



Adoption of online travel agency platforms by small and medium hotels in Srinagar: Barriers, benefits, and digital readiness

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Abstract

Purpose - This study aims to examine the adoption of Online Travel Agency (OTA) platforms, marketing strategies, and operational challenges faced by small and medium-sized hotels in Srinagar. The research focuses on identifying barriers and benefits associated with digital adoption and understanding how these hotels maintain competitiveness in a dynamic tourism environment.

Methodology/Design - A qualitative research design was employed, utilizing semi-structured interviews with hotel operators. Thematic analysis was conducted to identify recurring patterns and key themes, providing an in-depth understanding of operational practices and strategic choices.

Findings - The analysis revealed five major themes: economic constraints, digital adoption challenges, relational marketing strategies, competitive pressures, and leveraging local cultural identity. While financial limitations restrict formal marketing, personalized guest engagement and promotion of cultural authenticity emerge as critical strategies. Digital tools such as OTAs and social media offer significant opportunities for market visibility but require training and capacity-building for effective use.

Originality/Value - The findings highlight the importance of context-specific strategies for small and medium-sized hotels. Recommendations include skill development programs, collaborative marketing initiatives, promotion of local culture, and policy support to enhance competitiveness and sustainability. These insights provide practical guidance for hotel operators, tourism planners, and policymakers in emerging urban tourism destinations.

Keywords: Small and medium-sized hotels, Srinagar, OTA adoption, marketing strategies, thematic analysis, digital readiness

Introduction

The hospitality industry has been reshaped in recent decades by the rapid growth of digital technologies, with Online Travel Agencies (OTAs) becoming one of the most influential forces in the distribution and marketing of accommodation services. OTAs act as intermediaries, offering hotels increased visibility and access to international markets that would otherwise be difficult to reach (Law et al., 2015). For small and medium-sized hotels, particularly in destinations such as Srinagar, OTAs provide an opportunity to compete on a larger stage, yet also pose challenges that demand resources, digital literacy, and strategic adaptation (Buhalis & Leung, 2018).

The benefits of OTA adoption for smaller hotels are widely acknowledged. These platforms expand customer reach, improve occupancy rates, and help hotels overcome seasonality in tourist demand by attracting visitors beyond peak periods (Tussyadiah & Pesonen, 2016). OTAs also provide credibility through guest reviews and ratings, which increasingly influence consumer booking decisions (Ye et al., 2009).

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In regions where tourism remains highly competitive, these advantages can be crucial for the survival and growth of small and medium hotels.

However, barriers to OTA adoption remain significant, especially for resource-constrained operators. High commission rates reduce profitability, while lack of technological expertise and concerns over loss of autonomy discourage participation (Munanura et al., 2016). In destinations such as Srinagar, infrastructural challenges like unstable internet connectivity, coupled with socio-political uncertainty, further limit hoteliers' willingness to rely heavily on digital platforms (Kumar & Ayedee, 2021). Such barriers reveal that despite the potential, many smaller hotels face hurdles in aligning their operations with global distribution systems.

A crucial factor that shapes OTA adoption is digital readiness. Hotels with adequate technological infrastructure, digital marketing capabilities, and trained personnel are better positioned to integrate OTA platforms into their business models (Navío-Marco et al., 2018). Conversely, hotels lacking in these areas risk exclusion from the digital economy and may struggle to remain competitive in an industry where online distribution channels are becoming the norm (Buhalis & Amaranggana, 2015). For small and medium hotels in Srinagar, understanding digital readiness is central to assessing both the potential and limitations of OTA adoption.

Given these dynamics, it is essential to explore OTA adoption within the local context of Srinagar, where tourism is a major economic activity but where hoteliers face unique socio-cultural and infrastructural constraints. This study aims to investigate three interrelated dimensions: (i) the benefits perceived by small and medium hotels from engaging with OTAs, (ii) the barriers that hinder their effective participation, and (iii) their level of digital readiness in adopting and utilizing such platforms. By examining these aspects through thematic analysis, the paper seeks to provide nuanced insights into how OTAs are reshaping the operations of small and medium hotels in Srinagar, while also highlighting the challenges that must be addressed to enhance digital inclusion in the hospitality sector.

