An iPerceptions & HSMAI Special Report

Online Satisfaction and Experience in the Hospitality Industry

Q1 2012

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About the Report

The following report is based on immediate post-experience feedback from 163 iPerceptions webValidator and 4Q Suite surveys deployed on hospitality websites around the world. The data represents aggregated information obtained from over 92,000 visitors between January 1 and March 31, 2012.

Executive Summary

Setting the Stage

The majority of hospitality website visitors are leisure travelers (60%), however it is the business traveler group that typically has more success when visiting a hospitality website. A consistently higher prominence of repeat visitors and loyalty program members within the business cohort helps explain this, as they become more familiar with a website and develop a higher level of brand involvement.

Noteworthy for Q1 2012 is that despite fewer loyalty program members and repeat visitors, overall experience and task completion improved significantly among business travelers. Perhaps this is a result of websites optimizing content for the business traveler in an effort to better meet their needs. Many brands have recognized in recent years that business and leisure travelers look for different types of information, and have addressed these needs by providing content specific to their context of their trip.

Overall Experience

The Overall Experience score for the hospitality industry improved significantly in Q1 2012, along with all Attribute ratings. In particular, evaluations of price/value (Bottom line) and top of mind brand consideration (Starting point) gained the most ground, particularly among business travelers. Importantly, however, is that the Bottom line Attribute remains the lowest ranked element of the online experience, indicating that visitors continue to expect hospitality providers to offer more for less, and thus shop around for the best deal they can find.

Regression analysis shows that website "Responsiveness" is the lowest rated and most influential Key Driver of the visitor's overall online experience. This means that hospitality providers must prioritize ensuring that the website is functioning optimally, that room inventory is up to date and that all features are working smoothly in order to maximize website satisfaction and boost chances of conversion.

Purpose of Visit & Task Completion

Approximately 40% of website visitors are Lookers, while 25% are Bookers. Business travelers are more likely to be Bookers than their leisure counterparts, where the latter is more focused on finding hotel information and comparing rates as part of the evaluation process.

Overall task completion decreased slightly to 70% in Q1 2012 mainly due to lower success rates when trying to find hotel information or complete other tasks, such as checking loyalty points balances. Generally, business travelers are better able to complete their tasks than leisure travelers, mainly because business travelers are more frequent site visitors, thus facilitating their online experience. Of note is that task completion among business Bookers increased significantly in Q1 2012, from 31% to 33%.

Price continues to be the leading reason for failed task completion among Bookers, which is not surprising given that the Bottom Line Attribute is rated as one of the lowest parts of the overall online experience. Visitors complained that rates were too expensive and that they could be obtained for cheaper elsewhere. Ten percent indicated that they encountered problems while booking, such as having to re-enter information and availability and rates changing during their session. Further, 10% claimed that they could not find any availability for when they wanted to travel, where some voiced that they were able to successfully book after calling the establishment directly. And another 10% cited information issues as a reason for not booking – either they could not find the information they were seeking, or that they needed an additional level of granularity to the information already provided. Technical issues decreased slightly this quarter, down to 3% from 4% in Q4 2011.

Loyalty Program Membership

Over the past two years, loyalty program membership has grown steadily quarter to quarter, mostly a function of brands investing in initiatives to foster conversion and promote brand growth in light of the economic downturn during that time. Q1 2012, however, marks the first quarter since 2010 where membership actually decreased significantly versus the previous quarter. Perhaps this is reflective of fewer marketing efforts being placed into loyalty program growth. Or, it could be a symptom of "loyalty program overload", where consumers are members of so many loyalty programs that they have simply reached their saturation point.

