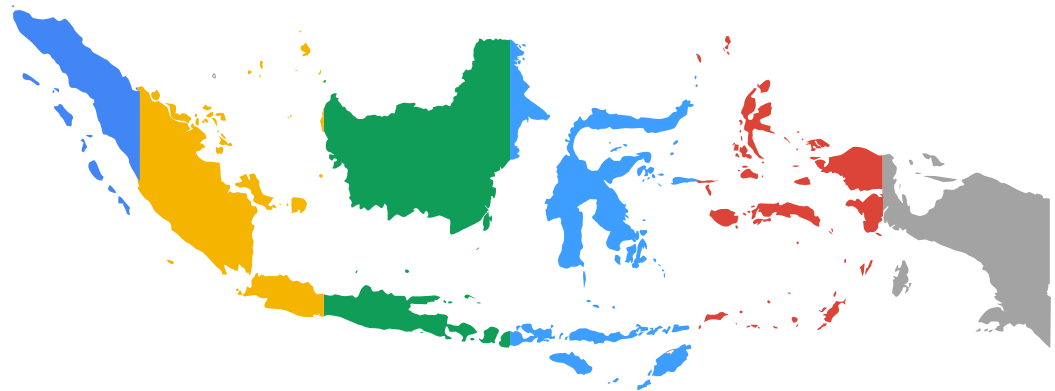October 2015

Indonesia Hotel Booking Path to Purchase Study

GfK | think with Google

Indonesia: A Key Market for 'the Next Billion'

Population
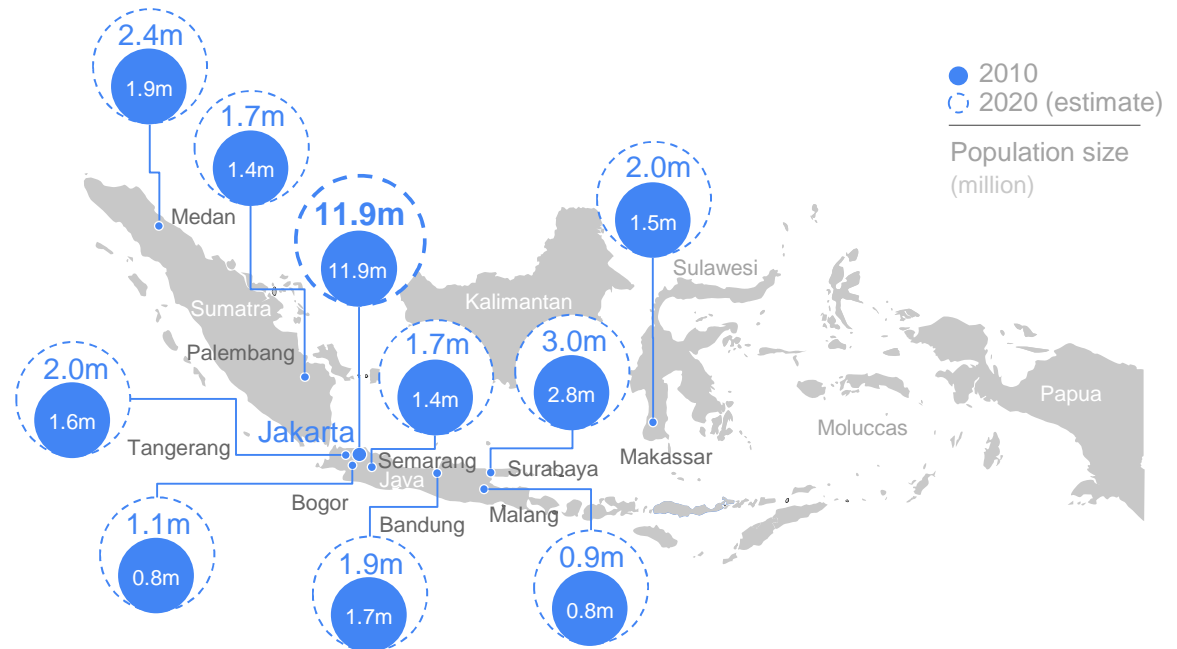## 250m
(world's #4)

GDP
$900b

1,000s
of islands

Digital usage
(from Consumer Barometer*)

Internet usage: **41.2%**

PC category: **15.4%**

Mobile phone: **85.2%**

Smartphone: **43.3%**

Top 10 biggest cities by population size
(from 2010-2020)

