Role of search in travel purchasing

Analysis of the purchasing process in the Italian online travel market

APRIL – JUNE 2010

OBJECTIVES

Map the role of search in the purchasing process in Italian online travel market

METHODOLOGY

Custom analysis of Nielsen's Netview Metered panel

Source: Google, Role of search in travel purchasing, Italy, Apr-Jun 2010. n=12,121, travel website users

Executive summary

- There are **16.5 million** people in the 'Travel' Market
- **Search (and Google Search specifically) is a critical part of the customer journey**. **11.7m** or **71%** use search at a point in their journey, increasing to **86%** of those that purchase
- There is a **strong positive correlation between search intensity & actual purchase** – no doubt fuelled by purchasers being on a dedicated mission
- However, there is a **long time lag between initial search & purchase** for majority creating multiple windows of influence
- And **conversion to actual purchase is low**: sites have to work hard to convert visits to sales
- **87% of searchers that purchased used generic terms**, which tend to be maintained throughout purchase journey…pointing towards their use being an established habit
- **Sponsored links significantly increase likelihood of purchase** - people who click on sponsored links are **1.8 times** more likely to make a purchase than the total audience

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Source: Google, Role of search in travel purchasing, Italy, Apr-Jun 2010. n=12,121, travel website users

Study design

CUSTOM ANALYSIS OF NIELSEN'S NETVIEW METERED PANEL

- Sample size: 12,121
- Analysis restricted to Adults 16+
- From April – June 2010
- Recoded to Google classification criteria
- Approximately 316 sites included
- "Start event" determined as the first travel related activity in the period of analysis
- Data checked for outliers + cleaned
- 46,969 unique search terms categorised according to Google's classification structures
- Referrals also included to identify non-search click-throughs

TRAVEL WEBSITE USERS

PURCHASE
Those that make a purchase
Sample Size: **2,004**

QUOTATION
Those that request a quote
Sample Size: **7,548**

RESEARCH
Those that visit travel content sites for research
Sample Size: **2,569**

Mutually exclusive and exhaustive

SITE CATEGORISATIONS

LODGING	TRAVEL	AIR TRAVEL	TOUR OPERATOR
CRUISE	GROUND TRANSPORT	DESTI-NATION	AGENCIES
THEME PARK	FERRY	MAP	TRAVEL GUIDE

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Source: Google, Role of search in travel purchasing, Italy, Apr-Jun 2010. n=12,121, travel website users

Behaviour overview

Audience size	16.5m
Journey Length	46 days
Sites visited/ person	9.3
Sites visits/ person	23.6 times
Web sessions/ person	14.1
Time spent per person	1hr 11mins

15% PURCHASE
2.5 million purchased 6 million products

59% GET QUOTES
9.7 million requested 70 million quotes

26% RESEARCH
4.3 million researchers

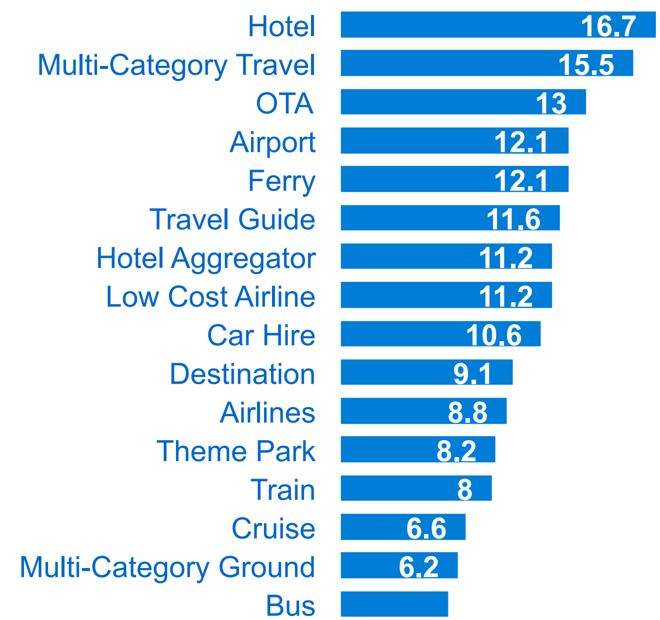
Source: Google, Role of search in travel purchasing, Italy, Apr-Jun 2010. n=12,121, travel website users

Much activity prior to first purchase

Shoppers visit an average of 10 separate sites prior to making their first purchase in 11 separate web sessions. Hotel purchases are made after the most extensive research, with bus journeys the least.

