



## Hotels more dependent than ever on online travel intermediaries for bookings



**The new HOTREC study on the European hotel distribution market shows that the dominance of online travel intermediaries such as Booking.com and Expedia is steadily increasing since 2013 whilst the share of direct bookings continues declining.**

The [objective of HOTREC's distribution study](#) is to monitor the evolution of distribution channels within the European hotel industry with a specific focus on the role of online travel intermediaries. The study was conducted with the University of Applied Sciences of Western Switzerland Valais (HES-SO Valais-Wallis) and based on observations from more than 2'800 hotels across Europe collected before the outbreak of the COVID-19 crisis.

The 2020 edition shows that between 2013 and 2019, online travel intermediaries' market share has steadily increased in the European hotel sector from 19.7% in 2013 to 29.9% in 2019. 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. The 3 main players within the online travel intermediary 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 intermediary market. The dominance of Booking.com has been rising over the last 6 years by more than 8 percentage points (14%), from 60.0% in 2013 to 68.4% in 2019. Expedia has maintained 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 in market shares, from 16.6% in 2013 to 7.2% in 2019.

The market dominance exercised by these three companies creates strong dependence and disagreements for hotels. Most hoteliers (56%) feel pressured to accept platforms terms and conditions (e.g. regarding cancellation policy, special discounts) that hotels would otherwise voluntarily not offer. 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.

*"It is crucial that despite the huge imbalance between the various players the market conditions become more fair and balanced, with the freedom of each and every single hotelier to be able to set their own conditions for their own services freely and be able to fairly negotiate on contract terms and conditions with every distribution partner"* stressed Markus Luthé, Chair of HOTREC's Distribution Working Group and CEO of the German Hotel Association (IHA).

*"The [entry into force of the EU Platform to Business Regulation](#) is a source of optimism for hoteliers, as we expect it to contain abuses by online intermediaries towards hoteliers. Looking further ahead, the EU may act to limit the market dominance of such players via the announced Digital Services act. We believe that this would be a further step in the right direction",* adds Luthé.

*"For consumers, there is much to gain by directly booking accommodation with the hotelier. And in times like now, a personal touch, which you are much more likely to get by directly contacting the hotel, makes a massive difference. This is why [HOTREC actively encourages guests to Book Direct](#)",* concludes Luthé. *"Furthermore, direct bookings will also support the recovery of the hotel sector after the first – and what we hope is the last - wave of COVID-19."*

A short version of the study is available on HOTREC's website [www.hotrec.eu](http://www.hotrec.eu). For further information, also check HOTREC's 'book direct' campaign website [www.book-direct-shop.eu](http://www.book-direct-shop.eu).

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#### *About HOTREC*

HOTREC represents the hotel, restaurant and café industry at European level. HOTREC brings together 45 national associations representing the interest of this industry in 33 different European countries. The sector counts in total around 2 million businesses, being 99,5% small and medium-sized enterprises (90% are micro-enterprises, i.e. employing less than 10 people). These businesses make up some 60% of value-added. The industry provides almost 12,5 million jobs in the EU alone (2017). Together with the other tourism industries, the sector is the 3rd largest industry in Europe.

#### *About 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 (HES-SO Valais-Wallis) its biennial study on the European hotel distribution market. This is the fourth study since the series began in 2013. The results for the reference year 2019 are based on observations from more than 2'800 hotels across Europe. Results of the 2020 HOTREC distribution study are available [here](#).