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European Hotel Distribution Study: The Rise of Online Intermediaries

Special Focus Switzerland

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Executive Summary (I)

- Online distribution has become an important channel for the European hotel industry. On average, we estimate that in 2013 already more than one out of five overnights was generated by **Online Booking Agencies (OTA)**, mainly through Priceline (*booking.com, Agoda*), Expedia (incl. *hotels.com, Venere*) and HRS (incl. *hotel.de, Tiscover*) which together account for nearly 90% of this market.
    - In **Switzerland**, the market share of OTAs (in terms of overnights) is 19.4% with Priceline dominating (relative market share of 70.1%) followed by Expedia (9.9%) and HRS (9.8%).
- Overall **online intermediaries** (OTA, GDS and others) generate 25% of overnights in Europe according to our estimation.
    - In **Switzerland**, these actors account for 22.5% of the generated overnights.

Executive Summary (II)

- Whereas more than 5 out of 10 overnights are realized by **direct bookings** between guests and hotels, **traditional intermediaries** (e.g. travel agency, tour operator) generate 16.5% of overnights in Europe. However, tourism organizations play only a minor role in hotel distribution with 1.35% of overnights.
  - In **Switzerland**, direct bookings are stronger than in Europe with nearly two thirds (63.7%) of overnights coming through these channels. Tourism organisations (local to national) account for 2.5% of overnights.

Executive Summary (III)

- The European hotel market is characterized by an important proportion of **small and medium-sized hotel (SME)** enterprises, mainly in the budget to mid-class segment.
  - Survey results suggest that the smaller the hotel property the higher the OTA share. In **Switzerland**, the highest OTA market shares (22.5%) can be observed for hotels with 20-50 rooms, whereas hotels with more than 100 rooms have OTA shares of less than 12%.
  - As expected hotels with 1-3 stars have significant higher OTA shares compared to luxury hotels (4-5 stars). In **Switzerland**, the 2* hotels have OTA market share of 22% and 3* hotels of 20.3% whereas 4* hotels have an OTA share of 17.8% and 5* hotels of 10.8%.

Executive Summary (IV)

- The majority (51%) of European hotels in the survey manage rates and availability in a manual way. The use of **channel managers** and hotel software is clearly higher in 4-5* hotels than in other types of hotels.
  - In **Switzerland**, the proportion of hotels managing manual channels in a manual way is lower (44.1%) when compared to the overall European results. The use of a channel manager is observed in 44% of properties compared to 36% on a European level.

Executive Summary (V)

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- Having an own website (94%) and providing free Wi-fi for guests (74%) are the most popular **ICT features** used by the surveyed European hotels. A Facebook page is used by 71% of the hotels whereas an Internet Booking Engine (IBE) on the own hotel website is present in 59% of the properties.
  - In **Switzerland**, observed trends in the use of ICT are similar to those in European hotels. Free Internet access is a bit higher (80.6%) and Facebook use a bit lower (62.7%) compared with European hotels.

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Executive Summary (VI)

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- Only one out of two hotels is using **mobile booking channels**. The proportion of hotels without a mobile distribution strategy is much higher in the 1-3* hotels than in the 4-5* segment.
  - In **Switzerland**, 48% of hotels have no mobile distribution options. Whereas 31% of Swiss respondents have a mobile version of the website, only 8% have an own mobile app.

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Executive Summary (VII)

- On the **European** level, half of the hotels (46%) do not know the integration options with travel **meta-search engines** whereas one out of five knows it but does not see the business case. The number of hotels not knowing meta-search integration is clearly above 50% for 1-3* hotels whereas with 4* (39%) and 5* properties (24%) this proportion is much smaller.
    - In **Switzerland**, the situation is similar. 45% of hotels do not know interface options with the meta-search engines and only 30% have a permanent connection with the popular players in this field (i.e. mainly TripAdvisor and Trivago).

Executive Summary (V)

- These are some of the results of a joint survey conducted between January and April 2014 by 26 European hotel associations coordinated by **HOTREC**, the umbrella association of Hotels, Restaurants and Cafés in Europe, in collaboration with the Institute of Tourism (ITO) of the University of Applied Sciences and Arts Western Switzerland Valais (HES-SO Valais) in Sierre.
- Results are based on responses from 2'298 individual hotels and complementary data from 5 hotel chains in Germany comprising nearly 600 hotels.
- In **Switzerland**, the survey is based on the results of 279 responses.

The survey

The survey: background

- In order to draw a more 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), **HOTREC**, the umbrella association of Hotels, Restaurants and Cafés in Europe, has decided to conduct an online survey together with hotel associations from 26 countries across Europe for the **reference year 2013**.
- In **Switzerland**, hotelleriesuisse and Gastrosuisse have supported the study.

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).
  - **Switzerland**: The previous editions of the survey since 2002 asked for booking shares. This change in methodology has to be taken into account when comparing results with previous surveys.
- Further questions queried how hoteliers manage online distribution channels and how they use information and communication technologies (ICT).
- 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.)

The survey administration

- The questionnaire was translated in 19 languages with the help of the respective national hotel organizations.
- The links to the different language versions of the online questionnaire were published on an isolated web page (not accessible by the normal website visitor) on the website of HOTREC (www.hotrec.eu).
- The survey was addressed to the member hotels of the different hotel associations and **conducted between February and April 2014**. The collected data cover the **reference year 2013**.
- The different hotel associations contacted their members either by email or through newsletters. Some associations published a link on their own website. For these cases a specific "public" link has been created.

Methodological remarks: sampling

- **Sample size**: Response rates by country vary strongly in the survey which totals 2298 overall responses:
  - Generally, results based on less than 30 observations are not reliable.
  - Depending on the size of the hotel population in a country and sampling distribution, results based on less than 100 observations have still to be interpreted with some caution.
- In **Germany**, in addition to the responses of 597 individual hotels from the survey, aggregated data of **5 hotel chains totaling 596 hotels** could be integrated into the survey data set for some of the questions. This results in a total of 1193 participating hotels for this country.
- In **Switzerland**, the survey is based on the results of 279 responses.
- As not all hotels have answered all the questions, the **indicated total number of observations changes from one question to another**.

Methodological remarks: confidence intervals

- **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.

Methodological remarks: weighted averages

- **Estimations of market shares on an European level are based on a weighted average values:**
  - ✓ In order to estimate market shares of distribution channels and OTAs on an European level, **country-specific data serve as input**.
  - ✓ Given the varying size of hotel markets in the HOTREC member countries, we estimate a weighted average value for market share estimations on an European level. This approach means that the overall European estimate is **not biased** by a high number of observations in specific countries.
  - ✓ A weighted average is the summation of variables (country-specific averages), each of which are multiplied by their relative weight.
  - ✓ The relative weights in our case are the respective **overnights** for each country in the sample.
  - ✓ For countries with insufficient number of observations and hence limited validity of country-specific estimates, the overall weighted mean from countries with more robust data is used.

Number of survey responses by country (total n=2’298)

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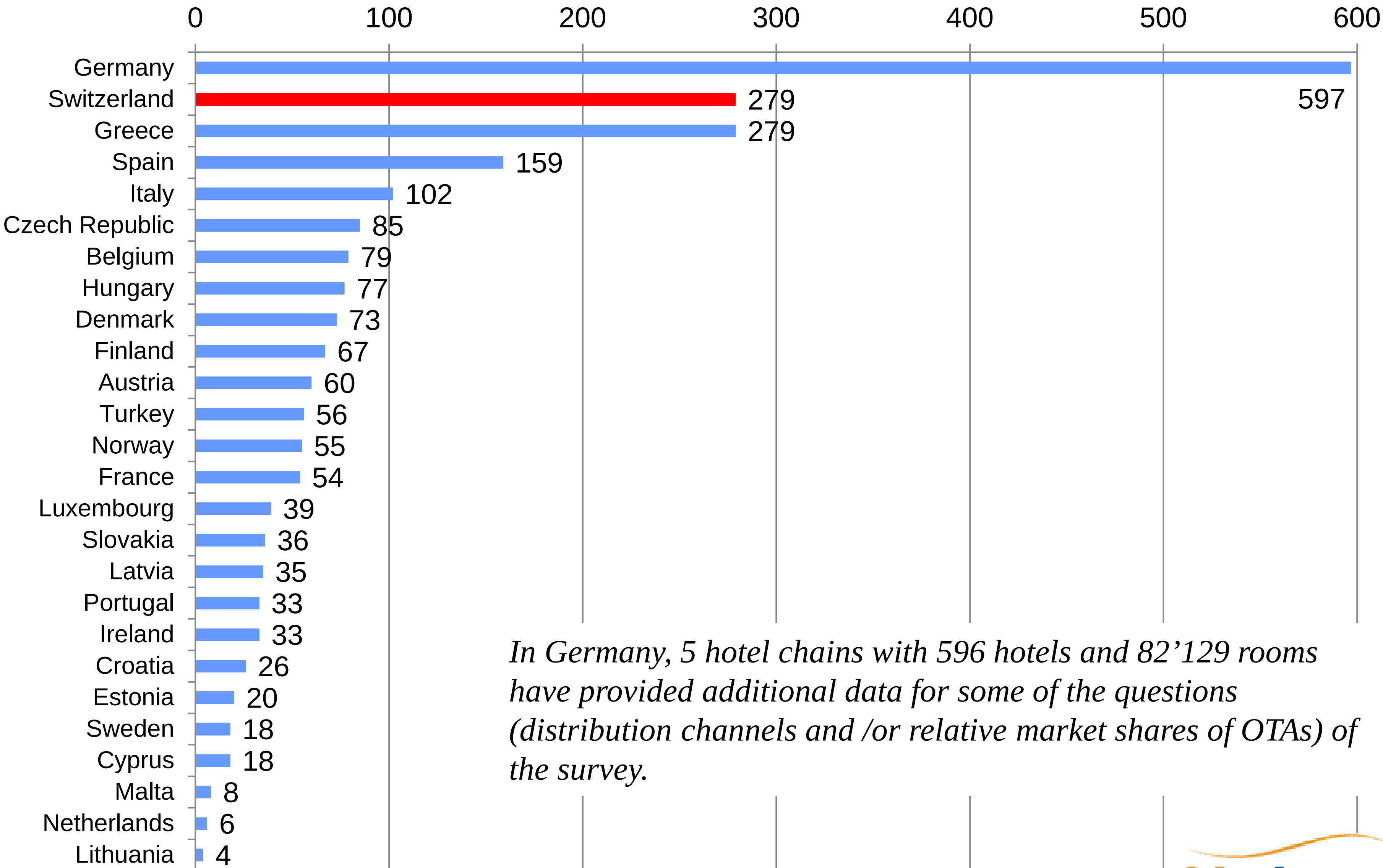

In Germany, 5 hotel chains with 596 hotels and 82’129 rooms have provided additional data for some of the questions (distribution channels and /or relative market shares of OTAs) of the survey.

