

Boxever + Skift present The Habits of Travel Bookers: Shopping Cart Abandonment



In today's consumer culture of virtual window shopping and price comparison, shopping cart abandonment has become a pain point for the online travel community, leaving marketers to figure out how to best guide customers to the purchase.



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RECOVER LOST REVENUE

Re-engage with your cart abandoners at the right time, on the right channel to convert them into paying and returning customers.



BOXEVER'S INTELLIGENT CART RECOVERY
Solution helps you instantly communicate with customers who have left products in their online shopping cart with highly personalized emails.



Companies implementing cart recovery programs see massive improvements in conversion and in millions of dollars in recaptured bookings.

BOXEVER

About us

Boxever's predictive marketing platform helps airlines and online travel agents (OTAs) deliver personalized, 1:1 marketing experiences to their customers across all channels and at all stages of the customer lifecycle. The company, founded in 2011 in Dublin, provides a cloud-based customer intelligence and personalized marketing platform specifically tailored for the needs of the travel industry. It combines big data and predictive analytics into a tightly integrated marketing solution that provides a 360-degree view of the customer. With it travel companies can develop insights into each customer, customer segments, products, and channels, and then take action on those insights in the form of personalized communications, including email, mobile, web, display, and more.

The solution enables travel retailers to deliver better customer experiences in real time, improve conversions, and drive revenue. The Boxever platform is a multi-tenant platform built in the cloud. Given the SaaS architecture, it takes only weeks – not months or years as with legacy “big data” solutions – for a customer to be up and running and experiencing benefits. Companies like Ryanair, Air New Zealand, TigerAir, Wideroe, and more achieve higher conversion rates, increased revenue, and improved loyalty using Boxever's platform.

Learn more at boxever.com or follow us on Twitter [@Boxever](https://twitter.com/Boxever).



Table of contents

About Boxever 3

Table of contents 4

Introduction 5

By the numbers 6

Reasons for high abandonment rates 7

Mobile, still mostly for browsing 8

Winning back abandoners 9

Case study: American Airlines 10

Capturing email addresses 11

5 key strategies for abandoned cart emails 12

Skift surveys 14

Capitalizing on traveler buying habits with data-driven marketing 16

About Skift 18

About Skift

Skift is a travel intelligence company that offers news, data, and services to professionals in travel and professional travelers, to help them make smart decisions about travel.

Skift is the business of travel.

Visit skift.com for more.

Introduction



In the era of uber-connectivity and seamless Internet browsing, we've become a culture of virtual window shoppers, especially when it comes to online travel. The travel industry has seen a notoriously high rate of shopping cart abandonment – that is, online shoppers who start a shopping experience without ever confirming and checking out. In the process, consumers leave traces of data on site that marketers could be using to retarget customers and send personalized offers directly through e-mail. Shopping cart abandonment is an often overlooked, but incredibly crucial aspect to travel ecommerce.

In this report, we'll uncover the reasons behind shopping cart abandonment, look at trends in mobile and usability, and look into how travel brands can recover revenue from shoppers who've left their sites.

By the numbers

Shopping cart abandonment is a major issue across online travel. By and large, too much money is being left on the table. How much? In 2014, Boxever estimated that nearly \$1.78 trillion dollars are left floating around as purchases not yet completed by would-be travelers. That’s more than three times the amount that travel companies are actually raking in (\$446 billion).

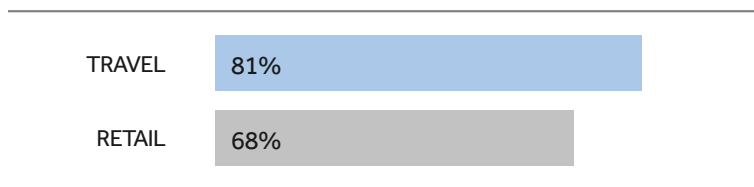
Note that \$1.78 trillion isn’t actually what would have been spent— people aren’t actually planning on buying five trips from five sites. The question to ask is: How can my site make the customer convert?

In terms of abandoned cart rates, the travel industry as a whole suffers from 81% abandoned cart rates, according to Econsultancy, compared to just 68% across other online retail.

Online travel agencies (OTAs) see the worse abandoned cart rates at 89%, followed by the airlines industry at 79%. Hotels, cruises and car rentals aren’t doing much better – floating around just under 70% abandonment rates.

Over a quarter of online travel shoppers add their order to the basket, more than three times higher than the seven percent across retail. But, between the basket and the checkout, there is a staggering 20% drop off. In total, just .58% actually confirm their travel purchase.

