THE STATE OF DISTRIBUTION 2025

EDNA

NYU SCHOOL OF PROFESSIONAL STUDIES
Jonathan M. Tisch Center of Hospitality

HI Hub experiential learning lab

SCHOOL OF PROFESSIONAL STUDIES
Jonathan M. Tisch Center of Hospitality

The NYU School of Professional Studies Jonathan M. Tisch Center of Hospitality is a leading center for the study of hospitality, travel, and tourism. Founded in 1995, the Tisch Center was established in response to the growing need for hospitality and tourism undergraduate and graduate education. Its cutting-edge curricula attract bright, motivated students who seek to become leaders in their fields. The Tisch Center recently launched the Hospitality Innovation Hub (HI Hub) that will foster entrepreneurship and creative solutions for the industries it serves. The state-of-the-art facilities offer students, start-ups, established industry partners and investors opportunities to learn, discover, innovate, and invest. For more information about the NYU SPS Jonathan M. Tisch Center of Hospitality:

Visit: sps.nyu.edu/tisch.

HEDNA is a global community of hospitality professionals, technology providers, educators, and consultants passionate about elevating the role of distribution. Through influence, collaboration, and networking, we elevate careers, harness new business opportunities, and drive the business of hospitality forward, together. Through our global conferences, local networking events, and industry working groups, we help our stakeholders appreciate the nuances of today's technologies, gauge the impact of today's trends, and prepare for the challenges of tomorrow.

Learn more at: hedna.org.

Foreword

When we launched the inaugural State of Distribution report last year, it was to address a stubborn yet simple, industry-wide blind-spot: despite seismic shifts in guest behavior, technology, and introduction of new business models, hoteliers had no single, comprehensive benchmark that allowed them to plan their strategy for the next year . Last year, we made a first attempt in helping the industry understand where distribution teams were headed - however, the feedback from everywhere was resoundingly clear, distribution is more than connectivity.

For the last five years, as the hospitality industry looked at sourcing new talent, and embracing new technology, the commercial function started evolving to a new reality. Most commercial teams started integrating - revenue management, marketing and distribution to drive higher efficiencies and better outcomes.

So for our second edition, HEDNA, NYU School of Professional Studies Jonathan M. Tisch Center of Hospitality, and RateGain decided to widen our lens to cover all the commercial functions, hear from more hoteliers and provide deeper insights

For the 2025 edition we heard from700-plus hotel brands across 310 cities—representing more than 21,000 properties to speak for themselves, revealing precisely where their priorities, pain-points, and tech adoption diverge (and overlap).

The voice of hoteliers makes some findings very clear.

- **The insight deficit is real**
  - Four in five hotels still spend up to two full work days each week stitching reports together, starving teams of time for strategy.
  - Most reporting platforms focus on revenue management, forcing distribution and marketing teams to stitch data together manually, taking up valuable time in the decision making process.

- **Data-residency is increasing in importance, second only to ROI as a purchase driver:** Protection of guest data and its localization is a key factor in making technology decisions in regional chains. ROI matters only to large chains when vetting vendors.

- **Direct Channel Marketing Talent is in Demand:** Marketing teams are growing while dedicated distribution teams are contracting in mid-sized chains. This suggests more focus on improving direct bookings.

- **Surprisingly, technology spend is focusing on consolidation, not AI:** Large chains are attempting to cut tech spend by unifying systems. AI ranked last on the priority list.

- **Investing in AI tools is at the bottom of priority** for all hotels as fixing parity and ARI management continue to pose significant challenges, requiring manual efforts.

This report is intended to encourage discussion and to give distribution professionals insight and intelligence to consider when evaluating investment, talent, and strategies.

We are grateful to the commercial leaders who shared their data and to the consultants who pressure-tested our early findings. Your transparency and collaboration make this benchmark possible.

We hope you find this helpful. As an association, we are incredibly appreciative of our partners and contributors in this endeavor.

Chris Murdock
President,
HEDNA

What Will You Learn?

Survey Methodology

Why we ran the survey

The State of Distribution report is aimed to help hoteliers easily compare changes in the industry across different functions, hotel sizes, and property types. Our aim is to equip commercial teams with critical market information.

How we collected responses

The 2025 benchmark was built through a quarter-long, industry-wide collaboration. Between December 2024 and March 2025, a structured questionnaire was circulated to hotel companies around the world.

Survey Date: December 2024 – March 2025

This edition went beyond the boundaries of distribution to explore the priorities, challenges, and technology needs across various functions, including sales & marketing, distribution, and revenue management.

To ensure relevance, all respondents were asked to identify themselves as belonging to one of these three teams before entering the questionnaire, ensuring that questions were role and context-specific and that cross-function comparisons could be made later in the analysis.

Who Responded: 700+ Brands | 310 Cities | 21,000+ Properties

More than 700 brands—including independents, regional groups, and global chains—completed the survey, giving us a uniquely large and representative sample. This was further dissected across different regions and job functions.

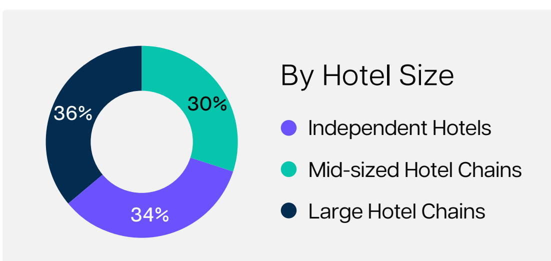

Figure 0.1: Distribution of Respondents by Hotel Size

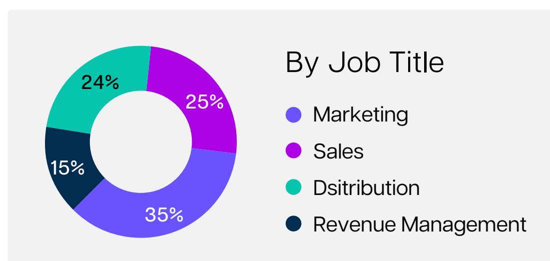

Figure 0.2: Distribution of Respondents by Job Title

Large International Hotel Chain: Larger than 100+ properties, with presence in multiple countries

Regional or Mid-size Hotel Chain: Below 100 properties, with presence in a few countries

Independent Hotel: Less than 7 properties concentrated within one country

How Answers Were Treated

The survey was anonymous, and each brand was represented with only one response to avoid a skew toward large chains (i.e., responses from different employees representing the same brand were removed from the final sample). Totals have been rounded to the nearest whole percent.

Chapter 1

Where and How Guests Are Booking

Greeley Koch

Managing Consultant
490 Consulting LLC & Mentor at
HI Hub Incubator of NYU Tisch Center of Hospitality

Despite years of talk about reducing distribution costs, hotels are still deeply reliant on traditional channels like GDS and OTAs, and their attempts to shift to direct channels through MarTech are falling short.

Chapter 1

Where and How Guests Are Booking

The Big Picture

To understand how the strategy across teams is changing, we need to understand which channels are driving bookings across different hotel types. Across the full survey window—December 2023 to November 2024—hoteliers report that bookings are split almost evenly between five core channels.

Figure 1.1: Channel-wise Split of Reservations

What It Means for Hoteliers

- Direct through digital marketing is on par with OTAs, driven by brand.com upgrades, metasearch connectivity, and loyalty.
- Voice bookings, while no longer dominant, remain a dependable channel for complex itineraries and upsell opportunities—particularly among older demographics and corporate assistants.
- GDS bookings hold steady, underscoring the resilience of managed travel - possibly boosted by bleisure trips taking advantage of negotiated rates and increasing stay lengths.

New Insight for 2025 : Revenue mix

When we asked hoteliers to tag the same booking data by traveler segment, four groups emerged almost neck-and-neck: Hotels that diversify across both transient and group business weather demand swings better.

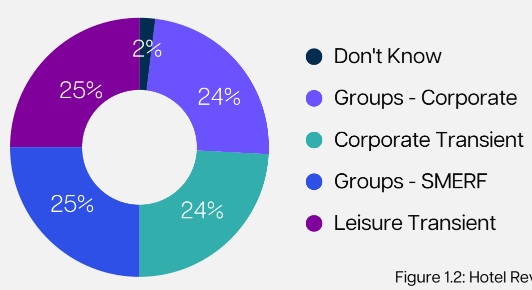

Figure 1.2: Hotel Revenue Mix

Chapter 2

What Technologies Do Hotels Use

Philippe Garnier

Owner

WPW Performance Consulting

"*Distribution technologies are essential but distribution is primarily about commercial relationships; this is why it's never a waste of time for distribution professionals to invest in partnership development and negotiation strategies.*

Chapter 2

What Technologies Do Hotels Use

Key Takeaways for 2025

Revenue stack first, everything else later. Whether you run 5,000 rooms or fifty, RMS and PMS remain the non-negotiables.

Marketing sophistication scales with resources. Large chains can afford enterprise-grade CDPs; independents rely on nimble paid-media tools and CRMs.

Analytics is everybody's blind spot. Vendors and investors have an opening: demystify data plumbing, bake insights into workflow, and the adoption curve will steepen.

Generative AI is still a test-bed. Expect experimentation to continue behind the scenes until clear labor-savings or merchandising wins emerge.

A Snapshot of 2025's Hotel Tech Stack

Hotels continue to invest in tools that safeguard revenue integrity and keep distribution optimized. In the 2025 survey, respondents across all brands and geographies placed the following solutions at the very top of their shopping list prioritizing technology that has an immediate, measurable impact on inventory, price, or conversion. The marketing technology spend continues to lag, yet marketing talent investment is on the rise.

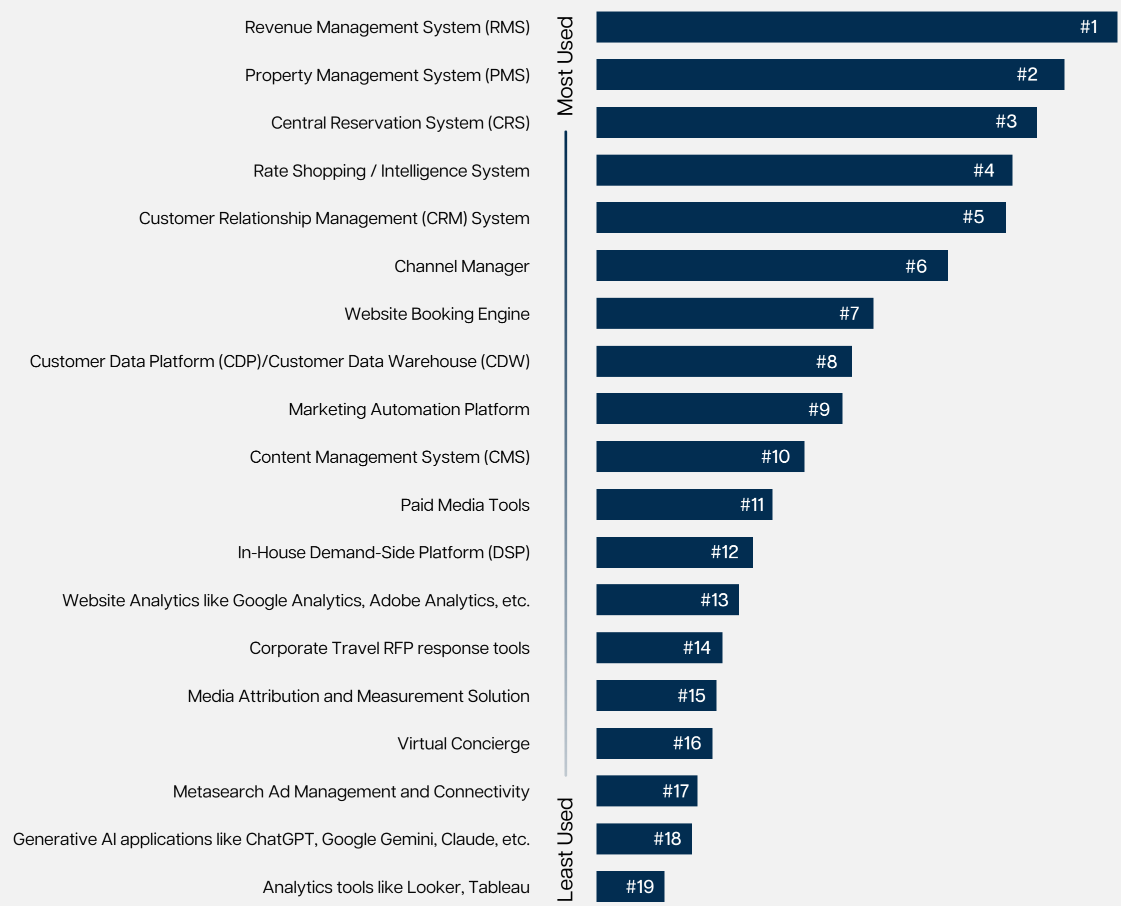

Figure 2.1: Global Hotel Technolgy Stack

[NEW IN 2025]

Data, Analytics, and AI: Still Last?