Response rates by country

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Country	Nbr of responses survey	Number of hotels and similar (Eurostat)	Response rate on overall number of hotels in country	Number of hotels [national stats]	Response rate on hotels in country [national stats]
Austria	60	13203	0.5%	5732	1.0%
Belgium	79	1771	4.5%	1932	4.1%
Croatia	26	878	3.0%	648	4.0%
Cyprus	18	799	2.3%	225	8.0%
Czech Republic	85	4672	1.8%	2300	3.7%
Denmark	73	515	**14.2%**	864	8.4%
Estonia	20	390	**5.1%**	140	14.3%
Finland	67	839	**8.0%**	839	8.0%
France	54	17189	0.3%	17189	0.3%
Germany (only survey)	597	35511	1.7%	21186	2.8%
Germany (survey and data from chains)	1193	35511	3.4%	21186	5.6%
Greece	279	9665	2.9%	9667	2.9%
Hungary	77	2094	3.7%	904	8.5%
Ireland	33	2945	1.1%	814	4.1%
Italy	102	33728	0.3%	33728	0.3%
Latvia	35	247	**14.2%**	239	14.6%
Lithuania	4	397	1.0%	382	1.0%
Luxembourg	39	249	**15.7%**	235	16.6%
Malta	8	150	**5.3%**	135	5.9%
Netherlands	6	3155	0.2%	2246	0.3%
Norway	55	1102	**5.0%**	1102	5.0%
Portugal	33	2028	1.6%	1324	2.5%
Slovakia	36	1473	2.4%	647	5.6%
Spain	159	19532	0.8%	14785	1.1%
Sweden	18	2003	0.9%	1200	1.5%
Switzerland	279	5191	**5.4%**	5191	5.4%
Turkey	56	8000	0.7%	2870	2.0%

Summary of sample characteristics (Europe)

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- Overall, the following main observations can be made with regard to the sample characteristics:
  - Hotel Classification – 3 and 4 star hotels make up 60% of the classified hotels (76% of the whole sample).
  - Size – The average size of the hotels in the sample is 37 rooms (median value), yet one hotel of five has between 10 and 19 rooms and 40% have less than 30 rooms.
  - Overnights – nearly 40% of the hotels generated between 2’000 and 10’000 overnights during 2013. Based on precise data from every second hotel a median value of 10’700 overnights can be determined.
  - Customer segment – The leisure segment is the dominant target group for 52% of hotels, followed by business clients for 36% of properties
  - Location – 42% of hotels are in towns with less than 10’000 inhabitants
  - Management – 70% of hotels are individual properties whereas 16% belong to a hotel chain and 11% to a hotel cooperation.

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Sample characteristics in Switzerland (star classification)

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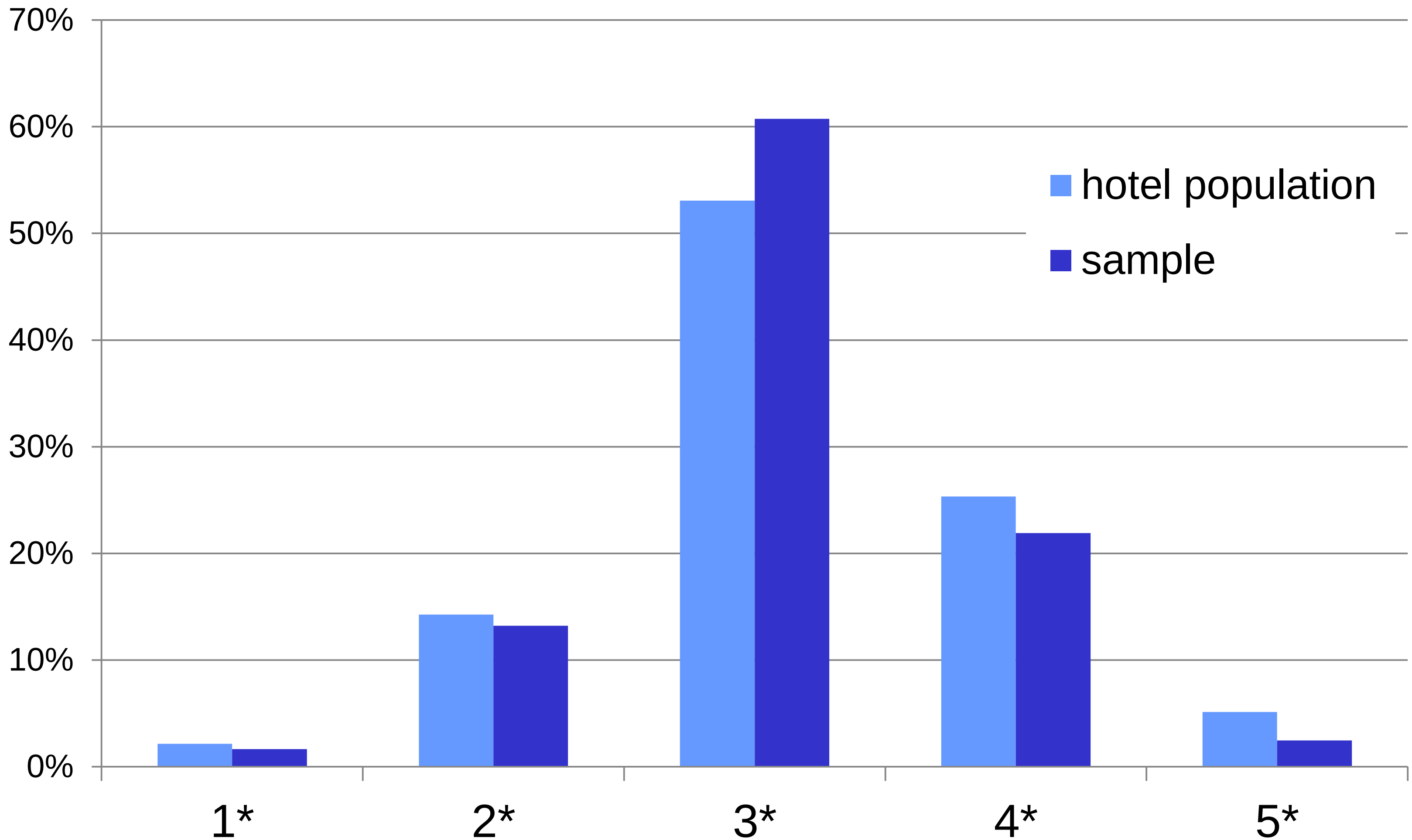

Distribution channels


Market shares of distribution channels in Europe 2013: <u>unweighted</u> overall sample

Unweighted overall sample: n=2'221	Market share		confidence interval (bootstrap)	
Direct - Phone	21.10	59.36	20.5	21.7
Direct - Mail / fax	3.14		2.8	3.5
Direct - Walk-In (persons without reservation)	5.96		5.6	6.3
Direct - Contact form on own website (without availabilty check)	6.12		5.6	6.6
Direct - Email	16.12		15.5	16.8
Direct - real time booking over own website with availabilty check	6.92		6.5	7.3
Destination Marketing Organization (DMO) / trade associations	1.03	1.65	0.8	1.2
National Tourism Organization (NTO)	0.62		0.5	0.7
Tour operator / Travel agency	9.61	15.73	8.9	10.3
Hotel chains and cooperations with CRS	1.35		1.2	1.6
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	2.84		2.6	3.1
Event and Congress organizer	1.93		1.8	2.1
Online Booking Agency (OTA)	19.25	21.77	18.5	20.1
Globale Distributionssysteme (GDS)	2.04		1.8	2.3
Social Media Channels	0.48		0.4	0.6
other distribution channels	1.46	1.46	1.1	1.8

Confidence intervals are stated at the 95% confidence level. Market shares in % of overnights.
Based on results from all 26 countries

Market shares of distribution channels in Europe 2013: weighted sample

Weighted overall sample: n=2'169	Market share	
Direct - Phone	19.41	55.94
Direct - Mail / fax	2.66	
Direct - Walk-In (persons without reservation)	5.79	
Direct - Contact form on own website (without availabilty check)	5.50	
Direct - Email	14.91	
Direct - real time booking over own website with availabilty check	7.67	
Destination Marketing Organization (DMO) / trade associations	0.95	1.35
National Tourism Organization (NTO)	0.39	
Tour operator / Travel agency	9.59	16.50
Hotel chains and cooperations with CRS	1.63	
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	3.54	
Event and Congress organizer	1.74	
Online Booking Agency (OTA)	22.50	24.81
Globale Distributionssysteme (GDS)	1.89	
Social Media Channels	0.42	
other distribution channels	1.40	1.40

Based on results of 25 countries (data from hotel chains in Germany not included). Market shares in % of overnights.

Market shares of distribution channels 2013: Switzerland

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Unweighted sample: n=272	Market share		confidence interval (bootstrap)	
Direct - Phone	20.6	63.7	18.9	22.3
Direct - Mail / fax	2.2		1.8	2.6
Direct - Walk-In (persons without reservation)	5.9		5.0	6.7
Direct - Contact form on own website (without availabilty check)	6.4		5.1	7.6
Direct - Email	21.2		19.7	22.7
Direct - real time booking over own website with availabilty check	7.5		6.2	8.8
Destination Marketing Organization (DMO) / trade associations	1.4	2.5	1.1	1.6
National Tourism Organization (NTO)	1.1		0.8	1.4
Tour operator / Travel agency	4.6	10.0	3.6	5.5
Hotel chains and cooperations with CRS	1.3		0.7	1.8
Wholesaler (e.g. Hotelbeds, Tourico, Gulliver, Transhotel, etc.)	2.7		1.7	3.7
Event and Congress organizer	1.5		1.1	2.0
Online Booking Agency (OTA)	19.4	22.5	17.7	21.1
Globale Distributionssysteme (GDS)	2.8		1.9	3.7
Social Media Channels	0.3		0.1	0.4
other distribution channels	1.3	1.3	0.8	1.8

Confidence intervals are stated at the 95% confidence level. Market shares in % of overnights

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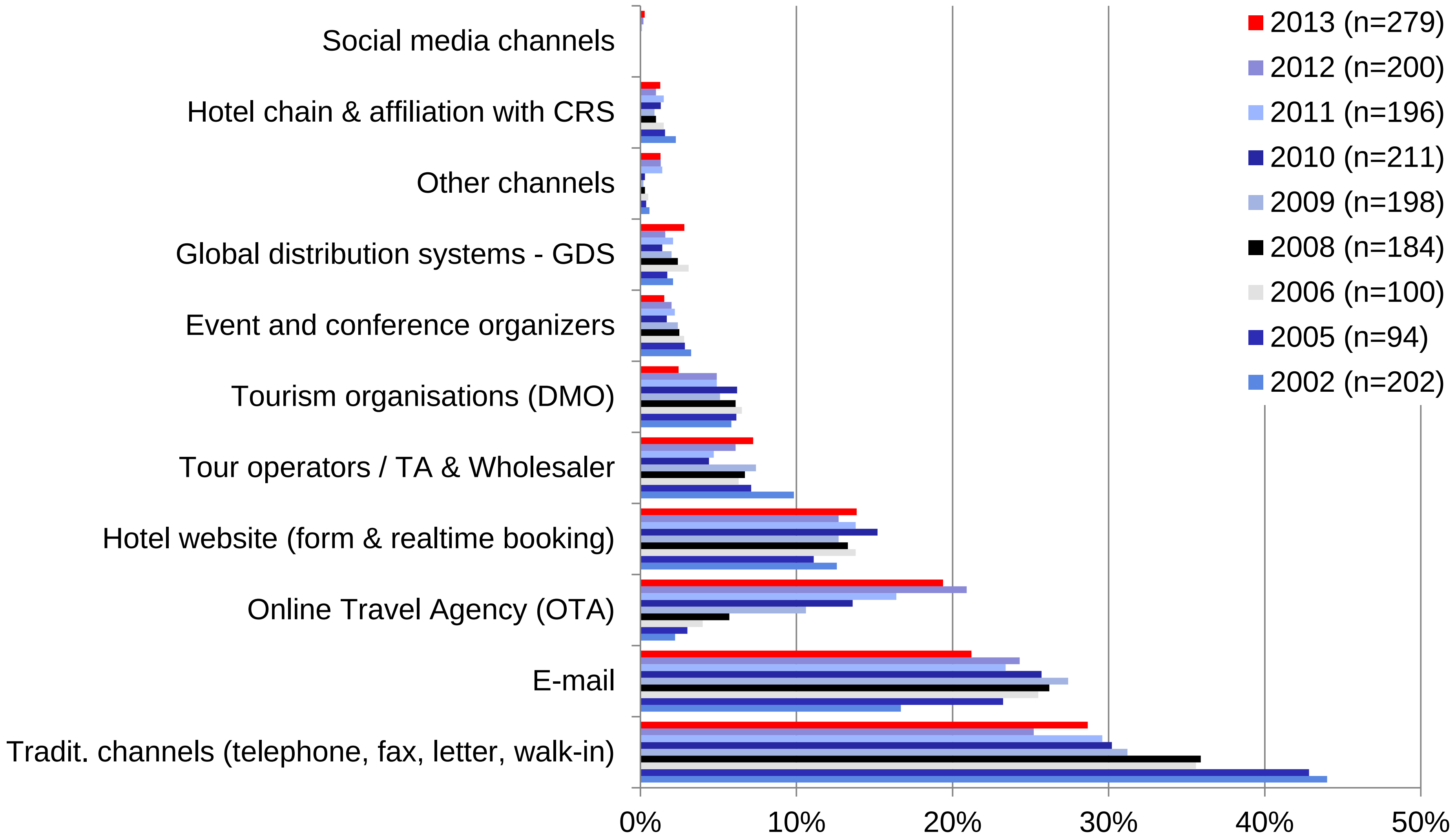
Trends in Booking Channels in Swiss Hotels 2002-2013



Attention: Market shares in % of ***bookings*** for 2002-2012 and in % of ***overnights*** in 2013 !

