

An Investigation of the Value of Opaque Websites to Resort Hotels

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Abstract

Purpose

The purpose of this paper is to investigate the value of internet opaque websites to resort properties. The demographics of guests that utilise such websites are considered as well as the revenue such methods of booking contribute to a resort property. It is also considered whether demographics of guests are changing or whether it is simply an increasing consumer trend to shop online. These factors are investigated within the context of the recent economic recession.

Methodology

Secondary quantitative financial data was collected from a resort based on Hilton Head Island, South Carolina, USA, based on business activity from 2006-2009. This data was supplemented by qualitative data based around interviews with three members of the guest service department.

Findings

The study has produced a number of interesting key findings in terms of the quantitative and qualitative data. It was found that the most active years for opaque methods of booking were immediately prior to the recession in 2007 and 2008. Non-opaque methods of booking via the internet increased post recession, in 2009, in line with a decrease in average daily rate (ADR). Post recession, opaque methods of booking decreased despite a continued decrease in ADR. The data shows a decrease in the total number of rooms sold during the recession in 2008, and a return to post recession levels in 2009. ADR post recession however was higher, and therefore despite a similar number of rooms being sold in 2007 and 2009, total revenue in 2009 was higher. Interviews with the resort staff identified a general feeling that guests booking via opaque methods generally spent less whilst at the resort and did not contribute to revenue in the same way guests booking via direct methods do. There was a general feeling that these methods of booking were used simply to increase occupancy at times when the resort would otherwise be quiet.

Research Limitations

There are limitations to this paper in that the findings are only applicable to the resort studied. Further research would have to be conducted to identify if the findings can

be generalised to resorts on a global scale. This research has also been conducted during a time of recession, and whilst key for this research, identified spending patterns may not be applicable during times of a healthy economy.

Value

This paper holds value both academically and in practical terms. Academically it supports theories suggested by Alred, Smith and Swinyard (2006) and Alder (1992) in that there is an increasing spend to shop online. At the same time the findings question those of Palakhurthi and Parks (2000), who suggested consumers that shop online are wealthier and bigger spenders. Practically the paper is able to make recommendations to the resort industry in terms of staff training and marketing methods. Crucially this paper makes a final assessment as to what extent the use of internet opaque and internet non-opaque websites are of value to the resort market.

Context and Objectives

During the recent economic downturn both individuals and organisations have had to make changes to the ways in which they spend. “Businesses have cut budgets and many commercial travellers have turned to the budget chains” (Intel, 2009). This has left luxury brands looking for alternative ways of attracting guests. The obvious way to do this would be to reduce room rates to attract price conscious consumers. However when consumers see words such as ‘resort’ or ‘luxury’ they naturally steer clear of these properties. Alder (1992) and Murphy (2008) consider this factor in relation to the earliest of resort openings. More recently, Palakurthi and Parks (2000) and Lockyer (2005) have discovered similar findings in that resorts only attract a certain demographic, and this demographic is more inclined to shop online. The hospitality industry has therefore now had to find alternative ways of attracting a wider demographic in order to survive. In the American resort segment, opaque websites offering reduced rates to guests have been utilised. Some businesses associated within the industry are built solely around the internet. Opaque websites let the guest book a room within a particular geographical area at a certain grade of hotel, both selected by the guest, but do not give the name of the hotel until the booking is confirmed. A recent development from Apple has seen the introduction of an application for their iPhone technology which allows a similar service. Whilst this may help increase occupancy in resorts that may otherwise be struggling, the industry must now question what impact this is having on the profile of the guests they are attracting. Many authors have considered recent consumer trends within the hospitality industry. Some have suggested that those guests booking through opaque websites are more price conscious and are looking to spend less whilst staying away from home, others such as Allred, Smith and Swinyard (2006), suggest the opposite. The hospitality industry must now learn whether selling rooms via opaque methods is beneficial to individual properties in increasing footfall, and therefore supplementary revenue, or whether consumers are using these booking methods simply for a cheap night away from home.

This paper sets out to establish whether there was a significant change in the booking methods of resort guests’ pre and post the 2008 recession. Also, to compare the differences between the profiles of guests who booked directly with the resort and those that booked through opaque websites. This will be considered in terms of revenue spend, average daily rates and demographics. Finally it will establish to what extent it is beneficial for the resort to use opaque websites as a booking source.

