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For many travelers, hotel cost is often the largest expense during their trips. Everyone likes staying in good hotels at convenient locations, but no one likes paying high prices. How can you save more on hotels without lowering your travel standard? This book is a complete guide to techniques that can help you save a lot on hotels for your next trips.

## I. General principles

Before using any techniques, you'd better follow the following three basic principles.

#### 1. Don't miss out

The first step of hotel searching is to find a site with the comprehensive coverage. You don't want to find out that there is a nicer and cheaper hotel across the street just before you check in yours.

Marriott International is the largest hotel company in terms of revenue with 30 brands in over 110 countries. Wyndham Group has 8,000 hotels all over the world. But neither of them can cover all of your destinations. You'd better pick up an Online Travel Agency (OTA) that has very good inventory at your destination. Good examples are Expedia/Hotels.com in North America, Booking.com in Europe. Agoda.com in Asia and Ctrip(with new domain trip.com) in China.

The inventory of those OTAS includes not only large hotel chains, but also hundred of thousands of independent hotels. Furthermore, they also offer vacation rentals.



Figure 1 Competing Hotels Across Street



**Figure 2: Online Travel Agencies** 

## 2. Shop around

To shop around doesn't mean that you have to open numerous browser windows and visit multiple web sites. The new meta-search technology will show you prices from different vendors on the same page.

For a variety of reasons, prices offered by Hotels and OTAs are often different. Booking directly with the hotel may save you several bucks, if you don't mind becoming a member (it is free) and receive unsolicited promotion emails in the future. But sometimes an OTA may offer lower prices because they purchase hotel rooms at wholesale prices. Therefore, a wise decision is to use a meta-search site, such as FindOptimal, Kayak, and Trivago that compares prices from different vendors including the hotel's web site.

### Hotel Meta-search



Figure 3: Hotel Meta-search Sites

## 3. Flexibility is the key

Getting a good deal is like a negotiation. You get what you want the most and give away something you don't care much. What does an hotelier want besides good rate? An hotelier wants high occupancy, low variability, clear predictability, good review, and low commissions to third parties. If you can give hotel any of those, you will have a good chance to get lower rates. In the next section, we will introduce how to save on hotels if you are flexible.

## II. Be flexible and save more

## 1. Pick destinations with good deals

Many hotel chains or OTAs publish hotel deals on their web sites from time to time. For example, you can find good deals on Expedia's Hotel Deal page if any of the destinations fits your need.

You can also check coupon sites like TravelZoo, Groupon or Living Social for hotel deals or vacation packages.

#### 2. Go off-season

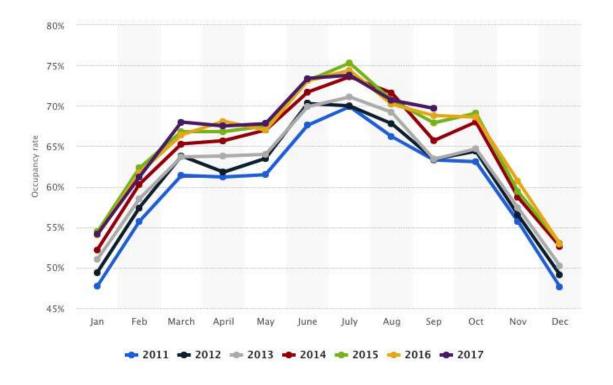


Figure 4: Monthly Hotel Occupancy Rate in the U.S.

If you have flexibility to choose when to stay in a destination, you can check the price trend and book a hotel in its low season. As shown in Figure 4, overall hotels in the U.S. have much lower occupancy rates in winters than in summers. However, each destination may be different. Miami, for example, has almost the opposite pattern against the U.S. average. Hotwire provides a tool called TripStarter to help you figure out at what dates you may get good hotel prices in certain cities.

## 3. Monitor price in advance

Some web sites such as Kayak or Yapta allow you to sign up for price alerts for particular hotels or dates you're interested in. When the price drops, you'll get an immediate email notification.

## 4. Name your own price

Hotel operation has more fixed cost than variable cost. When occupancy is low, hotel operators are willing to sell rooms at low prices. Against such phenomenon, Priceline invented the Name Your Own Price system. Using this system, you can define your destination area and lodging dates, offer your acceptable prices and then wait hotels that would like to take your price to respond. It requires patience playing such a game. If there are still many days before your lodging date, hotels won't accept low prices; if it is too close to your lodging date, you would face risks of not able to get a room. Therefore, this approach is better applied in markets where demand is lower than supply.

