispute with an OTA, is there a fair and effective solution to the disagreements?



- 59% of hotels had disagreements with OTAs and only one out of four of these hotels with conflicts found a fair and effective solution.
- The proportion for conflict resolution is significantly higher for 4* hotels (19%) and 5* hotels (34%), for hotels with more than 50 room (18%) and chain hotels (26%) than for the overall sample (15%), but still on a low level.
- Interestingly for hotels located in cities with more than 250’000 inhabitants, the part of hotels with no disagreements is much lower (27%) than for the average sample (42%) whereas in cities with less than 10’000 inhabitants this proportion is significantly higher (48%).
- As expected, hotels with low dependency on OTA (less than 20% of reservations via OTA) have a higher proportion (52%) of properties having no dispute with OTAS than hotels with high dependency (only 33% of hotels with no conflict).

Based on unweighted (raw) sample data (n=1753).

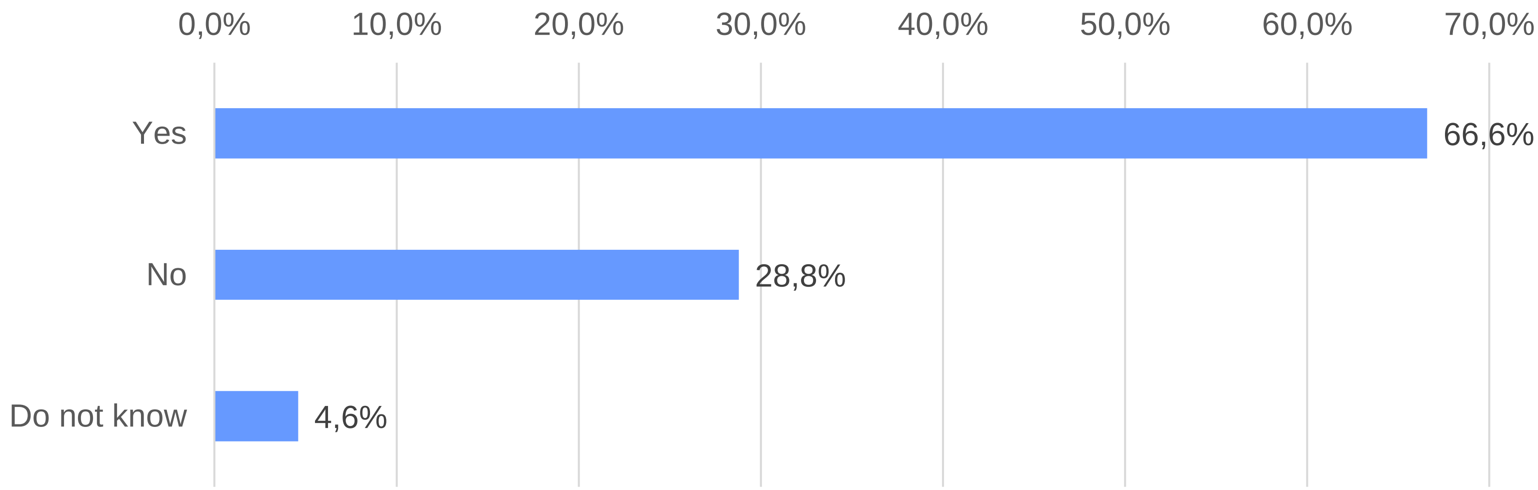
Have you ever made use of the various possibilities offered by OTA to improve effectively your ranking?



- On average, nearly every second hotel uses rank booster tools.
- As expected, hotels that are highly dependent on OTA use such options more often than other hotels: 60% of hotels with an OTA share of more than 30% whereas for hotels having less than 10% of room nights generated via OTAs the use of these tools is much lower (29%).
- Classified hotels, particularly 4* hotels (60%) and 5* hotels (70%), make fairly extensive use of "ranking booster" or "preferred partner" type partnership programs.
- We observe higher than average usage of these features as well for hotels with more than 50 rooms (57%), chain hotels (67%) and hotels in big cities (67%).

Based on unweighted (raw) sample data (n=1980).

