The Influence of Online Travel Agencies (OTAs) on Hotel Revenue and Distribution Strategies

The Influence of Online Travel Agencies (OTAs) on Hotel Revenue and Distribution Strategies

iD [1*]**Kate Jolene**

Stockholm University

Abstract

Purpose: The main objective of this study was to explore the influence of Online Travel Agencies (OTAs) on hotel revenue and distribution strategies.

Methodology: The study adopted a desktop research methodology. Desk research refers to secondary data or that which can be collected without fieldwork. Desk research is basically involved in collecting data from existing resources hence it is often considered a low cost technique as compared to field research, as the main cost is involved in executive's time, telephone charges and directories. Thus, the study relied on already published studies, reports and statistics. This secondary data was easily accessed through the online journals and library.

Findings: The findings revealed that there exists a contextual and methodological gap relating to the influence of Online Travel Agencies (OTAs) on hotel revenue and distribution strategies. Preliminary empirical review revealed that as the digital landscape continues to evolve, hotels must adapt their strategies to harness the benefits of OTAs while effectively managing the challenges. The findings of this research will benefit hoteliers, industry regulators, policymakers, and researchers by providing valuable insights into navigating the evolving landscape of hotel distribution and revenue management in the digital age.

Unique Contribution to Theory, Practice and Policy: The Agency theory, Transaction Cost theory and the Resource Based View (RBV) theory may be used to anchor future studies relating to Online Travel Agencies (OTA). The study recommended for diversification of distribution channels, negotiation of favorable contracts with OTAs, leveraging guest data for personalization, investing in direct booking campaigns and monitoring and adaption to market trends.

Keywords: *Online Travel Agencies (OTAs), Hotel Revenue, Distribution Strategies, Hospitality Industry, Booking Platforms*

1.0 INTRODUCTION

Hotel revenue and distribution strategies are crucial components of the hospitality industry, particularly in the United States, where the sector is highly competitive and diverse. These strategies encompass a range of approaches aimed at optimizing revenue, occupancy rates, and profitability, often influenced by factors such as market demand, location, and guest preferences. In the USA, one prominent revenue strategy employed by hotels is dynamic pricing. This approach involves adjusting room rates in real-time based on demand and other factors. For instance, during peak travel seasons or major events like conferences or sports events, hotels in the USA tend to increase their room rates to capitalize on the high demand (Xie & Zhang, 2019). According to the "Hotel Price Index" report by Booking.com (2020), the average daily room rate in major U.S. cities increased by 8% during peak seasons compared to off-peak periods, demonstrating the impact of dynamic pricing on hotel revenue.

Another essential aspect of hotel revenue and distribution strategies in the USA is the utilization of online travel agencies (OTAs) and direct booking channels. OTAs like Expedia and Booking.com have a significant presence in the U.S. market, providing hotels with a platform to reach a wide audience of potential guests. According to Pho, Munar, & Kim (2017), hotels in the USA that partnered with OTAs experienced an increase in their online bookings, contributing to overall revenue growth. However, hotels must carefully manage their distribution mix to balance the commissions paid to OTAs with direct bookings to maximize profitability.

Furthermore, loyalty and rewards programs play a vital role in hotel revenue and distribution strategies in the USA. Major hotel chains, such as Marriott and Hilton, offer loyalty programs that incentivize repeat bookings and direct reservations through their websites. According to the "U.S. Hotel Loyalty Program Impact Report" (2021), guests enrolled in these programs tend to spend more on each stay, resulting in higher revenue per available room (RevPAR) for participating hotels (Smith, Han, Kim, 2021).

Additionally, boutique and independent hotels in the USA often differentiate themselves through unique guest experiences and marketing strategies. These hotels may focus on local partnerships, curated experiences, and personalized services to attract guests seeking a more authentic and personalized stay. The "2019 U.S. Hotel Industry Outlook" report by Deloitte highlights that boutique hotels have seen an increase in demand, with guests willing to pay a premium for unique experiences (Deloitte, 2019). This trend underscores the importance of tailored marketing and distribution strategies to target specific guest segments effectively. Hotel revenue and distribution strategies in the USA are multifaceted, encompassing dynamic pricing, partnerships with OTAs, loyalty programs, and unique guest experiences. These strategies are essential for hotels to remain competitive and profitable in a dynamic market. Leveraging data and insights from industry reports and research, hotels can refine their strategies to adapt to changing guest preferences and market conditions, ultimately maximizing revenue and guest satisfaction.

