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Travel Hotel Consumers: How Online Research Affects Bookings

Google Compete
U.S., November 2010

Background and Objectives

Background

- Online research influences both online and offline bookings. However, there remain challenges in quantifying the role of the online channel – whether via search, display, or non-advertising content – in driving bookings.

Objectives

- Assess the online and offline resources shoppers use when shopping for and booking travel as well as the relative importance of different resources
- Quantify the impact online research has on consumer purchase (both online and offline)
- Analyze differences between bookers who purchase online and bookers who purchase offline

Methodology

Recruitment

- A survey was launched to Compete panelists who had researched hotels online between December 2009 and April 2010
- Surveys were fielded to 1,266 Compete panelists in April/May 2010 targeting consumers who completed and qualified for the survey under the following requirements:
 - Respondents who indicated they had conducted **online** research for overnight accommodations at a hotel within the past six months
 - Respondents indicated they researched for personal (non-business) travel

Significance Testing

- For 2-variable significance testing, two asterisks (**) indicates significance at the 95% level and one asterisk (*) indicates significance at the 90% level
- For multiple variable significance testing, uppercase letters indicate significance at the 95% level and lowercase letters indicate significance at the 90% level
- Base sizes under 30 were removed from the study and any base sizes between 30-50 marked as low sample

Searcher vs. Non-Searcher Segment Definition

- A “Searcher” is defined as a respondent who was search referred to a hotel supplier website or OTA hotel path within the 60 days prior to booking (based on observed online clickstream behavior and not self-reported)

Executive Summary

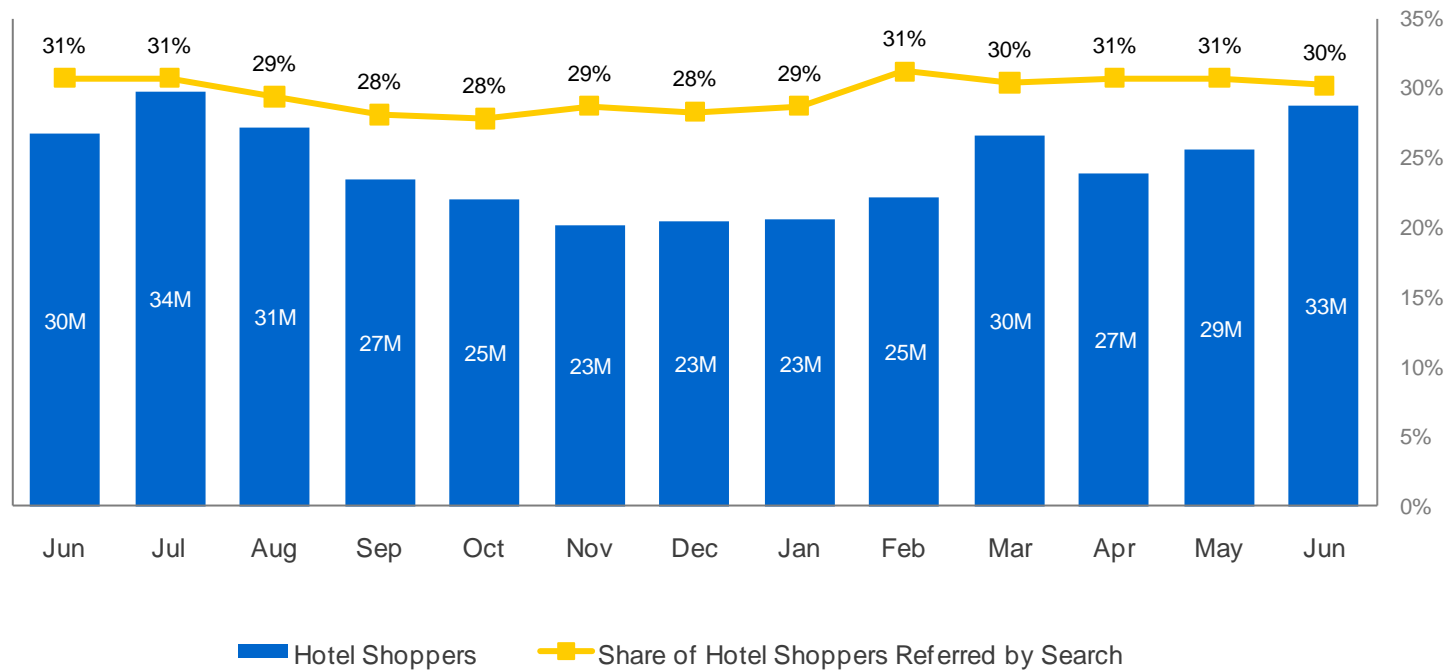
- Half of all hotel researchers indicated researching exclusively online
 - Friends, families and colleagues were the most-used offline sources to learn about hotels
- Half of hotel shoppers reported using search engines in their research
 - Online clickstream behavior indicated that a third hotel shoppers are referred by search to a hotel website
- Price was the leading reason for why consumers booked on a specific hotel website
 - Receiving rewards/points was also a strong driver
- Higher costs per night and longer stays increased the length of time consumers spent researching hotels online
 - The share of researchers using online sources also increased for longer hotel stays
- Nearly a third of hotel shoppers indicated viewing an online advertisement during their research process
- Booking online was the most dominant channel
 - Only 1 in 6 bookers indicated booking over the phone or in person
- Hotel bookers are using fewer travel sites to conduct research than year-ago levels indicating more focused shopping activities