Trends in Booking Channels in Swiss Hotels 2006-2013

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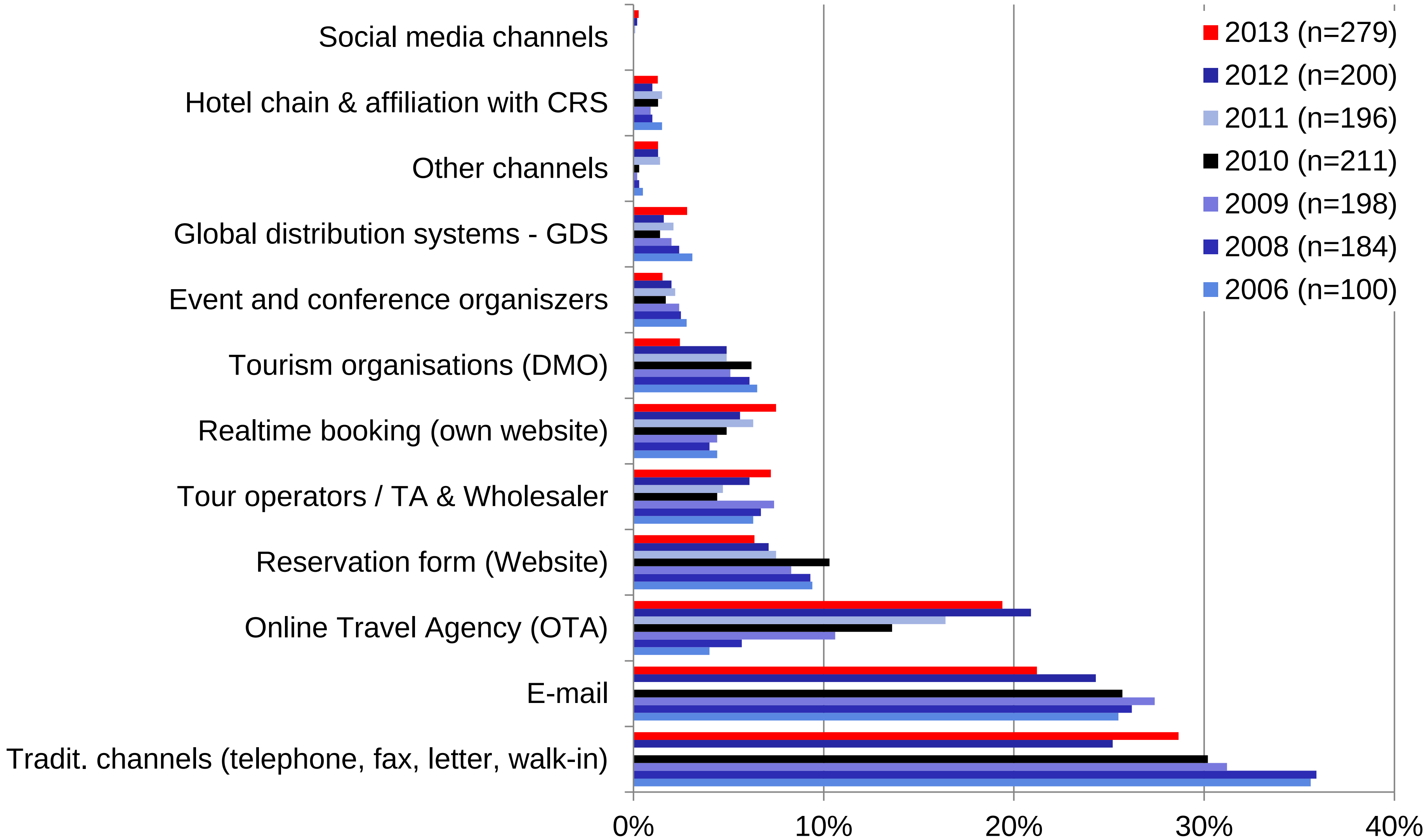

Attention: Market shares in % of ***bookings*** for 2006-2012 and in % of ***overnights*** in 2013 !

Distribution Trends in the Swiss Hotel Sector 2002-2013

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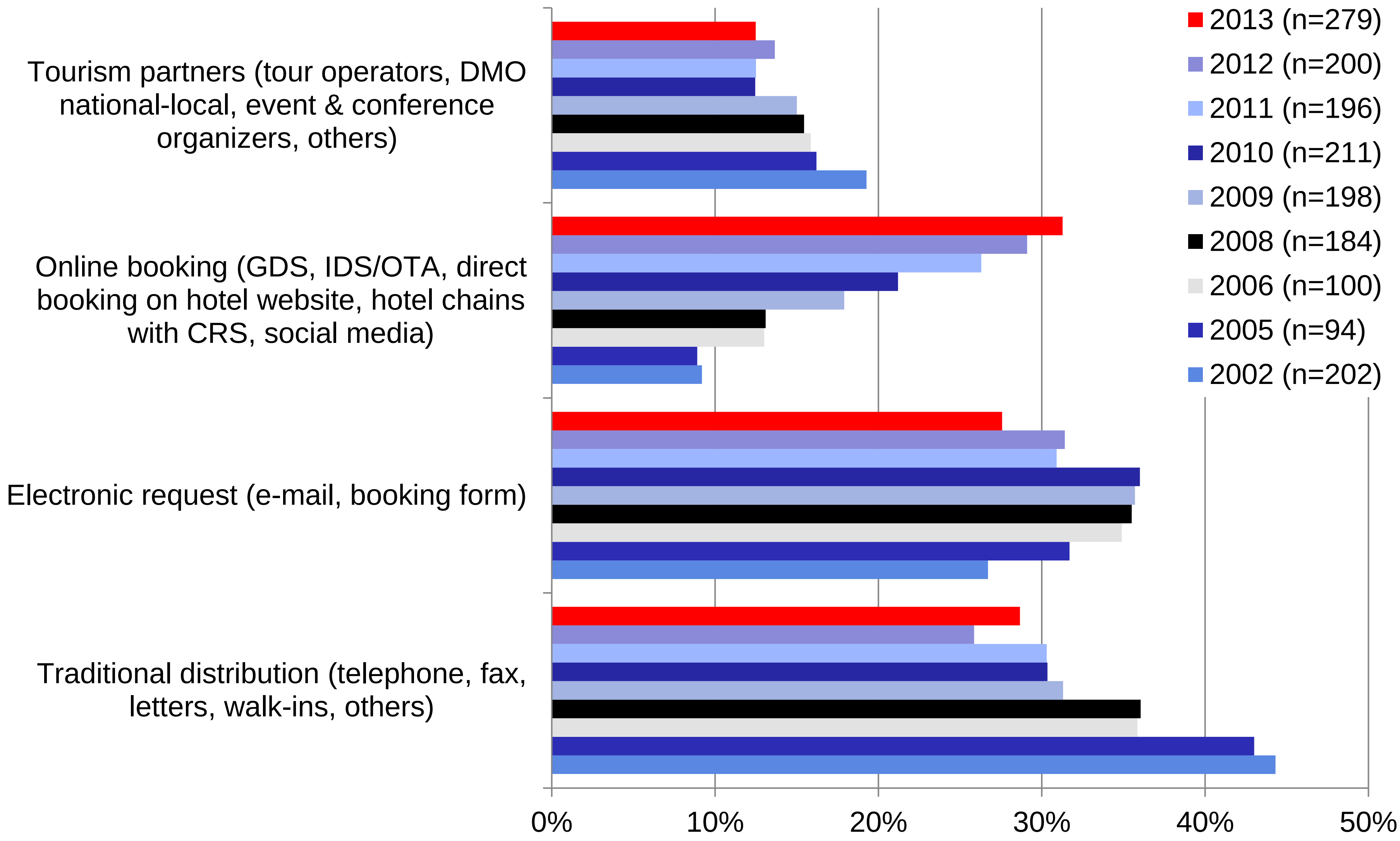
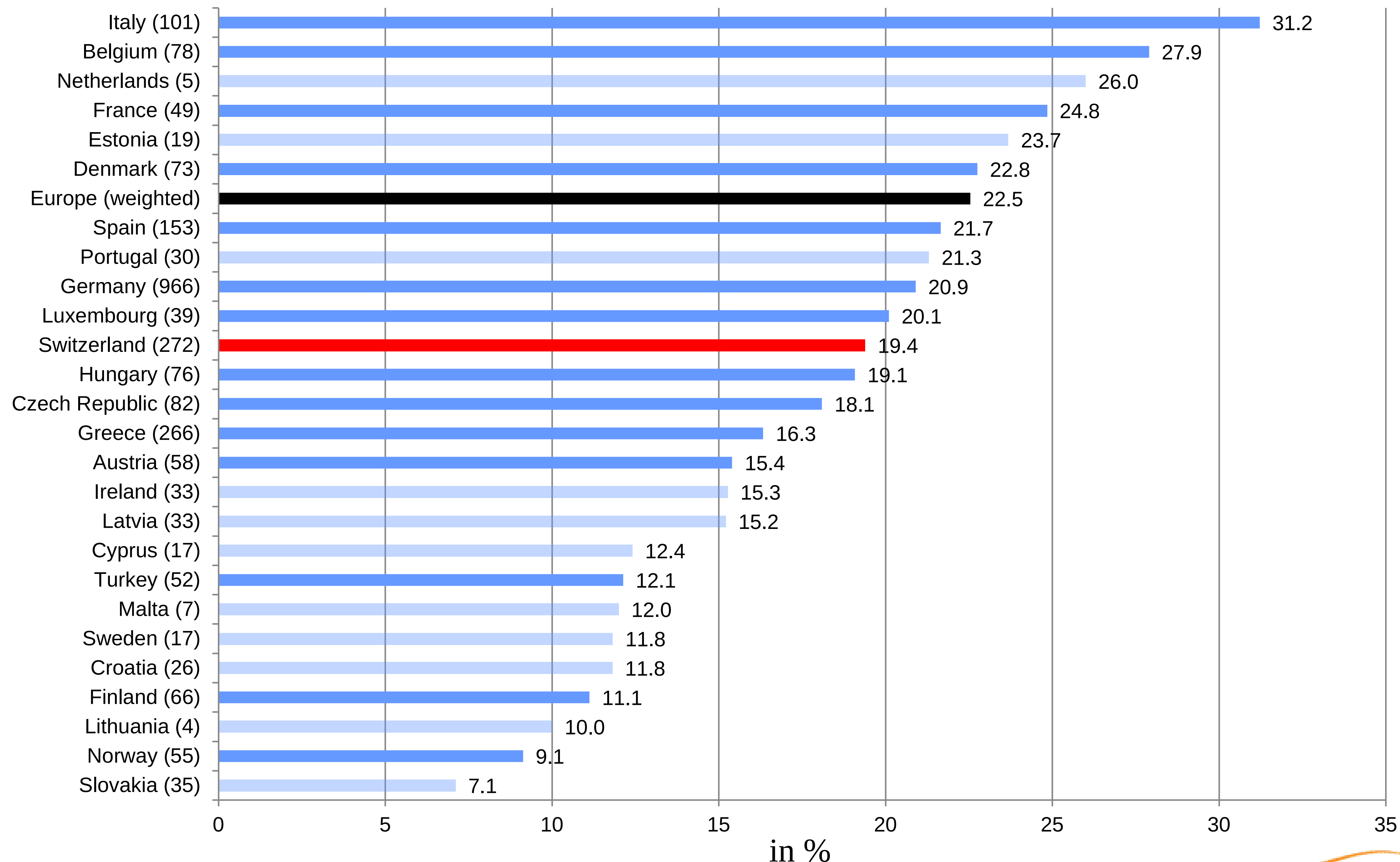


Attention: Market shares in % of ***bookings*** for 2002-2012 and in % of ***overnights*** in 2013 !

