
Distribution Channels in Swiss Hotels: Online Travel Agencies Gain More Market Shares in 2010

Results of an Online Survey Among Members of the Swiss Hotel Association (hotelleriesuisse) in January 2011

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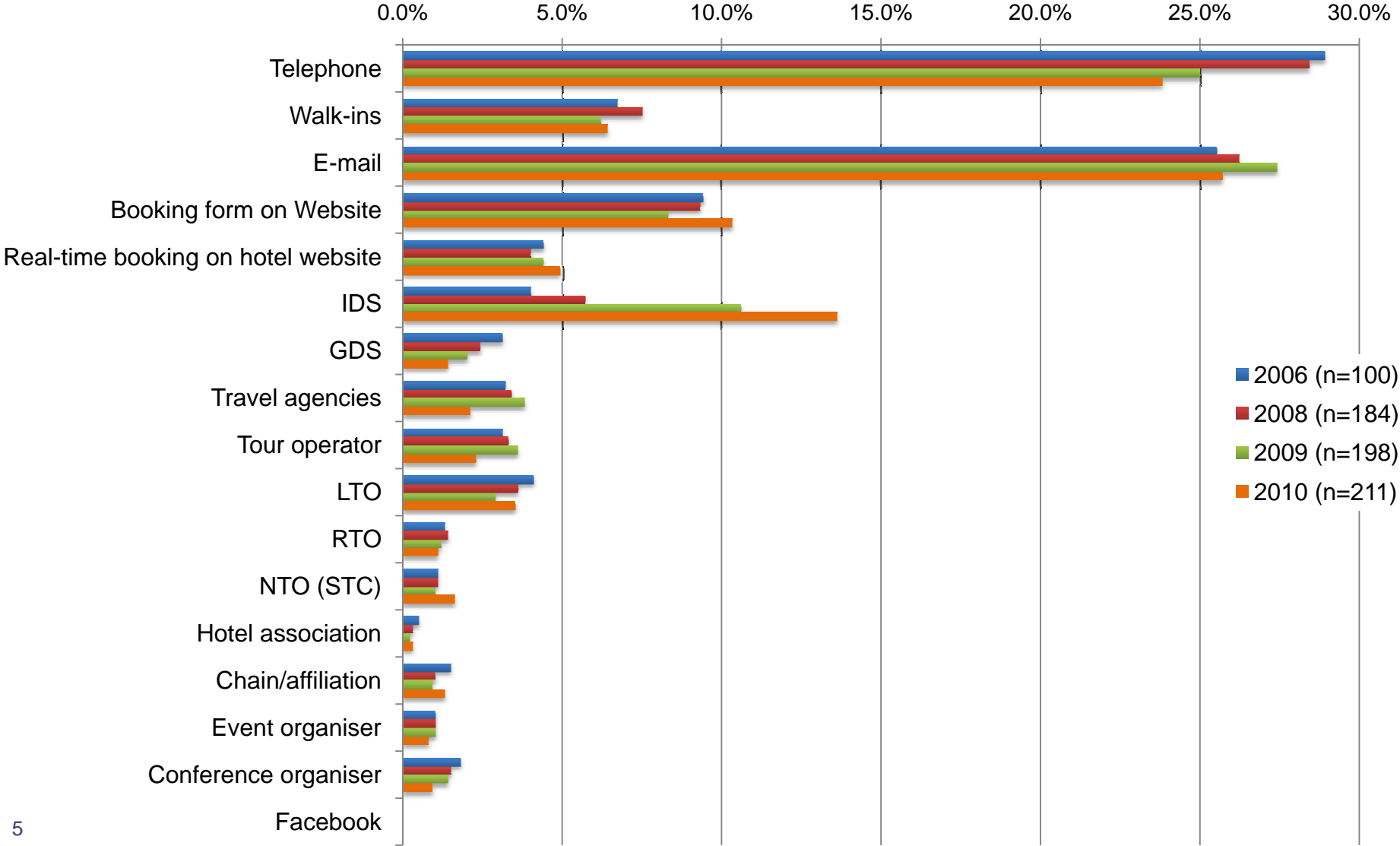
- **Direct booking channels** (telephone, fax, walk-ins, e-mail, Web form) are still dominant for Swiss hotels with 71.1% of overall bookings (2008: 75.4%) -> hoteliers have large control over distribution.
- On average more than half of all bookings (55.9%) are mediated through **electronic channels** (e-mail, Web form, real-time booking, GDS & IDS), whereas **real-time booking channels** with availability check and credit card payment have a market share of nearly 20% (booking engine on own Website 4.9% + GDS 1,4% & IDS 13.6%), an increase of 7,8% compared to 2008.
- Sales on **traditional channels** (30,2%) like telephone, letter or fax and through **tourism organizations** (6,2%) tend to decrease respectively to be stagnant.

Executive Summary (II)

- Booking.com, HRS and destination management systems used by tourism organizations are the most frequently used **OTA/IDS** in the Swiss hospitality sector.
- **Booking.com** has a penetration rate of 90%. For 75% of the hotels this platform is an important to very important distribution channel and seems to have become the leader in online sales in the Swiss hospitality sector.
- A rough estimation of **online sales in the Swiss hotel sector** based on data from our survey results in an overall turnover of probably more than 850 Million CHF in 2010 and commission costs for online channels of some 90 Million CHF (out of 160 Mio in total).

