



POWERING TRAVEL | SEASON 3 | EPISODE 1

From inspiration to booking: How travelers purchase

What to listen for:

Season three of Powering Travel kicks off with a deep dive into the ways that travelers plan and book their trips online, featuring Expedia Group's Cheryl Miller and guest host Richard Kocher. In this episode, we'll take you inside of our latest research, which tells a deeper story about the factors influencing travelers and helps you better engage them on their journeys.

Listen in to explore how things like social media, online advertising, pent-up demand, and traveler demographics by age and geography are all impacting traveler decisions. Plus, take a deeper look into the [Path to Purchase research](#) and hear insider insights into the influence of price, value, and loyalty in travel booking.

Introduction:

[00:00:04] **Brandon Ehrhardt** Travel providers are the backbone of the travel experience. In this brand new season of Powering Travel we'll dive into industry trends, hot topics, and actionable advice to help business leaders continue evolving and enhancing the travel experience, one trip at a time. We're back. Just like we said, we'd be back. Hello, everyone. More episodes and season three of Powering Travel. This season is going to sound a little different in that you'll hear a lot less of my voice, and a few new hosts are going to join us. We've looped them into our podcast family. For this one, we're going to have someone that you're already familiar with from last season's episode focused on data trends and AI. Richard Kocher, senior director of Media Insights and Planning here at Expedia Group. Richard, great to have you back. I know since the last time we had you on the show, you've since moved to the Seattle area. How's the adjustment been for you?

[00:01:04] **Richard Kocher** Yeah, thanks, Brandon. And it's great to be back in the host seat for this chat with our latest guest. It's been great so far since we moved in August, mid-August. We had some temporary accommodation and have moved over to a more permanent place. Children are settling into school. We're getting to know the area. So, yeah, so far, so good. It's good to be here.

[00:01:21] **Brandon Ehrhardt** Fantastic to have you stateside as well. All right, Richard, I'm going to let you introduce our guests, but I'm going to give you a first, a quick overview on the topic we're covering today. So, earlier this year, Expedia Group released a study that is one of the most comprehensive reports about traveler online purchase behavior. The study, called Path to Purchase, tracks online visitation to relevant travel sites for travel purchasers. So, this report itself identifies four stages of making an online travel booking. And those are inspiration, planning, research, and booking. I actually gave a presentation on this exact report to an audience in Miami and Orlando, and the audience was engaged, phones out, taking pictures the whole time. And I expect nothing different here. Minus people taking pictures of their maybe car stereo or their iPhone. But the study consists of first- and third-party data made up of 5600 survey respondents and a digital panel of 70,000 participants. We looked at how travelers booked travel online within the past four months using digital data from the 45 days before their travel purchase. So, Richard, tell us who is talking to you today about the Path to Purchase.

[00:02:29] **Richard Kocher** Some of you may have seen Cheryl Miller on stages at our Explore Connect events that were happening throughout the year. She was very much talking to this new study, Path to Purchase. She comes with great experience. Cheryl is the senior vice president of B2B marketing at Expedia Group. She joined Expedia from Promethean, where she was chief marketing officer. Prior to that, she was general manager at One Commercial Partner Team at Microsoft leading their worldwide go to market efforts. She was also previously vice president of marketing at F5 Networks and before that spent 11 years at Symantec.

[00:03:03] **Brandon Ehrhardt** Richard, thanks again for stepping in to host this one for us. He and I will be back to chat after the interview. But first, here is an engaging Cheryl Miller discussing Path to Purchase.

Pent-up demand goes online:

[00:03:18] **Richard Kocher** So looking at travel behaviors along the Path to Purchase, I think it's fascinating to try to understand how different travelers behave as they're searching and booking travel. So, we'd love to hear a bit more from you there, Cheryl. How has the rise in online consumption impacted how travelers are planning for trips?

[00:03:37] **Cheryl Miller** It's interesting because with all of the digital tracking capabilities that we have today, we're able to see quite a bit of what travelers are doing as they lead up to purchasing a trip. And so we can look at it from the inspiration phase, the research phase, the planning phase, and the booking phase and actually digitally track different places that they're going to do their research. Earlier this year, we released our 23rd edition of the Vacation Deprivation Study. And vacation deprivation is at an all-time high over the last 10 years. And so there really is this pent-up demand that we're seeing with travelers. And you're seeing that come through in the content that they're consuming online. So, our data shows that travelers are spending over five hours with travel content leading up to a purchase and viewing 141 pages of travel content online.

