Hospitality Industry Report

Q2 2009

1 April–30 June 2009

.·iperceptions®

Customer Driven Optimization™

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In last quarter's report, we presented data showing that leading hospitality brand websites were dealing with twin challenges: an unprecedented economic situation that was causing both lookers and bookers to ratchet up their cost consciousness; and an influx of new visitors, a segment that traditionally is harder to please than more frequently-visiting cohorts.

iPerceptions survey data from Q2 2009 highlights a crucial point: hospitality websites are still struggling to convert on booking intent. Only 60% of would-be bookers actually completed a reservation during the course of their visits. Put differently, 4 in 10 visitors onsite to make a reservation walked away without completing a transaction. One could be tempted to attribute this abandonment to cost sensitivity. Our data suggest, however, that the barriers to conversion in Q2 had more to do with usability and technical hurdles. Over 40% of would-be bookers reported that they abandoned the booking process because of a usability problem with the booking engine or because of a technical/navigation issue in another section of the website.

At the same time, cost consciousness remained a front-burner issue in Q2. The overall industry score for Bottom Line--the attribute that measures cost sensitivity--continued to be the lowest-scoring attribute, with a score of 6.72. With rising gas costs and rising unemployment, hospitality marketers must be more inventive with their pricing and promotion strategies. Otherwise, they will continue to struggle to satisfy researchers and rate shoppers, who collectively posted the lowest iPSI score among the leading visitor intent segments in Q2.

Customer satisfaction correlated strongly with visitor loyalty. Although they composed close to half of the visitor population, first-timers collectively posted an iPSI of only 6.85. Hospitality sites are struggling to satisfy this drive-by traffic; search engines drove the most visitors (56%), so aligning site content with the top search keywords is of paramount importance.

Data contained in the Hospitality Industry Report for Q2 2009 represents aggregated information obtained from 30 webValidator™ studies deployed on the web sites of leading hospitality brands. This industry specific database accretes data from 123,847 visitors. Additionally, the webValidator study data is supplemented with results from hundreds of hospitality websites running the free 4Q online survey.

Industry Benchmarks

Hospitality iPerceptions Satisfaction Index (iPSI) Definition

The Hospitality iPSI Index is established by using a common set of 10 attribute questions derived from the five web site dimensions of iPerceptions strategic behavioral framework—those being Navigation, Content, Interactivity, Motivation and Adoption. The iPSI Index serves as a comparative benchmark allowing web site managers to continually measure their relative position within the hospitality sector.

iPSI Profile and Percentile

	5.0	5.4	5.8	6.2	6.6	7.0	7.4
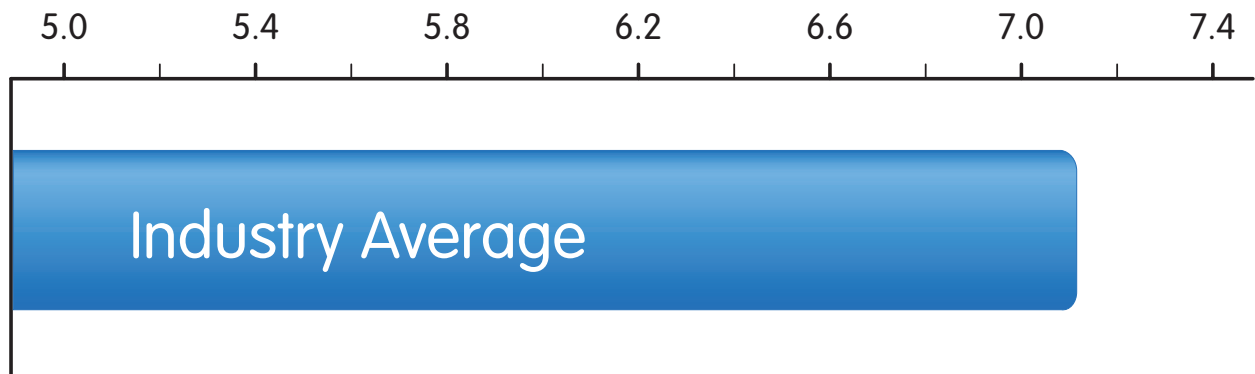
Industry Average

