

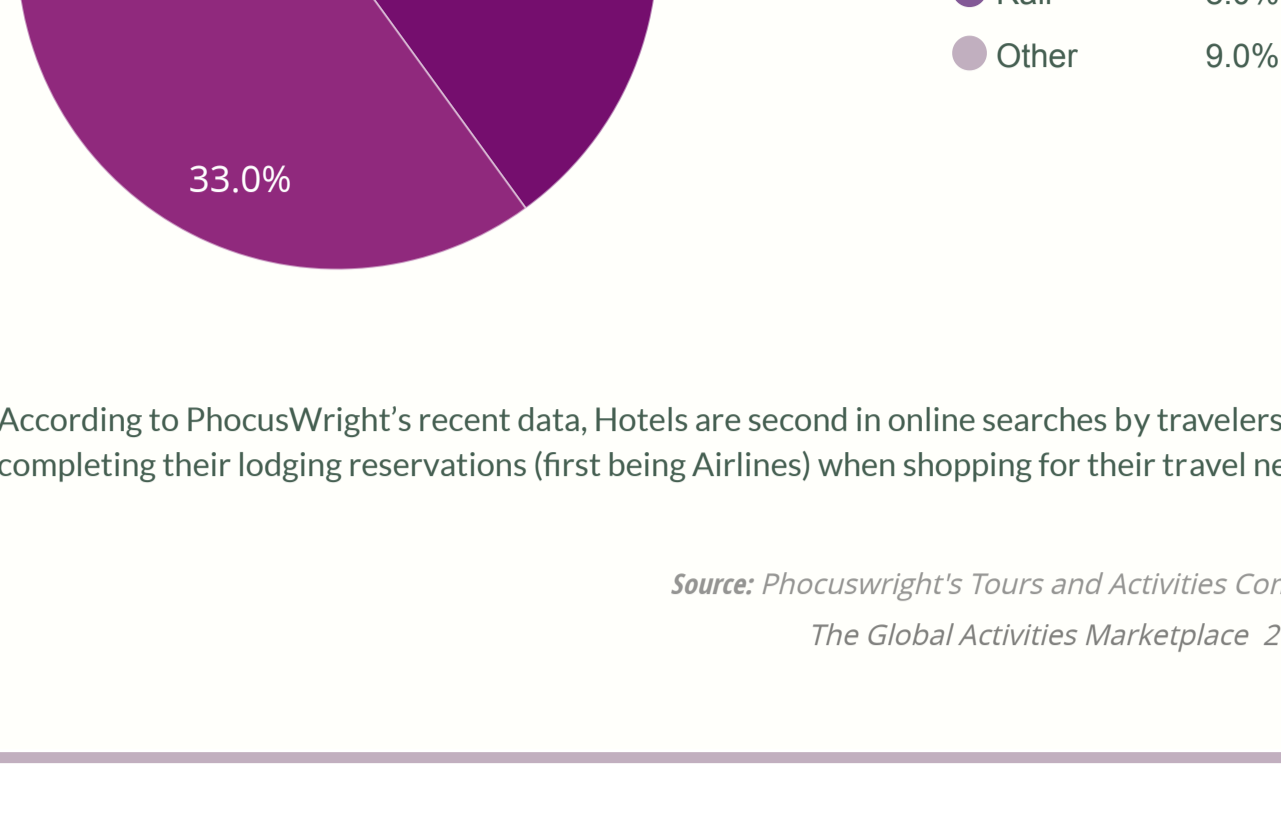


What influences the Hotel choices of online lookers & bookers?

Summer travel season is upon us and "they are coming" - have you completed your online spring cleaning?

