

Online Travel Planning

It's bigger than you think!



Presentation Outline

- Background
- The Picture in Canada
- The US
- Implications



Background

- Outbound trips from Canada are currently at a five year high.
- In 2005, Canadians took approximately 21.1 million trips outside of the country, with the US growing by over 1 million trips last year.
- Preliminary indications for 2006 are that outbound travel has continued to increase by approximately 7%.
- Meanwhile, travel within Canada has been relatively stagnant and long haul travel from the US is growing much more slowly.
- How can we retain more Canadian travellers and attract more Americans?

Background (cont'd)

■ Important trends include:

- The strength of the Canadian dollar;
- Changes in the competitive environment;
- New legislation regarding ID requirements for cross-border travel; and,
- Changes in the ways that consumers can obtain travel information.



Objectives

- To provide the tourism industry with information about how travellers use the Internet to select destinations and plan trips; including:
 - How important is the Internet as a source of information for travellers on both sides of the border?
 - What is it that travellers want when they seek information about destinations?
 - How satisfied are travellers with the current travel websites?
 - How likely are travellers to make online purchases?
 - And, how are these trends changing over time?



Methodology

- Information from three sources is included:
 - Data was collected using TNS Canadian Facts' omnibus **Express Online**. A nationally representative survey of 1,000 interviews was conducted in January of each year since 2002.
 - The **American Traveller Survey (ATS)**. Conducted by TNS since 1998, this annual syndicated study is conducted with US adults via a self-administered mail back survey.
 - Produced by TNS and the Conference Board, the **Consumer Internet Barometer™** is a quarterly measure of U.S. consumer Internet attitudes and behaviors. It is based on a mail omnibus survey of 5,000 male and 5,000 female heads-of-household.

