

FOR IMMEDIATE RELEASE

April 5, 2022

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DESPITE RESTRICTIONS TRAVEL TECHNOLOGY COMPANIES LEADING GLOBAL RECOVERY
Competition & Consumer Choice in Travel Industry Key Rebound Features

[Arlington, VA & Brussels, Belgium] [April 5, 2022] – The US [Travel Technology Association](#) (Travel Tech), the voice of the travel technology industry, and [eu travel tech](#) today released comprehensive research reports from [Phocuswright](#), the world’s leading travel industry research authority. The research shows travel industry innovators, including global distribution systems (GDS), online travel agencies (OTA) and metasearch companies, travel management companies (TMC), and short-term rental (STR) platforms (in the United States and Europe) bring competition and consumer choice to the marketplace and are leading the COVID-19 economic recovery.

According to the Phocuswright research, independent travel intermediaries have a key role in the travel sector rebound. Despite a 61% gross travel revenue drop in 2020 attributable to the COVID-19 pandemic, consumers are much more likely to return to trusted platforms to assist with travel planning and shopping.

“Independent distribution facilitated by GDSs, OTAs, Metasearch and TMCs, is paramount to supporting and growing a travel economy that is affordable and accessible to travelers worldwide”, explains Steve Shur, President of US Travel Tech. “This important analysis highlights the value of the travel marketplace for consumers and suppliers. Today’s travel and tourism economy relies on the access, competitive environment and reach facilitated by independent distributors. Their technology, innovations, and marketing expertise foster economic growth for travel and tourism providing consumers with competitive shopping experiences.”

“Transparency is critical to making informed booking decisions”, stated Emmanuel Mounier, Secretary General of eu travel tech. “From effective comparison shopping to finding the right accommodation for an itinerary, independent distributors are key contributors to building consumer confidence and reigniting the global travel economy. These entities are particularly important during the inspiration and shopping stages. By creating an environment where travelers can easily compare product features, obtain relevant information about safety and regulations for travel and shop prices, they foster a competitive landscape where suppliers must compete for consumers, based on price, services, amenities and offerings.”

The research shows a global consensus that the most successful travel suppliers in the COVID-19 recovery era will be those who best partner with travel intermediaries. In addition to gaining broader distribution, it will mean more options, competitive prices, and better service to travelers.

Travel suppliers increasingly value the continuing role of independent travel intermediaries in supplementing distribution efforts in a cost-effective manner. Smaller suppliers value the reach, visibility, and additional bookings they can gain from working with the right travel intermediaries. All recognize the significant benefits of travel intermediaries' pay-per-performance business model for driving supplemental revenue.

Some other findings from the research include:

- Travelers value travel intermediaries for reducing friction by facilitating the easy comparison and booking of multiple, multi-brand options in a single location. In turn, travel intermediaries feature prominently in both the inspiration and shopping stages for travelers, with 39%, 45% and 44% of US consumers using indirect channels to make their latest leisure air, hotel and car rental bookings respectively.
- Vacation rentals have experienced a strong resurgence, with city dwellers, no longer tied to the office, seeking getaway alternatives – whether in the mountains, beach, suburbs, or countryside. Short-term vacation rental companies are benefiting from this trend.
- In Europe, in 2020 the hotel sector took leadership positions in terms of market share, representing 41% of gross revenue. The European hotel sector is primarily made up of smaller, independently owned and operated properties (38% of rooms in 2018). Such properties often struggle to gain adequate visibility in front of potential customers, and travel intermediaries, especially OTAs, help bridge the gap between smaller hotels and consumers. This drives the independent hotels revenue and help compete better against their branded peers.
- OTA gross revenue in the US grew from less than \$36 billion in 2009 to more than \$79 billion in 2019, falling back to \$32 billion in 2020. Despite this steep drop, OTAs accounted for 21% of total travel revenue in the U.S. during the 2020 crisis.
- Phocuswright's U.S. Corporate Travel Report 2020-2024 estimates that corporate travel revenue fell 71% to \$39 billion in 2020 compared to the previous year. The meetings and events spaces were hit harder, with more than 95% of events canceled or postponed. However, a rapid recovery is underway, and gross revenue is expected to grow in the US to \$289 billion in 2022 with full recovery expected by 2025.
- Suppliers in Europe and the US are concerned with the potential entry of big tech into the travel distribution space. Most feel that these companies would quickly evolve into powerful, and perhaps even dominant players, and some fear Google would

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potentially evolve into the super app of travel. As several of the large tech platforms are increasingly leveraging their scale, deep pockets, and in-depth customer knowledge to enter the travel space and rapidly grab significant market share, they are forcing suppliers and intermediaries alike to spend ever increasing amounts on pay-per-click advertising to maintain visibility.

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About US Travel Tech

The [Travel Technology Association](#) (Travel Tech) is the voice of the travel technology industry, advocating for public policy that promotes transparency and competition in the marketplace to encourage innovation and preserve consumer choice. Travel Tech represents the leading innovators in travel technology, including global distribution systems, online travel agencies and metasearch companies, travel management companies, and short-term rental platforms.

About eu travel tech

[eu travel tech](#) represents the interests of travel technology companies. eu travel tech uses its position at the centre of the travel and tourism sector to promote a consumer-driven, innovative and competitive industry that is transparent and sustainable. Our membership spans Global Distribution Systems (GDSs), Online Travel Agencies (OTA), Travel Management Companies in business travel (TMCs) and metasearch sites.

For a copy of the research reports, or to schedule an interview with a US or EU Travel Tech spokesperson, contact Dan Rene of kglobal at 202-329-8357 or daniel.rene@kglobal.com.