Path to Site

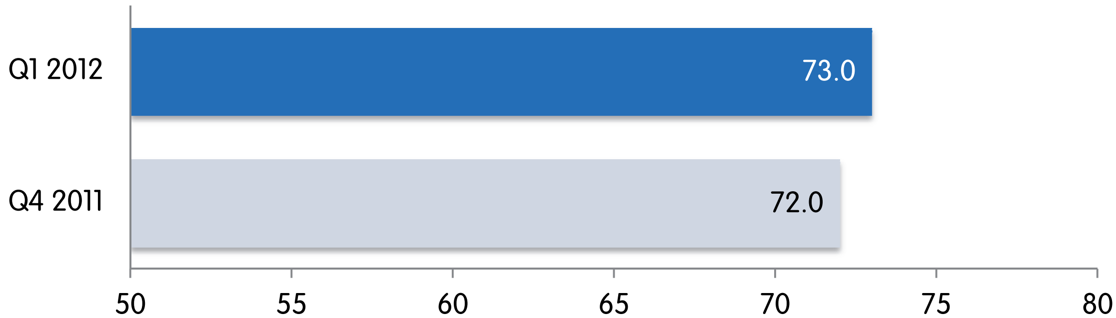
Usage of a search engine was the leading path to a brand's website in Q1 2012, up significantly from Q4 2011. This finding is to be expected, however, given that there was a significant rise in 1st time visitors to hospitality websites (29% in Q1 2012 vs 27% in Q4 2011, respectively). One in four types in the URL, and 15% use a bookmark. As might be expected, overall experience and task completion are highest among visitors who use a bookmark to reach a website, mainly because they tend to be more frequent visitors and project a stronger brand affinity. Those who use a search engine, on the other hand, post some of the lowest rates of overall experience and task completion. Much of this is linked to the fact that many search engine users are 1st time website visitors, but this underscores the point that hospitality sites must be easy to navigate and intuitive to use in order to maximize the experience of the novice visitor and encourage them to return and adopt the site long term.

The Road Ahead

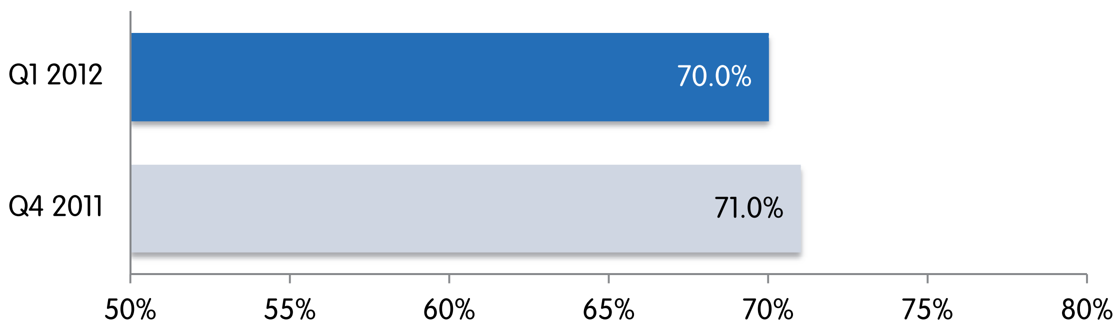
With satisfaction metrics improving among business travelers, the key will be to maintain this trend by continuously striving to meet their needs. This means delivering the most relevant information in the most convenient way. Mobile device ownership among business travelers is almost universal, and according to PhoCusWright, 77% of frequent business travelers have used their mobile devices to find local services (e.g. lodging) and nearby attractions. Further, Google reports that searches for hotel information on a mobile device have increased by 3,000 percent since 2009. Therefore, hospitality brands should invest in their mobile sites as an essential platform to reach their customers by providing easily accessible information and enabling quick and intuitive booking, as this is clearly the channel of the future.

