Four years ago in the pages of Hospitality Upgrade, Michelle Peluso, Travelocity’s president and CEO, wrote about the questions that hotels needed to ask online travel companies when thinking about entering into net rate agreements. Back then, the discussions hotels were having revolved around why should we even provide access to inventory to an online travel company (OTC)?

The industry has evolved tremendously since the nascent days of the net rate model and with every major hotel supplier now working with a variety of OTCs, the question has shifted from should we to how can we, as in, how can we get even more from our OTC partners?

As your relationships with your OTC partners continue to grow and mature, here are five new questions to consider prior to the next time you sit down with them face to face.

**1. Are they humble?**
In other words, does the OTC understand that your success precedes its success? It is the OTC’s job to support you as its partner and there is always more to learn about how to improve for mutual customers. Just because an OTC has been doing well for you does not mean there are not opportunities to improve.

**2. What matters more to them: price or experience?**
OTCs no longer exist merely as an avenue to distribute your content on the cheap. Their mission needs to be about marketing experiences. Creating memories that last a lifetime is what matters and their job is to offer relevant merchandising for suppliers and fantastic and relevant offerings for their mutual customers. As a group, OTCs have the ability to make consumers remember the magic and power of travel.

After all, OTCs know travel. They can share their expertise when they talk to customers and encourage them to pass on the knowledge the OTCs help them attain, for example, by writing and submitting a hotel review when they return from a trip. OTCs can and will make travel better for all, not by commoditizing, but through tapping into the traveler’s imagination in a way that, until now, has been unrealized.

**3. Are they comfortable with a low price guarantee?**
If you are working with an OTC that thinks that customer experience matters more, then this should not be an issue. That said, OTCs do not want to be at a rate disadvantage either. If you remain consistent in how you allocate your rates across all distribution channels, then there is no excuse for any OTC to constantly badger you for cheaper and/or exclusive rates. Again, it should be their mission to shape the consumer’s limited attention span on the experience rather than gaming the system in hopes of finding a cheaper rate.

**4. Are they innovative?**
The next generation of online travel shoppers planning a fulfilling trip experience wants tools and content to explore a destination and the various experiences available there. Rich Internet applications like Flash have opened up an entirely new way of interacting with information that makes features like trip planning by categories and themes, planning and shopping through photo albums, video galleries and maps come to life. Giving users a richer visual and more fluid view of their destination allows them to easily move around and see more detail and options that are based on their interests and enticing themes versus exploring items on a list. OTC tools that are based around list selection simply do not allow the traveler to dream and plan in an engaging manner.

A recent example of innovation that Travelocity has engaged its hotel partners in involves the rollout of ExperienceFinder®, a new technology launched in beta earlier in 2007. At its highest level, its aim is to shift the consumer’s mindset from shopping and booking to dreaming and planning. When Travelocity first shared demos of ExperienceFinder Las Vegas, hotel partners were quick to embrace its vision and saw the potential as a linchpin of Online Travel 2.0.
While thrilled with the reaction, it must also be pointed out that the hotel partners must supply their very best content in order to make this project shine. The Las Vegas rollout was a big success and has led to partnerships for six other destinations.

While innovative thinking is a key to good relationships with your OTC partners, do not overlook basics like on-time payment, seamless connectivity, automated reservation delivery, and a dedicated team working with you to help promote and merchandise your properties.

Are they nailing customer service?

Collectively, the OTCs know what their mutual customers need: a high quality experience every single time. To achieve this, it is imperative for them to devote significant intellectual capacity and resource, but they can not get there unless both partners are making this investment together. Therefore, customer service must be a shared issue. After all, if a customer has a good experience, both reap the rewards and, conversely, if the experience is negative, both suffer.

So how do the policies and employees of the OTCs you work with support your brand? Most everyone guarantees price, but are they holding themselves accountable to the experience as well? Travelocity remains committed to being customer champions by proactively anticipating potential issues before they become a problem. For example, when several of the major chains began instituting across the board no-smoking policies last year, Travelocity customer care teams alerted guests holding reservations of the new policy while giving them the opportunity to change their reservations. Travelocity then took it a step further by alerting shoppers of the new policies directly in the booking path. These property alerts have been well received by hotels and mutual customers alike.

Finally, ask your OTCs what they are doing to be your advocate. Do they take proactive steps to prevent dropped reservations and misfiled rates from occurring? There is nothing worse than coming to work and learning that there are hotels available in Osaka for $3 a night.

It is a dynamic time in our industry with few signs of demand increasing. As hoteliers, you need good partners right now. As a group, the OTCs must live up to the highest of your expectations as the traveling public continues to look for richer travel experiences – from the activities and themes that they choose and by branching out to find deeper meaning in those travel experiences. How OTCs interact with you in helping meet this demand while fully realizing the potential of Online Travel 2.0 can not be taken for granted.

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