

How Price Dispersion at Online Travel Agencies (OTAs) and Official Websites Affects Customer Choice of Hotel

Miss TSANG Pak Wing, BA (Hons) in Hotel Operations Management,
Department of Hospitality and Business Management
Supervisor: Dr LAW Ho Yin Angus, Assistant Professor

Background

With the rapid development of information technology, the use of online travel agencies (OTAs) to book hotels is more common.

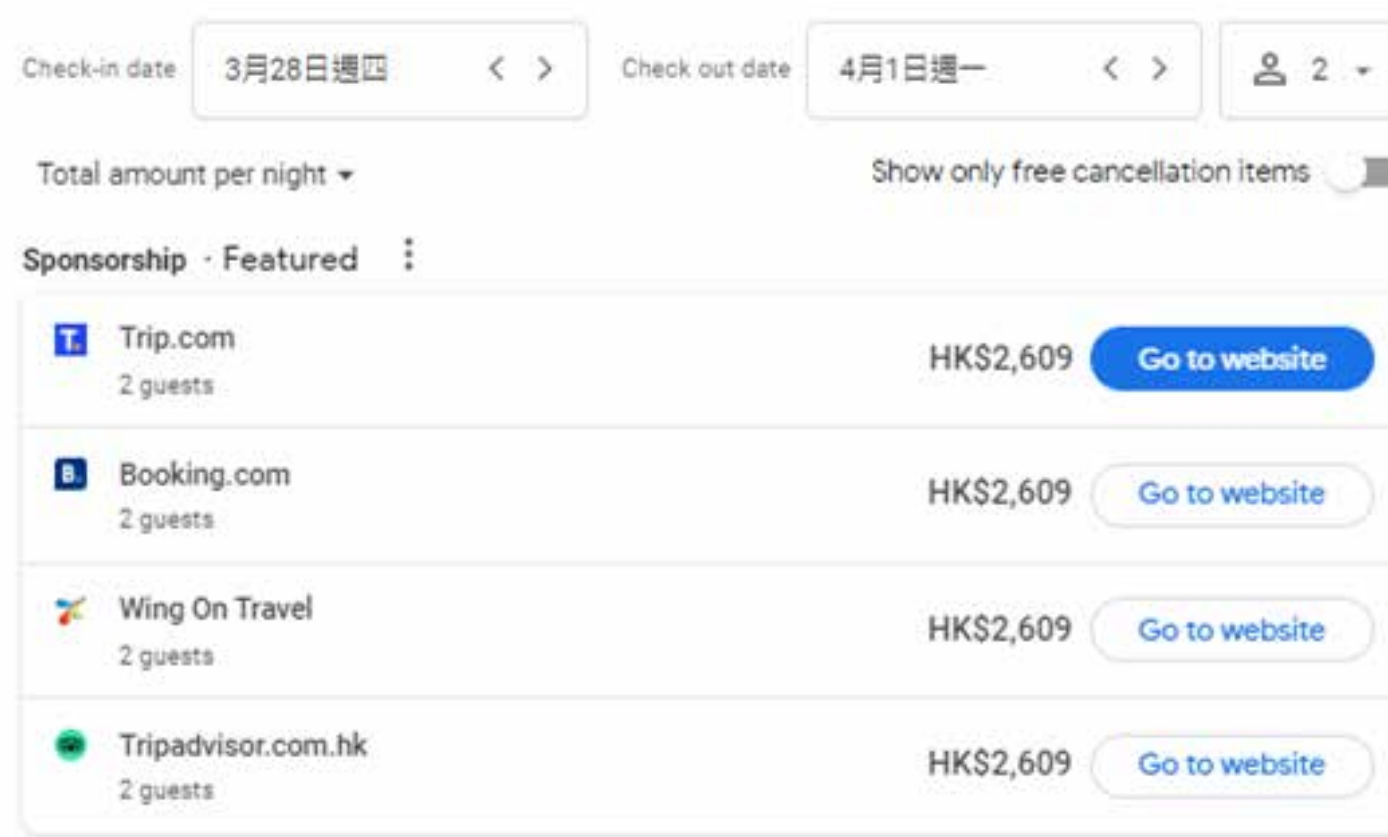
Example of OTAs :



