



**THE RIGHT
CHANNEL MIX**
for **Every Hotelier**
OTAs, Metasearch,
Direct & More...



Table of Content

● Introduction: The Role of Booking Channels in Hotel Distribution	.. 1
● Types of Channels: Which One is Right for You?	.. 5
● Choosing the Right Channel Mix for Your Hotel	.. 9
● Channel Optimization: Getting the Most Out of Your Listings	.. 16
● Leveraging Channel Marketing & Analytics	.. 19
● OTA vs. Direct Bookings: Striking the Right Balance	.. 20
● Channel Management & Technology Integration	.. 22
● Future of OTAs & Emerging Trends	.. 24
● Conclusion & Actionable Takeaways	.. 26
● Extras: Key Industry Insights	.. 28





Introduction

The Role of

Booking Channels in Hotel Distribution

In today's dynamic hospitality landscape, choosing the right booking channels is critical to a hotel's success. Online Travel Agencies (OTAs) have become indispensable, offering significant reach and convenience. However, relying solely on OTAs can lead to high commission costs and limited direct customer relationships. A well-balanced channel mix can ensure steady revenue while optimizing profit margins and guest loyalty.

Why OTAs Matter in Hospitality



Increased visibility and global reach, connecting hotels with travelers



Access to diverse customer segments, including business, leisure, and group travelers.



Simplified booking processes, reducing administrative burden and enhancing guest convenience.



Benefits and Challenges of Working with OTAs



Benefits

- **High exposure** - OTAs attract millions of travelers, providing an instant audience for hotels.
- **Marketing support** - Many OTAs invest in digital marketing, ensuring properties get noticed.
- **Consistent bookings** - Hotels can fill rooms even in low seasons through OTA demand.

VS



Challenges

- **Commission fees** - Ranging from 10% to 25%, these costs eat into profit margins.
- **Rate parity constraints** - OTAs often require pricing consistency across channels, limiting flexibility.
- **Reduced direct guest relationships** - OTA bookings can limit opportunities for brand engagement and loyalty.

Understanding Channel Commission Structures and Costs



Different OTAs have varying commission models



Fixed commission

A set percentage of each booking, typically 15%-20%.



Performance-based fees

Some platforms offer lower commissions but charge for enhanced visibility.



Subscription models

OTAs like Expedia's TravelAds allow hotels to pay for increased exposure rather than per-booking fees.



Types of Channels: Which One is Right for You?



Niche & Regional OTAs

Examples:



(India): Popular among Indian travelers.



(China): Essential for reaching Chinese tourists.



(Germany): A key player in European business travel.

Global OTAs

Examples:

Booking.com, Expedia, Agoda, Airbnb, Vrbo. These platforms cater to a broad audience and provide a steady flow of bookings. They dominate online distribution but come with higher commission rates.



B2B or Wholesale Distribution

Examples:

Hotelbeds, Webbeds, Corporate Travel Platforms. These platforms sell inventory to travel agents and corporate buyers, ensuring bulk bookings but sometimes offering lower rates.



OTAs for Luxury & Boutique Hotels

Examples:

MR & MRS SMITH

Focuses on unique and luxury accommodations.

Tablet Hotels
THE HOTEL EXPERTS AT THE MICHELIN GUIDE

Caters to high-end boutique properties.


VIRTUOSO
SPECIALISTS IN THE ART OF TRAVEL

Targets affluent travelers seeking premium experiences.



Alternative Distribution Models

Examples:

Travel Management Companies (TMCs): Platforms like American Express Global Business Travel and CWT cater to corporate clients and managed travel programs.