Literature Review

On September 25th 2008 the collapse of Lehman Brothers investment bank plunged world financial markets into turmoil (The Times, 2008). In the immediate aftermath governments in the UK and USA pumped billions of their respective currencies into the financial system to save other banks from declaring bankruptcy. However, this was not enough to prevent a recession that affected banks, businesses and consumers all over the world. In 2010 as we move out of the recession the future should look bright for a leisure industry that relies heavily on consumer disposable income. However, as Travelport, an American airline and hotel reservations company pulls out of a plan for a £1.2 billion float on the stock market citing economic uncertainty, has the leisure market consumer changed during the recession and does the resort market in particular need to focus its attention on new ways of attracting guests?

Much has been written by various authors such as Gunter and Furnham (1992) and Baum and Lundtorp (2001) regarding the demographic of the consumer that visits a resort style property. However, with recent developments and changes in both e-commerce and the economy it is of interest to look at how resort style properties are marketed and sold, and whether this changes the profile of the resort guest. There have been countless developments within the industry since the days of The Tremont Hotel in Boston which opened in 1829, the forerunner to resort properties. The first resort city, Atlantic City, popular from the late 1800's, attracted the middle as well as the upper class. It therefore appears that the status was set early for the demographic of the consumer that would populate these resort style properties. Many social theories have been developed that can relate to why people choose to stay at typically higher end, resort offerings. Alder (1992, pg 44), believed the human drive was to strive for superiority and purchase decisions were made in order to "perfect the self and feel less inferior to others". However, with the growth of the economy prior to 2008, this idea becomes less valid as travel became more widely available to more people. It is also worth remembering that not all resort properties are 5* luxury offerings, as many stereotypes assume. A resort must simply "offer a guaranteed special experience" Murphy (2008, pg 7).

There has been a major increase in the USA within the resort industry whereby companies use opaque websites to sell their product, especially during the 'off season' for resorts that operate in this kind of environment. Research by PhoCusWright has recently valued the size of the US online travel market at around US\$80 Billion. Whilst there may be many reasons for this, one reason that has contributed to the growth of such websites is the economic recession. The same was seen during the industry crisis after 9/11, where hotels put their significant excess capacity onto opaque websites. However, this crisis was different to what the industry has seen in recent months as it was brought about by people's fear of travel, rather than their inability to, due to financial constraints. Allred, Smith and Swinyard (2006), have suggested that it is simply an increasing consumer trend to use the

internet to spend, including shopping for holidays. Mintel (2005) have supported this research finding an increase of over 40% in the last four years, of people booking holidays independently via online sources. More importantly they suggest online shoppers are in fact wealthier and bigger spenders. Mintel (2008) and Palakurthi and Parks (2000) have suggested similar findings. The key findings from these studies is therefore not only the fact online spending is increasing, but also the demographic of the consumer appears to match that of the consumer profile from the original resort operations in the 1800's.

Literature has established that there appears to be a certain demographic of consumer that a) uses the internet to purchase and b) stays at resort style properties. This leads to the question as to what is this demographic? When exploring existing research into this particular subject area it is clear that there is a common feeling between Allred, Smith and Swinyard (2006), Baum and Luntorp (2001) and various Mintel reports that the use of the internet and opaque websites to book hotels and resorts is simply an increasing consumer trend. However, there is little research that goes as far as to suggest the type of guest and the demographics of the consumer that utilises this method of booking. Interestingly, many hotels and resorts, like the subject of this study, do not gather or record such information at a corporate level. It is the responsibility of individual properties to hold this information if it is deemed necessary. Palakurthi and Parks (2000) have gone as far as to suggest the demographic of people having the largest impact on lodging demand in the USA, however this was not in relation to the use of opaque websites. They found only age, income, occupation and gender had an impact on demand, and of these, income and occupation were the two most significant. The most conclusive part of this research was to find that two influential factors combined, had the largest impact on lodging demand. These being age combined with income, occupation or gender. Palakurthi and Parks (2000) therefore concluded the demographic that had the largest impact on lodging demand in the USA was from those aged between 35-54 with a household income over US\$ 35,000. Research conducted by Lockyer (2005), found there were both 'must haves' and 'trigger points' when people are selecting accommodation. Lockyer found price to be a trigger point, but this depended on the context of the stay. The findings of the research conducted by Palakurthi and Parks and Lockyer compliment Alder and Murphy in that they all suggest resorts should offer a unique experience and that they only appeal to a certain target market. Donthu and Garcia (1999) found internet shoppers to be less brand conscious than those who did not actively participate in online shopping. These findings, together with Gunter and Furnham (1992) and Baum and Luntorp (2001) would suggest that 'typical' resort guests would not make use of opaque websites to book a stay at a resort property. What must be considered now is whether this is the case, and the same market is changing the way they book resort properties, or whether the target market itself is changing.