Hotel revenue and distribution strategies are essential components of a hotel's overall business plan in the competitive landscape of the UK hospitality industry. These strategies encompass a range of practices and decisions aimed at optimizing revenue generation while effectively distributing rooms and services to various channels and customer segments. In recent years, several trends have emerged in the UK hotel industry, reflecting evolving consumer behavior and market dynamics. According to Harris and McGregor (2018), one prominent trend in the UK hotel industry is the growing importance of direct bookings through hotel websites and mobile apps. Many hotels have introduced loyalty programs and special offers to incentivize guests to book directly, reducing reliance on third-party online travel agencies (OTAs). For instance, Premier Inn in the UK offers exclusive discounts and benefits to members of its loyalty program, driving direct bookings and reducing commission fees paid to OTAs.

Another key trend is the use of dynamic pricing strategies. Hotels in the UK are increasingly adopting revenue management systems that adjust room rates in real-time based on demand, occupancy, and market conditions. Wang, Li, Song & Huang (2017) highlighted how dynamic pricing can lead to higher revenues. For example, during peak tourist seasons in London, many hotels implement surge pricing models, allowing them to capitalize on increased demand and maximize revenue.

Furthermore, distribution channel diversification is a strategy adopted by many UK hotels to reach a broader audience. This involves making rooms available through various channels, including OTAs, global distribution systems (GDS), and direct sales. Johnson & Chen (2016) indicated that hotels that strategically diversify their distribution channels can capture a wider market share. For instance, UK hotel chains like Hilton and Marriott use GDS networks to target corporate travelers, while simultaneously partnering with OTAs to attract leisure travelers.

In response to the growth of online bookings and changing consumer preferences, many UK hotels have invested in digital marketing and search engine optimization (SEO) strategies. According to a report by the British Hospitality Association (2019), hotels in the UK allocate a significant portion of their marketing budgets to online advertising and SEO to improve their visibility in search engine results. This enables them to compete effectively with OTAs and drive direct bookings. For example, small boutique hotels in cities like Edinburgh and Bath have successfully used SEO techniques to boost their online presence and attract more guests (Harris & McGregor, 2018). Hotel revenue and distribution strategies in the UK are dynamic and responsive to changing market dynamics and consumer behavior. The adoption of direct booking initiatives, dynamic pricing, and distribution channel diversification, and digital marketing are key trends in the industry. These strategies help hotels in the UK optimize their revenue and distribution efforts while adapting to the evolving demands of the modern traveler.

Hotel revenue and distribution strategies are critical components of a hotel's overall business plan. These strategies encompass a range of activities aimed at optimizing revenue, occupancy rates, and profit margins, while also effectively managing distribution channels. In Japan, a country known for its vibrant tourism industry, hotels employ various revenue and distribution strategies to remain competitive and meet the diverse needs of both domestic and international travelers. One of the key revenue and distribution strategies in Japan is dynamic pricing, which involves adjusting room rates in real-time based on demand and availability. Okumus and Karamustafa (2018) found that Japanese hotels have been increasingly using dynamic pricing to maximize revenue during peak seasons and major events, such as cherry blossom season or major festivals. For example, hotels in Kyoto may significantly increase their room rates during the cherry blossom season when demand is at its peak, and then adjust them downwards during off-peak periods to attract more visitors.

Another crucial strategy is the use of online travel agencies (OTAs) to expand the distribution reach of hotels. OTAs like Booking.com and Agoda play a significant role in Japan's hotel industry. According to data from the Japan Tourism Agency (2021), over 70% of foreign tourists in Japan book their accommodations through OTAs. Hotels in Japan often partner with OTAs to tap into the global market. They use OTAs as distribution channels to reach international travelers, and this strategy has become increasingly important with the growth of inbound tourism.

In recent years, the implementation of loyalty programs and direct booking incentives has gained momentum among Japanese hotels. These strategies encourage guests to book directly through the hotel's website or reservation system, bypassing third-party channels and reducing commission fees. For instance, Tanaka & Yamada (2019) reported that some Japanese hotels offer exclusive discounts, free amenities, or loyalty points to guests who book directly. This approach not only strengthens the hotel's direct relationship with customers but also improves profit margins.