	Industry Average	Max	Quartile 3	Quartile 2	Quartile 1	Min
Hospitality–iPSI	7.12	7.52	7.32	7.20	6.94	6.29

Hospitality iPSI—Attribute Comparison
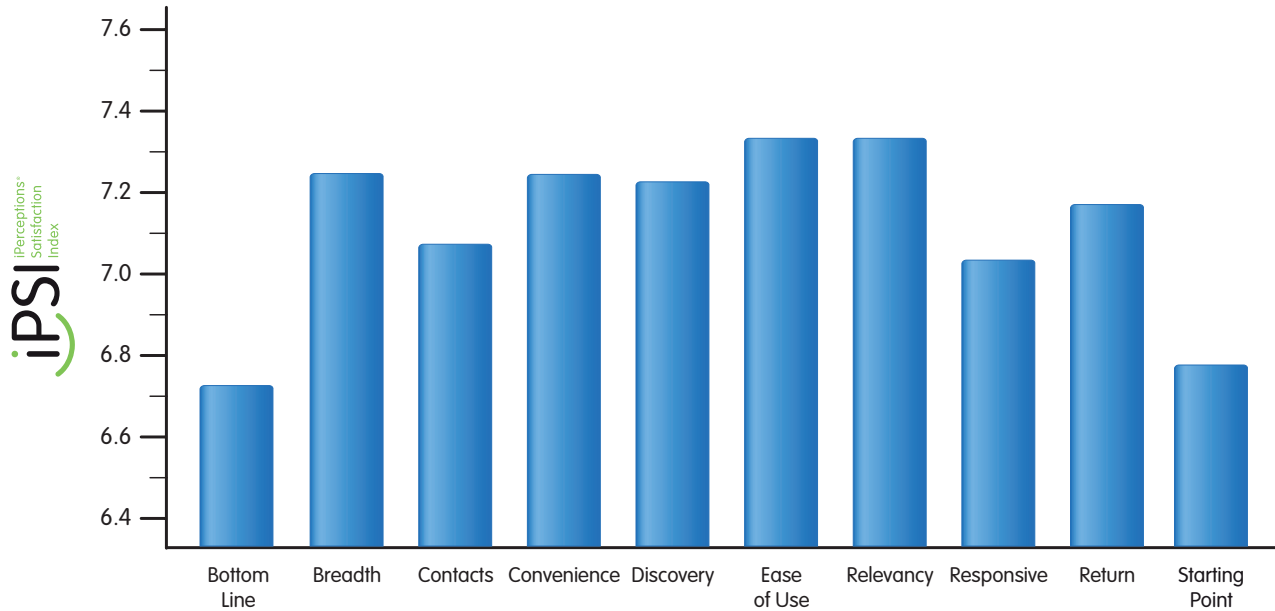
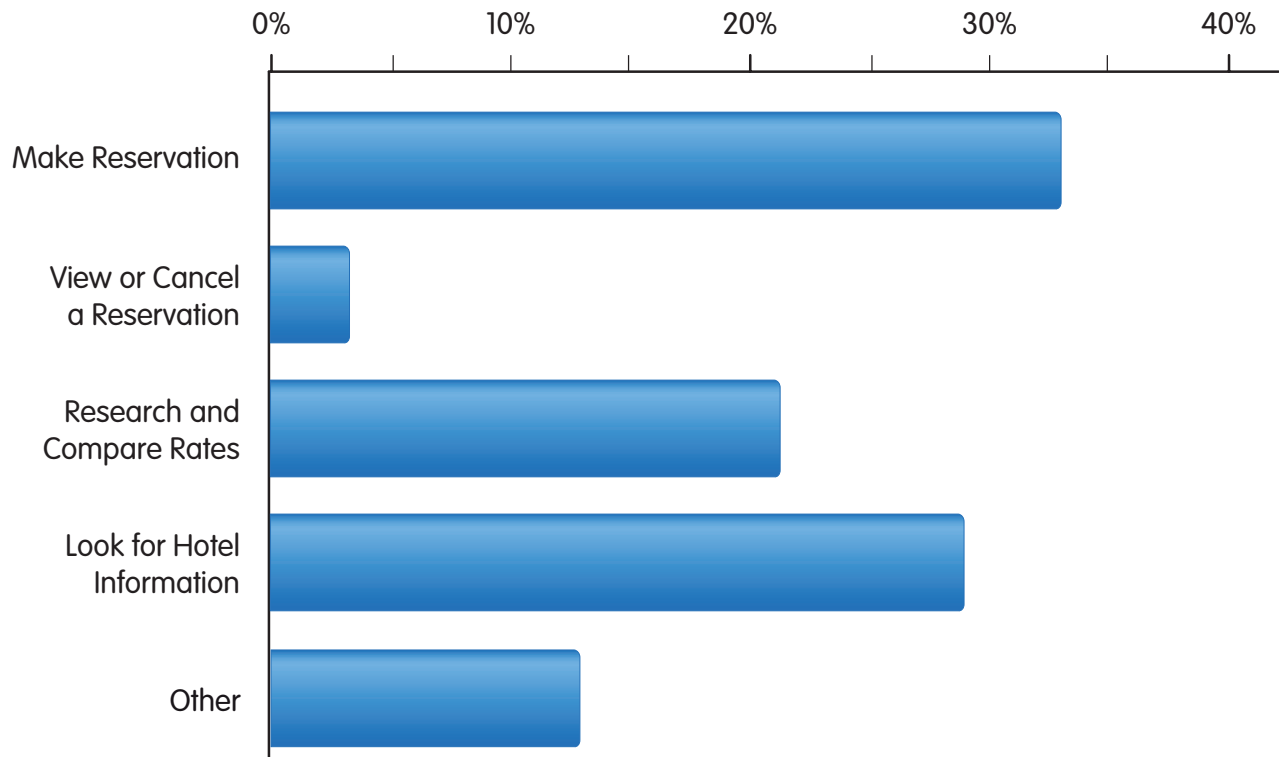| Attribute	Industry Average	Max	Quartile 3	Quartile 2	Quartile 1	Min
Bottom Line	6.72	7.13	6.97	6.77	6.53	5.85
Breadth	7.25	7.68	7.47	7.30	7.06	6.40
Contacts	7.07	7.47	7.25	7.13	6.92	6.33
Convenience	7.24	7.67	7.43	7.27	7.06	6.39
Discovery	7.22	7.62	7.42	7.30	7.07	6.24
Ease of Use	7.33	7.71	7.49	7.40	7.20	6.43
Relevancy	7.33	7.68	7.47	7.30	7.06	6.40
Responsive	7.03	7.39	7.22	7.09	6.81	6.20
Return	7.17	7.71	7.36	7.21	7.01	6.39
Starting Point	6.78	7.61	7.19	7.00	6.30	5.71

