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- Independent technology research and advisory firm
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- 786 employees (as of December 31, 2006)
 - » 286 in Research
- ~2200 client companies
- Survey 250,000 consumers every year in North America, Europe, and Asia/Pacific
- Dedicated travel research practice since January 2000

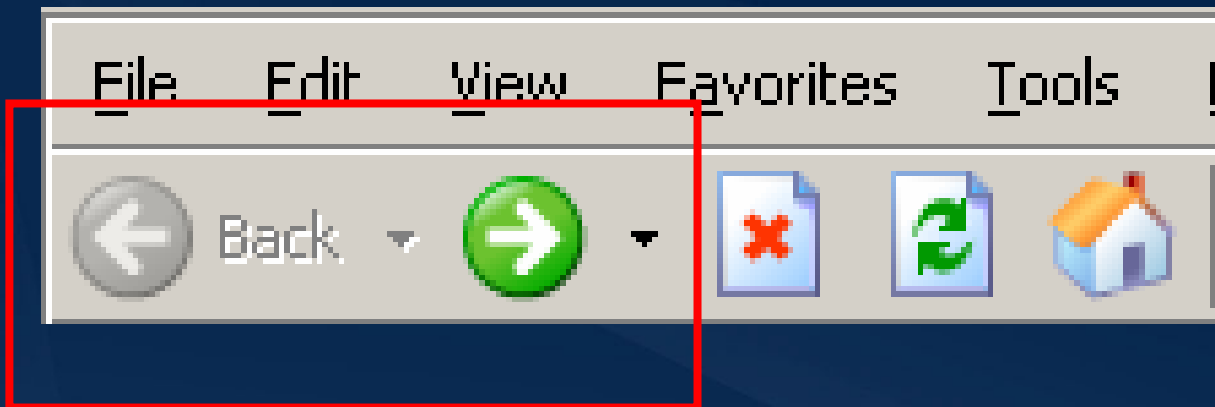


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Rounding Off Sharp Corners: Making Web Travel Planning Better

Henry H. Harteveldt

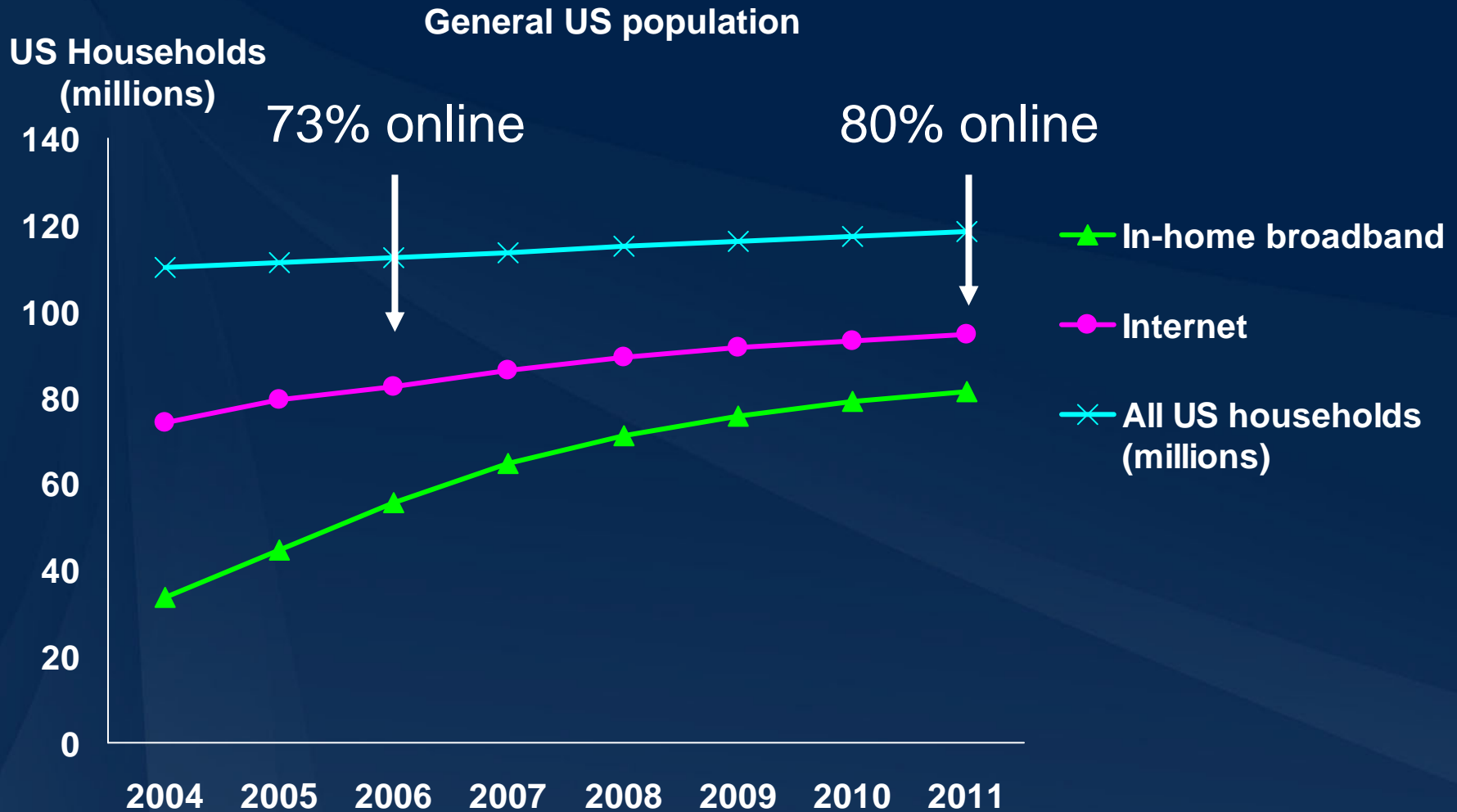
Vice President, Airline & Travel Research
Forrester Research

