



HOTREC: Adoption of Digital Markets Act a ‘silver lining’ for European hoteliers

EU lawmakers have reached a landmark agreement today (Friday 25 March 2022) which will lead to the definitive adoption of the Digital Markets Act (DMA). European hotel industry is united in applauding the EU for setting new rules targeting digital gatekeepers which exercise disproportionate power towards their business users and consumers.

HOTREC sees that the market leader for intermediated online hotel sales, **which commanded almost 70% of the European market in 2019**, will feature among the ‘designated gatekeepers’ based on the criteria set out by EU lawmakers. EU lawmakers have also adopted the right remedies to reign in online platform gatekeeper power in this area by setting out a ban on narrow price parity clauses, which prevent hoteliers from offering a better price on their own channels than the platform, and providing business users with better access to the data generated by their listings.

Chairman of the HOTREC Working Group on Distribution Markus Luthe said: *“For the past decade, hoteliers have been on the receiving end of unacceptable behaviour by dominant OTAs on a ‘take it or leave it’ basis. Today’s agreement on the DMA gives a clear signal to digital giants: behave like partners, and not gatekeepers, towards consumers and business users.”*

Luthe added: *“I believe that the OTAs’ gatekeeper behaviour isn’t just about protecting a successful business model, it goes beyond that. Practices such as narrow price parity clauses and data retention ultimately act as a disincentive for the digitalisation of hotels and entrench the dependence of hoteliers towards OTAs. The whole sector can now better tackle its digitalisation.”*

HOTREC Director General Marie Audren said: *“The adoption of the DMA gives European hoteliers a silver lining after being under a heavy cloud for the past two years amidst lockdown measures and travel restrictions. Legislation of this kind in the digital sphere has been requested by the entire sector for several years.”*

Audren added: *“Today, HOTREC can warmly congratulate all those involved in drawing up the Digital Markets Act. But the recovery of the European hospitality and tourism sector is only just beginning: there is still much work to do with policy makers to bring back pre-covid levels of activity and business as well as support its digital and green transition.”*

HOTREC’s hotel 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.

The three main players within the OTA market remain Booking Holding, Expedia Group and to a lesser extent HRS Group, 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.

Note to the editor: The HOTREC Hotel Distribution Study cited in this press release, last carried out in 2020 based on observations from more than 2800 hotels across Europe, is currently being updated. The 2022 version will be delivered in June 2022.

For further information: www.hotrec.eu

Press Contacts: Mr Jacques Lovell, HOTREC | jacques.lovell@hotrec.eu | + 32 (0)2 504 78 45

What is HOTREC?

HOTREC is the umbrella Association of Hotels, Restaurants, Bars and Cafés and similar establishments in Europe, which brings together 47 National associations in 36 countries, and is the voice of the European hospitality. HOTREC’s mission is to represent and champion its interests towards the EU and international institutions, foster knowledge sharing and best practice among its Members to further promote innovation, and act as a platform of expertise for the hospitality sector.