

Why should tourist destinations analyse OTA rates and saturation?



Why is the trend in rates and the saturation of hotels and short-term rentals on OTAs (online travel agencies) important for a tourist destination? What are the benefits of consistently

monitoring this information in real-time?

In this blog, we're exploring why tourist destinations should closely monitor the supply and demand dynamics of local accommodations to:

- Anticipate market trends
- Understand traveller behaviour and price sensitivity
- Assess the penetration of OTAs in the area
- Make informed strategic decisions
- Improve the experience for both visitors and residents
- Assist local operators in creating a consistent and effective offering

Finally, we'll share some exclusive tips on how to leverage this information for your destination.



How can you access comprehensive data on hotels and short-term rentals in a destination?

Accessing detailed information about hotels and short-term rentals in a region can be challenging, requiring specialised and reliable tools.

That's why our platform, [D / AI Destinations](#), designed for destination marketing and management, includes the essential OTA Focus

module. This feature allows real-time tracking and maintains a consolidated history of all aspects of hotel and private accommodation offerings on major online portals.

The module allows you to view all relevant information on a single screen, including:

- Minimum, average, and maximum rates for each day
- OTA saturation, indicating daily occupancy levels recorded by the portals
- Aggregated or separate analysis of hospitality (hotels, B&Bs, agritourism structures, etc.) and short-term rentals (rooms, apartments, vacation homes)
- Historical data available from 2019 and future data up to 12 months ahead
- Data displayed on a map
- Data available on a daily, weekly, and monthly basis
- Temporal comparisons or comparisons with other regions

Using the OTA Focus module, we'll now take a closer look at how to effectively leverage this information for your destination.

Impact of OTAs: What role do online travel platforms play in the tourism of your destination?

OTA saturation provides an accurate and up-to-date estimate of the current occupancy levels in your destination on major OTAs like Expedia and Booking. This estimate is calculated by analysing publicly available data from these online distribution channels.

In short, OTA saturation helps you understand the extent to which online travel agencies dominate the accommodation booking market in your area.

A high saturation level indicates that most bookings are made through these agencies. Meanwhile, low saturation means that bookings are more

evenly distributed among various sources, such as hotel websites or reservations made via email or phone.

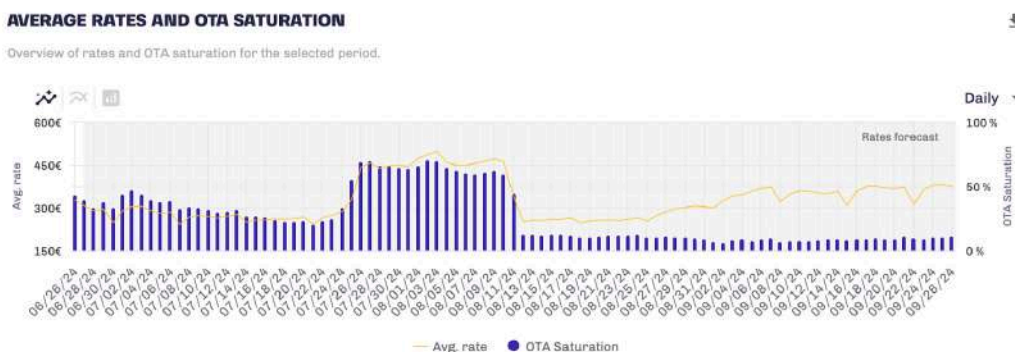
Recently, our team released a new model for calculating OTA saturation.

This model is an essential tool for understanding the extent to which OTAs dominate the hotel booking market, providing key data for managing your destination.

Filter the period you wish to examine, project into the future by selecting the next 30 days, three months, six months, or even twelve months. Alternatively, set customised intervals to focus on periods relevant to your analysis.

This allows you to gain a medium and long-term view of trends and data related to bookings and OTA performance.

For example, here you can see the fluctuation in saturation and rates for the summer months in Paris, coinciding with the [Olympic Games](#).



You can also compare current trends with past data. However, it's important to keep in mind that while today's data about the future is constantly evolving and can change from day to day, past data is consolidated and definitive.

This means that to obtain a 100% reliable comparison, you will need to wait for the days following the dates that interest you.

What are the advantages of knowing the saturation of properties on portals?

- **Understand the influence of OTAs in your destination:**
Gaining insight into the level of intermediation among destination properties provides valuable information about the market and its operators.
Some destinations heavily rely on intermediaries, with a significant portion of accommodations sold through OTAs.

For example, lesser-known or neighbouring destinations often list their properties on OTAs to boost visibility, initially offering lower rates that may increase once the main destination is fully booked.

However, there are also destinations where most properties achieve excellent results through direct sales, reducing their reliance on OTAs.

While OTAs provide enhanced visibility for all types of accommodations in your area, reaching a broader audience, they also introduce challenges. Heavy reliance on OTAs may lead to increased booking commissions and reduced customer loyalty among local stakeholders, potentially resulting in lower customer satisfaction and overcrowding in well-established destinations.

