



# It's Not a Day at the Beach! Are you Swimming or Drowning with the OTAs?

*Please be respectful of your colleagues by silencing your phone. If you need to answer a call, please go to the hallway.*

# What You Will Learn

- What is an OTA (Online Travel Agency)
- Who are the OTA's and How do they work?
- Do you need OTA's?
- Pros and cons of participating
- How to participate
- Your contract obligations

# What OTA's Do

- List your property for guests to book on their Websites
- Distribute your property listing to their branded sites, meta search engines, affiliate travel sites and paid advertising
- Charge a commission on each booking ranging from 12% to 20%

# Who are the Online Travel Agencies?

Expedia, Inc.



Gross Bookings 2018: \$99.7 Billion World-wide  
USA: 83M Organic & 324M Paid Ad Visitors 2018

# Who are the Online Travel Agencies?

Booking Holdings

**Booking.com**

**KAYAK**

**priceline**

agoda  
● ● ● ● ●

**momondo**

**Rentalcars.com**

● **OpenTable**

Gross Bookings 2018: \$92.7 Billion World-wide  
USA: 38M Organic & 203M Paid Ad Visitors 2018

# Who are the Online Travel Agencies?



Gross Bookings 2018: \$1.62 Billion world-wide  
USA: 177M Organic & 25M Paid Ad Visitors 2018

# Who are the Online Travel Agencies?

IPO scheduled June 2019 - valued at \$31 billion



Privately held company - Q3 of 2018 est. Gross Bookings \$1 Billion.