Online Satisfaction and Experience in the Hospitality Industry – Q1 2012

Overall Satisfaction

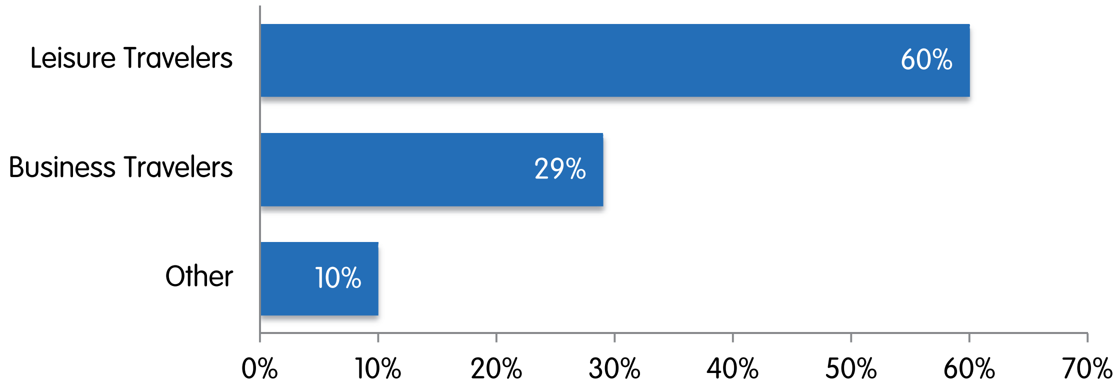


Task Completion



Online Satisfaction and Experience in the Hospitality Industry – Q1 2012

Type of Traveler



	Percent Share		Overall Satisfaction		Task Completion	
	Q1 2012	Q4 2011	Q1 2012	Q4 2011	Q1 2012	Q4 2011
Leisure Traveler	60%	59%	73	73	70%	71%
Business Traveler	29%	30%	74	72	79%	77%
Other	10%	10%	72	72	68%	67%

Hotel Category – Overall Satisfaction and Task Completion

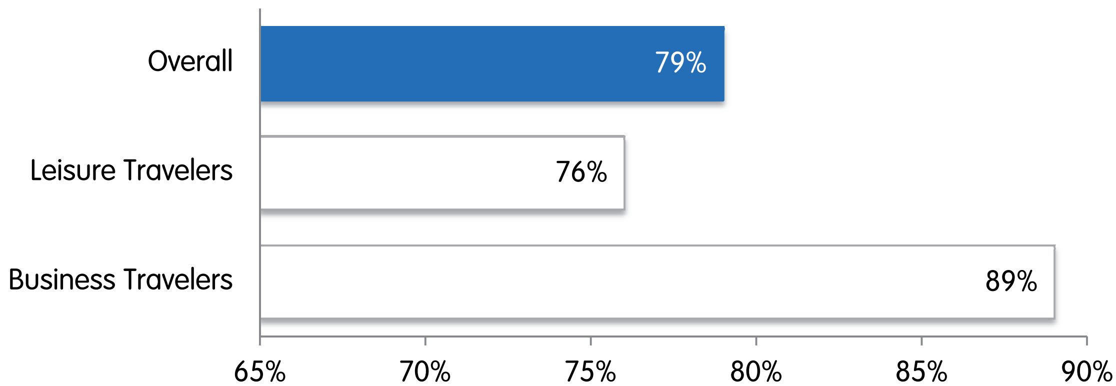
	Overall Satisfaction		Task Completion	
	Q1 2012	Q4 2011	Q1 2012	Q4 2011
Luxury	73	72	72	70%
Midscale	74	74	73	74%
Economy	73	71	70	69%
Extended Stay	75	78	77	80%

Online Satisfaction and Experience in the Hospitality Industry – Q1 2012

Type of Traveler by Hotel Category

	Luxury		Midscale		Economy		Extended Stay	
	Q1 2012	Q4 2011	Q1 2012	Q4 2011	Q1 2012	Q4 2011	Q1 2012	Q4 2011
Leisure Travelers	56%	55%	65%	65%	67%	70%	52%	46%
Business Travelers	35%	36%	22%	23%	13%	11%	37%	41%
Other	9%	10%	13%	12%	21%	19%	11%	13%