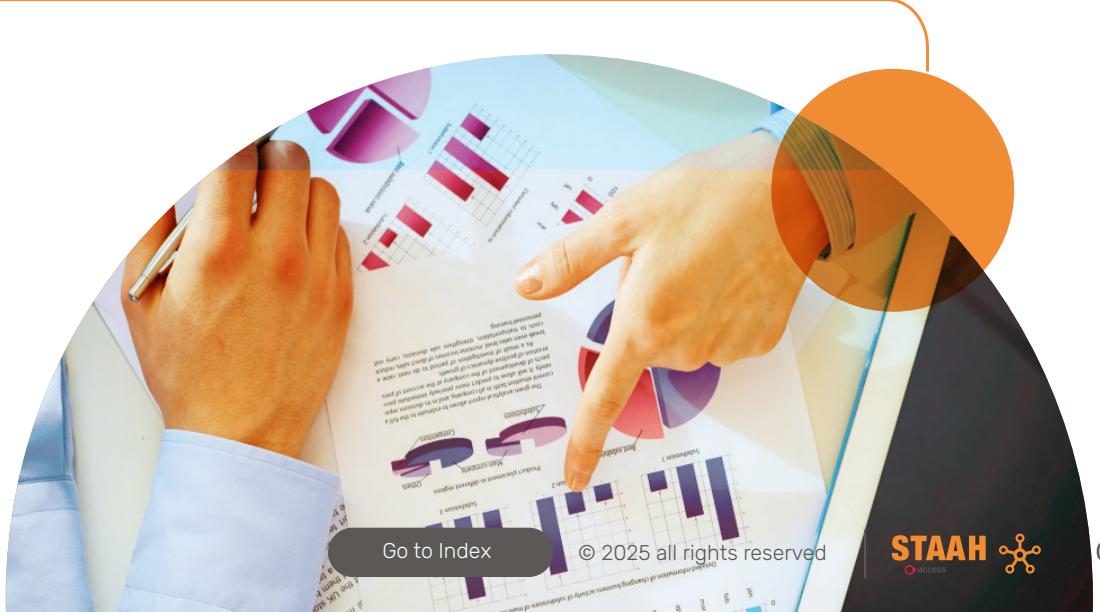
Closed User Groups (CUGs): Membership-based pricing strategies that offer exclusive deals to specific groups.

Influencer & Social Media Travel Partnerships: Hotels partnering with travel influencers to drive bookings through social media promotions and affiliate links.

Performance Insights

Highest Revenue per Booking Channels: Booking.com, Expedia, and luxury-focused platforms like Virtuoso.

Highest Length of Stay (LOS) Generating Channels: Wholesalers and corporate travel programs.





Choosing the
Right Channel Mix
for Your Hotel



Factors to Consider

📍 Location

Urban vs. Resort Destinations

Urban and resort destinations attract different traveler segments, which influences the ideal channel mix.



Urban hotels often cater to business travelers, conference attendees, and city tourists. Corporate travel platforms, TMCs, and major OTAs like Booking.com and Expedia are crucial.



Resort destinations rely heavily on leisure travelers who book through OTAs, metasearch, and package providers. Partnering with tour operators who bundle accommodation with flights and experiences can help.



Accessibility factors Hotels near airports, train stations, or public transport hubs may attract last-minute bookings, making instant-book OTAs more valuable. Remote locations may require partnerships with tour operators or rental car companies to facilitate guest arrivals.



📍 Target Audience

Business vs. Leisure Travelers



Business travelers prioritize convenience and efficiency. They book through corporate travel platforms, TMCs, and loyalty programs that provide rewards for frequent stays. They prefer hotels with flexible check-in, workspace amenities, and easy transport access.



