European Hotel Distribution Study 2022

Distribution Working Group

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- **Background to the survey, methodology and sample**
- Market share of distribution channels
- Relative OTA market shares
- OTA – hotel relationship
- Distribution channel management
- Meta-search engines

The survey: background

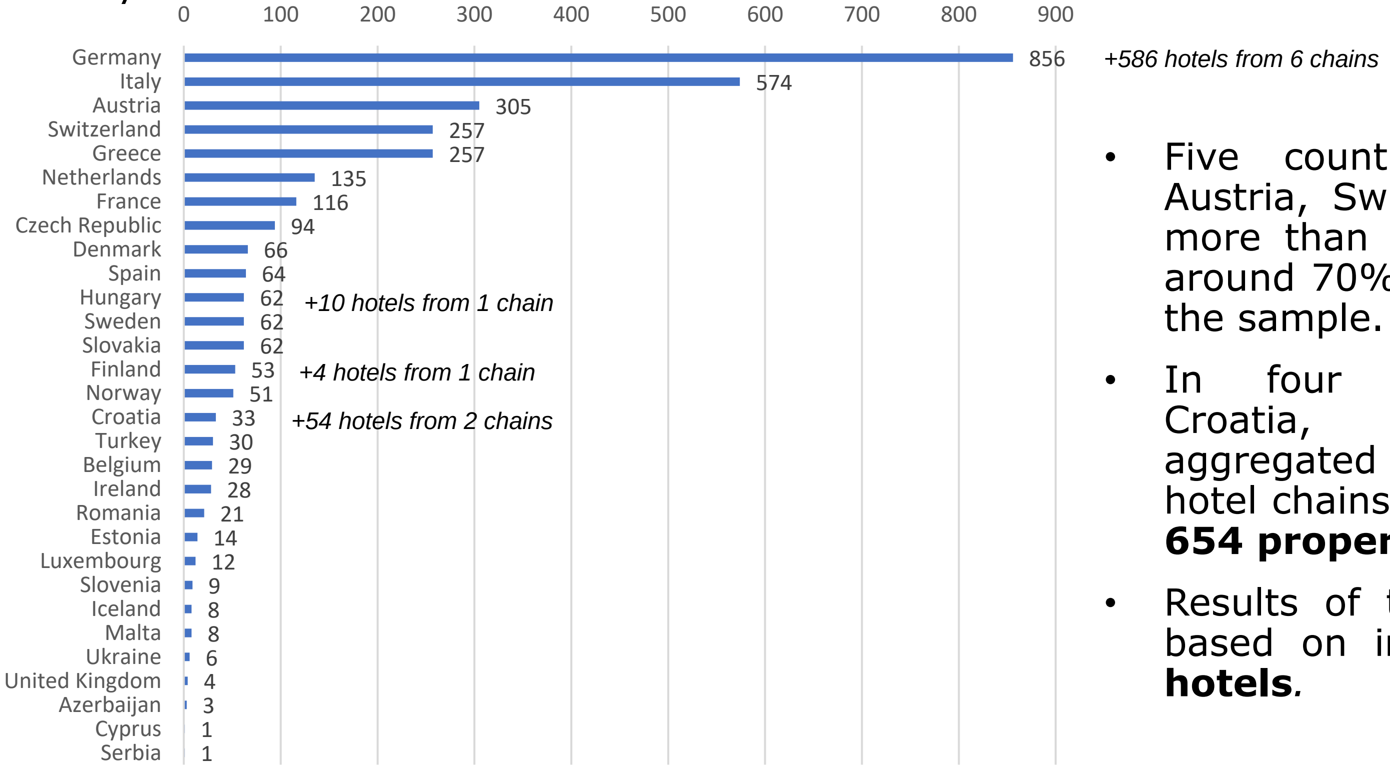
- In order to monitor the current situation of distribution (online as well as offline) within the European hotel industry, especially in relation to the role of online travel agencies (OTA), **HOTREC**, the umbrella association of Hotels, Restaurants and Cafés in Europe, has decided to conduct an online survey between February and March 2020 **together with hotel associations from HOTREC member countries across Europe for the reference year 2021**.
- 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.**
- The present study allows therefore to illustrate the evolution of distribution channels and players for the pre-pandemic years 2013, 2015, 2017 and 2019 as well as for the **pandemic year 2021**

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 January to February (Switzerland) and March to beginning of April 2022 for the other European countries**. The collected data cover the **reference year 2021**. The different hotel associations contacted their members either by email or through newsletters.
- 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 to another question**.

Methodological remarks: sampling

Overall, **3’221 responses** from individual hotels could be collected through the online survey (from 20 out of 36 countries). Yet, response rates by country vary strongly in the survey.



- Five countries (Germany, Italy, Austria, Switzerland, Greece) with more than 250 responses provide around 70% of all the responses in the sample.
- In four countries (Germany, Croatia, Finland, Hungary) aggregated information from 10 hotel chains provided data covering **654 properties**.
- Results of the study are therefor based on information from **3875 hotels**.

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Market shares of distribution channels in Europe 2021: overall (unweighted) sample

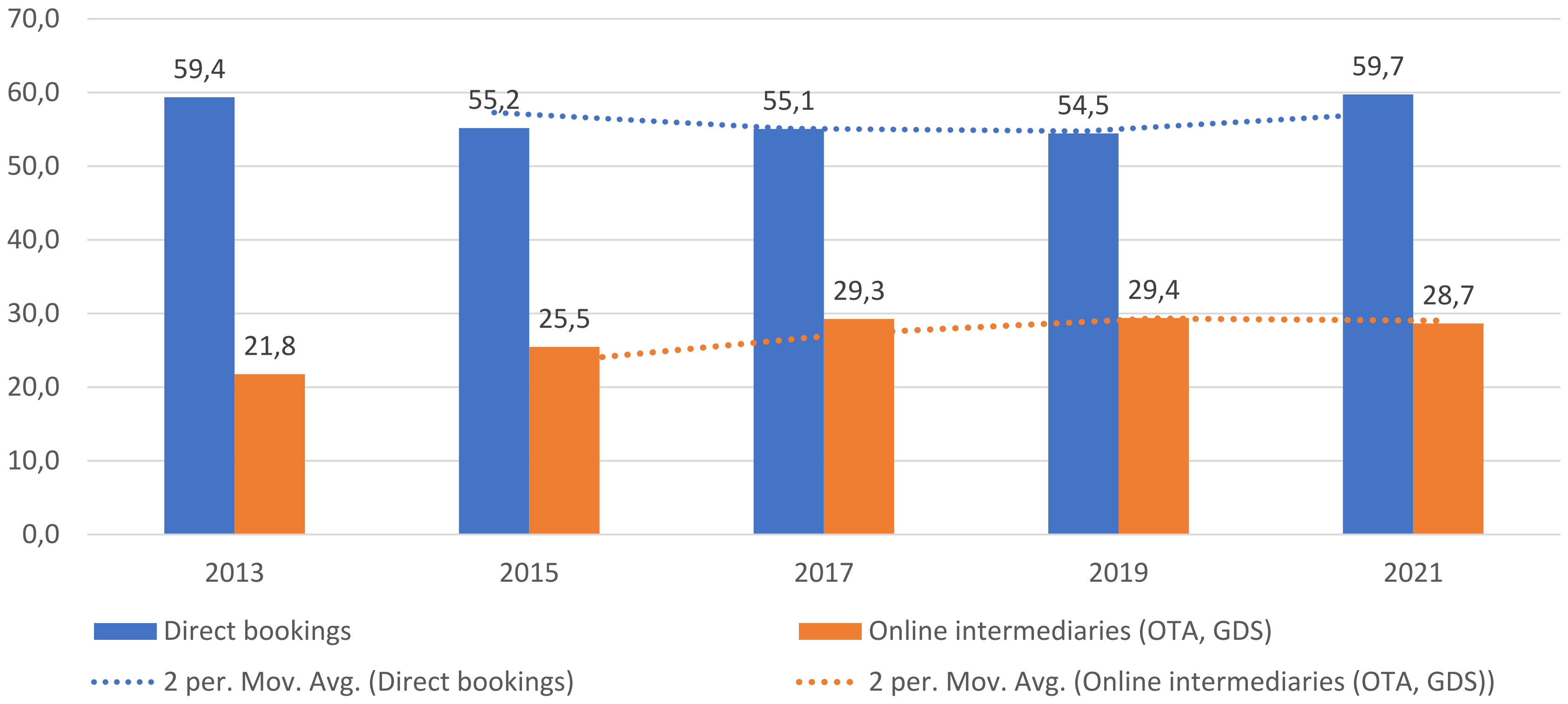
Unweighted overall sample (3'124 valid observations for the distribution channels)	Market share 2021		confidence interval	
Direct - Phone	19,7	59,7	19,0	20,3
Direct - Mail / fax	1,5		1,3	1,7
Direct - Walk-In (persons without reservation)	4,1		3,9	4,3
Direct - Contact form on own website (without availabilty check)	6,4		6,0	6,8
Direct - Email	17,4		16,8	17,9
Direct - real time booking over own website with availabilty check	10,7		10,2	11,2
Destination Marketing Organization (DMO) / trade associations	1,3	1,6	1,1	1,4
National Tourism Organization (NTO)	0,3		0,2	0,4
Tour operator / Travel agency	5,4	8,7	5,0	5,9
Hotel chains and cooperations with CRS	0,9		0,7	1,0
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	1,2		1,0	1,3
Event and Congress organizer	1,2		1,1	1,4
Online Booking Agency (OTA)	27,1	28,7	26,3	27,9
Globale Distributionssysteme (GDS)	0,9		0,7	1,0
Social Media Channels	0,7		0,6	0,8
other distribution channels	1,4	1,4	1,1	1,6