Japan has also seen an increase in the adoption of revenue management systems, which use data analytics to optimize pricing and inventory management. These systems analyze historical data, demand patterns, and market trends to set room rates and allocate inventory effectively. According to a report by the Japan Hotel Association (2020), hotels in Japan using revenue management systems experienced an average revenue increase of 15% over those that did not employ such systems. Hotel revenue and distribution strategies in Japan, as in many other countries, are continually evolving to adapt to changing market dynamics and consumer preferences. Dynamic pricing, OTA partnerships, direct booking incentives, and revenue management systems are some of the key strategies employed by Japanese hotels to optimize their revenue, occupancy rates, and overall profitability. These strategies are informed by data-driven insights and contribute to the competitive edge of Japan's hotel industry in the global tourism landscape.

Hotel revenue and distribution strategies are critical aspects of the hospitality industry that involve managing room availability, pricing, and marketing to optimize revenue and occupancy. In Sub-Saharan Africa, the hotel industry has seen significant growth in recent years due to increased tourism and business travel. To illustrate the strategies employed in the region, we will provide examples and statistics that shed light on the trends. One of the primary revenue and distribution strategies in Sub-Saharan Africa is dynamic pricing, which involves adjusting room rates based on demand fluctuations. Mihalic & Gomezelj Omerzel (2018) found that hotels in South Africa and Kenya have been using dynamic pricing strategies to maximize revenue. For instance, during peak tourism seasons, hotels in popular destinations like Cape Town or Nairobi tend to increase room rates, while offering discounts during the off-peak periods. This strategy has led to a higher average daily rate (ADR) for hotels in the region.

Another essential aspect of revenue and distribution strategies in Sub-Saharan Africa is the adoption of online travel agencies (OTAs) and global distribution systems (GDS). These platforms help hotels reach a broader audience and distribute their inventory effectively. According to a report by the African Development Bank (2021), hotels in countries like Nigeria and Ghana have seen a significant increase in online bookings through OTAs, contributing to revenue growth. OTAs and GDS provide a convenient way for international travelers to book accommodations, making them crucial distribution channels for hotels in the region.

Additionally, hotels in Sub-Saharan Africa have been focusing on direct booking strategies to reduce dependency on third-party channels and increase profitability. Okumus, Bilgihan & Cakmak (2017) highlighted the importance of loyalty programs and direct booking incentives in South African hotels. For example, some hotels in South Africa offer exclusive discounts and perks to guests who book directly through their websites or loyalty programs. This approach not only reduces distribution costs but also fosters guest loyalty and repeat bookings.

Sustainability practices have also become a part of revenue and distribution strategies in Sub-Saharan Africa. Eco-friendly initiatives and certifications, such as Green Key, have gained prominence. According to data from the World Travel & Tourism Council (2020), hotels in countries like Rwanda and Namibia have adopted sustainable practices, including energy-efficient technologies and waste reduction measures. These initiatives not only appeal to environmentally conscious travelers but can also lead to cost savings for hotels in the long run. Hotel revenue and distribution strategies in Sub-Saharan Africa are evolving to adapt to changing market dynamics. Dynamic pricing, OTAs and GDS, direct booking incentives, and sustainability practices are among the key strategies employed by hotels in the region to optimize revenue, reach a broader audience, and reduce costs. These strategies reflect the growing importance of technology and sustainability in the hospitality industry in Sub-Saharan Africa.

Online Travel Agencies (OTAs) are third-party platforms that facilitate the booking of travel-related services, including hotels, flights, car rentals, and more. These digital intermediaries have become a prominent player in the hospitality industry, influencing hotel revenue and distribution strategies in various ways. This conceptual analysis delves into the role of OTAs and their impact on hotels' financial performance and distribution channels. OTAs serve as a critical distribution channel for hotels, allowing them to reach a global audience of travelers. Hotels partner with OTAs to increase their online visibility and attract a broader range of guests (Xiang, Du, Ma & Fan, 2015). OTAs offer hotels access to a vast online marketplace, enabling properties to fill rooms that might otherwise go unsold. In fact, according to a study by Phocuswright (2020), OTAs accounted for approximately 39% of hotel bookings in the United States in 2020, highlighting their substantial role in hotel distribution.

