It might not be a fairy tale, but are we about to see a new plotline in the Direct Vs indirect story?

Submitted by patricia on Fri, 22/12/2017 - 09:57

We all know that the direct Vs indirect debate will never have a fairy tale ending for either the hotels or the intermediaries. But nonetheless this plotline is continually evolving and always introducing new characters, both heroes and villains. Maybe this time we are about to witness a different ending?

One thing hasn't changed though: watching the various interested parties debate this live makes for great entertainment. Delegates at last month's Phocuswright got a taste of this when our own Joan Vilà took to the stage for the 'Accomodation Upended' debate – hosted by Phocuswright's Lorraine Sileo and accompanied by Patrick Bosworth from Duetto, Sam Shank from HotelTonight, and Tammy Peter from Wyndham. To watch the full video click here.

It seems certain that we are about to see the entrance of two new characters onto the stage. When the panelists were asked who poses more of a threat as a potential distribution channel in the future, Facebook or Amazon, the result was three to one in Amazon's favour (or against, depending upon how you interpret that!).

Whichever poses the greater threat, the reality it would seem is that both have enormous potential to transform travel. Facebook is omnipresent and has huge ability to influence us all; and Amazon´s big data analytics enables them to understand and predict all our needs. What hotel chain doesn´t need both of these qualities as part of their storyline?

Remarkably one of the biggest new controversial stars of the travel industry, Airbnb, doesn't seem to be eclipsing what many consider the biggest threat: Expedia. All four panelists felt that Expedia still poses a greater threat to hotels than Airbnb, despite all of the concerns (and endless column inches) about the revolutionary impact of the Airbnb threat to hotels.

Despite the push that hotels have made in the last few years to gain more sales in the direct channel, with campaigns such as Hilton's 'Stop clicking around', the average proportion of direct sales has remained for decades roughly stable at around 50%. Hotels have been unsuccessful in persuading travelers to download their apps compared to the online travel agencies (OTAs) – according to Joan with the latter outstripping the former by a rate of five to one.

This might be because perhaps the biggest actor to enter the direct Vs indirect plotline has gone unnoticed by many: the traveler. Modern audiences are used to multi-channel access for everything and want the same for their hotel content. If this were a fairy tale, convenience and the consumer would arguably be the King & Queen and it is just possible that they might live happily ever after.

Thumb image

