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2009 The Traveler's Road to Decision

Google/OTX
U.S., June 2009

Objectives

Understand how consumers research and gather information throughout the travel decision-making process

- ✓ How will travel planning change in this economy?
- ✓ Does the Internet play a significant role in travel planning?
- ✓ Does the research process change by traveler type?
- ✓ Does online video influence the travel decision-making process?

Research Methodology

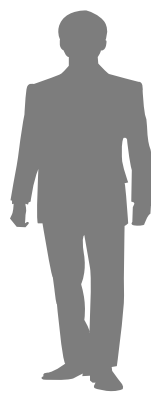
- Categories covered: General Travel, Hotel, Car, Air, Cruise, & Destinations
- Survey of 5,002 consumers who have traveled at least once for personal/business purposes in the past six months
- An augment of 1,500 affluent personal travelers was also recruited
- Partnered with OTX; interviews conducted 4/10 – 4/27

TRAVELER TYPES DEFINED



=

Personal Traveler
has taken at least one
trip for leisure in the
past 6 months



=

Business Traveler
has taken at least one
trip for business in the
past 6 months



=

Affluent Traveler
has taken at least one
trip for leisure in the
past 6 months and
has a household
income of \$150K+

Key Findings

- 1 Business travelers are more involved and passionate about traveling than personal travelers

- 2 The Internet is used throughout the purchase funnel and is the most powerful tool in prompting people to actually *book a trip*

- 3 Search engines are used by 6 in 10 travelers and searchers plan to shop around more than non-searchers

- 4 Over half of business and personal travelers interact with online travel videos in all stages of their travel planning

- 5 Travel reviews and online videos that come from more objective sources are trusted more than those from travel industry experts



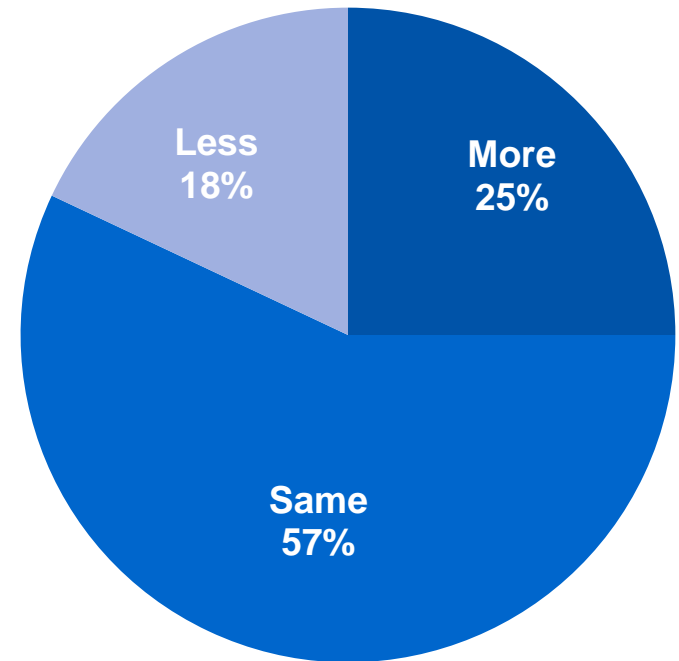
Personal Travel Outlook

2009 Personal Travel Outlook is Strong...



82%

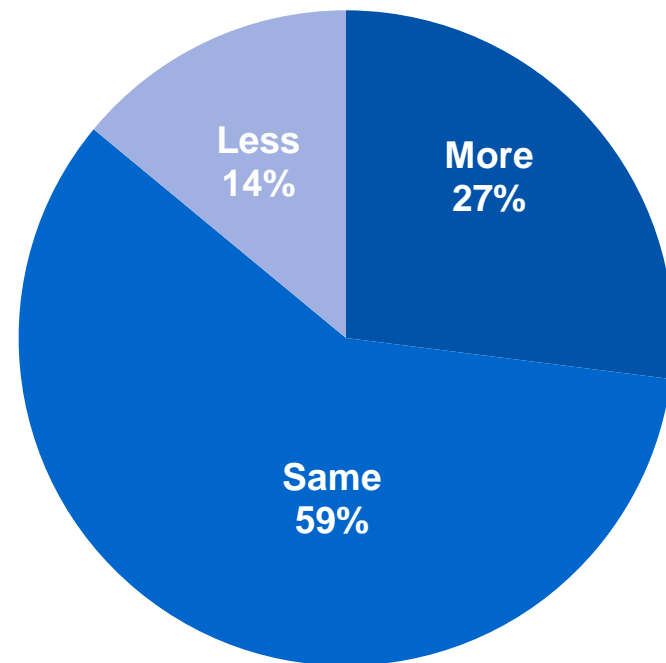
of travelers plan to take the same amount or more personal trips in 2009 (vs. 2008)



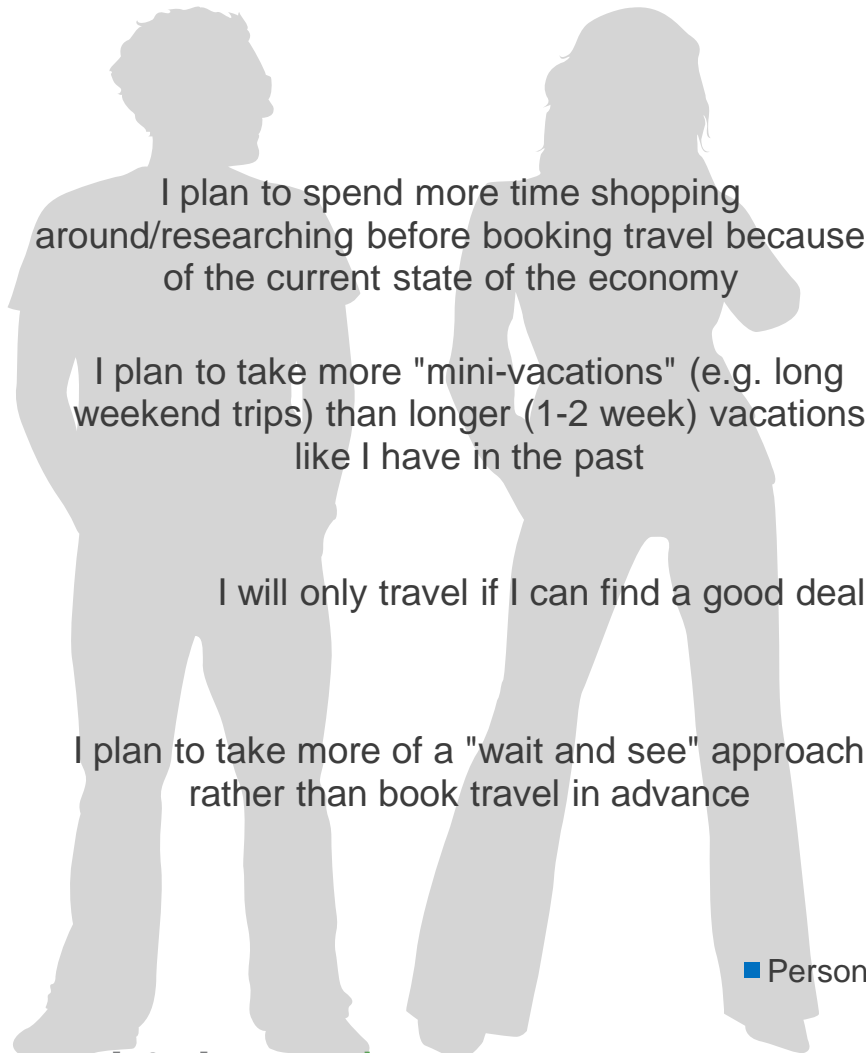
...Especially for Affluents

86%

of affluent travelers plan to take the same amount or more personal trips in 2009 (vs. 2008)



