DISTRIBUTION CHANNEL PERFORMANCE OF SMALL ACCOMMODATION PROVIDERS IN CONTINENTAL CROATIA: AN EXPLORATORY CASE STUDY

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Abstract

Purpose – This paper explores the distribution channel performance of a small accommodation provider in continental Croatia, comparing Booking.com, Airbnb, and direct bookings. Using verified financial and operational data from three apartment units, the study describes revenue distribution, commission structures, guest origin patterns, and booking behaviour across channels.
Methodology – Exploratory single-case study was performed based on descriptive analysis of 133 completed reservations generating €36,673.87 in gross revenue in 2025. Financial data were verified against the official TZ2 tax filing and bank statements. Platform analytics from Booking.com Extranet and Airbnb Host reports provided supplementary performance indicators.
Findings – Booking.com dominates in reservation volume (70.7%) but accounts for 55.4% of gross revenue. Direct bookings generate 34.9% of revenue from 21.1% of reservations, primarily from corporate and organisational clients. Annual platform commissions total €4,376.68 (11.9% of gross revenue), with Booking.com's effective rate at 20.0%. The property achieves a 40.9% ADR premium over comparable Booking.com properties. International guests constitute 51.4% of Booking.com guests.
Originality of the research – The study provides rare empirical evidence on accommodation distribution in continental Croatia, a segment virtually absent from tourism research. Using tax-verified financial data, it offers a transparent account of multichannel distribution economics for a small provider in a peripheral destination.
Keywords distribution channel performance, online travel agencies, small accommodation providers, continental tourism destination, commission structures, case study

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INTRODUCTION

The Croatian tourism sector is predominantly characterised by coastal and island destinations, which account for approximately 94% of total overnight stays (Državni zavod za statistiku [DZS], 2026). Continental Croatia, encompassing thirteen counties, contributes approximately 6.3% to the country's total tourism turnover, recording approximately 2.8 million overnight stays in 2025 (Državni zavod za statistiku [DZS], 2026). Within this segment, the Požega-Slavonia County represents one of the smallest tourism markets, with 66,500 overnight stays in 2025, a year-on-year decline of 10.1% (Državni zavod za statistiku [DZS], 2026). Despite these modest aggregate figures, the emergence of digital distribution platforms has enabled individual small accommodation providers in such peripheral destinations to access global markets previously beyond their reach.

The rapid growth of online travel agencies (OTAs) such as Booking.com and Airbnb has transformed the distribution landscape for accommodation providers worldwide. For small and independent operators, these platforms serve both as marketing channels and booking intermediaries, offering a level of market reach that small operators could not independently achieve through traditional marketing. However, this reliance on third-party platforms comes at a significant cost, with OTA commission rates typically ranging from 15% to 25% per booking (Stangl et al., 2016), raising strategic questions about the optimal distribution channel mix.

Recent hospitality research confirms that OTAs have become central actors in accommodation distribution systems and significantly influence hotels' channel strategies, pricing policies, and revenue structures (Stangl et al., 2016; Beritelli & Schegg, 2016). At the same time, studies increasingly emphasise the importance of managing distribution channel mix efficiency in order to optimise performance outcomes across online and direct channels (Dolasinski et al., 2018). The expansion of digital platforms has further strengthened the intermediary power of OTAs, particularly affecting small and independent accommodation providers with limited marketing resources (Toh et al., 2011; Guttentag, 2015). However, existing empirical evidence is predominantly based on hotels located in mature tourism markets and high-volume destinations, while small-scale accommodation providers in peripheral and continental tourism regions remain largely underrepresented in distribution channel performance research. This limitation is particularly relevant in Croatia, where tourism research remains strongly focused on coastal destinations. The present study therefore contributes empirical evidence from a continental destination based on transaction-level financial data, helping to improve understanding of multichannel distribution performance in small accommodation businesses operating outside mass-tourism environments.

The research objectives are twofold: (1) to describe the distribution channel mix and revenue contribution of Booking.com, Airbnb, and direct bookings based on verified financial data; and (2) to compare key performance indicators across channels, including average daily rate, guest origin, booking behaviour, and commission impact. The study is exploratory in nature and

does not aim to test causal hypotheses; rather, it seeks to document a setting that has not been empirically examined in prior research and to generate observations that may inform future research and practitioner decision-making.

