

**THE INFLUENCE OF VISUALS
IN ONLINE HOTEL RESEARCH AND
BOOKING BEHAVIOR**

***SUMMARY OF
PRELIMINARY FINDINGS OF SURVEY
BY HARRIS INTERACTIVE®
FOR VFM INTERACTIVE***

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SUMMARY OF SURVEY FINDINGS

INTRODUCTION

VFM Interactive recently commissioned a survey to review online consumer perceptions and behavior related to researching and booking hotels online. The online survey was conducted by Harris Interactive® between October 27 and 31, 2005 among a nationwide sample of 2,931 online U.S. adults ages 18 and over, of whom 1,953 stay in hotels when they travel and research and/or book hotel accommodations online. To ensure the data reflected the specific perceptions of those who use the internet to research and/or book hotels online, the majority of the survey questions were served to only those individuals who reported they have at least researched hotels online. Throughout this document, the term “online travelers” refers to online U.S. adults aged 18+ who stay in hotels when they travel and who research and/or book hotel accommodations online.

SUMMARY OVERVIEW

Nearly three in four (73%) of those who stay in hotels when they travel start their stay by researching hotel accommodations online and many of these online travelers consider visualsⁱ (i.e., photos, 360 degree virtual tours and videos) of hotels important factorsⁱⁱ in selecting one hotel over another online. When looking at the factors that online travelers rate as “very important” when selecting a hotel, visuals rate higher than a number of other key factors, including the property’s star ratings, destination information, loyalty program, the hotel brand, and customer testimonials and reviews.

While types of visuals can vary from site to site, respondents reported still images as well as 360° virtual tours and videos are helpful in finding a hotel online that matches their preferences and expectations. However, despite the noted importance and usefulness of visuals in helping travelers shop online, a substantial portion say they are less than satisfiedⁱⁱⁱ with the quality and quantity of hotel visuals found online. The dissatisfaction with the quantity of available visuals is particularly apparent among those online travelers who shop only general travel Web sites (i.e. Travelocity, Orbitz) and no hotel sites.

GENERAL ONLINE TRAVEL AND HOTEL SHOPPING BEHAVIOR

Two-thirds of online U.S. adults (67%) have traveled for leisure in the past year, and more than one in five (23%) have traveled for business purposes. Online U.S. adults have typically taken 2 leisure and 2 business trips in the past year, and more than 4 out of 5 (82%) stay in hotels when they travel. The majority (73%) research hotel accommodations online, and just over one in two (54%) also use the Internet to book their stay.

Online adults who research and/or book hotel accommodations online are likely to use a variety of Web sites, including online travel agency sites (such as Travelocity and Orbitz) and hotel direct sites (such as Marriott.com, Hilton.com), in their quest to find a hotel online:

- One in five (21%) use only travel agency sites and no hotel sites
- 10% utilize hotel sites only and do not use travel agency sites
- 64% use a combination of both travel agency and hotel Web sites.

WHEN IT COMES TO SELECTING ONE HOTEL OVER ANOTHER ONLINE, MANY THINK VISUALS ARE IMPORTANT

When asked to consider a number of factors other than price and location, online travelers rated visuals of accommodations as “very important” more often (28%) than any other factor (of the 7 factors mentioned in the survey) in selecting one hotel over another. (See Table A) This places visuals well ahead of the description of the property (23%) and information about the destination (17%). Online travelers are at least twice as likely to rate visuals as “very important” as they are property star ratings (14%), customer reviews and testimonials (13%), the brand of hotel (11%), and loyalty program (8%). The survey also revealed that certain groups of online travelers are more likely than others to rate hotel visuals as “very important.”

- Frequent online shoppers (those who research hotels more than 7 times per year) (37%) compared to those who research online infrequently (1-3 times per year) (24%); (See Table E)
- Adults in households with children (35%) compared to households without children (25%); and, (See Table F)
- Women (36%) compared to men (21%). (See Table G)

When all levels of importance^{iv} (very important/important) are considered, excluding price and location, visuals remain at the front of the pack (69%) and second only to a hotel’s written description (71%). Table A outlines the various factors and corresponding level of importance rated by online travelers.

