

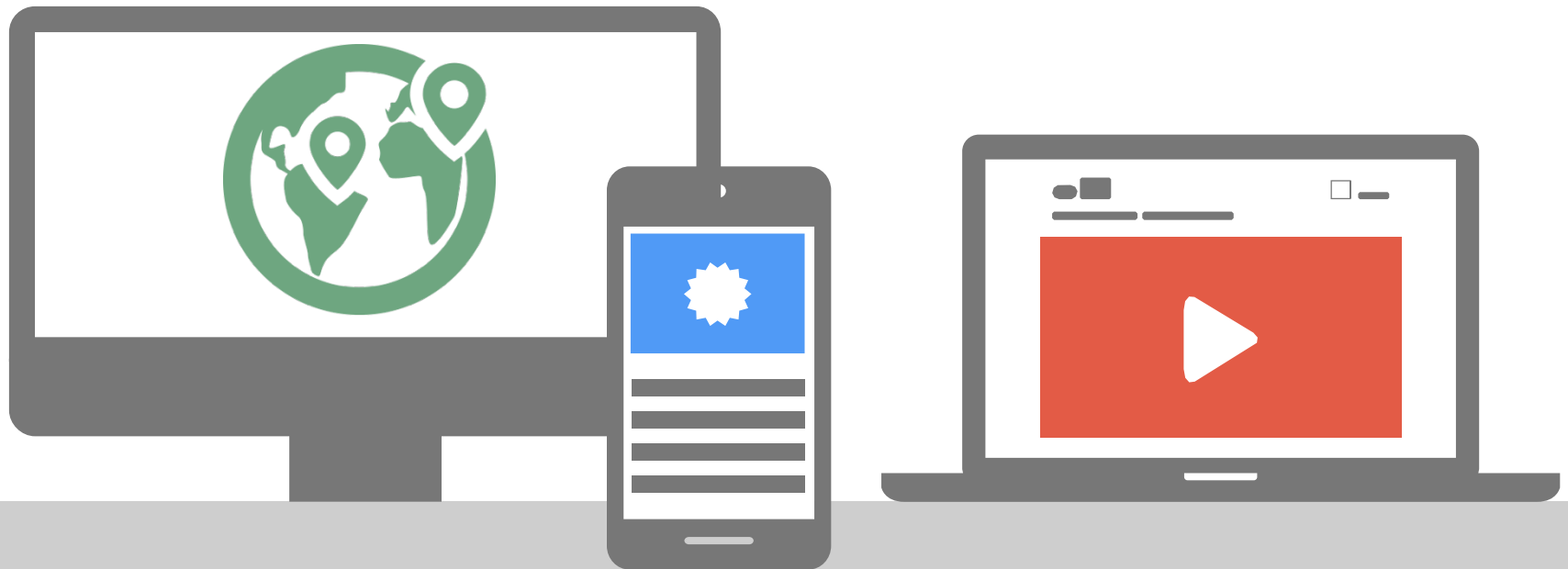


The 2014 Traveler's Road to Decision

June 2014

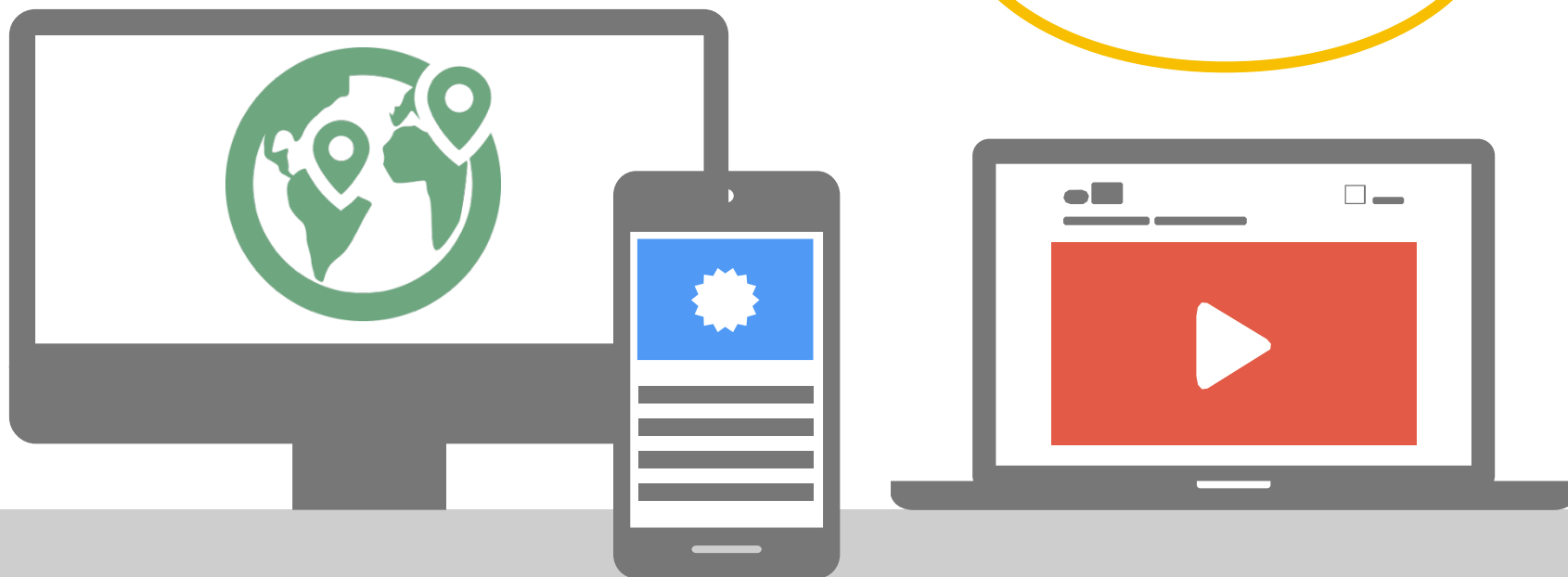


Digital facilitates deeper customer relationships and higher consumer standards



Digital facilitates deeper customer relationships with
and higher consumer standards among travelers

49%



Background and methodology

Google commissioned Ipsos MediaCT, an independent marketing research company, to conduct a travel tracking study to better understand the role of the internet in making travel related decisions. The current report reflects the total sixth wave of this research.

Respondents completed a 20 minute A&U survey focused on travel habits and attitudes. If qualified, respondents were routed to one of five deep dive sections: Airline, Cruise, Lodgings, Car Rental and Vacation Packages.

Interviews were conducted from May 12th to June 4th, 2014, yielding a total sample of 5,000 consumers (3,500 personal and 1,500 business) who have traveled at least once for personal reasons (or a minimum of 3 times for business purposes) in the past six months. One augment was also recruited consisting of 1,500 affluent (\$250k+ household income) past 6 months personal travelers.

In order to qualify, respondents had to be 21–64, live in the U.S., have no sensitive industry employment, go online at least once per month and have some involvement in their personal/business travel decisions.



Inspiration



Research



Mobile



TV & Video



Family Travel



Inspiration

Travelers rely on social/video/photo sites and search engines for trip inspiration



Travelers agree that they turn to the web early on in the travel process

I generally begin researching online before I decide where or how I want to travel

Leisure
65%



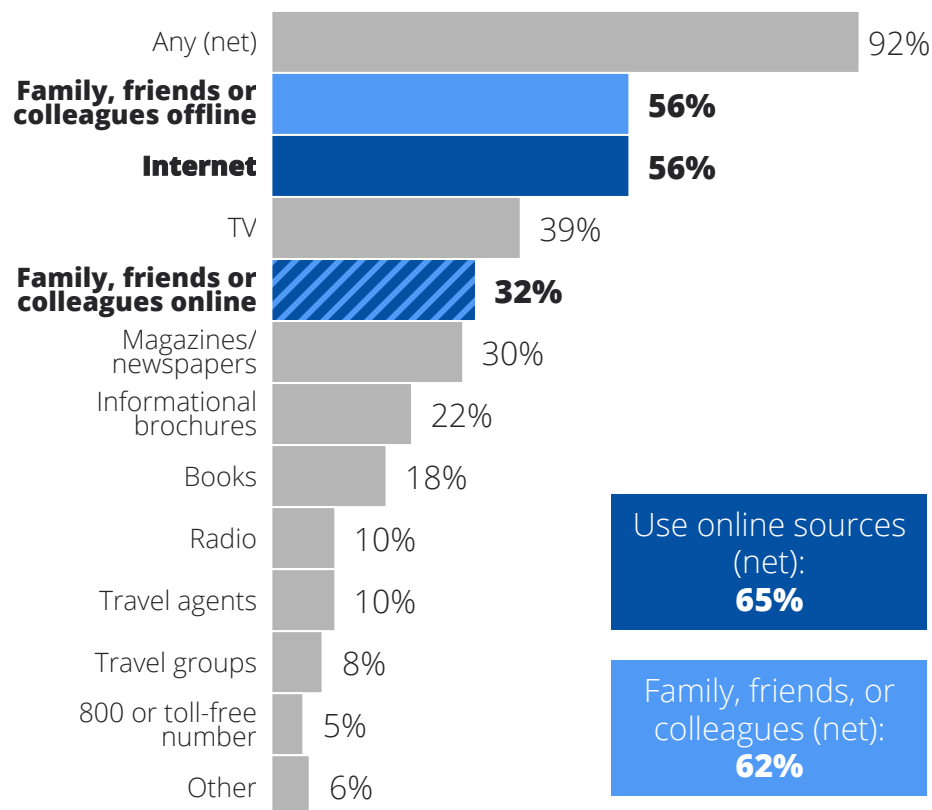
Business
69%



Friends/family and online sources are critical in travel inspiration



Sources of inspiration (Leisure Travel)





Search engines and YouTube are top online sources of inspiration



Social networking, video or photo sites (Net)

83%



YouTube

42%

Search engines

61%

Google+

17%

Travel review sites/apps

42%

Destination-specific sites/apps

31%

Daily Deal sites/apps

27%

Online travel videos are influential in early stages



Leisure Travelers

65%

48%

61%

When travel videos are viewed

(among those who watched/commented on travel-related video)