January 24, 2007

Theme

Travelers want help
getting beyond the
obvious

In-home broadband access fuels online activities

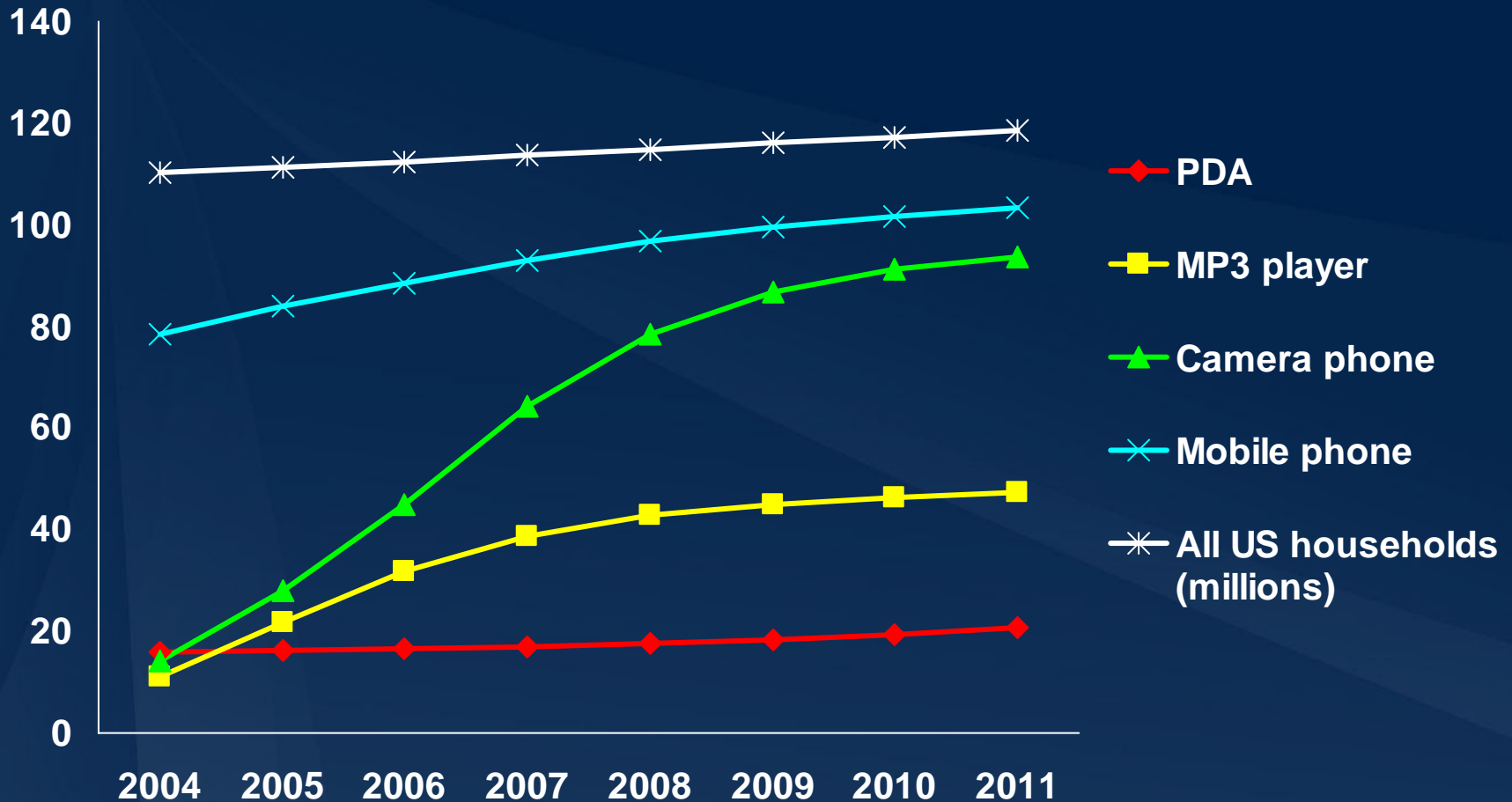


Base: US households

Source: Forrester's Consumer Technographics® North American Benchmark Studies 2004-2006

The growing popularity of mobile phones and devices enables new forms of consumer interactions

US Households
(millions)

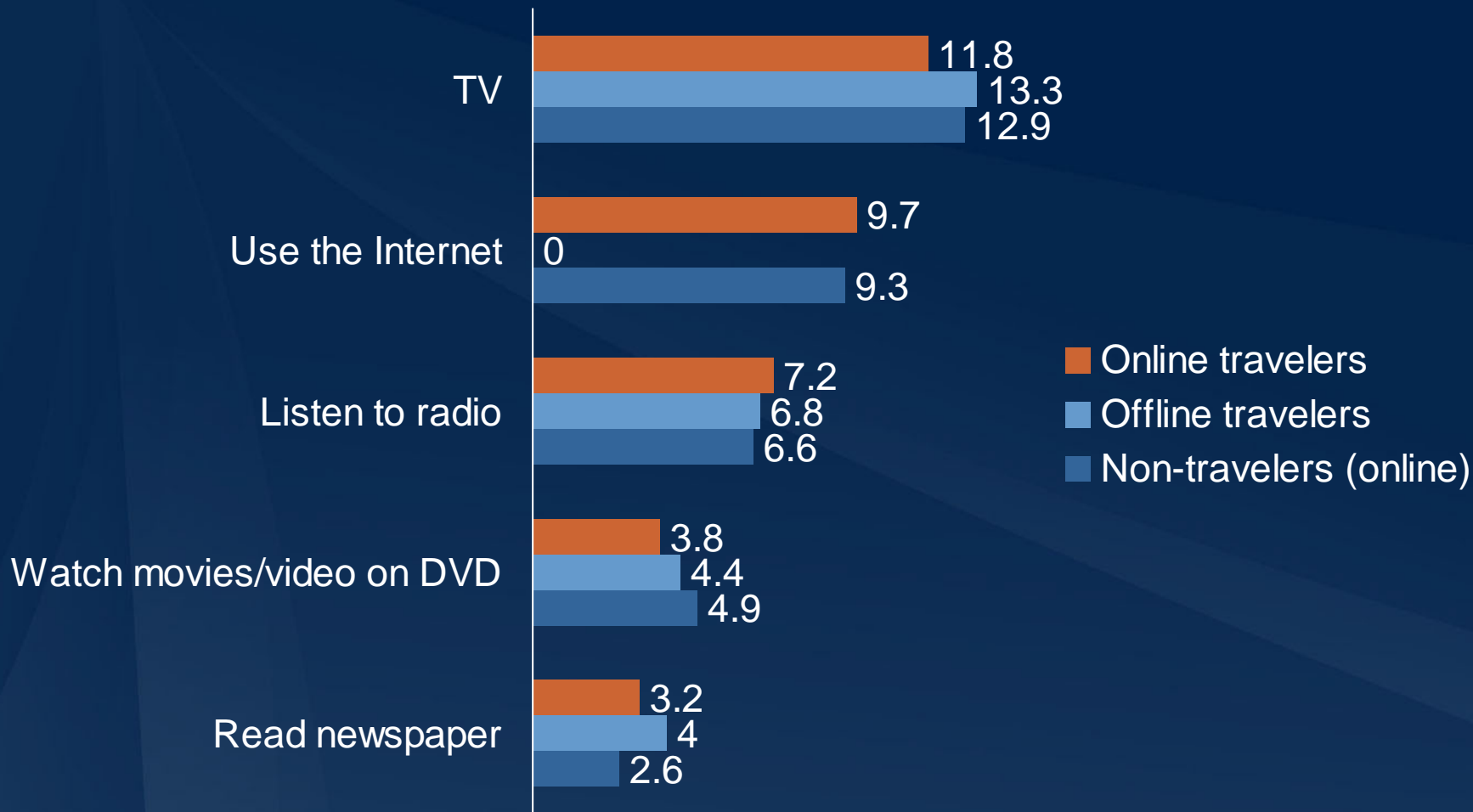


Base: US households

Source: Forrester's Consumer Technographics® North American Benchmark Studies 2004-2006

