

## Article Title

The Channel That Offers the Lowest Online Room Rates: A Case Study of Hotels in Hong Kong

## Citation

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## Abstract

Online distribution channels increasingly serve as platforms hotels can use to offer competitive room rates to attract price-sensitive customers and maximize yield. Capturing the lowest and highest daily room rates over a 360-day period from five of the most popular online travel agencies, and two batches of data showing the lowest room rates over 28 days from a last-minute bookings website, this study compares the lowest prices offered. The results indicate that no single online channel outperforms the others in any of the hotel star-rating categories, and that the last-minute reservation service provides the lowest hotel room rate across different star ratings.

## Conclusion

Regarding the result of the research, hotel managers should provide their lowest room rate to more OTAs in order to expand their customer base. And it appears that some three-star hotels' room rates are higher than those of 4-star hotels. Since it is hard to track all the price channels, it is recommended to use an automated channel management program to track prices of them and competitors. Also, two approaches are suggested for hotel managers. For hoteliers in three-star hotels, they should pick Cheaptickets, Expedia, and Orbitz to stand out among the search results. However, managers work in four or five-star hotels, they should pick Zuji and Orbiz since they offer the same lowest daily rate almost. Those might prefer to differentiate themselves by providing almost the same low room rate as those of other hotels and higher-level of services or amenities.

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