

European Hotel Distribution Study

Results for the Reference Year 2017 in FRANCE

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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 2018 **together with hotel associations from HOTREC member countries across Europe for the reference year 2017.**
- Similar studies have been conducted in 2014 for the **reference year 2013** and in 2016 for the **reference year 2015.** The present study allows therefore to illustrate the evolution of distribution channels and players between 2013, 2015 and 2017.

The questionnaire

- The online questionnaire asked for market shares of different direct and indirect distribution channels (in terms of **overnights**) as well as the specific market shares of the OTAs (such as Booking.com, Expedia, and HRS).
 - Further questions queried the hotel-OTA relationship and analyzed the way how hoteliers manage online distribution channels and interfaces with meta-search engines.
 - The final part comprises questions covering characteristics of the hotel property (star rating, the size of the hotel in terms of rooms offered, amount of overnight stays, its location, main target group, etc.)
- See **annex 1** for a copy of the questionnaire

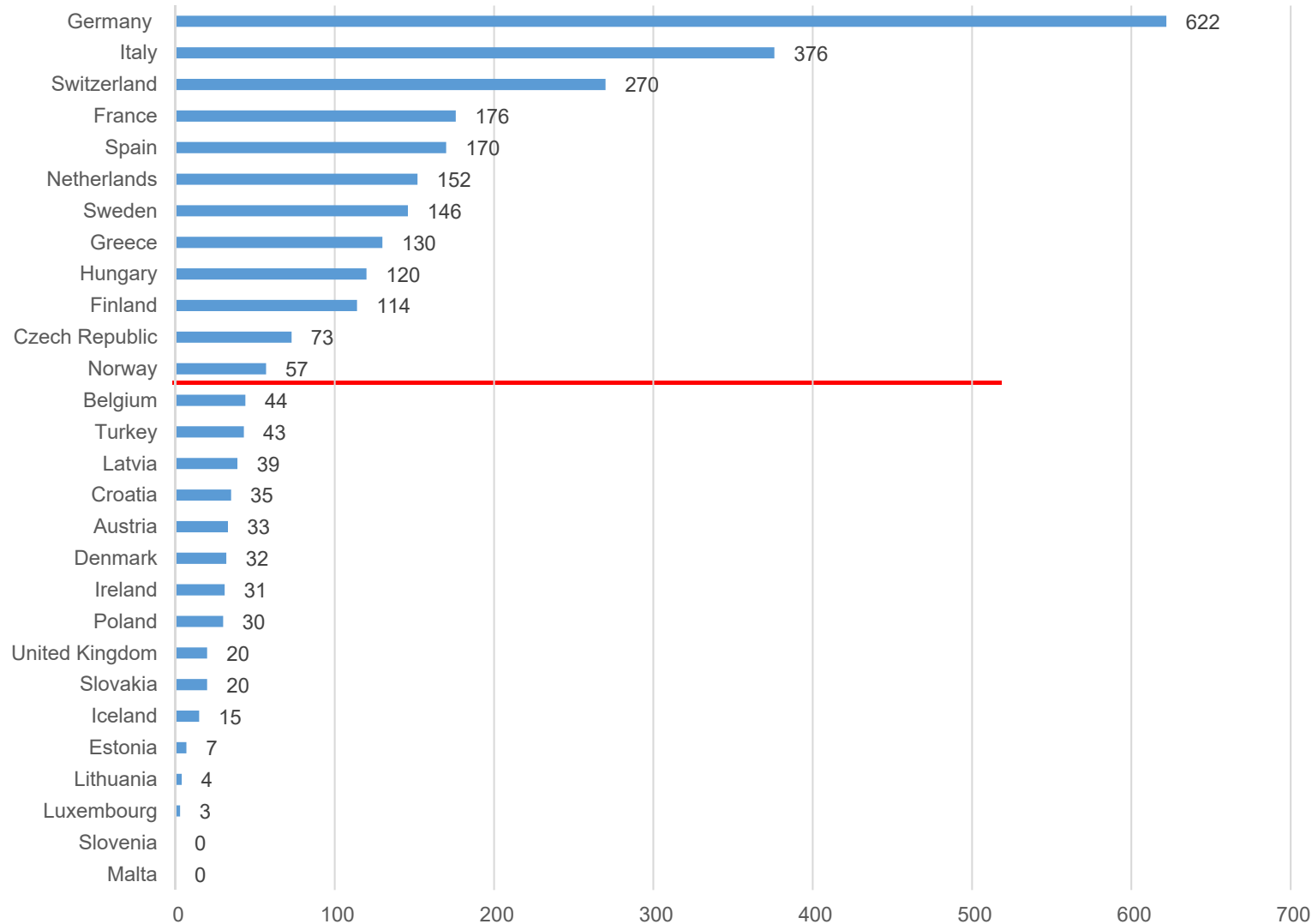
The survey administration

- The questionnaire was translated in more than 20 languages with the help of the respective national hotel organizations.
- The survey was addressed to the member hotels of the different hotel associations and **conducted between February and March 2018**. The collected data cover the **reference year 2017**.
- 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**.

Methodological remarks: sampling

- Overall **2'744 responses** from individual hotels could be collected through the online survey. Yet response rates by country vary strongly in the survey (see following slide).
- **Data from 2 hotel chains** allowed to integrate further **18 responses** on a property-level for 5 countries leading to an overall sample size of **2'762 valid observations**.
- For five countries, **aggregated data for distribution channels and OTA market shares** from **6 hotel chains comprising 650 hotels** with 101'981 rooms could be integrated into the analysis:
 - Germany: 3 chains with 456 hotels