[00:04:36] **Richard Kocher** Would you say that's changed since the Covid period with a pent-up demand and a deprivation of travel?

[00:04:43] **Cheryl Miller** Yes, absolutely. Prior to the pandemic, deprivation was at about 49 to 53 percent, and it's up to 62 percent. The other thing that we see a lot is people consume content and research their travel differently in different regions. And so Japan spends over six hours, where the U.S. traveler will spend over eight.

[00:05:09] **Richard Kocher** Do we have any idea why that might be the case?

[00:05:12] **Cheryl Miller** I think that they're really doing comparison shopping. So we see a lot of time being consumed in social media early on and in the phases of travel. And we know that social media plays a really prominent role up front when people are researching their trips. We also know that inspiration can happen when you're having conversations with your family and your friends, but then you see a tremendous amount of traffic going to OTAs when they're starting to look at comparison of different locations, different hotels, maybe different vacation rentals. One of the things that I think is really interesting with Expedia Group, we have a very unique view with our first-party data where we can see the differences between what vacation rental bookers are doing from hotel bookers, from airline bookers, car, cruise. And that's a really unique set of information that we can provide our partners and then our partners can take that and better their marketing efforts.

Finding inspiration to book:

[00:06:16] **Richard Kocher** So, Cheryl, we know that travelers are consuming a lot of content during the Path to Purchase, but what sites were they using during the past?

[00:06:24] **Cheryl Miller** Well, definitely OTAs. So, that's good for Expedia Group. Online travel agents are one of the top sites that are visited in the phases leading up to booking. Over 80 percent of travelers are visiting an OTA at some point before making a travel purchase, indicating that even if the travelers ultimately book on another site, they've likely visited an OTA for inspiration, research, or planning. The other thing that I always mention and find really fascinating is the majority of travelers are also visiting search engines and social media sites. This is hugely important, especially as a marketer. You want to make sure in the early phases that you are having your presence visible in social media.

[00:07:11] **Richard Kocher** Are these things that you can relate to as well and from your own experiences?

[00:07:15] **Cheryl Miller** Yes, my path to purchase is very specific. I typically go to an OTA first and search for places that I can get to with a direct airfare or a flight. Then from there I will start to look at different hotels and activities that I might want to do and narrow down a few choices. Then I'll talk with family and friends. Figure out the right time, and then I'll normally come back and book with Expedia Group. And I think a lot of our travelers do that. We saw in the Path to Purchase study that over 50 percent, the majority of people do not know where they want to go when they start looking to book a vacation. And so that inspiration phase is hugely important, especially for different partners and different brands as you're trying to promote your property or promote your destination or your activities. Having a presence upfront, whether it's search engine, OTAs, social media are all very important.

[00:08:13] **Richard Kocher** Certainly doesn't sound linear either in terms of a process. So, can you tell me a bit more there about sort of the various moving parts of the funnel and the path?

[00:08:22] **Cheryl Miller** Yes, like a lot of buyer journeys, it's full of twists and turns, maybe more like concentric circles than a linear path. You get inspired by something you saw online. Then you go and have a conversation with your family member. Then you'll go to an OTA and do a search and look up different hotels. So it is definitely not a direct point A to point B type of journey.

[00:08:51] **Richard Kocher** How frequently do you think people finish where they started so they might have a destination in mind initially at the outset and then ultimately book something different? Is that a common theme in the research?

[00:09:04] **Cheryl Miller** I think that it depends on where the inspiration comes from as to where they end up booking. And again, you know, we looked at travelers who purchased on hotel websites or the app, 61 percent were visiting an OTA during that journey. And similarly, 52 percent of air site purchasers visited an OTA. And so I think it depends on the inspiration or it depends on the messaging and the opportunities that are presented when you're in those different sites.

[00:09:39] **Richard Kocher** Yes. Yeah. That makes a lot of sense from my own experiences as well, given the length of the average Path to Purchase window. So, I can see that it's 71 days, according to our research. How can travel providers influence travelers to choose them during this window?

