



### Article Title

Hotel revenue management and the Internet: The effect of price presentation strategies on customers' willingness to book

### Citation

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### Abstract

A decision that is intrinsic to the application of hotel best available rate (BAR) pricing is how to present the BARs for individual nights within a multiple-night stay to prospective hotel guests. The study discusses two alternative price presentation strategies, a blended and a nonblended rate approach, and examine their effect on customers' willingness to pay in the context of Internet-based reservation requests.

### Methods

Data were collected from passengers waiting to board planes at an airport in the North East U.S. over a 2-month period (April and May). Passengers were approached by one of two interviewers. They were asked to complete a scenario-based survey relating to making a reservation request for a hotel room.

### Results

Study findings indicate that a nonblended rate presentation approach generates higher willingness to book ratings than a blended rate presentation approach. Furthermore, when it comes to nonblended rates, familiarity with BAR pricing moderates the effect of rate sequence on customers' willingness to book.

### Conclusion

Previous research has demonstrated that, in the context of BAR pricing, nonblended rates are perceived as being fairer, more acceptable, reasonable and honest than blended rates (Rohlf's and Kimes, 2007). This study contributes to the existing literature, with study results indicating that a nonblended rate presentation approach generates higher willingness to book ratings than a blended rate presentation approach. However, it should be noted that the difference in ratings was marginally significant.