 - Data from one chain in Finland, Hungary, Norway and Sweden
- The study is therefore based on observations from a total of **3'412 European hotels**.

Number of survey responses by country (total n=2'762)



Response rates by country

	Nbe of hotel establishments (2013/2015)	Nbe of hotel establishments (2016)	HOTREC survey responses	aggregated data chain hotels -> nbe observations	Total observations	Response rates
Austria	12 625	12 366	33		33	0.3%
Belgium	1 557	1 522	44		44	2.9%
Croatia	938	1 011	35		35	3.5%
Czech Republic	5 992	6 022	73		73	1.2%
Denmark	525	537	32		32	6.0%
Estonia	414	413	7		7	1.7%
Finland	777	772	114	9	123	15.9%
France	18 328	18 424	176		176	1.0%
Germany	33 635	33 061	622	456	1 078	3.3%
Greece	10 111	9 987	130		130	1.3%
Hungary	2 185	2 202	120	12	132	6.0%
Iceland	402	397	15		15	3.8%
Ireland	2 348	:	31		31	1.3%
Italy	33 202	33 166	376		376	1.1%
Latvia	332	343	39		39	11.4%
Lithuania	418	420	4		4	1.0%
Luxembourg	236	232	3		3	1.3%
Malta	161	164	0		0	0.0%
Netherlands	3 525	3 585	152		152	4.2%
Norway	1 082	:	57	93	150	13.9%
Poland	3 723	3 965	30		30	0.8%
Slovakia	1 509	1 475	20		20	1.4%
Slovenia	681	692	0		0	0.0%
Spain	19 718	19 524	170		170	0.9%
Sweden	1 992	2 011	146	80	226	11.2%
Switzerland	5 055	4 949	270		270	5.5%
Turkey	3 125	:	43		43	1.4%
United Kingdom	40 272	:	20		20	0.0%

2 762

3 412

Methodological remarks: confidence intervals

- As not all hotels have answered all the questions, the **indicated total number of observations changes from one question to another.**
- **Measure of accuracy**
 - A **confidence interval gives an estimated range of values which is likely to include an unknown population parameter**, the estimated range being calculated from a given set of sample data. (Definition from Valerie J. Easton and John H. McColl's Statistics Glossary v1.1). -> A confidence interval tell you the most likely range of the unknown population average.
 - We used the **bootstrap** approach with a **95% confidence interval**: This gives the **probability** that the interval produced by the bootstrap method includes the true value of the parameter in the population.
 - We used: Wessa P., (2015), Bootstrap Plot for Central Tendency (v1.0.14) in Free Statistics Software (v1.1.23-r7), Office for Research Development and Education, URL http://www.wessa.net/rwasp_bootstrapplot1.wasp/