● 2010
◌ 2020 (estimate)
Population size (million)

2.4m
1.9m
Medan

1.7m
1.4m

11.9m
11.9m

2.0m
1.5m
Sulawesi

2.0m
1.6m
Tangerang

1.7m
1.4m

3.0m
2.8m

Sumatra

Palembang

Kalimantan

Jakarta

Semarang
Java
Bogor
Bandung
Surabaya
Malang
Makassar
Moluccas
Papua

1.1m
0.8m

1.9m
1.7m

0.9m
0.8m

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Study Background & Details

Background

Understand the **overall consumer journeys for hotel bookings** across the omnichannel pathway

Help to **Identify and prioritise the touchpoints** that have the highest influence on these travellers

Capture **detailed online behaviour and purchase journey** especially through mobile devices using a integrated behaviour tracking method
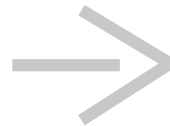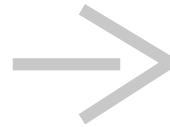
Study Details

Integrated methodology capturing online and offline behaviour

Online behaviour captured via
Passive meter tracking
Meter-based in-depth behavior tracking to capture consumer journey across all relevant category touchpoints related to hotel bookings
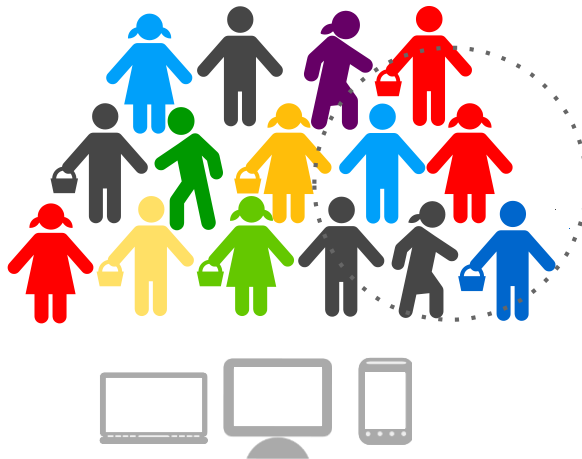
Offline behaviour captured via biweekly diaries

Age 18-55 , SES AB
who have a plan to book accommodation in the next 3 months

Have at least one connected device
Opt-in panel with customers tracked over 8 weeks

Methodology Details

Screener survey

- **Face-to-face interviews** in **4 urban cities** (Jakarta, Bodetabek, Bandung & Surabaya)
- **Collecting user data** on demographics, intention to book a hotel in next 3 months , have internet access and at least one connected device owned
- Fieldwork carried out in July 2015 to September 2015

Opt-in Panel
Passive meter tracking

n=481 Tracked Sample

- **Installing tracking meters** "GfK LEOtrace®" (PC, smartphone, tablet) to opt-in samples after initial screener and meeting qualifying criteria
- **n=481 users tracked , 185 purchases captured and analysed in field time**
- **Collecting behavioral data** (site visit, app usage, etc.) and tracking purchase activities for 8 weeks
- **Capturing purchase journey** during the field time by mobile diaries and exit survey

1. Hotel Booking Journeys are long and purposive

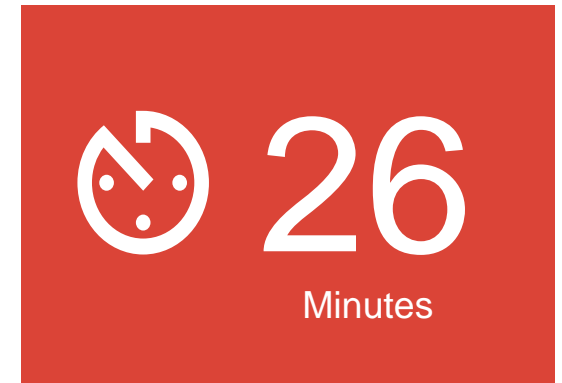# Hotel Booking Journeys are long and purposive though the individual sessions can be short

28 Days

Average Purchase Journey Length

10

Average Number of Website/app visits

26 Minutes

Average time spent online on research

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Research is Omnichannel but 2 in 3 finally book the hotel online. Online bookings done mostly via smartphones