Hotel Market Overview

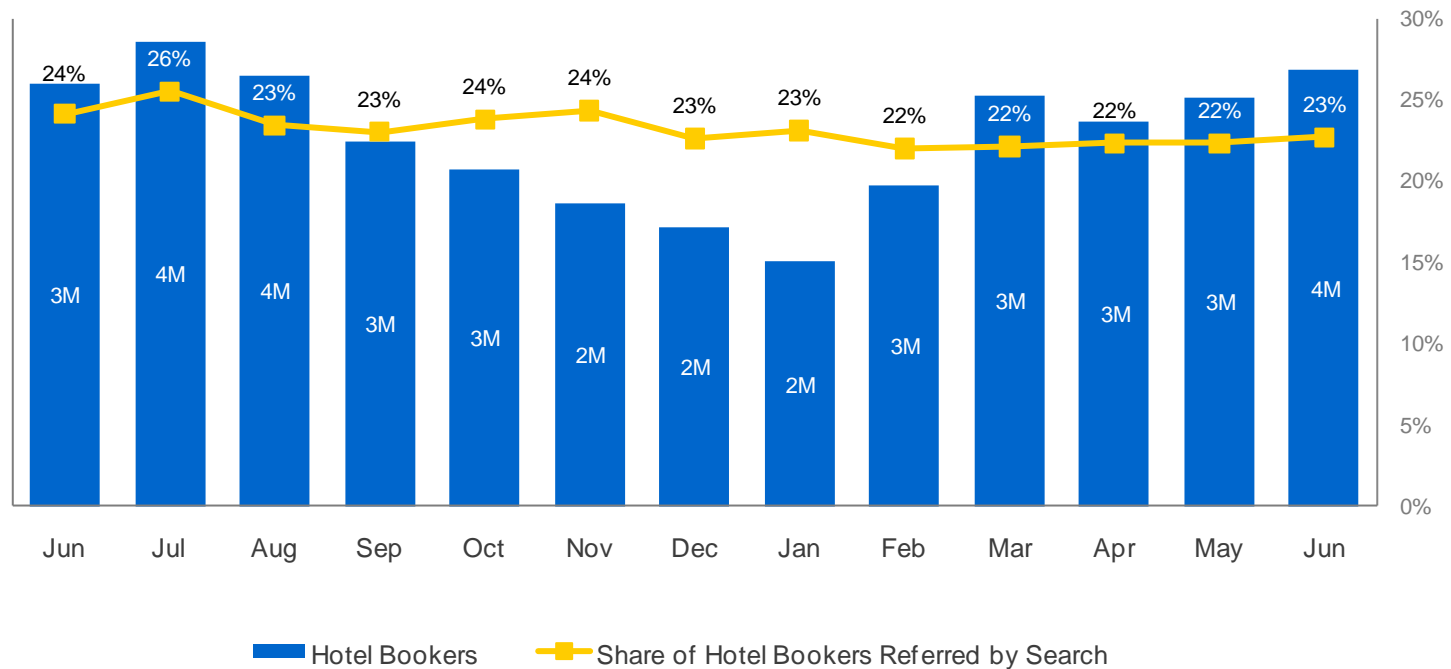
1 in 3 hotel shoppers are referred to a hotel site by search. We see a bump up in search referral in summer months.

Aggregate Online Hotel Shoppers & % Search Referred to a Hotel Site
(Volume of Hotel Shoppers & Share that were Search Referred to a Hotel Site, Jun 2009 – Jun 2010)



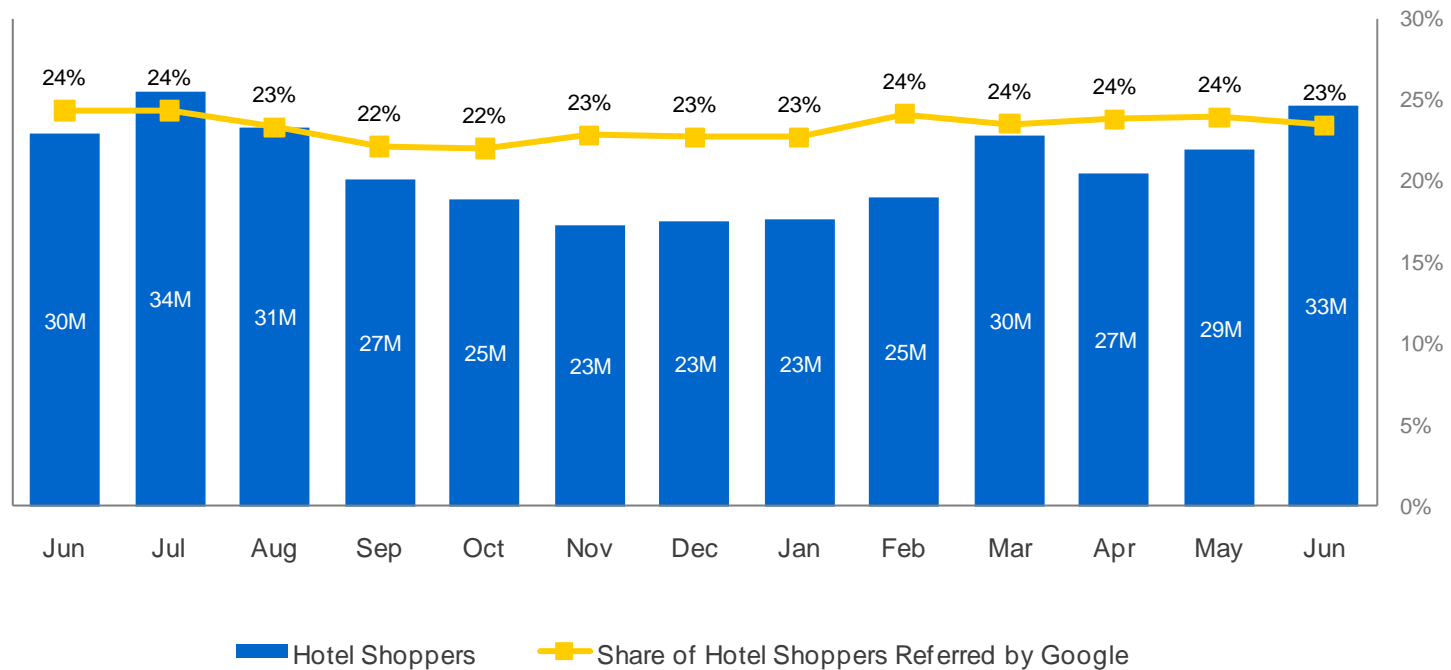
Search Consistently Drove Hotel Bookings

Aggregate Online Hotel Bookers & % Search Referred to a Hotel Site
(Volume of Hotel Bookers & Share that were Search Referred to a Hotel Site, Jun 2009 – Jun 2010)