When thinking about taking a trip



When thinking about what type of trip to take



When choosing a destination





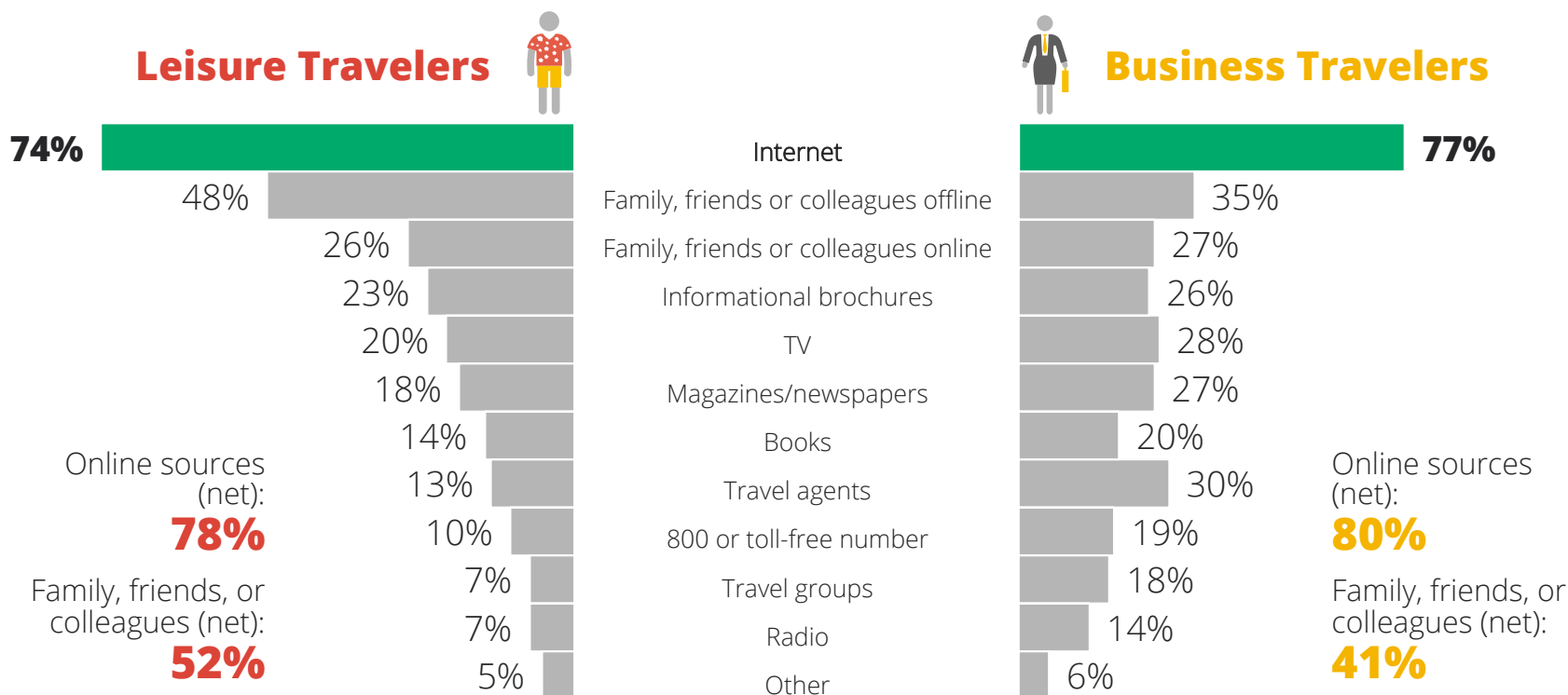
Research: Digital is key

The path to purchase is still complex and traveler search activity is intensifying



The internet is the top source for both leisure and business travel planning

Travel planning sources

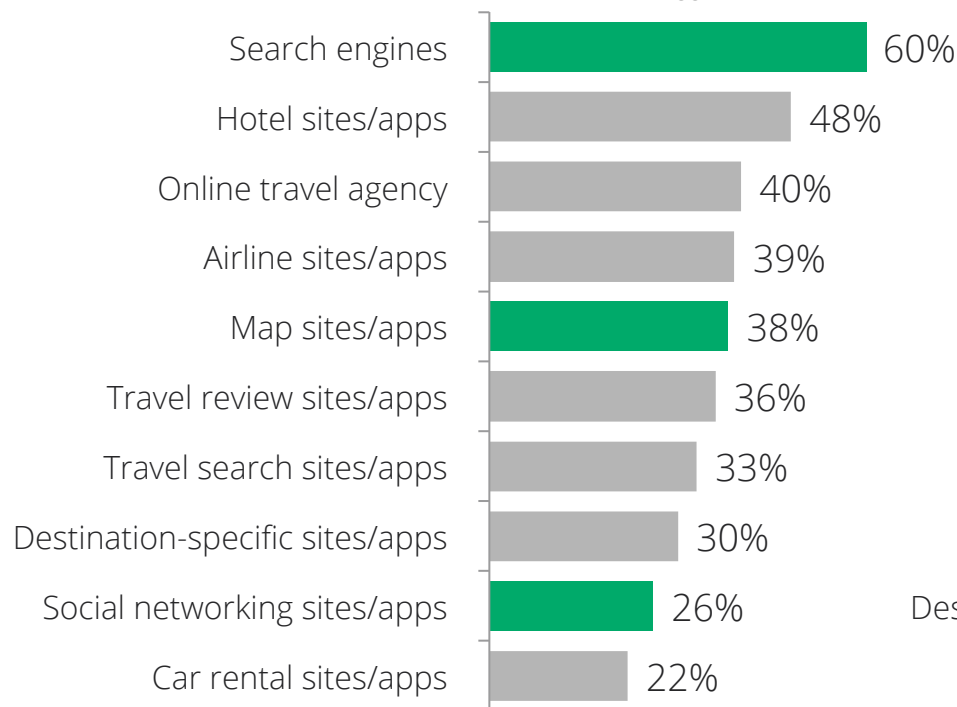




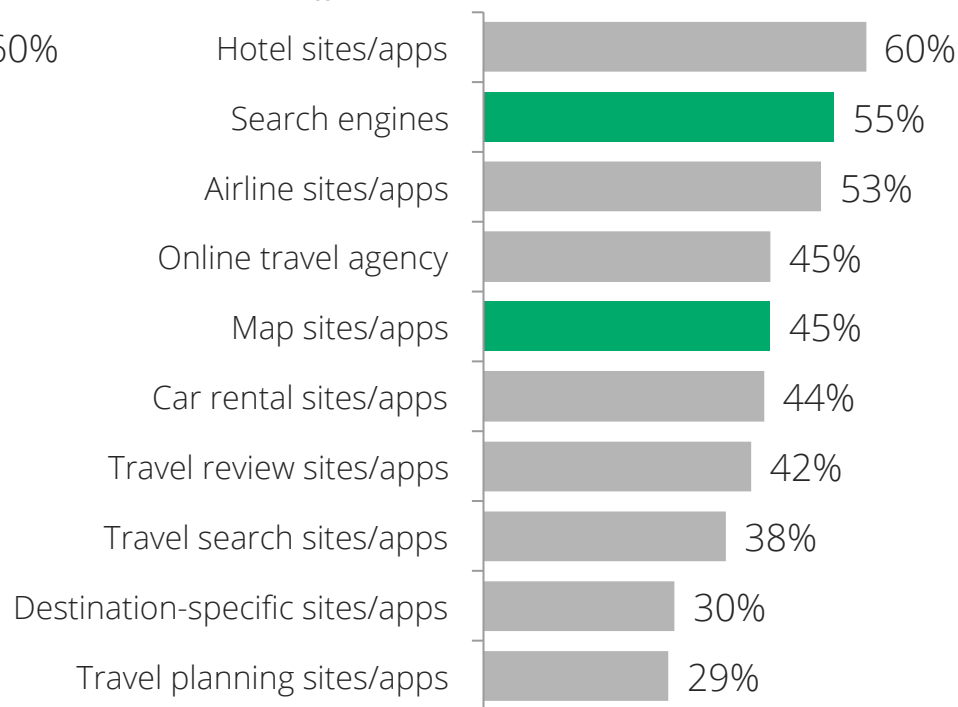
Search engines are one of the most popular online planning source for travelers, more so among leisure travelers

Top 10 Online Sources Used in Travel Planning

Leisure Travelers



Business Travelers

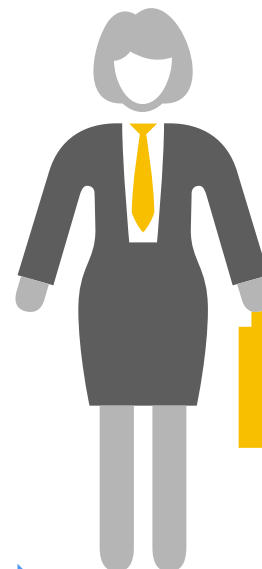




Leisure
57%



Business
64%







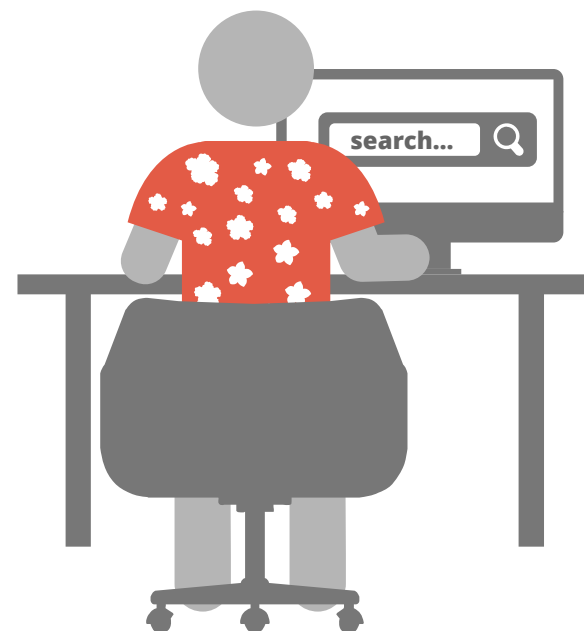
I always start my travel booking and shopping process with Search



Leisure travelers are increasingly turning to search engines first vs. brand sites/apps for online trip planning

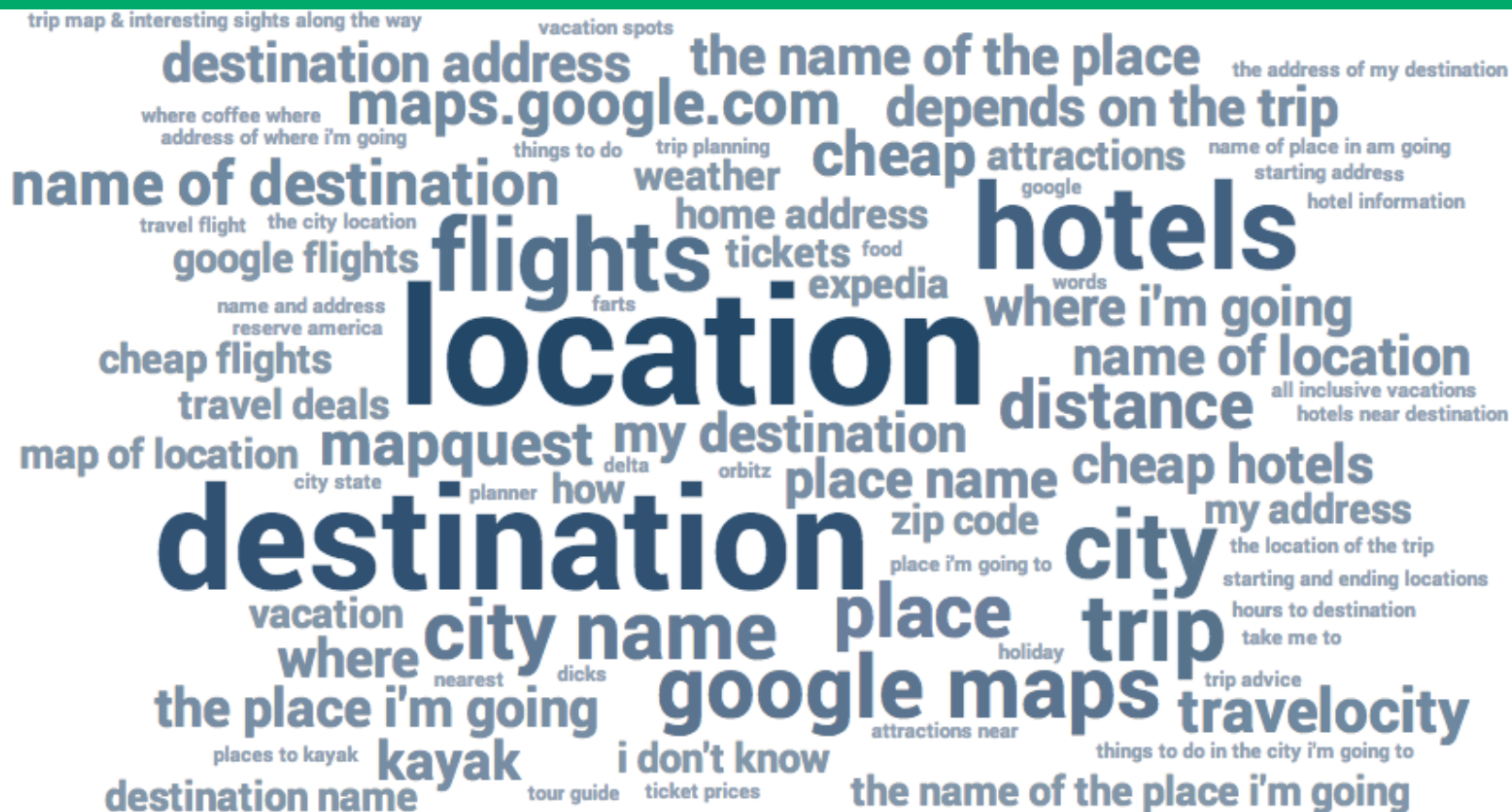
Site/app* where typically *first start* online travel planning among leisure travelers

