

# \$162.2 BILLION U.S. Hotel Bookings in 2018<sup>1</sup>



**67%**  
share of hotels booked through hotel websites, central reservation systems, or directly through the property<sup>1</sup>  
(~\$108.7 billion)

### EXAMPLES OF HOTEL BRANDS

<ul style="list-style-type: none"> <li>Bulgari</li> <li>The Ritz-Carlton</li> <li>The Ritz-Carlton Reserve</li> <li>St. Regis</li> <li>W</li> <li>EDITION</li> <li>JW Marriott</li> <li>The Luxury Collection</li> <li>Fairfield Inn &amp; Suites</li> <li>Marriott Hotels</li> <li>Westin</li> <li>Le Méridien</li> <li>Renaissance Hotels</li> <li>Sheraton</li> <li>Delta Hotels by Marriott SM</li> <li>Marriott Executive Apartments</li> <li>Marriott Vacation Club</li> </ul>	<ul style="list-style-type: none"> <li>Autograph Collection Hotels</li> <li>Tribute Portfolio</li> <li>Design Hotels</li> <li>Gaylord Hotels</li> <li>Courtyard</li> <li>Four Points by Sheraton</li> <li>SpringHill Suites</li> <li>Fairfield Inn &amp; Suites</li> <li>Residence Inn</li> <li>TownePlace Suites</li> <li>AC Hotels by Marriott</li> <li>Aloft</li> <li>Element</li> <li>Moxy Hotels</li> <li>Protea Hotels by Marriott</li> </ul>	<ul style="list-style-type: none"> <li>Hilton Hotels &amp; Resorts</li> <li>Waldorf Astoria Hotels &amp; Resorts</li> <li>Conrad Hotels &amp; Resorts</li> <li>Canopy by Hilton</li> <li>Curio — A Collection by Hilton</li> <li>Tapestry Collection by Hilton</li> <li>DoubleTree by Hilton</li> <li>Embassy Suites by Hilton</li> </ul>	<ul style="list-style-type: none"> <li>Ascend Hotel Collection</li> <li>Cambria Hotels &amp; Suites</li> <li>Comfort Inn</li> <li>Comfort Suites</li> <li>Sleep Inn</li> <li>Vacation Rentals by Choice Hotels</li> <li>Quality</li> <li>Clarion</li> <li>MainStay Suites</li> <li>Suburban Extended Stay Hotel</li> <li>Econo Lodge</li> <li>Rodeway Inn</li> <li>Clarion Pointe</li> </ul>
<ul style="list-style-type: none"> <li>Park Hyatt</li> <li>Miraval</li> <li>Grand Hyatt</li> <li>Hyatt Regency</li> <li>Hyatt</li> <li>Andaz</li> <li>Hyatt Centric</li> <li>The Unbound Collection by Hyatt</li> <li>Hyatt Place</li> </ul>	<ul style="list-style-type: none"> <li>Esplendor Boutique Hotels</li> <li>Dazzler Hotels</li> <li>Dolce Hotels and Resorts</li> <li>Wyndham Grand</li> <li>Wyndham Hotels and Resorts</li> <li>Wyndham Garden Hotels</li> <li>TRYP by Wyndham</li> <li>Wingate by Wyndham</li> </ul>	<ul style="list-style-type: none"> <li>Hilton Garden Inn</li> <li>Hampton by Hilton</li> <li>Tru by Hilton</li> <li>Homewood Suites by Hilton</li> <li>Home2 Suites by Hilton</li> <li>Hilton Grand Vacations</li> <li>LXR Hotels &amp; Resorts</li> <li>Motto</li> <li>Signia</li> </ul>	<ul style="list-style-type: none"> <li>Hawthorn Suites by Wyndham</li> <li>Microtel Inn &amp; Suites by Wyndham</li> <li>Ramada</li> <li>Baymont Inn &amp; Suites</li> <li>Days Inn</li> <li>Super 8</li> <li>Howard Johnson</li> <li>Travelodge</li> <li>TM Trademark</li> <li>LaQuinta</li> <li>AmericInn</li> </ul>

### METASEARCH

### HOTEL COMPANIES' COMMENTARY ON OTAS

“ Like any travel agency, OTAs are valuable [in] that they can deliver infrequent travelers during need times or to hotels and markets where we are less well known. **IN FACT IN 2016, OTA HAS ACCOUNTED FOR APPROXIMATELY 10% OF MARRIOTT AND STARWOOD COMBINED ROOM NIGHTS SOLD WORLDWIDE.** Stephanie Linnartz, EVP & Global Chief Commercial Officer, Marriott International (03.21.2017)