Except for the Web and radio, online travelers' spend less time with media than offline travelers

Number of hours/week each group spends using each media



Base: US households
(multiple responses accepted)

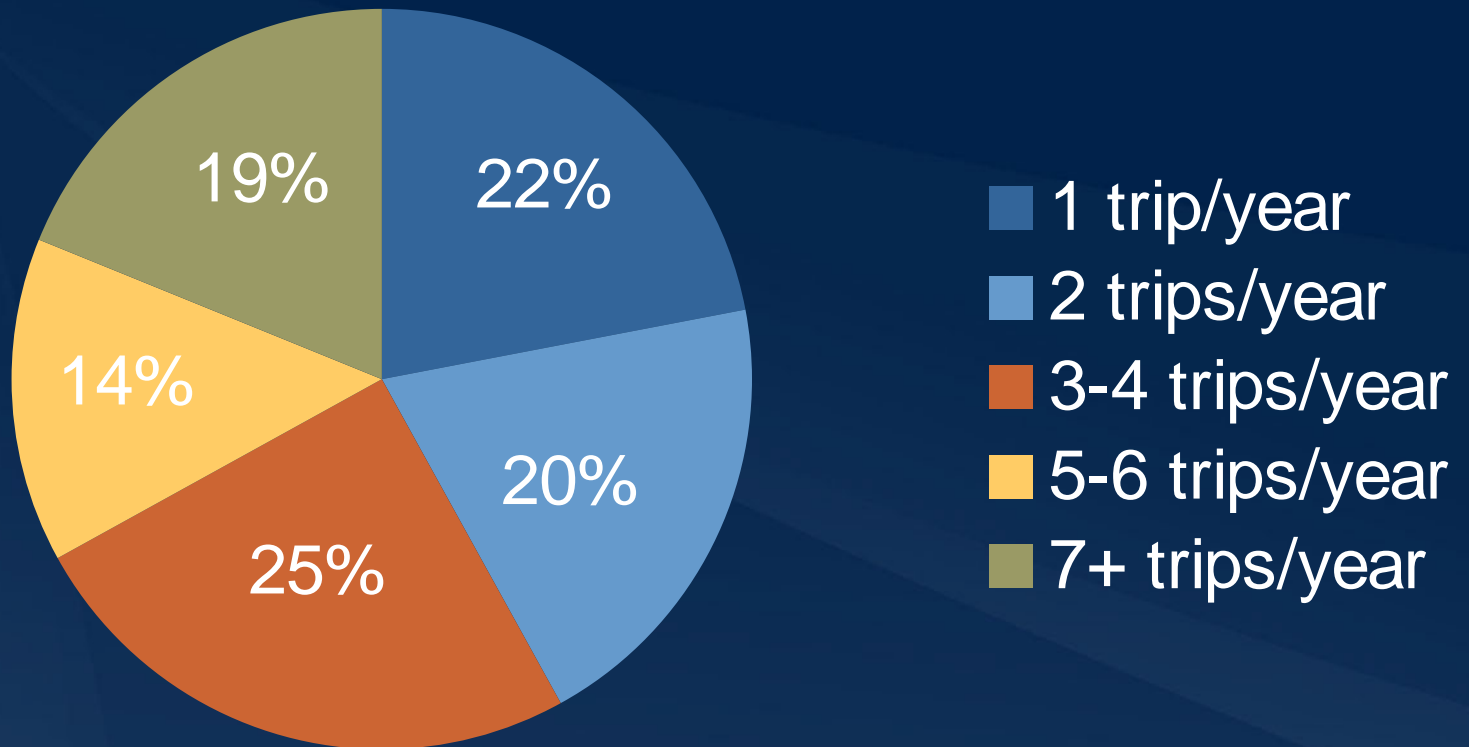
The Web is mass-market, and online travel is routine

- 82% of US travelers are now online -- nine percentage points above US average
- More than half -- 57% -- of online leisure travelers research and book online (“Bookers”)
- US leisure Bookers will buy \$86 billion of leisure travel online in 2006
 - » Online spending will exceed \$111 billion by 2010

