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Mostly sunny north. Clouds and sun south. Highs 80s. Partly cloudy tonight. Lows 50s, 60s. Clouds and sun tomorrow. A thundershower south. Weather map, Page B12.

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## ITINERARIES

# Hotels Fight Comparison Shoppers With Lower, Locked Rates

By JULIE WEED

For hotels, they are some of the most maddening of customers — those who repeatedly book and cancel rooms at no cost in search of the best deal. While the customer ends up with a low rate on a good room, the snubbed hotel is left with an empty room and no revenue.

It is a practice that has grown in recent years as powerful new search and comparison tools become available on the Web.

Now, hotel companies are starting to respond, offering lower nonrefundable rates to those who pay in full when they make reservations. Travelers who need more flexibility will still find it, but they will pay more for that option.

Andrew Greenwell of Pleasanton, Calif., knows the game well. He spends almost half the year staying in hotel rooms for his job in residential real estate and for vacation travel. He rarely uses the first reservation he makes.

"I book a room just to make sure I have something, but check about once a week online for better deals on a four- or five-star hotel," he said.

As travel comparison sites have proliferated on the Web in the last decade, so have the ranks of those who use them.

"Shopping around is a very common behavior with travelers now," said Tom Meyers, the editor of EuroCheapo.com, a Web site that reviews and books hotels in Europe. "It's almost a game. They book the room and then wait awhile and search around to see if prices have gone down."

Chris Anderson, a professor at Cornell University's School of Hotel Administration, studies hotel revenue management and pricing, and estimates that 20 percent of hotel reservations experience a price decline after the guest books the room and by the time the guest arrives. The average price drop of 10 percent leads to a net revenue decrease of 2 percent.

The hotel industry, with its history of being accommodating on room reservations, is realizing there is more to lose than just an empty room, said Jeremy Murphy, chief executive of TheSuitest



PETER DASILVA FOR THE NEW YORK TIMES

Andrew Greenwell, a frequent traveler from California, books rooms and then continues to hunt down a better deal.

.com, which compares amenities and prices of hotel suites.

"Empty hotel rooms can also mean emptier hotel bars and restaurants, so a canceled room can have a greater effect than the lost room rate," he said. "Hotels prefer to lock in revenue rather than get stuck with empty rooms," even if that revenue is 10 to 15 percent less than they would get otherwise, he said.

Nonrefundable rates have always been part of the hotel industry, said Kathleen Reidenbach, senior vice president for marketing at Kimpton.

"It's just that they are more transparent now and not buried in the fine print," she said, and they are also promoted more often now.

A recent e-mail advertisement for the Kimpton chain, for example, offered a 20 percent discount for guests who lock into reservations that cannot be canceled and are paid upfront. "We do offer some extraordinary discounts and in return, we ask our guests to make a commitment," Ms. Reidenbach said.

The Preferred Hotel Group, which represents hotels in Los Angeles, Portland, Rome and Kuwait, offered a discounted nonrefundable rate for the first time in 2013, and it has quickly become one of the most popular rates with guests, according to Michelle Woodley, senior vice president for revenue management and distribution at Preferred. "Our hotels rarely focus on discount-

ing, preferring value-added incentives instead, so it's been interesting to see how the package performs," she said.

Individual hotels can stop offering the rate when they are sufficiently full for a specific time period.

Not all cancellation policies are immediately obvious to travelers when they are booking hotel rooms, and even within a hotel chain, transparency may not always be consistent. On the Fairmont Hotels Web site, the Shanghai Peace Hotel offered a rate called "Internet special prepayment and nonrefundable," while the Pittsburgh hotel offered a discounted "Weekend Savers" rate but travelers had to click two levels down to see that such reservations

could not be canceled.

A "prepaid" rate was the first to appear in a recent search of the Web site of the W Hotel Leicester Square in London, offering savings for travelers willing to book a nonrefundable room for one night and deeper discounts for guests staying longer. A line of text noted there was a penalty for changes or cancellations.

Hilton Hotels has redesigned its Web site to make comparing rates easier. Check boxes allow travelers to narrow their search among choices like the more flexible Easy Cancellation, or less expensive Pre-purchase, as well as AAA, Senior or HHonors points.

Lower nonrefundable rates are more popular with vacation travelers than with business travelers, who usually prefer flexibility over savings because their plans are more likely to change, said Howard Adler, professor of hotel management at Purdue's School of Hospitality and Tourism Management. In addition, the business travelers are not usually paying for the room themselves and may already have a negotiated corporate rate.

"You could call me a typical traveler," said Professor Adler, who researches hospitality industry trends. "I compare rates and lock in something lower-cost and nonrefundable for my vacations, and book the university's rates when I travel for my job."

For travelers who do not mind a bit of uncertainty, HotelTonight, a mobile app for iPhone and Android, offers another model for nonrefundable room rates. It gathers room inventory from a list of hotels, and offers it at a discounted price at noon each day, for that night's stay.

More than price, Ms. Reidenbach says, her customers choose Kimpton for its other attributes, including the wine hour, free bikes and ambience. "The pricing is a small component," she said.

In the end, hotels need to build their customer base on more than just price, Professor Adler said. "If guests come and the cleanliness, facilities or service isn't what they expect, they won't book there in the future, just to save some money."