USA: 9M Organic & 65M Paid Ad Visitors 2018

# Almost \$200 Billion Dollars in Revenue!

How much is 200 Billion? - Really

The United States budget deficit in 2019 will be \$985B

Amazon had its first \$200 Billion + sales year in 2018 at \$239B

Apple revenue as of 2018 was \$229B

Net worth of the richest man in the world, Jeff Bezos: \$131B

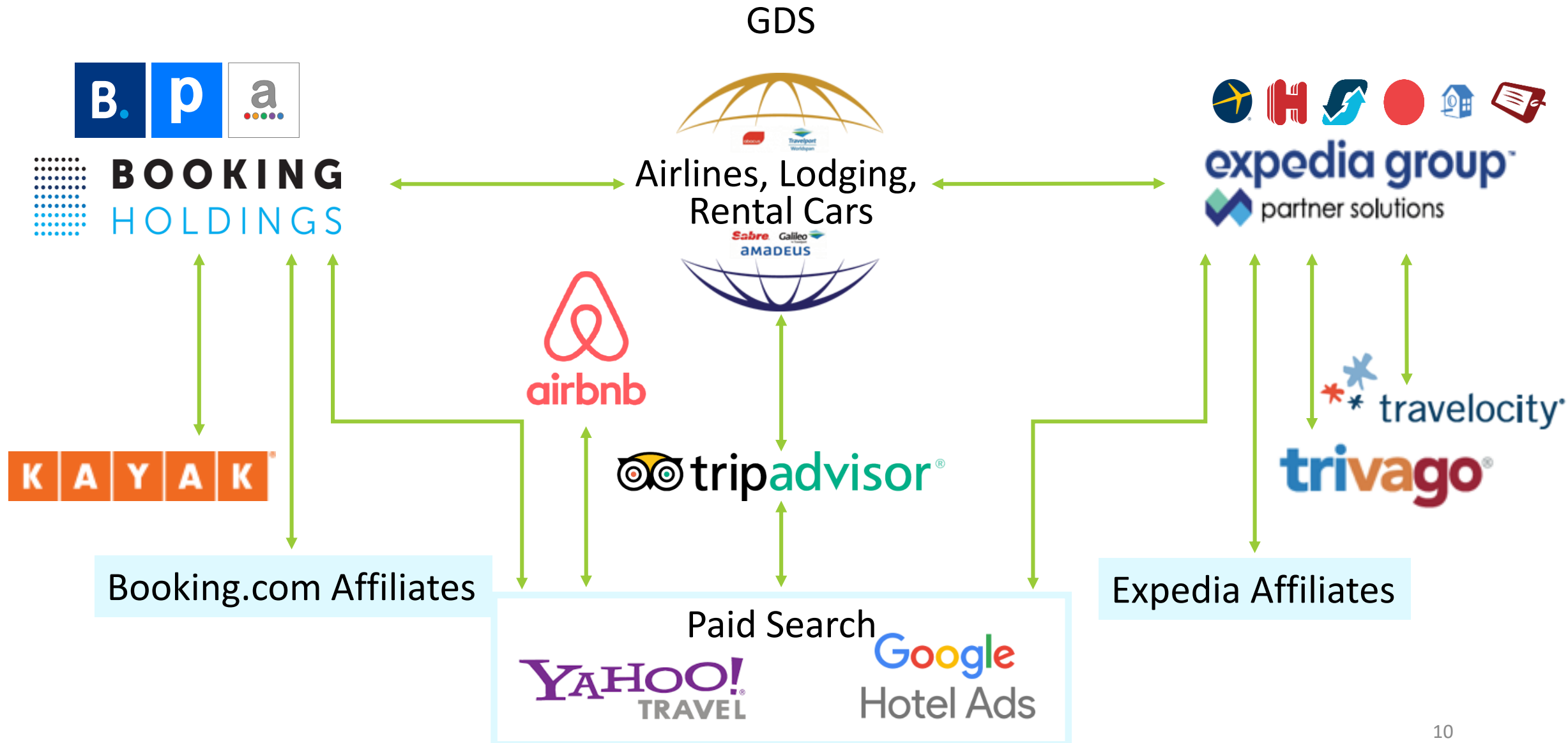
Net worth of Donald Trump \$3.1B



How Do They Do It?

By Dominating  
Travel Search

# Network Distribution



# OTA Advertising Examples

## Google Map via GDS

Places near Lancaster, PA About these results ⓘ

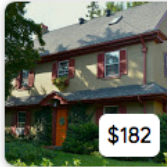
Thu, Mar 14 Fri, Mar 15 2

**TOP CHOICES**  
Based on your search, price...

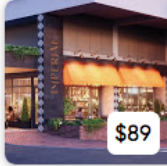
**GUEST FAVORITES**  
Rated 4.0+

**BUDGET OPTIONS**  
Lowest-priced hotels


**DEALS**




**The Lancaster Bed and Breakfast**  
4.9 ★★★★★ (36)  
Free Wi-Fi  
Free breakfast  
**\$182**




**The Hotel Lancaster**  
3.8 ★★★★★ (397)  
Free Wi-Fi  
**\$89**



**Hollinger House Bed & Breakfast**  
4.9 ★★★★★ (34)  
18% less than usual  
**DEAL**  
**\$120**



**Lancaster Arts Hotel**  
4.5 ★★★★★ (271)  
"Nice atmosphere, great area, rooms a  
**\$119**



Map data ©2019 Google

[View 23 hotels](#)

# OTA Advertising Examples

## Traditional Text Ad

[B&Bs in Lancaster | Top 20 Bed and Breakfasts | airbnb.com](#)

 [www.airbnb.com/](http://www.airbnb.com/) ▼

Find Unique Rentals in **Lancaster**. Book Bed & Breakfasts on Airbnb™. 5 Star Hosts. 81,000 Cities.

[The 10 Best Lancaster Bed and Breakfast Deals | Expedia.com](#)

 [www.expedia.com/](http://www.expedia.com/) ▼

★★★★★ Rating for expedia.com: 4.3 - 191,757 reviews

Book a flight or car & unlock up to 43% off select hotels. Terms apply. Verified Guest Reviews.


[Last Minute Deals](#) · [Great Hotel Deals](#) · [Expedia® Daily Deals™](#) · [Expedia Rewards](#)

[B&Bs in Lancaster PA | Best Hotels, Price Guarantee | hotels.com](#)

 [www.hotels.com/Lancaster/Bed-&-Breakfast](http://www.hotels.com/Lancaster/Bed-&-Breakfast) ▼

Book Cozy B&Bs in **Lancaster PA**. Fast, Secure, & No Cancellation Fee! Earn Free Hotel Nights.