Whilst it can be argued that the increased use of online booking methods is a developing consumer trend, it should also be considered that marketing strategies are forcing this trend in order to increase occupancy. During recessionary periods budgets for sales and marketing promotions are typically cut, leaving businesses to find alternative ways of selling their product. Research by Mintel (2000) found that during the recession on the late 1980's and early 1990's, "sales and promotions expenditure in real terms actually contracted by 2%". This number increased by 1992, to 9%, however since then, sales promotion has seen a healthy recovery. Research from the same study has identified a particular need within the leisure market to promote products where there is a long gap between brand usage, holiday's being a prime example. Research previously cited by Allred, Smith and Swinyard (2006), Palakhurthi and Parks (2000) and Mintel (2008), has noted the increasing consumer trend to shop online and it is proposed the reason for this is twofold. Consumers are looking to continue pre-recession spending patterns, but at a reduced level. This has led to them finding alternative purchase markets such as online third party websites. However, for the consumer to be able to do this, the product has to be available through these mediums. Therefore, the second reason for the increased online expenditure can be attributed to the fact that organisations within the leisure market have been forced to sell their product via third party sources, as they have been faced with a cut in the budget available for sales and promotion activities.

Method of Investigation

This investigation meets the definition of a case study as provided by Dul and Hak (2008) in that it is a single case selected in a real life context where scores are obtained and analysed in a qualitative manner. Both secondary and primary data have been used to investigate this subject. Secondary quantitative data, defined as such by Hair et al (2007) as it has been sourced from the subject company, has been analysed to establish changes within the resort market over recent years. A four year period has allowed comparisons of 2009 against 2006, 2007 and 2008, also allowing seasonal booking variances to be removed. The comparisons were in terms of the number of room nights, ADR and total revenue for different booking methods. Primarily this data set gave an insight into whether booking methods during periods of a healthy economy were significantly different to methods of booking during an economic downturn. As well as being able to see the number of room nights and total revenues between direct bookings and opaque websites, the data also allowed comparisons between ADR, food and beverage (F&B) revenue, phone revenue and miscellaneous revenue. The data also allowed the demographic profiles between different types of guests to be identified.

Semi structured telephone interviews were also carried out on three members of front guest staff currently working at the resort, namely the Guest Services Manager, Assistant Front Office Manager and Front Office Supervisor. Their roles and length of service with the resort can be seen in Table I.

Respondent	Role	Length of Service
A	Guest Services Manager	1.5 years
B	Assistant Front Office Manager	5 years
C	Front Office Supervisor	2.5 years

Table I

Whilst all three staff are senior within the guest services department, it is seen as necessary to use employees that were in employment at the resort prior to the economic recession and therefore able to give a holistic view of guest profiles through recent years. As the resort operates a high seasonal staff turnover it was not possible to interview Guest Service Agents that had a view of guest profiles both prior to and during the recession. The interviews allowed a picture to be built up of what is seen by resort staff, as a 'typical' guest profile for those who book via direct methods and those who use opaque methods. The information provided could then be compared to the quantitative data in order to see whether any views help by employees were justified by financial data. The qualitative data was able to give a richer insight into the perceived advantages and disadvantages to the resort of using opaque website as a booking source. The data went beyond the occupancy and

revenue statistics and looked at the more operational factors of using these websites.