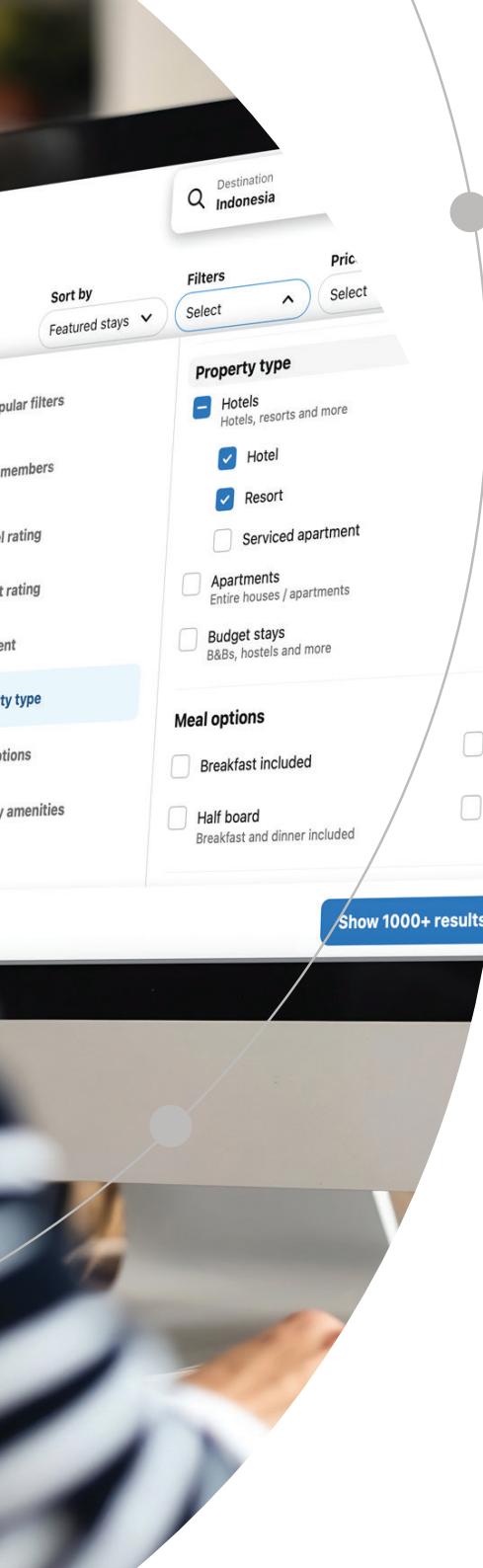
Leisure traveler book through OTAs, metasearch, and direct channels. They are influenced by promotions, online reviews, and unique experiences.



Family travelers often look for hotels with kid-friendly amenities and book through OTAs that allow for customized search filters.



Solo and adventure travelers may prefer alternative platforms such as hostel aggregators or specialized OTAs that cater to unique travel needs.



Property Type

Matching Channels to Your Hotel Type



Luxury hotels should focus on niche OTAs such as Virtuoso, Mr & Mrs Smith, and Tablet Hotels, which cater to high-end travelers. Premium listings on major OTAs can also boost visibility.



Budget hotels thrive on volume-based bookings, making high-traffic OTAs like Expedia, Booking.com, and hostel-oriented platforms essential.



Midscale hotels should balance exposure across global OTAs and regional platforms while maintaining a strong direct booking strategy.



Boutique hotels benefit from niche OTAs, influencer partnerships, and direct bookings through personalized marketing efforts.

A photograph of three business professionals in an office environment. A man in a white shirt and tie on the left and a woman in a white blouse in the center are shaking hands with a man in a grey suit and blue tie on the right. They are all smiling. The background shows a large window with a city skyline. The entire image is framed by a large circle with decorative dots on the right side.

The Impact of Channel Partnerships on Brand Positioning

[Go to Index](#)

© 2025 all rights reserved

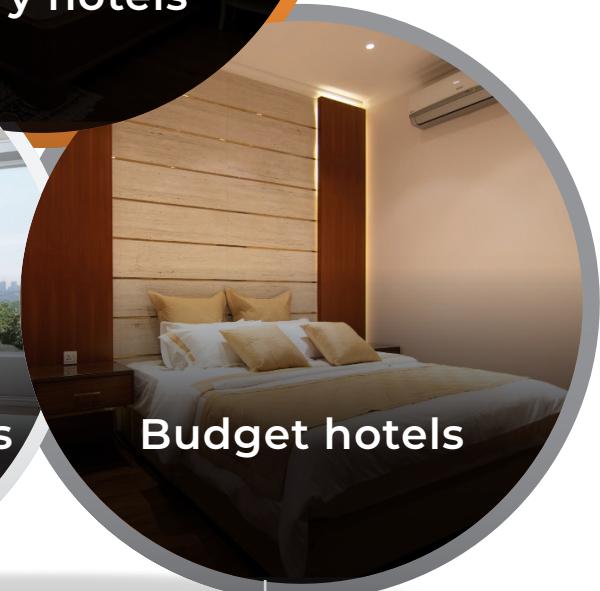
Most hotels may not have a strong enough brand to **compete directly with an OTA**, but they can benefit from flow-through billboard traffic, as well as **build loyalty and convert OTA customers into future direct customers.**



Luxury hotels



Midscale properties



Budget hotels

Should balance exposure across global and niche OTAs.