[Bed and Breakfast in Lancaster | Lowest Price Guarantee | booking.com](#)

 [www.booking.com/](http://www.booking.com/) ▼

Book a B&B in **Lancaster** online. No Reservation Costs. Great Rates

# OTA Advertising Examples

## Business Listing Ads

**Address:** 3124 N Huron Rd, Oscoda Twp, MI 48750

**Phone:** (989) 739-9255

Ads [Check availability](#)



Tue, Mar 12

Wed, Mar 13

2



[Booking.com](#)

**\$217**



[Read Real Guest Reviews · Get Instant Confirmation](#)



[Travelocity.com](#)

**\$217**



[KAYAK.com](#)

**\$217**



[Hotels.com](#)

**\$217**




[View more rates](#)


from **\$217**


# OTA Advertising Examples

## TripAdvisor Advertising


**Lowest prices for your stay**

 Check In  
**Sun, 03/24/19**

 Check Out  
**Sun, 03/31/19**

 Guests  
**1 room, 2 adults, 0 children**

Lock in the lowest price from these sites

 **\$224**

**View Deal**

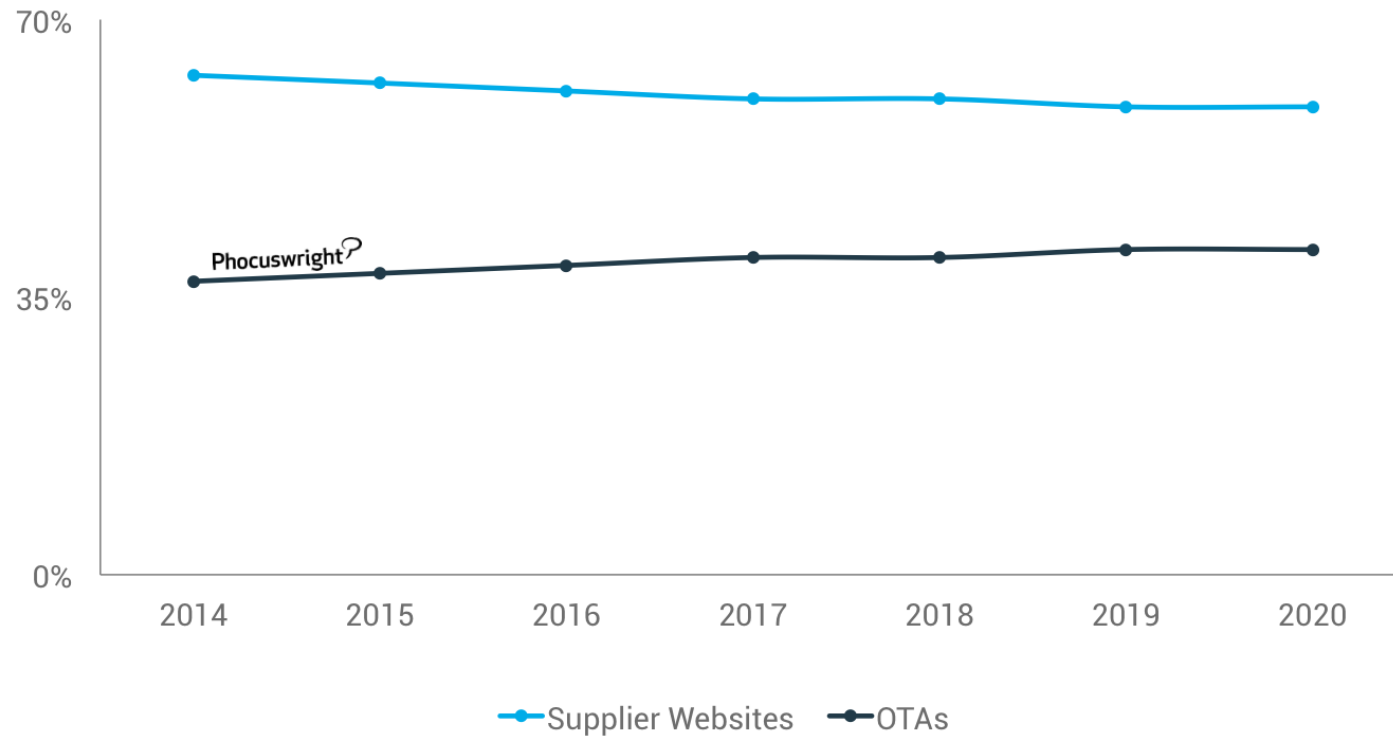
Hotels.com ↗	\$224	Expedia.com ↗	\$224
Priceline ↗	\$224	Booking.com ↗	\$224
Orbitz.com ↗	\$224	TripAdvisor	\$224

