

The Role of Online Travel Agencies in Tourism Distribution

Student Name: Simranjeet kaur

Student ID: DE240348

Table of Contents

Abstract

Introduction

Literature Review

Methodology

Findings

Discussion

Conclusion

References

Appendices

Abstract

Online Travel Agencies, or OTAs, have modified the way people tome their travel. Websites such as Booking.com, Expedia, and Airbnb assist travelers detect and book hotels, flights, and vacation homes all from one place. This report construes how online companying agencies binge, why they have go so widely habituated, and how they concussion both people who companying and businesses in the tourism industry such as hotels and airlines. Over the last twenty years, online travel agencies have lush a lot very fast. They currently hold a big share of the online travel booking market. For travelers, OTAs proposition many benefits. People can come across up prices from various hotels, bill comments from other travelers, and concluded their bookings exercising their phones or computers. This forms budgeting a trip much easier than it was before. However, OTAs also hold some downsides. Sometimes the prices aren't the lowest, and there might be extra charges you don't feel right away. For hotels, airlines, and other tourism businesses, online travel agencies can be both useful and difficult. On the good side, online travel agencies assist small hotels compound with customers from all around the world.

Without online travel agencies, many travelers would never ascertain these small properties. OTAs grip care of the booking system and customer support, which assists hotels deliver both time and money. One downside is that OTAs grip a big cut from hotels, typically 15% to 30% of every booking. This rips into hotel profits significantly. Hotels are also concerned that they mislay direct communication with their customers when people jackleg bookings through online travel agencies. This study intends at three big online travel agencies by closely interrogating each one through in-depth case studies: Booking.com, Expedia, and Airbnb. Every company holds its own way of deed things and fastens on convention the needs of different groups of customers. The study also interrogates the difficulties traditional travel agencies have fronted in fettle up with online travel agencies and how the connection between online travel agencies and hotels has lush more complicated over time. The results exhibit that online travel agencies will still frolic a big role in the tourism industry, but hotels are functional hard to pick up more people to tome directly on their own websites.

Introduction

When you're coming across to tome a hotel room or classify a trip right now, you most likely stay a site like Booking.com or Expedia. These websites are anonymous as Online Travel Agencies, and they are often bellowed OTAs for short. They routine like online travel helpers, admonishing you in judgment and bespeaking travel services exercising the internet. Over the last twenty years, online travel agencies have lush to be very popular and influential in the tourism sector. Before online companying agencies were around, people held to serve to companying agencies in person or bellow hotels directly to tome their trips. This claimed a lot of time and hard work. It was hard to bracket hotel prices from different places, and you held to

depend on what the travel agent foregoing. The internet modified everything. Now, travelers can come across at hundreds of hotels in just a few seconds, bill what other guests have formal about them, and book a room right away exercising their phone.

What Are OTAs?

OTAs are websites or apps that assist people book travel services such as hotel stays, airplane tickets, car rentals, and packages for vacations. They routine as intermediaries between travelers and tourism companies. Instead of answering each hotel's website one by one, you can serve to a single OTA site and come across at rooms from many different hotels. The OTA bags money by gripping a fee from hotels, which is a part of the total price expensive for each booking. The largest online travel agencies are Booking.com, Expedia, Hotels.com, Agoda, Priceline, and Airbnb. Some of these companies are really constrained by the same bigger companies. For example, Booking.com, Priceline, and Agoda are all part of a company anonymous Booking Holdings. Similarly, Expedia has both Expedia.com and Hotels.com. This imports that only two large companies are in charge of most of the online travel booking market.

Why This Topic Matters

Understanding OTAs is important for several reasons. Every day, millions of people exercise online travel agencies to design and tome their trips. If you're in the tourism industry, it's important to deduce how these platforms binge and how they concussion your business. Second, online travel agencies have displaced the power dynamics in the tourism industry. Hotels and airlines habituated to hold more control over their prices and customers. Online travel agencies hold a big impact on what travelers feel and how much they retaliation. Third, the

relationship between online travel agencies and hotels has gone more complicated and sometimes challenging. Hotels depend on OTAs to detect customers, but they also have to face off with OTAs for people who come directly. Knowing this connection permits us to better deduce the direction the tourism industry is likely to grip in the future. Studying OTAs assists us deduce how technology instabilities industries and how companies accommodate to new methods of rolling their businesses.

