

Measuring consistency & performance of distribution channels

by Gerald Oliver

A telling survey of online bookings and pricing across hotel distribution channels was published by KPMG International earlier this year. The survey provides interesting pointers to pricing consistency and channel performance.

Over the past five years, KPMG in the UK has conducted an annual survey of UK hotels to monitor the development of online bookings and pricing across the distribution channels. This year the survey has been extended to include hotels around the world including North America, Europe, Asia, South Africa and Australasia. The survey reviews hotel room rates offered to customers across the core direct and indirect distribution channels i.e. direct call to the hotel, hotel Web site, hotel central reservation, online intermediaries and corporate agents. The survey also aims to identify the key distribution trends emerging across each region and to determine the distribution strategies currently adopted.

The key findings of the Survey are as follows:

Pricing

- Booking via an online intermediary agent resulted in the cheapest price in 35 percent of cases (although this varied between regions).
- A corporate traveler in the USA is likely to obtain beneficial rates by contacting a corporate travel agent. For all other regions it is more likely that the online intermediary sites will offer the best deals.
- Some 30 percent of hotel groups surveyed offered best Web rate guarantees. Of these hotels, only 28 percent delivered on their promise.
- Hotels are not pricing inventory consistently over all distribution channels. Only two percent of cases showed consistent pricing across direct and indirect channels. Further, only 15 percent of prices were consistent for direct channels.

Channel Performance

- The standard of hotel Web sites is generally superior to the online agents in terms of providing information about the hotel and local area. The process of booking via a hotel is also generally faster than booking via online agents.
- Hotel Web sites hosted in Canada and the USA achieved the highest ranking in terms of functionality and performance.
- Customers receive the most accurate information about availability by calling the hotel direct and are able to open the most productive dialogue with reservation staff either to confirm facilities or to discuss preferences.
- The service provided by Central Reservations varies depending on the brand as opposed to the region.
- Language can be an issue especially for non-English speaking customers.
- Hotels do not always provide consistent information relating to availability across distribution channels.

A full copy of "Global Hotel Distribution Survey 2004" can be downloaded here:

<http://www.kpmg.co.uk/industries/tlt/index.cfm>