Volume-driven strategies with low-cost platforms work best.



Balancing Exposure vs. Commission Costs

A profitable distribution strategy blends high-commission OTAs with lower-cost direct bookings and regional platforms.



Channel Optimization

Getting the Most Out of Your Listings



Crafting Compelling Descriptions and Visuals

- High-quality images and engaging descriptions boost search visibility and conversions.
- Include unique selling points (USP) and localized content to attract travelers.

Pricing Strategies for Maximizing Online Revenue

- Dynamic pricing based on demand fluctuations.
- Length-of-stay discounts, early-bird promotions, and last-minute deals to boost occupancy.



Managing Rate Parity and Avoiding Undercutting Direct Bookings

- Ensure consistent pricing across all channels.
- Use value-added incentives like free breakfast for direct bookings instead of lowering rates.



Using Promotions and Discounts Effectively

- **Flash sales:** Fill low-demand periods.
- **Loyalty incentives:** Encourage repeat bookings directly through the hotel.



Leveraging Channel Marketing & Analytics



Understanding OTA Ranking Algorithms

- Ensure consistent pricing across all channels.
- Use value-added incentives like free breakfast for direct bookings instead of lowering rates.



Utilizing OTA Marketing Tools

- Ensure consistent pricing across all channels.
- Use value-added incentives like free breakfast for direct bookings instead of lowering rates.



Analyzing OTA Performance Metrics

- Track revenue, conversion rates, and guest demographics to refine strategies.

OTA vs. Direct Bookings: Striking the Right Balance



Pros & Cons of OTA Dependency

Pros

Instant exposure, built-in marketing, and broad reach.

Cons

High commissions, limited brand control, and guest data ownership restrictions.



Strategies to Drive Direct Bookings

- Optimize hotel websites for user experience and speed.
- Offer exclusive rates and personalized email campaigns to encourage direct reservations.

