



European Institute of Innovation, Entrepreneurship, and Technology

Assignment Title	Tourism Distribution Channels
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Abstract

This study discussed the hospitality tourism distribution through three interrelated evaluations, including (1) the development of distributional channels, (2) the role of online travel agencies (OTAs), and (3) how the channel design influences customer experience (CX). A descriptive desk-based systematic review to synthesize with European market data, paired with peer-reviewed literature. Findings revealed a shift towards platform-based ecosystems rather than predominantly linear intermediation, which enhanced the complexity of the channels and redistributed bargaining power towards intermediaries of high-data volumes (Kracht and Wang, 2010). OTAs acted as the infrastructure of demand accesses and aggravated reliance and price/control tensions, as evidenced by the benchmarks of European distribution and competition (Schegg et al., 2024). Distribution touchpoints that include search, booking, policy transparency, and service recovery had a strong impact on trust, perceived justice, satisfaction, and loyalty intentions, as well as word-of-mouth through a customer-journey approach (Lemon and Verhoef, 2016). It was found that the success depended on controlled channel portfolios and integrated journey management among partners.

Assignment 1 – The Evolution of Tourism Distribution Channels

1.1 Introduction

Distribution channels related to tourism affect the manner in which hotels are able to reach the demand, communicate worthiness, and earn revenue in search, reservation, and service interactions (Camilleri, 2017). In Europe, changes in distributions concentrate power in data-related intermediaries, and smaller facilities report a high level of dependency on OTAs: 28 percent report OTA shares of 30–49, and approximately one in five report OTA shares exceeding 50 (Schegg et al., 2024). The questions considered in this assignment are (RQ1) the phases of channel development, (RQ2) the changes in intermediation through reintermediation, and (RQ3) the implication of platform ecosystems on hotel performance. It covers European lodging distribution, which emphasizes channel mix, cost-to-serve, and governance (Camilleri, 2017).

1.2 Literature Review

1.2.1 Definitions and Fundamental Concepts

The tourism distribution channels involve the institutions and online platforms that enable the exchange of information, reservations, and payments between the tourist and accommodation providers (Kracht and Wang, 2010). Intermediaries survive because they reduce the cost of searching and transacting as well as concentrating comparability, payment assurance, and service assurances, which is noteworthy in markets with a wide selection of options (Kracht and Wang, 2010). In the case of hotels, channel performance will consist of not only volume but also the cost of acquisition (commissions, marketing spending), control (rate/content integrity), and customer relationship (European Commission, 2022). According to a market survey provided by the Commission, 27 percent of independent hotels report the existence of OTA parity provisions (European Commission, 2022).

1.2.2 Evolution phases

Tour operators, retail agents, and corporate travel networks enabled by CRS/GDS connections are the offline distribution channels. The hybrid stage boosts the hotel websites and email/phone bookings, whereas online intermediaries augment the price transparency and availability of inventory (Kracht and Wang, 2010). Platform ecosystems bring together OTAs, metasearch engines, reviews, and connectivity tools in multi-sided marketplaces in which ranking and reputation determine demand capture (Inversini and Masieri, 2014). According to industry research, the digital channels are the primary source of hotel income, and according to D-EDGE, it is reported that 60 percent of distribution revenues are based on the information gathered between 2019 and 2023 (D-EDGE, 2024).

1.2.3 Disintermediation vs. reintermediation

Rather, digitalization does not eliminate any intermediaries; instead, it increases specialization: metasearch and OTAs bring possibilities together, and channel managers enable availability management across numerous platforms (Kracht and Wang, 2010). **The research conducted by HOTREC shows this two-sided reality: the number of direct real-time internet bookings grew by 12.3% in 2023 and by 7.4% in 2013, but many hotels remain strongly dependent on OTAs** (Schegg et al., 2024). A good example of this trend is the shift in the metasearch market leader, as Google Hotel Ads is reported to be the leading metasearch engine in usage in 2023, illustrating how search engines are evolving into distribution infrastructure (Anguera-Torrell & Langer, 2021).

