

The Symbiosis and Game between OTA Platforms and Hotel Management

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Abstract:

With the rapid development of the digital economy, OTA platforms have gradually become an indispensable marketing channel for the hotel industry. By integrating traffic and user evaluation systems, they have greatly changed the operational logic and management paradigm of hotels. However, while bringing convenience and traffic benefits, OTA platforms are also reshaping industry rules, eroding the pricing power and brand dominance of hotels. Behind the traffic benefits lies a series of challenges such as weakened pricing power, compressed profit margins, marginalization of brand value, and lack of control over user data, putting hotels in a passive position in the cooperative relationship. At the same time, the trend of platforms building their own hotel brands and interconnecting membership systems further blurs the boundaries between cooperation and competition, making traditional hotel management face a dual dilemma of “dependence and confrontation”. This article attempts to start from the perspective of hotel managers, deeply explore the complex competitive and cooperative relationship between hotels and OTA platforms, and think about how hotels can break through in the highly dependent traffic environment, find new paths of collaboration through technological empowerment, and thus establish a sustainable symbiotic ecosystem.

Keywords: Online travel agency, Service standardization, Customer data.

1. Introduction

Online travel agency platform. OTA platform refers to a third-party platform that provides tourism products and services through the Internet. It offers users various tourism-related products such as air tickets, hotels, car rentals, tickets, and vacation packages,

and completes payment and confirmation through online transactions[1].

In daily life, OTA platforms have become the primary entry point for consumers' travel decisions. Users not only book hotels through OTA, but also rely on it to obtain destination information, compare prices, read reviews, and make comprehensive reservations

for air tickets, scenic spot tickets, and vacation packages. For consumers, OTA represents convenience, transparency, and diverse choices; for the industry, OTA has gradually become an important force in reshaping the logic of hotel management and travel consumption patterns. The user evaluation system of OTA plays an important role in providing feedback on hotel service quality, thereby indirectly promoting standardized management. At the same time, the big data analysis and intelligent recommendation technologies of the platform also provide support for hotels in precise marketing, revenue optimization, and customer traffic management[2].

2. How OTA platforms are transforming hotel management models

2.1 Channel revolution and the transfer of pricing power

The rise of OTA platforms has brought about profound changes in hotel channel management, with traditional pricing power gradually shifting towards the platforms. OTAs monopolize over 60% of the online booking market. According to Ctrip's sustainability report 2024, only Ctrip alone accounted for 54.7% of the online booking market transaction volume. The bargaining power of hotels has been weakened. For instance, Huazhu Group's net profit for the entire year of 2024 was only 3.048 billion yuan, while its largest partner Ctrip had 5.5 billion yuan in accommodation revenue in 2024. Hotels, while relying on OTAs to obtain traffic, also have to accept the price mechanism dominated by the platforms. This transfer of pricing power forces hotels to re-examine their channel structure and revenue management model. Some hotels hope to optimize the direct sales channels, enhance customer loyalty, and reduce their excessive reliance on OTAs. At the same time, they can leverage big data analysis to precisely target market demands and implement dynamic pricing strategies. For example, according to the industry report released by ReviewPro from 2022 to 2024, the high-end hotel Pure Salt Luxury Hotels from Spain achieved transformation through this method. Their past and travel agency business dropped to 22%, the OTA share was controlled at 49%, the online direct sales increased from 10% to 17%, and the average room rate increased by 40% during this period, demonstrating the synergistic effect of direct sales and pricing optimization. This approach not only improves operational efficiency but also provides more bargaining space for cooperation between hotels and OTAs, further promoting the transformation and upgrading of hotel management models.

2.2 The double-edged sword of service stan-

dardization

The user evaluation system of the OTA platform has served as the "quality supervisor" for hotels for many years. The quality of the evaluation system directly determines the first impression of a hotel's reputation. This also makes the service standards of hotels be corrected based on user feedback. Different hotel brands will also refer to the standards and services of other competitors, promoting the standardization and homogenization of hotel services. On one hand, standardized services enhance the consistency of consumers' expectations for hotel quality, making users more trusting of the hotel's services, and also promoting the improvement of service quality in the entire industry[3]. For instance, the Hyatt hotel group requires that its sub-brands should have unified services. On the other hand, excessive pursuit of standardization may lead to the loss of distinctive services in hotels, reducing the brand recognition of the hotels and lowering the uniqueness and competitiveness of the hotel brands. According to the research by Hotelmogel.com, different sub-brands under the Hyatt brand, such as Park Hyatt and Grand Hyatt, lack significant differences in consumers' minds, resulting in a decrease in brand value and intensifying the phenomenon of standardization. Hotels can utilize OTA data to optimize service processes, but if hotel management adopts a one-size-fits-all approach, the hotel itself will find it difficult to form its own characteristics and lose many development opportunities. Hotels should find a balance between standardization and individualization, being able to optimize service processes by leveraging OTA data while avoiding falling into the trap of homogeneous competition. By segmenting market demands, they should design differentiated service contents for different customer groups.