Despite the noise around big data and artificial intelligence, analytics platforms, and generative AI applications rank at the bottom in every hotel segment.

Several Factors Can Explain the Gap:

Talent & interpretation. Hoteliers cite a shortage of analysts who can translate dashboards into action.

Integration pain. Core systems still struggle to provide unified data into BI tools without expensive middleware or staff.

ROI skepticism. AI promises efficiency, but many operators cannot demonstrate a tangible lift.

Accuracy & regulations: Hotels are still concerned about the accuracy of AI tools. Data security and regulations further add to this challenge.

Budget triage. With capital flowing to “must-have” engines that capture bookings in real time, exploratory AI projects slip to the next fiscal year.

Size Matters—How Priorities Shift by Chain Scale

Large Hotel Chains

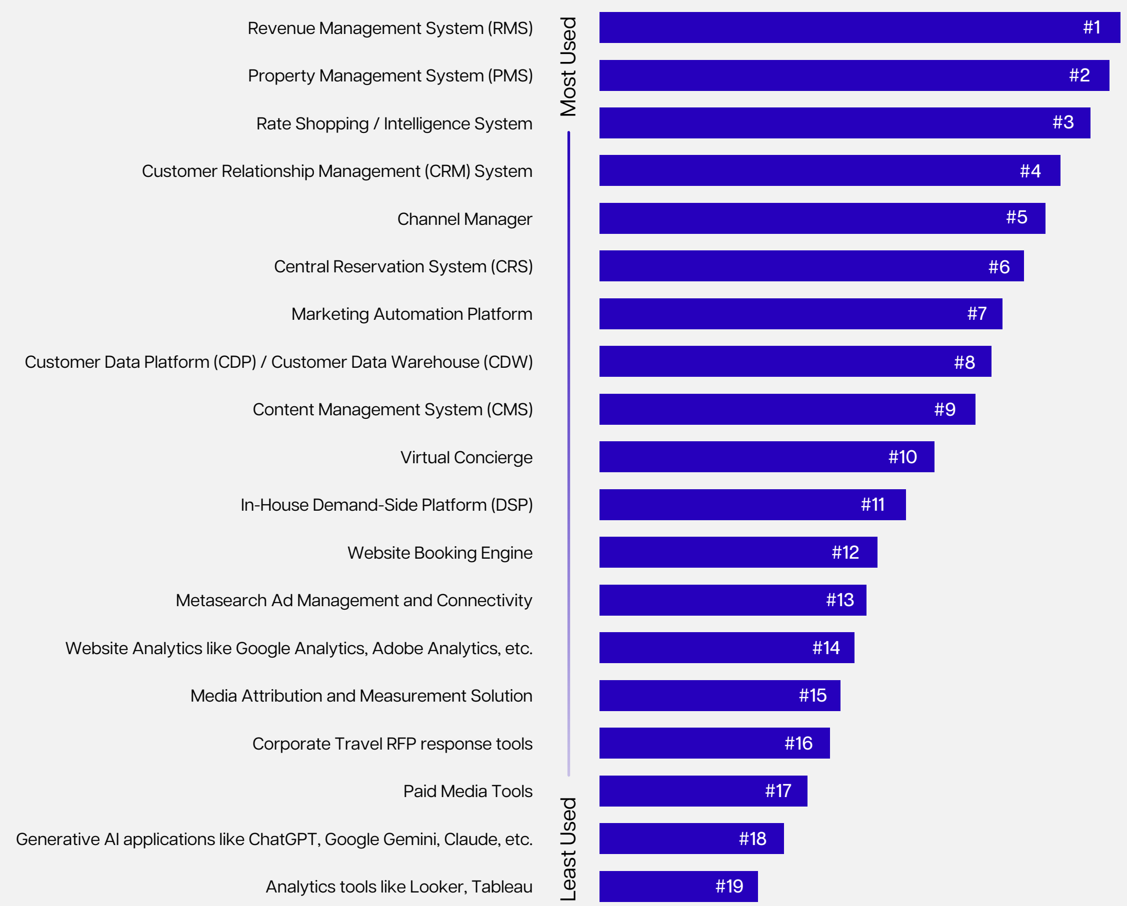

Figure 2.2: Hotel Technolgy Stack in Large Hotel Chains

Global brands remain revenue-science heavyweights. RMS, PMS, and finely granulated rate-intelligence tools dominate the stack. Large hotel chains have put a heavier emphasis on marketing automation as well as customer experience automation through increased use of virtual concierges - focusing on driving revenue generation through upsell and upgrades.

Also worth noting that due to brand loyalty programs, customer data platforms rank higher in investment as compared to other hotel categories.

Mid-sized Regional Chains

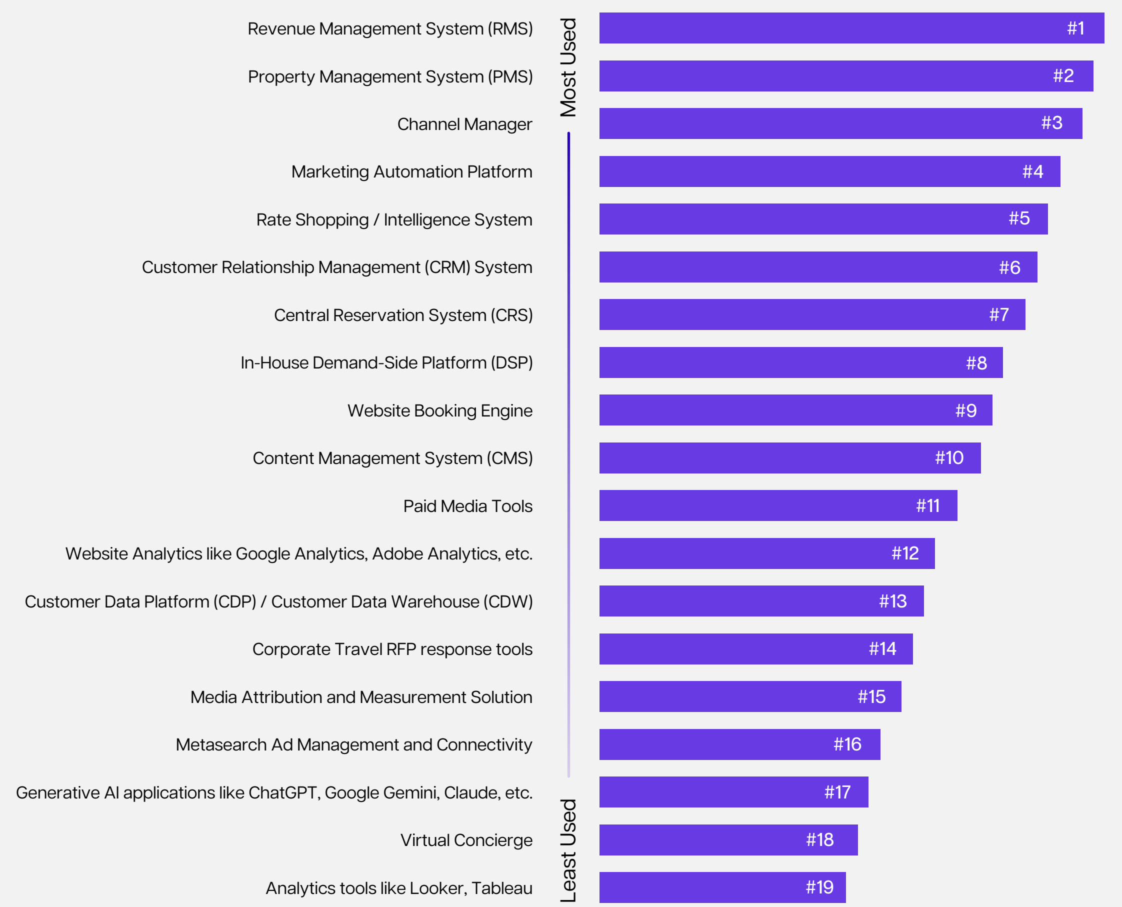

Figure 2.3: Hotel Technolgy Stack in Mid-sized Regional Chains

Regional groups tend to focus on marketing automation platforms to drive acquisition and retention in order to compete with large brands. They share upselling and upgrading strategy prioritization with their larger cohorts.

A contrasting insight is the low penetration of paid media tools and automated metasearch spend management. This is most likely attributed to these functions being outsourced.

Independent Hotels

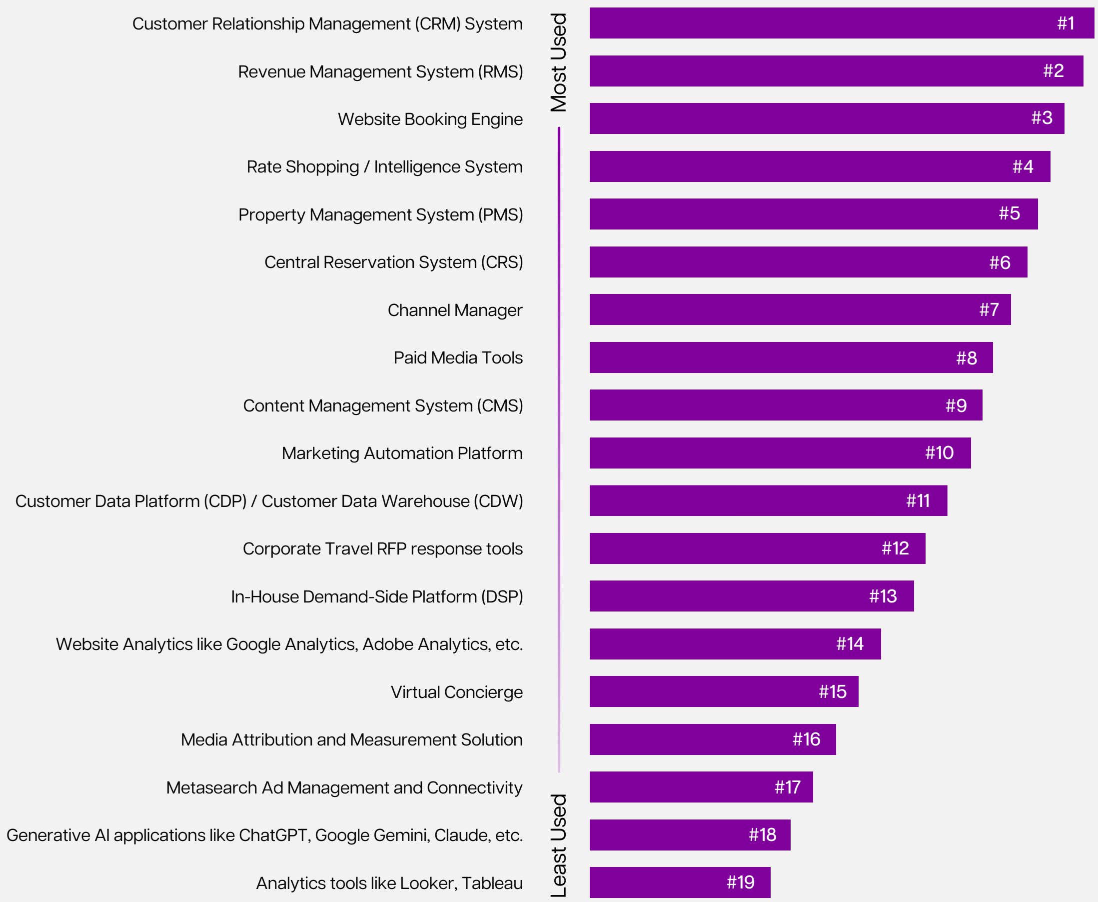

Figure 2.4: Hotel Technolgy Stack in Independent hotels

Without the big brand budgets of larger groups, Independents seemingly rely more heavily on CRM platforms. This underlines their need to nurture repeat business, most likely due to lack of brand loyalty programs. Website booking engines, paid-media tools, and content systems play outsized roles in an effort to curate direct-to-guest reach. Sophisticated analytics and generative AI remain a “nice-to-have” that hasn’t yet translated into a budget expenditure.