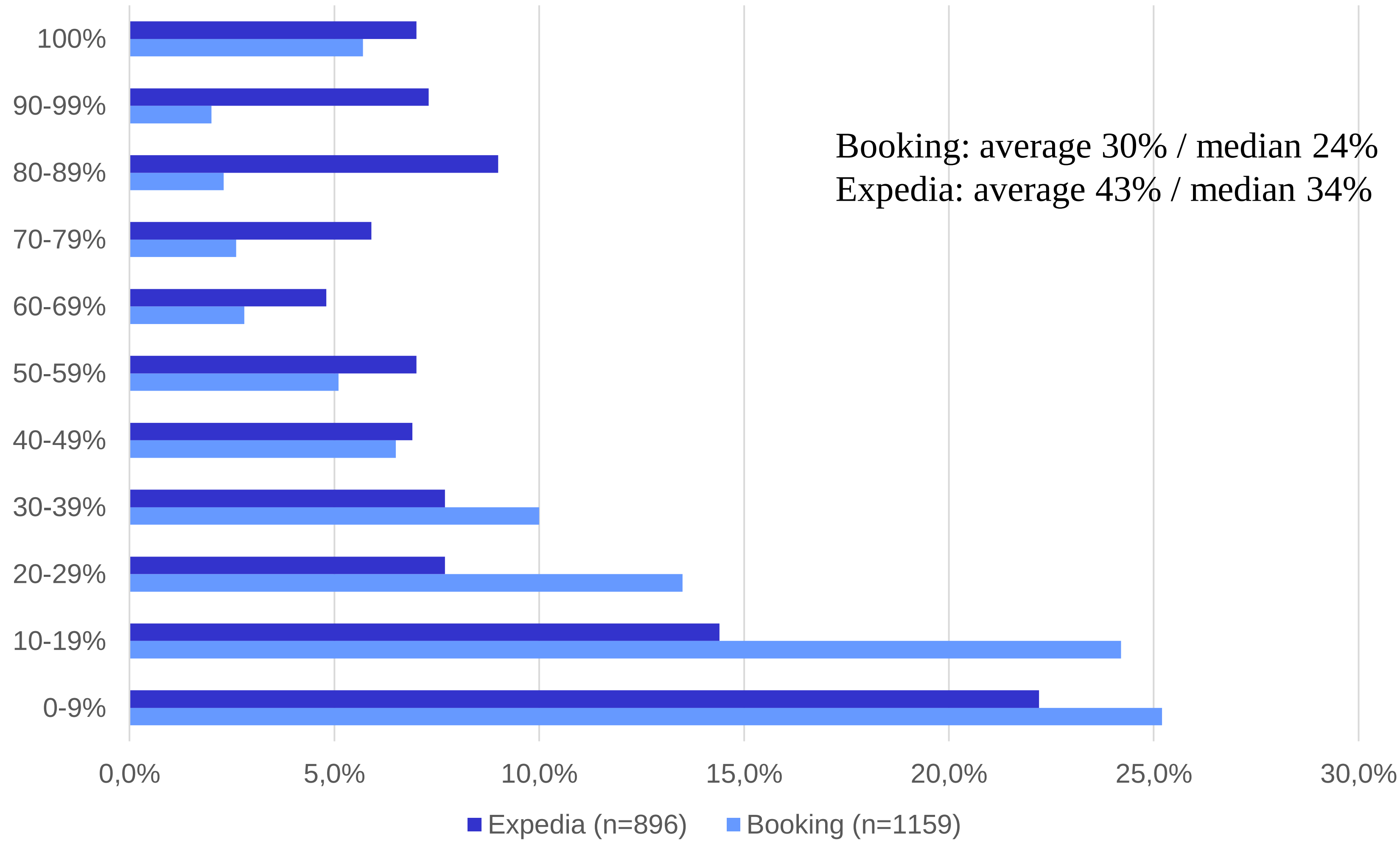
Do you use the online payment of Booking or Expedia (Expedia Collect bookings)?



- On average, two third of hotels use the online payment options of Booking or Expedia.
- Classified hotels, particularly 4* hotels (73%) and 5* hotels (81%), make fairly extensive use of this option.
- We observe higher than average usage of these features as well for hotels with more than 50 rooms (73%), chain hotels (76%), in business hotels (73%) and hotels in big cities (80%).
- As expected, hotels that are highly dependent on OTA use such payment options more often than other hotels: 74% of hotels with an OTA share of more than 30% whereas for hotels having less than 10% of room nights generated via OTAs the use of these payment options is much lower (50%).

Based on unweighted (raw) sample data (n=1981).