Individual Attribute Comparisons

Verbatim Attribute Questions

Based on your best online experience, how would you rate www.website.com as a site that…

| Dimension	Attribute	Industry Average
Adoption	Starting Point	…you use whenever 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 accomodations?
Navigation	Discovery	…enables you to find what you're looking for?
	Ease of Use	…is easy for you to navigate?

User Group Comparisons

Purpose of Visit

Purpose of Visit	Industry Average
Make a Reservation	33.3%
View or Cancel a Reservation	3.5%
Research and Compare Rates	21.4%
Look for Hotel Information	29.0%
Other	12.8%

Purpose of Visit	iPSI	Max	Quartile 3	Quartile 2	Quartile 1	Min
Make a Reservation	7.27	7.67	7.50	7.30	7.10	6.27
View or Cancel a Reservation	7.23	7.92	7.63	7.39	6.93	6.21
Research and Compare Rates	6.98	7.40	7.12	6.99	6.83	6.48
Look for Hotel Information	7.07	7.46	7.24	7.17	6.93	6.13
Other	6.80	7.55	7.15	6.82	6.50	5.96
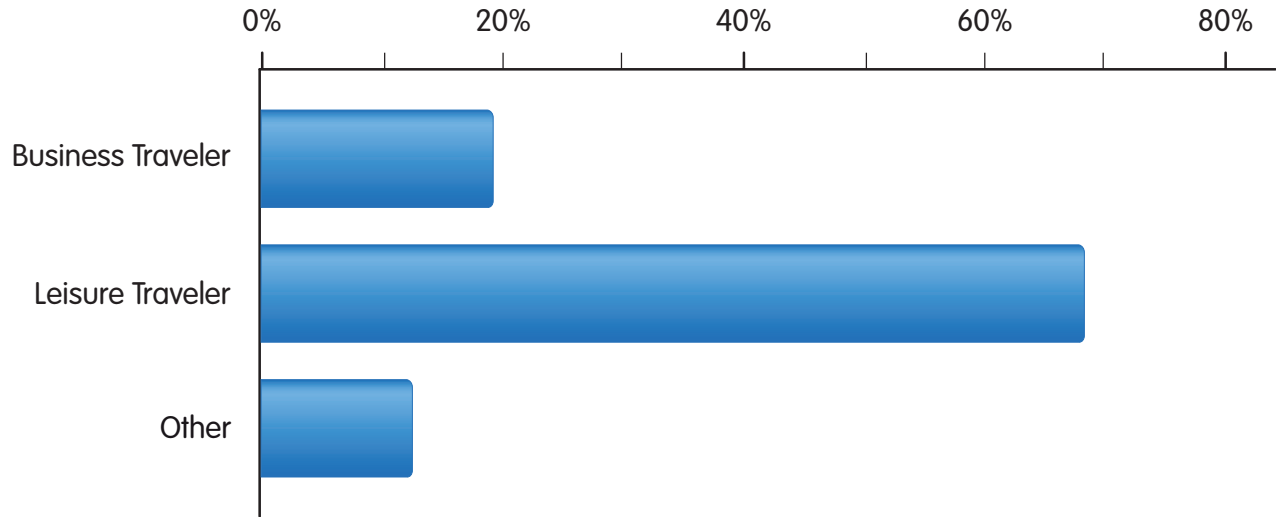
Context of Visit

Context of Visit	Industry Average
Business Traveler	19.7%
Leisure Traveler	68.6%
Other	11.7%

Context of Visit	iPSI	Max	Quartile 3	Quartile 2	Quartile 1	Min
Business Traveler	7.07	7.52	7.35	7.12	6.89	6.24
Leisure Traveler	7.16	7.58	7.39	7.22	6.98	6.30
Other	6.87	7.31	7.07	6.91	6.69	6.21