Google Referred One Quarter of All Shoppers

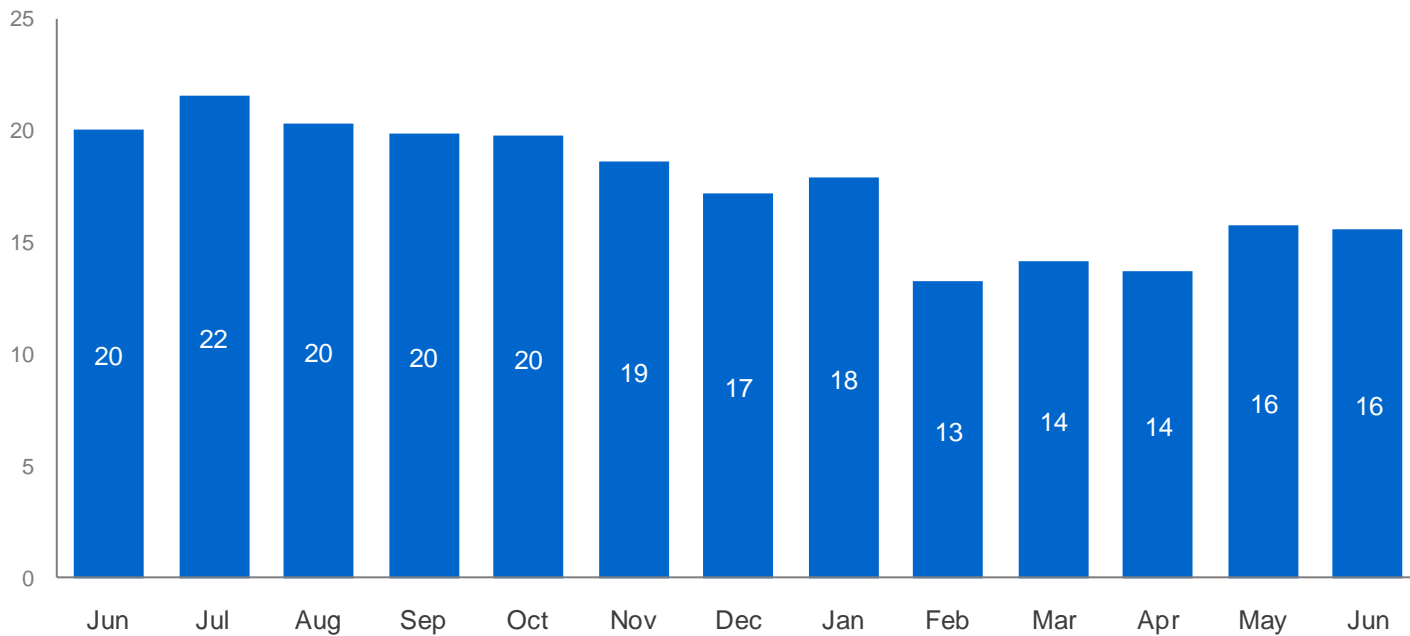
Share of Hotel Shoppers Search Referred by Google Search
(Share of Online Hotel Shoppers, Jun 2009 – Jun 2010)



Hotel Bookers More Focused Year-Over-Year

Sites Visited by Online Hotel Bookers

(Average Travel Sites Visited Among Hotel Bookers Within the Month of Booking, Jun 2009 – Jun 2010)