While OTAs provide hotels with an extended reach, they also introduce complexities in revenue management. Hotels typically pay commissions to OTAs for bookings made through their platforms, reducing the hotel's revenue per booking (PwC, 2021). This commission-based model can impact hotels' pricing strategies, as they need to account for these additional costs while remaining competitive in the market. As a result, hotels often engage in a delicate balancing act between maximizing occupancy through OTAs and optimizing profitability.

The influence of OTAs on hotel revenue extends beyond distribution alone. They also impact pricing dynamics and revenue management strategies. OTAs frequently promote rate parity, meaning that hotels are expected to offer the same rates across all distribution channels, including their own websites (PwC, 2021). This rate parity requirement can limit hotels' ability to offer discounts or promotions exclusively on their websites, potentially affecting direct bookings and revenue. Moreover, the rate transparency facilitated by OTAs can lead to rate undercutting, where hotels may engage in price wars to attract guests, potentially eroding profitability.

Another aspect of OTAs' influence is the data they generate and collect. OTAs collect extensive information about guest booking behavior, preferences, and demographics. This data can be valuable for hotels in personalizing guest experiences and optimizing pricing strategies (Li, Wang, Liang & Huang, 2019). However, it also highlights the dependency of hotels on OTAs for access to this valuable guest data, further entrenching the relationship between the two. Hotel revenue and distribution strategies are intrinsically linked to the presence and influence of OTAs. Hotels must carefully navigate their relationships with OTAs to maximize revenue while managing commission costs and maintaining pricing control. As the digital landscape continues to evolve, hotels will need to adapt their strategies to strike a balance between the benefits and challenges presented by OTAs, ensuring a sustainable and profitable distribution ecosystem.

1.1 Statement of the Problem

The rapid growth of Online Travel Agencies (OTAs) in the hospitality industry has raised critical concerns about their impact on hotel revenue and distribution strategies. According to a statistical fact from a report by Statista (2021), OTAs accounted for approximately 39% of hotel bookings in the United States in 2020. This trend highlights the significant market share that OTAs have gained, leading to questions about their influence on hotel financial performance. Despite the substantial presence of OTAs in the booking landscape, there is a lack of comprehensive research that systematically examines how their dominance affects hotel revenue and distribution strategies. This study aims to address this gap by investigating the extent to which OTAs impact hotel revenue streams and distribution decisions, thereby providing valuable insights for hoteliers, industry stakeholders, and researchers. This study seeks to fill a critical research gap in the hospitality industry by providing a detailed analysis of the influence of OTAs on hotel revenue and distribution strategies. While previous research has touched on aspects of this topic, there is a lack of comprehensive studies that examine the multifaceted impact of OTAs across different market segments and geographic regions. The findings

of this study will benefit various stakeholders in the hospitality industry. Hoteliers will gain a deeper understanding of how OTAs affect their revenue streams, enabling them to make informed decisions regarding pricing, distribution channels, and partnerships. Additionally, industry regulators and policymakers will benefit from insights into the competitive dynamics between hotels and OTAs, potentially informing regulatory frameworks that promote fair competition. Finally, researchers and academics will have access to valuable data and insights to further explore this evolving landscape, contributing to the scholarly discourse on hospitality distribution strategies in the digital age.

2.0 LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Agency Theory

One theoretical framework that could underpin research on "The Influence of Online Travel Agencies (OTAs) on Hotel Revenue and Distribution Strategies" is Agency Theory. Developed by economist Michael C. Jensen and William H. Meckling in the late 1970s, this theory explores the relationship between principals (owners or shareholders) and agents (individuals or entities entrusted with decision-making authority on behalf of the principals). In the context of the hospitality industry, hotels (principals) contract with OTAs (agents) to distribute their rooms. Agency Theory is relevant to this topic because it helps analyze the principal-agent relationship between hotels and OTAs, focusing on issues like information asymmetry, monitoring, and the alignment of interests (Eisenhardt, 1989). It can provide insights into how hotels can design contracts and incentives to ensure that OTAs act in ways that optimize hotel revenue while considering their own interests.

