

The independent hotelier's OTA commission reduction checklist

1 Know what each booking is really worth

- Calculate your true cost per direct booking
- Calculate your true cost per OTA booking for each channel
- Compare the net profit per booking
- Identify what share of your bookings currently come through direct vs. OTAs
- Set a target direct booking share

3 Prepare to negotiate

- Pull 12 months of data for each OTA
- Identify your strongest channels
- Draft a negotiation case using your performance data
- Research other available channels for your property and market
- Schedule a review with your best performing OTAs

5 Audit which channels are actually working

- List every OTA you're currently listed on
- Recap performance for each channel
- Flag channels with a cancellation rate above 30–35%
- Flag channels where promotional discounts push net revenue below your direct booking equivalent
- Remove or deprioritize any channel that hasn't earned its place

2 Audit your hidden fees and promotions

- Review each OTA contract for terms
- List your promotional programs
- Calculate the effective commission rate for each program
- Assess whether programs where commission exceeds 25% are justified
- Calculate ROAS for sponsored listings

4 Review your rate parity situation

- Re-read your current OTA contracts
- Note to what the parity clause applies
- Understand your legal landscape for rate parity
- If you're unsure what your contracts allow, flag this for a legal review

6 Ongoing: make this a habit

- Set a recurring quarterly reminder to review channel performance
- Check your OTA contract terms annually, these terms often change
- Review your direct booking conversion rate and identify improvements
- Track your direct booking share month over month