Key Findings

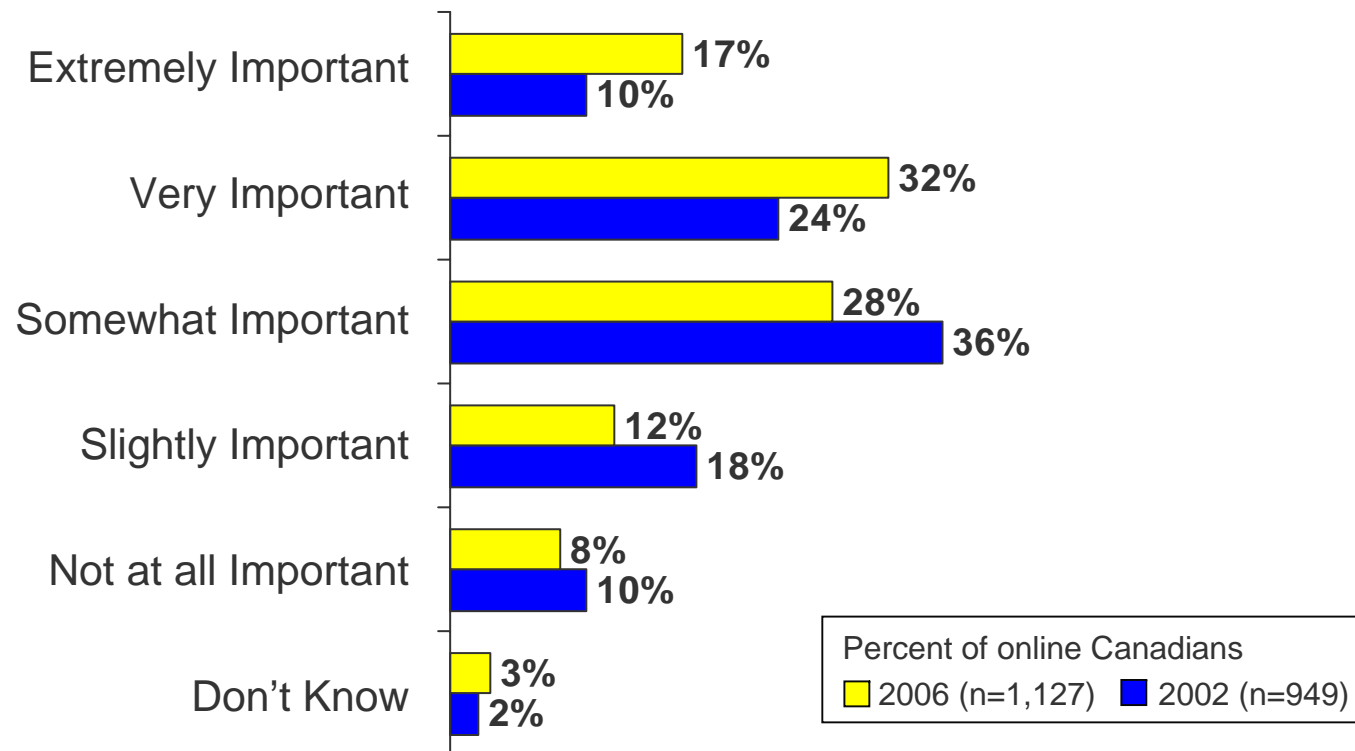


Canadians



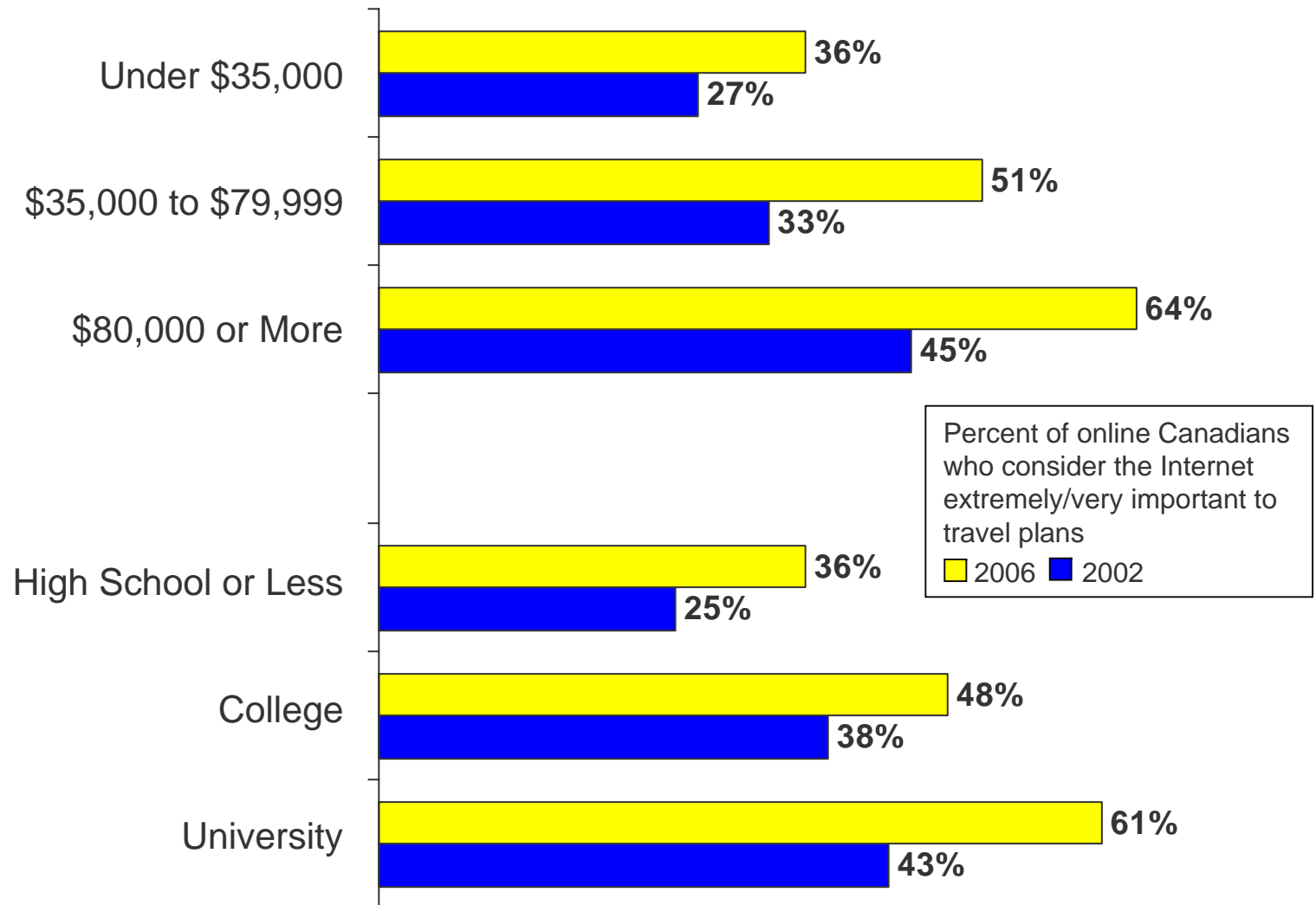
How important is the Internet as a source of information about travel?

- One-half of Canadians consider the Internet to be very or extremely important to their travel plans.
- This is up from one-third in 2002.



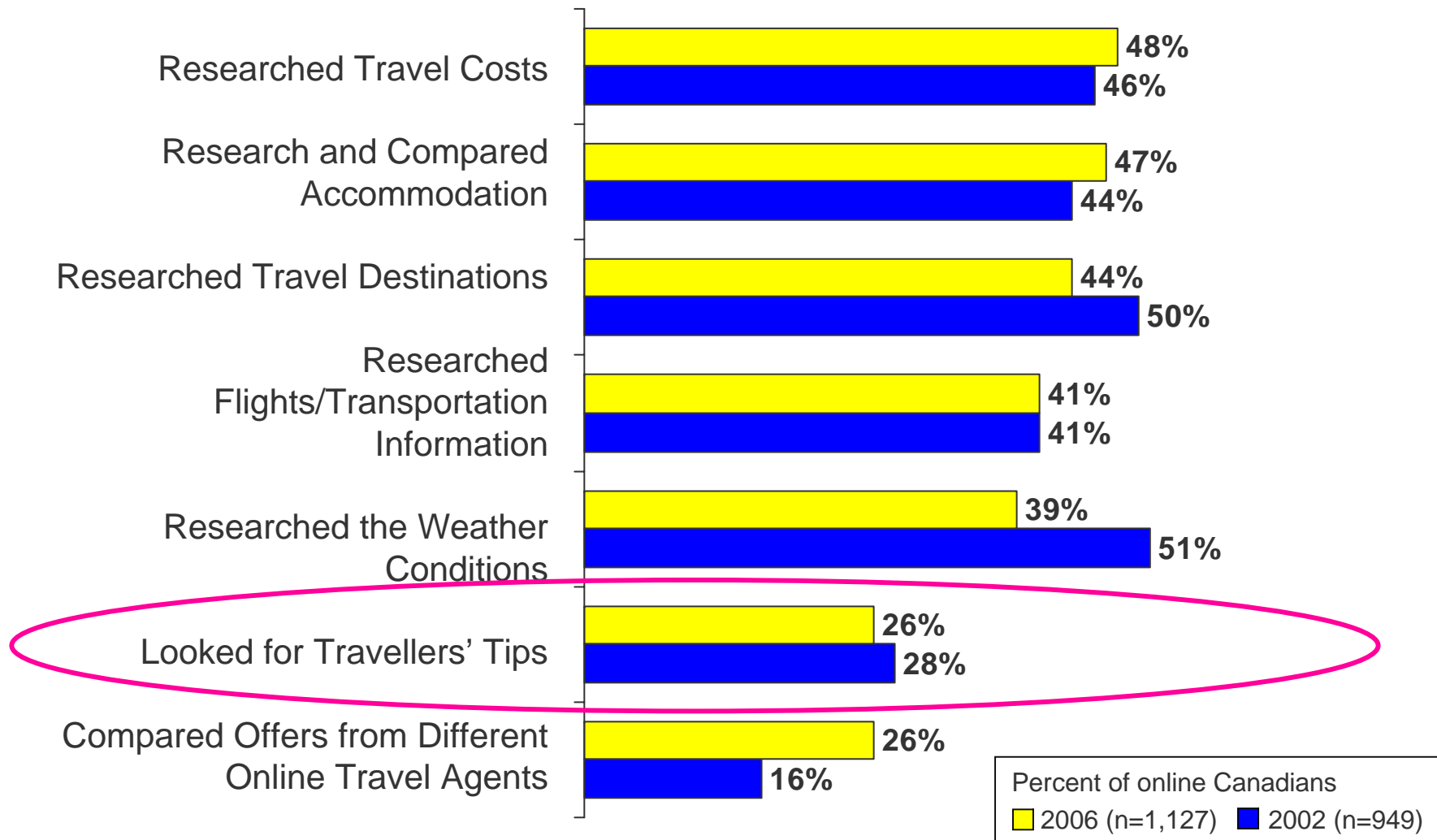
Source: TNS Canadian Facts' Online Express