	PURCHASERS	ACTIVITIES UP TO FIRST PURCHASE
Audience size	2.5m	2.5m
Journey Length	65 days	27 days
Sites visited/ person	18.2	10
Sites visits/ person	52.7 times	21.4 times
Web sessions/ person	27.5	11.3
Time spent per person	3hr 21mins	1hr 28mins

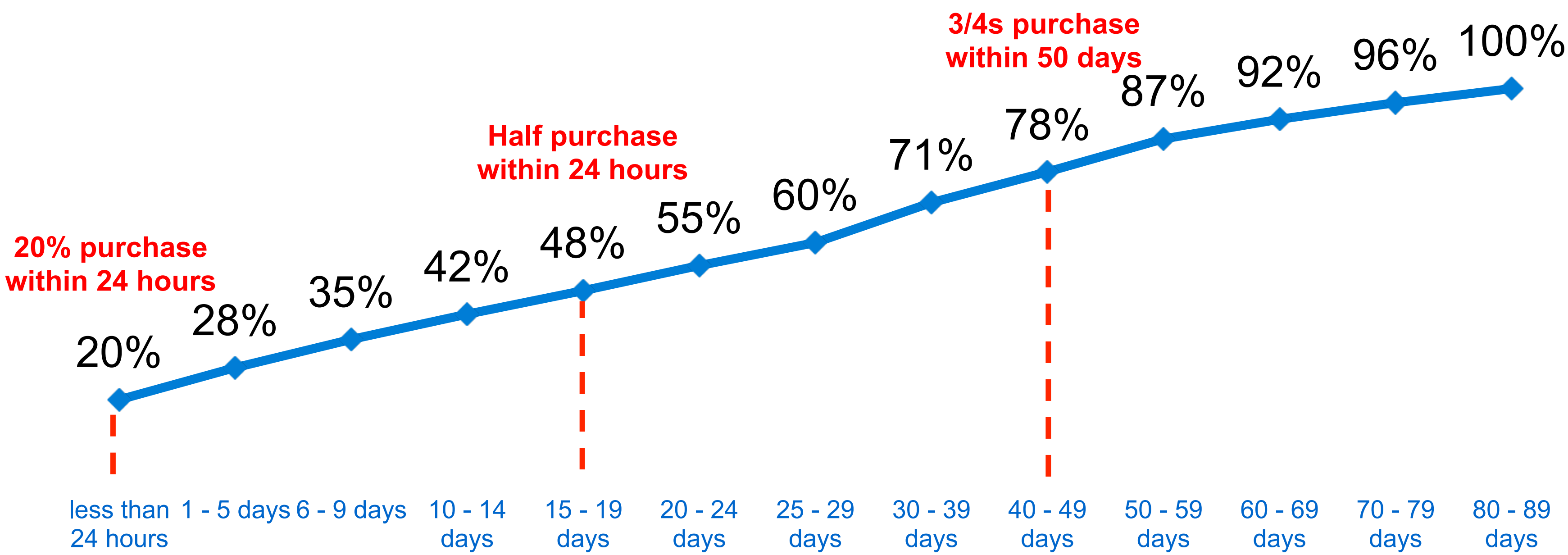
SITES VISITED UP TO FIRST PURCHASE



Source: Google, Role of search in travel purchasing, Italy, Apr-Jun 2010. n=12,121, travel website users

Time lag between first search & purchase

Although 1 in 5 purchases are made within 24 hours of the initial search, the majority have significant lag – travel shoppers will have multiple windows of influence.



