



Print ISSN: 1738-3110 / Online ISSN 2093-7717  
 JDS website: <http://www.jds.or.kr/>  
<http://dx.doi.org/10.15722/jds.20.02.202202.19>

## Distribution Channel Model for Hotel Revenue Management: Lessons from Hoteliers and E-Intermediaries

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Received: December 16, 2021. Revised: January 03, 2022. Accepted: January 07, 2022.

### Abstract

**Purpose:** Understanding the distribution channel is a foundational element of successful hotel revenue management. This study aims to assess hotel distribution network partnerships and develops a model that can be utilized to ensure hoteliers are not becoming increasingly reliant on a single channel, optimize their market exposure, and maximize their portion of the overall worth of the network. **Research design, data and methodology:** This study utilizes a grounded theory approach to form a theoretical model by analyzing and examining the current practice of hotel distribution management through interviews with 15 stakeholders in Indonesia, such as hoteliers, online travel agents, wholesalers, and connectivity managers. **Results:** Based on data analysis, we describe hotel distribution elements, revenue team, managed channels, and channel prioritization for a different type of hotel. Finally, we propose a distribution channel model that comprises hotel teams, customer types, indirect channels, and direct channels. **Conclusions:** The model contributes to the literature by exploring the options of distribution channels for various hotel types to support hotel revenue management practice. By utilizing our model, practitioners can have a complete picture regarding the strategic choice of the channel by considering their hotel capacity and market target.

**Keywords:** Hotel, Distribution Channel, Revenue Management, Tourism Supply Chain, Grounded Theory

**JEL Classification Code:** L11, L81, L83, M3, M11

### 1. Introduction

Tourism is one of the world's largest and fastest-growing industries, with a considerable economic impact on job creation in both the formal and informal sectors, improved overall quality of life, and foreign exchange generation (Meyer & Meyer, 2015). Currently, it is also undeniable that digital technology and the internet create changes in the

tourism and lodging sector (Law, Leung, Lo, Leung, & Fong, 2014). According to Xiang, Magnini, and Fesenmaier (2015), "understanding and capitalizing on changes in the business environment are essential to sustained success" (p. 247); thus, it is critical to regularly analyze and update current tourism distribution trends to remain updated with technology developments and the effects on the reservation process (Kracht & Wang, 2010). With a rapidly growing number of internet users in recent years, e-intermediaries

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such as online travel agencies (OTAs) greatly help tourism and hotel distribution. However, as e-intermediaries grow in popularity, hotel room sales become increasingly reliant on them, resulting in lower hotel operator profits, thereby losing control over the online channel in terms of pricing consistency and brand equity (Beritelli & Schegg, 2016). Observing this condition, hoteliers need to embrace the importance of revenue management (RM) practice comprising pricing, non-pricing, and distribution channel management with the optimal room-rate allocation (Ivanov & Ayas, 2017). Understanding the chosen channel mix and the reliance on individual channels is critical (Kang, Brewer, & Baloglu, 2007), as is strategically selecting a manageable number of channels rather than continually growing them (O'Connor & Frew, 2004) and on an ad hoc basis (Cespedes & Corey, 1990).

Moreover, Dieck and Fountoulaki (2017) also recommend that the latest research on hotel distribution channels needs to be continuously carried out regularly in various destinations because distribution channels change very quickly following technological developments, with the collapse of conventional barriers and value chains, and the blurring of distinctions between participants (O'Connor, 2019). It is suggested to research hotel distribution channels in various geographical and touristic situations to bolster the findings and ensure their generalizability (Dieck & Fountoulaki, 2018) because each country's hotel distribution management is unique (Law et al., 2014), depending on the social context that fosters innovation, proactivity, and risk-taking attitudes (Stangl, Inversini, & Schegg, 2016). Additionally, researchers are urged to undertake a grounded network analysis, which enables us to understand better the channels' connections and interdependence (Beritelli & Schegg, 2016). According to Zhang, Song, and Huang (2009), it is necessary to understand the network configuration of the tourism supply chain for analyzing and successfully managing the tourism supply chain (Pezenka & Weismayer, 2020).

