

Destinazione Italia 2020

How online booking is changing tourism and global trends

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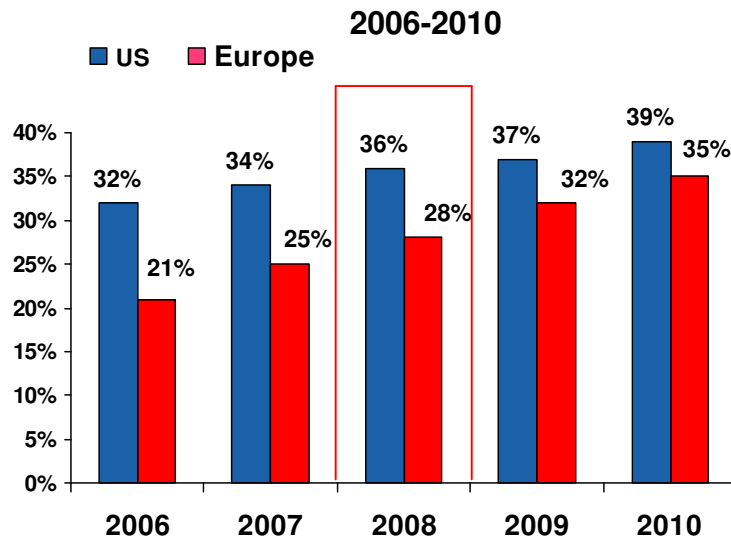
Agenda

- **The online evolution**
- **Travel 2.0 and the improved shopping experience**
- **Cultural matching**
- **Selling online: key success factors**
- **The future of mobility**

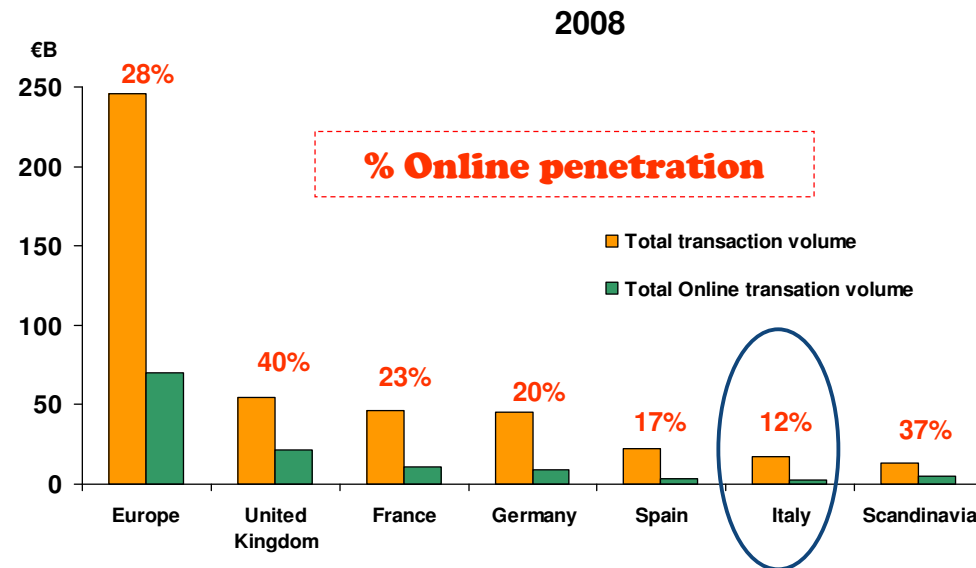
European online penetration evolution



Online Penetration Overview

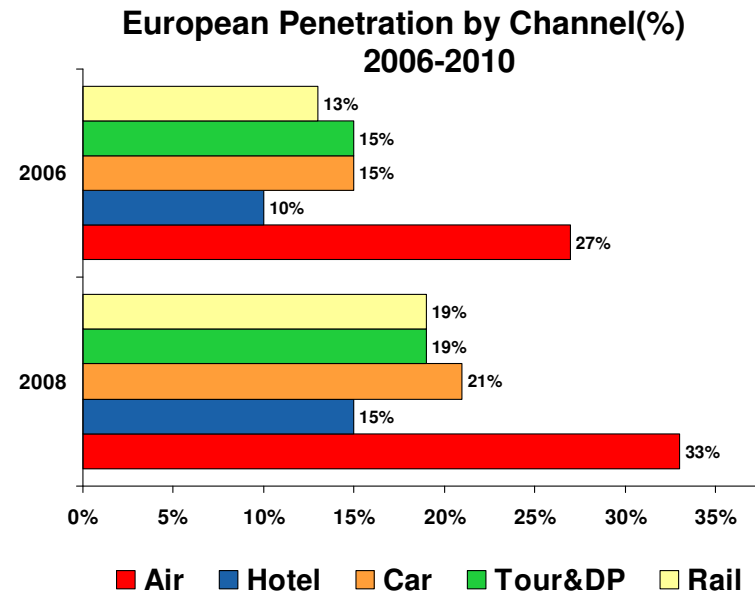
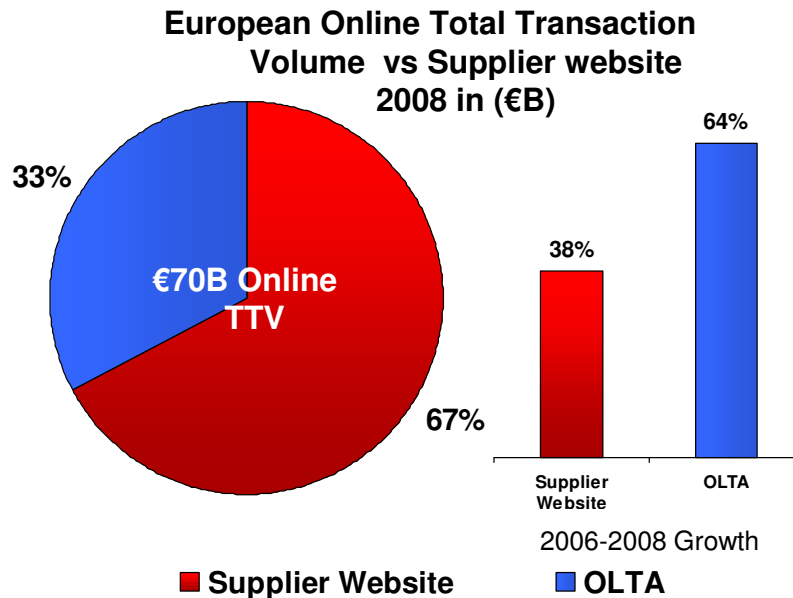