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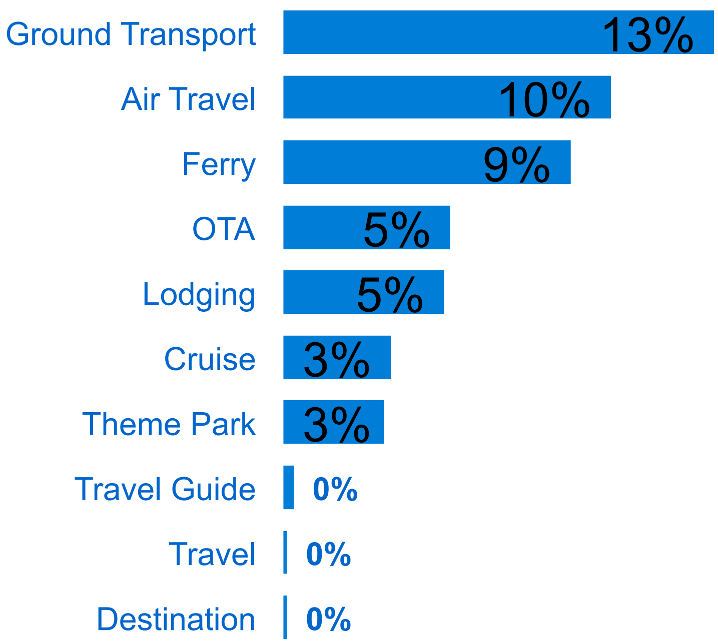
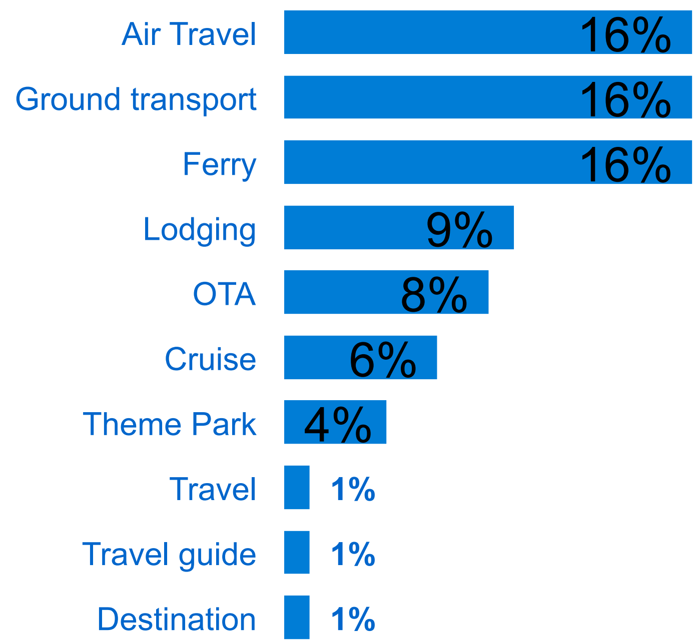
Conversion to actual purchase low

Sites have to work hard to convert visits to sales. Ground transport and air travel enjoy the highest rates, but even these are lower than one in five of shoppers who visit their sites. Note not much loyalty achieved via quotes – only marginal uplift from viewing.

% WHO LOOK FOR PRODUCT ON A SITE WHO GO ON TO PURCHASE FROM SITE



% WHO GET A QUOTE WHO GO ON TO PURCHASE FROM SITE



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Purchasers more engaged in journey

Those that made a purchase visited more sites, more times, over more sessions and spent more time within the category. Nearly half made multiple purchases, with low cost airlines and train travel dominating.

	TOTAL AUDIENCE	PURCHASERS
Audience size	16.5m	2.5m
Journey Length	46 days	65 days
Sites visited/ person	9.3	18.2
Sites visits/ person	23.6 times	52.7 times
Web sessions/ person	14.1	27.5
Time spent per person	1hr 11mins	3hr 21mins

2.4 PURCHASES MADE ON AVERAGE

42% MADE 2 OR MORE PURCHASERS

LOW COST AIRLINES: 23%	TRAIN: 21%
GROUND TRANSPORT: 14%	OTA: 13%
AIRLINES: 8%	HOTEL AGGREGATOR: 6%
FERRY: 5%	HOTEL: 4%
CAR HIRE: 2%	CRUISE: 1%

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Source: Google, Role of search in travel purchasing, Italy, Apr-Jun 2010. n=12,121, travel website users

Purchasers more likely to use search

Those that purchase are more likely to use search including sponsored searches, conducting on average 38 searches

	TOTAL	QUOTATION	PURCHASE
Use search at any point in the journey	71%	79%	86%
Start their journey with search	27%	29%	25%
Searchers who use sponsored searches	35%	36%	53%
Average number of searches	19.5	17.9	38.2