**View all 11 deals ▼**

Prices are the average nightly price provided by our partner...

Do you really need OTA Marketing?

## U.S. Online Travel Market Share (%), Supplier Websites vs. OTAs, 2014-2020



Note: 2016-2020 projected.

Source: *U.S. Online Travel Overview Sixteenth Edition*

© 2017 Phocuswright Inc. All Rights Reserved.

**Phocuswright**  
Powering great decisions.

39% of all USA  
accommodation  
bookings are done  
through OTA's



# Travel Site Ranking by Monthly Unique Visitors

			Monthly Visitors in Millions World-wide
Booking.com	Booking Holdings	OTA	40
Trip Advisor	Trip Advisor	OTA - Social Media	38
YahooTravel	Media	Media	36
Expedia	Expedia Inc.	OTA	25
Priceline	Booking Holdings	OTA	20
Hotels.com	Expedia Inc.	OTA	16
Travelocity	Expedia Inc.	OTA	14
Kayak	Booking Holdings	OTA	13
Orbitz	Expedia Inc.	OTA	11
Hotwire	Expedia Inc.	OTA	8.5
Homeaway	Expedia Inc.	OTA	8.2
TravelZoo	Media	Deals	7
Airbnb	Airbnb	OTA	6
Lonely Planet	Media	Experiences	4

