

## Chapter 1

# Have We Met? Getting Acquainted with Priceline

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### *In This Chapter*

- ▶ Understanding how Priceline works
  - ▶ Comparing Priceline to the competition
  - ▶ Weighing the pros and cons of Priceline
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**P**riceline doesn't want you to read this book.

Its system of super-discounted travel relies on mystery: You can't know exactly what flights you're getting or exactly what hotel you'll be sleeping in.

I'm blowing the doors off Priceline's vaults and pulling out its secrets. Okay, maybe not all of them — Priceline holds a lot of information very close to its virtual chest. But when you put down this book, you'll know a lot more than Priceline gives away on its site.

The folks at Priceline refused to cooperate with this book, but I like to think they're secretly glad I'm putting the word out. Priceline is a marvelous way to save money on travel. In exchange for a little bit of mystery, you'll be able to take trips you never thought you could afford and stay in hotels that you could previously only tour the lobbies of.

Priceline has been working hard to improve its service over the past few years, and now is a great time to jump in and save. This chapter introduces you to Priceline — I show you around and get you familiar with the way it does business. After you're familiar with how and why Priceline can save you money, you'll be ready to bid on and win that trip of your dreams.

## *What Priceline Is and How It Works*

Everything most people say about Priceline is wrong.

Priceline isn't an auction. You're not competing against other bidders. You don't really Name Your Own Price, and Priceline doesn't shop your prices around.

Priceline sells hotel rooms, airfares, and car rentals really cheaply by hiding the details. Priceline's products have fixed prices just like everyone else's — but it hides the prices from you. You have to guess them.

Travel gurus call Priceline's deals *opaque fares*, because you can't see the prices. Priceline isn't the only seller of opaque fares, but it's by far the largest.

In exchange for all the mystery, travel suppliers give Priceline really low rates — usually lower than everyone else's. That's because they see Priceline buyers as the most desperate, price-sensitive travelers anywhere, willing to give up all kinds of convenience for the absolute lowest price.

Priceline also sells regular airline tickets, hotel rooms, rental cars, and cruises. But the Name Your Own Price super-discounted rates are what made Priceline famous, and they're what you find out about in this book.

### *Building the mystery*

Airlines and hotels want to sell their goods for as much money as possible. Fortunately for you, that's not always possible. Oftentimes, more airline tickets and hotel rooms are out there than people who are willing to pay high prices for them.

So airlines and hotels offer several levels of prices, depending on the hoops you're willing to jump through.

For example, airlines may have one, very high price for people who decide at the last minute that they absolutely need to travel. They have a lower price for people who can plan three weeks in advance. And they have an even lower price for people willing to stay over a weekend, because those travelers are probably bargain-hunting vacationers rather than cash-rich business travelers.

Even after all these discounts, though, some airline seats and hotel rooms are still left over. So the travel firms came up with the ultimate hoop: mystery fares and mystery hotel rooms. They decided to sell their last available seats and rooms at super-discounted prices to truly desperate bargain hunters, people who don't care what airline they're flying on or what hotel they're staying in.



## Getting online with Priceline

To use Priceline, you need an Internet connection and a Web browser (such as Internet Explorer, Mozilla, or Netscape). You can use Priceline on either a PC or a Mac. You can bid on Priceline through a phone line or through a high-speed connection to the Internet — it doesn't matter — and you can use any Internet service provider (ISP). You can even bid on Priceline at work.

If you don't have Internet access at home or work, things are a little stickier. You can bid on

Priceline using a computer at a public library or cybercafé, with a free e-mail address you get from Yahoo! (<http://mail.yahoo.com>), Hotmail ([www.hotmail.com](http://www.hotmail.com)), or a similar service. But I don't advise it, because you have to enter your credit-card details into the computer while you're bidding, and who knows what sort of nasty hacker-like stuff that 17-year-old kid who last used the public computer did to it? Using a private, trusted machine is always best when entering credit-card details.

Those fares and rates are called *opaque*, because you can't see through them and find out your flight or hotel details before you buy. Priceline is the king of the opaque fare services, selling more opaque fares than anyone else. Hotwire.com, formerly run by five airlines and now owned by the folks who run Expedia.com, is the number-two seller of opaque fares. Expedia also sells some opaque fares.

Opaque fares and rates are a great way to save money. But Priceline found a way to squeeze even lower prices out of airlines and hotels: Name Your Own Price.

## Guessing Priceline's price

Name Your Own Price is a lie. The reality is more like "Guess Our Price." It's a trick, a game to balance customers' savings with hotel and airline profits. If you play the game well, you'll save thousands of dollars. If you play it poorly, you'll pay through the nose.



Priceline's computers connect to the Worldspan reservation system, which lists Priceline rates that airlines and hotels set for tickets and rooms. When you submit a bid, Priceline checks your bid against its partners' Priceline rates. It grabs all the rooms, fares, or cars you can afford, and then, using a complicated computer formula Priceline has never explained to anyone, picks one of the bunch to give to you.