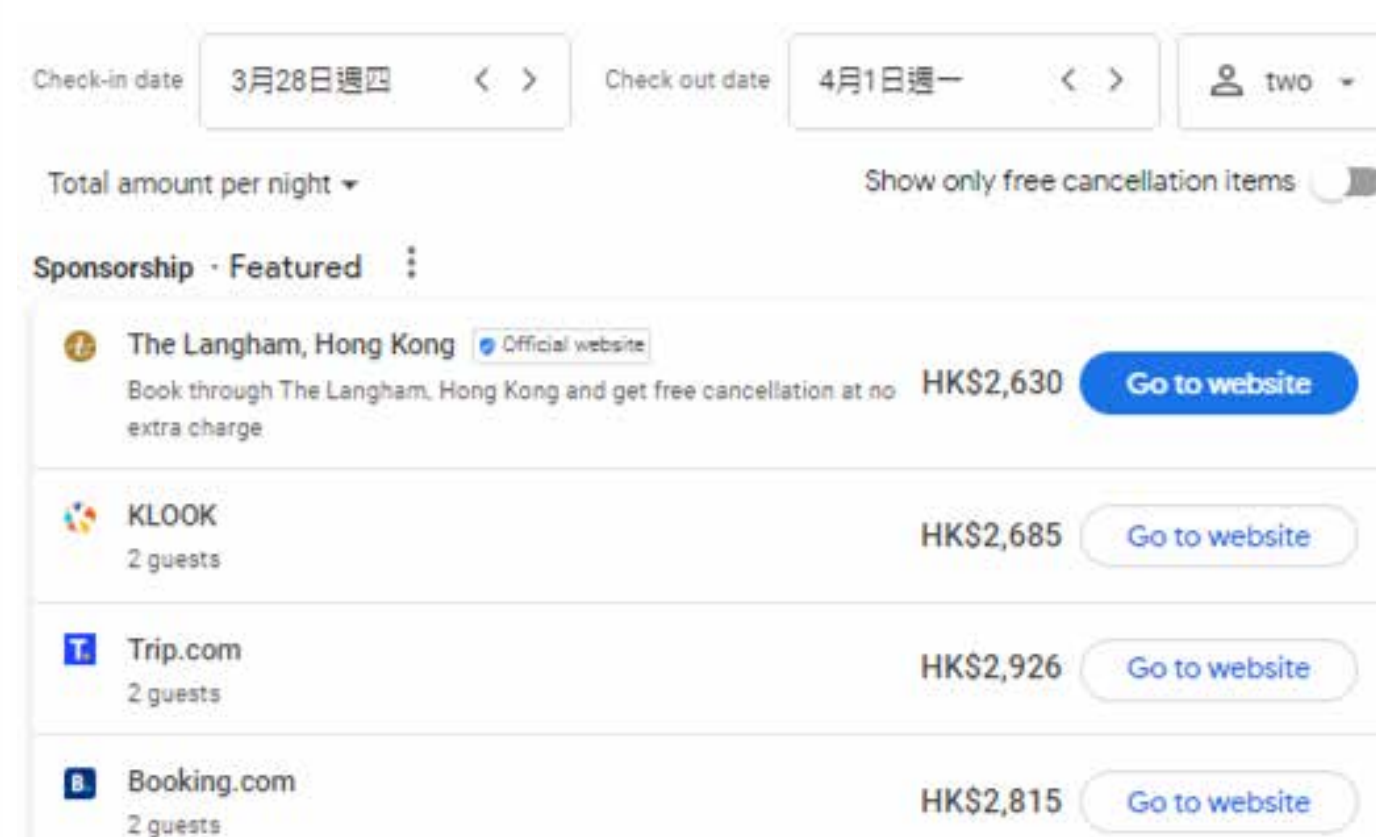
On the internet, a user will find different OTAs and websites will have different pricing is called **price dispersion**.

Example:

Narrow-price range



Wide-price range



Research Objectives

To investigate how hotel price dispersion at OTAs affect customer choice of hotel.

1. To compare price dispersion between different platforms.
2. Comparison between customers' choices of using OTAs and official websites.
3. To relate the price dispersion to customer attitude/perception of different booking channels.

Methodology

- Online questionnaires
- 160 participants

Questionnaires

Hypothetical scenarios

Questions about the factors that led the participants to choose different platforms

SPSS Data analysis

Frequencies

Descriptive

Crosstab

Finding

Respondents prefer **wide-price range** > narrow-price range
More attractive for guests to purchase and book

Respondents prefer **OTAs** > Official website to booking hotel

Top factor of respondents preferring OTAs:

- "I find the price difference between different OTAs attractive."
- "I think booking with OTAs can meet my needs."

Top factor of respondents preferring Official website:

- "I think the price on the official website is reasonable."

Different personal information affects the choice:

Age	Younger aged: prefer OTAs as a booking platform Older aged: visit tourist information offices/ travel agencies
Income	Higher income earned by the respondents, the more likely to use the Official website
Gender	Women are more likely to choose OTAs à OTAs have a wider range of options and comprehensive information

Main reason people choose how to book a hotel is **Lower Price**



Conclusion

Respondents tend to favor hotels offering a wide range of price advantages and opt to use OTAs for booking accommodations, primarily due to relative pricing.