European Travel Markets Online Penetration



- ▶ In Europe, and in 2008, approximately 28% of all travel was acquired via on-line channels.
- ▶ This is still about 6pp less than the US, but the faster European growth will shorten the gap over the next couple of years.
- ▶ On a by market basis, the highest on-line penetration is in the UK, Scandinavia, and France. Italy has an on-line penetration of 12% which represents a significant growth opportunity for the on-line channels.

European online growth & penetration by channel



- ▶ Overall, about 2/3rds of on-line sales are made directly at supplier websites. However OLTA sales are growing faster than supplier websites, as customers appreciate the choice and good service given by OLTAs.
- ▶ Product-wise, air has by far the highest on-line penetration, although on-line sales are gaining ground across all other business lines

Travel 2.0 Improved shopping experience

Travelocity 1996



Travelocity 2008

- ▶ **Powerful low-fare search**
 - ▶ **Date flexibility**
 - ▶ **Full choice of fares, itineraries, schedules**
 - ▶ **Reliability in finding available fares**
- ▶ **Simple, secure booking flow**
- ▶ **And even more**
 - ▶ **Change your booking online**
 - ▶ **Fare alerts**
 - ▶ **SMS alerts**

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Cultural matching



Digital immigrants

Digital native



- **Customer Conversion**
- **User Experience at the center**
- **Online loyalty**

The challenge of customer conversion

“The average online retailer fails to convert fully 97% of their site shoppers into site buyers.”

Forrester Research & Shop.org

Expedia.co.uk
Let yourself go

“70% of consumers report satisfaction when completing transactions in stores, versus 26% for a web shopping experience”

Forrester Research 2006

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The perfect “what” combination

what you search for...



what you find...



what like-minded people recommend...



“Ok, just another hotel review solution – so what?”

- ▶ **Common challenges of user generated content:**
 - ▶ Lack of credibility
 - ▶ Achieve critical mass
 - ▶ Extensive administrative processes



Aggregating content is easy, making it accessible and searchable is harder

“The ultimate search engine would basically understand everything in the world, and it would always give you the right thing. And we’re a long, long way from that.”

- Larry Page, Google Co-Founder

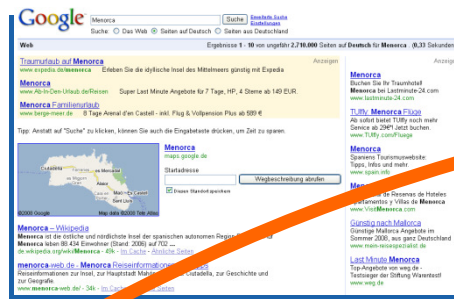
“Search as a problem is only about 5% solved”

- Udi Manber, CEO of Amazon’s A9.com search engine

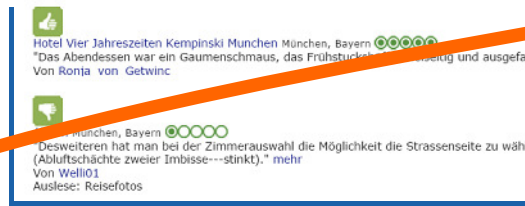
Customer involvement in action

Fit with customer requirements

Destination Search



Customer Reviews



Future Booking Systems



Online Information

Beste Reisezeit
Einreisebestimmungen
Impfempfehlungen
Sprache

Bookability Online



Attribute Search

Direkte Strandlage
Kinderfreundlich
Zimmer mit Meerblick
Großes Sportangebot

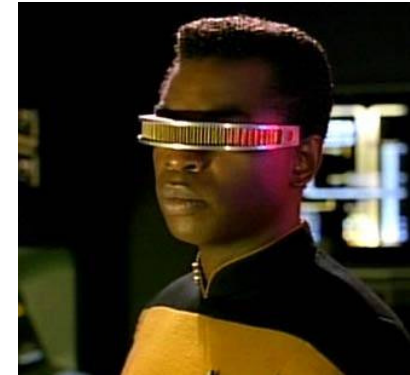


Time

Our plea to hardware manufacturers

PLEASE

WE DO NOT WANT
TO LOOK LIKE THIS



Convergence



Key Trends: Convergence

- Bringing together the mobile phone, digital camera, and MP3 Player
- Emerging convergence includes PNDs, mobile wallet, electronic entry and mini-laptops functionality
- Yields new capabilities not found in any single device



Summary

- ▶ **The travel industry & Customer are reshaping the online experience**
- ▶ **The convergence of mobile technology**
- ▶ **The “search” as a key challenge**
- ▶ **Empower Customer with simple and efficient technology and online tools**



Thank you !

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