TABLE A – Importance of factors, other than price and location, in selecting a hotel online^v

<i>Respondents who research or book hotels online (n=1953)</i>	Very Important/ Important (Net) (%)	Very Important (%)	Important (%)
Written Description of the Accommodations	71	23	48
Visuals of the Accommodations	69	28	41
Information about the Destination	62	17	44
The Property Star Rating	60	14	45
The Brand of Hotel	53	11	42
Customer Reviews and Testimonials	44	13	31
Loyalty Program	31	8	23

ONLINE TRAVELERS FIND BOTH STILL PHOTOGRAPHS AND RICH MEDIA IMPORTANT AND USEFUL

While the survey looked at importance of visuals in aggregate, it also segmented out certain types to gauge online traveler perception. Respondents were specifically asked about the importance of still photographs of the property and/or room to the booking decision. Additionally, online travelers were asked about the usefulness of a short video showing features and amenities of the hotel as well as the usefulness of 360° tours with full panoramic views to help online travelers select a hotel that matches their preferences and expectations. While still photographs rate highest in importance, rich media tours and videos also show broad consumer appeal.

- Two-thirds Say Still Photographs Are Important in Hotel Booking Decision**
 Still images are common online visuals used by hoteliers today and nearly two-thirds (64%) of online travelers say these still photographic images are “important” or “very important” to their booking decision, with nearly one in three (30%) reporting still photographs as “very important.”
- Rich Media 360° Virtual Tours and Short Videos Demonstrate Broad Consumer Appeal** -- Consumers are showing an appetite for interactive visuals in their shopping and purchase paths. Nearly three in five online travelers (59%) say a 360° virtual tours would be “useful” or “very useful” in helping them select a hotel that matches their preferences and expectations, while nearly half (48%) believe a short video showing a property’s features and amenities would be “useful” or “very useful.”

TABLE B – Importance of Visuals

<i>Respondents who research or book hotels online (n=1953)</i>	Very Important/ Important (Net) (%)	Somewhat Important/Not at All Important (Net) (%)
Visuals of Accommodations in selecting one hotel over another	69	31
Importance of Still Photographs of property or room to booking^{vi} decision	64	36
	Very Useful/Useful (%)	Somewhat Useful/Not at All Useful (%)
How useful is a Short Video showing features and amenities to help select a hotel that matches preferences and expectations^{vii}	48	52
How useful is a 360° Virtual Tour with panoramic views to help select a hotel that matches preferences and expectations^{viii}	59	41

CONSUMERS REPORT LIMITED SATISFACTION^{ix} WITH QUANTITY AND QUALITY OF IMAGES

Despite the relative importance of visuals in selecting hotels online, it suggests that the expectations of online travelers for hotel visuals are not being met due to mediocre satisfaction ratings. Only 41 percent of online travelers who research and/or book hotels online report being “satisfied” or “very satisfied” with the quantity of visuals online. (See TABLE C) Only slightly more than half (55%) report being “satisfied” or “very satisfied” with the quality of visuals found online. (See TABLE D)

There is also a clear difference in satisfaction levels between those who rely exclusively on third-party travel Web sites (those who only use travel Web sites such as Travelocity and Orbitz and no hotel specific Web sites) and those who utilize only hotel Web sites and no general travel Web sites.

Of the one in five online travelers (21%) who report using only general travel Web sites to shop online, only 34 percent report being satisfied or very satisfied with the quantity of visuals compared to those who only utilize hotel direct Web sites (10%), of which 51 percent report being satisfied or very satisfied.