1. LITERATURE REVIEW

The concept of distribution channels in tourism encompasses the processes and connections through which accommodation providers deliver their inventory, rates, and services to consumers (Kracht & Wang, 2010). The evolution of these channels has undergone substantial change driven by the shift from traditional intermediaries toward online platforms through which consumers can search and book accommodation directly. Beritelli and Schegg (2016) demonstrated that maximising online bookings requires a strategic multichannel approach, where interdependencies between channels create network effects. For small and independent operators, the distribution channel mix directly affects both revenue and profitability through commission structures. Research shows that accommodation hosts use on average 3.6 online travel agencies in addition to direct channels (Giannoni et al., 2021), reflecting the widespread adoption of multichannel distribution strategies.

Digital transformation has fundamentally altered accommodation distribution systems by shifting control over information visibility and booking access from providers to digital intermediaries. Earlier studies showed that the emergence of internet-based reservation platforms reduced information asymmetry between providers and consumers while simultaneously increasing the strategic importance of online distribution channel management (Buhalis & Law, 2008). More recent research highlights that accommodation providers increasingly rely on hybrid distribution structures combining direct and intermediary channels in order to balance market reach and cost efficiency in digitally mediated markets (Law et al., 2015; Dwivedi et al., 2024). These developments have strengthened the importance of analysing distribution channel performance at the property level rather than relying solely on destination-level tourism indicators.

Online travel agencies now occupy a central position in the worldwide accommodation distribution ecosystem. Booking.com operates in 43 languages with over 28 million listings, while Airbnb has evolved from its origins as a room-sharing service into a widely used accommodation booking platform (Guttentag, 2015). For small providers, OTAs offer market access that would be otherwise unreachable (Stangl et al., 2016). The “billboard effect” documented by Anderson (2009) describes how OTA listings increase direct bookings through enhanced property visibility. However, OTA dependence creates vulnerabilities including commission costs, diminished control over rate-setting, and limited access to guest data for relationship-building purposes. Stangl et al. (2016) found that properties located in destinations with lower brand recognition tend to depend more heavily on OTA channels for generating bookings.

The multichannel distribution behaviour of accommodation hosts is an active research area. Giannoni et al. (2021) found that multichannel distribution is commonly adopted, with a significant fraction of small hosts using three or more platforms simultaneously. Commission structures differ notably: Booking.com charges providers approximately 15–20%, while Airbnb splits commissions between host (3–5%) and guest (5–15%), creating different cost dynamics (Dolnicar, 2018). Zervas et al. (2017) demonstrated that Airbnb’s market entry measurably affected hotel revenues, particularly in the lower-quality segment.

Recent studies increasingly emphasise that accommodation providers must actively manage their distribution channel mix in order to balance the visibility advantages of online travel agencies with the profitability benefits of direct bookings. Earlier research highlighted the need for systematic evaluation of hotel electronic distribution channels, particularly in relation to cost efficiency and strategic fit (O’Connor & Frew, 2004). Later studies showed that cooperation with online travel agencies influences pricing decisions and channel economics, confirming that online intermediaries shape both market access and revenue structures (Ling et al., 2014). Furthermore, accommodation markets are characterised by asymmetric bargaining power between intermediaries and providers, often reinforcing dependence on dominant OTAs, especially in destinations with lower brand recognition (Stangl et al., 2016). Recent evidence also suggests that multichannel strategies can improve online booking performance, while channel mix should be assessed not only in terms of volume, but also in relation to broader performance outcomes (Beritelli & Schegg, 2016; Dolasinski et al., 2018). These insights support the need for empirical research on channel performance at the level of individual accommodation providers in peripheral tourism environments.