Evolution market shares of distribution channels in Europe 2013 to 2021: overall sample

	Market share 2021 (n=3124)		Market share 2019, including data France (n=3044)		Market share 2019 (n=2166)		Market share 2017 (n=2'593)		Market share 2015 (n=2'188)		Market share 2013 (n=2'221)		*DELTA (2021-2013)*	
Direct - Phone	19,7		19,1		18,2		18,5		18,7		21,1		*-1,4*	
Direct - Mail / fax	1,5		1,5		1,5		2,0		2,3		3,1		*-1,6*	
Direct - Walk-In (persons without reservation)	4,1		4,7		4,4		4,4		4,8		6,0		*-1,9*	
Direct - Contact form on own website (without availabilty check)	6,4	59,7	5,9	55,0	6,1	54,5	6,0	55,1	6,1	55,2	6,1	59,4	*0,3*	*0,4*
Direct - Email	17,4		15,5		16,5		16,0		16,7		16,1		*1,2*	
Direct - real time booking over own website with availabilty check	10,7		8,3		7,8		8,2		6,8		6,9		*3,8*	
Destination Marketing Organization (DMO) / trade associations	1,3	1,6	0,8	1,1	0,8	1,1	0,9	1,3	0,9	1,4	1,0	1,7	*0,2*	*-0,1*
National Tourism Organization (NTO)	0,3		0,3		0,3		0,5		0,6		0,6		*-0,3*	
Tour operator / Travel agency	5,4		8,1		8,7		7,8		8,0		9,6		*-4,2*	
Hotel chains and cooperations with CRS	0,9		0,9		0,8		1,0		2,6		1,4		*-0,5*	
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	1,2	8,7	1,7	12,3	1,6	12,8	1,9	12,7	2,6	16,3	2,8	15,7	*-1,7*	*-7,1*
Event and Congress organizer	1,2		1,7		1,7		1,9		3,1		1,9		*-0,7*	
Online Booking Agency (OTA)	27,1		27,1		27,3		26,9		22,3		19,3		***7,9***	
Globale Distribution Systems (GDS)	0,9	28,7	1,4	29,2	1,4	29,4	1,9	29,3	2,7	25,5	2,0	21,8	*-1,2*	***6,9***
Social Media Channels	0,7		0,7		0,7		0,5		0,5		0,5		*0,2*	
Other distribution channels	1,4	1,4	2,5	2,5	2,3	2,3	1,6	1,6	1,5	1,5	1,5	1,5	*-0,1*	-0,1

Data for France for the reference year 2019 have only been analyzed in 2021 and summarized in a separated report: Schegg, R. (2021). "*Hotel Distribution Study France. Results for the Reference Year 2019.*" The European Distribution study published in 2020 did therefore not include these data yet.

Evolution of direct bookings and bookings via online intermediaries in Europe 2013 - 2021



Values from overall sample. Market shares in % of overnights.

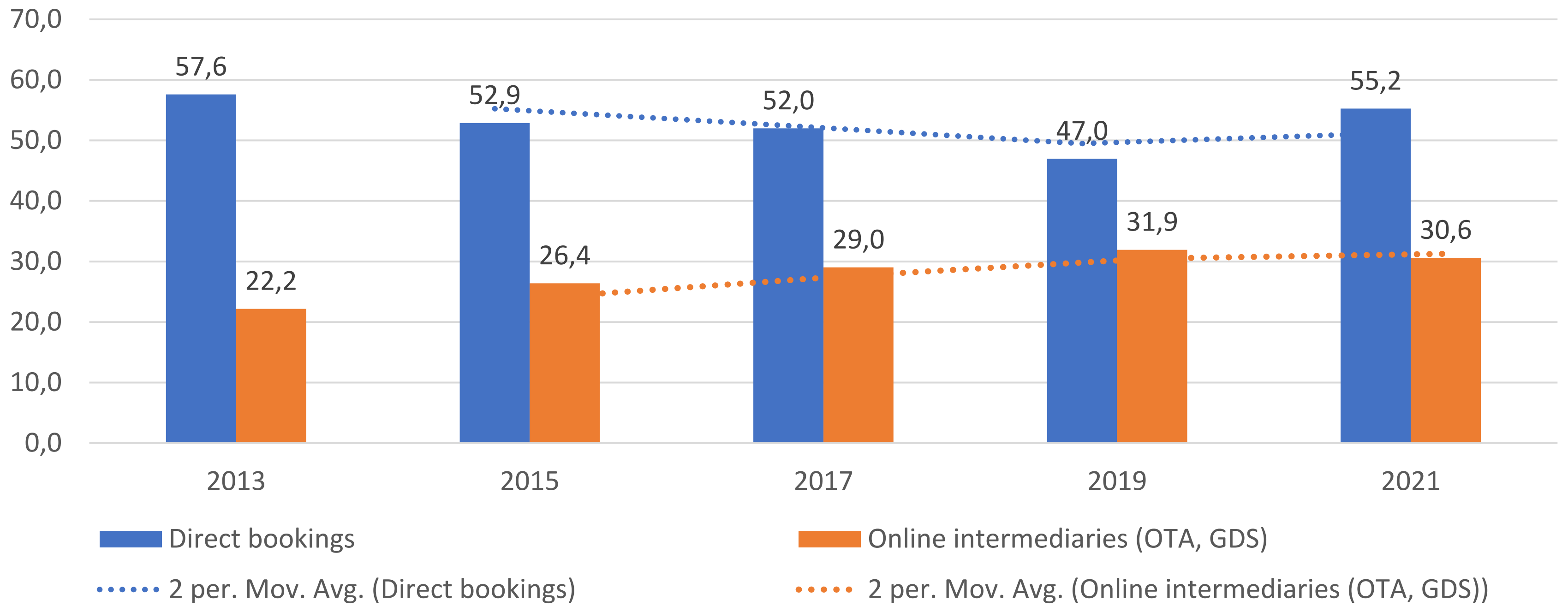
Evolution of market shares of distribution channels in Europe 2013 - 2021: weighted samples