Many hotels have three different Priceline rates for the same room, so you can't predict which hotel you get by how much you bid. Experts have guessed (because Priceline isn't saying) that Priceline also throws a random element into the mix.

The Priceline rates may change every day, or they may remain the same for weeks or months at a time.

If you bid exactly at Priceline's price, the hotel gets its Priceline rate; Priceline gets its transaction fee; you get your room, flight, or car; and everybody walks away somewhat happy.

If you overbid, though, Priceline and the travel supplier pocket the difference and don't tell you. This book helps you get as close to the real Priceline rate as possible, saving you money.

Because some people overbid, travel suppliers are often willing to give Priceline even lower rates than they give to Hotwire and other opaque-fare sites. The profits reaped on overbids make up for the losses caused by smart bidders getting the lowest possible rate.

It's a complicated strategy, but it works. Priceline sold \$360 million in travel during the first three months of 2004, and made a gross profit of \$43.4 million. According to the company's financial reports, it expected bookings to grow by 50 percent as it moved into the 2004 summer travel season. In other words, Priceline is here to stay.

## ***Priceline grows up: Travel the traditional way***

Priceline offers "normal" airfares and hotels, too. Last year, it bought Lowestfare.com and Travelweb, two online travel agencies that sell airfares and hotels just as Expedia, Travelocity, and Orbitz do.

During 2004, Priceline started sprinkling its Lowestfare.com and Travelweb rates around its Web site. If you want to buy airline tickets, for instance, you have to go through a page of normal fares from Lowestfare.com, as shown in Figure 1-1. These fares may be better than Expedia or Travelocity — then again, they may not. Lowestfare.com is a travel agency just like any other — no better and no worse.

Similarly, when you click on links to buy one-way airline tickets, you get shunted to the Lowestfare.com travel agency.

Priceline also sells cruises through a partnership with NLG (a travel agency specializing in cruises) and sells travel insurance through American Home Assurance Company (a major travel insurer).

**Figure 1-1:**  
The \$290  
Web fare on  
this page  
comes from  
Lowestfare.  
com,  
Priceline's  
traditional  
travel  
agency.

The screenshot shows the Priceline.com website interface. At the top, the browser address bar displays the URL: [http://travel.priceline.com/travel/airlines/lang/en-us/fare\\_results\\_bk.asp?session\\_key=420011AC](http://travel.priceline.com/travel/airlines/lang/en-us/fare_results_bk.asp?session_key=420011AC). The page title is "Airfare" and the user is identified as "First Time Users".

The search criteria are: "Your Trip: New York City, NY to Toronto, Canada", "Depart: Sun, July 4", and "Return: Wed, July 7". There are buttons for "Name Your Own Price and Save More" and "New Flight Search".

A table of flight options is displayed, with columns for "Name Your Own Price", "All Canada", "Multiple Airlines", "United Airlines", "Continental Airlines", "Northwest Airlines", and "All Others". The "Web Fare" of \$290 is highlighted in a box, corresponding to a flight from United Airlines (Flight 9957) from New York City, NY (LGA) to Toronto, Canada (YYZ).

Non-Stop	All Canada	Multiple Airlines	United Airlines	Continental Airlines	Northwest Airlines	All Others
from \$217	from \$241	from \$241	from \$241	from \$241	N/A	from \$247
1 Stop	from \$247	from \$272	from \$241	from \$272	from \$248	from \$242
2+ Stops	N/A	N/A	N/A	N/A	N/A	N/A

Below the table, there are filters for "Departure Time", "Return Time", "Departure Airport", and "Airline Preference". The "Lowest Price" tab is selected, showing a table of flight options with columns for "Round-Trip Price (Per Person)", "Airlines", "Airline", "Trip Duration", "Flight Times", and "Stops".

Round-Trip Price (Per Person)	Airlines	Airline	Trip Duration	Flight Times	Stops
Name Your Own Price®	New York City, NY to Toronto, Canada	Priceline Partner Airlines	--	Exact flight times are shown after purchase	0-1 Stops
Best Deal	Toronto, Canada to New York City, NY	Priceline Partner Airlines	--	Exact flight times are shown after purchase	0-1 Stops
<b>Web Fare \$290</b>	New York City, NY (LGA) to Toronto, Canada (YYZ)	United Airlines Flight 9957	1h 20m	Departs: 7:55a Arrives: 9:55a	Non-Stop
Choose >	Toronto, Canada (YYZ) to New York City, NY (LGA)	AP Canada Flight 722	1h 24m	Departs: 8:15p Arrives: 7:50p	Non-Stop

## Priceline around the world

Priceline's idea worked so well in the United States that the rest of the world wanted in on it. But Priceline didn't want to just let foreigners use the U.S. Priceline Web site. Different laws control purchases in different countries, so other countries needed their own sites.