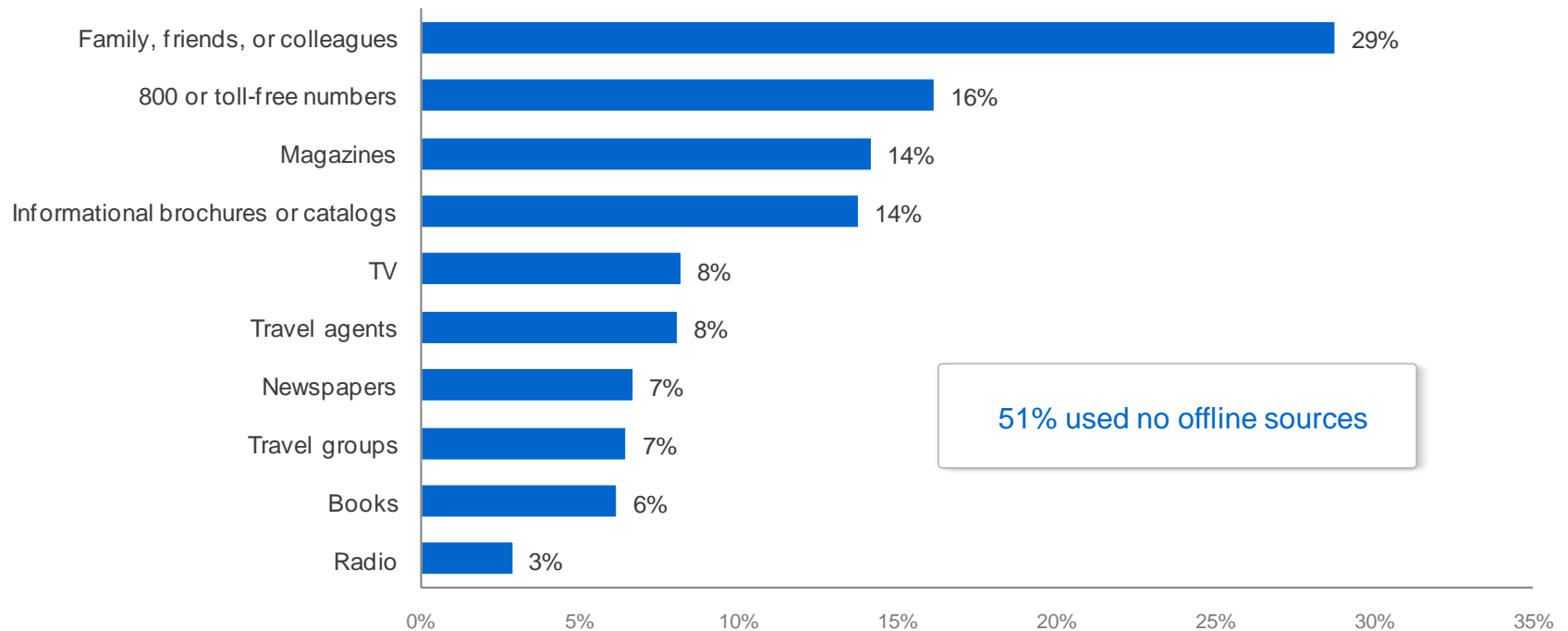




Booker Channel Usage and Preferences

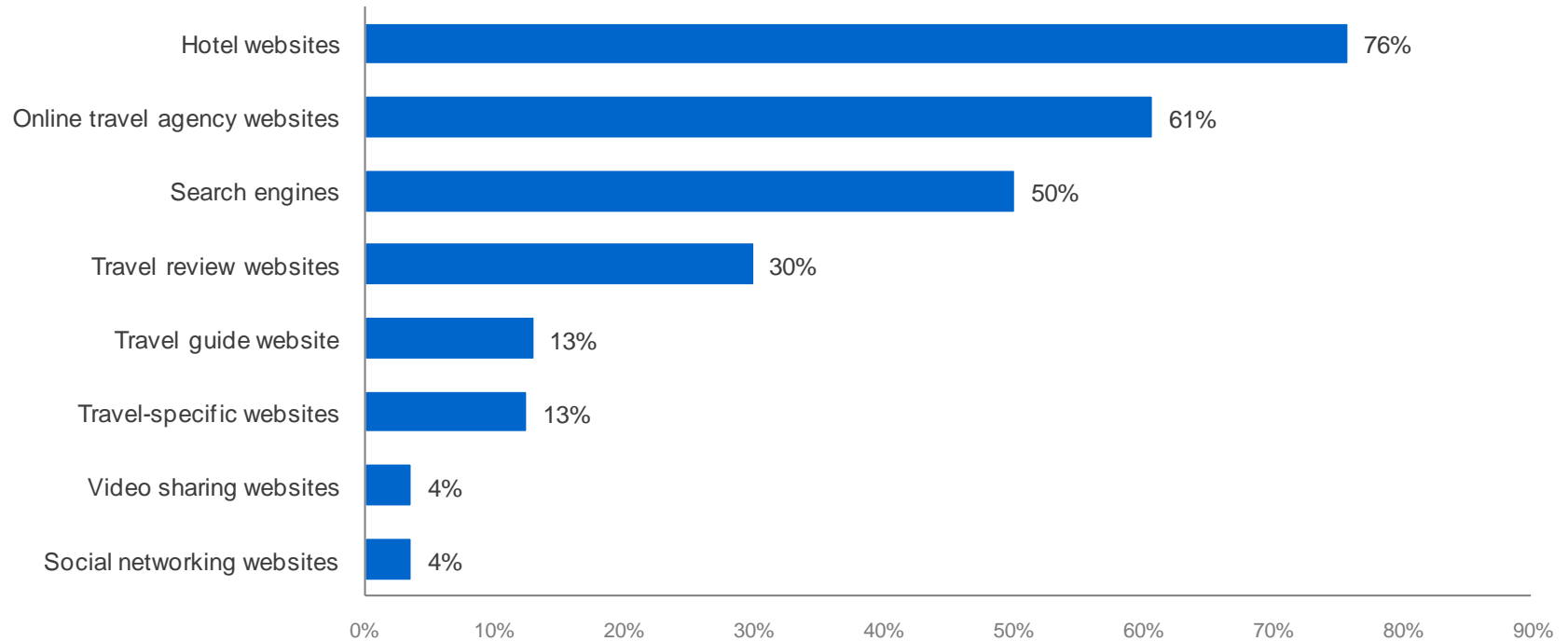
Half of Shoppers Research Exclusively Online

Offline Hotel Research Resources Used by Online Hotel Shoppers
(Share of Online Hotel Shoppers, n=1266)



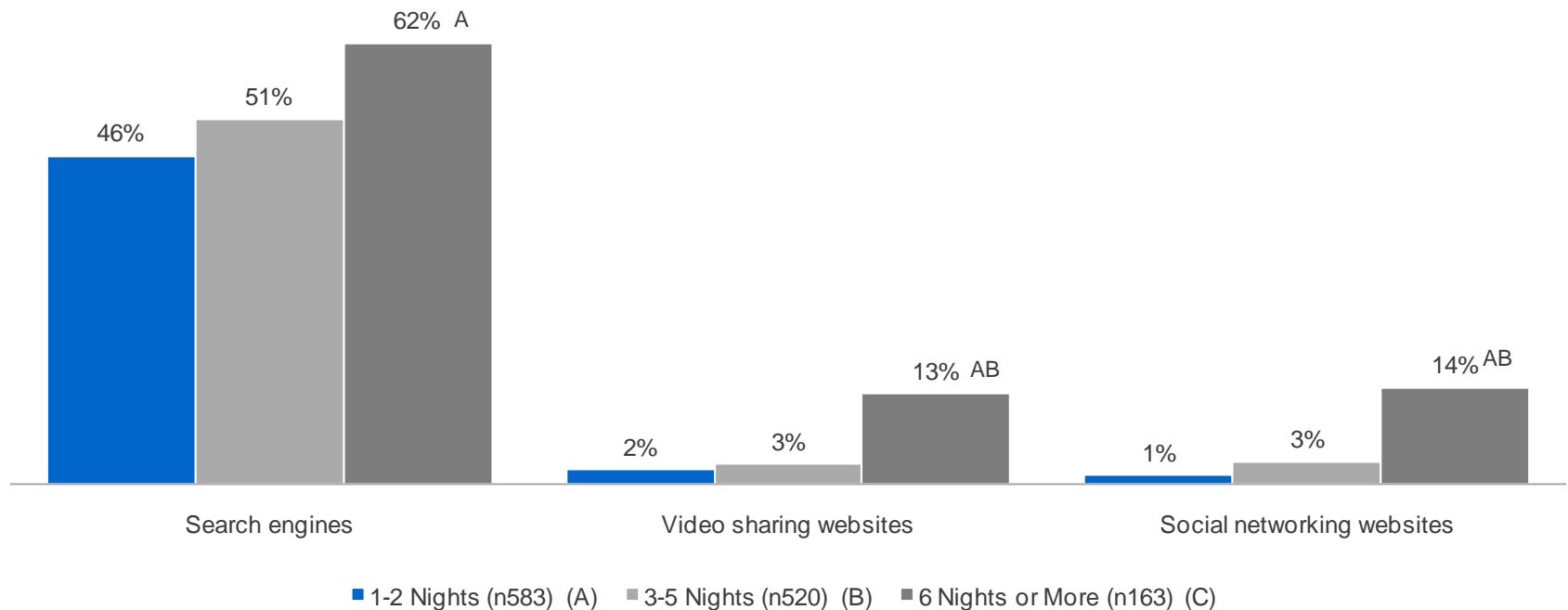
Half of Researchers Use Search to Find Hotels

Online Hotel Research Resources Used by Online Hotel Shoppers
(Share of Online Hotel Shoppers, n=1266)