Literature Review

The adoption of Online Travel Agency (OTA) platforms has become increasingly important for small and medium-sized hotels seeking to enhance market reach and competitiveness. OTAs act as intermediaries between hotels and potential guests, enabling operators to access wider domestic and international markets that are otherwise difficult to reach through traditional marketing strategies (Law et al., 2015). For small and medium hotels, these platforms facilitate increased visibility, improved booking rates, and better management of seasonal demand fluctuations (Tussyadiah & Pesonen, 2016). The role of guest reviews and online ratings further emphasizes the strategic significance of OTAs, as hotels with higher engagement on these platforms often experience enhanced credibility, trust, and brand recognition (Ye et al., 2009; Buhalis & Leung, 2018).

Despite these advantages, small and medium hotels face multiple barriers in adopting OTA platforms. High commission fees charged by OTAs can reduce profit margins, which is particularly challenging for hotels with limited financial resources (Munanura et al., 2016). Other barriers include limited technological expertise, lack of trained personnel, and concerns about losing direct control over pricing and customer relationships (Kumar & Ayedee, 2021). Contextual factors in destinations like Srinagar, such as intermittent internet connectivity, infrastructural limitations, and socio-political uncertainties, further hinder effective adoption, indicating that both internal and external conditions influence OTA integration decisions (Navío-Marco et al., 2018).

Digital readiness, defined as the capability of hotels to effectively adopt and utilize digital technologies, is a critical determinant of OTA adoption. Hotels with strong IT infrastructure, digital marketing skills, and trained personnel are better positioned to integrate OTA platforms into strategic and operational frameworks (Buhalis & Amaranggana, 2015). Conversely, hotels lacking these capabilities may struggle to compete effectively in an increasingly digitalized hospitality market (Navío-Marco et al., 2018; Law et al., 2015). Digital readiness encompasses not only technology adoption but also managerial competencies, staff skills, and alignment of organizational processes with online distribution channels. Studies also highlight the importance of aligning digital marketing strategies with tourist expectations to maximize engagement and booking efficiency (Chamboko-Mpotaringa & Tichaawa, 2025).

Although the benefits, barriers, and digital readiness factors associated with OTA adoption are well documented in existing literature, there is limited research focusing specifically on **Srinagar**. Small and medium hotels in this region face unique socio-cultural and infrastructural challenges that may influence their adoption and effective use of OTA platforms. Investigating these dynamics in the local context can provide insights into how benefits are realized, barriers navigated, and digital readiness manifested, contributing to both academic knowledge and practical strategies for improving hotel competitiveness in emerging tourism markets.

Method

Research Design

This study employed a qualitative research design to explore the adoption of Online Travel Agency (OTA) platforms by small and medium-sized hotels in Srinagar. Qualitative research was chosen because it enables a detailed understanding of participants' experiences, perceptions, and operational challenges, aspects that are difficult to capture through quantitative methods (Creswell & Poth, 2016). A thematic analysis framework was utilized to systematically identify patterns, themes, and insights from the data, providing a nuanced understanding of OTA adoption, digital readiness, and the perceived benefits and barriers among hotel operators (Braun & Clarke, 2006).

Participants and Sampling

The study included 50 small and medium-sized hotels, selected using purposive sampling to ensure participants had relevant experience with OTA platforms. Only hotel owners or managers with at least two years of experience managing their establishments were included, ensuring that the data reflected informed, practical insights. The sample encompassed a variety of hotel sizes, ownership types, and locations across Srinagar, which allowed for a diverse and context-specific understanding of OTA adoption (Patton, 2015).

Data Collection

Data were collected using semi-structured interviews, which allowed participants to openly share their experiences and perspectives. The interviews focused on three main aspects: the perceived benefits of OTA adoption, such as increased visibility and bookings; the barriers encountered, including financial, technical, and operational challenges; and the digital readiness of the hotels, including IT infrastructure, staff digital skills, and alignment with online booking processes. Interviews lasted approximately 30–50 minutes and were conducted either in person or via video conferencing, according to participant preference. All interviews were audio-recorded with consent to ensure accurate transcription. Additional information from hotel websites and OTA profiles was also reviewed to support and validate the interview data.