Base: US online leisure travelers

Source: Forrester's North American Consumer technology Adoption Study Q3 2006

US online leisure travelers average 4.8 trips/year

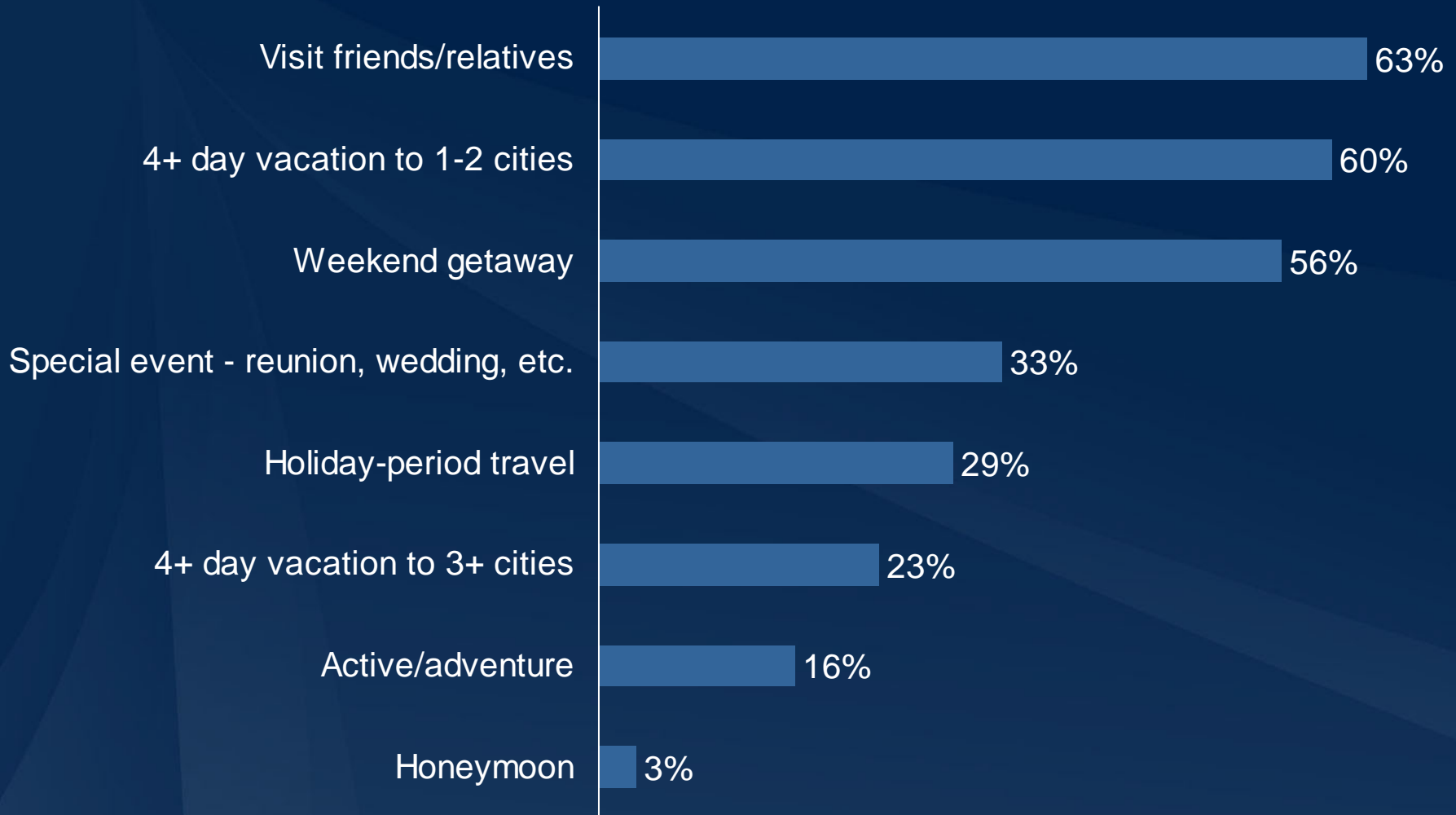


Base: US online leisure travelers

Source: Forrester's North American Consumer Technology Adoption Study Q3 2006

Simpler trips dominate the landscape

“Which of the following types of leisure/personal trips did you take in the past 12 months?”



Base: US online leisure travelers
(multiple responses accepted)

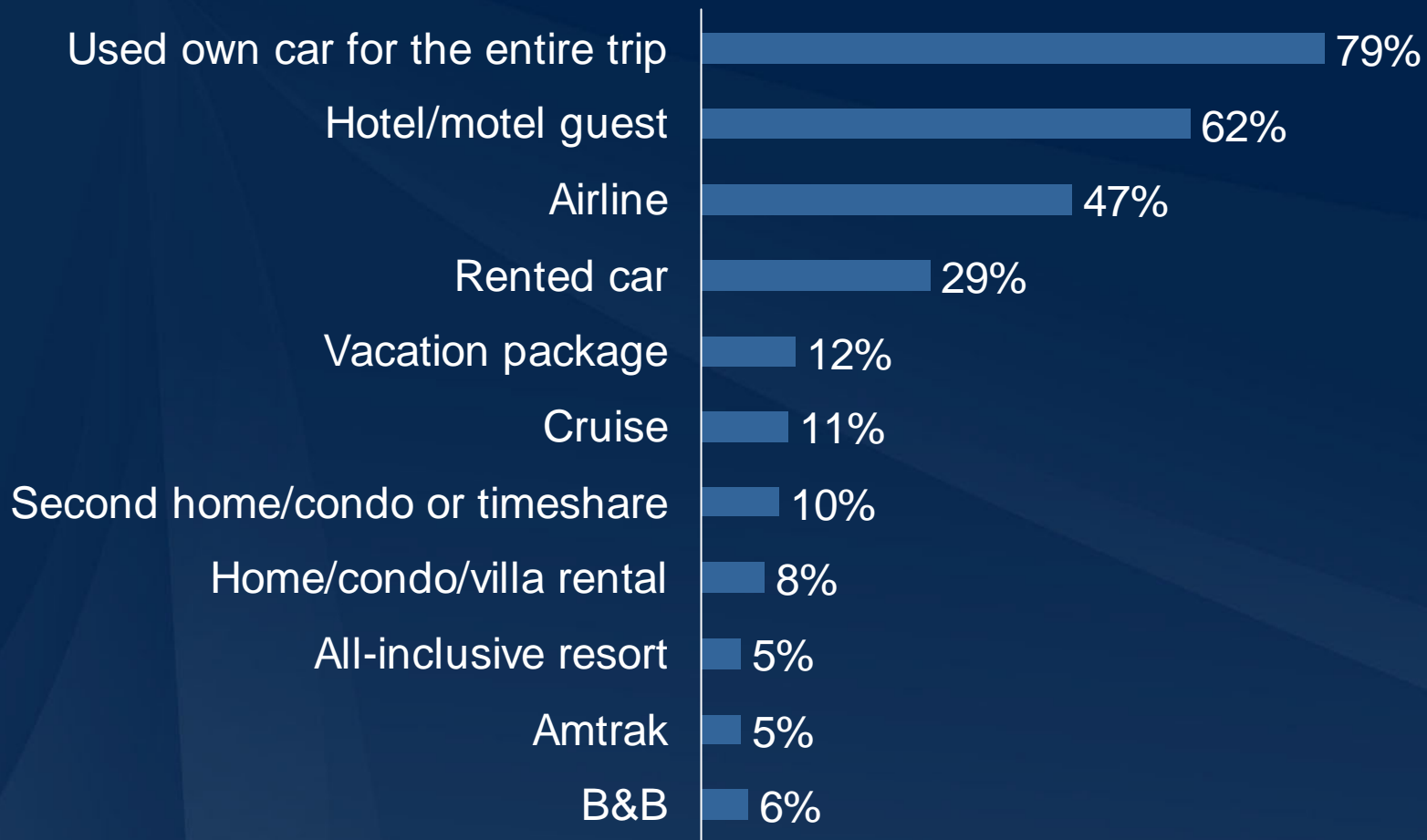
12 Source: Forrester's North American Consumer Technology Adoption Study Q3 2006

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“Travel” doesn’t necessarily mean flying or staying in traditional accommodations

“Which of the following did you purchase in the past 12 months?”