Market shares per country of online intermediaries

Source: http://www.brackenrothwell.com/services/intermediary-business

OTA market shares



Less than 30 observations -> weak validity of mean value, less than 10 values -> no validity. For Germany the weighted mean between individual and branded hotels is used.

OTA market shares with confidence intervals

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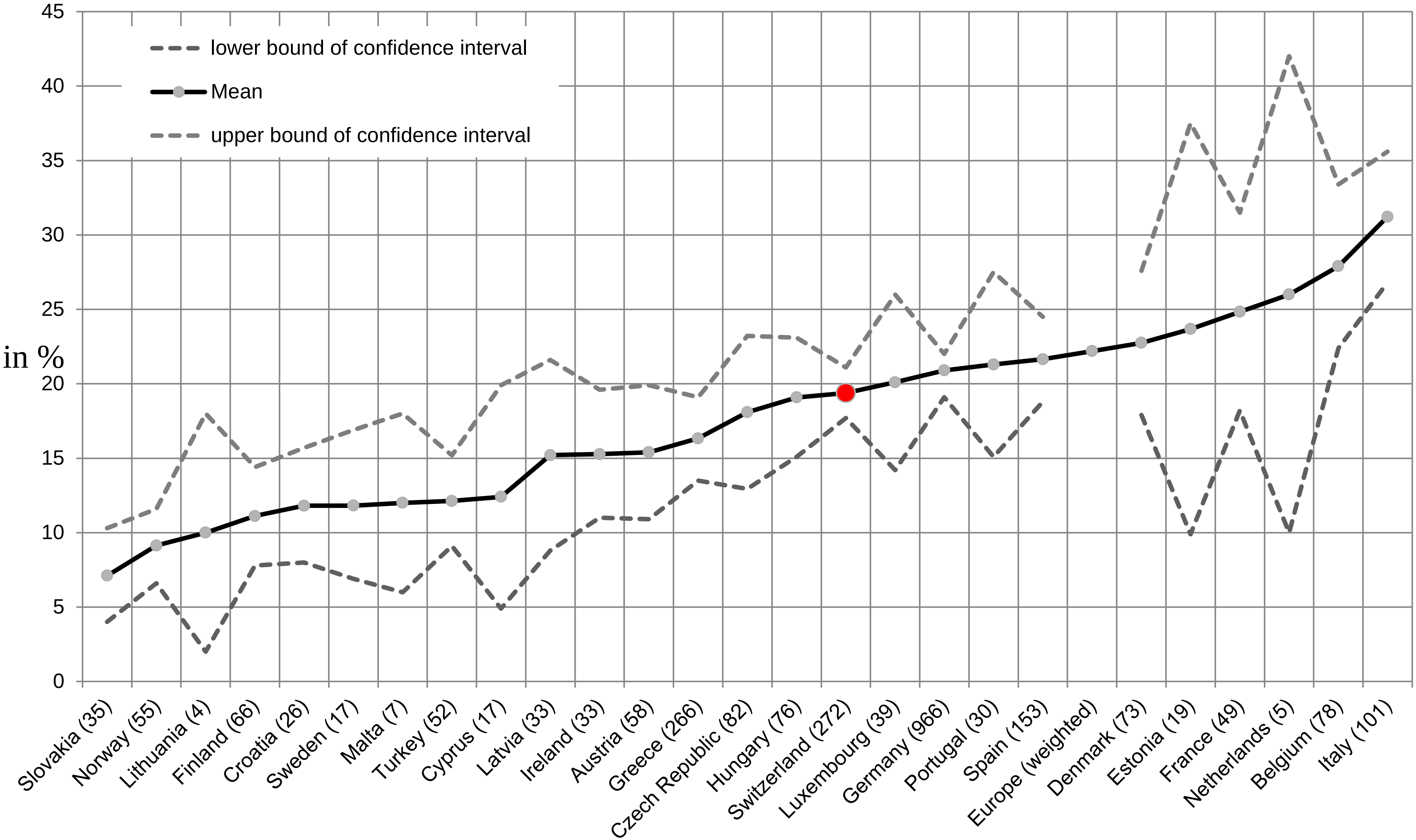

Confidence intervals are stated at the 95% confidence level; **less than 30 observations -> weak validity of confidence intervals, less than 10 observations -> no validity. Results of survey sample.**

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Map of OTA market shares in Europe

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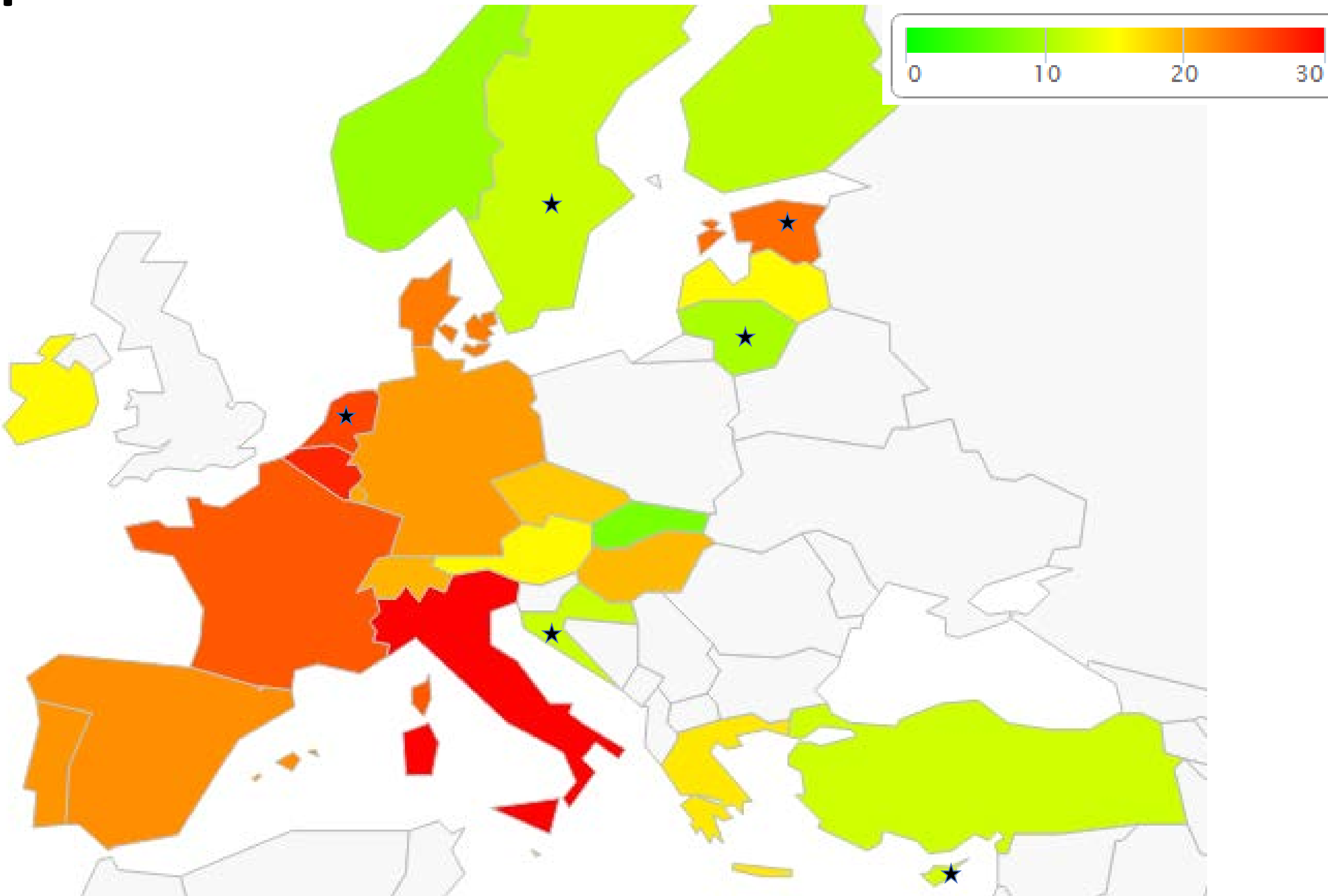
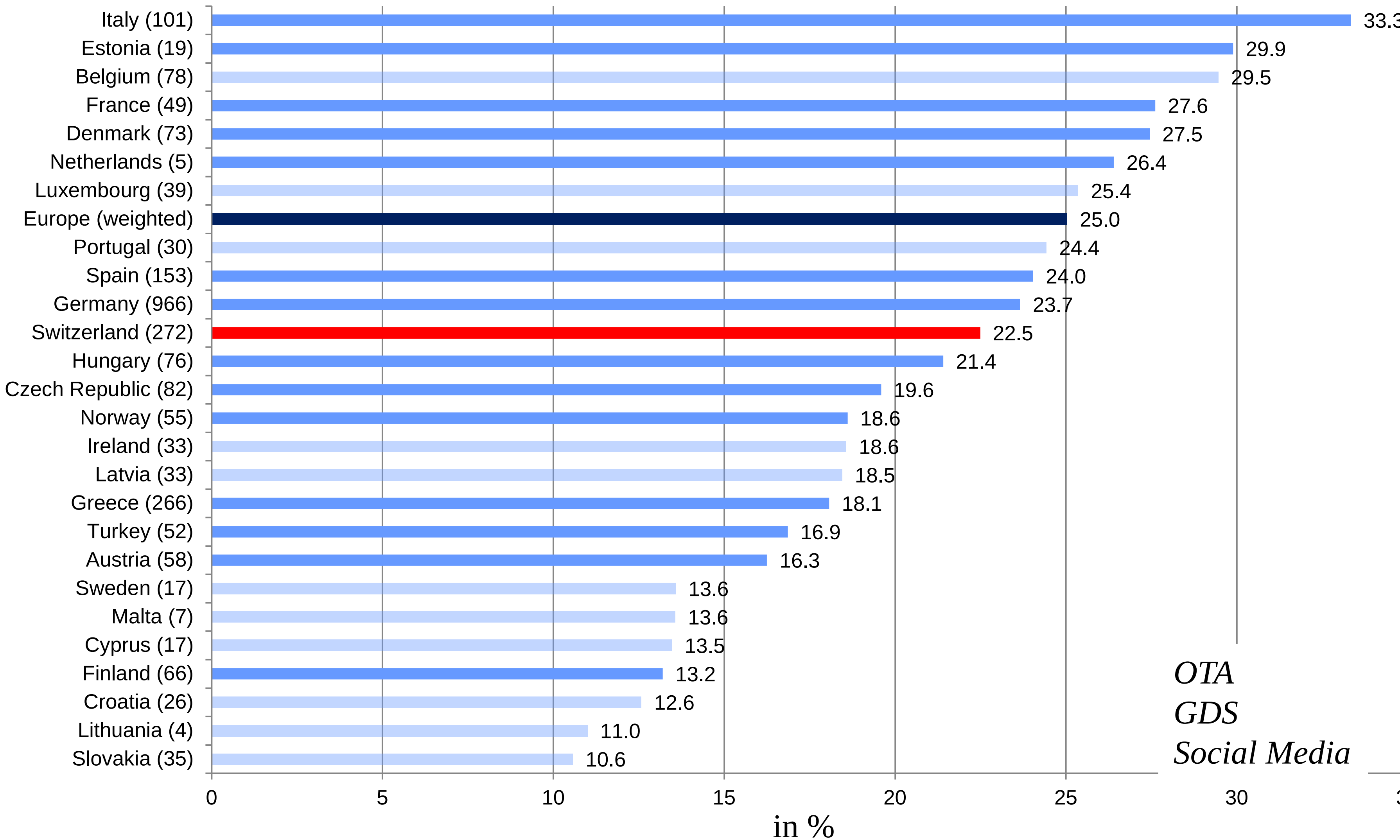


