MarkMonitor® Online Barometer

Global Travel Booking Survey 2016

Overview

This MarkMonitor Online Barometer reports findings from a global travel booking survey that analyzed consumer behavior in the travel arena — specifically around booking trips online, and the risks posed by counterfeiters and online fraudsters to travelers and travel brands.

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Executive Summary

The global travel and tourism market is highly profitable and has exhibited steady growth over the last few years. According to Statista[1], the direct contribution that travel has made to the worldwide economy stands at $2.23 trillion. The growth forecast is equally impressive, with an annual rate of nearly four percent predicted for the next ten years[2]. To put that into perspective, the industry is actually larger than the worldwide chemicals and automotive manufacturing markets, and represents nearly 3.1 percent of global gross domestic product (GDP)[2].

For the northern hemisphere summer is the peak vacation season. During July and August airports, resorts and tourist destinations plan their operations to accommodate the huge influx of travelers. Throughout the last few decades, the desire of tourists to get the most out of the annual summer getaway has never waned. However, the ways in which these travel experiences are booked has shifted significantly. The days of sitting down at a travel agent's desk have become a distant memory, booking online and travel apps are now the order of the day. Consumer behavior has evolved, driven by market trends such as the ease of browsing and booking on the Internet, self-managed travel and increased confidence in mobile bookings[3].

This report focuses on consumer behavior in the travel arena — specifically around booking trips online, and the associated actions, including shopping for vacation-related products and entertainment, that occur after booking. We commissioned Opinium, a leading research agency, to conduct a global survey of customers that book their travel online. Overall, 3,257 respondents from eight countries, aged 18 and above, made up the sample. Online interviews were carried out in the U.K., U.S., Denmark, France, Germany, Italy, Spain and Netherlands, between March 23 and April 1, 2016.

[1] "Economic contribution of travel and tourism to GDP worldwide 2006-2015," The Statistics Portal, 2015. http://www.statista.com/statistics/233223/travel-and-tourism--total-economic-contribution-worldwide/

[2] Benchmark Report – Global Sector, "Benchmarking Travel & Tourism: How does Travel & Tourism compare to other sectors?" World Travel & Tourism Council, May 2015. http://www.wttc.org/-/media/files/reports/benchmark%20reports/regional%20results%202015/global%20benchmarking%20report%202015.pdf

[3] Fitzpatrick, Kate. "Travel & Technology: Digital Trends for the Travel Industry in 2015 and Beyond," e3, 2015. http://www.e3.co.uk/~/media/files/pdfs/travel_trends_whitepaper_2015.ashx

37%

37 percent of respondents who had a negative experience with their travel plans also said their credit card or debit card details were misused or stolen.

Key Findings

1. Consumer confidence in booking travel online is sky-high

> 68 percent of consumers only book online

The survey revealed that the majority of respondents (just over two-thirds) only used the Internet to book. This figure was highest in the 18 to 34 age category — the generation of so-called Millennials or digital natives[4], who are completely at ease with technology as a result of being the first generation to effectively grow up with the Internet. While 64 percent of the total sample said they booked by navigating directly to airline, hotel or car rental sites, 50 percent indicated they also used comparison or aggregator sites.

2. Not all online travel plans meet expectations

> Seven out of every 100 consumers have booked travel online that didn't work out as anticipated

A number of consumers in the study had negative experiences when booking travel online. Seven out of every 100 people reported their final plans had fallen short of their expectations — particularly when it came to accommodation, car rental and flights. Overwhelmingly, 42 percent said they posted a negative review following this experience, while 40 percent also tried to get their money back. Interestingly, only 32 percent said they had followed a more formal complaint procedure via an official licensing body or trade association.

The research also found that following the negative travel experience, a high proportion of respondents (37 percent) said their credit card or debit card details were misused or stolen.