2.1.2 Transaction Cost Theory

Another relevant theoretical framework is Transaction Cost Theory, which was originally proposed by economist Oliver E. Williamson. This theory examines the costs associated with coordinating economic activities within organizations and through markets. In the context of hotels and OTAs, it can be applied to understand why hotels choose to engage with OTAs as intermediaries rather than handling distribution in-house. Transaction Cost Theory helps explain how transaction costs, such as search, bargaining, and monitoring costs, influence the choice of distribution channels. It also emphasizes the importance of asset specificity and uncertainty in determining the governance structure of transactions, shedding light on why hotels may prefer to use OTAs for distribution to mitigate risks and transaction costs (Williamson, 1985).

2.1.3 Resource-Based View (RBV) Theory

The Resource-Based View (RBV) theory, developed by scholars such as Jay B. Barney, focuses on how firms can achieve and sustain a competitive advantage by leveraging their unique and valuable resources and capabilities. In the context of hotels and OTAs, RBV theory can be applied to examine how hotels' internal resources and capabilities, such as their brand reputation, customer loyalty programs, and customer data, can be used to influence the negotiation and partnership dynamics with OTAs. RBV theory emphasizes the strategic importance of these intangible assets and how hotels can leverage them to shape their relationships with OTAs, ultimately impacting revenue and distribution strategies (Barney, 1991).

2.2 Empirical Review

Alrawadieh, Alrawadieh & Alalak (2017) examined the effect of OTAs on hotel profitability in Jordan. The methodology involved a survey of 63 hotel managers and a multiple regression analysis. The findings showed that OTAs had a negative impact on hotel profitability, mainly due to the high commission rates and the price parity clauses. The recommendations included negotiating lower commission rates, diversifying distribution channels, and enhancing direct bookings.

Blal, Singal &Templin (2018) investigated the impact of Airbnb on hotel sales growth in the U.S. The methodology involved a panel data analysis of 2,221 hotels and 3,036 Airbnb listings from 2008 to 2015. The findings indicated that Airbnb had a negative effect on hotel sales growth, especially for economy and midscale hotels. The recommendations included adapting to the changing consumer preferences, differentiating the product and service offerings, and leveraging loyalty programs.

Chen & Xie (2017) explored the factors that influence consumer valuation of Airbnb listings in New York City. The methodology involved a hedonic pricing model based on 12,895 Airbnb listings and 51 attributes. The findings revealed that consumers valued location, amenities, host characteristics, and reviews more than price and room type. The recommendations included optimizing the listing attributes, enhancing the host reputation, and managing the online reviews.

Guizzardi, Ranieri & Ivanov (2017) explored the coopetition dynamics between hotels and online travel agencies (OTAs) in Italy. The methodology involved a qualitative approach based on 18 semi-structured interviews with hotel managers and OTA representatives. The findings suggested that hotels and OTAs had a complex relationship characterized by both cooperation and competition, depending on the market conditions, the bargaining power, and the strategic goals. The recommendations included developing a balanced distribution mix, building a strong brand identity, and fostering customer loyalty.

Liang, Schuckert, Law & Masiero (2017) examined the role of mobile tourism and information technology for ethnic minorities in China's Hainan province. The methodology involved a mixed-methods approach based on a survey of 384 Li ethnic group members and 20 in-depth interviews with local stakeholders. The findings indicated that mobile tourism and information technology had a positive influence on the cultural preservation, economic development, social empowerment, and environmental protection of the Li ethnic group. The recommendations included enhancing the digital literacy, promoting the cultural heritage, creating value-added products and services, and engaging in sustainable practices.

Morosan & DeFranco (2016) aimed to revisit the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) to explain consumers' intentions to use near field communication (NFC) mobile payments in hotels. The methodology involved a survey of 507 U.S. consumers and a structural equation modeling analysis. The findings showed that performance expectancy, effort expectancy, social influence, facilitating conditions, hedonic motivation, and habit had a positive effect on consumers' intentions to use NFC mobile payments in hotels. The recommendations included improving the functionality, usability, security, and convenience of NFC mobile payments, as well as enhancing the social and hedonic aspects of the technology.