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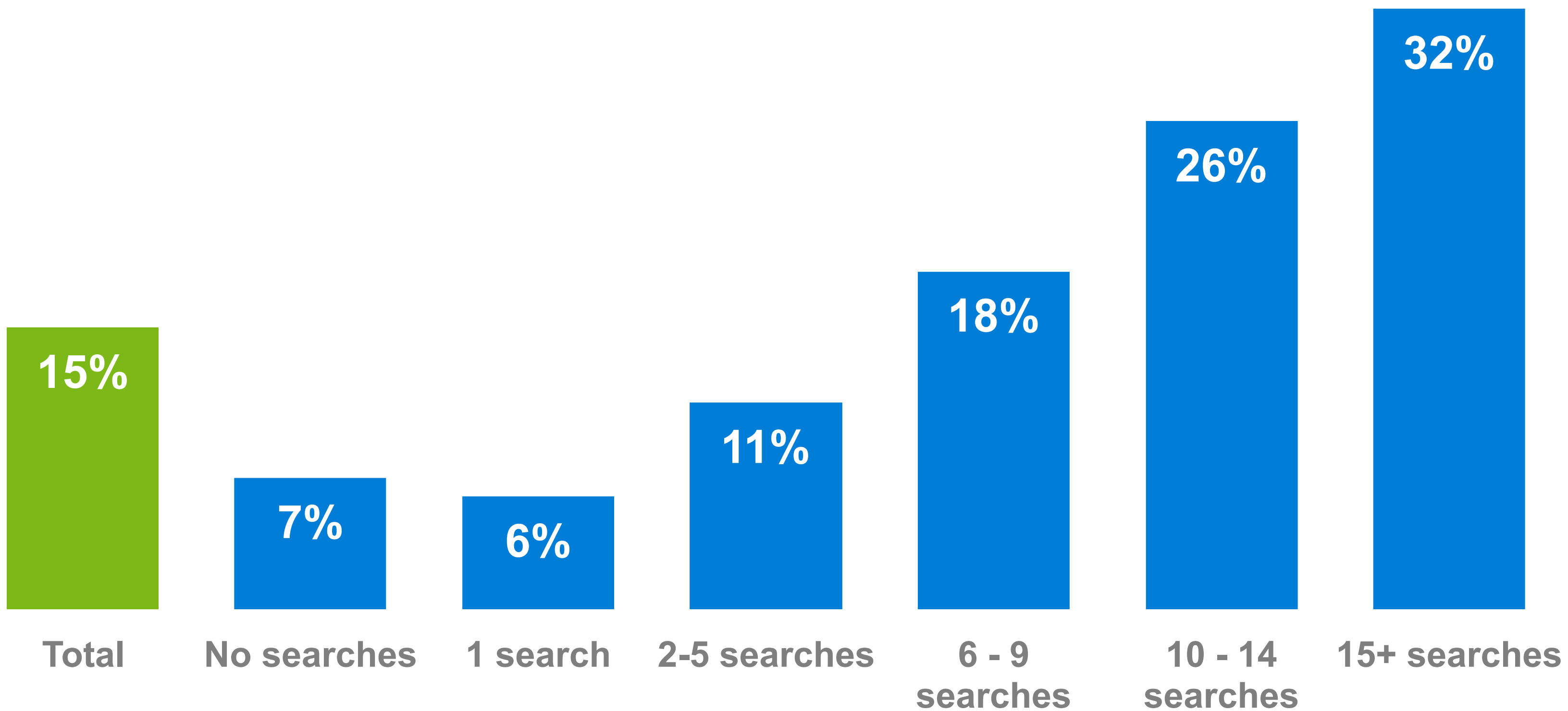
Purchase correlated with no. of searches

Looking at the % who purchased based on the number of searches conducted points to a strong, positive correlation between the two



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Generic terms most commonly used

In terms of % of searches, generic terms are more frequently used. However, looking at this in terms of % of searchers unveils considerable overlap / use of both generic and brand terms