[00:09:56] **Cheryl Miller** Yes, this is probably my favorite part of the study where we actually compared all the different sites travelers were going to across the different phases of the journey. So, we can see exactly when social media posts are more prominent than an OTA, than a branded hotel site, for example. And since these travelers are visiting many different sites and channels, it's vital to have a multichannel approach to your marketing efforts.

[00:10:27] **Richard Kocher** That makes a lot of sense. I know that obviously our media solutions department is expert in that area. Can you tell me a bit more about the role that they play in that process?

[00:10:37] **Cheryl Miller** Yes, definitely media solutions, which is our advertising platform. But even more generally, one way to stand out amongst all of the different options is to advertise and put your travel content in the places that travelers are going to. So, we know over 20 percent of respondents said that advertising influenced their booking decision. And we know that number is likely higher than what people were reporting. And if you think about our media solutions business, we help travel providers leverage their imagery and their unique travel options through display advertising, travel ads, and accelerator to ensure that travelers can easily find those properties when they're on our sites.

[00:11:23] **Richard Kocher** To that and this links to an episode in the last series that I was on. We were talking about the importance of data and links to your earlier point. On this episode, Cheryl, about the importance of data, I think we can make the creative executions there, the imagery more intelligent by using data to understand where our travelers are consuming this placement and interacting with our content globally as well as in which markets as well.

[00:11:47] **Cheryl Miller** Yeah, just to that point, one of the things that I think is very interesting is with Expedia Group having access to our first-party data through our marketplaces, along with studies like the Path to Purchase where we get third-party data. We are trying to provide the best experience on both sides of the marketplace. We're taking what the traveler wants and we're trying to provide a simpler, better way for them to get the ultimate experience and destination with the least amount of effort. And we're also working with our partners to maximize their ability to show up in the best way possible for their travelers. So, through advertising, through coaching, through helping them determine when to load discounts, how to provide beautiful imagery, all of these things are beneficial to the traveler and to the partner.

Behaviors influencing travelers:

[00:12:45] **Richard Kocher** Yeah, I agree that that links to my next question. So, what data points or analysis should travel providers be looking at to better understand what's driving travel booking decisions?

[00:12:56] **Cheryl Miller** The research that we do is always looking at behaviors and motivations of travelers to better understand. This is a continual process for us, and we do multiple traveler insights reports. We have the Traveler Value Index. Obviously, we've got Path to Purchase, which we're starting now. And so I think the Path to Purchase looks specifically at how travelers are influenced through their shopping journey. But travelers are also motivated in many ways, as I mentioned before. Whether it's through friends and family conversations, through social media, a lot of different options and opportunities crop up as they're looking into where they want to go and where they want to book. And we know that overall travelers are looking for the best value for their experience. And so the more that our partners lean into what's happening in the community, what are the activities that people might want to be doing? What is local and cultural? Those are all very attractive to our travelers.

[00:14:00] **Richard Kocher** Absolutely. And what are the most important travel booking preferences that travel providers need to consider?

[00:14:06] **Cheryl Miller** There's so many that go into what a traveler needs when they're booking their trip. Our research found that when choosing a travel brand to book with, the most important things for travelers, not surprisingly, price is always at the top. Our research has shown that they're looking for the best value for the experience they want to have, and that experience differs based off of who it is that is doing the booking. And then the second is they're looking for an easy way to research and book their travel. So, a website that's easy to use, 43 percent said this was important. The other thing that came up was transparent or no hidden fees. So, 32 percent want to know upfront what that costs is going to be to them and not get all the way through the booking purchase process and find out later that there's some hidden costs. And then the other thing that came up was a positive previous experience, 31 percent said that they were

looking for feedback on someone that had a positive previous experience. And so that reinforces, you know, the desire to book in a certain place or with a certain provider of hotel, vacation, rental, airline, etc..

[00:15:25] **Richard Kocher** Yeah, that makes a lot of sense. So, you've got the people looking for value, they're looking for ease of use, transparency, and, yeah, I think you're right. Getting information from others around their own experiences makes a huge, huge difference in the decision-making process.

[00:15:41] **Cheryl Miller** Yes. And when you're thinking about lodging, so hotel or vacation rental properties, those were very tied to travel ratings. So, travelers are looking for other people's feedback on that particular property, and that is weighing in on their decision making. And so reviews are really important.