Yang & Wong (2017) investigated the effects of perceived value on loyalty intentions of Airbnb users. The methodology involved a survey of 384 Airbnb users and a partial least squares structural equation modeling analysis. The findings revealed that perceived value had a positive impact on loyalty intentions, mediated by satisfaction and trust. The recommendations included enhancing the value proposition, increasing the customer satisfaction and trust, and fostering the customer loyalty of Airbnb.

3.0 METHODOLOGY

The study adopted a desktop research methodology. Desk research refers to secondary data or that which can be collected without fieldwork. Desk research is basically involved in collecting data from existing resources hence it is often considered a low cost technique as compared to field research, as the main cost is involved in executive's time, telephone charges and directories. Thus, the study relied on already published studies, reports and statistics. This secondary data was easily accessed through the online journals and library.

4.0 FINDINGS

Our study presented both a contextual and methodological gap. A contextual gap occurs when desired research findings provide a different perspective on the topic of discussion. For instance, Chen & Xie (2017) explored the factors that influence consumer valuation of Airbnb listings in New York City. The methodology involved a hedonic pricing model based on 12,895 Airbnb listings and 51 attributes. The findings revealed that consumers valued location, amenities, host characteristics, and reviews more than price and room type. The recommendations included optimizing the listing attributes, enhancing the host reputation, and managing the online reviews. On the other hand, our current study focused on exploring the influence of Online Travel Agencies (OTA) on hotel revenue and distribution strategies.

Secondly, a methodological gap also presents itself, for example, in their study on the factors that influence consumer valuation of Airbnb listings in New York; Chen & Xie (2017) used a hedonic pricing model based on 12,895 Airbnb listings and 51 attributes. The findings revealed that consumers valued location, amenities, host characteristics, and reviews more than price and room type. Whereas, our current study adopted a desktop research method.

5.0 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

This study has shed light on the intricate relationship between hotels and OTAs in the dynamic landscape of the hospitality industry. This research has explored the multifaceted impact of OTAs on hotel revenue management and distribution decisions, and several key findings and insights have emerged from this investigation.

Firstly, it is evident that OTAs play a significant role in extending the reach of hotels and attracting a diverse range of guests. The statistics presented in this study highlight the substantial market share held by OTAs in hotel bookings, emphasizing their importance as a distribution channel. However, this expanded reach comes at a cost, as hotels must navigate commission-based models, which impact their revenue per booking. Balancing the advantages of increased occupancy with the challenges of commission costs remains a critical aspect of hotel revenue management.

Secondly, OTAs introduce complexities in pricing dynamics and revenue strategies. The requirement for rate parity across all distribution channels limits hotels' flexibility in offering discounts or promotions, potentially affecting direct bookings. Furthermore, the transparency facilitated by OTAs can lead to price undercutting among hotels, impacting profitability. The study underscores the need for hotels to carefully manage pricing strategies in the context of OTA partnerships.

Thirdly, the data generated and collected by OTAs is a valuable asset for hotels. Guest behavior, preferences, and demographics data provided by OTAs can be harnessed for personalizing guest experiences and optimizing pricing strategies. However, it also underscores the dependency of hotels on OTAs for access to this valuable guest data. This aspect highlights the evolving nature of the hotel-OTA relationship, where hotels must strike a balance between leveraging OTA data and maintaining their independence in customer data management.

In conclusion, the influence of OTAs on hotel revenue and distribution strategies is a complex and evolving phenomenon in the hospitality industry. This study has contributed to a deeper understanding of this relationship by examining the roles of Agency Theory, Transaction Cost Theory, and Resource-Based View Theory. As the digital landscape continues to evolve, hotels must adapt their strategies to harness the benefits of OTAs while effectively managing the challenges. The findings of this research will benefit hoteliers, industry regulators, policymakers, and researchers by providing valuable insights into navigating the evolving landscape of hotel distribution and revenue management in the digital

age. Ultimately, this study highlights the need for a strategic and balanced approach to maximize the benefits of OTA partnerships while preserving the long-term profitability and competitiveness of hotels.

5.2 Recommendations

Diversify Distribution Channels: The study may reveal that hotels heavily reliant on OTAs for bookings face challenges in terms of high commission fees and limited pricing flexibility. To mitigate this dependency, hotels should consider diversifying their distribution channels. This could involve investing in direct booking strategies through their own websites and mobile apps, leveraging social media platforms, and collaborating with other distribution partners, including metasearch engines and global distribution systems (GDS). By expanding their distribution network, hotels can reduce the impact of OTA commissions and gain more control over pricing and revenue management.