Global Booking Activity by Segment

Hotels are second only to airlines in Online Searches & Bookings

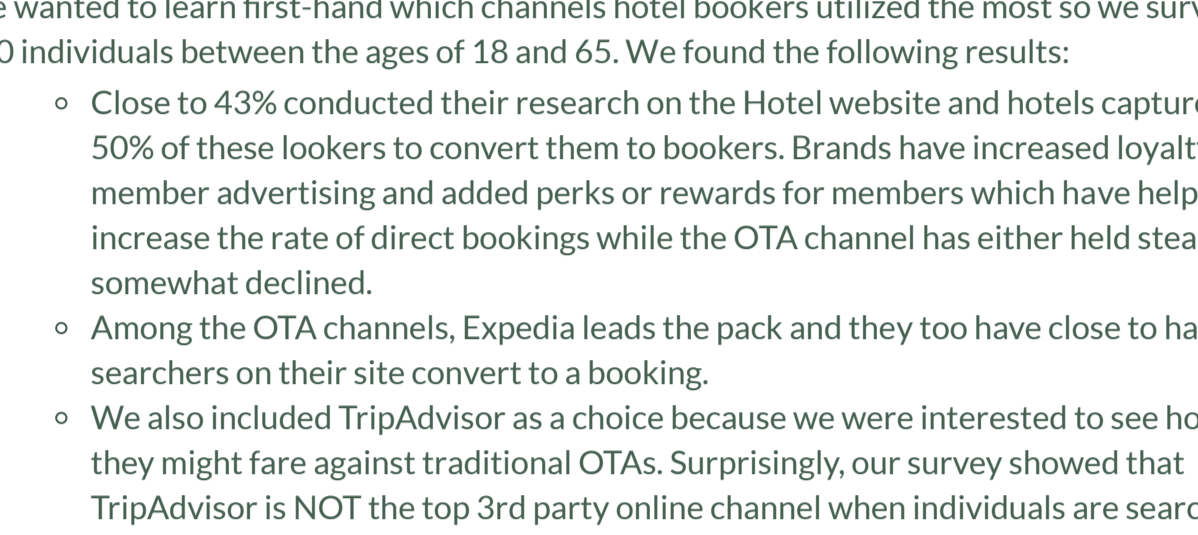


According to PhocusWright's recent data, Hotels are second in online searches by travelers and completing their lodging reservations (first being Airlines) when shopping for their travel needs.

Source: Phocuswright's Tours and Activities Come of Age The Global Activities Marketplace 2014-2020

OTA Channels Second to Hotel's Own Website

Booking directly on Hotel's website is still the go-to when travelers are searching and booking



We wanted to learn first-hand which channels hotel bookers utilized the most so we surveyed 500 individuals between the ages of 18 and 65. We found the following results:

- Close to 43% conducted their research on the Hotel website and hotels captured 50% of these lookers to convert them to bookers. Brands have increased loyalty member advertising and added perks or rewards for members which have helped increase the rate of direct bookings while the OTA channel has either held steady or somewhat declined.
- Among the OTA channels, Expedia leads the pack and they too have close to half of searchers on their site convert to a booking.
- We also included TripAdvisor as a choice because we were interested to see how they might fare against traditional OTAs. Surprisingly, our survey showed that TripAdvisor is NOT the top 3rd party online channel when individuals are searching for a hotel and less than 5% of those surveyed booked directly through TripAdvisor.

Another learning from this research is that, while the majority of bookings decisions are made on your Hotel's website and/or Expedia, guest reviews continue to be relevant. We asked this question "Have you booked a hotel based on their reviews on a particular website?" - 56% of survey respondents in all age groups said "yes" with an even larger percentage 64% of the 18 to 34 year old segment - who are considered digital natives - choosing Yes.