Distribution channels



Market shares of distribution channels in Europe 2017: overall sample

<i>Unweighted overall sample (2'593 valid observations for the distribution channels)</i>	Market share 2017		confidence interval (bootstrap)	
Direct - Phone	18.5	55.1	18.0	19.0
Direct - Mail / fax	2.0		1.8	2.1
Direct - Walk-In (persons without reservation)	4.4		4.2	4.6
Direct - Contact form on own website (without availability check)	6.0		5.6	6.3
Direct - Email	16.0		15.5	16.7
Direct - real time booking over own website with availability check	8.2		7.9	8.6
Destination Marketing Organization (DMO) / trade associations	0.9	1.3	0.5	1.3
National Tourism Organization (NTO)	0.5		0.2	0.8
Tour operator / Travel agency	7.8	12.7	7.3	8.3
Hotel chains and cooperations with CRS	1.0		0.6	1.4
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	1.9		1.5	2.3
Event and Congress organizer	1.9		1.6	2.3
Online Booking Agency (OTA)	26.9	29.3	26.1	27.8
Globale Distributionssysteme (GDS)	1.9		1.4	2.4
Social Media Channels	0.5		0.2	0.8
other distribution channels	1.6	1.6	1.1	2.1

Evolution market shares of distribution channels in Europe 2013 to 2017: overall sample

	Market share 2017 (n=2'593)		Market share 2015 (n=2'188)		Market share 2013 (n=2'221)		DELTA (2017-2013)	
Direct - Phone	18.5	55.1	18.7	55.2	21.1	59.4	-2.5	-4.2
Direct - Mail / fax	2.0		2.3		3.1		-0.9	
Direct - Walk-In (persons without reservation)	4.4		4.8		6.0		-1.2	
Direct - Contact form on own website (without availability check)	6.0		6.1		6.1		0.0	
Direct - Email	16.0		16.7		16.1		0.5	
Direct - real time booking over own website with availability check	8.2		6.8		6.9		-0.2	
Destination Marketing Organization (DMO) / trade associations	0.9	1.3	0.9	1.4	1.0	1.7	-0.2	-0.2
National Tourism Organization (NTO)	0.5		0.6		0.6		-0.1	
Tour operator / Travel agency	7.8	12.7	8.0	16.3	9.6	15.7	-1.6	0.6
Hotel chains and cooperations with CRS	1.0		2.6		1.4		1.2	
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	1.9		2.6		2.8		-0.2	
Event and Congress organizer	1.9		3.1		1.9		1.2	
Online Booking Agency (OTA)	26.9	29.3	22.3	25.5	19.3	21.8	3.0	3.7
Globale Distribution Systems (GDS)	1.9		2.7		2.0		0.7	
Social Media Channels	0.5		0.5		0.5		0.0	
Other distribution channels	1.6	1.6	1.5	1.5	1.5	1.5	0.0	0.0

Market shares of distribution channels 2017: France

Unweighted sample: n=158	Market share	
Direct - Phone	26.3	62.8
Direct - Mail / fax	1.6	
Direct - Walk-In (persons without reservation)	8.5	
Direct - Contact form on own website (without availability check)	3.7	
Direct - Email	10.3	
Direct - real time booking over own website with availability check	12.5	
Destination Marketing Organization (DMO) / trade associations	0.7	1.1
National Tourism Organization (NTO)	0.4	
Tour operator / Travel agency	3.8	9.2
Hotel chains and cooperations with CRS	2.5	
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	1.1	
Event and Congress organizer	1.9	
Online Booking Agency (OTA)	22.4	24.7
Globale Distributionssysteme (GDS)	2.0	
Social Media Channels	0.3	
other distribution channels	2.2	2.2

In SME hotels, the OTA market share is 25% whereas in hotels from chains the proportion is 18.11%.