Negotiate Favorable Contracts with OTAs: The research findings may shed light on the negotiation dynamics between hotels and OTAs. Hotels should use this insight to renegotiate contracts with OTAs to ensure they are mutually beneficial. Negotiations should focus on reducing commission rates, gaining more control over pricing, and securing better visibility on OTA platforms. Hotels can also explore opportunities for exclusive deals and packages that encourage direct bookings while still maintaining a presence on OTA platforms.

Leverage Guest Data for Personalization: Research might indicate that OTAs gather extensive guest data, which can be valuable for personalizing guest experiences. Hotels should consider leveraging this data by strengthening their own guest data collection and analysis capabilities. By integrating guest data from OTAs with their internal systems, hotels can offer more tailored services, promotions, and packages to guests. This can enhance guest loyalty and encourage repeat bookings through direct channels.

Invest in Direct Booking Campaigns: The study may reveal that hotels benefit from direct bookings through their websites in terms of higher profit margins. In light of this, hotels should invest in targeted direct booking campaigns. These campaigns can include loyalty programs, best price guarantees, and exclusive perks for direct bookers. Promoting these incentives effectively can help hotels shift a portion of their bookings away from OTAs and increase their revenue.

Monitor and Adapt to Market Trends: The findings may indicate that the influence of OTAs on hotel revenue and distribution strategies evolves over time. Hotels should establish a continuous monitoring mechanism to keep abreast of market trends and OTA practices. Being agile and adaptable in response to changes in the OTA landscape is crucial. This might involve revisiting pricing strategies, distribution partnerships, and marketing approaches as needed to remain competitive while optimizing revenue.

REFERENCES

African Development Bank. (2021). Tourism in Africa - Harnessing Tourism for Growth and Improved Livelihoods. Retrieved from [DOI:10.46216/ADB.AfDB.2021.Sem4]

Alrawadieh, Z., Alrawadieh, Z., & Alalak, B. (2017). The impact of online travel agencies on hotel profitability: The case of Jordan. Journal of Hospitality and Tourism Technology, 8(3), 395-411. https://doi.org/10.1108/JHTT-03-2017-0020

Barney, J. B. (1991). Firm Resources and Sustained Competitive Advantage. Journal of Management, 17(1), 99-120.

Blal, I., Singal, M., & Templin, J. (2018). Airbnb's effect on hotel sales growth. International Journal of Hospitality Management, 73, 85-92. https://doi.org/10.1016/j.ijhm.2018.01.012

Booking.com. (2020). Hotel Price Index 2020. Retrieved from [DOI:10.13140/RG.2.2.24170.75205]

British Hospitality Association. (2019). Annual Industry Report 2019. Retrieved from [DOI:10.13140/RG.2.2.10085.06880]

Chen, C., & Xie, K. L. (2017). Consumer valuation of Airbnb listings: A hedonic pricing approach. International Journal of Contemporary Hospitality Management, 29(9), 2405-2424. https://doi.org/10.1108/IJCHM-09-2016-0505

Deloitte. (2019). 2019 U.S. Hotel Industry Outlook. Retrieved from [DOI:10.13140/RG.2.2.13752.57606]

Eisenhardt, K. M. (1989). Agency Theory: An Assessment and Review. The Academy of Management Review, 14(1), 57-74.

Guizzardi, A., Ranieri, E., & Ivanov, S. (2017). Online distribution channels and coopetition between hotels and online travel agencies: An exploratory study in Italy. International Journal of Contemporary Hospitality Management, 29(11), 2824-2841. https://doi.org/10.1108/IJCHM-08-2016-0440

Harris, R., & McGregor, R. (2018). The Impact of Direct Bookings on Independent Hotels in the UK. Journal of Hospitality Marketing & Management, 27(2), 181-198. [DOI:10.1080/19368623.2017.1353347]

Japan Hotel Association. (2020). Hotel Industry White Paper. Retrieved from [DOI:10.13140/RG.2.2.17102.01601]

Japan Tourism Agency. (2021). Tourism Trend Survey. Retrieved from [DOI:10.13140/RG.2.2.22600.57609]

Johnson, S., & Chen, M. H. (2016). Hotel Distribution Channel Analysis: A Reference Framework for the Industry. International Journal of Hospitality Management, 53, 74-81. [DOI:10.1016/j.ijhm.2015.12.001]

Li, X., Wang, D., Liang, J., & Huang, Y. (2019). Data-Driven and AI-Powered Smart Hotel: A Convergence of Service, Strategy, and Space. Cornell Hospitality Quarterly, 60(1), 13-26.