Top 2		2014	2013
Car Rental 	Brand sites/apps	38%	44%
	Search engines	24%	16%
Air travel 	Brand sites/apps	45%	49%
	Search engines	18%	13%
Overnight accommodations 	Brand sites/apps	31%	37%
	Search engines	26%	18%
Cruises 	Brand sites/apps	36%	36%
	Search engines	19%	14%



Note: brand sites/apps = airline/hotel/car/cruise sites/apps

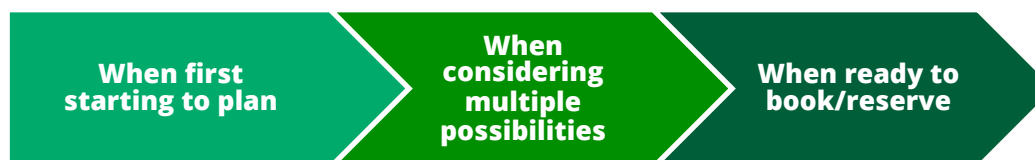
What's the first thing that you type into Google when you start to plan a trip?





Travelers rely on generic and branded searches across planning stages

Search Terms that Leisure Travelers use in Planning



Destination-related terms	51%	48%	20%
Price-related terms	41%	49%	23%
Specific brand or website names	31%	48%	30%
Activity-related terms	36%	49%	20%
Terms related to specific needs or wants	32%	43%	22%

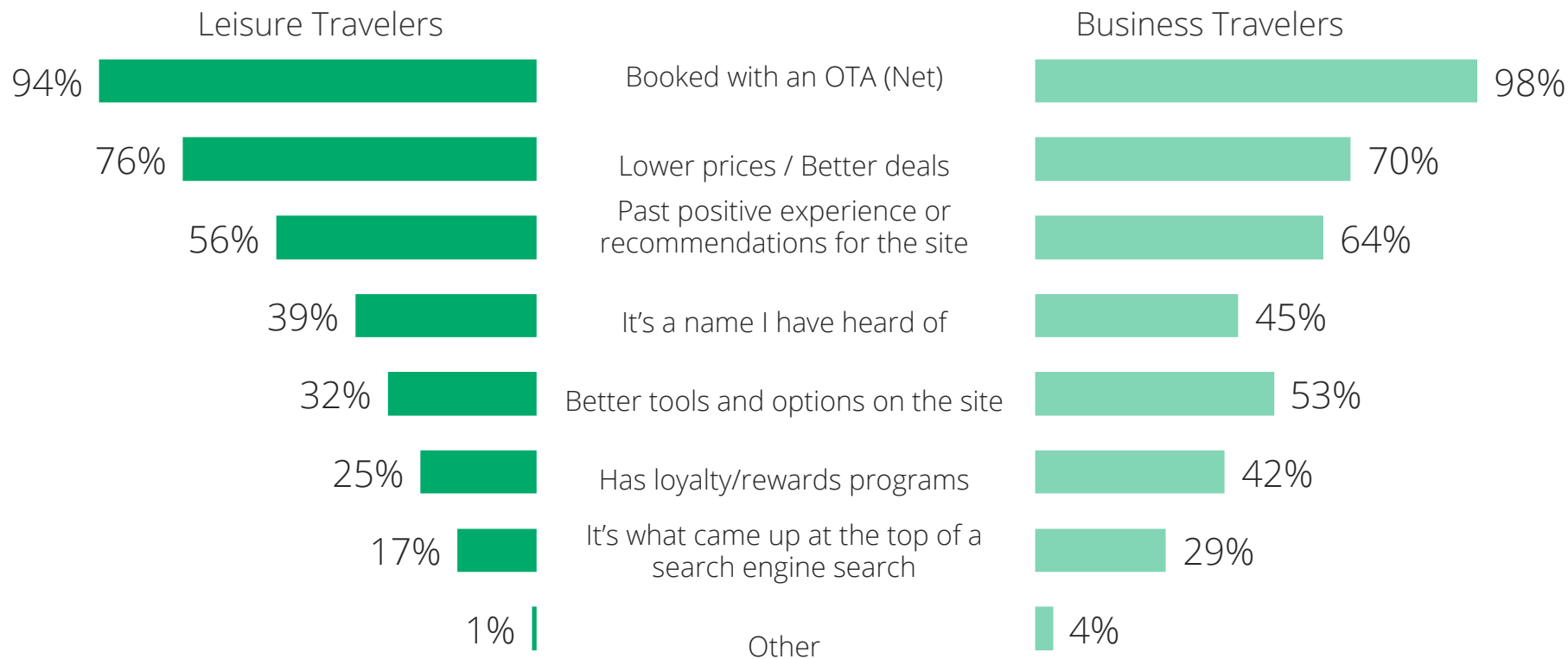


Personal travelers



1 in 3 leisure travelers and 1 in 2 business travelers select an OTA for its superior site tools and options

Reasons for Booking on Specific Online Travel Agency Sites/Apps



Base: Use OTAs for travel planning (Personal n=1099; Business n=540)

RESEARCH4: You mentioned you use **online travel agency sites/apps** (e.g., Expedia, Travelocity, Priceline, Orbitz) to plan your **personal** or **leisure** trips / **business** trips. If you **booked** any component of your trips with online travel agency sites/apps, for which reasons did you choose the specific **online travel agency site(s)/app(s)** (e.g., Expedia, Travelocity, Priceline, Orbitz)? (Select ALL that apply)

Source: Google Travel Study, June 2014, Ipsos MediaCT



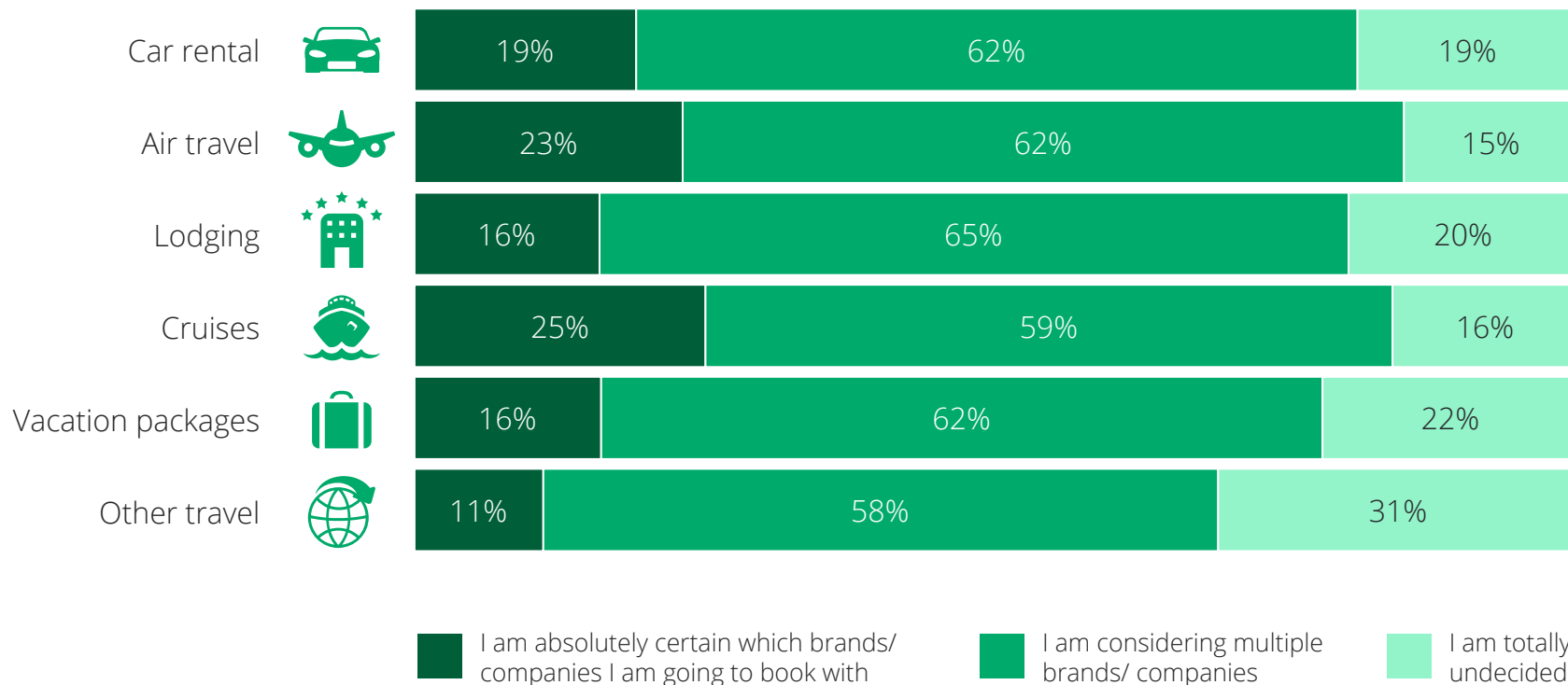
Research: a Brand opportunity

Most travelers are undecided about which brand to book with, and how brands are differentiated



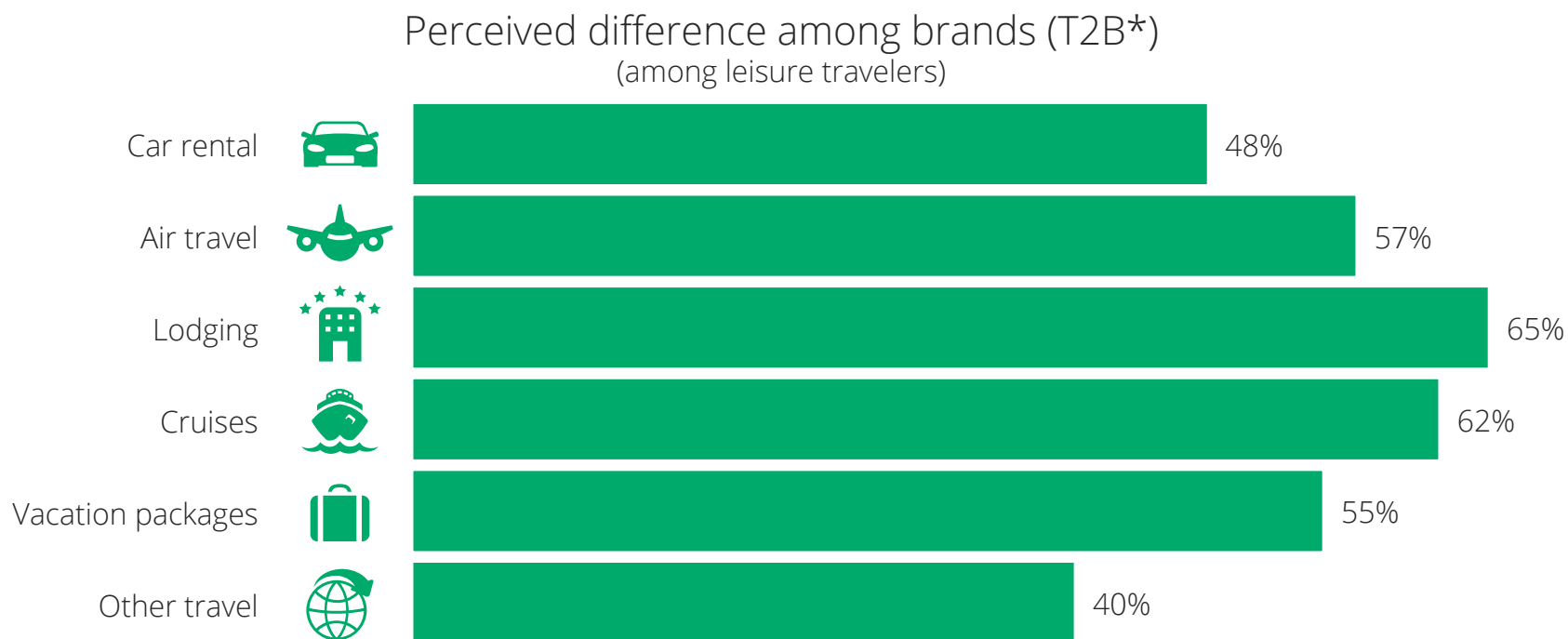
Most leisure travelers go into planning undecided on a brand