Source: iResponse survey February 2019 Ages: 18-65

Revenue Pipeline for OTAs Continues to Rise

(in billions) US Dollars

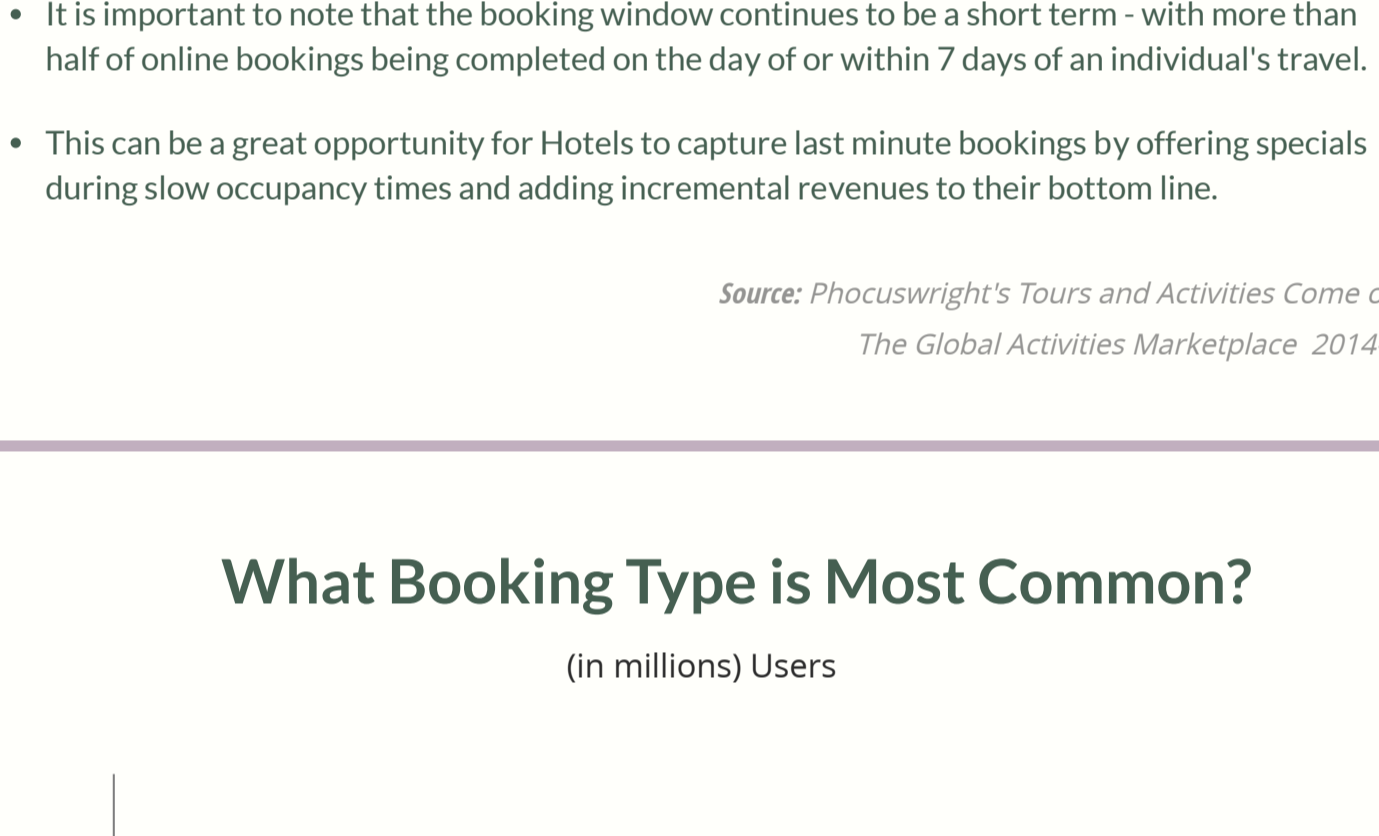


Data from Phocuswright shows that OTA growth has been steady. Experts are estimating this growth will continue throughout 2019 and will reach \$183 Billion by 2020.

Source: Phocuswright's Tours and Activities Come of Age The Global Activities Marketplace 2014-2020

Short Booking Window for Hotel Rooms

Q - What percentage of your sales are booked by travelers within the following time periods?



It is important to note that the booking window continues to be a short term - with more than half of online bookings being completed on the day of or within 7 days of an individual's travel.

This can be a great opportunity for Hotels to capture last minute bookings by offering specials during slow occupancy times and adding incremental revenues to their bottom line.