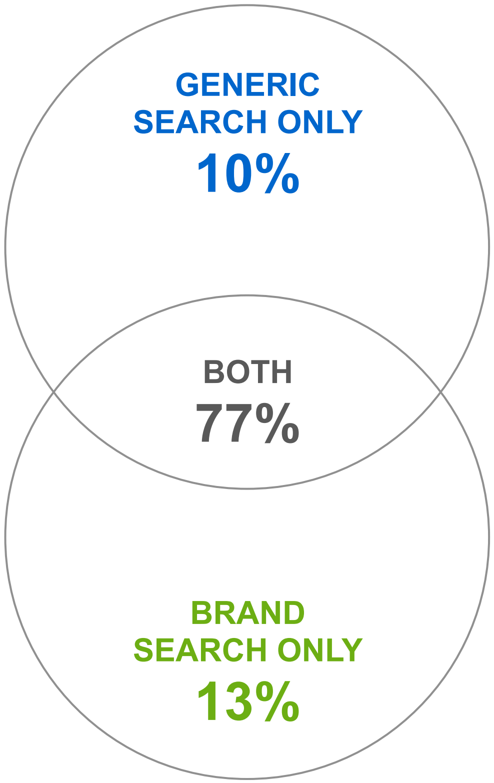
% of searches

GENERIC TERMS	61%
BRAND ONLY TERMS	23%
BRAND WITH OTHER	15%

% of searchers

GENERIC TERMS	87%
BRAND ONLY TERMS	77%
BRAND WITH OTHER	68%

% of searchers



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Generic searches centred on destination

Brand based searches focused on airlines and brand (with other) searches focused on hotels

GENERIC: 61% OF SEARCHES Number of searches (m)	BRAND ONLY – 23% OF SEARCHES Number of searches (m)	BRAND WITH OTHER – 15% OF SEARCHES Number of searches (m)
Destination only 17.4	Airlines 6.8	Hotel 5.2
Maps 10.2	Train 2.5	Airlines 1.2
Other 7.2	OTA 1.2	Hotel aggregator 1.0
Lodging 6.5	Multi-category travel 1.2	Train 0.8
Holidays / Tours / Cruises 2.8	Hotel aggregator 1.1	Airports 0.6

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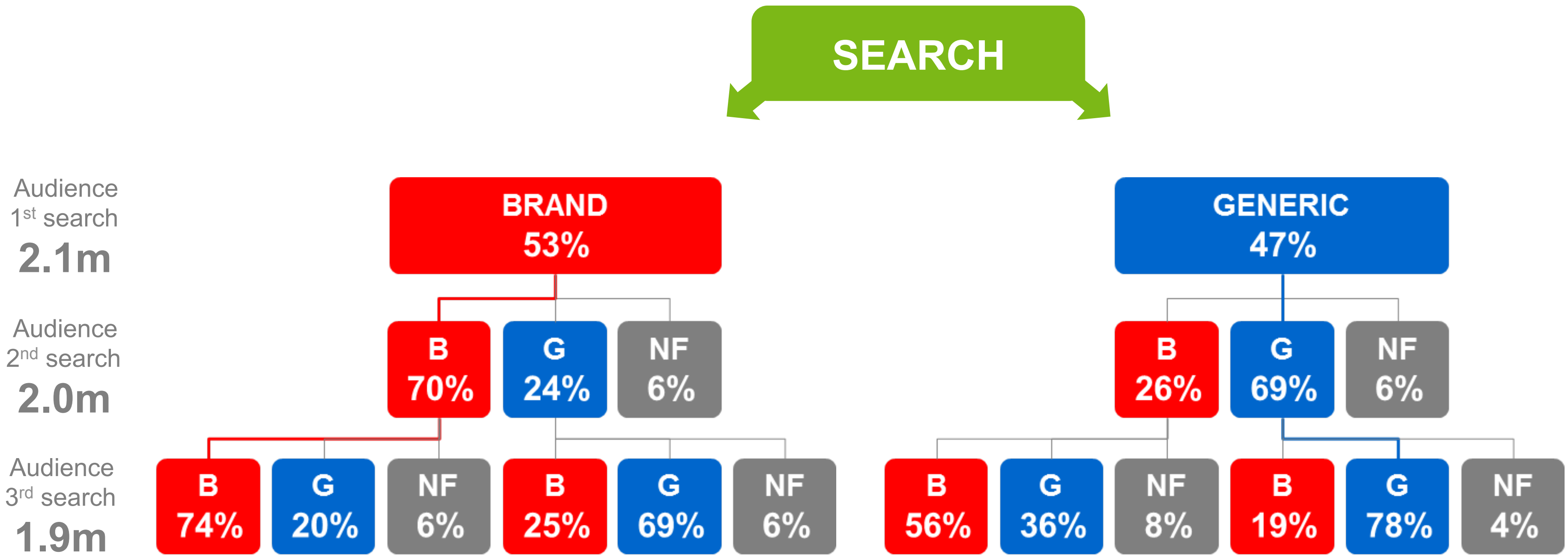
Search terms maintained for duration