Frequency of Visit (Last 6 months)
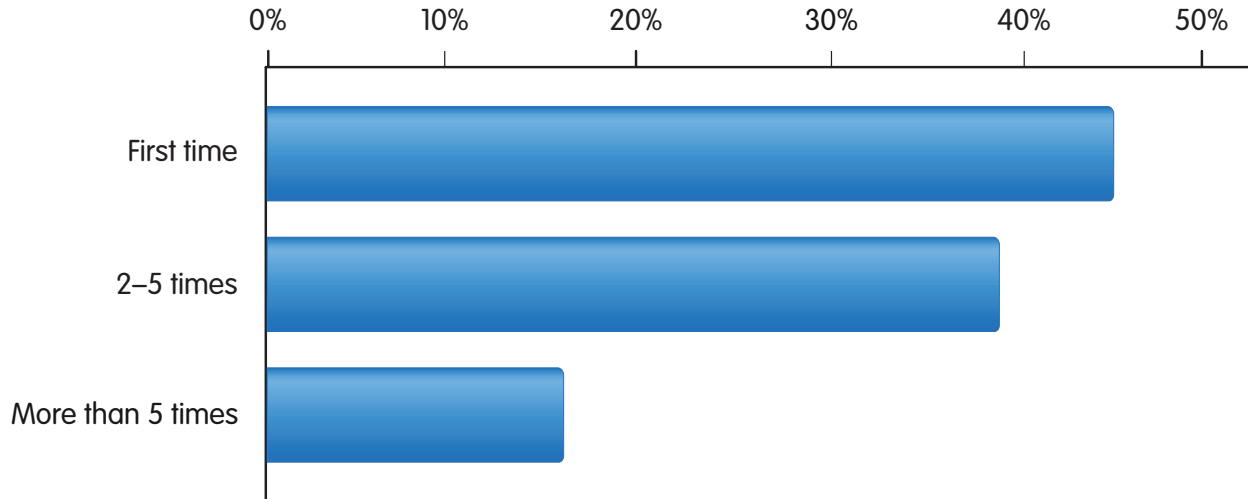
Frequency of Visit (Last 6 months)	Industry Average
First time	45.1%
2–5 times	38.9%
More than 5 times	16.0%

Frequency of Visit (Last 6 months)	iPSI	Max	Quartile 3	Quartile 2	Quartile 1	Min
First time	6.85	7.36	7.00	6.89	6.73	6.08
2–5 times	7.24	7.67	7.45	7.28	7.12	6.46
More than 5 times	7.56	8.12	7.78	7.68	7.39	6.62

Path to Site

Path to Site (percentage share)

Category	Value
Search engine	
Typed in URL	
Link on another website	
Bookmark/Favourites	
Clicked on advertisement	
Email link	
Link sent by a friend	
Link on a blog, forum or social network	
Other	

Task Completion by 'Path to Site'