CART ABANDONMENT RATES: TRAVEL VS. RETAIL



Source: Econsultancy, econsultancy.com/blog/64167basketabandonmentemailswhyyoushouldbesendin

Reasons for high abandonment rates

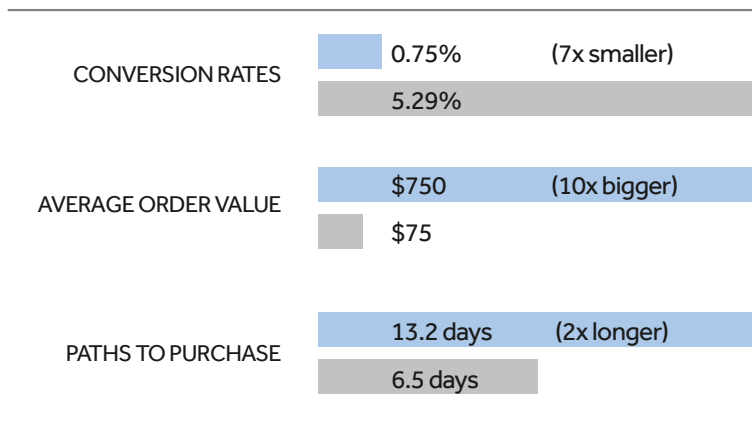
As consumers, we're obsessed with finding the best deal possible. With dozens of booking options at our fingertips, we've become a culture obsessed with value comparison, especially when it comes to travel.

On average, would-be travelers jump from three to five different sites before making a purchase according to a Skift survey, querying different searches to different locations and comparing them against each other. This is doubly true for casual travelers, who do not have a go-to airline, hotel or booking site that they frequent often enough to trust that they're getting the best deal possible.

More than 50% of travelers do not have a set destination in mind when planning a trip. They're browsing, price shopping; waiting for the right deal or right location to jump out at them. In turn, this drives the time to conversion in travel to be twice as long as in traditional retail.

Along with multiple-tabbed browsing, we become inundated with choices and recommendations – mix and match options that can seemingly give us the best bang for our buck. In the era of infinite solutions at our fingertips, we often reach information overload.

TRAVEL VS. RETAIL



Source: Qubit, www.qubitproducts.com/content/travel-vs-retail-how-travel-professionals-need-think-differently-engage-convert-and-retain

Mobile, still mostly for browsing

Even as mobile traffic is set to outpace desktop browser traffic for travel-related sites, consumers are still skeptical to make big-ticket purchases on the small screen. With conversion rates under 10%, it's clear that mobile ecommerce is still in its infancy.

That doesn't mean they won't start their booking process on mobile though. 43% of travel shoppers browse travel sites from their smartphone or tablet. They'll add their trip to the basket with no intention of booking that moment – turning the shopping cart into a de facto wish list. Most travelers would still rather book from larger screen or non-mobile browser. According to a study by Criteo, consumers prefer using larger-screen devices (computers or tablets) to make complex purchases. More screen space also equals to more tabs to compare multiple sites at once.

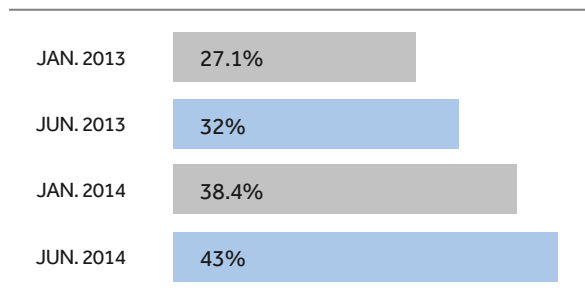
That's not to say there's no hope for mobile booking. In actuality, mobile bookings grew 20% in the first half of 2014, compared to just 2% for desktop bookings. Moreover, desktop bookings can expect a decline of 1-2 percent every year for the next five years, according to Emarketer (source).

For hotels, smartphones have risen to account for 21% of bookings, largely thanks to native mobile booking apps like HotelTonight.

Although booking air travel is less popular, airlines would be smart to optimize their mobile experience: almost two-thirds of mobile air bookings are over \$500, with 90% worth more than \$300. (Criteo)

"[Mobile] is becoming a much larger stream for bookings for us, accounting for a larger percentage and it's growing very quickly", says Danielle Short, insights manager for Tigerair, a low-cost airline headquartered in Singapore. "But," she adds, "at the moment, it still seems to be much more of a browsing channel than actual booking channel" and that conversion rates are as much double on desktop in comparison to mobile.