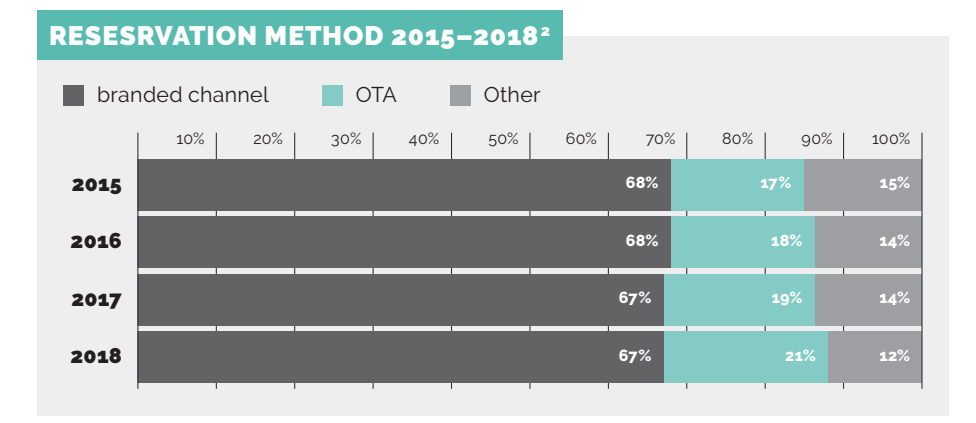
“ **THE OTAS ARE PLUS OR MINUS 10% OF OUR BUSINESS.** So our direct channels are significantly larger than those channels... Christopher Nassetta, President, CEO & Director, Hilton Worldwide Holdings, Inc (04.27.2016)

“ The reality is that for price sensitive leisure travelers, the OTAs are [a] very effective way for us to target those type of travelers. Richard Solomons, CEO & Executive Director, InterContinental Hotels Group Plc (02.21.2017)

**21%**  
share of hotels booked through OTAs<sup>1</sup>  
(~\$34.1 billion)

### EXAMPLES OF OTA BRANDS

	<ul style="list-style-type: none"> <li>Booking.com</li> <li>priceline.com</li> <li>agoda.com</li> </ul>	<h4>OTA Benefits for Travelers &amp; Hotels</h4> <ul style="list-style-type: none"> <li>Provide consumer choice, price comparison and transparency, and simplicity of booking on mobile/ desktop</li> <li>Spend billions of dollars advertising hotel properties</li> <li>Help millions of customers to book hotel rooms — hotels only pay for successful bookings</li> <li>Customer service and content in numerous languages</li> <li>These services are especially helpful for small non-chain hotels</li> </ul>
	<ul style="list-style-type: none"> <li>Expedia</li> <li>Orbitz</li> <li>Travelocity</li> <li>Hotels.com</li> <li>hotwire</li> </ul>	



**12%**  
share of hotels booked through travel agents<sup>1</sup>  
(~\$19.5 billion)

### EXAMPLES OF TRAVEL AGENTS

### NOT A DUOPOLY<sup>3</sup>

**What about the monopoly-duopoly assertion by the hotel lobby?**

- We at Phocuswright talk about OTAs as a marketplace from a strategic perspective, but not a legal one in terms of consumer choice. In the U.S., OTAs account for just 22% of hotel gross bookings, and even less if the lodging market is expansive enough to include rentals and the likes of Airbnb. (Hint: consumers already do.) Travelers have many options, online and off, besides Expedia and Priceline.
- OTAS DON'T SET RETAIL PRICES.** A central tenet of a monopoly is the ability of the monopoly entity to set pricing. But it is the hotels that set pricing, based on their revenue management practices, competitive pricing strategies, forecasted demand, etc. OTAs may set commission and contracting terms, but not pricing.

<sup>1</sup> 2018 U.S. hotel bookings and booking share data are sourced from Phocuswright's U.S. Online Travel Overview Sixteenth Edition published in January 2017. Share percentages do not sum to 100% due to rounding.  
<sup>2</sup> https://skift.com/2018/07/25/hotel-direct-bookings-remain-flat-despite-big-marketing-push/  
<sup>3</sup> https://www.phocuswright.com/Travel-Research/Research-Updates/2017/Hotels-vs-the-OTA-World