The discussions of the findings will follow a similar pattern to the above, the quantitative data followed by the findings on the qualitative data.

“The purpose of a case study is not simply to describe a situation” (Tharenou, Donohue and Cooper 2007, pg 76) and by triangulating the quantitative and qualitative data we can begin analyse the use of opaque booking methods. Preliminary assessments can also be made as to whether they are beneficial to the resort, and what effect they have in terms of occupancy and revenue income. An assessment of the impact opaque booking methods have on the resort was then made in terms of a number of factors. First and foremost it is the financial impact that concerns the resort and this can be clearly established. However, the research also gives an insight into whether guest profiles change with the use of alternative booking methods. There have also been other offshoots to this research, for example it is interesting to note opinion surrounding the use of opaque booking methods for those working in a service industry.

The data has been accessed due to the researchers prior work experience at the resort. Neck, Godwin and Spencer (1996), identified that interpretations of the case may be influenced by the researcher’s bias or assumptions, therefore reducing internal validity. As the research has been carried out care has been taken to ensure the internal validity of the case is maintained. Further studies conducted on different resorts would allow an assessment as to whether the following findings could be generalised to other properties.

Findings and Analysis

When reviewing the financial data and Figures I, II and III it is important to understand that data from 2006, 2007 and 2008 are all compared to 2009. Therefore for each year, the percentage figures show the percentage change against 2009.

Internet Opaque Booking Methods

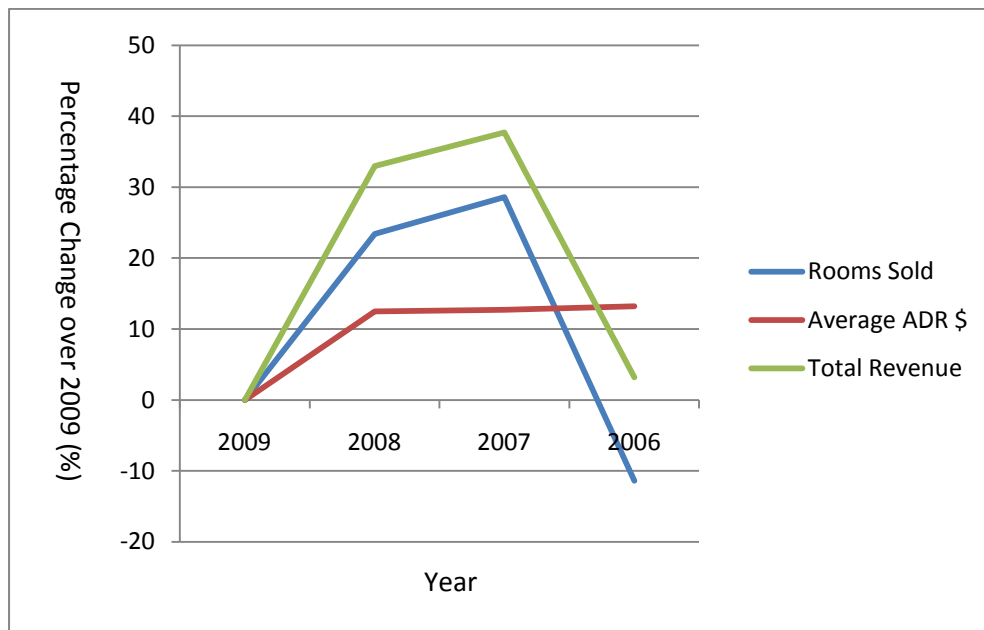


Figure I Internet Opaque Booking Methods.

The key message from the internet opaque data is that 2007 and 2008, immediately prior to and during the recession, were the most active of the four year period for this method of booking. There was also a significant rise in this method of booking between 2006 and 2007, bookings in 2007 were 28.6% higher than 2009. Despite the drop in opaque bookings in 2009, the ADR for this booking method was at its lowest in 2009 over any of the other four years analysed. ADR dropped by around 13% to \$74.19. Revenue from opaque booking sources was 37.7% and 33% higher in 2007 and 2008, than 2009, respectively. This was aided by the rise in opaque bookings and stable ADR. Despite these figures, opaque bookings accounted for only 4.1% more of the total rooms sold in 2008 than in 2009. Throughout the four year period, opaque revenue as a percentage of the total revenue remained fairly stable, peaking at 7% in 2007 and contributing 4.8% at its lowest level in 2009. Interestingly, as the economy began to recover in 2009, the resort saw opaque activity fall closer to the pre recession 2006 levels.