#### 5. Book secret hotels

If you don't like the bidding process, you can book secret hotels with up to 60% discount at Priceline Express Deals or Hotwire Hot Rate Hotels. Priceline or Hotwire won't tell you the hotel name and precise location until you pay, although you can see the approximate location on map, as well as the hotel's star rating and guest rating. There are some catches. For example, after you make the non-fundable payment, you may find out the hotel charges a



super high fee for parking, or the location is far away from metro stations or restaurants. Here is the good news for secret hotel hunters: if you do the search on FindOptimal, it can reveal identify of the secret hotels. The accuracy is above 90% for Priceline Express Deals.

## 6. Pick hotels based on day of week

Hotel rates are very dynamic. Some hotels charge more in weekdays than weekends because they are business oriented. Others that serve leisure travelers may be the opposite. Downtown hotels that draw lots of business travelers may be more affordable on the weekends once the suits have cleared out. Meanwhile, cozy B&Bs that specialize in romantic weekend getaways typically offer lower rates during the week. Time your booking accordingly to save.

## 7. Consider "Hotel Hopping"

If you need to stay in a place for several days, you should consider splitting your stay over several hotels. There are multiple benefits of the "hotel hopping". First, you may save a significant amount of money by staying at the right hotel at the right night. The higher the average hotel nightly rate, the more you may save. Second, you can experience different hotel designs and services. Sometimes your ideal hotel doesn't have vacancy for multiple days in a row. Booking nights separately allows you to stay at that hotel at least in the days when it is available. Last, you may earn more rewards points if the hotel calculates points by number of stays instead of number of nights. If you don't have much luggage and spend most of your time outside the hotel anyway, try this approach at FindOptimal and see how much it can save for you.



**Figure 5: Benefit of Hotel Hopping** 

#### 8. Evaluate trade-off of amenities

Each hotel has its pros and cons. Price is just one factor. Sometimes you have to balance trade-off of different factors including price. For example, if one hotel costs \$100 per night but offers free breakfast, another hotel in similar condition costs \$110 without breakfast, which one will you pick? If you are travel with a family, the free breakfast may save you \$30-\$40. So the first option seems a better choice. But if you travel alone, you may prefer to save the \$10 difference and eat somewhere else. In real life, you may want to consider many factors: price, location, star rating, guest rating, parking, Wi-Fi, kitchen, etc. Is it possible to quantify all those factors and find the hotel that delivers the best value for you? The answer is yes. FindOptimal is such a site that allows you to assign dollar values to hundreds of factors and search hotels with the best value just for you.

#### 9. Look for last-minute deals

Hotel rooms are a perishable product. An empty room brings nothing but loss to the hotel operator. Therefore, it is possible to find very good last-minute deals. Apps like HotelTonight in North America and HotelQuickly in Asia are specializing in last-minute deals. You may save 20-30% by using those apps. However, waiting until the last minute is a big risk. If there is a big conference or festival in the destination you need to go, you may end up with paying much higher than what you can get if you book 1 or 2 months ago.

## 10. Find alternative lodging options

Thanks to the population of peer-to-peer rental, you can rent a vacation home or an apartment on platforms such as Airbnb, HomeAway, VRBO, and Only-apartments. In some cases, those alternatives may be the better option for you. For example, if you take a vacation in Europe with your spouse and two kids, it could be much cheaper to rent an apartment than to book two hotel rooms.

If you just need a bed and maybe a breakfast, check BedandBreakfast.com or Homestay.com.

The alternative accommodations may lack services and carry safety concerns. You'd better evaluate those trade-offs when comparing with the hotel option. Web sites such as booking.com and agoda.com allow you to search both hotels and vacation rentals. However, only FindOptimal.com allows you to put a value on each trade-off and compare all lodging options with fair values.

## 11. Pick a different location

Staying in the heart of the city or a tourist destination costs more. You can save significantly by staying away from the target place, but near public transportation for easy access. For example, if you would like to visit Martha's Vineyard during the summer, staying at a hotel on the island will cost you more than \$300 per night. Instead, you can find a bigger and nicer hotel on the mainland and save half of the price. You can easily take a ferry to the island for \$8.5 and enjoy the beautiful view on the boat.

## 12. Snag other traveler's unwanted rooms

Websites like Roomer and Cancelon sell other traveler's unwanted rooms. Because those travellers missed the cancellation windows with the hotels, they either take the total loss or sell the rooms at very low prices. Cancelon requires the seller to call the hotel for transferring the reservation to the buyer while Roomer takes care of communications with hotels. In any case, it takes some hassle to change the reservation to your name.

## 13. Take advantage of falling rates

If you worry about that price will go down after you book the room, you can use Tingo.com, a subsidiary of TripAdvisor, to refund the price drops between when you book and when you stay.