However, Personal & Affluent Travelers *Will* Adjust their Booking Behavior

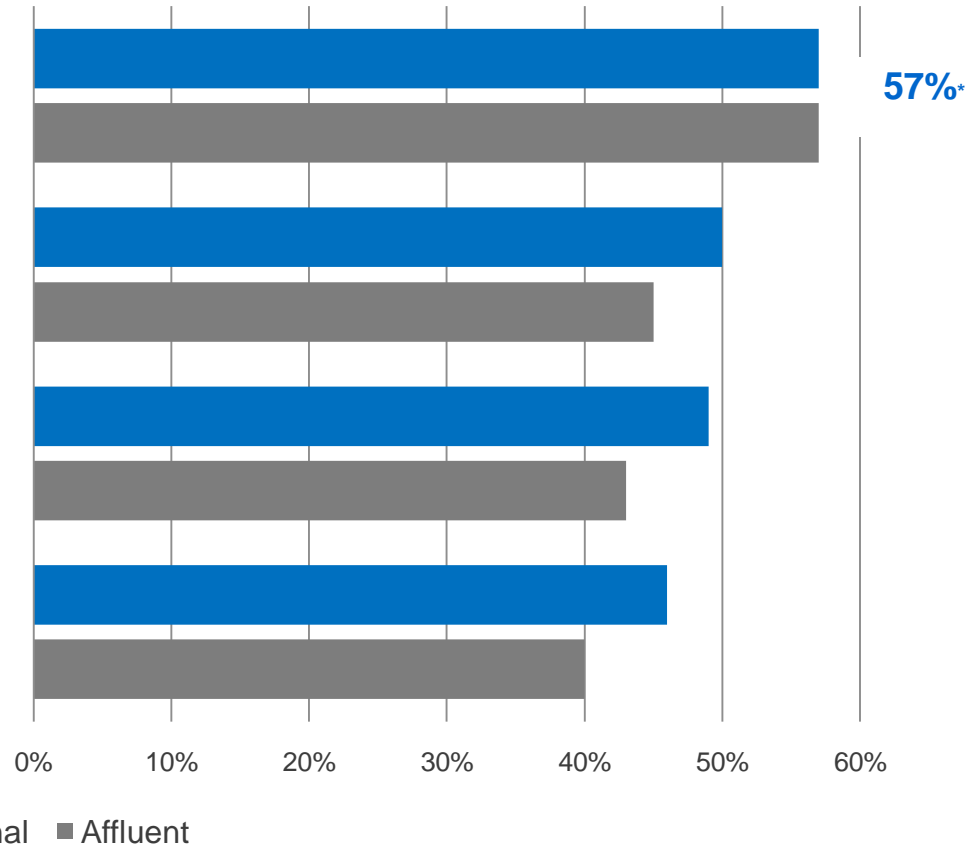


I plan to spend more time shopping around/researching before booking travel because of the current state of the economy

I plan to take more "mini-vacations" (e.g. long weekend trips) than longer (1-2 week) vacations like I have in the past

I will only travel if I can find a good deal

I plan to take more of a "wait and see" approach rather than book travel in advance



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*Top 2 box summary (Q23) Using the scale below, please indicate how much you agree or disagree with each of the following statements about traveling for personal/leisure purposes in the next year. (n=4826 Leisure; n=1895 Affluent)
Source: Google & OTX, The Traveler's Road to Decision; June 2009

SECTION SUMMARY



The vast majority of personal travelers still plan on traveling **just as much or more** throughout the rest of 2009 as they did in 2008

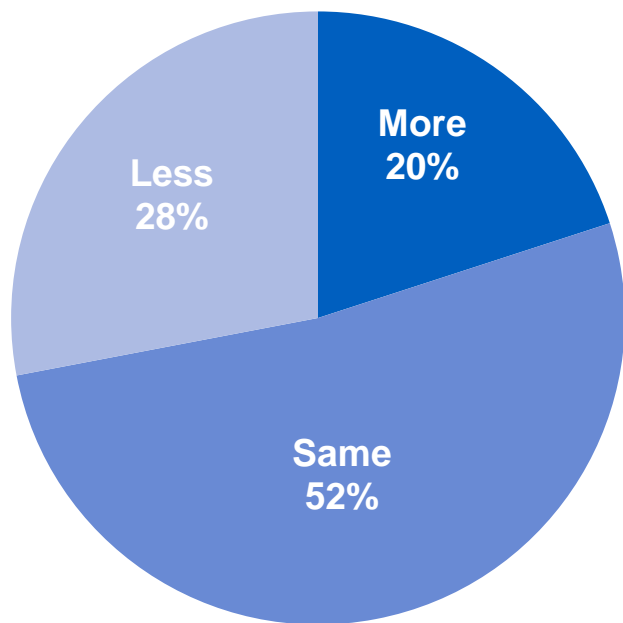


Booking behavior has changed – **travelers will shop around more** and wait until they are confident they've found the best deal before they book

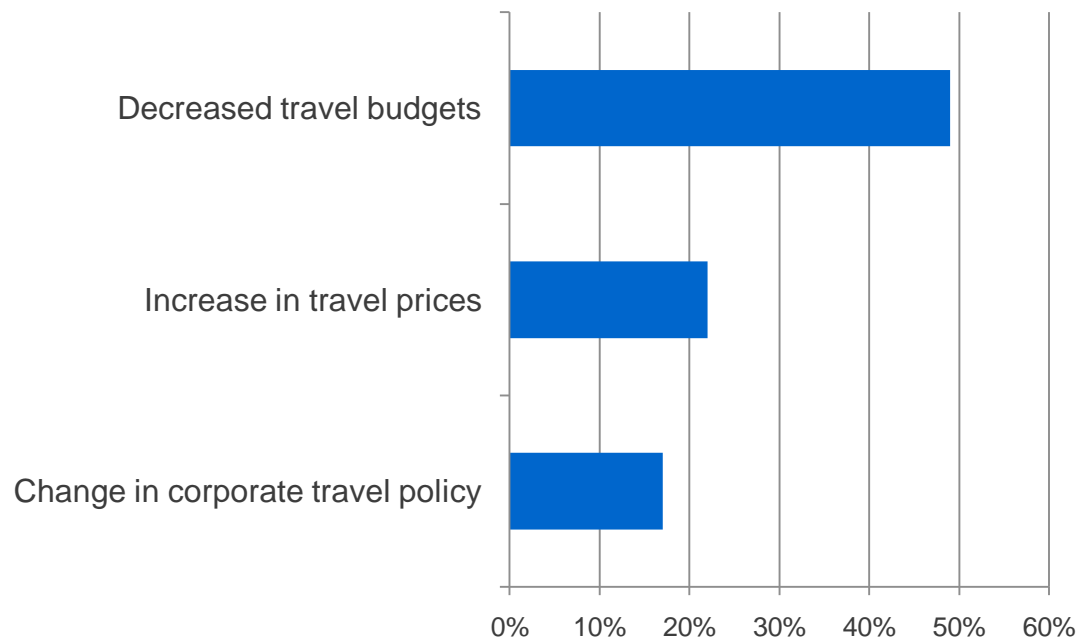


The Business Traveler: How are They Different?

