

Is Pruvo the hotel industry's next big disruption?

 By Cari Coetzee

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We received word of an Israeli startup that is causing a stir in the hotel bookings industry. [Pruvo](#) enables travellers to rebook the same hotel room for a cheaper price. While travellers already spend much time to find the best deal out there, once a reservation is confirmed it's likely that the price of the room will drop. Pruvo is a free automatic online service, that takes an existing hotel reservation from any website or hotel, tracks its price 24/7 and alerts the user once there is a better deal for the exact room within the same dates the user had already booked.



Doron Nadivi

We chat to Doron Nadivi, vice president business development at Pruvo to find out more.

What led to the creation of Pruvo?

Three years ago, Itai Marcipar, CEO and co-founder of Pruvo, planned a family vacation. Since hotel costs are the single highest expense on a typical vacation, he spent hours and hours with multiple booking platforms open (the typical image of someone in front of his PC with 10 tabs open – Booking, Hotels.com, Expedia, Trip Advisor, Kayak, etc). After many hours of searching, he was certain he obtained the best possible deal for this hotel and completed the booking process. A few weeks later, he entered the booking platform to upgrade his hotel room. To his amazement, he saw that the same hotel room, in the same hotel, same dates in the same platform was 35% cheaper than it was when it was booked.

After conducting a study of hundreds of other hotel reservations and investigating online, he discovered that this phenomenon occurs 40% of the time with hotel reservations. The more surprising fact is that the price drops after the reservation can reach up to 67% of the total booking amount! That is what motivated him to start Pruvo.

Pruvo's mission is to solve this (very convenient for the hotel industry) problem.

“ Look at what low-cost airlines have done to travel within Europe and Asia - it has become cheaper to fly within Europe than to take a bus or train. We want to create the same effect within the hotel industry. ”

■ Do you see Pruvo as a disruptor? Does Pruvo have disruption in mind and if so, why?

Not at all. Nowadays, most online travel agencies (OTAs) if not all, offer a best-price-guarantee policy, which means, that if the customer finds the exact same hotel room for a lower price, they will match the price. However, this is a very time consuming task and very tricky as well, since you need to report the better price via email, wait for them to verify, which sometimes becomes complicated since prices change so often (something I know quite well, since before I discovered Pruvo, I manually tracked 27 hotel bookings weekly for our honeymoon, in order to detect price drops..and they happened a lot).

So we aren't doing anything the OTA's aren't doing. We are just automating the process to make it simpler for the end

user.

■ **How is Pruvo different from a booking site?**

We actually consider ourselves a re-booking site. Booking, Expedia, Trivago, Kayak, Hotels.com, also the direct hotel website are all well-known websites that are very good at presenting us with the best price available up to the moment of booking. However, they do not take into consideration the significant price drops that happen after the initial reservation is made.

So, while all the platforms mentioned above provide us with the best price up to the moment of booking, Pruvo tracks price drops that occur after the initial booking, and notify the customer when the exact same room, at the exact same hotel, for the exact same dates is cheaper on a different website. So literally, we are a re-booking service that saves customers up to 67% on their hotel bookings through a five-minute process. We save them time and money.

■ **What has the response been like since the launch of Pruvo – both in terms of users and hotels?**

In May 2016, when Marcipar and our other founder Regev Brody launched Pruvo, they set certain measurable metric goals for the first year in order to track their progress. By March 2017, 10 months later, they surpassed all the metric goals (users, website visitors, total amount of reservations processed, total amount of money saved for our customers) by 2.5-4 times what they originally proposed and they did so on half the marketing budget they set for the task.

The reason for such success is because we provoke the “wow” effect amongst our users. When we help someone save money without any risk, commitment or effort on their behalf, they are so thrilled and they share their positive experience with Pruvo with their friends, both verbally and on social networks. This has caused Pruvo to spread virally at an incredible rate. Our average growth rate of users and reservations over the past 16 months is 34% every single month. So literally, we are growing 100% every three months.

	
BEFORE	AFTER PRUVO
Booked via venere.com an Expedia Inc. Company	Booked via Hotels.com The Obvious Choice™
NJV Athens Plaza	NJV Athens Plaza
Check In : 30/11/2016	Check In : 30/11/2016
Check Out : 5/12/2016	Check Out : 5/12/2016
Room : Classic Double Room	Room : Classic Double Room
Price Before : US\$841	Price After : US\$655
Saved US\$185 (22%)	

After a successful first year, the founders decided it was time to expand, and brought me aboard as a partner and VP of business development. We strategically decided to focus our expansion to Latin America, where we have grown incredibly in the first four months. Now that we have proven that Pruvo works great and is popular in Israel and Latin America, we have begun to focus on expanding to other markets, like South Africa, as well.

■ What does the future hold for Pruvo?

All three of us are losing many hours of sleep due to the excitement with what is about to happen in the near future.

On 15 September, we launch our seed funding round. Due to the type of service we have, and since we are already producing revenues, we decided to opt for the Equity Crowdfunding model, through the Exit Valley Platform. What's great about this model is that it allows average people to become equity holders in a company positioned for exponential growth for a very low investment (\$5,000). The funding stage will be open until 8 November.

Once funded, we will begin the development of our B2B platform, which will be used by hotels and travel agents and enterprises which travel frequently.

As of recently, we have begun to work with airlines and travel agencies on a revenue share model focused on those "lost customers" that only purchase plane tickets from them, but not hotels. We project this model to grow into many more partners in many countries in the near future. We will begin to increment the amount invested in marketing substantially since we have detected the "winning formula" on how to bring customers at a very low cost.

In addition, Pruvo will begin to enter more markets that experience "post reservation price drops" (airlines, car rental, train tickets, event tickets and more). We are focused on converting travelling to be financially attainable to all social economic levels. Look at what low-cost airlines have done to travel within Europe and Asia - it has become cheaper to fly within Europe than to take a bus or train. We want to create the same effect within the hotel industry.

ABOUT CARI COETZEE

Cari Coetzee is a contributor to Bizcommunity Tourism, Agriculture and Lifestyle.

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