Base: US online leisure travelers
(multiple responses accepted)

13 Source: Forrester’s North American Consumer Technology Adoption Study Q3 2006

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Travelers rely on the Web to bring order to travel-planning chaos

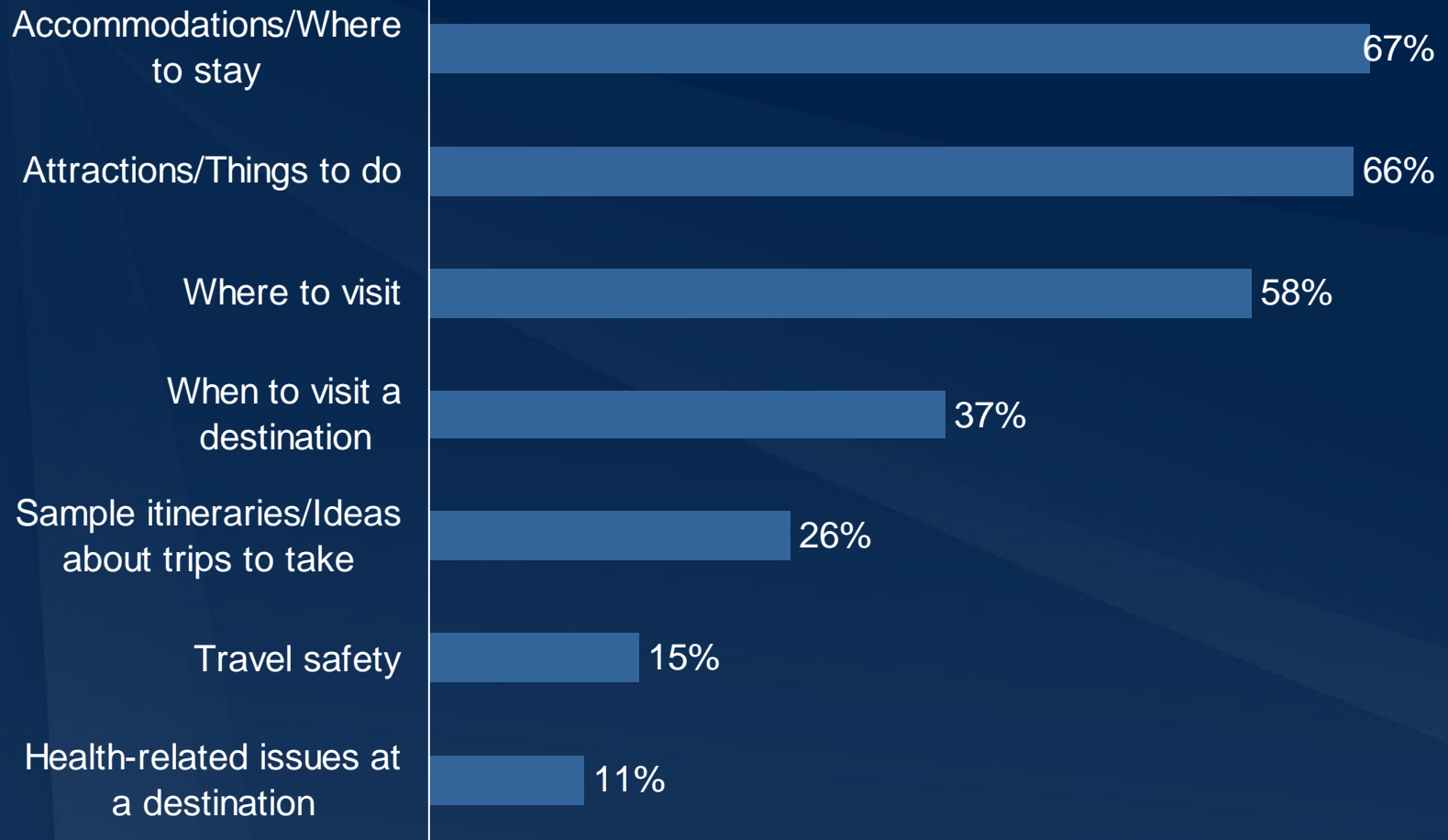
- Nearly all – 88% – like to have control over their making their travel arrangements
- It's important that travelers can learn where and when to find value, since 45% of online US leisure travelers let their budget dictate where they visit on a trip
- The overabundance of brands and ways in which they can get travel information – and buy it – has 21% saying they feel overwhelmed

To get beyond the obvious, travelers seek specificity and clarity – increasing the role content plays online

- Every travel provider has numerous assets -- the challenge is to structure and organize your Web site so travelers can access them
- 44% of Web travelers go online to find information about amenities at a specific travel provider (e.g., is there food on a flight, Internet access at a hotel, etc.)
- They want to visualize where they're going or staying
 - » 55% of Web travelers say that looking at pictures helps them choose a destination, and 60% say it helps them choose a hotel

Travelers routinely use the Web to get the 3 “i’s” of travel: ideas, inspiration, and information

“When researching or purchasing leisure/personal travel online, which of the following have you done in the past 12 months?”



Base: US online leisure travelers
(multiple responses accepted)

16 Source: Forrester's North American Consumer Technology Adoption Study Q1 2006

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Consumers turn to other consumers for guidance and advice about where to go, and where to stay

- Among all leisure travelers, one in three read other travelers' reviews of that destination
- Among leisure hotel Bookers, 64% read comments and reviews written by other guests
 - » Just 38% use professionally written reviews
- 79% of the leisure hotel Bookers take into account a hotel's diamond- or star-rating from a third-party organization, such as AAA
 - » Almost as many – 69% – use consumer ratings

Base: US online leisure travelers and (for hotel reviews) US online hotel/motel guests who researched/booked hotels online

17 Source: Source: Forrester's North American Consumer Technology Adoption Study Q1 2006

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TripAdvisor content about Cragun's

[Econo Lodge Brainerd](#)

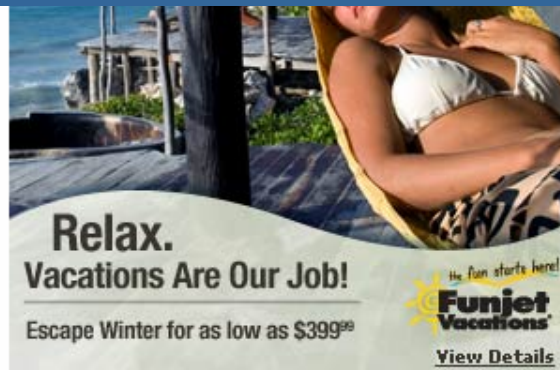
Traveler Reviews

[Write a review](#). What was your experience with Cragun's Golf Resort and Conference Center? Tell others what's hot and what's not.