Business Travel Outlook Slightly Less Optimistic than Personal



REASONS FOR TRAVELING LESS:



Around half of business travelers site budgetary restrictions as the cause for the cutback

Business Travelers are More Likely to Book a Package than Personal Travelers



34% of business travelers typically book packages that offer a discounted rate

In a similar April 2008 study, only 25% of business travelers said they typically book packages

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(Q17) When you plan a business trip, do you typically ...? (n=1552 Business; n=3450 Personal; n= 1665 Affluents)

(Q18) When you plan a personal vacation / trip, do you typically ...?

Source: Google & OTX, The Traveler's Road to Decision; June 2009



PERSONAL



AFFLUENTS

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Business Travelers are More Likely to Access Travel Information from a Mobile Device



25% of business travelers access online travel information from their mobile device

(vs. 8% of Personal Travelers & 16% of Affluent Travelers)

In a similar April 2008 study, only 13% of business travelers said they had used a mobile device to access travel information online

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Base: Use the Internet for travel planning

(Q9) ...from which of the following locations do you access the Internet for travel-related information? (n=1155)

Source: Google & OTX, The Traveler's Road to Decision; June 2009

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Business Travelers are More Likely to Be Members of a Travel Rewards Program

83%

of Business Travelers are members of a travel rewards program
(vs. 58% of Personal Travelers)



68% (44% Personal)

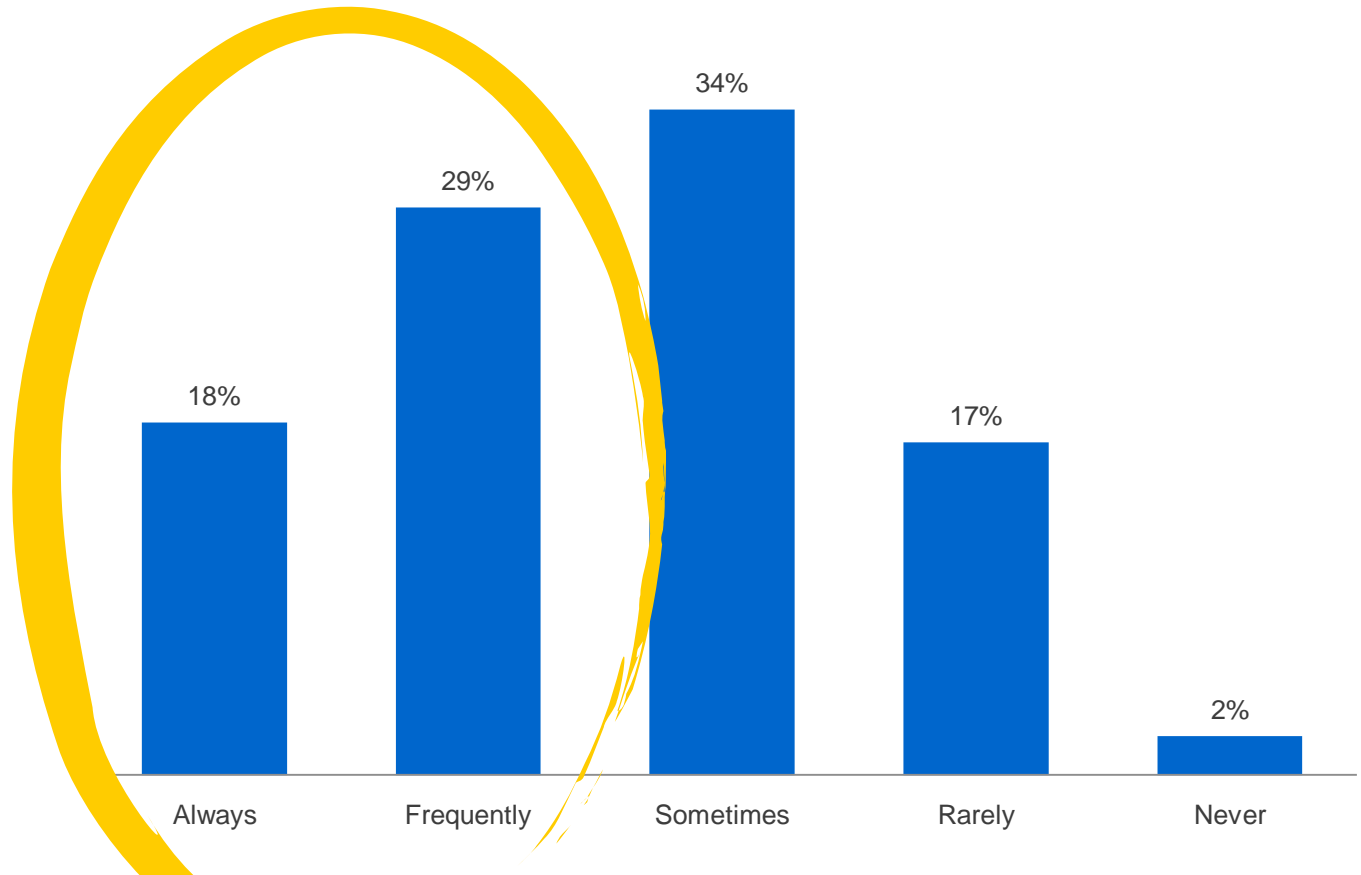
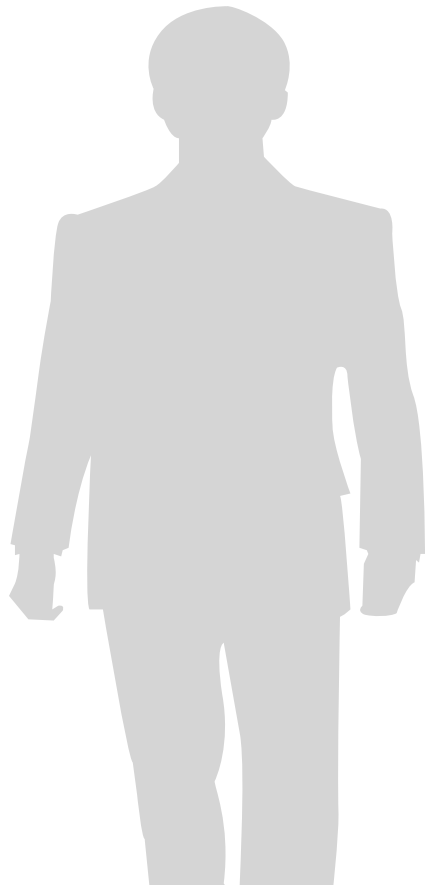


