

Declining Customer Satisfaction Throughout the Travel Industry Extends to Independent Travel Web Sites

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Hotwire.com Ranks Highest in Customer Satisfaction Among Independent Travel Web Sites for a Second Consecutive Year

Amid increasing costs and decreasing levels of customer satisfaction across various aspects of the travel industry, customer satisfaction with independent travel Web sites also experiences a decline, according to the J.D. Power and Associates 2007 Independent Travel Web Site Satisfaction (ITWS) Study(SM) released today.

Now in its third year, the study measures the satisfaction of travelers who book airline, hotel or rental car reservations through one of eight major independent travel Web sites. Six factors are examined to measure customer satisfaction (in order of importance): competitiveness of price, ease of booking, usefulness of the information on the Web site, availability of booking options/travel packages, appearance/design of Web site, and ease of navigation.

The study finds that overall customer satisfaction with independent travel Web sites has decreased 8 points in the past year, from 810 on a 1,000-point scale in 2006 to 802 in 2007.

"Various pressures across the travel industry -- including increasing fuel and airfare prices, and more frequent air travel delays -- have led to notably lower satisfaction levels in 2007, and independent travel Web sites appear to have been negatively impacted by a snowball effect," said Sam Thanawalla, director of travel and entertainment at J.D. Power and Associates. "In addition, independent travel Web sites face challenges related to increased competition from airline- and hotel-branded Web sites, as well as changing expectations of increasingly Internet-savvy consumers."

For a second consecutive year, Hotwire.com ranks highest among independent travel Web sites in satisfying customers who book their reservations online, performing particularly well in competitiveness of pricing and ease of navigation. Travelocity.com and Expedia.com, respectively, follow in the rankings. Travelocity.com performs particularly well in four of the six factors: ease of booking, usefulness of the information on the Web site, availability of booking options/travel packages, and appearance/design of the Web site.

"Hotwire.com sets itself apart from the competition with a particularly strong performance in competitiveness of price," said Thanawalla. "Consumers are finding themselves with shrinking discretionary funds for travel while at the same time are facing rapidly climbing airline ticket prices and rental car and hotel room rates. Price-conscious travelers will search diligently to find the lowest possible prices, which is an area where Hotwire.com excels."

Study results also include the following key findings:

The accuracy of reservations made on independent travel Web sites has improved slightly since 2006. In 2007, 95 percent of reservations were reported as error-free, compared with 94 percent in the previous year.

The study also finds that nearly one-half (49%) of all travel-related reservations in 2007 were booked on the Web, an increase from 46 percent in 2005.

Across the industry, independent travel Web sites overall receive their lowest marks for appearance/design of Web site.

Generation X and Y travelers are more likely to book a reservation on price-focused Web sites, such as Priceline.com and Hotwire.com, compared with Baby Boomers and Pre-Boomers.

"Although it appears that independent travel Web sites are losing some market share to branded sites, independents sites still offer valuable services and features that are of particular appeal to consumers," said Thanawalla. "For example, independent Web sites can help travelers find package deals at the lowest possible prices and make comparison shopping for hotel properties easier with online videos. In addition, independent sites provide extra services, such as informing travelers of flight delays by contacting their cell phones, which help make traveling more convenient."

The 2007 Independent Travel Web Site Study is based on responses from 5,414 consumers who booked their travel reservation through an independent Web site. Consumers were surveyed between October 2006 and September 2007.

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