2.3 The absence of hotel data sovereignty: Data barriers and traffic hijacking

Although OTA platforms bring a large number of orders and user traffic to hotels, most of the user data is controlled by the platforms. Hotels can only obtain superficial information such as the names and contact details of the guests from the order side, but they cannot obtain deep-level data such as the complete user profile, the booking behavior path, and the reasons for customer churn[4]. This phenomenon puts hotels and customers at a great disadvantage in terms of relationship building, rapid commercial marketing, and product updates. It makes it difficult for hotels to adjust service content based on customers' preferences and to effectively identify high-value customers and provide targeted experiences, making it hard to increase customer loyalty.[5] Moreover, due to the lack of customer behavior data, hotels cannot understand the actual preferences and service habits of different

groups of customers through data, making it difficult to precisely meet the needs of different groups of customers in marketing and services. If hotels attempt to become data-driven, they will lose the traffic provided by OTA platforms and cannot obtain a large amount of user data, further exacerbating the limitations of hotels in data application[6]. According to a report released by the consulting agency Phocuswright in 2022, 70% of the hotel managers surveyed believe that the control of user data by OTA has limited their ability to establish effective customer relationship management and precise marketing.

3. Breakthrough strategies in hotel management: from passive dependence to active collaboration

3.1 Brand value reinvention: Beyond hotel function

In the increasingly competitive hotel industry, the value of a hotel is no longer merely a building that provides accommodation services; it should be a venue that enables deeper cultural connotations and emotional connections with its brand. Hotel brands should create an irreplaceable brand experience through unique design concepts, integration of local cultural characteristics, and provision of personalized services, thereby establishing a unique perception and emotional identification in the minds of consumers[7]. For instance, the Hoshinoya brand in Japan combines traditional Japanese aesthetics with modern luxury to create a unique brand experience. Another example is the Venetian hotel under the MGM Resorts Group in Macau, which integrates the leisure and comfort of the city with the modern fast pace. Consumers are not merely booking a room; they are booking a cultural experience and a lifestyle. This redefinition of brand value not only deepens the relationship between the hotel and its customers but also enhances their loyalty to the brand. By creating brand experiences with cultural depth and emotional connection, hotels can stand out in the fierce market competition.

3.2 Brand value reinvention: Beyond hotel function

For a long time, the competition between hotels and OTA platforms has led to the non-transparency of their respective systems and increased their independence, preventing customers from enjoying complete consumption rights on a single platform. The common phenomenon is that a customer has different OTA memberships and hotel group memberships. This fragmented membership system not only reduces the customer's consumption experience and enthusiasm, but also makes customers feel cumbersome

and inconvenient during the service experience, causing them to become more scattered[8]. In this context, the interconnection of memberships can not only create a win-win situation for both hotels and platforms, but also provide customers with a more complete service experience. The annual reports of Ctrip and Huazhu indicate that both parties have previously interchanged their membership systems. Huazhu Group and Ctrip once jointly launched the project of "Ctrip Member Points Redeeming Huazhu Member Points", allowing Ctrip users to convert some Ctrip points into Huazhu member points for consumption at Huazhu's affiliated hotels. This cooperation increased the direct sales ratio of Huazhu Group in the short term and also provided Huazhu Group with more user traffic and complete user data, enabling it to optimize its marketing and services.

3.3 Hotel channel operation: Assistance in positioning through OTA

If a hotel wants to break free from its reliance and achieve a breakthrough, it should gradually reduce its reliance on OTA in the multi-channel operation. It should position OTA as an auxiliary channel rather than a core one, maintaining a balanced cooperative relationship between the two parties without favoring either side. The cooperation between the two parties should have clear role positioning and division of labor to ensure that the OTA platform plays a supplementary role in brand marketing and traffic acquisition, rather than having a dominant position. At the same time, the hotel should strengthen the construction of its own direct sales channels, such as e-commerce channels, official websites, and mini-programs[9]. Each of these sales channels should have a clear sales positioning and goals. By optimizing the user experience and service quality of these channels and leveraging the traffic assistance of the OTA platform, the hotel can achieve diversified acquisition of traffic and reduce the risk of relying on the platform[10]. For instance, the renowned Accor hotel group has taken the lead in setting an example. They firmly positioned OTA platforms as their auxiliary partners. Moreover, in order to optimize the user experience and service quality of their own channels, they proposed the ALL (Accor Live Limitless) concept, transforming themselves into a lifestyle platform integrating dining, entertainment, and consumption. By integrating the customer traffic brought by OTA into their own ecosystem, the success of Accor hotel group in terms of membership scale and marketing investment has been widely reported in the industry as a key decision to reduce reliance on OTA platforms.