Priceline.co.uk ([www.priceline.co.uk](http://www.priceline.co.uk)), for U.K. residents, came first. That site is wholly owned by Priceline and works just like Priceline.com for Name Your Own Price hotels — except that you pay in British pounds, not U.S. dollars.

The Asian conglomerate Hutchison Whampoa made a deal with Priceline to run several Priceline spin-offs in Asian countries. Priceline Hong Kong ([www.priceline.com.hk](http://www.priceline.com.hk); shown in Figure 1-2), Priceline Singapore ([www.priceline.com.sg](http://www.priceline.com.sg)), and Priceline Taiwan ([www.priceline.com.tw](http://www.priceline.com.tw)) all sell Name Your Own Price airline tickets from their home countries, along with hotel rooms all around the world. Because they're not entirely run by Priceline, they have their own quirks — you can demand nonstop flights, for instance, which you can't do on Priceline.com and Priceline.co.uk. They also offer hotel rooms in a slew of cities in Asia, Australia, New Zealand, and India, where Priceline.com doesn't sell rooms — so if you're heading to Auckland or New Delhi, you should check out Priceline Asia. Residents of more than two

## Oh captain, my captain!

William Shatner, best known as Captain Kirk from *Star Trek*, has been the voice and face of Priceline since 1999. He doesn't need to find travel deals for himself — in past interviews, he's said he always flies first class. But Shatner's commanding presence and, most importantly, his sense of humor about himself have made him a great fit for the scrappy travel company. (How many celebrities would let a company sell bobble-head dolls of them on the Web?)

Shatner is something of a renaissance man himself. He's written successful science-fiction

novels and nonfiction books, supports a residential home for women recovering from alcohol abuse, starred in the only movie ever filmed in the Esperanto language, and speaks fluent French (he grew up in Montreal, Canada).

As Priceline shifts to selling "regular" airline tickets and hotel rooms as well as Name Your Own Price products, it's brought a second spokesman on board. Shatner says he's having a great time working with his old friend Leonard Nimoy, whom you may know as Mr. Spock.

Live long and prosper, Priceliners.

dozen countries are allowed to use Priceline's Asian sites (though if they're buying airline tickets rather than hotel rooms, they have to fly out of Hong Kong, Singapore, or Taiwan).

**Figure 1-2:**  
Priceline Hong Kong sells airline tickets from Hong Kong to other cities, as well as hotel rooms around the world.

The screenshot shows the Priceline website interface. At the top, there's a navigation bar with "Air Tickets", "Hotels", "Air+Hotel", "Rental Cars", and "Others". Below this, the main content area is divided into two columns. The left column is titled "name your own price™" and lists "Recently Booked Round-Trip Deals" for various destinations like Kuala Lumpur, Kota Kinabalu, Jakarta, Manila, Taiwan, and Tokyo. The right column is titled "choose your own airline" and lists "Hot Deals - Round-Trip Tickets" for destinations like Bangkok, Manila, Kota Kinabalu, Singapore, Sydney, and Melbourne. Both columns include details like departure dates, return dates, and prices. The website also features a search bar at the top and various promotional banners.



## Suppliers versus consumers

Priceline loves smart bidders. Smart bidders use Priceline more often, so Priceline makes more money. If everyone in the world used Priceline, there would be a lot of happy people at Priceline's headquarters in Norwalk, Connecticut.

But there would also be a lot of very angry people in hotel and airline headquarters around the world. Priceline's travel suppliers *hate* smart bidders. Every smart bidder is another person who isn't buying more-expensive tickets, rooms, or rental cars through other means.

The suppliers don't want to kill Priceline. They just want to make sure Priceline knows its place, as a last-resort travel site.

Priceline stands on a knife's edge, trying to balance the desires of consumers and suppliers.

That's my theory as to why Priceline's system is full of loopholes. The loopholes attract smart, high-volume bidders who come back again and again. Sometimes, Priceline closes a loophole, because the travel suppliers don't like them.

For a while, Priceline had a friendly relationship with BiddingForTravel.com, the Priceline watchdog bulletin board, because they drove lots of business to Priceline. Then Priceline cut off contact with BiddingForTravel.com. The folks at Priceline wouldn't say why, but many people at the time thought it was because the suppliers didn't like Priceline getting all cozy with the smart-bidding crowd.

Seeing what happens when this book comes out will be interesting. If you happen to know any hotel-industry executives, don't tell them about it.



Non-Americans can also use the U.S. Priceline site by bending the rules. Priceline doesn't take any responsibility for what happens to you if you try, but plenty of Canadians have snuck across the barbed-wire border into the United States of Priceline. Jump ahead to Chapter 18 if you want to see the details.

## How Priceline Stacks Up to the Competition

Priceline isn't the only travel agency on the Web. It's not even the only seller of opaque fares, or the only site where you can bid for travel. Hotwire, Expedia, Travelocity, and a whole bunch of smaller travel agencies all dabble in opaque fares, and SkyAuction.com and eBay both let you bid for travel.