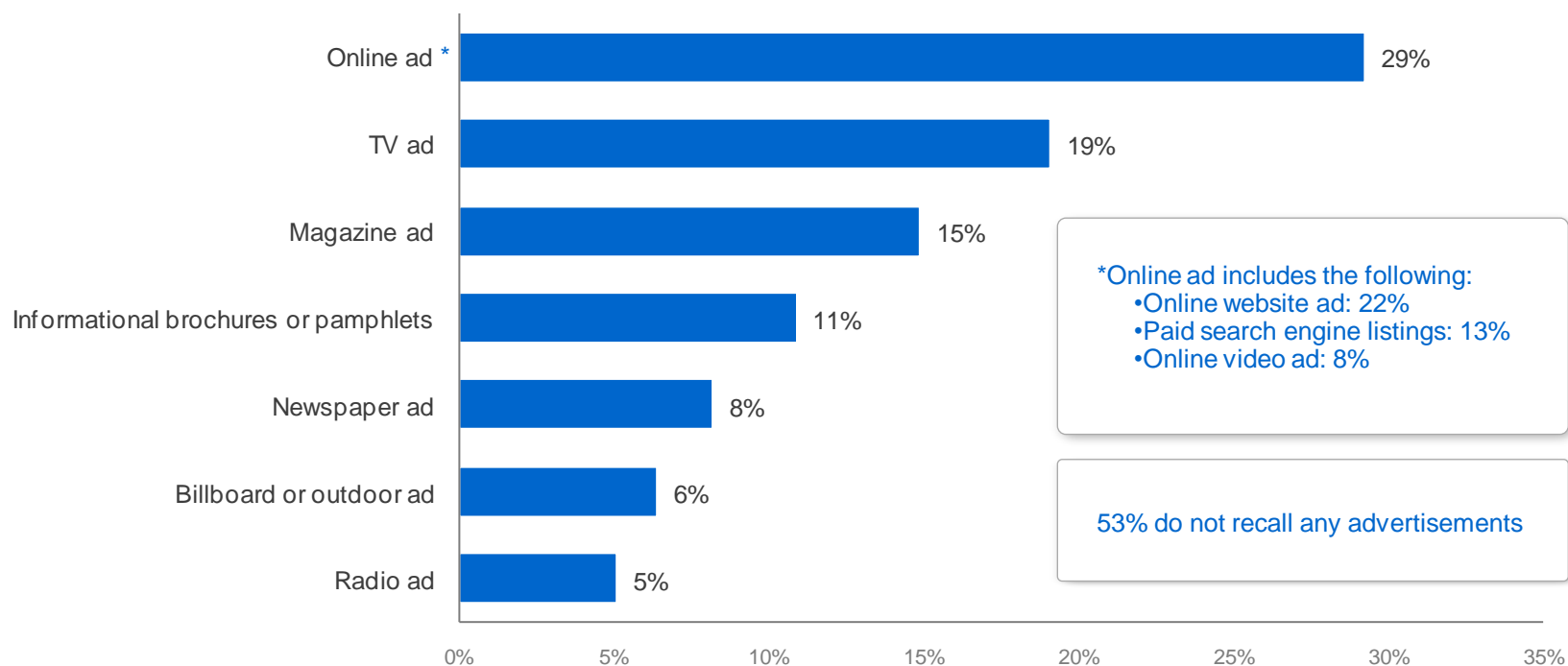
Online Sources Used More for Longer Stays

Online Hotel Research Resources Used by Online Hotel Shoppers
(Share of Online Hotel Shoppers, n=1266)



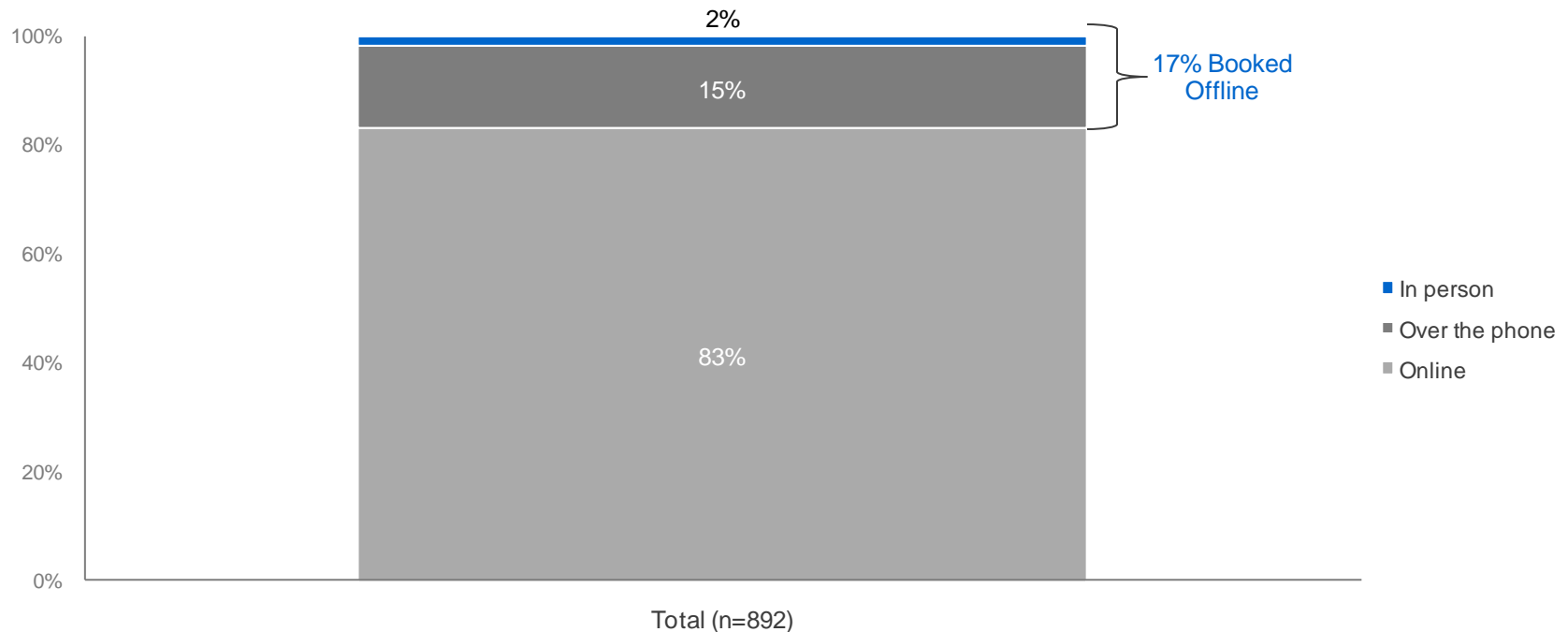
1 in 3 Researchers Recall Viewing Online Ads

Advertising Recalled by Online Hotel Shoppers
(Share of Online Hotel Shoppers, n=1266)