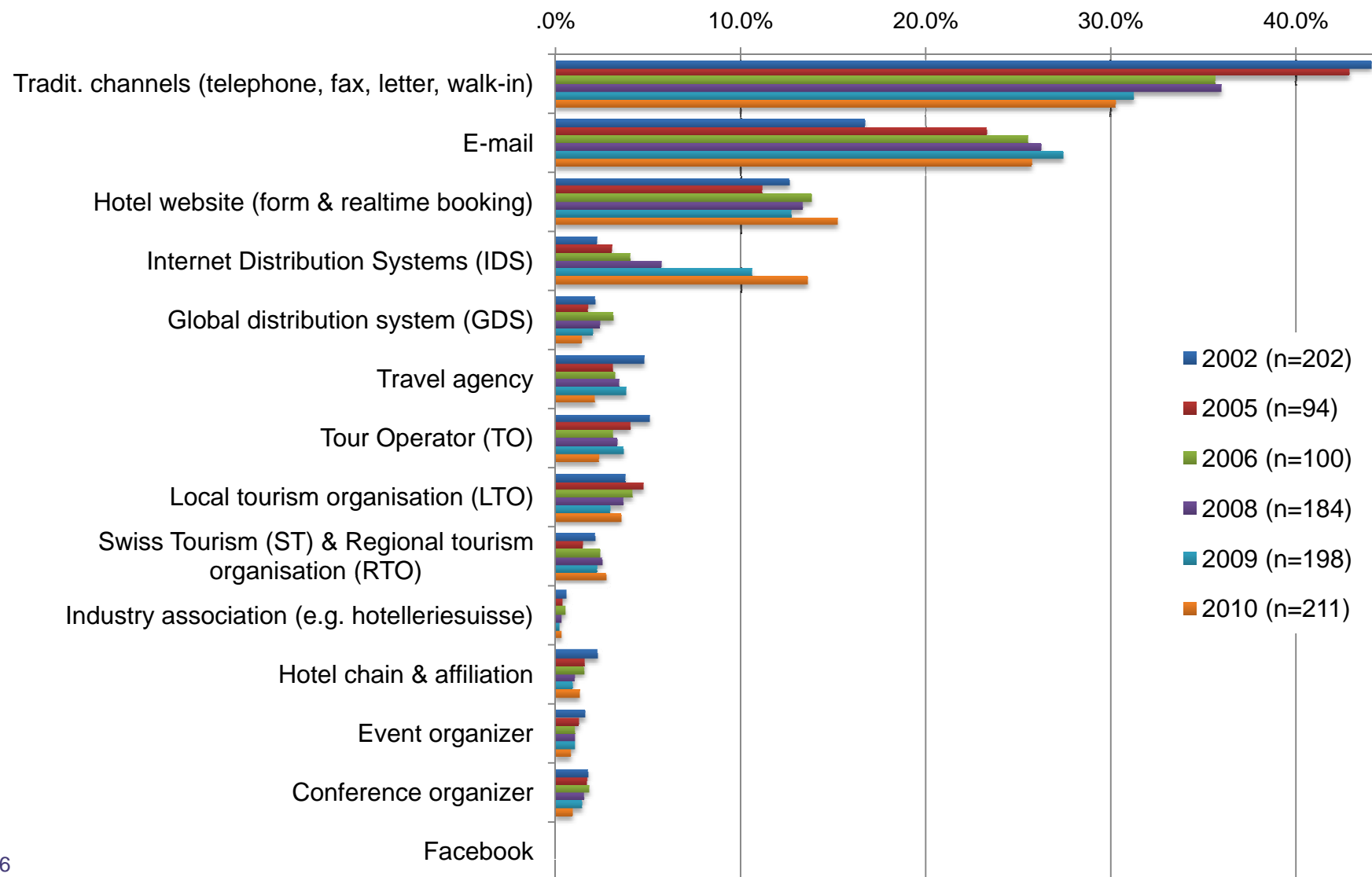
- Objective: Monitoring of booking trends on different distribution channels in the Swiss hospitality sector.
- Research instrument: online survey
- Administration: Over 2000 hotels have been contacted in early January 2011 by e-mail, all members of the Swiss hotel association (hotelleriesuisse). Relaunch of the survey end of January 2011.
- Response rate: 244 replies -> 12%
- Similar studies have been conducted already in the past: 2003, 2005, 2007, 2009 and 2010