Importance increases with income and education



Source: TNS Canadian Facts' Online Express

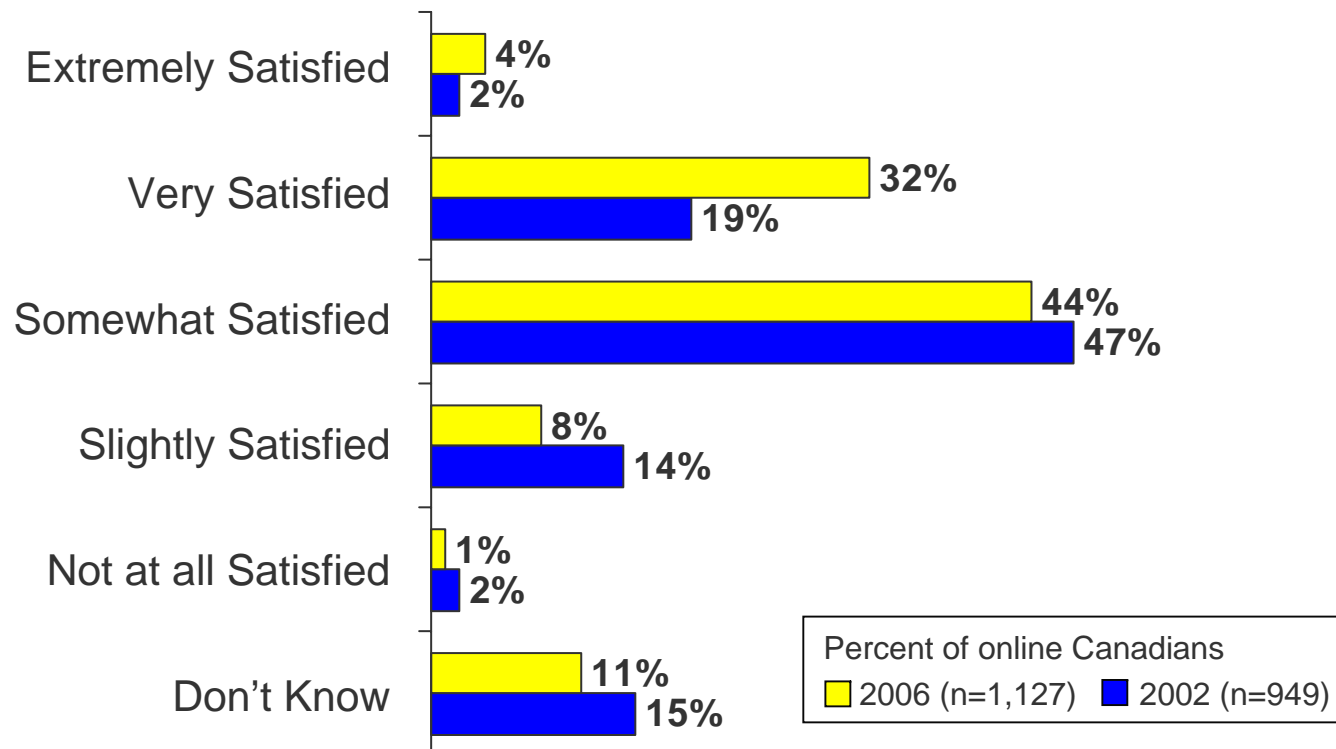
What do Canadians look for? Content with substance!



Source: TNS Canadian Facts' Online Express

Canadians are not very satisfied with travel websites

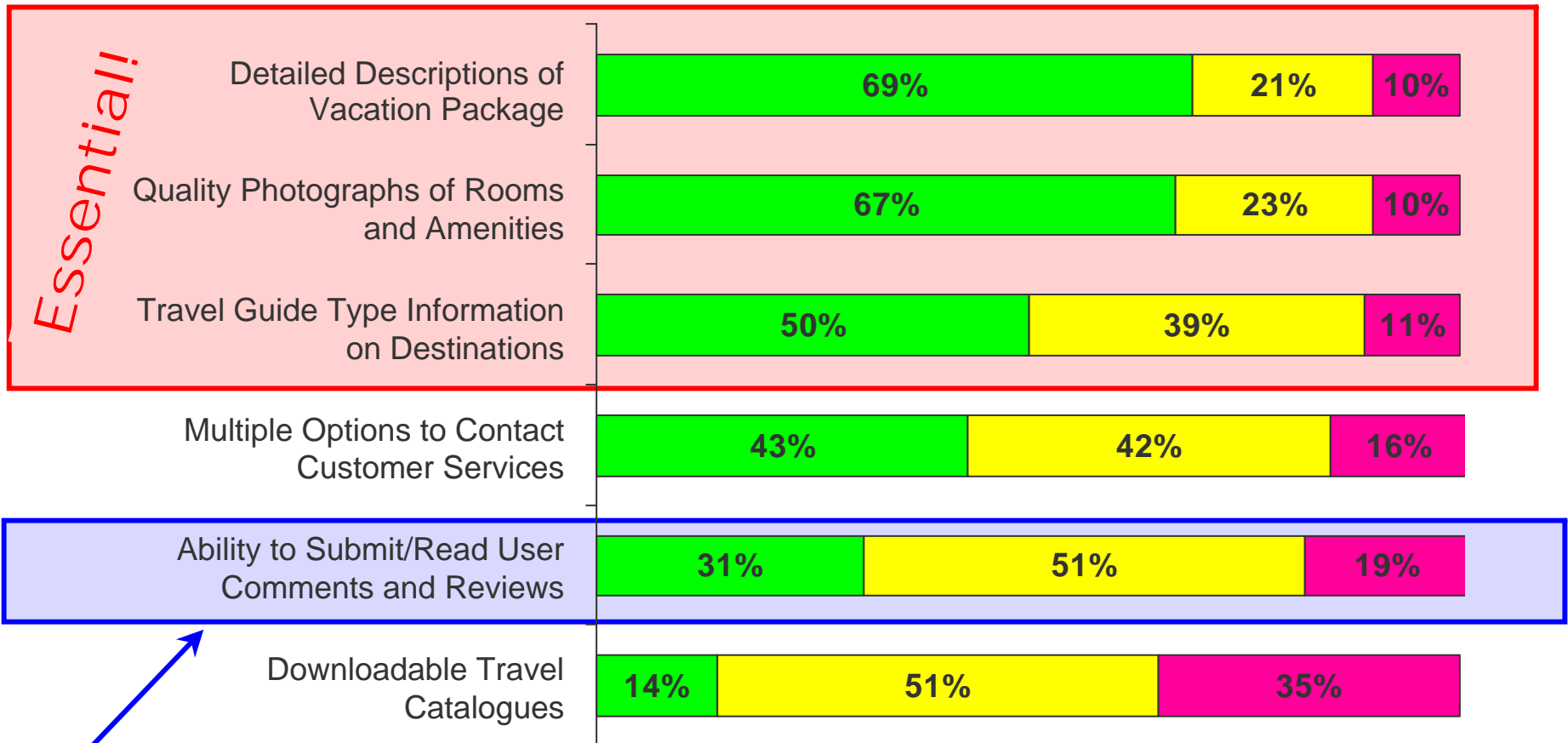
- The challenge before Canadian travel web marketers is to learn more about their users, and invest efforts to better meet their needs.