Previous distribution channel research shows a continuous advancement from time to time. However, there are still gaps in our understanding. First, we still have a lot to learn about the distribution channel options and mix for hotels with different sizes (small, medium, large) and types (independent, chain). Research on previous distribution channels mainly focuses on certain hotel groups such as small-medium (Cetin, Cifci, Dincer, & Fuchs, 2016); upmarket (Kimes & Ho, 2018; Le, Pearce, & Smith, 2018); budget (Lei, Nicolau, & Wang, 2019); small-medium-large (Kim, Ham, & Moon, 2012); chain (Cazaubiel, Cure, Johansen, & Vergé, 2020; Dolasinski, Roberts, & Zheng, 2019; O'Connor, 2016). Second, prior models can be enhanced and examined by relating them to the hotel RM process by adding hotel teams running the distributions and

customer type segmentation into the models. Thus, the model can provide hoteliers participating in the distribution channel with insight into metrics that may be improved over time (Ivanov, 2014).

Therefore, the objectives of this study are:

- [1]. To understand the current distribution practice and relationship between hoteliers and their intermediaries
- [2]. To understand the elements that can constitute a hotel distribution channel model from the perspective of RM
- [3]. To propose a model of distribution and channel prioritization that can be utilized by various hotel types and sizes

Indonesia is chosen as the location for this study as the tourism sector is an important economic driver and its direct contribution percentage to the Gross Domestic Product continues to increase. We also choose Indonesia due to insufficient empirical evidence on the country's distribution channel management (Domingo-Carrillo, Chávez-Miranda, & Escobar-Pérez, 2020). The finding can be an insight for further research and implementation in other emerging countries with similar conditions.

## 2. Literature Review

### 2.1. Hotel Revenue Management and Previous Research

Revenue management (RM) is defined as the application of information systems and pricing strategies to allocate the right capacity to the right customer at the right price at the right time through the right distribution channels (Hayes & Miller, 2011; Kimes, 1989) to achieve the most optimal hotel net revenue and gross profit (Ivanov & Ayas, 2017). The aviation and hotel industries apply revenue management because they have in common in the form of relatively fixed capacity, perishable inventory, inventory sold in advance, low selling costs, and easy demand for segmentation based on customer type/market segment (Kimes, 2003). The implementation of RM by each hotel may vary (Choi & Kimes, 2002). For example, some hotels determine room rate availability based on a daily forecast routine, whereas other hotels may opt for the multiple forecast arrival tactic taking into account rate, length of stay, and room type to adjust inventory allocation (Choi & Kimes, 2002).

RM's success is based on a good understanding of customer needs and price sensitivity to the targeted market segments. RM includes a variety of pricing tools (price

discrimination, dynamic pricing, early/last-minute bidding, parity rate, lowest price guarantee, and price framing and discounting), non-pricing tools (overbooking and over contracting, guaranteed room availability, length of stay control, and 100% satisfaction guarantee), as well as a mix of RM tools (channel management and optimal room rate allocation) that hoteliers use to maximize their property revenue (Ivanov & Ayas, 2017). The techniques involved in RM provide a valuable flow of information that enables the revenue management team to understand customer buying behavior and preferences to set appropriate prices for different customer segments to generate the most (Carroll & Siguaw, 2003). González-Serrano and Talón-Ballesteró (2020) stated that the RM team carried out the practical application of revenue management in a hotel. Their actions determine whether a hotel's RM system is successful and contributes positively to the property's profits.

In previous research, based on a study conducted by Domingo-Carrillo et al. (2020) of 293 works centered on RM in tourism included in the Scopus and Web of Science databases between 1989 and 2013 (25 years), the results indicate that capacity management is the most important (43%), followed by pricing (39.9%), forecasting (14%), overbooking (11.3%), segmentation (6.5%), channel management (2%), and auctions (1%). In line with the results of this study, Ivanov (2014) also mentioned that non-pricing, channel management, and room-rate optimization are under-researched in the specialized literature and have significant opportunities for future study.

