

The online revolution is cultivating customer confusion

 By Theresa Prins

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Since OTAs make it difficult to tell the difference between hotel rooms and sectional title ones, guests may be disappointed in what they get for their money. This leads to negative customer experiences and bad reviews for the hotel.

There can be no doubt that Booking.com and similar online travel agencies (OTAs) have revolutionised the travel industry, making it simpler and easier for individuals to book accommodations and affording users a great way to determine the best prices available. However, there is also a downside to what they offer for many hotels, particularly when it comes to those entities that have both a standard hotel component and a sectional title one.



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The problem is that with OTAs like Booking.com, there is little to no distinction between rooms available in the hotel and those being privately advertised by sectional title holders.

This creates a range of challenges for those venues where the same name – a good example is that of Crystal Towers – is used for both the hotel and sectional title areas of the business. The main issue here is that the apartments are usually priced very differently to the hotel rooms, but because visitors don't realise there is a distinction, guests often use an OTA to book a sectional title apartment, while thinking it is part of the hotel.

This may mean that they are not allowed to utilise certain hotel facilities, or they may find themselves booked into a self-catering apartment, with no breakfast or dinner as part of the package. This, in turn, leads to unhappy customers who inevitably end up offering negative reviews about their experience on the hotel website, even though the experience was not that venue's fault at all. Since such reviews can negatively influence the hotel's ranking online, it can ultimately cause it to lose business.

Remember that when people rent out sectional title rooms, they are able to choose their own prices, which fall outside the hotel's own pricing structure and are usually cheaper than it's own rooms would be. But while customers are always happy to get what they think is a bargain, the lack of access to certain facilities may leave them unhappy. Conversely, customers who are booked into a hotel room may feel they have been ripped off, due to other rooms costing far less than they paid for their own – little realising that it is because these other rooms are actually sectional title ones.

The end result is that the hotel gets little benefit from this, and has to deal with far more negative fallout at the same time. In what is as a very competitive market, bad press, negative word of mouth and unhappy customers are to be avoided at all costs.

So what is the answer?

In my opinion, it is ultimately up to the OTA to provide an intervention of some description. These sites need to make it clearer which rooms belong to the hotel and which are sectional title. In addition, customers need to be educated around the differences between hotel rooms and sectional title apartments. Furthermore, it is vital that the industry works together to create a body that can define clear standards for the industry and the various platforms to adopt. This will require collaboration between the OTAs, the tourism bodies and the hotels themselves.

As with any new technology, although it may be revolutionary, it also creates new challenges, such as those outlined above. However, the benefits offered by online platforms are such that effort needs to be made by the industry as a whole, in order to overcome these challenges. For the good of everyone – guests, OTAs, sectional title holders and hotels – it is critical that effort and application are put into crafting a combined approach to this problem that will solve it once and for all.

ABOUT THERESA PRINS

Theresa Prins is the founder of Revenue Resolutions, a strategic revenue management agency for the hospitality, leisure and property management industries. Prins has over 25 years experience in the hospitality industry and is an expert in revenue optimisation.

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