Distribution Channels in the Swiss Hospitality Sector 2006-2010

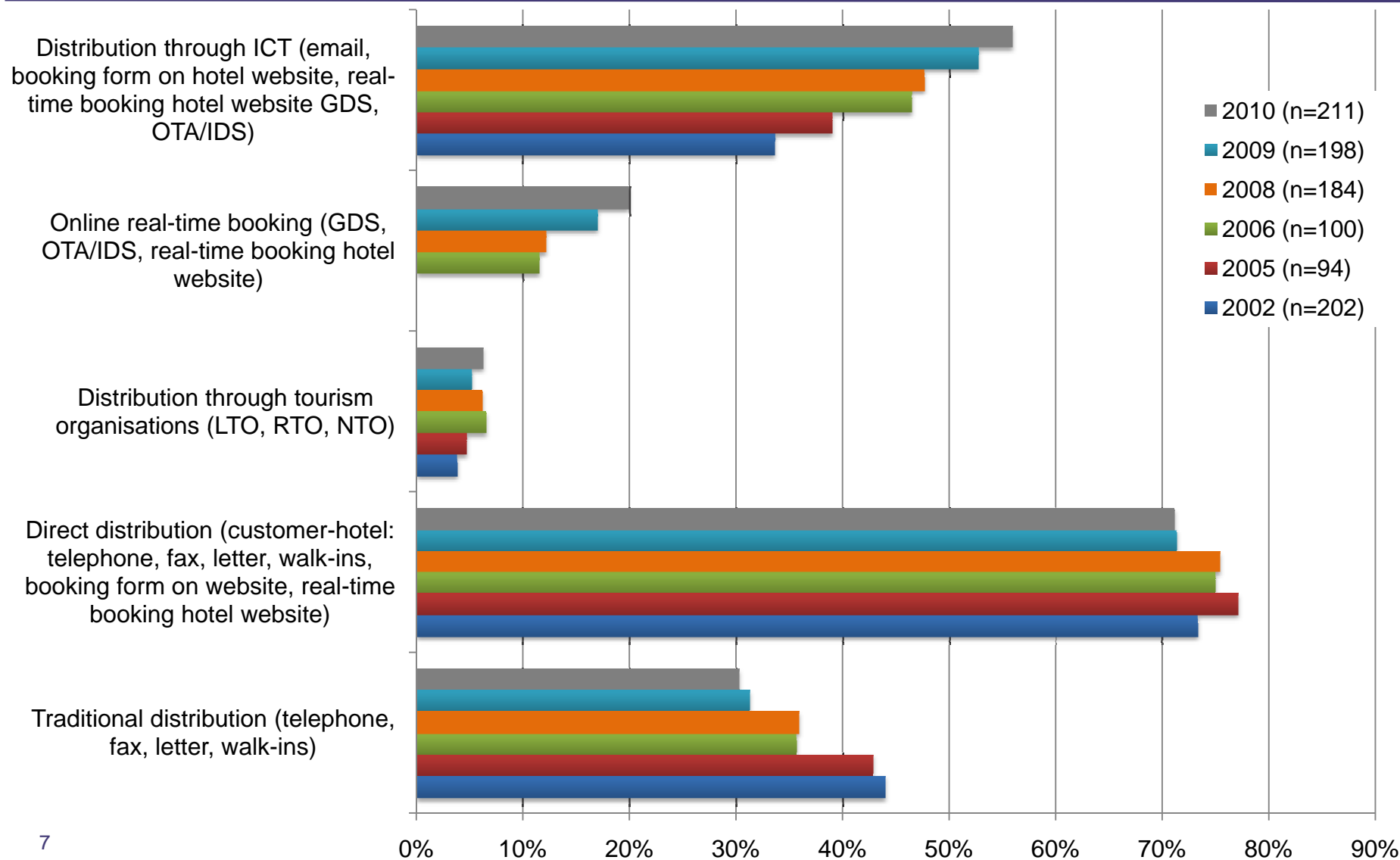


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Distribution Channels in the Swiss Hospitality Sector 2002-2010