However, this tip conflicts with our principle No. 1 – don't miss out. To take advantage of Tingo's offer, you have to browse their hotel inventory, which is not as comprehensive as those of large OTAs or meta-search platforms.

## 14. Book your room and flight together

Travel sites like Expedia or Travelocity often feature incredible discounts when you book your flight and hotel room together. However, there are a few catches: One is that you have to pay for everything in advance. Another catch is that cancellations or changes can be an expensive prospect. While this may hamper your travel flexibility a bit, if you already have firm dates in mind, this might be the best option for you.

#### 15. Earn airline miles with hotel reservations

If you book hotels on Kaligo.com or Rocketmiles.com, you may earn up to several thousands airline miles and points per night with your hotel stays. Kaligo offers selections among 550,000 hotels while Rocketmiles has 300,000. Although the coverage is pretty good, this approach still conflicts with our principle No. 1 – don't miss out.

## 16. Bundle parking into your stay

Web sites like AirportParkingReserations.com or ParkSleepFly.com offer packages including a night at a hotel near the airport, free shuttle service to and from the terminal, and parking for the duration of your trip, all for less than you might pay for parking alone. This could be a good option for you if you need to stay at a hotel near the airport to catch an early flight and leave your car there for several days.

## 17. Earn free gift by sharing on social media

Many hotels offer rewards points, perks and even free stay to people who share their experience or pictures at the properties on social media, especially those with lots of followers.

For example, Marriott launched a points system called PointsPlus, where members could earn points for posting on Twitter, checking-in on Facebook and sharing a snap on Instagram. Kimpton Hotels and Restaurants also created Kimpton Karma Rewards to encourage guests sharing their pictures around the property on Instagram.

### 18. Swap your home/vacation rental with others

You go to stay at their home. They come to yours. Several web sites, including Home Exchange and Love Home Swap, allow you to exchange your home with other members worldwide so that you can stay for free and live like a local in a new place. There are three main types of home exchanges: You can stay in your exchange-partner's home while they stay in yours (a "simultaneous exchange"). You can stay at a home-swapper's second home or vacation home (a "non-simultaneous exchange"). Or you can stay as a guest in a swapper's abode while they're also in the house (a "hospitality exchange").

If you are a single traveler who just wants to stay as a guest at other members' home for free. There is also a website called Couchsurfing.com for that purpose.

### 19. Book group travel

If you travel in a group for a sports event, a conference, a wedding, or a family reunion that requires more than 5 rooms per night, you can use HotelPlanner to get a group rate. The web site can also help you to negotiate a better price if you need an extended stay more than 2 weeks.

#### 20. Check your warehouse club

Costco and Sam's Club sometimes have offers for hotel discounts for members. If you're a member to a warehouse club, check their travel site for deals on hotels and vacation package values.

## III. Save more without trade-offs

We save the best at the end. Most people don't have the flexibilities to trade. No one likes going to a beach place in winter, taking risks in blind booking, switching hotels in the middle, or staying far away from the destination. Tips introduced in this section are pure savings without big trade-offs. We have to admit that each tip will take you some time or take away some convenience. But compared to those tricks in the previous section, those trade-offs are trivial.

#### 1. Use your affiliations

If you are a senior, a government employee, a military member or an AAA member, you may qualify for discounted hotel rates. For example, on Marriott's web site, you have a chance to select AAA/CAA, Senior Discount, Government & Military or Corporate/promo code and save several bucks on the same rooms. You may also look for deals via websites such as AARP, Military.com and AAA.com.

If you are a student, you can try StudentUniverse.com. The website has some discounted rates only available for students registered.

Don't forget about corporate discount. Many hotels provide corporate rates for business travelers. Hotel companies also offer discounts to employees and employees' family or friends. For example, family and friends of employees of International Hotels Group qualify for dramatic savings of up to 40 percent off hotels worldwide using a search tool and filling out a form proving the relationship.

You will often need to book directly with a hotel through its website or over the phone if you're booking a corporate discount. Don't forget our principle No. 2 – shop around – because sometimes the corporate rate are higher than prices offered by OTAs. FindOptimal is a good site for this purpose because it includes links to hotel's own website. If the direct booking price is good, you can click the link and enjoy the benefit of your affiliations.

## 2. Optimize multi-night lodging



Figure 6: Optimization of Multi-night Stay at the Same Hotel

When you need to stay at one place for more than one night, don't book the hotel with one reservation. Splitting the entire lodging period into multiple reservations may save you up to 40%. Hotels have very different rate at different night. If you book multiple nights with one reservation, some hotels would ask you to pay the highest nightly rates multiplied by number of nights. Nevertheless, booking each night separately is not always the cheapest solution either. You won't know which way is the best until you test all combinations. Checking rates of all combinations takes lots of time and effort. You can use FindOptimal to find out the best solution in several seconds. Do you need to move from room to room multiple times? Not really. When you check in the hotel, just inform the front desk that you have multiple reservations. They would be more than happy to merge your bookings. After all, keeping guests in the same room saves hotel labor and supplies.