If yes, how many percent of the bookings are paid directly (by the guest) to the OTA?



Based on unweighted (raw) sample data.

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Distribution channel management

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

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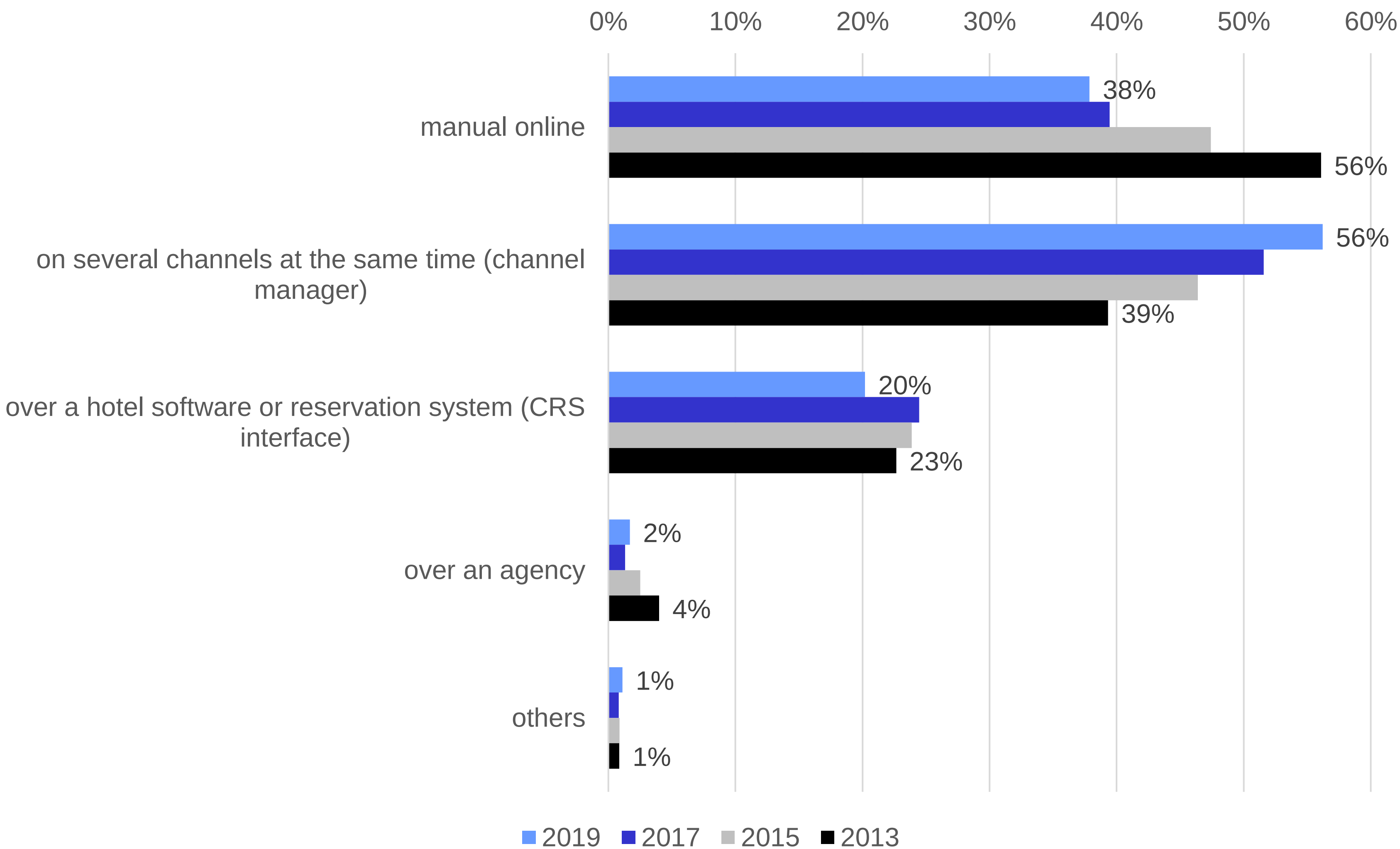

Based on unweighted (raw) sample data (2013-2019).