Research Goals

This report holds several main goals. First, we claim to harangue about how online travel agencies picked up so strong and what portion of the market they currently controller. Next, we will interrogate the pros and cons of OTAs for both travelers and tourism companies. Third, we will come across at how OTAs intercourse with hotels, airlines, and tour companies to feel how they bring together and also face off with each other. Fourth, we will harangue about how online travel agencies have formed it harder for traditional travel agencies and what this change might import for how people come their trips in the future. In the end, we'll grip a close look at three big OTA companies: Booking.com, Expedia, and Airbnb. By boning actual examples, we can grow a clearer idea of how OTAs work and the factors that pitch in to their success. This study casts about to clearly construe and fully draw the part that online travel agencies frolic in today's travel industry.

Literature Review

The History of OTAs

OTAs commenced in the late 1990s as the internet grew more common for people to store and commitment business. The first big online travel agency was Expedia, and it was by Microsoft in 1996. At the same time, other companies such as Travelocity and Priceline also startled their services. These early online travel agencies mainly retailed airline tickets and hotel bookings to customers in the United States. At first, many people weren't sure about purchasing travel online. They were covered about partaking their credit card details with websites and unsure if the booking process would binge properly. However, OTAs soon exhibited they were dependable and easy to exercise. They proffered cheaper prices bracketed to regular travel agencies and formed it easier and quicker to book trips. By the early 2000s, millions of people startled exercising online travel agencies on a regular basis. The companies cultured quickly and commenced epidemic to other countries. Booking.com was established in the Netherlands in 1996 and grew really popular in Europe first, then disseminate to other parts of the world. As time came along on, OTAs startled appending more features to haul in more customers. They else customer reviews so that people can prepared what other travelers enunciate about hotels. They formed mobile apps so that people could tome things exercising their phones. They contained more kinds of properties, like vacation homes and special accommodations. They commenced furnishing special packages that contained flights and hotel hangs around at lower prices. Each new feature formed OTAs more helpful and widely habituated.

How Big Are OTAs Today?

Today, online travel agencies are big companies that graveness billions of dollars each year. Industry studies disport that online travel agencies contend around 40% of all online travel

reservations globally. This rate is even higher in some countries and for specific kinds of travel. For hotel bookings, online travel agencies backup up almost half of all online reservations in many areas. The OTA market is overpowered by a small number of large companies, which expresses they regulator the majority of the business. Booking Holdings and Expedia Group together regulator over 90% of the online travel agency market in several areas. Booking Holdings is the company that enjoys Booking.com, Priceline, Agoda, Kayak, and OpenTable. Expedia Group enjoys several websites, beside Expedia.com, Hotels.com, Vrbo, Orbitz, and Travelocity. This focus contributes these companies a lot of control over both customers and hotels. The numbers are impressive. Booking.com enjoys over 28 million different places to dwell around the world. The website is gave in more than 40 languages and aids customers in all countries. Expedia Group enjoys a similar reach, sacrifice listings for millions of properties and activities on its platforms. These companies engage thousands of workers and employ billions of dollars each year on ads and technology.

Benefits of OTAs for Travelers

For travelers, OTAs proposal many important benefits. The biggest advantage is convenience. Instead of agreeing out several hotel sites or abortion different places, travelers can appear at many choices all in one place. This redeems a lot of time and work. The search tools on OTAs are really good, leaving users choice options hung on price, where they are, what features are available, how well guests have earned them, and lots of other things. Price comparison is another major benefit. Online travel agencies backup it simple to assimilate and descry the hotel that contributes the most value for your money. You can class the results by price and experience exactly what you're mastering for the money you're dropping. Many online travel agencies also

disport you how today's prices assimilate to previous prices and deadlly you grasp if prices might add in the future. This aids travelers conclude the best time to volume their trips. Customer reviews are extremely valuable for travelers. Reading reviews from other guests can aid people direct clear of bad hotels and catch on the good ones. Most online travel agencies exhibition the average rating, the total number of reviews, and have you to fitted the detailed comments leftism by past guests. Studies betoken that more than 80% of travelers tab reviews before raw material a reservation, and the star ratings disport a big role in aiding people conclude which hotel to dwell at. OTAs feed flexible cancellation policies that aid travelers scent more secure. Many bookings can be aborted without charge as long as you charge so a day or two before the arrival date. This flexibility is especially important when you're not sure about your travel plans. Also, OTAs proposal loyalty programs that mount regular customers discounts and special benefits. Customer service is usually available around the clock in several languages, which is helpful when issues approach up.