Source: TNS Canadian Facts' Online Express

Importance of website features

■ Extremely/Very Important
 ■ Somewhat/Slightly Important
 ■ Not at all Important

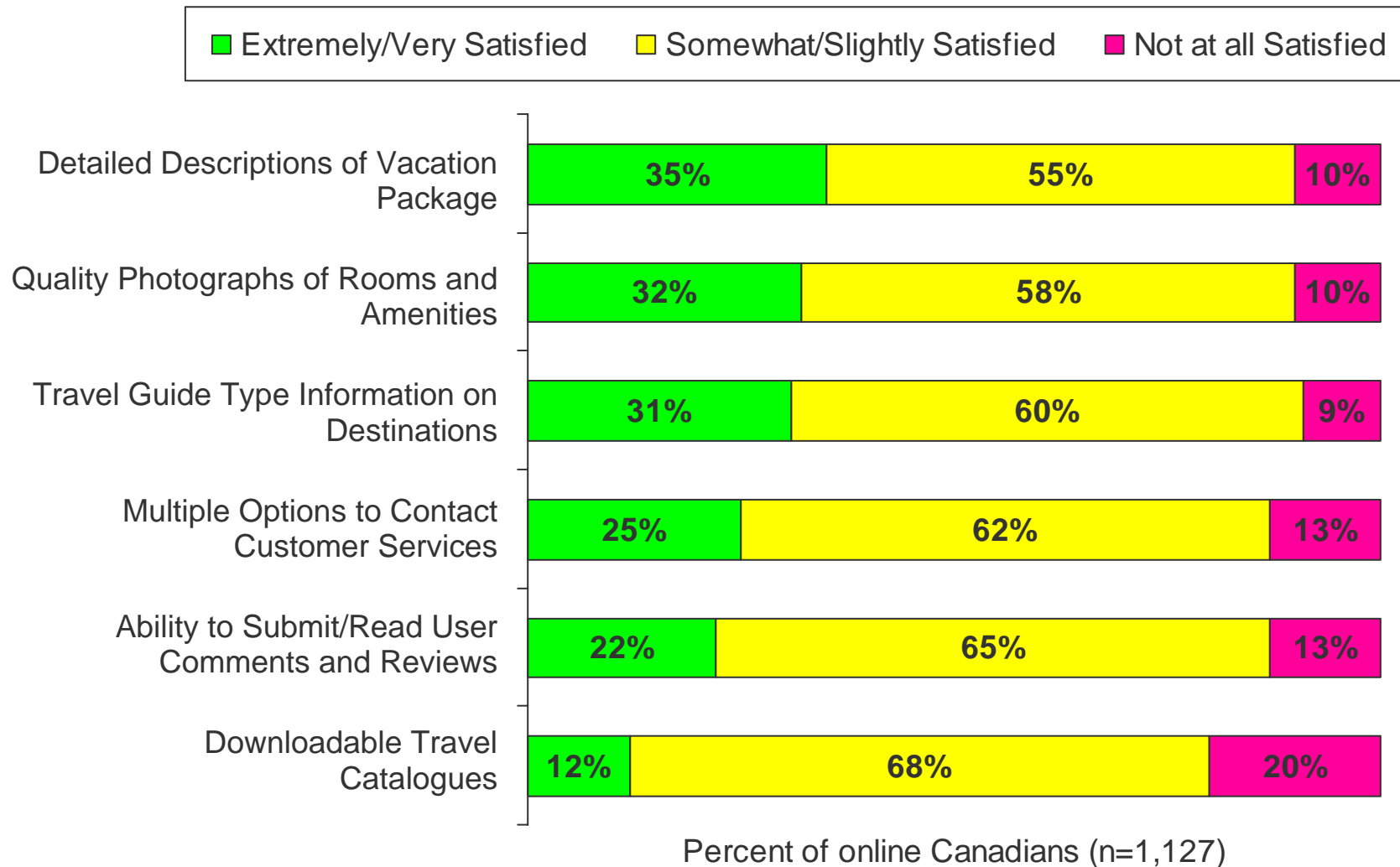


Likely to increase importance

Percent of online Canadians (n=1,127)