But Priceline does let you get the lowest fares and rates for hotel rooms, the most often. An independent study by Consumer WebWatch, a spin-off of *Consumer Reports*, found Priceline had the lowest rates more often than any other Web site, with more than twice as many lowest rates as Hotwire.



## Speedy growth and lousy service: Why many fear Priceline

Priceline started in 1998, at the height of the Internet boom, when the mantra on Wall Street was grow, grow, grow.

So Priceline grew. It tried to extend its Name Your Own Price offerings to groceries, phone calls, even gasoline. These attempts only served to confuse consumers as to what Priceline was all about — and to disappoint people when they failed. Priceline Mortgage is Priceline's only remaining non-travel product.

Priceline's customer service was also famously bad — so bad, in fact, that Priceline got kicked out of the Connecticut Better Business Bureau

(BBB) in 2000. A large part of the problem was that Priceline didn't explain its restrictions very well, which meant that many people were confused and disappointed when they didn't get the flights they wanted. Priceline's computers also used to give travelers some very strange routings, like New York to Chicago via Atlanta.

Don't worry: Priceline has turned itself around. It's back in good standing with the BBB. It's knocked some sense into its airline routing computers. It explains its restrictions better than it used to. And its customer service . . . well, I'll just say it isn't *famously* bad.



Priceline would have done even better in Consumer WebWatch's tests if the testers had used the tips in this book. The people at Consumer WebWatch got a hotel room on their first bid 46 percent of the time. If you win your first hotel bid, you're probably bidding too much. One of my key strategies is *rebidding* (using several bids to start low and then come up to meet Priceline's lowest acceptable price). So Consumer WebWatch's researchers probably could have bid even lower and succeeded.



All opaque sites are opaque, but Priceline is more opaque than others. The advantage of booking with another opaque site, or another bidding site, is that you know a little more than you do with Priceline. With other opaque sites, you'll see the price before you buy, so you can comparison shop. Other bidding sites will tell you exactly what you're bidding for, down to the precise airline or hotel name. Priceline is the most confusing, most complicated, and most mysterious way to book travel. It can be the most frustrating. But it's also usually the cheapest. Knowing less means saving more. Of course, if you'd rather know more and save a little less, the sites covered in the following sections can often provide fares lower than regular rates.

## *Hotwire.com*

They're like Coke and Pepsi, or Hertz and Avis. Hotwire ([www.hotwire.com](http://www.hotwire.com)) is Priceline's number-one competitor, and it's usually the site to beat when you're looking for airfares, hotels, and car rentals.



Hotwire sells opaque flights, hotel rooms, car rentals, and vacation packages, just as Priceline does. Like with Priceline, Hotwire's reservations are strictly nonrefundable, and you can't figure out your exact flight times or the name of your airline or hotel before you pay. Also just like with Priceline, you choose your hotel based on a star level and a neighborhood zone.

Hotwire is clearer than Priceline in several ways, though. First, it tells you its prices in advance — there's no bidding, no guessing, and no mystery there. It also tells you more about its hotels than Priceline does. For example, it tells you which hotels have pools, which have spas, and which are all suites (as shown in Figure 1-3).

And if you're buying a weekend vacation package for the next two weekends, you can restrict Hotwire to morning, afternoon, or evening flights. Priceline gives you a Playtime Guarantee that you'll spend 44 or 64 hours at your destination, but it doesn't let you specify your flight times.



Hotwire often rates hotels a little bit more generously than Priceline does. So a Priceline 4-star hotel may be a Hotwire 4½-star hotel. In other words, you can't always compare Priceline and Hotwire exactly.



Hotwire makes a great companion to Priceline, because you can check out prices on Hotwire, bid lower on Priceline, and then come back to Hotwire and accept its offer if Priceline can't beat it.

**Figure 1-3:**  
The little icons on Hotwire.com's hotel-selection screen tell you which hotels have pools — something you don't know before you pay with Priceline.



Want to know exactly what hotel you'll be getting with Hotwire? Better Bidding.com tracks the hotels people get on Hotwire. Of course, you could always get a hotel that's not on BetterBidding's list, but BetterBidding will help you narrow your possibilities.



Hotwire posts lists of all its airline and car-rental partners, and some of its hotel partners, on its Web site at [www.hotwire.com/travel-information/partners/index.jsp](http://www.hotwire.com/travel-information/partners/index.jsp).

If you buy a domestic airline ticket on Hotwire, you'll fly on one of the following airlines:

- ✓ Aloha Airlines
- ✓ America West Airlines
- ✓ American Airlines
- ✓ Continental Airlines
- ✓ Delta Air Lines
- ✓ Hawaiian Airlines
- ✓ Northwest Airlines
- ✓ United Air Lines
- ✓ US Airways



Northwest Airlines doesn't participate with Priceline, so you'll probably have better luck finding low fares from Northwest hubs like Minneapolis and Detroit on Hotwire.com.