Certainty of specific brand/company to use
(among leisure travelers)





Most leisure travelers are also unclear on the differences between brands



Heavy business travelers are more likely to see a difference, but not substantially more



***Top 2 box on a 5 point scale:**

5 - I see a clear difference

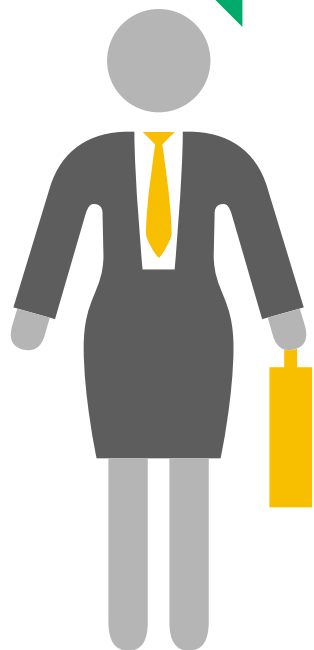
...

1 - I see no difference



Loyalty influence declining for business travelers, who are normally among the most loyal

I am less likely to plan business travel based on loyalty programs or points in [current year] than I was in [prior year]



2014 (C) ▶ **41%**

2013 ▶ **38%**

2012 ▶ **36%**

2 in 3 business travelers (67%) are open to trying new loyalty programs if they provide a new, different or unique experience



Travelers would switch programs with better perks and easier path to rewards



**Personal
travelers**



**Business
travelers**



**Affluent
travelers**

Reasons for switching to a different loyalty/rewards program

88%	93%	92%	◀ Would switch for any reason (net)
54%	55%	65%	◀ Better perks
52%	54%	65%	◀ Faster/easier to earn free flights, hotels rooms, rental cars, etc.
31%	40%	33%	◀ Exclusive benefits
27%	34%	36%	◀ Larger network/multiple routes or locations
26%	34%	34%	◀ Ability to leverage points with other specific companies/partner hotels
13%	21%	10%	◀ Personalized recommendations either pre-trip or during trip
4%	4%	3%	◀ Other

Base: Loyalty/reward program members (Personal n=2364, Business n=1346); : Affluent travelers who are loyalty/reward program members (n=1422)

LOY7: For which reason(s) would you switch to or try a different loyalty/rewards program? (Select ALL that apply)

Source: Google Travel Study, May-June 2014, Ipsos MediaCT



Multi-screen activities

Travelers extend their activities from desktops and tablets to smartphones across all stages



Smartphones are used throughout the travel process



Leisure Travelers



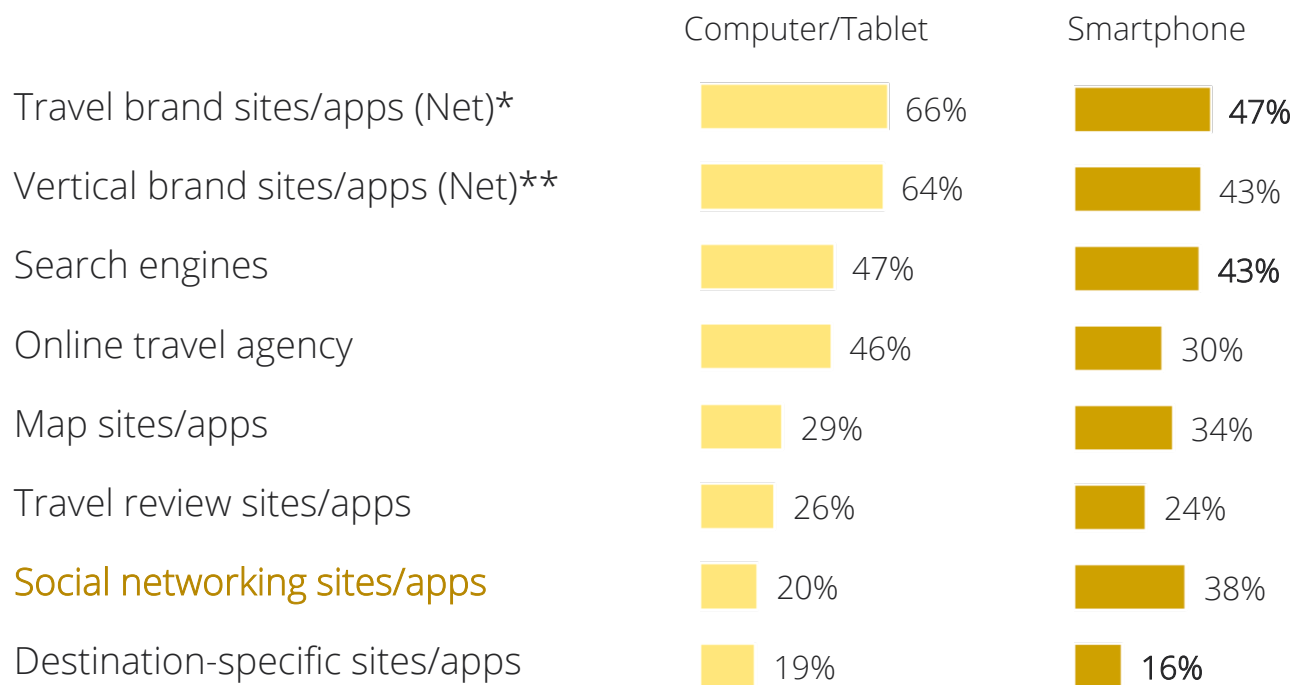
Business Travelers

	Computer/Tablet	Smartphone	Computer/Tablet	Smartphone
Used during any phase (Net)	94%	67%	97%	78%
Inspiration The time when you identified you wanted or needed to book travel	73%	31%	74%	39%
Research The time when you actively looked and researched your trip or travel plans	88%	27%	86%	36%
Purchase/booking The time when you booked your trip	81%	14%	84%	28%
Experiencing/traveling Any behavior you may have participated in <i>during</i> your trip	57%	50%	67%	54%
Post traveling Any behavior you may have participated in <i>after</i> you took your trip	63%	37%	67%	42%



Travelers go to the same types of sites on smartphones as desktop/tablet...and sometimes more so

Types of sites visited by travelers from various devices



Base: Personal quota and use device for sub-vertical planning or booking







SCREEN7: Which **online sources** did you access on **each device** to plan or book your [component]? (Select ALL that apply for **each device**).

Source: Google Travel Study, June 2014, Ipsos MediaCT. *Travel brand sites/apps includes Vertical brand sites/apps and Tour operator sites/apps. **Vertical brand sites/apps includes Airline sites/apps, Hotel sites/apps, Car rental sites/apps, and Cruise operator sites/apps



Leisure travelers research and book across devices, regardless of category



		Research		Booking	
		Computer/ Tablet	Smartphone	Computer/ Tablet	Smartphone
Car rental		82%	26%	75%	20%
Air travel		89%	23%	85%	15%
Lodging		85%	26%	77%	19%
Cruises		76%	29%	72%	25%
Vacation packages		80%	26%	76%	21%
Other travel		75%	22%	65%	15%

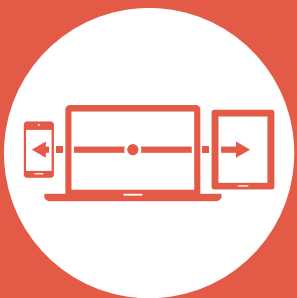
Base: Travel component included in personal trips in past 6 months and use device to access the Internet (floating)

SCREEN1: How have you researched each of the following trip components while planning the trips you took in the past 6 months?

Base: Travel component included in personal trips in past 6 months and use device to access the Internet (floating)

SCREEN2: And, how have you booked each of the following trip components that were part of the trips you took in the past 6 months? (Select

ALL that apply for each component) Source: Google Travel Study, June 2014, Ipsos MediaCT



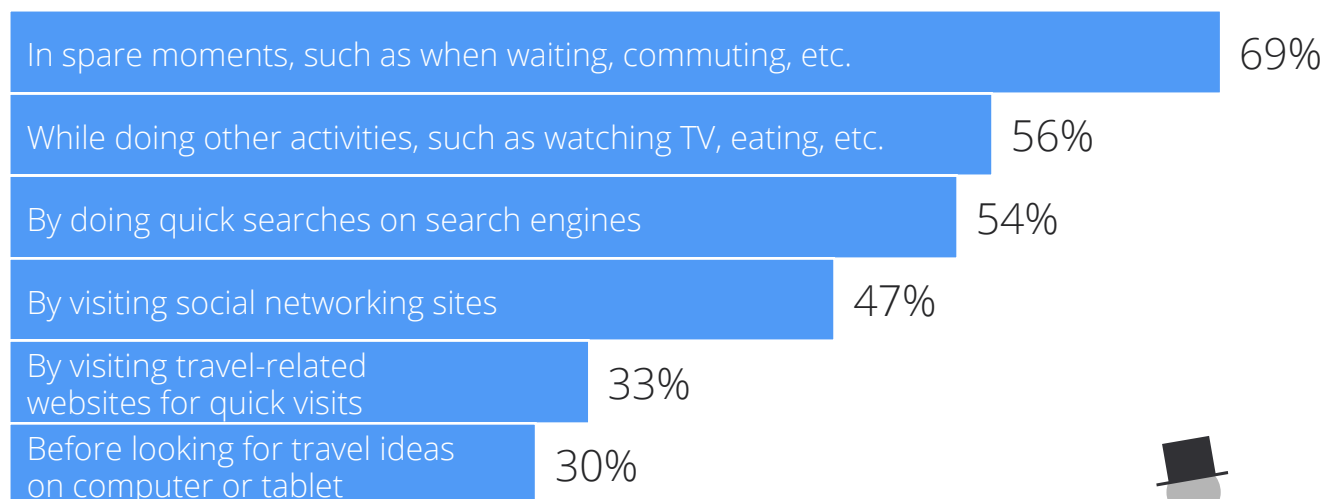
Cross-device movements

Early actions on mobile influence booking decisions

Smartphones are often used for travel inspiration in “snacking moments” before planning



Usage of smartphone for inspiring leisure travel



77%

Usage of smartphone for travel inspiration in spare moments, such as when waiting, commuting, etc. by affluent travelers



