



Highlights: Hotel Room Rates

There are dozens of travel booking sites eager to book hotel stays, but almost all are owned by just two companies—Expedia and Booking Holdings—which control the lion’s share of online hotel bookings and are demanding that hotels offer the same room at the same price across all booking platforms. Researchers at ***Boston Consumers’ Checkbook*** (www.checkbook.org) checked more than 3,500 hotel-room rates on 18 different booking sites and found a striking lack of price variation, with most sites offering the exact same rates. While these consumer-unfriendly policies make it hard for budget-conscious shoppers to find deals, Checkbook found there are a few ways travelers can still save. Highlights from Checkbook’s report:

- Almost all travel-booking websites, including Agoda, Booking.com, Expedia, Hotels.com, Hotwire, Kayak, Mundi, Orbitz, TripAdvisor, Trivago, and more, are owned by just two Fortune 500 companies: Expedia, Inc. or Booking Holdings (formerly Priceline Group).
- Checkbook’s researchers looked up more than 3,500 hotel rates on 18 different booking sites plus hotel company websites and found very little price variation among most of the options. The lack of price variation exists because Expedia and Booking leverage their overwhelming market share (combined they control 95 percent of the third-party hotel online booking business) to kill price competition by demanding that each hotel offer the same room at the same price across all booking platforms. Hotels that don’t comply don’t get listed on most travel websites and lose out on all that online business.
- Checkbook argues that Expedia’s and Booking’s policies harm consumers. Antitrust laws require that each company establish its own prices, and bar it from working with a competitor to refrain from competing. Even if there’s no tacit illegal agreement between Expedia and Booking to refrain from competing on price, it appears there’s an unspoken agreement to not compete on price.
- An example of unfair business practices was Expedia’s attempt to punish hotels that too aggressively sought bookings on their own websites. For a time, Expedia pushed these hotels lower in search results, or failed to display photos or important features. After taking heat from consumer advocates, Expedia says it stopped the practice. But the message to hotels was clear: Don’t undercut us on price.

There are fortunately a few ways cost-conscious travelers can still save:

- The only way to consistently save a lot on hotel stays is to book a nonrefundable Hotwire Hot Rate or Priceline Express Deal “mystery rate.” For these deals, you don’t see hotel names until after you pay. It sounds risky, but you get plenty of details and filters to ensure you land in a good spot.
- Checkbook staff has booked more than 100 mystery rates and seldom had any trouble. In Checkbook’s tests, booking mystery rates saved on average about 38 percent off the prevailing rates offered by most other travel websites and the hotels themselves.
- If you want to stay at a specific property and don’t want to risk a mystery-rate booking, Checkbook’s shoppers found goSeek and SnapTravel were the next-cheapest options. Also check the hotel’s website—it might offer free upgrades or other perks if you book direct.
- Hotels and other sites are increasingly promoting “unlockable” pricing to shoppers who join frequent-traveler clubs, supply an email address, connect via Facebook, or take similar steps.
- If you have time, also give aggregators Kayak or Trivago a shot; every now and then Checkbook found one had a good deal.
- Most of the other websites Checkbook shopped spit out the same prevailing rates, over and over again.

Checkbook’s editors are available for interviews. Please contact Jamie Lettis at 202-454-3006 or jlettis@checkbook.org to schedule.