

Market Dominance and Competitive Effects of Online Travel Platforms: A Case Study of Ctrip/Trip.com Group in China

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Abstract

The rapid expansion of China's digital economy has made online travel agencies (OTAs) an important intermediary between consumers and suppliers of accommodation, transport and tourism services. At the same time, platform concentration, network effects and contractual restrictions can create substantial market power. This study examines Ctrip and its parent, Trip.com Group, as a case through which to evaluate the formation and competitive effects of platform dominance. The analysis combines publicly available industry and corporate data with a June 2026 consumer questionnaire. It also incorporates a factual update based on the State Administration for Market Regulation (SAMR) decision of July 2026. The revised analysis finds strong evidence that Trip.com Group has substantial market power, particularly in online hotel-booking platform services, but it avoids treating broad OTA gross merchandise value (GMV) shares as a legally sufficient measure of dominance. The platform's scale can generate efficiencies through matching, standardisation, service quality and investment in digital infrastructure; however, dominance may also facilitate exclusionary contracting and restrictions on hotel pricing. The consumer survey suggests high brand salience and potential switching behaviour, but its non-probability sample and several instrument inconsistencies prevent causal or population-level inference. Overall, the evidence supports a balanced view: platform scale can improve coordination and consumer convenience, while competition policy remains necessary where contractual or algorithmic mechanisms restrict merchant autonomy or foreclose rivals.

Key words

online travel agency; Trip.com Group; Ctrip; market dominance; platform competition; two-sided markets; antitrust

1. Introduction

The integration of digital platforms with tourism has fundamentally changed how travel products are searched, compared and purchased. In two-sided markets, platforms create value by coordinating distinct groups of users, while cross-group network effects can also strengthen incumbency advantages and raise entry barriers [1]. In the OTA sector, platforms reduce search and transaction costs for consumers and provide hotels with access to large pools of potential customers; at the same time, hotels and OTAs compete for control over repeat bookings and customer relationships [2,3].

China has one of the world's largest online travel user bases. According to the China Internet Network Information Center (CNNIC), the number of online travel-booking users reached 514 million by June 2025, equivalent to 45.8% of Chinese internet users [4]. Against this background, Trip.com Group has developed a broad travel ecosystem covering accommodation reservations, transportation ticketing, packaged tours and corporate travel. An estimate cited by China's antitrust regulator placed Trip.com Group's share of the domestic core travel market at approximately 56% of GMV at the end of 2024 [5]. This figure is useful as an indicator of scale but should not be conflated with a formal legal finding of dominance across the entire OTA sector because antitrust analysis depends on the definition of a relevant product and geographic market.

Regulatory scrutiny became especially significant in 2026. SAMR opened an investigation in January 2026 into suspected abuse of market dominance by Trip.com Group. In July 2026, after the original Chinese manuscript had been completed, SAMR issued an administrative penalty decision. The authority found that Trip.com held a dominant position in China's online hotel-booking platform service market and had engaged in exclusionary conduct involving exclusive cooperation arrangements and platform-enforced lowest-price requirements [6]. This later decision provides a more reliable factual and legal basis for evaluating market power than the broad market-share claims used in the original manuscript.

This paper therefore addresses three research questions: (1) What economic and strategic mechanisms have contributed to Trip.com Group's market power? (2) What positive and negative competitive effects can arise

from that position? and (3) To what extent do the available data demonstrate competitive constraints from rival platforms and consumer switching? The revised English version combines economic theory, international OTA research, official corporate disclosures, regulatory evidence and the original consumer questionnaire while explicitly distinguishing descriptive evidence from causal inference.

2. Literature Review

The economic foundations of platform power are closely associated with two-sided market theory. Rochet and Tirole show that platforms must attract multiple user groups simultaneously and that pricing and participation on one side of the market affect value on the other [1]. In travel intermediation, this logic is particularly relevant because a larger consumer base can attract more hotels and airlines, while a broader supply catalogue can in turn attract more consumers. Such feedback can produce efficiency gains but can also make scale self-reinforcing.

Research on OTA-hotel relationships emphasizes a combination of cooperation and competition. Guo et al. model OTA-hotel cooptation and show that the parties may cooperate in distribution while competing over customer ownership and channel choice [2]. Chang et al. similarly find that OTA service quality can attract both new and returning customers, while hotels have incentives to shift repeat customers toward direct booking channels [3]. These findings help explain why contractual restrictions over price and availability are commercially important in hotel distribution.