Chapter 3

How Hotels Make Technology Decisions

Anthony Gambini

Founder & CEO
Premiere Advisory Group

Many hoteliers still struggle to articulate how tech spend translates into measurable business outcomes, particularly at the ownership level.

Post-COVID, the imperative to do more with less has made it essential for hotels to evaluate and optimize their tech stack annually. Smart budgeting today is less about adding tools and more about consolidating, integrating, and supporting the right ones.

Chapter 3

How Hotels Make Technology Decisions

Key Takeaways for 2025

Marketing still commands the largest wallet share, but technology and education continue to rise—especially among independents playing catch-up.

Revenue-management teams grab the biggest budget bumps; distribution must win funds through consolidation and integration payoffs.

Data governance and interoperability now outrank classic ROI calculations, reflecting heightened compliance and security pressure.

Vendor service and ease of use sway decisions, particularly for independents that rely on outside expertise.

AI remains a low priority; hoteliers are waiting for clear, defensible proof before moving it up the list.

Where the Money Goes

Marketing remains king, technology is the engine room, and education is the conditioning plan—but the weighting changes with scale.

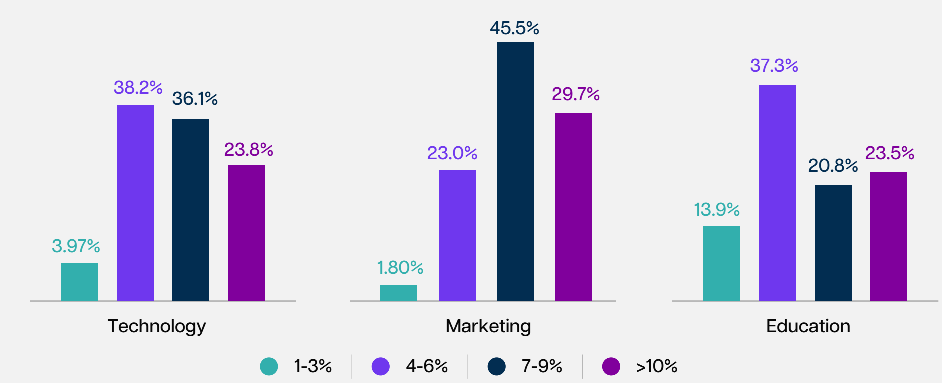

Figure 3.1: Percentage of Room Revenue Spent Globally

Large Hotel Chains

Large international chains direct the biggest slice to marketing focusing on brand loyalty and awareness, a near-equal share to technology, and the smallest—but still material—share to education and training.

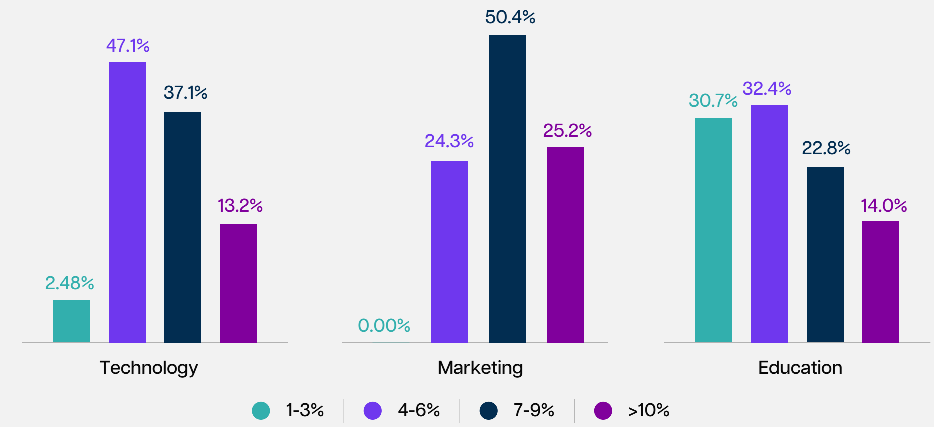

Figure 3.2: Percentage of Room Revenue Spent in Large Hotel Chains

Mid-size Regional Hotel Chains

Mid-size regional chains show a similar order as regional chains look at marketing investments to improve direct bookings and reduce costs, yet the gap between technology and education is narrower.

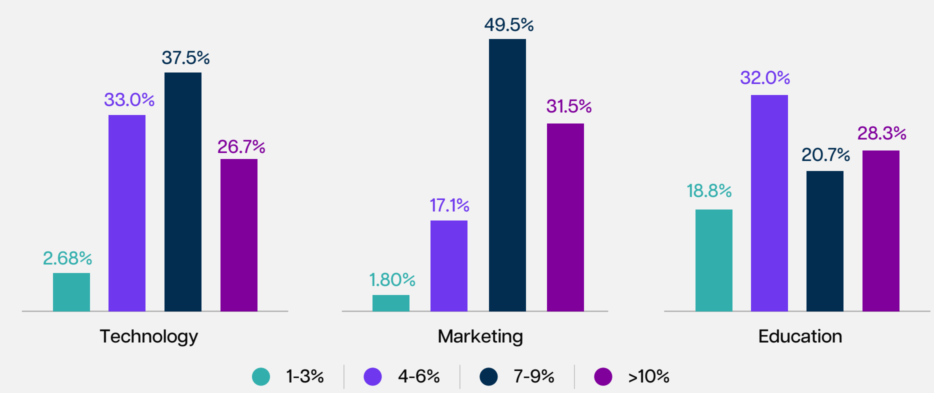

Figure 3.3: Percentage of Room Revenue Spent in Mid-sized Regional Hotel Chains

Independent Hotels

Independent hotels invest in marketing (relative to sales), keep technology in second place, and reserve the smallest share for education. In fact, only 37 percent of independents place education in the top spend tiers.

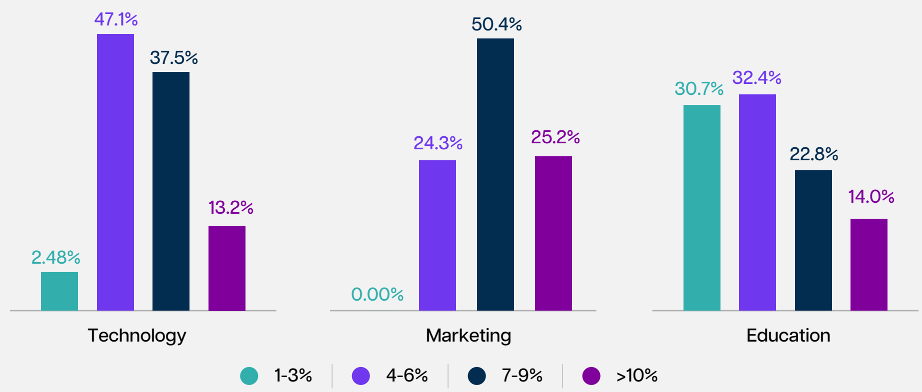

Figure 3.4: Percentage of Room Revenue Spent in Independent Hotels

How Tech Budgets Are Moving

> *While it appears tech budgets are contracting, the reality is more nuanced. With the shift to SaaS models and tech investments now spread across departments—commercial, operations, even HR—it's becoming harder to pinpoint what the true tech spend really is. What looks like a budget cut might actually be a decentralization of investment.*

Dan Wacksman
Founder & CEO at Sassato LLC

Across the full sample, technology budgets are inching upward. Most hotels are holding spend steady, roughly one-third have approved increases, and fewer than one in five report cuts—signalling cautious but genuine optimism heading into 2025

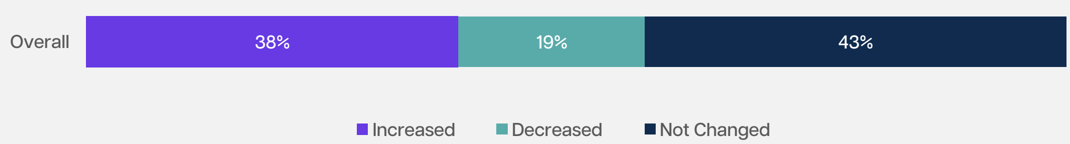

Figure 3.5: Change in Technology Budgets (2023 vs 2024)

By Hotel Size

1. Independents are beginning to invest more in technology to offset for smaller teams and to lower operational costs
2. Mid-size chains show the widest spread: a third trimmed spend, a fifth increased, and the rest held steady.
3. Most large chains kept budgets flat, with only one in four increasing.

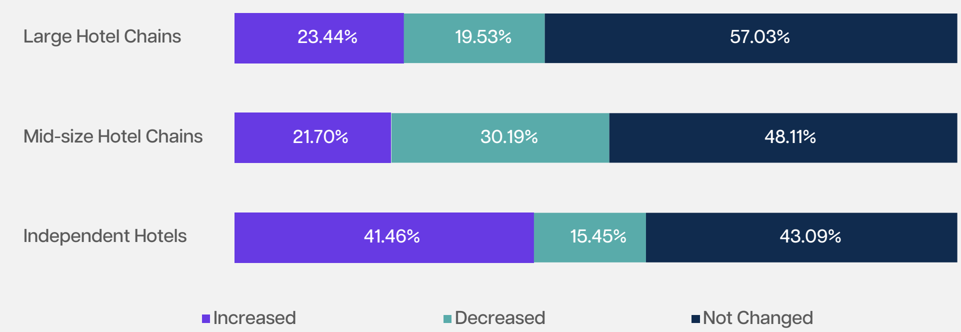

Figure 3.6: Change in Technology Budgets (2023 vs 2024) | By Hotel Size

By Commercial Function

Marketing and Revenue Management have either seen budgets stay flat or increase; and we're seeing a somewhat surprising reduction in distribution budgets.