If you buy an international ticket on Hotwire, you'll fly on one of the following airlines:

- ✓ Aeroméxico
- ✓ Air France
- ✓ Air New Zealand
- ✓ Alitalia
- ✓ America West Airlines
- ✓ American Airlines
- ✓ ANA
- ✓ BMI
- ✓ BWIA West Indies Airways
- ✓ Cathay Pacific Airways
- ✓ Continental Airlines

- ✓ Copa Airlines
- ✓ Delta Air Lines
- ✓ Finnair
- ✓ Hawaiian Airlines
- ✓ Iberia Airlines
- ✓ Icelandair
- ✓ KLM Royal Dutch Airlines
- ✓ LanChile
- ✓ LanPeru
- ✓ Lufthansa
- ✓ Mexicana
- ✓ Northwest Airlines
- ✓ SAS
- ✓ Singapore Airlines
- ✓ South African Airways
- ✓ Swiss International Air Lines
- ✓ United Air Lines
- ✓ US Airways
- ✓ Virgin Atlantic Airways



Neither Priceline nor Hotwire uses low-fare airlines like Southwest, JetBlue, Independence Air, or Virgin USA, any of which may have the lowest fares for domestic flights. And neither service uses British Airways, which may have great fares to Europe. This fact underscores the need to shop around and not just rely on one or two sources for airfares.

Hotwire.com car rentals will always come from Avis, Budget, or Hertz. Priceline uses those three services but also Alamo and National, so you can expect Priceline to have a wider range of available rental cars.



Neither Priceline nor Hotwire uses super-cheap rental-car companies like Enterprise, Rent-A-Wreck, and Thrifty, so you have to check those firms' prices independently.

## *Expedia.com*

Expedia ([www.expedia.com](http://www.expedia.com)) is one of the nation's largest online travel agencies. It often has pretty good prices, because, with its huge size, it can negotiate special low rates from hotels and airlines.

Sometimes when searching for a flight on Expedia, you'll see something called a *Bargain Fare*. These are opaque fares, like the ones on Hotwire.com. Generally, with Bargain Fares:

- ✔ Your flight will leave between 6 a.m. and 10 p.m.
- ✔ You must agree to make one connection.
- ✔ The fare is totally nonrefundable — if you agree to it, you're stuck.
- ✔ You won't get frequent-flier miles.
- ✔ You'll fly on one of "20 name-brand airlines."



Don't worry too much about the airlines, Expedia doesn't disclose its list publicly, but it's a very above-board operation, and I trust it to put you on a big-name carrier.

Expedia's Bargain Fares are generally lower than regular published fares. It's competitive with Hotwire and Priceline.

To buy a Bargain Fare, click on it just like you would any other fare on Expedia. You'll only find out your exact airline and flight times after you pay your money, though.

You can't specifically search for or request Bargain Fares. You just have to get lucky. I've seen plenty of Bargain Fares in the past, but I couldn't find any when I was specifically looking for them for this book — that's luck for you. For more about Bargain Fares, see Expedia's Web site at [www.expedia.com/daily/highlights/bargainfares/default.asp](http://www.expedia.com/daily/highlights/bargainfares/default.asp).

## *SkyAuction.com*

Unlike Priceline, SkyAuction.com sells airline tickets and vacation packages in a real auction. You compete against other bidders, and the highest bidder wins. Also unlike Priceline, you usually see exactly what you're bidding for.

SkyAuction has a much smaller inventory than Priceline does, though. At any given time it may have a few dozen airline tickets and hotel rooms for sale — when Priceline has thousands. And the fine print in a SkyAuction sale can drive prices up way beyond what you bid. For example, in Figure 1-4, you can see that this ticket to Europe costs \$300 or so — plus \$50 if you're traveling on a weekend, plus \$65 if you're going to Germany, plus \$185 if you're flying from Chicago.



**Figure 1-4:**  
Watch out  
for the fine  
print on  
SkyAuction.  
com.

As another example, SkyAuction was selling a ticket on Iberia Airlines to Europe, and the winner bid \$400. But the fine print shows he'd be charged an extra \$50 if he wanted to depart or return on a weekend, an extra \$119 for taxes, and an extra \$65 to \$165 if he wanted to fly from any city other than New York. That means his \$400 ticket could cost more than \$700 — which isn't much of a deal!