A substantial international literature examines price-parity or most-favored-nation clauses. Using cross-country hotel pricing data, Hunold et al. show that best-price clauses affect the pricing and availability of rooms across online channels [7]. Mantovani et al. provide quasi-experimental evidence from the French Booking.com case and find that removal of parity clauses led to short-run price reductions for some hotels [8]. More recent evidence likewise suggests that restrictions on broad parity clauses can increase price competition, although the magnitude depends on institutional design and market conditions [9]. These studies are relevant to China because the economic mechanism resembles the lowest-price restrictions identified by SAMR in the

Trip.com case, even though the legal frameworks differ across jurisdictions.

The literature also highlights potential efficiency effects. Large OTAs can reduce consumers' search costs, improve information aggregation through ratings and reviews, and provide payment, customer-service and dispute-resolution infrastructure. At the same time, platform power can shift bargaining leverage away from suppliers, particularly when an OTA controls a major source of demand. This duality suggests that market dominance should not be evaluated as inherently beneficial or harmful; the competitive assessment should focus on specific conduct, entry conditions, countervailing power and measurable welfare effects.

The present study extends this literature in two ways. First, it applies the two-sided-market and vertical-restraint frameworks to a current Chinese case with direct regulatory findings. Second, it combines industry-level evidence with consumer-side survey data. However, because the survey was not drawn from a probability sample and the original instrument contains measurement inconsistencies, the survey is used only as descriptive supporting evidence rather than as a basis for causal claims.

3. Research Methods

3.1 Research Design and Data Sources

The study adopts a mixed-source case-study design. Secondary evidence includes Trip.com Group financial disclosures, official regulatory announcements, industry statistics, and peer-reviewed English-language research on platform competition and OTA–hotel relationships. Primary evidence comes from an online questionnaire administered in June 2026 to users who reported experience with online travel platforms. The source manuscript records 103 valid questionnaires.

3.2 Consumer Questionnaire

The questionnaire asked respondents about platform use, perceived market influence, perceived competitive advantages, price experiences, expected responses to price increases and overall satisfaction. The source manuscript described the survey as “online random sam-

pling”; however, because recruitment occurred through an online questionnaire link and no probability-based sampling frame was documented, the revised paper classifies the sample more conservatively as a convenience/self-selected online sample. Accordingly, the results describe this sample only and should not be treated as statistically representative of all Chinese OTA users.

3.3 Analytical Approach

The secondary data are analysed through descriptive trend comparison and institutional interpretation. The study does not use a causal econometric design. Survey results are reported as descriptive frequencies where the underlying counts are internally consistent. Variables such as age, gender, occupation and usage frequency were collected, but the source analysis did not conduct multivariate regression or other formal control procedures. The revised version therefore does not claim that demographic differences were statistically “controlled”.

3.4 Data-Integrity and Fact-Checking Protocol

Several factual and measurement issues in the source manuscript required correction. First, the original market-share chart mixed an overlapping “Ctrip ecosystem” category with Ctrip’s standalone share and therefore could not validly support an HHI calculation. The reported HHI of 3,414 has been removed because the underlying shares do not form a complete, mutually exclusive market distribution. Second, the original text grouped Ctrip, Qunar and Tuniu in one survey option. Qunar is part of Trip.com Group, but Tuniu is a separate listed company; consequently, the 47.15% response rate for that option cannot be interpreted as Ctrip’s standalone consumer-use share. Third, the original price-frequency chart contains 386 responses although the manuscript reports 103 valid questionnaires. Because the raw response export was not available for reconciliation, those frequency counts are not used as validated quantitative evidence. Fourth, the original comparison between an alleged 82.5% “Trip.com accommodation gross margin” and hotel gross margins is methodologically inappropriate because platform revenues and hotel room revenues are recognized on different bases; that

comparison has therefore been removed.

3.5 Research Ethics

The questionnaire was conducted anonymously according to the source manuscript. Data were collected for academic purposes and participation was voluntary. The study uses only publicly available secondary information and reports source limitations explicitly. The revised paper also distinguishes between evidence established by regulators and interpretations derived from descriptive data.

4. Results

4.1 Corporate Scale and the Development of Market Power

Trip.com Group's financial scale increased substantially after the pandemic period. Net revenue rose from RMB 18.3 billion in 2020 to RMB 62.4 billion in 2025. Net income moved from a loss during the pandemic years to RMB 33.4 billion in 2025 [10–15]. The 2025 result should be interpreted carefully: the company reported that a substantial portion of the increase in net income reflected investment-related gains, so it should not be treated as a pure measure of operating market power [15].