3. Consumers want genuine products when bargain hunting

> Three quarters of respondents use the Internet to search for bargains before embarking on their travels

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[4] Haughn, Matthew. "Millennials (Millennial generation," Whatis.com, January, 2015. http://whatis.techtarget.com/definition/millennials-millennial-generation

Consumers in the survey (75 percent) said they went online to search for discounted goods before travelling. This proportion was highest in the 18 to 34 age category, with a substantial 83 percent of respondents saying they hunt for bargain travel-related paraphernalia. The types of goods shopped for include clothes and shoes, event tickets, guide books, luggage, sunglasses and specific vacation accessories, such as ski wear.

Travelers tend to focus their searches on genuine bargains, as the majority of respondents (83 percent) indicated they would not willingly buy counterfeit goods in order to keep up with seasonal vacation trends. However, the research also uncovered that of those respondents who did search for discounted goods online, almost ten percent had purchased a product that subsequently turned out to be fake. Clothes and shoes were the most common counterfeit items, followed by sunglasses and event tickets.

4. Piracy is not an attractive option

> Piracy equates to shoplifting, according to two-thirds of consumers

Prior to travelling, a percentage of respondents (36 percent) said they downloaded digital content, including books, music, games and films or television shows. Again, this proportion was highest amongst the 18 to 34 age category.

In sharp contrast to the common perception that consumers look to save money by downloading pirated content, the respondents in this survey (67 percent) said they thought piracy was the same as shoplifting — an attitude highest in the 55-plus age category. Overwhelmingly, 84 percent said they would never download pirated content for reasons such as morality and security. However, of the 16 percent that indicated they would download pirated content, almost two-thirds (64 percent) said they would do it because it was free.

The Ease of Booking Travel Online

Booking trips and travel online — via tablet, laptop or mobile — is a growing trend in the tourism industry. In fact, according to the Holiday Habits Report 2015[5] written by the U.K. Travel Trade Association for Tour Operators and Travel Agents (ABTA), booking via tablet increased significantly between 2014 and 2015. Almost one-quarter (24 percent) of consumers booked at least one trip using a tablet in 2015, an increase of 33 percent from 2014. In the U.S., 79 percent of consumers booked travel in 2015 using a mobile phone[6].

- More than two thirds of consumers now choose the Internet to book their travel
- 68 percent of consumers book travel exclusively using the Internet
- 52 percent search for travel bargains online

The Reasons People Book Online

One of the outstanding findings from the research is the importance of ease of use when it comes to booking travel. Consumers said the main reasons they book using the Internet include ease, cost and selection. The vast majority (88 percent) said they booked online because it was easy and convenient or cheaper (52 percent) and for more variety (40 percent). These figures showed no real differences across regions, age groups and gender.

The desire for a streamlined booking process and a good bargain was reflected in the findings of a 2014 survey[7] conducted on behalf of an online travel retailer, which showed that speed is also a contributing factor. In fact, the survey revealed that half of respondents booked a trip within 30 minutes, and in some circumstances (a mere nine percent) it took just ten minutes to make a booking.

In general, according to the survey results the main elements of travel booked online include flights and accommodation (75 percent and 74 percent, respectively), with car rental (29 percent) and activities, such as tours and day trips (25 percent) also selected.

The widespread use of the Internet for travel bookings was demonstrated by the fact that almost one-third of respondents (32 percent) actually book the whole package online. The ability to book all aspects of a trip on the Internet, or in one place — such as directly with an aggregator site — means that there is potentially less risk involved in revealing payment card details or opening up the opportunity for fraud as consumers are using these details just once.

There were some differences between countries as detailed in the table below.