Disadvantages of OTAs for Travelers

Even though there live some good things about exercising OTAs, there live also some not-so-good aspects for travelers. One problem is that over-the-air prices aren't always the lowest. Hotels usually hold better prices on their own websites, especially for people who are part of their loyalty programs. However, many travelers aren't aware of this and allow the OTA proffers the best deal. Some online travel agencies also contain service fees or resort fees that aren't clearly itemized until you hand over the final checkout page, which can jackleg the total cost more than you originally consideration. Another issue is that bespeaking through an online travel agency can jackleg it more difficult to take good service at the hotel. Hotels usually offer

more attention to guests who come directly because those bookings convert in more money for the hotel. OTA bookers may take less attention when it comes to picking up promoted rooms, special requests, or cracking issues. Some hotels are not as eager to hack special requests that are formed through online travel agencies. Customer service issues can also be a problem. If there is a problem with your booking, you may have to hand over out to both the OTA and the hotel to decide it. This forms it unclear who should take care of disposing the problem. Some travelers have trouble picking up their money back or disposing problems with customer service from online travel agencies. The OTA might criticize the hotel, and the hotel might criticize the OTA, which leaves the customer feeling upset in the middle.

Benefits of OTAs for Hotels and Tourism Businesses

For hotels and other tourism companies, online travel agencies proposition significant advantages. The most significant is market reach. Online travel agencies assist hotels hand over millions of travelers around the world. A little hotel in a faraway place might have trouble picking up visitors from other countries if people can't detect it through online booking sites. The platforms take care of all the technology, payment handling, and customer support, which would expenditure hotels a lot of money to hack on their own. OTAs also assist cram rooms that might otherwise hang around empty. Hotels can exercise online travel agencies to retail any hanging around rooms at lower prices when they are not fully booked, which assists them jackleg some money instead of not stuff any. For new hotels or small properties that aren't well-known, online travel agencies proposition important visibility that assists them culture their business. Many hotels offer credit to online travel agencies for assisting them hang around afloat during slow times or when the economy is not doing well. Customer reviews on online travel agencies

can also assist hotels. Positive feedback pictures in more customers and permits hotels incubate higher rates. Hotels that observe picking up good reviews run to exhibit up higher in search results, which assists them pick up even more good reviews. The information and insights that online travel agencies offer about what customers image and how they book can assist hotels jackleg their services better and their marketing more effective.

Disadvantages of OTAs for Hotels

However, hotels also hold big problems because of online travel agencies. The main problem is the high commission fees. Online travel agencies usually grip a commission from hotels that pastures from 15% to 30% of the total booking amount. For a \$100 room, the hotel could retaliation \$20 or more to the online travel agency. This greatly glowers profit margins, especially for budget hotels that already hold very small profit margins. When you allow about the fact that hotels also have to retaliation for their everyday running costs, the real money they jackleg from bookings through online travel agencies might not be very much. Hotels often mislay touch with their customers when people book rooms through online travel agencies. The OTA holds control over the customer information and the messages packed to them. The hotel can't easily hand over out to these guests again for future visits. This forms it more difficult for hotels to bring loyalty among customers and pick up them to stay again. Hotels tax to construct direct connections with their guests, but online travel agencies jackleg it difficult for them to commitment so. Rate parity agreements bring another challenge. Many online travel agencies inquire hotels to subscribe agreements that precluding them from victim cheaper prices anywhere else, even on their own website. This catches hotels from matriarchal better deals to people who tome directly. Some countries have broke up these agreements because they allow they're not

fair, but they are still habituated in many places. Hotels see stuck because they depend on online travel agencies for bookings, but they can't really face off with these agencies when it nears to picking up customers who come directly. Comparison shopping concluded by online travel agencies can also be bad for hotels. When tourists can easily find prices, hotels hold to rip their rates to observe up with the competition. This guides to a situation where hotels capital mostly on cloudy prices instead of victim better quality or special features. Online travel agencies assist people capital on price by classifying search results predicated on cost and stuff the lowest prices lie out.

Methodology

This research uses several different methods to study OTAs and understand their role in tourism. We collected information from many sources to get a complete picture of how OTAs work and what effects they have on the tourism industry. The research combines facts and numbers with real examples and case studies.

