

Travel Options — the Case of City Hotels (an exploratory paper)

Abstract.

In this paper we discuss a hypothetical organized exchange market where people could buy and sell hotel reservations. In other words, we discuss the possible existence of a secondary market for hotel reservations. The establishment of such an exchange for hotel reservations would reduce travelers' user cost of searching for hotels and would allow hotels to manage their room capacity in a more efficient and less costly way rather than using the usual Revenue Management (RM) approach.

Keywords: travel options, revenue management, hotels

1. Introduction.

Contemporary tourism is characterized on demand and supply side by the presence of new web-based technologies which have promoted the sector's growth creating an open and complex interaction among service providers, integrators and the tourists themselves. This has greatly enhanced the options for do-it-yourself elements in the creation of the tourism experience thus promoting individualization and diversification of the products. While there are many positive aspects to this trend it does not come without costs. Today's tourists often incur a considerable user cost in deciding about trip, accommodation and destination offers, reinforced by the increasing application of RM on fixed capacities by service providers resulting in high variance of prices across offers and in time. And this is not without problems either for the supply side where the application of RM represents a costly way of filling given capacities in