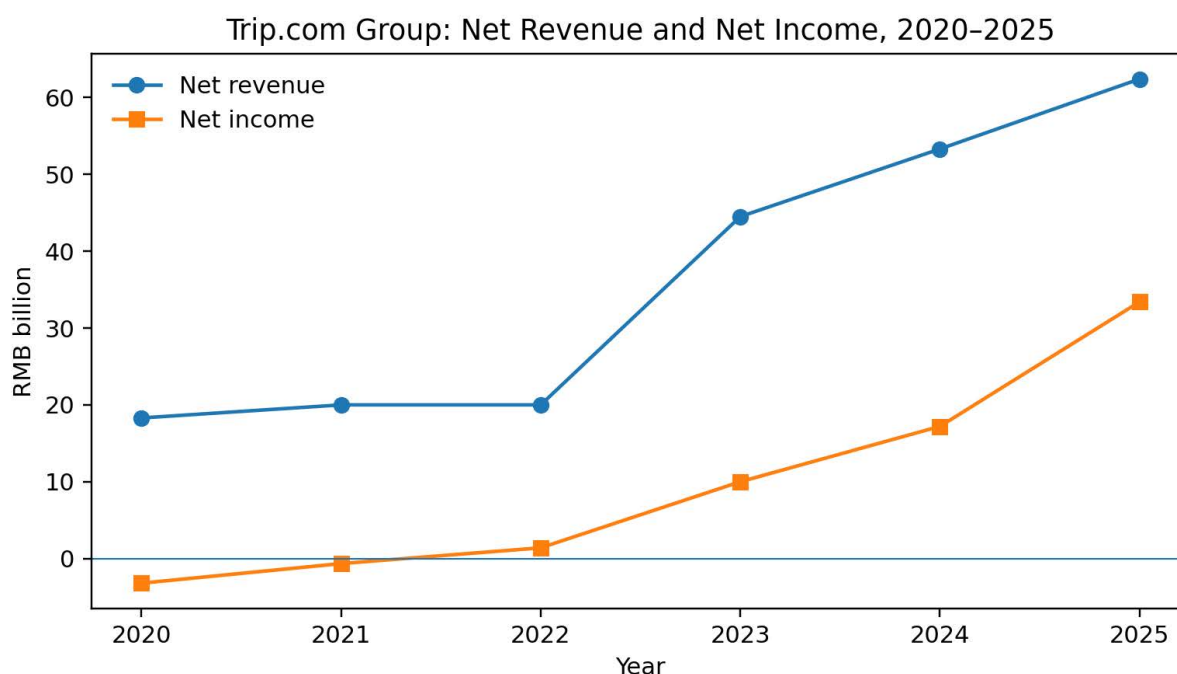


Figure 1. Trip.com Group net revenue and net income, 2020–2025. Sources: Trip.com Group annual financial-result disclosures [10–15].

The increase in scale is consistent with several structural advantages. Trip.com has accumulated a large user base, extensive supplier relationships and strong brand recognition. Its history also includes strategic investment and consolidation. In 2015, Ctrip completed a share-exchange transaction with Baidu that gave it approximately 45% of Qunar's voting interest, followed by additional transactions that resulted in accounting

consolidation of Qunar [16]. Trip.com also became a major strategic shareholder in Tongcheng-Elong following the 2017 merger of eLong and Tongcheng Network [17]. These transactions should be described precisely as equity investments, share exchanges and consolidation rather than as a simple sequence of “eliminating competitors”.

4.2 Market Position and Relevant-Market Evidence

A broad GMV estimate cited by SAMR-related reporting placed Trip.com Group’s standalone share of China’s core travel market at about 56% at the end of 2024 [5]. This demonstrates significant commercial

scale, but broad travel GMV is not the same as the legally relevant market used in an abuse-of-dominance case. The strongest evidence comes from SAMR’s July 2026 decision, which found that Trip.com held a dominant position specifically in the market for online hotel-booking platform services in China [6].