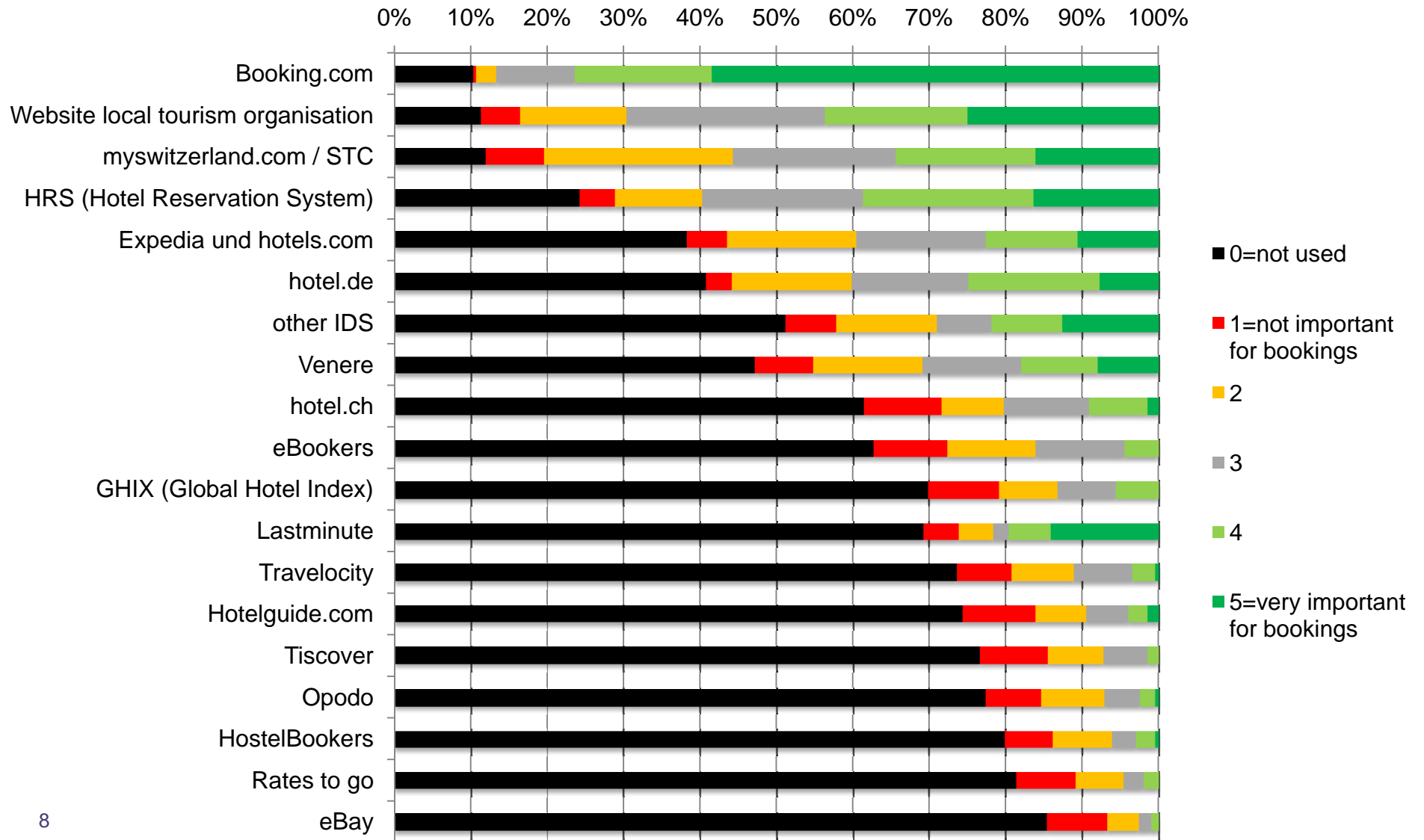


Distribution Trends in the Swiss Hospitality Sector 2002-2010

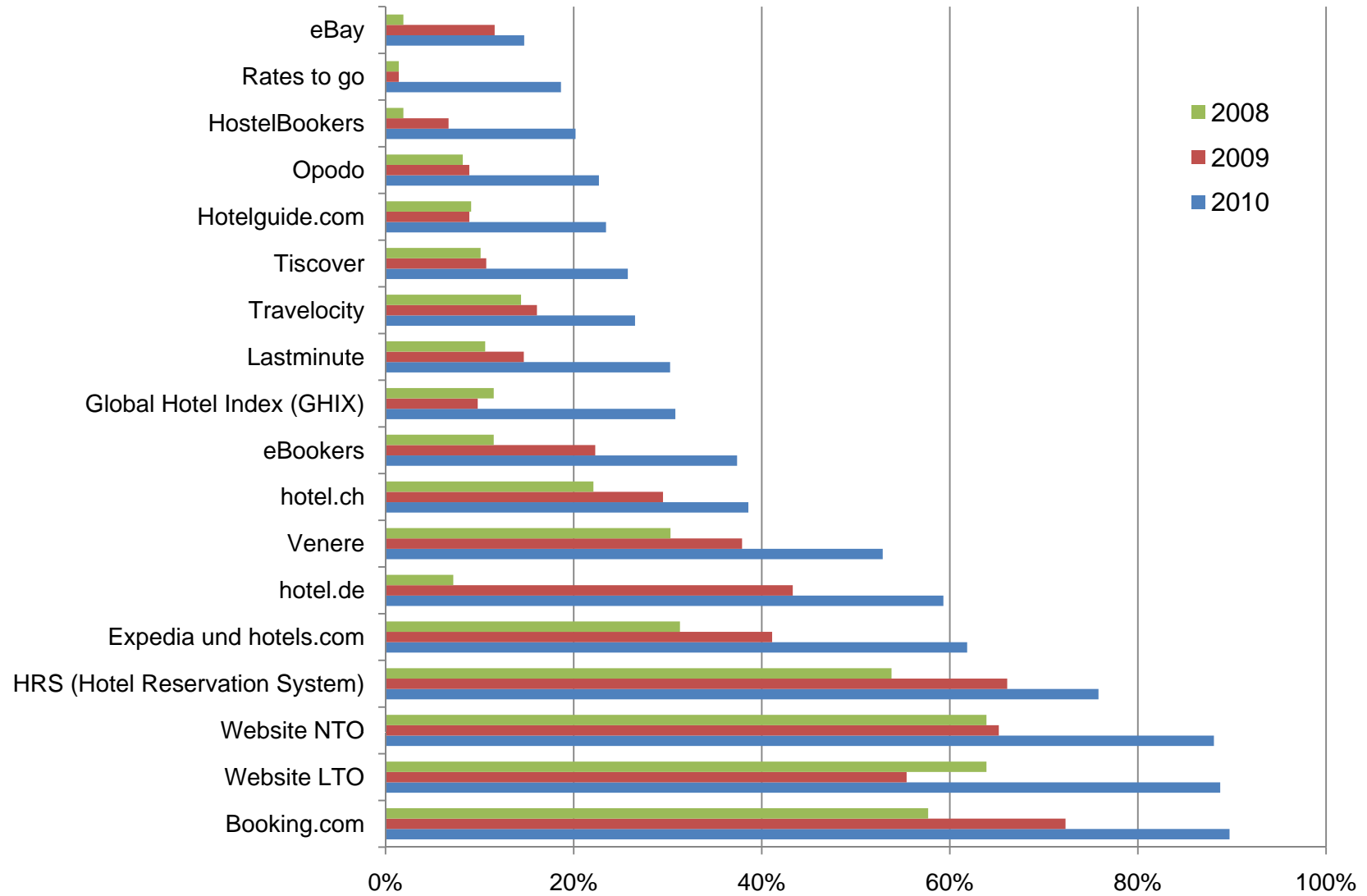


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Importance of Online Travel Agencies (OTA) used by Swiss Hotels