Brainerd
Cragun's Golf Resort and Conference Center
11000 Craguns Drive
Brainerd, Minnesota 56401
United States

Read more

[Brainerd tourism](#)



Dec 5, 2006 ["Always A Warm Welcome"](#)
55426, mpls.



We ran into this resort about 5 years ago, they had a theme for halloween, my girls got to dress up, go throughout the resort, they had a welcome buffet on fri. a complete meal, and complimentary beer and...



Nov 27, 2006 ["Creating Lasting Memories"](#)
purde, St. Paul, Minnesota



Dear Dutch and Irma, We are writing to thank you for the always inviting and welcoming culture that you create at Cragun's. We have been guests at your resort many times, with our children and with my...



Oct 28, 2006 ["Hmmm"](#)
JenNiffer, Minneapolis, MN



We stayed at Craguns while on a business trip in Brainerd. It was an okay view of the lake, a bit obstructed. The room we stayed in was very uncomfortable and OLD, but it WAS clean. This place needs...



Oct 20, 2006 ["Very Poor Property"](#)
justboy, Minneapolis, MN
We had booked to stay one night just as a getaway from Minneapolis. We had reserved a 'Shoreline Suite' which we assumed from reading reviews and photos would be a nice choice. When we arrived, our first...



Oct 26, Management response from Nancy Krasean, Marketing

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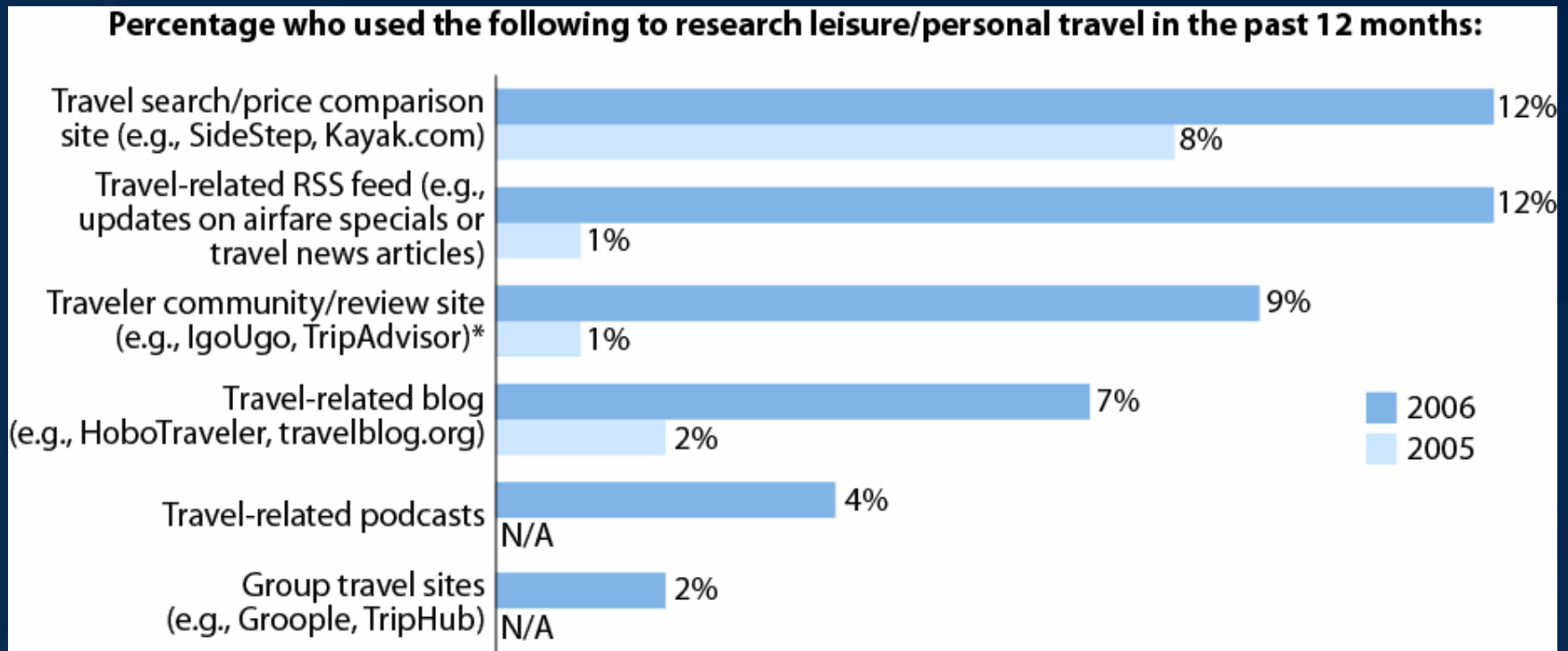
goLists™

NEW

No ordinary to-do list, these are tips and secrets from real travelers:

- ✓ Places to go
- ✓ Things to do
- ✓ Sights to see

Travelers' adoption of many social computing tools surged from 2005 to 2006



Base: US online leisure travelers who researched leisure travel online in the past 12 months (multiple responses accepted)

Source: Forrester's North American Consumer Technology Adoption Study Q3 2006 Travel Online Survey and Consumer Technographics® Q3 2005 North American Travel Online Survey

*In 2006, the question was phrased slightly differently than in 2005, so some of the increase can be attributed to the change in survey wording.

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Title	Date
Today	
Anna Nicole Smith sued by former lawyers □ (AP)	6:20 PM
The 20 Richest Women In Entertainment	• 6:20 PM
Special Report: The Celebrity 100	• 6:20 PM
Special Report: The World's Billionaires	• 6:20 PM
Special Report: The World's Most Powerful Women	• 6:20 PM
R&B singer Lloyd back in the game with hit single □ (Reuters)	• 6:17 PM
Mamas & Papas Member Doherty Dies at 66	• 6:16 PM
GE Report Raises Doubts	• 6:13 PM
IRS Checks Virtues of Charity	• 5:56 PM
Sex offender applies for school -- as a 12-year-old	• 5:54 PM
PFI firms 'make £23bn NHS profit'	• 5:40 PM
Corporate-Card Flub May Not Hurt Your Wallet	• 5:34 PM
Tennis: Sharapova through	• 5:31 PM
African Union backs Somalia plan	• 5:29 PM
Cramer's 'Mad Money Lightning Round': Don't Rag on Rite Aid	• 5:14 PM
Motorola's Net Falls, Plans Job Cuts	• 5:13 PM
Can 'Grey's Anatomy' Heal Cast Rift?	• 5:09 PM
Can 'Grey's Anatomy' heal cast rift? □ (AP)	• 5:08 PM
Connick, Not Nevilles, Closing Jazz Fest	• 5:07 PM
Chavez defends Venezuelan model	• 5:01 PM

Anna Nicole Smith sued by former lawyers (AP)

18:20 1/19/2007, [Yahoo! News: Entertainment](#)



AP - A Bahamian law firm that represented Anna Nicole Smith in the weeks following her son's death in September has asked a court to freeze her local bank accounts until she pays her legal bills.