- **Anticipate market trends to optimise marketing activities:** Understanding OTA saturation provides a strategic advantage by offering insights into market dynamics. Monitoring these data in real-time allows for quick responses to sudden market changes, such as special events, economic shifts, or other external circumstances that may impact tourism demand. During periods of low occupancy or when saturation indicates available spaces, targeted marketing strategies like special offers or last-minute promotions can be implemented to further stimulate demand.
- **Enhance the tourist experience:** Anticipating when and how tourists visit a destination can help improve the overall experience by optimising services and infrastructure to accommodate visitors during peak times.
- **Measure the impact of events:** Tracking saturation trends is a valuable method to assess the popularity of trade shows, conferences, concerts, and other events. Using this tool, destinations often uncover the significant growth of specific events, highlighting potential opportunities for worthwhile investments.

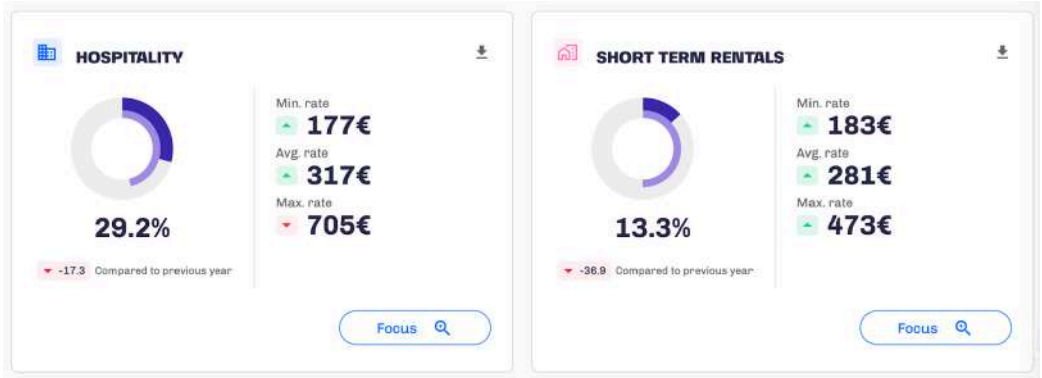


The benefits of understanding OTA rates and market trends

Data on average OTA rates, including minimum and maximum prices, along with the percentage change compared to the previous year, are invaluable tools for **gaining a comprehensive overview of price dynamics in the destination.**

Performing a comparative analysis of OTA rates and market trends equips local tour operators and accommodation managers with the insights necessary to make informed decisions regarding revenue and sales.

Comparing the performance between hotels and short-term rentals also provides valuable insights into understanding market trends and traveller preferences.



With D/AI Destinations, you can go a step further by comparing rate trends with those of your competitors or benchmark destinations, aligning with growth objectives within the platform.

AVERAGE RATES AND OTA SATURATION

Overview of rates and OTA saturation for the selected period.



What are the benefits of understanding OTA rate trends?

- **Assessing the attractiveness of the destination and tourist pressure:** In addition to saturation data, rates serve as a barometer for market behaviour. They indicate whether there is high demand expected in the upcoming months and how much tourists are willing to pay for accommodations.
- **Supporting local stakeholders in revenue strategies:** As always, data should guide the decisions of destinations and their operators.

Here's a practical example: in February 2024, leading up to the Summer Olympics in Paris, OTA rates for accommodations were already showing significant increases compared to the previous year. The Tourism Councillor delivered a straightforward public message: setting prices too high could result in vacancies as tourists may choose neighbouring countries instead, potentially missing out on growth opportunities. As a result, rates were subsequently adjusted downward in the following months, resulting in significantly higher occupancy compared to the previous year.

- **Planning targeted promotional campaigns and increasing the overall profitability of your destination:** Understanding spending capacity and booking preferences of users, along with other behavioural data, can guide broad-spectrum destination marketing decisions.

Rate data also assists in evaluating the effectiveness of activated offers and advertisements. Adjustments can be made as necessary to support local stakeholders in improving the performance of their properties.

- **Last-minute bookings:** Analyse last-minute rates to make informed decisions, manage accommodation saturation situations, and maximise booking opportunities for your operators.

^



4 best practices for maximising OTA data

OTA rates and saturation are invaluable for assessing destination performance in real-time.

Here are some useful tips to effectively leverage this data for the benefit of the DMO and local stakeholders.

1. **Plan accommodation capacity and analyse current trends:**

Tracking saturation data over time helps identify seasonal or annual trends, allowing adjustments to the destination strategy accordingly. By estimating current saturation levels, you can anticipate peak periods and prepare your area for increased demand. This also optimises daily management of local services and infrastructure.

2. **Develop targeted marketing strategies:** When saturation indicates periods of low occupancy, you can assist local stakeholders in implementing focused marketing strategies such as special offers or last-minute promotions to further stimulate tourism demand.

3. **Promote tourism during low season:** By using saturation forecasts, you can proactively plan events, festivals, or specific experiences to attract visitors during off-peak periods or enhance the experience for those who have already

booked their stay. For example, if saturation data indicates low occupancy during a specific period, you can plan a special event or offer a unique experience to draw more visitors.

4. **Share information with stakeholders:** Send out a monthly bulletin or newsletter, or organise regular webinars, to share destination data, OTA saturation, and rates with hoteliers, operators, and tour operators. This approach stimulates collaboration and the development of more cohesive strategies to effectively promote the destination, aligning your goals with those of operators.

Interested in learning more? Explore D/AI Destinations.

[Request a free trial](#)