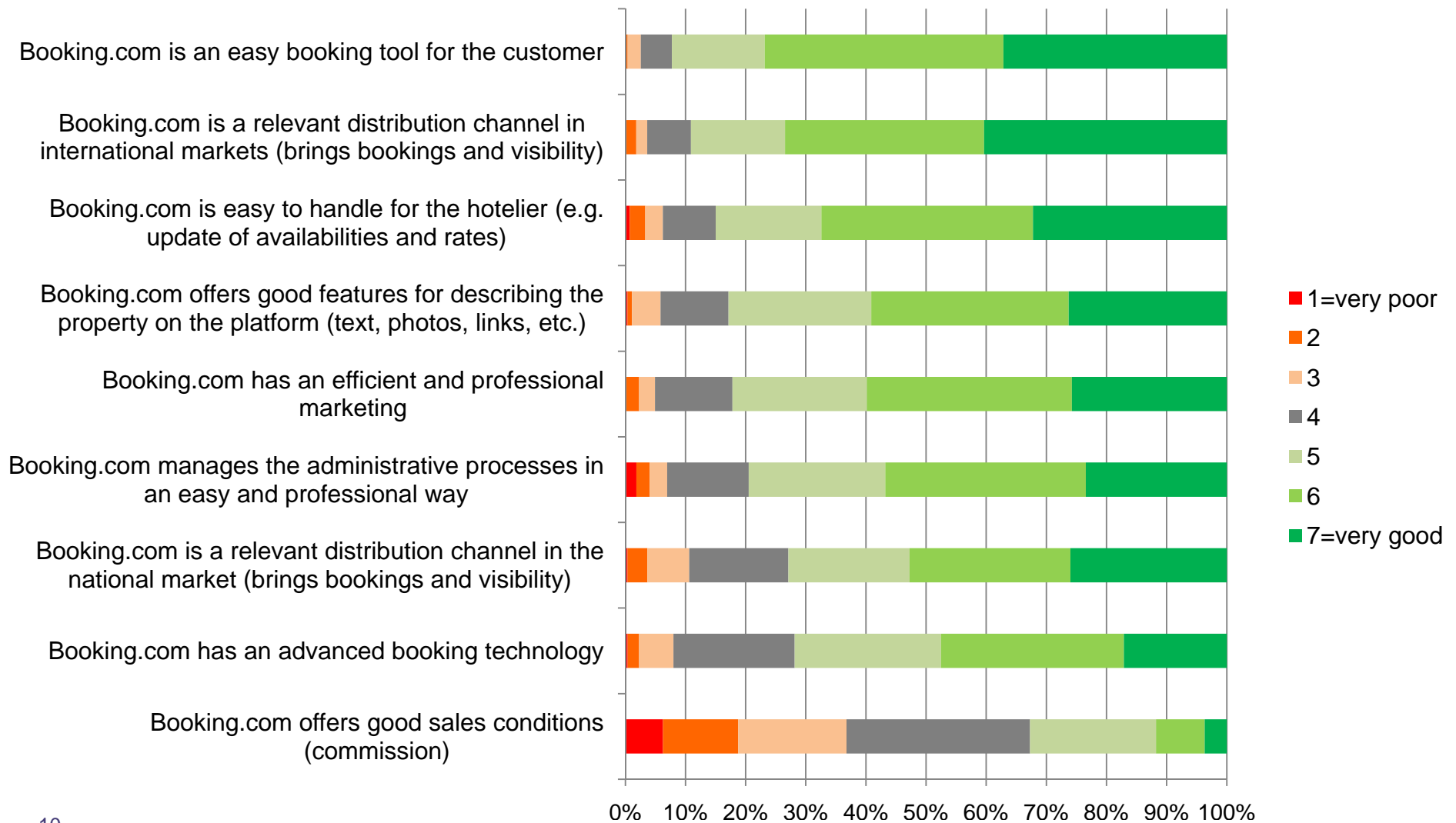


Evolution of OTA use 2008-2010

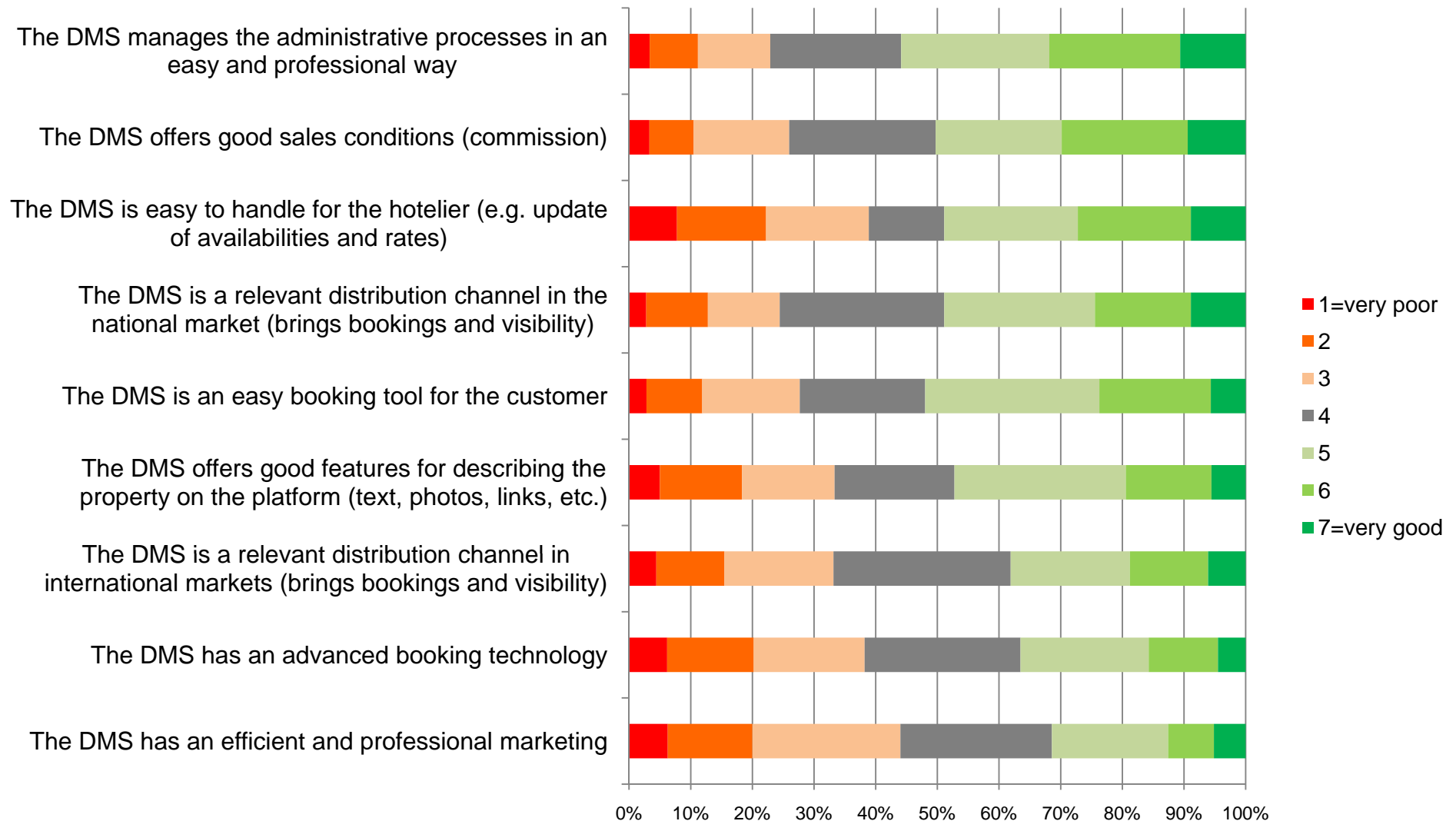