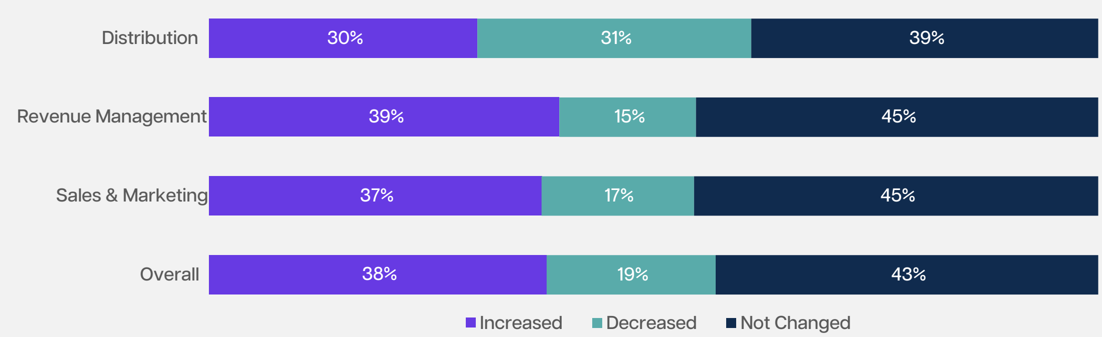

Figure 3.7: Change in Technology Budgets (2023 vs 2024) | By Commercial Function

Why Hotels Say They Need New Tech

Respondents point to five industry-wide pain points:

1. Guest experience management—reinforcing loyalty, personalization, and on-property satisfaction.
2. Rate and demand monitoring—closing parity gaps and reading market signals faster.
3. Online third-party distribution—maintaining OTA visibility while defending direct share.
4. Revenue maximization—turning dynamic pricing and total-revenue strategies into day-to-day practice.
5. Rising labor costs—using automation to do more with leaner teams

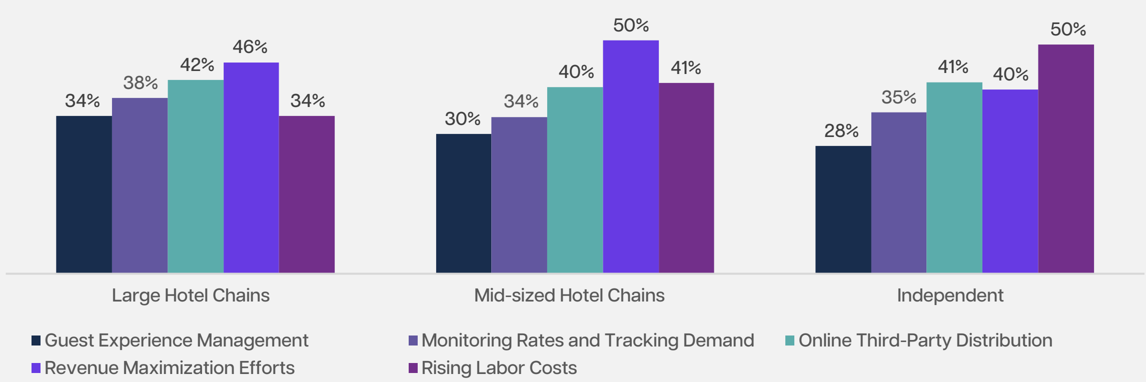

Figure 3.8: Need for technology investments

While the same five themes surface everywhere, their intensity shifts with scale:

1. Large chains place revenue maximization and third-party distribution control at the top of their list, a reflection of complex global channel mixes and owner expectations.
2. Mid-size chains also lead with revenue maximization, but rising labor costs and third-party distribution sit jst a few points behind, illustrating a balancing act between growth and cost containment.
3. Independent hotels view rising labor costs as the single most urgent driver, followed by heavy dependence on OTAs and the need to monitor rates more tightly.

Guest-experience initiatives finish lower for chains than independents but still land in the top tier for every segment, confirming that loyalty-driven personalization is now a universal mandate.

What Drives the Purchase Decision

At a glance: large brands still hinge decisions on tight integrations and demonstrable ROI, mid-size chains put compliant data flows first, and independents lean heavily on vendor hand-holding and usability.

Large Hotel Chains	Mid-sized Hotel Chains	Independent Hotels
Integrations with existing tech-stack	Data governance and residency	Level of support, training, and consulting
A clear ROI	Level of support, training, & consulting	Cloud Technology (vs. on-premises)
Data governance and residency	Improving team productivity	Improving team productivity
Cloud Technology (vs. on-premises)	Ease of use on desktop & mobile	Data governance and residency

Figure 3.9: Factors Impacting Hotel Technology Decisions | By Hotel Size

What are the Technical Investment Priorities

Highest Priority

1. Integrating disparate technologies used to focus on fewer vendors and reduce technology footprint
2. Adding new technologies
3. Capitalizing on and increasing the efficiencies of the existing technologies
4. Hiring talent that can deliver better results with existing technologies
5. Hiring talent within the industry with technology skills
6. Hiring talent outside the industry with technology skills
7. Investing in technology training for the team and improving productivity
8. Investing in AI Tools to improve team productivity

Lowest Priority

Figure 3.10: Technology Investment Priorities

Hotels may be awash with shiny new platform opportunities, but their spending plans reveal a notably pragmatic approach. Respondents effectively articulated a “fix, first; then, fill” philosophy, prioritizing integration of existing solutions over adding new technologies.

The next four rungs all revolve around people: hiring tech-savvy staff (inside or outside of the industry) and upskilling the current workforce. Only after those human capital pieces are addressed do hotels consider AI tools. In practice, leadership teams are signalling that automation without adoption is wasted; productivity gains depend on analysts who can interpret models and marketers who can operationalise insights. Executives are not sceptical of AI’s potential, but they are reluctant to replace machine-learning layers until data flows are reliable and staff can govern outputs. In short, optimisation outranks experimentation.

What this means for 2025 Budgets

Integration projects will capture the bulk of near-term capital, followed by selective module extensions. HR and L&D departments should expect a meaningful share of tech budgets, too—chiefly for cross-training distribution staff in data analysis and for attracting full-stack revenue technologists who can bridge IT and commercial strategy. Only a slim “innovation tranche” will be available for AI—and even those pilots will be judged on their ability to reinforce, not replace, foundational workflows.

By focusing first on tidying up and only then plugging obvious gaps, hotels are positioning themselves for a smoother, faster leap into advanced automation at the right time.

Buying Intent Mirrors (and Refines) the Priority List

HotelTechReport’s lead-generation data—tens of thousands of solution requests placed by hoteliers over the calendar years 2023 and 2024—offers a rare, behavior-driven “reality check” on the survey-based ranking we presented earlier in this chapter. **Source: HotelTechReport Database*

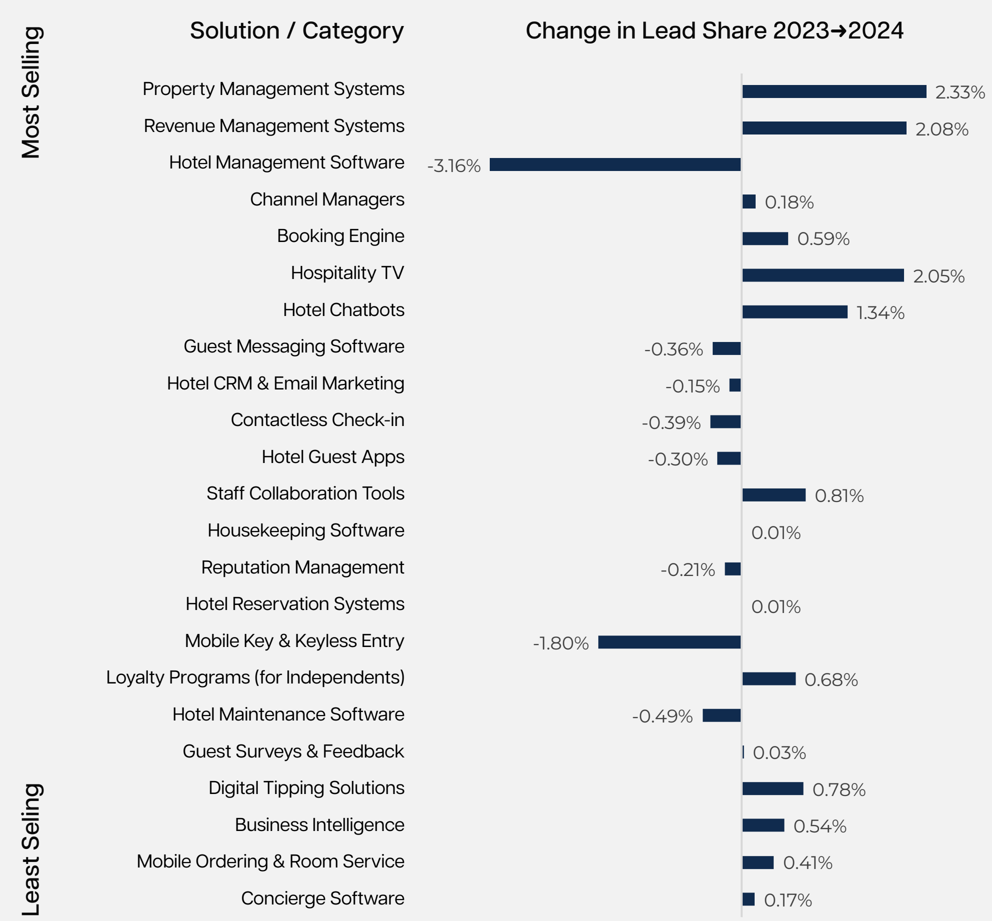

Figure 3.11: Year-on-year Change in Lead Share for Hotel Technology Solutions | Source: HotelTechReport

Across all property types, the biggest year-on-year jumps belong to the “backbone” platforms: property-management systems (+2.3 % of total lead share) and revenue-management systems (+2.1 %). These gains echo our findings that hoteliers are funnelling budget toward tools that unify data and optimise pricing rather than experimental add-ons.

A handful of point solutions—hospitality TV (+2.0 %) and hotel chat-bots (+1.3 %)—also climbed, suggesting that guest-facing tech that plugs cleanly into the core stack is on the radar.

Conversely, demand for all-in-one hotel-management software (legacy desktop suites that bundle PMS, POS and accounting) fell the most (-3.2 %), while mobile keyless entry (-1.8 %) and guest-messaging apps slipped slightly. In short, platforms that replicate existing workflows without adding fresh data leverage are losing ground.

Chapter 4

What Hotel Commercial Teams Are Struggling With Today

Greeley Koch

Managing Consultant
490 Consulting LLC & Mentor at HI Hub Incubator
of NYU Tisch Center of Hospitality

The challenge of loading and auditing corporate negotiated rates into GDS and other systems remains a longstanding inefficiency-one that frustrates not just hotels, but also the corporations and TMCs trying to book those rates. New technologies haven't improved this nearly enough

Chapter 4

What Hotel Commercial Teams Are Struggling With Today

Key Takeaways for 2025

- **Two challenges surface everywhere:** tracking demand signals and understanding new channels. Without clean intent data, both marketing and distribution fly half-blind.
- **Data governance eclipses budget pressure.** Consolidating and analysing multi-vendor feeds is a top-two complaint for revenue and distribution teams alike.
- **API upkeep is a silent cost centre.** Around two-thirds of hotels say they lack the in-house skill to manage partner API changes—a risk that scales with each added channel.
- **Corporate-rate workflows still creak.** Loading and auditing negotiated GDS rates remains a niche but mission-critical pain, highlighted most by larger brands with deep corporate portfolios.

Taken together, these struggles suggest that incremental channel expansion will stall until hotels invest in integration middleware, shared analytics layers, and cross-trained commercial analysts who can translate raw signals into coordinated action.

After an era of frantic digital adoption, 2025's hoteliers find that complexity, not capacity, is the chief brake on performance. Three core functions—Marketing & Sales, Distribution, and Revenue Management—report different day-to-day pain points that all trace back to the same root causes: fragmented data, demand signals, and a shortage of in-house technical depth.

Marketing

Even as marketing teams expand and budgets edge upward, most hotels still lean on a handful of well-worn tactics to coax guests to book direct. The common thread? Rather than assembling a deep MarTech stack in-house, they outsource heavy lifting to agencies.