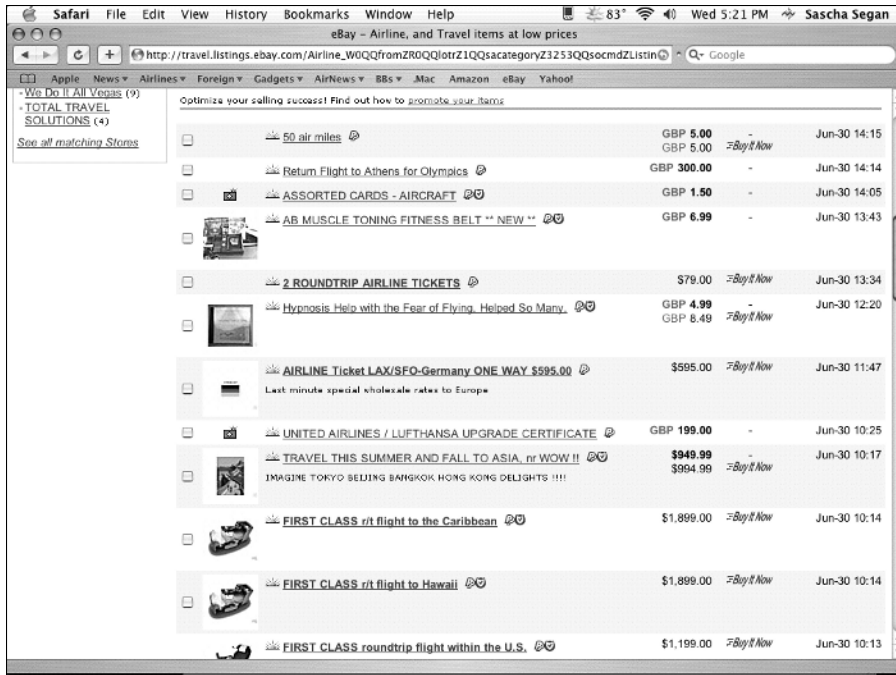
Sure, SkyAuction has some bargains. But Priceline can probably beat 'em most of the time.

## eBay Travel

I'm a travel expert, not an eBay expert. Greg Holden, on the other hand, is the author of *eBay PowerUser's Bible* (published by Wiley). I joined forces with him to check out eBay's travel section, shown in Figure 1-5.

If SkyAuction is an auction house for travel, eBay is a tag sale. All sorts of crazy stuff is on sale here from all sorts of people. How about two round-trip tickets to anywhere in the United States, starting at \$79? Or a flight to anywhere in the world, starting at \$89?

**Figure 1-5:** eBay Travel sells a wide range of tickets, but buyers must beware of hidden fees, fine print, and unreliable sellers.



Some of these deals are real, and some are scams. Holden says eBay isn't widely known as a place to buy travel, so there's relatively little competition for the good stuff. You may turn up an incredible deal here.



Just be *very* sure you're getting what you asked for. Use eBay's Ask Seller a Question button to find out who the seller is. Is it a private person or a travel agency? If you're getting a certificate that must be redeemed for a flight, what's in the fine print? If you're getting a certificate issued by an airline, call the airline, describe the certificate, and find out if it's transferable — some airline certificates can't legally be signed over to another person.



If you're going to buy travel on eBay, look for two things above all others: a good feedback rating and Square Trade certification (Square Trade is an organization that certifies that a business has a commitment to provide good customer service and to treat people fairly). The feedback rating is much more important than Square Trade — so even if a seller has Square Trade, stay away if they have zero feedback. Greg Holden says:

Feedback ratings are the most important thing to look at when purchasing from any seller on eBay and trying to judge their level of trustworthiness.

I would be wary of buying anything from anyone with a feedback rating of less than 5, and I would not recommend that anyone buy anything from a seller with a feedback rating of 0, because they may have just signed up with . . . eBay to unload these tickets and may be interested in cheating someone; you don't have any guarantees, at least. People with feedback ratings in the hundreds can generally be trusted. But take the time to scan the feedback comments; if there are more than two or three negative comments, you might want to shop elsewhere.

Square Trade means, first of all, that a seller is likely to be a business entity such as a travel agency rather than an individual (although individuals can get Square Trade certified). Actually, though, it really means the seller has paid money to get the seal, which does count for something. Square Trade certification isn't a guarantee that they will be reputable; it just means that, if you feel you have been cheated by this seller and there is a dispute of some sort, you can use Square Trade's resolution services to resolve the dispute through mediation.

## *Consolidator fares*

Many travel agencies, both online and offline, have deals with major airlines where they hide the identity of the airline while you're shopping online, in exchange for very low fares.

For example, 1-800-FlyEurope ([www.1800flyeurope.com](http://www.1800flyeurope.com)) has great rates to Europe. It lets you pick your exact flight, and it lets you discuss the fare with its reservations agents in advance. But it doesn't advertise what airline its flights are on. (Often, the reservations agents will tell you if you call and ask.)

These *consolidator fares* aren't really opaque — think of them as translucent. With these fares, airlines are just being a little bashful. They don't want to trumpet these fares too loudly, in case people stop paying the higher fares they find elsewhere. But they want to make consolidator fares available for the real bargain-hunters.

Consolidator fares are mostly available on international routes, and many can be lower than Priceline fares — especially if they're offered by travel agents who specialize in one area of the world, as 1-800-FlyEurope does.