[00:16:03] **Richard Kocher** Yes. Yeah. Plus, one to that. So, looking more closely at travel providers' advertising strategies. So, can you tell me a bit more about how the research was conducted, Cheryl?

[00:16:13] **Cheryl Miller** The Path to Purchase research was conducted with a survey of 5600 respondents and a digital panel of 70,000 participants. And that's what allowed us to really track what individuals were doing before and leading up to booking a trip. And that going back to your very first question about, what have we seen as online consumption changes? The ability to do that in and of itself is pretty fantastic. And then we're able to take that data and information and give it back to our partners to make sure that they're delivering the best experiences for the travelers. On top of that, I delivered this research at Explore Connect in Seattle, at Explore Connect in Barcelona, and also at our EXPLORE Fest for our vacation rental partners in Vegas. And overwhelmingly, the feedback was positive. They really love this data. It helps them hone in their messaging, their marketing strategies, deliver better experiences for travelers. And really some of the questions that I got back and what they wanted to know more about was what are the demographics around those that are responding, the age ranges, which geos are they from? And just curiosity around the makeup of the individual traveler that we were getting information from. They also were looking for lots of ways that we could help them merchandise or help them revenue performance manage their offerings. And just in general, differentiation in behaviors across different generations of travelers. And so with all this data that's being presented, the feedback that I got was, that's awesome. We even want to know more. What else can you tell us that will help us hone our marketing, help us provide better traveler experiences, and help us reduce the amount of time that travelers need to spend when they're researching and trying to book a trip.?

[00:18:19] **Richard Kocher** Well, partners perhaps feel like we're only just scratching the surface with this research and, as you know, a lot more potential, perhaps.

[00:18:25] **Cheryl Miller** I think Expedia Group is being seen as much more of a tech company than we have in the past. It's not just we're an OTA, but also this vast amount of data and tech that we provide is really valuable to our partners.

Loyalty in booking today:

[00:18:43] **Richard Kocher** Yes, I agree. And in fact, my team we're working with data all the time. And I think having that headline story of the Path to Purchase is fantastic for our partners and for thought leadership across the industry. What we're seeing actually is a kind of a partner level and a kind of a more regional level. We're able to paint a more detailed picture through our data on what that Path to Purchase might look like for different advertisers and our travelers. So, that's key. That data piece, that tech piece in our role there is really key. In terms of loyalty, so tell me a bit more there about how that plays a role in the Path to Purchase and the booking decisions that are made by travelers.

[00:19:22] **Cheryl Miller** Yes, loyalty plays a huge part of the booking decision. And it's interesting because 79 percent of travel rewards program members feel that it's important to book with the brand that they're a loyalty member of. And yet we know at Expedia through a study that we did a couple of years back, that almost 80 percent never actually earn a reward. And so you've got 79 percent of travelers saying that booking with a brand where I'm a member is important and 80 percent never actually obtaining a reward. And that's partly because they either don't travel enough or they are traveling across multiple brands. And so they never travel enough with the one brand to earn the reward. And so this is why I'm super excited about One Key and our loyalty reward program, because we are allowing you to earn and burn across hotel, vacation rental, airline, car, anything that you're booking with Expedia, you can then take those, you'll get OneKeyCash and then you can use that cash to book your next trip. And we're allowing you freedom and how you do that. And so your ability to earn a reward is much faster and then your ability to utilize that reward is flexible in the way that you want to take advantage of it and use it.

[00:20:51] **Richard Kocher** Yeah, that where we're offering loyalty, but there's a lot of freedom of flexibility around or how one uses that.

[00:20:59] **Cheryl Miller** We know that three out of five traveler reward program members say that they would actually be willing to pay more to book with a brand where they're a loyalty member. And so I think that us bringing this together really allows a better experience for the traveler and also benefit to the partner because we're the ones that are funding this for them.

[00:21:23] **Richard Kocher** I think it's a clear message there that if partners are looking to build loyalty outside of Expedia Group, they're also able to do that within our ecosystem as well.

[00:21:31] **Cheryl Miller** Yes, we view this as very complementary. This is for the average daily traveler that doesn't get to earn those rewards and giving them more flexibility to leverage different components in their traveler plan.