1.2.4 Platform/ecosystem implications for hospitality

Transparency and negotiation power are affected by the platform governance. According to the Digital Markets Act, the EU policy proposes that there are gatekeepers who will deal with the questions of intermediation power and fair access to corporations (Tone Knapstad, 2023). Hoteliers face ecological impacts because of ((i) visibility rents (paid placement and

commission), (ii) commoditization pressure due to the side-by-side comparisons, and (iii) fragmented responsibility of service failures (European Commission, 2023).

1.2.5 Critical evaluation and gaps

Empirical studies usually rely on polls or data from platforms or companies that do not explicitly determine the causal link between channel mix and profitability per segment (D-EDGE, 2024). The findings vary based on the size and brand equity of the hotel; HOTREC suggests that smaller hotels rely more on OTAs, which limits generalization (Schegg et al., 2024). There is also a gap in the operationalization of the concept of ecosystem governance into the quantifiable controls in terms of dependency limits, content correctness measures, and cost-to-serve attribution regarding the margin results and visitor experience results.

1.3 Methodology

The methodology used in this project is the systematic desk-based study, which combines the peer-reviewed literature on tourism and hospitality distribution and European secondary data regarding the use of hotel channels. In Google Scholar, queries are created using Scopus-style syntax (e.g., hotel distribution channel, intermediation, OTA dependence, metasearch) and filtered through titles/abstracts to identify relevant results related to accommodation. The inclusion criteria focus on journal articles, scholarly books, and institutional/industrial PDFs with clear methodology, whereas the exclusions involve opinion articles, which do not necessarily require peer review, and promotional literature. Evidence is included in thematic categories (actors, processes, results) and arranged in the frames of the three-phase time (offline, hybrid, platform ecology). To promote reliability, a hierarchy of sources is created (publisher/DOI or official PDF), the necessary statements are triangulated by a minimum of two sources, and the data provided is properly formatted with references to the original research.

1.4 Findings

1.4.1 Three-phase evolution model

There is a triadic pattern of evidence that supports a pattern of three phases. In the early days the offline intermediation was common through tour operators, retail agencies, and corporate travel networks that were supported through CRS/GDS connection and reduced the costs of search on travelers (Kracht and Wang, 2010). Secondly, hotel-owned web booking was improved with a hybrid phase that involved the use of large online intermediaries and initial metasearch features (European Commission, 2023). The third stage of the platform ecosystem involved uniting the OTAs, metasearch, reviews, and connection tools into interdependent markets, in which demand capture is based on visibility, reputation signals, and conversion infrastructure (Schegg et al., 2024).

1.4.2 Structural Modifications

It is no longer linear flows of distribution but multi-node networks with real-time updates to rates, availability, and content, and further intermediation of discovery and conversion; rating systems and review scores increasingly have a role in demand at the moment of selection (Metsallik, 2025). **According to the EU market analysis, 27% of the independent hotels experienced OTA parity terms, proving that contractual design affects price autonomy and channel conflict** (European Commission, 2023). According to the 2024 study of over 3,000 European hotels conducted by HOTREC, dependency is distributed in the following way: **28% report OTA shares of 30 and below, 49 and above**, and smaller hotels are more susceptible (Schegg et al., 2024). The cost structures have adapted to this: D-EDGE states that online channels constituted an average of 60 percent of hotel distribution revenues between 2019 and 2023 (D-EDGE, 2024a). The direct digital revenue has gone up, and the direct revenue share is growing from **23.6% in 2019 to 29.5% in 2023** (D-EDGE, 2024). According

to HOTREC, online bookings are likely to be more and more real-time, and so, the rise is from 7.4 to 12.3 percent in 2013 and 2023, respectively (Schegg et al., 2024).

1.4.3 Hospitality implications

First, the cost-to-serve is converted to a portfolio choice: commissions and sponsored visibility are contrasted with direct marketing and conversion investments (D-EDGE, 2024b). Secondly, control transforms into governance in multiple storefronts including prices, rules, and content because the discrepancy causes conflicts and requires refunds (European Commission, 2023). Third, there is an increase in the capability demands: revenue management, channel technology (channel manager and CRS/PMS integrations to avoid overbooking and fluctuations of rates), marketing expenditures attribution discipline, and systematic data collection, to reduce dependency risks when OTA market share is overwhelming (Schegg et al., 2024).