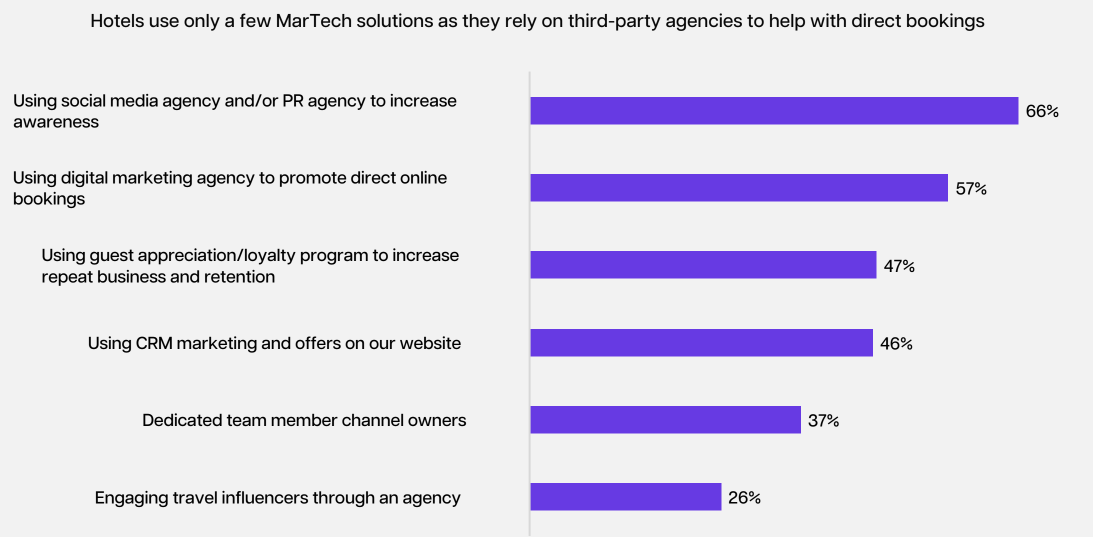

Figure 4.1: Strategies to Promote Direct Bookings

Across all properties, three strategies dominate:

1. **Agency-led social** or **PR campaigns** to build broad awareness.
2. **Digital-marketing agencies** that manage paid search and metasearch to capture lower-funnel demand.
3. **Guest-centric programmes**—loyalty perks, CRM offers, and on-site promotions—to convert and retain visitors.

A lighter constellation of in-house tactics rounds out the picture: roughly one-third of hotels assign a staff “channel owner,” and fewer than one-fourth experiment with influencer partnerships, illustrating the current ceiling on internal MarTech ambition.

The Discovery Dilemma

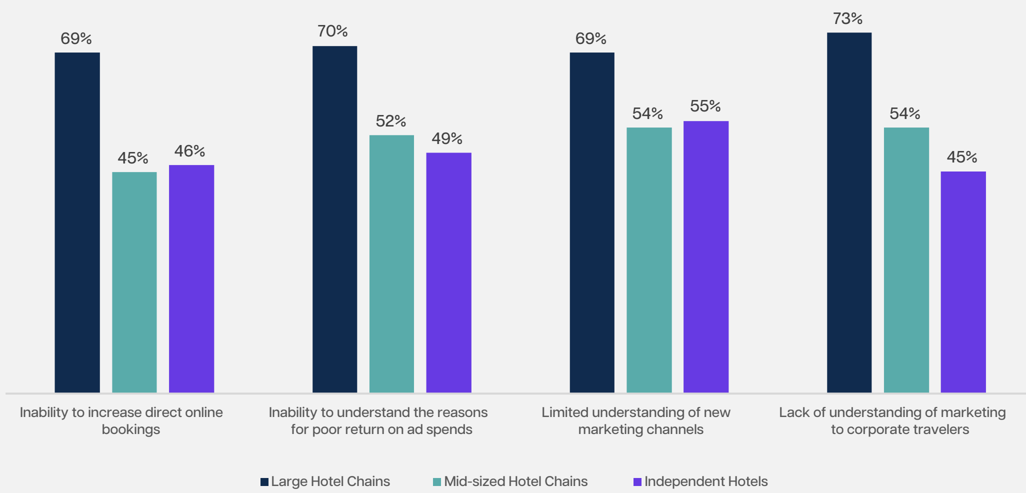

Figure 4.2: Challenges of Hotel Marketing Teams

Globally, marketers worry less about shrinking budgets and more about where to spend them. The top frustrations are an incomplete view of new digital channels and an inability to pin down why paid campaigns under-perform. Outsourcing to external agencies makes them even less equipped to answer these questions

1. **Large hotel chains** feel this most acutely when courting corporate travelers: they already blanket leisure channels, but still struggle to segment business audiences at scale.

2. **Mid-sized regional chains** admit they see new channels but lack the talent to evaluate ROI and support growth with their strategies.

3. **Independent properties** name "general understanding of new marketing channels" as their single biggest gap, forcing a reliance on agencies that erodes margins.

Implication: Until analytics pipelines unify CRM, web and media data, even aggressive spend increases will under-deliver.

Distribution: Signal Blindness and Manual Load

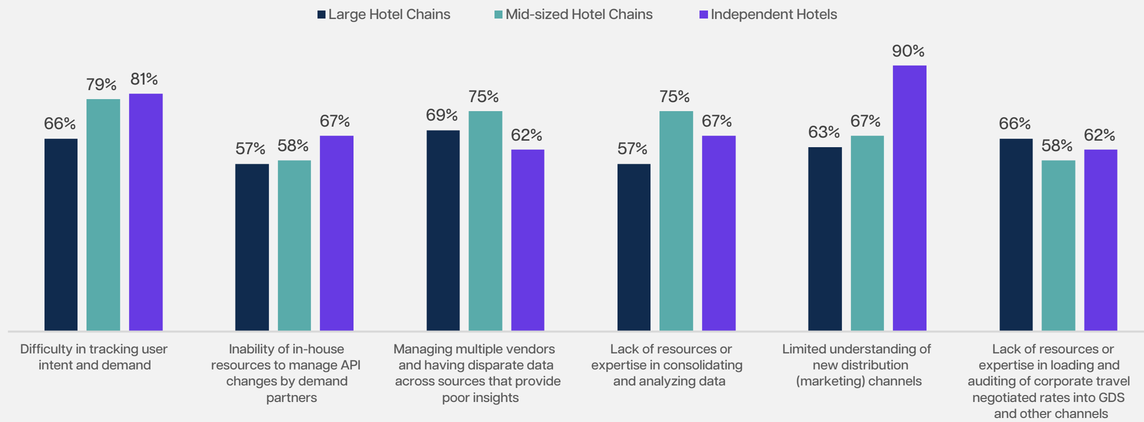

Figure 4.3: Challenges of Hotel Distribution Teams

1. Across sizes, distribution leaders list two universal headaches: tracking real-time demand signals and deciphering emerging channels.
    a. **Large chains** possess the data but struggle to coax partners to push it via clean APIs; 66 % cite "difficulty tracking user intent" despite enterprise contracts.
    b. **Mid-sized chains** are keenly aware of the problem—79 % call it out—yet lack the integration muscle to fix it.
    c. **Independents** are overwhelmed: more than four out of five say they cannot follow demand shifts, and 90 % confess limited understanding of new distribution pathways, from metasearch to social commerce.
2. A second cluster of issues is data-heavy: stitching vendor feeds, reconciling parity, and loading negotiated GDS rates.
3. With shrinking distribution team sizes, managing disparate data from multiple sources and handling API changes by demand partners becomes a big challenge for the distribution teams.

Revenue Management: Data Without Insight

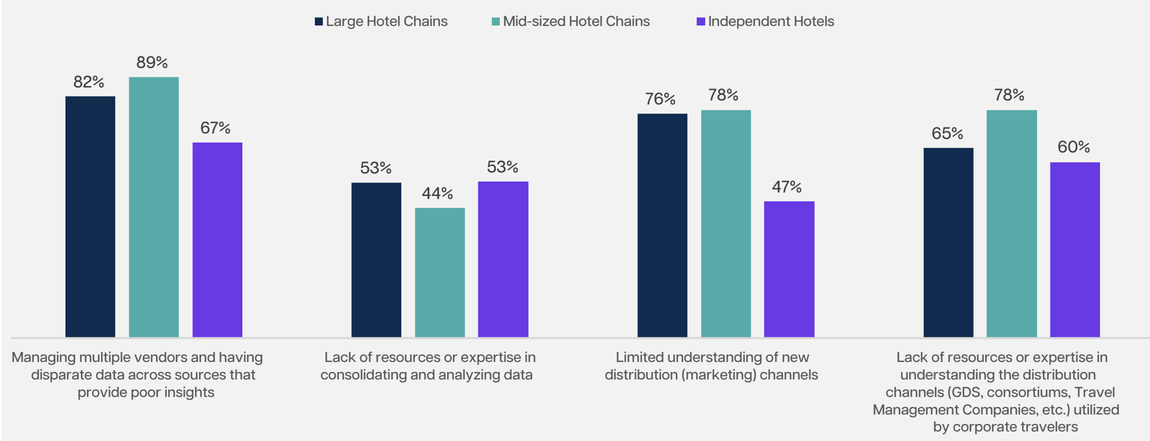

Figure 4.4: Challenges of Hotel Revenue Management Teams

For revenue leaders, two intertwined pain points dominate: (a) disparate vendor data that breeds poor insight, and (b) limited visibility into marketing-driven demand streams.

1. **Large chains fight scale:** 82% wrestle with multi-vendor data lakes; 65% say they cannot fully decode corporate-traveller channels.
2. **Mid-sized groups** actually outrank giants on data pain (89%), reflecting fewer internal analysts to normalise feeds.
3. **Independents** feel data drag less (67%) but still report a 53% shortfall in analytical expertise—enough to blunt dynamic-pricing ambitions.

Chapter 5

Where Hotels Want to Take the Manual Out of Management

Klaus Kohlmayr

Chief Evangelist & Development Officer
IDeaS Revenue Solutions

It is interesting it seems that Revenue Management folks spend a lot of time on manual work that's related to report analysis and distribution vs real value generating activities i.e. pricing

Chapter 5

Where Hotels Want to Take the Manual Out of Management

Key Takeaways for 2025

- **Manual parity policing is a universal time thief.** From boutique inns to global flags, keeping rates consistent absorbs the largest share of ops hours.
- **Reporting remains the low-tech frontier.** Eight in ten hotels still spend up to two full workdays per week pulling numbers together, yet fewer than one in five own a dedicated reporting tool.
- **Desire to automate tracks organizational maturity.** The bigger the brand, the more interest in dynamic channel discovery; the smaller, the more interest in basic rate pushes and templated reports.
- **Cross-functional alignment lags.** Revenue teams view automation as table stakes, whereas distribution teams operate with far fewer purpose-built platforms—forcing costly work-arounds that ripple back up to RevOps KPIs.

Hotel leaders who target these effort sinks—starting with parity, reporting, and intent tracking—will release scarce talent to focus on strategy.

Across the commercial funnel, hotel teams spend a startling share of the work-week copying, pasting, and double-checking rather than strategizing. In 2025 the mandate is clear: reduce effort on low-value mechanics so people can focus on revenue efficiencies. The data behind Marketing & Sales, Distribution, and Revenue Management reveals both common ground and sharply different priorities by chain scale.

How the Global Picture Looks

Asked to name their heaviest lifts, most hotels cite three activities: (1) keeping rate and content data synchronised, (2) producing multi-source performance reports, and (3) chasing demand signals across an ever-wider channel mix. When probed on where they want software—or partners—to take over, the answers closely mirror those pain points, confirming that today's bottlenecks are tomorrow's automation targets.