Channel for Research

- Online Only
- Both
- Offline Only

1%
46%
54%
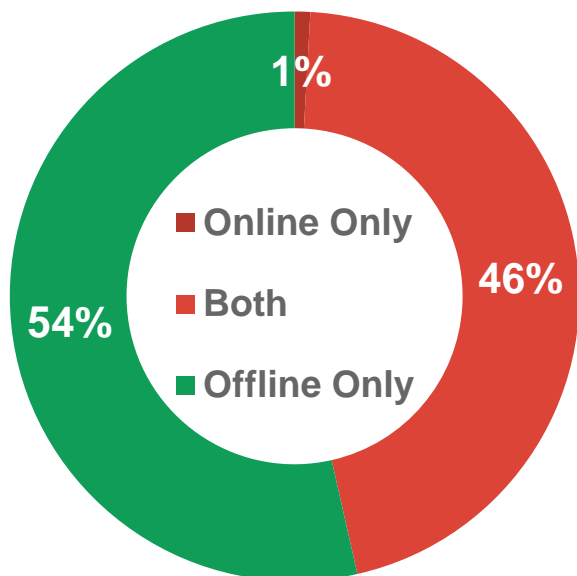
Channel for Purchase

- Online
- Offline

40%
60%

Device used for Booking (among Online bookers)
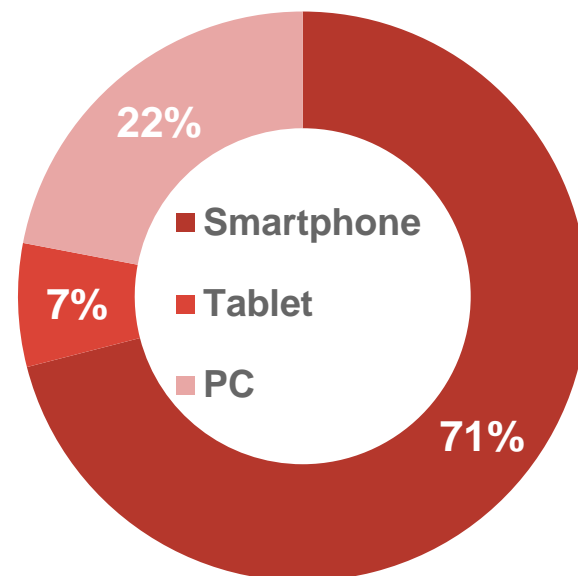
- Smartphone
- Tablet
- PC

22%
7%
71%

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Price still a key driver of choice when choosing a specific hotel followed by facilities offered & location

Important factors in choice of Accommodation
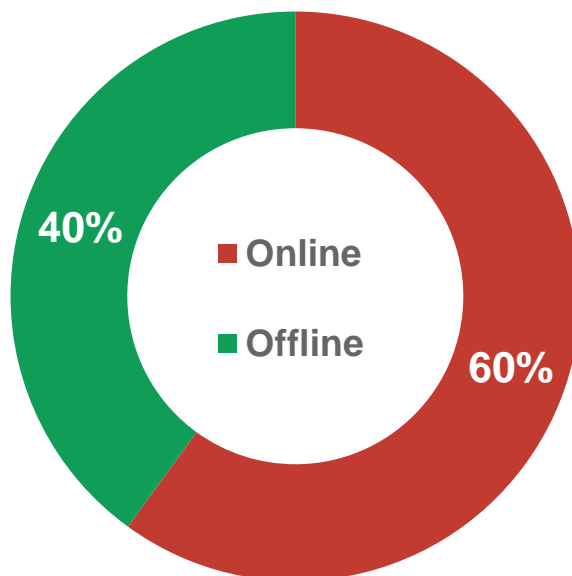
Factor	Most Important	Overall importance
Price	35%	64%
Facilities	13%	64%
Location	20%	59%
Good value for money	18%	43%
Staff friendliness & helpfulness	4%	21%
Look/ interior design of rooms	2%	12%
Quick availability	4%	10%
Look/design of the building	1%	8%
Good review/ tests	1%	7%
Cancellation rules	1%	4%
Free breakfast	0%	3%
Brand	2%	3%
Smoking vs Non-smoking room	0%	2%

■ Overall importance ■ Most Important

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2. Online touchpoints usage is high with TA's and
Search being prominent

TA's, Search and Maps are most used among online touchpoints, visits dominated by Aggregators