1.5 Discussion

Transaction cost economics explain the existence of the middlemen: hotels and customers face the cost of search, uncertainty, and enforcement of contract, and therefore specialized agents, which combine information and provide conversion and payment risk, are efficient despite the presence of direct booking (Williamson, 1979). These findings are consistent with this: direct bookings grow, but there are still a large number of hotels that use OTAs, which means that intermediation is developing, not disappearing (Schegg et al., 2024). The apparently paradoxical connection between increased direct interaction with the digital environment and the continuation of intermediate authority depicts ecosystem management. Platforms mediate a number of parties (travelers, hotels, advertising) and set rules that determine the visibility and value of purchases through ratings, standards, and contractual mechanisms.

Distribution is a controlled portfolio that is well managed by hotels. First, they can lower their dependence by checking the percentages of OTA market shares (for example, >50%) and, when possible, moving inventory to channels with lower net acquisition costs (Schegg et al., 2024).

Second, they control uniformity of content and policies among storefronts to reduce risks of dispute and loss of money through channel managers and systematic audit procedures (European Commission, 2023). Third, they invest into the capabilities that compete within the ecosystem: revenue management, optimization of paid search/metasearch, and data acquisition based on CRM, which creates recurrent demand (D-EDGE, 2024b). The findings of the EU market research on limits related to parity highlight that contractual literacy and compliance monitoring are necessary, not only in the marketing strategies (European Commission, 2023). Constraints persist. The presence of secondary benchmark pools a wide range of hotels and markets; therefore, channel shares do not reflect the outcomes of profitability instantly (D-EDGE, 2024a). Data collected through surveys are more likely to be digitally advanced, and it is impossible to separate the impact of a platform on the whole demand (Schegg et al., 2024).

1.6 Conclusion

Hospitality distribution is gradually shifting to the use of hybrid multi-channel systems and eventually to platform ecosystems in which visibility and reputation indicators affect demand (Kracht and Wang, 2010). Online platforms dominate the creation of revenue and direct increases in shares, but some hotels still depend on OTAs considerably. Intermediaries survive because they decrease the transaction costs (Williamson, 1979). Regulated portfolios of channels, content management, connection discipline, and data capabilities are all contingent on performance (European Commission, 2023).

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Assignment 2 – The Role of Online Travel Agencies (OTAs) in Tourism Distribution

2.1 Introduction

Online travel agencies (OTAs) refer to intermediaries that aggregate accommodation inventory and search, compare, book, and process payment transactions between customers and hotels (Guo et al., 2014). Online Travel Agencies (OTAs) can influence profit margins through commission fees and spending on visibility and have control through the content standards, ranking systems, and contractual terms in the hotel industry (Ennis, Ivaldi, and Lagos, 2022). The questions to be evaluated in this assignment are (RQ1) how OTA business models impact tourism distribution, (RQ2) what value OTAs create for travelers and hotels, and (RQ3) how power and dependence affect performance outcomes. European hotel distribution is the scope; the channel mix, rate integrity, and governance responses are the evidence.

2.2 Literature Review

2.2.1 OTA business model and role in distribution

Online Travel Agencies (OTAs) make use of the multi-sided marketplace business model to capitalize on hotel demand by charging commissions on room sales and providing paid exposure, i.e., sponsored placements (Guo et al., 2014). Commission is a major cost factor; studies on European parity programs suggest that the OTA commissions usually lie between 10 and 20 percent of the room rate (Ennis et al., 2022). According to the HOTREC distribution research, the Booking.com relative market share in Europe amounted to 71% in 2023, which shows the concentration around a dominant middleman (Schegg et al., 2024).