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 38% and the **use of channel managers has increased from 39% to 56%**.
- As expected, **chain hotels** use channel managers (66% of properties) and PMS-CRS systems (36%) significantly more often than independent hotels (42% resp. 16%) which still manage channels in a manual manner most of the time (40%).
- **In 4* and 5* hotels, the use of channel managers (64% and 76%, respectively) and CRS hotel software (26% and 24%, respectively) is clearly higher** than in other types of hotels. In 1* and 2* hotels more than half of properties still manage channels manually (64% in 1* and 52% in 2* hotels).
- **Size matters**: 68% of hotels with more than 50 rooms use channel managers whereas in hotels with less than 20 rooms, only 44% use a channel manager and 48% still manage channels in a manual way.
- **Hotels in big cities (70%) and business hotels (74%) have a much higher channel manager penetration rate** than the overall sample (54%).
- **Hotels with a higher proportion of OTA bookings (over 30%) use channel managers more often (55%)** than hotels with less than 10% of OTA bookings that use channel managers in 24% of establishments.

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Use of meta-search engines

KAYAK

Google Ads

tripadvisor

trivago

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

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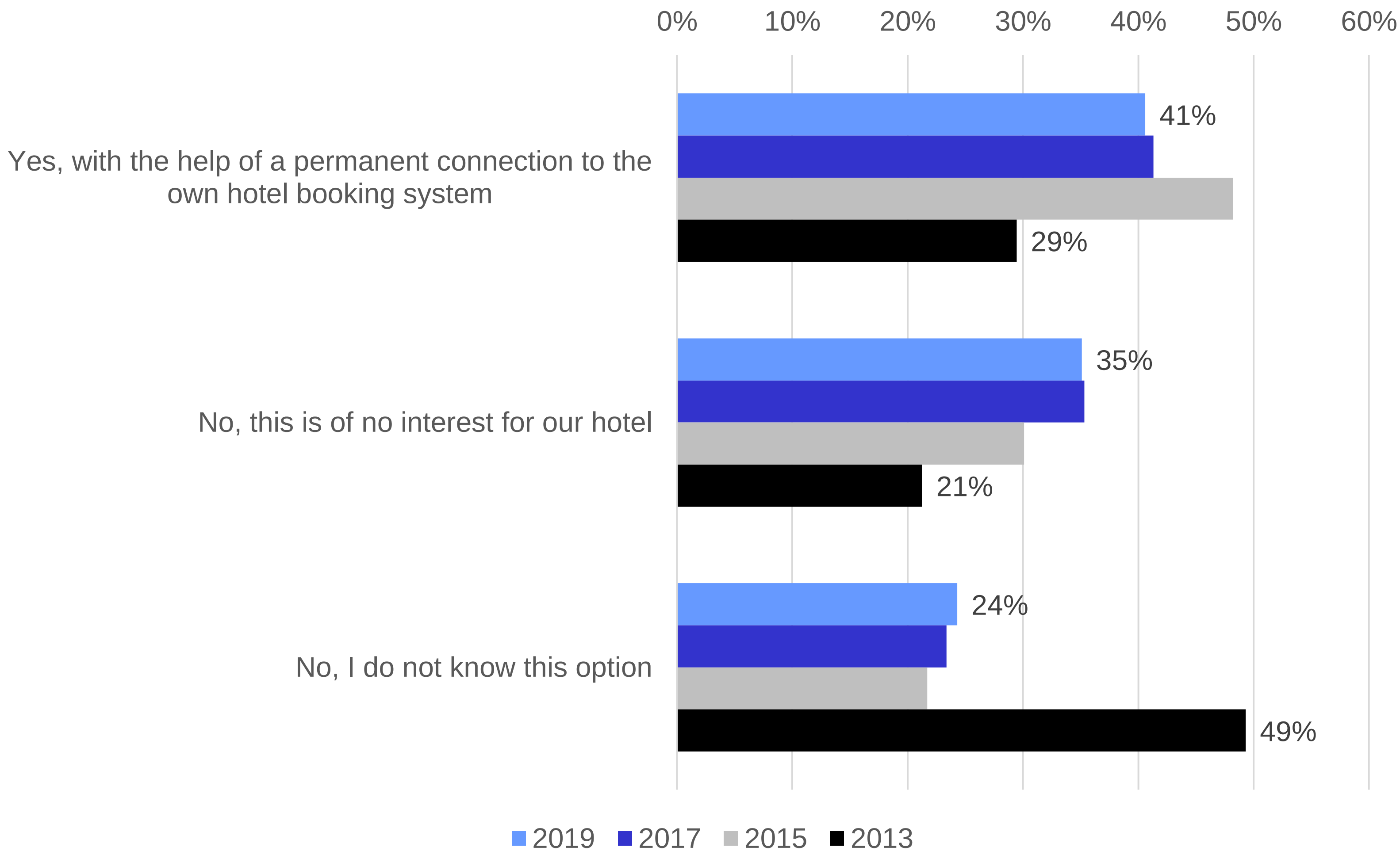

Based on unweighted (raw) sample data (2013-2019).