64% (36% Personal)



40% (17% Personal)

Nearly Half of Business Travelers Always or Frequently Make Time for Leisure Activities When Traveling for Business



In a similar April 2008 study, only 35% of business travelers said they always or frequently make time for leisure activities

Business Travelers are Very Involved & Passionate About Traveling

“I like to travel to places I haven’t been or exploring new places” **78%*** +6 from Leisure

“I like reading about travel & travel-related topics” **60%*** +12 from Leisure




“I enjoy watching travel networks & programming” **58%*** +7 from Leisure

“I enjoy giving advice on travel & travel-related topics” **52%*** +15 from Leisure

“I am an adventure traveler” **52%*** +14 from Leisure

“People come to me for advice about travel planning” **49%*** +19 from Leisure

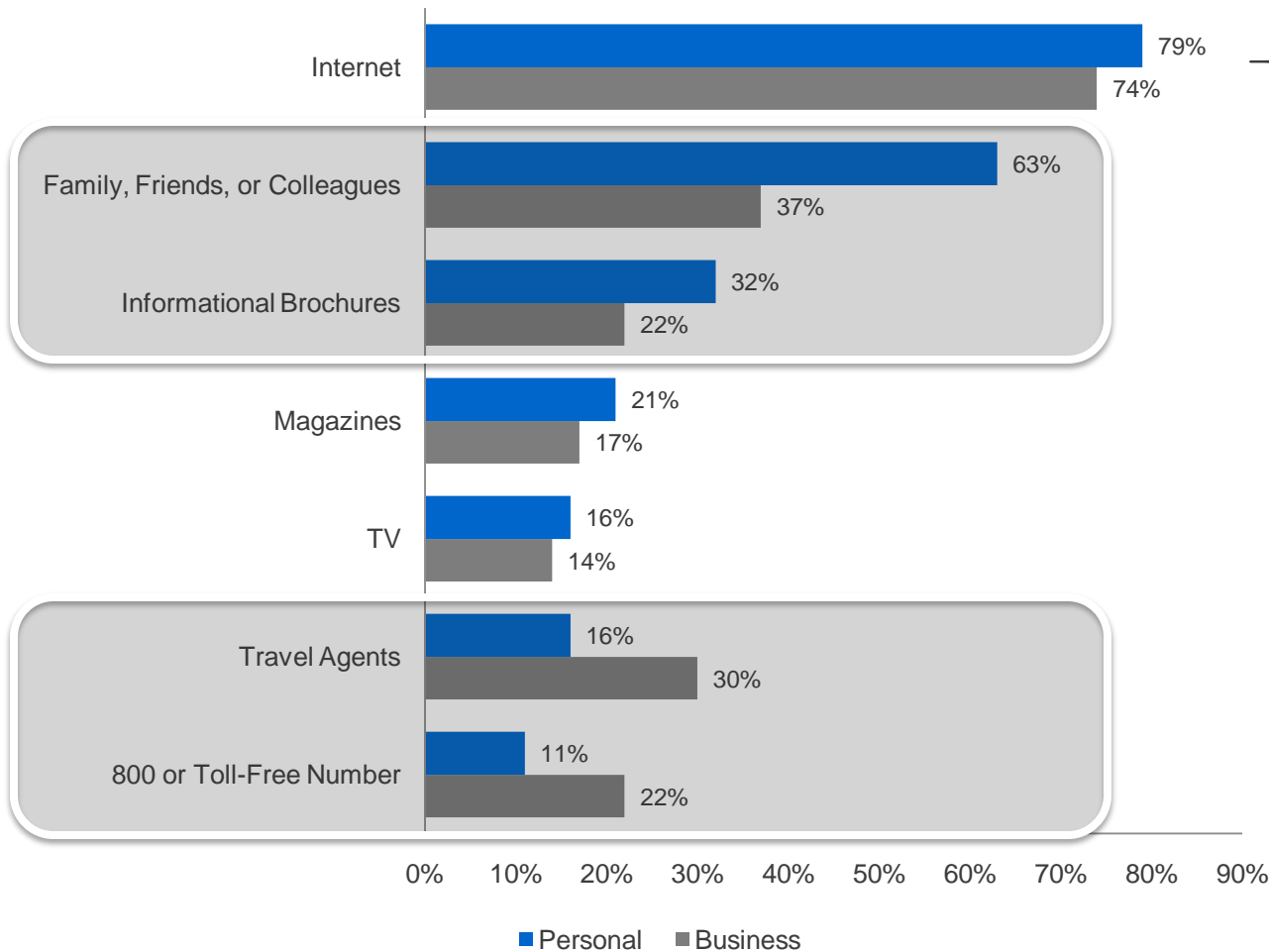
SECTION SUMMARY

-  Business travelers are more likely to **seek out money-saving package deals**
-  Business travelers are more likely to **access travel sites from their mobile phone**
-  Business travelers tend to **tack on time for leisure** activities when traveling for business and are **more passionate about travel** in general



The Role of the Internet in Travel Planning

The Internet is the #1 Trip Planning Resource for Both Business & Personal Travelers



Plan to Use the Internet "Next Time":

