

# The ebooker:

*understanding how travel customers  
use the web*

A whitepaper by Tealeaf

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# Introduction

Last year we ran our first ever ebooker survey to investigate how Britain's online consumers approach booking a holiday on the web. The research provided insight into considerations and behaviours that are unique to ebookers and, with input from a leading internet psychologist, put some science behind the numbers – all essential reading for ebusinesses operating in the travel sector.

A year on and, as we look to reveal the results of the second ebooker study, much has changed in the fast-paced travel industry. We felt it was important to keep elements of the research the same so that changes and developments could be charted and trends drawn.

However, we were also very aware of the significant changes to the landscape and wanted the research to reflect advances in technology and the dynamic nature of the industry. And, looking back over the past 12 months, one element stood out very clearly: mobile.

While many commentators have been predicting it for years, it seems that 2011 will indeed be known as the 'year of mobile'. We've seen a perfect storm in the last 12 months where the convergence of maturing functionality on a range of sophisticated devices – both smartphones and tablets – and widespread consumer adoption has finally led to the stage where mobile is something that online travel businesses just can't ignore.

So, while the research we have conducted this year doesn't focus entirely on mobile and revisits most of what was covered last year, mobile and the impact of mobile on consumer behaviour forms a fundamental part of the research and the analysis that follows in subsequent chapters.

This report sets out the results of the consumer research and then uses this data as the basis for analysis and recommendation for how travel companies can improve the service and experience they offer to ebookers. We hope it serves as a starting point for travel companies eager to find out more about the ebookers they serve.

# Executive summary of results

The following is an executive summary of the results of the 2011 ebooker research commissioned by Tealeaf and conducted by YouGov. Throughout this section, if there is a statistically relevant change from last year, this has been noted.

## A holiday is an extremely important purchase for British adults

If there is one statistic that has undoubtedly remained consistent year on year, it is the importance of holidays to British consumers. Just under a third (31%) of British adults state a holiday is the most important purchase they make each year (27% in 2010) and, when booking a holiday, British holidaymakers<sup>□</sup> usually search for:

- A place where they can relax: 69%
- Something cheap or cost effective: 46%
- Somewhere they've never been before: 40%
- Somewhere hot and sunny: 37%
- A place where I can be adventurous: 19%
- Somewhere familiar: 14%

From the report last year, we know that this is a psychological point that travel companies would do well to consider. If all a consumer's hard-earned money is being saved for that one special purchase and the experience – even at the booking stage – is not positive, then the impact on brand affinity can be catastrophic. Especially compared to a grudge purchase like insurance.

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<sup>□</sup> *Holidaymaker: all online British adults who have been on a holiday*

## The internet is an important channel for British adults when researching and booking a holiday

Yet again, the importance of the internet for holiday makers remains strong with 38% of British adults surveyed online saying they *only* use the internet when researching a holiday and 29% saying they *only* use the internet to book a holiday. And, reflecting the point made above, 63% of ebookers<sup>[2]</sup> start researching their holiday more than four weeks before booking.

In this incredibly competitive industry, ebookers also reveal that they visit 3.5 sites<sup>[3]</sup> on average when researching a holiday, putting the onus on ebusinesses to get the experience right first time. A vast 69% of holidaymakers said they would visit the same website more than once before completing a transaction.

A consistent, but spine-chilling statistic for travel companies is that only 11% of British online adults said they tend to book their holiday with the same provider each time (also 11% in 2010), suggesting that brand loyalty is something that doesn't come easily and has to be fought for.

## British adults remain price conscious, but a positive customer experience online is an important factor

While price remains a major consideration for 66% of Brits, just under half (42%) say a positive online experience when booking is also important. And, when ebookers were asked about the most important contributors to a positive experience when booking online, the following were cited:

- Competitive prices: 69% (69% in 2010)
- An easy to navigate website using a desktop computer: 41%
- Destinations offered: 37% (37% in 2010)
- The range of holidays available: 29% (26% in 2010)
- Availability of promotions or discounts: 25%
- The absence of errors or problems: 21%
- Availability of contact details: 15%

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<sup>[2]</sup> Ebooker: all online British adults who have ever searched for or booked their holiday online  
<sup>[3]</sup> Calculated by EML Wildfire

While price and the range of holidays is still a priority for ebookers, the impact of an error-free experience, especially when combined with the importance of a positive online customer experience mentioned above, is inescapable.