Marketing & Sales: The Rising Need for Automation with Scale

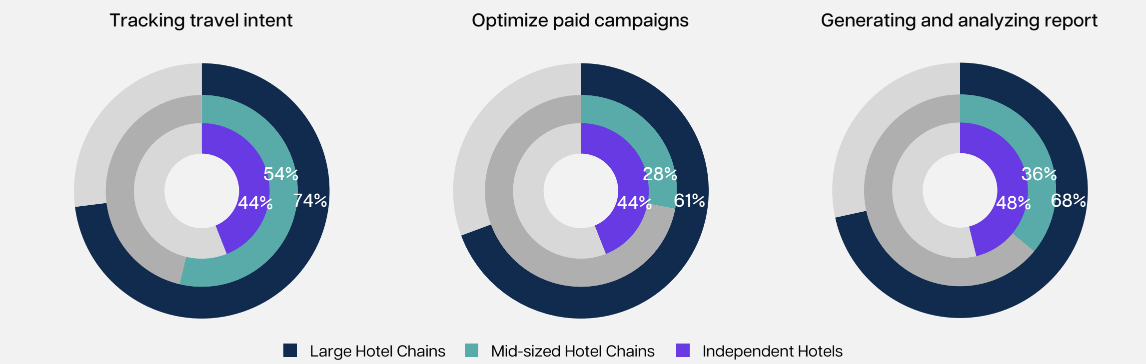

Figure 5.1: Need for Marketing Automation in Hotels

Marketers point to the same three tasks—tracking travel-intent signals, building multi-platform performance reports, and tuning paid-media campaigns—as the biggest drains on time, but the order (and intensity) shifts sharply by scale.

Independent hotels feel the reporting crunch first: 48% want to automate monthly and owner-level dashboards, while 44% would off-load travel-intent scraping and day-to-day bid adjustments.

Mid-sized regional chains put intent tracking at the top (54%), then reporting (36 percent), with campaign optimization (28%) a clear third.

Large global chains face all three tasks at once and at higher volume—74%seek relief on intent tracking, 68% on reporting, and 61% on bid and creative rotations—underscoring how data fragmentation scales with international reach.

Together, the figures show that the heavier the media spend and the wider the channel mix, the louder the call for automation that can harvest signals, stitch dashboards, and fine-tune budgets without human drag.

Distribution: Reducing Team Size & Manual Burdens

Manual activities

No matter the brand size, distribution teams spend most of their day inside extranets—loading rates, policing parity to improve direct bookings, and updating reports. Inventory pushes across wholesalers and new OTA APIs consume whatever bandwidth remains.

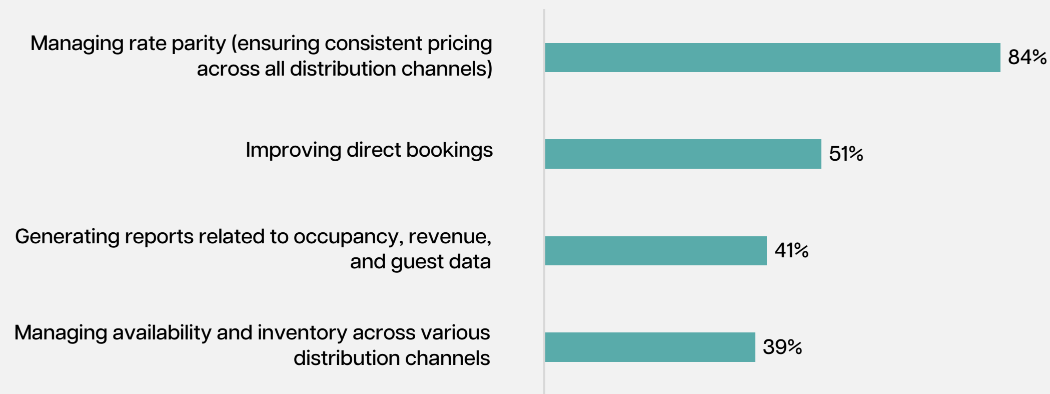

Figure 5.2: Manual Activities where Hotel Distribution Teams Aim to Reduce Effort

Where they want relief

Updating new rate packages across all properties continues to be the single most manually executed task across properties of all sizes where distribution teams wish to automate.

While hotel chains also want relief from updating images & descriptions and identifying new demand channels on priority, the priority changes in independent hotels, where report building and rate parity policing are the other activities among the top three priorities.

Implication: Until property-management and channel systems can push rich content, humans will keep acting as translators—an unsustainable cost as channel counts climb.

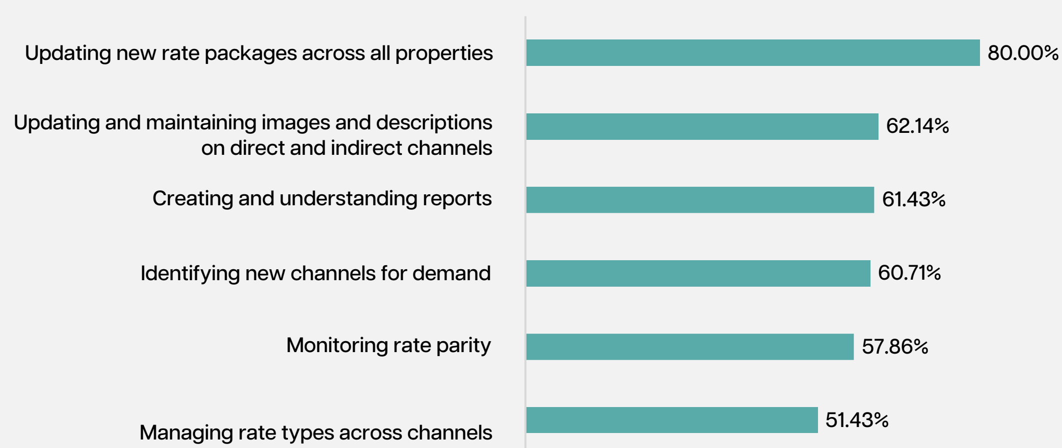

Figure 5.3: Need for Distribution Automation in Hotels

Revenue Management

Across all respondents from revenue management teams, three chores dominate wish-lists for automation:

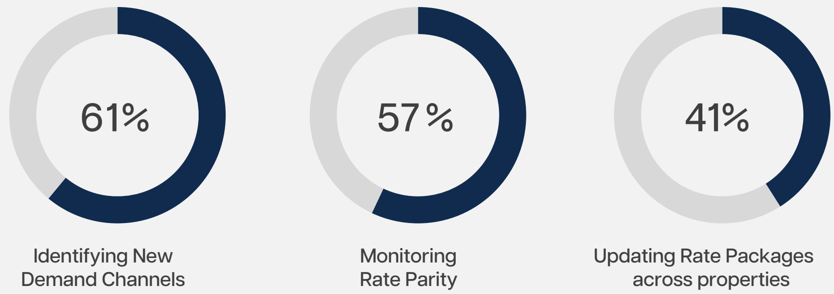

Figure 5.4: Manual Activities where Hotel Revenue Management Teams Aim to Reduce Effort

These priorities mirror the current manual load

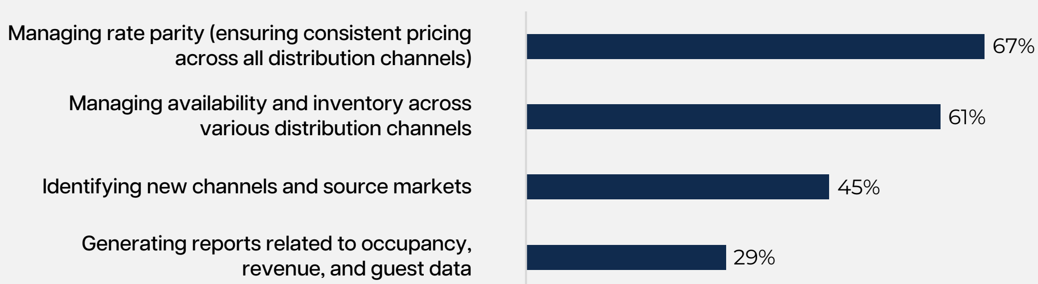

Figure 5.5: Need for Automation among Revenue Management Teams in Hotels

Rate-parity policing and availability-inventory (ARI) updates top the activity chart worldwide, with report creation trailing—evidence that data plumbing, not head-count, is the real brake on revenue innovation.

Size dictates emphasis. Large chains prioritise bulk rate pushes; mid-size brands fight parity first; independents crave simpler channel and rate-type workflows.

Implication: As revenue science infiltrates more segments and lengths of stay, the manual upkeep of rules and packages threatens to outgrow RMS staff capacity.

Chapter 6

Reinventing Teams & Talent in Hotels

Mark Fancourt

Principal Consultant & Co-Founder
TravHoTech

Distribution teams are shrinking in an environment where we are only just beginning to distribute end to end industry products and services. We should be signaling an increase as we pursue distributing the rest of the hospitality products set on the digital shelf.

Chapter 6

Reinventing Teams & Talent in Hotels

Key Takeaways for 2025

- **Head-count follows growth lanes.** Hotels are staffing up in demand-creation roles while automating distribution operations.
- **Data acumen is the common denominator.** Database and analytics skills top every recruiter's list.
- **Training has gone virtual—and uneven.** Digital delivery rules, but distribution budgets lag behind marketing and revenue management.
- **Cost pressure shapes priorities.** Rising labor costs dominate independents' agendas, while large chains focus on squeezing more revenue from mature channels.
- **Talent without enablement limits ROI.** Investment in people must keep pace with new technology, or performance gains stall.

Hotels in 2025 need fewer silos, sharper data literacy, and targeted learning paths—aligning people strategy with the tech stack that powers modern distribution.

The commercial workforce inside hotels is rewriting itself at pace. Rapid automation, volatile demand patterns, and rising payroll pressure have forced every brand—from small hotels to global giants—to rethink team size, team skill set, and how quickly they can learn and adapt.

This section traces those adjustments. It follows the head-count shifts, exposes the new must-have skills, and explains why training dollars now flow unevenly across functions. The aim is simple: to spotlight the talent strategies that will separate the resilient from the merely reactive.

Changes in Team Size

By Size of the Hotel

Overall hotel commercial team sizes continue to increase with 43% of brands suggesting that team sizes are increasing

1. **Large international chains** are consolidating overlapping roles and leaning on automation to tame sprawling tech stacks and majority of respondents reported that team sizes are constant or reducing with only around 20% suggesting that teams are growing

2. **Mid-size regional groups** are hiring only where revenue upside is unmistakable, even as they trim elsewhere.

3. **Independents** are adding heads despite wage inflation, betting that more hands in marketing and guest-facing roles will safeguard direct revenue and brand personality.

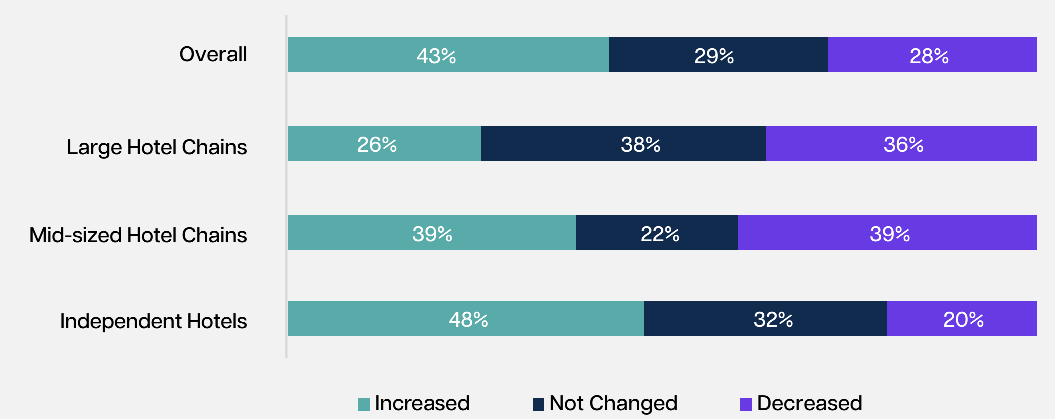

Figure 6.1: Change in Team Size (Dec 2023 vs Dec 2024) | By Hotel Size

By Commercial Function: Head-Count Is Shifting Toward Demand Creation

With those scale-based shifts as the backdrop, functional priorities fall neatly into line: Marketing & Sales rosters swell first, Revenue Management teams grow selectively where analytics returns are proven, and Distribution departments continue to streamline as connectivity tasks become increasingly automated.