Internet Non Opaque Booking Methods

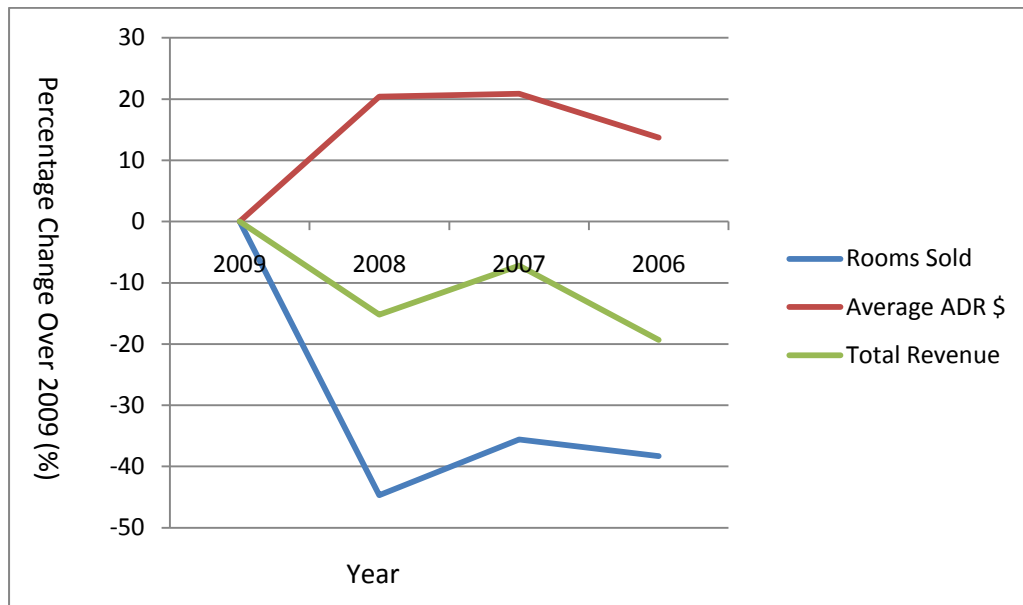


Figure II Internet Non Opaque Booking Methods

The key message from this method of booking is the sharp rise in number of rooms sold in 2009 in line with a decrease in ADR. This is in comparison to opaque booking methods where number of rooms decreased despite a decrease in ADR.

This method of booking was relatively stable between 2006 and 2008, before the 44.7% rise in 2009 over 2008. This suggests this method of booking is more stable during times of economic uncertainty. Whilst ADR dropped by 20% in 2009, the increase in the number of rooms sold more than compensated, increasing room revenue from this method of booking by 15% over 2008. The data also shows variances between the two methods of booking and the contribution made to the total number of rooms sold. In 2009 non opaque methods contributed 22% to the total number of rooms sold, compared to the 11.3% opaque booking methods contributed. However, in the three years prior to 2009, there was little difference between the two booking methods. Non opaque booking methods also managed to achieve this rise in occupancy whilst maintaining a significantly higher ADR. In 2009, ADR from non opaque booking methods was \$108.89 higher than opaque ADR. For this reason, non opaque booking methods managed to contribute to 23% of the total transient rooms revenue, compared to the 4.8% contribution made from opaque methods.