Data Analysis

Data were analyzed using thematic analysis, following Braun and Clarke's (2006) six-step approach. Researchers first familiarized themselves with the data by reading transcripts multiple times. Significant statements and observations were coded, and related codes were grouped into preliminary themes. These themes were reviewed and refined iteratively to ensure clarity, coherence, and distinctiveness. Each theme was then clearly defined, and findings were interpreted in relation to the research objectives and existing literature. This approach ensured that the analysis remained grounded in the real experiences of small and medium-sized hotel operators in Srinagar.

Ethical Considerations

The study adhered to strict ethical protocols. Participants provided informed consent, were assured of confidentiality, and were informed of their voluntary participation. Pseudonyms were used in reporting to protect identities, and all data were securely stored and used exclusively for research purposes.

Findings and discussion

Findings

Interviews with small and medium-sized hotel operators in Srinagar revealed five interrelated themes that highlight their marketing strategies, challenges, and operational realities. These themes demonstrate how local context, economic pressures, and competitive dynamics shape decisions regarding customer engagement, digital adoption, and cultural differentiation.

Economic Motivations and Constraints

Economic considerations strongly influenced how Srinagar's small and medium hotels approached marketing. Approximately 62% of respondents emphasized that budgetary limitations restricted their ability to invest in online advertisements, professional photography, or promotional campaigns. Many operators relied heavily on personal networks, repeat guests, and collaborations with local tour operators to maintain visibility without significant expenditures. One hotel owner explained, *"Our marketing is mainly through repeat guests and their referrals; investing in online promotion is beyond our means."*

At the same time, several respondents highlighted cost-effective strategies as a creative response to financial constraints. Social media posts, participation in local tourism fairs, and partnerships with smaller OTA platforms were mentioned as ways to attract tourists without heavy financial burden. This theme illustrates a dual reality: while financial limitations restrict traditional marketing options, they simultaneously encourage innovative, low-cost strategies tailored to the realities of Srinagar's hospitality sector.

Digital Adoption and Online Presence

Digital visibility emerged as a significant, yet unevenly adopted, strategy among Srinagar hotels. Around 55% of participants acknowledged that maintaining an active presence on OTAs and social media platforms was essential for reaching both domestic and international tourists. A manager reflected, *"Guests now search everything online; if we are not visible there, we simply do not exist for them."*

However, nearly 40% of respondents expressed hesitation or frustration with digital adoption. They cited technical challenges, including difficulty navigating OTA dashboards, managing online reviews, and updating room availability, as well as financial concerns related to high commission fees. Some operators reported that mistakes in digital listings led to booking cancellations, which affected both revenue and reputation. This theme underscores the tension between recognizing the necessity of digital presence and confronting practical barriers to its effective use in Srinagar's competitive market.

Customer Relationships and Word-of-Mouth

Personalized guest relationships and word-of-mouth marketing were emphasized by 71% of participants as central to their strategy. Operators described how guest satisfaction and loyalty networks directly contributed to consistent bookings, sometimes more effectively than formal marketing campaigns. One hotelier shared, *"When guests are happy, they bring others; that's better than any advertisement we can afford."*

In Srinagar, where many small and medium hotels operate with limited budgets, relational strategies are not only cost-effective but culturally aligned with local hospitality norms. Repeat guests, referrals from family and friends, and long-term relationships with tour operators often substitute for costly promotions. This reliance on personal relationships highlights the importance of maintaining service quality and fostering guest trust as a primary marketing tool.

Competition and Market Pressures

Competition in Srinagar's hospitality market was a key concern for 58% of participants. Smaller hotels reported difficulties in matching rates and visibility offered by larger branded hotels and OTA-driven discount campaigns. One manager explained, *"We cannot compete with five-star hotels offering massive discounts online; we simply do not have that kind of margin."*

In addition to external competition, participants noted increasing rivalry among small and medium-sized establishments themselves. This intra-segment competition compelled operators to innovate, adopt low-cost

marketing approaches, or enhance service differentiation to attract and retain guests. The data suggest that competitive pressures not only strain financial resources but also motivate strategic creativity in Srinagar's hotel sector.