Category	Value
Link sent by a friend	
Link on another website	
Bookmarks/Favourites	
Link on a blog, forum or social network	
Typed in URL	
Search engine	
Other	
Clicked on advertisement	
Email link	
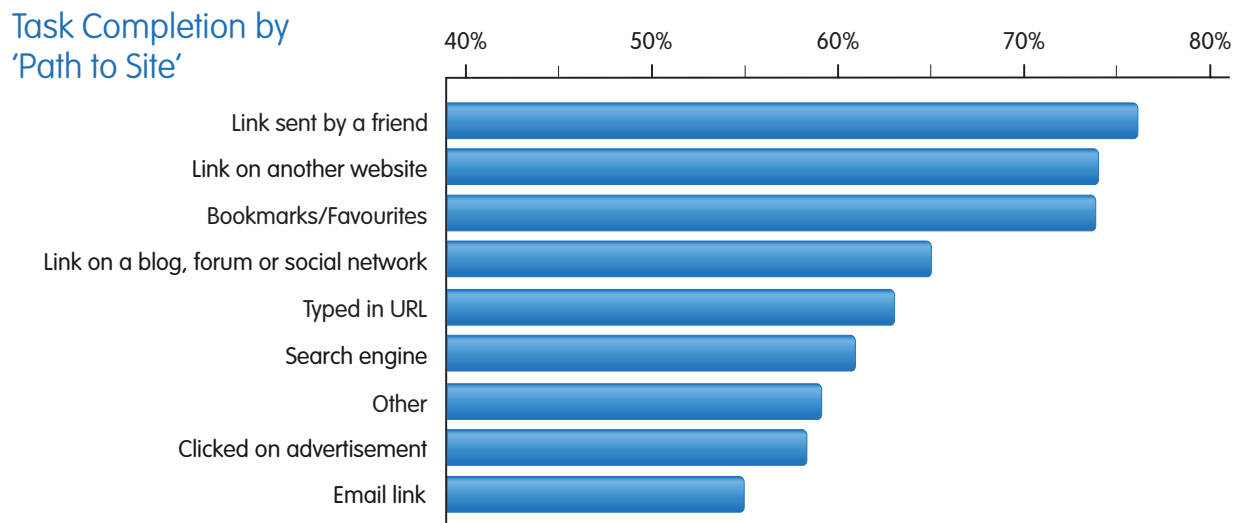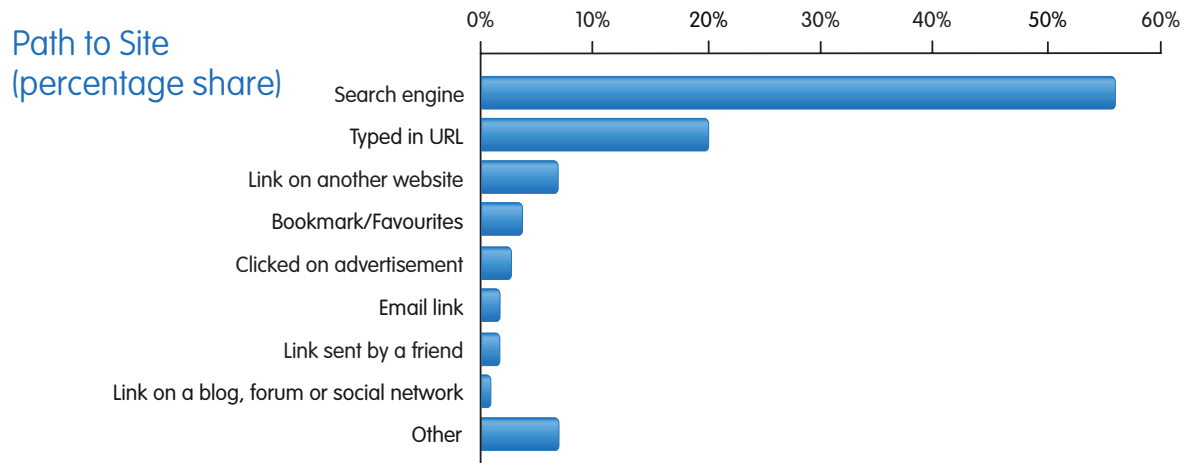
Path to Site	Percentage Shares	Task Completion
Search engine	56%	61%
Typed in URL	20%	63%
Link on another website	7%	74%
Bookmark/Favourites	4%	74%
Clicked on advertisement	3%	58%
Email link	2%	55%
Link sent by a friend	2%	76%
Link on a blog, forum or social network	1%	65%
Other	7%	59%