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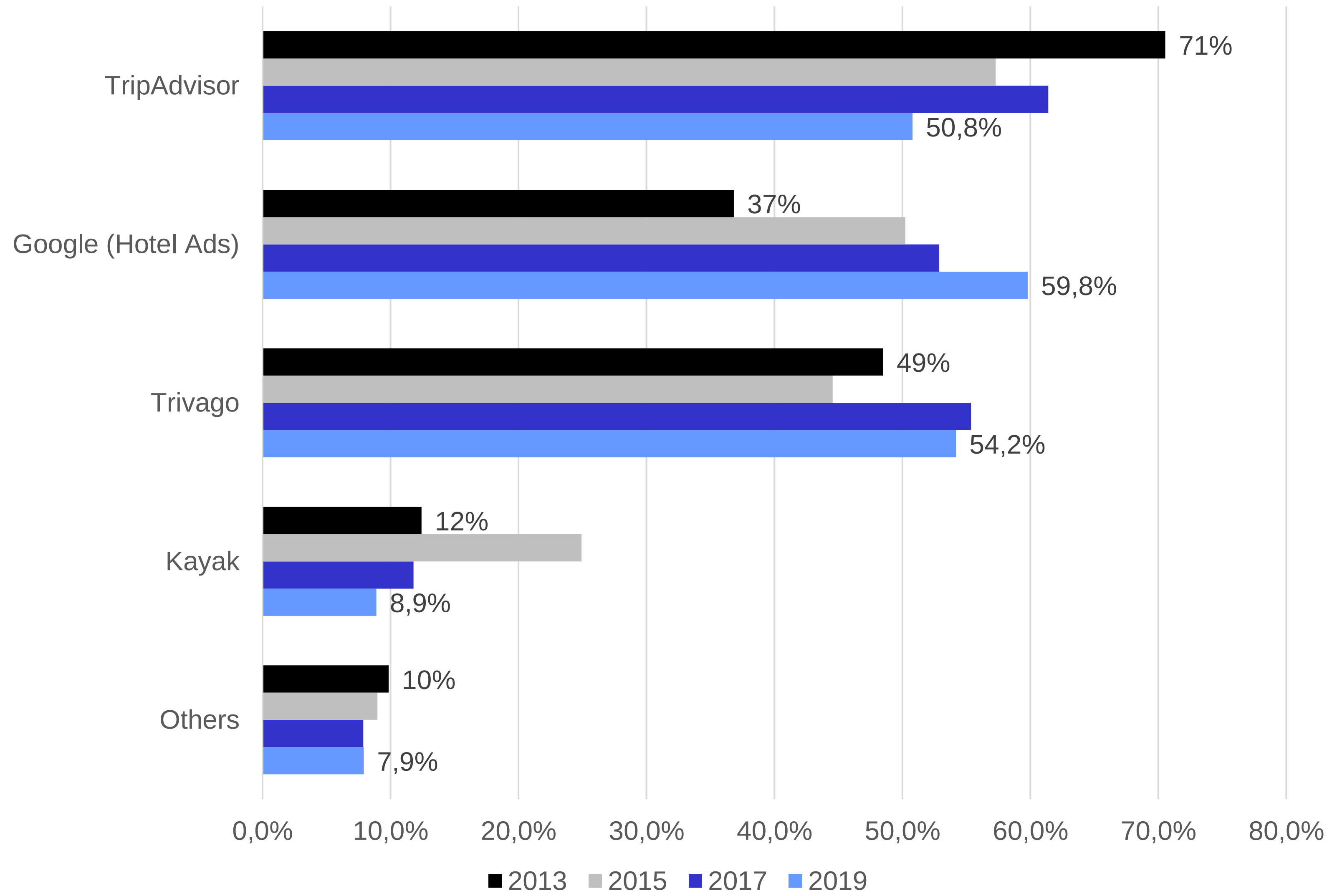
Used meta-search engines (2013-2019)



