Hotels Pricing at Travel Search Engines

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ABSTRACT

Web 2.0 applications have been increasingly recognized as important information sources for consumers, including the domain of tourism. In the center of the travelers’ interest is the use of these applications in order to compare and choose hotels for their accommodation at various tourism destinations. It is important to investigate the issues related to the presence of the hotels on some of the most dominant tourism search engines and to the prices that they present. This paper compares the search engines and determines whether the cheapest and the most complete one can be discovered. This paper focuses on analyzing the hotel prices presented on their official websites and on the following eight tourism search engines: Booking.com, Expedia.com, Hotelclub.com, Hotels.com, Orbitz.com, Priceline.com, Travelocity.com, and Venere.com. The data analysis, by the use of the descriptive statistics, showed that only 23% of the hotels examined are found at all the search engines. Furthermore, the price analysis showed that there are differences among the search engines. Although some search engines statistically give lower prices, there is not a single search engine that always gives the lowest price for every hotel.

Keywords: Hotel Pricing, Hotel Search Engines, Online Travel Pricing, Tourism 2.0, Travel 2.0, Travel Search Engines, Trust, User Generated Content

INTRODUCTION

As Information and Communication Technology (ICT) is evolving and the use of the World Wide Web is becoming more widespread, the Web 2.0 emerges. Web 2.0 facilitates interactive information sharing and collaboration among the users. Searching for travel related information is one of the most popular online activities (Bray & Schetzina, 2006); so in order to follow this market tendency a lot of Web 2.0 applications on tourism have been created. The search engines related to tourism constitute a type of online communities and Web 2.0 applications. They contain useful information about hotels, restaurants, air-tickets, car rentals and other travel services. Gretzel and Yoo (2008) showed that most of the travelers utilize such information about where to stay. Therefore, it is important to know which search engine, if any, could provide the best hotel prices. So, this study investigates the room prices given by the hotels websites as well as by popular travel search engines. Furthermore, it would be interesting to know the presence of the hotels on every search engine in order to identify the most integrated one. The next section provides

DOI: 10.4018/ijom.2011100105
some background on Web 2.0 and tourism. Then we present the methodology and the section that follows describes the results. Finally, the last section concludes.

THEORETICAL FOUNDATIONS & BACKGROUND

By the early 1990s when the Web diffusion started, the ICT evolution led nowadays to Web 2.0. People with common interests can be gathered in online communities that provide the users with a collection of various interaction possibilities (Miguens et al., 2008). New terms such as social networking, consumer generated content and word of mouth are widely used and therefore it is important to make a reference to them.

Web 2.0 Technologies

The term Web 2.0 emerged in late 2004 in the work of Tim O’Reilly. This term is used in order to describe the new generation of the World Wide Web and is associated to web applications that allow and facilitate interactive information sharing and collaboration among the users. The website is no longer just a static page but it is turned into a dynamic platform which allows users the autonomous generation of content and gives them the possibility of expressing their own experiences (Litvin et al., 2008). By the use of the technology, the Web is evolving from a business-to-consumer marketing media to one where peer-to-peer generation and sharing of data are the basis (O’ Connor, 2008). This can be easily shown as new forms of websites are created, of which the basic characteristic is the ability of sharing information and content online, as the consumer-user of the website can present his/her opinion, reviews and ratings concerning a specific product or service. The content added by the consumer is called “consumer-generated content” (Burgess et al., 2009) and the websites that give their users this opportunity are a form of social networking and constitute the epitome of Web 2.0.

The basic Web 2.0 technologies and applications in the first place are the wikis, the blogs, the RSS and the peer-to-peer networks (Tredinnick, 2006). However, the business models (e.g., social network sites) come on the top of all the technological innovations. They constitute information sources and include price comparison services. The exploitation of user contributed content adds value to commercial services. The Web 2.0 business models give users the opportunity to participate interactively and derive profitable returns by spreading information online and by reading other users’ generated content (UGC). This form of communication that refers to interpersonal communication among consumers concerning their personal experiences with a firm or a product is called “Word of Mouth (WOM) communication” (Duhan et al., 1997).

Participation in Online Communities and its’ Problems

As it was mentioned above the participation in social networks is spreading. But why do people participate in these networks? The reasons include socio-psychological variables such as keeping relationship with members, seeking a sense of belonging, and seeking identity (Chung & Buhalis, 2008). There also hedonic variables such as having fun with contents, entertainment and being amused by members. Finally, there are variables related to information acquisition such as obtaining up to date information, sharing experiences and finding efficient information easily.

However, the social network sites are not without problems (Chen, 2006). As everyone has the right to deposit his/her point of view there might be an information overload problem which influences the credibility of the information presented (Bellman et al., 2006). Misleading information can affect the decision making process and cause lack of trust. This is something unavoidable because the communication through the online environment does not allow the use of other contextual clues (for ex-
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