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U.S. Markets closed

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Desktop widgets: Available to all, meaningful to one

The desktop background features a large image of a rocky coastline with the text "HAWAII! THE ISLANDS OF ALOHA" and a navigation menu. The menu includes: HAWAII ANYTIME, WEATHER REPORT, CALENDAR, PICTURE LIBRARY, WEBCAMS, SPECIAL OFFERS, E-CARDS, SEND TO A FRIEND, and FLY TO HAWAII. A red arrow points to the text "Start your vacation countdown by clicking here!" at the bottom of the main image. At the top right, a weather widget displays "64° San Francisco" and a 7-day forecast. At the bottom right, a green Wi-Fi icon is labeled "ferr2002". The taskbar at the bottom shows the Start button, several application icons, and the system tray with the time "5:52 PM".

My Network Places Forrester Applications

Recycle Bin Shortcut to Client Int...

Palm Desktop Shortcut to Surveys

Maxtor OneTouch... Shortcut to Reports

iTunes

OFF RADIO KINE The Hawaiian Music Station

HAWAII! THE ISLANDS OF ALOHA

HAWAII ANYTIME

WEATHER REPORT

CALENDAR

PICTURE LIBRARY

WEBCAMS

SPECIAL OFFERS

E-CARDS

SEND TO A FRIEND

FLY TO HAWAII

Start your vacation countdown by clicking here!

HAWAIIAN AIRLINES HAWAII STARTS HERE

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64° San Francisco

TONIGHT	WED	THU
67° 52°	68° 51°	69° 56°
FRI	SAT	MOON
72° 56°	69° 55°	87%

ferr2002

Start

Inbox - Micros...

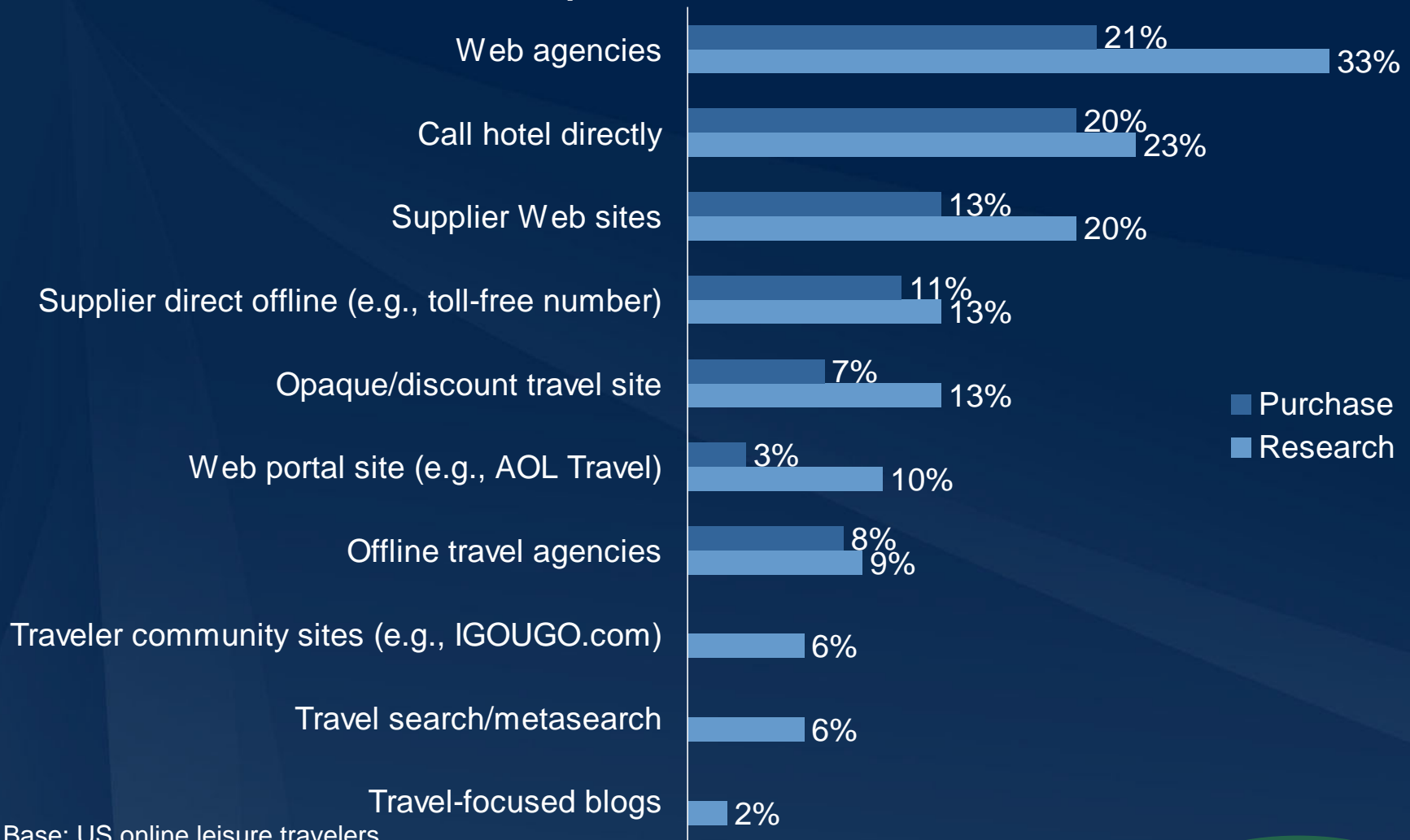
Microsoft Pow...

Hawaii Anytime

5:52 PM

Online travelers research and buy in multiple places

“Which of the following did you use to research/purchase your personal/leisure travel in the past 12 months?”