According to Ivanov and Ayas (2017), hoteliers prioritize price discrimination and room availability guarantee, with online travel agencies, hotel websites, tour operators, and travel agents serving as the most essential distribution channels. However, during a situation that causes uncertain market demand, such as the COVID-19 crisis, business analysis, pricing strategy, demand modeling and forecasting, and distribution channel management are the most critical RM processes and will become more relevant as demand picks up (Guillet & Chu, 2021). Despite its importance, budget or low star hotels have not implemented optimal RM in their daily operations due to a lack of knowledge, so they do not have the optimal strategy in managing the hotel distribution channel (Ivanov & Ayas, 2017). Revenue streams are more difficult to comprehend for hotel staff with insufficient RM skills, so the distribution strategy of budget hotels usually depends on one of the primary online travel agents as their sales channel (Cetin et al., 2016).

## 2.2. Hotel Distribution Channel and Previous Research

In the hotel business, distribution channels are the methods to bring the product to the consumers or methods

that market segments use to find their favorite products (Shoemaker, Lewis, & Yesawich, 2006). Guillet and Mohammed (2015) discovered that distribution channel is one of the research areas of RM, which entails selecting and using various online and offline channels for inventory distribution to maximize revenue in the short and long term. The importance of distribution channels to hotel business strategy, profitability, and consumer demand and supply cannot be overstated (Kracht & Wang, 2010). Having a solid knowledge of distribution channels can lead to a successful distribution strategy that balances the costs by maximizing the booking sales at the hotel's average daily rate (Szende, 2020).

Over the last 40 years, the number of revenue distribution channels has expanded and multiplied (Green & Lomanno, 2012). Online distribution channels have expanded exponentially and continuously alter, combine, and bypass one another while collaborating and competing (O'Connor & Frew, 2002). An adequately managed distribution system may differ between market leadership and survival in a competitive environment (Kotler & Armstrong, 1996). According to Guillet (2020), the emergence of hotel distribution channel research began in 2009-2013. Given the internet's importance as a distribution platform for hotels globally, it is unsurprising that this study subject emerged between 2009 and 2013. The majority of study on this subject has been on the distribution of hotel rooms through e-intermediaries (Guillet, 2020).

The study of the distribution model started in 2007 by Pearce, Tan, and Schott (2007) in the broad tourism context. After this, a study by Kracht and Wang (2010) shows the changes and development of the tourism distribution model in chronological order. Dieck and Fountoulaki (2017) extended the research further for the European island tourism context by adding new elements into the model. Marinov and Kazandzhieva (2010) and Kim et al. (2012) explored the distribution channel for vacation hotels and small to large hotels, respectively.

## 3. Methodology

This study derives theory from actual organizational data by experimentally examining the collective interpretation of managers involved in distribution channel management. To assess the present situation, stakeholders, and their roles in hotel distribution networks, we conduct a field investigation using the grounded theory research method (Charmaz, 2014), which focuses on the intentions and actions of key players in the context of hotel distribution, roles, competitive dynamics, and distribution strategy. Grounded theory research seeks to generate theory from data rather than forcing evidence to conform to a priori theories and

**Table 1:** Interview Participants Profile

No	Position	Organization	Experience in Hospitality Industry (Years)
1	Hotel General Manager	4-5 Star, Independent, Central	14
2	Hotel Sales Director	2-3 Star, West, Independent	13
3	Hotel General Manager	0-3 Star, Independent, West	11
4	Hotel Revenue Manager	3-4 Star, Chain, West	8
5	Hotel Distribution Manager	5 Star, Independent, West	7
6	Hotel Revenue Manager	4 Star, Chain, Central	6
7	Hotel E-Commerce Manager	3 Star, Chain, East	5
8	Connectivity Project Manager	OTA, All region	9
9	Area Manager	OTA, East	20
10	Senior Market Manager	OTA, West	17
11	Senior Market Manager	OTA, All region	11
12	Senior Market Manager	OTA, Central	10
13	Senior Market Manager	OTA, West	10
14	Senior Operation Manager	OTA, All region	6
15	Account Manager	Online Wholesaler	7

hypotheses (Corbin & Strauss, 2015), resulting in a theory linked to the facts consistent with empirical observation (Eisenhardt, 1989).