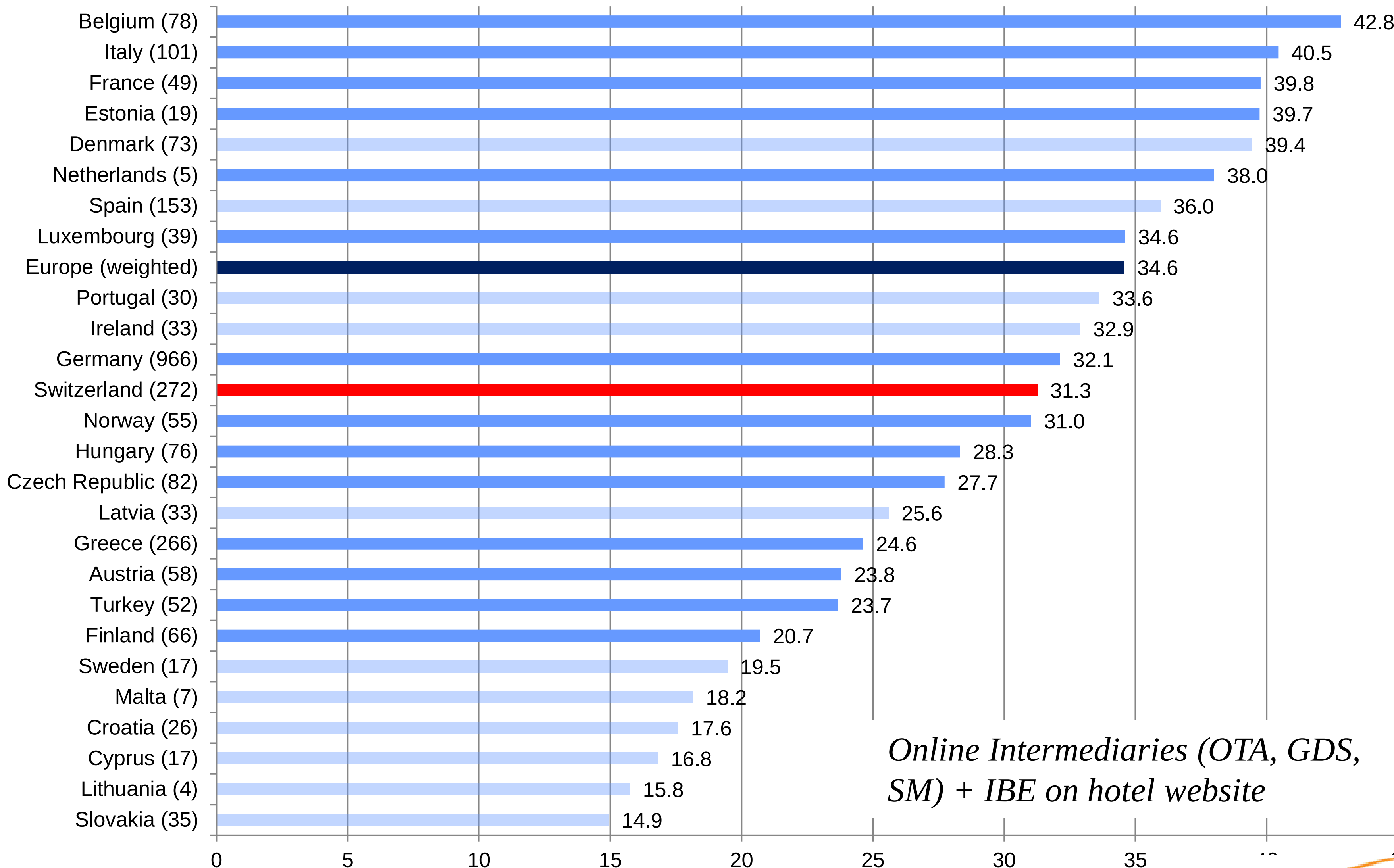
As stated in previous slides, market shares for countries with less than 30 observations are of limited value and are marked with a star

Market shares of online intermediaries



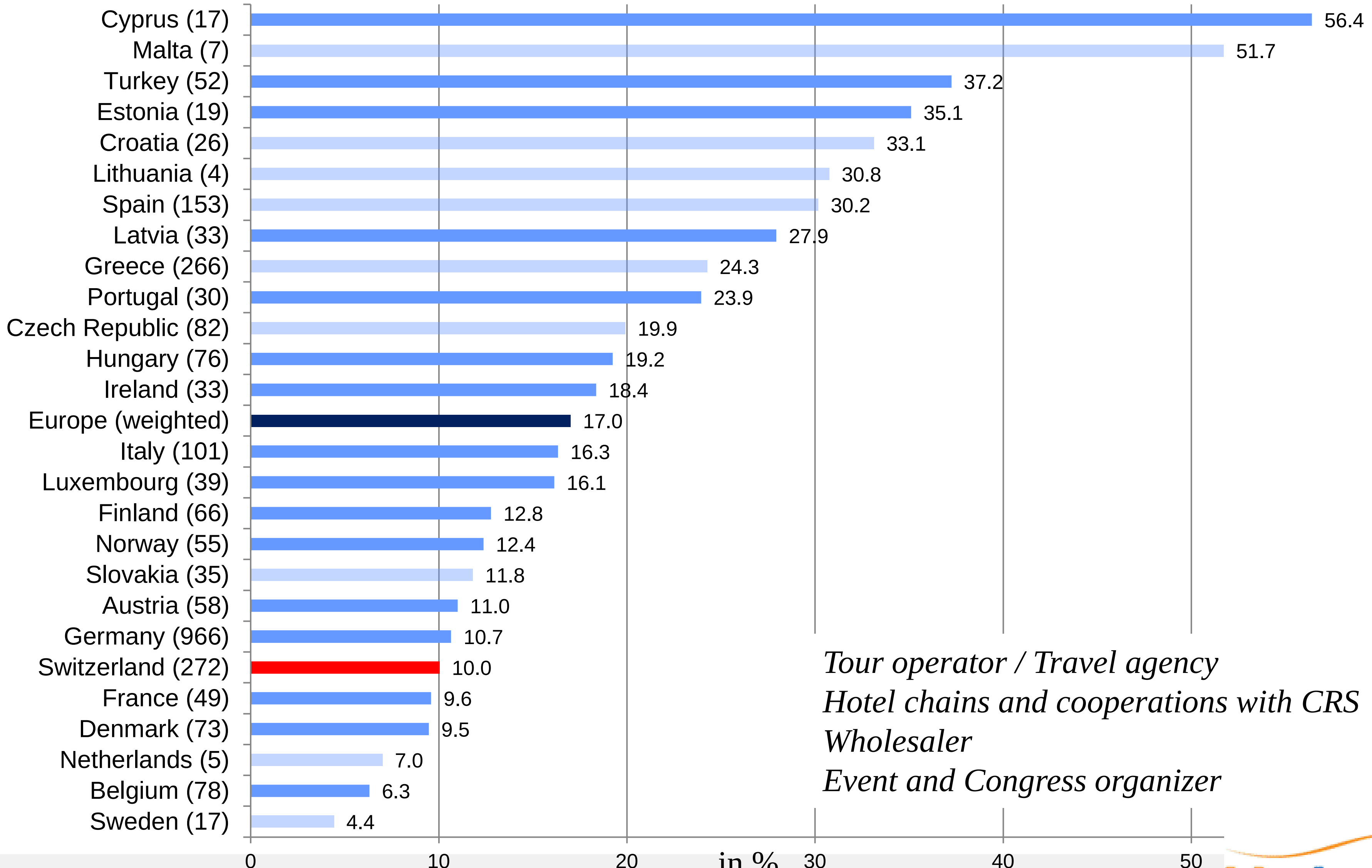
Arithmetic means based on sample data.
Less than 30 observations -> weak validity of results, less than 10 observations -> no validity

Market shares of real-time online booking channels



Arithmetic means based on sample data.
Less than 30 observations -> weak validity of results, less than 10 observations -> no validity

Market shares of traditional intermediaries



Arithmetic means based on sample data.
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Market shares of DMO channels

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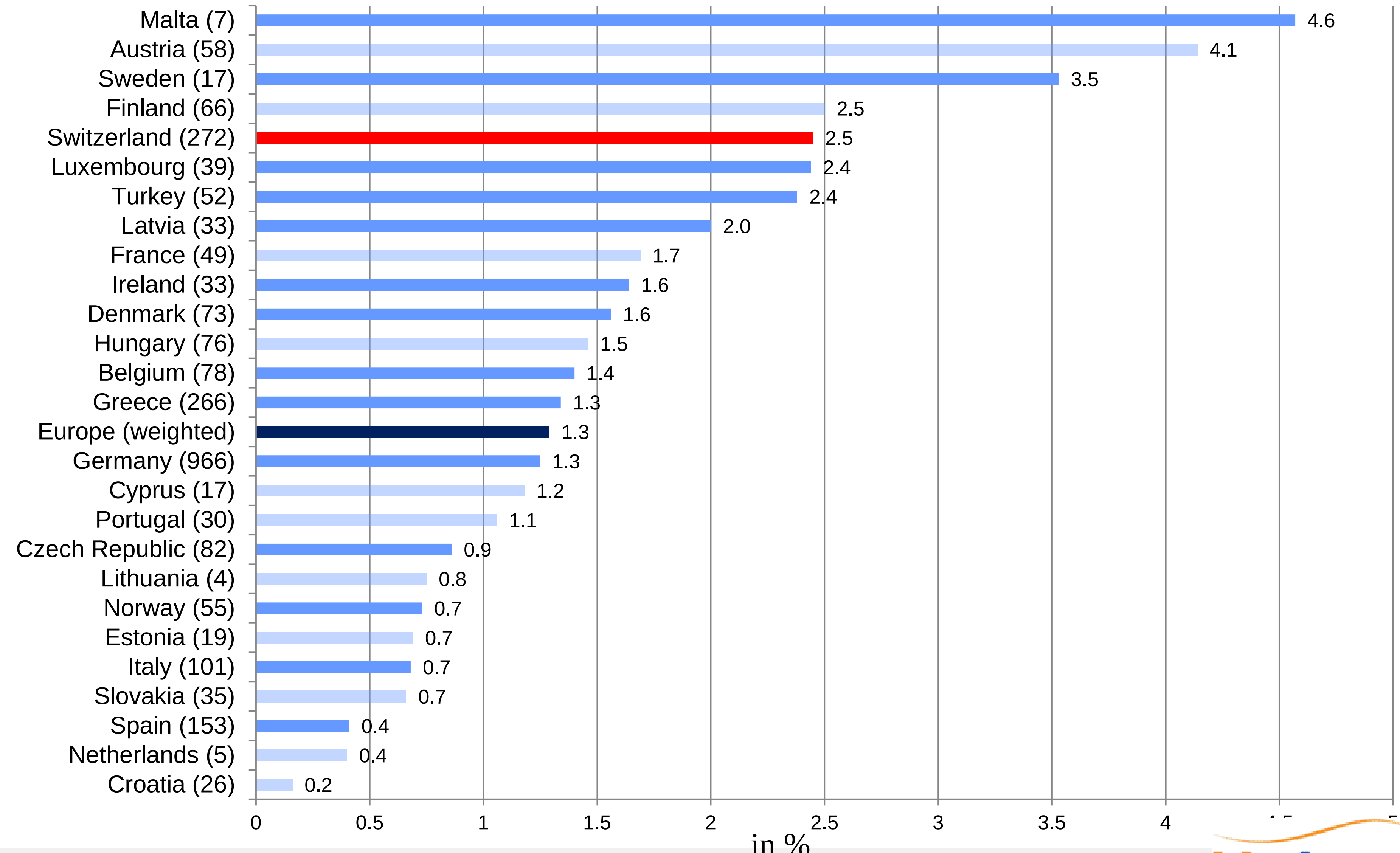