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[5] Consumer Holiday Trends Report, "Booking via tablets surges," ABTA, 2014. http://abta.com/about-us/press/booking-via-tablets-surges
[6] "By 2016, Most Digital Travel Bookers Will Use Mobile Devices," eMarketer, November 19, 2015. http://www.emarketer.com/Article/By-2016-Most-Digital-Travel-Bookers-Will-Use-Mobile-Devices/1013248
[7] Travelmail Reporter, "Death of the travel agent? 75% of Brits now buy flights online 'because it's cheaper' and half book a holiday in just 30 minutes," Daily Mail, July 11, 2014. http://www.dailymail.co.uk/travel/travel_news/article-2688985/75-Brits-buy-flights-online-cheaper-half-book-holiday-just-30-MINUTES.html

Elements of Travel Booked Online

Global Average		Regional Difference
75%	Flights	Italy 88%
74%	Accomodation	Spain 92%
29%	Car Rental	Germany 40%
25%	Activities	USA 35%

Online Booking Behavior

The levels of confidence in booking online varied according to geography and demographics. In the sample, over two-thirds of respondents said they booked travel exclusively on the Internet, with the highest proportion coming from the 18 to 34 age group. In terms of regional differences, respondents in the U.S. made up the highest percentage — 77 percent exclusively booked online. Consumers in Spain demonstrated the least confidence, with less than half (44 percent) of respondents saying they booked exclusively online.

When asked about how they located online vacations, the most common response (64 percent) was going directly to airline, hotel or car rental sites. This figure was slightly higher (66 percent) in the 55-plus age category — perhaps indicating a higher level of trust in booking direct. Respondents also used search engines (58 percent) and comparison or aggregator sites (50 percent) to search for travel elements. The use of comparison sites was more prevalent in the 18 to 34 age group, as well as in Italy (76 percent), Spain

(73 percent) and Germany (65 percent) where percentages were significantly higher than the global average.

As comparison or aggregator sites become more popular, it is interesting to note that when asked about their credibility, only four percent of respondents said they would never book using this medium, with 76 percent indicating that they would. Again, the popularity of these aggregator sites versus booking direct could mean decreased risk for consumers who worry about online card fraud as they are not paying multiple companies, but have the opportunity to book everything in one place.

There was a clear awareness of the importance of online security, with preventative steps being taken to ensure travel bookings were genuine. 59 percent of consumers said they booked directly with airlines, accommodation providers or car rental companies — behavior exhibited slightly more in Italy and Netherlands where 67 percent booked direct. Other actions included searching for contact details such as

email addresses and phone numbers (32 percent), while 31 percent also relied on recommendations and word of mouth.

One interesting revelation is the trust placed in consumer feedback. 47 percent of respondents said they checked consumer reviews on the site — a much higher percentage than those who said they checked for licensing information, such as the U.K.'s Air Travel Organisers' Licensing (ATOL) protection or the equivalent in other countries, at only 31 percent.

Taking into account the number of consumers that look to online reviews and recommendations, it seems it is still the power of "word of mouth" that has the most impact on decision-making, which is crucial for brand owners. In fact, online reviews affect the bottom line, with recent research stating that 67 percent of consumers are influenced by them[8]. Here the importance of an online brand protection strategy becomes clear — particularly in the travel and tourism market where offers and deals are available via a number of channels, as well as the brand's own website.

[8] Hinckley, Dan. "New Study: Data Reveals 67% of Consumers are Influenced by Online Reviews," Moz, September 2, 2015. https://moz.com/blog/new-data-reveals-67-of-consumers-are-influenced-by-online-reviews

Booking Discrepancies, Bad Experiences and the Power of the Review

- Seven out of every 100 consumers booked travel that failed to meet expectations

- 37 percent of people who had a negative experience with their travel plans reported their credit or debit card details were subsequently misused or stolen

- Following a bad experience, 42 percent posted a negative review

7

Seven out of every 100 respondents reported that they had in fact ended up with travel plans that did not meet their expectations.

