

Monthly Myth Buster:

Is there really a difference between online availability calendars and online reservations systems?

This month's myth buster will examine both online availability and online reservations as they relate to website conversion rates. Although travel-savvy consumers understand the differences between these two concepts by virtue of hands-on usage, RezStream realizes that many property owners are unclear about the differentiation.

Myth: Online availability calendars offer the same features and benefits as real-time online reservations systems.

Although online availability calendars are certainly the starting point for offering online reservation information to your website visitors, it is our belief at RezStream that no property owner can afford to ignore the explosive growth of real-time online reservations. This **RezNEWS** article will help explain why.

Innkeepers display availability calendars on their website in a variety of ways. Most commonly, a link from the inn's home page takes the potential customer to a calendar page. This page displays the bank of guest rooms and indicates whether a room is available or reserved. Some properties prefer to display only those rooms available for specific dates rather than a calendar listing the status of all rooms. This practice hides if the property is experiencing a slow period. In either case, the prospective guest completes an online form, requests a particular room, date, and rate, and often provides credit card information via a secure server. Because this process is actually not a "real-time" reservation, the potential guest is not guaranteed a room until the innkeeper responds with some form of communication or confirmation. As often is the case, the potential guest may lose out on the desired room if the innkeeper has taken additional reservations over the phone (unbeknownst to the online customer) and/or has simply forgotten to update the online availability calendar. When this happens, the guest is inconvenienced by having to begin the date and room selection process all over again.

Although property owners will often refer to these availability calendars as offering "online reservations," they are actually just a reservation request. Even if you are using a secure server but have **not** asked for a credit card, there is no guarantee that the potential guest may have also made additional reservation requests at other properties, often booking with the first property to respond.

On the other hand, if your prospective guest is offered a choice to make a booking through an online reservation service, the guest and property owner will both benefit from a **confirmed reservation**. Different from many availability calendar requests, a guest's credit card is immediately charged when the reservation information is entered online. The selected room is automatically removed from available inventory, and thus, no longer displayed or available for a booking by either the innkeeper or another online guest.

There are various ways to provide online reservation services for your customers. You can offer online reservations directly from your own website, typically paying a commission of three percent, and/or you can utilize wider distribution channels, such as the Global Distribution System, by paying commissions of approximately 10 percent. The computer systems that handle these real-time online reservations are called **booking engines**. By automating every step of the booking process, you'll have more time for other projects, from sending out press kits to online posting of special promotions. Rather than having to transfer calls to your cell phone when you're away from the inn for fear of missing a reservation call, your telephone message can instead refer potential guests to your website where they can see that there is the flexibility of a confirmed online reservation service.

The three percent commission covers the cost of the service provided by the booking engine company. Higher commission rates of approximately 10 percent are incurred because this revenue is shared with its distribution partners like Expedia, Travelocity, and Orbitz. Although real-time online reservations may not be the answer for every innkeeper, for convenience sake, more and more potential guests will only book at properties that offer confirmed reservations. Well-respected travel research firm, PhoCusWright, reports that 64% of all leisure bookings will be made online by 2008, versus 45% in 2005. In 2005, total travel bookings reached \$224.4 billion, the second consecutive year of more than 7% annual growth.

It is clear that getting your share of the growing online reservation market should be an important marketing priority. Whether your property decides to offer an online availability calendar or real-time 24/7 online reservations, one thing is clear: the Internet has become a transparent medium, giving all consumers easy access to information that was once only available to travel agents. While offering availability via an online calendar may seem enough for many small bed and breakfasts and inns, providing online reservations as an option raises the bar by giving consumers the opportunity to receive an instant reservation confirmation. In competitive markets, those who offer real-time online reservations will definitely have the advantage over those who do not. With a website powered by online reservation software, direct-to-customer sales can only increase your property's profitability.

This month's myth: that online availability calendars offer the same features and benefits as real-time online reservations systems is.....**BUSTED!**

About the author

Brad Brewer is the sales manager for RezStream. Brad has over four years of sales and consulting experience in the hospitality industry. He recently joined the RezStream team from RezOvation, with extensive expertise in the property management software arena.