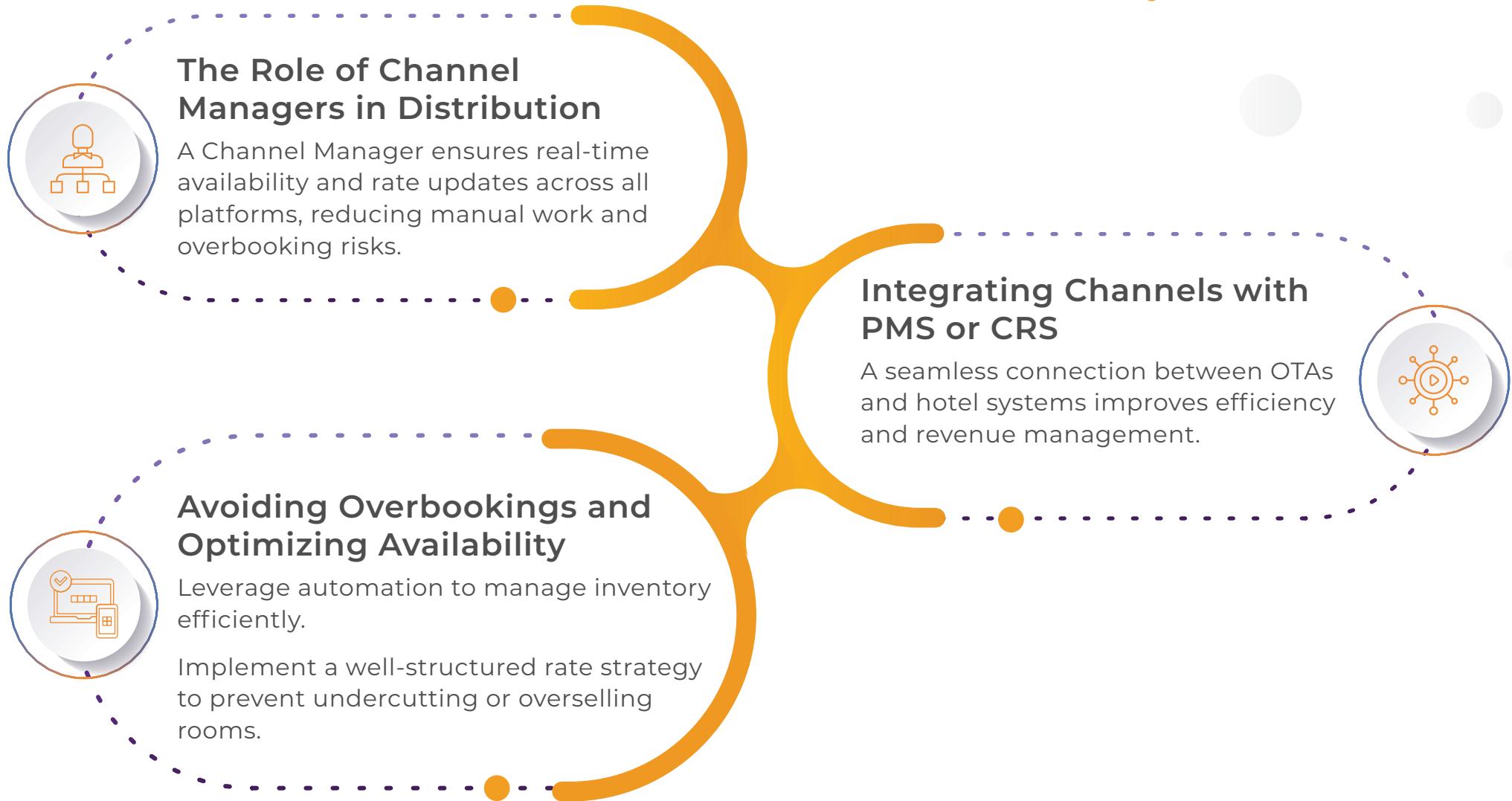


Loyalty Programs & Direct Booking Incentives

- Exclusive perks like free upgrades and flexible cancellations for direct bookers.
- Discounted stays for returning guests.