Despite being mindful of potential hazards in the online booking process, a proportion of respondents reported that they had in fact ended up with travel plans that did not meet their expectations. Seven out of every 100 respondents said they had booked a trip of which some elements were misrepresented. This included accommodation (cited by 55 percent of the subsample), car rental (25 percent) and flights (22 percent). When it came to regional differences, Spanish respondents demonstrated the most dissatisfaction with accommodation (74 percent) while Germans showed the highest proportion of disappointment in car rental (42 percent).

Dissatisfaction varied across the generations. Interestingly, the 55-plus age group represented the lowest percentage of dissatisfaction when it came to flights (six percent versus the global average of 22 percent) and car rental (three percent compared with the global average of 25 percent). This age category also showed the highest percentage of dissatisfaction with accommodation with 72 percent dissatisfied, compared to the global average of 55 percent.

One reassuring finding was that when asked about how this experience had affected the actual trip, only a small number indicated it had impacted their willingness to book travel online – with only three percent stating they would never do so again. A high number (45 percent) said they had to go somewhere else or make other

arrangements. Geographically, the results were higher in the Netherlands (58 percent) and U.S. (57 percent) — and 26 percent said they had to cancel. The proportion of cancellations was highest in Germany. A quarter of respondents also indicated that they lost their money with the highest percentage of those affected living in Denmark (36 percent).

Reacting to a Bad Experience

We asked what consumers did after realizing that the booked plans did not meet expectations or that certain elements of the trip were misrepresented. Once again the Internet is the medium of choice, whether that is social media or review sites. The most common action was posting a bad review (42 percent) versus seeking recourse through licensing bodies or trade associations (32 percent). This highlights the importance for organizations of having an online brand protection strategy as the power of social media and so-called "digital word of mouth" has the potential to damage a brand.

Consumers also said they went back to the site to check reviews. Interestingly, 41 percent said the reviews were mostly good, 30 percent said they were mixed, while only seven percent reported that the reviews were bad. Respondents in Spain demonstrated the highest percentage of bad reviews — 21 percent, three times the global average.

The Prevalence of Fraud

In the previous MarkMonitor® Online Barometer[9] we sought to understand the general online shopping

behavior of global consumers. One outstanding finding from that report was that 64 percent of consumers said they worry about online security while shopping. In this latest research, the results demonstrate that security continues to play a major role in the lives of consumers.

Of that subsample of respondents who booked travel online that was not in line with their expectations, 37 percent reported that following the experience their credit card or debit card details were misused or stolen. This was highest in the U.S. (49 percent) and U.K. (36 percent). Overall, this reflects the need for heightened vigilance while using payment cards online — be it for booking travel or online shopping.

StaySafeOnline.org[10], a U.S.-based non-profit organization, powered by the National Cyber Security Alliance (NCSA), that empowers consumers to use the Internet safely and securely, advises users to shop online using a credit card as it offers more financial protection over other methods. For example, shoppers can get a refund from their banks if the product or service they ordered is not delivered — something that also applies to booking travel and trips using the Internet. For brand owners, however, it is the presence of a comprehensive and multi-tier brand protection strategy that can help not only keep their customers safe, but also to safeguard their reputation and bottom line.

[9] "MarkMonitor Online Barometer: Global Consumer Shopping Habits Survey," MarkMonitor, 2015.
https://www.markmonitor.com/download/report/MarkMonitor_Online_Barometer-2015-US.pdf
[10] "Online Shopping," StaySafeOnline.org, 2016. https://staysafeonline.org/stay-safe-online/protect-your-personal-information/online-shopping

Consumers Choose Genuine Products Over Cheap Knock Offs

- 83 percent said they would never willingly buy counterfeit products to keep up with seasonal trends
- 84 percent of consumers would never download pirated digital content

75%

75 percent of consumers search the Internet for bargains prior to their travel.

In the lead up to a trip, there is the expectation that consumers buy goods — such as clothing, apparel and other vacation-related items. With so much money spent on booking travel, consumers often seek discounted goods in order to make their overall trip more cost-effective. This was supported by our research, where we found that 75 percent of consumers search the Internet for bargains prior to their travel. Regionally, the highest proportion of respondents to shop online in this way came from Italy and the U.S., where 83 percent and 82 percent respectively, search for discounted goods.