Arithmetic means based on sample data.
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Market shares per country on direct hotel channels

Source: http://www.managedserviceproviders.biz/

Market shares of direct booking channels

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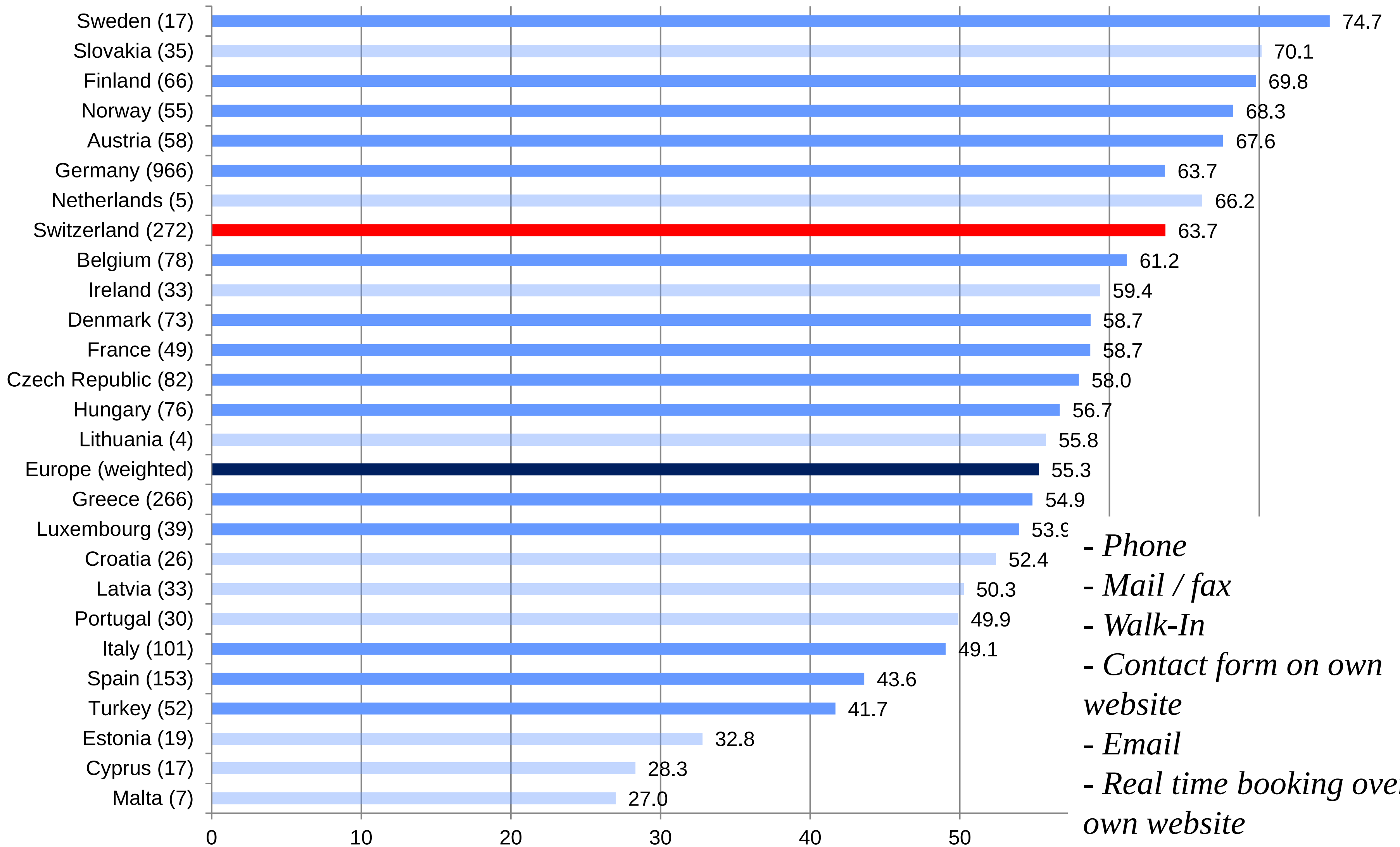

in %

- *Phone*
- *Mail / fax*
- *Walk-In*
- *Contact form on own website*
- *Email*
- *Real time booking over own website*

Arithmetic means based on sample data.
Less than 30 observations -> weak validity of results, less than 10 observations -> no validity

Market Shares of direct online real-time booking

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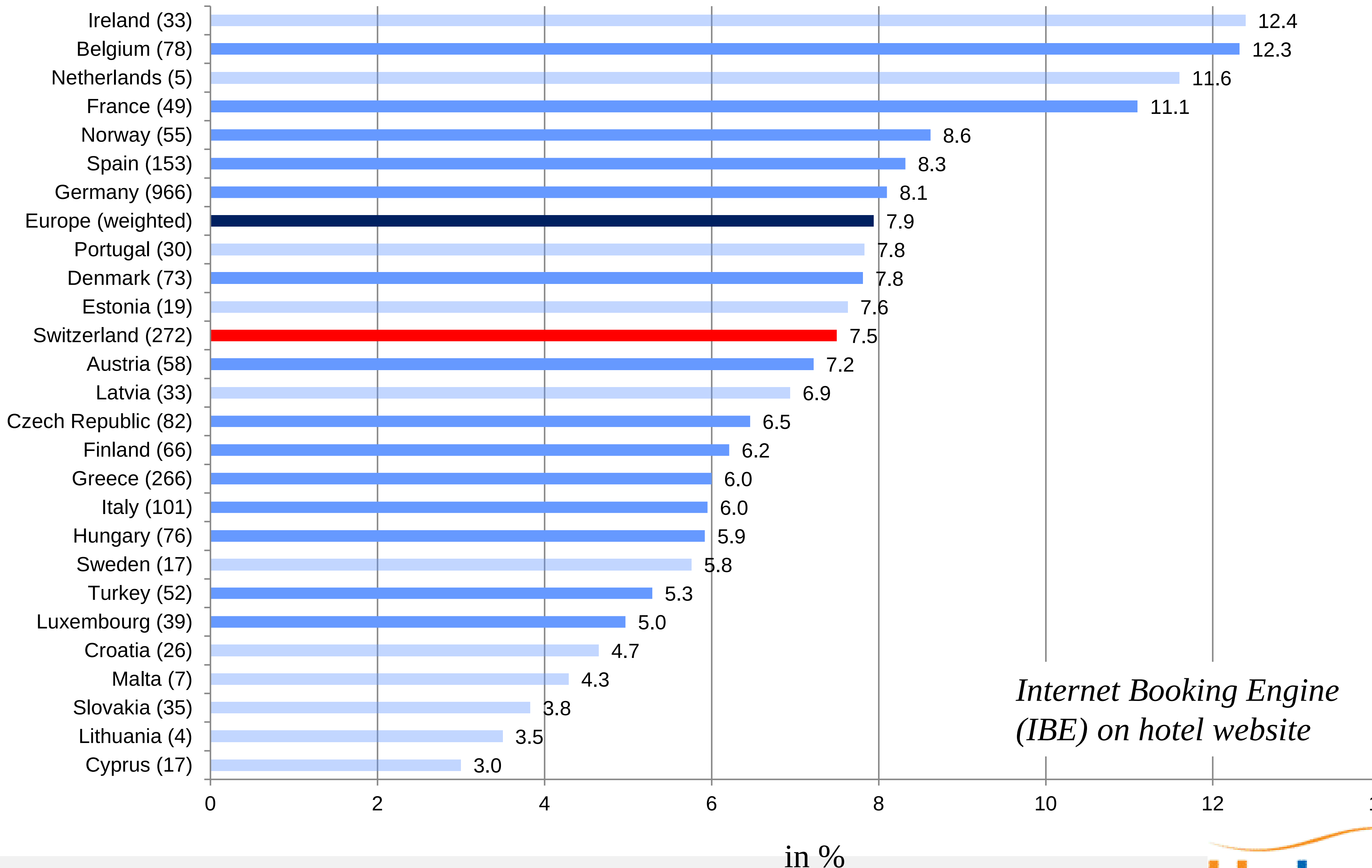

Arithmetic means based on sample data.
Less than 30 observations -> weak validity of results, less than 10 observations -> no validity

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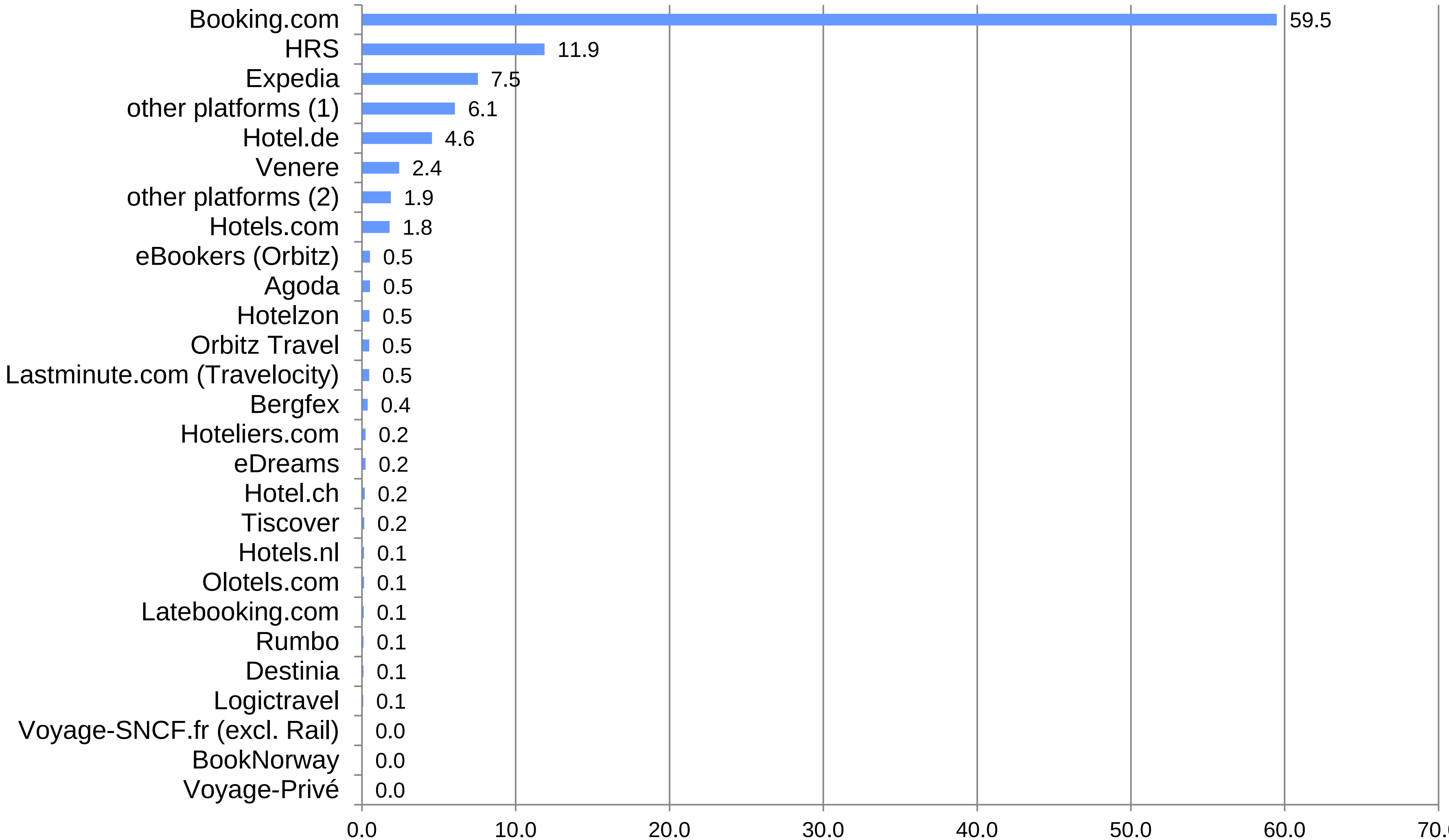
OTAs in Europe

