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INTRODUCTION TO PRICELINE

Priceline is a travel booking engine that can be used to book anything from hotels to cruises to vacation packages. However, this PDF will be discussing the hotel booking function.

Priceline offers three different methods of booking hotels. Just like most hotel booking engines, you can simply do a search, choose a hotel and pay the asking price. Another option, which is similar to Hotwire is the Express Deals option. Express Deals allows you to blind-book a hotel at a special discounted rate. You'll know the star level and the approximate location but you won't know the actual hotel until you pay. Lastly, Priceline offers an option called Name Your Own Price. This is unique to Priceline and what this PDF will be teaching you all about. Name Your Own Price allows you to choose the area of the city you would like to be in along with the star level of choice and then bid whatever you would like to pay for the hotel. Just like the Express Deals function, you will not know what hotel you are staying at until your credit card is charged.

Priceline basically gives hotels the chance to sell their rooms at a semi-secret discounted price when they feel they will have vacancies. The hotels normally release rooms far in advance or very close to the accommodation date because they would rather sell a room for a 50% discount than have it empty.

WHAT HOTELS USE PRICELINE?

No one really know exactly which hotels are on Priceline but I know many of the big brands (including Hyatt, Marriott, Sheraton, Holiday Inn, and Westin) are available. Basically, most of the brandname hotels are associated with Priceline.

However, you can't specifically choose one of these hotels. Instead, you pick an area (ex: downtown Vancouver) and then choose a star level (ex: 4 star). At this point, you would make a bid (ex: \$90) and one of these hotels might accept it. If they don't, you bid again.

WHY I USE PRICELINE

Bidding for hotel rooms on Priceline has saved me hundreds of dollars and has scored me 4-star hotels in many major cities for 50-60% less than posted rates. Although some people may not like the thought of paying for a hotel

before knowing which one it is but I find it quite fun, especially since there's no bad 4-star hotels (in my opinion, anyway).

SHOULD YOU USE PRICELINE?

Personally, I love Priceline. I find it exciting to bid on an upscale hotel and then be surprised by the one that accepts my offer. I don't use it all the time but whenever I find an opportunity to use it (such as a major city for a short visit), I love using it to get such an incredible deal.

However, if you're a picky traveler or a corporate traveler, you may not like the "chance" of using Priceline. Although anyone can find a good deal using Priceline, you might prefer the comfort of choosing your exact hotel and having the option to cancel it.

If you can commit to the travel dates and are okay with the pros and cons of using Name Your Own Price, which I'll go into detail further on, then Priceline can be a fun way to book hotels.

BEST WAYS TO USE PRICELINE

The Priceline Name Your Own Price function is best used for 3.5 to 5-star hotels. This is because a 50% savings on a \$200 hotel is much better than a 50% savings on a \$60 hotel and any 3.5 to 5-star hotel you get stuck with is most likely a good choice. If you choose a lower star rating, it's hard to say what you might get. Most of the hotels in the 3.5 to 5-star category are beautiful hotels in good neighbourhoods.

The Priceline Name Your Own Price function also works best for shorter stays. Stays of 1-3 nights will probably get you the cheapest price. However, hotels do occasionally offer specials for week-long stays so it's worth a shot if you're staying longer as well. The reason why Priceline usually works better for short stays is because if the hotel has a higher rate for just one of the nights you request, Priceline will charge you the highest rate for all the nights.

PROS AND CONS OF USING PRICELINE

The main benefit of using Priceline is getting a very good price. You have a really good chance of saving 50% off of a hotel by using the Priceline Name Your Own Price function. This can save you a lot of money. In addition, Priceline will only reserve you a hotel in the star level you choose or higher. This means that if you

bid \$80 for a 4-star hotel and a 5-star hotel is available for the same price, Priceline will automatically upgrade you to the 5-star hotel. Bonus!