Weighted by number of overnights in different countries and including aggregated data from hotel chains

	Weighted market share 2021		Weighted market share 2019		Weighted market share 2017		Weighted market share 2015		Weighted market share 2013		DELTA (2021-2013)	
Direct - Phone	17,7		14,5		16,5		17,2		20,5		-2,8	
Direct - Mail / fax	1,7		1,7		2,1		2,4		3,2		-1,5	
Direct - Walk-In (persons without reservation)	4,4		4,1		4,5		4,5		5,8		-1,4	
Direct - Contact form on own website (without availabilty check)	5,0	55,2	4,7	47,0	5,3	52,0	5,4	52,9	5,8	57,6	-0,8	-2,3
Direct - Email	14,3		14,2		14,6		15,6		14,9		-0,6	
Direct - real time booking over own website with availabilty check	12,1		7,6		9,0		7,7		7,4		4,7	
Destination Marketing Organization (DMO) / trade associations	0,8	1,0	0,6	0,8	0,9	1,3	0,9	1,4	1,1	1,6	-0,3	-0,6
National Tourism Organization (NTO)	0,2		0,2		0,4		0,5		0,5		-0,3	
Tour operator / Travel agency	6,7		11,3		9,5		9,1		10,3		-3,6	
Hotel chains and cooperations with CRS	1,3	11,5	0,9	17,6	1,1	16,3	2,4	17,9	1,6	17,2	-0,2	-5,6
Transhotel, etc.)	1,9		3,1		3,2		3,5		3,4		-1,6	
Event and Congress organizer	1,6		2,4		2,6		2,9		1,8		-0,2	
Online Booking Agency (OTA)	28,8		29,2		26,0		23,1		19,7		**9,1**	
Globale Distributionssysteme (GDS)	1,3	30,6	2,1	31,9	2,5	29,0	2,9	26,4	2,0	22,2	-0,7	8,4
Social Media Channels	0,5		0,7		0,5		0,4		0,4		0,1	
other distribution channels	1,7	1,7	2,7	2,7	1,4	1,4	1,4	1,4	1,5	1,5	0,1	0,1

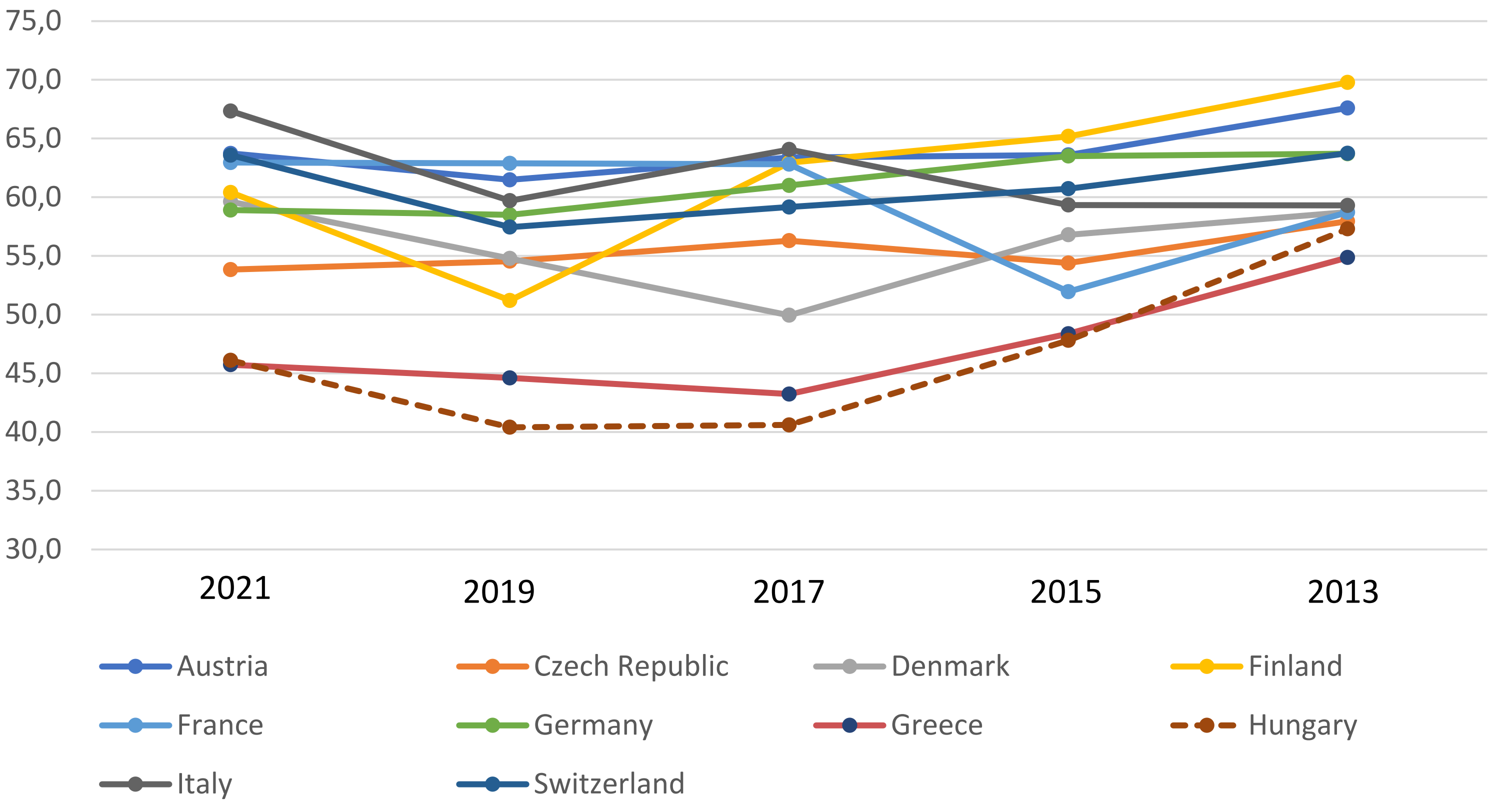
Evolution of direct bookings and bookings via online intermediaries in Europe 2013 - 2021

During pandemic crises, increase of 8% of direct booking from 47% in 2019 to 55,2% in 2021 (nearly level of 2013), while online intermediaries remained stable.



