

# 5

## Are You Aware of What You Share With a Third-Party Internet Site?

**Sustainability challenges concerning privacy in the sharing of information**

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### Learning goals

After studying this chapter, readers will have the ability to:

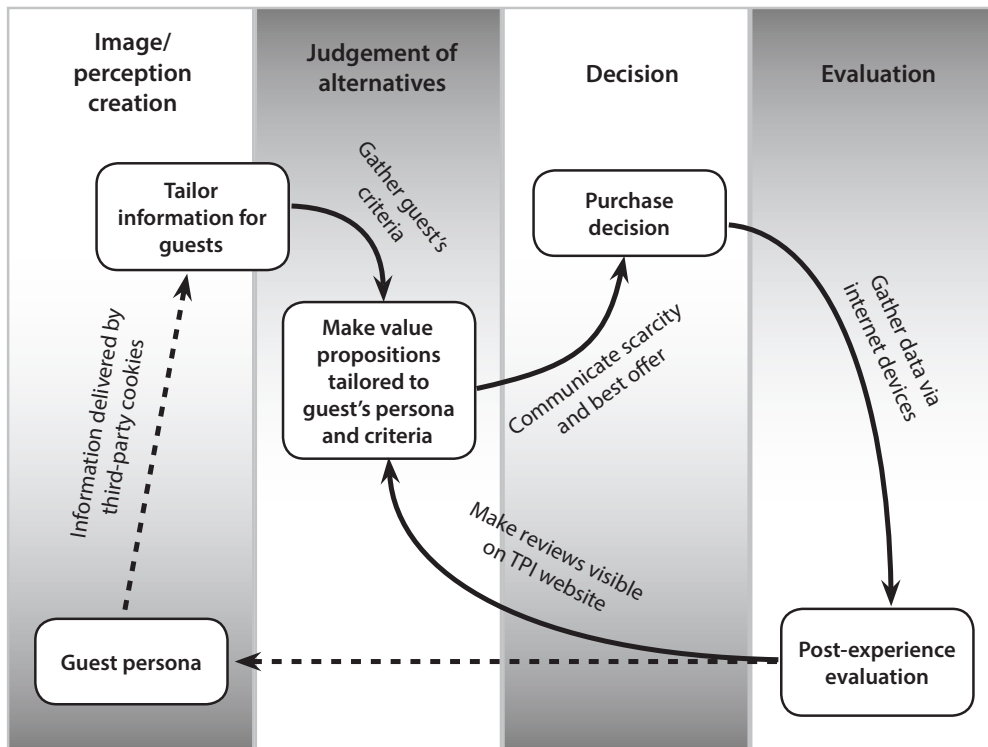
- 1 Describe the guest journey and identify the impact of Third-Party Internet sites (TPIs) on that journey;
- 2 Identify the elements in the process of information distribution when using TPIs;
- 3 Describe the business models of TPIs and their impact on hotels;
- 4 Explain the sustainability challenges linked to hotels using TPIs as a distribution channel; and
- 5 Provide examples of how hotels address these sustainability challenges.

### Introduction

Suppose you book a hotel room in Amsterdam via Booking.com, for example, for the nights of 25 and 26 August. What happens to the information you send to Booking.com in this seemingly innocent process via the Internet? And what are the consequences for a hotel when you book a room through a so-called Third-Party Internet site (TPI), instead of the hotel's own website? These two questions are central to this chapter. The point we wish to make is that the relationship between TPIs and users on the one hand, and TPIs and hotels on the other, is gradually becoming more focused on the former. This situation leads to sustainability challenges that need to be addressed.

Chapter 6 contains an overview of the existing types of distribution channels, including offline channels and Internet Distribution Systems (IDS), and their associated definitions. This chapter focuses on TPIs. A TPI is defined as “an IDS operated by a variety of travel intermediaries not directly controlled by a hotel” (Hayes and Miller, 2011: 289).

To better understand the sustainability challenges that occur when using a TPI, throughout this chapter we will use the example of a guest who is looking for a hotel in Amsterdam for the nights of 25 and 26 August. In other words, to assess the impact of TPIs we will follow a guest journey. As Chibili indicates, in order to determine a proper digital marketing strategy, it is important to understand the guest journey from the moment the search starts until the moment guests receive a post-stay e-mail to write a review about their stay in the hotel (2016). A typical guest journey is illustrated in Figure 5.1. The arrows show how digital marketing and TPIs influence the guest journey. We will explain this in more detail below.



**Figure 5.1:** The guest journey from an organizational perspective (designed by the authors)

A typical guest journey begins on the left side of Figure 5.1, when someone starts dreaming about a destination – in our example, Amsterdam. Looking for inspiration, our fictitious person searches on the Internet using, for example, Google. This is probably not his first time using Google and cookies are probably already stored in the browser history. These cookies then initiate an algorithm and provide the searcher with information tailored to his profile and wishes.

Now it is up to him to assess the accommodation alternatives presented by the TPI and to make a decision. It is important here to note that the order in which alternatives are presented, as shown more clearly in the section, is not casual but is influenced by various factors, including previous choices the searcher has made and the marketing activities of a hotel. The presented overview of hotels includes some with the notification 'only three rooms left' or '2 other people are currently viewing this hotel'. Here, business intelligence (BI) and marketing are playing their part in creating a sense of scarcity, pushing the person to decide immediately in which hotel he wants to stay. After the decision is made and the hotel is booked, the TPI sends e-mails to inform the guest that, for example, his journey to Amsterdam will start in 2 days. Furthermore, suggestions are given as to what else to do during his stay in Amsterdam. All these marketing efforts are influenced by the big data stored on the TPI and by the data provided by the guest while searching for a hotel. One day after the check-out date, the TPI sends out an e-mail with the request to evaluate the hotel online. A few days or weeks later, big data from the TPI will be reused for marketing purposes, in order to send an e-mail or advertisement for a new travel experience. The inevitable conclusion is that TPIs have the power to control the entire guest journey, including the order in which hotels are presented to the person searching online. Moreover, TPIs collect and analyse data on both the guest and the hotel during each step of the guest journey. TPIs, therefore, not only have power over guests but also over hotels, and with power comes the responsibility of using it in an equitable and ethical manner. By equitable we mean that all stakeholders involved should profit from the transaction; and ethical refers to the responsibility of guaranteeing privacy.

In this chapter we will illustrate that equity and ethics are at risk in the relationship between TPIs and hotels, creating sustainability challenges that need to be addressed. We will first describe the sustainability challenges related to data collection and data handling, and thus to privacy and ethics. We will then address a specific challenge related to the business model of the TPIs and to equity. In doing so, we will also describe in more detail the steps in the guest journey and methods that the TPIs use to influence them. Two best case scenarios are then presented and we conclude by proposing sustainability solutions with regard to the challenges. We wish to stress that all the examples of companies have been freely chosen by the authors and without any prejudice to those companies.

## **Main sustainability challenges related to data collection and handling**

When explaining the guest journey, we briefly noted that TPIs collect and handle data through the use of cookies and algorithms. Here we will provide a more specific explanation of both the process of collecting data using cookies, and the process of handling data using algorithms. We will point out the sustainability challenges related to both processes, i.e., privacy and security issues.