82%

PERSONAL

76%

BUSINESS

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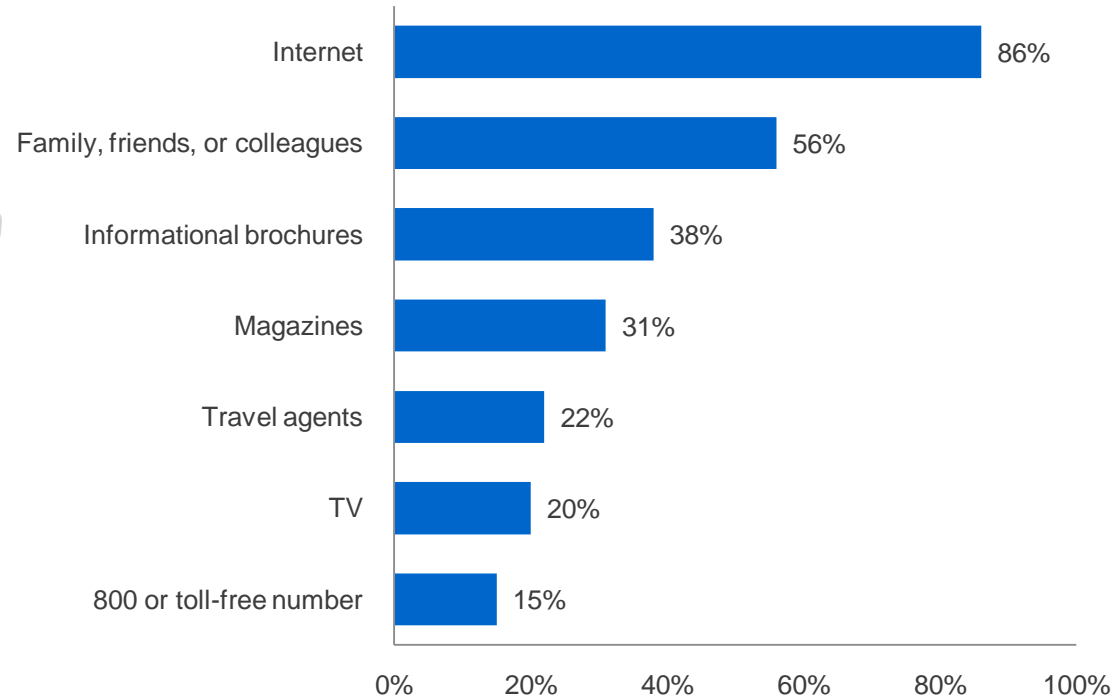
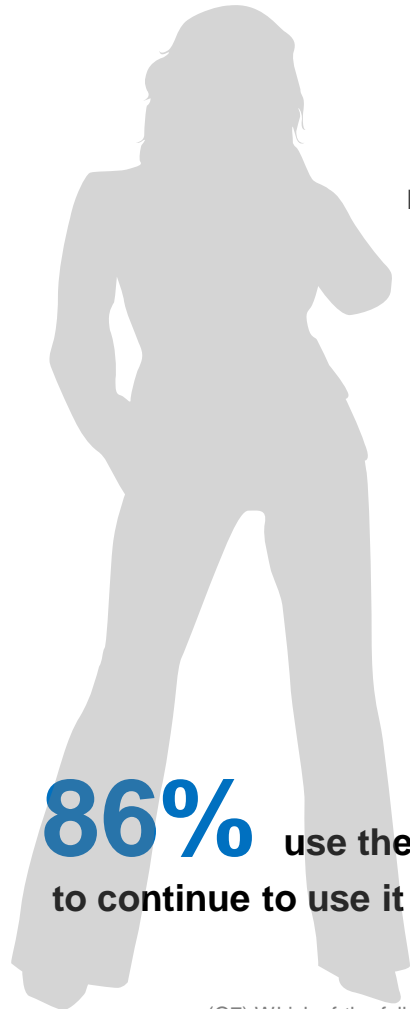
(Q7) Which of the following sources do you typically use to plan personal vacations/business trips? (n=3450 Personal; n=1552 Business)

(Q14) Which of the following sources of information are you likely to use the next time you plan a personal vacation/business trip?

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Source: Google & OTX, The Traveler's Road to Decision; June 2009

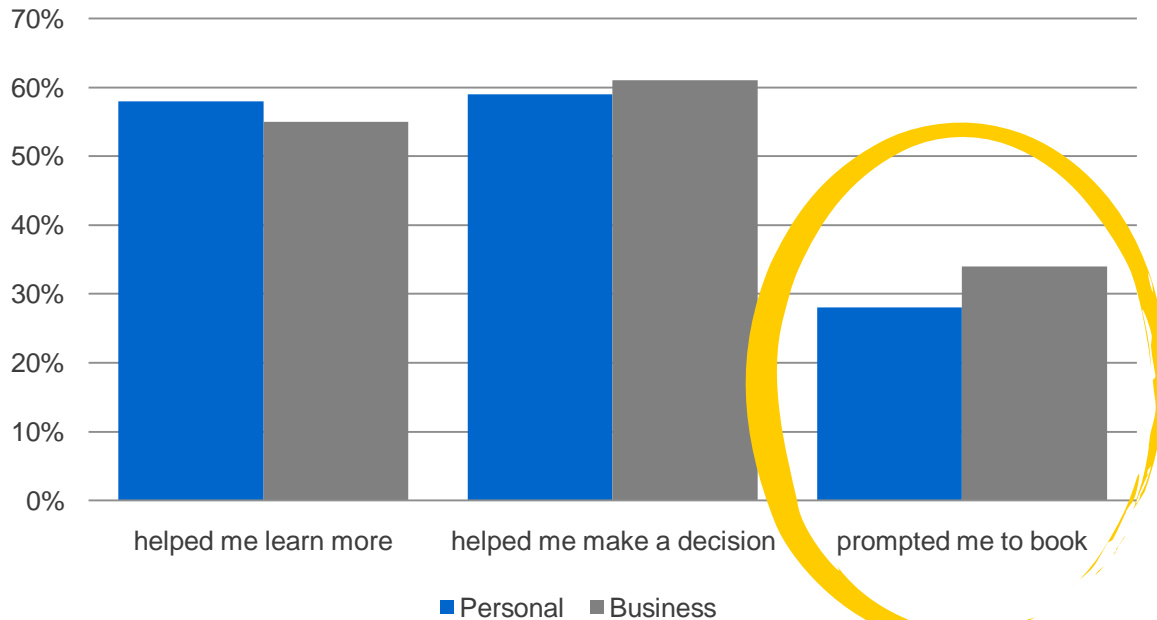
Affluents are Even More Likely to Use the Internet for Trip Planning



86% use the internet when planning travel and the same amount plan to continue to use it in the future, though they plan to use other sources less

The Internet is Used More than Any Other Source Throughout the Purchase Cycle

The Internet...



28%

PERSONAL

34%

BUSINESS

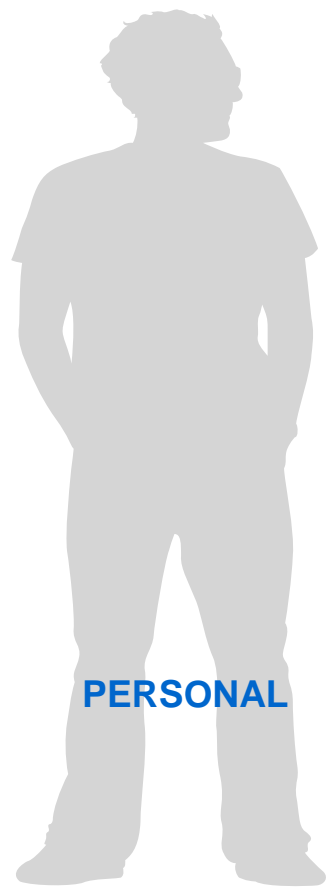
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Base: Used Internet as Sources to Plan Trips
(Q8) Listed below are some of the sources that you typically use to plan personal vacations/business trips. Please indicate the statements which you feel apply to each source of information. (n= 3140 Personal; n= 1306 Business)