Source: <http://www.ebizmba.com/articles/travel-websites>

# Why Visitors Prefer OTA Booking

Figure 5: Hotel Shopping – OTAs vs. Hotel Websites

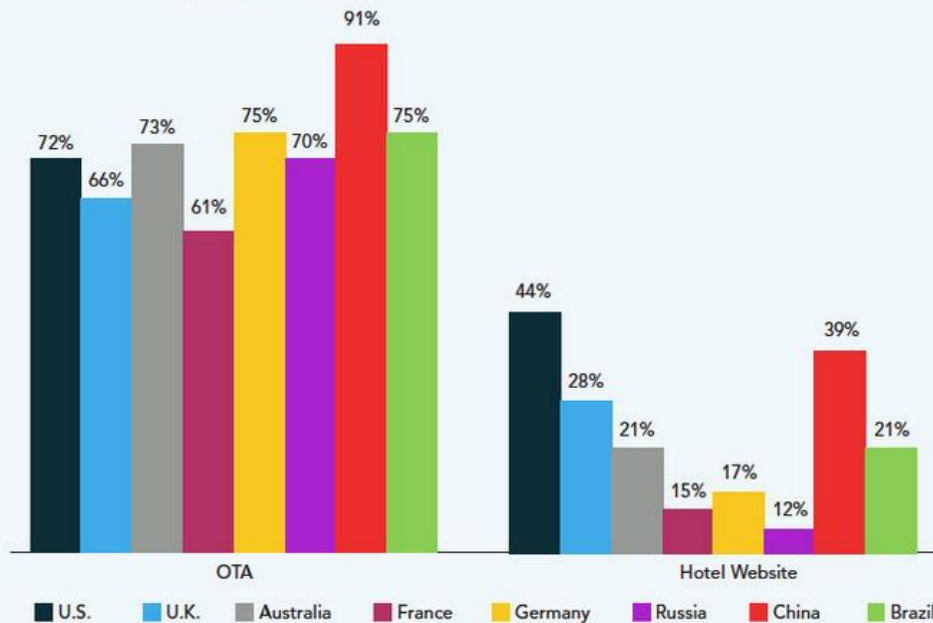
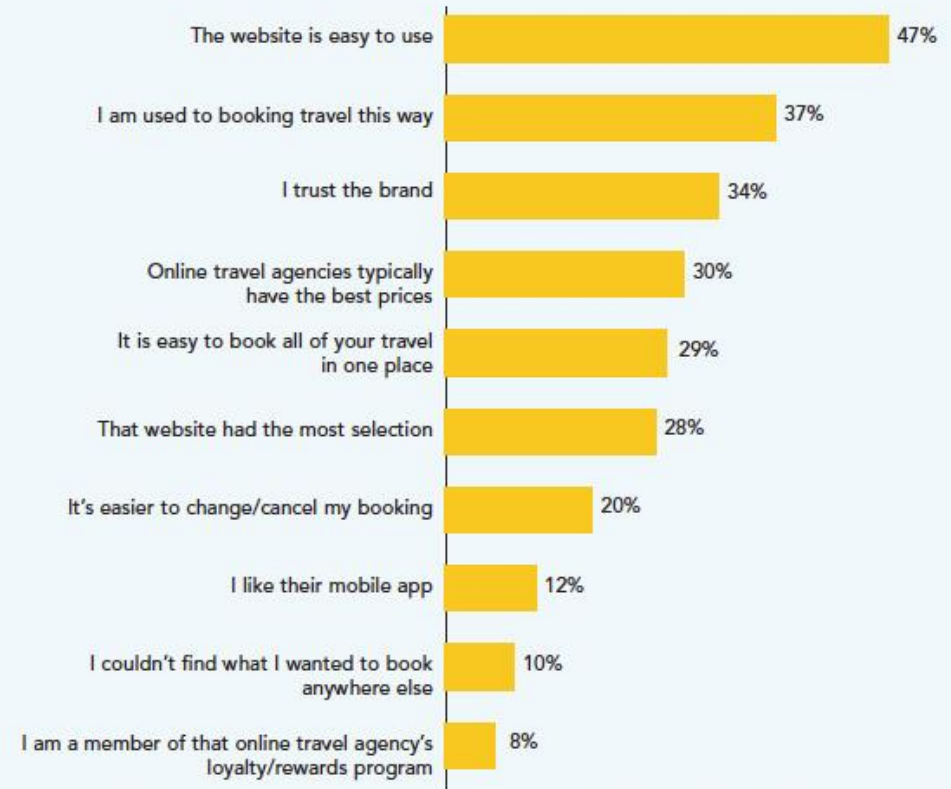


Figure 10: Reasons Travelers Booked With OTAs



# Google Hotel Search

## Filters



Free Wi-Fi

Fitness center

Free breakfast

Kid-friendly

Free parking

Pet-friendly

Air-conditioned

Pool


Bar

Restaurant


CLEAR

APPLY







**Heritage hotel lancaster**  
4.2 ★★★★★ (463) · 3-star hotel  
Straightforward property with free WiFi & a pool, plus a treehouse-like restaurant & bar.  
\$89




**King's Cottage Bed & Break...**  
4.8 ★★★★★ (41)  
Plush, traditional-style rooms with full breakfast & free WiFi, in an upscale B&B offering a  
\$220




**The Lancaster Bed and Bre...**  
4.9 ★★★★★ (36)  
Traditional, air-conditioned quarters with fireplaces, plus gardens, free WiFi & a full  
\$182



**Comfort Inn Lancaster - Ro...**  
4.0 ★★★★★ (222) · 3-star hotel  
Relaxed lodging featuring complimentary breakfast, plus a seasonal outdoor pool & a  
\$80



**Comfort Suites Amish Cou...**  
4.4 ★★★★★ (262) · 2-star hotel  
Relaxed suites in a simple hotel offering an indoor pool & a gym, plus free Wi-Fi &  
\$89