Online touchpoints in the purchase journey
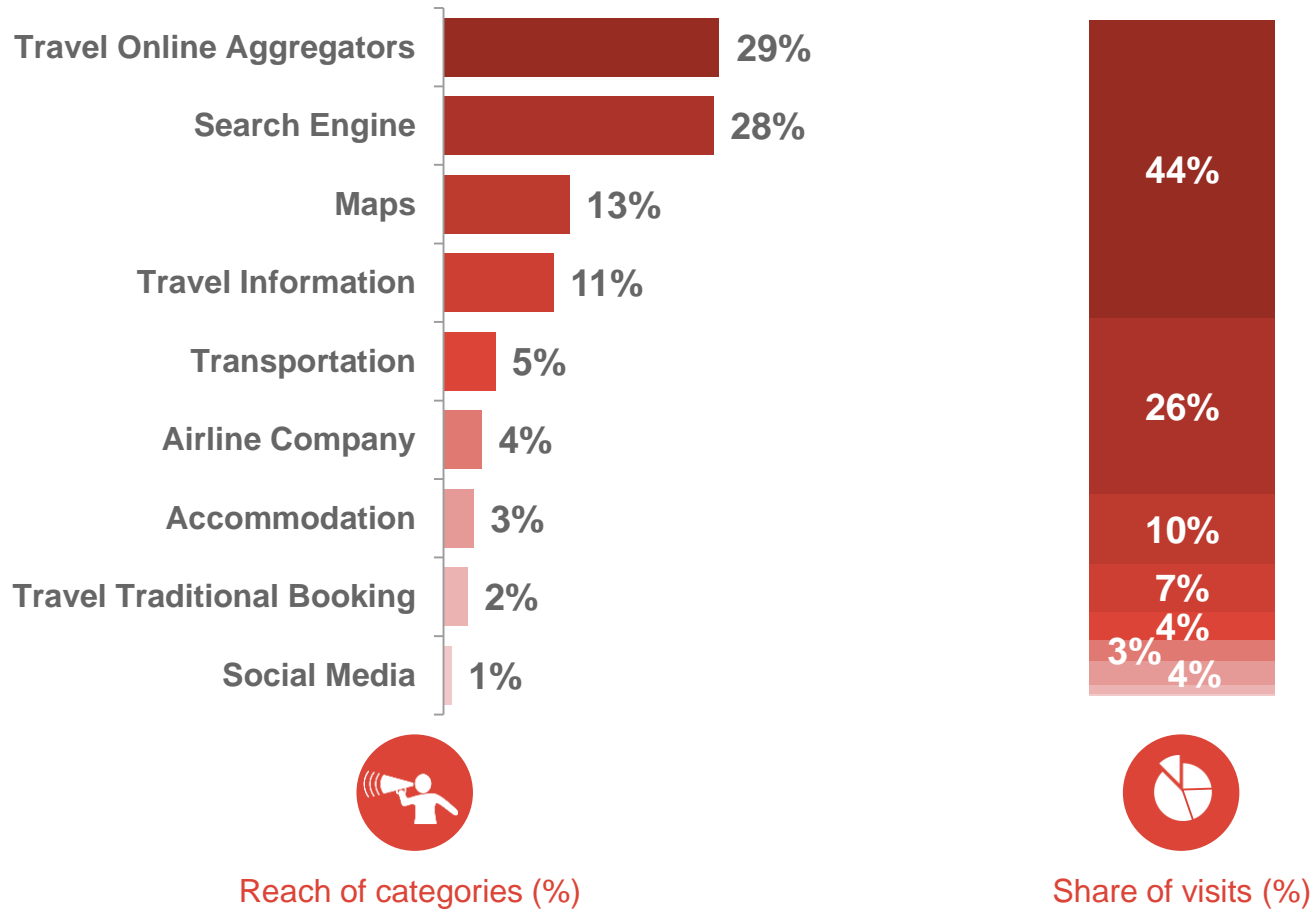
Category	Reach of categories (%)
Travel Online Aggregators	29%
Search Engine	28%
Maps	13%
Travel Information	11%
Transportation	5%
Airline Company	4%
Accommodation	3%
Travel Traditional Booking	2%
Social Media	1%

Share of visits (%)

44%

26%

10%

7%

3% 4%

4%

Reach of categories (%)

Share of visits (%)

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Word of Mouth is the most dominant offline touchpoint for travellers to trigger demand and gather information