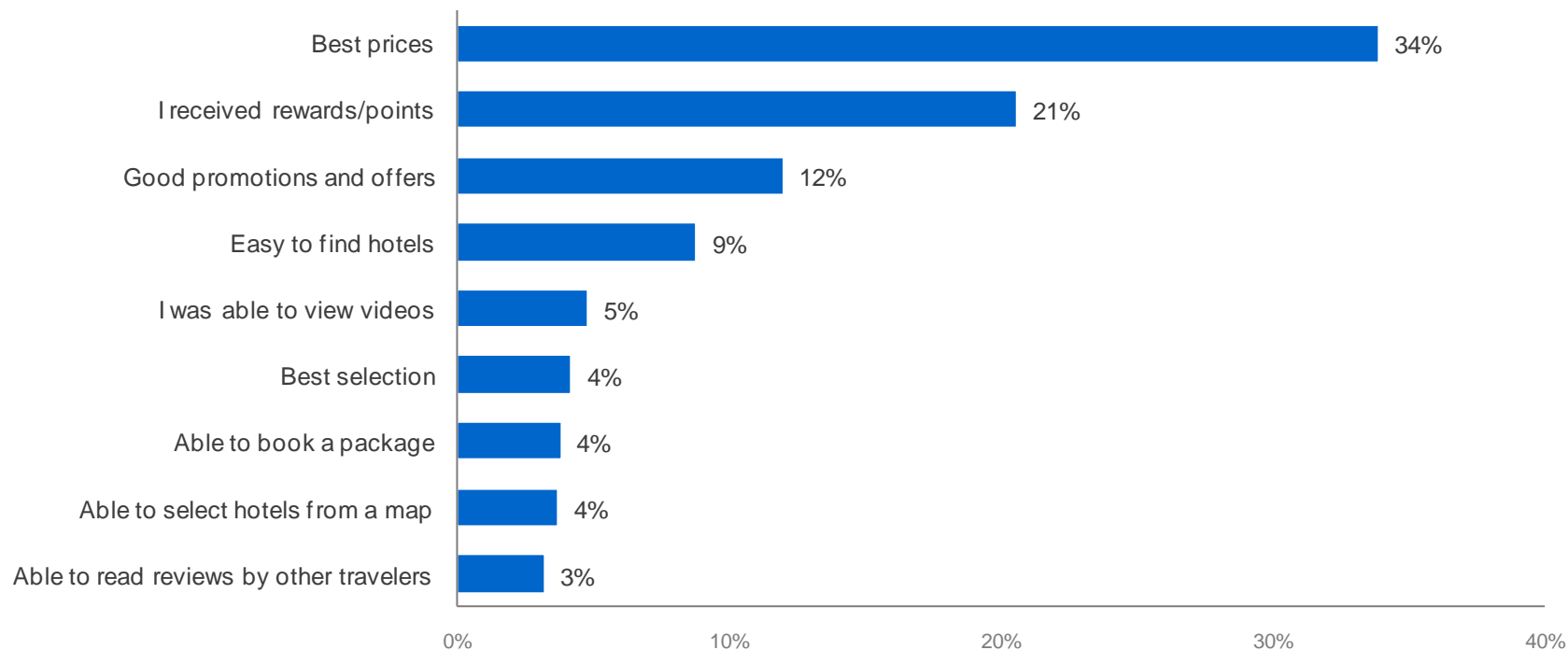
1 in 6 Researchers Booked Offline

Channel Used to Book Hotel
(Share of Hotel Shoppers That Booked a Hotel in Q4, n=892)



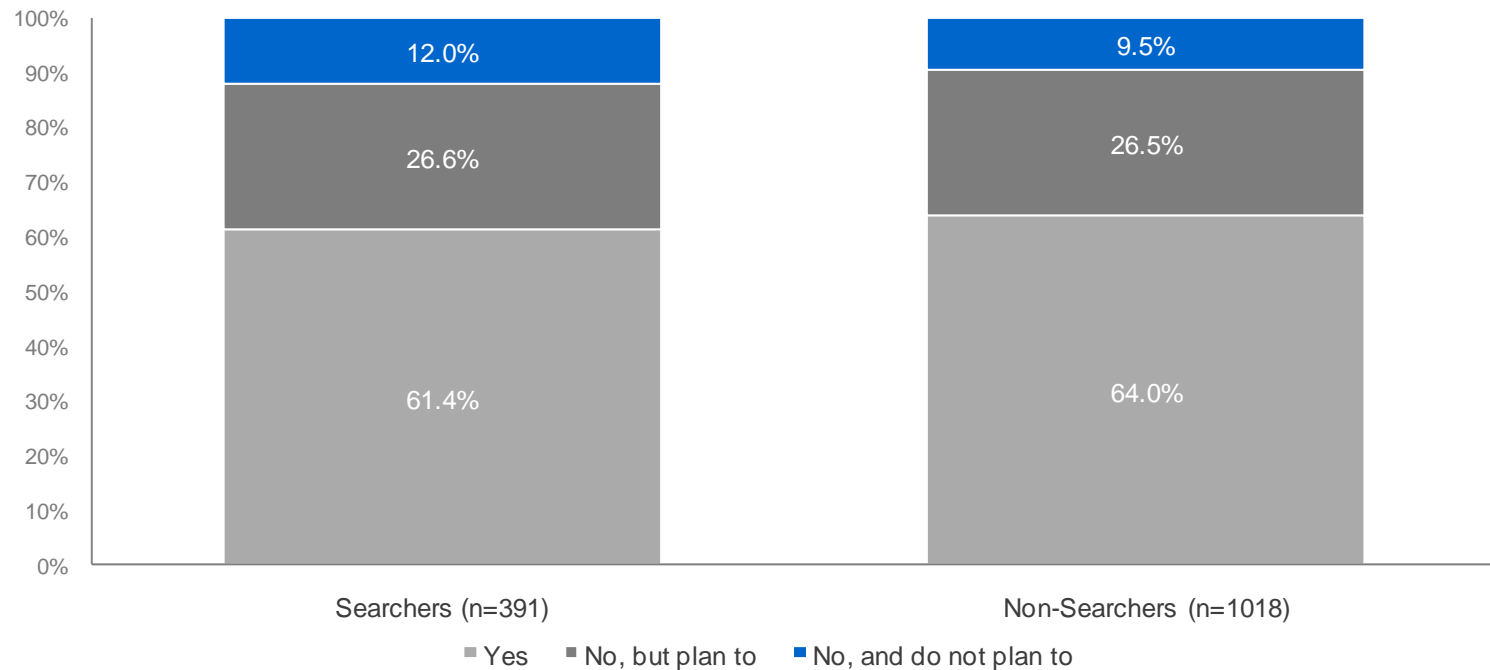
1 in 5 Bookers Choose Site for Rewards/Points

Why Online Hotel Bookers Booked With Specific Site
(Share of Online Hotel Bookers That Did Not Select "Other" in Q6, n=711)