You can find a list of consolidators that serve your destination in the first chapter of any Frommer's Travel Guide (published by Wiley).

## *Online travel agencies*

Online travel agencies like Expedia, Orbitz, Travelocity, Hotels.com, Quikbook.com, and AirlineConsolidator.com all have their own deals with airlines, hotels, and car-rental companies.



## “Anything” goes

You can't earn frequent-flier miles on Priceline tickets, but you can earn eBay Anything Points. If you book your Priceline travel through [www.ebay.com/travel](http://www.ebay.com/travel), you can get up to 1,500 Anything Points (worth \$15) for buying an airline ticket or hotel room, 500 Anything Points (worth \$5) for booking a car rental, and 4,000 Anything Points (worth \$40) for booking a vacation. You can

use these points to buy items through PayPal on eBay.

Here's what Greg Holden, the eBay power guy, says: “I think [Anything Points] aren't that useful; they give you a credit on future purchases made on eBay and are only useful if you shop there a lot. Don't make a purchase based on them.”

In various chapters of this book, I tell you which sites are the best to compare Priceline's rates to. You can find a summary of other travel-agency Web sites in Chapter 20.



No single online travel agency has the best rates all the time — not even Priceline! The more places you check, the more likely you are to get a deal.



Two programs you install on your PC can help summarize fares from a wide range of other travel sites, cutting down on your research time. Travelaxe ([www.travelaxe.com](http://www.travelaxe.com)) searches up to a dozen different hotel sites for the best rates. And SideStep ([www.sidestep.com](http://www.sidestep.com)) brings together a slew of airline sites, including airlines like JetBlue and Southwest that don't appear on most travel-agency sites.

## Airlines, car-rental firms, and hotels' own rates

Airlines, car-rental firms, and hotels would *really* rather you book directly through them than use a travel agency. That way, they don't have to kick back any money to the travel agencies — they can keep all the dough for themselves.

You find many exclusive deals available only on airline, car-rental, and hotel Web sites. The problem is, the suppliers' sites can be a pain to search. If six airlines fly on your route, you'll have to search six Web sites.



Find the lowest price you can on a regular travel-agency site such as Expedia or SideStep, and then go to that airline or hotel chain's own Web site to see if it can do better.





Several budget airlines, including JetBlue, Independence Air, and Southwest, don't appear on most travel-agency sites and don't participate with Priceline or Hotwire. You must use SideStep or go to those airlines' own sites to see their low fares.

Priceline usually has lower rates than hotels' own Web sites. But airlines and car-rental firms often beat Priceline with their own deals.

## The Pros and Cons of Using Priceline

My dad would never buy a flight on Priceline. He's a stressed-out New York businessman who wants to fly out for the weekend on Friday night and back on Sunday night. Even if he takes a whole day off for his flights, he refuses to change planes — it's nonstop flights or nothing. He pays a little extra to fly the way he wants, when he wants.

My brother, on the other hand, thinks Priceline is great. He's a struggling actor in L.A., living month to month while he makes artsy indie films. If he's coming back to visit the folks, he can spare some time in exchange for some extra cash, and he's pretty flexible about how he gets home.



How about me? I rarely book flights on Priceline nowadays, but I love to book hotels with Priceline. I don't care whether I get stuck in the Marriott or the Intercontinental, just as long as I'm in a top-notch hotel downtown. And although I could probably afford a budget hotel on my own, I'd love to trade up to something plusher. Priceline even lets me stay in hotels when I don't have to. When my wife and I took a recent trip to Toronto, we stayed with friends one night and then spent our second night at the local Courtyard by Marriott for \$36, including tax.



Priceline isn't for everyone. You have to be flexible, willing to do some research, and ready to accept Priceline's restrictions. If you're comfortable with its terms, you can save thousands of dollars on your travel. I have.

### The pros: Great rates, solid partnerships

Priceline will get you a room at a name-brand hotel, a flight on a reliable airline, or a car from a big-name rental company for a really, really low price. Pluses to keep in mind when considering Priceline include the following:

- ✓ **You can trust Priceline's airline partners.** They're the biggest in the business, not little fly-by-night carriers.
- ✓ **Priceline can sit you in the lap of luxury for motel prices.** In many cities, you can get a Marriott, Sheraton, Westin, or Hyatt hotel room for as little as \$50 a night.

- ✔ **Priceline can find you a luxury hotel in cities all over the world.** So you don't need to worry about what Asian budget hotels look like. (*Hint:* The rooms are pretty small.)
- ✔ **With Priceline, you can afford to take trips you never thought you could before.** You'll travel more, and you'll have more money to spend on food, fun, and friends.

