

New Data from OTA Insight Highlights the Root Cause of Rate Parity Issues

OTA Insight unveils key findings from infographic alongside Annual Hotel Parity Review for Europe and North America

London, March 21, 2019 – [OTA Insight](#), the cloud-based data intelligence platform for the hospitality industry, today announced key findings from its data-driven infographic, “The Real Rate Parity Problem No One is Talking About,” along with the release of its Annual Hotel Parity Review. Findings from the first-of-its-kind infographic outline key root issues surrounding rate parity for hotels, such as wholesalers that break the chain of contracts between hotels and Online Travel Agents (OTAs) by selling discounted rooms to non-contracted OTAs, effectively allowing them to undercut hotel room prices significantly. Additionally, the Annual Hotel Parity Review provides a benchmark for hoteliers to understand parity performance in different markets across Europe and North America.

“As an advocate and partner for hoteliers, we spend a lot of time working with them to uncover and understand their key business concerns and constraints,” said Sean Fitzpatrick, CEO of OTA Insight. “Rate disparity is a huge problem for our customers but it also impacts the major OTAs, so we wanted to shed light on some of the root causes. Our parity management tools, combined with our extensive data resources and in-house analysts, gave us a unique opportunity to provide a resource that illustrates the current landscape.”

Infographic calls out industry parity problem

Most hoteliers recognise that they need a diverse mix of distribution channels to maximise their reach. However, it is becoming increasingly apparent that third-party sellers are not playing fair, and as a result, many hoteliers are suffering from huge losses in revenue while also undermining their direct sales and marketing efforts. In fact, according to OTA Insight’s infographic [findings](#), major North American hotel chains are negatively impacted 24 percent of the time by non-contracted OTAs, while major European chains are negatively impacted more than one-third (36 percent) of the time. Additionally, these figures are much higher for independent hotels and local chains. The data highlights even more findings from OTA Insight’s own data that includes:

- Top 5 undercutting wholesalers
- Top non-contracted OTAs that wholesalers are on-selling to
- A spotlight on parity issues and its impact around the world

Annual hotel parity review provides actionable insights

Along with the infographic, the company’s [Annual Hotel Parity Review](#) examined the European and North American rate parity trends for 2018. In line with OTA Insight’s mission to help the hospitality industry visualise and leverage data, the report provides visibility into the differences between major chains (based on nine of the leading global hotel chains within the hospitality market), and independents and local chains (a range of independent properties and local market chain hotels). This level of transparency to the market allows hoteliers to come away with

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actionable insights on parity, showcasing how it affects them and their properties. Key findings from the report across Europe and North America include:

- In Europe: OTAs are more likely to be in parity with major chains than Independents and local chains. Market-wide, there are significant parity loss issues with Independents and local chains facing losses for 53% of tracked shops in comparison to 45% for major chains.
- In North America: OTAs are more likely to be in parity with major chains than Independents and local chains. Market-wide, there are significant parity loss issues with Independents and local chains facing losses on 46% of tracked shops in comparison to 35% for major chains.

The infographic findings were compiled from 2018 data generated from OTA Insight's suite of [parity management](#) tools, which identify where there's disparity, including which wholesalers are selling inventory to which non-contracted OTAs for a wide selection of hotels.

Research for the report was undertaken by the Market Data Insights team at OTA Insight – an international team of researchers and analysts focused on extracting hotel market trends. The online market survey gathered OTA Insight data from 2018, across 146 countries and more than 28,000 hotels globally on brand.com, OTAs and metasearch sites.

For more information, please visit: www.otainsight.com.

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About OTA Insight

OTA Insight empowers hoteliers to make smarter revenue and distribution decisions through its market-leading suite of cloud-based business intelligence solutions including Rate Insight, Parity Insight and Revenue Insight. With live updates, 24/7 support from our customer success team, and a highly-intuitive and customisable dashboard, the OTA Insight platform integrates with other industry tools including hotel property management systems, leading RMS solutions and data benchmarking providers.

OTA Insight's team of international experts are based all over the world, including the UK, US, France, Germany, Belgium, Spain, Italy, Brazil, Mexico, Singapore, Australia and India, and supports more than 40,000 properties in 168 countries. Ranked one of 10 "Ones to Watch" in the Sunday Times Tech Track 100, OTA Insight is widely recognised as a leader in hospitality business intelligence.

For more information, visit www.otainsight.com and follow us on Twitter [@otainsight](https://twitter.com/otainsight).

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