1. Marketing & Sales remain an area of investment to increase focus on driving direct bookings and reduce dependency on OTAs.
2. Revenue-management teams are in "hold and hone" mode. Hiring happens selectively—usually when a clear analytics upside is proven—while many hotels keep existing analysts in place.
3. 43% of Distribution teams have decreased in size, diversifying resources into other commercial teams.

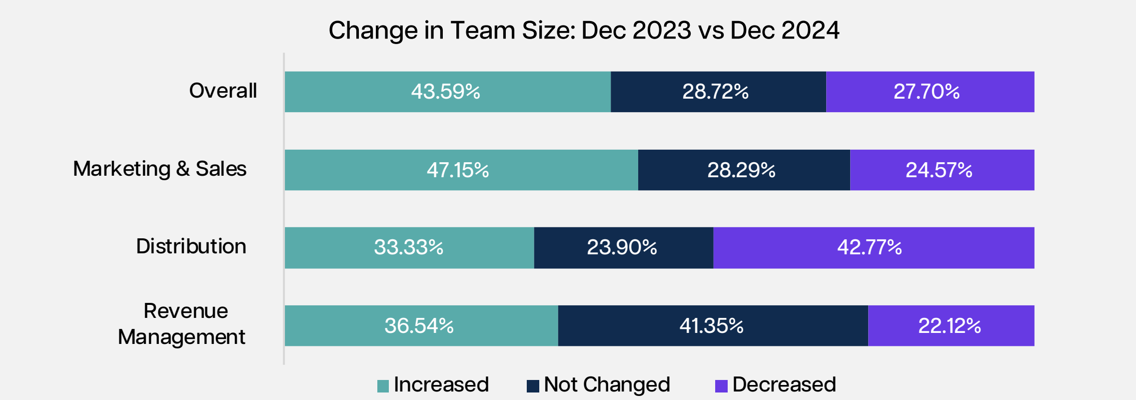

Figure 6.2: Change in Team Size (Dec 2023 vs Dec 2024) | By Commercial Function

Skills Needed – Where are Hotels Hiring?

Marketing teams still prize multitasking and campaign translation, while revenue managers lean on forecasting and budgeting; nonetheless, data fluency, and platform know-how cut across all job requirements.

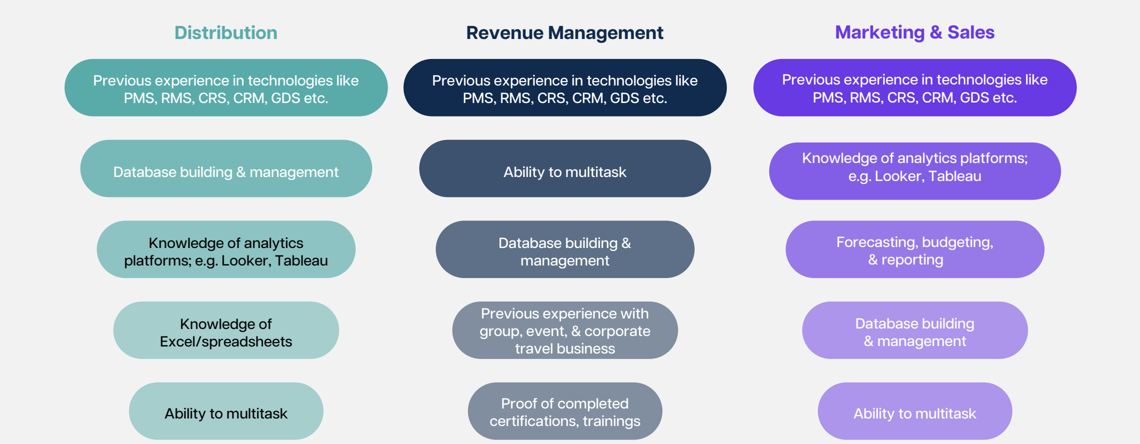

Figure 6.3: Top 5 Skills that Hotels Hire For | By Commercial Function

Knowledge of analytics continues to find relevance across hotel types

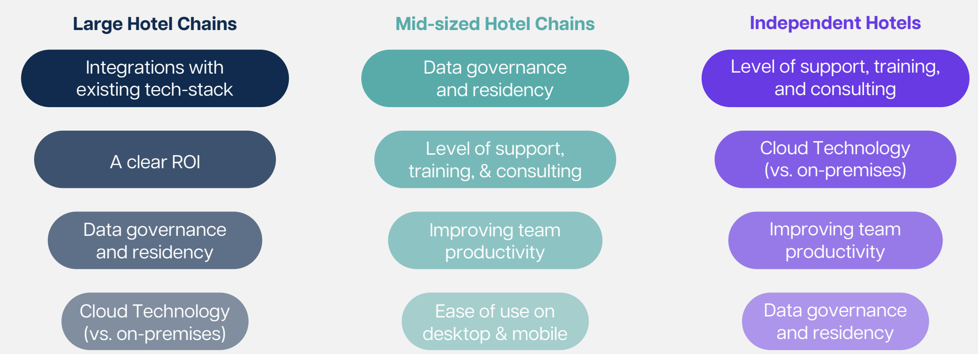

Figure 6.4: Top 5 Skills that Hotels Hire For | By Hotel Size

Yet, the technology road-map does not mirror this talent hunt.

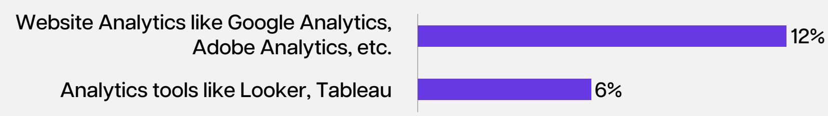

Figure 6.5: Current Adoption of Analytics Tools in Hotels

When hoteliers rank where the next tech dollar goes, analytics tools languish at the very bottom of the priority list—precisely the categories that would automate reporting, unify data, and elevate those newly hired analysts. The result is a capability gap that still forces commercial teams to wrestle with manual spreadsheets.

Hotels are recruiting people who can tame data sprawl, but until the tech stack catches up—those hires will burn valuable hours on extraction and cleanup rather than insight and strategy. Bridging the gap means shifting at least a slice of the budget from “more channels” to “better analytics,” so the skills hotels pay for can actually move the needle.

Independent hotel teams are more focused on past experiences than certifications or training, which seems to be the biggest priority for chains.

Training Budgets: Who Gets the Dollars?

93% hotels confirmed that they have a dedicated budget for training and development.

Modern hotel teams are only as agile as the training that powers them. Yet, where and how learning dollars are deployed varies sharply by function, and the preferred delivery modes continue to migrate online.

Budgets flow to teams that drive revenue quickest; Marketing and RM grab the lion's share

Despite hiring analysts and database specialists, many hotels still under-invest in the very training that would unlock those skills—particularly in Distribution, where head-counts fell and learning budgets followed.

> *Education isn't a "nice to have"—it's a non-negotiable. Too often, we see hotels deploy new tech but fail to fully leverage it due to a lack of internal training and support. Talent without enablement limits ROI—and vice versa.*

Anthony Gambini
Founder & CEO
Premiere Advisory Group

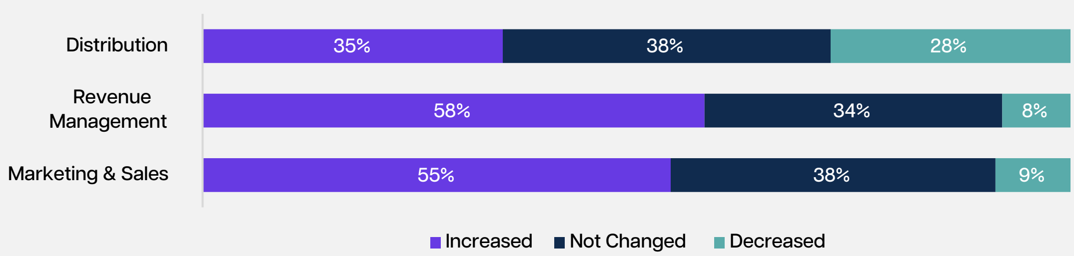

Figure 6.6: Change in Training Budgets for 2025 vs 2024 | By Commercial Function

1. **Marketing & Sales** receive the biggest lift
2. **Revenue Management** budgets rise more cautiously; many hotels hold steady until a fresh analytics module or AI-pricing pilot justifies new courses.
3. **Distribution** funding shrinks or stays flat in most properties

How do Hotels Deliver Training?

Trainings		Workforce Development Practices
Online synchronous (live training via video conference platform)	1	Vendor-led Trainings / Certifications
Online asynchronous (pre-recorded training or via LMS)	2	Industry Certifications
In person	3	Upskilling
In conjunction with an industry event	4	Reskilling

Figure 6.7: Top Trainings & Workforce Development Practices Available in Hotels

Chapter 7

How Hoteliers Feel About Data Residency and Compliance

Chapter 7

How Hoteliers Feel About Data Residency and Compliance

Key Takeaways for 2025

A slim majority of hoteliers now welcome compliance, seeing it as a catalyst for fairer competition and better data hygiene.

Sentiment peaks in Distribution and among mid-size chains, dips in Revenue Management and large multinationals.

The next frontier is automation of compliance tasks—the lever that will turn neutrality into outright support across every function.

Global hotel operators face data-privacy statutes, parity mandates, and payment-security rules that grow thicker every year—yet the mood is anything but gloomy. In 2025 most hoteliers say regulation helps (*51%) rather than hinders (20%) their commercial goals - a dramatic change from the defensive posture seen a decade ago.

The Function Lens

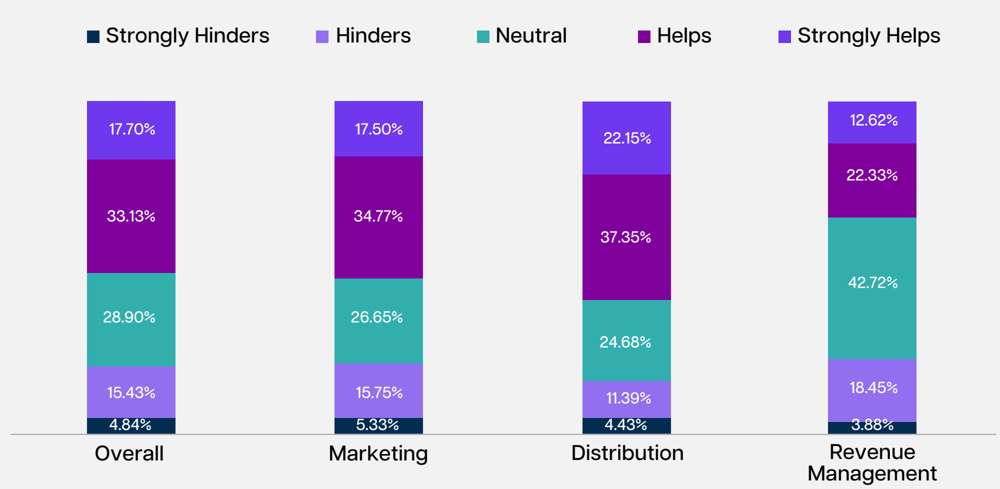

Figure 7.1: Impact of Regulatory Environment on Overall Strategy | By Commercial Function

a. **Distribution Leaders Are The Most Upbeat**
Nearly 60% call regulation helpful, crediting parity rules for leveling the OTA playing field. Parity and channel-fee disclosures simplify negotiations with OTAs and metasearch.

b. **Marketing Teams Mirror The Average**
Marketing teams see privacy frameworks as a guide to cleaner data practices.

c. **Revenue-Management Teams Sit On The Fence**
Rate-display mandates add workload; optimism rises only when tools automate audit routines.