Total Transient Rooms

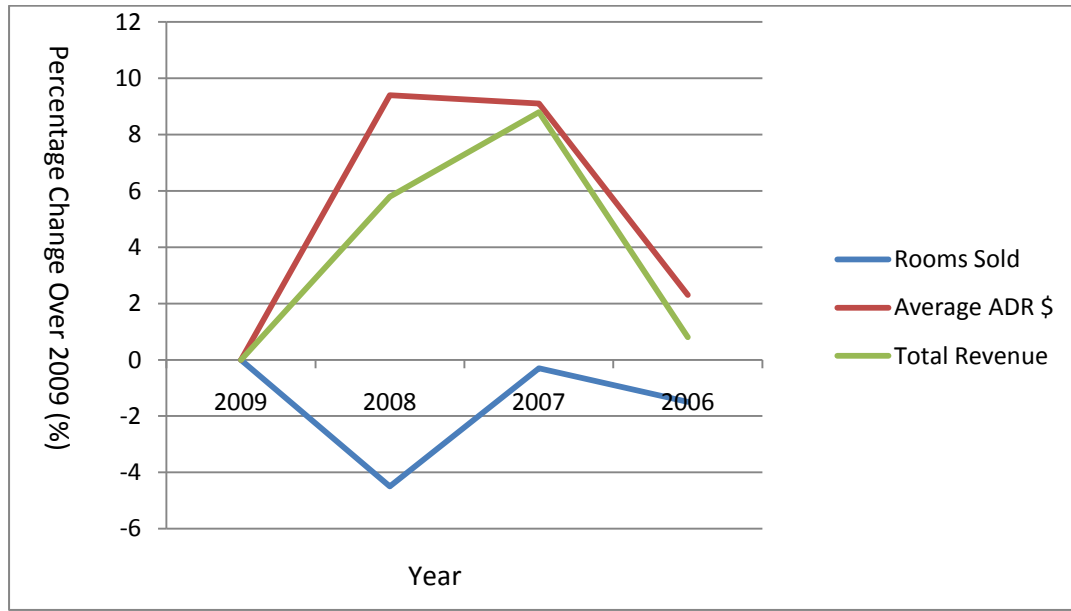


Figure III Total Transient Rooms

When considering transient room business as a whole over the four year period, there are two key messages. Firstly, the number of rooms sold during the recession in 2008 was lower than 2009, however the ADR was nearly 10% higher. Secondly, the number of rooms sold in 2007 was similar to 2009, however the ADR and therefore total revenue was greater.

This raises the question as to whether ADR in 2008 was kept high in order to compensate for a decrease in the number of rooms sold, or whether there was a decrease in the number of room sold because of the high ADR. Over the four year period, whilst there have been fluctuations in the revenues each of the booking methods has contributed to the total rooms revenue, the bottom line has remained fairly stable. Revenue peaked in 2007, 8.8% higher than the 2009 total at \$11,075,049. The total number of rooms sold has also remained stable, with a variance of only 5% over four years.

Revenue Spend

	Total Room Nights	Total Room Revenue(\$)	ADR (\$)	F&B Revenue (\$)	Phone Revenue (\$)	Misc. Revenue (\$)	Total Revenue (\$)
Opaque	6,544	481,928	73.76	67,097 10.25	666 0.10	91,064 13.92	640,755 97.92
Non-Opaque	12,711	2,334,175	182.31	312,616 24.59	4,609 0.36	274,553 21.60	2,925,953 230.20
Package (Direct)	2,760	728,900	264.09	77,888 28.22	541 0.20	162,096 58.73	969,425 351.24

Table II Total Revenue Spend by Category for Each Booking Method in 2009.
(Figures in red are per room)

When the revenue spend per room of each of the different methods of booking is considered in terms of departments, Table II shows guests using opaque methods typically spend less per room in food and beverage, phone revenue and miscellaneous revenue. This increases when non-opaque methods are considered, however the largest revenue spend comes from those guests who book packages¹ direct from the resort.

Whilst the data must be considered on an average spend per room basis, it is also important to consider the total revenue that each of the booking methods contributes to the bottom line. Whilst internet non opaque booking methods contributed \$121.04 less per room on average than packages booked direct with the hotel, this method of booking contributed \$1,956,528 more revenue to the property overall, making this method of booking invaluable to the resort.

Qualitative Data

The findings of the telephone interviews conducted on the members of the guest services department identified in the methodology had varied findings. The interviews covered demographics of resort guests, spending patterns and changes in the resort market and advantages and disadvantages of the use of opaque websites.