Recent research further indicates that online platforms reshape competitive dynamics in accommodation markets by redistributing bargaining power between providers and intermediaries. Platform-based distribution systems often create structural dependencies for smaller accommodation providers, particularly in destinations with lower visibility and weaker brand recognition, where reliance on dominant online intermediaries tends to be stronger (Stangl et al., 2016). At the same time, empirical studies demonstrate that cooperation with online travel agencies influences pricing strategies and channel economics, while maintaining direct booking channels remains strategically important for improving profitability and reducing distribution costs despite the visibility advantages offered by OTAs (Ling et al., 2014; Toh et al., 2011). These findings suggest that evaluating channel performance requires analysing both reservation volume and commission intensity across different distribution channels.

Destination characteristics play an important role in shaping accommodation distribution strategies. Previous studies show that properties located in destinations with lower visibility and weaker brand recognition tend to rely more heavily on intermediary platforms due to limited direct demand and marketing reach compared to mature tourism regions (Stangl et al., 2016). At the same time, research on accommodation distribution highlights that platform-based intermediation is particularly important for improving market access of smaller and independent providers operating outside major tourism centres (Toh, et al., 2011).

Despite the growing importance of digital platforms for improving accessibility of peripheral destinations, empirical evidence on distribution channel performance in such contexts remains limited, particularly in continental Central and Eastern European tourism regions. This lack of transaction-level research highlights the need for case-based analyses examining how small accommodation providers adapt their distribution strategies outside high-volume tourism markets.

Furthermore, Croatian tourism development remains strongly concentrated in the Adriatic region, while continental Croatia is still less intensively tourism-developed and comparatively underexplored as a tourism context in empirical research (Mikulić et al., 2023; Čep & Krajinović, 2021). In 2025, the thirteen continental counties recorded approximately 2.8 million overnight stays, maintaining a 6.3% share of national tourism (Državni zavod za statistiku [DZS], 2026). The Slavonian region, including Požega-Slavonia County, has been identified as an area with potential in cultural, rural, wine, and nature-based tourism. The county is home to the UNESCO Geopark Papuk, the historically significant Golden Valley (Vallis Aurea), and the Kutjevo wine region. However, empirical studies examining digital distribution strategies and accommodation market performance in this region remain largely absent from the academic literature, representing a gap that the present study seeks to address.

2. METHODOLOGY

This study employs an exploratory, descriptive, single-case research design analysing operational and financial data from three apartment units operated under the brand Residence Požega in the city of Požega, Požega-Slavonia County, Croatia. The property operates across three distribution channels: Booking.com, Airbnb, and direct bookings (telephone, email, corporate contracts). The single-case approach limits statistical generalisability but provides depth and transparency regarding the actual economics of multichannel distribution in a previously understudied setting, which represents a recognised strength of case-study research designs (Flyvbjerg, 2006).

The primary financial data cover the calendar year 2025 (1 January – 31 December 2025) and were verified against two independent sources: the official TZ2 tax form filed with the Croatian Tax Administration (Porezna uprava), and bank statements confirming net receipts by channel. These sources provide verified reservation counts, gross revenue, net revenue, and commission amounts by channel.

Two supplementary platform-generated data sources provide detailed performance analytics that are not available from the financial records:

1. Booking.com Extranet analytics for the rolling 365-day period ending 7 March 2026, providing data on country-of-origin distribution, average daily rate (ADR), booking lead time, cancellation rates, length of stay, device usage, benchmarking against algorithmically defined similar properties, and platform algorithm indicators including search result ranking, property page quality score, guest rating, and booking conversion funnel (the latter based on the most recent 90-day window). It is important to note that the Extranet reporting window does not perfectly align with the TZ2 calendar year. The Extranet reports 148 booking events for its window, while TZ2 records 94 completed stays for calendar year 2025. This discrepancy is accounted for by three factors: the Extranet window extends approximately 2.5 months beyond the calendar year; the Extranet includes subsequently cancelled bookings (the reported cancellation rate is 21.69%); and the two reporting periods overlap for approximately 10 months. Applying the cancellation rate to the Extranet total and adjusting for the overlap period yields an expected realised count of approximately 96 stays for calendar year 2025, consistent with the TZ2 figure of 94.