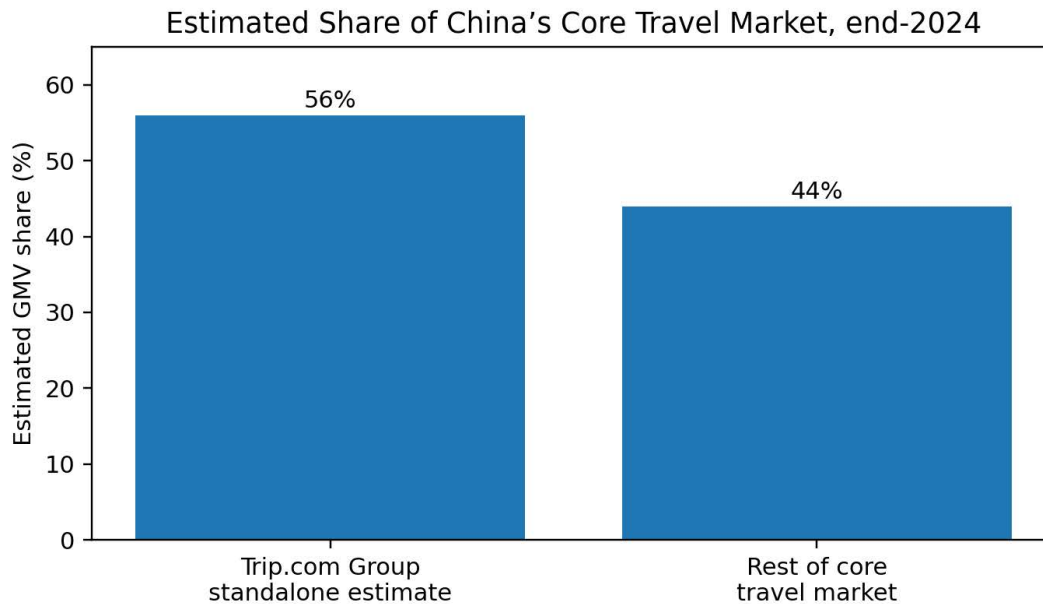


Figure 2. Estimated Trip.com Group share of China’s core travel GMV at end-2024. The 56% estimate is an indicator of scale, not a substitute for relevant-market analysis [5].

The distinction matters. Market dominance under competition law depends on the relevant market, competitive constraints, entry barriers, user and merchant dependence, and the ability to behave to an appreciable extent independently of competitors and trading partners. An HHI can be useful when complete and mutually exclusive market shares are available, but the source manuscript did not provide a valid share distribution for such a calculation. For this reason, the revised analysis relies on the regulator’s market definition and factual findings rather than presenting an unsupported HHI figure.

4.3 Supplier-Side Competitive Effects

The regulatory record provides direct evidence of supplier-side restrictions. SAMR found that Trip.com used traffic allocation and platform rules to encourage high-value hotels to enter exclusive “special-brand” co-

operation arrangements that prohibited cooperation with competing platforms. It also required certain cross-platform hotels to provide the lowest price on Trip.com and used technical tools to compare and adjust prices, supported by sanctions such as traffic restrictions, status removal and deductions from order reserves [6]. These practices are economically significant because they can reduce hotels’ ability to multi-home, weaken rival platforms’ access to attractive inventory and soften inter-platform price competition.

International evidence supports the plausibility of these mechanisms. Research on best-price and parity clauses shows that such restrictions can affect the price and availability choices of hotels across channels [7,8]. The competitive effect, however, is not identical in every market: parity provisions can be defended as a response to free-riding on platform search and comparison services, while overly broad or coercively enforced re-

strictions can reduce competition between platforms and constrain suppliers [8,9]. The relevant policy question is therefore whether the restraint is proportionate to a legitimate efficiency rationale and whether less restrictive alternatives are available.

4.4 Consumer-Side Evidence from the Questionnaire

The questionnaire provides descriptive information about the sample's platform preferences. The largest

response category was the combined option "Ctrip (including Qunar and Tuniu)", selected by 47.15% of respondents. Meituan Travel and Fliggy followed at approximately 25.4% and 19.7%, respectively. Because Tuniu is not part of Trip.com Group, the grouped option is not a valid measure of Ctrip's standalone share. It is nevertheless evidence that the brands combined in that survey option were highly salient among the respondents.