Demographics

Initially it was found that the demographics between guests of different booking methods are “broader than before” according to the Guest Services Manager,

¹ Packages refer to bookings made directly with the property that include another element to the stay beside the room. For example, food and beverage provision, spa or leisure facilities or sports activities.

respondent A. It appears that since the recent economic downturn, many are looking to save money where possible. Respondent A believes “everyone is looking to save a buck”. Because of this it has become difficult to stereotype individuals, as everyone is using third party websites. “It’s the big thing, not much goes through central”.

Spending Patterns and Occupancy

There was a general feeling that guests who book via opaque methods spend less whilst at the resort. These feelings are supported by the quantitative data that shows in 2008, guests who booked via opaque methods spent less per room than those who booked via other methods. The feelings of respondent A are that if they “don’t spend much on the room they won’t pay the high prices charged by the resorts outlets”. Instead, guests go off property to well known outlets where they are familiar with the products and prices. Respondent B agrees stating “Direct booking guests tend to spend more money in the outlets thus spending significantly more than third party guests”.

A difference in payment methods has also been noticed as the method of booking changes. Guests who book direct with the company typically pay with a credit card, not cash or cheques. Bookings via opaque methods do still use credit cards to pay for their stay, however, these are the reservations that also use cash or cheques to settle the balance of their stay.

The reflections of the respondents have mirrored the findings of the quantitative data in terms of resort occupancy. The respondents believe there has not been a big difference over recent years in terms of occupancy overall. Respondent B noted “I have worked in the hotel since October 2005, and have not seen a big difference in occupancy overall”. The winter of 2009 leading into 2010 was difficult but the increase in group business has helped support occupancy levels. The summer, or high, season has remained the same in terms of occupancy, over the four years that this study has focussed on. Respondent C stated the “use of opaque websites has definitely increased” however, the use of this booking method decreased significantly in 2009. Respondent A identified that “2010 looks like having more potential in terms of occupancy than 2009”. Overall 2007 was seen to be a good year by respondents but 2008 and 2009 saw a decline in occupancy levels.

Advantages and Disadvantages of Opaque Websites

There was a feeling by all respondents that opaque websites play a large role in supplementing occupancy levels during quiet periods.

There are mixed feelings amongst resort staff regarding the expectations of guests using opaque websites. Respondent B feels guests expect to get the less desirable rooms, however respondent A believes opaque guests expect to get rooms with an ‘ocean view’, despite paying lower rates. This raises the question as to whether guests are demanding too much for what they pay, or whether resorts are raising guests hopes by offering lower rates and then not delivering the desired experience.

A further disadvantage identified by respondent C regards loyalty club members. The use of opaque websites “can cause difficulties with members who expect to earn points for their stays as well as the usual benefits they receive such as upgraded room types”. The hotel chain in this study does not recognise a stay made by a member who books via an opaque website.

Respondents have also identified that guests who book via opaque methods typically do not use the resort services and facilities, i.e. the food and beverage outlets. Despite this, guests are still able to complete the guest satisfaction surveys and respondent A feels that this provides an unfair reflection on the resort. Guests are able to comment on their experience but their experience is mostly based on the rate they pay and the room they get. It is felt that guests who book via opaque methods “do not put back into the resort”.

Conclusions

Overall the data shows an increase in opaque bookings immediately prior to and during the recession. In 2009 the opaque method of booking declined but this was compensated by the increase in non-opaque internet reservations. In 2009, the ADR for non-opaque reservations decreased and this supported a rise in reservations, in comparison, the ADR for opaque reservations also dropped however the number of bookings via this method continued to fall. Over the four year period studied, internet non-opaque reservations also make a significantly higher contribution towards the total transient room revenue than opaque booking methods. As a whole, total room revenue has remained fairly stable. The findings of the qualitative data support the quantitative data in that opaque guests spend less than those booking via other methods. As a whole however, online booking creates a large amount of revenue income for the resort. There also an agreement that such booking methods do contribute towards high occupancy levels at times when occupancy typically falls.

