

Hotel Bookings Inspire

Direct Hotel vs. OTA's
Who is Converting?

hitwise



Most hotels are constantly working to better understand — and even to reclaim — their bookings from online travel agencies (OTAs) like Expedia, Hotels.com and Priceline.

In this report we'll look at the state of OTAs, hotel reliance on OTAs (in terms of both traffic and bookings), and which hotels have successfully increased their direct bookings.

OTA Growth

Out of the top OTAs in the industry, only two of them have shown an increase in bookings compared to the same time last year — Expedia and Booking.com. Meanwhile, five of them have actually lost conversions year-on-year.

OTA Website	Share of Bookings May 2017	Share of Bookings May 2016	Change (% Points)
Expedia	28%	26%	10%
Hotels.com	28%	28%	0%
Booking.com	27%	26%	4%
Priceline.com	6%	7%	-8%
Hotwire	4%	5%	-16%
Travelocity	3%	4%	-23%
Orbitz	2%	3%	-24%
Cheap Tickets	0%	0%	-25%

Hotels.com and Expedia have the highest volume of OTA site bookings, but Expedia has had the largest increase in bookings YOY since May of 2016.

Direct Bookings

While some OTAs are struggling, direct bookings (reservations made directly through the hotel websites) appear to be in a slight upswing. Out of the top hotel brands, five of them have shown an increase in direct bookings since last year, as evidenced in the graph below.

Marriott brands have the highest volume of direct site bookings, but IHG has shown the largest YOY increase, with a 10% jump in bookings since May 2016.

Hotel Website	Share of Bookings May 2017	Share of Bookings May 2016	Change (% Points)
Marriott International	29%	28%	2%
Hilton Hotels Online	25%	27%	-6%
Choice Hotels International	17%	16%	7%
IHG	13%	12%	10%
Wyndham Hotels & Resorts	6%	6%	7%
Best Western International	5%	5%	5%
Hyatt Hotels and Resorts	3%	3%	-14%
Starwood*	2%	4%	-39%

OTA Channel Reliance

When we look at OTA reliance — in other words, the percentage of traffic leaving OTAs and leading to hotel sites, we see major disparities by brand.

Although the **Country Inn** is relatively small (and only receives .05% of the overall downstream traffic from OTAs), this brand is the most channel reliant on OTAs — over 10% of their web traffic comes from these booking sites.

On the previous page we saw that **Choice** and **Wyndam** have been converting more customers on their own websites than they did in 2016; here we see that they also receive a notable amount of traffic from Booking Sites. This could suggest these hotels are successfully conquering and converting downstream site visitors *before* they return back to the OTA.

Websites	Clicks	Clicks Reliance
Country Inn & Suites	.050%	10.21%
Choice Hotels International	.43%	9.27%
Motel 6	.059%	9.15%
La Quinta Inns	.066%	7.50%
Wyndham Hotels & Resorts	.22%	6.56%
Best Western International	.12%	6.19%
IHG	.31%	5.88%
Radisson Hotels	.013%	5.74%
Extended Stay America Hotels	.30%	5.69%
Red Roof Inn	.18%	5.58%

Top Hotel Brands

Below is the breakdown of the top fifteen hotel brands consumers have stayed at within the last twelve months. Note that this does not add up to 100% because some guests stayed at more than one hotel in the span of one year.

Hotel	Market Share Last 12 months
Hilton	10.62%
Marriott	10.51%
Best Western	9.90%
Holiday Inn	9.28%
Hampton Inn	9.04%
Courtyard by Marriott	7.94%
Comfort Inn	7.10%
La Quinta Inns & Suites	6.36%
Hilton Garden Inn	5.74%
Doubletree	5.57%
Comfort Suites	5.23%
Hyatt	4.67%
Days Inn	4.45%
Embassy Suites	4.17%
Sheraton	3.72%

Direct Bookings – Who Converts Best?

In order to optimize direct bookings, it's important to identify which hotels are better able to capture their own website visitors.

Since Hilton is ranked so high in the market, it's unsurprising that many people who visit hilton.com end up booking and staying at the Hilton (in fact, it's their number one choice). However, we see some variation further down the rankings.

	Hilton	Marriott	Best Western	Courtyard	Holiday Inn
Rank - Market Share (% of all Hotel Conversions)	1st	2nd	3rd	6th	4th
Rank amongst their own site visitors	1st	2nd	3rd	3rd	4th

The Courtyard by Marriott only ranks 6th in overall bookings, but it is the 3rd most booked hotel by people who have visited courtyard.marriott.com. This suggests that Courtyard is doing a good job at retaining and converting people who visit their website.

Direct Bookings – Key Hotel Competitors

Next, we took each of the five best-converting hotels and analyzed the top three *other* hotels (besides themselves) that were most often booked by their visitors. In other words, we identified their key competitors – hotels who are most likely to conquer their potential customers.

For the top three brands (Hilton, Marriott and Best Western) their major competitors are simply each other. For hotels with smaller market share, the competition is more diverse, and could therefore pose an opportunity for a more unique competitive strategy.

	Hilton	Mariott	Best Western	Courtyard	Holiday Inn
1	Marriott	Hilton	Hilton	Hilton	Embassy
2	Best Western	Best Western	Marriott	Hilton Garden Inn	Sheraton
3	Courtyard	Courtyard	Courtyard	Hyatt	Hampton Inn

The Courtyard might want to focus on intercepting Hyatt customers; that way it won't be competing against the top 3 hotels for customers.

The Holiday Inn has a more unique set of competitors to go after, particularly the Sheraton since it's the only brand not owned by the Hilton (Embassy and Hampton Inn are).

[Learn More](#)

Share of visits and clicks reliance data pulled using Hitwise Intelligence for May 2016 and May 2017. Competitive analysis of bookings pulled between 03/12/2017 - 06/03/2017. Hotel bookings measured based on visits made to a hotel's booking confirmation page. [Learn more](#) or get a [demo of the tool here](#).

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