Looking at the age breakdown, this shopping behavior is more prominent in the 18 to 34 age category (83 percent). When it comes to types of products searched for, clothing and shoes are the most popular category, cited by 55 percent of respondents. Unsurprisingly more women search in this category making up 62 percent of the subsample.

Searching Online for Bargains — What are the most popular products?

Product	Percent
Clothes/Shoes	55%
Event Tickets	53%
Guide Books	33%
Luggage	25%
Sunglasses	21%
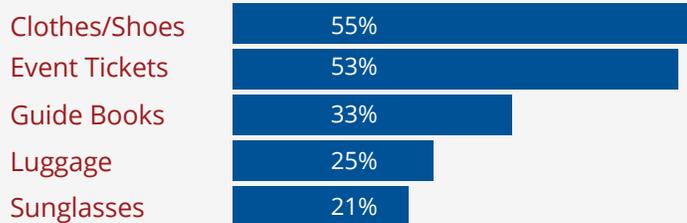
Keeping It Real

Our research found that consumers are unwilling to buy fake goods in order to keep up with seasonal trends. The majority of the sample — 83 percent — said they would not intentionally buy counterfeit products. This finding is in line with research from the previous MarkMonitor Online Barometer[11] where overall 70 percent of consumers said they would not buy knockoffs while shopping online. The main reason for this was moral grounds (48 percent), with only 12 percent of respondents citing brand loyalty. So despite the overall cost of vacation travel, consumers would still not resort to buying fake goods in order to save money.
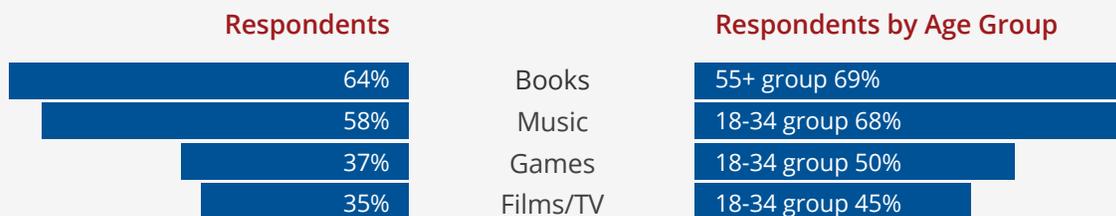
However, our latest research also discovered that of the 75 percent that searched for a bargain online, almost ten percent bought a product that turned out to be a fake. The most common fake products included clothes and shoes (33 percent), sunglasses (28 percent) and event tickets (22 percent).

Travel and Digital Content

We sought to understand the buying behavior of consumers regarding digital content since this plays a role in many consumers' travel plans. The global sample was asked about purchasing digital content before their travels. We found that over one-third of respondents (36 percent) did so — with the highest number of respondents coming from the U.S. (47 percent), Germany (40 percent) and Italy (39 percent). The digital generation, those aged 18 - 34, scored the highest.

With the rise in piracy causing estimated global lost revenues of $200 billion[12], we also wanted to find out what consumers' attitudes were towards illegally downloading digital content. We discovered that two-thirds of respondents indicated piracy was the same as shoplifting — with this attitude being most prevalent in Germany (79 percent) and the U.S. (77 percent). When it came to differences per age group, there was a steady progression from 53 percent amongst 18 to 34 year

Vacation Entertainment — What are the most popular digital assets purchased?