Unweighted relative market shares of OTAs in Europe



Based on 1736 observations from the survey. Values in %

Weighted relative market shares of OTAs in Europe

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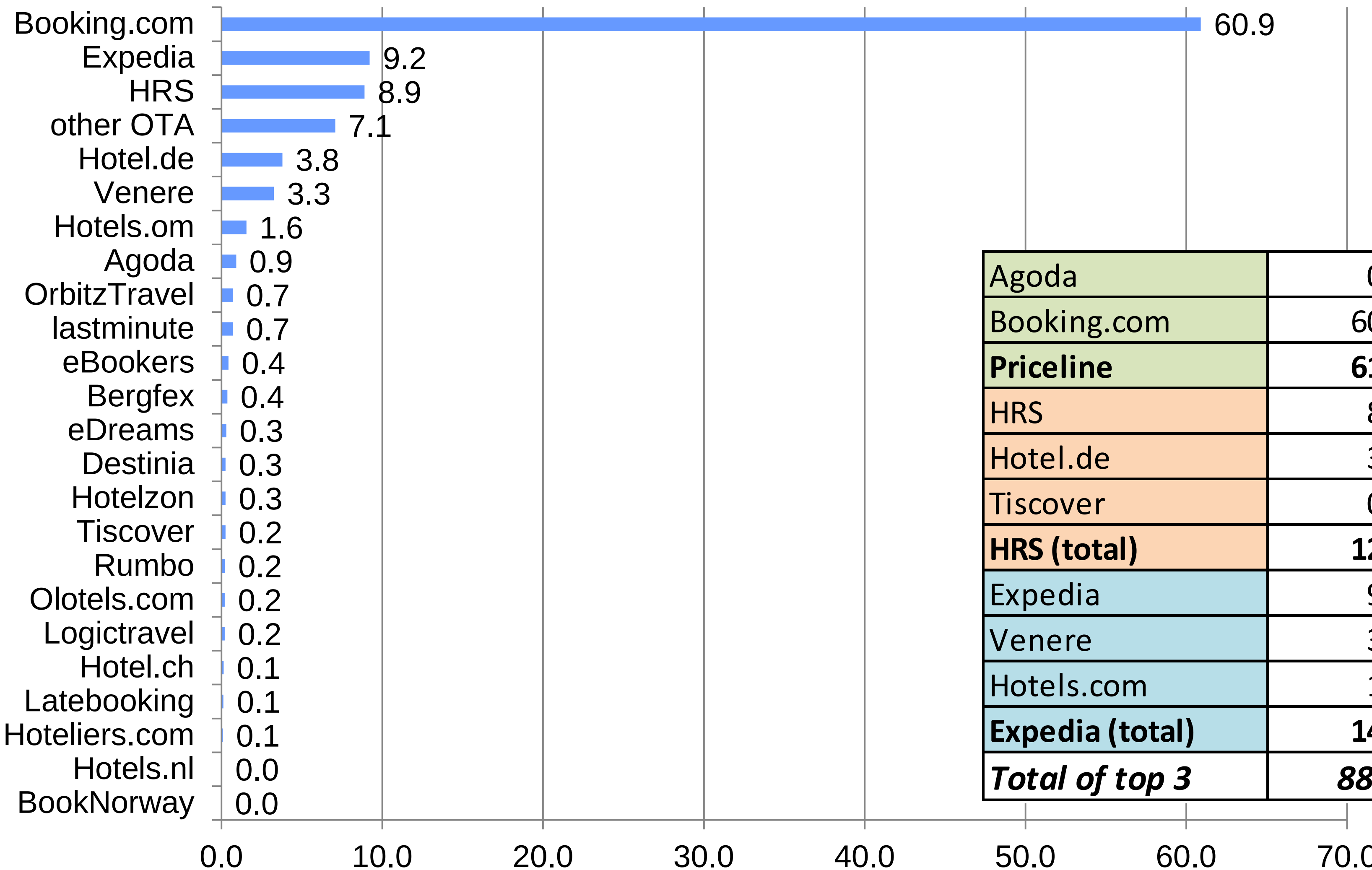

Agoda	0.9
Booking.com	60.9
Priceline	**61.8**
HRS	8.9
Hotel.de	3.8
Tiscover	0.2
HRS (total)	**12.9**
Expedia	9.2
Venere	3.3
Hotels.com	1.6
Expedia (total)	**14.0**
Total of top 3	***88.8***

Based on 1736 observations from the survey. Values in %

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Relative market shares of top 3 OTAs in selected countries

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	Austria	Belgium	Czech Republic	Denmark	Finland	Germany	Greece	Hungary	Italy	Norway	Spain	Switzerland	overall sample	Weighted European average
observations (n)	*49*	*56*	*55*	*50*	*42*	*1067*	*163*	*68*	*88*	*41*	*127*	*247*	*1736*	1736
Agoda	0.2	0.0	0.3	0.0	0.0	0.2	0.5	2.1	1.2	0.2	1.4	0.4	0.5	0.9
Booking.com	66.8	70.2	65.0	58.1	64.6	41.6	73.3	55.7	63.0	72.7	66.2	69.7	59.5	60.9
Priceline	**67.0**	**70.2**	**65.2**	**58.2**	**64.6**	**41.8**	**73.8**	**57.8**	**64.2**	**72.9**	**67.6**	**70.1**	**60.0**	**61.8**
HRS	7.9	3.6	8.6	4.7	1.9	31.1	0.5	6.1	3.7	2.3	2.0	6.7	11.9	8.9
Hotel.de	4.0	1.1	5.0	1.7	0.6	10.4	0.7	2.5	1.8	1.4	1.5	3.0	4.6	3.8
Tiscover	3.4	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.2
HRS (total)	**15.3**	**4.7**	**13.5**	**6.4**	**2.5**	**41.6**	**1.2**	**8.6**	**5.5**	**3.7**	**3.5**	**9.8**	**16.6**	**12.9**
Expedia	5.5	6.6	8.3	8.9	2.5	5.8	8.8	8.3	15.0	8.5	10.9	6.3	7.5	9.2
Venere	2.1	1.6	3.5	1.6	0.5	1.1	3.7	1.6	6.3	0.4	3.9	2.6	2.4	3.3
Hotels.com	0.3	0.6	1.5	9.1	2.2	1.0	2.8	1.1	1.8	5.7	1.1	1.0	1.8	1.6
Expedia (total)	**7.9**	**8.9**	**13.2**	**19.7**	**5.2**	**7.9**	**15.2**	**11.0**	**23.2**	**14.5**	**16.0**	**9.9**	**11.8**	**14.0**
Total of top 3	***90.2***	***83.7***	***91.9***	***84.2***	***72.3***	***91.4***	***90.2***	***77.3***	***92.8***	***91.1***	***87.1***	***89.8***	***88.3***	***88.8***

Based on sample data from countries with more than 40 observations from survey, plus data from hotel chains in Germany (weighted average).

Hotrec Hospitality Europe

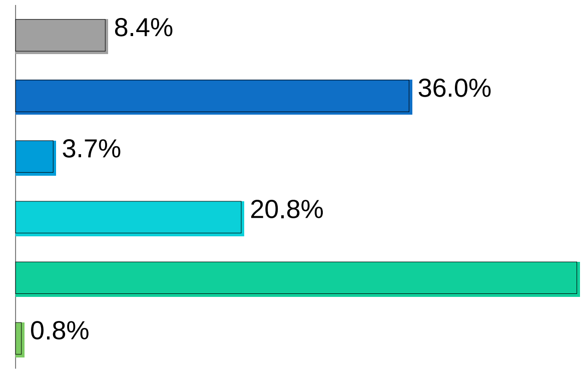
Distribution channel management and use of ICT

Channel management (European sample)

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

Response rate: **91.6%**

	Nbr
Non response	**192**
on several channels at the same time (channel manager)	**828**
over an agency	**84**
over a hotel software or reservation system (CRS interface)	**477**
manual online	**1181**
others	**18**
Total	**2298**



Based on unweighted (raw) sample data.

Channel management (Swiss sample)

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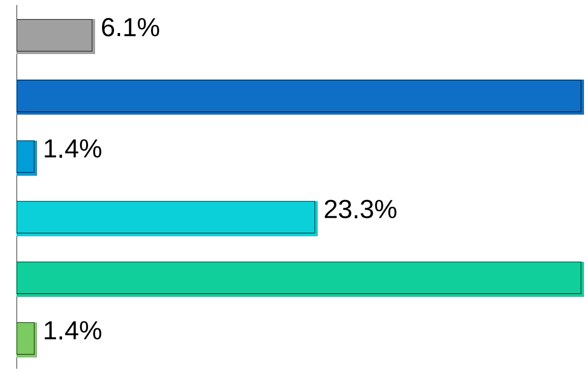
Haute Ecole de Gestion & Tourisme
Hochschule für Wirtschaft & Tourismus

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

Response rate: **93.9%**

	Nbr
Non response	**17**
on several channels at the same time (channel manager)	**123**
over an agency	**4**
over a hotel software or reservation system (CRS interface)	**65**
manual online	**123**
others	**4**
Total	**279**



Hotrec Hospitality Europe

Channel management: summary of overall results

- The majority of hotels in the survey manage rates and availability in a manual way.
- The use of channel managers and hotel software is clearly higher in 4-5* hotels than in other types of hotels.
- Size matters: roughly 50% of hotels with more than 50 rooms use channel managers and/or PMS-CRS systems.
- Hotels in bigger cities (over 50'000 inhabitants) make a more intense use of channels managers (40-60% of hotels) and PMS-CRS systems (nearly 30%) than hotels in smaller cities.
- As expected, chain hotels or hotels in cooperation use channel managers (50% of properties) and PMS-CRS systems (30-40%) significantly more often than independent hotels (31% resp. 14%).

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Use of ICT in hotels

Source: http://nadinelauer.blogspot.ch/

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Hospitality Europe

Use of ICT in hotels (European sample)

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53. Use of new media for the management of you business. Your organisation has…

Response rate: **97.8%**

	Nbr	
Non response	**51**	2.2%
an own website	**2160**	
free Wi-Fi for guests	**1799**	78.3%
a Facebook page	**1625**	70.7%
an Internet booking system (realtime) on the website	**1364**	59.4%
a website which is adapted for smartphones and tablets	**978**	42.6%
a modern, up-to-date front office system (PMS), not older than 5 years	**844**	36.7%
a Google+ page	**640**	27.9%
a YouTube channel	**269**	11.7%
an own hotel-specific mobile application	**201**	8.7%
an eCRM (electronic customer relationship managment tool)	**198**	8.6%
a web-based front office system (Internet based PMS as cloud solution)	**174**	7.6%
tablets for guests	**139**	6.0%
Total	**2298**	

Based on unweighted (raw) sample data.

