

Loyalty Is Key to Online Travel Market

2007-02-15

Travel suppliers use loyalty programs to stay competitive online.

Many travelers know the trick to getting the best price online: They shop at online travel agencies, then book rooms or flights on a supplier's site.

Yet online travel agencies are still fierce competitors. Although a head-to-head matchup favors suppliers, many consumers still say "It depends" when it comes to their purchase preferences, according to a survey conducted by market research firm eVOC Insights and RelevantView.

US Consumers Who Prefer to Make Hotel Reservations on a Hotel's Web Site Directly vs. Using an Online Travel Agency/Consolidator, 2006 (% of respondents)



Note: n=200

Source: eVoc Insights, LLC/RelevantView, September 2006

080930

www.eMarketer.com

eMarketer senior analyst and travel specialist Jeffrey Grau thinks the "It depends" crowd has good reasons for using both online travel agencies (OTAs) and suppliers.

"For many people, it's not a black-and-white choice. Each channel has a different set of attributes. The agencies give you a broad selection, and make it easy to book multiple travel segments at the same time, such as hotels, airlines and car rentals. For details about a lodging facility, however, the supplier wins out. More importantly, supplier loyalty program points are easier to get directly from the supplier," said Mr. Grau.

The eVOC study backs up this statement. For hotel price and selection, and for adding flights, rooms or vehicles, travelers prefer online travel agencies. Suppliers win on rewards programs and ease of cancellation, and are favored by travelers who hate cancellation fees.

Reasons that US Consumers Prefer to Make Hotel Reservations on a Hotel's Web Site Directly vs. Using an Online Travel Agency/Consolidator, 2006 (% of respondents)



Note: n=200

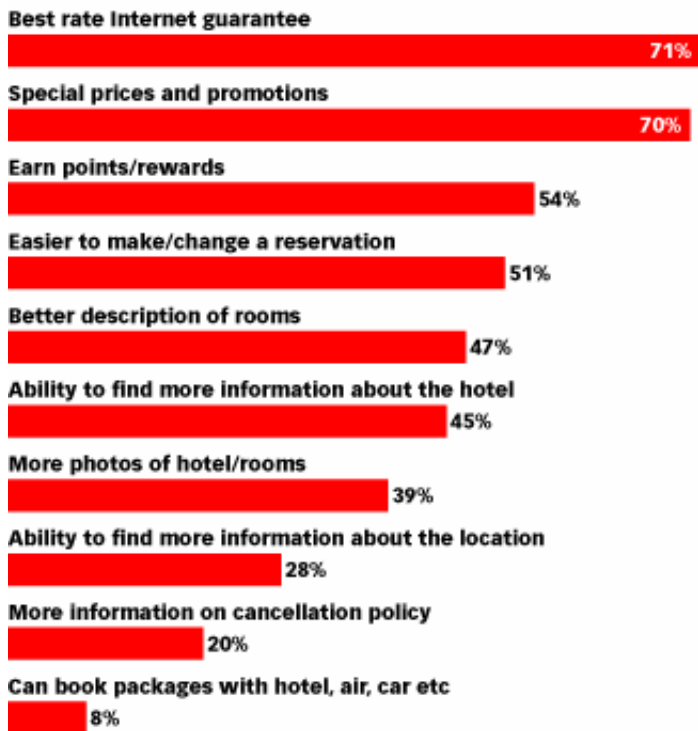
Source: eVoc Insights, LLC/RelevantView, September 2006

080932

www.eMarketer.com

Besides reward programs, suppliers can compete with OTAs on price, according to a new study by eVOC Insights and Hospitality eBusiness Strategies. Visitors to a major hotel brand site said that having a best Internet rate guarantee would get them to book directly on the brand site instead of sites like Expedia or Travelocity. Special prices and promotions also got travelers' attention.

Factors that Would Influence US Consumers* to Make Hotel Reservations on a Hotel's Web Site Directly vs. Using an Online Travel Agency, 2006 (% of respondents)



Note: *visitors to the Web site of a major hotel brand
Source: Hospitality eBusiness Strategies Inc., February 2007

080933

www.eMarketer.com

To fine-tune your online travel strategy in time for summer, see [eMarketer's Online Travel in the US: Pursuing Customer Loyalty report](#).

This article comes from Hotel News Resource

<http://www.hotelnewsresource.com>

The URL for this story is:

<http://www.hotelnewsresource.com/article26285.html>

© 1998 - 2007 Nevistas and the author.

Brought to you by Hotel News Resource

Distribute your news on our Network

See what all the buzz is about at:

http://www.hotelnewsresource.com/Info-news_account_info.html