Source: Phocuswright's Tours and Activities Come of Age The Global Activities Marketplace 2014-2020

What Booking Type is Most Common?

(in millions) Users



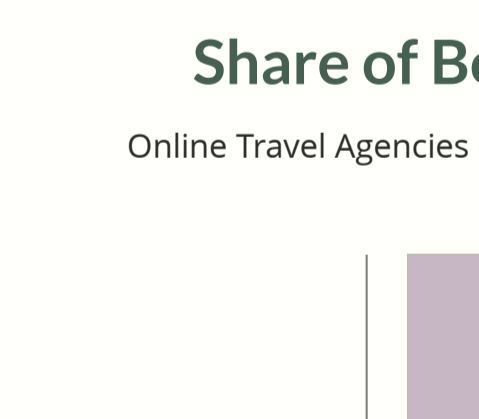
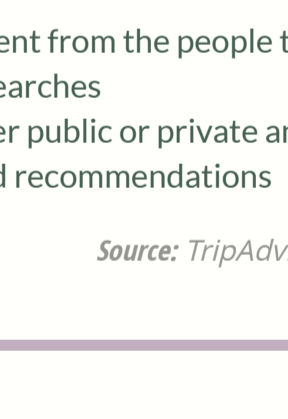
Data from the Statista Global Consumer Survey shows that historically since 2014 most individuals tend to book their hotel reservations as "hotel room only" rather than booking their hotel as part of a bundled "package holiday" that includes airline reservations plus activities in destination or "vacation rentals" for their stay.

It is projected that this booking trend will continue well into 2023 even though vacation rentals have been on the rise each year.

Source: Statista - "US Online Travel Bookings" 2019

TripAdvisor's Social Move

66% 66% of people read reviews
vs
62% BUT 62% say recommendations from friend and family are more important



36%+ are Visual
36% watch videos, 45% look at photos and 47% read articles

Why did TripAdvisor make the move to become a new social hub? This change follows research conducted by TripAdvisor into the most important elements to people when planning a trip. TripAdvisor's research revealed that its users - particularly digital native users - were expecting far more value back than the effort they were willing to put in. Users liked TripAdvisor and its reviews, but they were still turning to friends and others for trusted information. Here is a highlight of their findings:

- 66% of people read reviews
- 62% say recommendations from friends and family are more important than reviews
- 47% of people read articles
- 36% watch video
- 45% look at photos when making their travel decisions

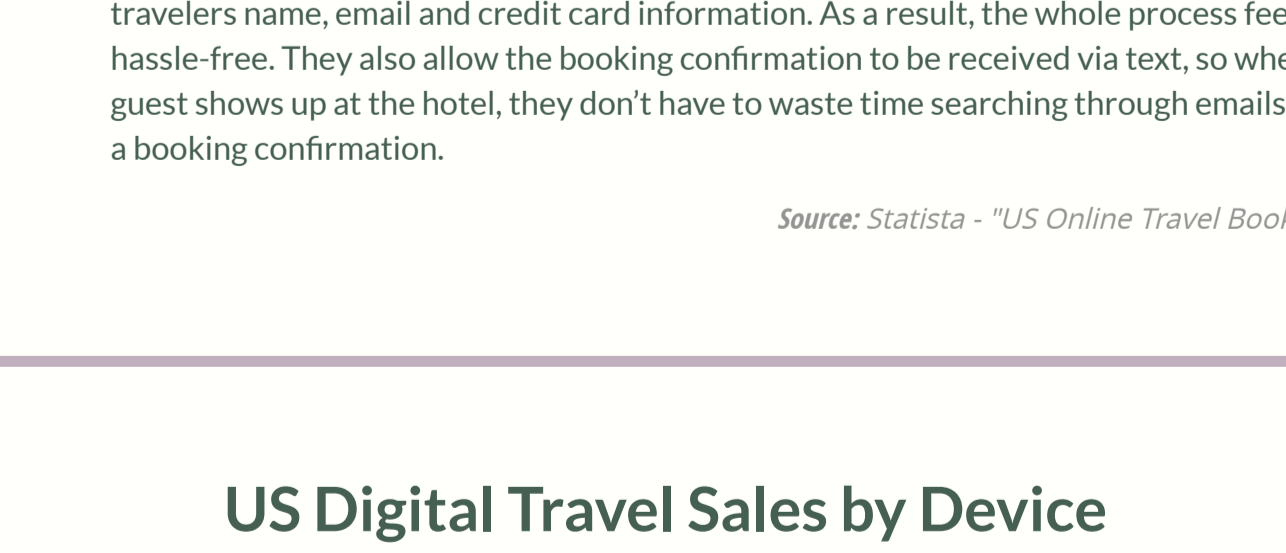
This new "hub" includes features such as:

- "Travel Feed" where users will see curated content from the people they follow
- Real time information that is relevant to their searches
- Ability to save recommendations to a list - either public or private and sharable with others
- Map function to allow users to see nearby saved recommendations

Source: TripAdvisor, September 2018

Share of Bookings by Device

Online Travel Agencies (OTAs) make the most of mobile bookings



Research shows that Hotels are lagging behind in Mobile bookings compared to OTAs. Only 10% of travelers utilize the Hotel Brand app on their smartphone while 39% of travelers utilize an OTA app when searching or booking their Hotel rooms.

Could it be that travelers are more focused on searching a particular location on their phone or app and less loyal, to build travel points? They may see some advantages in using their credit, i.e American Express, to build travel points to be used anywhere and anytime in the future, rather than building points in a particular Brand loyalty program. They may value that flexibility rather than relying on Brand availability to use earned points.

Why are Hotels losing mobile share to OTAs? Here are three reasons why:

- Poor mobile user interface:** poor navigation capability, cluttered look with a too many options, navigation buttons too small for finger application when making a choice, text size too small, too many images to navigate through.
- Brands misunderstanding mobile user behavior:** Mobile browsing is more spontaneous in nature. Many travelers searching on a mobile app are last minute bookers and the mobile booking experience needs to reflect that. The claim to fame for OTA channels has been that travelers can find what they are looking for quickly and book it easily within 2 minutes. Hotels need to offer competitive pricing up front - one or two offers to choose from rather than a plethora of choices - and make it easy to book without a fuss.
- Complicating the booking process:** "Booking process is too long and checkout process is too complicated" are the top reasons travelers abandon their search. Asking customers to fill out exhaustively long forms is too much. For example, Expedia only asks for travelers name, email and credit card information. As a result, the whole process feels hassle-free. They also allow the booking confirmation to be received via text, so when a guest shows up at the hotel, they don't have to waste time searching through emails for a booking confirmation.

Source: Statista - "US Online Travel Bookings" 2019

US Digital Travel Sales by Device



There has been a steady upward climb in the use of Mobile devices when booking Hotel rooms since 2016, while use of Desktop or Laptops for bookings has dipped slightly. Based on these projections, eMarketer projects mobile booking volume to meet and supersede use of desktop/laptop for bookings by 2021.

Source: Skift - eMarketer 2018

Key Takeaways for your Spring Cleaning

Summer Travelers look for bargains.

- The great news is that Hotel terms are some of the most searched items online by travelers. This gives Hotels the advantage of being found organically by travelers looking for lodging. Take time to check your listings on Google when searching for Lodging in your area and work with your e-Commerce to make any corrections.
- Hotels should be encouraged to see that more travelers are booking direct than on OTAs.
- Leverage those shorter booking windows, by adding last minute incremental revenue for your low forecasted occupancy nights. Work with your OTAs to offer last minute discounts and offer these special discounts also on your Hotel's website.
- Smartphone Hotel room searches and bookings are on the rise. Make sure that you review how your hotel information appears on mobile devices - check for accuracy and that discounts you are offering are featured prominently there as well.

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