The findings suggest the profiles of resort guests are changing. The increased use of alternative booking methods means resort style properties are now available to more people. The resort in this study has experienced the conclusions reached by Alred, Smith and Swinyard (2006) in that there is an increasing trend to shop online. The guest services manager stating that “everyone is doing it”. This does however support Alder’s social theory that purchase decisions are made in order to “perfect the self and feel less inferior to others”, (Alder, 1992, pg 44). Lockyer (2005) suggested consumer ‘must-haves’ must be met in order for an accommodation booking to be made. Price was identified only as a ‘trigger point’. This research therefore suggests that at a time when travellers are looking to continue their normal patterns of spending at a lower rate, during a recession for example, ‘must-haves’ and ‘trigger points’ are reconsidered. At a resort, guests are willing to forego a ‘must-have’ of an ocean view room in order to satisfy the ‘trigger point’ of a lower rate. The sustainability of such online booking methods must also be questioned. The recent valuation of the online travel market at US\$ 80 Billion by PhoCusWright has been contributed to by the economic recession and the desire of consumers to save rather than spend. Another industry crisis in 2001 after September 11th again saw a rise in alternative booking methods. This suggests that there may be a pattern developing in the use of opaque websites and other online booking channels during times of crisis. Further research would allow this hypothesis to be tested. It would also be of interest to discover if other industries operating within the sector have experienced similar findings, for example, the airline industry.

The research in this case does not support the findings of those such as Mintel (2008) and Palakurthi and Parks (2000). They suggest online shoppers are wealthier and bigger spenders, this does not appear to be the case with resort properties. The analysis of the 2009 data shows online booking methods contribute significantly less revenue per room than direct methods. However, it does appear that the findings of Mintel’s research can be supported so far as to say there has been an increase in

online spending. Existing research goes a long way to identify consumers that spend the most and the booking channel through which they arrive at a property. However, little research suggests that high and low spending consumers via online and direct booking sources may actually be the same person. People may change their method of booking and their spend pattern depending on the context of their stay. Further research may be able to determine if there is a specific style of property that attracts higher spending guests who book hotel rooms online, in line with the findings of Palakurthi and Parks. It may be that hotel rooms in key cities are booked online for business travel use as this method of booking is time efficient and stays are usually short and made as a necessity rather than for pleasure. In contrast, stays made by the same people at resort style properties are made for pleasure, usually for a longer period of time and therefore are made direct with the property in order to ensure specific stay requirements are met.

Recommendations

Donthu and Garcia (1999) found internet shoppers to be less brand conscious and this appears to be the case with resort properties. The increase in the use of opaque websites supports the idea that consumers in general are now becoming less brand conscious are more price conscious. This poses a problem for hotel chains that rely heavily on repeat custom through use of loyalty programs. The interviews with guest services staff at the resort in the case study identified a particular problem loyalty program members who booked online through opaque sources did not receive credit for their stay. This suggests guests would in fact rather pay a low rate to stay with any hotel company, rather than stay loyal to a particular brand. There is now a trade off between setting room rates low enough to attract opaque guests, as well as being able to attract loyal guests who are happy to pay slightly more and book direct with the property in order to receive the benefits of staying with the chain.

Individual properties need to identify the 'price point' at which loyal guests will move to booking via an internet opaque method, as the financial benefits are greater than the perceived benefits or remaining a loyal guest. In order to carry this out, further in depth research will be required to include psychology of hotel guests.

This research has identified a gap in training of resort staff. The general opinion of resort staff is that guests who book via opaque methods do not spend as much and therefore are not as valuable as those who book via direct methods. Whilst the qualitative and quantitative data suggested guests booking via the internet spent less whilst at the resort, the room revenue from these methods of booking contributes heavily to the bottom line. If employees are not made aware of the substantial contribution these methods of bookings have on the resort, the opinions surrounding the value of these guests will continue to be questioned.

From working at the resort in this case it is known that data regarding the demographics of guests is not collected. The chain operating this property do not

collect data at a corporate level, it is up to individual properties to do so. It is suggested that the sales and marketing department at this property begin to collect such data in order to practice more targeted marketing strategies. This may enable the resort to attract more guests via direct, rather than internet methods. This research has suggested attracting guests to book via direct methods will mean higher room rates are paid, and guests will spend more whilst staying at the property. In turn, this will increase the productivity ratio of the resort employees. Employees working in departments such as guest services and housekeeping have to do the same amount of work per guest, regardless of their booking method and room rate. Increasing room rates will therefore mean employees are doing the same amount of work for the same rate of pay, however the resort will receive increased revenue.

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