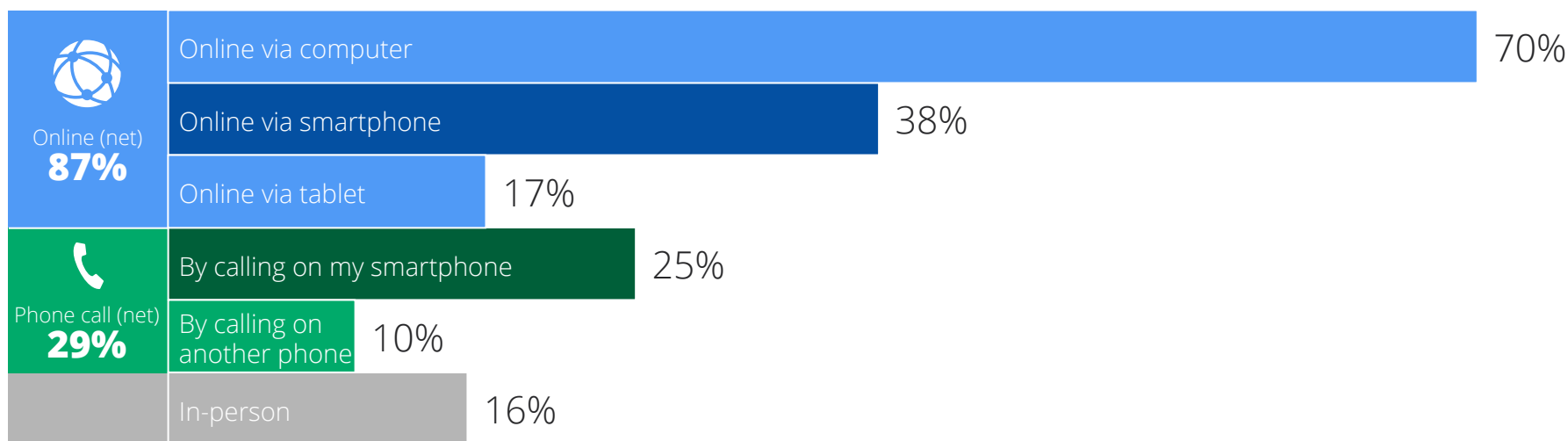
Base: Personal quota and use smartphone during Inspiration phase (n=707) and Base: Affluent travelers who use smartphone during Inspiration phase (n=348)

INSPIRE2: You mentioned that you typically use your **smartphone** to access the Internet during the **Inspiration** phase. Which of the following, if any, describe how you use your **smartphone** when you are seeking **inspiration** for your personal or leisure trips? Do you typically look for travel ideas on your smartphone...? (Select ALL that apply).

Source: Google Travel Study, June 2014, Inpos MediaCT

Half of those who use their smartphone for leisure travel inspiration ultimately book *another way* (not on smartphone)

Booking methods after using smartphone for leisure travel inspiration

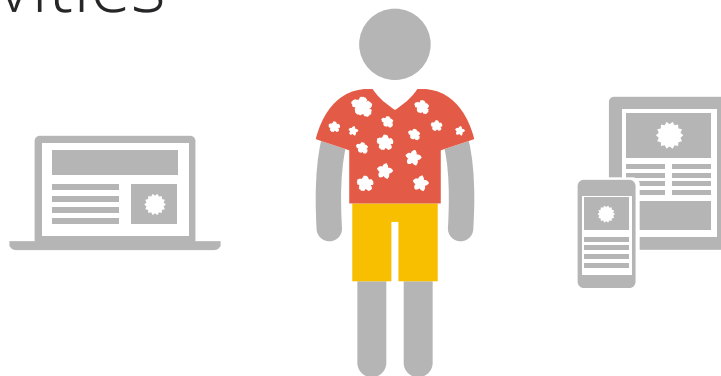


48% Ultimately book *another way*



47% of affluent travelers book *another way*

Leisure travelers switch between devices for a variety of activities



Sequential device activities for travel planning/booking

(among leisure travelers who use devices for sub-vertical planning or booking and engage in specific activity)



55%

Pricing/discount/
points (net)



51%

Looked up maps
or directions



50%

Browsed/looked for
destinations to visit or
vacation ideas



46%

Looked up a restaurant/
hotel/attraction at
my destination








46%

Looked up my booking
or itinerary information

Across categories, 75% of leisure travelers switch between devices to plan or book



Sequential device usage for travel
(among leisure travelers who use devices for sub-vertical planning or booking)

	Any	Car rental 	Airline 	Lodging 	Cruise 	Vacation packages 
Ever (Net)	75%	74%	71%	71%	90%	87%
Always	11%	10%	8%	8%	27%	14%
Frequently	21%	17%	19%	17%	36%	29%
Sometimes	27%	28%	26%	26%	17%	32%
Rarely	17%	19%	18%	20%	10%	12%
Never	25%	26%	29%	29%	10%	13%






87%

Of business travelers switch between devices to conduct the same travel-related activity



Leisure travelers most commonly switch between devices through search

Method of Moving Between Devices for Sequential Usage
(among leisure travelers who ever did sequential for component)

	Any
 Conduct a search on the other device	39%
 Directly navigate to the destination site (using a web browser or an app)	35%
 Send an email/link to myself	34%
 Save bookmarks, shopping cart or favorites in my account	22%
 Sync to an online service (such as Dropbox, Google Docs)	7%
Other	10%



Mobile sites vs. apps

Travelers still rely heavily on both, and encountering a poor site experience results in a negative impact on a brand and the bottom line



Leisure travelers mostly book via mobile websites, while business travelers mostly book via apps – both are still key

*Method of Booking on Smartphone
(among those who booked on device)*

Leisure Travelers

Business Travelers

Online (Net)

71%

86%

Via the **website** using a browser

45%

55%

Used mobile **“apps”** (applications)

40%

63%

Phone call

44%

44%



One in five leisure travelers downloaded a travel-related smartphone app due to a poor mobile site experience



78%

Of leisure travelers have downloaded/used a travel-related smartphone app

Reasons for Downloading/Using Travel-Related Smartphone Apps (among Leisure Travelers who downloaded/used a travel-related app on smartphone)

	Any
Better than mobile site (Net)	53%
Easier to reserve or book than on mobile site	42%
Mobile site for the brand not meeting needs	20%
To save personal information/setting	39%
Plan to access information from the brand frequently	37%
For a brand with whom I have rewards/loyalty membership	36%
Recommendations from friends, family, or colleagues	31%
Ratings/Recommendation in an app store	28%

Base: Personal travelers who accessed online sources on smartphone (n=507). Personal travelers who have downloaded/used travel-related smartphone apps (n=396). SCREEN8: For which reason(s) have you downloaded or used travel-related smartphone apps for your

[component] trips? (Select ALL that apply)

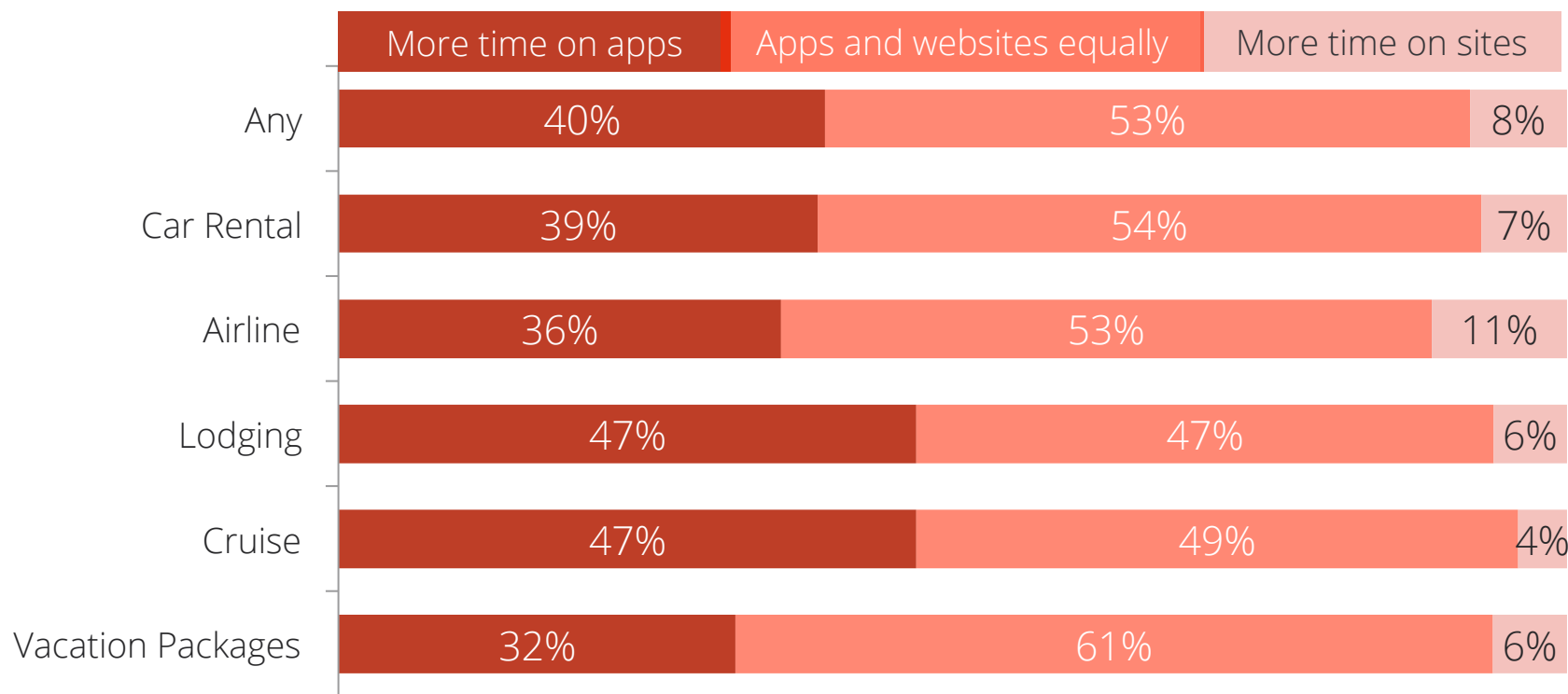
Source: Google Travel Study, June 2014, Ipsos MediaCT



Even after they download travel apps, travelers still use sites

Traveler time spent: site v. app

(among Leisure Travelers who downloaded/used a travel-related app on smartphone)



Base: Quota group among personal travelers who downloaded/use an app on smartphone (Any n=396, Car rental n=41*; Airline n=74; Lodging n=79; ; Cruises n=153; Vacation packages n=109) *Caution: Small sample size (n<50)

SCREEN9: After you downloaded a travel-related app for your [component], did you typically...? (Select ONE)

Source: Google Travel Study, June 2014, Ipsos MediaCT



83% of leisure travelers have had a poor experience on a mobile travel site

only 23% of those who have encountered a mobile site that wasn't optimized actually pushed through





A poor mobile experience forces travelers to move elsewhere...and has a negative impact on brand

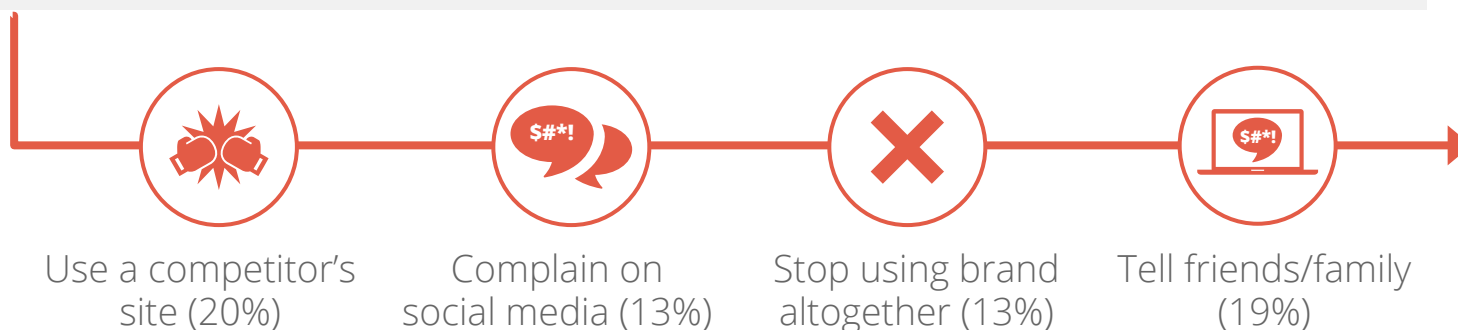
Connect with brand a different way (Net) **68%**