OTAs in Europe



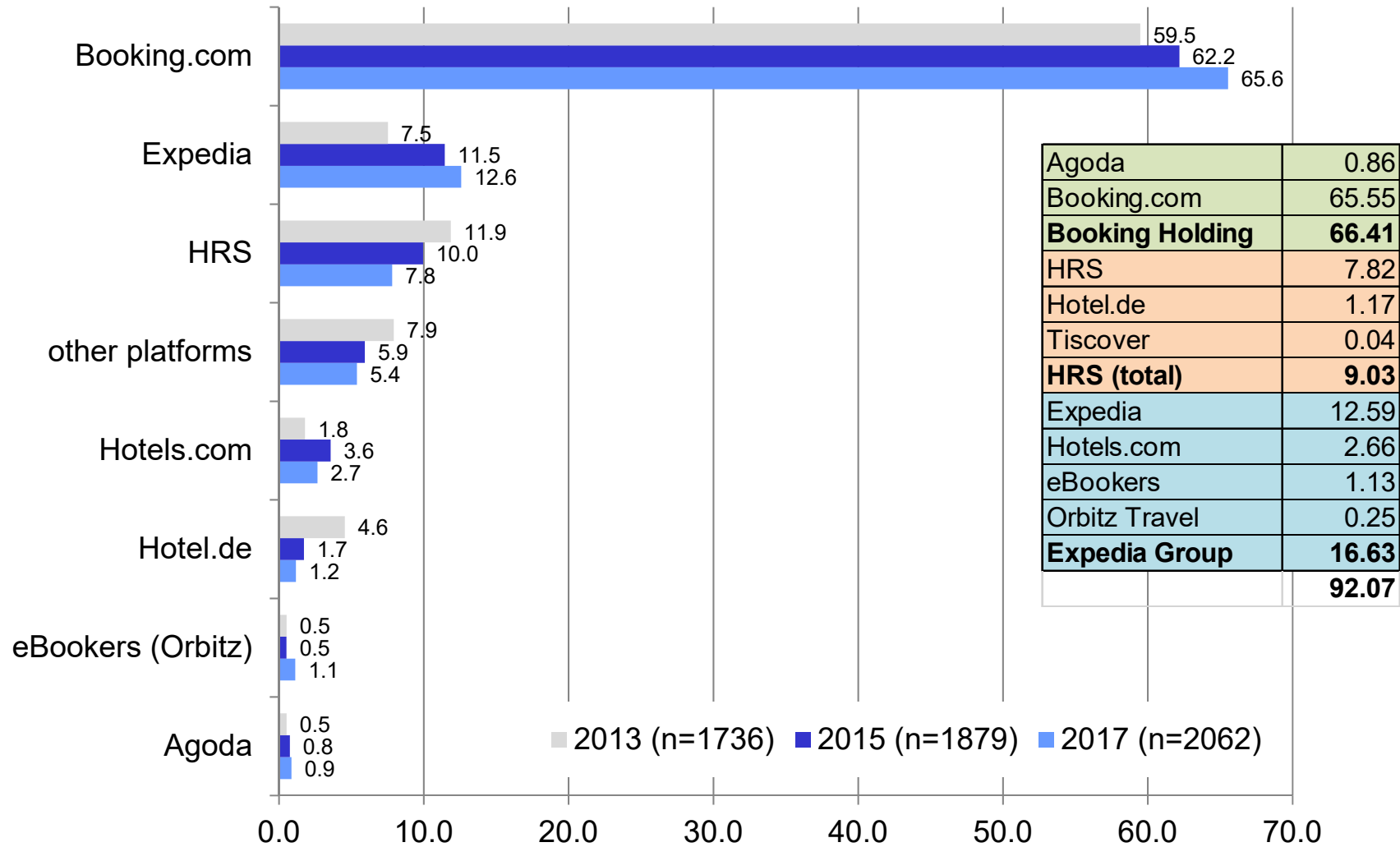
Booking.com

Expedia

HRS

Hotrec
Hospitality Europe

Unweighted relative market shares of major OTAs in Europe



Relative market shares of top 3 OTAs in selected countries (I)

	Czech Republic 2013	Czech Republic 2015	Czech Republic 2017	Finland 2013	Finland 2015	Finland 2017	France 2017	Germany 2013	Germany 2015	Germany 2017	Germany 2017 (weighted)
<i>observations (n)</i>	55	40	70	42	39	80	121	597	395	483	535
Agoda	0.3	0.3	0.7	0.0	0.1	1.6	0.4	0.2	0.3	0.4	0.5
Booking.com	65.0	60.6	70.0	64.6	63.7	66.2	68.2	41.8	51.5	58.9	58.6
Booking Holding	65.2	60.9	70.7	64.6	63.8	67.8	68.6	42.0	51.9	59.3	59.1
HRS	8.6	10.8	6.7	1.9	0.9	1.5	3.7	32.4	31.0	22.6	19.9
Hotel.de	5.0	2.6	0.8	0.6	0.4	0.4	0.3	11.0	5.3	3.3	3.6
Tiscover	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1
HRS (total)	13.5	13.3	7.5	2.5	1.3	1.9	4.0	43.6	36.4	26.0	23.6
Expedia	8.3	8.6	6.0	2.5	6.8	10.9	16.7	3.3	4.2	7.1	10.5
Venere	3.5	0.5		0.5	0.1			1.0	0.4		
Hotels.com	1.5	1.6	2.1	2.2	7.4	6.2	4.2	1.3	1.2	1.0	0.8
eBookers	0.1	0.2	0.2	0.5	5.0	3.2	2.0	0.2	0.1	0.9	0.8
Orbitz Travel	0.5	0.3	0.2	0.5	0.5	0.1	0.3	0.1	0.1	0.1	0.1
Expedia Group (total)	13.7	11.2	8.5	6.2	19.8	20.4	23.2	6.0	5.9	9.1	12.2
Total of top 3	92.5	85.4	86.8	73.3	84.9	90.0	95.8	91.6	94.1	94.4	94.9

