



## **The dependency of hotels vis-à-vis online platforms keeps increasing in the distribution market, shows a European study**

**HOTREC, the European umbrella association of hotels, restaurants and cafés, conducted together with the University of Applied Sciences of Western Switzerland Valais (HEV-SO Valais-Wallis) its biennial study on the European hotel distribution market. First results, based on observations from over 3400 hotels across Europe, show that the dependency of hotels on online platforms continues to increase, while the share of direct bookings decreases. The biggest player in the Online Travel Agent (OTA) market is still Booking.com, which further increased its dominance compared to 2015 and reached a market share of 66%.**

It is still 3 OTAs which control 92% of the online intermediaries market in Europe (in some countries even more), whereas the 2 biggest ones, namely Booking.com (66,4%) and Expedia (16,6%) gained in market share, while the third biggest player HRS (9,0%) continued losing ground over the past 2 years. The share of direct distribution continued to decrease, making up still half of all overnights booked. At the same time, the share of bookings through OTAs increased from 23,1 to 26,1%.

Regarding the relations with OTAs, the majority of hoteliers (50%) feels pressured to accept platforms' terms and conditions (e.g. regarding cancellation policy, special discounts) that hotels would otherwise voluntarily not offer. Small and independent hotels feel more pressured than big hotels or hotel chains.

With regard to disputes with OTAs (6 out of 10 hotels!), 70% of the hotels consider that there is not a fair and effective solution to the disagreements. Again, small and independent hotels seem to have even more problems with dispute resolution than bigger hotels or hotel chains.

*"The preliminary results of our study show, that online intermediaries are gaining more and more control over the hotel distribution market, increasing hotels' dependency and consequently decreasing their own room for manoeuvre", said Markus Luthe, Chair of HOTREC's Distribution Task Force. "Hotels shall be able to set their own conditions for their services freely and to dispose over their intellectual property rights, i.e. brand names", added Mr. Luthe.*

*"The results of this study confirm that policy regulations are required to ensure fair and transparent market conditions, specifically when there is a lack of competition", concluded Christian de Barrin, CEO of HOTREC.*

### **What is HOTREC?**

HOTREC represents the hotel, restaurant and café industry at European level. The sector counts in total around 1.8 million businesses, being 99,5% small and medium sized enterprises (91% are micro enterprises, i.e. employing less than 10 people). These businesses make up some 60% of value added. The industry provides some 10 million jobs in the EU alone. Together with the other tourism industries, the sector is the 3rd largest industry in Europe. HOTREC brings together 40 national associations representing the interest of this industry in 29 different European countries.

**PRESS CONTACT:** Claudia Pinheiro +32(0)2 504 78 45, [claudia.pinheiro@hotrec.eu](mailto:claudia.pinheiro@hotrec.eu)

**Note of the editor:** A short version of the study is available on [HOTREC's website](#).

For further information check also HOTREC's 'book direct' campaign website [www.book-direct-shop.eu](http://www.book-direct-shop.eu)