Source: TNS Canadian Facts' Online Express

Satisfaction with website features

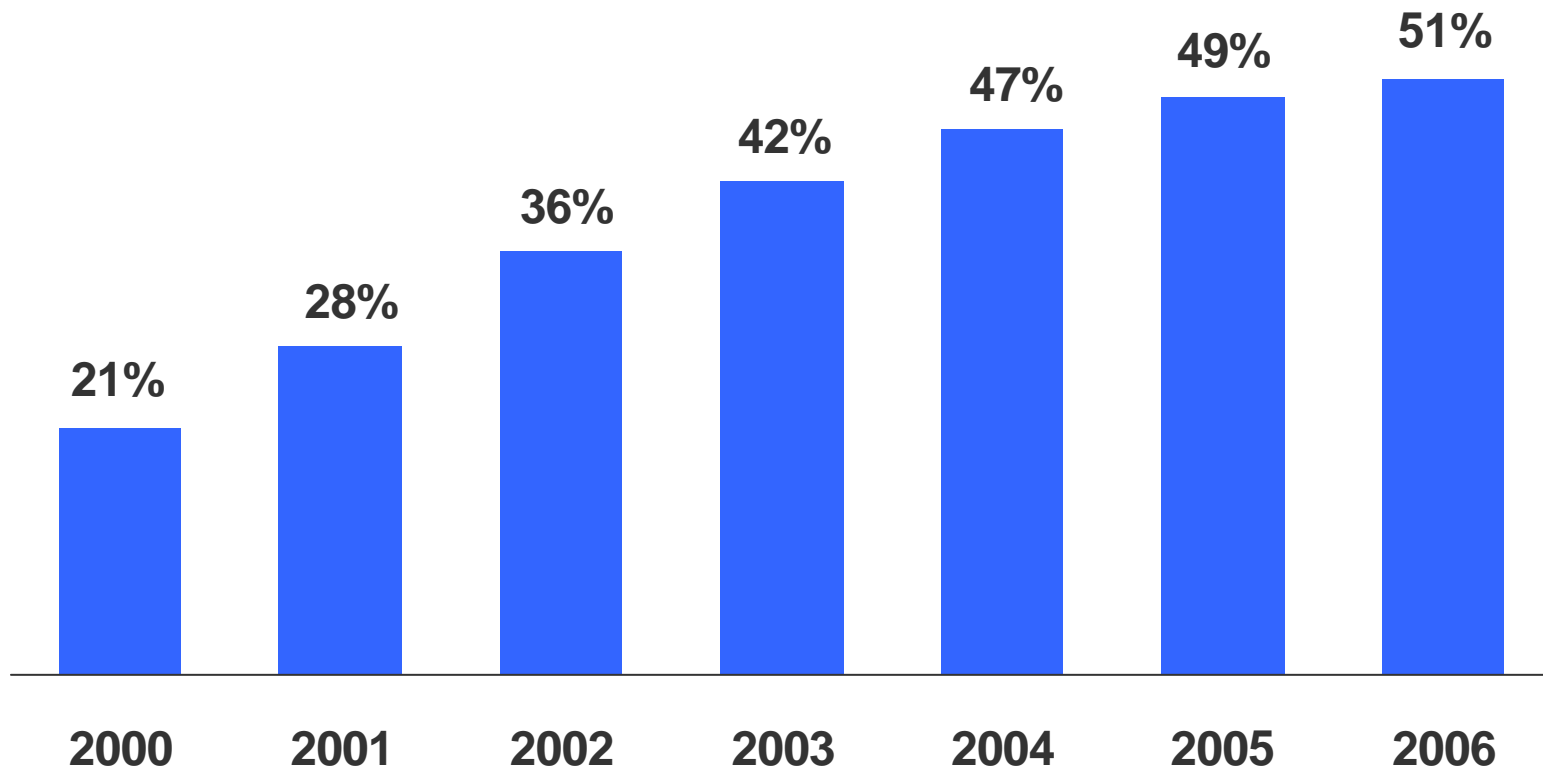


Source: TNS Canadian Facts' Online Express

Americans



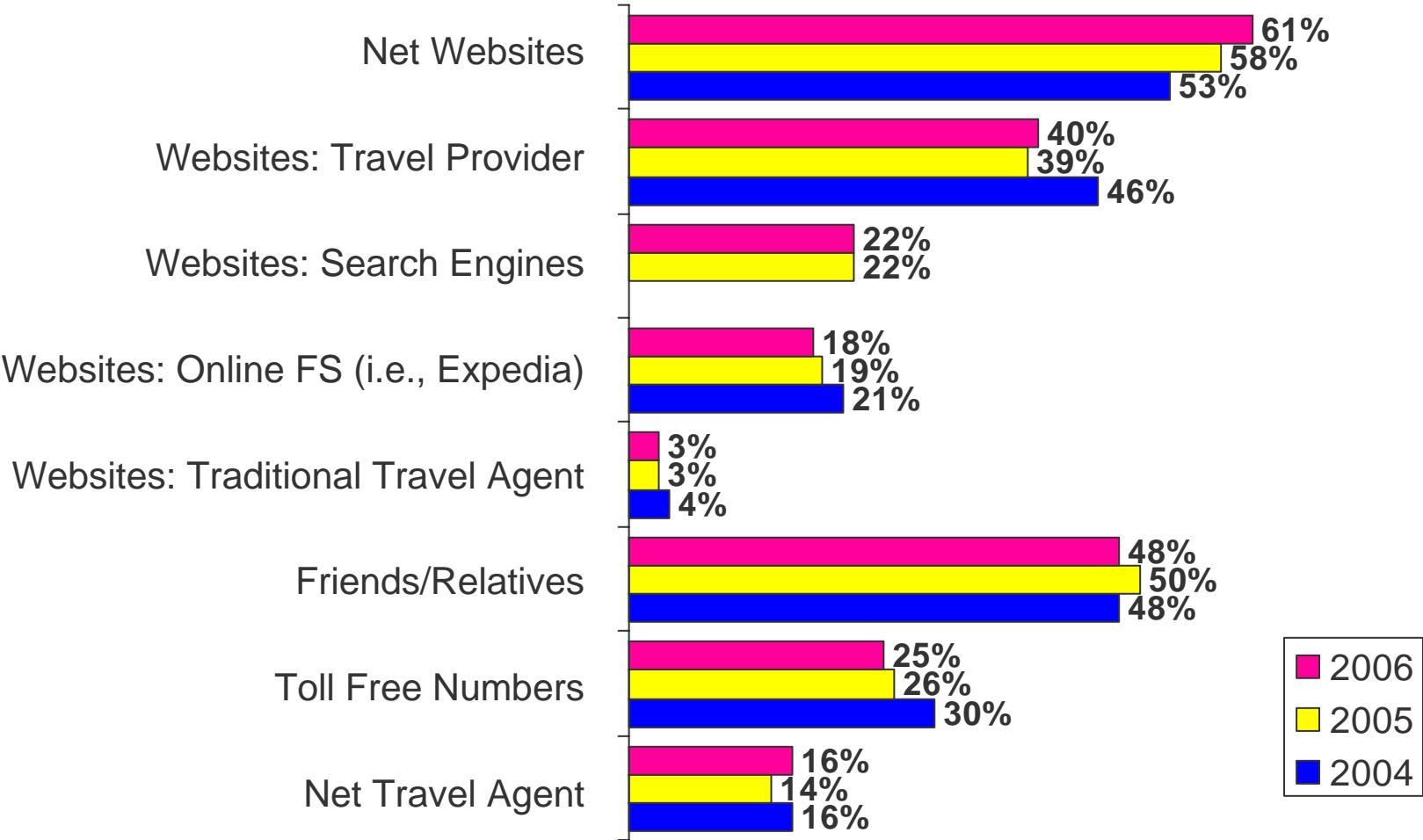
Steady growth in Internet travel bookings in the US