TRAVEL WEBSITE TRAFFIC, MOBILE BROWSING



MOBILE GROWS TO 43% OF ALL TRAVEL WEBSITE TRAFFIC IN JUNE 2014, UP 34% YEAR-ON-YEAR.

Source: Nucleus, www.nucleus.co.uk-top-research-year-2014.aspx

The Role of Usability (simplifying the purchase process)

Travel brands are coming to realize that usability and user experience is a key component to winning and keeping new customers. While online booking sites like Booking.com and HotelTonight are leading the way in efficient user interfaces, many hotel and airline websites are still failing to create natural purchase processes for consumers.

As an article by the on-site marketing optimization platform Crazy Egg puts it, "When dealing with the issue of web usability, keep this in mind: The customer doesn't want to think about the process. They simply want to *do*."

Keeping the purchase process simple and options concise are key to guiding the customer to the finish line. Too often, consumers face a litany of pointless options.

According to says Gautam Lulla, president of hotel booking engine Travel Tripper, "There are simply too many choices. You go to hotel booking engines and it's very common to see forty or fifty choices for the consumer to choose from. Reducing the number of decision points or product offerings that are made available to a consumer will increase conversion rates."

Winning back abandoners



The game isn't over when a customer leaves your site. For many travel marketers, it's just the beginning. Shopping cart abandoners leave behind lots of actionable data – flight dates, seat preferences, past browsing history. In turn, this can be used to carefully retarget customers through automated abandonment emails.

Without any form of remarketing, it's estimated that 8% of abandoners will return to the site on their own to complete the purchase. With retargeting, 18-20% of abandoners return and convert, spending on average 55% more than those who did not abandon a cart.

It starts with understanding your customer. Different promotions need to go to different types of customers. There is a huge disparity between the frequent business traveler who will start a booking on a Tuesday for a redeye flight on Friday and a casual traveler browsing a family vacation six months from now.

"A new user booking flow is going to look really different than a frequent user who will be much more likely to go straight through the purchase process. If they don't complete it's because they got distracted. It's not because they're necessarily shopping around," says Alli Brian, product marketing manager at Kahuna, a mobile automation company working with apps like HotelTonight.

Case study: American Airlines email remarketing

In 2013, American Airlines launched its Abandoned Cart program. Using triggers collected from on-site actions and user profiling, American was able to send personalized, automated emails to customers who did not make it through the entire booking process. They were able to capture user intent and send a helpful reminder email out within 24 hours.

“It has to be timely,” said Kay Kerman, director of email strategy at American Airlines, in a presentation at the Email Insider Summit. “If you are shopping for airfare today, I can’t give you an email in two weeks.”

The strategy worked. American’s triggered emails witnessed 300% higher open rates, 200% higher click-through rates and 400% higher conversion rates.

Every email featured imagery of the destination – giving prospective travelers a glimpse of their potential trip, reminding them visually why they need that vacation.

In addition to timely sending and visual stimulation, American deploys two types of content to its abandoned shoppers. According to analysis firm Braffton, some of American’s email content shows, “a single price point, while others feature two options. The first email sends flight information to searchers who looked up certain trips, but abandoned the transaction before checking out. The second email gives two prices – one for the exact date being searched and another for a cheaper option” – allowing flexibility for travelers who have a destination in mind but no firm travel dates.

When to capture email addresses



Targeting communications could be tough, especially when you don't collect emails. Around 85% of booking abandoners remain anonymous, giving little chance for travel marketers to retarget communications.

There is a debate amongst content marketers and product managers on when to collect emails along the customer journey. For some, asking a potential customer to register his email is a surefire way to build their mailing list. While this allows travel brands instant access to send promotions and deals to a customer's inbox, it doesn't do much for validating if the user will actually become a customer.

"In our case, we try and collect the name and email address as early as possible in the booking process, but still allow them to shop anonymously," says Lulla. "We capture this at an early stage so that if they do abandon it, we're able to retarget them with an offer that goes out by email, which could even be a special offer that is not available to the

public market to solicit them to come back to complete their booking."

Other travel brands see value in capturing email at the end of the sales funnel, mainly from the standpoint of being able to validate a customer's purchase intent.

"The earlier you capture email, perhaps the less engaged the customer is, so that might reduce your conversion rate, even if you capture more people," says Danielle Short, ecommerce insights manager for TigerAir.

Different brands have different needs and value propositions. "You have to find the right balance," adds Short.

The argument for waiting to collect emails until a later stage in the booking process (after the user selects dates, adds passenger info or chooses their room), is that although they will collect less emails initially, the emails they do collect will be from customers who show a strong intent to follow through and buy.