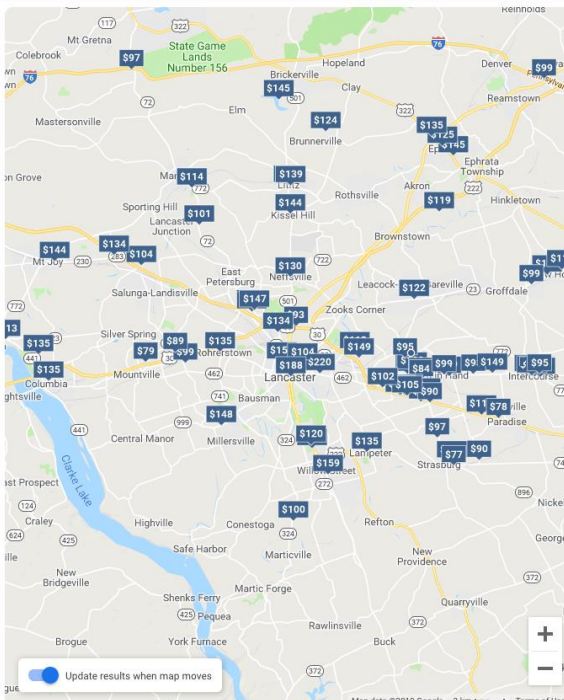


**Sleep Inn & Suites of Lanc...**  
4.1 ★★★★★ (220) · 2-star hotel  
Relaxed property featuring free hot breakfast & a restaurant, plus an indoor pool & a whirlpool  
\$79

PREVIOUS

NEXT

Showing results 13 - 24 of 50



Map showing hotel locations and prices in the Lancaster area. Prices range from \$79 to \$159. A legend indicates that prices are updated when the map moves.

# Google Hotel Search









Price


OTA Price & Availability

Machine Learning Identifies Deals

Ads

Check availability


 <b>Hotels.com</b> Genuine Guest Reviews 24/7 Customer Service	<b>\$133</b> > \$153 with taxes + fees
 <b>Booking.com</b>	<b>\$137</b> > \$158 with taxes + fees
 <b>Travelocity.com</b>	<b>\$133</b> > \$153 with taxes + fees
 <b>Expedia.com</b>	<b>\$133</b> > \$153 with taxes + fees
 <b>Orbitz.com</b>	<b>\$133</b> > \$153 with taxes + fees
 <b>Priceline</b>	<b>\$137</b> > \$158 with taxes + fees
 <b>FindHotel</b>	<b>\$137</b> > \$158 with taxes + fees
 <b>Cheaptickets.com</b>	<b>\$133</b> > \$153 with taxes + fees



Prices for your dates have been fluctuating.

<


See when to book



You're seeing a higher price than usual for this hotel.

<

See price evaluation



This hotel costs less on average than nearby hotels.

<

Compare hotels

# Google Hotel Search

Clear index for prices, reviews photos

OVERVIEW

PRICES

REVIEWS

LOCATION

ABOUT

PHOTOS

Visit our website  
(Google my Business)



[← See all results in New Holland](#)

## Harvest Moon Bed & Breakfast

2-star hotel

311 E Main St, New Holland, PA 17557 • (717) 723-5251



Website



Directions

\$116

Book a room

How Can I Successfully Compete On OTA's?

# How OTA Listed Properties are Found

## Search

Destination/Property Name:

Check-in Date

16

Tuesday, April 16, 2019

▼

Check-out Date

17

Wednesday, April 17, 2019

▼

1-night stay

2 adults

▼

No children ▼

1 room ▼

☐ I'm traveling for work ?

Search

### Filter by:

#### Your Budget

☐ \$0 - \$56 per night4

☐ \$56 - \$110 per night18

☐ \$110 - \$160 per night25

☐ \$160 - \$220 per night15

☐ \$220 + per night7

#### Property Type

☐ Hotels27

☐ Bed and Breakfasts8

☐ Motels4

☐ Resorts1

### Popular Filters

☐ Breakfast Included27

☐ Pet friendly11

☐ Bed and Breakfasts8

☐ Very Good: 8+28

☐ Indoor pool11

☐ Swimming pool21

☐ Free cancellation39

☐ Parking40

### Star Rating

☐ 2 stars14

☐ 3 stars19

☐ 4 stars3

☐ 5 stars1

☐ Unrated3

### Fun Things To Do

23

# Your OTA Listing Vs. the Competition

Our Top Picks


Price (lowest first)


Review Score & Price

Stars ▼



Star rating and price


...