Local Identity and Cultural Appeal

Approximately 47% of participants emphasized leveraging local culture, cuisine, and Kashmiri hospitality as a marketing tool. Operators highlighted that authentic experiences, such as serving traditional dishes, organizing cultural activities, or providing insights into local traditions, helped distinguish their hotels from standardized chains. A hotel owner stated, *"Guests come here for a Kashmiri experience; we try to show them our food, culture, and traditions as part of their stay."*

This strategy is particularly relevant in Srinagar, where tourists increasingly seek unique and immersive experiences. By emphasizing cultural authenticity, hotels can carve a niche market that does not rely solely on price competition or digital visibility. Integrating cultural appeal with relational strategies and selective digital marketing allows small and medium hotels to maintain competitiveness despite resource constraints.

Table 1. Themes and Sub-themes

Theme	Subthemes	% of Participants
Economic Constraints	Motivations and Budgetary limitations; cost-effective strategies	62%
Digital Adoption and Online Presence	Importance of visibility; technical/financial barriers	55%
Customer Relationships & Word-of-Mouth	Guest satisfaction; loyalty networks	71%
Competition and Market Pressures	Pricing challenges; intra-segment competition	58%
Local Identity and Cultural Appeal	Cultural authenticity; experiential differentiation	47%

Source: Author field work, 2025.

Discussion

The analysis highlights that small and medium-sized hotels in Srinagar operate in a complex environment shaped by financial, technological, competitive, and cultural factors. Economic constraints emerged as a persistent influence, shaping marketing and operational strategies. Limited budgets encourage hotels to adopt resource-efficient approaches, relying on personalized interactions and local networks. This aligns with Buhalis and Law (2008), who emphasize that small tourism enterprises often innovate to overcome financial limitations. In Srinagar, such constraints have fostered adaptive practices that balance cost-effectiveness with service quality, demonstrating the resilience of small hotel operators.

Digital adoption provides significant opportunities for visibility and market expansion, yet remains challenging. Despite recognizing the importance of OTAs and social media, operators face barriers including digital literacy gaps and infrastructural limitations. This observation resonates with Tussyadiah and Pesonen (2016), who note that while digital platforms enhance reach, effective use requires specific capacities and resources that small-scale enterprises may lack. The Srinagar context underscores the necessity of targeted training and support to ensure that digital tools translate into tangible competitive advantage.

Relational marketing emerged as a critical strategy, emphasizing trust, loyalty, and personalized guest engagement. This approach is consistent with Chamboko-Mpotaringa and Tichaawa (2025), who highlight the importance of relationship-based strategies in resource-constrained tourism enterprises. The findings suggest that small hotels leverage cultural norms and personalized service not only to enhance guest satisfaction but also to maintain a competitive edge in an increasingly crowded market.

Competition from larger hotels and discount-driven OTA listings has motivated small operators to focus on service differentiation and niche positioning. This mirrors Buhalis and Law (2008)'s observations that SMEs

must adopt innovative solutions to navigate asymmetric competitive pressures. In Srinagar, differentiation through cultural authenticity and localized experiences enables small hotels to carve a distinct market segment, balancing resource limitations with strategic positioning.

Finally, the promotion of local identity, including Kashmiri culture, cuisine, and traditions, serves both as a marketing tool and a mechanism for sustainable tourism development. By emphasizing authentic experiences, operators differentiate themselves from standardized offerings while supporting local heritage and products, consistent with Tussyadiah and Pesonen (2016) and Munanura et al. (2016). This indicates that small hotels in Srinagar not only adapt to market pressures but also contribute to cultural preservation and the sustainability of regional tourism.

In sum, Srinagar's small and medium-sized hotels integrate financial prudence, relational strategies, digital adoption, and cultural differentiation to maintain competitiveness. The discussion underscores that context-specific constraints and resources shape strategic choices, and that effective management requires balancing operational challenges with innovative, culturally-informed approaches.

Conclusion

This study explored the strategies, challenges, and digital adoption of small and medium-sized hotels in Srinagar. Thematic analysis highlighted that financial constraints, limited digital readiness, and competitive pressures significantly influence operational and marketing decisions. Despite these challenges, hotel operators have demonstrated resilience and adaptability by leveraging relational marketing, personalized guest engagement, and cultural differentiation to maintain competitiveness.

Digital platforms, including OTAs and social media, provide significant opportunities for market expansion and visibility. However, their effective utilization requires adequate training, infrastructure, and ongoing support, as some operators struggle with technical limitations and resource constraints. This finding emphasizes the need for a balance between technological adoption and the operational capacity of small-scale enterprises.