And perhaps another sign of how the web in general has developed over the last year, multimedia and user generated content is becoming more and more important for ebookers. Increasingly, these multimedia elements are key contributors to a good customer experience for ebookers whereas in the past they might have been 'nice-to-haves'.

When visiting a holiday booking website, these are the features British holidaymakers most like to see:

	2010	2011
User reviews from other holiday makers	58%	72%
Official pictures	35%	45%
Independent reviews	53%	44%
User ratings	42%	41%
User generated photos or video	26%	27%
Official video	8%	10%

Overall, while buying behaviour hasn't changed dramatically in the last 12 months, there are still a number of key considerations that continue to come through in this research and that will be discussed in the following chapters.



# The mobile ebooker

We now turn to the part of the research where, for the first time, we have asked British ebookers about their approach to mobile. Whenever we refer to mobile devices, this includes smartphones and tablet computers, unless otherwise stated.

**The findings are very clear: mcommerce has truly arrived and, when it comes to travel, consumers are already using mobile devices as part of the ebooking process**

Amongst the online respondents, 45% said they own a mobile device that allows them to browse the internet.

Of these, in the last 12 months:

- 17% have researched a holiday on a mobile app or mobile website
- 3% have booked their holiday on a mobile app or mobile website
- 12% admit to having downloaded a mobile app related to travel
- Mobile apps have been used by 8% to research a holiday
- This is compared to 14% that have used a mobile website to conduct research

This suggests that while the complicated process of actually booking a holiday on a mobile device is not being attempted by most British adults, many are using mobile devices for holiday research.

But, of course, given the mobile nature of the devices, there is a new opportunity for travel-related companies to offer services to ebookers while on a holiday as well as in the run up to it. In the past six months, British adults who own a mobile device used their device abroad in the following ways:

- 57% have used it to send texts
- 45% have made calls
- 32% take video content or photos on their mobile device, with 15% sharing the content on social media and 15% sending video and photos through email
- 14% have researched local information on bars and restaurants
- 13% have researched local tourist attractions
- 24% search on a map or look up directions
- 22% have accessed social media websites
- 14% have checked flight information

And when it comes to travel-related mobile apps in general, over the last 12 months, British mobile ebookers have downloaded the following:

- Apps providing weather reports and updates: 19%
- Apps from hotel providers: 6%
- Apps to find local businesses: 10%
- Apps with tourist city guides: 11%
- Apps for photography for use on holiday: 6%
- Apps for translation: 12%

## The multi-channel experience

Of course, as seen above, very few ebookers are using a mobile device to research *and* book a holiday, which suggests that more than one device is used during the entire research and booking process.

Just over two-thirds of ebookers (63%) that have researched a holiday on a mobile device in the last 12 months said they then booked online using a desktop or laptop computer at a later stage. Just under a fifth (18%) researched on a mobile device but then went on to book through offline channels.

The growth of mobile seems to have brought the multi-channel question to the fore, with 36% of adults having used two or more channels when researching a holiday in the last 12 months. 28% said they would expect to use an increasing number of different 'devices or channels' when booking a holiday in the next year.

Crucially for anyone tasked with managing online customer experience, 40% of mobile ebookers<sup>[4]</sup> said that, in the next 12 months they would expect their experience booking or researching a holiday on a mobile device to be the same or better than on a desktop computer, demonstrating that, when it comes to mobile devices, consumers have incredibly high expectations. And, even though the majority aren't actually booking a holiday on a mobile device, poor customer experiences can still have a negative impact on brand reputation and multi-channel conversion rates.