## *The cons: Mystery, doubt, and inflexibility*

If you think your travel plans have even the slightest chance of changing, don't use Priceline. Priceline locks you into your reservations, and makes changing them extremely difficult, if not impossible. Other downsides of using Priceline include the following:

- ✔ **You can't assume you'll get (or won't get) any specific flight or hotel.** If one of Priceline's partners is an airline you refuse to fly or a hotel you refuse to stay in, stay away.
- ✔ **Smart bidding is a lot of work.** You can't just jump online, punch in a number, and be assured of the lowest price. You need to do research, come up with a strategy, and spend some time pursuing the best rates.
- ✔ **You must agree to fly at almost any time of day or night.** If you're trying to get a flight after work or don't want to drag your kids to the airport at 6 a.m., don't bid for a flight on Priceline.
- ✔ **You must agree to change planes if necessary.** If your elderly grandmother can't handle connecting flights, bidding on Priceline isn't for her.
- ✔ **You can only guarantee space for two adults in a hotel room.** If you're trying to fit four people into one room, Priceline isn't for you.
- ✔ **You can't guarantee a nonsmoking hotel room, or one with a free airport shuttle, or one with a specific number of beds in the room.**
- ✔ **You don't get frequent-flier miles, hotel frequent-guest points, or car-rental loyalty points.**
- ✔ **One of the people traveling must be 18 years old for flights or 21 years old for hotels.** Sorry, college kids.

## *The Bidding Process*

If you've ever seen the game show *The Price Is Right*, you're ready to use Priceline. Winning cheap travel on Priceline requires you to play Priceline's game, bidding as low as you can while still hoping you've guessed above Priceline's minimum price.

I go into bidding in depth in Chapters 7, 11, and 14, providing detailed screenshots and step-by-step instructions. For now, though, I'll just let you dip your toes into the crucial steps of bidding:

**1. Research competing rates.**

To guess the right price for Priceline, you need to know what other agencies are charging. By scouring major travel-agency sites; Priceline watchdog sites; Hotwire.com; and hotel, car-rental, and airline sites, you'll know what prices you're trying to beat.

**2. Enter where you want to go on Priceline's home page.**

Whether you're flying, driving, or staying in a hotel, you always start at Priceline's home page ([www.priceline.com](http://www.priceline.com)), where you enter your cities and dates. Priceline can fly you anywhere in the world (as long as you're starting in the United States) and can find you hotels in dozens of worldwide cities, but you can only rent cars in the United States.

**3. Ignore Priceline's published rates.**

For airfares and hotels, Priceline will funnel you through a screen of regular, published fares. The prices on this screen are just like any other ordinary online travel-agency prices, and the fares here have no bearing on what you can get if you bid. Ignore this screen and keep going.

**4. Decide on your criteria.**

If you're trying to book a hotel, you need to decide what neighborhood zone and star level you want. If you're booking a flight, you get to choose the airports you're leaving from and arriving at. If you're driving away with a car, you need to figure out where you want to pick up the car and what kind of car you want.

Knowledge pays off here. Knowing the city you're staying in lets you choose a hotel neighborhood or airport you're comfortable with, because some of Priceline's choices can be way out of town.

Pore over the zone maps, and take a look at a travel guide such as the *For Dummies* guidebooks or Frommer's Travel Guides (both published by Wiley) if you don't know your destination well. Travel guidebooks always have neighborhood profiles and explanations of which airports are the best.

**5. Place your bid.**

Enter how much you want to pay, and punch in your credit-card details. Now you're committed. If Priceline has a room, flight, or car at your price, you'll get it.

**6. Rebid if necessary.**

If your first bid fails, don't worry. You can bid again by changing an element of your bid (like adding another neighborhood for hotels) or by waiting a few days. In Chapters 6, 10, and 14, I explain how you can keep rebidding over and over again, getting closer and closer to the ideal price for your trip.

**7. Travel!**

Print out your confirmation page and head for the open road. It's time to travel with a full wallet and a happy heart.

## *What to Do if You Have a Problem*

Priceline is not famous for great customer service. Priceline's customer service, alas, is known for sending unhelpful boilerplate e-mails and funneling you through the worst set of voice-mail menus in the Western world before you can talk to an actual human.

That said, you can still get satisfaction from Priceline if you're persistent and knowledgeable. In Chapter 3, I explain how to get through Priceline's voice-mail menus and talk to a real person. I've heard plenty of stories from people who've been rejected by Priceline's customer-service folks at first, and then gotten what they wanted after a dozen or so phone calls and e-mails.

Basically, you get what you pay for.



I've had better experiences with Priceline's customer service than most people. When I accidentally picked the wrong dates for a hotel reservation, Priceline fixed my problem without question.

Priceline says 80 percent of its customer-service problems come from people who don't understand what they signed on to. If you understand, for instance, that picking a Mid-Size car doesn't guarantee you a four-door, you'll have a much easier time dealing with Priceline's customer-service crew.

Airline, hotel, and car-rental staff can also create trouble for Priceliners — just as they can create trouble for any traveler. In Chapters 8, 12, and 15, I let you know how to minimize problems you may have when checking in, and what to do if you run into trouble.