2.2.2 Value proposition (traveller and hotel)

OTAs reduce the search costs borne by the traveller by comparing the results, and they amalgamate reviews and ratings to reduce the effects of information asymmetry, with the effects of aggregator platforms and review systems on the hotel industry showing a productive

effect (and varying impact depending on the type of platform) (Alberto et al., 2019). OTAs offer hotels a platform on cross-border discovery and conversion; the study of distribution is defined as coopetition, and in this case, hotels join forces to create demand and compete to attract price-sensitive customers (Guo et al., 2014). Another shift in capacities that allow making multi-channel sales is also recorded by HOTREC: channel managers become more frequent among surveyed hotels (62% in 2023) and help to coordinate prices and availability (Schegg et al., 2024).

2.2.3 Power, dependency, and channel conflict

The platform power is manifested through exploitation of visibility and presentation of downstream rates. According to HOTREC, one out of every four hotels is reported to suffer from undercutting (OTAs reducing hotel-established pricing by removing commission), and some hotels actually reduced their prices by 6 to 10 percent (Schegg et al., 2024). HOTREC also suggests multi-sourcing (44%), when an OTA offers prices that are calculated by numerous intermediaries/wholesalers, which leads to price differences and operational problems (Schegg et al., 2024). Parity constraints introduce additional restrictions to the shift to the cheaper direct channels; the mitigation of the MFN regulation within the EU makes the direct sales relatively more cost-effective than the OTA sales among mid-tier and high-end hotels (Ennis et al., 2022).

2.2.4 Performance impacts (profitability, net revenue logic, mix optimization)

OTA activity has two conflicting effects: the lower search frictions may boost demand, and commissions and smaller price differentiation increase the distribution cost and reduce profit (Ennis et al., 2022). Segment differences are important: the same regulatory-change data will provide different pricing trends of budget hotels versus those of mid-tier and luxury hotels in case of weakened parity, which implies that net revenue effects are dependent on market positioning and consumer price sensitivity (Ennis et al., 2022). This allows a channel-mix

optimization strategy to be implemented based on net contribution as opposed to being just volume-based.

2.2.5 Critical evaluation (context differences, limitations)

OTA effects vary by property type and brand strength, and not all datasets are well recaptured with cost-to-serve, which restricts the evaluation of net profit (Ennis et al., 2022). The survey data can also misrepresent hidden activity because there are hotels that are unaware of multi-sourcing (Schegg et al., 2024). Another limitation is on the governance of ecosystems: leading platforms accumulate behavioral and transactional data, which could strengthen market power and control rule-making (e.g., anti-steering and MFNs), making the outcomes of hotels rely more on platform design than on hotel marketing policies (OECD, 2024). This broadens the scope of the study to contestability and negotiation limitations rather than channel selection.

2.3 Methodology

The segment uses a scientific and institutional review of the academic and institutional evidence regarding OTA-hotel distribution in Europe. The searches on Google Scholar and publisher databases, using keywords (e.g., online travel agency, hotel distribution, commission, parity clause/MFN, platform power, undercutting, multi-sourcing), are followed by the evaluation of these sources at the title and abstract level by their relevance to hotel accommodation. The inclusion focuses on peer-reviewed journal articles and working papers of well-known academic organizations, along with reputable benchmarks of the European industry (e.g., HOTREC/HES-SO). Inclusions are limited to scholarly sources, methodologically sound vendor blogs, and sources with strong bibliographic details.

The analysis uses a framework of values, which classifies the various sources by (1) value generated (less time spent by the traveler searching, trust signals, visibility paid, rule establishment), (2) value accumulated (commissions, paid visibility, rule establishment), and (3) hazards (dependence, price integrity, operational friction). To avoid overgeneralization, a

table on comparative evidence will record context (country/segment), metrics, and constraints. Credibility controls introduce a source hierarchy (thoroughly DOI/peer review or institutional PDFs), confirm important claims (e.g., commission ranges, prevalence of undercutting) against at least one independent source, and present data as they are stated in the original documents. The synthesis involves the use of theme clusters (business model, power/dependency, performance implications) and limits findings to the evidence base; where there is a disagreement in the sources, inconsistencies have been linked to segment, era, or methodology.