Loyalty Program Membership by Type of Traveler

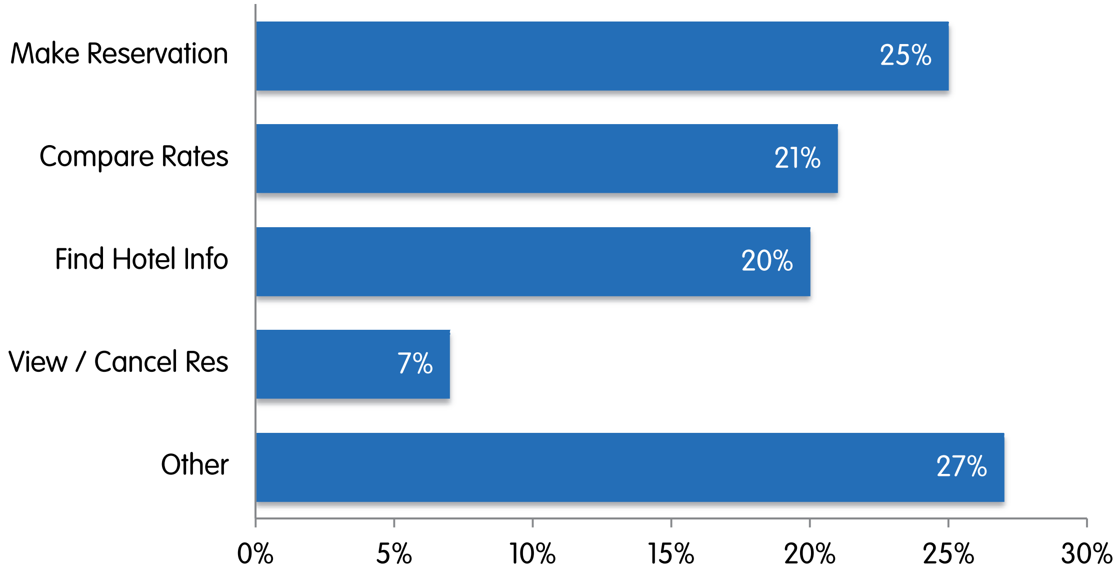


	Overall		Leisure Travelers		Business Travelers	
	Q1 2012	Q4 2011	Q1 2012	Q4 2011	Q1 2012	Q4 2011
Membership	79%	81%	76%	78%	89%	90%

Visit Frequency by Type of Traveler

	Overall		Leisure Travelers		Business Travelers	
	Q1 2012	Q4 2011	Q1 2012	Q4 2011	Q1 2012	Q4 2011
First-time Visitor	29%	27%	31%	30%	21%	19%
Repeat Visitor	71%	73%	69%	70%	79%	81%

Purpose of Visit



	Percent Share		Overall Satisfaction		Task Completion	
	Q1 2012	Q4 2011	Q1 2012	Q4 2011	Q1 2012	Q4 2011
Make Reservation	25%	26%	73	72	68%	68%
Compare Rates	21%	20%	72	72	70%	69%
Find Hotel Info	20%	20%	74	74	68%	70%
View / Cancel Res	7%	7%	76	72	79%	76%
Other	27%	27%	72	72	73%	75%

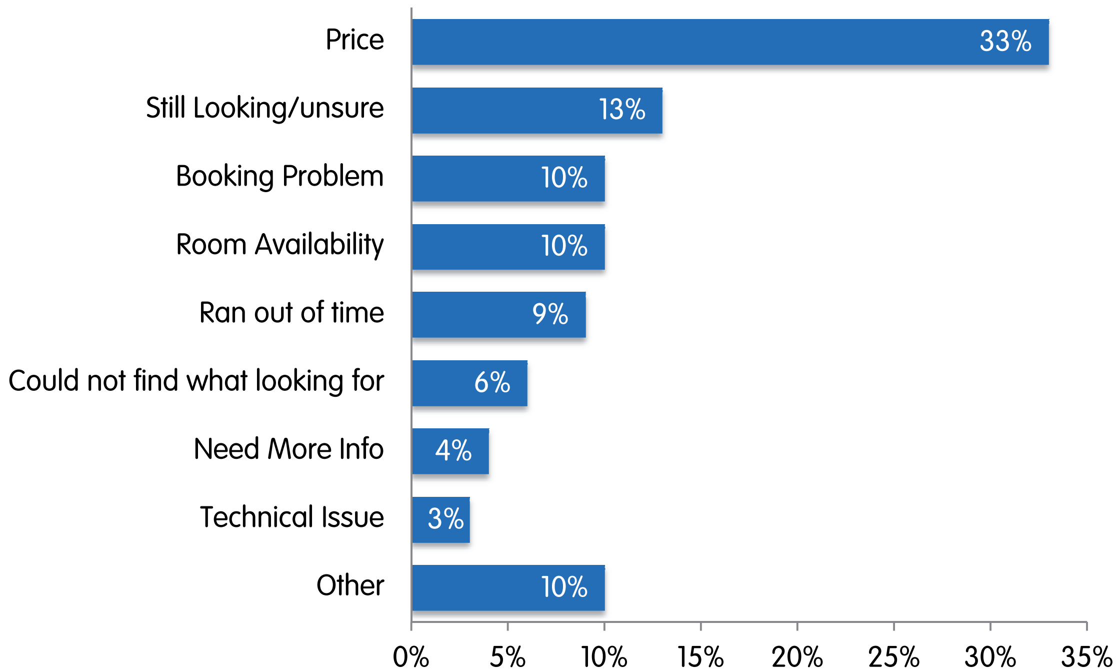
Purpose of Visit by Type of Traveler

	Leisure Travelers		Business Travelers	
	Q1 2012	Q4 2011	Q1 2012	Q4 2011
Make Reservation	29%	29%	33%	31%
Compare Rates	28%	24%	14%	12%
Find Hotel Info	18%	18%	9%	8%
View / Cancel Res	5%	5%	8%	9%
Other	21%	23%	36%	39%