Offline touchpoints in the purchase journey

Touchpoint	Reach
Discussed with friends/relatives	74%
Watched the TV programme	41%
Read the newspaper, magazine, guide book	41%
Called or visited Travel Agency	40%
Called or visited the accommodation directly	39%
Discussed with travel professional	21%
Called or visited Travel Exhibition	15%
Somewhere else offline	16%

Share of time (%):
- 30%
- 23%
- 20%
- 6%
- 3%
- 7%
- 3%
- 8%

Reach of categories (%)

Share of time (%)

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3. Hotel booking journeys are complex but in most cases start with search
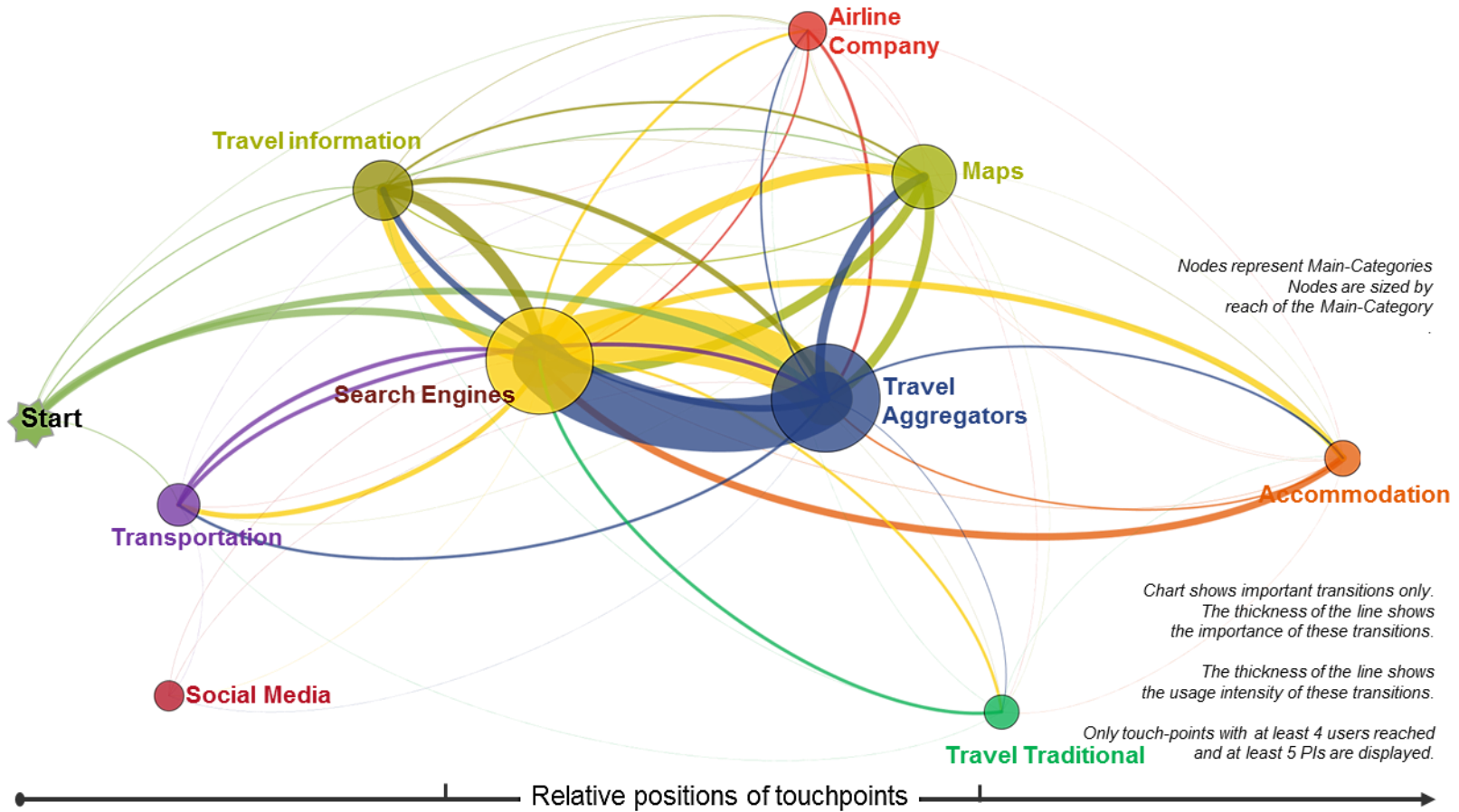
Offline points important at the start , Search likely to be first online touchpoint, TA's come in halfway through