2. Airbnb Host analytics: monthly performance reports for three listings covering April 2025 to March 2026. The property was first listed on Airbnb in April 2025, which accounts for the absence of Airbnb data prior to that date. The reports provide reservation events, revenue, ADR, average length of stay, guest ratings, response rate, and Superhost evaluation metrics. Airbnb Host reports record 23 booking events for April–December 2025, while TZ2 records 11 completed stays for the full year, reflecting the difference between booking events (including cancellations) and realised revenue-generating stays.

Throughout the analysis, TZ2-verified figures are used for all financial data (revenue, reservations, commissions), while platform analytics are used exclusively for performance indicators available only from those platforms (ADR, geographic distribution, lead time, device type, benchmark comparison). The combination of different reporting windows is an acknowledged limitation of this study.

The following indicators were analysed: gross and net revenue by channel; effective commission rates (calculated as the difference between verified gross and net revenue, divided by gross); reservation counts; average daily rate from platform analytics (Booking.com: €110.88; Airbnb: €102.31); geographic distribution of guests (Booking.com only; not available from Airbnb); average length of stay; booking lead time; cancellation rate; booking device type; and Booking.com's benchmark comparison with similar properties. The analysis is exclusively descriptive and comparative. No inferential statistical tests were applied, as the data consist of aggregate platform reports and verified financial totals rather than individual-level observations. For the direct booking channel, only the average revenue per transaction is available (€456.57). This figure is not comparable to OTA per-night ADR, because direct bookings frequently involve multi-room and multi-night group packages. This distinction is maintained throughout the results, and no cross-channel ADR comparison involving the direct channel is made.

All guest data were anonymised prior to analysis. No individually identifiable information is reported. Financial data are presented exclusively in aggregate by distribution channel.

3. RESULTS

3.1 Distribution Channel Mix and Revenue

During calendar year 2025, Residence Požega recorded 133 completed reservations generating a total gross revenue of €36,673.87 and net revenue of €32,297.19 across three distribution channels. Table 1 presents the full breakdown.

Table 1: **Distribution of reservations and revenue by channel (calendar year 2025)**

Channel	Res. (n)	Share (%)	Gross (€)	Share (%)	Net (€)	Comm. (%)
Booking.com	94	70.7	20,320.94	55.4	16,254.15	20.0
Airbnb	11	8.3	3,569.00	9.7	3,259.11	8.7
Direct	28	21.1	12,783.93	34.9	12,783.93	0.0
Total	**133**	**100.0**	**36,673.87**	**100.0**	**32,297.19**	**11.9**

Source: TZ2 tax filing (gross revenue, reservation count), bank statements (net revenue). Commission = gross minus net.

The data reveal a divergence between reservation share and revenue share. Booking.com accounts for 70.7% of reservations but 55.4% of gross revenue, while direct bookings represent 21.1% of reservations but 34.9% of gross revenue. The average transaction value for direct bookings (€456.57) substantially exceeds that of Booking.com (€216.18) and Airbnb (€324.45). Examination of the internal financial register (Knjiga računa) reveals that the direct channel is dominated by corporate clients, sports organisations, religious institutions, and tourism agencies, who typically book multiple rooms and/or multiple nights simultaneously. Airbnb contributes 8.3% of reservations and 9.7% of revenue.

Total platform commissions amount to €4,376.68, representing 11.9% of gross revenue. Booking.com's effective commission rate of 20.0% accounts for 92.9% of all commissions paid (€4,066.79). Airbnb's effective rate is 8.7% (€309.89). The direct channel operates commission-free.

Table 2 presents Booking.com Extranet performance indicators alongside the platform's benchmark for similar properties.

Table 2: **Booking.com performance indicators versus benchmark**

Indicator	Residence	Benchmark	Difference
ADR (€)	110.88	78.68	+40.9%
Avg stay (nights)	1.71	1.74	−1.7%
Cancellation rate (%)	21.69	16.49	+31.5%
Booking lead time (days)	46.04	36.67	+25.6%
Mobile bookings (%)	87.35	81.82	+6.8%

Source: Booking.com Extranet (rolling 365 days ending 7 March 2026). Benchmark = similar properties as defined by

Booking.com's algorithm; composition not disclosed. Note (a): ADR calculated by platform as revenue divided by room nights sold.