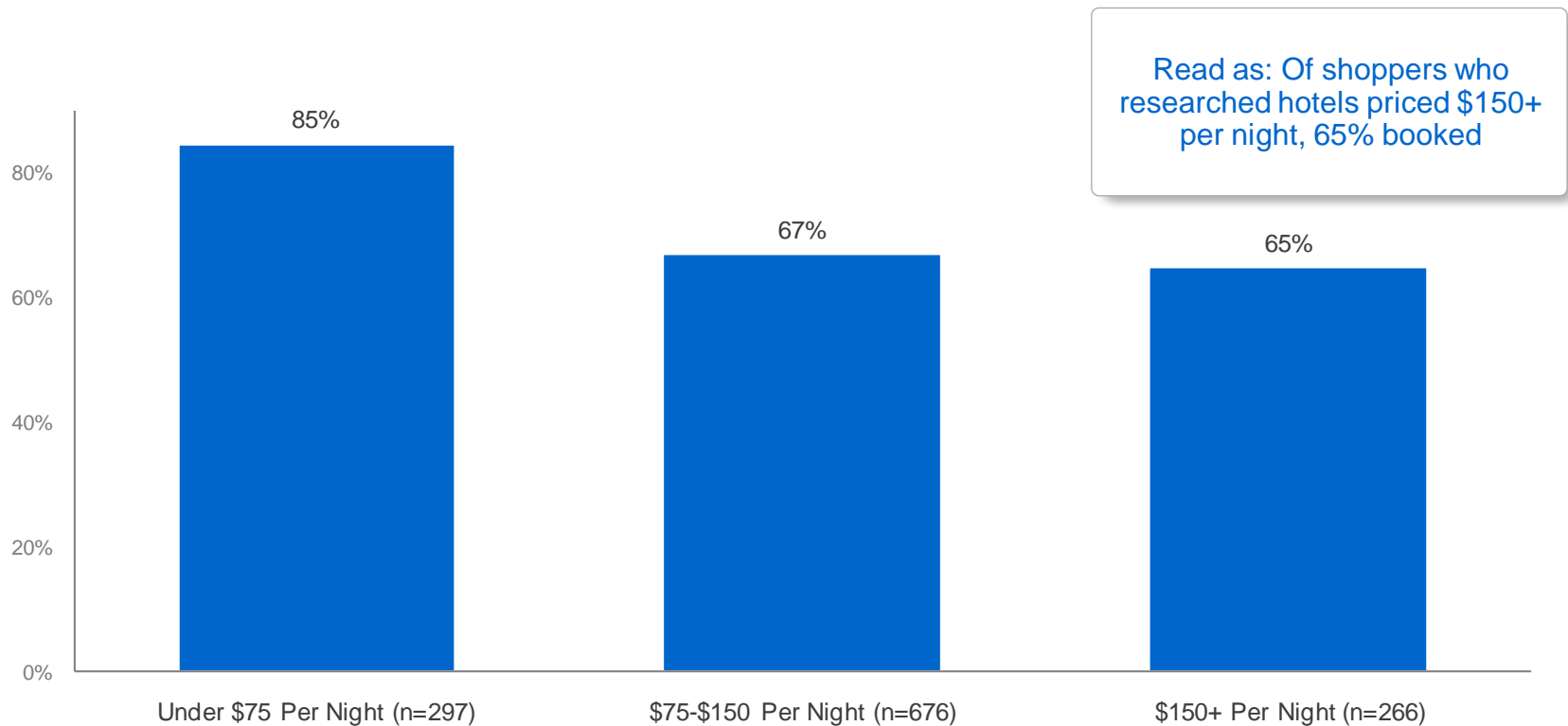
Searchers as Likely to Book as Non-Searchers

Searchers vs. Non-Searchers That Booked a Hotel
(Share of Total Respondents, n=1409)



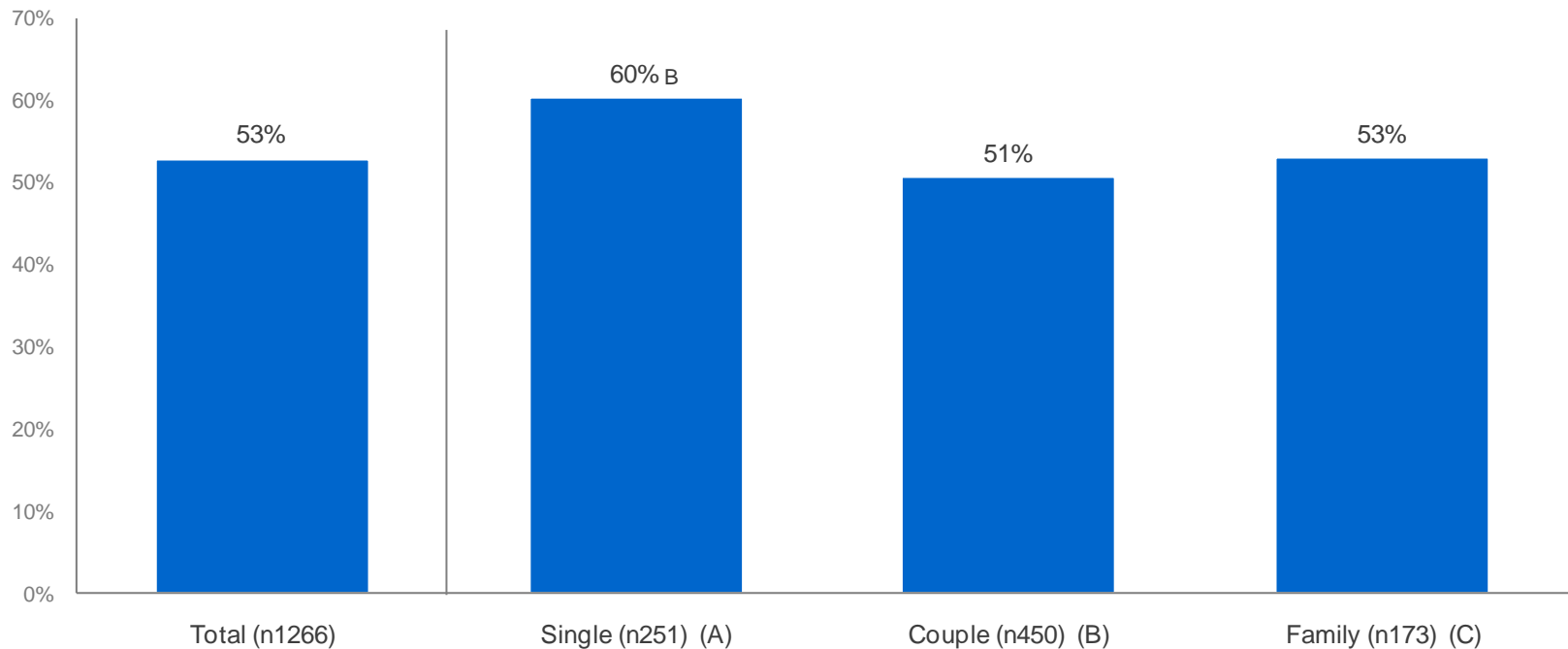
Likelihood to Book Declines as Cost Increases

Hotel Bookers by Cost of Hotel Per Night
(Share of Hotel Shoppers That Did Not Select "Not Sure" in Q24, n=1239)