Analysis of direct booking market shares

Direct booking shares for selected countries 2013-2021



Direct Booking Trends in the Swiss Hotel Sector 2002-2021

*Schegg (2022). Market shares in % of bookings from 2002-2012 & 2014 and in % of overnight stays in *2013, *2015 - *2021!*

Direct booking shares by segment 2021 (overall sample Europe)

Seasonality	open all year round	two seasons business	one season business (winter)	one season business (summer)	***Total***		
	58,6%	66,6%	64,0%	55,4%	**59,1%**		
Star category	1*	2*	3*	4*	5*	other category	***Total***
	58,7%	56,5%	59,8%	57,5%	47,2%	64%	**58,3%**
Size of hotel (rooms)	Less than 20	From 20 to 50	From 50 to 100	100 and over	***Total***		
	61,3%	61,7%	57%	48,7%	**59,0%**		
Main customer segments of hotels	Business	Vacation / leisure	MICE	Other segment	***Total***		
	61,4%	57,1%	57,1%	71,5%	**59,1%**		
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***		
	46,4%	54,5%	60,9%	64,3%	**59,1%**		
Type of hotel	Independant hotel	Hotel chain	Hotel cooperation	***Total***			
	60,5%	48,6%	58,9%	**59,2%**			

"A higher share of direct bookings in small independent two-season hotels in small towns"

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

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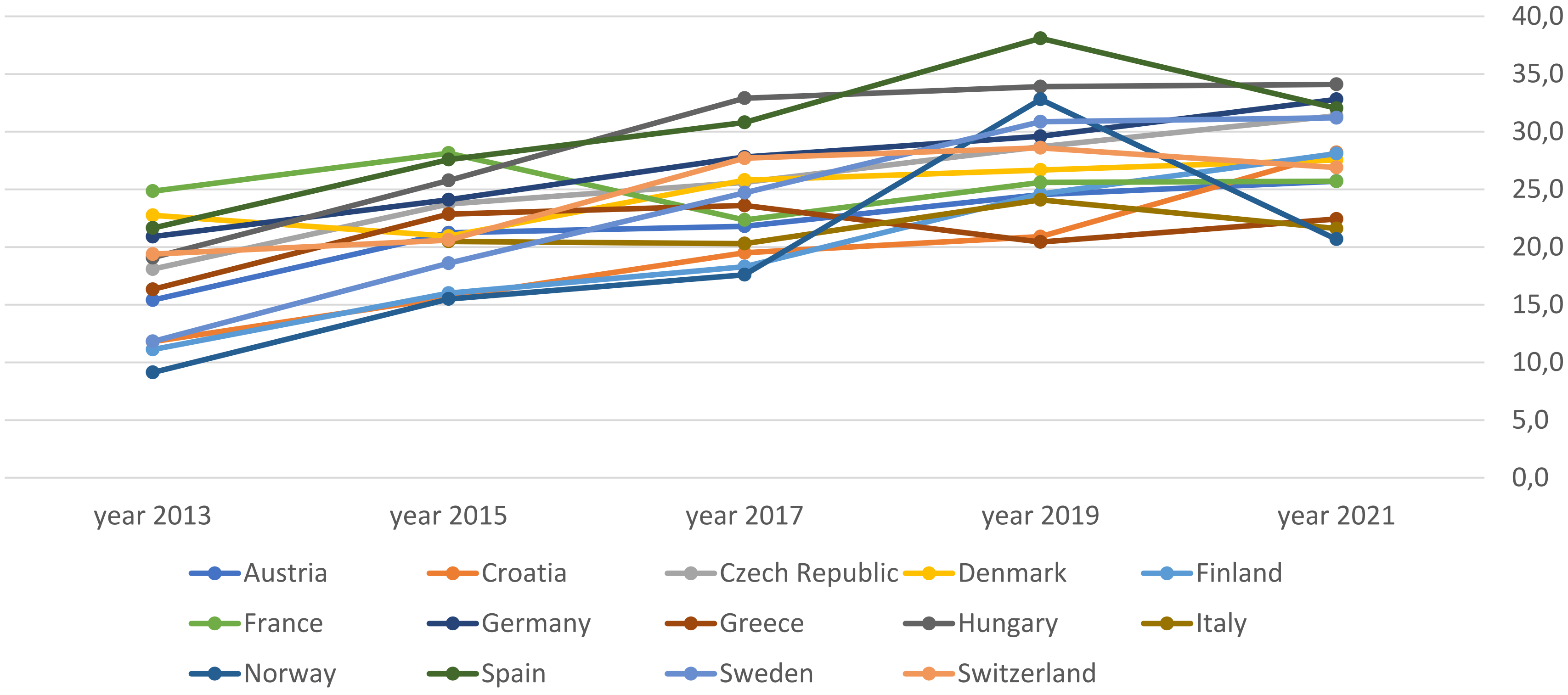
OTA market shares (in %) 2013 to 2021 for selected countries



OTA market shares by segment 2021 (overall sample Europe)

Seasonality	open all year round	two seasons business	one season business (winter)	one season business (summer)	***Total***		
	29,6%	21,1%	18,0%	22,0%	***27,7%***		

Star category	1*	2*	3*	4*	5*	other category	***Total***
	24,3%	29,2%	29,2%	24,5%	20, 17%	26,6%	***27,1%***

Size of hotel (rooms)	Less than 20	From 20 to 50	From 50 to 100	100 and over	***Total***		
	29,1%	28,0%	26,6%	25,1%	***27,7%***		

Main customer segments of hotels	Business	Vacation / leisure	MICE	Other segment	***Total***		
	27,9%	28,3%	25,4%	17,0%	***27,7%***		

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***		
	37,6%	31,4%	26,6%	23,5%	***27,7%***		

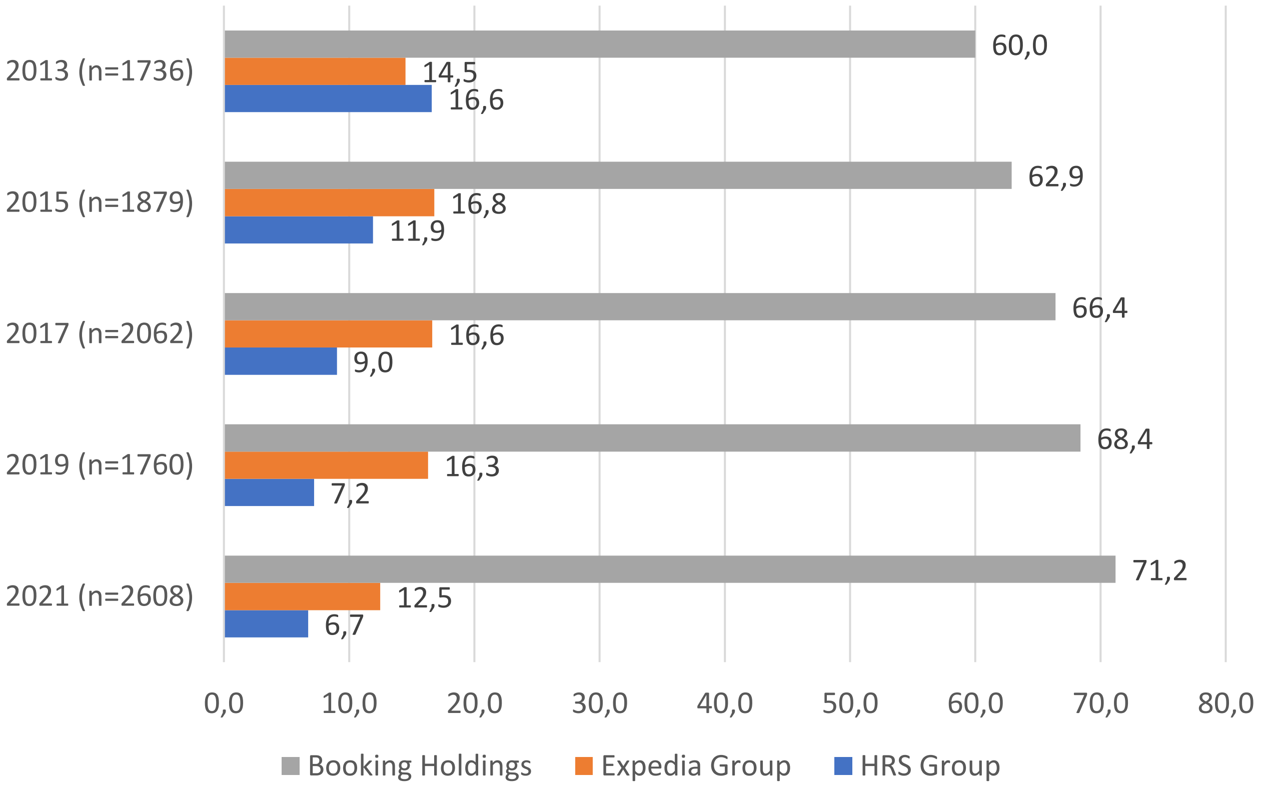
Type of hotel	Independant hotel	Hotel chain	Hotel cooperation	***Total***			
	28,0%	28,0%	23,4%	***27,7%***			