The property's ADR of €110.88 exceeds the benchmark of €78.68 by 40.9%. This premium is observed consistently across all reported source markets (Table 3). The factors driving this premium — whether property quality, listing management, pricing strategy, or other variables — cannot be isolated from the available data. The property also records a higher mobile booking share (87.35% vs 81.82%), a longer average booking lead time (46.04 vs 36.67 days), and a higher cancellation rate (21.69% vs 16.49%). It should be noted that the 365-day cancellation rate of 21.69% reported in the Extranet statistics differs from the 90-day rate of 6.1% presented in Table 5; this difference likely reflects both the shorter measurement window and seasonal variation in cancellation behaviour.

Table 3 presents the geographic distribution of Booking.com guests.

Table 3: **Geographic distribution of Booking.com guests**

Country	Share	Bench.	ADR €	Bench. ADR	Cancel.	Lead t.	Stay	Bench. Stay
Croatia	48.62%	57.70%	113.70	79.18	16.5%	34.2	1.43	1.53
Germany	12.25%	16.22%	104.67	78.51	31.8%	77.8	2.07	2.87
Hungary	9.88%	2.33%	119.72	72.70	37.5%	99.8	2.50	1.74
Austria	8.30%	5.44%	120.10	80.02	35.7%	82.2	2.33	1.72
Netherlands	3.95%	1.51%	103.95	76.80	20.0%	18.8	2.50	2.38
Switzerland	3.16%	3.56%	114.39	87.99	0.0%	63.0	2.00	2.61
USA	2.77%	0.69%	101.99	78.80	25.0%	129.7	2.33	2.33
France	1.19%	0.32%	120.92	83.40	0.0%	5.7	1.00	1.00
Other	9.88%	–	–	–	–	–	–	–

Source: Booking.com Extranet (rolling 365 days). Bench. = benchmark (similar properties). Lead t. = days before check-in. Stay = average nights. Country-of-origin data not available from Airbnb.

Domestic guests account for 48.62% of bookings, while international guests constitute 51.4%. The data show that Hungarian guests represent 9.88% of bookings compared to 2.33% for the benchmark, and Austrian guests represent 8.30% versus 5.44%. One possible interpretation is that this reflects geographic proximity to Hungary and the position along the Budapest–Zagreb transit corridor, though this explanation was not empirically tested and alternative factors (such as marketing activities or platform algorithm effects) cannot be excluded. International guests generally achieve higher ADR values and longer stays than domestic guests, but also exhibit higher cancellation rates (31–38% vs 16.5% for domestic guests) and longer lead times. Furthermore, Airbnb Host analytics for April 2025–March 2026 report 35 room nights with an overall ADR of €102.31, which is 7.7% below the Booking.com ADR of €110.88. Airbnb displays pronounced seasonality: summer months (June–August) account for 54.3% of all room nights, and five months recorded zero completed reservations. Among three listed apartments, the largest unit (featuring a wine cellar) achieved the highest ADR (€116.81), while the studio recorded the lowest (€86.26). The TZ2 filing records 11 completed Airbnb stays for calendar year 2025 generating €3,569.00 in gross revenue.

Table 4 presents the commission structure verified against bank statements.

Table 4: **Commission analysis by distribution channel (calendar year 2025)**

Channel	Gross (€)	Commission (€)	Eff. rate (%)	Net (€)
Booking.com	20,320.94	4,066.79	20.0	16,254.15
Airbnb	3,569.00	309.89	8.7	3,259.11
Direct	12,783.93	0.00	0.0	12,783.93
Total	**36,673.87**	**4,376.68**	**11.9**	**32,297.19**

Source: TZ2 tax filing (gross), bank statements (net). Commission calculated as gross minus net.

The combined commission cost of €4,376.68 represents 11.9% of total gross revenue. This effective rate is moderated by the 34.9% revenue share of the commission-free direct channel. Had all revenue been generated through Booking.com at the observed 20.0% rate, the commission burden would have been approximately €7,335, some €2,958 higher than the actual amount.