Why Perceptions Diverge by Hotel Size

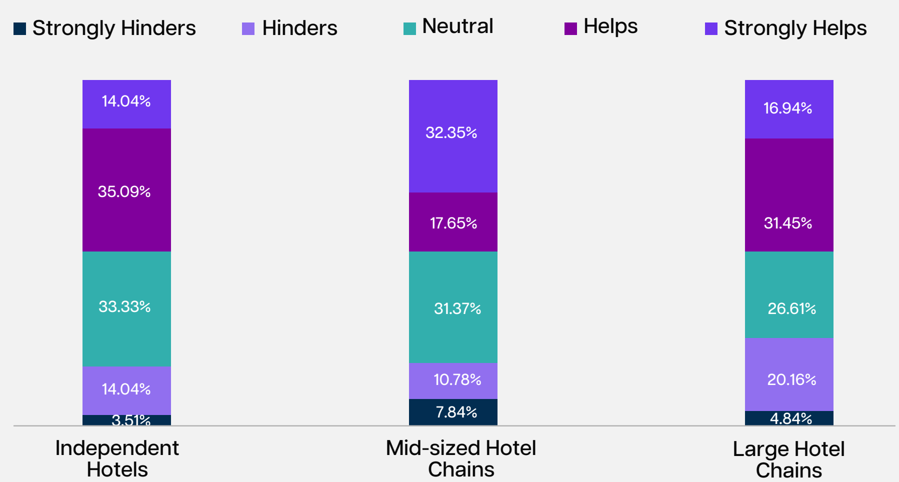

Figure 7.2: Impact of Regulatory Environment on Overall Strategy | By Hotel Size

a. Mid-size groups view clear standards as a way to compete on equal terms with giants.

b. Independents appreciate parity and PCI rules that keep renegade resellers at bay.

c. Large multinationals accept compliance as cost of scale, but rising cross-border data-residency laws still pinch.

Neutral answers skew high where rules are still settling—think evolving cookie deprecation timelines or state-by-state tax tweaks.

What Hoteliers Still Worry About

a. Patchwork data-residency demands—especially for chains spanning EU, US, and APAC.

b. Rate-parity enforcement shifting from brand policing to regulator fines.

c. Payment-security upgrades (PCI 4.0) crowding 2025-26 capital budgets.

Strategic Implications

a. **Lean in to the upside.** Use regulatory clarity to negotiate cleaner contracts and collect consented guest data that powers direct revenue.

b. **Automate audit trails.** Distribution teams that embed parity and tax checks into the CRS avoid last-minute scrambles—and shift sentiment from ‘hindrance’ to ‘help’.

c. **Budget for regional nuance.** Independence breeds agility, but multinationals must fund local data nodes and payment gateways early.

Chapter 8

Why Faster Decision Making is still a Challenge for Hotels

Leigh Silkunas

Founder & CEO
1AX Consulting

Hoteliers—no matter the brand size—are still spending 20-40% of their bandwidth just pulling reports. We will unlock the real value when data is centralized and reporting is seamless

Chapter 8

Why Faster Decision Making is still a Challenge for Hotels

Key Takeaways for 2025

Manual compilation is universal. As mentioned previously - most hotels are STILL spending ~2 days a week manually compiling data

Distribution teams are the blind spot. Reporting tools speak the language of ADRs and pick-up curves, not channel mix and parity checks—forcing distribution staff into spreadsheet patch-work.

Automation is incremental, not transformational. A majority have dipped a toe into preset dashboards, yet only one in seven have closed the loop with end-to-end automation.

Fast answers need fast data—but most hotels still struggle to make that a reality. Pulling, cleansing, and stitching numbers together remain somewhat manual and time consuming. This chapter looks at where that drag shows up, who feels it most, and how hotels are beginning to chip away at the problem.

Reporting is still Overwhelmingly Manual

Four out of five hotels dedicate the equivalent of one-to-two full work-days every week to producing or analysing spreadsheets.

Figure 8.1: Time Spent in Generating & Analyzing Reports

Yet fewer than one in five have invested in purpose-built reporting tools.

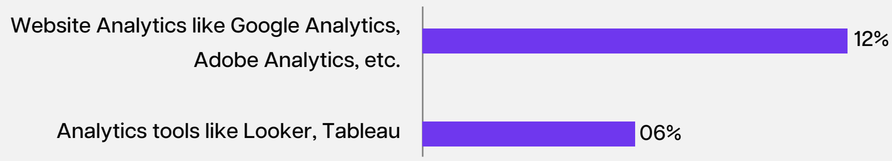

Figure 8.2: Current Adoption of Analytics Tools in Hotels

Large chains (85 %), mid-sized brands (84 %), and independents (74 %) all report a similar time sink, with tool adoption hovering in the mid-teens for every segment reporting.

Reporting takes care of only Revenue Management Teams

Reporting tools are developed keeping revenue managers in mind, and do not often meet the needs of the distribution teams.

Vanja Bogicevic
Clinical Associate Professor and Director of HI Hub Experiential Learning Lab at Jonathan M. Tisch Center of Hospitality NYU School of Professional Studies

Existing BI platforms were built with revenue management workflows in mind. As a result, revenue managers generally have dashboards they trust, while distribution teams are forced to copy-paste data from multiple systems:

Distribution professionals review reports less frequently—34 % look at least once a day compared with 61 % of Revenue Management leaders because the effort to assemble them is so high.

Just 29 % of revenue teams still create reports by hand, versus 41 % of distribution teams.

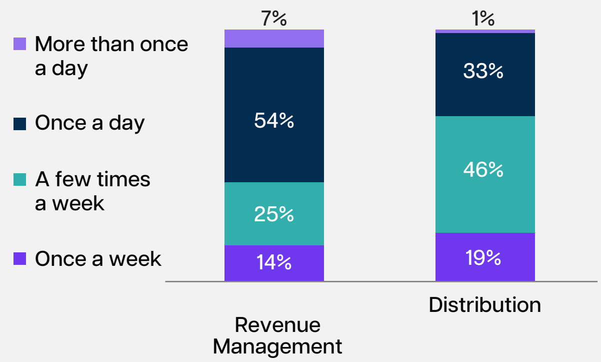

Figure 8.3: Frequency of Going through Reports

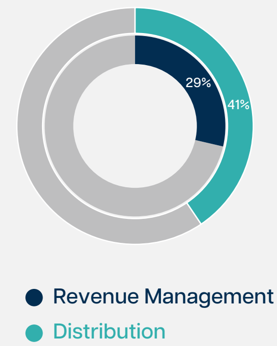

Figure 8.4: Percentage of Hotels Manually Generating Reports

Automation is Coming...in Small Bites

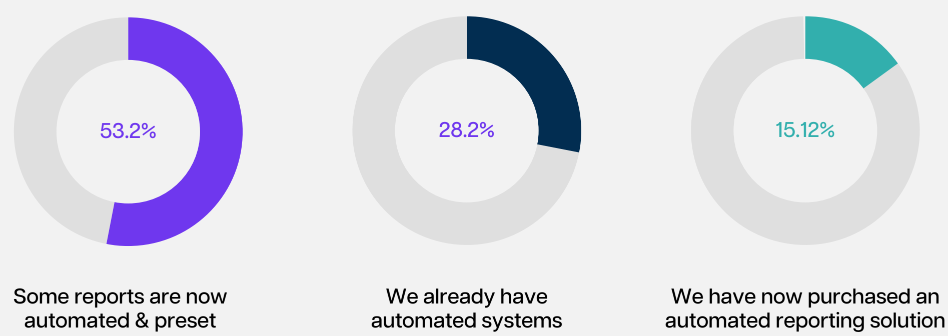

Figure 8.5: Level of Automation in Reporting

Over half of hotels say "some reports are now automated & preset," and another quarter have bought an off-the-shelf BI package. Yet only 15 % can claim a fully automated reporting stack reporting.

The bottom line: hotels don't need more data—they need faster data. Until reporting moves from retroactive to real-time, the industry will continue to trade strategic thinking for spreadsheet survival.

How Can Hoteliers Use These Insights To Make Decisions

How Can Hoteliers Use These Insights To Make Decisions

This second-year benchmark surfaces a single, consistent truth: complexity—not capacity—now limits growth.

Commercial leaders should balance quick operational wins with moves that future-proof data, talent and compliance.

Clean & Connect the Core Stack

Integration sits above every other investment priority because duplicate fees, data-breach risk and manual parity checks drag margins daily.

- **Large chains** should launch multi-year consolidation programmes that fold legacy CRS, RMS and CRM feeds into a single data backbone.
- **Mid-size groups** gain most from lightweight middleware that normalises inventory, rate and media data without forcing rip-and-replace migration.
- **Independents** can lean on cloud PMS-plus-channel-manager bundles that give them an “instant spine” at lower cap-ex.

Automate the Reporting Grind—Function by Function

Automation must start where human hours vanish fastest. More than half of hotels have preset dashboards, but only 15 % operate a fully automated stack.

- **Revenue management** already enjoys the most mature tooling; extend these platforms to auto-push insights to distribution and marketing.
- **Distribution** lacks bespoke dashboards; bolt channel-mix, rate-parity and corporate-rate upload metrics onto existing revenue BI to stop spreadsheet “patch-work”.
- **Marketing** needs cross-channel campaign-to-revenue attribution baked in; begin with automated intent-tracking widgets and move upward.

Result: Time formerly lost to data prep flips into strategic experimentation.

Put Data-Residency and Governance Ahead of ROI

Data-privacy and payment rules now steer purchase decisions more than headline ROI—especially for regional chains.

- **Action:** Embed compliance checkpoints inside RFP scoring. Prefer vendors that offer regional hosting, automated audit logs and transparent API schemas.
- **Pay-off:** Faster legal sign-off and smoother cross-border roll-outs free teams to focus on revenue levers instead of retro-fits.

Match Talent Investment to Tech Reality

Hotels are hiring database builders and analysts, yet analytics sits last on the tool-shopping list. That mismatch condemns new hires to “extraction and cleanup” rather than insight.

- Shift a slice of tech spend from “more channels” to **embedded BI and self-service analytics so new analysts can act, not wrangle.**
- **Upskill distribution staff in API literacy;** two-thirds of hotels admit they lack in-house talent to manage partner API changes.
- Independent brands should **formalise agency knowledge-transfer clauses** so external partners leave lasting capability behind.

Prioritise “Fix & Fill” over Big-Bang Innovation

Hoteliers themselves describe a “first, tidy up what’s already in play; second, plug only the most obvious gaps” philosophy. Practical steps:

- **Quarter-sprint ROI:** Approve only modules deployable within one quarter and provable within 12 months.
- **Micro-automation pilots:** Trial low-code tools that relieve parity policing or ARI updates before green-lighting ambitious AI layers.
- **Shared KPI dashboards:** Use the integration work to surface a single set of metrics across marketing, distribution, and revenue management—accelerating decision cycles even before deeper AI arrives.

Hotels that act on these five levers will deliver on the report’s opening promise: technology that is easy to use, quick to integrate, and able to deliver outcomes - increases operational efficiencies and bottom line.

Table of figures

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