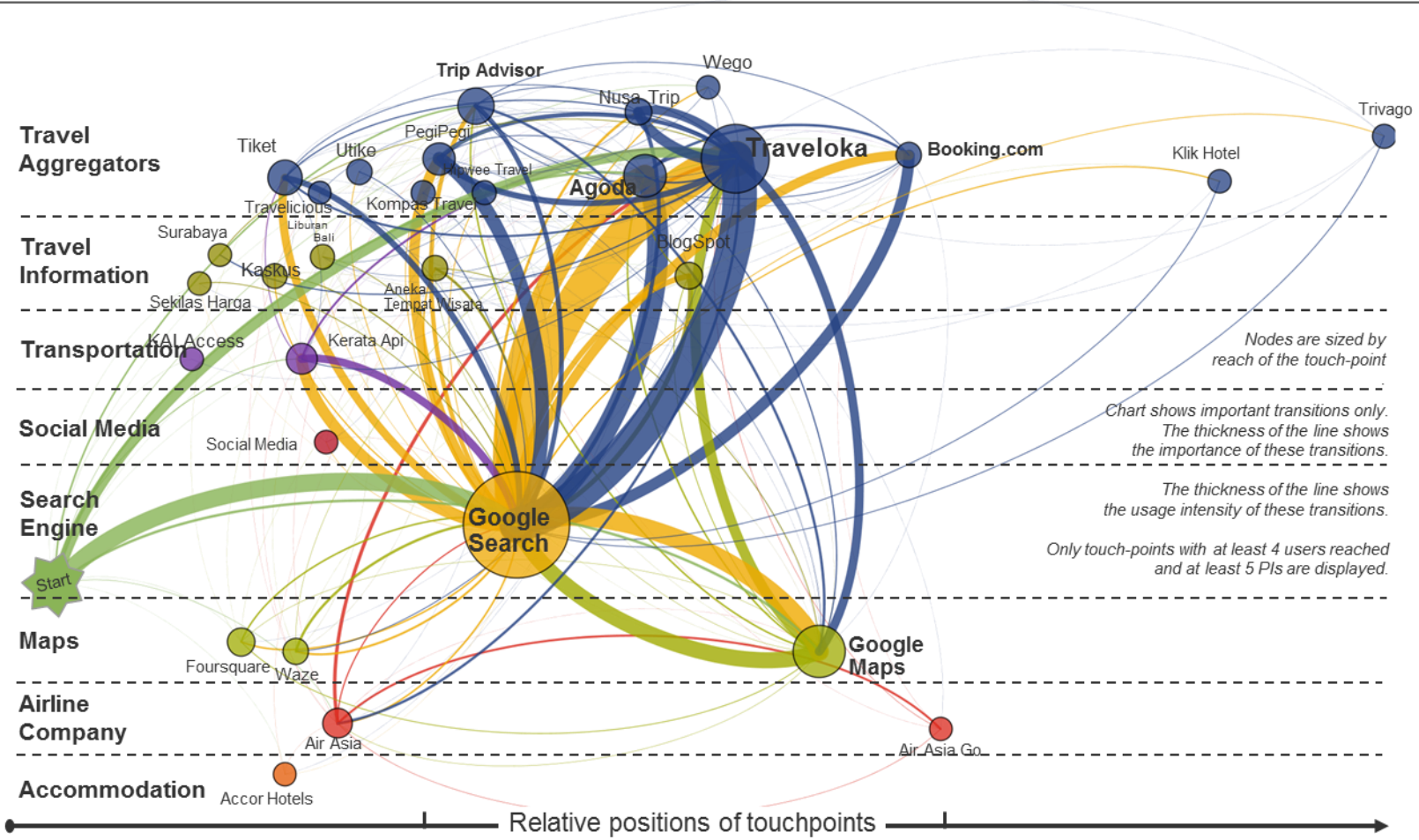**Touchpoint Stages & Roles : Category Level**

