



From Travel Business Analyst

Net Value

Marketing Travel On The Internet

Cendant survey

Cendant TDS* says growth of low-fare airlines (LFAs) will mean travellers will travel more often. Its research, however, does not show this. It shows, see table, that a greater percentage will book online – not quite the same thing.

Also, although surveys of travel intentions must always carry some risk, Cendant does not appear to have flagged one in this survey – carried out for the company by Marketshare – concerning Malaysia.

Intentions by travellers in Malaysia to book online are beyond belief – particularly when it is considered that there are more online options in Singapore. This includes three 'online+' airlines, Jetstar, Tiger, Valuair, plus Zuji (an online travel agency owned partly by Travelocity, one of the world's top three online travel agencies).

In Malaysia, no Zuji and only one online airline, Air Asia.

So does this survey result mean greater enthusiasm/belief in the internet in Malaysia, or merely "irrational exuberance"?

The research indicates that 87% of air travellers in Malaysia intend to book travel online in the next year – which, if it happened, would probably make the market world number one.

In fact, expansion in Asia by LFAs is seriously limited by air traffic rights. Protectionism is breaking down steadily but there is still a long way to go. When

Air Asia can establish an operating base in Hong Kong (or Macau or Shenzhen), and fly to China, Manila, etc – then you know liberalisation has arrived.

The Cendant survey also examined how travellers will spend the money they save on air travel.

Singapore respondents will not spend more on hotels, but 62% say they will spend their air savings on shopping. Likewise in Hong Kong – 65% would spend the same amount on hotels, but 61% would spend their savings on shopping, and 52% on food & beverage.

Again a difference in Malaysia. Although 50% would spend their savings on shopping, 39% would also spend more on hotels.

*Cendant Travel Distribution Services is a division of Cendant Corporation (whose travel brands include Ramada hotels, Avis car rental, RCI, the timeshare company, and many more). Its TDS includes Ebookers, Galileo, Octopus Travel, Orbitz, and many more. †Used by Net Value to define those airlines that sell at least 50% of their seats over the internet.

Summer feedback

Feedback Research says an amazing 88% (of survey respondents, in the US) who went or planned to go on vacation this past summer, used or planned to use the internet for research and/or purchase.

Also, 61% of those buying airline tickets used the internet, up from 50% in summer 2004. As did 52% of those buying hotel rooms, up from 40%.

In addition:
- 53% said they would travel with the brand/company that offered the lowest price.

- Of those who purchased travel online, 78% selected sites because of good

(ie low) prices, 56% because the site was easy to use, and 28% because of loyalty programs.

- 73% of those who bought travel online researched travel at a general site, but then went to a specific company site to buy. 52% because they found that company offered the lowest prices. We believe there is no such thing as the 'lowest price', so this means 'prices that the customer believed were the lowest he/she could find'. And 47% cited special deals and 43% cited better (ie lower) prices, while 22% wanted to receive loyalty program points.

- Consumers site-hop. Over half of those who viewed Delta, United or Southwest sites, also viewed Orbitz.

- Site-hopping seems more common for visitors to general online travel sites. Of visitors to Hotwire, 71% also visited Orbitz, 67% Expedia, and 62% Travelocity.

- Of all travel sites, airline sites seemed to have most repeat viewers. Southwest had the most, with the average viewer coming back 9.31 times; Alaska Air 9.29 times, and Northwest 9.19 times.

- 73% started planning 1-week to 3-months before leaving.

Eticket shares

Markets that are furthest advanced in issuing etickets are the smallest – with Bermuda at the top, see table.

Most advanced of the major markets is Canada, followed by Australia and the UK. The US does not make the top 10.+

IATA etickets share, 2004	
Market	Share,%
Bermuda	81.5
Micronesia	66.1
Chile	63.0
Dominican R	61.5
Jamaica	59.5
Canada	58.6
New Zealand	55.1
Australia	54.4
UK	48.3
Central America	42.9

Notes: Through IATA's BSP plan. BSP = Billing & Settlement Plan, IATA = International Air Transport Association. Source: IATA

Online bookings*, Asia

Market	Air	Hotel
Hong Kong	23	15
Malaysia	43	38
Singapore	45	41

Notes/Source: See main table.

Online booking intentions*, Asia

Market	Air	Hotel
Hong Kong	32	26
Malaysia	87	84
Singapore	69	50

Notes: *Share of respondents who have booked online in past 12 months or plan to in next 12 months. Source: Marketshare.

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