

Observing the Online Activity of Businesspeople to Increase Profit

When in pme

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When you're a businessperson, you need to get somewhere *fast*. You don't have the luxury of time to distinguish hotels based on their amenities. This notion can be advantageous to raising profit, because these business people are on your website with the intent to book soon.

We were interested in using Expedia's website traffic and the percentage of business people booking hotel rooms to find the ideal hours for Expedia to change its room prices. First, we defined a businessperson as a user whose search contained one adult and no children. We graphed the average website traffic of business people alongside non-business people throughout the day in hour increments.

Then, we graphed the percentage of business people booking hotel rooms alongside the percentage of non-business people booking hotel rooms throughout the day in hour increments. Although non-business people account for most of the site visits, business people are more likely to book from the site. A businessperson booking a hotel room is almost twice as likely than a non-business person. This means that Expedia would benefit from targeting business people because they have a higher demand to book a hotel room.

The highest number of business people, on average, are on Expedia between 11AM and noon, or when lunchtime is. We also found that the percentage of business people booking a hotel room is high at 11AM to 1PM, still within the meal time. This information would be of interest to Expedia because the company could raise room prices for business people before these hours since site-traffic and likely booking time are framed within lunch. We found that fewer businesspeople are online and booking in the evening hours. Therefore, the best time for Expedia to maximize profits from business people would be right before lunchtime. Since traffic and booking activities both steadily decline after lunch hours, Expedia should revert its room prices back to normal to maintain business with evening searchers.

In brief, the most popular time business people are on Expedia and the time business people are most likely to book is during lunchtime. We propose that Expedia should increase hotel room prices for business people, defined as those whose search contains 1 adult and 0 children, right before standard lunchtime and to return to the normal price again during the evening.