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## Assignment 4

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Course: Availability Management in Tourism

### Title: Impact of Online Travel Agents on Reservation Approaches

Over the past two decades, the tourism and hospitality industry has undergone a dramatic transformation due to the advancement of online travel agents (OTAs). Traditional booking systems involved direct interaction with hotels, airlines, or travel agencies via phone, fax, or in-person visits. These methods were often inefficient, limited by working hours, geographic reach, and lacked instant confirmation. The introduction of OTAs revolutionized this model by providing real-time, user-friendly platforms that made the reservation process faster, more transparent, and accessible worldwide.

Online travel agents have changed the typical reservation approach by giving customers access to thousands of travel options at their fingertips. With just a few clicks, users can compare hotel prices, room types, facilities, airline schedules, and read verified customer reviews. This level of transparency and convenience was not possible with traditional booking methods. The power has shifted toward the consumer, who now plays an active role in researching and customizing their travel experiences.

From the perspective of service providers, OTAs offer a platform to reach a global audience without needing to invest heavily in marketing. A small boutique hotel in a remote location can now attract international travelers through platforms like Booking.com, Expedia, or Agoda. Although these platforms charge commission fees, usually between 15% to 25%, the trade-off is increased visibility, higher occupancy rates, and access to customer data. OTAs also provide valuable analytics, allowing hoteliers and travel businesses to understand customer behavior, preferences, and booking patterns.

One of the biggest advantages of OTAs is the introduction of real-time availability and dynamic pricing. Unlike the static prices of traditional systems, OTAs enable businesses to adjust prices based on demand, seasonality, competition, and other market conditions. This improves yield management and helps maximize revenue. Additionally, cancellation policies, payment methods, loyalty programs, and discount features can be customized by providers to suit business goals.

## **Example: Booking.com**

A popular OTA that has reshaped global travel booking is Booking.com. Established in 1996, it now operates in more than 220 countries and territories. Booking.com functions as a third-party platform where hotels, apartments, hostels, and vacation rentals can list their properties. It provides users with an easy-to-use search engine with filters such as location, price range, ratings, amenities, and guest reviews.

When a user selects a property, they can book it instantly. Booking.com's system integrates with the property's availability software, ensuring the inventory is updated in real-time to avoid overbooking. Some bookings are prepaid, while others are paid at the property. Guests also receive email confirmations and reminders, making the process secure and hassle-free.

In summary, OTAs like Booking.com have significantly improved the efficiency, accessibility, and transparency of the tourism reservation process. While traditional methods still exist, online travel agents have become the dominant force in how modern travelers plan and book their trips.

## **Conclusion**

In conclusion, online travel agents like Booking.com and Expedia have completely transformed the tourism reservation system. By offering real-time information, user-friendly interfaces, and global access, they have made travel planning faster, smarter, and more customer-focused than ever before.