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

"Greater reliance on OTAs in 3 business hotels in major cities"*

Analysis of OTA market players and their relative market shares

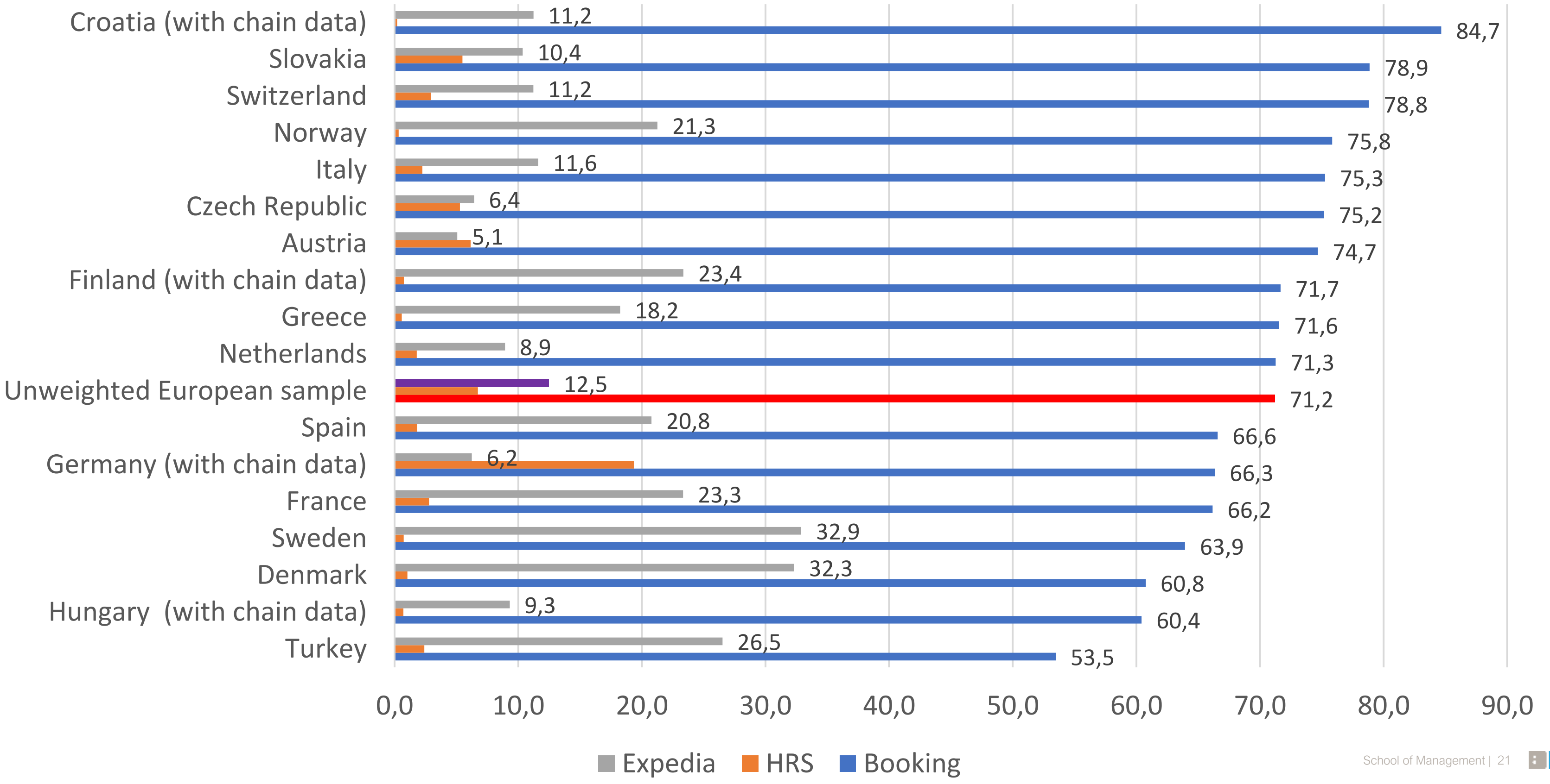
Unweighted relative market shares (in %) of major OTAs in Europe (2013-2021)



	Europe 2021 (n=2608)
Agoda	0,6
Booking.com	70,6
Booking Holdings	**71,2**
HRS	5,9
hotel.ch	0,1
Hotel.de	0,7
Tiscover	0,1
HRS (total)	**6,7**
Expedia	9,3
Hotels.com	2,1
eBookers	1,0
Orbitz Travel	0,1
Expedia Group	**12,5**
TOTAL	**90,4**

-> Airbnb: 1,5 %

Relative OTA market shares (in %) for selected countries 2021



Relative market shares of Booking.com by hotel segment 2021

Seasonality	open all year round	two seasons business	one season business (winter)	one season business (summer)	***Total***		
	68,5%	78,7%	79,8%	77,9%	***70,7%***		

Star category	1*	2*	3*	4*	5*	other category	***Total***
	80,3%	78,7%	71,5%	68,0%	57,4%	66,5%	***70,3%***

Size of hotel (rooms)	Less than 20	From 20 to 50	From 50 to 100	100 and over	***Total***		
	74,8%	72,3%	65,4%	65,0%	***70,7%***		

Main customer segments of hotels	Business	Vacation / leisure	MICE	Other segment	***Total***		
	64,3%	73,9%	66,4%	72,0%	***70,7%***		

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***		
	64,6%	67,8%	69,8%	74,8%	***70,7%***		

Type of hotel	Independant hotel	Hotel chain	Hotel cooperation	***Total***			
	72,4%	62,5%	65,9%	***70,8%***			

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

"High market penetration of Booking in OTA market in small independent two-season, leisure hotels in small towns "