5 key strategies for abandoned cart emails

1. Timing – When you send your abandon cart email largely depends on the customer. Frequent business travelers who have shown a pattern of booking last minute flights on your site probably don't need to be pushed too hard with a quick abandon cart email.

For new, untested users, reengaging with an email within the first 60 minutes will increase booking rates. A study by MIT backs that up, stating that 90% of abandoned carts go cold within the first hour.

2. Content – The essentials should be there: customer details, last search, a clear call to action. Even better is being able to personalize the message or offer.

An abandoner who was searching beach destinations can get a curated selection of tropical island deals, copy, and imagery. A casual, non-business flier can receive extra coupon codes since they'll be paying out of pocket (opposed to the business traveler who might expense the trip).

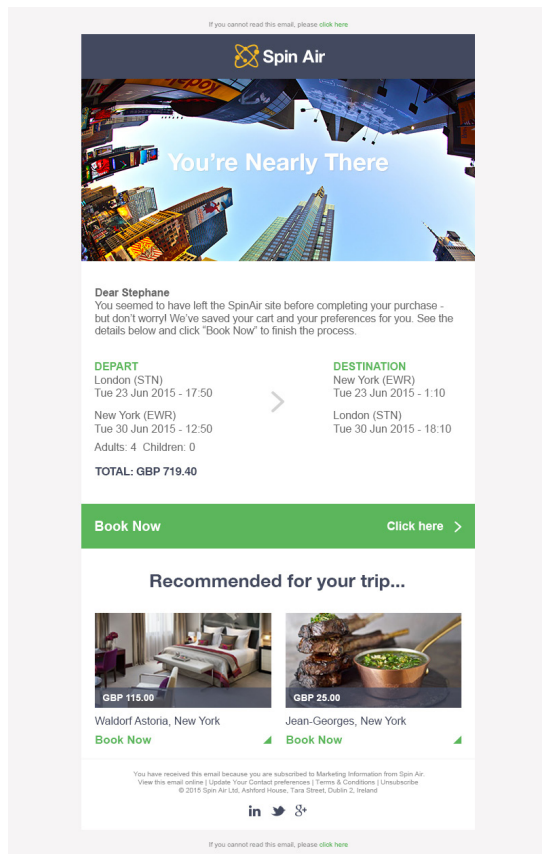
A well-designed email template and destination image help inspire travel purchases as well (see American Airlines case study above).

3. Tone – You're retargeted email should be helpful and service oriented, not overly sales-y.

"We want to tell them 'you're almost there' and personalize with their names," says Tom Duesend, big data project manager for Wideroe Internet, the customer service and tech arm of Wideroe Airlines.

'It looks like you couldn't finish your reservation from departure to destination. Please follow this link if you want to start the search again.' Then follow up with a polite [note about] making ourselves available. If you need any help and want to chat on the website, we are available for a chat or email almost 24/7."

Retargeted emails aren't "just to complete the purchase." notes Duesend. "It's to let the customer know that we are service-minded and helpful."



4. Make Sure Emails Can Be Viewed Across Multiple Devices – Remember that the customer journey can exist throughout multiple devices. Make sure your emails are responsive and able to translate well from desktop to mobile. Allow your customer the seamless experience of browsing on mobile and purchasing on desktop, and vice versa.

5. Always Be Testing – Test, test, test. And then test some more. Meeting the unique needs of your customer base is hard to figure out. Even more so if you don't test the numerous variables that make up an email.

Try out different copy and different tones. Test out different destination images, different call-to-action placements.

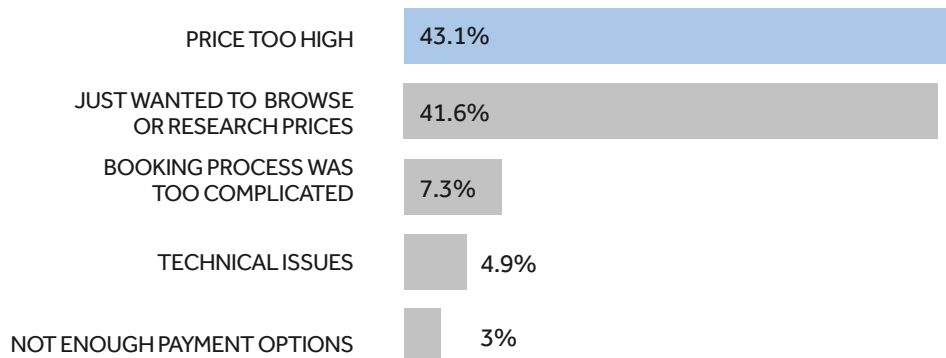
All these tweaks should be monitored closely. Your team should be tracking analytics like open rate, click through rate and conversions.