However, there are a number of cons with using this Priceline function as well, such as;

- 1. You can't choose your hotel, which means you won't know exactly where you're staying until it's paid for.
- 2. If you're a frequent traveler who likes to earn points for hotel stays and get status with a particular hotel, a Priceline booking will not qualify. Hotels usually only give hotel reward points and status for rooms booked at full price. Personally, I'd rather save the money anyways.
- 3. You might not get any perks. Typically with a heavily discounted price, you won't be offered any perks at the hotel. However, this has never happened to me. When I booked a hotel in downtown Vancouver for example, I simply asked if they had a room with a view and they put me on the 27th floor with a balcony overlooking the mountains. Just be friendly and ask, but don't expect it.
- 4. You are charged as soon as the bid is accepted and have no option to cancel. However, If you call the hotel directly, they will usually change the dates if possible.
- 5. Your options for the type of room are very limited. All Priceline bids are only for a room with one bed. If you absolutely need two beds, there is no way to do this. You can always call the hotel after the bid has been accepted and request two beds but there is no guarantee.
- 6. You can't book multiple rooms for different dates. If you have a friend coming at a later date and you want him to stay in the same hotel, there is no way to guarantee they will get the same hotel via the Priceline Name Your Own Price function.

As you can see, there are a number of disadvantages to using the Priceline Name Your Own Price tool. However, I have never had any problems with it and if you're simply using it to get one room in a nice hotel, it's a GREAT option.

WHEN ARE THE RATES ON PRICELINE CHEAPEST?

This is a difficult question since the hotels and Priceline don't want you to know. However, there are some general answers that can help us in most situations.

Hotels only put rooms on Priceline when they think they will have some vacancies. If there is a special event in town or a major holiday, the hotel probably won't release a deal on Priceline because they know it will be sold out at full price.

Aside from times like these, hotels use computer systems to estimate how many vacancies it think it will have at a particular time. As the actual night gets closer, the estimates are more accurate. You can usually start finding hotels with discounted rates 6 months in advance with the better deals and the best deals 30 days in advance or less.

However, this is not always the case since a hotel might get quite full and then no longer offer a great deal anymore. There's really no 100% answer to the question but generally, the closer to the date the better the deal. The problem with booking very far in advance (6 months for example), you may need to cancel due to unforeseen circumstances but a hotel bought on Priceline cannot be changed or cancelled.

I have had great luck booking hotels on Priceline 45 days in advance and also the night before. Just keep in mind that there are also bid times you need to factor in when determining how much time to give yourself with booking a hotel room. This will be discussed later.

HOW MUCH TO BID

Priceline and the hotels are not going to make this obvious as they want you to pay as much as possible. Priceline will encourage you to bid high by limiting your bids and telling you what the hotel usually charges. You want to determine the lowest amount possible to make a potentially successful bid because whatever Priceline accepts, you will be charged. If a hotel has a low bid acceptance of \$70 and you bid \$100, you will be charged \$100 and not the \$70 that they would have accepted had you bid that low. The hotel might be \$160 normally so it's still a good deal at \$100 but \$70 would have saved you an additional \$30!

Typically, you can expect anywhere from 30-60% off the rates commonly seen on Expedia. This is a big difference though so you still want to do a little homework to make sure you get closer to 60% off.

Two sites that I use when attempting a Priceline Name Your Own Price bid are:

biddingfortravel.com betterbidding.com

Both of these websites above are a forum for people making bids on priceline.com. When people make a winning bid, they will post it on the forum where you can see it. By doing this, it enables you to see a winning bid in your city of choice and also the hotel that was won. This is useful information when booking a hotel and trying to get the cheapest price. It's important to make sure it's in the same area around the same dates, as prices can change for various factors. Usually, you'll see a wide variety of successful bids for similar hotels. All hotels are different and some have certain days that are typically more full than others. For example, business hotels are busiest during the week while a leisure hotel will be busier on the weekends.

The sites above are certainly not perfect and even a winning bid might not be the lowest. However, a good indication would be if the person made multiple bids until one was accepted. That will tell you that they got the lowest price. For example, just because someone posts that they got a winning bid of \$100 for a 4-star hotel doesn't mean they may have beeb able to pay only \$80. The best posts are the ones where people list their bidding history – such as "bid \$90, rejected; bid \$95, rejected; bid \$100; accepted!" With this type of post you can start bidding somewhere in the middle, such as \$95.