Task Completion by Purpose of Visit by Type of Traveler

	Leisure Travelers		Business Travelers	
	Q1 2012	Q4 2011	Q1 2012	Q4 2011
Make Reservation	70%	69%	78%	76%
Compare Rates	68%	69%	74%	77%
Find Hotel Info	67%	67%	76%	74%
View / Cancel Res	79%	76%	82%	75%
Other	75%	77%	81%	79%

Task Completion Barriers for Bookers*

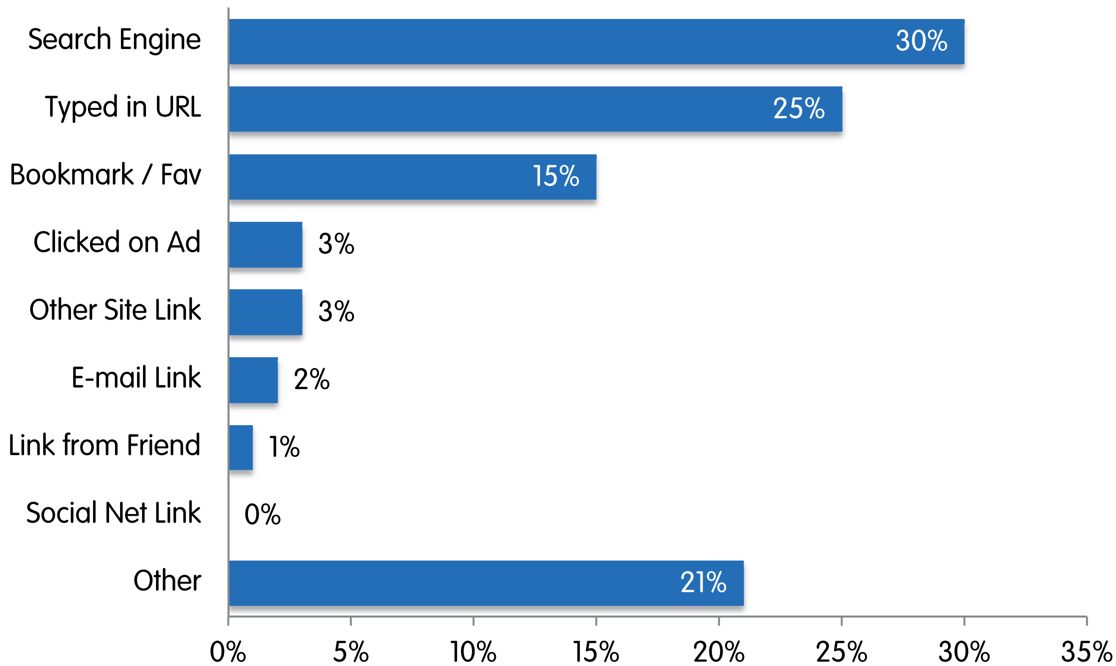


Percent Share

	Q1 2012	Q4 2011
Price	33%	30%
Still Looking/unsure	13%	14%
Booking Problem	10%	12%
Room Availability	10%	11%
Ran out of time	9%	9%
Could not find what looking for	6%	8%
Need More Info	4%	5%
Technical Issue	3%	4%
Other	10%	7%

*Bookers: Purpose of Visit = 'Make a Reservation'