Accessed the same site on computer or tablet **51%**

Looked to see if there was an app for the site's brand I could download **27%**

Called the site/company **17%**

Negative impact on brand (Net) 40%





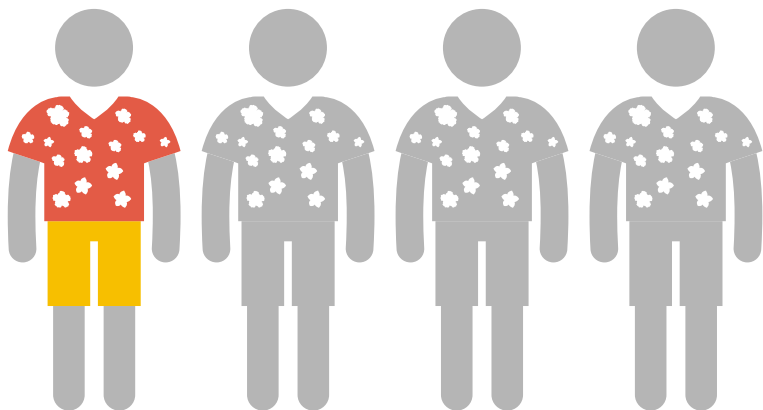
Mobile & in-destination

Smartphones are the go-to devices for local information when traveling



Travelers often call airlines and hotels for information from the road

Leisure travelers



Have you ever called an airline for more information while traveling?

28%

Have called a nearby lodging location for more information while traveling?

28%

Business travelers



Have you ever called an airline for more information while traveling?

57%

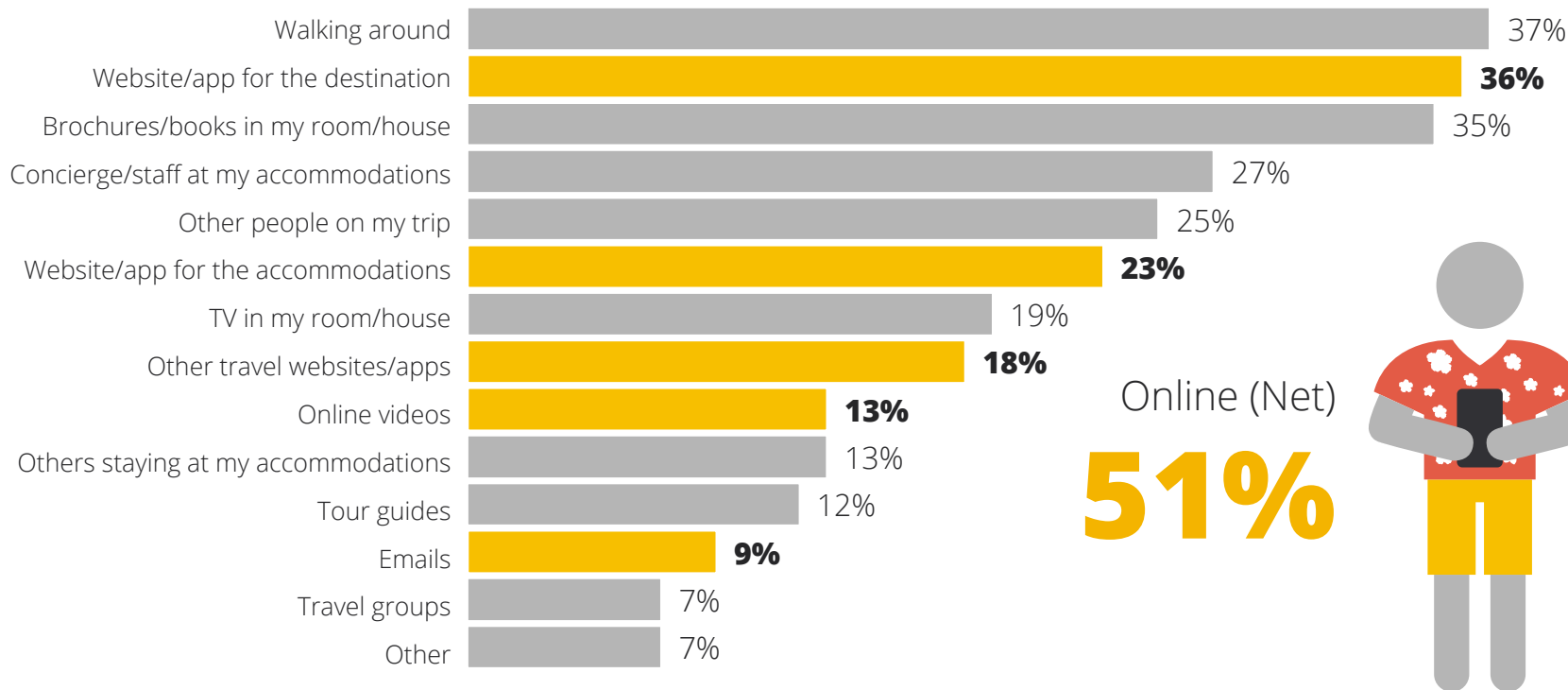
Have you ever called a nearby lodging location for more information while traveling?

46%



To decide on activities once at their destinations, leisure travelers rely on a mix of sources

Sources used for activities/excursions



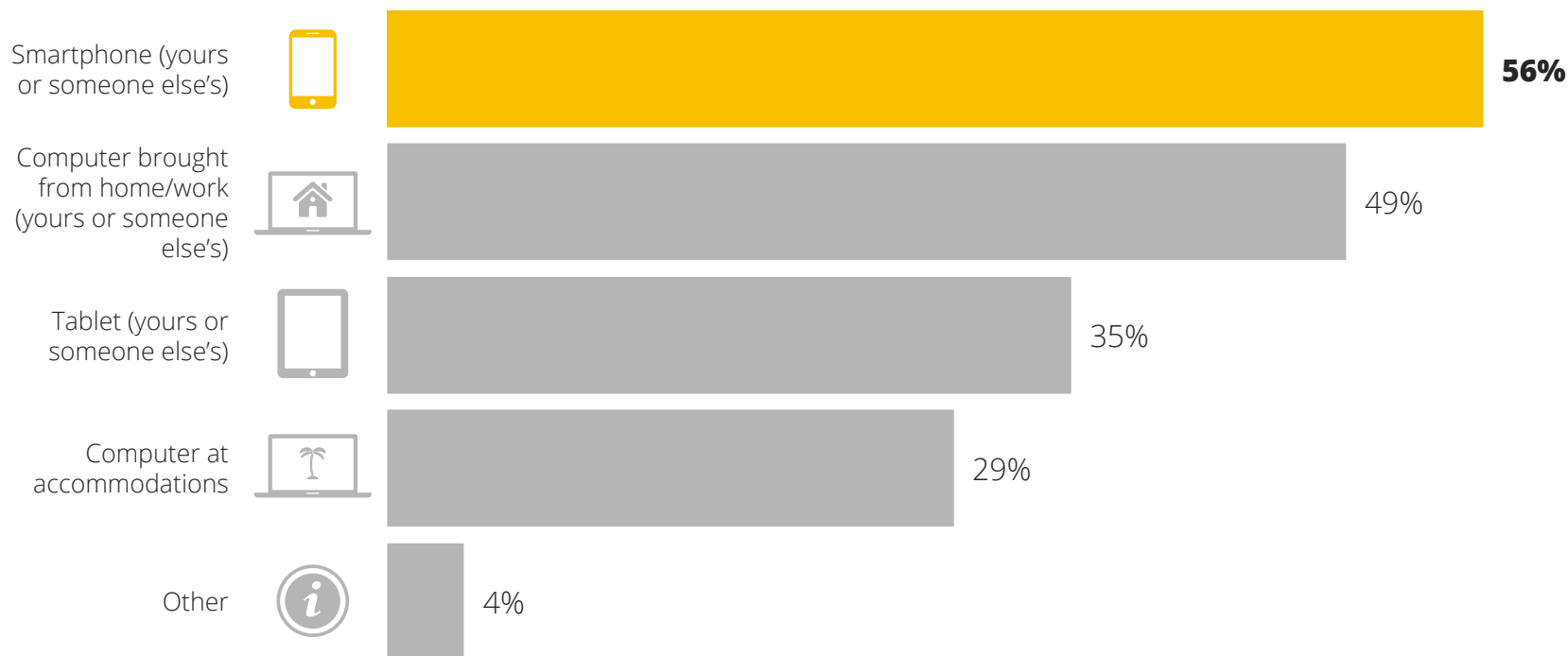
Base: Personal Quota (n=3500)

QD11: When you are on a **personal or leisure** trip, which sources do you typically use to decide on **activities/excursions** to participate in once you have arrived at your destination?
(Select ALL that apply)



To decide on activities once at their destinations, leisure travelers rely on smartphones the most

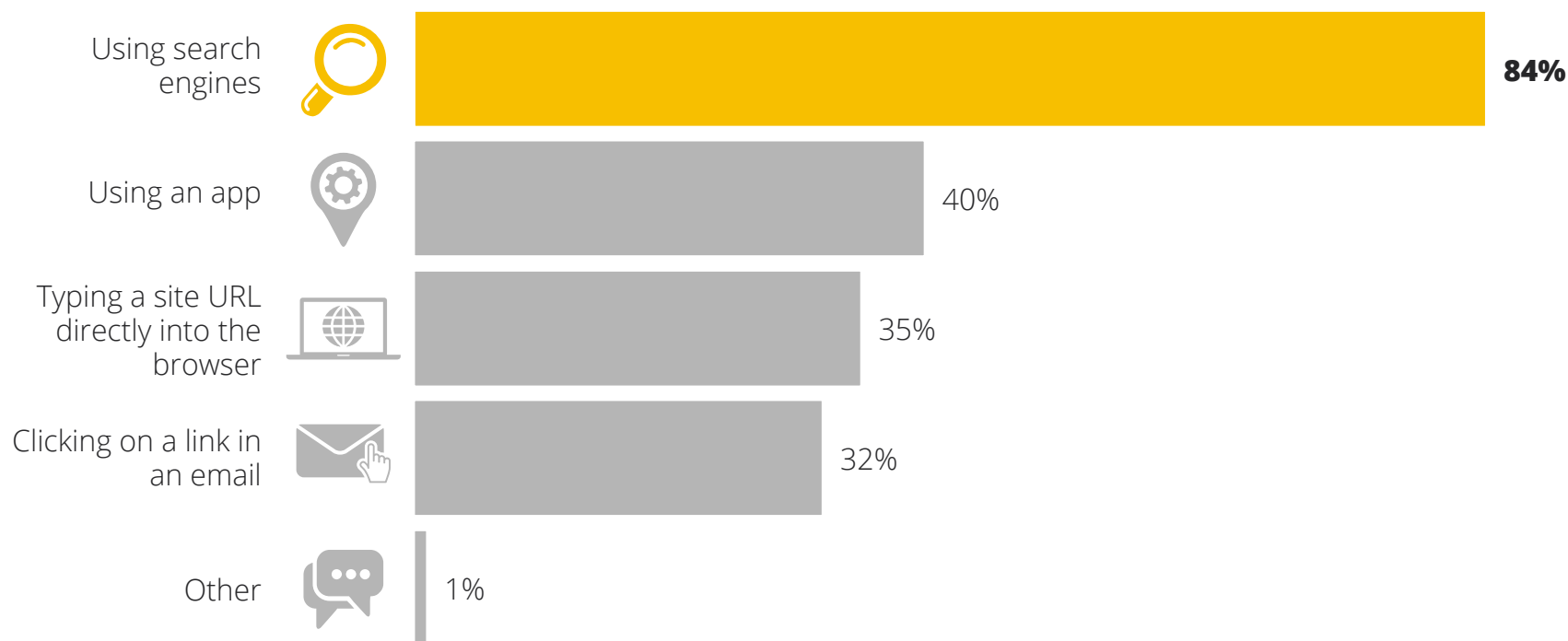
Devices used to decide on activities/excursions