OTA – Hotel Relationship



OTA – Hotel Relationship (France)

Do you feel pressured by Online Booking platforms (OTA) to accept their terms & conditions (e.g. cancellation policy, special discounts, etc.) that you otherwise (voluntarily) would not offer?

Response rate: **90.3%**

	Nbr	% obs.	
Yes	96	60.4%	60.4%
No	47	29.6%	29.6%
Do not know	16	10.1%	10.1%
Total	159	100.0%	

In case of a dispute with an Online Booking platform, do you consider that there is a fair and effective solution to the disagreements?

Response rate: **88.1%**

	Nbr	% obs.	
No	88	56.8%	56.8%
Do not have disputes with OTAs	44	28.4%	28.4%
Yes	23	14.8%	14.8%
Total	155	100.0%	

Use of OTA programs in France

Have you ever made use of the various possibilities offered by OTA to improve effectively your ranking (e.g. ranking booster, preferred partner programs)?

Response rate: **89.2%**

	Nbr	% obs.	
No, nothing of both	102	65.0%	65.0%
Yes, preferred Partner Programs	32	20.4%	20.4%
Yes, both	20	12.7%	12.7%
Yes, ranking booster	3	1.9%	1.9%
Total	157	100.0%	

Distribution channel management



Channel Management (France)

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

Response rate: **93.2%**

	Nbr	% obs.	
on several channels at the same time (channel manager)	77	47.0%	47.0%
over a hotel software or reservation system (CRS interface)	61	37.2%	37.2%
manual online	56	34.1%	34.1%
over an agency	1	0.6%	0.6%
others	0	0.0%	0.0%
Total	164		

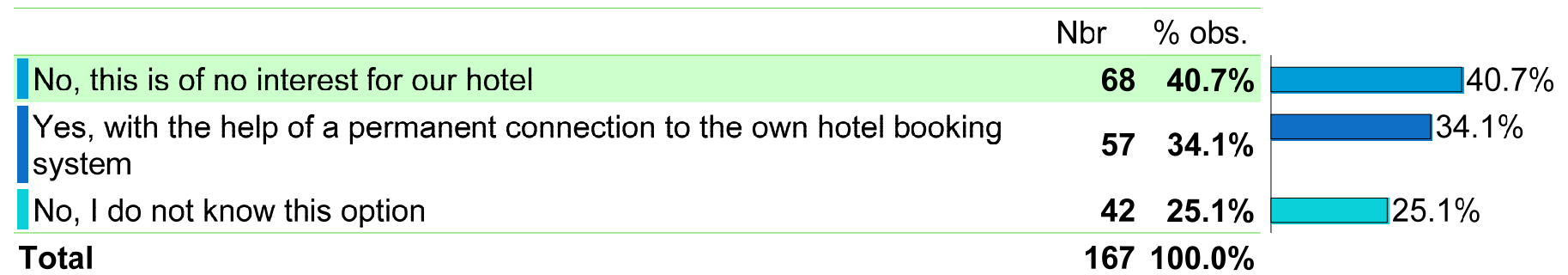
Use of meta-search engines



Use of meta-search engines

Are your rates and availabilities accessible with a direct junction / interface with a meta-search engine (e.g. Kayak, Trivago, Tripadvisor etc.) ?

Response rate: **94.9%**



Used meta-search engines

If you have a permanent connection, with which meta-search engine do you link up?

