

Where Have All the Online Travelers Gone?

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The number of travelers booking online is down. What's up?

This year US travel sales booked online will reach \$105 billion, up 12% from 2007.

US Online Leisure/Unmanaged Business Travel Sales, 2007-2012 (billions and % change)

2007	\$93.8 (19.0%)
2008	\$105.1 (12.0%)
2009	\$116.1 (10.5%)
2010	\$128.9 (11.0%)
2011	\$145.0 (12.5%)
2012	\$162.4 (12.0%)

Source: eMarketer, August 2008

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eMarketer forecasts that US online leisure and unmanaged business travel sales (including airline, hotel, rental car, vacation package, intercity rail and cruise) will reach \$105 billion. Furthermore, from 2007 to 2012, sales will increase at an 11.6% average annual rate.

Even though online travel sales are growing, fewer travelers are booking their trips online.

"The fact that fewer travelers are booking online is not due to economic concerns-online travel bookers are an affluent demographic-it is caused by frustrations related to the planning and booking capabilities of online travel agencies," says Jeff Grau, senior analyst at eMarketer and author of the new report, US Online Travel: Planning and Booking. "This, in turn, is spurring a renewed appreciation for the expertise and personalized services offered by traditional travel agents."

In other words, online travel sites are steering customers back to offline travel agents-a complete turnaround of what has been happening in the category for the last decade.

"Not so long ago industry observers cast traditional travel agents as has-beens," says Mr. Grau. "Perhaps this has helped them to focus on what they do best: provide travel expertise and personalized service."

Customer dissatisfaction with online travel agencies (OTAs) stems specifically from unfriendly booking engines and navigation tools.

With few points of differentiation, OTAs have a hard time building customer loyalty and have driven travelers right into the open arms of traditional travel agencies-and new online competitors.

"Mired in old technology, the OTAs have failed to keep pace with a newer and more innovative breed of travel Websites built around user-generated content," says Mr. Grau.

Online travel communities are emerging to carry the torch of innovation.

"In addition, a new breed of matchmaking travel sites is bringing traditional travel agency talent online," says Mr. Grau. "Sites like Zicasso and Tripology help travelers to exotic locales find travel agents tailored to their interests and needs."

To see the many new directions the category is headed in, and get all the information you need to succeed in digital marketing and media, look into an [eMarketer Total Access Subscription](#) for your company today.

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