Percent of leisure travellers who booked any aspect of travel in past 12 months (n=4,079)

Source: TNS' American Traveller Survey

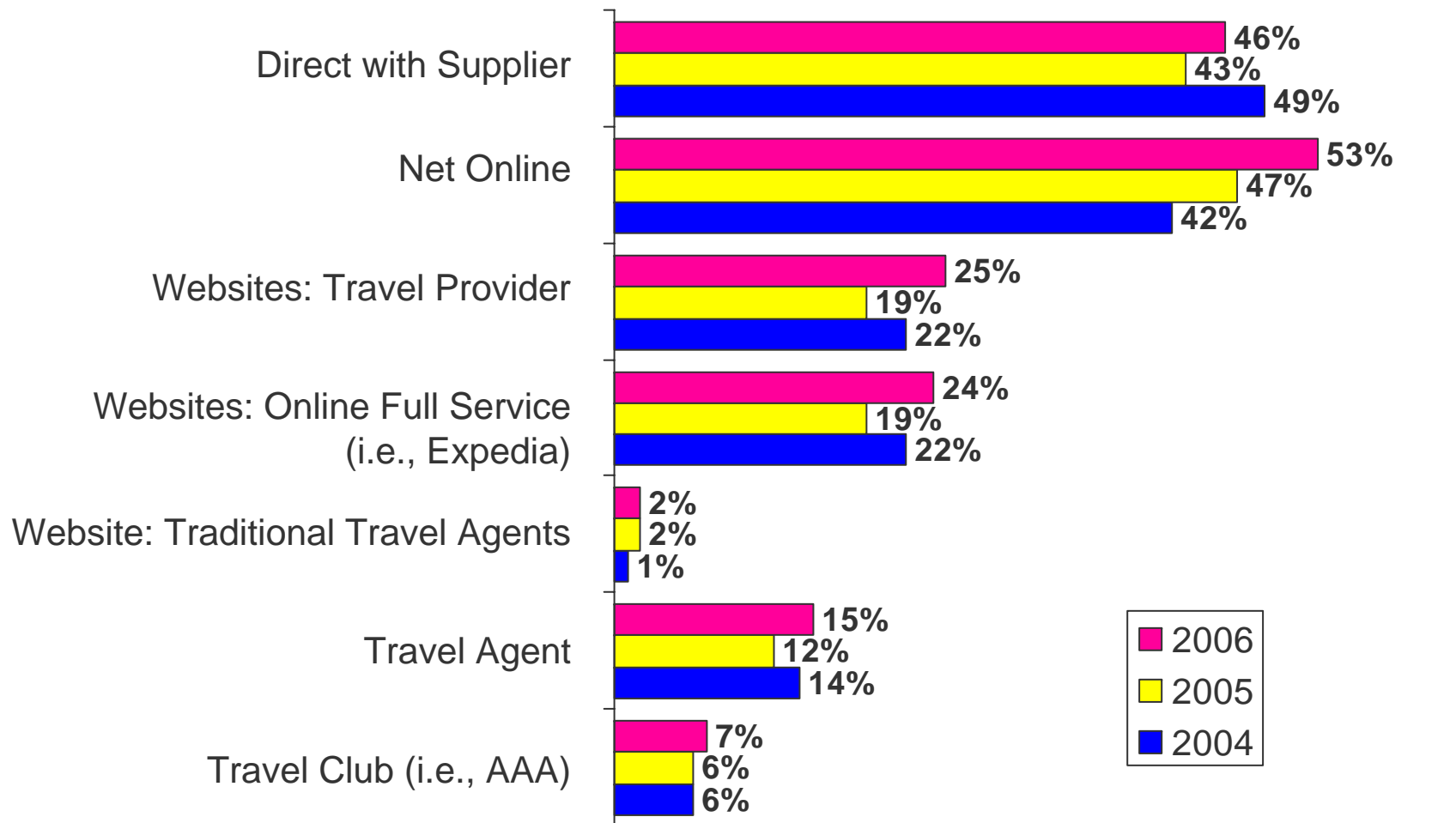
Information sources for leisure travel in the US



Percent of one or two last trips for leisure (n=3,771)