As mentioned before, Priceline's accepted bids vary day to day so no system is perfect. These are just websites that enhance the chance of getting the best deal on a particular level of hotel. When you do make a successful bid for a hotel on Priceline, go back to these sites and post your own experience. This helps others and encourages everyone to continue posting and keep the system going strong.

PRICELINE RECOMMENDED BID

You'll notice that Priceline will recommend a bid during the process. Ignore it. You're better off using the information from the websites above. If you have no choice or no other info to go off, I would start bidding 70% off the retail price that Priceline advises. This might seem drastic but better to start low than high. This of course depends on how urgent you need the hotel. Once a starting bid is made, you can slowly move up from there.

At times, Priceline will give you a message telling you about your bid. If it says "Based on recent data, your bid has almost no chance of being accepted", they are probably right and you might not want to waste a bid.

On the other hand, if it says "you only have a small chance of being accepted" then you may want to try It or add a small amount to it before wasting a bid. This is your choice. Each time you use Priceline, you will get better at understanding the whole process. If you're booking far in advance, then you can probably try whatever you like.

At other times, Priceline will come back to you and give you a counteroffer. I used a friends advice and counter-offered back with a price half way between my original offer and the Priceline counteroffer and had it accepted. So If I offered \$80, and Priceline counter-offered with \$100, I would offer \$90, and it usually works.

HOW TO BID AGAIN WITHIN 24 HOURS

Priceline only allows you to bid once every 24 hours unless you change your zone or your hotel star level. This is a tactic used to persuade you into bidding higher as you may not want to wait another day to secure your hotel and you may not want to change your level of hotel or area. By adding this tactic, it puts pressure on you in a way that may force you to bid a little higher than you normally would. If you could bid unlimited, then you could just start at \$10 and work your way up. They don't want that and neither do the hotels.

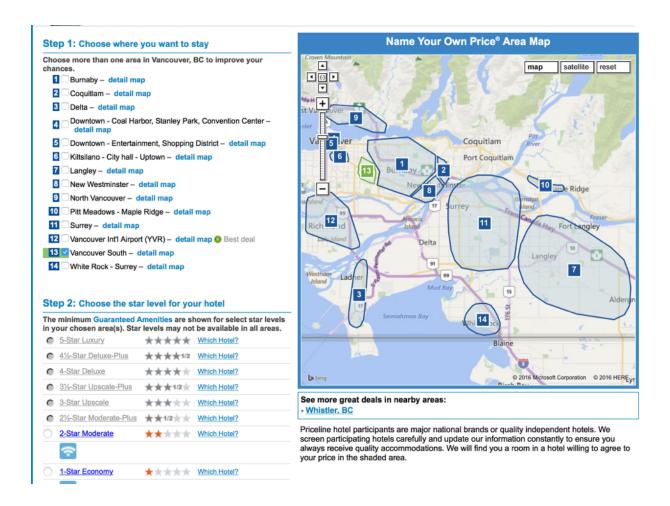
However, there is a way to bid again sooner without losing the details you want and I'm going to let you know how to do it. This little secret will relieve some of the pressure Priceline puts on you and will put you ahead of the pack, turning you into a Priceline Pro and allowing you to make multiple bids.

USING THE ZONE SYSTEM TO YOUR ADVANTAGE

First, let's do a quick tutorial. Go to Priceline.com, choose the "Name Your Own Price" option and select Vancouver, Canada as your city of choice. This way you can see how Priceline splits up a city into different zones.

As you'll see, Vancouver is divided into nine zones, which include a map to the right showing where these zones are located. Check out the map and zoom around to see where the boundaries come into play.

In this example, we'll choose an area in central Vancouver. Click on "Vancouver South" or "Zone 13" and look at the options available below. You'll notice that only 1 to 2-star hotels exist in this area as the other star levels are greyed out. When a star level is greyed out, it means that no hotels in that star level exist on priceline.com in that zone/area.



Now click on "Downtown Vancouver / Coal Harbour" or "Zone 4". You'll see that all levels of hotels are now available.