Leisure travelers overwhelmingly rely on search engines via smartphones to find local information

Methods of accessing information about activities/excursions on smartphone



Base: Use smartphone to decide on activities/excursions at destination (n=1011)

QD13: And, when deciding on **activities/excursions** to participate in once you have **arrived** at your destination, how are you accessing the information on your **smartphone**? (Select ALL that apply)

Source: Google Travel Study, June 2014, Ipsos MediaCT



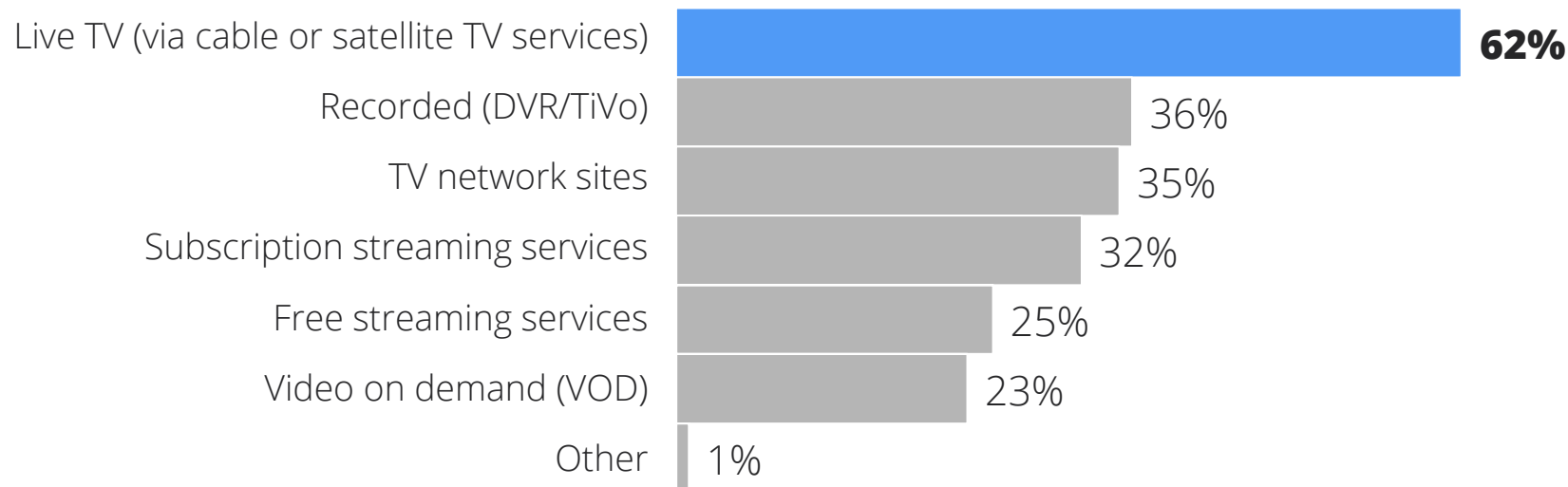
TV viewing habits

Travelers are watching in more different ways than ever before, and attention continues to fragment



1 in 3 travelers watch their favorite programs outside of live TV

Methods of watching TV



Live/recorded/VOD
78%

Streaming services/online
58%

Streaming services
43%



Even when they watch live TV, four in ten travelers don't watch the commercials

Activities done during commercial breaks while watching TV programs



Fast-forward through the commercial	N/A
Watch the commercial	58%
Leave the room to go do something else (e.g., get a snack, go to the bathroom)	52%
Do something else in the room (e.g., eat, read, talk to someone)	51%
Change the channel	42%
Use another device (e.g., computer, tablet, smartphone)	30%
Mute the commercial	25%

Base: Watch TV programs via specified method (n=3117)




QTV2: And, what do you do when a commercial comes on while you're watching your favorite TV programs live, recorded, or on-demand? (Select ALL that apply for each way of watching TV)

Source: Google Travel Study, June 2014, Ipsos MediaCT



When given the option, most travelers fast-forward through commercials

Activities done during commercial breaks while watching TV programs

	Live TV 	Recorded 	Video on-demand 
Fast-forward through the commercial	N/A	78%	42%
Watch the commercial	58%	23%	39%
Leave the room to go do something else (e.g., get a snack, go to the bathroom)	52%	30%	35%
Do something else in the room (e.g., eat, read, talk to someone)	51%	27%	38%
Change the channel	42%	N/A	N/A
Use another device (e.g., computer, tablet, smartphone)	30%	22%	29%
Mute the commercial	25%	17%	22%

Base: Watch TV programs via specified method (Live TV n=3117; Recorded n=1805; Video on-demand n=1141)

QTV2: And, what do you do when a commercial comes on while you're watching your favorite TV programs live, recorded, or on-demand? (Select ALL that apply for each way of watching TV)

Source: Google Travel Study, June 2014, Ipsos MediaCT



Video: the next frontier

Travelers engage heavily with online video, and watch more than just travel content



97%

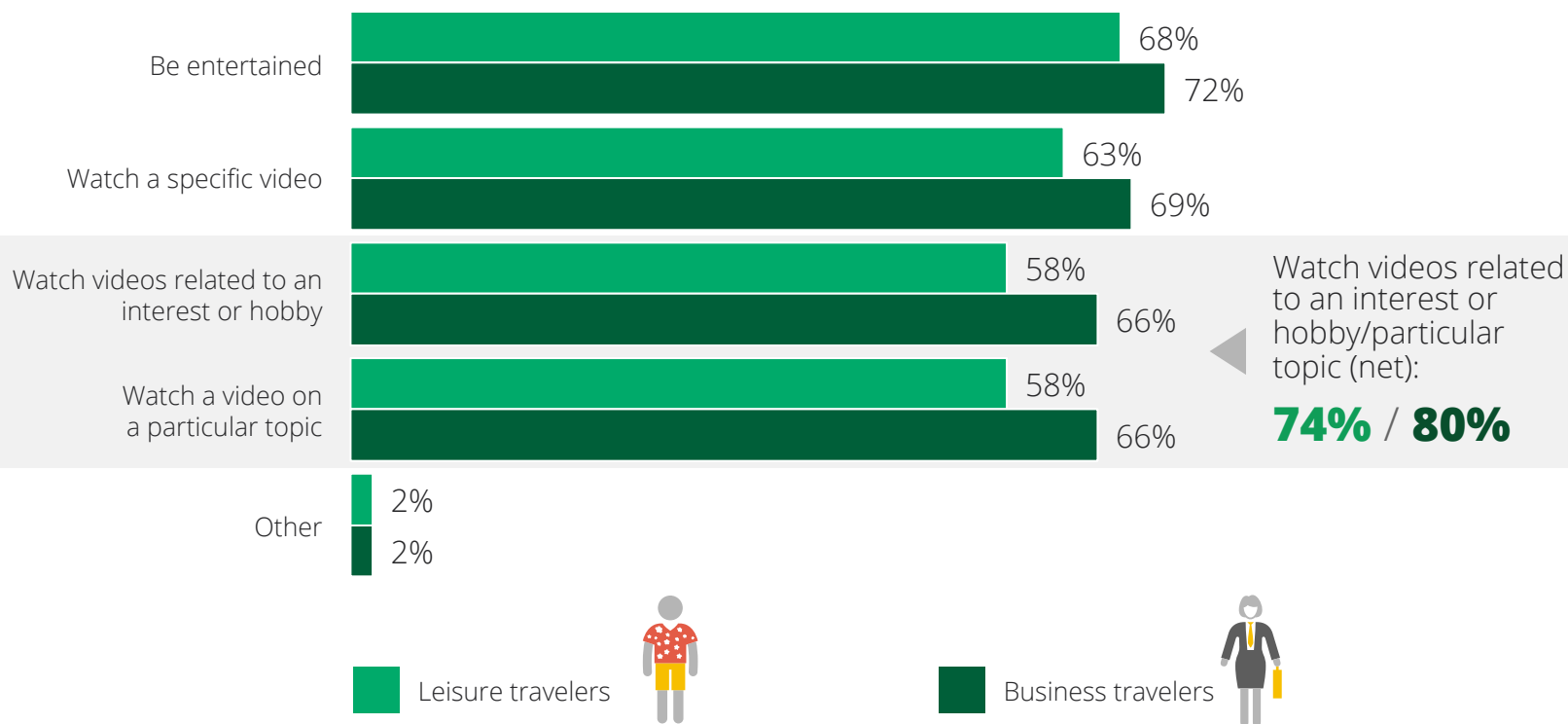


of travelers who
watch online video did so
within the last month



Travelers are engaged on YouTube, with 3 in 5 leisure and 2 in 3 business travelers visiting to pursue passion points

Reasons for visiting YouTube





Travelers who watch online video can most commonly be found watching music, TV show and movie clip/trailer videos

Top 10 types of videos watched online in past month
(among those who ever watch online video)

97%*

Leisure/business travelers
watched videos in the past
month (net)



Music

50%



Full-length
movies

43%



Full-length TV
shows

50%



Food

42%



Movie clips
& trailers

49%



Sports

35%



Humor

46%



Weather

34%



News

45%



Celebrity

34%

*weighted average of Personal and Business Travelers

Base: Ever watch online videos (Personal n=3184, Business n=1436)

Q3: What **types of videos** have you watched **on the Internet** in the *past month*?