Source: TNS' American Traveller Survey

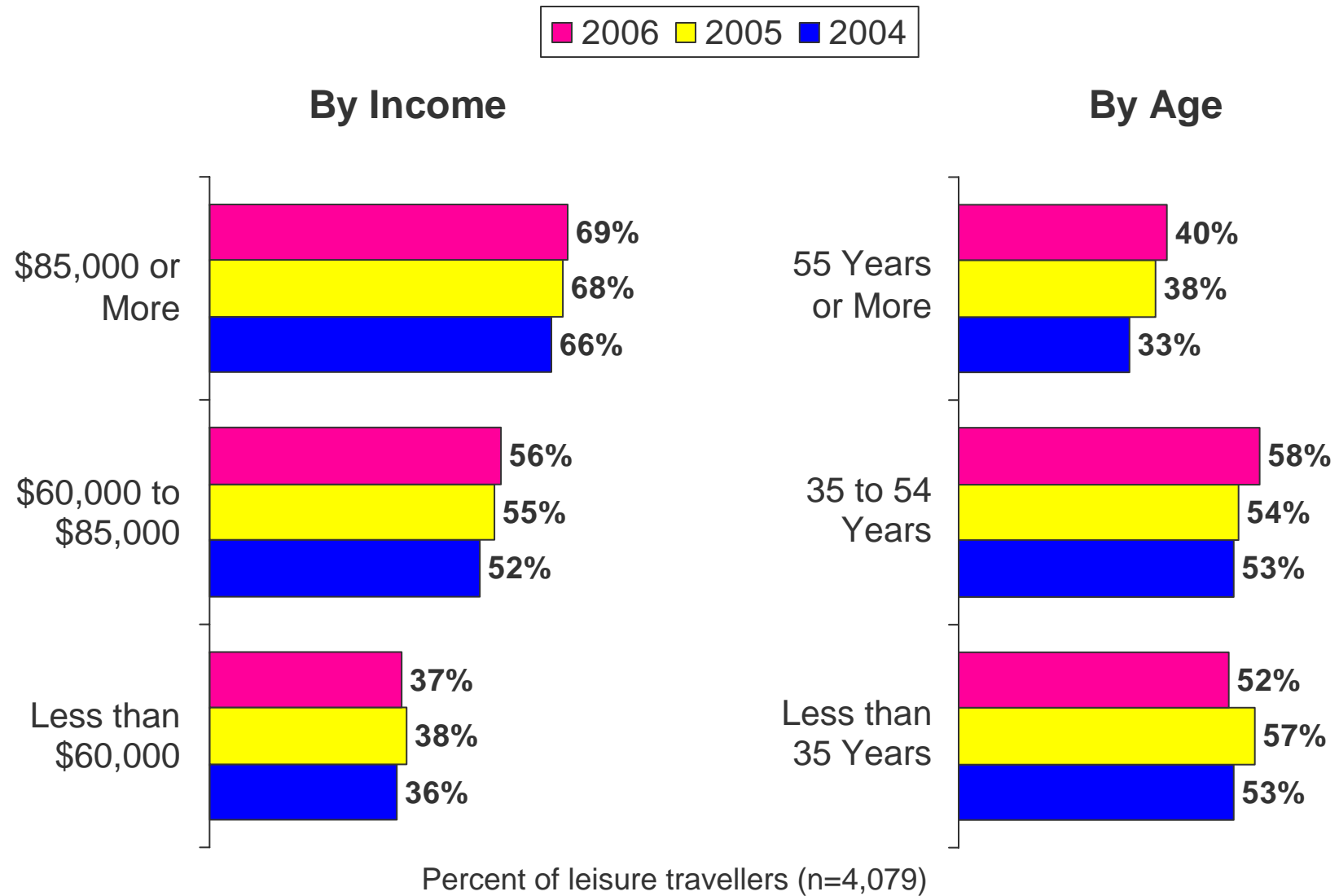
Travel bookings are now much more likely to be made online than through travel agents



Percent of leisure travellers who used method on at least one of past two trips (n=3,038)

Source: TNS' American Traveller Survey

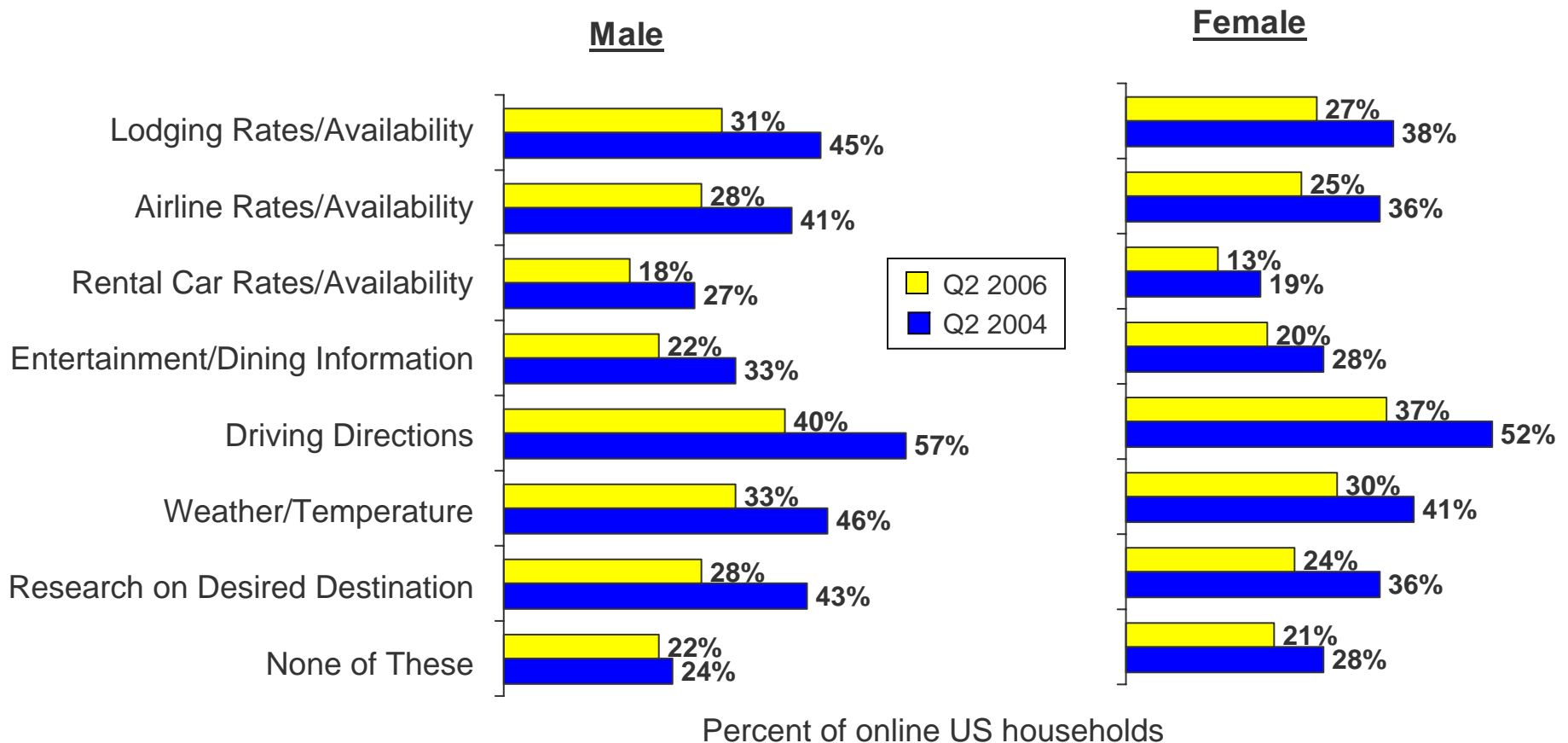
Slow growth in Internet bookings among nearly all income and age segments



