

What Will Online Travel Look Like In 2013? by Angus Kidman, 02/02/09



Four years ago, booking online was already the cheapest way to organise travel. But what will the world of online travel look like in 2013?

A recent report from Forrester Research *US Online Travel Forecast, 2008 To 2013* has a stab at guessing some of the key trends that will dominate Internet travel booking in four years time. While that forecast is necessarily US-centric, it does provide some interesting food for thought.

By 2013, the number of travellers directly researching and booking part of their trip online will have grown – but only by a relatively modest 16%. The main reason that number won't grow faster, Forrester argues, is that travel sites aren't good enough for many users, thanks to a combination of poor design, inflexible options, and unclear security.

Indeed, one of the growth areas will be in what Forrester describes as "leisure lookers": people who use the Web to research and price their travel plans but then make their final bookings and payments offline. By 2013, one in five online travellers will fall into this category.

But how of a share of the overall travel market will Internet sales comprise? By 2013, Forrester predicts that 46% of leisure and unmanaged business travel will be sold online, and that 39% of managed business travel (the kind organised via a mandated company policy) will go through online channels. Individual sectors will have much more Internet activity: more than half in the case of airlines, about a third of hotel bookings, and almost two-thirds of car rental bookings.

I'm surprised by how low the overall figure is, and by some of those sectoral figures. I expect that partially reflects my own biases: I couldn't tell you the last time I booked a hotel room without using the Net, and the only flight booking I've made in the last decade via an agent was for a complex round-the-world routing. (And even in that case, I had a complete and precise list of which flights I wanted before I hit the agents.)

Regional variations might also play a role. Online booking is so heavily promoted by Australia's domestic airlines that I'd be astonished if the total sales even now were below 50%. (The much wider range of active airlines in the US might well be a factor here, despite many of them constantly teetering on the brink of bankruptcy.)

It's less of a surprise that tours and cruises still won't be predominantly booked online, with each accounting for about 10% of the market. In both cases, considerable amounts of money are involved, so it seems we're happier having a few discussions and getting questions answered before we part with our cash. Or as Forrester put it: "Both sectors' complexity and high degree of emotional involvement lend themselves to being purchased offline, primarily through travel agents."

One element that isn't included in the report is the "cheapskate factor": will we be more inclined to search for travel deals online in an economic downturn? I suspect I might, but then I'm clearly an early adopter anyway. How would you like to see online travel sites evolve? Share your thoughts in the comments.

Lifehacker Australia editor Angus Kidman hasn't finalised his 2013 travel plans, though at his rate of forward booking it could be a distinct possibility. His Road Worrier column, looking at technology and organising tips for travellers, appears each week on Lifehacker.