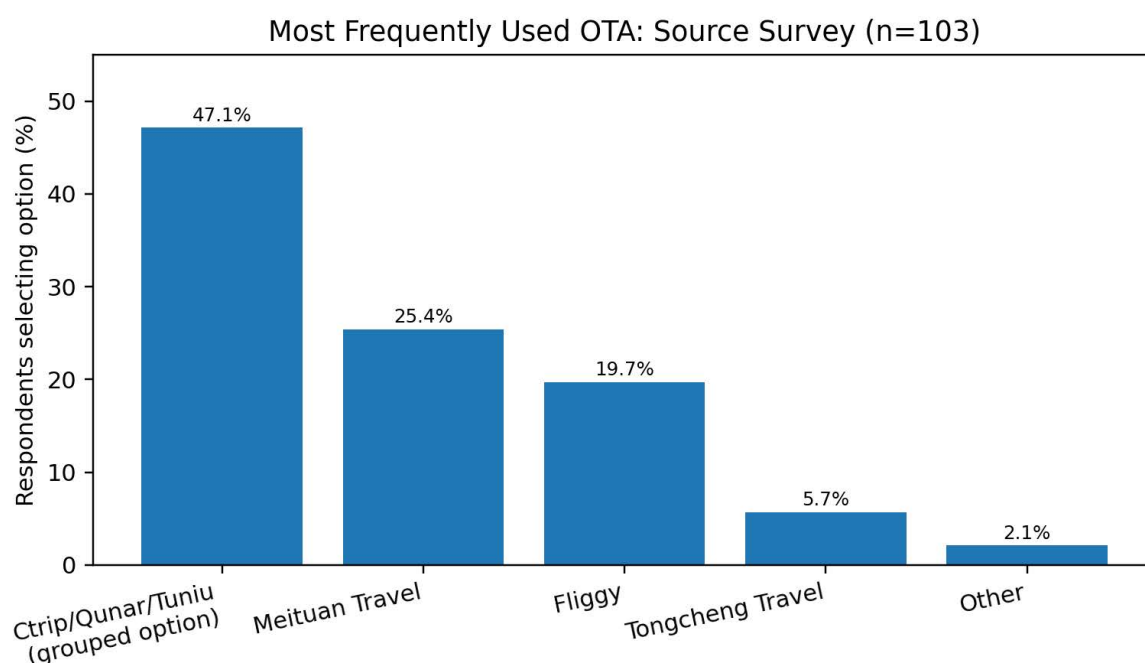


Figure 3. Most frequently used OTA in the source survey (n=103). Note: the first option grouped Ctrip, Qunar and Tuniu; it therefore cannot be interpreted as Ctrip's standalone usage share.

The original questionnaire also reports that a majority of respondents viewed Ctrip as a leading market platform. This perception is consistent with the company's large commercial scale, but perceptions of "leadership" are not a legal test of market dominance. Similarly, respondents cited supply breadth, after-sales service, product variety and membership benefits as competitive strengths. These responses are consistent with the efficiency side of platform scale: a large platform can offer broad inventory, integrated customer service and more developed digital infrastructure.

4.5 Price Perceptions and Switching Intentions

The source manuscript states that more than 67% of respondents had encountered situations in which a Ctrip product appeared more expensive than a comparable offer on another platform. However, the associated chart contains response counts totaling 386, which conflicts with the stated sample size of 103. Without the raw export, this figure cannot be independently reconciled and is therefore treated as unverified. More importantly, even a valid report of price differences would not by itself establish abuse of dominance or personalized

“big-data price discrimination”. Observable price differences across OTAs can arise from room conditions, inventory, cancellation terms, subsidies, membership discounts, timing and dynamic pricing. Evidence of discriminatory pricing would require matched-product data and a research design capable of ruling out these alternative explanations.

The questionnaire’s switching question is more useful as a measure of stated consumer substitution. The source manuscript reports that more than 80% of respondents would reduce their use of Ctrip or switch to another platform if prices rose substantially or promotions were reduced. This indicates potential demand-side discipline, but stated intentions in a questionnaire are not equivalent to observed switching behaviour. Therefore, the evidence suggests that rivals such as Meituan and Fliggy may impose some competitive constraint, but it does not demonstrate that these constraints are sufficient to eliminate Trip.com’s market power in the legally defined online hotel-booking platform market.

4.6 Synthesis of Competitive Effects

Taken together, the evidence supports a dual-effects interpretation. On the positive side, platform scale can improve matching efficiency, provide one-stop access to travel products, support standardized service processes and reduce search costs. These benefits are consistent with the broader two-sided-market and OTA literature [1–3]. On the negative side, a dominant platform can use traffic allocation, exclusivity and price restrictions to limit supplier autonomy and make it harder for rival platforms to compete. In the Trip.com case, these concerns are no longer merely hypothetical: the July 2026 regulatory decision establishes specific exclusionary conduct in the online hotel-booking platform service market [6].