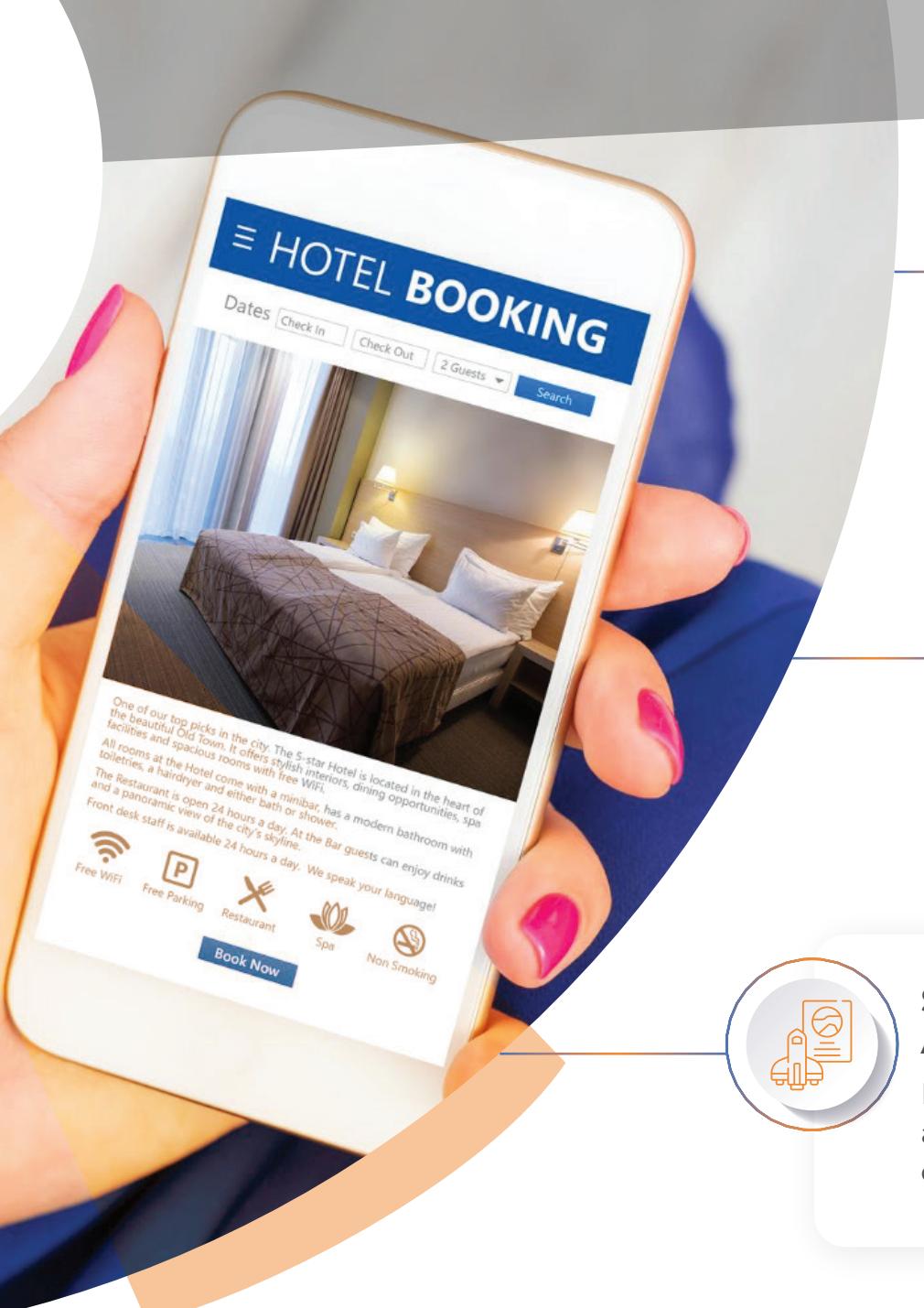


Channel Management & Technology Integration



Future of OTAs & Emerging Trends





The Impact of Google Travel & Direct Booking Trends

Google Travel is reshaping the booking landscape by promoting direct bookings through Google Hotel Ads.



The Rise of AI-Driven Travel Recommendations

Personalized travel experiences through AI-driven platforms are changing guest expectations.



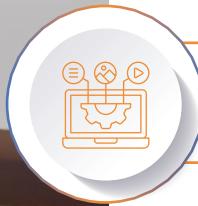
Sustainable & Commission-Free Alternatives to OTAs

Blockchain-based booking systems and commission-free direct booking campaigns.





Conclusion & Actionable Takeaways



Evaluating and Refining Your Channel Strategy

- Monitor performance data and adjust channels accordingly.
- Balance OTA reliance with direct booking growth.



Best Practices for Long-Term Channel Success

- Stay updated on OTA trends and technology.
- Regularly optimize pricing and visibility strategies



Tools & Resources for Effective Channel Management

- **STAAH's Channel Manager:** Seamless distribution management.
- **Google Analytics:** Website performance tracking.
- **Hotel benchmarking tools:** Competitive insights.

Fixtures



Key
Industry Insights



The Billboard Effect

Being listed on OTAs increases brand awareness and drives direct traffic.

Recommended Minimum Channels Based on Property Size

Small Hotels:
5-10 key channels
(Global OTA + niche + direct booking strategy).

Medium-Sized Hotels:
10-15 channels covering multiple customer segments.

Large Hotels & Chains:
15+ channels with a strong direct booking focus.

By leveraging the right channel mix, hoteliers can optimize revenue, build brand loyalty, and ensure sustainable growth in a competitive market.



"We've seen a 50% increase in direct bookings since switching to STAHAH, along with smoother operations and streamlined channel management."

Grand Sunshine Resort & Convention,
Indonesia



"With STAHAH, its all under one roof, saving our staff a lot of admin time. This time is now well spent in improving the guest experience."

Explore Tekapo Accommodation,
New Zealand



"With STAHAH, we achieved a 50% YoY growth in online bookings and 20% ARR growth. Their tools, especially the Channel Manager, Booking Engine, and WatchMyRate, are key to our success."

Swara Group of Hotels, India

Visit us at: www.staah.com | Email: marketing@staah.com

Headquarters: F3, 27-29 William Pickering Drive, Rosedale, Auckland 0632, New Zealand.