

Availability Management in Tourism Course

Assignment 4

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In no more than 500 words,

- **Explain how the advancement of online travel agents has changed typical reservation approaches.**

Answer : The development of Online Travel Agents (OTAs) has transformed the manner at which individuals book travels due to the fact that the process is now much faster, transparent and very competitive. In the past, travelers would have used telephone booking, offline travel agents or booked directly with the hotel and airlines, and this would take time and it was not live (Buhalis & Sinarta, 2019). Thanks to OTAs this has changed as it provides:

- **Convenience and Accessibility:** This can be used to compare flight, hotels, and offers packages anywhere, and at any time through the websites or mobile apps.
- **Transparency & Discounting Prices** OTAs combine many options in one place so that consumers can get the lowest rates and prices can often be lower than those that can be booked directly.
- **Dynamic Pricing & Personalization** new products should be priced according to the preferences of the user and patterns of their behavior, which is achieved thanks to AI-generated suggestions.
- **Instant Confirmation** -OTAs unlike traditional agencies do not confirm booking, Once one has made a booking they have assurance of their booking, making uncertainty nonexistent.
- **Customer Reviews and Ratings** - Traveler-testing information allows tourists to make the correct decision, which is lacking in the traditional approaches. (Gretzel et al., 2015)

This has reduced direct bookings by airlines and hotels to the extent of them having to compete with the OTAs on loyalty programs and price matching guarantees.

Question: Also, provide one example of an online travel agent and explain how it operates

Example: BOOKING.COM

The working mechanism of Booking.com as a leading online travel agent
Booking.com is among the most influential Online Travel Agents (OTA) in the whole world, which provides an easy means of booking accommodation, flights, rental cars, and even experiences. Its strategies and advancements in technology have played a huge role in the way people book trips nowadays. The following is an insight into the working method of Booking.com:

1. Large stock and International Associations

- Booking.com does not own any hotels or properties and is, in fact, a digital marketplace, forming partnerships with more than 2.8 million
- Direct Contracts with Properties: Hotels and property managers enter into contractual agreements with Booking.com to have their rooms listed and they also agree to pay a commission (usually 10-20%) of revenue subject to commission per booking.
- Instant Booking System: The reality is that in the case of typical travel agencies, a reservation always had to be confirmed

2. Personalization Search / Friendly

The platform has adopted AI and machine learning to improve the experience of the users:

- Intelligent Searching: Smart search filters enable travelers to narrow down their search by: price, place (ex: near city center), and star category as well as features (ex. free Wi-Fi, swimming pool).
- Deals & Discounts: booking.com often has offers of Genius loyalty confirmation, last-minute and seasonal discounts, to encourage one to book.
- Flexible Policies- The company allows free cancellation of many listings which attract risk-averse travelers.
- Mobile Integration- The mobile app of its offerings facilitates last-minute offers and geo-targeted recommendations, and it all increases ease of use. (Xiang et al., 2016)

References

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