TABLE C – Satisfaction with Quantity of Visuals^x

<i>Respondents who research or book hotels online</i>	General Population (n=1953) (%)	Use only travel web sites (n=217) (%)	Use only hotel sites (n=103) (%)
“Satisfied” or “Very Satisfied” with Quantity of Visuals	41	34	51
Very Satisfied with Quantity of Visuals	6	5	9
Satisfied with Quantity of Visuals	36	29	43
“Somewhat”/“Not at All Satisfied” with Quantity of Visuals	59	66	49
Somewhat Satisfied with Quantity of Visuals	47	48	37
Not at all Satisfied with Quantity of Visuals	12	18	12

TABLE D – Satisfaction with Quality of Visuals^{xi}

<i>Respondents who research or book hotels online</i>	General Population (n=1953) (%)	Use only travel web sites (n=217) (%)	Use only hotel sites (n=103) (%)
“Satisfied” or “Very Satisfied” with Quality of Visuals	55	56	66
Very Satisfied with Quality of Visuals	10	10	9
Satisfied with Quality of Visuals	46	46	56
“Somewhat”/“Not at All Satisfied” with Quality of Visuals	45	44	34
Somewhat Satisfied with Quality of Visuals	39	37	31
Not at all Satisfied with Quality of Visuals	5	7	3

KEY SEGMENTS OF ONLINE TRAVELERS MORE OFTEN RATE VISUALS WITH HIGHER IMPORTANCE AND USEFULNESS

The survey also revealed that certain groups of online travelers are more likely than others to rate hotel visuals with higher importance and usefulness. Specifically, visuals are generally more important and useful to the most frequent online shoppers (who research 7 or more times per year), households with children, and women.

I. Frequent Online Shoppers

Frequent online shoppers, those who say they research online more than seven times per year, rate visuals as “very important” (37%), more often than any other factors (See Table E).

TABLE E – Importance of Visuals and Photographs and Usefulness of 360° Virtual Tours and Short Videos – Frequent Online Shoppers Compared to Infrequent Online Shoppers

<i>Respondents who research or book hotels online</i>	General Population (n=1953)-(%)	Research Online 7+ x/yr (n=158) -- (%)	Research Online 1-3 x/yr (n=1062)--(%)
Rate Visuals as “Important” or ”Very Important” in selecting one hotel over another^{xii}	69	77	64
Rate Visuals as “Very Important” in selecting one hotel over another	28	37	24
Rate Still Photographs as “Important” or “Very Important” to booking decision^{xiii}	64	73	60
Rate Still Photographs as “Very Important” to booking decision	30	38	27
Rate Short Video as “Useful” or “Very Useful” in selecting a hotel that matches preferences and expectations^{xiv}	48	51	48
Rate Short Video as “Very Useful” in selecting a hotel that matches preferences and expectations	17	20	17
Rate 360° Virtual Tours as “Useful” or ”Very Useful” in selecting a hotel that matches preferences and expectations^{xv}	59	60	56
Rate 360° Virtual Tours as “Very Useful” in selecting a hotel that matches preferences and expectations	25	29	24

II. Households with Children

Of those who report researching hotels online, many have children at home. Of these households with children, one in four (25%) shop only travel Web sites and do not visit hotel sites directly, underscoring the importance of third-party sites in family travel planning. Households with children routinely rate visuals with greater importance than the general population, with even more significance than households without children. (See Table F)

TABLE F – Importance of Visuals and Photographs and Usefulness of 360° Virtual Tours and Videos – Households with Children Compared to Households Without Children

<i>Respondents who research or book hotels online</i>	General Population (n=1953)-(%)	Households with Children (n=485) -- (%)	Households w/o Children (n=1468)--(%)
Rate Visuals as “Important” or ”Very Important” in selecting one hotel over another^{xvi}	69	75	66
Rate Visuals as “Very Important” in selecting one hotel over another	28	35	25
Rate Still Photographs as “Important” or “Very Important” to booking decision¹³	64	70	61
Rate Still Photographs as “Very Important” to booking decision	30	39	26
Rate Short Video as “Useful” or “Very Useful” in selecting a hotel that matches preferences and expectations¹⁴	48	53	46
Rate Short Video as “Very Useful” in selecting a hotel that matches preferences and expectations	17	22	15
Rate 360° Virtual Tours as “Useful” or ”Very Useful” in selecting a hotel that matches preferences and expectations¹⁵	59	63	56
Rate 360° Virtual Tours as “Very Useful” in selecting a hotel that matches preferences and expectations	25	33	22