2.4 Findings

2.4.1 OTAs boost reach, conversion, and trust

The online travel agencies expand their presence by facilitating cross-border exploration and consolidating global demand. The European standards show that the market share of the OTAs has increased from 19.7 in 2013 to 29.2 in 2019 (weighted, including chains), which can be considered the effect of scale in the mainstream demand acquisition (Schegg et al., 2022). The use of Online Travel Agencies (OTAs) increases conversion rates through standardized search, booking, and payment procedures; macro-level studies reveal a **positive correlation between the involvement of OTAs and occupancy and Revenue Per Available Room (RevPAR) and an increment in Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) at the aggregate level** (O'Connor, 2025). Online Travel Agencies (OTAs) contribute to the build of trust through review and rating systems that reduce information asymmetry; empirical studies indicate that negative online reviews strongly reduce hotel booking intentions, and third-party cues are also important in OTA models (El-Said, 2020).

2.4.2 OTAs exacerbate margin leakage, commoditization, and reliance

Online Travel Agencies (OTAs) worsen the profit margins through commissions and paid visibility mechanisms that force up acquisition costs rather than direct channels; studies on the topic of legal developments on parity clauses show that these terms of contract constitute

substantial economic limits on price competition and customer direction (Ennis et al., 2022). OTAs intensify commoditization by increasing the price transparency and shifting competition to pricing and review ratings, which is consistent with the OECD findings that the presence of the so-called aggregator platforms changes the competitive relationship in the hotel industry in part through review systems (Bailin Rivaes et al., 2019). It is operational and strategic: According to the distribution research by HOTREC, 28 percent of hotels have between 30 and 49 percent OTA share, whereas approximately one out of five hotels has over 50 percent, and smaller hotels are more susceptible to it (Schegg et al., 2024).

2.4.3 When OTAs are strategically useful?

OTAs are especially beneficial in cases when hotels do not have enough demand by their brands, in case they need to enter the market quickly, or when they face fluctuations in demand. OTAs are used by brand-new and independent properties to overcome the lack of awareness and trust through the existence of discovery and review ecosystems (El-Said, 2020). In periods of low demand, OTAs' marketing capacity creates additional demand, but net contribution (instead of volume) is the determinant of participation decisions (O'Connor, 2025). In the case of long-distance and unknown destinations, online travel agents alleviate the fear of respective travelers by presenting standardized information and booking guarantees, which is also in line with the transaction-cost argument that intermediaries should continue to exist (Bailin Rivaes et al., 2019).

2.5 Discussion

OTAs are distribution systems as well as gatekeepers. Being infrastructure, they reduce search and contractual frictions in that they standardize discovery and payment procedures, which is associated with positive macro correlations between OTA involvement and occupancy/RevPAR (O'Connor, 2025). They influence visibility and price competition through ranking systems, the aggregation of reviews, and contractual regulations, and they centralize

bargaining power at the stage of demand discovery as gatekeepers (Bailin Rivaes et al., 2019; Ennis et al., 2022). The findings are contradictory: the OTA scale strengthens demand, but higher OTA shares are linked with higher exposure to costs and reduced control of various hotels (Schegg et al., 2024).

Such an outcome means that governance highlights the necessity of disciplined portfolios and controls of operations. First, when the net contribution decreases, hotels evaluate the dependence ratios (i.e., >50% OTA occupation) and redistribute inventory to direct and other cost-efficient channels but retain OTAs in other areas (Schegg et al., 2024). Second, attribution is based on a net-revenue model: commissions and visibility fees are evaluated by more than demand and contribution margin, not by overall bookings (O'Connor, 2025). Third, content and policy governance helps to reduce conflict and price ambiguity; parity studies indicate that the terms of the contracts affect the navigation to direct channels, and commercial and legal control should be a distribution competency (Ennis et al., 2022). Fourth, a basic tech stack, such as a channel manager and PMS/CRM integration, makes it possible to support the uniform rates and availability and the further development of the relationship post-booking, outside of the OTA interface (Schegg et al., 2022). Every implication is controlled by segment and destination context conditions.