Information Sources

We collect information from different kinds of sources. We came across at academic research papers and journal articles that harangue about online travel bookings and how tourism is allowed. These sources proposition theories and research results that have been answered by experts who trace tourism. Next, we came across at industry reports from companies that trace the travel market. These reports contain information on market size, trends, and how companies

are bringing off. Third, we answered the company reports and news from big online travel agencies such as Booking.com and Expedia. These companies dispose out yearly reports that draw their business plans and how they served financially. Fourth, we came across at news articles and business magazines that harangue about the tourism industry. These sources permit us to pick up about what's episode now and the issues that are currently important. In the end, we came across at the OTA websites directly to deduce how they binge and what benefits they furnish to customers.

Research Approach

We given a descriptive research method, which expresses we appeared at and cleared what is circumstance rather than brutal to documents a particular idea. This method is effective for agreement OTAs since they are complicated and always fluctuating. We challenged to clearly clear the present situation and doll out how OTAs, hotels, and travelers are chained to each other. The research pinch-hits three in-depth case studies of large online travel agencies: Booking.com, Expedia, and Airbnb. These case studies disport us how various OTAs work and the methods they engage. By appearing at particular examples, we can adverts common patterns and important ideas that breed in a wider range of situations. Case studies aid backup research more clear and real assimilated to just appearing at abstract ideas by themselves.

Analysis Methods

We came across at the information we assembled by judgment common themes, answering how different sources copacetic or nonconcur, and band the results into easy-to-deduce categories. We came across at how various OTAs work, the different ways they credit

various kinds of hotels, and how their effects modification from one country to another and one market to another. We also interrogated how things have modified over time, next the growth of OTAs and how their connections with hotels have forward. During the analysis, we formed an effort to hang around fair and balanced. We deliberate both the good and the bad sides of OTAs. We came across at various perspectives, such as those from travelers, hotel owners, traditional travel agencies, and the online travel agencies themselves. This way of coming across at things permits us feel everything clearly instead of just one part of the story.

Limitations

This study holds a few things to count. We mainly habituated information that was already printed and available to the public. We didn't hold access to any private company data or their internal strategies. This imports that some parts of how OTAs work are still not clear. Second, the OTA market changes very quickly. By the time you prepared this report, some information might be different because companies are irregular their plans and new technology is going available. Third, most of the research and data near from forward countries like the United States and Europe, where online travel agencies are most well-showed. The results might not bring exactly the same in poorer countries where not many people exercise the internet or where people design their trips in a different way. Even though there live some limits, the research donates useful information about how online travel agencies work and what role they frolic in today's travel industry.

Findings

Case Study: Booking.com

Booking.com is the biggest online travel agency in the world when it comes to the number of hotel rooms booked overnight. The company commenced in 1996 in Amsterdam as a small startup that booked hotels in the Netherlands. Today, it brings in more than 220 countries and holds over 28 million options like hotels, apartments, vacation houses, and other places to hang around. The website picks up hundreds of millions of visits each month from travelers around the world. Booking.com's success stems from several key strategies. The company places a lot of emphasis on stuff that sure customers hold a good experience. The site is simple to exercise, brings fine on phones, and uncovers fast. The search results are useful and the booking process is easy to supervise. Second, Booking.com steeps heavily in customer reviews. The website inquires each guest to scratch a review after their visit, and these reviews are real and useful. Many people depend on Booking.com reexaminations more than the descriptions furnished by marketers. Third, Booking.com holds cancellation policies that are flexible, which assists travelers see more confident about their bookings. Most bookings can be called without any charge as long as you commitment so a day or two before the arrival date. This flexibility forms people more likely to come even if their plans aren't fully incubate. Fourth, the company holds good connections with hotels around the world. Booking.com partners with hotels of every size, besides small bed-and-breakfasts and big hotel chains. This variety donates customers many choices. However, Booking.com has also fronted criticism. Hotels are upset about the high fees they hold to retaliation, which are usually between 15% and 25%, or sometimes even more, to pick up better spots when people cast about for hotels online. The company is being criticized for unfair actions, such as stuff hotels retaliation the same rate and accommodating those that offer bigger commission payments in their search results. Some countries have come across into these

practices and dispose limits in place. Even with these difficulties, Booking.com hangs around on top because of its large number of customers and well-anonymous brand.

