

The new gold rush

If you are wondering which online reservation partners you should be listing your business with, LAWRENCE SMITH has some advice.

FOR the last 10 years or more the web has been a brilliant way to tell the world about our businesses. While that is still true today, it's now also a great way to sell ourselves to the world. We do this via online reservations, and yes folks, it's gold rush time.

Gold Rush? Well sure, if you are in the accommodation sector you're sitting on top of the mother lode. Rooms, or more accurately the money those rooms are worth online, and the commissions they will pay.

It's likely you've had loads of business banging on your door wanting access to your rates and rooms so they can sell them online. Access to the world is what they promise. But do they?

The answer is "often yes", but some are streets ahead of others.

Firstly, how do they get access to your rooms?

Well there are three main ways:

1. The on-request model – you keep your rooms and when a reservation request is made you have to confirm it.

2. The allocation model – you input rooms into their system, and close them out on yours.

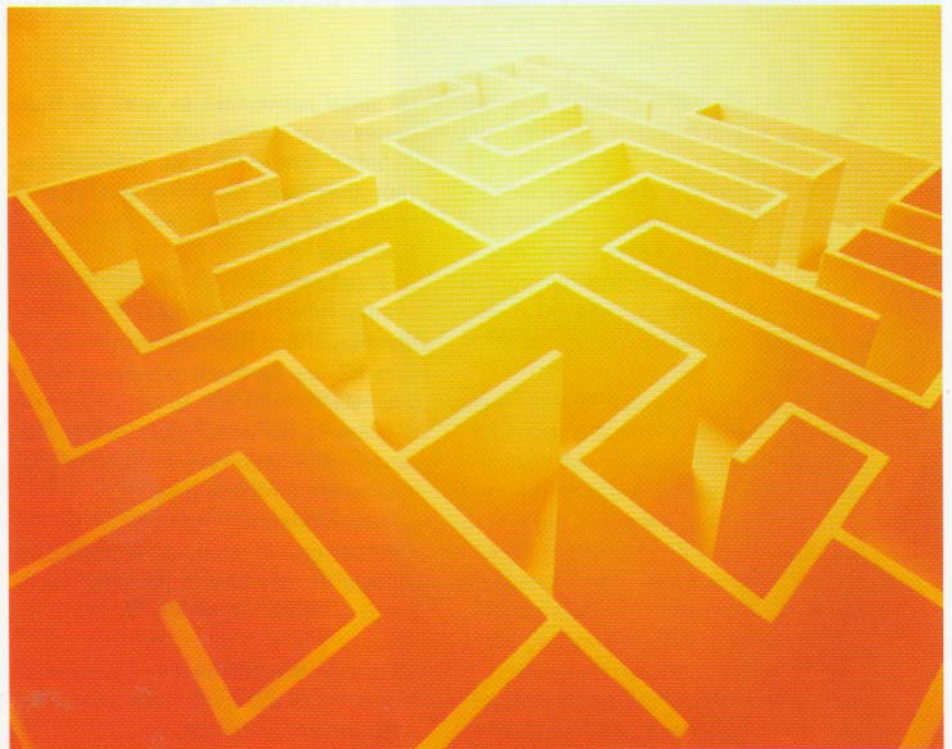
3. The live inventory model – whereby your property management system (PMS) is connected to the internet and other systems connect to this directly.

As far as the consumer is concerned the last two are the most desirable, as they can book a room right now. Their credit card is in their hand, and they want to book and pay now. Not tomorrow.

As an operator, your ideal solution is live inventory, as typically it is fully automated and the web is working for you 24/7.

Allocation models on the other hand are cumbersome, as they generally require your daily attention, errors are easily made, and it's not uncommon for you to "run out" of rooms while there is still some available online, sometimes at a cheaper rate. Least desirable are on-request systems as this means more work for you and delays for the customer.

Getting your rooms live online however depends entirely on your PMS and the



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integration options it offers. It's conceivable that you may even have to consider moving to an entirely different PMS to offer live inventory online.

It's also vital that you select the right online reservation partner(s). Some have very slick sales messages and will be tripping over themselves to get you on board.

Here are several questions you could ask:

1. Which model can you offer me? Remember two-way or on-request are not ideal.

2. How many sites will my property be represented on? Which major ones? Look for the widest possible distribution.

3. How long have you been in the tourism business and/or how long has your site been running. Look for a track record.

4. And finally ask around. Do they really deliver on what they claim?

From your perspective you want to achieve the greatest number of sales, with the least possible effort, at the highest yield.

And it's not unrealistic. So choose your partners wisely as a wrong choice could impact on your business.

It's a gold rush, so make sure you get a piece of the action, rather than being a victim of it.

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