Primary data collection took place in March-April 2021 through semi-structured interviews with purposive sampling to 15 stakeholders within various organizations such as independent and chain hotels, leading travel agencies, wholesalers, and channel managers experts, offering an “insider’s” perspective on the phenomena (Chen, Farh, & MacMillan, 1993). Interviews are conducted with participants who have a minimum of five years of experience in the hospitality sector holding managerial positions to understand the issue better. Participants are not sent questions before the interview to encourage spontaneity in expressing their opinions. A semi-structured interview was chosen to collect qualitative, open-ended data and explore participant thoughts, feelings, and beliefs about the topic. Each interview lasted one to two hours, was accurately recorded through online meetings, and then transcribed for data analysis using ATLAS.ti software. As Indonesia is separated geographically into three large regions: west, central, and east, with its characteristics in terms of the quantity and profile of hotels, tourist destinations, market sources, and hoteliers’ skills in distribution practice, we seek to gather information from hoteliers of diverse types, sizes, and locations in each region as shown in Table 1.

Data collection, coding, and analysis are conducted iteratively (Charmaz, 2014) and centered on eliciting information relevant to the study. The interview questions are reasonably unstructured, allowing managers to answer creatively. We created four open-ended questions to elicit

comprehensive responses from participants into the distribution key players, selection factors, relationship, and cooperation issues as follows:

- [1]. What are the primary geographic market and trip purposes of your customer?
- [2]. Who are your business’s significant channels (online/offline channels and booking sources)?
- [3]. How do you select, manage, and evaluate distribution channels?
- [4]. What are the performance indicators for each of the distribution channels?
- [5]. How are bookings distributed among available distribution channels?

The data analysis procedure is divided into initial and focused coding (Charmaz, 2014). Data collection and analysis reach theoretical saturation when previously recognized ideas are replicated in the data, and no new concepts are discovered. Emerging notions are classified into concepts and categories, then combined to form the theoretical model (Corbin & Strauss, 2015). First, we carried out the initial coding process, breaking down, examining, comparing, conceptualizing, and categorizing data. The following are the concept we found: Stakeholders (hotels, channels, customers), Hotel Type/Rating, Hotel marketing, Key Performance Indicators, Pricing Strategy, Market Segmentation, Opportunities in Distribution, Issues and Challenges in Distribution, Association and Government Support, Social Media Role, Improvement in Distribution, and Hotel Strategy During the Pandemic. After the initial coding is complete, the next process is focused coding,

where we make connections between existing categories and subcategories to form these key themes: distribution elements, hotel revenue teams, and channel prioritization. Finally, we integrate the results from the initial coding to form our theoretical model, the hotel distribution model.

## 4. Results

This section shows the finding based on our data analysis: distribution elements and components, hotel teams, distribution channel prioritization, and distribution channel model.

### 4.1. Distribution Elements

Our analysis and coding found six elements comprising interrelated components that constitute the distribution model in the practice of hotel RM, as shown in Table 2. We analyze these elements and propose a distribution model in the following section.

### 4.2. Hotel Teams and Channel Management

As distribution channel partners are part of the hotel RM (Ivanov, 2014), cooperation with various intermediaries is carried out because hoteliers cannot entirely sell themselves or depend on specific channels. Therefore, it is necessary to build good networks and relationships with the chosen intermediaries. Based on our coded data, a hotel has two main distribution channels: direct and indirect. To manage the distribution, our interviewed hotels generally assign their staff into different teams, which are online, offline, and hybrid teams. The offline team generally focuses on the occupancy rate, while the online team optimizes profit by maintaining the average daily rates. The hybrid team supports the two teams to increase the average rate for each guest. In general, the hotel team has responsibility for specific distribution management, as shown in Table 3.