And, related to this point, if British adults do struggle when researching or booking a holiday on a mobile device, they are unforgiving:

- 46% said it would negatively affect their feelings towards the brand
- 49% would consider sharing their experience with friends and family, 25% on social networks
- 38% would be likely to book their next holiday with a different provider who offers a better mobile customer experience

These results clearly show there is a new, exciting opportunity for travel brands to capitalise on the mobile web. However it is also abundantly clear that the development of a mobile strategy must take into account the unique nature of ebooker behaviour and the multi-device approach now taken by many consumers to truly maximise success and conversion rates.

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<sup>[4]</sup> Mobile Ebooker: GB Adults who have researched or booked a holiday on a mobile device in the past 12 months

# How mobile is transforming the ebooker experience

by Kevin May, Editor & Co-founder, Tnooz

The four pillars of how the modern travel industry is evolving – distribution, search, social commerce and devices – are intrinsically linked in various ways.

But it is the ‘devices’ (namely mobiles and tablets) element of the quartet, that is the accelerant to ignite how every other facet of the sector is growing, and where companies are concentrating much of their strategic efforts.

Curiously, it is the weight of consumer expectation, rather than endless industry conferences preaching it is the “*year of the mobile*” (again), which has triggered this drive.

The iPhone made the mobile web and apps seemingly accessible and, importantly, sexy.

Quickly, at least in terms of the take-up of IT, other devices – most recently the iPad in the tablet world – have triggered a wave of adoption by consumers to effectively banish the last strand of their offline world to the recycle bin.

In other words: the tourism industry, alongside every other business vertical, is now meeting head-on the concept of the “always connected” traveller.

According to the Tealeaf ebooker research, mobile devices are still being used primarily for so-called traditional functions when overseas (57% and 45% of respondents for texts and calls respectively in the last 12 months), but mobiles are now being used abroad regularly for other functions as well.

When asked what they use their device abroad for, nearly a quarter of those with a mobile device have used mobile maps to search for directions, 14% used the mobile web to research local restaurants and bars and 13% researched tourist attractions abroad in the last 12 months, while 15% hit their favourite social networks with content such as video and photos they’ve taken with their devices.

Ignoring the roaming data charge issue momentarily (a problem which will inevitably decrease over time as service providers and consumers put pressure on networks to adopt different models), there is a revenue and engagement bounty to be had as travellers connect with brands before leaving for a trip (mobile booking is growing) and during their stay.

## **But what does this actually mean for the travel industry?**

The opportunities for mobile travel can be placed into four key areas: product, social media, location-based services and advances in technology.

Destination services, tourist attractions and other holiday activities have a huge opportunity to be part of the mobile travel experience, as many of them come online and are serviced in efficient ways to a handheld device, whether it is via the mobile web or an app.

Furthermore, platforms which manage a traveller's entire trip will seemingly become the virtual concierge for the consumer, allowing micro management of bookings and services on a mobile both before and during a trip – a sector of the industry so far relatively untapped by existing travel companies outside of the corporate travel world.

Social media is already omnipresent in the lifestyles of desktop-connected travellers, but mobile puts the immediacy of such activities at the forefront of what consumers do when on a trip, from things such as sharing personal media around networks to instant reviews of services and the ability to discover what other travellers are saying about a product, in real time – a concept which has, until now, not particularly kicked in, and will need careful procedures put in place by travel companies.

Location-based tools, such as web check-ins on Foursquare, Facebook et al, may have initially appeared to steer a subset of travellers into the world of gaming, but the idea has grown up and been given real value as companies have realised they can engage with consumers in-resort.

Offering travellers discounts or additional services when they check in to a location will no longer be a quirky thing to do, but a genuine ancillary revenue stream (via the up-sell), as well as a process to engage with customers throughout a trip.

Finally, mobile technology itself is evolving quickly and in valuable ways. Room keys are becoming part of a hotel's mobile app. Augmented reality gives users an opportunity to see in real-time what services or information is available via a handset's camera and GPS. And Near Field Communication software will turn the mobile itself into the payment system for a dizzying array of services.