Read magazine/guide

Watched TV programme

Talk to TA

Travel Aggregators

Search Engines

Maps

Travel Information

Airline Companies

Accommodation

Beginning | **Middle** | **End**

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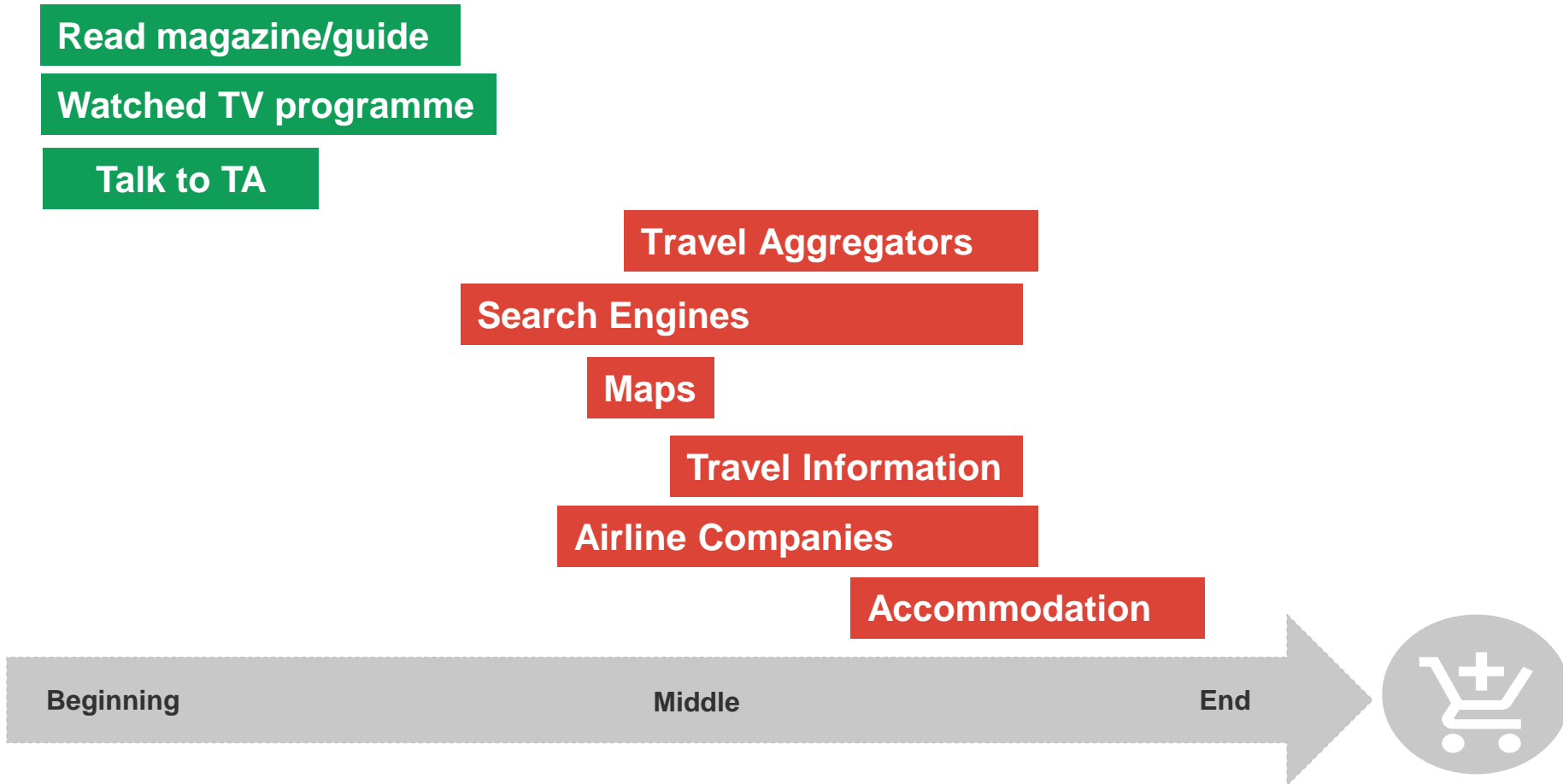
Travelers exhibit complicated and fragmented online journey but search is a key start point

Online journey map for Hotel booking : Category Level

Airline Company

Travel information

Maps

Start

Search Engines

Travel Aggregators

Transportation

Accommodation

Social Media

Travel Traditional

Nodes represent Main-Categories
Nodes are sized by
reach of the Main-Category

Chart shows important transitions only.
The thickness of the line shows
the importance of these transitions.

The thickness of the line shows
the usage intensity of these transitions.

Only touch-points with at least 4 users reached
and at least 5 PIs are displayed.