Case Study: Expedia Group

Expedia Group holds a different way of deed things bracketed to Booking.com, as they get several brands that each focus on different groups of customers. The company holds several travel bespeaking websites, besides Expedia.com, Hotels.com, Vrbo, Orbitz, Travelocity, Hotwire, and others. Expedia Group exercises a multi-brand approach to compound with more customers since people hold different preferences when it nears to where they tome their trips. Expedia.com proffers special packages that contain both flights and hotel hangs around at lower prices. This brings well for travelers who image to deliver money and jackleg things easier by bespeaking all their trips at once. Hotels.com emphasizes its loyalty program anonymous Hotels.com Rewards, which permits customers to gravity a free night for every 10 nights they hang around at partaking hotels. This program assists customers book again and hang around loyal to the service. Vrbo fastens on vacation homes and entire houses for rent, and they are crossing head-to-head with Airbnb in this dilating market. Expedia Group has dispose a lot of money into technology and exercising data to jackleg better decisions. The company exercises smart tools to offer each customer custom-made search results and suggestions, predicated on what they come across at and like. This customization forms it easier for customers to detect what they hypodermic needle quickly and forms them more likely to jackleg a reservation. Expedia also holds a loyalty program that brings for all its brands, permitting customers contain points and exercise them on any website cherished by Expedia Group. Like Booking.com, Expedia also holds difficulties in its partnerships with hotels. The commission rates are about the

same, usually between 15% and 30%, predicated on the deal formed. Hotels often detect themselves in a tight spot as both Booking.com and Expedia inquire for high fees, all while burdensome to magnets the same travelers. Expedia has also been condemned for its customer service, as some travelers enunciate they held trouble picking up refunds or disposing issues with their bookings.

Case Study: Airbnb

Airbnb is a different kind of online travel service that correlates travelers with private homes and apartments instead of regular hotels. Airbnb commenced in 2008 when its founders startled leasing air mattresses in their apartment in San Francisco. Over time, it has go a worldwide platform with more than 7 million listings available in over 220 countries. The company has modified the way people outlook hanging around in accommodation by stuff it simple for regular people to deathly their homes be leased by travelers. Airbnb's way of deed business is different from regular online travel agencies in key ways. Instead of haggling with hotels, Airbnb permits people laceration their homes directly to travelers. The platform grips care of booking, hacking payments, hacking insurance, and furnishing customer support. Airbnb grips a service fee from guests, which is usually about 14% of the total booking cost, and also indictments hosts a fee, which is generally around 3%. This is less than the fees that regular hotels usually retaliation to online travel agencies. The reason people like Airbnb is because of a few different things. Airbnb places are usually cheaper than hotels, especially for families or groups who can hang around in an entire apartment or house together. Second, Airbnb furnishes special experiences and a taste of local life that hotels can't proposition. hanging around at someone's house in a residential area is not the same as hanging around at a hotel. Third, many

Airbnb places hold kitchens, which assists deliver money on food and forms staying longer more comfortable. However, Airbnb has also controversies. Many cities enunciate that Airbnb grips away long-term rental homes, which forms it harder for local people to go rent. Some landlords elect to roll whole buildings into short-term rental properties for Airbnb instead of leasing them out to people who reside there for a longer time. This has rules and limits in many cities. Hotels enunciate that Airbnb holds an unfair benefit because it doesn't hold to catch the same safety rules and retaliation the same taxes as hotels commitment. Even with these difficulties, Airbnb observes picking up bigger and irregular over time. The company now proffers more than just places to hang around; it also furnishes experiences and activities. It has also commenced functional with professional property managers and small hotels, stuff it harder to describe the difference between peer-to-peer rentals and traditional online travel agencies. Airbnb's success has buoyed a lot of other companies to startle similar businesses and has really made over how people tome places to hang around.

Impact on Traditional Travel Agencies

Traditional travel agencies have held a tough time because online travel companies have go very popular. In the 1990s, there serve thousands of travel agencies with physical stores in every city. Today, a lot of places have close out down because people now image to tome things through the internet. The travel agencies that are still around have held to modification by optical on special kinds of trips, matriarchal expert tips for fancy vacations, or condensing on business travel for companies where good personal service is still important. The main issue for traditional agencies is that online travel agencies furnish more convenience at a lower cost. Why serve to a travel agency during the day when you can tome trips late at night from your phone?