Constraints persist. Macro studies cannot totally solve the causation and geography, seasonality, and brand effects (O'Connor, 2025). The standards of the survey rely on self-reporting proportions (Schegg et al., 2024). Review-intention studies better represent behavioral intention than actual revenue (El-Said, 2020).

2.6 Conclusion

Online Travel Agencies (OTAs) raise the visibility of hotels and improve the conversion rates through standardized booking systems and build trust through review systems (Schegg et al., 2022; El-Said, 2020). They also increase the distribution costs through commissions, and

managing visibility and massive OTA shares creates a risk of dependence (Bailin Rivaes et al., 2019; Schegg et al., 2024). The studies of the parity initiatives indicate that contractual regulations affect the movement to some channels (Ennis et al., 2022). The effectiveness of governed channel portfolios, the attribution of net revenues, and the unification of distribution technology all depend on performance.

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Assignment 3 – Tourism Distribution Channels and Customer Experience

3.1 Introduction

Customer experience (CX) describes the cognitive, emotional, sensory, and social responses of a customer toward contacts with a company and its setting instead of focusing on distinct service interactions (Becker and Jaakkola, 2020). Distribution is part of the experience in the hospitality sector, as the search, comparison, booking, payment, alteration, and support processes occur through channel touchpoints that affect trust and perceived equity before arrival (Voorhees et al., 2017). This assignment evaluates how distribution channel design is able to influence customer experience in different stages of the journey. This paper addresses (RQ1) what touchpoints have the greatest impact on customer experience, (RQ2) how the presence of friction through channel fragmentation works, and (RQ3) which channel integration leads to the best outcomes. Hotel stays are within the scope.

3.2 Literature Review

3.2.1 Customer journey and CX theory (end-to-end touchpoints)

Customer experience (CX) is built throughout a sequence of interactions and not a single interaction, and the perspective of the journey links the touchpoints in pre-purchase, purchase, and post-buy to holistic evaluations (Voorhees et al., 2017). Becker and Jaakkola (2020) state that experiences involve reactions that are affected by the larger service ecosystem, which can be applied to tourist distribution because platforms, hotels, and third parties all affect opinions together. In practice, distribution touchpoints, such as information quality, cancellation transparency, and support responsibility, have a perceived risk and trust impact prior to the stay, which means that distribution decisions are experience design decisions (Becker and Jaakkola, 2020).

3.2.2 Omnichannel consistency and integration

The omnichannel research places the consumers as browsing several channels during their search and purchasing processes, which highlights why integration and consistency are necessary in reducing friction (Verhoeff et al., 2015). Within the framework of hospitality distribution, the differences between the OTA listing and the hotel direct channels (room qualities, fees, rules) create so-called experience discontinuities, which cause loss of trust and increase complaints. Channel integration also needs coordinated content, rules, and service recovery transitions among partners, as well as inventory connection (Verhoeff et al., 2015).

3.2.3 Digital touchpoints and service co-creation

The services of tourism and hospitality are increasingly becoming real-time, through messaging, applications, and social media platforms, where co-creation takes place in which visitors actively affect the outcomes of services (Buhalis and Sinarta, 2019). Online touchpoints provide timely clarification on issues such as lateness, improvements, and accessibility needs, as well as rapid responses to mistakes, which enhances their perceived responsiveness. However, co-creation increases the dependence on timely exchange of information and clear responsibility between the interfaces of the hotel and intermediate (Buhalis and Sinarta, 2019).

3.2.4 CX risks from channel fragmentation

Fraternalization breaks down the trip into digital, physical, and social space and creates coordination challenges in cases where the owner of the guest connection is unclear (Bolton et al., 2018). Distribution manifests this in the form of uncertainty regarding policy on how to handle a refund, fee transparency, and inconsistent support lines, which can contribute to a sense of unfairness and decrease satisfaction. These frictions are increased in cases of high-stress service failures (e.g., overbooking, misrepresented inclusions) where the quality of handoffs affects the redemption of the experience (Voorhees et al., 2017).