Base: US online leisure travelers
(multiple responses accepted)

25 Source: Forrester's North American Consumer Technology Adoption Study Q3 2006

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Mobile marketing -- a viable new frontier

- Mobile phones are ubiquitous among travelers
- Web browsers are now standard in nearly all mobile phones
 - » Travelers must choose to activate plans
- Mobile marketing presents new opportunities to assist the traveler
 - » Search
 - » Mobile-specific Web pages
 - » Text messaging/SMS – inbound *and* outbound
 - » Alerts

Base: US leisure travelers

26 Source: Forrester's North American Consumer Technology Adoption Study Q3 2006

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You can't think of loyalty as owning the traveler

- More travelers admit they're *disloyal* to brands than loyal
- Travelers see no value to loyalty, and the abundance of choices makes loyalty unnecessary in their minds
- Merchandising your offers and advantages, as well as your ability to help the customer with making the right decision for them, can help improve their online travel planning experience

Base: US online leisure travelers

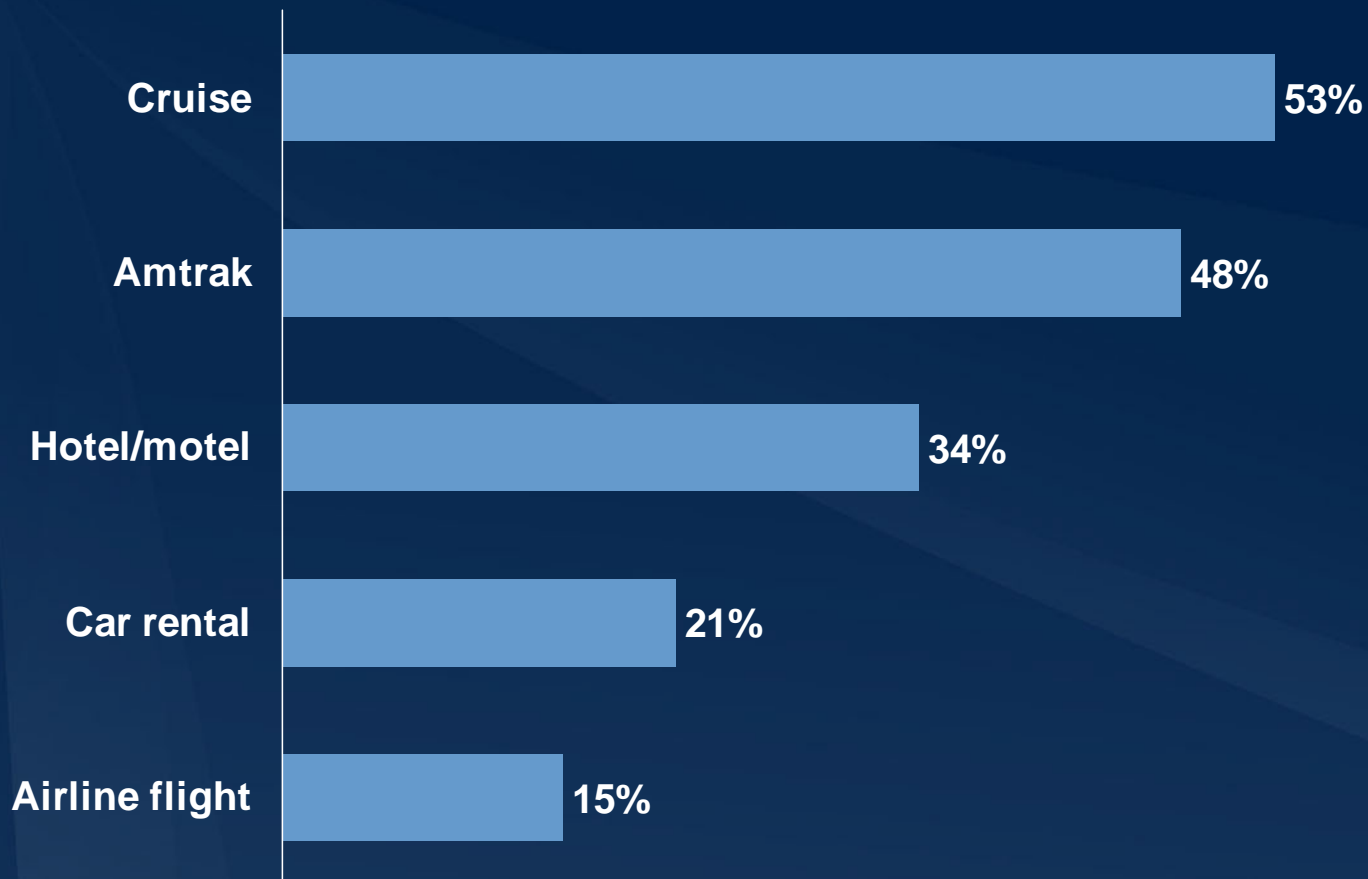
27 Source: Forrester's Consumer Technographics® 2005 North American Online Travel Study

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Travel remains a cross-channel experience -- many people research travel online and buy it offline

Percentage that researched each product online and bought it offline:



Base: US online leisure travelers who purchased each type of product

28 Source: Forrester's North American Consumer technology Adoption Study Q3 2006

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Many reasons why Web travelers abandon Web sites for their phones are within travel companies' control



Base: US online leisure travelers that researched travel online and purchased it offline in the past 12 months (multiple responses accepted)

29 Source: Forrester's North American Consumer Technology Adoption Study Q1 2006

With technology dominating seemingly everything, travelers may interact with systems more than people

- The value and quality of human interactions becomes more important
- Our digitized experienced need to be more human

Theme

Travelers want help
getting beyond the
obvious

How to improve the online travel planning and buying process

- Audit your Web site
 - » What products aren't sold online, or what information isn't published online, but can and should be?
 - » Remove "virtual brick walls" that cause customers to abandon your site
- Rethink the way you present your availability search results
 - » Deliver guidance to the traveler that provides useful perspective and encourages action
 - » Make sure product and destination attributes, rate restrictions, etc. are described in a clear and engaging manner
- Offer an internal keyword-based search engine – travelers are used to searching for things online

How to improve the online travel planning and buying process

- Make sure access to your Help section and links for click-to-call back and agent chat are prominent on descriptive pages as well as on transactional pages
- Make sure you have the content travelers need to go beyond the obvious. Utilize third-party content and tools that fill in gaps on your site, where it doesn't make sense to create it yourself
- Let users store and retrieve information – and build on it, especially for more involving products like packages and cruises, and for tourism authority/CVB sites

How to improve the online travel planning and buying process

- Use the digital media your customers use -- mobile
- Use relevant, effective tools like RSS and podcasts so travelers can get the information they want
- Take advantage of rich Internet applications like Ajax and “mash-ups” that allow you to enrich the user experience and let travelers maintain control of how they interact with your site

Thank you/Q&A

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