[00:21:47] **Richard Kocher** One of the big call_ outs of the study is the fact that it's not linear, it's not predictable. People are moving. Moving in concentric circles, like you said earlier. And so perhaps try to stick with one little scheme or one provider is challenging. And so having that flexibility via an OTA like Expedia makes a lot of sense for them in this particular context of the Path to Purchase.

[00:22:09] **Cheryl Miller** And I think one other thing that is beneficial is that in addition to our partners leveraging their own reward program, we also give them a great opportunity through One Key to provide benefits to our members so our partners can stand out by providing a Member Only Deal and offering that deal to our travelers gets that extra push and visibility to book with you. And so there's benefit to the partners, whether they're moving their own reward program forward or engaging with our One Key program.

Different approaches worldwide:

[00: 22:48] **Richard Kocher** So, they can have a dual strategy there. So, moving now over to regional and a line of business focus I mentioned earlier up might team you having the ability to work with partners in markets in region and you're able to use data in those markets and from a global perspective to give a better understanding of Part to Purchase for travelers. So, tell me a bit more about some of the data that you've seen with a regional lens on the research.

[00:23:11] **Cheryl Miller** Yeah, we conducted this in seven different countries, and we did see some significant differences in certain areas and then smaller differences depending upon which phase of the journey it was in and what pieces of online sites they were going to. And so we know that 23 percent of French travelers, for example, said advertising influenced their decision to book a trip compared to the global average of 19 percent. We also know that 90 percent of French travelers visited an OTA during their Path to Purchase. And that's a little bit higher than the global average of 80 percent. And then if we look at the U.K., we know that 80 percent of U.K. travelers visited an OTA during their Path to Purchase journey. And that's higher than the global average of 80 percent. There are some small differences when we're looking across different geos. There are other regional callouts where it's a little bit bigger discrepancy as U.S. travelers consumed more travel content than on average. So, 524 minutes of consuming content versus 300 minutes on average. And so that's quite a bit different. The U.S. traveler is spending more time on websites, reading through different ads, looking at different content before they're booking. And we also know that the U.S. travelers are more likely to be loyalty members. So, 66 percent are loyalty members compared to the average of 43 percent. And so being a part of One Key and offering a Member Only Deal in the U.S. is going to be over 20 percent more important than it would be, say, in another part of AMEA. And then if we look at Mexican travelers, they're far more likely to be influenced by advertising quite a bit. So, if we looked at the average as 20 percent, it was 40 percent for Mexico. So, advertising is much more impactful to that when they're looking at booking a trip. And then if we go to APAC, Japanese travelers have a much shorter path to purchase. And so they're looking at booking within 45 days compared to the 71 days on average. And so if you're looking to grow your business in Japan, you're going to want to be looking at where leading up to the trip would they be in social media versus a metasearch versus an OTA versus a brand in a much more compacted time period.

[00:25:49] **Richard Kocher** Do we have any hypotheses as to why this difference is in these markets? Or are we trying to tackle too much by answering that?

[00:25:56] **Cheryl Miller** I think it comes down to cultural, right? How are our friends and family traveling and what is our social background and surroundings? I think that weighs heavily. The other thing would also be, I think in AMEA, a lot of travel happens in-country or cross-country. And I think if you're in the U.S., there's a lot of international like long-haul travel. And this is just my hypothesis. This is not a part of the report. But I think it comes down to what's my social surroundings, what is cultural, and then what's around me.

[00:26:40] **Richard Kocher** There's so much to unpack with this research. I think it does that bring in all of your cultural experience and those kinds of factors around you. When you're making those decisions, there's so much influence outside of just the booking process.

[00:26:53] **Cheryl Miller** Yes. I think in the United States we look at going from Seattle, for instance, to California or to Texas or to Florida or New York. Right? That's the equivalent of if you're in the UK going to France or Germany. And it's very different experiences. So, I personally have always wanted to go spend some time abroad so that I could live in the UK for a while and travel all around Europe.

[00:27:24] **Richard Kocher** Similarly, I think in the US getting different states is relatively easy as well and there's so much to offer across the country. And I mentioned this on the last episode, I've just moved over, so it's there's a lot for me to explore state-wise as we settle into Washington State.