Evaluation of booking.com by Swiss hotels

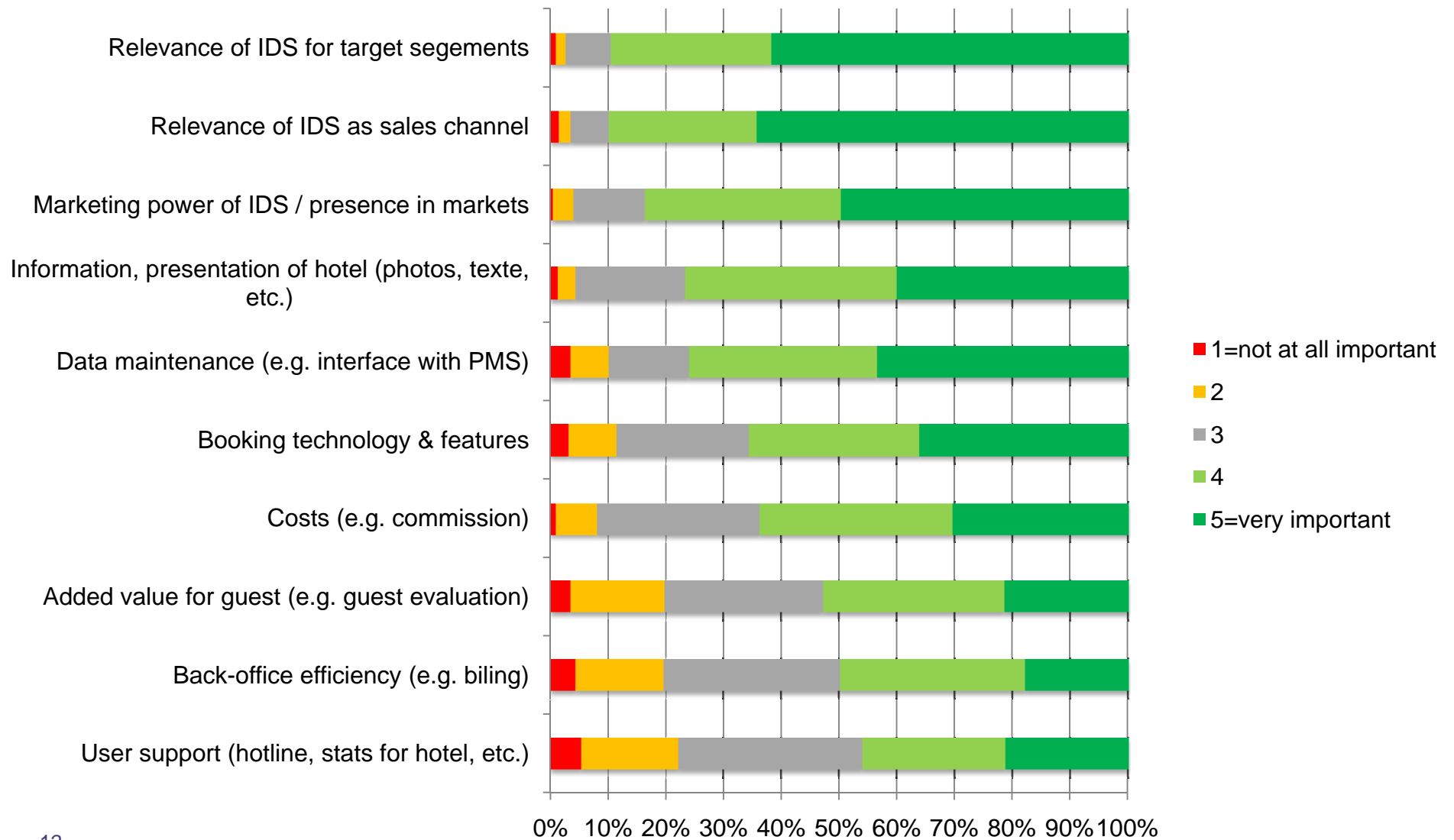
(Source: Schegg & Fux 2010, n=275)



