

Net Value

Marketing Travel On The Internet



From Travel Business Analyst

US travellers

We have extracted the internet element of the PhoCusWright report on travel habits of the US market - released earlier this year:

- The share of travellers using computers to get travel information from websites fell in 2011, see Table 1. And those visiting websites via mobile devices increased – which is probably the trend.
- OTAs (online travel agencies) continue to attract the most shoppers, gaining two points in 2011, see Table 2. Suppliers lost one point in market share. *We have always said that OTAs would gain over suppliers, although as recent as three years ago, many professional observers were still saying the opposite.*
- 62% of adults with internet access purchased a leisure trip in 2011.
- A low 30% consider the information from their social networks to be useful during travel planning.

Table 1

Online sources of information, %		
Online source	2011	2010
Websites via computers	74	77
Advertising/email promos	23	22
Websites via mobile devices	16	11

Source: PhoCusWright.

- Travellers visit the highest number of sites (3.5) during the shopping phase. For selecting a destination it is 3.3 sites, purchasing 2.4, and sharing 2.0.
- 35% visit just one or two sites, and 24% visit at least five.
- Visiting websites via a computer increased from 54% in 2010 to 60% in 2011.
- 16% used the mobile web in 2011 to pick their vacation location and to shop for other travel products. It was 13% in 2010.
- 57% used general search engines to select destinations; it was 53% in 2010.
- The growth in search is taking share from OTAs. In 2009 search was 51% and OTAs 47%, but in 2011 it was search 57%, OTA 42%.
- DMO (destination marketing organ-

isations, sometimes still called NTOs) are losing share. 29% of travellers visited destination sites in 2009, but this had dropped to 19% in 2011. *If this rate of fall continues and drops below 15%, then DMOs – which still regard their websites as important marketing tools – will need to rethink their strategies.*

- 59% shop on websites just because they are easy to use. 48% select a site because of its best-price offers, or because it has no fees (27%).
- 66% use interactive maps. 61% refer to traveller ratings/reviews, and fewer, 52%, refer to professional ratings/reviews – *not a good message for the travel business.*
- A low 30% believe information from their social networks to be important in travel planning.
- A low 30% of travellers rely on traveller reviews on hotel websites.
- 61% refer to traveller-submitted reviews.
- More read traveller reviews on OTA sites (44%) than on review sites (38%). General search engines have also become a major source of reviews (41%). Hotel websites are also adding reviews, even if some are negative; they attracted a 30% share.
- 32% book only online, but 29% use online and offline. Travellers who book online fell slightly in 2011 – from 24% to 22% - but this could be within the margin of error.
- The greatest share for booking air travel was on OTA sites (37%; supplier sites 33%), and for accommodation (32%; 24%). But for car rental it was supplier sites (29%; 28% for OTAs).
- Older travellers prefer supplier sites.
- 14% of younger travellers (18-24) and 10% of 25-34s say they book

flights on metasearch sites. But you cannot - because the search engine actually redirects clients to the actual websites to book. This could mean that the brand or airline is not important to these travellers, just the price. But not necessarily – on the metasearch site a choice of airline could be made against the price and other factors.

Table 2

Websites used for shopping			
Type	Example	2011	2010
OTAs	Expedia	61	59
General search	Google	54	51
Suppliers	Intercontinental	36	37
Traveller review	Tripadvisor	32	28
Travel search	Kayak	33	28
DMOs	Visitnewyork	19	20
Deals	Travelzoo	18	15
Guides	Lonelyplanet	12	11
Social	Facebook	11	9
Magazines/papers	NY Times	9	6
Other	na	10	9

Notes: DMO = destination marketing organisation, OTA = online travel agency. Source: PhoCusWright.

Bites

- **Bravofly** introduced dynamic packaging in the France market in June for the summer market. Its report:
 - Most included travel by low-fare airlines.
 - 70% of reservations were for trips of under seven days.
 - Only 20% of bookings were last minute, helped by incentives for early booking.
 - Each month, the Bravofly sites (not just the France site) count: 12mn unique visitors; 75mn pages seen; 26mn flight searches. Also: a weekly newsletter is sent to 4mn subscribers; there have been 1mn downloads to mobile devices; it has 400,000 fans on Facebook.
- **Sabre's** online social network for travel agents, Agent Stream, now has 10,000 members. AS has also launched into Asia Pacific with the Orient Express travel group; it is already in the US and Europe and other continents.

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