It is easy to view mobile web opportunities through slightly rose-tinted spectacles, but a number of elements will determine whether tourism businesses are prepared to evolve or not:

- Consumers will expect to be connected to their travel providers, suppliers and intermediaries, with the full range of services (and more) already available to them on the web
- Wireless broadband will be everywhere, so should a travel brand's availability
- The industry will have a vast array of new types of services to tap into with destination-based products and content

Interestingly, the wider industry does not appear to be dismissing mobile travel in the same way that perhaps large swathes of the sector appeared to when the web first crashed onto the scene in the mid to late 1990s.

Lessons about ignoring obvious opportunities have been learned (often the hard way) since then.

# Managing the multi-device experience for travel customers

*by Geoff Galat, CMO, Tealeaf*

In the previous chapter, Kevin paints a beguiling picture of what the future will be like for ebookers. And it is one that could be just around the corner, especially bearing in mind the consumer adoption results revealed in our research.

And, as Kevin again clearly points out, this offers an incredible opportunity for travel companies of all shapes and sizes. But for me, working in the customer experience space, I'm constantly astounded by how many companies seem to forget the part they have to play in the two-way relationship between brand and ebooker that is a reality today in our online, socially-connected world.

The Tealeaf research clearly shows how few opportunities travel companies have to get it right when it comes to providing a good customer experience, no matter what device ebookers are using. At a general level, we find that 42% say a positive online experience when booking a holiday is important.

And, on mobile, the research is even clearer; 40% mobile ebookers surveyed said they would expect their experience booking or researching a holiday on a mobile device to be the same or better than on a desktop computer. If they did struggle when using a mobile device, 46% of those with a mobile device said it would negatively affect their feelings towards the brand and 38% would be likely to book their next holiday with a different provider based on the poor mobile experience.

These are the kind of results that make a CFO or CEO suddenly sit up and see the importance of not just 'doing mobile', but doing it right.

The truth is, British consumers are incredibly web savvy these days. After 15 years of ecommerce, there is zero tolerance for sites that don't deliver a near perfect experience and, with competitors a click away, travel ebusinesses have never had to work so hard to keep our custom. So you'd be forgiven for thinking that ebookers would continue to have similarly low expectations for the latest new digital trends like mobile.

It just isn't the case. Ebookers see 'online' as one channel, regardless of the device they are using. While travel companies are eager to increasingly have a specific mobile strategy, ebookers aren't compartmentalising in the same way.

The bad news for businesses is that meeting these high expectations will take a lot of hard work. Developing an effective ecommerce strategy that encompasses new trends like mobile and social commerce won't happen overnight.

And while ebookers don't need to understand that everything works in different ways across different devices or platforms, businesses must because there is a massive opportunity. And, as seen above, a big brand reputation headache is the cost of getting it wrong.

## **The time to act is now**

These high consumer expectations mean companies have no time to waste. Travel companies have had a long time to get it right online, but with emerging technologies they are not getting any benefit of the doubt.

And the complications aren't decreasing any time soon. In the last two years it's been all about smartphones, for the next two it's going to be smartphones and tablets. And who knows what will follow after that. We all just might be transacting on Facebook in the near future. So putting in place a platform-proofed strategy for the short and long term will be vital.

As Kevin clearly says, the potential rewards are plentiful, you just have to make sure that the ebooker's experience - no matter what device they use - is as good as it can possibly be.

# Case studies: managing multi-channel experiences

## **Hotels4U:**

### *achieving a return on its Tealeaf investment in only 6 months*

Hotels4U.com was originally founded as a hotel booking site for the business to business (B2B) market. However, after just four years, the company embarked on a complete rebrand and established a new operation that sold accommodations directly to consumers. This expansion was incredibly successful and the consumer site now makes up 20% of overall revenues and has over 1m hits per month.

When Thomas Cook acquired Hotels4U the site immediately became an area of strategic growth. Given its importance, Hotels4U needed to improve its customer experience to meet new corporate goals. This was particularly challenging considering that the company operates in the highly competitive travel market, where customers are sophisticated and demand a seamless experience.