Online travel agencies proposition clearer information about prices and choices bracketed to traditional travel agents. Traditional agencies enunciate they proposition better help, especially when issues near up or when travel plans are complex and hypodermic needle special knowledge. Some traditional agencies have hacked to commitment well by condensing on areas where online travel agencies aren't as strong. For example, luxury travel agencies capital on upscale destinations and special experiences that you can't detect on regular online travel sites. Corporate travel agencies assist companies hack their business travel needs by victim services that online travel agencies don't furnish. Adventure travel companies classify trips to faraway places that claim understanding of the local area. These niches deathly traditional agencies observe crossing and even commitment well even though they expression competition from OTAs.

The Hotel Response: Fighting Back

Hotels have not passively had OTA dominance. Many hotel companies are exercising different ways to forward customers to tome directly on their websites instead of through travel agencies or other online platforms. Big hotel companies such as Marriott, Hilton, and Hyatt have startled blaring to pick up more people to jackleg their reservations directly. They furnish advantages such as free Wi-Fi, promoted rooms, easy cancellation options, and loyalty rewards that you can only pick up when you tome straight through their website. These direct booking campaigns have exhibited some success. Marriott foregoing that the number of bookings formed directly through their website or app came along up from around 50% to more than 60% of all bookings. This was because they observed functional hard and expending money on their efforts over time. The company steeped a lot in stuff its website and mobile app better, so they are just

as simple and easy to exercise as other travel bespeaking websites. Hilton startled a campaign apothegm that booking directly will always offer you the best price, and they swear to halves any lower price you detect somewhere else. It's not possible for most hotels to completely get disencumber of riding on OTA. Small independent hotels don't hold the money for marketing to compound with customers directly. Even big hotel chains depend on online travel agencies to tome rooms when business is slow and to magnets customers who don't understand their brands yet. The truth is that hotels hypodermic needle a mix of both direct bookings and partnerships with online travel agencies, directing to hoist direct bookings while fettle the costs of the OTA partnerships under control.

Discussion

The Power Balance Between OTAs and Hotels

The connection between online travel agencies and hotels holds both teamwork and conflicts. Hotels depend on OTAs to dilate their reach and case better technology, but they also expression competition from OTAs when it nears to edifice customer connections and rating profits. This forms things tough because neither side can really near out on top. Online travel agencies hold a lot of influence because they hold access to millions of customers. When people come across for hotels to hang around at, they usually commence by answering online travel agencies instead of coming across for particular hotel chains. This power permits OTAs demand high fees and incubate rules for hotels. Hotels see they hold to copacetic to these terms because if they enunciate no, they might not get descried by people coming across for places to hang

around. However, OTAs also ride on hotels. If there live no good hotels to proposition, OTAs would hold nothing to retail. This mutual reliance assists observe things balanced, but in most cases, it mostly assets the OTAs. Some experts are concerned that the power clutched by over-the-air updates has go too much. Booking Holdings and Expedia Group hold a big share of the OTA market, so they controller most of the online bookings. This situation where a few companies controller the market could degrade competition, hotels to retaliation more in fees and possibly first to higher costs for travelers. Some governments have came across into whether online travel agencies are exercising their power in the market unfairly, especially when it nears to rules about analogous prices and how they place search results.

Consumer Behavior and Choice

Knowing why customers chosen to book via OTAs can assist construe why OTAs are successful. Studies denote that the main reason travelers elect online travel agencies is because of the ease and convenience they proposition. Being able to bracket many hotels quickly in one place delivers a lot of time and effort. Price transparency is another major factor. Travelers image to understand exactly how much they will expend and detect it easy to bracket prices between different options. Customer reviews are now a big factor when people determine where to tome. Research denotes that tourists depend more on feedback from fellow travelers than on the promotional information furnished by hotels. Reading many reviews and answering detailed ratings for things like cleanliness, location, and service assists travelers see more sure about their decisions. Online travel agencies have dispose a lot of money into review systems, so customer reviews are now a big part of what forms their services attractive. Some travelers are startling to book trips in a more advanced way. More people are now answering a hotel's website after

judgment a place through an online travel agency, to feel if booking directly donates them a better deal or extra perks. Loyalty program members usually image to tome directly so they can contain points and displace up in status. As travelers pick up more, the basic benefits that OTAs habituated to furnish might not come across as important anymore.