Response rate: **42.6%**

	Nbr	% obs.	
TripAdvisor	44	58.7%	58.7%
Google (Hotel Ads)	42	56.0%	56.0%
Trivago	23	30.7%	30.7%
Others	12	16.0%	16.0%
Kayak	10	13.3%	13.3%
Total	75		

Based on unweighted (raw) sample data.

Contact

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Annex 1: The Questionnaire (1)



Many thanks for your interest in our survey. The results shall draw a precise picture of 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).

Your responses will be treated confidentially and no individual hotel will be identifiable in any reports or results generated as a result of this survey due to data aggregation.

Remarks:

- With the arrows you are able to navigate between the pages.
- Please do not forget to save your answers at the end by clicking on the "SAVE"-button.

Hotel chains and cooperations, that wish to deliver aggregated data for several properties, are kindly asked to contact Dr. Roland Schegg (roland.schegg@hevs.ch).

For technical assistance please contact Dr. Roland Schegg
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Sierre, Switzerland

Annex 1: The Questionnaire (2)

Country

- | | | | | |
|--------------------------------------|-------------------------------|---------------------------------|-----------------------------------|--------------------------------|
| <input type="radio"/> Austria | <input type="radio"/> Belgium | <input type="radio"/> Bulgaria | <input type="radio"/> Croatia | <input type="radio"/> Cyprus |
| <input type="radio"/> Czech Republic | <input type="radio"/> Denmark | <input type="radio"/> Estonia | <input type="radio"/> Finland | <input type="radio"/> France |
| <input type="radio"/> Germany | <input type="radio"/> Greece | <input type="radio"/> Hungary | <input type="radio"/> Iceland | <input type="radio"/> Ireland |
| <input type="radio"/> Italy | <input type="radio"/> Latvia | <input type="radio"/> Lithuania | <input type="radio"/> Luxembourg | <input type="radio"/> Malta |
| <input type="radio"/> Netherlands | <input type="radio"/> Norway | <input type="radio"/> Poland | <input type="radio"/> Portugal | <input type="radio"/> Slovakia |
| <input type="radio"/> Slovenia | <input type="radio"/> Spain | <input type="radio"/> Sweden | <input type="radio"/> Switzerland | <input type="radio"/> Turkey |
| <input type="radio"/> United Kingdom | | | | |

Annex 1: The Questionnaire (3)

A. Distribution channels of hotel

What was the percentage of overnight stays in 2017 booked over the following channels?

Please put in data as whole numbers, e.g. for 21.3% it would be 21. Moreover, please make sure that the sum of all direct and indirect channels amounts to **100%**.

Direct - Phone	<input type="text"/>
Direct - Mail / fax	<input type="text"/>
Direct - Walk-In (persons without reservation)	<input type="text"/>
Direct - Contact form on own website (without availability check)	<input type="text"/>
Direct - Email	<input type="text"/>
Direct - real time booking over own website with availability check	<input type="text"/>
Destination Marketing Organization (DMO) / trade associations	<input type="text"/>
National Tourism Organization (NTO)	<input type="text"/>
Tour operator / Travel agency	<input type="text"/>
Online Booking Agency (OTA)	<input type="text"/>
Hotel chains and cooperations with CRS	<input type="text"/>
Globale Distributionssysteme (GDS - Amadeus, Travelport incl. Galileo and Worldspan, Sabre)	<input type="text"/>
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	<input type="text"/>
Event and Congress organizer	<input type="text"/>
Social Media Channels	<input type="text"/>
other distribution channels	<input type="text"/>

Annex 1: The Questionnaire (4)

If "other distribution channels", which ones:

Optional comments regarding the development of distribution channels in general:

Annex 1: The Questionnaire (5)

B. Online Travel Agencies (OTA)

If your hotel is bookable over Online Travel Agencies (OTA), please indicate the relative distribution (in %) of these overnight stays for the year 2017.

Please put in data as whole numbers, e.g. for 21.3% it would be 21. The sum should amount to 100%.