5. Discussion

5.1 Theoretical Implications

The case illustrates why platform dominance cannot be evaluated solely from a static market-share perspective. Two-sided network effects create feedback loops between consumers and suppliers, while data, brand rep-

utation and integrated services can increase switching costs and strengthen entry barriers. At the same time, the existence of rivals and consumer multi-homing means that a large share does not imply complete insulation from competition. The analytical task is to identify the mechanisms through which scale changes conduct and market access.

The Trip.com case also shows the importance of separating efficient integration from exclusionary restraints. Investments in search, customer support, ratings, fraud prevention and payment systems can improve welfare. By contrast, exclusive dealing and enforced lowest-price requirements may protect an incumbent’s intermediation position in ways that reduce merchant autonomy and rival access. International research on OTA parity clauses provides a useful comparative framework, but country-specific legal and market institutions remain important [7–9].

5.2 Practical and Policy Implications

For regulators, the case suggests that platform oversight should focus on conduct and market mechanisms rather than treating size itself as the violation. Relevant areas include exclusivity, most-favored-nation or lowest-price requirements, algorithmic implementation of contractual restrictions, transparency of traffic allocation, and the portability of merchant and consumer information. Remedies should preserve legitimate platform efficiencies while preventing practices that materially foreclose rivals or transfer excessive control over suppliers’ independent pricing decisions.

For hotels and other suppliers, the findings underscore the value of channel diversification and direct-customer capabilities. Dependence on one platform can increase exposure to changes in commission structures, traffic rules and ranking mechanisms. For consumers, cross-platform comparison remains a meaningful source of competitive pressure, but price comparison should account for differences in cancellation conditions, room types, bundled benefits and loyalty discounts rather than relying on headline prices alone.

5.3 Comparison with the Original Manuscript’s Claims

The revised analysis confirms the central intuition

of the original paper—that Trip.com’s scale produces both efficiencies and competition risks—but modifies several claims to improve factual and methodological precision. Most importantly, the paper no longer treats a broad 70% “Ctrip ecosystem” share or an invalid HHI calculation as proof of dominance; it relies instead on the regulator’s finding in the online hotel-booking platform service market. It also removes the unsupported claim that the questionnaire demonstrates personalized pricing, and it does not compare an OTA’s gross margin directly with hotel gross margins. These revisions make the argument narrower but substantially more defensible.

5.4 Limitations

This study has several limitations. The questionnaire sample is small, self-selected and apparently skewed toward younger users. The source instrument grouped unrelated brands in one response option and contains an unresolved inconsistency between the reported sample size and one price-frequency chart. The study does not include merchant interviews, matched hotel-price observations, platform-level commission data or econometric identification of causal effects. In addition, the broad market-share estimate and the regulator’s formal market definition refer to different market scopes. Future research should collect platform-by-platform transaction data, merchant-side evidence and longitudinal price observations, and should use causal methods to test whether specific platform restraints affect prices, commissions, entry or supplier multi-homing.

6. Conclusion

Trip.com Group’s leading position in China’s online travel sector has developed through a combination of early entry, network effects, broad supplier coverage, brand recognition, strategic investment and platform integration. Its scale can generate real economic benefits by reducing search costs, improving matching and enabling investment in service infrastructure. However, the same scale can also increase the effectiveness of restrictive platform rules. SAMR’s July 2026 decision provides direct evidence that Trip.com held a dominant position in China’s online hotel-booking platform ser-

vice market and used exclusivity and lowest-price mechanisms that restricted competition [6].

The consumer survey is directionally consistent with strong market salience and some potential for switching to rival platforms, but it is not sufficient to quantify national market shares, prove discriminatory pricing or establish effective competitive constraints. The broader conclusion is therefore conditional rather than absolute: Trip.com faces competition, yet competition can coexist with dominance in a defined market. A robust assessment of platform power requires careful market definition, reliable data and separation of scale efficiencies from exclusionary conduct.

For future research, a stronger empirical design would combine matched hotel prices across platforms, commission and traffic-allocation data, merchant interviews, and observed consumer switching. Such evidence would allow the welfare consequences of specific platform practices to be estimated rather than inferred from descriptive patterns alone.

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