Those structures can differ depending on the hotel’s type, size, and human resources as stated by Participant 9 as follows, “Hotel sales teams are usually divided into two: online distribution is handled by e-commerce or revenue, and the rest is handled offline. The offline team has the greatest number of people, while the revenue manager is only one or two persons depending on the star rating”.

**Table 2:** Distribution Elements and Components

Distribution Elements (Focused Coding)	Components (Initial Coding)
Distribution Channels and Tools	OTA, Online Wholesaler, Offline Wholesaler, GDS, Offline Travel Agent, Tour Operator, Corporate, Walk-in, Meta-Search, Email, Chat, Social Media, Telephone, Branded Website/App, Channel Manager, and Switcher
Hotel Team	Online, Offline, and Hybrid Team
Distribution Main KPI	Occupancy Rate and Average Room Rate
Pricing Technique	Static and Dynamic Pricing
Customer Type	Individual and Group Travelers
Channel Relationship	Channel Manager connection to OTA, GDS, Booking Engine GDS and Travel Agent Wholesaler and OTA OTA to 3rd Parties using Switcher Wholesaler and Travel Management Company

**Table 3:** Hotel Team and Channel Management

No	Hotel Team	Typical Position Name	Managed Channels	Main KPI	Main Customer Segment
1	Offline Team	Director of Sales (DOS), Sales Manager, Sales Executive	Offline wholesaler, travel agent, tour operator, and corporate sales visit	Occupancy Rate (OR)	Group travelers
2	Online Team	Revenue manager, E-commerce manager, E-distribution manager	OTA, GDS, Online wholesaler, Meta-search, branded web/app, Travel Management Company	Average Room Rate (ARR)	Independent travelers
3	Hybrid Team	Reservation manager, Front office manager	Phone, chat, email, social media, and guest walk-in	OR & ARR	Group & Independent travelers

### 4.3. Distribution Channel Selection and Prioritization Based on Hotel Type

Our analysis found that all channels are used to seek consumer awareness. However, the main priority in the distribution selection is the revenue that hotels want to achieve, so if the commission rate is too high, the hotel will limit the sales from that channel, as explained by Participant 4 as follows “Because the OTA commission is getting bigger, management is limiting sales to a certain percentage. Some hotels limit the number of rooms to only 30% for OTA. I do limit it with a pricing strategy. For example, if sales via OTA in the previous month have reached 30%, I will increase the price on OTA and lower the price in other segments that do not charge commissions.”

In general, distribution restrictions are carried out in two ways, namely:

- [1]. Allotment limitation. In high-demand conditions, allotment will be prioritized to the channel that provides the highest production and the channel that charges the lower commission.
- [2]. Pricing limitation. With no restrictions on allotments, hotels will increase prices in line with increasing demand.

When entering the high season with high demand and increasingly limited room availability, hotels will usually choose the channel that provides the highest production. However, the selection of the hotel distribution channel depends on many factors, namely from the internal hotel side, from the channel side, as well as other external factors, as explained by Participant 4 as follows “Before the

pandemic, budget hotels in leisure areas rely on direct booking and OTA up to 70%. However, if it is a 3-star business hotel in big cities, I can say the top 35% is for OTA (up to 60% during the pandemic). Mainly, three-star hotel distribution channels are corporate, government, direct, e-distribution, and wholesale. Four and five-star hotels are different. We use more and more distribution channels, we advertise on GDS and utilize meta-search as well so that it appears on search engine ads and meta-search platform.”

Generally, each hotel has a different channel management capacity depending on their team resources and facilities, which determines the utilization of each channel. Table 4 shows the prioritization of distribution channels based on hotel type and market source.

### 4.4. Distribution Channel Model

This section proposes a distribution model based on the preceding part’s elements. The suggested model in Figure 1 illustrates the distribution elements that constitute the distribution channel model for hotel revenue management, describing the relationship and data flow from hotels to customers as follows:

- [1]. Selling (hotels to channels)
- [2]. Sourcing (between channels)
- [3]. Booking (channels to customers)

Distribution channels can be categorized into indirect and direct channels, exchanging data over an online or offline connection.