Now check the box for both "Zone 4" and "Zone 1". You'll see that once again, all ratings are available BUT we now know that the top two star ratings don't exist in "Zone 1" because we already checked it individually. They are only showing up now because you have selected both zones.

Before you bid, decide what zones you want to stay in and what star levels you would like. Then, grab a piece of paper and list all the zones that DO NOT have the star levels you want (zones with lower quality levels).

Keep this knowledge in mind and on paper as it will help with the next step.

TIP 1: ADDING UNWANTED ZONES

When your bid is not accepted, you have two options. The first one is to wait 24 hours and rebid. The second option is to choose different options and place another bid immediately. This means that you will need to change the zones, the date of stay, or add additional star levels to your bid (but they must be lower than what you previously chose). Typically, these choices are not good for most people since no one wants to stay in a lower quality hotel in a different area or on different dates.

But here is the secret. Let's say you want to stay in Downtown Vancouver (zone 4) in a 3.5 or 4-star hotel. You would set your travel dates, choose these options and make a bid. Let's say you bid \$60. The bid is not accepted. Now go and choose another zone (one that does **NOT** have 3.5 to 4-star hotels in it) and then place another bid that is a little higher. Let's say \$65. Even though there are no 4-star hotels in this new zone, it's still considered a change and therefore you are allowed another bid. You don't have to worry about getting a hotel in the new unwanted zone because you know that there are no 4-star hotels in that zone! If the bid is not accepted again, simply choose another new zone (one that does NOT have your desired star level) and make another higher bid such as \$70. If unsuccessful, continue again. If you run out of zones, you will need to wait 24 hours.

TIP 2: ADDING HIGHER PRICED ZONES

Let's say your goal is to get a budget priced 3-star or less in this case. You will probably notice that each zone has those properties. However, when looking for a hotel in a moderately priced part of town, just add more expensive parts of the city when rebidding. Since the added zones have much higher rates, your higher bid is unlikely to be accepted in that unwanted/more-expensive zone but may increase the likelihood of your wanted zone being accepted.

In Vancouver for example, if you're wanting to stay in Burnaby and your first bid is not accepted, add a more expensive zone such as downtown Vancouver. It's highly unlikely that a hotel in downtown Vancouver will be cheaper that a hotel in Burnaby so it is unlikely you would end up staying there. However, please note:

This strategy has risks involved such as getting a hotel in an area you didn't want to stay in. Please only do this if your very familiar with the hotels and rates in the different zones of the city.

TIP 3: SWAPPING ID'S

This is quite simple. If you're traveling with someone else and you've exhausted all your bidding opportunities, let your traveling partner continue bidding under their name and a different credit card. Now you have twice the amount of chances!

Although Priceline can net you fabulous rates on great hotels, you should know that they also add in some "hidden" fees. Basically, Priceline adds approximately \$7 as a fee for themselves and possibly another 1% on top of the hotel tax. So, if you purchase a hotel at \$80, you will also have to add in the hotels taxes and surcharges (varies with hotels but sometimes as high as 18%) plus \$7 for Priceline. The \$7 is charged per booking so if you book two nights, the fee will still be \$7 (\$3.50 per night). Priceline will give you the exact total price before you make the bid so don't worry about being surprised after your credit card is charged.

Even with this \$7 fee (Hotels always charge the taxes and surcharges), you will get some amazing deals if you use Priceline correctly.

IN CONCLUSION, MAKE SURE WHEN BIDDING:

Check out <u>BetterBidding.com</u> and <u>BiddingForTravel.com</u> to see if there are people getting bids accepted in the city you're looking at. These sites will often show winning bids and give you a good idea of what you might expect to pay. If all looks well, start the bidding process. If you can't find a bid on those websites, look at what the Priceline Express Deals are going for in the area you want. These are already heavily discounted so I would start at 20% less. Another option is to look at the average price of a similar ranked hotel on Expedia. Start bidding 60% less than that price.

If bids don't work and your desperate for a hotel, give <u>Hotwire</u> a look or use Priceline's Express Deals, followed by other hotel booking websites.

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Happy Travels	3!

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