Unfortunately, existing tools like web analytics did not provide Hotels4U with the comprehensive site optimisation solution that the company needed to overcome these challenges. With web analytics, Hotels4U was able to identify points in the booking process where customers abandoned their transactions. However, the high-level metrics provided few insights into why customers struggled and failed to complete their bookings.

To address these issues, Hotels4U turned to Tealeaf for an online customer experience management (CEM) solution that provides the reporting capabilities of a web analytics solution and affords the ability to understand the qualitative insights of actual customer behaviour. Now, instead of hypothesising about site trends, Hotels4U uses Tealeaf's unique replay ability (a page-by-page, browser-level recording of the actual customer experience) to quickly

diagnose and fix the problems causing poor customer experiences.

The value of Tealeaf extends across different channels at Hotels4U. For example, the call centre team uses Tealeaf insights to proactively contact customers that have abandoned their reservations. The goal being twofold, to provide a higher level of service and help customers complete their transactions. This approach has enabled Hotels4U to improve customer satisfaction and to recover a significant amount of otherwise lost revenue. In fact, Hotels4U was able to achieve a return on its Tealeaf investment within only 6 months.

*“Tealeaf helps us understand exactly what our customers experienced online and we believe this gives us a competitive advantage. We would find it difficult to operate effectively without it.”*

Head of Ecommerce at Hotels4U.com

## **Kuoni:** *resolving site obstacles*

With a heritage of providing first-class customer experiences, catering to the most discerning customers that visit exclusive destinations, Kuoni understands the importance of providing the best online experience in the market. Enabling a struggle-free journey through their site for customers, whether they are just ‘looking’ or ‘booking’, helps the travel company stay ahead of its competitors, increase its online revenue and protect its brand’s reputation.

Customers navigate Kuoni’s sites in unpredictable ways depending on their personal preferences or motivations for shopping. Even those who have fault-free experiences often drop off mid-order to compare pricing, check bank balances or simply because they get distracted. Since web analytics tools cannot differentiate between these various scenarios, Kuoni was unable to identify why actual site users abandoned bookings and could not take the appropriate actions to resolve site obstacles.

What Kuoni needed was a solution to track customer behaviour and immediately notify the company when customers encountered obstacles on their site. Kuoni also needed a better way to quantify the impact these issues had on bookings and the bottom line.



Kuoni solved its online problems by turning to Tealeaf and its customer experience management (CEM) solution. With the ability to replay visitor sessions at a page-by-page, browser level, Tealeaf enables new levels of sophistication for customer behaviour analysis. Using Tealeaf, Kuoni is now able to discover, recover and resolve customer experience flaws in live systems before issues further impact customers. The solution also enables Kuoni to differentiate real site obstacles from typical customer behaviours that do not need their attention.

*“Tealeaf has opened our eyes to sources of customer struggle that otherwise would have remained invisible. We have put these insights to practical use by, for example, completely re-working our booking engine based on actual customer behaviour.”*

Group Head User Experience, Kuoni

# Methodology

The Tealeaf/YouGov survey has been conducted using an online interview administered by members of the YouGov Plc GB panel to 350,000+ individuals who have agreed to take part in surveys. An email was sent to panellists selected at random from the base sample according to the sample definition, inviting them to take part and providing a link to the survey.

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2008 adults. Fieldwork was undertaken between 20th - 26th September 2011. The figures have been weighted and are representative of all GB adults (aged 18+).

Where comparisons are made to 2010 this references a previous version of the research conducted in August 2010.



# About Tealeaf

Tealeaf provides online customer experience management solutions and is the unchallenged leader in customer behaviour analysis. Tealeaf's CEM solutions include both a customer behaviour analysis suite and customer service optimisation suite.

For organisations that are making customer experience a top priority, these solutions provide unprecedented enterprise-wide visibility into every visitor's unique online interactions for ongoing analysis and web site optimisation. Online executive stakeholders from ebusiness and IT to customer service and compliance are leveraging Tealeaf to build a customer experience management competency across the organisation. Founded in 1999, Tealeaf is headquartered in San Francisco, California, and is privately held.

For more information, visit [www.tealeaf.com](http://www.tealeaf.com)



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