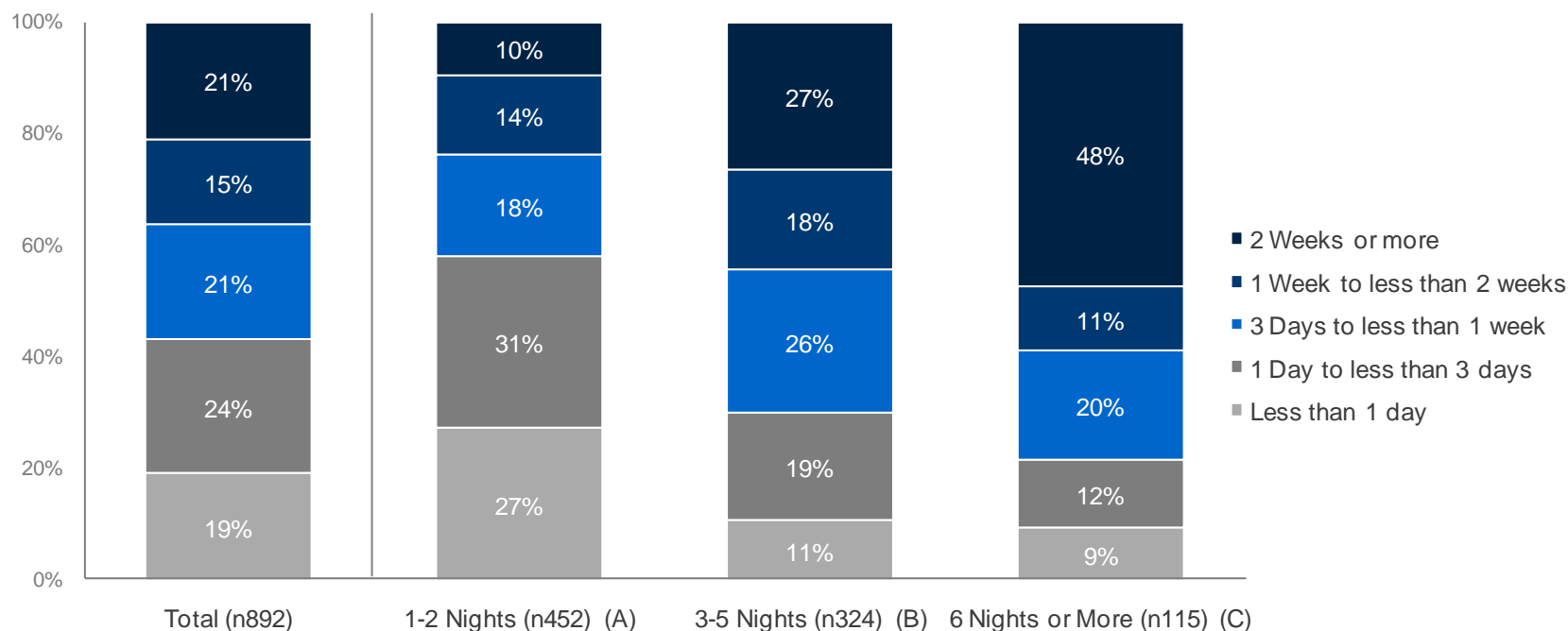
Singles Most Certain About Hotel Choice

Certainty of What Hotel You Booked or Plan to Book
(Share of Hotel Shoppers, n=1266, Top 2 Box)



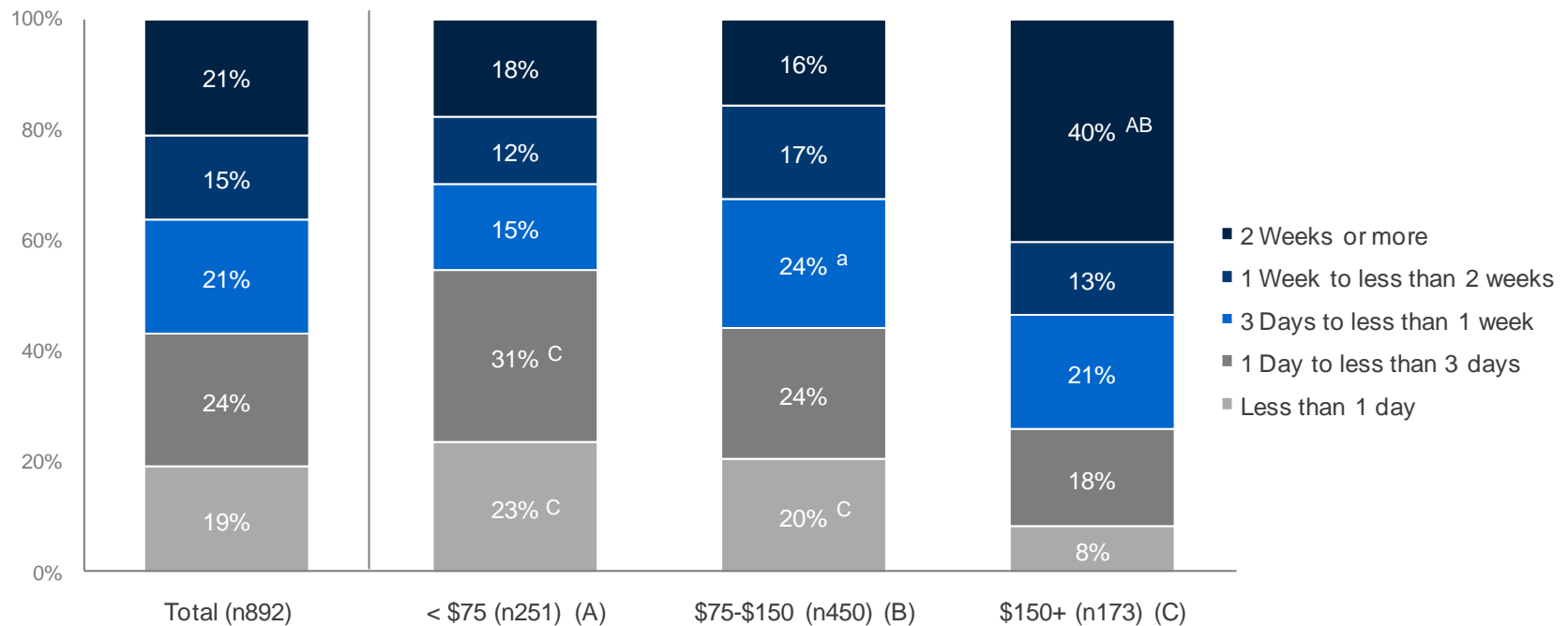
Research Time Increases with Length of Stay

Time Spent Researching Hotel Before Booking By Length of Stay
(Share of Hotel Shoppers That Booked a Hotel in Q4, n=892)



Higher Costs Increased Research Time

Time Spent Researching Hotel Before Booking By Cost Per Night
(Share of Hotel Shoppers That Booked a Hotel in Q4, n=892)



Summary

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