Path to Site

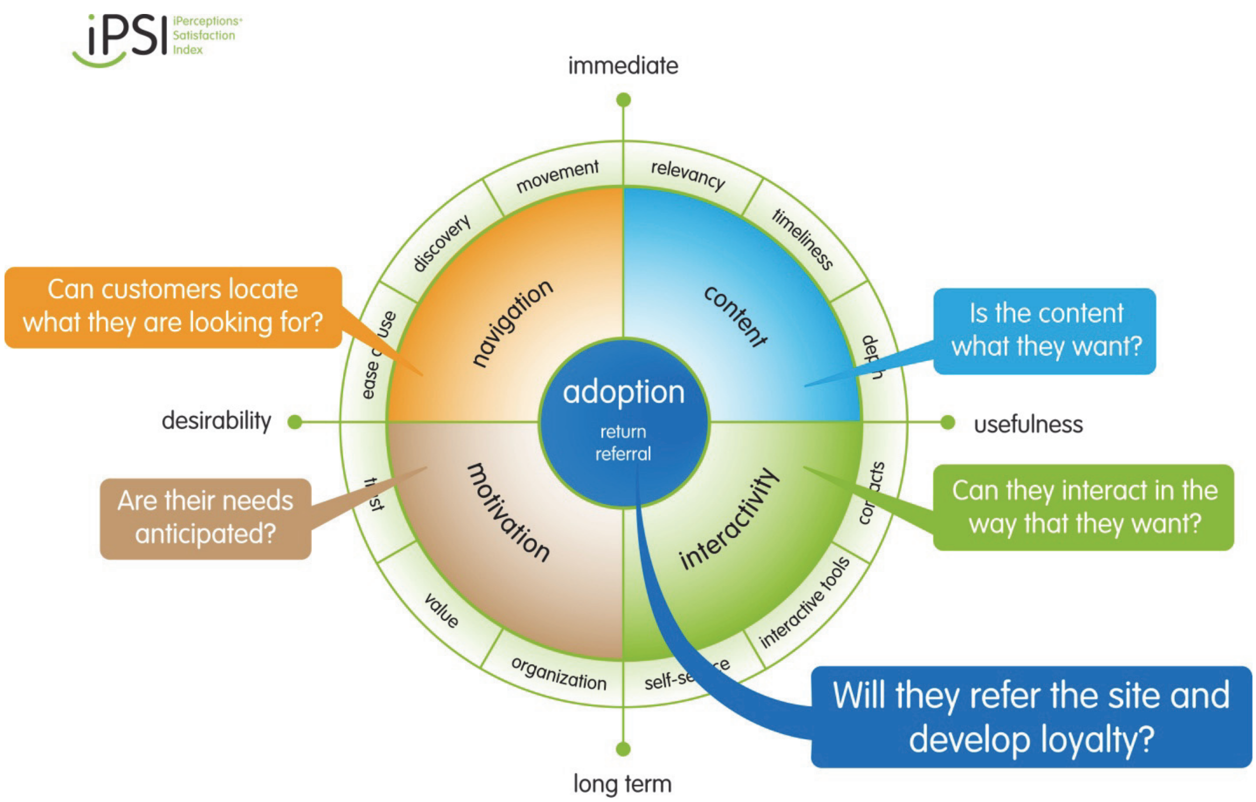


	Percent Share		Overall Satisfaction		Task Completion	
	Q1 2012	Q4 2011	Q1 2012	Q4 2011	Q1 2012	Q4 2011
Search Engine	30%	27%	69	70	60%	61%
Typed in URL	25%	28%	72	73	62%	65%
Bookmark / Fav	15%	17%	75	76	67%	66%
Clicked on Ad	3%	3%	71	69	61%	58%
Other Site Link	3%	1%	69	69	65%	68%
Email Link	2%	1%	73	72	67%	68%
Link from Friend	1%	--	74	--	71%	--
Social Net Link	--	--	--	--	--	--
Other	21%	22%	72	73	64%	62%

Path to Site by Visit Frequency

	First-Time Visitors		Repeat Visitors	
	Q1 2012	Q4 2011	Q1 2012	Q4 2011
Search Engine	33%	35%	28%	23%
Typed in URL	20%	22%	28%	32%
Bookmark / Fav	5%	5%	19%	21%
Clicked on Ad	4%	4%	2%	2%
Other Site Link	1%	--	2%	1%
Email Link	2%	1%	1%	1%
Link from Friend	--	--	1%	--
Social Net Link	--	--	--	--
Other	35%	32%	19%	19%