4Q Survey Hospitality Data
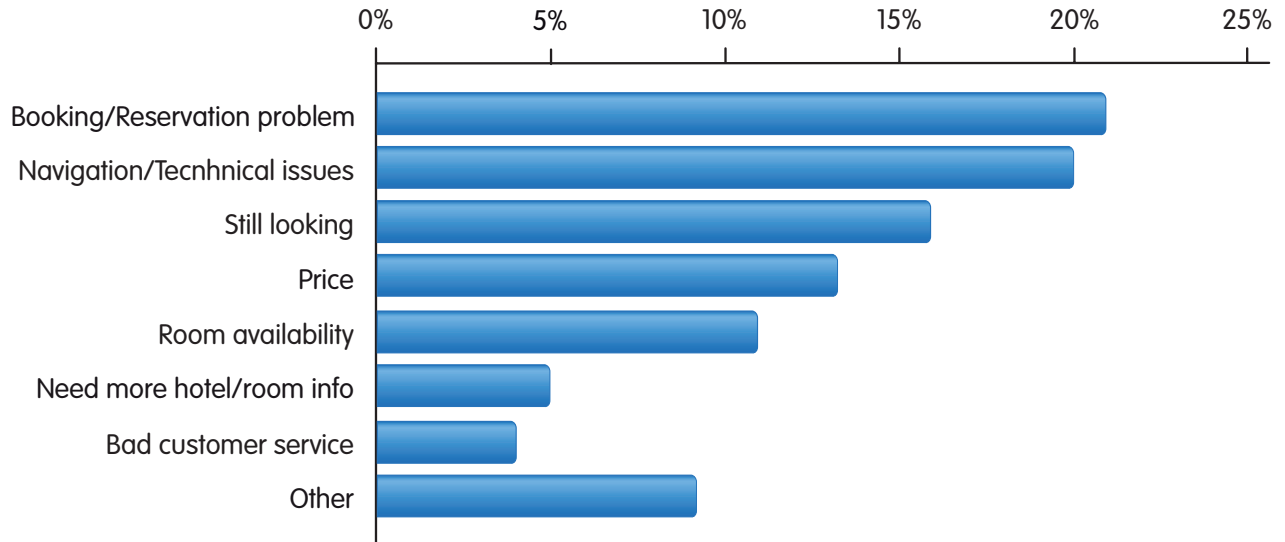
Task Completion by Purpose of Visit
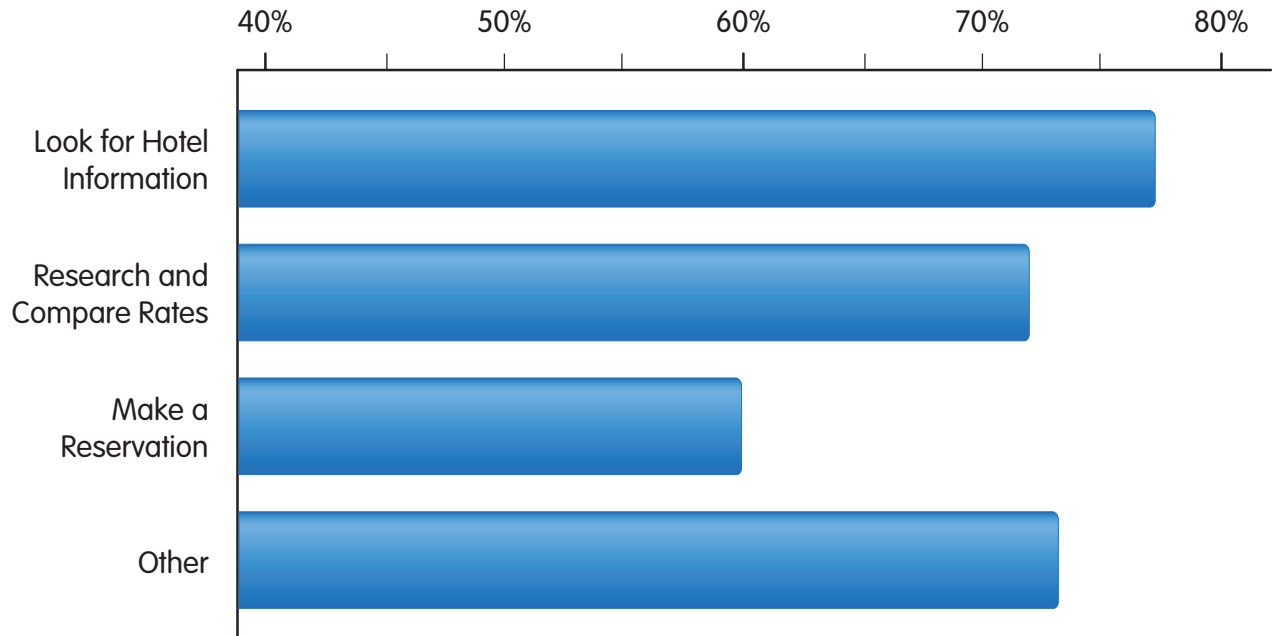
(re-mapped 4Q Survey Purposes of Visit to webValidator typology)

Purpose of Visit	Task Completion
Look for Hotel Information	77%
Research and Compare Rates	72%
Make a Reservation	60%
Other	73%

4Q Survey Hospitality Data

Task Completion Barriers for "Make a Reservation"

Task Completion Barrier	Percentage Share
Booking/Reservation problem	21%
Navigation/Technical issues	20%
Still looking	16%
Price	13%
Room availability	11%
Need more hotel/room info	5%
Bad customer service	4%
Other	9%