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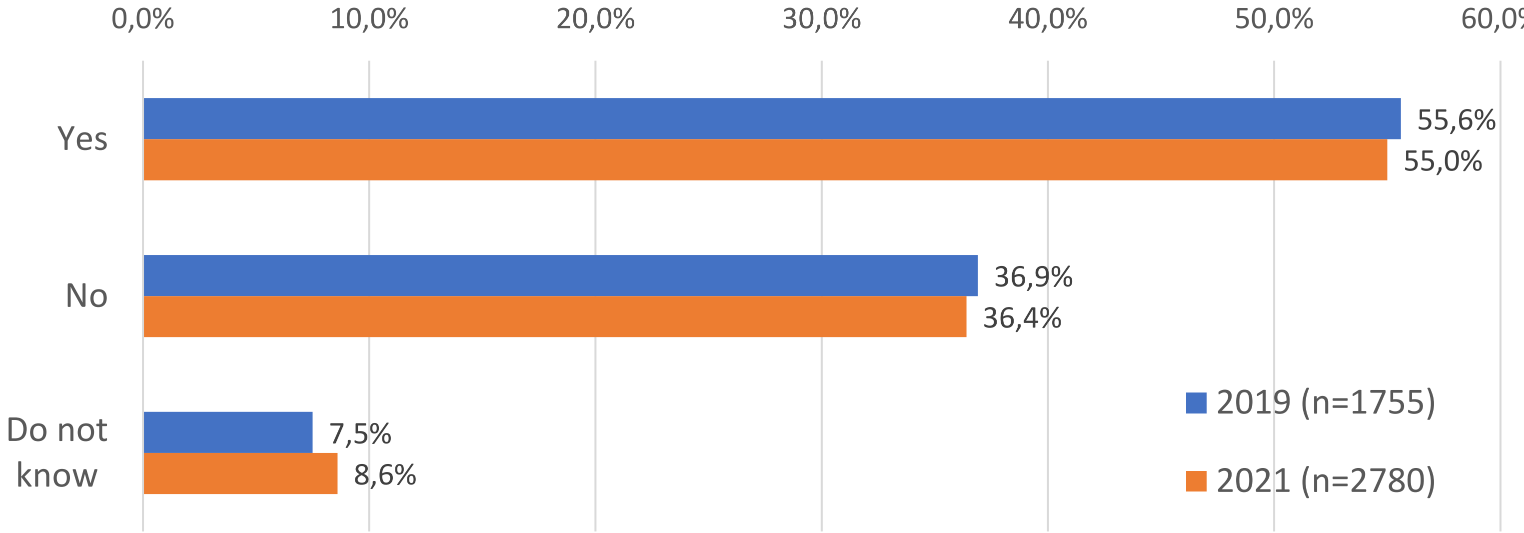
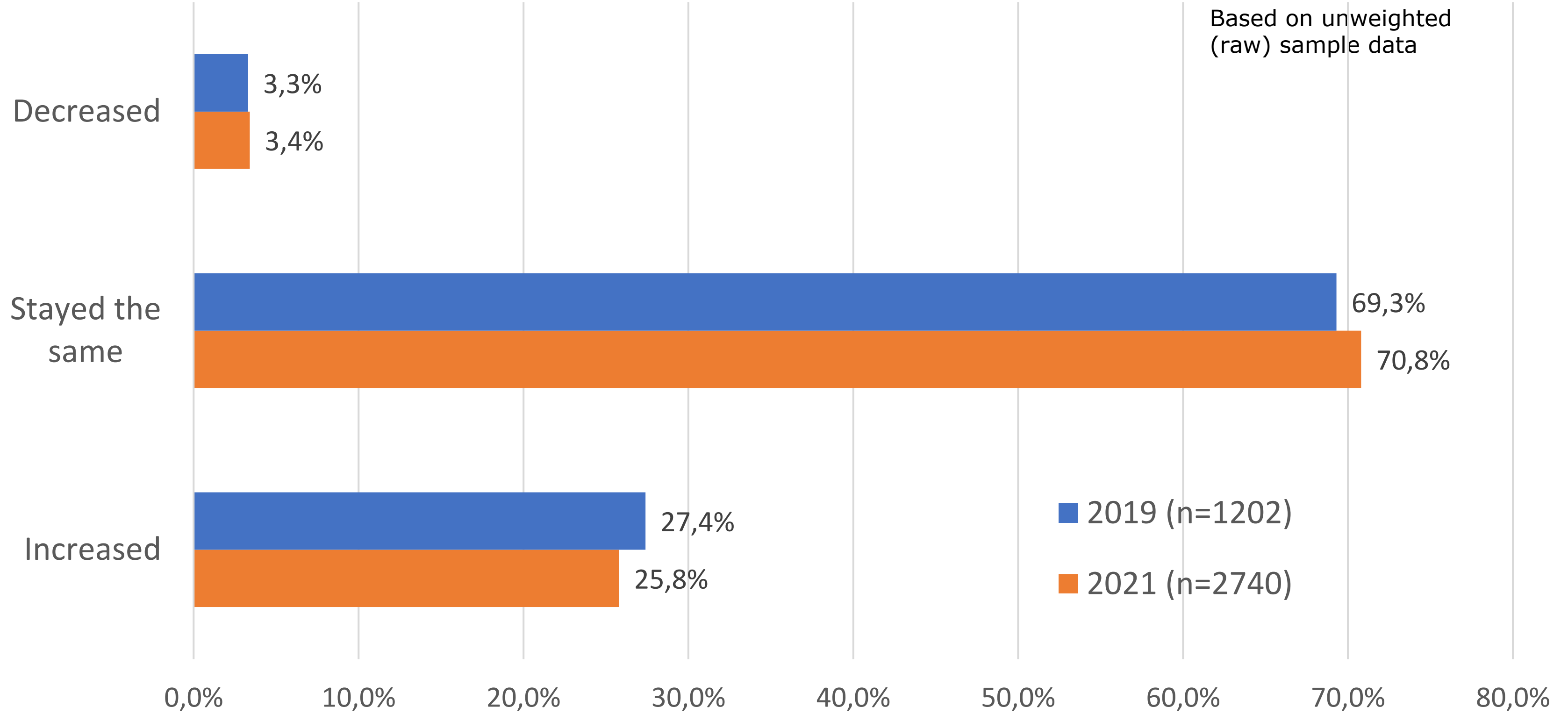
Do you feel pressured by OTA to accept their terms & conditions that you otherwise would not offer?