Respondents		Respondents by Age Group
64%	Books	55+ group 69%
58%	Music	18-34 group 68%
37%	Games	18-34 group 50%
35%	Films/TV	18-34 group 45%

11 "Online Shopping," StaySafeOnline.org, 2016. https://staysafeonline.org/stay-safe-online/protect-your-personal-information/online-shopping
12 MarkMonitor, "Fighting Counterfeiting & Piracy," Web, 2016. https://www.markmonitor.com/services/counterfeiting_and_piracy.php

olds, to 66 percent of 35 to 54 year olds, to 77 percent of 55-plus age groups agreeing with the sentiment.

When asked directly if they would ever download pirated material, the majority of consumers (84 percent) said they would never do it. This percentage was highest amongst the 55-plus age group. Looking at regional differences, 92 percent of German respondents and 89 percent of Danish respondents also agreed with that statement.

The main reasons for not being willing to download pirated content relate to morality (56 percent said they thought it was wrong) and online safety (52 percent said they were worried about downloading a virus). Other reasons included artists and content creators losing income (cited by 40 percent) and a desire to own the real thing (cited by 37 percent).

Cost was the main driver for the 16 percent of the sample that indicated they would download pirated content, with the overwhelming answer being because it is free. This was cited by 64 percent of the subsample. In addition, we found that music was the most downloaded (65 percent), followed by film and TV (59 percent) and books (29 percent).

Conclusion

While the Internet has clearly become one of the most highly valued booking tools for consumer travel, there are also risks to travelers and brands operating in this lucrative and profitable sector. Alongside the exponential growth of Internet use in general, counterfeiters and online fraudsters have also become more sophisticated in their approach, and it is up to brands to protect themselves and their customers from threats.

In the travel and tourism space the potential risks to consumers include being duped into booking trips, travel and activities that may not exist. There are aspects that are being significantly misrepresented due to the sheer size of the market and channels available to book through.

The study shows is that while there is a definite appetite for using the Internet to book travel, there is also awareness surrounding the pitfalls of booking online. Of the sample, only seven out of every 100 experienced plans that did not meet their expectations, following an online booking. Tellingly, 37 percent of this subsample, however, indicated that their payment card details were misused or stolen after making this booking.

The research is also consistent with the findings from our first Online Barometer that detailed the general online shopping behavior of global consumers. We found that the desire for genuine products remains amongst consumers and that the vast majority would never willingly buy counterfeit products to keep up with seasonal trends.

That is not to say that they have not bought fake goods — a small percentage of respondents did in fact purchase something prior to their travels that turned out to be fake. Taking this into account, as well as the incidents of fraud reported by respondents, it becomes clear that increased vigilance is needed from consumers. Brands themselves need to ensure that they have the means and strategies in place to safeguard their customers from online threats, as well as to protect their reputation from damage.

This is especially relevant considering the power that social "word of mouth" has on buying behavior and the impact negative reviews can have on a brand's bottom line.

Looking at related activities such as purchasing digital content, while the appetite is there to buy books, movies and games online, there seems to be little desire to do this illegally. When it comes to online piracy, views against it are very strong, with the majority of respondents saying

they would not download pirated content, largely due to concerns surrounding online safety — again tying back to the need for more awareness and vigilance.

The surge in online bookings looks set to travel well into the future. The predicted growth in the industry is strong, consumer booking habits are shifting and if brands operating in this sector take every possible step to protect their reputations and their customers more and more travelers across the globe will be planning and enjoying their getaways with ease, comfort and confidence.

Methodology

The research was carried out on behalf of MarkMonitor by leading research agency Opinium. The survey was carried out online between March 23 and April 1, 2016 on a sample of 3,257 global consumers aged over 18. The research covered eight countries — U.K. 1,009; U.S. 1,017; Denmark 203; France 206; Germany 207; Italy 206; Netherlands 203; and Spain 204. Of those surveyed, 47 percent were male and 53 percent were female.

About MarkMonitor

More than half the Fortune 100 trust MarkMonitor to protect their brands online. See what we can do for you.

MarkMonitor Inc.

U.S.   (800) 745-9229

Europe   +44 (0) 207 433 4000

www.markmonitor.com

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