Source: Google Travel Study, June 2014, Ipsos MediaCT



35%

Leisure travelers

56%

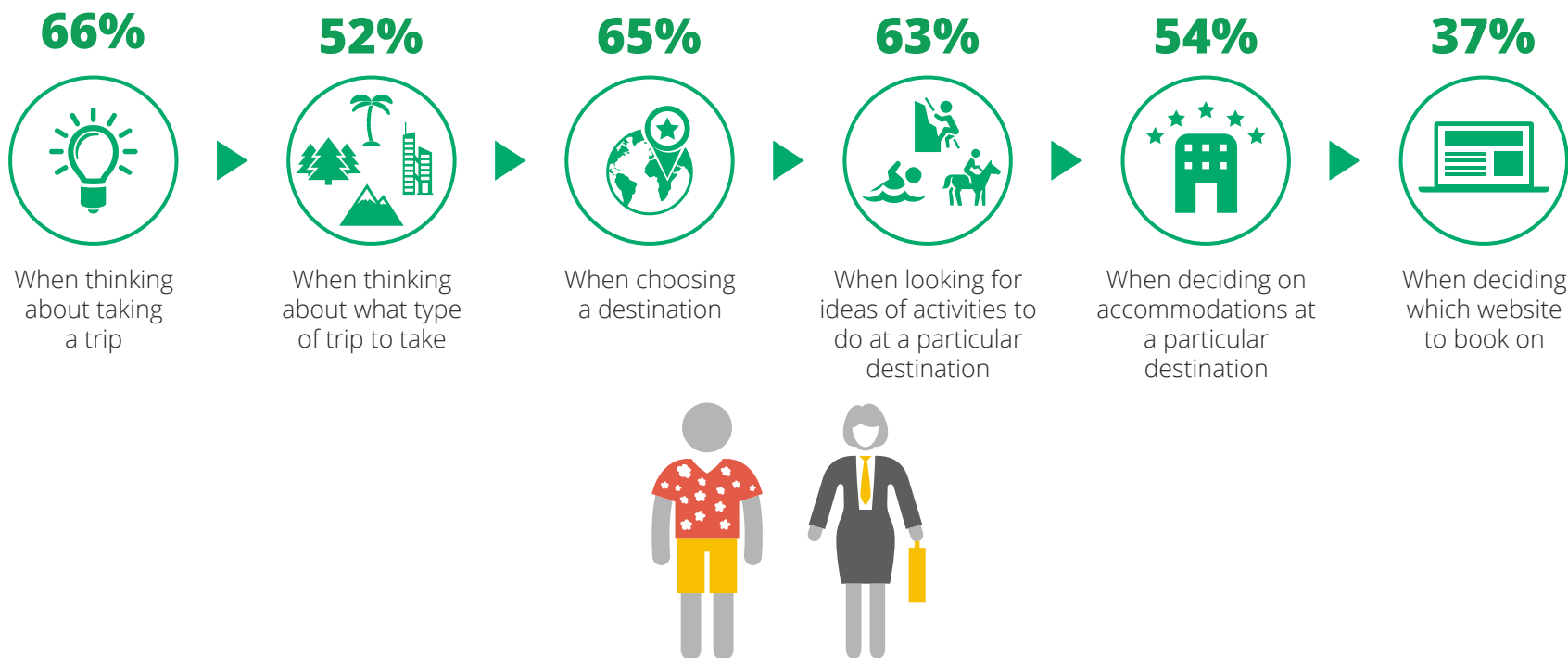
Business travelers

Engaged in travel-related video activities within the past six months



Online videos are viewed throughout the travel journey, particularly before decisions are made

When travel videos are viewed
(Among leisure and business travelers who watched/commented on travel-related video)





Online videos from brands are viewed by more than half of travelers



Leisure travelers

55%

55%

54%

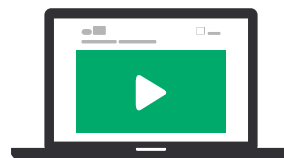
53%

49%

37%

34%

3%



Types of travel videos viewed

(among those who watched/commented on travel-related video)

◀	Trip reviews from people like me	▶
◀	Trip reviews from experts	▶
◀	Videos from travel-related channels	▶
◀	Videos from hotels, airlines, cruises, tours, etc.	▶
◀	Videos made by people like me	▶
◀	Commercials or ads from companies or brands	▶
◀	Videos made by friends and family	▶
◀	Other	▶



Business travelers

60%

61%

65%

64%

56%

49%

47%

2%

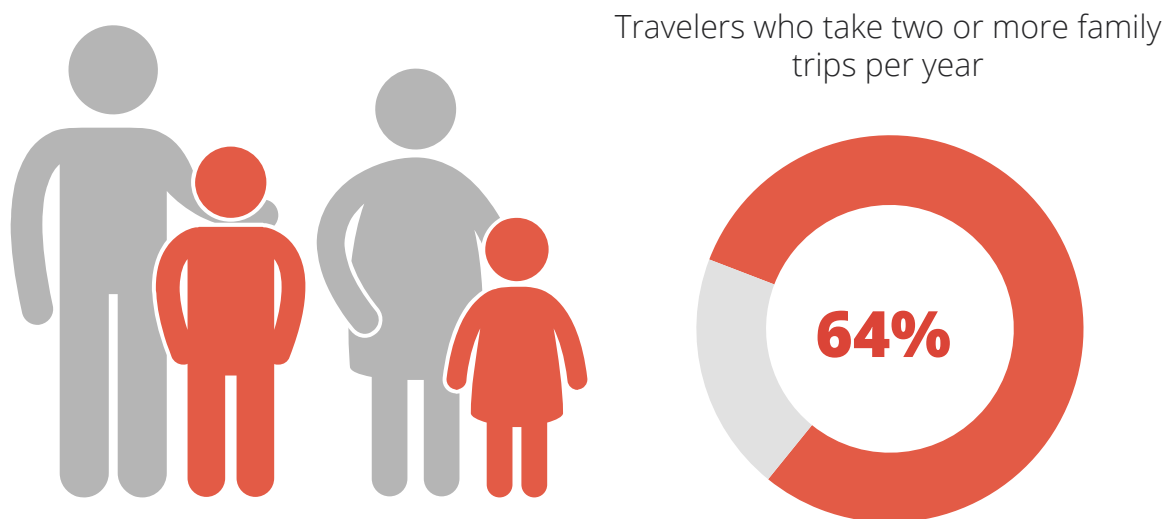


Family travel

Children's preferences matter and influence decision making



The majority of families take at least two trips together per year



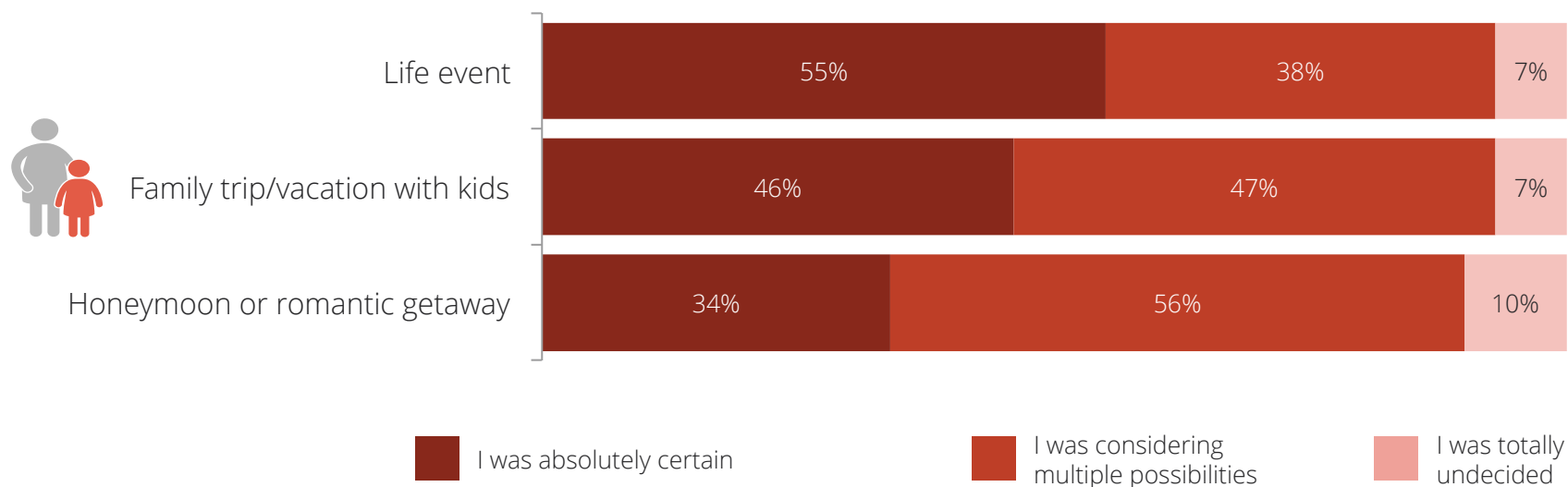
45%

Of leisure travelers plan to travel more frequently with their family in the coming year



Most are undecided when they begin planning family trips

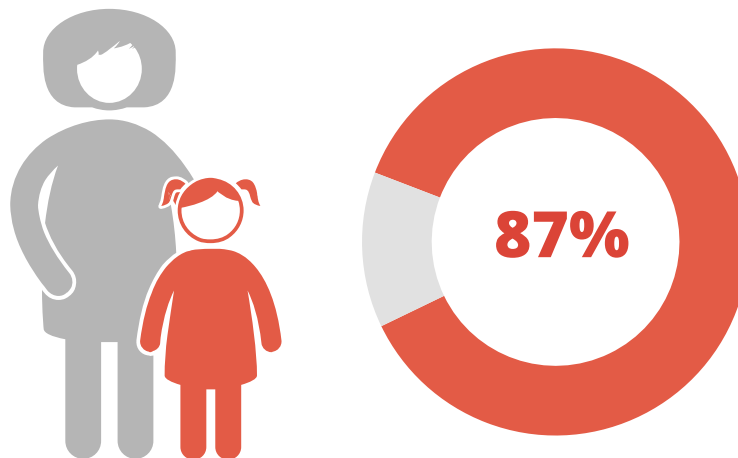
Certainty of destination at the beginning of leisure travel planning





Children play an influential role in family travel destination decisions starting at a young age

Percentage of times at which children's preferences influence family travel decisions



8 Years

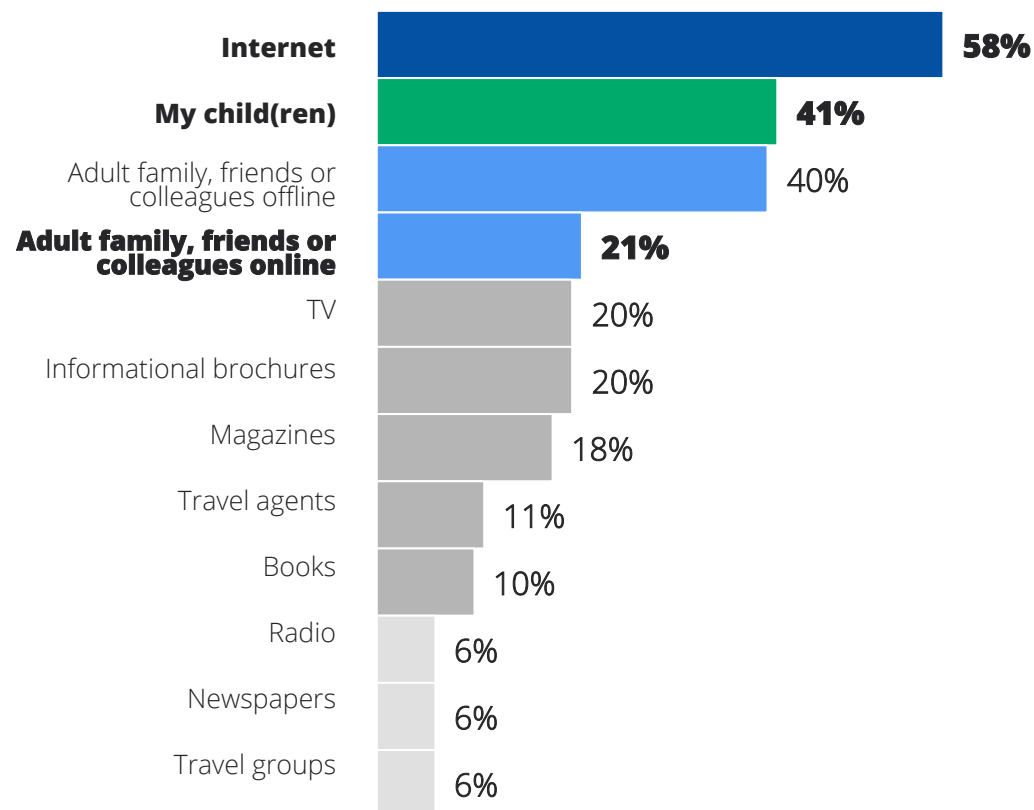
Mean age at which children's preferences influence decisions





Online sources play a critical role in family travel planning

Sources used to decide on family trips or vacations with kids



Base: Personal quota and take family trips with kids (n=1016)

QF1: Earlier you mentioned that you have kids under age 18 in your household. Which of the following sources, if any, do you typically use to decide where to go for **your family trips or vacations with kids**? (Select ALL that apply).

Source: Google Travel Study, June 2014, Ipsos MediaCT

Thank You