Relative positions of touchpoints

Aggregators found via search, accommodation sites aren't doing enough to be found

Online journey map for Hotel booking : App/Domain level

Travel Aggregators

Travel Information

Transportation

Social Media

Search Engine

Maps

Airline Company

Accommodation

Trip Advisor
Wego
Trivago
Tiket
Utike
PegiPegi
Traveloka
Booking.com
Klik Hotel
Nusa Trip
Travelicious
Kompas Travel
Awee Travel
Agoda
Surabaya
Libutan Bali
Kaskus
BlogSpot
Sekilas Harga
Aneka Tempat Wisata
KAI Access
Kerata Api
Social Media
Google Search
Start
Foursquare
Waze
Google Maps
Air Asia
Air Asia Go
Accor Hotels

Nodes are sized by reach of the touch-point

Chart shows important transitions only. The thickness of the line shows the importance of these transitions.

The thickness of the line shows the usage intensity of these transitions.

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Relative positions of touchpoints

Summary

Hotel Bookers in Indonesia rely on digital for travel inspiration as well as research and booking.

Hotel Booking Journeys are long and purposive though the individual sessions can be short

Search is a key start point for any of these bookings and being discovered right at the start is quite key, whatever kind of property be it online or offline

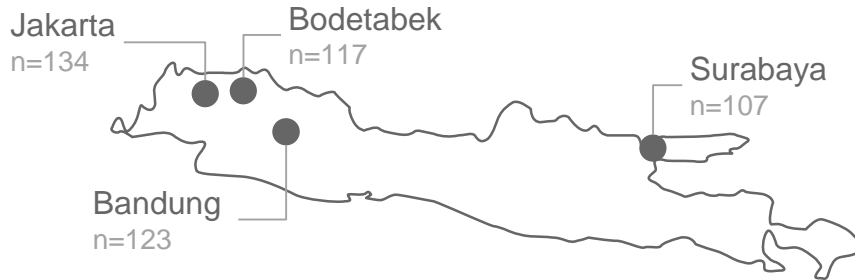Aggregators key source of information as well as bookings, accommodation sites aren't doing enough to be found

Price still a key driver of choice when choosing a specific hotel followed by facilities offered & location
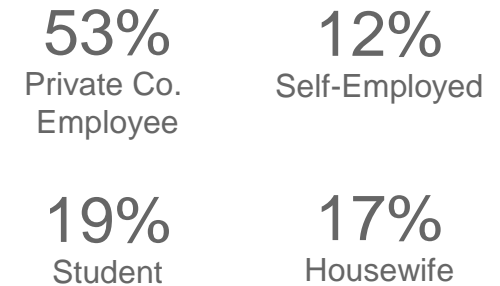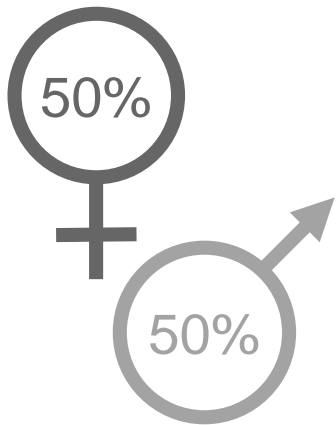
Sample Details
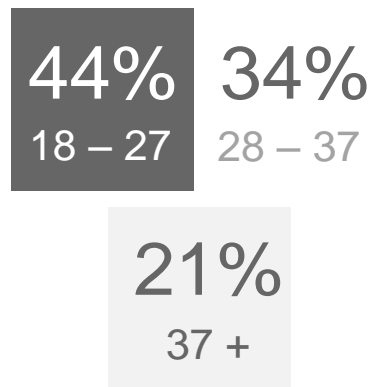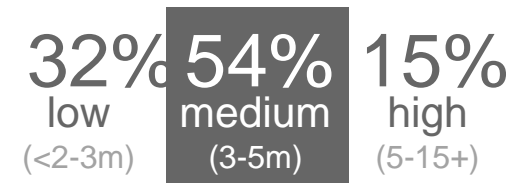
Sample Profile

Cities covered

Jakarta
n=134

Bodetabek
n=117

Surabaya
n=107

Bandung
n=123

Occupation

53%
Private Co.
Employee

12%
Self-Employed

19%
Student

17%
Housewife

Gender

50%

50%

Age

44%
18 – 27

34%
28 – 37

21%
37 +

SES

■ SES A
40%

■ SES B
60%

Income

32%
low
(<2-3m)

54%
medium
(3-5m)

15%
high
(5-15+)

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