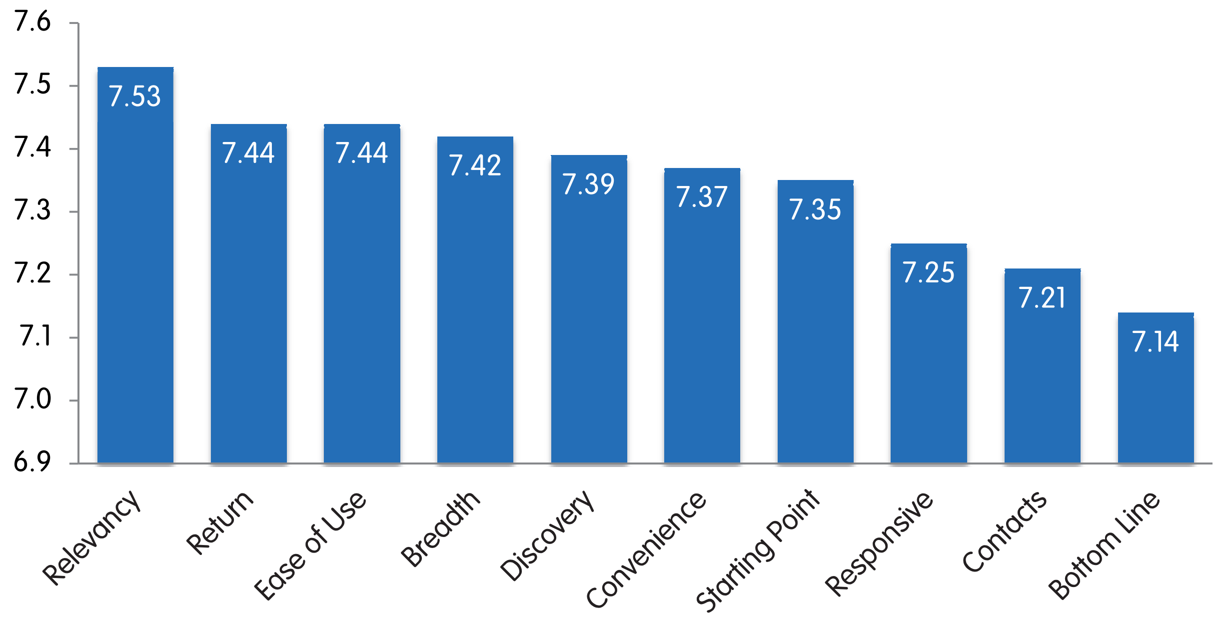
iPerceptions Perceptual Framework



Attribute Questions

Dimension	Attribute	Question
Adoption	Starting Point	...is one of the first sites you use when you plan a trip or event?
	Return	...encourages you to return?
Content	Breadth	...covers the range of information you need?
	Relevancy	...has content that is relevant to the purpose of your visit?
Interactivity	Contacts	...enables you to identify and contact the right people?
	Responsive	...is truly interested in responding to your needs?
Motivation	Bottom Line	...can save you money on room rates?
	Convenience	...is the most convenient way to choose your hotel accommodations?
Navigation	Discovery	...enables you to find what you're looking for?
	Ease of Use	...is easy for you to navigate?