4. Future trends: Technology empowerment and ecological competition and

cooperation

4.1 The boundaries and opportunities of data sharing

There has always been a problem of ambiguous boundaries in data sharing between OTA platforms and hotels. Issues such as data ownership, usage rights, and privacy protection have hindered in-depth cooperation between the two parties. In today's highly data-driven era, it is no longer an unrealistic expectation that the two parties can achieve secure data exchange. By establishing a transparent and compliant data sharing mechanism, hotels and OTA platforms can share key data such as consumption behavior, preferences, and service feedback under the authorization of users[11]. This sharing not only helps both parties accurately grasp user needs and improve the level of customized services, but also provides stronger data support for the hotel's direct sales channels. However, attention must also be paid to the issue of data leakage. BBC once reported that Marriott Hotel Group leaked as many as 500 million user data during the period from 2018 to 2020, which not only severely damaged the brand reputation of the hotel itself but also greatly undermined consumers' trust in the platform. It is particularly important for the platform and hotels to establish a complete and secure data interconnection system, so as to achieve a win-win situation for both parties while protecting user privacy. In the current highly competitive data-driven environment, the cooperation between hotels and OTA platforms is no longer just about complementary traffic and channels, but also about the synergy of data and technology.

4.2 New opportunities for the joint development of AI

The current trend is rapidly advancing in the field of AI, which has injected new vitality into the hotel industry. By leveraging AI technology, the hotel industry can achieve more efficient and intelligent operations management, while providing personalized services and enhancing customer experience. With the application of AI and automation tools in hotel scenarios, such as intelligent check-in counters, voice assistants, and personalized recommendation systems, hotels can improve efficiency while optimizing customer experience[12]. At the same time, AI can be used to actively collect customer information, enabling hotels to launch better experiences. For OTA platforms, they can obtain better customer data through AI, thereby accurately analyzing user behaviors and preferences and implementing more efficient marketing strategies. Both parties can jointly utilize AI technology to promote deep connections between hotels and consumers, achieving

mutual and favorable development. For hotels, leveraging platform traffic is merely the first step in attracting customers. What truly retains customers is long-term high-quality service and unique experiences. Through AI cooperation, it has also enlightened the hotel industry that it needs to center on customer service and build a complete synergy system of traffic and services. By combining the development advantages of the Internet with the service essence of traditional hotels, it is possible to secure a place in the fierce market competition.

4.3 A new model for jointly building an ecosystem by both parties

In the future, hotels will no longer merely be "customers" or "merchants" for OTAs. Instead, they will become "collaborators" or even "co-builders" within the platform ecosystem. Through methods such as AI, deep technology interfaces, joint marketing cooperation, and data co-construction, they will explore win-win new models. For instance, they can jointly build a data middle platform with OTAs to achieve shared user insights, and through technical APIs integration, realize dynamic coordination of inventory/prices, explore joint membership systems, and enhance user retention and loyalty. With the application of AI technologies and automation tools in the hotel industry, such as intelligent check-in systems, voice assistants, and personalized recommendation systems, hotels can improve efficiency while optimizing customer experience[13]. At the same time, they can use AI to actively collect customer information to help the hotel offer better experiences. In the future, the hotel industry should actively embrace digital transformation while adhering to the service essence, strengthening user loyalty, and building a healthy and sustainable ecosystem[14].

5. Conclusion

In conclusion, the relationship between hotels and OTA platforms is evolving from a simple partnership to a deeply integrated ecological co-construction. The cooperation model between hotels and OTA platforms is undergoing profound changes. OTA platforms are no longer merely providers of traffic; they have become hotel partners. Hotels need to base themselves on brand assets, connect through member value, and innovate through scenarios. They should incorporate OTA into the ecological collaboration system to achieve a closed loop of "attracting traffic - providing experiences - achieving accumulation". "OTA is like a river, and hotels are like boats - riding the current to gain momentum for long-distance travel, but the helmsman is always on the boat." [15] This statement vividly reveals the essence of the relationship between hotels and OTA. As the main force in the industry, hotels always

hold the direction and core competitiveness of their own development, while OTA platforms are like rivers, providing channels and impetus to access broader markets. Only when hotels continuously improve in brand building, service quality, and innovative experiences can they truly harness the power of the river of traffic and achieve long-term navigation.

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