III. The Gender Gap – Women Place More Importance on Visuals Than Men

While women and men report somewhat similar online hotel shopping behavior, women tend to place more importance on visuals in their booking decision. The gender gap becomes more significant when importance and usefulness of visuals in booking decision-making are evaluated. More than one-third (36%) of women view still photographs as “very important,” compared to 25 percent of men. This carries through for the usefulness of 360° virtual tours as a higher percentage of women than men consider these visuals “very useful.” (See Table G)

TABLE G - Importance of Visuals and Photographs and Usefulness of 360° Virtual Tours and Videos – Women Compared to Men

<i>Respondents who research or book hotels online</i>	General Population (n=1953) (%)	Women (n=1049) (%)	Men (n=904) (%)
Rate Visuals as “Important” or “Very Important” in selecting one hotel over another^{xvii}	69	76	62
Rate Visuals as “Very Important” in selecting one hotel over another	28	36	21
Rate Still Photographs as “Important” or “Very Important” to booking decision^{xviii}	64	72	56
Rate Still Photographs as “Very Important” to booking decision	30	36	25
Rate Short Video as “Useful” or “Very Useful” in selecting a hotel that matches preferences and expectations^{xix}	48	53	44
Rate Short Video as “Very Useful” in selecting a hotel that matches preferences and expectations	17	19	15
Rate 360° Virtual Tours as “Useful” or “Very Useful” in selecting a hotel that matches preferences and expectations^{xx}	59	63	54
Rate 360° Virtual Tours as “Very Useful” in selecting a hotel that matches preferences and expectations	25	29	22

SUMMARY CONCLUSION

As price guarantees have led to price parity online, hotel companies continue to find ways to differentiate themselves to help attract and “book” online travelers. Some factors that may have been previously assumed to be of great importance to consumers, such as loyalty programs or customer testimonials, were revealed as less important than others, particularly visuals of the property.

Due to the influence and relative importance of hotel visuals online to other factors in helping online travelers select a particular hotel, such as the hotel brand or star ratings, it is important hotel companies and general travel Web sites alike review the quality and quantity of visuals online. This is particularly true of general travel Web sites, which are important marketing and vehicle distribution vehicles for hotels given the very high percentage of consumers who depend on them for their research. As well, the importance of visuals as a marketing tool is heightened when paired with the considerable investment hotels are currently making in enhanced amenities and room improvements in order to compete with one another and the use that the quality and quantity of visuals can have in conveying these differentiating factors.

The findings illustrate importance and usefulness among a range of visuals, including still images, 360° virtual tours, and short-segment videos. Therefore, a combination of single-dimension photographs and more interactive rich media provide key complementary visuals that online travelers report as important and useful in helping them select a hotel that matches their preferences and expectations. By providing more of these visuals with greater quality, hoteliers and travel Web sites will better address the specific needs of key segments of the online population, including the most frequent online shoppers (researches more than seven times per year), households with children, and women travelers. As a result, these companies may benefit from increased satisfaction and a likely higher propensity to book a specific property online.

