

Cornell Study Explains Electronic Explosion in Packaged Travel

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Changes All Along the Line: How the Internet Is Transforming Packaged-Travel Distribution

The packaged-travel business continues to change dramatically as distribution migrates to the internet, according to a new report from Cornell's Center for Hospitality Research. The report, 'Travel Packaging: An Internet Frontier,' by William Carroll, Robert Kwortnik, and Norman Rose, is available at no charge from the center at <http://www.hotelschool.cornell.edu/research/chr/pubs/reports/2007.html>. The report outlines both the difficulties and the opportunities of internet packaged-travel sales.

Carroll, Kwortnik, and Rose point out that tour packages are still assembled and sold in the traditional fashion. That said, the big growth potential lies in sales to individual customers and small groups, particularly those who use the web to assemble their own custom tour packages. Carroll is a senior lecturer at the Cornell University School of Hotel Administration, where Kwortnik is an assistant professor. Rose is founder of TravelTech Consulting, a firm that identifies emerging technologies that can benefit the travel industry.

'We see both promise and problems for packaged-travel vendors,' said Carroll. 'The great promise of the internet is in evolving web 2.0 applications, where vendors can offer travel elements based on customers' wishes, as expressed online in social networking activities. The problem is connectivity, because true dynamic packaging requires information systems that permit real-time inventory exchange between travel suppliers and packagers.'

Kwortnik added that vendors should seek to enhance customers' value perceptions by offering integrated, high value packages. 'While integrated packages should help offset price transparency, we also note that any of the participants in this process can become competitors, by offering their own packages, even as they work together to create consumer value.' To assist practitioners in assessing the value of travel packages, Carroll, Kwortnik, and Rose offer a detailed framework and checklist that examines the value drivers in the processes of search and shopping, consumption, and evaluation of travel packages.

Meet and interact with Dr. Carroll, an active member of the executive education faculty at the School of Hotel Administration, when he presents sessions in the General Managers Program:

<http://www.hotelschool.cornell.edu/industry/executive/gmp/> and in the Professional Development Program:
<http://www.hotelschool.cornell.edu/industry/executive/pdp/>.

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