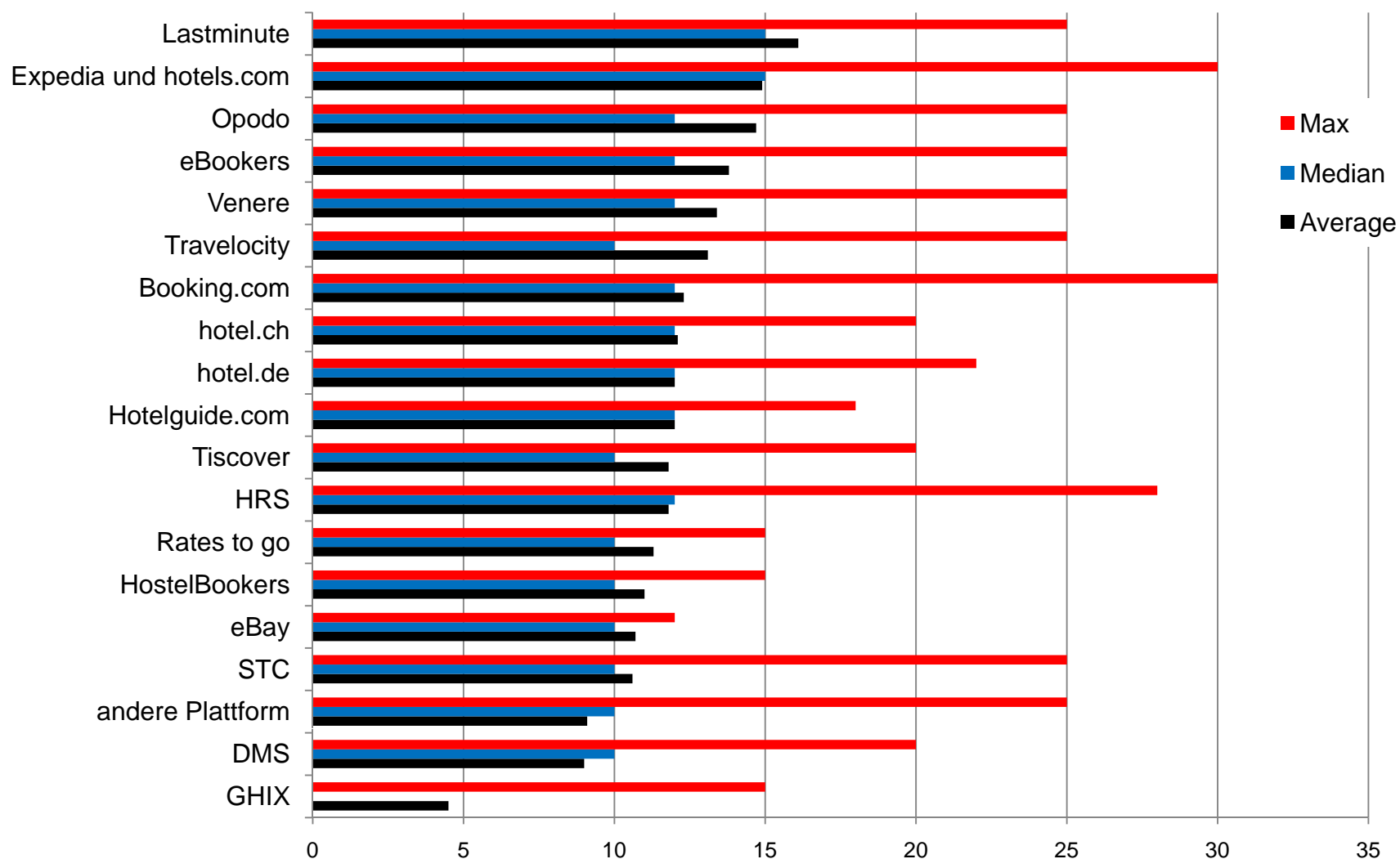
Evaluation of Booking Systems of Tourism Organizations (DMS) by Swiss Hotels (Source: Schegg & Fux 2010, n=181)



What are your Selection Criteria for Online Travel Agencies (OTA) resp. Internet Distribution Systems (IDS)?