Attribute Ratings

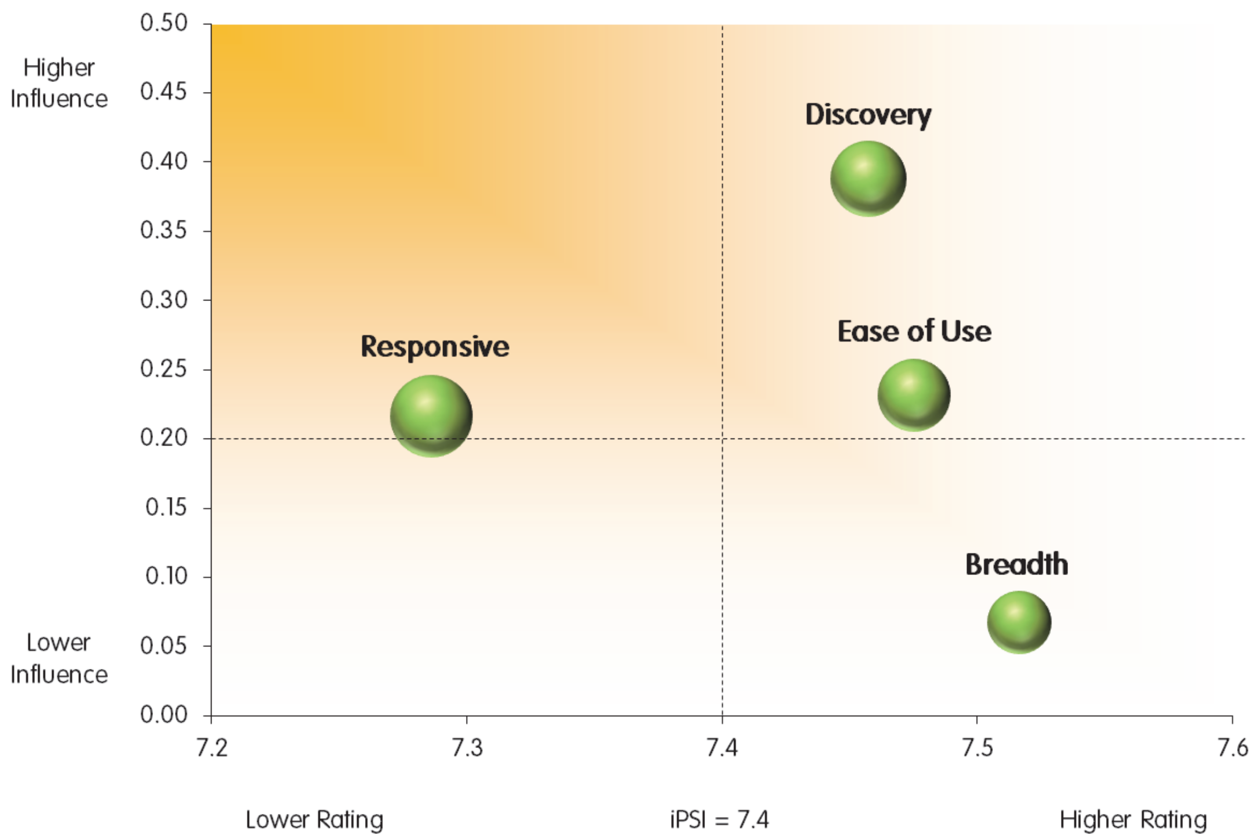


	Overall		Leisure Travelers		Business Travelers	
	Q1 2012	Q4 2011	Q1 2012	Q4 2011	Q1 2012	Q4 2011
Relevancy	7.53	7.48	7.54	7.52	7.59	7.47
Return	7.44	7.40	7.46	7.45	7.45	7.35
Ease of Use	7.44	7.39	7.46	7.45	7.43	7.31
Breadth	7.42	7.38	7.43	7.41	7.49	7.38
Discovery	7.39	7.35	7.40	7.39	7.45	7.33
Convenience	7.37	7.31	7.38	7.35	7.39	7.29
Starting Point	7.35	7.25	7.38	7.29	7.37	7.26
Responsive	7.25	7.20	7.27	7.25	7.25	7.13
Contacts	7.21	7.14	7.24	7.21	7.20	7.05
Bottom Line	7.14	7.02	7.13	7.03	7.19	7.02

Attribute Ratings by Loyalty Program Membership

	Members		Non-members	
	Q1 2012	Q4 2011	Q1 2012	Q4 2011
Relevancy	7.67	7.60	7.07	7.05
Return	7.59	7.53	6.92	6.93
Ease of Use	7.53	7.46	7.09	7.08
Breadth	7.57	7.51	6.98	6.97
Discovery	7.54	7.47	6.94	6.93
Convenience	7.51	7.44	6.92	6.93
Starting Point	7.58	7.49	6.66	6.66
Responsive	7.37	7.30	6.89	6.87
Contacts	7.34	7.23	6.86	6.85
Bottom Line	7.36	7.26	6.71	6.67

Key Drivers of Online Satisfaction for Bookers*



The following Attributes together best predict overall site satisfaction for in-market visitors.

Dimension	Attribute	Question
Interactivity	Responsive	...is truly interested in responding to your needs?
Navigation	Discovery	...enables you to find what you're looking for?
Navigation	Ease of Use	...is easy for you to navigate?
Content	Breadth	...covers the range of information you need?

*Bookers: Purpose of Visit = 'Make a Reservation'

About iPerceptions and HSMAI

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iPerceptions is the leader in online Voice of Customer analytics, using advanced intercept surveys to gather feedback from representative samples of real visitors. Its webValidator Continuous Listening solution and 4Q Suite solution turn millions of data points into easy-to-understand strategic and tactical decision support, while its Web Analytics Solution Profiler (WASP) provides superior web analytics quality assurance. iPerceptions' clients include well-known brands such as InterContinental Hotels, Fairmont, Best Western, Choice Hotels International and Wyndham Vacations. For more information, please visit www.iperceptions.com.

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