#### 3. Book as a local

For the same hotel, you may see different prices when your search from different countries. Statistically, international travelers are more generous than domestic customers. Therefore, some travel sites ask higher prices for foreign travelers. For example, if you come from France and use Expedia for hotel search, you will be redirect to Expedia.fr. When you search for hotels in Washington D.C., the prices of same hotels returned in Expedia.fr are different from those returned in Expedia.com. Of course one set of prices is in Euro and another set is in Dollar. However if you do the exchange calculation, you will find in many cases the U.S. local site has the lower prices.

To avoid paying more in international destinations, you should test different country settings on the search site. Sometimes you should also use a VPN or set a proxy server to change your IP address. You can find a free proxy server at free-prox-list.net, but how to set it up with your device is beyond the scope of this article.

#### 4. Book with mobile devices

Travel searching sites may show different prices when you use different devices. For example, you will get different results when you search hotels with Agoda.com on a computer versus on your mobile phone. For some hotels, prices on your mobile phone are cheaper. If you use their mobile app, you may save several bucks more. The rationale is that when you use a computer, you have lots of chances to jump boats because comparing prices with other sites is easy. But if you are using their mobile app, Agoda has much higher chance to win your business.

## 5. Call the hotel and negotiate your rate

Once you nail down the hotel, you can call the front desk and see if they can beat the online rate. According to a survey by Consumer Reports, bargaining directly with the hotel yielded a better room or rate 78% of the time.

Sometimes, the best leverage you'll have is not with hotels, but with individuals who are renting out their vacation home. If you find last-minute availability through VRBO or HomeAway, haggle with the homeowner for a cheaper price. He or she will be motivated to negotiate in fear of missing out on the last-minute booking.

## 6. Check best rate guarantee policies

Some hotel chains have Best Rate Guarantee policies. If you find a lower price somewhere else, they will compensate for you. For example, Best Western promises that if you find a published rate on the Internet that is lower than what is published on bestwestern.com, they will honor the lower rate and send you a \$100 Best Western Travel Card. At Hyatt, if you find a better rate, they will match it and give you \$50 toward your next stay.

#### 7. Tell the hotel about special occasions

Having a birthday, an anniversary or a honeymoon? Let the hotel know in advance, as they'll often throw in some free perks, such as a coveted upgrade, some chocolate-covered strawberries, or a bottle of bubbly, to help you celebrate and up their customer satisfaction rating.

8. Ask more benefits when you check in

same price of a dingy room facing an alley.

Sometimes the simplest way to get a better room at a lower price is to come right out and ask for an upgrade. If you are too shy to do so, at least you can ask to see different rooms before you check in. The chance is that you will get a nice room with a better view at the

If you're asking for an upgrade, the best time to do so is if you check in around 6 p.m., by which time hotel clerks know which of the better rooms are going to go vacant for the night.

If upgrade for free is impossible, you may ask for free Wi-Fi. Some hotels only offer free Wi-Fi to guest with elite status. But if you ask, you may get the perk.

If you happen to have some negative experience during your last stay, such as no hot water in the shower or the front desk failed to give you the morning call, tell it to the hotel manager. He/she may give you a discount rate or a free upgrade to make you happy this time.

## 9. Search for coupon codes

Most hotels don't offer coupons directly on their web sites. But if you search, sometimes you can find coupon codes that will score you a cheaper room. For instance, FindOptimal's Hotel Deal page displays the most recent deals and coupons from hotel chains and OTAs.

## 10. Select right browser and use Incognito mode

Do you know that a travel searching site like Orbitz or Expedia will return different results when you use different browsers, even if you follow the same process with exactly same input? Why? People with MacBook tend to use Safari. Since they can afford a more expensive laptop, the searching site will put more expensive hotels on the top of result list. Even worse, they also monitor your browsing history. If you come back to the same hotel page multiple times, the price may become higher because they know you are thinking about booking that hotel. They want to give you some pressure to complete the transaction quickly, at a higher price. To avoid such price increasing, you should use the browser's Incognito mode.

It is a complicated world. Hotel operators and OTAs are using Revenue Management and Dynamic Pricing to generate more profit. As a savvy traveler, you should take all means to get the best value with your hard-earned money. Hopefully, the techniques introduced in this article will help you to save more on hotels in your future trips.