3.2.5 Critical evaluation (measurement, privacy, bias)

The measurement of customer experience across multiple touchpoints is difficult because of the effects of selection bias and contextual effects on ratings and assessments, which overlook unexpressed dissatisfaction. The digital personalization and infrastructure of smart tourism rely on data flows, triggering the problems of privacy and governance and affecting comfort and confidence despite efficiency in service delivery (Gretzel et al., 2015; Bolton et al., 2018).

3.3 Methodology

The section uses a conceptual synthesis to explain the impact of the distribution channels on customer experience (CX) throughout the hotel customer lifecycle. The approach is based on the concepts of customer journey, with the customer experience viewed as an outcome of a number of touchpoints over time and various stakeholders (Lemon and Verhoef, 2016). The selection of evidence will also focus on peer-reviewed journal articles that have specific concepts and stable identifiers (DOI) concerning (i) customer journey/customer experience, (ii) service recovery and complaint management, and (iii) judgments of fairness regarding price and policy (Tax et al., 1998). Primary sources are defined through database searches (e.g., customer journey touchpoints, hospitality, service complaint handling satisfaction, and price fairness perceptions) and the relevance to distribution touchpoints instead of on-property service only (Xia, Monroe, and Cox, 2004).

The analysis uses the journey-stage mapping matrix that defines data into stages of search, booking/payment, pre-stay adjustment, arrival/stay expectation adjustment, and post-stay feedback/complaints, and relates each stage with:

- **Touchpoint** (point of interaction and the channel selected),
- **Friction** (problems: inconsistency, lack of transparency, failure to transfer), and
- **The outcomes** are trust, equity, contentment, loyalty intention, and word-of-mouth (Lemon and Verhoeff, 2016).

In order to be more credible, constructs (e.g., quality of complaint handling, views of fairness, recovery effort) are upheld in reference to the original research and invoked only in those cases when data supports the relationship between friction and result (Maxham, 2001; Tax et al., 1998).

3.4 Findings

3.4.1 Touchpoints where channels shape CX most

Distribution plays a major role in influencing the customer experience in touchpoints where customers develop expectations and evaluate equity: search and comparison, booking/payment, and post-failure support. The studies of customer journeys indicate that consumers combine scores across numerous touchpoints and partners, and pre-arrival contacts (information and policies) create a major impact on overall ratings (Lemon and Verhoef, 2016). Practically, the expectations are made in advance by OTA and direct-site content (room features, facilities, and prices), and the perceived reliability and control are affected by the processes of booking and payments.

3.4.2 Top friction patterns and CX effects

There are three tensions that persist. The first one, inconsistency of information (when photos, amenities, and types of rooms do not correspond to reality), causes the gaps in expectations that customers perceive as failures in services. The studies on complaint management show that many customers remain unsatisfied with the way these failures are resolved, which in turn erodes the quality of relationships (Tax et al., 1998). Secondly, this is because a lack of transparency in policies and pricing (cancellation terms, resort fees, and payment schedules) creates a perception of iniquitousness; the theory of fairness assumes that when outcomes and processes deviate with reference outcomes, the consumer makes a perception of inequitousness even when the price is considered valid (Xia et al., 2004). Third, inefficiency in support handoff is caused by the uncertainty regarding the duties between hotels and OTAs, which reduces the

effectiveness of recovery; the service recovery literature suggests that increased recovery efforts significantly increase post-failure satisfaction and word-of-mouth (Maxham, 2001).

3.4.3 CX results (trust, fairness, satisfaction, loyalty, WOM)

In the matrix, trust and fairness, which are two fundamental attitudes affecting pleasure, are concentrated on friction. Unsatisfaction persists in case the policies and price appear unfair, irrespective of efficient service provision (Xia et al., 2004). Quality of recovery is vital in case of failures: improved recovery processes lead to high satisfaction, purchase intention, and favorable word-of-mouth (Maxham, 2001). Commitment outcomes are linked to the quality of managing complaints, which makes post-booking and post-stay service interactions the key to creating loyalty, not only on-property service delivery (Tax et al., 1998; Lemon and Verhoeff, 2016).

