

SOME TRAVEL WEBSITES OFFER DIFFERENT PRICES TO DIFFERENT USERS



Personalized content is what the internet is made of, whether it is a recommendation for a YouTube video or Google search. The same goes for E-Commerce websites when they display products that the consumer has either purchased in the past or is presently looking for. But the price quotes of the products have been a matter of debate lately and further studies suggest that price discrimination on E-Commerce websites is much more widespread than thought of before.

Consumers have protested against the under the table techniques of search personalization that E-Commerce websites use to lure in prospective buyers. **The personalization of prices means charging different buyers different amounts on the same product and services or luring buyers into more expensive deals and offers.**

A recent study conducted by computer scientists at the Northeastern University performed operation to track 16 well known E-Commerce websites out of which 6 used extensive pricing techniques, without the consent of their consumers. This research reveals the practices of the websites called price steering or price discrimination is far more widespread than assumed.

Well known websites namely, Cheaptickets, Orbitz, Home Depot, Travelocity, Expedia and Hotels.com were found to practice the techniques of price discrimination with different strategies to conduct price steering.

Orbitz and Cheaptickets (Both are property of Orbitz Worldwide Inc.)

These travel sites were found to charge some of their users who were browsing the hotel rates 12\$/night more if they weren't a member of the websites (logged in). Defending Orbitz Worldwide Inc., Chris Chiamas the Vice President of corporate affairs said in an email that the website is transparent in offering its loyalty programmes and other deals offered. However, the user who signed up to Orbitz and Cheaptickets received lowered hotel rates than the ones who did not, and the website did not advertise that logged in users would receive special discounts. The company was also accused of price discrimination in 2012 when a study revealed that Mac users were charged 30% more than PC users for hotels. This practice was discontinued shortly after the finding.

Home Depot

A rather popular site among the consumers, Home Depot was found to show mobile device users products that were on average 100\$ more expensive than the products shown to users visiting the website from a desktop. The spokesperson of Home Depot did not contradict how accurate the findings were, but pleaded that the price steering wasn't being done "intentionally" by the home-improvement retailer on their website.

Travelocity

The travel website which is a unit of the Sabre Corp. was found to charge the users of Apple's iOS software users (iPhone, iPad, and iPods) on average 15\$ less for hotel rates per night compared to other users. The Travelocity team however, did not provide a response comment when requested.

Expedia and Hotels.com (both websites are the property of Expedia Inc.)

While no exact pattern was seen in which Expedia and its sister website Hotels.com practiced price discrimination techniques, they steer random users of their websites to costlier products and pricing of about 10% more than others. Expedia spokesperson Dave Mcnamee responded to the study findings by saying that the different booking paths users visit through and Expedia in no manner manipulates the pricing.

Date: 2014-11-21

Article link:

<http://www.tourism-review.com/discriminatory-pricing-on-travel-websites-becoming-widespread-news4337>