Source: TNS' American Traveller Survey

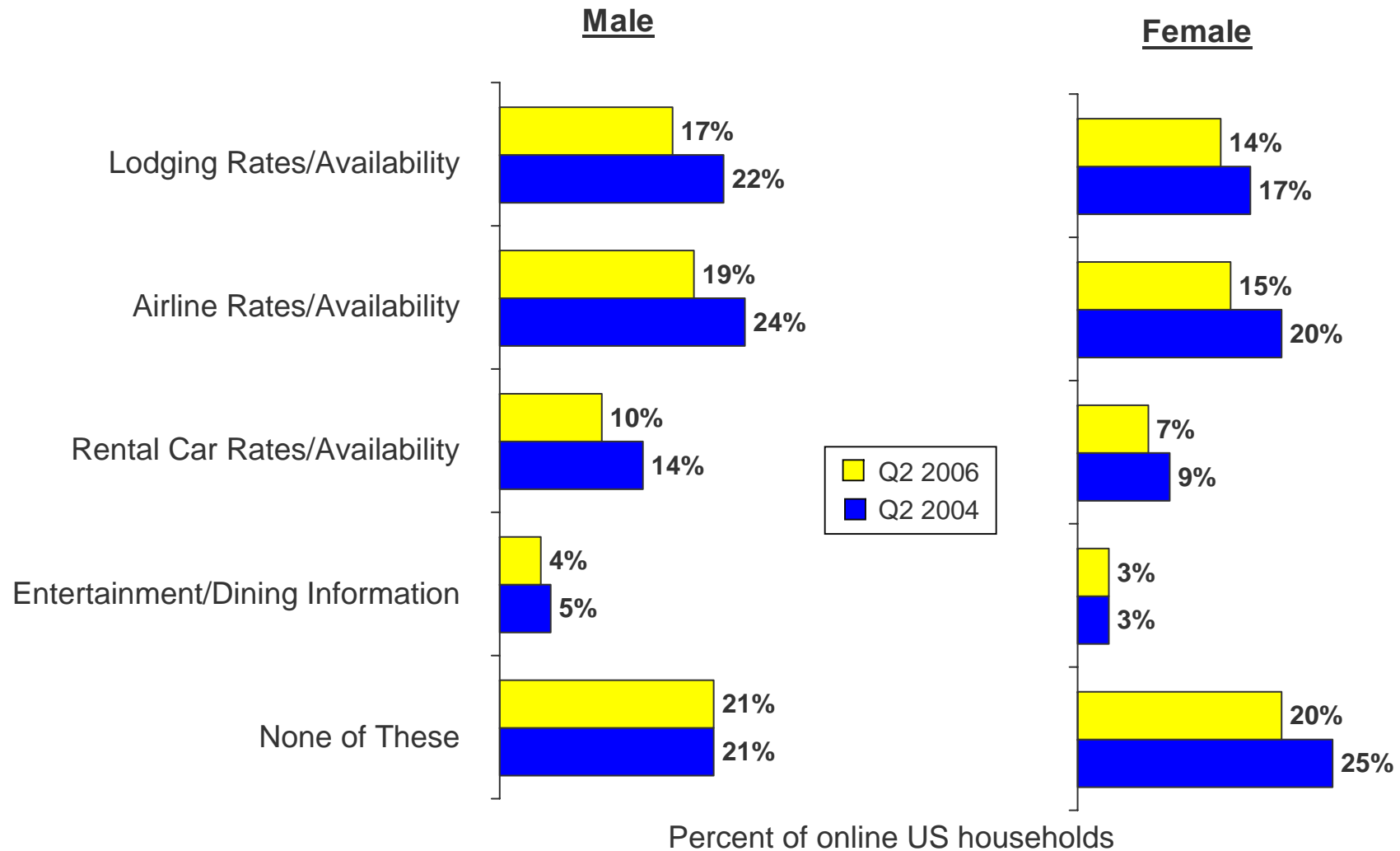
Intentions to research travel activities online

- Indicative of stagnant growth in Internet usage to support travel planning, intentions to conduct specific research online has declined from Q2 2004 until Q2 2006.



Source: Consumer Internet Barometer, The Conference Board and TNS

Intentions to book travel activities online have also eroded between Q2 2004 and Q2 2006



Source: Consumer Internet Barometer, The Conference Board and TNS

Satisfaction using the Internet for travel arrangements



Implications

- The Internet is a very important source of travel information, but is likely to grow at a much slower pace now.
- **Content is king!**



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- The Internet is a very important source of travel information, but is likely to grow at a much slower pace now.
- **Content is king!**
- Demand for C2C information likely to grow in influence.
- Although high speed penetration is lower in the US, Americans tend to do a lot of travel research and bookings online.
- Easy access to information on the Internet has eroded a former competitive advantage for Canada – which was based on familiarity.
- An empowered consumer has evolved!



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