Both Booking.com and Airbnb employ algorithmic systems to rank properties in search results, personalise recommendations, and evaluate listing quality (Lim & Kim, 2025). Table 5 presents platform-generated algorithm indicators for Residence Požega alongside available area benchmarks.

Table 5: **Platform algorithm indicators**

Indicator	Residence	Area benchmark	Platform
Search result rank	3 / 48 (top 6.3%)	–	Booking.com
Property page quality score	100%	85%	Booking.com
Guest rating	9.5 / 10 (n=90)	9.4	Booking.com
Cancellation rate (90d)	6.1%	14.5%	Booking.com
Booking conversion rate	2.03%	–	Booking.com
Guest rating	4.90 / 5.00	–	Airbnb
5-star review share	90.0%	–	Airbnb
Response rate	98%	–	Airbnb
Superhost status	No	–	Airbnb

Source: Booking.com Extranet “Poboljšajte svoje rezultate” (last 90 days); Airbnb Superhost evaluation (April 2025 – March 2026). Area benchmark available for Booking.com only.

On Booking.com, the property ranks 3rd out of 48 listed properties in the city, placing it in the top 6.3%. The platform itself characterises this as “better than 95% of properties in your city”. The platform’s property page quality score — which evaluates completeness of listing information, photograph quality, and content accuracy — is 100%, substantially exceeding the area average of 85%. The guest rating of 9.5 out of 10 (based on 90 reviews) marginally exceeds the area benchmark of 9.4. The 90-day cancellation rate of 6.1% is less than half the area average of 14.5%. The booking conversion funnel shows that out of 239,602 search result impressions in the 90-day period, 1.01% converted to property page views (2,412), of which 2.03% converted to reservations (49).

On Airbnb, the property holds a rating of 4.90 out of 5.00, with 90.0% of reviews receiving five stars (review count not disclosed by the platform in aggregate reports). The response rate is 98%. The property does not hold Superhost status due to a cancellation rate (2.94%) exceeding the Superhost threshold (1.0%), despite meeting all other criteria. It is important to note that the Airbnb cancellation metric measures host-initiated cancellations, whereas the Booking.com rate (21.69%) reflects guest-initiated cancellations; these are fundamentally different indicators and are not directly comparable.

These indicators are reported descriptively and no causal inference is drawn between algorithmic positioning and the ADR premium observed in this study. However, the co-occurrence of high algorithm scores and above-benchmark pricing is a notable pattern that warrants systematic investigation in future research.

4. DISCUSSION

The results of this exploratory case study provide several observations relevant to the distribution of small accommodation providers in peripheral continental destinations, while also raising important questions for future investigation.

The dominant role of Booking.com (70.7% of reservations, 55.4% of revenue) is consistent with the platform's documented 69.3% European OTA market share (Turnšek & Radivojević, 2025). However, the divergence between reservation share and revenue share warrants attention. Direct bookings, while representing only 21.1% of reservations, generate 34.9% of gross revenue. This suggests that measuring OTA dependence solely by reservation or room-night share may overstate the degree of reliance, and that revenue share offers a complementary perspective. The high average transaction value of direct bookings (€456.57) reflects the corporate and organisational nature of this segment, which differs structurally from individual OTA bookings and should not be interpreted as a per-night rate advantage.

The 40.9% ADR premium over the Booking.com benchmark is a notable observation. It is consistent across source markets, which argues against a purely market-specific explanation. The platform algorithm data (Table 5) provide descriptive context: the property ranks 3rd out of 48 in its city, holds a property page quality score of 100% (versus 85% area average), and maintains a guest rating of 9.5 with a cancellation rate less than half the area benchmark. These indicators are inputs to Booking.com's algorithmic ranking system, and their uniformly above-average values co-occur with the observed ADR premium. However, the direction of causality cannot be established from descriptive data: high algorithm scores may enable premium pricing through increased visibility, or premium properties may inherently score well on platform metrics, or both may be driven by an unobserved third factor such as management quality. Disentangling these relationships would require a multi-property study with controlled comparisons and constitutes a promising direction for future research (García-Madurga & Grilló-Méndez, 2023).