Those that use generic terms in the first search are more likely to continue to. The same is true for those who use branded search terms

B = BRAND
G = GENERIC
N = NO FURTHER SEARCHES



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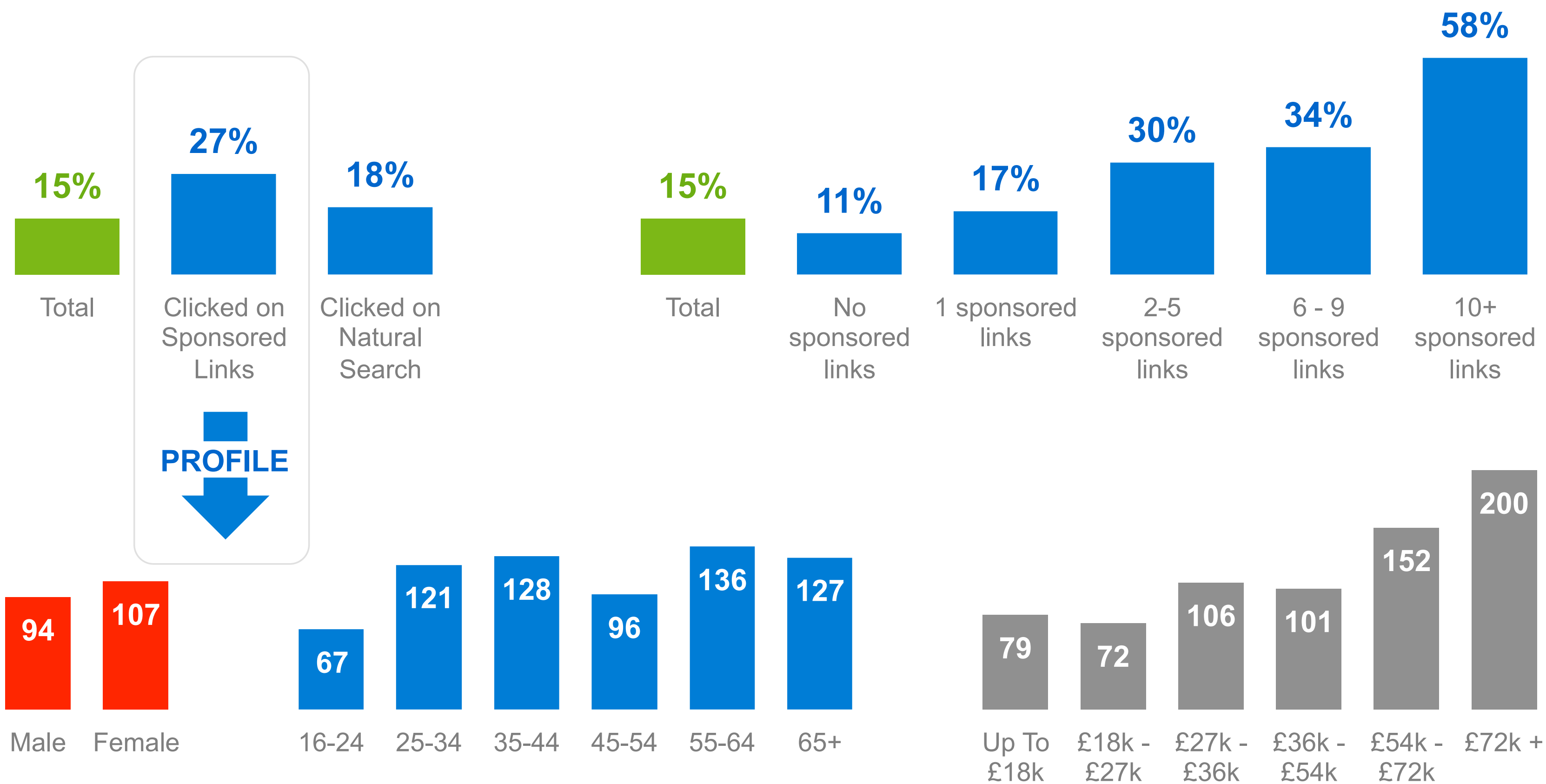
Purchase more likely from sponsored links