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 41% of hotels**.
- **Highest proportions of permanent connection to meta-search engines** can be observed in the following hotel segments:
  - **chain hotels** (56% compared to independent hotels with 39%)
  - hotels with **more than 100 rooms** (57%)
  - **4 and 5 star hotels** (50% resp. 59%)
  - Hotel in **cities with more than 250'000 inhabitants** (54%)
  - **Hotels with more than 20% of bookings through OTAs** (48%), compared to 31% for hotels with less than 20% OTA bookings
- Back in 2013 TripAdvisor was the dominant meta-search platform in the market with a usage share of 71%. In 2019, **Hotel Ads by Google seems to be the market leader (60%)** followed by Trivago (54%) and TripAdvisor (51%).

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Contact

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Annex 1: The Questionnaire (1)

Hotrec Hospitality Europe

The umbrella association of Hotels, Restaurants and Cafés in Europe

Many thanks for your interest in our survey. The results shall draw a precise picture of the current situation of distribution (online as well as offline) within the European hotel industry, especially in relation to the role of online travel agencies (OTA).

Your responses will be treated confidentially and no individual hotel will be identifiable in any reports or results generated as a result of this survey due to data aggregation.

Remarks:
- With the arrows you are able to navigate between the pages.
- Please do not forget to save your answers at the end by clicking on the "**SAVE**"-button.

Hotel chains and cooperations, that wish to deliver aggregated data for several properties, are kindly asked to contact Dr. Roland Schegg (roland.schegg@hevs.ch).

For technical assistance please contact Dr. Roland Schegg
Email: roland.schegg@hevs.ch
Institute of Tourism (ITO)
School of Management & Tourism
University of Applied Sciences of Western Switzerland Valais (HES-SO Valais)
Sierre, Switzerland

Annex 1: The Questionnaire (2)

Country

○ Austria	○ Finland	○ Latvia	○ Slovakia
○ Azerbaijan	○ France	○ Lithuania	○ Slovenia
○ Belgium	○ Georgia	○ Luxembourg	○ Spain
○ Bulgaria	○ Germany	○ Malta	○ Sweden
○ Croatia	○ Greece	○ Netherlands	○ Switzerland
○ Cyprus	○ Hungary	○ Norway	○ Turkey
○ Czech Republic	○ Iceland	○ Poland	○ United Kingdom
○ Denmark	○ Ireland	○ Portugal	
○ Estonia	○ Italy	○ Serbia	

Annex 1: The Questionnaire (3)

A. Distribution channels of hotel

What was the percentage of overnight stays in 2019 booked over the following channels? Please put in data as whole numbers, e.g. for 21.3% it would be 21. Moreover, please make sure that the sum of all direct and indirect channels amounts to 100%.

Direct - Phone		%
Direct - Mail / fax		%
Direct - Walk-In (persons without reservation)		%
Direct - Contact form on own website (without availabilty check)		%
Direct - Email		%
Direct - real time booking over own website with availabilty check		%
Destination Marketing Organization (DMO) / trade associations		%
National Tourism Organization (NTO)		%
Tour operator / Travel agency		%
Online Booking Agency (OTA)		%
Hotel chains and cooperations with CRS		%
Globale Distributionssysteme (GDS - Amadeus, Travelport incl. Galileo and Worldspan, Sabre)		%
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)		%
Event and Congress organizer		%
Social Media Channels		%
other distribution channels		%

Annex 1: The Questionnaire (4)

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Please check the sum of the channels with a click on "calculate sum".

Calculate SUM

If "other distribution channels", which ones:

Optional comments regarding the development of distribution channels in general:

Hospitality Europe

Annex 1: The Questionnaire (5)

B. Online Travel Agencies (OTA)

If your hotel is bookable over Online Travel Agencies (OTA), please indicate the relative distribution (in %) of these overnight stays for the year 2019. Please put in data as whole numbers, e.g. for 21.3% it would be 21. The sum should amount to **100%.**

Agoda	%
Airbnb	%
Bergfex	%
Booking.com	%
BookNorway	%
Trip.com (ex-CTrip)	%
eBookers (Expedia)	%
Destinia	%
eDreams	%
Expedia.com	%
Hotel.ch	%
Hotel.de	%
Hoteliers.com	%
Hotels.nl	%
Hotels.com	%
HRS	%

Annex 1: The Questionnaire (6)

Hotelzon	%
Lastminute.com	%
Logitravel	%
Orbitz Travel (Expedia)	%
Tiscover	%
Travelocity (Expedia)	%
Voyage-Privé	%
Voyage-SNCF.fr (excl. Rail)	%
Invia (ab-in-den-urlaub.de, hotelreservierung.de etc.)	%
other platforms	%

Please check the sum of the channels with a click on "calculate sum".