Source: Google & OTX, The Traveler's Road to Decision; June 2009

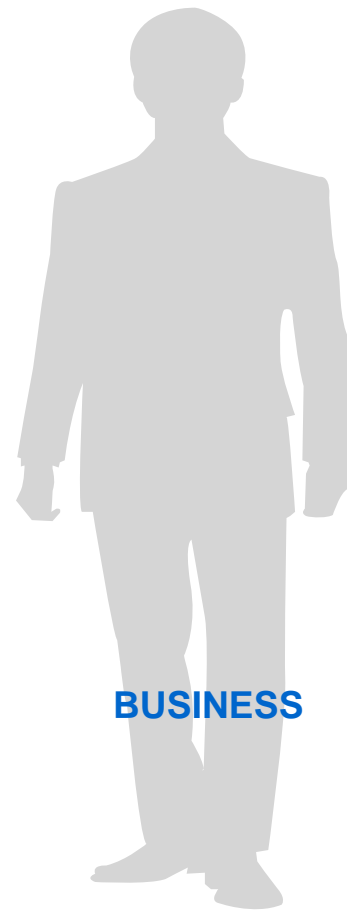
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User Reviews Influence Purchase Decisions



PERSONAL

41%*



BUSINESS

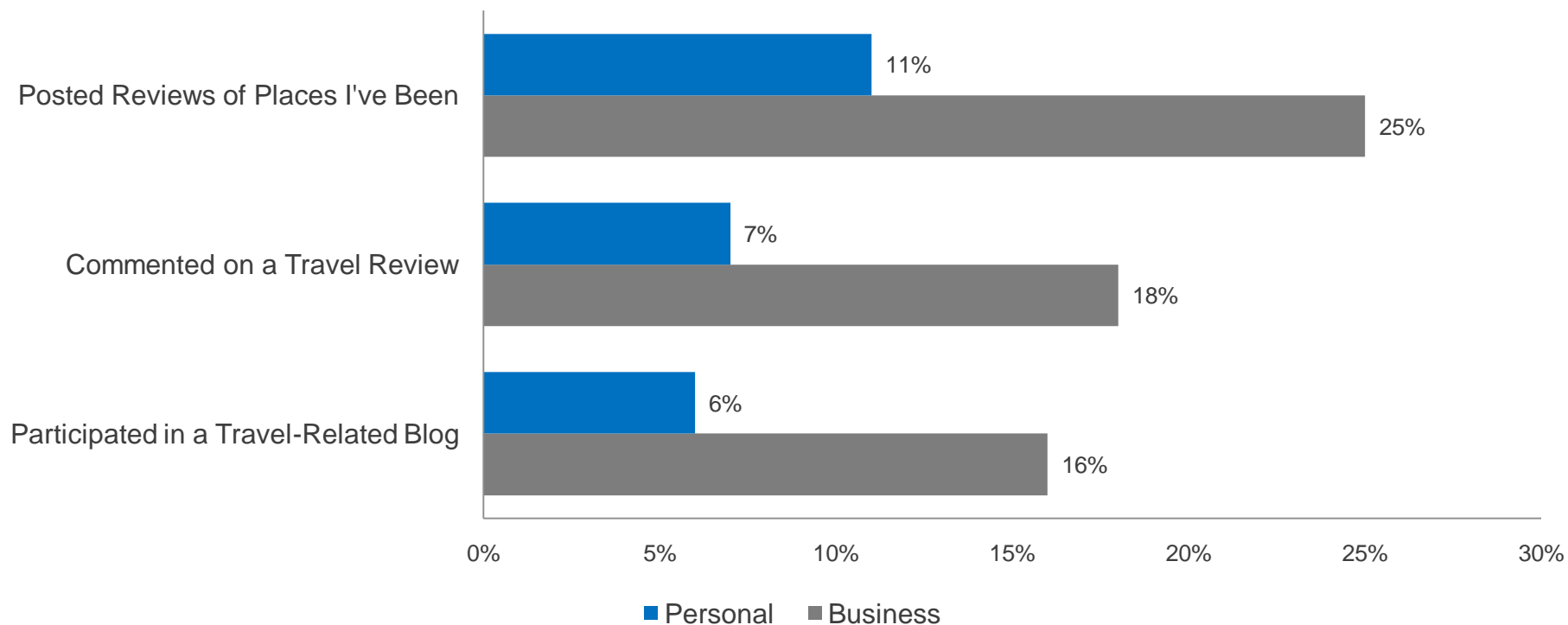
50%*

“I have made travel plans based on the reviews and experiences of others”

Both Business & Personal Travelers Prefer Reviews from “People Like Them” Over the Experts




I trust the content of.... (top 2 box summary)	Personal	Business
Trip reviews from people like me	59%	65%
Trip reviews from experts	57%	63%

An Increasing Number of Travelers are Contributing to These Reviews Too



In a similar April 2008 study, only 9% of travelers surveyed had posted a review, 5% commented on a review, and 3% participated in a travel-related blog

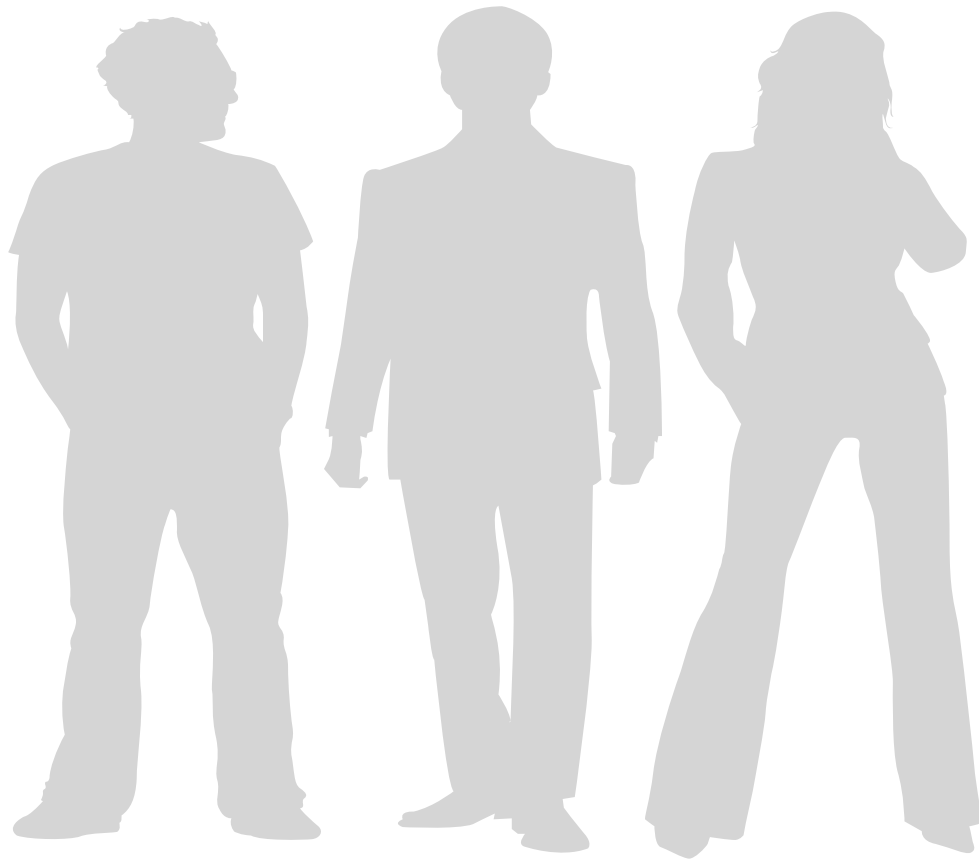
SECTION SUMMARY

-  While some sources are inconsistent among business & personal travelers, **the Internet is far & away the #1 place to go** when planning a trip
-  **The Internet prompts more bookings** than TV, word of mouth, or any other top source of information
-  **Reviews are becoming increasingly important** to travelers – they are not only more prone to post their own review, but also to make a purchase decision based on the reviews of others