People who click on sponsored links are more likely to make a purchase. Again there is a suggestion of a correlation between number of clicks (on sponsored links) and purchase



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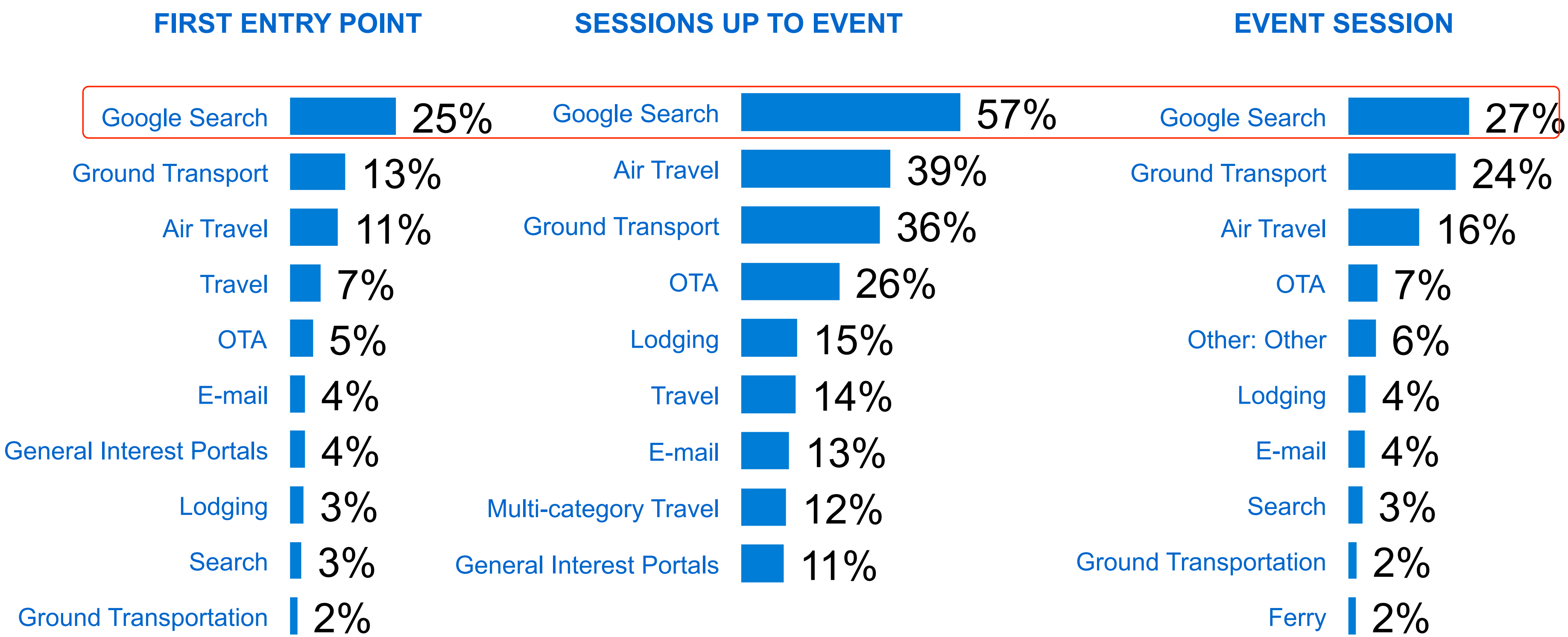
Google key across purchase journey

For 25% of purchasers, the first entry point into the Travel Market was via Google Search AND 57% of purchasers visited Google Search in the period up to purchase AND for 27% of purchasers, the first page visited in their purchase session was Google Search



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Routes to site the same regardless of intent

Regardless of intent, shoppers use virtually identical paths to sites – established patterns of use override need or purpose.