Don't be afraid to go a step beyond the hard data too. Talk to customers about what's working and what isn't.

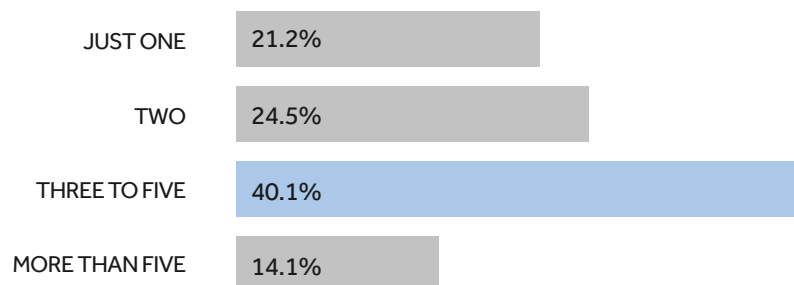
“It's really important to have a purchase process that's easy to understand and easy to follow. We are looking into that with contact to our customers. We are constantly tweaking this process -- is there a sentence that could be better, is there a click box that people don't see, or what is it that people complain about. We are working with it all the time. Without customer feedback, we can only see the errors. With customer feedback, it is easier to help them,” says Duesend.

Skift surveys

WHEN BOOKING TRAVEL ONLINE, WHAT IS THE MAIN FACTOR FOR NOT MAKING A PURCHASE?



WHEN BOOKING TRAVEL ONLINE, HOW MANY BOOKING WEBSITES DO YOU TYPICALLY BROWSE BEFORE MAKING A PURCHASE



Big-ticket purchases like travel require more deliberation from the consumer. When asked to name the determining factor for opting out of a travel purchase in a February 2015 survey by Skift, 43.1% cited high prices as the main culprit. Just wanting to browse options or research prices was the second most popular answer, just two points shy of the latter.

As the design of booking sites get more user friendly and consumers prove to be more savvy, technical, payment and booking process factors were shown to be less of a concern, accounting for less than 16% of answers.

Consumers will compare options like upgrades, price and amenities on multiple sites before finally committing to a decision. 40.1% of people surveyed maintained that they typically browse three to five sites before completing their purchase. The takeaway: travel marketers and ecommerce managers need to design clear, concise purchase processes and have the right on-site triggers in place to follow up with cart abandoners.

Capitalizing on traveler buying habits with data-driven marketing



By Dave O'Flanagan, CEO, Boxever

As would-be travellers plan, book, and execute their trips, they create a wealth of data – both directly and indirectly – that act like beacons about where they've been and what they'd like to do next. For today's data-savvy marketers, this provides an opportunity to better understand what offers, recommendations, and content would best suit them – and what channel is most appropriate to deliver that message. Predictive marketing solutions are the enabling technologies for these data-driven marketers.

The foundations of predictive marketing are big data, predictive analytics, multi-system & multi-database integrations, customer intelligence – at times, these can seem like overwhelming concepts that require huge effort to get the organization rallied around. Most of the companies we speak with have a half dozen or more databases containing some type of customer information. Often, the starting point is “simply” bringing these disparate systems together to create a unified view of the customer.

Once you have a 360-degree view of each traveller, you have the foundation for gaining true insights into customer preferences, behavior, purchases, and channel performance. The travel companies we speak with tell us there are still strides to be made in actually getting these insights, however; but tackling this challenge enables greater personalization of every customer interaction.

Predictive marketing transforms personalization. Instead of mass marketing and superficial personalization, predictive marketing enables

travel companies to develop a deep, 1:1 conversation with each traveler across any channel. For example, it enables marketers to recognize web site visitors in real time, and react to their current behavior & context as well as understand their history. The result is copy, content, offers, and experiences that match the traveler's specific needs. Predictive marketing drives unique, specific and relevant offers pushed via mobile on the day of travel; it enables personalized emails to be triggered when flights are purchased, carts are abandoned, or birthdays are celebrated. All of these efforts foster loyalty and increase conversion, and ultimately, drive revenue.

So, it's a great time to be a data-driven travel marketer – to know your customer more deeply, to create experiences that delight, and help drive the growth and success of your organization.

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About Skift

Skift is a business information company focused on travel intelligence and offers news, data, and services to professionals in travel and professional travelers, to help them make smart decisions about travel.

Founded in 2012 by media entrepreneur Rafat Ali, Skift is based in New York City and backed by Lerer Ventures, Advancit Capital and other marquee media-tech investors.

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