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APPENDIX

Survey Methodology

Harris Interactive® fielded the online survey on behalf of VFM Interactive between October 27 and 31, 2005 among a nationwide sample of 2,931 online U.S. adults ages 18 and over, of whom 1,953 stay in hotels when they travel and research and/or book hotel accommodations online (referred to as online travelers). The data were weighted to be representative of the total U.S. online adult population on the basis of region, age within gender, education, household income, and race/ethnicity. In theory, with probability samples of this size, one can say with 95 percent certainty that the overall results have a sampling error of plus or minus 3 percentage points. The sampling error for online travelers is plus or minus 3.5 percentage points. Sampling error for the various sub-samples of online travelers is higher and varies. This online sample is not a probability sample

ABOUT VFM INTERACTIVE

VFM Interactive is the leading distributor and producer of rich media content for the lodging and travel industry. Operating the largest and fastest-growing distribution network, VFM enables hotels to maximize their presence online using the power of rich media on more than 5,000 travel-related distribution points where consumers are researching and purchasing travel products. In addition to sites such as Travelocity, Orbitz, Priceline and TripAdvisor, VFM's distribution network also includes major search engines like Yahoo! and GDSs, including Worldspan. VFM also produces a variety of media marketing content including still images, rich media videos, 360° virtual tours and Flash productions. VFM's clients include more than 8,000 hotels and resorts from brands and management companies such as Accor, Best Western, Choice, Crowne Plaza, Hilton, Holiday Inn, Interstate, La Quinta, Le Meridien, Marriott, MGM, Outrigger, Radisson, Regent, Sheraton, W, Westin, and Wyndham.

ABOUT HARRIS INTERACTIVE

Harris Interactive Inc. (www.harrisinteractive.com), based in Rochester, New York, is the 13th largest and the fastest-growing market research firm in the world, most widely known for *The Harris Poll*® and for its pioneering leadership in the online market research industry. Long recognized by its clients for delivering insights that enable confident business decisions, the Company blends the science of innovative research with the art of strategic consulting to deliver knowledge that leads to measurable and enduring value.

Harris Interactive serves clients worldwide through its United States, Europe (www.harrisinteractive.com/europe) and Asia offices, its wholly-owned subsidiary Novatris in Paris, France (www.novatris.com), and through an independent global network of affiliate market research companies. EOE M/F/D/V.

REFERENCES

ⁱ For purposes of this survey, “visuals” were defined as “still photographs of the hotel property and rooms, 360° virtual tours showing full panoramic views and images of guest rooms and other areas, and/or brief videos showing the hotel features and amenities.”

ⁱⁱ For purposes of this survey, price and location were not rated due to the common understanding these are the most important influencers in selecting one hotel over another.

ⁱⁱⁱ “Low or Limited Satisfaction” refers to a net of the bottom two responses on a 4-point scale (Very Satisfied, Satisfied, Somewhat Satisfied, Not at all Satisfied).

^{iv} “Important” refers to a net of the top two responses on a 4-point scale (Very Important, Important, Somewhat Important, Not at all Important).

^v The text of the question posed was: “Other than price and location, when searching for a hotel online, how important are each of the following factors in influencing your decision to select one hotel over another?”

^{vi} The text of the question posed was: “When searching for a hotel online, how important is being able to see still photographs of the property and/or room to your booking decision?”

^{vii} The text of the question posed was: “When searching for a hotel online, how useful do you think a short video showing the features and amenities of the hotel would be to help you select a hotel that matches your preferences and expectations?”

^{viii} The text of the question posed was: “When searching for a hotel online, how useful do you think a 360-degree virtual tour (i.e., full panoramic images) of rooms and locations in and around the hotel would be to help you select a hotel that matches your preferences and expectations?”

^{ix} “Low or Limited Satisfaction” refers to a net of the bottom two responses on a 4-point scale (Very Satisfied, Satisfied, Somewhat Satisfied, Not at all Satisfied).

^x The text of the question posed was: “When searching for a hotel online, how satisfied are you with the quantity and quality of hotel visuals you find online?”

^{xi} Idem.

^{xii} See Note v.

^{xiii} See Note vi.

^{xiv} See Note vii.

^{xv} See Note viii.

^{xvi} See Note v.

^{xvii} See Note v.

^{xviii} See Note vi.

^{xix} See Note vii.

^{xx} See Note viii.