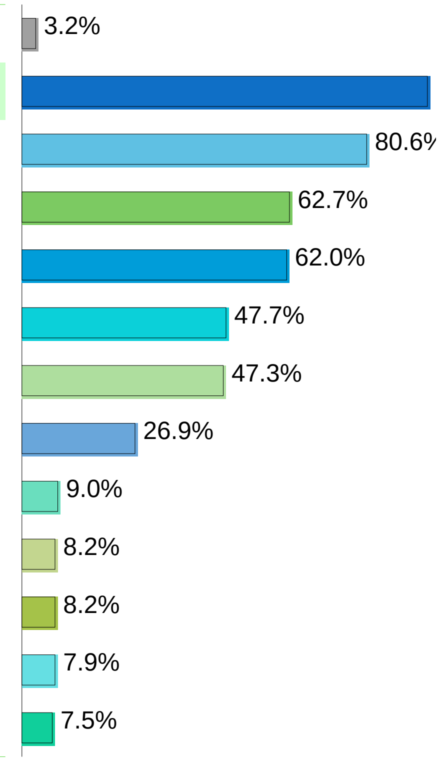
Hotrec Hospitality Europe

Use of ICT in hotels (Swiss sample)

53. Use of new media for the management of you business. Your organisation has…

Response rate: **96.8%**

	Nbr
Non response	**9**
an own website	**263**
free Wi-Fi for guests	**225**
a Facebook page	**175**
an Internet booking system (realtime) on the website	**173**
a website which is adapted for smartphones and tablets	**133**
a modern, up-to-date front office system (PMS), not older than 5 years	**132**
a Google+ page	**75**
an eCRM (electronic customer relationship managment tool)	**25**
a web-based front office system (Internet based PMS as cloud solution)	**23**
a YouTube channel	**23**
tablets for guests	**22**
an own hotel-specific mobile application	**21**
Total	**279**



"ICT use index" by country

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ICT use index versus category

	ICT use index		
	Mean	Std deviation	Median
Austria	6.27	2.34	6.00
Belgium	4.27	1.96	4.00
Croatia	5.15	2.72	4.50
Cyprus	4.35	1.80	4.00
Czech Republic	4.64	1.77	4.50
Denmark	4.73	1.99	5.00
Estonia	4.84	1.64	4.00
Finland	4.13	1.86	4.00
France	5.25	2.22	5.00
Germany	4.32	2.24	4.00
Greece	4.04	1.87	4.00
Hungary	5.43	2.00	5.00
Ireland	6.21	1.45	6.00
Italy	4.23	1.99	4.00
Latvia	4.43	1.52	4.00
Lithuania	5.75	2.06	6.00
Luxembourg	4.29	1.54	4.00
Malta	6.00	3.00	7.00
Netherlands	6.20	1.64	7.00
Norway	5.04	1.82	5.00
Portugal	5.10	2.20	4.50
Slovakia	4.91	1.98	4.00
Spain	4.99	2.15	5.00
Sweden	4.65	1.77	5.00
Switzerland	4.78	2.04	5.00
Turkey	5.04	2.66	5.00

p = **<0.1%** ; F = **5.66** (**VS**)

The relation is very significant.
elements over (under) represented are coloured.

Based on unweighted (raw) sample data.

"ICT use index" = is the sum of the individual ICT features for a hotel (max value=12)

Use of ICT: summary of overall results

- Having an own website (94%) and providing free Wi-fi for guests (74) are the most popular ICT features used by the surveyed hotels
- A Facebook page is used by 71% of the hotels whereas an Internet Booking Engine (IBE) on the own hotel website is present in 59% of the properties.
- ***Classification***: As expected higher ranked hotels make significantly higher use on nearly all ICT features.
- ***Size of hotels***: Hotels with more than 50 rooms show "ICT use index" of above 5.0 whereas small hotels (<20 rooms) have values below 4.0.
- ***Management type***: Independent hotels have a significantly lower use of ICT that chain hotel or hotels in cooperations; the ICT use index is 4.3 for the former and over 5.3 for the latter.

Use of ICT: summary of results for Switzerland

- Having an own website (94%) and providing free Wi-fi for guests (81%) are the most popular ICT features observed in the surveyed hotels.
- A Facebook page is used by 63% of the hotels (significantly lower than in European hotel sample) whereas an Internet Booking Engine (IBE) on the own hotel website is present in 62% of the properties.
- The use of a modern PMS is clearly higher (47%) in Swiss hotels than in European hotels (37%).

ICT use index for Switzerland

- Swiss hotels have an ICT use index (4.78) which is situated in the mid-range compared to other European countries. The table below shows that use of ICT is associated with the star classification.

ICT use index versus category

	ICT use index		
	Mean	Std deviation	Median
Non response	**5.25**	**1.29**	**5.50**
1*	**2.75**	**2.06**	**2.50**
2*	**4.00**	**1.84**	**3.50**
3*	**4.54**	**2.01**	**5.00**
4*	**6.06**	**1.81**	**6.00**
5*	**5.33**	**2.16**	**5.00**
other category	**4.52**	**2.13**	**5.00**

p = **<0.1%** ; F = **5.71** (**VS**)

The relation is very significant.

elements over (under) represented are coloured.

Mobile distribution

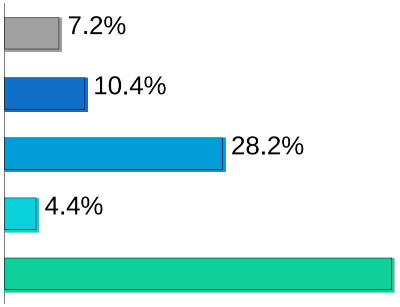
Source: http://virtuallydirect.wordpress.com/category/mobile-applications/

Mobile distribution channels (European sample)

54. Do you use mobile distribution channels?

Response rate: **92.8%**

	Nbr
Non response	**165**
Yes, via an own app (hotel, chain or cooperation)	**240**
Yes, via a mobile version of the hotel website	**647**
Yes, via 'Same Day Booking Apps' (e.g. JustBook, Hotels Tonight, etc…)	**100**
No	**1146**
Total	**2298**



Based on unweighted (raw) sample data.

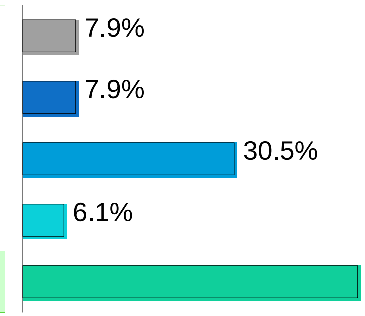
Hotrec Hospitality Europe

Mobile distribution channels (Swiss sample)

54. Do you use mobile distribution channels?

Response rate: **92.1%**

	Nbr
Non response	**22**
Yes, via an own app (hotel, chain or cooperation)	**22**
Yes, via a mobile version of the hotel website	**85**
Yes, via 'Same Day Booking Apps' (e.g. JustBook, Hotels Tonight, etc…)	**17**
No	**133**
Total	**279**



Based on unweighted (raw) sample data.

Mobile distribution channels: summary of overall results

- ***Classification***: The proportion of hotels with no mobile distribution strategy is much higher in the 1-3* hotels than in the 4-5* segment where only one third of hotels are without mobile distribution.
- ***Size***: Hotels with more than 50 rooms have significantly fewer hotels without mobile distribution (<44%) than hotels below 50 rooms (>53%).
- ***Customer segment***: The use of mobile apps is significantly higher in hotels focusing on the MICE and business segments.
- ***Management type***: Independent hotels have a much higher part of hotels without mobile distribution (58%) than chain hotels (31%) or hotels in cooperation (32%).

Use of meta-search engines

Use of meta-search engines (European sample)

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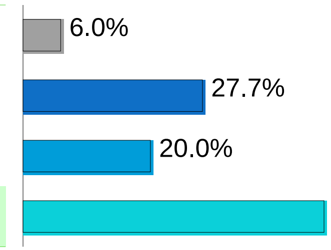
55. Are your rates and availabilities accessible with a direct junction / interface with a meta-search engine (e.g. Kayak, etc.) ?

Response rate: **94.0%**

	Nbr
Non response	**138**
Yes, with the help of a permanent connection to the own hotel booking system	**636**
No, this is of no interest for our hotel	**459**
No, I do not know this option	**1065**
Total	**2298**



Based on unweighted (raw) sample data.

Hotrec Hospitality Europe

Use of meta-search engines (Swiss sample)

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

Response rate: **92.8%**

	Nbr	
Non response	**20**	7.2%
Yes, with the help of a permanent connection to the own hotel booking system	**83**	29.7%
No, this is of no interest for our hotel	**51**	18.3%
No, I do not know this option	**125**	
Total	**279**	

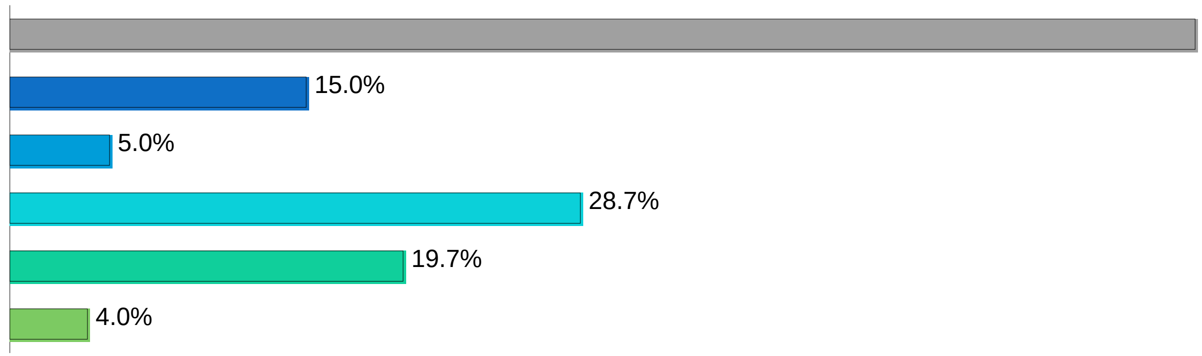
Based on unweighted (raw) sample data.

Links to meta-search engines (European sample)

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

Response rate: **40.6%**

	Nbr
Non response	**1364**
Google Hotel Finder	**344**
Kayak	**116**
TripAdvisor	**659**
Trivago	**453**
Others	**92**
Total	**2298**



Based on unweighted (raw) sample data.

Links to meta-search engines (Swiss sample)

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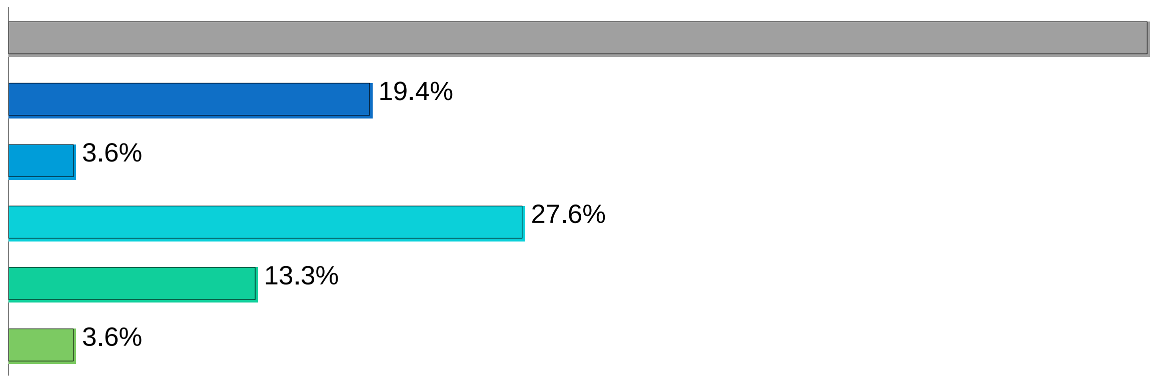
56. If you have a permanent connection, with which meta-search engine do you link up?

Response rate: **39.1%**

	Nbr
Non response	**170**
Google Hotel Finder	**54**
Kayak	**10**
TripAdvisor	**77**
Trivago	**37**
Others	**10**
Total	**279**



Based on unweighted (raw) sample data.

Meta-search engines: summary of overall results

- Nearly half of the hotels do not know the integration options with travel meat-search engines whereas one out of five knows it but does not see the business case.
- The number of hotels not knowing meta-search integration is clearly above 50% for 1-3* hotels whereas with 4* (39%) and 5* properties (24%) this proportion is much smaller.

Contact

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