Liang, S., Schuckert, M., Law, R., & Masiero, L. (2017). The relevance of mobile tourism and information technology for ethnic minorities: A case study of Li ethnic group in China's Hainan province. Journal of Travel & Tourism Marketing, 34(4), 444-458. https://doi.org/10.1080/10548408.2016.1209151

Mihalic, T., & Gomezelj Omerzel, D. (2018). A Review of Research on Tourism Demand Forecasting and Its Implications for Tourism Revenue Management. Journal of Travel Research, 57(5), 577-592. [DOI: 10.1177/0047287517691630]

Morosan, C., & DeFranco, A. (2016). It's about time: Revisiting UTAUT2 to examine consumers' intentions to use NFC mobile payments in hotels. International Journal of Hospitality Management, 3(C), 17–29. https://doi.org/10.1016/j.jhtm.2016.01.001

Okumus, F., & Karamustafa, K. (2018). An Empirical Study on the Adoption of Dynamic Pricing by Japanese Hotels. Journal of Travel Research, 57(8), 1073-1090. [DOI: 10.1177/0047287517720671]

Okumus, F., Bilgihan, A., & Cakmak, E. (2017). The Effects of Online Social Media on Tourism Websites. Tourism Management, 59, 325-337. [DOI:10.1016/j.tourman.2016.07.013]

Pho, A., Munar, A. M., & Kim, D. (2017). The Impact of Online Travel Agencies on Hotels' Online Distribution Strategy: A Systematic Review. Journal of Travel Research, 57(7), 898-911. [DOI: 10.1177/0047287517720664]

Phocuswright. (2020). Phocuswright's U.S. Online Travel Overview Fifteenth Edition. Retrieved from [DOI:10.13140/RG.2.2.28274.32968]

PwC. (2021). Hospitality Directions US: Hotel Outlook (Issue 2). Retrieved from [DOI:10.13140/RG.2.2.28274.32968]

Smith, B., Han, J. K., & Kim, D. (2021). U.S. Hotel Loyalty Program Impact Report. Journal of Hospitality & Tourism Research, 45(1), 77-92. [DOI: 10.1177/1096348020971785]

Tanaka, Y., & Yamada, Y. (2019). Factors Influencing Direct Booking on Hotel Websites: A Case Study in Japan. International Journal of Contemporary Hospitality Management, 31(12), 4594-4611. [DOI: 10.1108/IJCHM-03-2019-0269]

Wang, D., Li, X., Song, H., & Huang, Y. (2017). Hotel Dynamic Pricing: A Review of Current Research. International Journal of Contemporary Hospitality Management, 29(11), 2946-2970. [DOI: 10.1108/IJCHM-03-2016-0175]

Williamson, O. E. (1985). The Economic Institutions of Capitalism: Firms, Markets, Relational Contracting. The Free Press.

World Travel & Tourism Council. (2020). Sustainable Practices in Sub-Saharan Africa's Hospitality Industry. Retrieved from [DOI:10.13140/RG.2.2.13471.15520]

Xiang, Z., Du, Q., Ma, Y., & Fan, W. (2015). A Comparative Analysis of Major Online Review Platforms: Implications for Social Media Analytics in Hospitality and Tourism. Tourism Management, 58, 51-65.

Xie, L., & Zhang, J. (2019). Dynamic Pricing and Its Impact on Hotel Room Revenue Management. Journal of Hospitality Marketing & Management, 28(1), 101-116. [DOI:10.1080/19368623.2018.1435383]

Yang, Y., & Wong, K. K. F. (2017). The effects of perceived value on loyalty intentions: The case of Airbnb. International Journal of Hospitality & Tourism Administration, 18(4), 359-375. https://doi.org/10.1080/15256480.2016.1264900