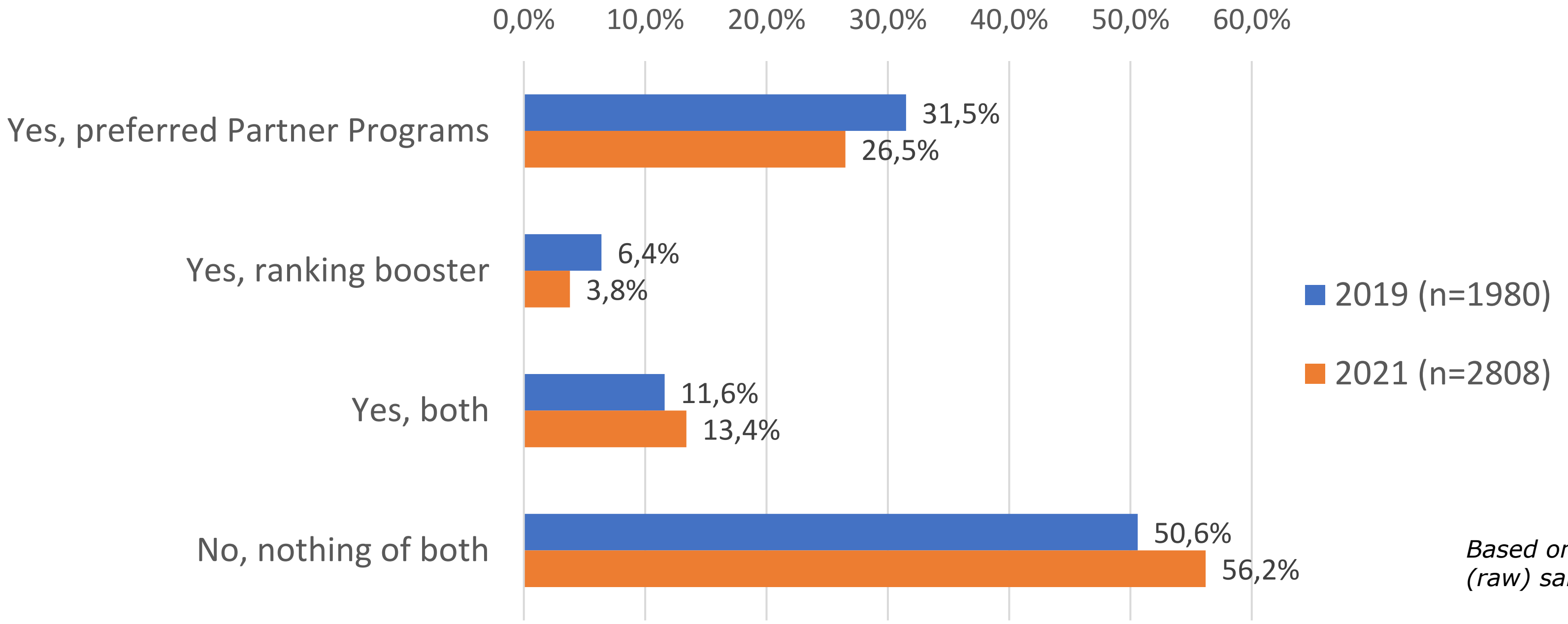
Based on unweighted (raw) sample data

- **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.
- **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.

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



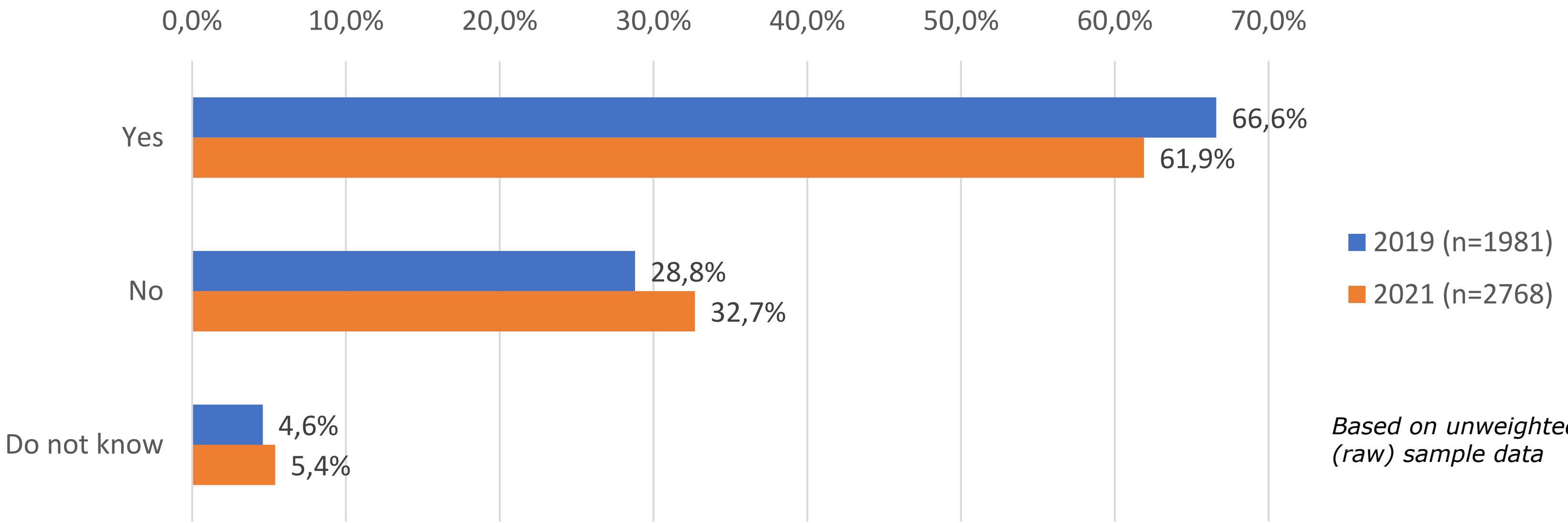
Have you ever made use of the various possibilities offered by OTA to improve effectively your ranking?



Based on unweighted (raw) sample data

- As expected, hotels that **are highly dependent on OTA use such options more often** than other hotels
- 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** (68%).

Do you use the online payment of Booking or Expedia ?



Based on unweighted (raw) sample data

- Classified hotels, particularly **4* hotels** (67%) and **5* hotels** (78%), 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** (70%), **chain hotels** (76%), in **business hotels** (68%) and hotels in **big cities** (78%).
- As expected, hotels that are highly dependent on OTA use such payment options more often than other hotels

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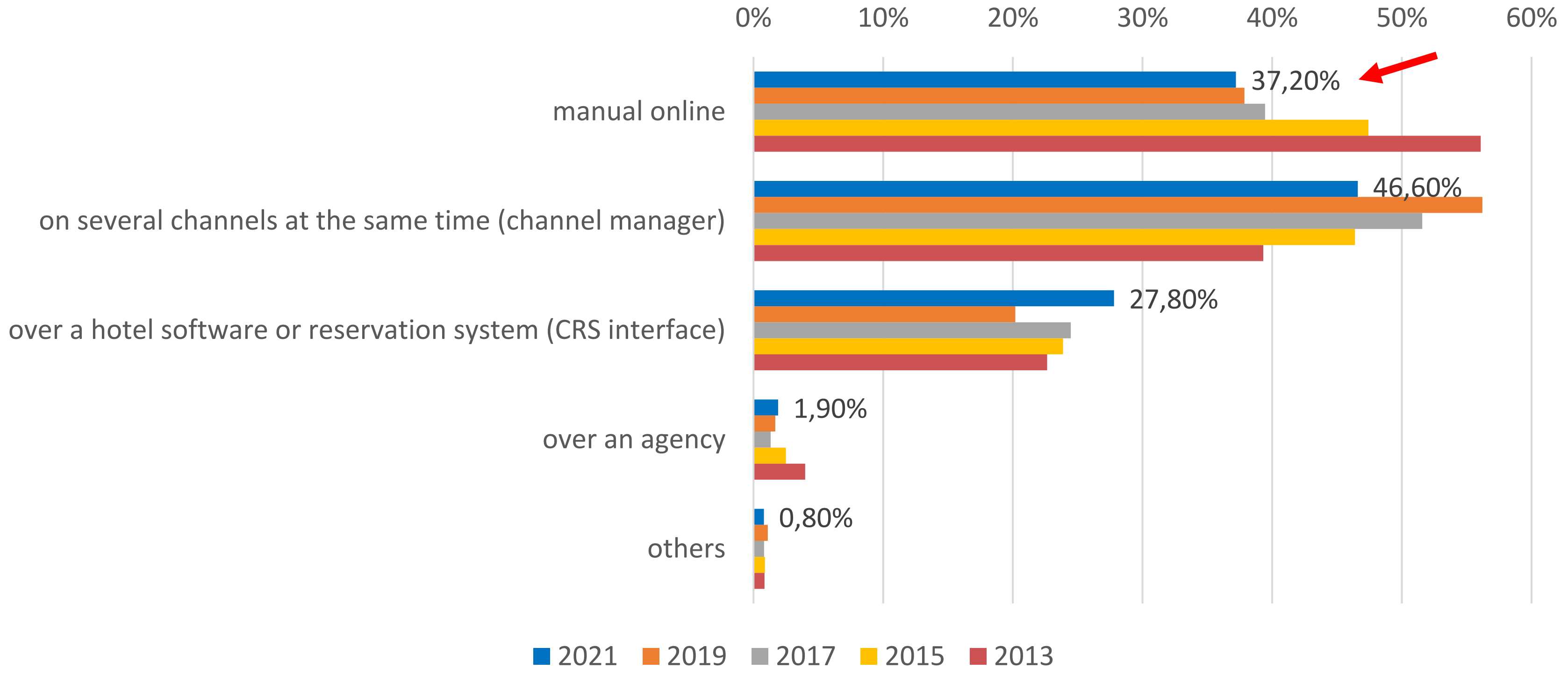
How do you maintain your rates and availabilities on the online booking channels?



