



Protecting Hotel Profitability and Asset Value

Regaining Commercial Control in
an Era of Expanding Distribution
and AI-Driven Demand



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I serve as Executive Vice President at PTG Consulting, where I work with hotel owners and operators to improve profitability and asset value through disciplined distribution and revenue strategy. My focus is on helping independent hotels gain clarity, control, and long term commercial strength in an increasingly complex marketplace.

“A hotel’s distribution strategy has a direct impact on asset value. The more clearly a hotel understands today’s distribution landscape and actively manages it with intention, the greater its ability to protect profitability and strengthen long-term asset performance.”

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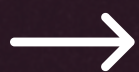
01

Distribution Has Shifted Quietly and Permanently

Over the past decade, hotel distribution has evolved from a simple structure to a complex, multi-layered ecosystem.

Rates now flow through multiple pathways at the same time. The real shift is not just the number of channels, but how limited visibility and control can be once inventory enters the market.

OTAs and intermediaries are no longer just retailers. They now operate as technology platforms, demand aggregators, and infrastructure providers for other distributors.



02

B2B2C: The Invisible Engine Behind Margin Loss

B2B2C occurs when rates meant for trade distribution are resold, sometimes repeatedly, before reaching the guest.

In this model, hotels may:

- Not recognize bookings as redistributed
- See rates appear in unexpected places, including other OTAs or corporate tools
- Experience margin erosion through discount and commission layering

This is one of the most significant and least understood drivers of margin pressure today.

03

How Discount Stacking Erodes Revenue

Many hotels unknowingly participate in overlapping programs such as package discounts, member offers, and accelerator initiatives.

When combined, net revenue can be reduced by 30 to 40 percent or more, sometimes undercutting the hotel's own rates.

Once a rate enters a B2B environment, control is often lost, with limited ability to manage where and how it is sold.

The result:

- Cannibalization of direct and corporate bookings
- Undermining of negotiated rates
- Weakened pricing integrity across channels

04 Corporate Distribution Is No Longer Traditional

Corporate travel is no longer defined only by negotiated GDS rates.

Online Booking Tools increasingly source OTA content, B2B rates, and mixed retail and net inventory. This shift is especially impactful for small and mid sized enterprises, where unmanaged travel often defaults to the lowest available rate.

At the same time, bleisure travel has reshaped behavior:

- Business trips extend into leisure stays
- Leisure and corporate rates share booking paths
- Travelers prioritize ease, flexibility, and prepaid options

This forces hotels into direct comparisons that often favor margin unfriendly channels.

05

AI Is Reshaping How Guests Find and Book Hotels

AI driven search and recommendation tools are rapidly changing the guest journey.

Instead of visiting sites one by one, travelers increasingly rely on AI to:

- Compare rates across sources in real time
- Surface the best or lowest available option
- Complete bookings on their behalf

AI does not recognize channel boundaries. If a rate exists anywhere in the ecosystem, it can be surfaced, including within corporate tools.

This reality makes distribution discipline and rate clarity more important than ever.





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