



Digital Trends in Accommodation:

Hotels, Booking.com and DMA

Today, HOTREC released its 2024 Hotel Distribution Study¹ which examines recent developments and trends in the European accommodation sector, and uncovers the way consumers book hotel rooms. The main findings confirm the need for proper implementation of the Digital Markets Act (DMA). These fair digital rules will ensure a more balanced treatment of hoteliers by Online Travel Agencies (OTAs).

The European hotel industry has long been warning of unfair business practices from OTAs. Competition and collaboration are crucial for the hospitality sector, but create challenges that impact prices, operations, and guest experiences.

As the largest OTA, Booking.com is now a gatekeeper platform under the DMA. The dominant platform will finally have to comply to the new digital rules. This should allow hotels to offer better prices on their own distribution channels.

The results of our [2024 Hotel Distribution Study](#) confirm the need for new digital rules that will ensure fair competition in the hotel accommodation sector. The findings also showcase the reality on the ground for European hoteliers. As such, the share of direct distribution continues to drop while powerful OTAs continue to gather power. We remain convinced that regulation, such as the DMA, will help rebalance unequal and unfair relations between OTAs and independent hoteliers.

Marie Audren, HOTREC Director General, commented:

“Hotels face unfair business practices from Booking.com every day: financial loss, operational strain and reputation damage. This must end. The DMA and fair digital rules are a first step in the right direction to tackle these pressing issues.”

“Booking.com is withholding guest data from hotel partners and preventing hotels from offering better prices on their own websites. Affordability, transparency and choice are crucial for European consumers and travellers. This should finally be resolved thanks to the DMA.”

¹ Hotel distribution channels are the various ways in which hotels can offer and sell rooms and services to travellers. These include direct channels like hotel websites and phone bookings, as well as indirect channels like online travel agents (OTAs) and travel agencies. Selecting the right channels is crucial for a hotel's success, impacting both occupancy and profitability.

Hotel Distribution Study 2024

Main findings

- **Over the past 10 years, OTAs like Booking.com gained an average 10% market share in the European hotel sector** which highlights their growing influence.
- Sales channels for European hotels return to pre-pandemic trends where **direct bookings continue to decrease**.
- **Hotels heavily rely on OTAs like Booking.com for distribution and bookings**, especially for smaller hotels with fewer rooms.

Other key results

- The 2 dominant players in the hotel accommodation market are Booking Holdings and Expedia Group to a lesser extent. **Booking has a share of 71%** in the OTA market, up 10% in the last 10 years. Expedia has a market share of close to 15%, up 2% in the last 2 years.
- **OTAs undercut prices set by hotels in 4 out of 10 cases**. They also **multi-source** offers by listing rates and availabilities of other OTAs on their own platform, **affecting 1 in 2 hotels in Europe and creating multiple operational challenges for hoteliers** (such as price inconsistencies).
- The European hotel industry is taking significant steps towards **digitalisation**, reflected in the **steady switch to direct online bookings**. Most hotels use **internet booking engines** (IBEs), providing a seamless and user-friendly booking experience.
- **Electronic distribution represents 45% of overnight stays booked via online channels** (online travel agencies, social media, internet booking engines on hotel websites, etc.)
- Over the past decade, awareness and use of **travel meta-search engines** among hotels have increased significantly. In 2013, TripAdvisor led the market with a 71% usage share, but by 2023, Google Hotel Ads has taken the lead with an 80% usage share.

Background

HOTREC, the European association of hotels, restaurants and cafés, conducted its biennial study on the European hotel distribution market at the beginning of 2024 in collaboration with the University of Applied Sciences of Western Switzerland Valais (HES-SO Valais Wallis). This is the 6th study since the series began in 2014.

The objective of the study is to monitor the evolution of distribution channels of European hotels with a specific focus on the role of Online Travel Agencies (OTAs).

Results for the reference year 2023 based on observations of over 3000 hotels across Europe show that the dependency of hotels on OTAs remains very high.

Discover recent developments and trends in the hotel accommodation sector by exploring this year's distribution study. **Download the 2024 hotel distribution study [here](#)**.