 Great for 2 travelers



## Walnut Lawn Bed and Breakfast

 [Lancaster](#) – [Show on map](#)  (5 miles from center )

 100% of guest reviewers had their expectations of this property met or exceeded

Standard Queen Room   
**Only 1 room left!**

Exceptional **9.8**  
75 reviews

Location **9.4**

Guest Favorite

**\$125**  
Breakfast included

See availability >



# Pros and Cons of OTA Marketing

## Pros:

- More bookings from the OTA's
- Increased visibility – billboard effect leading to direct booking
- Google Hotel Finder visibility
- Support for multiple languages & currencies to attract international guests
- Typically more mobile visibility from Apps that you can't support

# Pros and Cons of OTA Marketing

## Cons:

- Commissions:  
Expect to pay between 12% and 20% + channel manager Fees
- High cancellation rates from OTA guests
- Little customer information
- Slight chance of double bookings
- Requires strategic rate and profile management
- Difficult to build brand loyalty

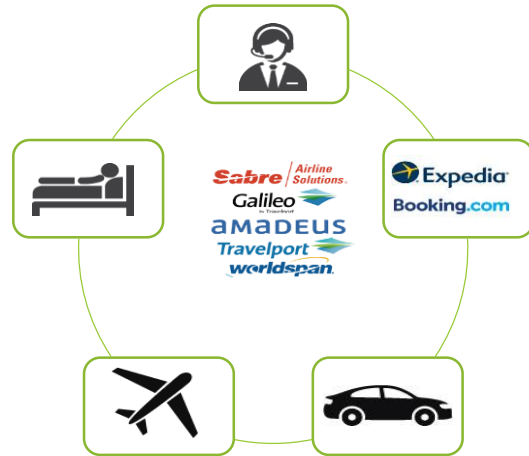
# How to Participate with the OTA's

1. Provide good photography
2. Find a channel manager
3. Contact the OTA through their website  
Sign up for a connection
4. Get and read the contract carefully
5. Initiate the connection with your OTA representative
6. Notify your channel manager that you have started the process

# How to Participate with the OTA's

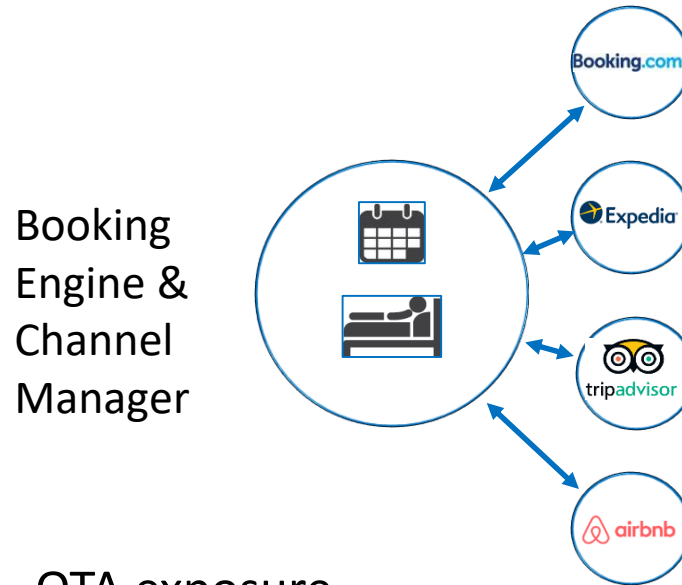
## Selecting a Channel Manager

### Global Distribution System



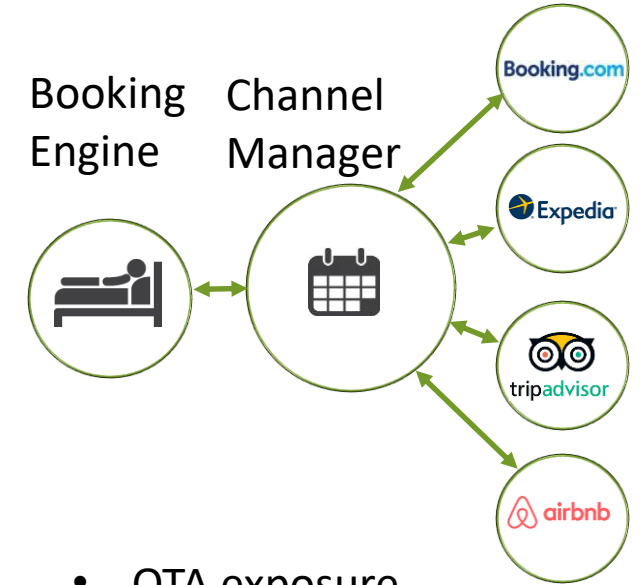
- OTA exposure
- Corporate clients
- Travel agents & travel operators
- Additional costs

