

EXPENSIVE ONLINE BOOKING



The travel and tourism industry is not the only line of business where more and more people have been turning to the internet in recent years. The tendency to buy household goods on the internet is at an all-time high and the internet in general has become a part of most people's lives. However, contrary to common belief, booking holidays on the internet is not necessarily cheaper than dropping into a high street corporate travel agency. This may come as a surprise to many, as online booking sites such as Orbitz or Expedia had their success originally based on their creation of the low-cost phenomenon which has stuck in customers' heads until today. The sites have maximalised their yield and are now actually more costly than dealing with a human being in a shop.

An independent research firm, Topaz, found that this was the case in 91% of bookings amongst Americans last year. The sites were found to provide business and leisure holidays at an average \$75 more per itinerary than in corporate travel agencies. There are a number of reasons for this shocking difference. Firstly, there is the above-mentioned perception of anything on the internet being cheap. Secondly, online agencies burden customers with a litany of service fees for uploading supplier discount contracts and monthly online management fees. Corporate travel agencies generally charge between \$15 and \$20 per ticket, making quite a substantial difference. Thirdly, the staff of travel agencies often provides help in finding the cheapest deals for their customers. This is a service which websites certainly do not provide.

As a result of customers discovering this price difference, online travel sites are now losing clientele. In a survey of 60,000 US holiday makers, it was discovered that there has been a 9% drop in the amount of Americans using the web to book holidays in the last year. Another basic and important factor was pointed out, that people are sick and tired of searching for hours for the correct deal. The tendency is straying towards going back to the high street agencies.

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