**Table 4:** Distribution Channel Usage and Prioritization Based on Hotel Type

Hotel Type	Customer Type	Corporate Sales Visit	Offline Wholesaler, Agent, & Tour	Online Wholesaler	GDS & Meta-Search	OTA	Branded Web / App	Guest Walk-in	Phone, Mail, Chat, Social media
0-2 Star	Independent	-	-	*	-	p	-	*	*
3 Star	Independent	-	*	*	-	p	*	*	*
	Group	p	*	*	-	*	*	-	*
4 & 5 Star	Independent	-	*	*	*	p	*	*	*
	Group	p	*	*	*	*	*	-	*
Chain	Both	*	*	*	*	*	p	*	*
Legend: * = used by majority hotels    - = unused by majority hotels    p = prioritized by majority hotels									

### 5. Discussion

Our research has contributed to the theory development and practice. The model developed in this research enhances the development of the tourism distribution channel model since the latest research conducted by Dieck and Fountoulaki (2017). We separate direct and indirect channels and differentiate online and offline media for hotel distribution with a revenue management perspective in mind. Table 5 contrasts the model we construct with models from

previous research.

In addition, our research also has practical implications and provides insight for both hoteliers and intermediaries in managing their partnership in distribution. To develop a balanced distribution channel plan, hoteliers must first evaluate the number of channels they use, the mix of direct and indirect channels, and customer interaction to maximize their resources to achieve optimal performances. Each intermediary attracts specific market segments and is more suitable for promoting products than others.