Final thoughts and key takeaways:

[00:27:38] **Cheryl Miller** The thing that struck me with the Path to Purchase and the conversations that I've had with our partners at our different events are the key takeaways that, you know, we've provided to them they're able to go do. And so really understanding the prevalence of social media early on in the journey and understanding the impact that influencers can have. Imagery, advertising, People are really drawn to beautiful photographs and clear messaging. And

then understanding the prevalence of OTAs along the whole journey and how much OTAs are being leveraged as travelers are looking to plan and research and book their trips. And then lastly, just thinking through different ways that you can engage with Expedia Group, whether it's through One Key, whether it's with Members Only Deals, whether it's advertising on our marketplaces, working with us to get your imagery prominent and displayed. These are all areas that we can help our partners deliver better travel experiences.

[00:28:58] **Richard Kocher** Yeah, fantastic. And again, thinking about my team, these are areas that we can definitely consult on when speaking with partners. I have one final question, Cheryl, before we wrap up. The last destination that you booked. Can you tell me a bit more about the Path to Purchase that you took when selecting that destination?

[00:29:15] **Cheryl Miller** So, my last trip was actually to Sydney, Australia, for a wedding, a friend that we've had for a long time. And my journey was very fragmented. I looked at social media, I went online to Expedia Group, looked at a bunch of different properties. We looked at different airlines and then ended up piecing this together based off of what our friends were doing, what we saw as opportunities and properties in our budget range, and then ultimately the experience that we were wanting to have.

[00:29:54] **Richard Kocher** And what about looking ahead to 2024? So, what's your next trip that you're planning to take? And then secondly, what are you most excited about from Expedia Group or business perspective as we go into next year?

[00:30:05] **Cheryl Miller** I think it goes without saying that I'm looking forward to our next Explore in Vegas. I think that is going to be fantastic with product announcements. All of the progress that we've made getting together with our partners. It's always a fantastic event, but I'm most excited about expanding on our travel agent affiliate program. We are adding additional loyalty benefits. We are going to continue to differentiate our agent shopping experience and deferred payments. And so it's exciting to see how we're making it easier than ever for our top agents to grow their business and support the growing demand of our travelers.

[00:30:51] **Richard Kocher** Yeah, that's fantastic. Yeah. Great. And thanks, Cheryl, for your time and looking forward to working closely with you on all areas of data and research as it relates to to the traveler's Path to Purchase.

[00:31:03] **Cheryl Miller** Thank you, Richard. Thank you for having me. This has been fun.

[00:31:09] **Brandon Ehrhardt** So, tell me, as someone who's in the data all the time, what's your take on the report and how much value it brings not just to partners but the travel industry as a whole?

[00:31:19] **Richard Kocher** Yeah, thanks Brandon. And I think it's an excellent report with a lot of really enlightening insights for the industry. I mean, it sounds slightly contradictory because it's so widespread and in-depth, this report, but I think it really simplifies what is a very complex process, that Path to Purchase. I think it does an excellent job of documenting and giving structure to what we all know is a nonlinear process. And then that leads to our partners thinking more deeply about the role that businesses play across the Path to Purchase funnel or workflow. There is significant opportunity for our partners to fine tune how they stand out to travelers or prospective customers, as well as help them in their decision making. There's a lot that goes into the Path to Purchase.

[00:32:01] **Brandon Ehrhardt** Before you go, Richard, tell us where you find the report.

[00:32:05] **Richard Kocher** Yeah, sure. So, if any of our listeners are interested in reading the report in depth in any of the several languages we now offer, they can go to [Partner.ExpediaGroup.com](https://partner.expediagroup.com), that's [Partner.ExpediaGroup.com](https://partner.expediagroup.com), and type in Path to Purchase in the search bar, or you can simply plug that into any search engine and you'll be pointed in that direction.

[00:32:26] **Brandon Ehrhardt** Awesome. And we're going to make it even easier. We're going to drop that link in the description of the episode so it's easy to find for our listeners. Richard, thanks again. This was host duty number two for you. I'm expecting you back in season four. Thanks a lot for what you've done this episode. And as always, let us know what you think of the podcast PoweringTravel@ExpediaGroup.com, that's poweringtravel, all one word, @ExpediaGroup.com. If you've got a few seconds, be sure to rate and review. That helps people like you find our show. Thanks a lot for listening. We'll see you next time on the Powering Travel podcast brought to you by Expedia Group.