

## Travelport reveals revenue opportunities for independent properties

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New research co-sponsored with Phocuswright and h2c outlines how independent properties can grow revenues and maintain pace of innovation



Travelport (NYSE:TVPT), a leading Travel Commerce Platform, has today released new research revealing opportunities for independent hotel properties in Europe and the US. Although gross bookings for independent properties are rising, independents have the opportunity to further increase their revenues by optimizing available booking and retailing technology and maximizing return on marketing spend.

The research released by Travelport as part of a co-sponsored study with Phocuswright and h2c,<sup>1</sup> details that independent properties in Europe are expecting modest (2.4%) growth in gross bookings for the remainder of the year, at which time gross bookings will reach €35.9 billion. Meanwhile gross bookings for independent properties in the US, which is traditionally a more chain hotel-focused region, are predicted to increase by 7.2%, reaching a total of \$40.7 billion.

The results outline a shift in the independent property sector towards better use of search and booking technology in order for independents to compete with global chains and solve increasing cost of distribution. In Europe, the research found that 50% of independent properties have an Internet Booking Engine (IBE) while many in the US use Property Management Systems (50%). The research also shows that independents are starting to invest in more sophisticated systems such as Channel Managers to help them efficiently manage the different online distribution channels that their property sells through. Less than 39% of

independent hotels in Europe and the US (21%) currently use Channel Managers, presenting a significant opportunity for them to better control inventory distribution using these tools.

Niklas Andréen, SVP of Hospitality and Digital Media for Travelport, commented: “Business travelers are a lucrative sector for independent hotels as they typically spend more per stay and return more often and therefore the ability to connect to these valuable consumers as well as being able to distribute corporate negotiated rates for them has been a challenge for independent properties. Travelport has been very focused for the past couple of years on addressing the needs of independent hotels and with over 550,000 independent hotels now available on our platform, this opens up the opportunity for independents to reach a global travel agency audience that service business travelers on a daily basis.”

The study also indicates that independents can gain significant advantage by investing in online marketing. In both Europe and the US, over 70% of hotel marketing spend is already made online and this number is predicted to increase. In Europe, nearly three quarters (73%) of marketing spend is made online for all independent properties and in the US, independents devote 71% of marketing spend to online channels with expectations to increase this proportion in 2015, to 74%. However, the cost of online marketing remains a top concern for independent properties as they try to balance multiple distribution channels available which suggests new opportunities for independents to use third party partners.

Andréen commented: “What’s exciting is that independent properties are increasing marketing spend on online channels in both Europe and the US however the crucial part is ensuring these channels drive incremental bookings. Travelport enables independents to advertise directly to travel bookers at the time of booking; the best time for travel agents to receive a promotional message,<sup>2</sup> through its proven, cost-effective Digital Media solutions. We are committed to supporting hoteliers reach a global travel agency audience by delivering better visibility as well as targeted sales and promotional messages.”

1. Phocuswright and h2c’s Independent Lodging Market: Marketing, Distribution and Technology Strategies For Non-Branded Properties

2. TravelClick and Phoenix Marketing International: 2015 Global Travel Agent GDS Study

## About Travelport

Travelport is the technology company which makes the experience of buying and managing travel continually better. It operates a travel commerce platform providing distribution, technology, payment and other solutions for the global travel and tourism industry. The company facilitates travel commerce by connecting the world’s leading travel providers with online and offline travel buyers in a proprietary business-to-business (B2B) travel platform.

Travelport has a leading position in airline merchandising, hotel content and distribution, car rental, mobile commerce and B2B payment solutions. The company also provides IT services to airlines, such as shopping, ticketing, departure control and other solutions. With net revenue of over \$2.5 billion in 2018, Travelport is headquartered in Langley, U.K., has over 3,700 employees and is represented in approximately 180 countries and territories.

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