OTA/IDS commissions (based on responses from hotels)

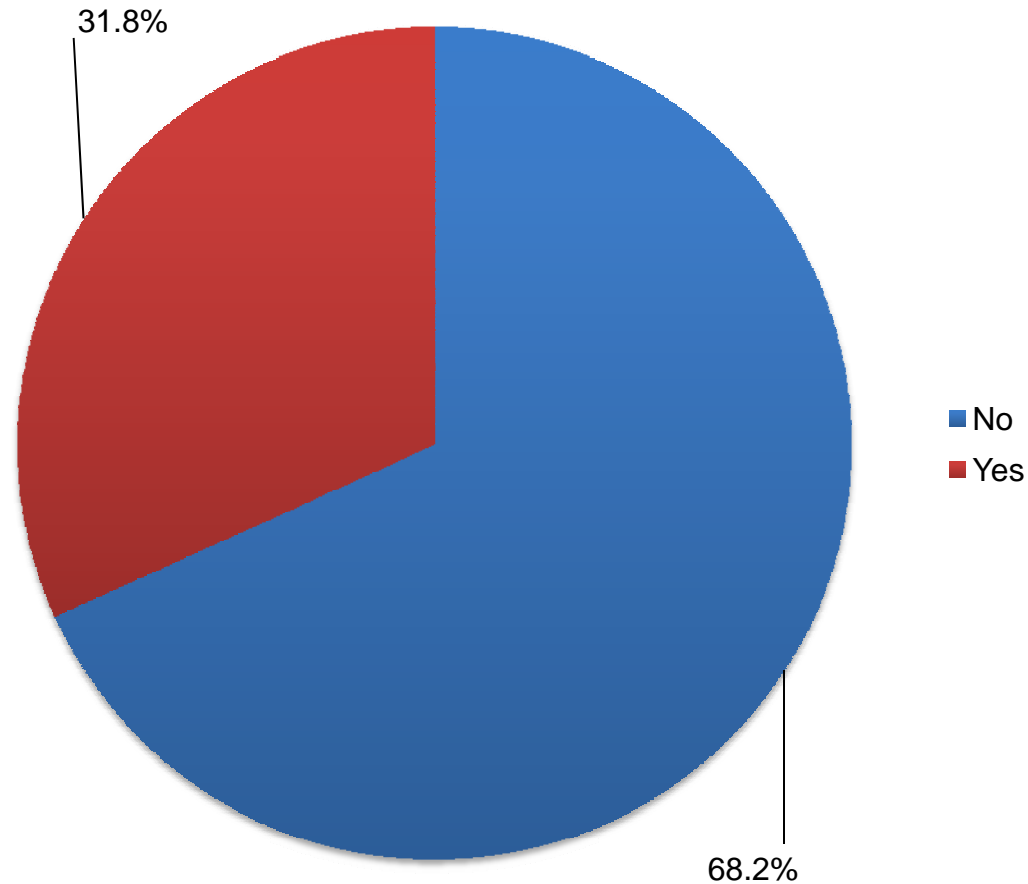


Estimation of Revenues and Costs by Distribution Channel

	Bookings (%) in 2009	Bookings (%) in 2010	Revenus 2009 (in Mio francs)	Revenus 2010 (in Mio francs)	Difference (2010-2009)	Average commission (estimate)	Costs per distribution channel 2010
Tradit. channels (telephone, fax, letter)	25	23.8	1'062	1'018	-45	0%	0.0
Walk-ins	6.2	6.4	263	274	10	0%	0.0
E-mail	27.4	25.7	1'164	1'099	-65	0%	0.0
Reservation form on hotel website	8.3	10.3	353	440	88	0%	0.0
Realtime booking on hotel website	4.4	4.9	187	210	23	4%	8.6
Internet Distribution Systems (IDS)	10.6	13.6	450	582	131	12%	70.4
Global distribution system (GDS)	2	1.4	85	60	-25	14%	8.6
Travel agency	3.8	2.1	161	90	-72	13%	11.4
Tour Operator (TO)	3.6	2.3	153	98	-55	21%	20.5
Local tourism organisation (LTO)	2.9	3.5	123	150	26	9%	13.5
Regional tourism organisation (RTO)	1.2	1.1	51	47	-4	9%	4.2
Swiss Tourism (ST)	1	1.6	42	68	26	10%	7.0
Industry association	0.2	0.3	8	13	4	5%	0.6
Hotel chain & affiliation	0.9	1.3	38	56	17	10%	5.3
Event organizer	1	0.8	42	34	-8	10%	3.6
Conference organizer	1.4	0.9	59	38	-21	10%	3.8
		total	4'245	4'276	31		157

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Use of a Channel Manager



- In 2009 only 18% of Swiss hotels used a channel manager; in 2010 one out of three hotels used such a tool.

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CRS	Central Reservation System
DMO	Destination Management Organisation
DMS	Destination Management System (TOMAS, Deskline)
GDS	Globale Distribution System (Amadeus, Sabre, etc.)
hs	hotelleriesuisse (Swiss Hotel Association)
HRS	Hotel Reservation Service
IDS	Internet Distribution System
LT	supplier
LTO	Local Tourism Organisation
NTO	National Tourism Organisation
OTA	Online Travel Agency
PMS	Property Management System (Front Office)
RTO	Regional Tourism Organisation
SEM	Search Engine Marketing (p.ex. Google Adwords)
SEO	Search Engine Optimisation
ST	Switzerland Tourism (NTO)
STC	Switzerland Travel Centre (CRS of Switzerland Tourism)