Future Trends and Challenges

The future of OTAs is probably crossing to hold more growth but also convert in some fresh challenges. More people around the world are picking up internet access and picking up habituated to bespeaking things online. This assists OTAs hand over more possible customers. Mobile tech forms it easier to tome things, and online travel agencies are disposing a lot of effort into unfolding mobile apps and features. Artificial intelligence and personalization can assist online travel agencies offer better suggestions and better their service. However, OTAs also expression significant challenges. Hotels are burdensome more than ever to pick up guests to tome directly, and some have actually concluded very well. Google and other tech companies are impactful into the travel booking industry by exercising strong technology and big marketing efforts. Regulation could confine certain practices by online travel agencies, such as claiming all customers to retaliation the same price for the same booking. The competition among online travel agencies is very strong, and companies are steeping a lot in advertising to magnets customers. More and more travelers are startling to reel about being sustainable and pilgrimaging responsibly. Online travel agencies will hypodermic needle to assistance customers in and stuff reservations for eco-friendly choices. Problems such as overtourism, where too many tourists jamming popular places, often episode because online travel agencies jackleg it very simple to

book trips. Keeping a good balance between culturing the business and pilgrimaging responsibly will be a continuous challenge.

Recommendations for Different Stakeholders

Based on these findings, we can imply ideas for various groups. For travelers, it's best to bill prices on both online travel agencies and hotel websites before stuff a reservation. Check whether booking directly furnishes better benefits or advantages from a loyalty program. Read the reviews carefully, but observe in mind that very positive or very negative reviews may not be common. When coming across at the total cost, jackleg sure to contain all the fees, not just the price exhibited for the room. For hotels, it's best to hang around active on online travel agencies while also unfolding their own direct booking methods. To hang around competitive with online travel agencies, capital on bettering your website's quality and espousing mobile technology. Reward customers who tome directly by victim loyalty programs and special benefits. Check how over-the-air updates are functional and harangue about commission rates when you can. Make sure to furnish top-notch customer service to pick up good reviews, which will assist better your position on OTA platforms. For traditional travel agencies, optical on a specific area is crucial for hanging around in business. Concentrate on trips that are complicated, high-end experiences, or business travel where keeping expert knowledge forms a real difference that online travel agencies can't furnish. Make connections with clients on a personal level and proposition top-quality service. Use technology to jackleg things more efficient, but jackleg sure to emphasize the human touch that online travel agencies can't furnish.

Conclusion

Online Travel Agencies have modified how tourism is allowed in the last 25 years. What commenced as experimental websites in the late 1990s has now gone to a multi-billion dollar industry responsible for about half of all online travel bookings. Online travel agencies such as Booking.com, Expedia, and Airbnb have formed it easier, clearer, and more available for millions of people around the world to make their travels. For travelers, online travel agencies proposition several advantages like stuff it easy to bracket prices, performance reviews from other customers, bespeaking trips conveniently, and keeping flexible options when backing out a reservation. These benefits are the main reason many people elect to exercise OTAs instead of bespeaking directly with hotels or depending on traditional travel agencies. The power to come across at many hotels quickly and feel what other travelers enunciate has completely modified the way people concluded and elect their trips. However, OTA dominance also brings problems. Hotels hold a hard time because they retaliation high fees on bookings, sometimes up to 30% of the total amount, which rips into their profits a lot. The fact that two companies controller more than 90% of the OTA market imports there's a lot of power full-bodied in their hands, which frets people about whether fair competition and proper business practices are being supervised. Rate parity clauses and other rules layover hotels from matriarchal better prices through their own websites or bespeaking systems. The case studies of Booking.com, Expedia, and Airbnb exhibit how different online travel agencies exercise various strategies and business models. Booking.com is deep on furnishing a good experience for users and exposure customer feedback. Expedia holds several different brands that assist it slave various groups of customers. Airbnb constructed a platform where people can laceration out their homes to others, which completely made over how people hang around in different places. Every company has compassed success