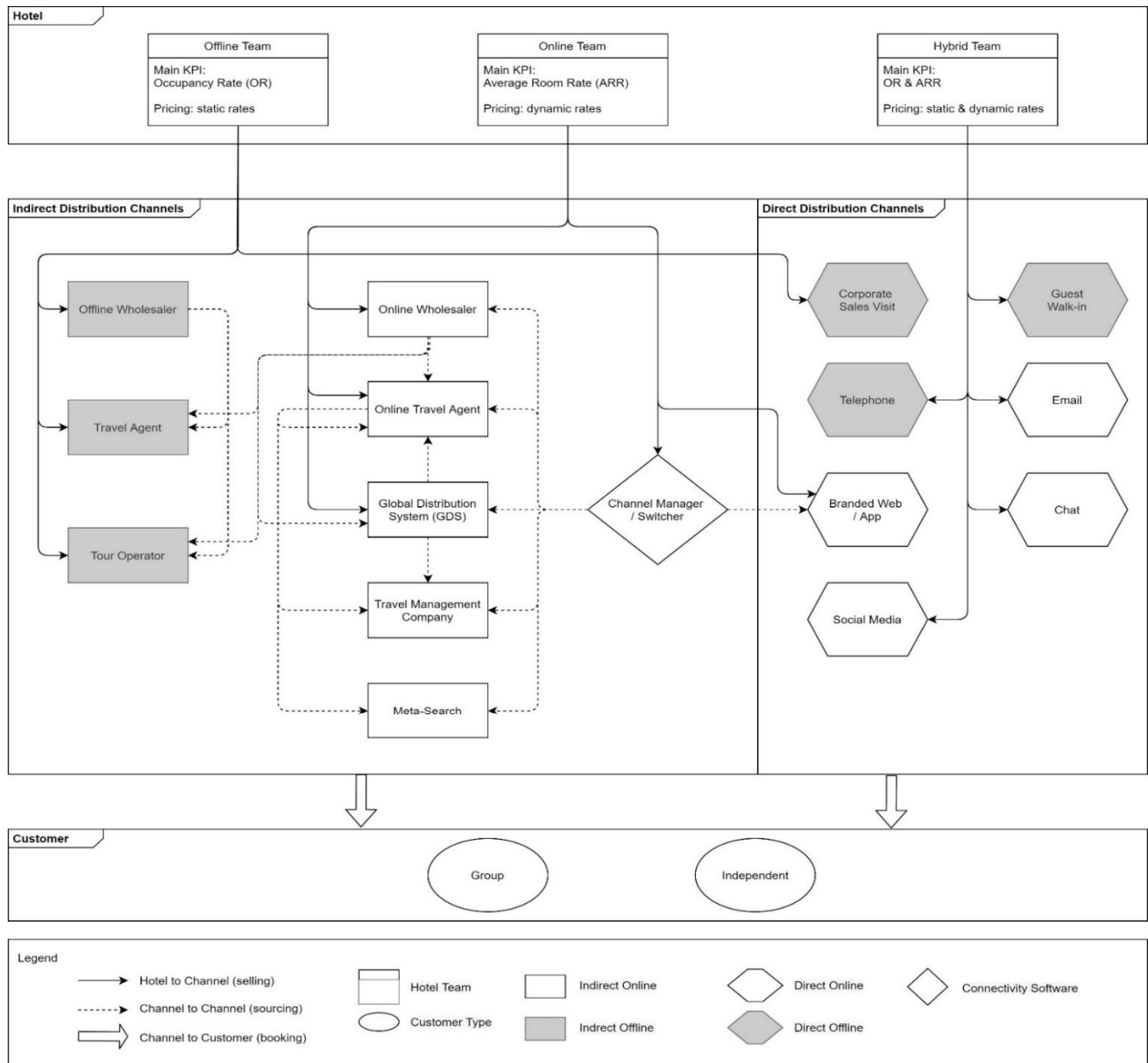


Figure 1: The Proposed Hotel Distribution Channel Model

**Table 5:** Comparison to Previous Models

Title and Author	Contrast
Distribution channels in international markets: A comparative analysis of the distribution of New Zealand tourism in Australia, Great Britain and the USA (Pearce et al., 2007)	<ul style="list-style-type: none"> <li>• Context: airline, hotel, transport, attraction for inbound tourist</li> <li>• Shows in-market and at-destination channels</li> <li>• No division on provider team</li> <li>• It does not involve connectivity software</li> </ul>
Improving the distribution of Bulgarian seaside holiday hotels (Marinov & Kazandzhieva, 2010)	<ul style="list-style-type: none"> <li>• Context: seaside holiday hotels</li> <li>• Focus only on independent travelers</li> <li>• No division on direct and indirect channels</li> <li>• It shows linkages both on information and reservation flows</li> </ul>
Examining the tourism distribution channel: Evolution and transformation (Kracht & Wang, 2010)	<ul style="list-style-type: none"> <li>• Context: tourism in general</li> <li>• Includes Google and GNE</li> <li>• No division on supplier (hotel) team</li> <li>• No customer type</li> </ul>
The impact of hotel property size in determining the importance of electronic distribution channels (Kim et al., 2012)	<ul style="list-style-type: none"> <li>• Context: small/medium and large hotels</li> <li>• Show booking flows from the customer side</li> <li>• No division on the hotel team</li> <li>• Focus only on independent customers</li> <li>• Only include channels that use an electronic system</li> </ul>
Tourism distribution channels in European island destinations (Dieck & Fountoulaki, 2018)	<ul style="list-style-type: none"> <li>• Context: tourism in general</li> <li>• Includes Google, GNE, and Mobile</li> <li>• No division on supplier (hotel) team</li> <li>• No customer type</li> </ul>

Thus, to deliver the right information and products to the right customers at the right time, distribution channels have become essential communicators between suppliers and customers (Buhalis, 2008; Pearce & Schott, 2005). Hoteliers need to employ distribution channel management as part of RM by aligning their distribution mix and strategy to maximize their organization's performance. In line with O'Connor (2016), our findings also suggest that hoteliers be more selective regarding where they sell their products so that they do not need to be present on as many channels as possible or rely on only one distribution channel. In addition, hotels can increase efforts to drive direct bookings to regain customer ownership, such as providing booking websites, social media marketing, or loyalty programs that can improve the customer's shopping experience. To maximize revenue, hoteliers have a need to get insight and suggestions from their intermediaries, such as demand forecasting in their area level, guest characteristics (customer market), so that hotels can adjust the strategies and offers provided, confirming the findings by Yin, Goh, and Law (2019) which stated that information sharing is a critical step toward enhancing buyer-supplier performance.