3.5 Discussion

The findings help substantiate the perception that distribution decisions are experience design decisions in that they influence the sequence, ownership, and clarity of trip touchpoints. The customer-journey theory asserts that the accumulating experiences comprise the numerous channels and partners, hence affecting the perceived trustworthiness preceding the stay and the effectiveness of rehabilitation following the failures (Lemon and Verhoef, 2016). There exist two dominating processes: equity assessments and recuperation capacity. Pricing and policies have perceptions of fairness, and perceived unfairness is met with strong backlash, which cannot be neutralized by the service quality after (Xia et al., 2004). In case of failures, recovery efforts and accountability alignment among stakeholders determine the outcome; studies have revealed that strong recovery evokes satisfaction and good word-of-mouth, whereas poor management of complaints leads to consumer dissatisfaction (Maxham, 2001; Tax et al., 1998).

Hence, active interventions are directed at four controls. First, content governance: the same room qualities, inclusions, and regulations on OTA, metasearch, and direct channels reduce the differences in expectations (Lemon and Verhoef, 2016). Second, candor regarding costs and policies: clear-cut rules on cancellation and full disclosure of prices reduce the sense of unfairness that can be experienced during the process of booking (Xia et al., 2004). Third, joined recovery: explicit handoff guidelines and combined scripts throughout the hotel and intermediate channels improve complaints, clarifying word-of-mouth outcomes (Tax et al., 1998; Maxham, 2001). Fourth, ethical personalization: personalization driven by proclaimed data usage eliminates the loss of trust; this is viewed as governance of expectations as opposed to technical targeting exclusively (Lemon and Verhoef, 2016).

There are drawbacks because of the cross-industry nature of these sources or the general service research; the synthesis relates notions to hospitality distribution touchpoints theoretically rather than measuring the magnitudes of causal impacts in hotel field data.

3.6 Conclusion

Distribution channels affect the experience of hotel customers by creating expectations, signifying fairness, and determining the recovery of failure (Lemon and Verhoef, 2016). Information discrepancies, policy and pricing opacities, and ambiguous support ownership are the most harmful frictions that reduce trust and pleasure (Xia et al., 2004; Tax et al., 1998). It has been proven that superior recovery increases satisfaction and positive word-of-mouth, which makes it mandatory to integrate recovery governance (Maxham, 2001). Good customer experience is dependent on channel-level clarity, consistency, and coordinated service recovery.

3.7 References

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4. Appendices

Table 1 Channel-friction patterns in hotel distribution and their CX impacts with mitigations.

Distribution friction (what goes wrong)	Where it occurs (journey stage + channel)	CX impact (mechanism)	Mitigation (what the hotel governs)
Room/amenity information mismatch	Search & booking (OTA/metasearch vs direct)	Trust erosion; expectation gap increases dissatisfaction	Single source-of-truth content; periodic OTA content audits; attribute governance checklist
Fee/policy opacity (cancellation, taxes/fees, prepayment)	Booking/payment (OTA + direct)	Perceived unfairness; higher complaint likelihood	“Total price” clarity; policy parity across channels; plain-language policy summaries
Support handoff failure (“contact OTA” vs “contact hotel”)	Pre-stay changes + post-failure support	Weak recovery; frustration from responsibility ambiguity	Service ownership map; shared scripts; escalation rules; unified case ID across channels
Inventory/rate inconsistency (rate drift)	Booking & pre-stay	Fairness concerns; booking regret; refund disputes	Channel manager rules; rate fences; monitoring alerts; documented exception handling
Review/reputation mismatch or unmanaged complaints	Post-stay (review sites/OTA)	Negative WOM and reduced future trust	Review response SOP; root-cause tagging; recovery offers with documented criteria
Over-personalisation creepiness / unclear data use	Search/booking + pre- stay messaging	Trust risk; privacy discomfort	Explicit consent and purpose disclosure; minimise data; preference controls