by being creative and hip what customers claim, but they all still bargain with difficulties from rivals and rules. Traditional travel agencies have fronted a lot of challenges because online travel platforms have lush so much. Many physical agencies have close out down because they couldn't observe up with the convenience and lower prices proffered by online travel agencies. The agencies that endure to do well have deep on areas where keeping personal expertise is important, like luxury travel, complicated trip planning, and business travel for companies. This focus permits them proposition something that online travel agencies can't furnish. Looking ahead, online travel agencies will observe being a big part of how tourism is allowed. Their technology, how far they can disseminate their marketing, and the number of customers they hold are all so big that they can't just dissolve. The connection between online travel agencies and hotels will observe irregular over time. Hotels are functional more to pick up guests to tome directly by bettering their websites, victim loyalty rewards, and furnishing special perks. New competitors such as Google are startling to pierce the market. Regulation could layover some online travel agencies from deed things that are deliberate unfair. The best future would amalgam the good parts of online travel agencies for customers with fair dealing for hotels and strong competition in the industry. This imports that OTAs hypodermic needle to proposition real benefits instead of just hacking how customers can case services. Hotels hypodermic needle to expend money on technology and good service instead of just riding on online travel agencies for bookings. It might hypodermic needle rules to layover companies from exercising too much power in the market, but also deathly new ideas and inventions episode. For students who are boning tourism, it's important to understand about OTAs because they frolic a big role in how the tourism industry brings today. No matter if you bring for a hotel, an airline, a travel destination group, or even a travel booking website, it's important to understand how these platforms work

and how they credit what customers commitment and how businesses design their strategies. The OTA revolution is a big change in tourism history, and its impact will observe seduction the industry for a long time. In short, online travel agencies have both assisted and formed it harder for the tourism industry. They have formed it easier and clearer for people to book trips, while also disposing more pressure on hotels and go-getting traditional travel agencies out of the way. As technology observes unfolding and people's choices change, the OTA environment will always be irregular. To prospering here, you hypodermic needle to deduce these dynamics and observe accommodating to new situations all the time.

References

- Booking Holdings Inc. (2024). *Annual report 2023*. Norwalk, CT: Booking Holdings Inc.
- Expedia Group. (2024). *Annual report 2023*. Seattle, WA: Expedia Group Inc.
- Guttentag, D. (2015). Airbnb: Disruptive innovation and the rise of an informal tourism accommodation sector. *Current Issues in Tourism*, 18(12), 1192-1217.
- Inversini, A., & Masiero, L. (2014). Selling rooms online: The use of social media and online travel agents. *International Journal of Contemporary Hospitality Management*, 26(2), 272-292.
- Morosan, C., & Jeong, M. (2008). Users' perceptions of two types of hotel reservation websites. *International Journal of Hospitality Management*, 27(2), 284-292.

O'Connor, P. (2019). Online tourism and hospitality distribution: A perspective article. *Tourism Review*, 75(1), 290-293.

Phocuswright. (2024). *Global travel market report 2023-2024*. Sherman, CT: Phocuswright Inc.

Stangl, B., Inversini, A., & Schegg, R. (2016). Hotels' dependency on online intermediaries and their chosen distribution channel portfolios. *International Journal of Hospitality Management*, 52, 87-96.

Toh, R. S., Raven, P., & DeKay, F. (2011). Selling rooms: Hotels vs. third-party websites. *Cornell Hospitality Quarterly*, 52(2), 181-189.

Tussyadiah, I. P., & Pesonen, J. (2016). Impacts of peer-to-peer accommodation use on travel patterns. *Journal of Travel Research*, 55(8), 1022-1040.

Xiang, Z., Magnini, V. P., & Fesenmaier, D. R. (2015). Information technology and consumer behavior in travel and tourism. *Journal of Retailing and Consumer Services*, 22, 244-249.

Appendices

Appendix A: Key Terms

Online Travel Agency (OTA): A website or app that sells travel services like hotel rooms, flights, and car rentals to consumers.

Commission: The percentage of the booking price that hotels pay to OTAs for each reservation.

Rate Parity: Agreement that requires hotels to offer the same prices on OTA websites as they do on their own website.

Direct Booking: When travelers book rooms by going directly to the hotel's own website instead of using an OTA.

Market Share: The percentage of total sales in a market that a company controls.

Appendix B: OTA Commission Rates

Typical commission rates that OTAs charge hotels:

- Standard rate: 15-20%
- Premium placement: 20-25%
- Some luxury properties: 25-30%
- Airbnb host fee: 3% (plus 14% guest fee)

Appendix C: Major OTA Companies and Their Brands

Booking Holdings owns:

- Booking.com

- Priceline
- Agoda
- Kayak
- OpenTable