### Direct Channel Manager



- OTA exposure
- Integrated into the booking engine
- Major OTA families
- Can be less expensive

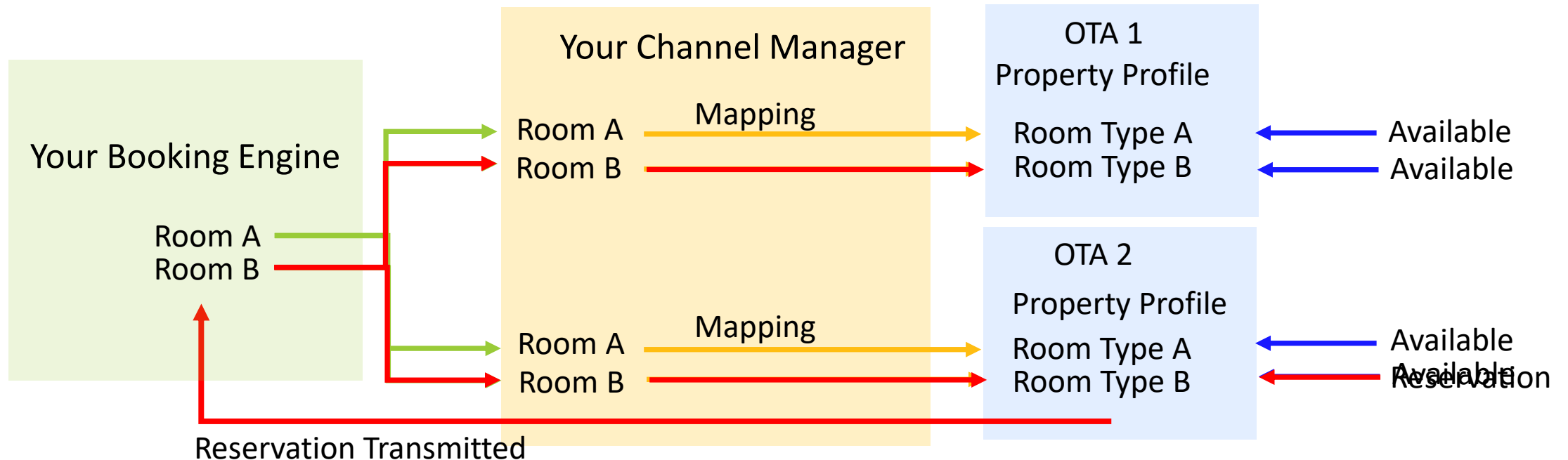
### Separate Channel Manager



- OTA exposure
- Third party booking engines may charge additional
- More niche OTA's

# How to Participate with the OTA's

## Managing Inventory



# Your Obligations Under an OTA Contract

- Cancellations – Guests (not you) must cancel via the OTA channel.
- Refunds – Discuss your cancellation policy before you sign.
- Rebooking – You cannot ask a guest to cancel and book direct
- Double Bookings – You are responsible for finding alternative lodging.
- Rate Parity – Your rates should be the same across all channels.
- Payment – Hotel Collect or Net Rate.

Questions?



Thanks for listening.



Speaker: Cindy Bachmann  
Company: Innkeeper's Advantage

Phone: 724-933-3330  
Email: [sales@innkeepersadvantage.com](mailto:sales@innkeepersadvantage.com)  
Website: [www.innkeepersadvantage.com](http://www.innkeepersadvantage.com)

Thank you for learning with us! Please complete your evaluation and hand it to the room host before leaving the room!