The geographic data show overrepresentation of Hungarian and Austrian guests relative to the benchmark for similar properties. Geographic proximity to Hungary and the property's position along the Budapest–Zagreb corridor offer a plausible but untested interpretation. It is equally possible that platform algorithms, marketing activities, or other unobserved factors contribute to this pattern. What can be observed is that international guests exhibit consistently different booking behaviour: higher ADR, longer stays, and longer lead times, but also higher cancellation rates (31–38% vs 16.5% for domestic guests). Whether this reflects tentative trip-planning by guests discovering a new destination, the use of more flexible cancellation policies, or other mechanisms remains an open question.

Airbnb's marginal role (8.3% of reservations, 9.7% of revenue) and pronounced seasonality (54.3% of nights in summer) contrast with the platform's significance reported in major urban destinations. This observation is consistent with the possibility that Airbnb's user base is more oriented towards urban and coastal leisure travel, though generalisable conclusions cannot be drawn from a single case. The 7.7% ADR gap between Booking.com (€110.88) and Airbnb (€102.31) may reflect differences in guest segments, platform pricing dynamics, or listing strategy, but these factors were not isolated in this study.

The commission analysis provides concrete, verified figures: €4,376.68 annually, with Booking.com accounting for 92.9% of commissions at an effective rate of 20.0%. The implicit saving from the direct channel (€2,958 in avoided commissions) underscores the economic rationale for cultivating direct relationships, particularly with high-value corporate clients. This finding is consistent with the broader literature on the cost of OTA distribution for independent properties (Toh, et al., 2011), though the specific magnitude is context-dependent and may not generalise to other properties or destinations.

CONCLUSION

This exploratory case study documented the distribution channel performance of a small accommodation provider in Požega, a Pannonian Croatian destination, using tax-verified financial data supplemented by platform analytics. The analysis of 133 completed reservations generating €36,673.87 in gross revenue during calendar year 2025 reveals a distribution landscape in which Booking.com dominates by reservation volume, the direct channel contributes disproportionately to revenue through high-value corporate bookings, and Airbnb serves a marginal, seasonally concentrated role.

Three observations merit particular attention. First, measuring OTA dependence by revenue share (55.4% for Booking.com) rather than reservation count (70.7%) produces a meaningfully different picture. Second, the 40.9% ADR premium over comparable properties indicates that pricing above the local competitive set is achievable, though the determinants of this premium were not identified. Third, verified commission data show that the direct channel generates an implicit annual saving of approximately €3,000, providing a tangible economic argument for channel diversification.

For practitioners managing small accommodation units in similar peripheral destinations, the findings suggest the value of maintaining OTA presence for volume and international market access while actively developing direct channels for corporate and organisational clients. However, the applicability of these observations to other properties, destinations, or time periods cannot be assumed.

The study's limitations include the single-case design, the use of estimated rather than precise room-night counts for Airbnb and direct channels, the combination of data sources with non-identical reporting periods, and the algorithmically defined and

undisclosed composition of the Booking.com benchmark set. Future research should address these limitations by examining multiple properties across continental Croatian destinations, collecting precise occupancy data, and investigating factors that drive ADR premiums in peripheral markets. The platform algorithm data presented in this study (property ranking, quality scores, conversion metrics) suggest that algorithmic positioning and property performance are closely intertwined in contemporary OTA distribution, but the causal structure of this relationship remains an open question. Future research should examine whether and how AI-driven ranking and personalisation mechanisms (García-Madurga & Grilló-Méndez, 2023; Ali & Ali, 2025) affect the discoverability and competitive positioning of small providers in peripheral destinations. Multi-property research designs that can control for confounding factors would be particularly valuable for disentangling the relationship between algorithmic positioning and accommodation performance.

DECLARATION OF GENERATIVE AI AND AI-ASSISTED TECHNOLOGIES IN THE WRITING PROCESS

In preparing this paper, the author(s) used Claude (Anthropic) for literature search assistance, data analysis support, and initial text structuring. Following the use of this tool/service, the author(s) have reviewed and edited the content as necessary and take full responsibility for the content of the published article.

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