The information-sharing practice also requires the cooperation and activeness of the market manager of the intermediaries, in line with research in Raab, Berezan, Christodoulidou, Jiang, and Shoemaker (2018), which stated that the key to success is effective two-way communication. Issues such as fairness and subjectivity of

the market manager are strongly influenced by the personal relationship between the OTA's market manager and the hotel manager. Moreover, joint activities between market managers and hoteliers such as training, workshops, or sharing sessions can help improve communication, cooperation, opportunities between both parties and solve problems encountered in operation. More effective collaboration can occur if there is a relationship with the leadership level (e.g., General Manager, Director of Sales, or Front Office Manager) as decision-makers and with distribution staff (e.g., E-commerce Manager or Reservation Manager) as technical executor. Finally, periodic information from the distribution partners, especially online intermediaries, whenever they have new features, promos, demand/market insights, and trends will significantly assist hoteliers in managing distribution.

This research also provides practical insight for intermediaries. They are suggested cooperating with as many as online connectivity partners (switchers or channel managers), making it easier for hoteliers to manage and synchronize availability, rates, and inventory (ARI) data. With this connection, the distribution process will be more effective and efficient because the hotel can distribute the same price and allotment (or different if needed) to all online channels and prevent differences or inconsistencies in prices. In addition, by connecting to the switcher platforms, they may also expand the distribution to other third parties. To maintain sustainability in the cooperation between hoteliers



and intermediaries, they are also expected to act more fairly towards hoteliers by distinguishing which sides must bear costs in promotion activities. Intermediaries must develop into good partners to establish long-term cooperation without thinking of unilateral interests (e.g., keep increasing the commissions), but the driving force should be helping the accommodation business, especially small hotels, independent villas, and apartments.

## 6. Conclusions

This study empirically investigates the practical distribution management applied by hoteliers and the view from the distribution channels (e-intermediaries) in Indonesia. This study provides a model to examine the current situation of hotel distribution practice in the country. By utilizing our model, hoteliers can have a complete picture regarding the strategic choice of the channel by considering their hotel capacity and market target. Through this model, intermediaries can also understand that hoteliers have many channels to manage. As distribution partners, intermediaries need to continually improve their capabilities and market reach by connecting to other intermediaries that serve different market sources (customers). That improvement is essential because one of the main goals of hoteliers in using intermediaries is to increase the reach of market sources that they cannot find on their own.

Additionally, the study adds to the body of knowledge about recent developments, key actors, roles, and interrelationships in distribution channel management. Our model enriches previous models and studies by modeling the distribution in the perspective of RM, connecting hotels, intermediaries, and customers. However, this study also has a limitation. Since our study comprises respondents who operate in the Indonesian market, the findings may not be generalized to any other market, except those with a similar profile. Thus, we advise that future research can replicate the study with a multi-country perspective. Future research may also utilize a triangulation study with additional quantitative data collection, employ the stakeholder's theory and social network analysis to identify the channel's salience.

Additionally, including a consumer viewpoint in this study may result in a more comprehensive model, as meeting customer requirements with the right products is critical in tourism, as it is in all service sectors. Moreover, the resulting model shows that hoteliers handle much information through various channel systems and tools. One of the disadvantages of using multiple tools and systems is the lack of information integration, leading to inaccurate and timely decision-making, resulting in potential revenue loss (Wang, Heo, Schwartz, Legohérel, & Specklin, 2015). Technology providers, such as online intermediaries, can

contribute to the system's success by making it more straightforward for hotels to access their internal data without incurring costly license fees or development expenses (González-Serrano & Talón-Ballester, 2020). This finding shows the need for more research on technology that supports open data platforms in the hospitality and tourism sector to increase data availability and an operational ecosystem in which data may be exchanged across different platforms.

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