Calculate SUM

If "other platforms", which ones:

Optional comments regarding online booking channels (OTA):

Annex 1: The Questionnaire (7)

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Hochschule für Wirtschaft

Do you feel pressured by Online Booking platforms (OTA) to accept their terms & conditions (e.g. cancellation policy, special discounts, etc.) that you otherwise (voluntarily) would not offer?

- ◯ Yes
- ◯ No
- ◯ Do not know

How have the (standard) commission rates of your most important online booking platforms developed over the last 3 years?

- ◯ Increased
- ◯ Stayed the same
- ◯ Decreased

Have you ever made use of the various possibilities offered by OTA to improve effectively your ranking (e.g. ranking booster, preferred partner programs)?

- ◯ Yes, preferred Partner Programs
- ◯ Yes, ranking booster
- ◯ Yes, both
- ◯ No, nothing of both

In case of a dispute with an Online Booking platform, do you consider that there is a fair and effective solution to the disagreements?

- ◯ Yes
- ◯ No
- ◯ Do not have disputes with OTAs

Do you use the online payment of Booking or Expedia (Expedia Collect bookings)?

- ◯ Yes
- ◯ No
- ◯ Do not know

If yes, how many percent of the bookings are paid directly (by the guest) to the OTA?

	0-9%	10-19%	20-29%	30-39%	40-49%	50-59%	60-69%	70-79%	80-89%	90-99%	100%
Booking	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯
Expedia	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯

Hotrec Hospitality Europe

Annex 1: The Questionnaire (8)

C. Use of Booking Technology and New Media

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

- ☐ on several channels at the same time (channel manager)
- ☐ manual online
- ☐ over an agency
- ☐ others
- ☐ over a hotel software or reservation system (CRS interface)

If "others", which ones? ______

Are your rates and availabilities accessible with a direct junction / interface with a meta-search engine (e.g. Kayak, Trivago, Tripadvisor etc.) ?

- ○ Yes, with the help of a permanent connection to the own hotel booking system
- ○ No, this is of no interest for our hotel
- ○ No, I do not know this option

If you have a permanent connection, with which meta-search engine do you link up?

- ☐ Google (Hotel Ads)
- ☐ Kayak
- ☐ TripAdvisor
- ☐ Trivago
- ☐ Others

If "Others", which? ______

Annex 1: The Questionnaire (9)

D. General Information about your hotel

Seasonal opening hours

- ◯ open all year round
- ◯ two seasons business
- ◯ one season business (winter)
- ◯ one season business (summer)

Is your hotel classified (hotel stars)?

- ◯ Yes
- ◯ No

Star classification

- ◯ 1*
- ◯ 2*
- ◯ 3*
- ◯ 4*
- ◯ 5*
- ◯ other category

Size of hotel (number of hotel rooms)

How many overnight stays did you register in 2019?

If you cannot give precise data, give an estimation in the following question below.

How many overnight stays did you register in 2019? (estimation)

- ◯ <2 000
- ◯ 10 000-15 000
- ◯ 30 000-40 000
- ◯ 2 000-5 000
- ◯ 20 000-25 000
- ◯ 40 000-50 000
- ◯ 5 000-10 000
- ◯ 25 000-30 000
- ◯ >50 000

Most important customer segment

- ◯ Business
- ◯ Vacation / leisure
- ◯ MICE
- ◯ Other segment

Annex 1: The Questionnaire (10)

Place

- ○ 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)

Location

- ○ seaside
- ○ alpine/mountain region
- ○ rural region
- ○ other location

Is your hotel part of a hotel chain or hotel cooperation?

- ☐ No
- ☐ Yes, hotel chain
- ☐ Yes, hotel cooperation

If you wish to receive an abstract of our final report, please write your email address below.

SAVE RESPONSES

A BIG THANK YOU FOR YOUR VALUABLE COLLABORATION!