Based on unweighted (raw) sample data (2013-2021).

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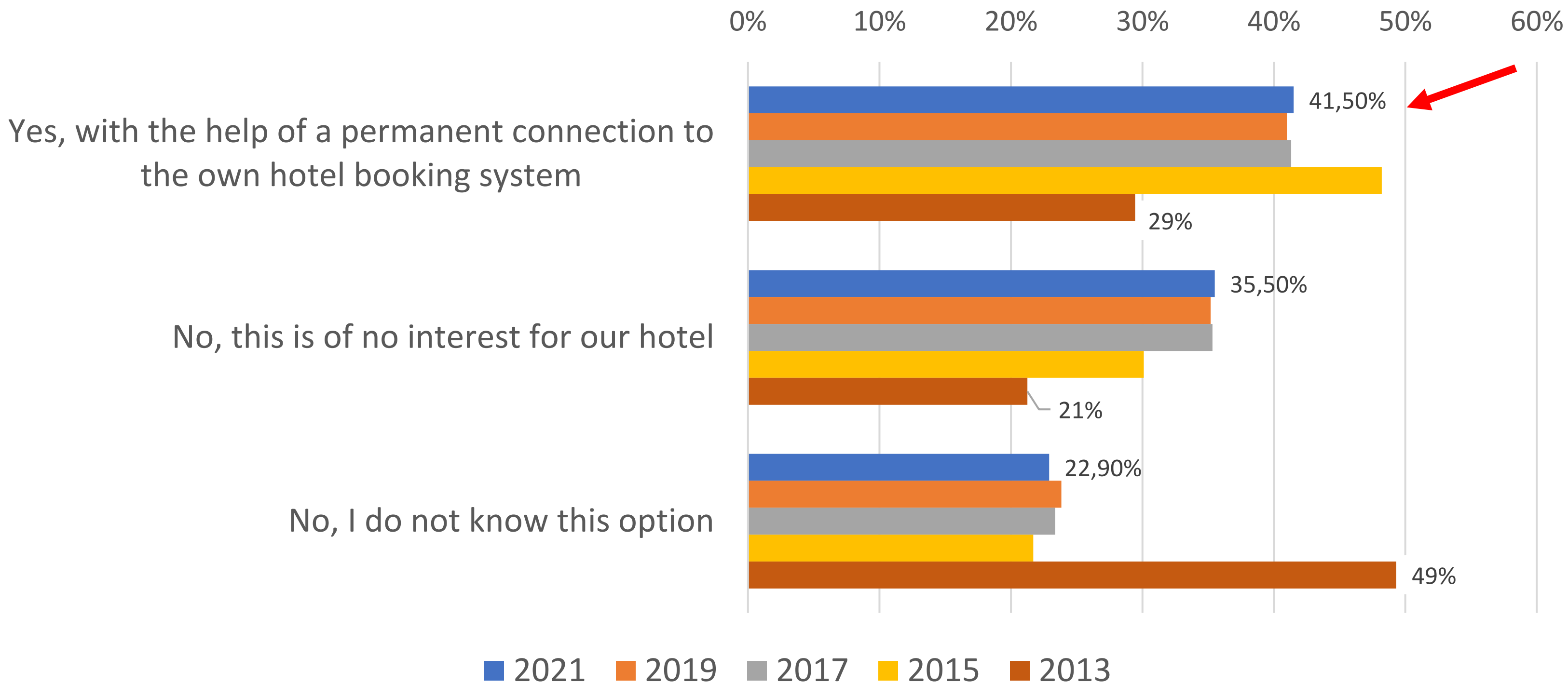
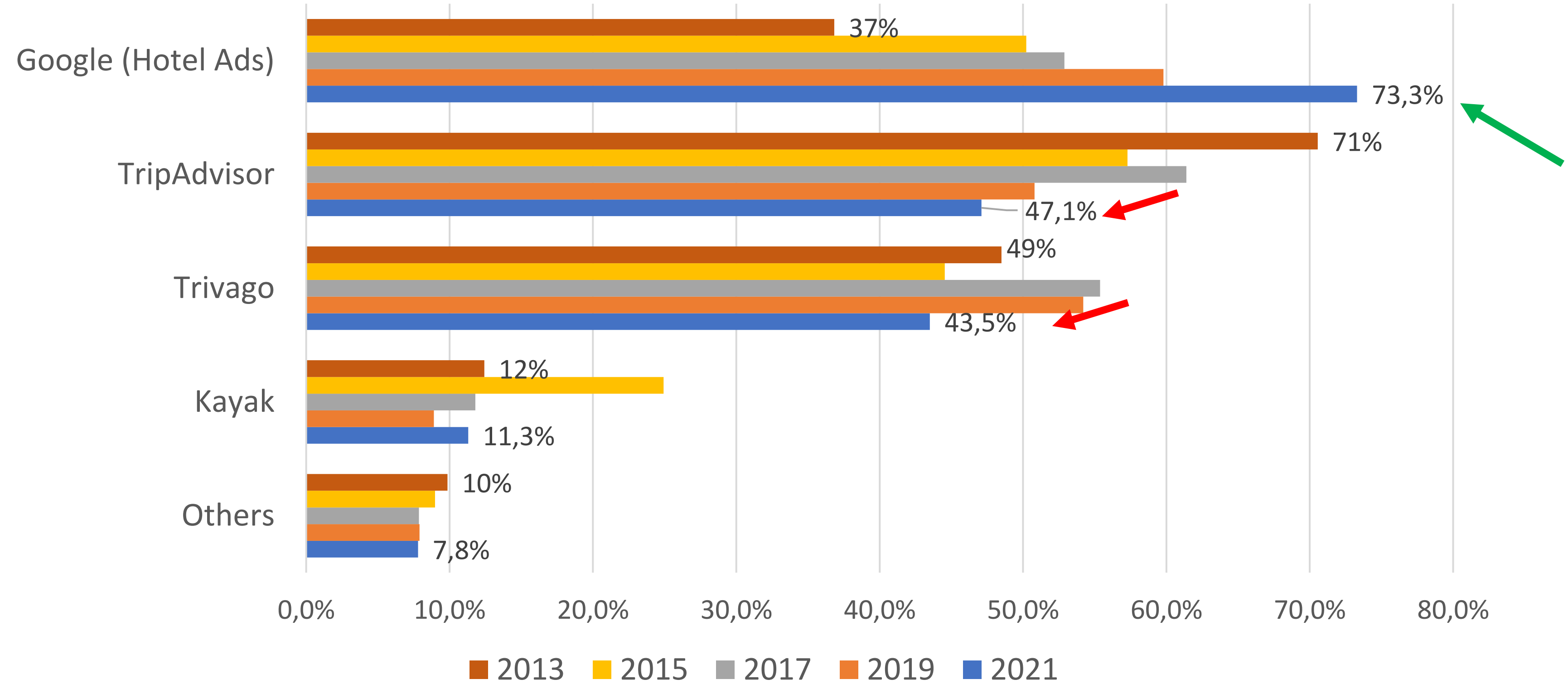
Are your rates and availabilities accessible with a direct interface with a meta-search engine?



Based on unweighted (raw) sample data

Used meta-search engines



Based on unweighted (raw) sample data.

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