Agoda	<input type="text"/>
Bergfex	<input type="text"/>
Booking.com	<input type="text"/>
BookNorway	<input type="text"/>
CTrip	<input type="text"/>
eBookers (Expedia)	<input type="text"/>
Destinia	<input type="text"/>
eDreams	<input type="text"/>
Expedia.com	<input type="text"/>
Hotel.ch	<input type="text"/>
Hotel.de	<input type="text"/>
Hoteliers.com	<input type="text"/>
Hotels.nl	<input type="text"/>
Hotels.com	<input type="text"/>
HRS	<input type="text"/>
Hotelzon	<input type="text"/>
Lastminute.com	<input type="text"/>
Latebooking.com	<input type="text"/>

Annex 1: The Questionnaire (6)

Logitravel	<input type="text"/>
Orbitz Travel (Expedia)	<input type="text"/>
Rumbo	<input type="text"/>
Tiscover	<input type="text"/>
Voyage-Privé	<input type="text"/>
Voyage-SNCF.fr (excl. Rail)	<input type="text"/>
ab-in-den-urlaub.de, hotelreservierung.de etc.	<input type="text"/>
other platforms	<input type="text"/>

Annex 1: The Questionnaire (7)

If "other platforms", which ones:

Optional comments regarding online booking channels (OTA):

Do you feel pressured by Online Booking platforms (OTA) to accept their terms & conditions (e.g. cancellation policy, special discounts, etc.) that you otherwise (voluntarily) would not offer?

- Yes No Do not know

Have you ever made use of the various possibilities offered by OTA to improve effectively your ranking (e.g. ranking booster, preferred partner programs)?

- Yes, preferred Partner Programs Yes, ranking booster Yes, both No, nothing of both

In case of a dispute with an Online Booking platform, do you consider that there is a fair and effective solution to the disagreements?

- Yes No Do not have disputes with OTAs

Annex 1: The Questionnaire (8)

C. Use of Booking Technology and New Media

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

- on several channels at the same time (channel manager) manual online
 over an agency others
 over a hotel software or reservation system (CRS interface)

If "others", which ones?

Are your rates and availabilities accessible with a direct junction / interface with a meta-search engine (e.g. Kayak, Trivago, Tripadvisor etc.) ?

- Yes, with the help of a permanent connection to the own hotel booking system No, this is of no interest for our hotel No, I do not know this option

If you have a permanent connection, with which meta-search engine do you link up?

- Google (Hotel Ads) Kayak TripAdvisor
 Trivago Others

If "Others", which?

Annex 1: The Questionnaire (9)

D. General Information about your hotel

Seasonal opening hours

- open all year round
- two seasons business
- one season business (winter)
- one season business (summer)

Is your hotel classified (hotel stars)?

- Yes
- No

Star classification

- 1*
- 2*
- 3*
- 4*
- 5*
- other category

Annex 1: The Questionnaire (10)

Size of hotel (number of hotel rooms)

How many overnight stays did you register in 2017?

If you cannot give precise data, give an estimation in the following question below.

How many overnight stays did you register in 2017? (estimation)

- | | | | |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <input type="radio"/> <2 000 | <input type="radio"/> 2 000-5 000 | <input type="radio"/> 5 000-10 000 | <input type="radio"/> 10 000-15 000 |
| <input type="radio"/> 20 000-25 000 | <input type="radio"/> 25 000-30 000 | <input type="radio"/> 30 000-40 000 | <input type="radio"/> 40 000-50 000 |
| <input type="radio"/> >50 000 | | | |

Most important customer segment

- | | | | |
|--------------------------------|--|----------------------------|-------------------------------------|
| <input type="radio"/> Business | <input type="radio"/> Vacation / leisure | <input type="radio"/> MICE | <input type="radio"/> Other segment |
|--------------------------------|--|----------------------------|-------------------------------------|

Place

- | | | | |
|---|---|--|---|
| <input type="radio"/> City with more than 250'000 inhabitants | <input type="radio"/> City between 50'000 and 250'000 inhabitants | <input type="radio"/> City between 10'000 and 50'000 inhabitants | <input type="radio"/> small city (less than 10'000 inhabitants) |
|---|---|--|---|

Location

- | | | | |
|-------------------------------|--|------------------------------------|--------------------------------------|
| <input type="radio"/> seaside | <input type="radio"/> alpine/mountain region | <input type="radio"/> rural region | <input type="radio"/> other location |
|-------------------------------|--|------------------------------------|--------------------------------------|

Annex 1: The Questionnaire (11)

Is your hotel part of a hotel chain or hotel cooperation?

- No Yes, hotel chain Yes, hotel cooperation

If you wish to receive an abstract of our final report, please write your email address below.

A BIG THANK YOU FOR YOUR VALUABLE COLLABORATION!