The promotion of Kashmiri culture, local cuisine, and heritage emerged as a core strategy, enabling hotels to differentiate themselves in a competitive market while simultaneously contributing to the preservation and promotion of local traditions. By integrating cultural authenticity into their offerings, these hotels not only enhance guest satisfaction but also foster sustainable tourism practices that benefit the broader community.

Overall, small and medium-sized hotels in Srinagar illustrate how context-specific factors shape strategic choices in the hospitality sector. They combine financial prudence, relationship-focused marketing, digital engagement, and cultural emphasis to navigate the dynamic tourism environment. The study provides valuable insights into the operational realities of small-scale hotels and underscores their role in supporting regional tourism development, cultural preservation, and sustainable economic growth. These conclusions serve as a foundation for targeted interventions and policy measures aimed at strengthening the competitiveness and sustainability of small hotels in emerging urban tourism destinations.

Recommendations

Based on the findings of this study, several strategic measures can be implemented to support the growth, competitiveness, and sustainability of small and medium-sized hotels in Srinagar:

1. **Capacity-Building and Training Programs:** Small hotel operators should be provided with comprehensive training on digital literacy, OTA management, and online marketing strategies. Workshops and hands-on sessions can equip staff with the necessary skills to manage online platforms effectively, improving visibility and attracting a wider customer base. Such initiatives can also help operators adapt to evolving technological trends in the hospitality sector.
2. **Collaborative Marketing Efforts:** Encouraging partnerships among small and medium-sized hotels, local tour operators, and tourism associations can reduce individual marketing costs and improve overall visibility. Joint promotional campaigns, bundled travel packages, and shared digital platforms can enhance reach while fostering a sense of community among operators. This approach allows small hotels to compete more effectively with larger establishments.

3. **Cultural and Experiential Differentiation:** Hotels should focus on promoting authentic Kashmiri experiences, including local cuisine, traditional arts, and cultural activities. Curated experiences that highlight regional heritage can attract niche tourists seeking immersive and culturally rich stays. This strategy not only differentiates hotels in the market but also contributes to the preservation and promotion of local traditions, aligning business objectives with sustainable tourism practices.
4. **Financial Support Mechanisms:** Policymakers and tourism authorities should consider financial incentives, low-interest loans, or grant programs to enable small hotel operators to invest in marketing, digital infrastructure, and service quality improvements. Access to financial resources can help hotels enhance guest experiences, adopt technology, and expand operations, ultimately strengthening their competitiveness.
5. **Policy and Strategic Planning Support:** Tourism authorities should integrate small and medium-sized hotels into regional tourism strategies. This includes providing guidance on compliance, facilitating capacity-building programs, and promoting equitable economic benefits for local communities. Strategic planning support ensures that small-scale hotels are not overlooked in urban tourism development and can contribute meaningfully to sustainable growth.
6. **Monitoring and Feedback Mechanisms:** Establishing channels for feedback from guests and local stakeholders can help hotels continuously improve services, adapt marketing strategies, and identify emerging trends. Regular assessment and monitoring enable operators to make informed decisions and maintain high standards of service quality.

By implementing these recommendations, small and medium-sized hotels in Srinagar can enhance their operational efficiency, improve market visibility, and foster sustainable growth. These measures also support cultural preservation, community engagement, and the development of a competitive yet inclusive tourism ecosystem in the region.

Acknowledgment

Not applicable.

Declaration**Ethics approval and consent to participate**

Not applicable.

Consent for publication

Not applicable.

Availability of data and materials

The data supporting the findings of this study are available upon request.

Competing interests

The authors declare that there is no conflict of interest regarding this work.

Declaration of generative AI and AI-assisted technologies

During the preparation of this work the author used Grammarly in order to correct spelling mistakes and help me make better sentences. After using this tool/service, the author reviewed and edited the content as needed and takes full responsibility for the content of the published article.

Author contributions

SMS Conceptualization, Methodology, Investigation, Writing – original draft. AAD Data curation, Formal analysis, Validation, , Supervision.

Funding

This research received no external funding and was entirely self-funded by the authors.

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Received: 09 June 2025

Accepted: 04 October 2025

Published online: 04 October 2025

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