The Importance of Search Engines in Travel Planning

Search Engines are Useful in Trip Planning



73%*

Nearly 3 out of 4 Personal, Business, & Affluent Travelers will attest that search engines are either “extremely” or “very” useful in trip planning

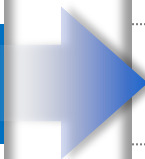
Search Engines Surpassed OTAs as a More Typically Used Online Resource for Trip Planning

ONLINE SOURCES TYPICALLY USED TO PLAN TRIPS

	PERSONAL	BUSINESS
Search Engine	64%	56%
Online Travel Agency	52%	55%
Travel Search Sites	26%	33%
Travel Review Sites	30%	33%
Destination-Specific Sites	38%	27%
Travel Planning Sites	16%	23%

ALWAYS/FREQUENTLY USE SEARCH ENGINES FOR INFORMATION

	PERSONAL	BUSINESS
Overnight Accommodations	67%	81%
Air Travel	59%	74%
Destinations	59%	60%
Vacation Activities	55%	51%
Travel Packages	43%	53%
Car Rental	36%	60%



Base: Use Internet as source to plan trip

Base: Search engine users

(Q10) Which of the following online sources do you typically use to personal vacations/business trips? (n=2736 Personal; n=1155 Business)

(Q12) You mentioned that you use search engines when planning your personal vacations/business trips. How often do you search for information on the following when planning your personal vacations/business trips?

(n=2682 Personal; n=1143 Business)

Source: Google & OTX, The Traveler's Road to Decision; June 2009

Search Engine Users Are More Likely to Shop Around for a Good Deal



61%*

(vs. 52% of non-searchers)

“I plan to spend more time shopping around/researching before booking travel because of the current state of the economy”

SECTION SUMMARY



Search engines are widely used in trip planning – **even more so than OTAs & aggregators**



Search engines are **used throughout the entire planning process** – from destination research to booking activities



Search engine users are planning to **spend more time shopping around** for good deals



The Growing Role of Online Video in the Travel Planning Process

More Travelers are Watching Videos Online – Including Travel Specific Content

PERSONAL

BUSINESS

Watch videos on the Internet at least once a week:

55%

65%

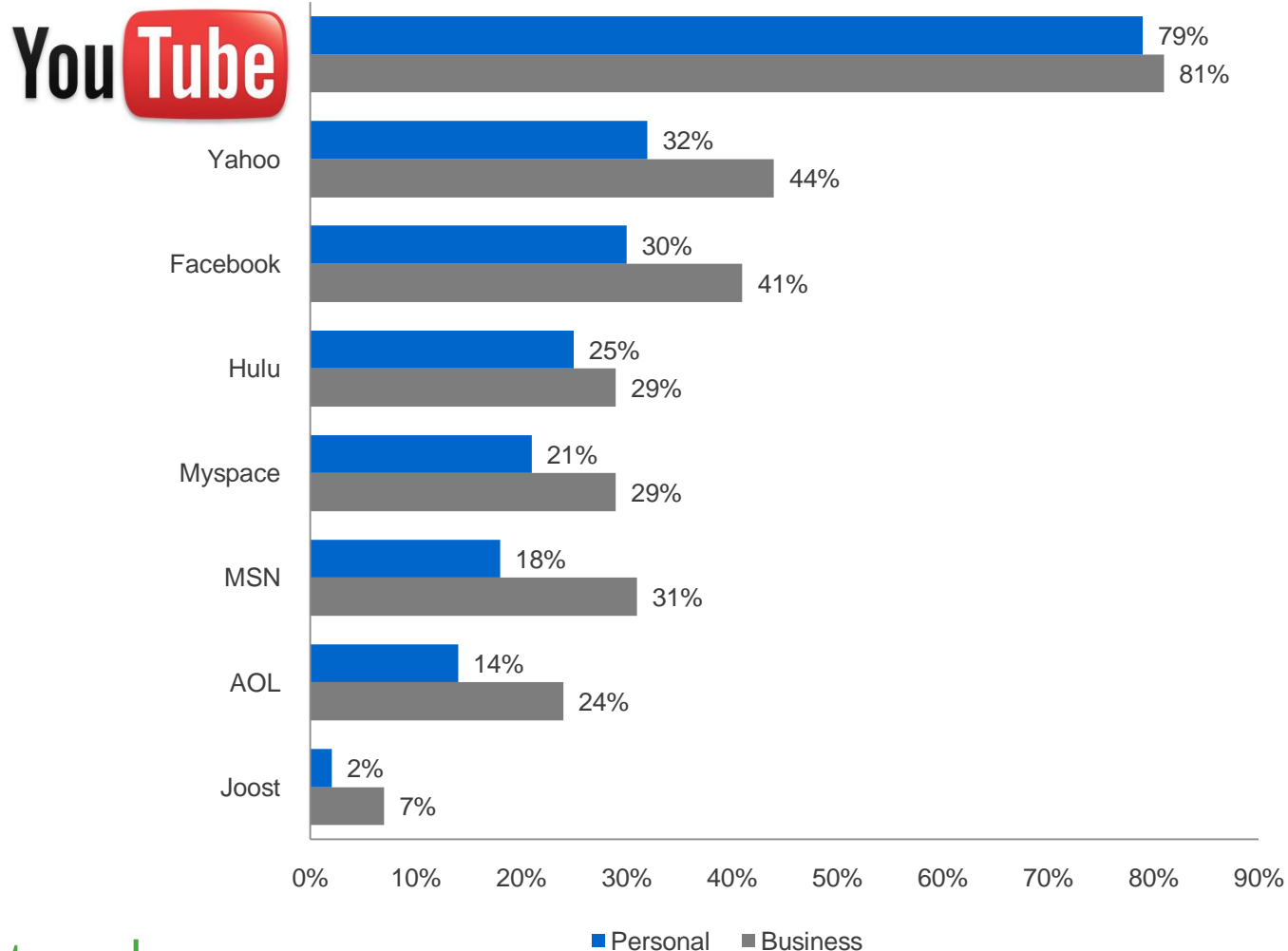
Watch TRAVEL videos on the Internet:

36%

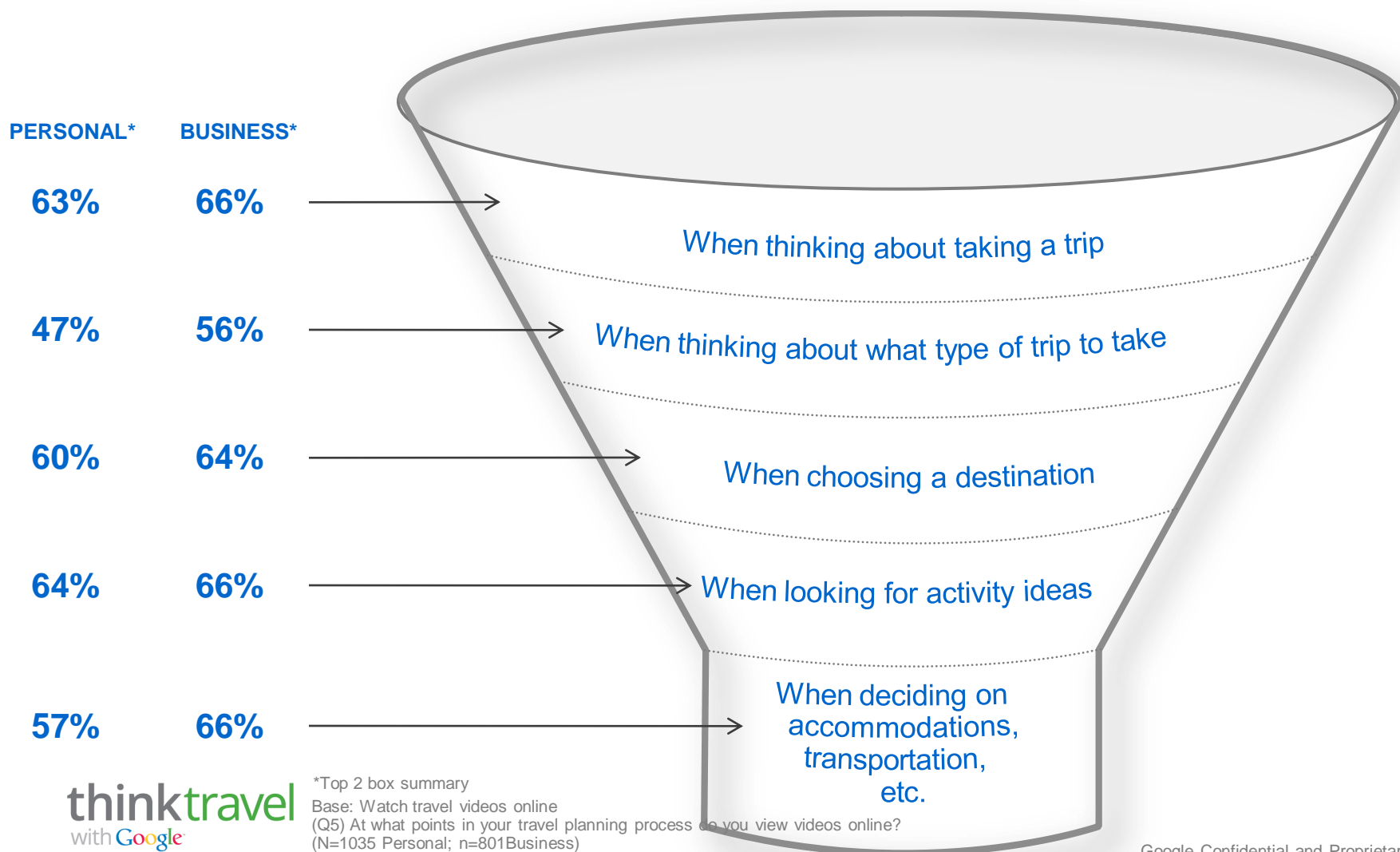
56%

In a similar April 2008 study, only 41% of travelers watched online video at least once a week and only 15% of online video viewers watched travel related videos

For Both Personal & Business Travelers, YouTube is Far and Away the Most Popular Place to Watch Videos Online



Online Video is Used Throughout the Planning Process & More Often by Business Travelers



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*Top 2 box summary

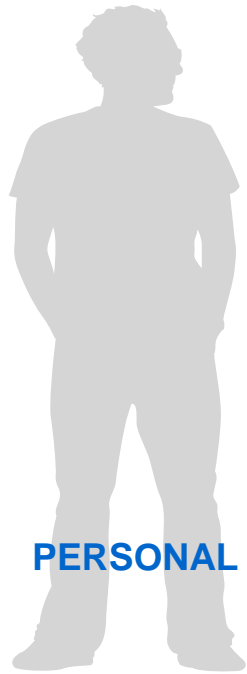
Base: Watch travel videos online
(Q5) At what points in your travel planning process do you view videos online?
(N=1035 Personal; n=801 Business)

Source: Google & OTX, The Traveler's Road to Decision; June 2009

As With Reviews, Both Business & Personal Travelers Prefer Travel Videos Made by “People Like Them” Over the Experts

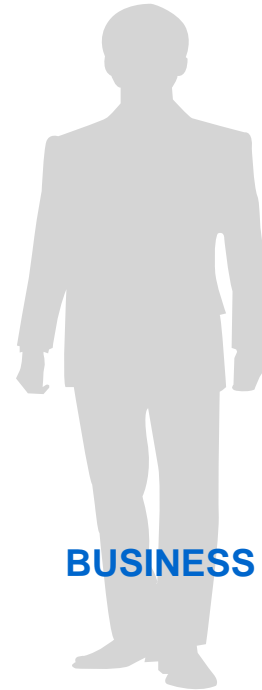
I trust the content of.... (top 2 box summary)	Personal	Business
Videos made by people like me	48%	55%
Videos from hotels, airlines, cruises, etc.	35%	42%

Uploading Their Own Experiences is Becoming More Commonplace



PERSONAL

6%



BUSINESS

16%

“I have uploaded a travel video in the past 6 months”

In a similar April 2008 study, only 4% of travelers surveyed had uploaded their own travel video in the previous 6 months

SECTION SUMMARY



The use of online travel videos is **steadily increasing** – people in **all stages of the planning process** are finding them useful



Video viewers are **more trusting of videos created by peers** than those produced by suppliers themselves



YouTube is still the most popular place for both Business & Leisure travelers to go for online videos



Key Takeaways & Thought Starters

Key Takeaways & Thought Starters

- 1** Business travelers are more involved and passionate about traveling than personal travelers

 - * Are you reaching out to them in the right channels? Does your message speak to their passion and travel expertise?

- 2** The Internet is used throughout the purchase funnel and is the most powerful tool in prompting people to actually *book a trip*

 - * Are you investing the right amount of time & energy in your online strategy? Are you covering all of the places where people are searching for information?

- 3** Search engines are used by 6 in 10 travelers and searchers plan to shop around more than non-searchers

 - * Are you in front of searchers when they are doing research? Do your search campaigns relay the right message to consumers?

- 4** Over half of business and personal travelers interact with online travel videos in all stages of their travel planning

 - * Do you have videos on your website and other popular video sites? Are you driving people to them?

- 5** Travel reviews and online videos that come from more objective sources are still trusted more than those from travel industry experts

 - * Are you providing any value/insights that a normal user couldn't ? Do you have a place for customers to post their personal experiences?

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